
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 20-F

(Mark One)

REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR (g) OF THE SECURITIES EXCHANGE ACT OF 1934

OR

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2014

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

OR

SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Date of event requiring this shell company report

For the transition period from _____ to _____

Commission file number 1-14946

CEMEX, S.A.B. de C.V.

(Exact name of Registrant as specified in its charter)

CEMEX PUBLICLY TRADED STOCK CORPORATION WITH VARIABLE CAPITAL

(Translation of Registrant's name into English)

United Mexican States

(Jurisdiction of incorporation or organization)

Avenida Ricardo Margáin Zozaya #325, Colonia Valle del Campestre, San Pedro Garza García, Nuevo León, México 66265

(Address of principal executive offices)

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Avenida Ricardo Margáin Zozaya #325, Colonia Valle del Campestre, San Pedro Garza García, Nuevo León, México 66265

(Name, Telephone, E-mail and/or Facsimile number and Address of Company Contact Person)

Securities registered or to be registered pursuant to Section 12(b) of the Act.

Title of each class

Name of each exchange on which registered

Ordinary Participation Certificates (*Certificados de Participación Ordinarios*), or CPOs, each CPO representing two Series A shares and one Series B share, traded in the form of American Depositary Shares, or ADSs, each ADS representing ten CPOs.

New York Stock Exchange

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Securities registered or to be registered pursuant to Section 12(g) of the Act.

None
(Title of Class)

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act.

None
(Title of Class)

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report.

12,429,046,170 CPOs
24,913,159,536 Series A shares (including Series A shares underlying CPOs)
12,456,579,768 Series B shares (including Series B shares underlying CPOs)

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934. Yes No

Note—Checking the box above will not relieve any registrant required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 from their obligations under those sections.

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). N/A

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer Non-accelerated filer

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this annual report:

U.S. GAAP International Financial Reporting Standards as issued
by the International Accounting Standards Board Other

If "Other" has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow. Item 17 Item 18

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

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INTRODUCTION

CEMEX, S.A.B. de C.V. is incorporated as a publicly traded stock corporation with variable capital (*sociedad anónima bursátil de capital variable*) organized under the laws of the United Mexican States, or Mexico. Except as the context otherwise may require, references in this annual report to “CEMEX,” “we,” “us” or “our” refer to CEMEX, S.A.B. de C.V. and its consolidated entities. See note 2 to our 2014 audited consolidated financial statements included elsewhere in this annual report.

PRESENTATION OF FINANCIAL INFORMATION

Our consolidated financial statements included elsewhere in this annual report have been prepared in accordance with International Financial Reporting Standards, or IFRS, as issued by the International Accounting Standards Board, or IASB.

The regulations of the Securities and Exchange Commission, or SEC, do not require foreign private issuers that prepare their financial statements on the basis of IFRS (as published by the IASB) to reconcile such financial statements to U.S. GAAP. As such, while CEMEX, S.A.B. de C.V. has in the past reconciled its consolidated financial statements prepared in accordance with Mexican Financial Reporting Standards, or MFRS, to U.S. GAAP, those reconciliations are no longer presented in CEMEX, S.A.B. de C.V.’s filings with the SEC.

References in this annual report to “U.S.\$” and “Dollars” are to U.S. Dollars, references to “€” are to Euros, references to “£” and “Pounds” are to British Pounds, and, unless otherwise indicated, references to “Ps,” “Mexican Pesos” and “Pesos” are to Mexican Pesos. References to “billion” means one thousand million. The Dollar amounts provided below, unless otherwise indicated elsewhere in this annual report, are translations of Peso amounts at an exchange rate of Ps14.74 to U.S.\$1.00, the CEMEX accounting rate as of December 31, 2014. However, in the case of transactions conducted in Dollars, we have presented the Dollar amount of the transaction and the corresponding Peso amount that is presented in our consolidated financial statements. These translations have been prepared solely for the convenience of the reader and should not be construed as representations that the Peso amounts actually represent those Dollar amounts or could be converted into Dollars at the rate indicated. Between January 1, 2014 and April 17, 2015, the Peso depreciated by approximately 3.7% against the Dollar, based on the noon buying rate for Pesos. See “Item 3—Key Information—Selected Consolidated Financial Information.”

The noon buying rate for Mexican Pesos on December 31, 2014 was Ps14.75 to U.S.\$1.00 and on April 17, 2015 was Ps15.32 to U.S.\$1.00.

References in this annual report to total debt plus other financial obligations do not include debt and other financial obligations of ours held by us. See notes 2L and 16B to our 2014 audited consolidated financial statements included elsewhere in this annual report for a detailed description of our other financial obligations. Total debt plus other financial obligations differs from the calculation of debt under the Facilities Agreement and the Credit Agreement described herein.

CERTAIN TECHNICAL TERMS

When used herein, the terms set forth below mean the following:

- **Clinker** is an intermediate cement product made by sintering limestone, clay, and iron oxide in a kiln at around 1,450 degrees Celsius. One metric ton of clinker is used to make approximately 1.1 metric tons of gray portland cement.
- **Petroleum coke (pet coke)** is a byproduct of the oil refining coking process.
- **Tons**, unless the context indicates otherwise, means metric tons. One metric ton equals 1.102 short tons.

PART I

Item 1—Identity of Directors, Senior Management and Advisors

Not applicable.

Item 2—Offer Statistics and Expected Timetable

Not applicable.

Item 3—Key Information

Summary of Most Important Transactions since the 2009 Refinancing

On August 14, 2009, we entered into a financing agreement (the “2009 Financing Agreement”), which extended the final maturities of approximately U.S.\$15 billion in syndicated and bilateral bank facilities and private placement notes to February 14, 2014. On July 5, 2012, we launched an exchange offer and consent request (the “Exchange Offer and Consent Request”), to eligible creditors under the 2009 Financing Agreement pursuant to which eligible creditors were requested to consent to certain amendments to the 2009 Financing Agreement (together, the “Amendment Consents”). In addition, we offered to exchange the indebtedness owed to such creditors under the 2009 Financing Agreement that were eligible to participate in the Exchange Offer and Consent Request (the “Participating Creditors”) for (i) new loans (or, in the case of the private placement notes, new private placement notes) or (ii) up to U.S.\$500 million of our 9.50% Senior Secured Notes due 2018 issued on September 17, 2012 (the “June 2018 U.S. Dollar Notes”), in each case, in transactions exempt from registration under the Securities Act of 1933, as amended (the “Securities Act”).

On September 17, 2012, we successfully completed the refinancing transactions contemplated by the Exchange Offer and Consent Request (collectively, the “Refinancing Transaction”), and we and certain of our subsidiaries entered into (a) an amendment and restatement agreement, dated September 17, 2012 (the “Amendment and Restatement Agreement”), pursuant to which the Amendment Consents with respect to the 2009 Financing Agreement were given effect, and (b) a facilities agreement, dated September 17, 2012 (as amended from time to time, the “Facilities Agreement”), pursuant to which we were deemed to borrow loans from those Participating Creditors participating in the Exchange Offer and Consent Request in principal amounts equal to the principal amounts of indebtedness subject to the 2009 Financing Agreement that was extinguished by such Participating Creditors. As a result of the Refinancing Transaction, participating creditors received (i) approximately U.S.\$6.155 billion in aggregate principal amount of new loans and new private placement notes and (ii) U.S.\$500 million aggregate principal amount of the June 2018 U.S. Dollar Notes. In addition, approximately U.S.\$525 million aggregate principal amount of loans and private placement notes, which had remained outstanding under the 2009 Financing Agreement as of September 17, 2012, were subsequently prepaid prior to their maturity in accordance with the Facilities Agreement.

As part of the Facilities Agreement, we pledged under pledge agreements or transferred to a trustee under a security trust substantially all the shares of CEMEX México, S.A. de C.V., or CEMEX México, Cemex Operaciones México, S.A. de C.V., or Cemex Operaciones México (formerly known as Centro Distribuidor de Cemento, S.A. de C.V., as successor by merger to Mexcement Holdings, S.A. de C.V. and Corporación Gouda, S.A. de C.V.), CEMEX Trademarks Holding Ltd., New Sunward Holding B.V., or New Sunward, and CEMEX España, S.A., or CEMEX España, as collateral (together, the “Collateral”), and all proceeds of such Collateral, to secure our payment obligations under the Facilities Agreement and under several other financing arrangements. These subsidiaries whose shares were pledged or transferred as part of the Collateral collectively own, directly or indirectly, substantially all our operations worldwide.

On September 29, 2014, we entered into a new credit agreement (the “Credit Agreement”) for U.S.\$1.35 billion with nine of the main lending banks from our Facilities Agreement. As a result, we reduced the total outstanding principal balance under the Facilities Agreement to approximately U.S.\$2.475 billion thereby avoiding a contingent payment of a quarterly fee of 0.50% of the outstanding amount under the Facilities

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Agreement, which would have become payable beginning in the third quarter of 2015. The main terms of the Credit Agreement are as follows: (i) an average 4-year term with equal semi-annual payments of principal of 20% each, beginning on the third anniversary of the Credit Agreement and with the last payment on September 29, 2019; (ii) a spread over LIBOR of between 250 and 375 basis points, depending on the level of leverage of CEMEX; (iii) 40% of the total principal amount of the Credit Agreement consists of a revolving tranche with the same maturity, which was fully drawn on the closing date and may be repaid and redrawn from time to time; and (iv) improvements in certain covenants and undertakings that provide more flexibility to CEMEX.

Effective October 31, 2014, we obtained the required consents to amend the Facilities Agreement to substantially conform the covenants and undertakings thereunder to those of the Credit Agreement. The main amendments include: (i) the amounts allowed for capital expenditures were increased from U.S.\$800 million to U.S.\$1 billion per year; (ii) the amounts allowed for permitted acquisitions and investments in joint ventures were increased from U.S.\$250 million to U.S.\$400 million per year; (iii) the restrictions on asset swaps were eliminated; and (iv) a new mandatory prepayment regime that eliminates the cash sweep covenant and provides CEMEX with more discretion to use its cash.

On November 19, 2014, five additional banks joined the Credit Agreement as lenders with aggregate commitments of U.S.\$515 million, increasing the total amount of the Credit Agreement from U.S.\$1.35 billion to U.S.\$1.87 billion (and increasing the revolving tranche of the Credit Agreement proportionally to U.S.\$746 million). On November 25 and 26, 2014, we used available cash and the additional U.S.\$515 million in proceeds from the Credit Agreement to partially prepay the Facilities Agreement and other debt. As a result, the remaining outstanding amount under the Facilities Agreement was reduced to approximately U.S.\$1.98 billion, scheduled to mature in February 2017. On December 8, 2014, we repaid U.S.\$560 million under the revolving tranche of the Credit Agreement; as a result, as of December 31, 2014, the total amount drawn under the revolving tranche of the Credit Agreement was U.S.\$186 million.

The Credit Agreement includes the same guarantors as the Facilities Agreement (except for CEMEX, Inc. that provides a limited guarantee under the Facilities Agreement) and shares the Collateral pledged in favor of the lenders under the Facilities Agreement and other secured obligations of CEMEX.

Since 2009, we have completed a number of capital markets transactions and asset disposals, the majority of the proceeds of which have been used to repay indebtedness, to improve our liquidity position and for general corporate purposes. Such capital market transactions consisted of:

- in September 2009, the sale of a total of 1,495 million CPOs, directly or in the form of ADSs, in a global offering for approximately U.S.\$1.8 billion in net proceeds;
- in December 2009, the issuance by CEMEX, S.A.B. de C.V. of approximately Ps4.1 billion (approximately U.S.\$315 million) of 10% mandatory convertible notes due 2019 (the “November 2019 Mandatory Convertible Mexican Peso Notes”), in exchange for promissory notes previously issued by CEMEX, S.A.B. de C.V. in the Mexican capital markets (*Certificados Bursátiles*) (“CBs”) with maturities between 2010 and 2012;
- in December 2009 and January 2010, the issuance by CEMEX Finance LLC of U.S.\$1.75 billion aggregate principal amount of its 9.50% U.S. Dollar-Denominated Senior Secured Notes due 2016 (the “December 2016 U.S. Dollar Notes”) and €350 million aggregate principal amount of its 9.625% Euro-Denominated Senior Secured Notes due 2017 (the “December 2017 Euro Notes” and, together with the December 2016 U.S. Dollar Notes, the “December 2016 U.S. Dollar and 2017 Euro Notes”);
- in March 2010, the issuance by CEMEX, S.A.B. de C.V. of U.S.\$715 million aggregate principal amount of its 4.875% Convertible Subordinated Notes due 2015, including the full exercise of the U.S.\$65 million over-allotment option granted to the initial purchasers of the notes (the “March 2015 Optional Convertible Subordinated U.S. Dollar Notes”);

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- in May 2010, the issuance by CEMEX España, acting through its Luxembourg branch, of U.S.\$1,067,665,000 aggregate principal amount of its 9.25% U.S. Dollar-Denominated Senior Secured Notes due 2020 (the “May 2020 U.S. Dollar Notes”) and €115,346,000 aggregate principal amount of its 8.875% Euro-Denominated Senior Secured Notes due 2017 (the “May 2017 Euro Notes”) and, together with the May 2020 U.S. Dollar Notes, the “May 2020 U.S. Dollar and 2017 Euro Notes”), in exchange for the U.S. Dollar-Denominated 6.196% Fixed-to-Floating Rate Callable Perpetual Debentures issued by C5 Capital (SPV) Limited, U.S. Dollar-Denominated 6.64% Fixed-to-Floating Rate Callable Perpetual Debentures issued by C8 Capital (SPV) Limited, U.S. Dollar-Denominated 6.722% Fixed-to-Floating Rate Callable Perpetual Debentures issued by C10 Capital (SPV) Limited and Euro-Denominated 6.277% Fixed-to-Floating Rate Callable Perpetual Debentures issued by C10-EUR Capital (SPV) Limited (collectively, the “Perpetual Debentures”), pursuant to a private placement exchange offer directed to the holders of Perpetual Debentures;
- in January 2011, the issuance by CEMEX, S.A.B. de C.V. of U.S.\$1.0 billion aggregate principal amount of its 9.000% Senior Secured Notes due 2018 (the “January 2018 U.S. Dollar Notes”);
- in March 2011, the issuance by CEMEX España, acting through its Luxembourg branch, of U.S.\$125,331,000 aggregate principal amount of its 9.250% Senior Secured Notes due 2020 (the “Additional May 2020 U.S. Dollar Notes”);
- in March 2011, the issuance by CEMEX, S.A.B. de C.V. of U.S.\$1,667.5 million aggregate principal amount of its 3.250% Convertible Subordinated Notes due 2016 and 3.750% Convertible Subordinated Notes due 2018 (together, the “March 2016 and March 2018 Optional Convertible Subordinated U.S. Dollar Notes”);
- in April 2011, the issuance by CEMEX, S.A.B. de C.V. of U.S.\$800 million aggregate principal amount of its Floating Rate Senior Secured Notes due 2015 (the “September 2015 Floating Rate U.S. Dollar Notes”);
- in July 2011, the issuance by CEMEX, S.A.B. de C.V. of U.S.\$650 million aggregate principal amount of its 9.000% Senior Secured Notes due 2018 (the “Additional January 2018 U.S. Dollar Notes”);
- in March 2012, the issuance by CEMEX España, acting through its Luxembourg branch, of U.S.\$703,861,000 aggregate principal amount of its 9.875% U.S. Dollar-Denominated Senior Secured Notes Due 2019 and €179,219,000 aggregate principal amount of its 9.875% Euro-Denominated Senior Secured Notes Due 2019 (together, the “April 2019 U.S. Dollar and Euro Notes”), in exchange for Perpetual Debentures and 4.75% Notes due 2014 (the “Eurobonds”) issued by CEMEX Finance Europe B.V., a special purpose vehicle and wholly-owned subsidiary of CEMEX España, pursuant to separate private placement exchange offers directed to the holders of Perpetual Debentures and Eurobonds;
- in October 2012, the issuance by CEMEX Finance LLC of U.S.\$1.5 billion aggregate principal amount of its 9.375% Senior Secured Notes due 2022 (the “October 2022 U.S. Dollar Notes”);
- in November 2012, CEMEX Latam Holdings, S.A. (“CEMEX Latam”), a then wholly-owned subsidiary of CEMEX España, completed the sale of newly issued common shares in a concurrent public offering to investors in Colombia and a private placement to eligible investors outside of Colombia (together, the “CEMEX Latam Offering”), representing approximately 26.65% of CEMEX Latam’s outstanding common shares. CEMEX Latam’s common shares are listed on the Colombian Stock Exchange (*Bolsa de Valores de Colombia S.A.*). CEMEX Latam used the net proceeds from the offering to repay a portion of the indebtedness owed to us, which we used for general corporate purposes, including the repayment of indebtedness. CEMEX Latam is the holding company for CEMEX’s operations in Brazil, Colombia, Costa Rica, Guatemala, Nicaragua, Panama and El Salvador. As of December 31, 2014, CEMEX España owned approximately 73.35% of CEMEX Latam’s outstanding common shares, excluding shares held in treasury;
- in March 2013, the issuance by CEMEX S.A.B. de C.V. of U.S.\$600 million aggregate principal amount of its 5.875% Senior Secured Notes due 2019 (the “March 2019 U.S. Dollar Notes”);

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- in August 2013, the issuance by CEMEX S.A.B. de C.V. of U.S.\$1.0 billion aggregate principal amount of its 6.5% Senior Secured Notes due 2019 (the “December 2019 U.S. Dollar Notes”);
- in October 2013, the issuance by CEMEX S.A.B. de C.V. of U.S.\$1.0 billion aggregate principal amount of its 7.25% Senior Secured Notes due 2021 (the “January 2021 Fixed Rate U.S. Dollar Notes”) and U.S.\$500 million aggregate amount of its Floating Rate Senior Secured Notes due 2018 (the “October 2018 Floating Rate U.S. Dollar Notes” and, together with the January 2021 Fixed Rate U.S. Dollar Notes (the “January 2021 Fixed Rate U.S. Dollar and 2018 Floating Rate U.S. Dollar Notes”));
- in April 2014, CEMEX Finance LLC issued U.S.\$1.0 billion aggregate principal amount of its 6.000% U.S. Dollar-Denominated Senior Secured Notes due 2024 (the “April 2024 U.S. Dollar Notes”) and €400 million aggregate principal amount of its 5.250% Euro-Denominated Senior Secured Notes due 2021 (the “April 2021 Euro Notes” and, together with the April 2024 U.S. Dollar Notes (the “April 2024 U.S. Dollar and the 2021 Euro Notes”));
- in September 2014, the issuance by CEMEX S.A.B. de C.V. of U.S. \$1.1 billion aggregate principal amount of its 5.700% Senior Secured Notes due 2025 (the “January 2025 U.S. Dollar Notes”) and €400 million aggregate principal amount of its 4.750% Senior Secured Notes due 2022 (the “January 2022 Euro Notes” and, together with the January 2025 U.S. Dollar Notes (the “January 2025 U.S. Dollar and January 2022 Euro Notes”));
- in October 2014, the private offering by CEMEX, S.A.B. de C.V. of 200,000 Contingent Convertible Units, each with a stated amount of U.S.\$1,000. The Contingent Convertible Units were issued to finance payment of U.S.\$200,000,000 of the principal amount of the March 2015 Optional Convertible Subordinated U.S. Dollar Notes that matured without conversion.

As of December 31, 2014, our total debt plus other financial obligations were Ps244,429 million (U.S.\$16,583 million) (principal amount Ps248,657 million (U.S.\$16,870 million)), which does not include approximately Ps6,869 million (U.S.\$466 million), which represents the nominal amount of Perpetual Debentures, but which does include (i) our debt subject to the Credit Agreement, which was approximately Ps18,957 million (U.S.\$1,286 million) (principal amount Ps19,236 million (U.S.\$1,305 million)) and (ii) our debt subject to the Facilities Agreement, which was approximately Ps28,569 million (U.S.\$1,938 million) (principal amount Ps29,116 million (U.S.\$1,975 million)), respectively.

Since the beginning of 2015, we have engaged in the following debt related activities and additional capital market transactions:

- in January 2015, the redemption of U.S.\$216,061,000 aggregate principal amount of the January 2018 U.S. Dollar Notes and Additional January 2018 U.S. Dollar Notes (the “January 2015 Redemption”);
- in March 2015, the issuance by CEMEX S.A.B. de C.V. of U.S.\$750 million aggregate principal amount of its 6.125% Senior Secured Notes due 2025 (the “May 2025 U.S. Dollar Notes”) and €550 million aggregate amount of its 4.375% Senior Secured Notes due 2023 (the “March 2023 Euro Notes” and, together with the May 2025 U.S. Dollar Notes, (the “May 2025 U.S. Dollar and March 2023 Euro Notes”)). CEMEX, S.A.B. de C.V. used a portion of the net proceeds from the issuance of the May 2025 U.S. Dollar and the March 2023 Euro Notes to redeem the outstanding January 2018 U.S. Dollar Notes and Additional January 2018 U.S. Dollar Notes as further described below. In addition, CEMEX, S.A.B. de C.V. intends to use a portion of the net proceeds from the issuance of the May 2025 U.S. Dollar and the March 2023 Euro Notes to redeem the outstanding May 2020 U.S. Dollar Notes and Additional May 2020 U.S. Dollar Notes on May 12, 2015 and, to that end, on March 13, 2015, delivered an irrevocable notice of redemption to the trustee. Furthermore, CEMEX, S.A.B. de C.V. intends to use a portion of the net proceeds from the issuance of the May 2025 U.S. Dollar and the March 2023 Euro Notes to redeem the outstanding September 2015 Floating Rate U.S. Dollar Notes on June 30, 2015 and, to that end, (i) created a cash reserve and (ii) expects to re-draw from available funds under revolving tranche of the Credit Agreement, which funds were

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temporarily used to reduce amounts drawn under such revolving tranche. We cannot assure you, however, that we will have available cash in hand and/or funds under the revolving tranche of the Credit Agreement to fund the redemption of the September 2015 Floating Rate U.S. Dollar Notes on the redemption date;

- in March 2015, the redemption of the remaining U.S.\$343,984,000 aggregate principal amount of the January 2018 U.S. Dollar Notes and Additional January 2018 U.S. Dollar Notes (the “March 2015 Redemption”);
- in March 2015, the issuance by CEMEX S.A.B. de C.V. of U.S.\$200 million aggregate principal amount of its Convertible Subordinated Notes due March 2020 (the “March 2020 Convertible Subordinated U.S. Dollar Notes”). The March 2020 Convertible U.S. Dollar Notes were issued to finance, in part, the payment at maturity of the March 2015 Optional Convertible Subordinated U.S. Dollar Notes that matured without conversion.

We refer to the December 2016 U.S. Dollar and 2017 Euro Notes, January 2018 U.S. Dollar Notes, September 2015 Floating Rate U.S. Dollar Notes, April 2019 U.S. Dollar and Euro Notes, June 2018 U.S. Dollar Notes, October 2022 U.S. Dollar Notes, March 2019 U.S. Dollar Notes, December 2019 U.S. Dollar Notes, January 2021 Fixed Rate U.S. Dollar and October 2018 Floating Rate U.S. Dollar Notes, April 2024 U.S. Dollar and the 2021 Euro Notes and January 2025 U.S. Dollar and January 2022 Euro Notes, collectively, as the Senior Secured Notes. For a more detailed description of these transactions, see “Item 5—Operating and Financial Review and Prospects—Summary of Material Contractual Obligations and Commercial Commitments.”

For the convenience of the reader, considering the impact of our recent financing transactions on our liquidity and financing obligations, we present amounts of debt and other financial obligations on an adjusted basis to give effect to important financing transactions completed between December 31, 2014 and the date of this annual report on Form 20-F (including the effected or intended use of proceeds therefrom). We refer to the January 2015 Redemption, the May 2025 U.S. Dollar and March 2023 Euro Notes (including the intended use of proceeds therefrom), the March 2015 Redemption and the March 2020 Convertible Subordinated U.S. Dollar Notes, collectively, as the “Recent Financing Transactions.” As of December 31, 2014, as adjusted to give effect to the Recent Financing Transactions, our total debt plus other financial obligations were Ps242,558 million (U.S.\$16,456 million) (principal amount Ps246,873 million (U.S.\$16,748 million)), which does not include approximately Ps6,873 million (U.S.\$466 million) of Perpetual Debentures, but which does include (i) our debt subject to the Credit Agreement, which was approximately Ps18,957 million (U.S.\$1,286 million) (principal amount Ps19,236 million (U.S.\$1,305 million)) and (ii) our debt subject to the Facilities Agreement, which was approximately Ps28,569 million (U.S.\$1,938 million) (principal amount Ps29,116 million (U.S.\$1,975 million)).

Risk Factors

We are subject to various risks resulting from changing economic, environmental, political, industry, business, financial and climate conditions. The following risk factors are not the only risks that we face, and any of the risk factors described below could significantly and adversely affect our business, results of operations or financial condition.

Risks Relating To Our Business

Economic conditions in some of the countries where we operate may adversely affect our business, financial condition and results of operations.

The economic conditions in some of the countries where we operate have had and may continue to have a material adverse impact on our business, financial condition and results of operations throughout our operations worldwide. Our results of operations are highly dependent on the results of our operating subsidiaries in the United States, Mexico, South America and Western Europe. The main significant challenges and sources of risks in the current global economic environment are i) uncertainty about the performance of oil prices; ii) normalization of U.S. monetary policy and its effects on the global economy in general and financial markets and

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foreign exchange rates in particular, iii) volatility in foreign exchange rates; iv) the effectiveness of quantitative easing to increase inflation and propel economic growth in Europe; v) fiscal problems in Greece and its impact on the European Union; vi) the effects of a slowdown in China's economic performance on global growth; and vii) potential geopolitical implications of ongoing conflicts in the Middle East and other regions of political turmoil.

The recent fall in oil prices reorders the global economy. On one hand, it could contribute to economic growth in oil importing countries such as the United States, China and some European countries, while, on the other hand, it could drain oil exporting countries' growth (e.g., Russia or Venezuela). The shock of oil prices adds depreciatory pressures on commodity currencies such as the Russian Ruble, the Mexican Peso and the Colombian Peso, among others, and exacerbates concerns about global disinflation in Europe, Japan and China. The decline in oil prices could also impact foreign investment in certain oil exporting countries. Although oil prices have stabilized during the last weeks, there remains uncertainty about the performance of future oil prices.

The recovery of the U.S. economy has been particularly slow, despite extraordinary measures taken by the Federal Reserve to increase liquidity in the U.S. financial system. The U.S. economy continues to grow at a moderate pace. As full employment nears, the Federal Reserve is expected to reduce monetary accommodation by increasing short term rates, which could jeopardize economic growth. There are also operational risks in handling a rate increase as the new Federal Reserve tools may not perform as expected. The U.S. housing sector could be particularly affected if longer rates increase abruptly in response to the Federal Reserve actions. It is also possible that a delayed increase in rates could result in inflation acceleration and the disanchoring of inflation expectations leading to a potential recession. On the fiscal side, a resurfacing of fiscal uncertainty could jeopardize confidence in the economic prospects leading to slower growth. Continued appreciation of the U.S. Dollar could also negatively impact U.S. economic growth. Finally, Middle East concerns could propel U.S. involvement in the conflict leading to market jitters and consumer spending retrenchment.

Recent indicators suggest that economic activity in Mexico is gradually gaining traction as compared to activity levels in 2013 and 2014. The latest indicators confirm that the manufacturing sector remains robust and that domestic demand is starting to increase (e.g. private consumption and investment). The 2015 economic perspectives remain positive with the external sector as the main driver of growth. Concerns about the oil sector's impact on economic growth have risen significantly. Declining oil production and lower oil prices are the main risks that may affect economic growth given the importance of the mining sector to Mexican gross domestic product and fiscal accounts. In that vein, the Mexican government announced a public spending adjustment for 2015 and 2016 (0.7% of gross domestic product each year). In addition, the risk of further spending cuts, including in construction investment projects, is sizeable. Furthermore, Mexico's dependence on the U.S. economy is significant and, therefore, any significant change in economic activity in the United States may boost or hinder economic growth in Mexico. Other potential risks that may negatively affect 2015 economic growth in Mexico are i) private consumption and investment stagnation, ii) increase of social unrest and/or political uncertainty (fueled by corruption or electoral scandals), iii) further decline of international oil prices and iv) the substantial currency depreciation's impact on inflation.

Mexican financial markets face two significant challenges i) the sharp fall in crude oil prices and ii) monetary policy normalization in the U.S., which is expected to begin this year. The Mexican foreign exchange market has experienced recent volatility with the Mexican Peso depreciating significantly against the U.S. Dollar, along with most other world currencies. The foreign exchange rate adjustment in Mexico has been orderly, with abundant liquidity prevailing in market operations, and holdings of Mexican Peso denominated government bonds by nonresidents remaining at stable levels. Nevertheless, given the expected U.S. monetary policy normalization, some portfolio adjustment and further bouts of volatility could take place with the Mexican Peso depreciating further against the U.S. Dollar. In addition, we cannot rule out the possibility of significant portfolio outflows or a sharp increase in financial costs (interest rates).

Countries in the Euro area, particularly in the periphery, have faced a difficult economic environment due to sovereign, institutional and financial crises. Economic stability in the Euro area is still fragile and there is

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significant deflation risk. The decrease in inflation due to lower oil prices prompted the European Council Bureau to launch an expanded asset purchase program of €60 billion per month to restore inflation levels to the European Council Bureau's target. Interest rates are expected to remain low for a long period and, as a result, sovereign rates have decreased –some of them dipping into negative territory. The divergence in monetary policy expectations between the Federal Reserve and the European Council Bureau has caused and may, in the short term, continue to cause the Euro to depreciate against the U.S. Dollar. The effectiveness of quantitative easing in Europe is uncertain. Inflation, Euro depreciation, quantitative easing measures and low oil prices are expected to underpin the Euro area economic activity in the near term. However, potential delays in carrying out needed structural reforms in some countries within the European Union pose a source of uncertainty for the Euro area recovery. In particular, Greece, and its ability to meet its financial obligations and the possibility of its eventual exit of the Euro area, poses additional risk factors in Europe. The Greek situation could affect the overall stability of the Euro zone and the suitability of the Euro as a single currency.

Significant trade links with Western Europe render some of the Eastern European countries susceptible to economic and political pressures in Western Europe. Additionally, in the coming years, Central European countries might experience a reduction in the proceeds they receive from the European Union Structural Funds which could hinder infrastructure investment.

The Central and South American economies are also exposed to the risk of a decrease in overall economic activity, including as a result of an increased in U.S. interest rates and/or low international oil prices. High levels of uncertainty against the backdrop of the Federal Reserve tightening is expected to affect the economies of the region. In Colombia, similar to the situation in Mexico, low international oil prices affect public and external accounts and could hinder economic growth. Significant volatility in the foreign exchange markets also impacts our businesses in key Central and South American regions such as Mexico and Colombia, and the recent volatility in foreign exchange markets may be exacerbated by expected U.S. monetary policy normalization. The risk of contagion effects across emerging markets is also persistent. Political or economic volatility in South American, Central American or Caribbean countries in which we have operations may also have an impact on prices and demand for our products, which could adversely affect our business, financial condition and results of operations.

The economic slowdown in China will have a broad impact across many economies, particularly those of commodity exporters among the emerging markets. There are expectations that China will grow more slowly over the medium term than in the recent past as it transitions into a more balanced and sustainable growth path.

In the Middle East, political risk could moderate economic growth and adversely affect construction investments. In Egypt, Al Sisi's election as new president brought some political instability; however, there is uncertainty about how the new government will confront the economic challenges facing the country and as a result of a delay in parliamentary elections. Uncertainty could dampen overall economic activity in Egypt, negatively affecting demand for building materials. Disorderly depreciation of the Egyptian pound is a latent risk. In Israel, following Netanyahu's re-election, an escalation of the ongoing conflict between Israel and Hamas over the Gaza Strip may affect our operations.

Demand for our products is highly related to construction levels and depends, in large part, on residential and commercial construction activity as well as infrastructure spending in the countries where we operate. Construction spending, both public and private, in countries dependent on revenue generated by the energy sector may be reduced. Declines in the construction industry are typically correlated with declines in economic growth. As a result, deterioration in economic conditions in the countries where we operate could have a material adverse effect on our business, financial condition and results of operations. In addition, we cannot assure you that growth in the gross domestic product of the countries where we operate will translate into a correlated increase in demand for our products.

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Concerns regarding the European debt crisis and market perception concerning the instability of the Euro could affect our operating profits.

We conduct business in many countries that use the Euro as their currency, or the Eurozone. Although this risk appears to have declined considerably, concerns persist regarding the debt burden of certain Eurozone countries, such as Greece's ability to meet future financial obligations, the overall stability of the Euro and the suitability of the Euro as a single currency given the diverse economic and political circumstances in individual Eurozone countries.

These concerns could lead to the reintroduction of individual currencies in one or more Eurozone countries, or in more extreme circumstances, the possible dissolution of the Euro currency entirely. Should the Euro dissolve entirely, the legal and contractual consequences for holders of Euro-denominated obligations would be determined by laws in effect at such time. These potential developments, or market perceptions concerning these and related issues, could adversely affect the value of our Euro-denominated assets and obligations. In addition, concerns over the effect of this financial crisis on financial institutions in Europe and globally could have an adverse effect on the global capital markets, and more specifically on our ability, and the ability of our customers, suppliers and lenders to finance their respective businesses, to access liquidity at acceptable financing costs, if at all, and on the demand for our products.

We are subject to the effects of general global economic and market conditions that are beyond our control. If these conditions remain challenging or deteriorate, our business, financial condition and results of operations could be adversely affected. Possible consequences from macroeconomic global challenges, such as the debt crisis in certain countries in the European Union could have an adverse effect on our business, financial condition and results of operations.

The Credit Agreement and the Facilities Agreement contain several restrictions and covenants. Our failure to comply with such restrictions and covenants could have a material adverse effect on us.

The Credit Agreement and the Facilities Agreement require us to comply with several financial ratios and tests under IFRS, including a minimum consolidated coverage ratio of EBITDA to consolidated interest expense (including interest accrued on Perpetual Debentures) and a maximum consolidated leverage ratio of total debt (including financial leases plus Perpetual Debentures and guarantees, plus or minus the fair value of derivative financial instruments, among other adjustments) to EBITDA, as described below. Our ability to comply with these ratios may be affected by economic conditions and volatility in foreign exchange rates, as well as by overall conditions in the financial and capital markets and the construction sector.

The Credit Agreement requires us to comply with a consolidated coverage ratio of EBITDA to consolidated interest expense (including interest accrued on Perpetual Debentures), for the following periods, measured quarterly, of not less than (i) 1.75:1 for the period ending December 31, 2014 up to and including the period ending September 30, 2015, (ii) 1.85:1 for the period ending December 31, 2015 up to and including the period ending March 31, 2016, (iii) 2:00:1 for the period ending on June 30, 2016 up to and including the period ending on September 30, 2016 and (iv) 2.25:1 for the period ending December 31, 2016 and each subsequent reference period. In addition, the Credit Agreement allows us a maximum consolidated leverage ratio of total debt (including financial leases plus Perpetual Debentures and guarantees, plus or minus the fair value of derivative financial instruments, among other adjustments) to EBITDA for each period of four consecutive fiscal quarters (measured quarterly) not to exceed (i) 6.50:1 for the period ending December 31, 2014 up to and including the period ending March 31, 2015, (ii) 6.00:1 for the period ending June 30, 2015 up to and including the period ending September 30, 2015, (iii) 5.50:1 for the period ending December 31, 2015 up to and including the period ending March 31, 2016, (iv) 5.00:1 for the period ending June 30, 2016 up to and including the period ending September 30, 2016 and (v) 4.25:1 for the period ending December 31, 2016 and each subsequent reference period.

The Facilities Agreement requires us to comply with a consolidated coverage ratio of EBITDA to consolidated interest expense (including interest accrued on Perpetual Debentures), for the following periods,

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measured semi-annually, of not less than (i) 1.75:1 for the period ending December 31, 2014 up to and including the period ending June 30, 2015, (ii) 1.85:1 for the period ending December 31, 2015, (iii) 2:00:1 for the period ending June 30, 2016 and (iv) 2.25:1 for the period ending December 31, 2016. In addition, the Facilities Agreement allows us a maximum consolidated leverage ratio of total debt (including financial leases plus Perpetual Debentures and guarantees, plus or minus the fair value of derivative financial instruments, among other adjustments) to EBITDA for each period of four consecutive fiscal quarters (measured semi-annually) not to exceed (i) 6.5:1 for the period ending December 31, 2014, (ii) 6.00:1 for the period ending June 30, 2015, (iii) 5.50:1 for the period ending December 31, 2015, (iv) 5.00:1 for the period ending June 30, 2016 and (v) 4.25:1 for the period ending December 31, 2016.

For the period ended December 31, 2014, we reported to the lenders under the Credit Agreement and the Facilities Agreement a consolidated coverage ratio of 2.34 and a consolidated leverage ratio of 5.19, each as calculated pursuant to the Credit Agreement and the Facilities Agreement. Pursuant to the Credit Agreement and the Facilities Agreement, we are prohibited from making aggregate annual capital expenditures in excess of U.S.\$1 billion (excluding certain capital expenditures, and joint venture investments and acquisitions by CEMEX Latam and its subsidiaries, which capital expenditures, joint venture investments and acquisitions at any time then incurred are subject to a separate aggregate limit of U.S.\$500 million (or its equivalent).

We are also subject to a number of negative covenants that, among other things, restrict or limit our ability to: (i) create liens; (ii) incur additional debt; (iii) change our business or the business of any obligor or material subsidiary (in each case, as defined in the Credit Agreement and the Facilities Agreement); (iv) enter into mergers; (v) enter into agreements that restrict our subsidiaries' ability to pay dividends or repay intercompany debt; (vi) acquire assets; (vii) enter into or invest in joint venture agreements; (viii) dispose of certain assets; (ix) grant additional guarantees or indemnities; (x) declare or pay cash dividends or make share redemptions; (xi) issue shares; (xii) enter into certain derivatives transactions; (xiii) exercise any call option in relation to any perpetual bonds we issue unless the exercise of the call options does not have a materially negative impact on our cash flow; and (xiv) transfer assets from subsidiaries or more than 10% of shares in subsidiaries into or out of CEMEX España or its subsidiaries if those assets or subsidiaries are not controlled by CEMEX España or any of its subsidiaries.

The Credit Agreement and the Facilities Agreement also contain a number of affirmative covenants that, among other things, require us to provide periodic financial information to our creditors. Pursuant to the Credit Agreement and the Facilities Agreement, however, a number of those covenants and restrictions will, if CEMEX so elects, automatically cease to apply or become less restrictive if (i) our consolidated leverage ratio for the two most recently completed semi-annual testing periods is less than 4.00:1; and (ii) no default under the Credit Agreement or the Facilities Agreement is continuing, as applicable. Restrictions that will cease to apply when we satisfy such conditions include the capital expenditure limitations mentioned above and several negative covenants, including limitations on our ability to transfer shares of entities of our group, repay existing financial indebtedness, declare or pay cash dividends and distributions to shareholders; certain asset sale restrictions; certain mandatory prepayment provisions; and restrictions on exercising call options in relation to any perpetual bonds we issue and on the issuance of certain convertible and exchangeable obligations. At such time, several baskets and caps relating to negative covenants will also increase, including permitted financial indebtedness, permitted guarantees and limitations on liens. However, we cannot assure you that we will be able to meet the conditions for these restrictions to cease to apply prior to the final maturity date under the Credit Agreement or the Facilities Agreement.

The Credit Agreement and the Facilities Agreement contain events of default, some of which may be outside our control. Such events of default include defaults based on (i) non-payment of principal, interest, or fees when due; (ii) material inaccuracy of representations and warranties; (iii) breach of covenants; (iv) bankruptcy (*quiebra*) or insolvency (*concurso mercantil*) of CEMEX, S.A.B. de C.V., any other obligor under the Credit Agreement or the Facilities Agreement or any other of our material subsidiaries (as defined in the Credit Agreement and the Facilities Agreement); (v) inability to pay debts as they fall due or by reason of

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actual financial difficulties, suspension or threatened suspension of payments on debts exceeding U.S.\$50 million or commencement of negotiations to reschedule debt exceeding U.S.\$50 million; (vi) a cross-default in relation to financial indebtedness in excess of U.S.\$50 million; (vii) a change of control with respect to CEMEX, S.A.B. de C.V.; (viii) certain changes to the ownership of any of our subsidiary obligors under the Credit Agreement and the Facilities Agreement, unless the proceeds of such disposal are used to prepay the Credit Agreement or the Facilities Agreement debt, as applicable; (ix) enforcement of the share security; (x) final judgments or orders in excess of U.S.\$50 million that are neither discharged nor bonded in full within 60 days thereafter; (xi) any restrictions not already in effect as of September 17, 2012 limiting transfers of foreign exchange by any obligor for purposes of performing material obligations under the Credit Agreement or the Facilities Agreement; (xii) any material adverse change arising in the financial condition of CEMEX, which more than 66.67% of the Credit Agreement or Facilities Agreement's creditors determine would result in our failure, taken as a whole, to perform payment obligations under the Credit Agreement or the Facilities Agreement; and (xiii) failure to comply with laws or our obligations under the Credit Agreement or the Facilities Agreement cease to be legal. If an event of default occurs and is continuing, upon the authorization of 66.67% of the Credit Agreement or the Facilities Agreement creditors, the creditors have the ability to accelerate all outstanding amounts due under the Facilities Agreement, as applicable. Acceleration is automatic in the case of insolvency.

We cannot assure you that we will be able to comply with the restrictive covenants and limitations contained in the Credit Agreement and the Facilities Agreement. Our failure to comply with such covenants and limitations could result in an event of default, which could materially and adversely affect our business, financial condition and results of operation.

If we are unable to comply with the milestones for addressing the maturities of certain indebtedness pursuant to the Facilities Agreement, the maturity date of our indebtedness under the Facilities Agreement will automatically reset, or "spring-back" to earlier dates.

The Facilities Agreement requires us to (a) on or before September 30, 2015, redeem or extend the maturity date of 100% of the September 2015 Floating Rate U.S. Dollar Notes to a maturity date after December 31, 2017, or the maturity date of the indebtedness under the Facilities Agreement will become September 30, 2015, and (b) on or before March 15, 2016, redeem, convert into equity, purchase, repurchase, refinance or extend the maturity date of 100% of the March 2016 Optional Convertible Subordinated U.S. Dollar Notes to a maturity date falling after December 31, 2017, or the maturity date of the indebtedness under the Facilities Agreement will become March 15, 2016.

We cannot assure you that we will be able to meet any or all of the above milestones for redeeming, converting into equity, purchasing, repurchasing or extending the maturities of our indebtedness. Failure to meet any of these milestones will result in a spring-back of the maturity date of our indebtedness under the Facilities Agreement, and we cannot assure you that at such time we will be able to repay such indebtedness.

We pledged the capital stock of subsidiaries that represent substantially all of our business as collateral to secure our payment obligations under the Credit Agreement, the Facilities Agreement, the Senior Secured Notes and other financing arrangements.

As part of the Credit Agreement and the Facilities Agreement we pledged under pledge agreements or transferred to a trustee under a security trust, as collateral, the Collateral, and all proceeds of the Collateral to secure our payment obligations under the Credit Agreement, the Facilities Agreement, the Senior Secured Notes and under a number of other financing arrangements for the benefit of the creditors and holders of debt, and other obligations that benefit from provisions in their instruments requiring that their obligations be equally and ratably secured. As of December 31, 2014, as adjusted to give effect to the Recent Financing Transactions, the Collateral and all proceeds of such Collateral secured (i) Ps201,427 million (U.S.\$13,665 million) (principal amount Ps203,825 million (U.S.\$13,828 million) aggregate principal amount of debt under the Credit Agreement, Facilities Agreement, the Senior Secured Notes and other financing arrangements and (ii) Ps10,300 million (U.S.\$699 million aggregate principal amount of Perpetual Notes, which includes debt of ours held by us). These

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subsidiaries collectively own, directly or indirectly, substantially all of our operations worldwide. Provided that no default has occurred which is continuing under the Credit Agreement or the Facilities Agreement, the Collateral will be released automatically if we meet specified debt reduction and financial covenant targets.

We have a substantial amount of debt and other financial obligations maturing in the next several years. If we are unable to secure refinancing on favorable terms or at all, we may not be able to comply with our upcoming payment obligations. Our ability to comply with our principal maturities and financial covenants may depend on us making asset sales, and there is no assurance that we will be able to execute such sales on terms favorable to us or at all.

As of December 31, 2014, as adjusted to give effect to the Recent Financing Transactions, our total debt plus other financial obligations were Ps242,558 million (U.S.\$16,456 million) (principal amount Ps246,873 million (U.S.\$16,748 million)), which does not include approximately Ps10,300 million (U.S.\$699 million), which represents the nominal amount of Perpetual Debentures, but which does include (i) our debt subject to the Credit Agreement, which was approximately Ps18,957 million (U.S.\$1,286 million) (principal amount Ps19,236 million (U.S.\$1,305 million)) and (ii) our debt subject to the Facilities Agreement, which was approximately Ps28,569 million (U.S.\$1,938 million) (principal amount Ps29,116 million (U.S.\$1,975 million)). Of such total debt plus other financial obligations amount, approximately Ps8,727 million (U.S.\$592 million) (principal amount Ps592 million (U.S.\$8,727 million)) matures during 2015; Ps16,042 million (U.S.\$1,088 million) (principal amount Ps16,808 million (U.S.\$1,140 million)) matures during 2016; Ps33,555 million (U.S.\$2,276 million) (principal amount Ps34,102 million (U.S.\$2,314 million)) matures during 2017; Ps31,771 million (U.S.\$2,155 million) (principal amount Ps33,107 million (U.S.\$2,246 million)) matures during 2018; Ps44,818 million (U.S.\$3,041 million) (principal amount Ps45,443 million (U.S.\$3,083 million)) matures during 2019; and Ps107,643 million (U.S.\$7,304 million) (principal amount Ps108,686 million (U.S.\$7,374 million)) matures after 2019.

If we are unable to comply with our upcoming principal maturities under our indebtedness, or refinance or extend maturities of our indebtedness, our debt could be accelerated. Acceleration of our debt would have a material adverse effect on our financial condition. Additionally, as described above, if we are unable to comply with the milestones for addressing the maturities of certain indebtedness pursuant to the Facilities Agreement, the maturity date of our indebtedness under the Facilities Agreement will automatically spring-back to earlier dates.

Although we have successfully repaid or refinanced a substantial portion of our debt maturing in 2015, our ability to comply with our financial covenants and payment obligations under the Credit Agreement, Facilities Agreement and other indebtedness, in the event we are unable to refinance our maturities or generate sufficient cash flow from operations, may depend on asset sales, and there is no assurance that we will be able to execute such sales on terms favorable to us or at all.

As a result of the restrictions under the Credit Agreement, the Facilities Agreement, and other debt instruments, the current global economic environment and uncertain market conditions, we may not be able to complete asset sales on terms that we find economically attractive or at all. Volatility in the credit and capital markets could significantly affect us due to its effect on the availability of funds to potential acquiring parties, including industry peers. In addition, high levels of consolidation in our industry in some jurisdictions may further limit potential assets sales to interested parties due to antitrust considerations. If we are unable to complete asset sales and our cash flow or capital resources prove inadequate, we could face liquidity problems and may not be able to comply with financial covenants and payment obligations under our indebtedness.

In addition, our levels of debt, contractual restrictions, and our need to deleverage may limit our planning flexibility and our ability to react to changes in our business and the industry, and may place us at a competitive disadvantage compared to competitors who may have lower leverage ratios and fewer contractual restrictions. There can also be no assurance that, because of our high leverage ratio and contractual restrictions, we will be able to maintain our operating margins and deliver financial results comparable to the results obtained in the past under similar economic conditions.

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We may not be able to generate sufficient cash to service all of our indebtedness or satisfy our short-term liquidity needs, and we may be forced to take other actions to satisfy our obligations under our indebtedness and our short-term liquidity needs, which may not be successful.

Historically, we have addressed our liquidity needs (including funds required to make scheduled principal and interest payments, refinance debt, and fund working capital and planned capital expenditures) with operating cash flow, borrowings under credit facilities and receivables and inventory financing facilities, proceeds of debt and equity offerings and proceeds from asset sales.

As of December 31, 2014, we had U.S.\$662 million funded under our securitization programs in Mexico, the United States, France and the United Kingdom. We cannot assure you that, going forward, we will be able to roll over or renew these programs, which could adversely affect our liquidity.

The continued weakness of the global economic environment and its adverse effects on our operating results may negatively affect our credit rating and the market value of CEMEX, S.A.B. de C.V.'s common stock, CPOs and American Depositary Shares ("ADSs"). If current economic pressures continue or worsen, we may be dependent on the issuance of equity as a source to repay our existing indebtedness. Although we have been able to raise debt, equity and equity-linked capital in the recent past, previous conditions in the capital markets in 2008 and 2009 were such that traditional sources of capital were not available to us on reasonable terms or at all. As a result, we cannot assure you that we will be able to successfully raise additional debt or equity capital on terms that are favorable to us or at all.

The Credit Agreement and the Facilities Agreement restrict us from incurring additional debt, subject to several exceptions. The Credit Agreement and the Facilities Agreement require proceeds from asset disposals, issuances of equity and incurrences of debt to be applied to the prepayment of the indebtedness under the Credit Agreement and the Facilities Agreement (unless the proceeds are used to reinvest in our business and/or refinance existing indebtedness for proceeds from asset disposals and issuances of equity, and for cash replenishment or to refinance existing indebtedness for the prepayment of the indebtedness, on the terms set forth in the Facilities Agreement and Credit Agreement).

We and our subsidiaries have sought and obtained waivers and amendments to several of our debt instruments relating to a number of financial ratios in the past. Our ability to comply with these ratios may be affected by current global economic conditions and volatility in foreign exchange rates and the financial and capital markets. We may need to seek waivers or amendments in the future. However, we cannot assure you that any future waivers or amendments, if requested, will be obtained. If we or our subsidiaries are unable to comply with the provisions of our debt instruments, and are unable to obtain a waiver or amendment, the indebtedness outstanding under such debt instruments could be accelerated. Acceleration of these debt instruments would have a material adverse effect on our financial condition.

If the global economic environment deteriorates and our operating results worsen significantly, if we were unable to complete debt or equity offerings or if our planned divestitures and/or our cash flow or capital resources prove inadequate, we could face liquidity problems and may not be able to comply with our upcoming principal payments under our indebtedness or refinance our indebtedness.

The indentures governing the Senior Secured Notes and the terms of our other indebtedness impose significant operating and financial restrictions, which may prevent us from capitalizing on business opportunities and may impede our ability to refinance our debt and the debt of our subsidiaries.

As of December 31, 2014, as adjusted to give effect to the Recent Financing Transactions, there were U.S.\$8,703 million and €1,529 million aggregate principal amount of Senior Secured Notes outstanding under the indentures governing such notes, excluding those held by us. The indentures governing the Senior Secured Notes and the other instruments governing our consolidated indebtedness impose significant operating and financial restrictions on us. These restrictions will limit our ability, among other things, to: (i) incur debt; (ii) pay

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dividends on stock; (iii) redeem stock or redeem subordinated debt; (iv) make investments; (v) sell assets, including capital stock of subsidiaries; (vi) guarantee indebtedness; (vii) enter into agreements that restrict dividends or other distributions from restricted subsidiaries; (viii) enter into transactions with affiliates; (ix) create or assume liens; (x) engage in mergers or consolidations; and (xi) enter into a sale of all or substantially all of our assets.

These restrictions could limit our ability to seize attractive growth opportunities for our businesses that are currently unforeseeable, particularly if we are unable to incur financing or make investments to take advantage of these opportunities.

These restrictions may significantly impede our ability, and the ability of our subsidiaries, to develop and implement refinancing plans in respect of our debt or the debt of our subsidiaries.

Most of the covenants are subject to a number of important exceptions and qualifications. The breach of any of these covenants could result in a default under the indentures governing the Senior Secured Notes, as well as certain other existing debt obligations, as a result of the cross-default provisions contained in the instruments governing such debt obligations. In the event of a default under any of the indentures governing the Senior Secured Notes, holders of the Senior Secured Notes could seek to declare all amounts outstanding under such Senior Secured Notes, together with accrued and unpaid interest, if any, to be immediately due and payable. If the indebtedness under the Senior Secured Notes, or certain other existing debt obligations were to be accelerated, we cannot assure you that our assets would be sufficient to repay in full such accelerated indebtedness or our other indebtedness.

Furthermore, upon the occurrence of any event of default under the Credit Agreement, the Facilities Agreement or other credit facilities or any of our other debt, the lenders could elect to declare all amounts outstanding thereunder, together with accrued interest, to be immediately due and payable. If the lenders accelerate payment of those amounts, we cannot assure you that our assets would be sufficient to repay in full those amounts or to satisfy our other liabilities.

In addition, in connection with the entry into new financings or amendments to existing financing arrangements, our and our subsidiaries' financial and operational flexibility may be further reduced as a result of more restrictive covenants, requirements for security and other terms that are often imposed on sub-investment grade entities.

CEMEX, S.A.B. de C.V.'s ability to repay debt and pay dividends depends on our subsidiaries' ability to transfer income and dividends to us.

Aside from operating certain assets in Mexico, CEMEX, S.A.B. de C.V. is a holding company that owns the stock of its direct and indirect subsidiaries and has holdings of cash and marketable securities. In general, CEMEX, S.A.B. de C.V.'s ability to repay debt and pay dividends depends on the continued transfer to it of dividends and other income and funds from its wholly-owned and non-wholly-owned subsidiaries. The ability of CEMEX, S.A.B. de C.V.'s subsidiaries to pay dividends and make other transfers to it is limited by various regulatory, contractual and legal constraints. The Credit Agreement and the Facilities Agreement restrict CEMEX, S.A.B. de C.V.'s ability to declare or pay cash dividends. In addition, the indentures governing the Senior Secured Notes also limit CEMEX, S.A.B. de C.V.'s ability to pay dividends.

The ability of CEMEX, S.A.B. de C.V.'s subsidiaries to pay dividends, and make loans and other transfers to it is generally subject to various regulatory, legal and economic limitations. Depending on the jurisdiction of organization of the relevant subsidiary, such limitations may include solvency and legal reserve requirements, dividend payment restrictions based on interim financial results or minimum net worth and withholding taxes on loan interest payments. For example, our subsidiaries in Mexico are subject to Mexican legal requirements, which provide that a corporation may declare and pay dividends only out of the profits reflected in the year-end

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financial statements that are or have been approved by its stockholders. In addition, such payment can be approved by a subsidiary's stockholders only after the creation of a required legal reserve (equal to one fifth of the relevant company's capital) and compensation or absorption of losses, if any, incurred by such subsidiary in previous fiscal years.

CEMEX, S.A.B. de C.V. may also be subject to exchange controls on remittances by its subsidiaries from time to time in a number of jurisdictions. In addition, CEMEX, S.A.B. de C.V.'s ability to receive funds from these subsidiaries may be restricted by covenants in the debt instruments and other contractual obligations of those entities.

CEMEX, S.A.B. de C.V. currently does not expect that existing regulatory, legal and economic restrictions on its subsidiaries' ability to pay dividends and make loans and other transfers to it will negatively affect its ability to meet its cash obligations. However, the jurisdictions of organization of CEMEX, S.A.B. de C.V.'s subsidiaries may impose additional and more restrictive regulatory, legal and/or economic limitations. In addition, CEMEX, S.A.B. de C.V.'s subsidiaries may not be able to generate sufficient income to pay dividends or make loans or other transfers to it in the future. Any material additional future limitations on our subsidiaries could adversely affect CEMEX, S.A.B. de C.V.'s ability to service our debt and meet its other cash obligations.

We are subject to restrictions due to non-controlling interests in our consolidated subsidiaries.

We conduct our business through subsidiaries. In some cases, third-party shareholders hold non-controlling interests in these subsidiaries. Various disadvantages may result from the participation of non-controlling shareholders whose interests may not always be aligned with ours. Some of these disadvantages may, among other things, result in our inability to implement organizational efficiencies and transfer cash and assets from one subsidiary to another in order to allocate assets most effectively.

We have to service our debt and other financial obligations denominated in U.S. Dollars with revenues generated in Mexican Pesos or other currencies, as we do not generate sufficient revenue in U.S. Dollars from our operations to service all our debt and other financial obligations denominated in U.S. Dollars. This could adversely affect our ability to service our obligations in the event of a devaluation or depreciation in the value of the Mexican Peso, or any of the other currencies of the countries in which we operate, compared to the U.S. Dollar. In addition, our consolidated reported results and outstanding indebtedness are significantly affected by fluctuations in exchange rates between the Mexican Peso and other currencies.

A substantial portion of our total debt plus other financial obligations is denominated in U.S. Dollars. As of December 31, 2014, as adjusted to give effect to the Recent Financing Transactions, our debt plus other financial obligations denominated in U.S. Dollars represented approximately 82% of our total debt plus other financial obligations, which does not include approximately U.S.\$389 million of U.S. Dollar-denominated Perpetual Debentures. Our U.S. Dollar-denominated debt must be serviced with funds generated by our subsidiaries. Although we have substantial U.S. operations, we continue to rely on our non-U.S. assets to generate revenues to service our U.S. Dollar-denominated debt. Consequently, we have to use revenues generated in Mexican Pesos, Euros or other currencies to service our U.S. Dollar-denominated obligations. See "Item 5—Operating and Financial Review and Prospects—Qualitative and Quantitative Market Disclosure—Interest Rate Risk, Foreign Currency Risk and Equity Risk—Foreign Currency Risk." A devaluation or depreciation in the value of the Mexican Peso, Euro, British Pound, Colombian Peso or any of the other currencies of the countries in which we operate, compared to the U.S. Dollar, could adversely affect our ability to service our U.S. Dollar-denominated debt. In 2014, Mexico, the United Kingdom, Germany, France, the rest of Northern Europe region (which includes our subsidiaries in the Czech Republic, Austria, Poland, Hungary and Latvia, and which we refer to as our Rest of Northern Europe region), Spain, Egypt, the rest of the Mediterranean region (which includes our subsidiaries in Croatia, the UAE and Israel, and which we refer to as our Rest of the Mediterranean region) and Colombia, which are our main non-U.S. Dollar-denominated operations, together generated approximately 62%

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of our total net sales in Mexican Peso terms (approximately 22%, 7%, 6%, 6%, 6%, 2%, 3%, 4% and 6%, respectively) before eliminations resulting from consolidation. In 2014, approximately 21% of our net sales in Mexican Peso terms were generated in the United States. During 2014, the Mexican Peso depreciated approximately 11% against the U.S. Dollar, the Euro depreciated approximately 12% against the U.S. Dollar and the British Pound depreciated approximately 6% against the U.S. Dollar. If we enter into currency hedges in the future, these may not be effective in covering all our currency-related risks. Our consolidated reported results for any period and our outstanding indebtedness as of any date are significantly affected by fluctuations in exchange rates between the Mexican Peso and other currencies, as those fluctuations influence the amount of our indebtedness when translated into Mexican Pesos and also result in foreign exchange gains and losses as well as gains and losses on derivative contracts, including those entered into to hedge our exchange rate exposure. The Credit Agreement, the Facilities Agreement and other debt instruments significantly restrict our ability to enter into derivative transactions. For a description of these restrictions, see “Item 3—Key Information—Risk Factors—Our use of derivative financial instruments has negatively affected our operations, especially in volatile and uncertain markets.”

In addition, as of December 31, 2014, as adjusted to give effect to the Recent Financing Transactions, our Euro-denominated total debt plus other financial obligations represented approximately 14% of our total debt plus other financial obligations, which does not include the approximately €64 million aggregate principal amount of Euro-denominated Perpetual Debentures.

Our use of derivative financial instruments has negatively affected, and any new derivative financial instruments could negatively affect, our operations, especially in volatile and uncertain markets.

We have used, and may continue to use, derivative financial instruments to manage the risk profile associated with interest rates and currency exposure of our debt, to reduce our financing costs, to access alternative sources of financing and to hedge some of our financial risks. However, we cannot assure you that our use of such instruments will allow us to achieve these objectives due to the inherent risks in any derivatives transaction. The Credit Agreement, the Facilities Agreement and other debt instruments significantly restrict our ability to enter into derivative transactions.

As of December 31, 2014, our derivative financial instruments consisted of equity forward contracts on third-party shares, equity derivatives on shares of CEMEX, S.A.B. de C.V. (including the capped call transactions in connection with the March 2016 and March 2018 Optional Convertible U.S. Dollar Subordinated Notes), and interest rate derivatives related to energy projects, which had an impact on our other financial income (expense), net. The fair value changes of our derivative financial instruments outstanding as of December 31, 2014 are reflected in our statement of operations, which could introduce volatility in our controlling interest net loss and our related ratios. For the years ended December 31, 2013 and 2014, the recognition of changes in the fair value of derivative financial instruments during the applicable period represented a net gain of approximately Ps2,126 million (U.S.\$163 million) and a net loss of approximately Ps679 million (U.S.\$46 million), respectively.

With respect to our existing financial derivatives, which include equity derivative positions on third party shares, we may incur net losses and be subject to margin calls that do not require a substantial amount of cash to cover such margin calls. If we enter into new derivative financial instruments, we may incur net losses and be subject to margin calls in which the cash required to cover margin calls may be substantial and may reduce the funds available to us for our operations or other capital needs. In addition, as with any derivative position, CEMEX assumes the creditworthiness risk of the counterparty, including the risk the counterparty may not honor its obligations to us. See notes 2L, 16B, 16D and 16E to our 2014 audited consolidated financial statements included elsewhere in this annual report.

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We are subject to the laws and regulations of the countries where we operate and any material changes in such laws and regulations and/or any significant delays in our assessing the impact and/or adapting to such changes may have an adverse effect on our business, financial condition and results of operations.

Our operations are subject to the laws and regulations of the countries where we operate and such laws and regulations, and/or governmental interpretations of such laws and regulations, may change. Any such change may have a material adverse effect on our business, financial condition and results of operations. Furthermore, changes in laws and regulations and/or governmental interpretations of such laws and regulations in the countries where we operate may require us to devote a significant amount of time and resources to assess and, if required, to adjust our operations to any such changes, which could have a material adverse effect on our business, financial condition and results of operations. In addition, any significant delays in assessing the impact and/or, if required, in adapting to changes in laws and regulations and/or governmental interpretations of such laws and regulations may also have a material adverse effect on our business, financial condition and results of operations.

We may fail to obtain or renew or may experience material delays in obtaining requisite governmental approvals, licenses and permits for the conduct of our business.

We require various approvals, licenses, permits and certificates in the conduct of our business. We cannot assure you that we will not encounter significant problems in obtaining new or renewing existing approvals, licenses, permits and certificates required in the conduct of our business, or that we will continue to satisfy the conditions to which such approvals, licenses, permits and certificates are granted. There may also be delays on the part of regulatory and administrative bodies in reviewing our applications and granting approvals. If previously obtained approvals, licenses, permits and certificates are revoked and/or if we fail to obtain and/or maintain the necessary approvals, licenses, permits and certificates required for the conduct of our business, we may be required to incur substantial costs or temporarily suspend the operation of one or more of our production facilities, which could have a material adverse effect on our business, financial condition, results of operations and prospects.

We may fail to secure certain materials required to run our business.

We increasingly use in our business certain by-products of industrial processes produced by third parties, such as fly-ash, slag and synthetic gypsum. While we are not dependent on our suppliers and while we try to secure the supply of the required materials through long-term renewable contracts and framework agreements, which ensure better management of supplies, short-term contracts are however entered into in certain countries where we operate. Should existing suppliers cease operations or reduce or eliminate production of these by-products, sourcing costs for these materials could increase significantly or require us to find alternative sources for these materials, which could have a material adverse effect on our business, financial condition, results of operations and prospects.

We may not be able to realize the expected benefits from acquisitions, some of which may have a material impact on our business, financial condition and results of operations.

Our ability to realize the expected benefits from acquisitions depends, in large part, on our ability to integrate acquired operations with our existing operations in a timely and effective manner. These efforts may not be successful. Although we may seek to dispose assets to reduce our overall leverage, the Credit Agreement, the Facilities Agreement and other debt instruments restrict our ability to acquire assets, we may in the future acquire new operations and integrate such operations into our existing operations, and some of such acquisitions may have a material impact on our business, financial condition and results of operations. We cannot assure you that we will be successful in identifying or acquiring suitable assets in the future. If we fail to achieve the anticipated cost savings from any acquisitions, our business, financial condition and results of operations could be materially and adversely affected.

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High energy and fuel costs may have a material adverse effect on our operating results.

Our operations consume significant amounts of power and fuel. Power and fuel prices generally reflect certain volatility, particularly in times of political turbulence in Iran, Iraq, Egypt and other countries in South America, the Middle East and Africa, such as has been recently experienced. We cannot assure you that our operations would not be materially adversely affected in the future if energy and fuel costs increase to levels that existed prior to the recent significant decreases in the price of oil and other fuels.

In addition, if our efforts to increase our use of alternative fuels are unsuccessful, we would be required to use traditional fuels, which would increase our energy and fuel costs and could have a material adverse effect on our business, financial condition and results of operations.

The introduction of substitutes for cement, concrete or aggregates into the market and the development of new construction techniques could have a material adverse effect on our business, financial condition and results of operations.

Materials such as plastic, aluminum, ceramics, glass, wood and steel can be used in construction as a substitute for cement, concrete or aggregates. In addition, other construction techniques, such as the use of dry wall, could decrease the demand for cement, concrete and/or aggregates. Further, research aimed at developing new construction techniques and modern materials may introduce new products in the future that reduce the demand for cement, concrete and/or aggregates. The use of substitutes for cement, concrete or aggregates could cause a significant reduction in the demand and prices for our products.

We operate in highly competitive markets and if we do not compete effectively, our results of operations will be harmed.

The markets in which we operate are highly competitive and are served by a variety of established companies with recognized brand names, as well as new market entrants. Companies in these markets compete based on a variety of factors, often employing aggressive pricing strategies to gain market share. For example, CEMEX Colombia's results of operations have been negatively affected in the past by the pricing strategies of its competitors. Our ability to increase our net sales depends, in part, on our ability to compete effectively and maintain or increase our market share. We compete with different types of companies and based on different factors in each market. For example, in the relatively consolidated cement and ready-mix concrete industries, we generally compete based on quality and value proposition. In the more fragmented market for aggregates, we generally compete based on capacity and price. In certain areas of the markets in which we compete, some of our competitors may be more established, benefit from greater brand recognition or have greater manufacturing and distribution channels and other resources than we do. In addition, if our competitors were to combine, they may be able to compete more effectively with us and they may dispose of assets, which could lead to new market entrants that increase competition in our markets. For example, Lafarge and Holcim Ltd. ("Holcim") are expected to finalize their merger in 2015, subject to certain requirements, and Ireland's CRH has announced that it expects to acquire assets that Lafarge and Holcim will dispose of.

If we are not able to compete effectively, we may lose market share, our net sales could decline or grow at a slower rate and our business and results of operations would be harmed.

A substantial amount of our total assets consists of intangible assets, including goodwill. We have recognized charges for goodwill impairment in the past, and if market or industry conditions deteriorate further, additional impairment charges may be recognized.

Our audited consolidated financial statements included elsewhere in this annual report, have been prepared in accordance with IFRS as issued by the International Accounting Standard Board, or IASB, under which goodwill is not amortized and is tested for impairment when impairment indicators exist or at least once a year during the fourth quarter of each year, by determining the recoverable amount of the groups of cash-generating units to which goodwill balances has been allocated, which recoverable amount consists of the higher of such

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groups of cash-generating units its corresponding fair value, less cost to sell, and the corresponding value in use, represented by the discounted amount of estimated future cash flows expected to be generated within other expenses, net, by such groups of cash-generating units to which goodwill has been allocated. An impairment loss is recognized under IFRS if the recoverable amount is lower than the net book value of the groups of cash-generating units to which goodwill has been allocated. We determine the discounted amount of estimated future cash flows generally over periods of 5 years. In specific circumstances, when, according to our experience, actual results for a given cash-generating unit do not fairly reflect historical performance and most external economic variables provide us with confidence that a reasonably determinable improvement in the mid-term is expected in their operating results, management uses cash flow projections over a period of up to 10 years, to the extent we have detailed, explicit and reliable financial forecasts and is confident and can demonstrate its ability, based on past experience, to forecast cash flows accurately over that longer period. If the value in use of a group of cash-generating units to which goodwill has been allocated is lower than its corresponding carrying amount, we determine its corresponding fair value using methodologies generally accepted in the markets to determine the value of entities, such as multiples of operating EBITDA and/or by reference to other market transactions, among others. Impairment tests are significantly sensitive to, among other factors, the estimation of future prices of our products, trends in operating expenses, local and international economic trends in the construction industry, the long-term growth expectations in the different markets, as well as the discount rates and the growth rates in perpetuity applied, among others. We use specific pre-tax discount rates for each group of cash-generating units to which goodwill is allocated, which are applied to pre-tax cash flows. The amounts of estimated undiscounted cash flows are significantly sensitive to the growth rates in perpetuity applied. Likewise, the amounts of discounted future cash flows are significantly sensitive to the weight average cost of capital (discount rate) applied. The higher the growth rate in perpetuity applied, the higher the amount of undiscounted future cash flows by group of cash-generating units obtained. Conversely, the higher the discount rate applied, the lower the amount of discounted estimated future cash flows by group of cash-generating units obtained. During the last quarter of 2012, 2013 and 2014, we performed our annual goodwill impairment test. Based on these analyses, in 2012, 2013 and 2014 we did not determine impairment losses of goodwill. See note 15C to our 2014 audited consolidated financial statements included elsewhere in this annual report.

Considering the important role that economic factors play in testing goodwill for impairment, we cannot assure that an eventual downturn in the economies where we operate will not necessitate further impairment tests and a possible downward readjustment of our goodwill for impairment under IFRS. Such an impairment test could result in impairment charges which could be material to our financial statements.

We are subject to litigation proceedings, including antitrust proceedings that could harm our business if an unfavorable ruling were to occur.

From time to time, we are and may become involved in litigation and other legal proceedings relating to claims arising from our operations in the normal course of business. As described in, but not limited to, “Item 4—Information on the Company—Regulatory Matters and Legal Proceedings” included elsewhere in this annual report, we are currently subject to a number of significant legal proceedings, including, but not limited to, those relating to tax matters in Mexico, as well as antitrust investigations in Europe and other countries in which we operate. In addition, our main operating subsidiary in Egypt, Assiut Cement Company (“ACC”), is involved in certain Egyptian legal proceedings relating to the acquisition of ACC. Litigation is subject to inherent uncertainties, and unfavorable rulings may occur. We cannot assure you that these or other legal proceedings will not materially affect our ability to conduct our business in the manner that we expect or otherwise adversely affect us should an unfavorable ruling occur.

Our operations are subject to environmental laws and regulations.

Our operations are subject to a broad range of environmental laws and regulations in each of the jurisdictions in which we operate. These laws and regulations impose stringent environmental protection standards regarding, among other things, air emissions, wastewater discharges, the use and handling of hazardous waste or materials, waste disposal practices and the remediation of environmental damage or contamination.

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These laws and regulations expose us to the risk of substantial environmental costs and liabilities, including fines and other sanctions, the payment of compensation to third parties, remediation costs and damage to reputation. Moreover, the enactment of stricter laws and regulations, stricter interpretation of existing laws or regulations, or new enforcement initiatives, may impose new risks or costs on us or result in the need for additional investments in pollution control equipment, which could result in a material decline in our profitability.

In late 2010, the U.S. Environmental Protection Agency (“EPA”) issued the final Portland Cement National Emission Standard (“Portland Cement NESHAP”) for Hazardous Air Pollutants under the federal Clean Air Act (“CAA”). This rule required Portland cement plants to limit mercury emissions, total hydrocarbons, hydrochloric acid and particulate matter by September 2013. The rule was challenged in federal court, and in December 2011, the D.C. Circuit Court of Appeals remanded the Portland Cement NESHAP to EPA and directed the agency to recompute the standards. In February 2013, EPA issued a revised final Portland Cement NESHAP rule that relaxed emissions limits for particulate matter and moved the compliance deadline to September 2015. In April 2013, environmental groups again challenged the revised Portland Cement NESHAP rule in federal court. In April 2014, the D.C. Circuit issued a ruling upholding both the revised particulate matter emission limits and the September 2015 compliance deadline. We are unable to predict at this time whether the environmental groups will petition for a rehearing or rehearing en banc of the D.C. Circuit’s decision. We are similarly unable to predict whether the September 2015 compliance date will remain in effect. If the final Portland Cement NESHAP takes effect in its present form, the rule could have a material adverse impact on our results of operations, liquidity and financial condition; however, we expect that such impact would be consistent with the impact on the cement industry as a whole.

In February 2013, EPA issued revised final emissions standards under the CAA for commercial and industrial solid waste incinerators (“CISWI”). Under the CISWI rule, if a material being used in a cement kiln as an alternative fuel is classified as a solid waste, the plant must comply with CISWI standards. The CISWI rule covers nine pollutants, and imposes more stringent emissions limits on certain pollutants that also are regulated under the Portland Cement NESHAP. The CISWI rule has been challenged by both industrial and environmental groups in federal court. We are unable to predict whether these challenges will ultimately result in the rule being remanded to EPA, or whether such a remand would result in more or less stringent CISWI standards. If the CISWI rule takes effect in its current form, and if kilns at or CEMEX plants are determined to be CISWI kilns due to the use of certain alternative fuels, the emissions standards imposed by the CISWI rule could have a material impact on our business operations.

Under certain environmental laws and regulations, liability associated with investigation or remediation of hazardous substances can arise at a broad range of properties, including properties currently or formerly owned or operated by CEMEX, as well as facilities to which we sent hazardous substances or wastes for treatment, storage or disposal. Such laws and regulations may apply without regard to causation or knowledge of contamination. We occasionally evaluate various alternatives with respect to our facilities, including possible dispositions or closures. Investigations undertaken in connection with these activities (or ongoing operational or construction activities) may lead to hazardous substance releases or discoveries of historical contamination that must be remediated, and closures of facilities may trigger compliance requirements that are not applicable to operating facilities. While compliance with these laws and regulations has not materially adversely affected our operations in the past, we cannot assure you that these requirements will not change and that compliance will not adversely affect our operations in the future. Furthermore, we cannot assure you that existing or future circumstances or developments with respect to contamination will not require us to make significant remediation or restoration expenditures.

The cement manufacturing process requires the combustion of large amounts of fuel and creates carbon dioxide (“CO₂”) as a by-product of the calcination process. Therefore, efforts to address climate change through federal, state, regional, European Union and international laws and regulations requiring reductions in emissions of greenhouse gases (“GHGs”) can create economic risks and uncertainties for our business. Such risks could include the cost of purchasing allowances or credits to meet GHG emission caps, the cost of installing equipment

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to reduce emissions to comply with GHG limits or required technological standards, decreased profits or losses arising from decreased demand for our goods and higher production costs resulting directly or indirectly from the imposition of legislative or regulatory controls. To the extent that financial markets view climate change and GHG emissions as a financial risk, this could have a material adverse effect on our cost of and access to capital. Given the uncertain nature of the actual or potential statutory and regulatory requirements for GHG emissions at the federal, state, regional, European Union and international levels, we cannot predict the impact on our operations or financial condition or make a reasonable estimate of the potential costs to us that may result from such requirements. However, the impact of any such requirements, whether individually or cumulatively, could have a material economic impact on our operations in the United States and in other countries. For more information on the laws and regulations addressing climate change that we are, or could become, subject to, and the impacts to our operations arising therefrom, see “Item 4—Information on the Company—Regulatory Matters and Legal Proceedings—Environmental Matters.”

Cement production raises a number of health and safety issues. As is the case with other companies in our industry, some of our aggregate products contain varying amounts of crystalline silica, a common mineral. Also, some of our construction and material processing operations release, as dust, crystalline silica that is in the materials being handled. Excessive, prolonged inhalation of very small-sized particles of crystalline silica has allegedly been associated with respiratory disease (including silicosis). As part of our annual due diligence, we work with our stakeholders to verify that certain health and safety protocols are in place as regards the management of silica and its health effects. Nonetheless, under various laws we may be subject to future claims related to exposure to these or other substances.

Other health and safety issues related to our business include: burns arising from contact with hot cement kiln dust or dust on preheater systems; air borne hazards related to our aggregates mining activities; noise, including from chutes and hoppers, milling plants, exhaust fans and blowers; the potential for dioxin formation if chlorine-containing alternative fuels are introduced into kilns; plant cleaning and maintenance activities involving working at height or in confined or other awkward locations, and the storage and handling of coal, pet coke and certain alternative fuels, which, in their finely ground state, can pose a risk of fire or explosion; and health hazards associated with operating ready-mix concrete trucks. While we actively seek to minimize the risk posed by these issues, personal injury claims may be made, and substantial damages awarded, against us. We may also be required to change our operational practices, involving material capital expenditure.

As part of our insurance-risk governance approach, from time to time we evaluate the need to address the financial consequences of environmental laws and regulations through the purchase of insurance. As a result we do arrange certain types of environmental impairment insurance policies for both site-specific, as well as multi-site locations. We also organize non-specific environmental impairment insurance as part of the provision of a broader corporate insurance strategy. These latter insurance policies are designed to offer some assistance to our financial flexibility to the extent that the specifics of an environmental incident could give rise to a financial liability. However, we cannot assure you that a given environmental incident will be covered by the environmental insurance we have in place, or that the amount of such insurance will be sufficient to offset the liability arising from the incident.

We are an international company and are exposed to risks in the countries in which we have significant operations or interests.

We are dependent, in large part, on the economies of the countries in which we market our products. The economies of these countries are in different stages of socioeconomic development. Consequently, like many other companies with significant international operations, we are exposed to risks from changes in foreign currency exchange rates, interest rates, inflation, governmental spending, social instability and other political, economic or social developments that may materially affect our business, financial condition and results of operations.

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As of December 31, 2014, we had operations in Mexico, the United States, the United Kingdom, Germany, France, Rest of Northern Europe (which includes our subsidiaries in Ireland, the Czech Republic, Austria, Poland, Hungary and Latvia, as well as trading activities in Scandinavia and Finland), Egypt, Spain, Rest of the Mediterranean (which includes our subsidiaries in Croatia, the UAE and Israel), Colombia and Rest of South America and the Caribbean (which includes our subsidiaries in Costa Rica, the Dominican Republic, Panama, Nicaragua, Puerto Rico, Guatemala, Argentina and other assets in the Caribbean region), the Philippines and Rest of Asia (which includes our subsidiaries in Thailand, Bangladesh and Malaysia).

For a geographic breakdown of our net sales for the year ended December 31, 2014, see “Item 4—Information on the Company—Geographic Breakdown of Net Sales for the Year Ended December 31, 2014.”

Our operations in the South America and the Caribbean region are faced with several risks that are more significant than in other countries. These risks include political instability and economic volatility. For example, on August 18, 2008, Venezuelan officials took physical control of the facilities of CEMEX Venezuela, S.A.C.A., or CEMEX Venezuela, following the issuance on May 27, 2008 of governmental decrees confirming the expropriation of all of CEMEX Venezuela’s assets, shares and business.

Our operations in Egypt, the UAE and Israel have experienced instability as a result of, among other things, civil unrest, extremism and the deterioration of general diplomatic relations in the region. We cannot assure you that political turbulence in Egypt, Libya and other countries in Africa and the Middle East will abate in the near future or that neighboring countries will not be drawn into conflicts or experience instability. In addition, our operations in Egypt are subject to political risks, such as confiscation, expropriation and/or nationalization. See “Item 4—Information on the Company—Regulatory Matters and Legal Proceedings—Other Legal Proceedings—Egypt Share Purchase Agreement.”

In January 2011, protests and demonstrations demanding a regime change began taking place across Egypt, which resulted in former President Hosni Mubarak resigning from his post on February 11, 2011. Subsequently, Mr. Mubarak transferred government powers to the Egyptian Army. The Supreme Council of the Armed Forces of Egypt dissolved the Egyptian parliament, suspended the nation’s constitution, and formed a committee to recommend constitutional changes to facilitate a political transition through democratic elections. Following some delays, elections for a new parliament took place between November 2011 and January 2012. Elections held in May and June of 2012 witnessed the victory of Mohamed Morsi as the fifth president of Egypt. Despite a return to civilian rule, demonstrations and protests continued to take place across Egypt following Mr. Morsi’s election, culminating in large-scale anti-Morsi protests in June 2013. On July 3, 2013, the Egyptian military, led by General Abdel Fattah el-Sisi, removed Mr. Morsi from office and suspended the Egyptian constitution. The Egyptian military then appointed Chief Justice Adly Mansour as the interim president of Egypt, and charged him with forming a transitional technocratic government. In May 2014 presidential elections took place having elected General Abdel Fattah el-Sisi. Elections to the House of Representatives were delayed after the Egyptian Supreme Constitutional Court ruled on March 1, 2015 that the law on electoral constituencies was unconstitutional because it did not guarantee fair representation. Additionally, on March 7, 2015, the Egyptian Supreme Constitutional Court ruled that the law banning dual citizens from running in the election was unconstitutional. It is now expected that the parliamentary elections to the House of Representatives will take place during the second half of 2015. Egypt has recently experienced minor terrorist events, none of which has impacted our operations in the country. Although CEMEX’s operations in Egypt have not been immune from disruptions resulting from the turbulence in Egypt, which the government is seeking to minimize, CEMEX continues with its cement production, dispatch and sales activities as of the date of this annual report. Risks to CEMEX’s operations in Egypt include a potential reduction in overall economic activity in Egypt exchange rate volatility, energy shortages and, which could affect demand for building materials, and interruptions in general services, which could have a material adverse effect on our operations in Egypt.

In recent years, concerns over global economic conditions, energy costs, geopolitical issues, the availability and cost of credit and the international financial markets have contributed to economic uncertainty and reduced expectations for the global economy. In addition, military activities in Ukraine and on its borders, including

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Russia effectively taking control of Crimea (followed by Crimea's independence vote and absorption by Russia) have combined with Ukraine's very weak economic conditions to create great uncertainty in Ukraine and the global markets. In response to the annexation of the Crimean region of Ukraine by Russia, other nations, including the U.S., have imposed, and may continue imposing further, economic sanctions on Russia and Ukraine. Presently, concerns related to ongoing unrest in Ukraine have prompted calls for increasing levels of economic sanctions against Russia and Ukraine. Resolution of Ukraine's political and economic conditions may not occur for some time, and the situation could deteriorate into increased violence and/or economic collapse. While not directly impacting territories where we had operations as of December 31, 2014, this dispute could negatively affect the economies of the countries in which we operate, including through its impact on the surrounding region, the global economy and the impact it might have on the access to Russian energy supplies by the countries in which we operate. Further, potential responses by Russia to those sanctions could adversely affect European economic conditions, which could have a material adverse effect on our operations in Europe. Meanwhile, the continued political unrest in Venezuela, the continued hostilities in the Middle East and the occurrence or threat of terrorist attacks also could adversely affect the global economy.

There have been terrorist attacks and ongoing threats of future terrorist attacks in countries in which we maintain operations. We cannot assure you that there will not be other attacks or threats that will lead to an economic contraction or erection of material barriers to trade in any of our markets. An economic contraction in any of our major markets could affect domestic demand for cement and could have a material adverse effect on our operations.

Our operations can be affected by adverse weather conditions.

Construction activity, and thus demand for our products, decreases substantially during periods of cold weather, when it snows or when heavy or sustained rainfalls occur. Consequently, demand for our products is significantly lower during the winter in temperate countries and during the rainy season in tropical countries. Winter weather in our European and North American operations significantly reduces our first quarter sales volumes, and to a lesser extent our fourth quarter sales volumes. Sales volumes in these and similar markets generally increase during the second and third quarters because of normally better weather conditions. However, high levels of rainfall can adversely affect our operations during these periods as well. Such adverse weather conditions can adversely affect our business, financial condition and results of operations if they occur with unusual intensity, during abnormal periods, or last longer than usual in our major markets, especially during peak construction periods.

We will be adversely affected by any significant or prolonged disruption to our production facilities.

Any prolonged and/or significant disruption to our production facilities, whether due to repair, maintenance or servicing, industrial accidents, unavailability of raw materials such as energy, mechanical equipment failure, human error or otherwise, will disrupt and adversely affect our operations. Additionally, any major or sustained disruptions in the supply of utilities such as water or electricity or any fire, flood or other natural calamities or communal unrest or acts of terrorism may disrupt our operations or damage our production facilities or inventories and could adversely affect our business, financial condition and results of operations.

We typically shut down our facilities to undertake maintenance and repair work at scheduled intervals. Although we schedule shut downs such that not all of our facilities are shut down at the same time, the unexpected shut down of any facility may nevertheless affect our business, financial condition and results of operations from one period to another.

We are dependent on information technology and our systems and infrastructure, as well as those provided by third-party service providers, face certain risks, including cyber security risks.

We rely on a variety of information technology and automated operating systems to manage or support our operations. The proper functioning of these systems is critical to the efficient operation and management of our business. In addition, these systems may require modifications or upgrades as of a result of technological changes

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or growth in our business. These changes may be costly and disruptive to our operations, and could impose substantial demands on outage time. Our systems, as well as those provided by our third-party service providers, may be vulnerable to damage, disruption or intrusion caused by circumstances beyond our control, such as physical or electronic break-ins, catastrophic events, power outages, natural disasters, computer system or network failures, viruses or malware, unauthorized access and cyber-attacks. Although we take actions to secure our systems and electronic information, these measures may not be sufficient. As of March 31, 2015, our third-party service providers have not informed us of any event that has damaged, disrupted or resulted in an intrusion of our systems. Any significant information leakages could affect our compliance with data privacy laws and damage our relationship with our employees, customers and suppliers, and also adversely impact our business, financial condition and results of operations. As of March 31, 2015, our insurance does not cover any risk associated with any cyber security risks. In addition, any significant disruption to our systems could adversely affect our business, financial condition and results of operations.

Activities in our business can be dangerous and can cause injury to people or property in certain circumstances.

Our production facilities require individuals to work with chemicals, equipment and other materials that have the potential to cause harm and injury, or fatalities, when used without due care. An accident or injury that occurs at our facilities could result in disruptions to our business and have legal and regulatory consequences and we may be required to compensate such individuals or incur other costs and liabilities, any and all of which could adversely affect our reputation, business, financial condition, results of operations and prospects.

Labor activism and unrest, or failure to maintain satisfactory labor relations, could adversely affect our results of operations.

Labor activism and unrest may adversely affect our operations and thereby adversely affect our business, financial condition, results of operations and prospects. Although our operations have not been affected by any significant labor dispute in the past, we cannot assure you that we will not experience labor unrest, activism, disputes or actions in the future, some of which may be significant and could adversely affect our business, financial condition, results of operations and prospects.

Increases in liabilities related to our pension plans could adversely affect our results of operations.

We have obligations under defined benefit pension plans in certain countries in which we operate, mainly in North America and Northern Europe. Our funding obligations depend upon future asset performance, the level of interest rates used to measure future liabilities, benefit plan changes, government regulations and other factors. Due to the large number of variables that determine pension liabilities and funding requirements, which are difficult to predict, our net projected liability of approximately U.S.\$1.14 billion as of December 31, 2014, and the future cash funding requirements for our defined benefit pension plans and other postemployment benefit plans could be significantly higher than the amounts estimated as of December 31, 2014. If so, these funding requirements could have a material adverse effect on our business, financial condition, results of operations and prospects.

Our insurance coverage may not cover all the risks to which we may be exposed.

We face the risks of loss and damage to our products, property and machinery due to fire, theft and natural disasters such as floods. Such events may cause a disruption to or cessation of our operations. While we believe that we have adequate and sufficient coverage, in line with industry practices, in some instances our insurance coverage may not be sufficient to cover all of our potential unforeseen losses and liabilities. In addition, our insurance coverage may not cover all the risks to which we may be exposed. If our losses exceed our insurance coverage, or if we are not covered by the insurance policies we have taken up, we may be liable to cover any shortfall or losses. Our insurance premiums may also increase substantially because of such claims. In such circumstances, our financial results may be adversely affected.

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Our success depends on key members of our management.

Our success depends largely on the efforts and strategic vision of our executive management team. The loss of the services of some or all of our executive management could have a material adverse effect on our business, financial condition and results of operations.

The execution of our business plan also depends on our ongoing ability to attract and retain additional qualified employees. For a variety of reasons, particularly with respect to the competitive environment and the availability of skilled labor, we may not be successful in attracting and retaining the personnel we require. If we are unable to hire, train and retain qualified employees at a reasonable cost, we may be unable to successfully operate our business or capitalize on growth opportunities and, as a result, our business, financial condition and results of operations could be adversely affected.

Certain tax matters may have an adverse effect on our cash flow, financial condition and net income.

We are subject to certain tax matters, mainly in Mexico, Colombia and Spain, that may have an adverse effect on our cash flow, financial condition and net income. See notes 20 and 19D to our 2014 audited consolidated financial statements and “Item 4—Information on the Company—Regulatory Matters and Legal Proceedings—Tax Matters—Mexico,” “Regulatory Matters and Legal Proceedings—Tax Matters—Colombia,” and “Regulatory Matters and Legal Proceedings—Tax Matters—Spain” for a description of the legal proceedings regarding these Mexican, Colombian and Spanish tax matters, all included elsewhere in this annual report.

It may be difficult to enforce civil liabilities against us or our directors, executive officers and controlling persons.

We are a publicly traded stock corporation with variable capital (sociedad anónima bursátil de capital variable) organized under the laws of Mexico. Substantially all of our directors and officers and the majority of the members of our senior management reside in Mexico, and all or a significant portion of the assets of those persons may be, and the majority of our assets are, located outside the United States. As a result, it may not be possible for you to effect service of process within the United States upon such persons or to enforce against them or against us in U.S. courts judgments predicated upon the civil liability provisions of the federal securities laws of the United States. We have been advised by our General Counsel, Lic. Ramiro G. Villarreal Morales, that there is doubt as to the enforceability in Mexico, either in original actions or in actions for enforcement of judgments of U.S. courts, of civil liabilities predicated on the U.S. federal securities laws.

The protections afforded to non-controlling shareholders in Mexico are different from those in the United States and may be more difficult to enforce.

Under Mexican law, the protections afforded to non-controlling shareholders are different from those in the United States. In particular, the legal framework and case law pertaining to disputes between shareholders and us, our directors, our officers or our controlling shareholders, if any, are less developed under Mexican law than under U.S. law. Mexican law generally only permits shareholder derivative suits (i.e., suits for our benefit as opposed to the direct benefit of our shareholders) and there are different procedural requirements for bringing shareholder lawsuits, such as shareholder derivative suits, which differ from those you may be familiar with under U.S. and other laws. There is also a substantially less active plaintiffs’ bar dedicated to the enforcement of shareholders’ rights in Mexico than in the United States. As a result, in practice it may be more difficult for our non-controlling shareholders to enforce their rights against us or our directors or controlling shareholders than it would be for shareholders of a U.S. company.

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ADS holders may only vote the Series B shares represented by the CPOs deposited with the ADS depository through the ADS depository and are not entitled to vote the Series A shares represented by the CPOs deposited with the ADS depository or to attend shareholders' meetings.

Under the terms of the ADSs and CEMEX, S.A.B. de C.V.'s by-laws, a holder of an ADS has the right to instruct the ADS depository to exercise voting rights only with respect to Series B shares represented by the CPOs deposited with the depository, but not with respect to the Series A shares represented by the CPOs deposited with the depository. ADS holders will not be able to directly exercise their right to vote unless they withdraw the CPOs underlying their ADSs (and, in the case of non-Mexican holders, even if they do so, they may not vote the Series A shares represented by the CPOs) and may not receive voting materials on time to ensure that they are able to instruct the depository to vote the CPOs underlying their ADSs or receive sufficient notice of a shareholders' meeting to permit them to withdraw their CPOs to allow them to cast their vote with respect to any specific matter. In addition, the depository and its agents may not be able to send out voting instructions on time or carry them out in the manner an ADS holder has instructed. As a result, ADS holders may not be able to exercise their right to vote and they may lack recourse if the CPOs underlying their ADSs are not voted as they requested. In addition, ADS holders are not entitled to attend shareholders' meetings. ADS holders will also not be permitted to vote the CPOs underlying the ADSs directly at a shareholders' meeting or to appoint a proxy to do so without withdrawing the CPOs. If the ADS depository does not receive voting instructions from a holder of ADSs in a timely manner, such holder will nevertheless be treated as having instructed the ADS depository to give a proxy to a person we designate, or at our request, the corresponding CPO trust's technical committee designates, to vote the B shares underlying the CPOs represented by the ADSs in his/her discretion. The ADS depository or the custodian for the CPOs on deposit may represent the CPOs at any meeting of holders of CPOs even if no voting instructions have been received. The CPO trustee may represent the A shares and the B shares represented by the CPOs at any meeting of holders of A shares or B shares even if no voting instructions have been received. By so attending, the ADS depository, the custodian or the CPO trustee, as applicable, may contribute to the establishment of a quorum at a meeting of holders of CPOs, A shares or B shares, as appropriate.

Non-Mexicans may not hold CEMEX, S.A.B. de C.V.'s Series A shares directly and must have them held in a trust at all times.

Non-Mexican investors in CEMEX, S.A.B. de C.V.'s CPOs or ADSs may not directly hold the underlying Series A shares, but may hold them indirectly through CEMEX, S.A.B. de C.V.'s CPO trust. Upon the early termination or expiration of the term of CEMEX, S.A.B. de C.V.'s CPO trust on September 6, 2029, the Series A shares underlying CEMEX, S.A.B. de C.V.'s CPOs held by non-Mexican investors must be placed into a new trust similar to the current CPO trust for non-Mexican investors to continue to hold an economic interest in such shares. We cannot assure you that a new trust similar to the CPO trust will be created or that the relevant authorization for the creation of the new trust or the transfer of our Series A shares to such new trust will be obtained. In that event, since non-Mexican holders currently cannot hold Series A shares directly, they may be required to sell all of their Series A shares to a Mexican individual or corporation.

Preemptive rights may be unavailable to ADS holders.

ADS holders may be unable to exercise preemptive rights granted to CEMEX, S.A.B. de C.V.'s shareholders, in which case ADS holders could be substantially diluted following future equity or equity-linked offerings. Under Mexican law, whenever CEMEX, S.A.B. de C.V. issues new shares for payment in cash or in kind, CEMEX, S.A.B. de C.V. is generally required to grant preemptive rights to CEMEX, S.A.B. de C.V.'s shareholders, except if the shares are issued in respect of a public offering or if the relevant shares underlie convertible securities. However, ADS holders may not be able to exercise these preemptive rights to acquire new shares unless both the rights and the new shares are registered in the United States or an exemption from registration is available. We cannot assure you that we would file a registration statement in the United States at the time of any rights offering.

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Mexican Peso Exchange Rates

Mexico has had no exchange control system in place since the dual exchange control system was abolished in November 1991. The Mexican Peso has floated freely in foreign exchange markets since December 1994, when the Mexican Central Bank (*Banco de México*) abandoned its prior policy of having an official devaluation band. Since then, the Mexican Peso has been subject to substantial fluctuations in value. The Mexican Peso appreciated against the U.S. Dollar by approximately 6% in 2010, respectively, depreciated against the U.S. Dollar by approximately 11.5% in 2011, appreciated against the U.S. Dollar by approximately 9% in 2012 and depreciated against the U.S. Dollar by approximately 2% in 2013, and depreciated against the U.S. Dollar by approximately 11% in 2014. These percentages are based on the exchange rate that we use for accounting purposes, or the CEMEX accounting rate. The CEMEX accounting rate represents the average of three different exchange rates that are provided to us by Banco Nacional de México, S.A., integrante del Grupo Financiero Banamex, or Banamex. For any given date, the CEMEX accounting rate may differ from the noon buying rate for Mexican Pesos in New York City published by the U.S. Federal Reserve Bank of New York.

The following table sets forth, for the periods and dates indicated, the end-of-period, average and high and low points of the CEMEX accounting rate as well as the noon buying rate for Mexican Pesos, expressed in Mexican Pesos per U.S.\$1.00.

Year Ended December 31,	CEMEX Accounting Rate				Noon Buying Rate			
	End of the period	Average(1)	High	Low	End of the period	Average(1)	High	Low
2010	12.36	12.67	13.21	12.15	12.38	12.64	13.19	12.16
2011	13.96	12.45	14.21	11.50	13.95	12.43	14.25	11.51
2012	12.85	13.16	14.37	12.56	12.96	13.15	14.37	12.63
2013	13.05	12.85	13.39	11.98	13.10	12.76	13.43	11.98
2014	14.74	13.32	14.78	12.84	14.75	13.31	14.79	12.85
Monthly (2014)								
September	13.43				13.43		13.48	13.07
October	13.48				13.48		13.57	13.39
November	13.39				13.92		13.92	13.54
December	14.74				14.75		14.79	13.94
Monthly (2015)								
January	14.99				15.01		15.01	14.56
February	15.03				15.06		15.10	14.75
March	15.27				15.25		15.58	14.93
April(2)	15.33				15.32		15.36	14.80

- (1) The average of the CEMEX accounting rate or the noon buying rate for Mexican Pesos, as applicable, on the last day of each full month during the relevant period.
- (2) April noon buying rates and CEMEX accounting rates are through April 17, 2015.

On April 17, 2015, the CEMEX accounting rate was Ps15.33 to U.S.\$1.00. Between January 1, 2014 and April 17, 2015, the Mexican Peso depreciated by approximately 3.7% against the U.S. Dollar, based on the noon buying rate for Mexican Pesos.

For a discussion of the financial treatment of our operations conducted in other currencies, see “Item 3—Key Information—Risk Factors—Selected Consolidated Financial Information” included elsewhere in this annual report.

Selected Consolidated Financial Information

The financial data set forth below as of and for each of the five years ended December 31, 2014 have been derived from our audited consolidated financial statements. The financial data set forth below as of December 31, 2014 and 2013 and for each of the three years ended December 31, 2014, 2013 and 2012 have been derived from, and should be read in conjunction with, and are qualified in their entirety by reference to, our 2014 audited consolidated financial statements and the notes thereto included elsewhere in this annual report. Our audited consolidated financial statements prepared under IFRS for the year ended December 31, 2014 were approved by our shareholders at the annual general ordinary shareholders' meeting, which was held on March 26, 2015.

The operating results of newly acquired businesses are consolidated in our financial statements beginning on the acquisition date. Therefore, all periods presented do not include operating results corresponding to newly acquired businesses before we assumed control. As a result, the financial data for the years ended December 31, 2014, 2013, and 2012 may not be comparable to that of prior periods.

Our audited consolidated financial statements included elsewhere in this annual report, have been prepared in accordance with IFRS, which differ in significant respects from U.S. GAAP. The regulations of the SEC do not require foreign private issuers that prepare their financial statements on the basis of IFRS (as published by the International Accounting Standards Board) to reconcile such financial statements to U.S. GAAP. Accordingly, since our adoption of IFRS, we no longer reconcile our financial information to U.S. GAAP.

Non-Mexican Peso amounts included in the financial statements are first translated into U.S. Dollar amounts, in each case at a commercially available or an official government exchange rate for the relevant period or date, as applicable, and those U.S. Dollar amounts are then translated into Mexican Peso amounts at the CEMEX accounting rate, described under "—Mexican Peso Exchange Rates," as of the relevant period or date, as applicable.

The U.S. Dollar amounts provided below, unless otherwise indicated elsewhere in this annual report, are translations of Mexican Peso amounts at an exchange rate of Ps14.74 to U.S.\$1.00, the CEMEX accounting rate as of December 31, 2014. However, in the case of transactions conducted in U.S. Dollars, we have presented the U.S. Dollar amount of the transaction and the corresponding Mexican Peso amount that is presented in our consolidated financial statements. These translations have been prepared solely for the convenience of the reader and should not be construed as representations that the Mexican Peso amounts actually represent those U.S. Dollar amounts or could be converted into U.S. Dollars at the rate indicated. The noon buying rate for Mexican Pesos on December 31, 2014 was Ps14.75 to U.S.\$1.00. From December 31, 2014 through April 17, 2015, the Mexican Peso depreciated by approximately 3.7% against the U.S. Dollar, based on the noon buying rate for Mexican Pesos.

CEMEX, S.A.B. DE C.V. and Subsidiaries Selected Consolidated Financial Information

	As of and For the Year Ended December 31,				
	2010	2011	2012	2013	2014
(in millions of Mexican Pesos, except ratios and share and per share amounts)					
Statement of Operations Information:					
Net sales	Ps 177,641	Ps 189,887	Ps 197,036	Ps 195,661	Ps 210,023
Cost of sales(1)	(127,845)	(136,181)	(138,706)	(134,774)	(142,746)
Gross profit	49,796	53,706	58,330	60,887	67,277
Administrative, selling and distribution expenses	(39,060)	(41,844)	(41,329)	(41,383)	(45,094)
Operating earnings before other expenses, net(2)	10,736	11,862	17,001	19,504	22,183
Other expense, net	(6,335)	(5,233)	(5,490)	(4,903)	(5,128)
Operating earnings(2)	4,401	6,629	11,511	14,601	17,055
Financial items(3)	(15,276)	(19,092)	(17,534)	(18,231)	(19,009)
Equity in income (loss) of associates	(487)	(334)	728	229	297
Loss before income tax	(11,362)	(12,797)	(5,295)	(3,401)	(1,657)
Non-controlling net income	46	21	662	1,223	1,103
Controlling interest net loss	(13,482)	(24,953)	(12,000)	(10,834)	(6,783)
Basic loss per share(4)(5)	(0.37)	(0.69)	(0.31)	(0.28)	(0.17)
Diluted loss per share(4)(5)	(0.37)	(0.69)	(0.31)	(0.28)	(0.17)
Number of shares outstanding(4)(6)(7)	30,065	31,410	32,808	34,270	37,370
Balance Sheet Information:					
Cash and cash equivalents	8,354	16,128	12,478	15,176	12,589
Property, machinery and equipment, net	221,271	234,342	213,075	205,717	202,928
Total assets	504,881	541,655	478,797	496,130	514,961
Short-term debt including current maturities of long-term debt	5,618	4,673	596	3,959	14,507
Long-term debt	188,776	203,798	177,539	187,021	191,327
Non-controlling interest and Perpetual Debentures(8)	19,443	16,602	14,488	14,939	17,068
Total controlling stockholders' equity	163,744	155,104	141,139	133,379	131,103
Other Financial Information:					
Net working capital(9)	18,692	23,690	19,667	20,754	20,757
Book value per share(4)(7)(10)	5.45	4.94	4.30	3.89	3.51
Operating margin before other expense, net	6.0%	6.2%	8.6%	10.0%	10.6%
Operating EBITDA(11)	29,844	29,710	34,506	33,963	36,640
Ratio of Operating EBITDA to interest expense(11)	2.0	1.8	1.9	1.7	1.7
Capital expenditures	6,963	8,540	10,465	8,409	9,486
Depreciation and amortization	19,108	17,848	17,505	14,459	14,457
Net cash flow provided by operating activities before interest, coupons on perpetual debentures and income taxes	25,952	23,942	30,222	27,045	36,514
Basic loss per CPO(4)(5)	(1.11)	(2.07)	(0.93)	(0.84)	(0.51)
Total debt plus other financial obligations	210,619	249,372	218,026	230,298	244,429

- (1) Cost of sales includes depreciation, amortization and depletion of assets involved in production, freight expenses of raw materials used in our producing plants, delivery expenses of our ready-mix concrete business and expenses related to storage in producing plants. Our cost of sales excludes (i) expenses related

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- to personnel and equipment comprising our selling network and those expenses related to warehousing at the points of sale, which are included as part of our administrative and selling expenses line item, and (ii) freight expenses of finished products from our producing plants to our points of sale and from our points of sale to our customers' locations, which are all included as part of our distribution expenses line item.
- (2) In the statements of operations, CEMEX includes the line item titled "Operating earnings before other expenses, net" considering that is a relevant measure for CEMEX's management as explained in note 4 to our 2014 audited consolidated financial statements included elsewhere in this annual report. Under IFRS, while there are line items that are customarily included in the statement of operations, such as net sales, operating costs and expenses and financial revenues and expenses, among others, the inclusion of certain subtotals such as "Operating earnings before other expenses, net" and the display of such statements of operations varies significantly by industry and company according to specific needs.
 - (3) Financial items include financial expenses and our other financial (expense) income, net, which includes our financial income, results from financial instruments, net (derivatives and marketable securities), foreign exchange results, effects of net present value on assets and liabilities and others, net. See note 7 to our 2014 audited consolidated financial statements included elsewhere in this annual report.
 - (4) CEMEX, S.A.B. de C.V.'s capital stock consists of Series A shares and Series B shares. Each of CEMEX, S.A.B. de C.V.'s CPOs represents two Series A shares and one Series B share. As of December 31, 2014, approximately 99.78% of CEMEX, S.A.B. de C.V.'s outstanding share capital was represented by CPOs. Each of CEMEX, S.A.B. de C.V.'s ADSs represents ten CPOs.
 - (5) Loss per share are calculated based upon the weighted average number of shares outstanding during the year, as described in note 22 to our 2014 audited consolidated financial statements included elsewhere in this annual report. Basic loss per CPO is determined by multiplying the basic loss per share for each period by three (the number of shares underlying each CPO). Basic loss per CPO is presented solely for the convenience of the reader and does not represent a measure under IFRS. See note 22 and 26 to our 2014 audited consolidated financial statements included elsewhere in this annual report.
 - (6) CEMEX, S.A.B. de C.V. did not declare a dividend for fiscal years 2010, 2011, 2012, 2013 and 2014. At each of CEMEX, S.A.B. de C.V.'s 2010, 2011, 2012, 2013 and 2014 annual general ordinary shareholders' meetings, held on February 24, 2011, February 23, 2012, March 21, 2013, March 20, 2014 and March 26, 2015, respectively, CEMEX, S.A.B. de C.V.'s shareholders approved a recapitalization of retained earnings. New CPOs issued pursuant to each such recapitalization were allocated to shareholders on a pro-rata basis. As a result, shares equivalent to approximately 400.9 million CPOs, approximately 418.8 million CPOs, approximately 437.4 million CPOs, approximately 468 million CPOs and approximately 437.4 million CPOs were allocated to shareholders on a pro-rata basis in connection with the 2010, 2011, 2012, 2013 and 2014 recapitalizations, respectively. In each case, CPO holders received one new CPO for each 25 CPOs held and ADS holders received one new ADS for each 25 ADSs held. There was no cash distribution and no entitlement to fractional shares.
 - (7) Based upon the total number of shares outstanding at the end of each period, expressed in millions of shares, and includes shares subject to financial derivative transactions, but does not include shares held by our subsidiaries.
 - (8) As of December 31, 2010, 2011, 2012, 2013 and 2014, non-controlling interest includes U.S.\$1,320 million (Ps16,310 million), U.S.\$938 million (Ps13,089 million), U.S.\$473 million (Ps6,078 million), U.S.\$477 million (Ps6,223 million) and U.S.\$466 million (Ps6,869 million), respectively, that represents the nominal amount of Perpetual Debentures, denominated in U.S. Dollars and Euros, issued by consolidated entities. In accordance with IFRS, these securities qualify as equity due to their perpetual nature and the option to defer the coupons.
 - (9) Net working capital equals trade receivables, less allowance for doubtful accounts plus inventories, net, less trade payables.
 - (10) Book value per share is calculated by dividing the total controlling stockholders' equity by the number of shares outstanding.

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- (11) Operating EBITDA equals operating earnings before other expenses, net, plus amortization and depreciation expenses. Operating EBITDA and the ratio of Operating EBITDA to interest expense are presented because we believe that they are widely accepted as financial indicators of our ability to internally fund capital expenditures and service or incur debt. Operating EBITDA and such ratios should not be considered as indicators of our financial performance, as alternatives to cash flow, as measures of liquidity or as being comparable to other similarly titled measures of other companies. Under IFRS, while there are line items that are customarily included in statements of operations prepared pursuant to IFRS, such as net sales, operating costs and expenses and financial revenues and expenses, among others, the inclusion of certain subtotals, such as operating earnings before other expenses, net, and the display of such statement of operations varies significantly by industry and company according to specific needs. Operating EBITDA is reconciled below to operating earnings before other expenses, net, as reported in the statements of operations, and to net cash flows provided by operating activities before interest and income taxes paid in cash, as reported in the statement of cash flows. Interest expense under IFRS does not include coupon payments and issuance costs of the Perpetual Debentures issued by consolidated entities of approximately Ps1,624 million in 2010, approximately Ps1,010 million in 2011, approximately Ps453 million in 2012, approximately Ps405 million in 2013 and approximately Ps420 million in 2014, as described in note 20D to our 2014 audited consolidated financial statements included elsewhere in this annual report.

	For the Year Ended December 31,				
	2010	2011	2012	2013	2014
	(in millions of Mexican Pesos)				
Reconciliation of operating EBITDA to net cash flows provided by operating activities before interest, coupons on Perpetual Debentures and income taxes					
Operating EBITDA	Ps 29,844	Ps 29,710	Ps 34,506	Ps 33,963	Ps 36,640
Less:					
Operating depreciation and amortization expense	19,108	17,848	17,505	14,459	14,457
Operating earnings before other expenses, net	10,736	11,862	17,001	19,504	22,183
Plus/minus:					
Changes in working capital excluding income taxes	(623)	(727)	(2,048)	(4,082)	1,544
Operating depreciation and amortization expense	19,108	17,848	17,505	14,459	14,457
Other items, net	(3,269)	(5,041)	(2,236)	(2,836)	(1,670)
Net cash flow provided by operating activities before interest, coupons on Perpetual Debentures and income taxes	Ps 25,952	Ps 23,942	Ps 30,222	Ps 27,045	Ps 36,514

Item 4—Information on the Company

Unless otherwise indicated, references in this annual report to our sales and assets, including percentages, for a country or region are calculated before eliminations resulting from consolidation, and thus include intercompany balances between countries and regions. These intercompany balances are eliminated when calculated on a consolidated basis.

Business Overview

CEMEX, S.A.B. de C.V. is a publicly traded stock corporation with variable capital, or *sociedad anónima bursátil de capital variable*, organized under the laws of Mexico, with its principal executive offices located at Avenida Ricardo Margáin Zozaya #325, Colonia Valle del Campestre, San Pedro Garza García, Nuevo León, 66265, México. Our main phone number is +52 81 8888-8888.

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CEMEX, S.A.B. de C.V. was founded in 1906 and was registered with the Mercantile Section of the Public Registry of Property and Commerce in Monterrey, Nuevo León, Mexico, on June 11, 1920 for a period of 99 years. At our 2014 annual general extraordinary shareholders' meeting held on March 26, 2015, this period was extended to an indefinite period of time. Beginning April 2006, CEMEX's full legal and commercial name is CEMEX, *Sociedad Anónima Bursátil de Capital Variable*.

CEMEX is one of the largest cement companies in the world, based on annual installed cement production capacity as of December 31, 2014 of approximately 93.7 million tons. We are the largest ready-mix concrete company in the world with annual sales volumes of approximately 68,399 million cubic meters and one of the largest aggregates companies in the world with annual sales volumes of approximately 55,994 million tons, in each case, based on our annual sales volumes in 2014. We are also one of the world's largest traders of cement and clinker, having traded approximately 9.5 million tons of cement and clinker in 2014. CEMEX, S.A.B. de C.V. is an operating and holding company engaged, directly or indirectly, through its operating subsidiaries, primarily in the production, distribution, marketing and sale of cement, ready-mix concrete, aggregates, clinker and other construction materials throughout the world, and that provides reliable construction-related services to customers and communities in more than 50 countries throughout the world.

We operate globally, with operations in Mexico, the United States, Northern Europe, the Mediterranean, South America and the Caribbean and Asia. We had total assets of approximately Ps515 billion (U.S.\$35 billion) as of December 31, 2014, and an equity market capitalization of approximately Ps187,854 million (U.S.\$12,159 million) as of April 20, 2015.

As of December 31, 2014, our main cement production facilities were located in Mexico, the United States, Spain, Egypt, Germany, Colombia, the Philippines, Poland, the Dominican Republic, the United Kingdom, Croatia, Panama, Latvia, Puerto Rico, Thailand, Costa Rica and Nicaragua. As of December 31, 2014, our assets (after eliminations), cement plants and installed capacity, on an unconsolidated basis by region, were as set forth below. Installed capacity, which refers to theoretical annual production capacity, represents gray portland cement equivalent capacity, which counts each ton of white cement capacity as approximately two tons of gray portland cement capacity, and includes installed capacity of cement plants that have been temporarily closed:

	As of December 31, 2014		
	Assets After Eliminations (in Billions of Mexican Pesos)	Number of Cement Plants	Installed Cement Production Capacity (Millions of Tons Per Annum)
Mexico(1)	77	15	29.3
United States(2)	229	13	17.1
Northern Europe			
United Kingdom	30	2	2.4
Germany	12	2	4.9
France	15	—	—
Rest of Northern Europe(3)	17	3	5.1
The Mediterranean			
Spain(4)	21	6	9.3
Egypt	8	1	5.4
Rest of the Mediterranean(5)	11	3	2.4
South America and the Caribbean ("SAC")			
Colombia	16	2	4.0
Rest of SAC(6)	18	5	8.0
Asia			
Philippines	10	2	4.5
Rest of Asia(7)	2	1	1.2
Corporate and Other Operations	49	—	—
Total	515	55	93.7

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The above table includes our proportional interest in the installed capacity of companies in which we hold a non-controlling interest and does not give effect to the transaction with Holcim, which closed on January 5, 2015. See “Item 5—Operating and Financial Review and Prospects—Recent Developments Relating to Our Operations—CEMEX and Holcim Close a Series of Transactions in Europe.”

- (1) “Number of cement plants” and “installed cement production capacity” includes two cement plants that have been temporarily closed with an aggregate annual installed capacity of 2.7 million tons of cement.
- (2) “Number of cement plants” and “installed cement production capacity” includes two cement plants that have been temporarily closed with an aggregate annual installed capacity of 2.1 million tons of cement.
- (3) Refers primarily to our operations in the Czech Republic, Austria, Poland, Hungary and Latvia, as well as trading activities in Scandinavia and Finland. For purposes of the columns labeled “Assets after eliminations” and “Installed cement production capacity,” includes our approximate 37.8% interest in ordinary shares, as of December 31, 2014, in a Lithuanian cement producer that operated one cement plant with an annual installed capacity of 1.3 million tons of cement as of December 31, 2014.
- (4) For purposes of “number of cement plants” and “installed cement production capacity” includes one cement plant that has been temporarily closed with an aggregate annual installed capacity of 0.1 million tons of cement.
- (5) Refers primarily to our operations in Croatia, the United Arab Emirates (“UAE”) and Israel.
- (6) Includes our operations in Costa Rica, Panama, Puerto Rico, the Dominican Republic, Nicaragua, Jamaica and other countries in the Caribbean, Guatemala and small ready-mix concrete operations in Argentina.
- (7) Includes our operations in Thailand, Bangladesh and Malaysia.

During part of the last 25 years, we embarked on a major geographic expansion program to diversify our cash flows and enter markets whose economic cycles within the cement industry largely operate independently from those of Mexico and which offer long-term growth potential. We have built an extensive network of marine and land-based distribution centers and terminals that give us marketing access around the world. The following are our significant acquisitions since 2010:

- On October 31, 2014, CEMEX, S.A.B. de C.V. announced that it had entered into agreements with Holcim, a global producer of building materials based in Switzerland, to complete a series of related transactions in Europe, which closed on January 5, 2015, with retrospective effect as of January 1, 2015. See note 26 to our 2014 audited consolidated financial statements included elsewhere in this annual report. As a result, (i) CEMEX acquired all of Holcim’s assets in the Czech Republic, including a cement plant, four aggregates quarries and 17 ready-mix plants for approximately €115 million (U.S.\$139 million or Ps2,049 million); (ii) CEMEX sold to Holcim assets in the western region of Germany, consisting of one cement plant, two cement grinding mills, one slag granulator, 22 aggregates quarries and 79 ready-mix plants for approximately €171 million (U.S.\$207 million or Ps3,047 million), while CEMEX maintained its operations in the north, east and south of Germany; and (iii) CEMEX acquired from Holcim one cement plant in the southern part of Spain, and one cement mill in the central part of Spain, among other related assets for approximately €89 million (U.S.\$108 million or Ps1,592 million). In connection with these transactions, in January 2015 CEMEX made a final payment in cash, after combined debt and working capital adjustments, of approximately €33 million (U.S.\$40 million or Ps594 million).
- In August 2011, as a result of Ready Mix USA’s exercise of its put option, and after performance of the obligations by both parties under the put option agreement, effective as of August 1, 2011, through the payment of approximately U.S.\$352 million (approximately Ps4,914 million), we acquired our former joint venture partner’s interests in CEMEX Southeast, LLC and Ready Mix USA, LLC, including a non-compete and a transition services agreement. See “Item 5—Operating and Financial Review and Prospects—Investments, Acquisitions and Divestitures” for additional information regarding the Ready Mix USA put option right.

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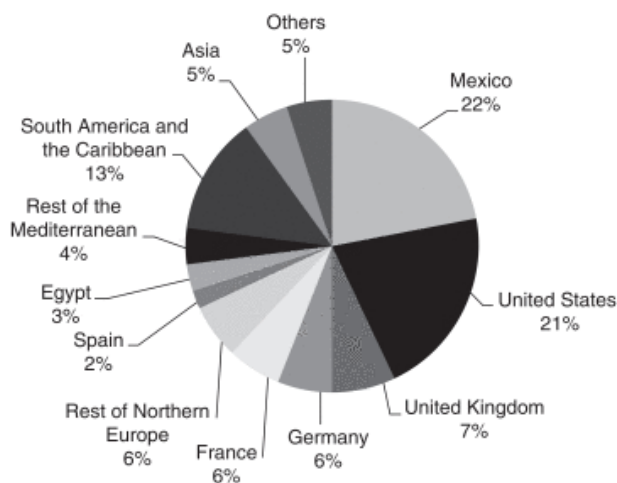
As part of our strategy, we periodically review and reconfigure our operations in implementing our post-merger integration process, and we sometimes divest assets that we believe are less important to our strategic objectives. The following have been our most significant divestitures and reconfigurations since 2010:

- In November 2012, CEMEX Latam, a then wholly-owned subsidiary of CEMEX España, completed the sale of newly issued common shares in the CEMEX Latam Offering, representing approximately 26.65% of CEMEX Latam's outstanding common shares. CEMEX Latam is the main holding company for CEMEX's operations in Brazil, Colombia, Costa Rica, Guatemala, Nicaragua, Panama and El Salvador. See "Item 5—Operating and Financial Review and Prospects—Investments, Acquisitions and Divestitures" for additional information regarding the CEMEX Latam Offering.
- On October 12, 2012, CEMEX made the final payment in connection with the acquisition of the 49% non-controlling interest in an indirect holding company of CEMEX Guatemala, CEMEX's main operating subsidiary in Guatemala, for a total amount including the final payment of approximately U.S.\$54 (Ps694 million).
- On May 17, 2012, Readymix Investments, an indirect subsidiary of CEMEX España, acquired all the shares of Readymix, CEMEX's main operating subsidiary in the Republic of Ireland. The acquisition price for the 38.8% non-controlling interest in Readymix was approximately €11 million (U.S.\$15 million or Ps187 million). During 2014, we sold substantially all the operating assets of Readymix, CEMEX's main operating subsidiary in the Republic of Ireland, and an indirect subsidiary of CEMEX España, for €19 million (U.S.\$23 million or Ps339 million), recognizing a loss on sale of approximately €14 million (U.S.\$17 million or Ps250 million).
- On August 27, 2010, we completed the sale of seven aggregates quarries, three resale aggregate distribution centers and one concrete block manufacturing facility in Kentucky to Bluegrass Materials Company, LLC for U.S.\$88 million in proceeds.

In connection with our ongoing efforts to strengthen our capital structure and regain financial flexibility, we currently expect to divest assets for an aggregate amount that may range between approximately U.S.\$1,000 million and up to approximately U.S.\$1,500 million by mid to late 2016, which assets may include a minority position in one of our operations.

Geographic Breakdown of Net Sales for the Year Ended December 31, 2014

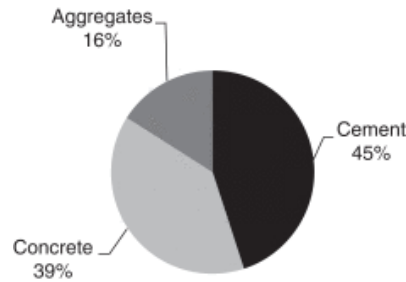
The following chart indicates the geographic breakdown of our net sales, before eliminations resulting from consolidation, for the year ended December 31, 2014:



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Breakdown of Net Sales by Product for the Year Ended December 31, 2014

The following chart indicates the breakdown of our net sales by product, after eliminations resulting from consolidation, for the year ended December 31, 2014:



Our Vision

CEMEX has a general vision comprised of five elements, a purpose, a mission, a strategy, an operating model, and values.

Purpose. We expect to make the future better for our people, our customers, our shareholders, and the communities we interact with. We address society's growing needs by offering high-quality products and innovative solutions. We expect to drive sustainable development and improve the lives of people and communities around us by developing and delivering what we deem to be the best solutions in cement, ready-mix concrete, and aggregates.

Mission. To create sustainable value by providing industry-leading products and solutions to satisfy the construction needs of our customers around the world.

Strategy. To create value by building and managing a global portfolio of integrated cement, ready-mix concrete, aggregates and related businesses. We seek to continue to improve our overall business by growing profitably through our integrated positions along the cement value chain and maximizing our overall performance.

We plan to continue focusing on our core businesses, the production and sale of cement, ready-mix concrete and aggregates, and the vertical integration of these businesses, leveraging our global presence and extensive operations worldwide. We believe that managing our cement, ready-mix concrete and aggregates operations as an integrated business allows us to capture a greater portion of the cement value chain, as our established presence in ready-mix concrete secures a distribution channel for our cement products. Moreover, we believe that, in most cases, vertical integration brings us closer to the end consumer by allowing us to offer comprehensive building solutions. We believe that this strategic focus enables us to grow our existing businesses, particularly in high-growth markets and higher-margin products. In approximately 25 years, we evolved from primarily a Mexican cement producer to a global building materials company with a diversified product portfolio across a balanced mix of developed and emerging economies that provides comprehensive building solutions.

We are focused on managing costs and maintaining profitability in the current economic environment, and we believe that we are well-positioned to benefit when the construction cycle recovers in the main countries in which we operate. A combination of continued government stimulus spending and renewed focus on infrastructure investment in many of our markets, along with some recovery for housing and for non-residential construction sectors, could translate into substantial growth in demand for our products.

We will continue to analyze our current portfolio and monitor opportunities for asset divestitures, as evidenced by the disposals we have made since 2009 in Central and South America, the United States, Spain, Italy, Australia and elsewhere, asset swaps, or mergers.

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Our strategy is planned to be implemented by valuing our employees as our main competitive advantage; by helping our customers succeed; by pursuing markets that offer long-term profitability; and by ensuring sustainability is fully embedded in our business.

Recruit, retain and cultivate world-class managers

Our senior management team has a strong track record operating diverse businesses throughout the cement value chain in emerging and developed economies globally.

We will continue to focus on recruiting and retaining motivated and knowledgeable professional managers. We encourage managers to regularly review our processes and practices, and to identify innovative management and business approaches to improve our operations. By rotating our managers from one country to another and from one area of our operations to another, we can increase their diversity of experience and knowledge of our business.

Provide our customers with the best value proposition

We aspire to be the supplier of choice for our customers, whether governmental entities, construction firms that operate in the countries in which we operate or individuals building or expanding their family's first home. We seek a clear understanding of what our customers require to meet their needs and provide them with the most efficient and effective building solutions for their construction project, large or small. We are committed to suiting our customers' needs by providing them with not only high quality and tailor-made products, but also with reliable and cost-efficient building solutions.

We believe that by pursuing our objective of integrating our business along the cement value chain, we can improve and broaden the value proposition that we provide to our customers. We believe that by offering integrated solutions, we can provide our customers more reliable sourcing as well as higher quality services and products.

We continue to focus on developing new competitive advantages that will differentiate us from our competitors. We are evolving from a traditional supplier of building materials into a fully integrated building solutions provider in many of the countries in which we operate, mostly in infrastructure projects which make extensive use of our cement and ready-mix concrete products. For example, in Mexico, we have paved more than 10,000 kilometers of concrete highways and roads. We have also provided tailor-made solutions for important infrastructure projects in Mexico and abroad, including the Baluarte Bicentennial Bridge and La Yesca Dam in Jalisco and Nayarit, respectively; and the BRASKEM IDESA-Etileno XXI Plant in Veracruz, Mexico; the Clamecy-Oisy wind farm in Nièvre, France; and the fourth bore of the Caldecott tunnel, which connects Oakland to Orinda, California, United States. We also continue innovating with new products, and launched new global ready-mix brands designed using proprietary admixtures developed by our researchers, such as the ready-mix concrete we developed with next-generation admixture that met the requirements of the construction of a floating concrete chamber in the *Grand Port Maritime de Marseille* in France.

We strive to provide superior building solutions in the markets we serve. To this end, we tailor our products and services to suit customers' specific needs, from home construction, improvement and renovation to industrial and marine/hydraulic applications. Our porous paving concrete, for example, is best suited for sidewalks and roadways because it allows rainwater to filter into the ground, reducing flooding and helping to maintain groundwater levels. In contrast, our significantly less permeable and highly resistant concrete products are well-suited for applications in coastal, marine and other harsh environments.

Our global building materials trading network, which is one of the largest in the world, plays a fundamental and evolving role in fulfilling our objectives. Our network of strategically located terminals allows us to build strong relationships with reliable suppliers and shippers around the world, which we believe translates into a superior value proposition for our customers. We can direct building materials (primarily cement, clinker and slag) from markets with excess capacity to markets where they are needed most and, in the process, optimize the allocation of our worldwide production capacity.

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Pursue markets that offer long-term profitability

We intend to continue to focus on our most promising, structurally attractive markets with considerable infrastructure needs and housing requirements, where we have substantial market share and benefit from competitive advantages. Despite the current economic and political turmoil, we believe that some of the countries in which we operate (particularly the United States, Poland, the U.K., Germany and Colombia) are poised for economic growth, as significant investments are made in infrastructure, notably by the economic stimulus programs that have been announced by governments in some of these markets.

Foster our sustainable development

Our priorities include sustainable construction, affordable housing and infrastructure, enhancing our carbon strategy, environmental and biodiversity management, strengthening communities, partnering with key stakeholders and health and safety.

Lead in Sustainable Construction. We are focused on delivering solutions to the different infrastructure demands of society in a manner designed to improve the future of cities and the environment. We recognize that creating sustainable infrastructure goes beyond building materials; it requires broad collaboration that encompasses all involved parties in the planning, financing, construction, ownership and maintenance of the projects. Moreover, we seek to continually expand the range of applications and sustainability benefits that our products support. For example, during 2014 we continued to expand our already extensive portfolio of sustainable technology offers, developing products that aid in clinker factor and waste reduction by improving the recyclability of our products. Our complete portfolio includes products that address solutions to land use, water management, energy and emissions among others. For example, in the United Kingdom, we participated in the construction of Heathrow International Airport's Terminal 2—the Queen's Terminal, one of the most sustainable airport terminals in the world, by providing specialty ready-mix concrete which has the advantage of reducing the overall carbon footprint of the building and the risk of early age thermal cracking, increasing its overall lifespan.

Also, in Mexico, we have created and launched the Sustainable Cities Initiative, which, in collaboration with third parties has resulted in a local model to help unlock opportunities for urban authorities to create more sustainable, livable cities. In 2013, the first study was carried out in Merida, Yucatán. We expect that further studies will take place in the near future in other cities in Mexico as well as other countries where we believe we can contribute the most.

Housing and Infrastructure. We are a leading provider of housing and high-scale infrastructure, as well as a significant contributor to the socioeconomic development of emerging markets throughout the world. During 2014, we completed almost 600 infrastructure projects, representing more than 8.1 million square meters of pavement for highways, mass transit projects, airport runways and city streets. We have also made significant progress in meeting the needs for housing in our markets. In 2014 alone, we contributed to the construction of 3,150 affordable and resource efficient buildings in 12 countries represent almost 183,000 square meters of construction

CEMEX has also partnered with Habitat for Humanity to carry out microfinance pilots in Mexico, Nicaragua, Colombia and the Philippines, and to try and increase the building of affordable and disaster relief housing in the majority of the countries in which both Habitat for Humanity is present and in which we operate. During 2013, in collaboration with the government of Colombia and with the objective of providing affordable housing to low-income people, we started to serve as a general contractor in the *Vivienda* project, a project which involves the construction of approximately 5,745 homes in six different provinces consisting of houses and apartment buildings as well as public services such as water, sewage and electricity.

Enhance our Carbon Strategy. Climate change poses significant challenges to our society, and we are committed to applying our skills and, technologies to contribute to the development of a low-carbon economy. We have been successful in increasing alternative fuel substitution rates to 27.7% in 2014, well on track to meet our ambitious target of 35% substitution rate by 2020. CEMEX has been working for more than a decade in the identification, documentation and registry of different projects that mitigate carbon emissions beyond the business-as-usual scenario.

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During 2014, CEMEX obtained the registry for two additional projects under the Verified Carbon Standard program (“VCS”). These are alternative fuels initiatives for our Brooksville South and Demopolis cement plants in the United States. The proposed activities are expected to reduce emissions of anthropogenic CO₂ from the combustion emissions from fossil fuels displaced in the cement plants. These projects are also expected to prevent methane emissions from the disposal or uncontrolled burning of materials such as wood, refuse-derived fuel (RDF), agricultural residues and others. As of March 31, 2015, CEMEX has achieved the approval for 23 CO₂ offset projects registered either under the Clean Development Mechanism (“CDM”) or the VCS representing a total reduction potential of almost 3 million tons of CO₂ per year.

For the third consecutive year, we have been recognized by the Carbon Disclosure Project as one of the leading companies in Latin America for climate change data disclosure. CEMEX continues to strive its efforts on expanding its renewable energy sources and in 2014, added two wind projects at its Victorville cement plant in California with a total capacity of 6.2 megawatts of energy. The turbines will produce energy equivalent to powering approximately 550 American homes annually and prevent 4,300 tons of CO₂ emissions each year.

Environmental and Biodiversity Management. We have a set of global initiatives that include: monitoring and controlling air emissions from our facilities; managing land and conserving biodiversity within and around our sites; minimizing disturbances, such as noise, vibration and traffic from the locations in which we operate; optimizing water use; and reducing and recycling waste. In 2014, our overall clinker factor (the ratio of clinker content to total cement production) was reduced by approximately 8 ppt when compared to our baseline year of 1990.

In 2014, we continued our work to develop quarry rehabilitation plans for our active cement and aggregates quarries. We also continued taking action to enhance the biodiversity of our quarries in areas with significant natural value, and started new BAP projects in key quarries located in areas of high biodiversity value. Also during 2014, we continued working with the International Union for Conservation of Nature and implemented the methodology that we jointly developed last year, in order to improve our water management and to better address the water risks facing our business. The methodology was rolled out to all businesses and countries in which we operate. We also launched our corporate water policy, which defines our global strategy for responsible water management and acts as a framework for the development of local water conservation and efficiency strategies across our operations worldwide.

Strengthen Communities. Bringing together economic, educational and human resources, we are creating innovative solutions to social challenges and more sustainable communities. We strive to identify the needs and concerns of the communities where we operate and collaborate with such communities to address them. By leveraging our strengths and experience, we work with communities to jointly develop project proposals that are relevant to each community. *Patrimonio Hoy* is our flagship community initiative that helps low-income families realize their dream of home ownership. Combining the global presence of CEMEX distribution with the power of microcredit, the program offers families financial and technical assistance in the construction of their homes. With more than 100 offices in Latin America, during 2014 we reached more than 44,180 families, bringing the accumulated total to approximately 470,749 since 1998. In 2014, we built approximately 377,211 square meters of living space, resulting in a total of approximately 3.69 million square meters since 1998.

In 2014, we added 12 new Productive Centers for Self-Employment in Mexico, 5 in Colombia, 3 in Costa Rica and 1 in Nicaragua. In total we have reached 105 of such centers by the end of 2014. In 2012, CEMEX also became a founding partner of New Employment Opportunities, an initiative to prepare young people, particularly disadvantaged ones, for entry level jobs in Latin America and the Caribbean. Other founding partners include the Multilateral Investment Fund, the Inter-American Development Bank, the International Youth Foundation, Caterpillar and Microsoft, among others. In 2013, a strategic implementation plan was developed, and in December 2013, the MIF Donors Committee authorized the corresponding funding to begin its implementation during 2014. As a result of its Inclusive Businesses Assisted Self Construction Program (*Programa Integral de*

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Autoconstrucción Asistida) and Patrimonio Hoy, CEMEX is part of the United Nations Business Call to Action initiative which aims to accelerate meeting the Millennium Development Goals set by the UN, such as eradicating extreme poverty and hunger, promoting gender equality and empowerment of women and reducing mortality among children, among others.

Partnership with Key Stakeholders. We continuously interact with a wide variety of stakeholders to discuss and address society's pressing needs. Within our sustainability model, we have defined four core stakeholder groups: our people, our neighbors, our business partners and our world. Beyond this, we actively engage with our sustainability reporting advisory panel. As of December 31, 2014, 98% of our operations had community engagement plans and around 67% of our operations had employee volunteering programs. CEMEX is part of the Sustainability Index of the Mexican Stock Exchange and we have been included in the United Nations Global Compact "Global Compact 100" Index. We are the only Mexican-based company in such index and the only amongst our top competitors.

We have also continued to leverage our knowledge and resources and promote our sustainability priorities and vision through strategic global partnerships and memberships with recognized global and local organizations, such as the Clinton Initiative, National Geographic, MIT Concrete Sustainability Hub, The Cement Sustainability Initiative from the World Business Council for Sustainable Development, among others.

Health and Safety. In 2012, CEMEX began implementing a new Global Health and Safety Management System to bring alignment and structure to health and safety activities while empowering certain leading management within CEMEX to choose solutions that work best locally. We find that leadership driven initiatives are having a positive impact on our health and safety performance with most countries seeing significant improvement in most of their key performance indicators. LEGACY, our health and safety leadership training course is provided on a regular basis for managers at all levels. In 2014, our employee Lost-Time Injury rate (per million hours worked) decreased to 1.2 in 2014, a 33% reduction compared to 2013; and the CEMEX Total Recordable Injury Frequency Rate decreased by 5.6% when compared to 2013. In 2014, however, the Sickness Absence Rate for CEMEX remained the same at 2.2 and, while no levels of fatalities are acceptable, the combined number of employee, contractor and third-party fatalities in connection with CEMEX activities increased by 29% compared to 2013.

All of our operations have implemented a Health and Safety Management System. To complement these systems, we continue to promote the CEMEX Health Essentials, which provides managers in all business units with practical and easy-to-use materials on 12 key topics including heart and back health, stress management and nutrition.

The following table sets forth our performance indicators with respect to safety by geographic location for the year ended December 31, 2014:

	<u>Mexico</u>	<u>United States</u>	<u>Northern Europe</u>	<u>The Mediterranean</u>	<u>SAC</u>	<u>Asia</u>	<u>Total CEMEX</u>
Total fatalities, employees, contractors and other third parties (#)	15	2	1	2	5	2	27
Fatalities employees (#)	1	0	0	0	3	0	4
Fatality rate employees(1)	0.4	0	0	0	4.4	0	0.7
Lost-Time injuries (LTI), employees (#)	37	47	11	11	19	0	124
Lost-Time injuries (LTI), contractors (#)	29	3	11	8	16	1	69
Lost-Time injury (LTI) frequency rate, employees per million hours worked	1.6	2.2	0.5	1.4	1.2	0.0	1.2

(1) Incidents per 10,000 people in a year.

In addition, at a meeting of CEMEX, S.A.B. de C.V.'s Board of Directors held on September 25, 2014, CEMEX, S.A.B. de C.V.'s directors approved the creation of a sustainability committee. CEMEX, S.A.B. de C.V.'s

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sustainability committee is responsible for: (i) ensuring sustainable development in CEMEX's strategy; (ii) supporting CEMEX, S.A.B. de C.V.'s Board of Directors in fulfilling its responsibility to shareholders regarding sustainable growth; (iii) evaluating the effectiveness of sustainability programs and initiatives; (iv) providing assistance to CEMEX's Chief Executive Officer and senior management team regarding the strategic direction on sustainability; and (v) endorse a model of sustainability, priorities and key indicators. The current members of CEMEX, S.A.B. de C.V.'s sustainability committee are: Armando J. García Segovia, who acts as its president, Ian Christian Armstrong Zambrano; and Roberto Luis Zambrano Villareal.

Operating Model. As a global company, we recognize the value of developing common practices to improve the way we operate around the world. We replicate best practices from across CEMEX, apply them, and leverage our internal knowledge. We have created internal networks that operate globally which define specific policies and goals that directly impact our results. In general, we leverage our knowledge and scale to establish best practices and common processes worldwide which we expect will allow us to operate our business more effectively and obtain the best use of our assets.

Values. As part of our overall values, we intend to (i) ensure safety by making health and safety one of our top priorities; (ii) focus on our customers by providing them with valuable business solutions that meet their needs; (iii) pursue excellence by expecting to achieve high industry standards in our overall performance; (iv) act as one CEMEX by leveraging our global knowledge to our local markets; and (v) act with integrity by complying with our Code of Ethics.

Our Priorities

Among our current top priorities is the health and safety of our employees, contractors, suppliers and the public; our return to being investment grade; customer centricity; and becoming a global CEMEX.

Health and Safety. All of our operations have a Health and Safety Management System implemented. To complement these systems, we continue to promote the CEMEX Health Essentials, which provides managers in all business units with practical and easy-to-use materials on 12 key topics including heart and back health, stress management and nutrition.

Regain our Investment Grade. In light of the global economic environment and our substantial amount of indebtedness, we have been focusing, and expect to continue to focus, on optimizing our operations by growing our market positions and our core business and implementing our pricing policies, on strengthening our capital structure and regaining financial flexibility through reducing our debt and cost of debt, improving cash flow generation and extending maturities.

We plan to maintain and grow our market positions in cement, ready-mix concrete, and aggregates by being one of the most customer-centric companies in the industry. We also expect to implement pricing initiatives for our products and receive compensation through fees for the services we provide that should allow us to improve our overall profits. We anticipate advocating and promoting the increased usage of cementitious based products, to grow our aggregate footprint and replace our aggregate reserves in a manner, which ensures the sustainability of our business, and to operate in the most capital and cost-efficient manner possible.

We have a long history of successfully operating world-class cement production facilities in developed and emerging markets and have demonstrated our ability to produce cement at a lower cost compared to industry standards in most of these markets. We continue to strive to reduce our overall production related costs for all of our products and corporate overhead through disciplined cost management policies and through improving efficiencies by removing redundancies. We have implemented several worldwide standard platforms as part of this process and have also started different initiatives, such as a system designed to improve our operating processes worldwide. In addition, we implemented centralized management information systems throughout our operations, including administrative, accounting, purchasing, customer management, budget preparation and control systems, which have helped us to achieve cost efficiencies, and have also reached a strategic agreement

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with International Business Machines Corporation (“IBM”) expected to improve some of our business processes. We have also transferred key processes, such as procurement and trading, from a centralized model to a regional model and are simplifying and delayering our business to accelerate decision-making and maximize efficiency. In a number of our core markets, such as Mexico, we launched aggressive initiatives aimed at reducing the use of fossil fuels, consequently reducing our overall energy costs.

Furthermore, significant economies of scale in key markets often allow us to obtain competitive freight contracts for key components of our cost structure, such as fuel and coal, among others.

Through a worldwide import and export strategy, we will continue to seek to optimize capacity utilization and maximize profitability by redirecting our products from countries experiencing economic downturns to target export markets where demand may be greater. Our global trading system enables us to coordinate our export activities globally and take advantage of demand opportunities and price movements worldwide allowing our regions to have access to information required to execute our trading activities. Should demand for our products in the United States improve, we believe we are well-positioned to service this market through our established presence in the southern and southwestern regions of the country and our ability to import to the United States.

Our industry relies heavily on natural resources and energy, and we use cutting-edge technology to increase energy efficiency, reduce carbon dioxide emissions and optimize our use of raw materials and water. We are committed to measuring, monitoring and improving our environmental performance. In the last few years, we have implemented various procedures to improve the environmental impact of our activities as well as our overall product quality, such as a reduction of carbon dioxide emissions, an increased use of alternative fuels to reduce our reliance on primary fuels, an increased number of sites with local environmental impact plans in place and the use of alternative raw materials in our cement.

This ongoing effort to regain our investment grade credit ratings has included the following key strategic initiatives:

Global Refinancing. On August 14, 2009, we entered into the 2009 Financing Agreement, which extended the maturities of approximately U.S.\$15 billion in syndicated and bilateral bank facilities and private placement obligations and had a final principal payment date of February 14, 2014. On September 17, 2012, we successfully completed the Refinancing Transaction, whereby we refinanced a substantial portion of the remaining outstanding amounts under the 2009 Financing Agreement by entering into (a) the Amendment and Restatement Agreement and (b) the Facilities Agreement. Upon consummation of the Refinancing Transaction, creditors under the Facilities Agreement received (i) approximately U.S.\$6.155 billion in aggregate principal amount of new loans and new private placement notes and (ii) U.S.\$500 million aggregate principal amount of the June 2018 U.S. Dollar Notes, leaving approximately U.S.\$525 million aggregate principal amount of loans and private placement notes outstanding under the 2009 Financing Agreement. Subsequently, we applied the proceeds of the October 2022 U.S. Dollar Notes to make a prepayment on the Facilities Agreement, and we applied the proceeds of the CEMEX Latam Offering to make a prepayment on the 2009 Financing Agreement and the Facilities Agreement. On March 25, 2013, we used approximately U.S.\$55 million of the net proceeds from the offering of the March 2019 U.S. Dollar Notes to repay in full the remaining indebtedness under the 2009 Financing Agreement. On September 29, 2014, we entered into the Credit Agreement, and used the net proceeds therefrom to partially prepay the Facilities Agreement and other debt. As of December 31, 2014, we had repaid the 2009 Financing Agreement in full and had reduced the aggregate principal amount of loans and private placement notes outstanding under the Facilities Agreement to U.S.\$1.98 billion, all of which matures on February 14, 2017. Maintaining market terms and achieving an appropriate size, tenor and pricing for our overall corporate financing facilities is an ongoing objective of ours. Consistent with this objective, we maintain an ongoing dialogue with our creditors regarding refinancing alternatives for our upcoming maturities.

From June 2009 through December 31, 2014, we reduced total debt plus Perpetual Debentures by approximately U.S.\$5.8 billion.

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Asset Divestitures, Asset Swaps or Mergers. We have continued a process to divest assets in order to reduce our debt and streamline operations, taking into account our cash liquidity needs and prevailing economic conditions and their impact on the value of the asset or business unit being divested. For the year ended December 31, 2014, we sold assets for approximately U.S.\$243 million. We still expect to sell assets for an aggregate amount that may range between approximately U.S.\$1,000 million and up to approximately U.S.\$1,500 million by mid to late 2016, swap certain assets to streamline our operations, or enter into mergers, if we deem it necessary.

Global Cost-Reduction and Pricing Initiatives. In response to decreased demand in most of our markets as a result of the global economic recession, in 2008 we identified and began implementing global cost-reduction initiatives intended to reduce our annual cost structure to a level consistent with the decline in demand for our products. Such global cost-reduction initiatives encompass different undertakings, including headcount reductions, capacity closures across the cement value chain and a general reduction in global administrative, selling and distribution expenses. During the first half of 2011, CEMEX launched a company-wide program aimed at enhancing competitiveness, providing a more agile and flexible organizational structure and supporting an increased focus on the company's markets and customers. For the year ended December 31, 2014, we reached our target of U.S.\$400 million in annualized cost savings through the implementation of this program, which contemplated an improvement in underperforming operations, a reduction in selling, general and administrative costs and the optimization of the company's organizational structure.

In connection with the implementation of our cost-reduction initiatives, and as part of our ongoing efforts to eliminate redundancies at all levels and streamline corporate structures to increase our efficiency and reduce administrative, selling and distribution expenses, we have reduced our global headcount by approximately 22%, from 56,791 employees as of December 31, 2008 to 44,241 employees as of December 31, 2014. Both figures exclude personnel from our operations in Australia sold in October 2009 and our operations in Venezuela, which were expropriated in 2008, but do not give effect to any other divestitures.

Also as part of these initiatives, since 2009, we have temporarily shut down (some for a period of at least two months) several cement production lines in order to rationalize the use of our assets and reduce the accumulation of our inventories. We have also announced the permanent closure of some of our cement plants, such as our Davenport cement plant located in northern California in 2010. Similar actions were taken in our ready-mix concrete and aggregates businesses. Such rationalizations included, among others, our operations in Mexico, the United States, Spain and the United Kingdom. Furthermore, during 2014, we achieved energy cost-savings by actively managing our energy contracting and sourcing, and by increasing our use of alternative fuels. We believe that these cost-saving measures better position us to quickly adapt to potential increases in demand and thereby benefit from the operating leverage we have built into our cost structure.

We have also introduced a comprehensive pricing strategy for our products that is expected to more fully reflect and capture the high value-creating capability of our products and services. Our strategy focuses on value enhancement, optimizing gains in customer relationships and in generating sufficient returns that would allow us to reinvest in our business. Under this strategy we are establishing internal procedures and guidelines that are expected to support our approach to pricing our different products and services.

Optimizing Capital Expenditures. In light of weak demand for our products throughout a considerable part of our markets, we reduced capital expenditures related to maintenance and expansion of our operations to approximately U.S.\$468 million during 2011, from approximately U.S.\$555 million during 2010 and approximately U.S.\$636 million during 2009 (in each case excluding acquisitions and capital leases). These reductions in capital expenditures were in response to weak demand for our products has were implemented to maximize our free cash flow generation available for debt service and debt reduction, consistent with our ongoing efforts to strengthen our capital structure, improve our conversion of operating EBITDA to free cash flow and regain our financial flexibility. During 2014 and 2013, while still optimizing our maintenance and expansion capital expenditures and as a result of a higher demand for our products in certain markets in which we operate, we increased capital expenditures related to maintenance and expansion of our operations to approximately U.S.\$689 million and U.S.\$606 million, respectively, from approximately U.S.\$609 million in

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2012. Pursuant to the Facilities Agreement and the Credit Agreement, we are prohibited from making aggregate annual capital expenditures in excess of U.S.\$1 billion (excluding certain capital expenditures, and joint venture investments and acquisitions by CEMEX Latam and its subsidiaries, which capital expenditures, joint ventures investments and acquisitions at any time then incurred are subject to a separate aggregate limit of U.S.\$500 million (or its equivalent)) until the debt under the Facilities Agreement and the Credit Agreement has been repaid in full. We believe that these restrictions on capital expenditures do not diminish our world-class operating and quality standards and we may opportunistically increase capital expenditures in some of the markets in which we operate, if necessary, to take advantage of improved market conditions.

Customer Centricity. We expect to maintain and grow our market positions in cement, ready-mix concrete and aggregates as well as vertical integration of these businesses, by being one of the most customer-centric competitors in the construction materials industry.

Global CEMEX. We plan to promote globally in our operations what we do well in our local operations by replicating locally best practices from our other global operations.

Our Products

We always strive to provide superior building solutions in the markets we serve. To this end, we tailor our products and services to suit customers' specific needs, from home construction, improvement and renovation to agricultural, industrial and marine/hydraulic applications.

Cement

Cement is a binding agent, which, when mixed with sand, stone or other aggregates and water, produces either ready-mix concrete or mortar. Whether in bags or in bulk, we provide our customers with high-quality branded cement products and services. We tap our professional knowledge and experience to develop customized products that fulfill our clients' specific requirements and foster sustainable construction. In many of the countries where we have cement operations, a large proportion of cement sold is a bagged, branded product. We often deliver the product to a large number of distribution outlets such that our bagged, branded cement is available to the end users in a point of sale in close proximity to where the product will be used. We strive to develop brand identity and recognition in our bagged product.

We manufacture cement through a closely controlled chemical process, which begins with the mining and crushing of limestone and clay, and, in some instances, other raw materials. The clay and limestone are then pre-homogenized, a process which consists of combining different types of clay and limestone. The mix is typically dried, then fed into a grinder which grinds the various materials in preparation for the kiln. The raw materials are calcined, or processed, at a very high temperature in a kiln, to produce clinker. Clinker is the intermediate product used in the manufacture of cement. For limestone, clay and gypsum, requirements are based on chemical composition that, depending on the other materials available, matches with the quality demanded by the production process. For cement limestone, clay and gypsum, we run chemical tests to prepare the mining plan of the quarry, to confirm material quality and reduce variations in the mineral content. We consider that limestone and clay quality of our cement raw material quarries are adequate for the cement production process.

There are two primary processes used to manufacture cement: the dry process and the wet process. The dry process is more fuel efficient. As of December 31, 2014, 53 of our 55 operative production plants used the dry process and two used the wet process. Our operative production plants that use the wet process are located in Nicaragua and the United Kingdom. In the wet process, the raw materials are mixed with water to form slurry, which is fed into a kiln. Fuel costs are greater in the wet process than in the dry process because the water that is added to the raw materials to form slurry must be evaporated during the clinker manufacturing process. In the dry process, the addition of water and the formation of slurry are eliminated, and clinker is formed by calcining the dry raw materials. In the most modern application of this dry process technology, the raw materials are first blended in a homogenizing silo and processed through a pre-heater tower that utilizes exhaust heat generated by the kiln to pre-calcine the raw materials before they are calcined to produce clinker.

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Clinker and gypsum are fed in pre-established proportions into a cement grinding mill where they are ground into an extremely fine powder to produce finished cement. We primarily cover our gypsum needs from third parties; however, we also operate gypsum quarries in the United States, Spain, Dominican Republic and Egypt. Our main types of cement include the following:

Gray Ordinary Portland Cement: Our Gray Ordinary Portland Cement is a high-quality, cost-effective building material, mainly composed of clinker, that meets applicable chemical and physical requirements and is widely used in all construction segments: residential, commercial, industrial, and public infrastructure.

White Portland Cement: CEMEX is one of the world's largest producers of White Portland Cement. We manufacture this type of cement with limestone, low iron content kaolin clay, and gypsum. Customers use our White Portland Cement in architectural works requiring great brightness and artistic finishes, to create mosaics and artificial granite, and for sculptural casts and other applications where white prevails.

Masonry or Mortar: Masonry or mortar is a Portland cement that we mix with finely ground inert matter (limestone). Our customers use this type of cement for multiple purposes, including concrete blocks, templates, road surfaces, finishes, and brick work.

Oil-well Cement: Our oil-well cement is a specially designed variety of hydraulic cement produced with gray portland clinker. It usually cures slowly and is manageable at high temperatures and pressures. Produced in classes from A to H and J, our oil-well cement is applicable for different depth, chemical aggression, or pressure levels.

Blended Cement: Blended hydraulic cements are produced by inter-grinding or blending Portland cement and supplementary cementitious materials or SCM such as ground granulated blast furnace slag, fly ash, silica fume, calcined clay, hydrated lime, and other pozzolans. The use of blended cements in ready-mix concrete reduces mixing water and bleeding, improves workability and finishing, inhibits sulfate attack and the alkali-aggregate reaction, and reduces the heat of hydration. CEMEX offers an array of blended cements which have a lower CO₂ footprint resulting from their lower clinker content due to the addition of supplementary cementitious materials. The use of blended cements reinforces our strong dedication to sustainable practices and furthers our objective of offering an increasing range of more sustainable products.

Ready-Mix Concrete

Ready-mix concrete is a combination of cement, fine and coarse aggregates, admixtures (which control properties of the concrete including plasticity, pumpability, freeze-thaw resistance, strength and setting time), and water. We tailor our ready-mix concrete to fit our clients' specific needs. By changing the proportion of water, aggregates, and cement in the mix, we modify our concrete's resistance, manageability, and finish. We also use additives to customize our concrete consistent with the transportation time from our plant to the project, weather conditions at the construction site, and the project's specifications. From our water-resistant to our self-compacting concrete, we produce a great variety of specially designed concrete to meet the many challenges of modern construction.

We develop solutions based on the thorough knowledge and application of ready-mix concrete technology. Leveraging years of experience, a global pool of knowledge, and state-of-the-art expertise about the different ready-mix concrete constituents and their interaction, we offer our customers tailor-designed concrete. CEMEX ready-mix concrete technologists are able to modify the properties of concrete through the use of innovative chemical admixtures, combined with the proper proportions of the various concrete constituents. For example, depending on the type of application and jobsite requirements, we can design ready-mix concrete that is more fluid, stronger, develops strength faster, and also retains workability longer. Through the development of chemical admixtures solutions, our researchers design special concretes that fulfill the construction industry's increasingly demanding performance requirements. For example, in the United States, we supplied structural concrete on two state-of-the-art transit systems in the Northern California Bay Area. CEMEX offers a special ready-mix concrete portfolio, comprised of such products as ultra-rapid hardening concrete, crack-resistant/low

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shrinkage concrete, self-consolidating concrete (SCC), architectural concrete, pervious concrete, and a number of others.

We continuously work to improve the properties of ready-mix concrete that make it a key component of sustainable construction: durability, resistance to aggressive environments, light reflection, and capacity to store energy, among others. We also constantly work to develop innovative solutions that advance the sustainability of structures made with ready-mix concrete. This way, our customers can design sustainable buildings that can take advantage of the benefits of concrete in a wide range of applications. We offer engineered concrete for Harbors and Bridges with a special design of high performance concrete that combines durability and low maintenance with resistance to aggressive environments, and for industrial applications which consists of concrete with high acid resistance which is robust and durable for such uses as cooling towers; we also offer concrete for building and housing used for structures such as self-compacting concrete that improves the strength and durability of building structures, while reducing energy use and noise due to concrete vibration, and envelope concrete such as structural lightweight concrete or insulating concrete forms which offers insulation solutions to improve energy efficiency in buildings, and concrete for building design that takes advantage of concrete's capacity to store energy—its thermal mass—minimizing temperature fluctuations in a building over the course of the day, reducing the need for additional heating and cooling; we also offer ready-mix concrete for water and wastewater management and for roads and pavements.

Among the types of ready-mix concrete we offer our clients we have Standard Ready-Mix Concrete, Architectural and Decorative Concrete, Rapid-setting Concrete, Fiber-reinforced Concrete, Fluid-fill Concrete, Roller-compacted Concrete, Self-consolidating Concrete (SCC), Pervious Concrete and Antibacterial Concrete.

Aggregates

We are one of the world's largest suppliers of aggregates: primarily the crushed stone, sand and gravel, used in virtually all forms of construction. Our customers use our aggregates for a wide array of applications: as a key component in the construction and maintenance of highways, walkways, parking lots, airport runways, and railways; for drainage, water filtration, purification, and erosion control; as fill material; for sand traps on golf courses, beaches, playing field surfaces, horse racing tracks, and related applications; and to build bridges, homes, and schools.

Aggregates are obtained from land-based sources such as sand and gravel pits and rock quarries or by dredging marine deposits.

Hard Rock Production. Rock quarries usually operate for at least 30 years and are developed in distinct benches or steps. A controlled explosion is normally used to release the rock from the working face. It is then transported by truck or conveyor to a crusher to go through a series of crushing and screening stages to produce a range of final sizes to suit customers' needs. Dry stone is delivered by road, rail or water from the quarry.

Sand and Gravel Production. Sand and gravel quarries are much shallower than rock quarries and are usually worked and restored in progressive phases. Water can either be pumped out of the quarries allowing them to be worked dry or they can be operated as lakes with extraction below water. A conveyor draws the raw material into the processing plant where it is washed to remove unwanted clay and to separate sand. Sand separated during processing is dewatered and stockpiled. Gravel then passes over a series of screens that sieve the material into different sizes. Processing separates the gravel into stockpiles in a range of sizes for delivery.

Marine Aggregate Production. A significant proportion of the demand for aggregates is satisfied from rivers, lakes, and seabeds. Marine resources are increasingly important to the sustainable growth of the building materials industry. Marine aggregates also play an important role in replenishing beaches and protecting coastlines from erosion. At sea, satellite navigation is used to position a vessel precisely within its licensed dredging area. Vessels trail a pipe along the seabed and use powerful suction pumps to draw sand and gravel into the cargo hold. Dredged material is discharged at wharves, where it is processed, screened and washed for delivery.

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Aggregates are an indispensable ingredient in ready-mix concrete, asphalt, and mortar. Accounting for approximately 60% to 75% of ready-mix concrete's volume, aggregates strongly influence concrete's freshly mixed and hardened properties. Aggregates not only increase concrete's strength, but also can make the mix more compact, enabling applications such as weatherproofing and heat retention. They can further contribute to concrete's aesthetic qualities. For example, sand gives surface treatments their brightness.

Among the types of aggregates we offer our clients we have Crushed Stone and Manufactured Sand, Gravel, Sand and Recycled Concrete.

Related Products

We rely on our close relationship with our customers to offer them complementary products for their construction needs, which mainly include the following:

Asphalt

We offer a wide range of cost effective, high performance asphalt products, from our standard hot mix asphalt, which is made by combining crushed stone with liquid asphalt cement, to highly technical products that can be used on major highway systems, driveways, commercial parking lots, or rural country roads. Designed for consistency and reliability, our asphalt products are designed to withstand different weight loads, traffic volumes, and weather conditions.

Concrete block

Standard concrete block, sometimes referred to as gray block, concrete masonry unit, or cinder block, is one of the most practical and long-lasting materials used in building. Its strength, durability, and versatility, including its energy efficiency, excellent fire and high wind resistance, and noise insulation, make concrete block a compelling alternative to many other building materials.

Roof tiles

We offer a comprehensive range of concrete roof tiles and fittings, designed to meet the requirements of most roofing applications. Available in a wide selection of sizes, shapes, and colors, our roof tiles serve residential and commercial needs.

Architectural products

Our high-end architectural concrete products offer a range of styles for different building or landscaping projects. Specialty rock products, as well as architectural block, in an array of colors, sizes, and textures, take our customers' design to a new level. Block paving solutions and decorative paving provide an ideal range of applications for any hard landscaping project.

Pipe

We design and manufacture standard and special concrete pipe for various applications such as storm and sanitary sewers. Offered in diverse types, sizes, and lengths, our pipe products meet or exceed applicable standards and customer requirements throughout our different operations.

Other precast products

Among our other precast products, we offer rail products, concrete floors, box culverts, bridges, drainage basins, barriers, and parking curbs.

In selected markets, we further complement our commercial offer with admixtures, gypsum, and cementitious materials such as fly ash and blast furnace slag.

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Description of our raw materials reserves

We are a leading global provider of building materials, including cement, ready-mix concrete and aggregates. Our cement production process begins with the mining and crushing of limestone and clay, and, in some instances, other raw materials. We have access to limestone and clay quarries near most of our cement plant sites worldwide since these minerals are the main raw materials in the cement production process.

In addition, we are one of the world's largest suppliers of aggregates, primarily hard rock, sand and gravel, obtained from quarries, to be used in ready-mix concrete and other concrete-based products such as blocks and pipes.

Customers use our aggregates for a wide array of purposes, from a key component in the construction and maintenance of highways, walkways, and railways to an indispensable ingredient in concrete, asphalt and mortar. Aggregates can be used in their natural state or crushed into smaller size pieces.

The types of mine mostly used to extract raw materials for aggregates and cement production, are open pit or open cut, which relate to deposits of economically useful minerals or rocks that are found near the land surface. Open-pit mines that produce raw material for our industry are commonly referred to as quarries. Open-pit mines are typically enlarged until either the mineral resource is exhausted, or an increasing ratio of overburden to exploitable material makes further mining uneconomic. In some cases, we also extract raw materials by dredging underwater deposits.

Aggregates and other raw materials for our own production processes are obtained mainly from our own sources. However, we may cover our aggregates and other raw material needs through the supply from third-parties. For the year ended December 31, 2014, approximately 16% of our total raw material needs were supplied by third-parties.

Reserves are considered as proven when all legal and environmental conditions have been met and permits have been granted. Proven reserves are those for which (i) the quantity is computed from dimensions revealed by drill data, together with other direct and measurable observations such as outcrops, trenches and quarry faces and (ii) the grade and/or quality are computed from the results of detailed sampling; and the sampling and measurement data are spaced so closely and the geologic character is so well defined that size, shape, depth and mineral content of reserves are well-established. Probable reserves are those for which quantity and grade and/or quality are computed from information similar to that used from proven reserves, but the sites for inspection, sampling, and measurement are farther apart or are otherwise less adequately spaced. The degree of assurance, although lower than that for proven reserves, is high enough to assume continuity between points of observation.

Our reserve estimates are prepared by CEMEX's engineers and geologists and are subject to annual review by our corporate staff jointly with the regional technical managers associated to our business units. On specific circumstances we have used the services of third-party geologists and/or engineers to validate our own estimates. Over the three-year period ended December 31, 2014, we have employed third-parties to review (i) our cement raw materials reserves estimates in Mexico, Colombia, Nicaragua, Costa Rica, the United Kingdom, Germany, Latvia and Spain, and (ii) our aggregates reserves estimates in France, Poland, Austria, the Czech Republic, Hungary, the United Kingdom, Germany, Ireland and Mexico.

Reserves determination incorporates only materials meeting specific quality requirements. For aggregates used in ready-mix concrete such requirements are based on hardness, shape and size; for cement raw materials (mainly limestone and clay), such requirements are based on a chemical composition that matches the quality demanded by the production process. In the case of cement raw materials, since chemical composition varies from production sites and even in the same site, we conduct geostatistical chemical tests and determine the best blending proportions to meet production quality criteria and to try to maintain an extraction ratio close to 100% of the reported reserves for such materials.

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The main equipment utilized in our production sites is as follows:

- In our cement facilities: drills, crushers, kilns, coolers, mills, packing/loading machines, pay loaders, excavators, off-road trucks and other material handling equipment.
- In our ready-mix concrete facilities: batch plants, silos and mobile equipment and mixer trucks.
- In our aggregates facilities: drills, crushers, screens, belt conveyors, pay loaders, excavators, trucks and other material handling equipment.

We believe that our facilities are in general good condition, adequate for efficient operations.

During 2014, our total quarry material production was approximately 200 million tons, of which approximately 40% was used for own consumption to produce cement, ready-mix concrete, and/or other products which are later sold to the public and the remaining 60% was directly sold to customers.

Our estimates distinguish between owned and leased reserves, the later determined over the term of the lease contract, and include only those permitted reserves which are proven and probable. As of December 31, 2014, the total surface of property in our quarries operations (including cement raw materials quarries and aggregates quarries), was approximately 105,580 hectares, of which approximately 75% was owned by us and approximately 25% was managed through lease contracts.

As of December 31, 2014, we operated 163 cement raw materials quarries across our global operations, serving our facilities dedicated to cement production, which are located at or near the cement plant facilities. We estimate that our proven and probable cement raw material reserves, on a consolidated basis, have an average remaining life of approximately 71 years, assuming 2010-2014 average annual cement production (last five years average production).

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The table set forth below presents our total permitted proven and probable cement raw materials reserves by geographic segment and material type extracted or produced in our cement raw materials quarries operations.

Location	Mineral	Number of quarries	Property Surface (hectares)		Reserves (Million tons)			Years to depletion	2014 Annualized Production	5 years Aver. Annualized Production	Own Use
			Owned	Leased	Proven	Probable	Total				
Mexico(1)	Limestone	18	8,920	24	1,215	491	1,706	83	20.6	20.6	75%
	Clay	16	8,445	—	136	155	291	79	3.5	3.7	100%
	Others	15	1,729	150	8	23	31	94	0.3	0.3	100%
United States(2)	Limestone	13	17,577	—	556	282	838	90	14.1	12.7	0%
	Clay	2	132	7	23	—	23	67	0.4	0.3	0%
	Others	0	—	—	—	—	—	0	0.0	0.0	0%
Northern Europe											
United Kingdom	Limestone	3	681	107	133	43	176	40	1.8	2.0	100%
	Clay	2	98	—	15	19	34	60	0.5	0.6	100%
	Others	0	—	—	—	—	—	0	0.0	0.0	0%
Germany	Limestone	1	298	—	8	107	115	42	2.8	2.9	87%
	Clay	0	—	—	—	—	—	0	0.0	0.0	0%
	Others	0	—	—	—	—	—	0	0.0	0.0	0%
Rest of Northern Europe	Limestone	3	733	—	89	45	134	29	4.5	4.6	96%
	Clay	1	70	—	10	2	13	31	0.3	0.4	100%
	Others	0	—	—	—	—	—	0	0.0	0.0	0%
The Mediterranean Spain	Limestone	11	651	117	267	131	398	58	4.3	6.7	100%
	Clay	6	64	72	14	5	19	35	0.5	0.8	62%
	Others	2	102	9	1	14	15	0	0.0	0.0	0%
Egypt	Limestone	2	—	152	301	—	301	50	5.7	5.8	100%
	Clay	4	—	415	80	—	80	73	1.5	1.5	100%
	Others	5	—	23	2	—	2	12	0.1	0.2	100%
Rest of Mediterranean	Limestone	2	202	—	26	—	26	13	2.2	2.1	100%
	Clay	0	—	—	—	—	—	0	0.0	0.0	0%
	Others	0	—	—	—	—	—	0	0.0	0.0	0%
SAC											
Colombia	Limestone	13	3,026	1,751	98	491	590	145	4.0	4.7	95%
	Clay	2	183	—	2	—	2	13	0.0	0.2	100%
	Others	0	—	—	—	—	—	0	0.0	0.0	0%
Rest of SAC	Limestone	19	906	221	293	473	766	165	4.3	4.6	92%
	Clay	8	540	60	56	36	92	134	0.7	0.7	94%
	Others	2	27	1,543	16	50	66	394	0.1	0.2	50%
Asia											
Philippines	Limestone	4	135	—	22	82	104	125	5.2	4.6	100%
	Clay	3	37	—	0	3	3	23	0.1	0.1	100%
	Others	5	76	9	5	4	10	12	0.6	0.8	100%
Rest of Asia	Limestone	1	—	—	3	5	8	8	0.9	1.0	0%
	Clay	0	—	—	—	—	—	0	0.0	0.0	0%
	Others	0	—	—	—	—	—	0	0.0	0.0	0%
CEMEX											
Consolidated	Limestone	90	33,128	2,372	3,011	2,150	5,161	71	70.3	72.33	67%
	Clay	44	9,567	554	336	220	556	67	7.4	8.33	92%
	Others	29	1,934	1,734	33	91	93	62	1.2	1.50	94%
	Totals	163	44,629	4,660	3,379	2,462	5,810	71	78.9	82.2	

(1) Our cement raw materials operations in Mexico include 3 limestone quarries that also produce hard rock aggregates.

(2) Our cement raw materials operations in the U.S. include 1 limestone quarry that also produces hard rock aggregates.

As of December 31, 2014, we operated 414 aggregates quarries across our global operations dedicated to serving our ready-mix and aggregates businesses. We estimate that our proven and probable aggregates reserves, on a consolidated basis, have an average remaining life of 45 years, assuming 2010-2014 average production (last five years average aggregates production).

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The table set forth below, present our total permitted proven and probable aggregates reserves by geographic segment and material type extracted or produced in our aggregates quarries operations.

Location	Mineral	Number of quarries	Property Surface (hectares)		Reserves (Million tons)			Years to depletion	2014 Annualized Production	5 years Aver. Annualized Production	Own Use
			Owned	Leased	Proven	Probable	Total				
Mexico(1)	Hardrock	8	661	54	222	168	390	72	5.8	5.4	0%
	Sand & Gravel	1	—	—	0	1	1	5	0.2	0.2	0%
	Others	9	128	239	31	65	95	21	5.1	4.5	0%
United States(2)	Hardrock	22	14,805	3,694	478	244	722	37	21.4	19.8	0%
	Sand & Gravel	81	7,651	9,282	570	93	663	35	18.7	18.9	0%
	Others	5	276	473	13	7	20	54	0.3	0.4	0%
Northern Europe											
United Kingdom	Hardrock	8	330	756	391	—	391	63	6.8	6.2	50%
	Sand & Gravel	65	3,167	1,672	62	151	213	32	6.4	6.6	46%
	Others	14	240	284	107	—	107	27	3.8	4.0	46%
Germany	Hardrock	1	22	11	7	18	25	88	0.3	0.3	0%
	Sand & Gravel	29	1,583	554	57	90	147	18	8.0	8.1	0%
	Others	1	—	228	8	17	24	19	1.3	1.3	0%
France	Hardrock	9	119	338	108	4	111	0	3.6	0.0	0%
	Sand & Gravel	32	1,035	1,274	150	35	185	0	6.6	0.0	0%
	Others	0	—	—	—	—	—	0	0.0	0.0	0%
Rest of Northern Europe	Hardrock	9	5	678	51	20	71	32	2.4	2.2	2%
	Sand & Gravel	32	1,424	893	109	23	132	13	11.7	10.1	23%
	Others	17	168	129	34	83	117	38	2.8	3.1	9%
The Mediterranean											
Spain	Hardrock	20	543	231	257	236	493	295	0.8	1.7	56%
	Sand & Gravel	4	504	162	55	1	55	77	0.2	0.7	49%
	Others	1	—	48	1	2	3	0	—	0.0	0%
Egypt	Hardrock	0	—	—	—	—	—	0	0.0	0.0	0%
	Sand & Gravel	0	—	—	—	—	—	0	0.0	0.0	0%
	Others	2	—	2	0	2	2	6	0.4	0.4	100%
Rest of the Mediterranean	Hardrock	8	322	93	30	119	149	14	11.1	10.6	53%
	Sand & Gravel	1	—	29	2	—	2	6	0.3	0.3	32%
	Others	0	—	—	—	—	—	0	0.0	0.0	0%
SAC											
Colombia	Hardrock	8	661	54	222	168	390	0	0.0	0.0	0%
	Sand & Gravel	6	613	—	22	6	28	17	1.1	1.7	100%
	Others	0	—	113	—	—	—	0	0.0	0.0	0%
Rest of SAC	Hardrock	8	561	54	62	38	100	382	0.2	0.3	0%
	Sand & Gravel	0	—	—	—	—	—	0	0.0	0.0	0%
	Others	11	41	113	28	188	216	117	0.8	1.9	47%
Asia											
Rest of Asia	Hardrock	2	—	69	57	27	83	100	0.9	0.8	11%
	Sand & Gravel	0	—	—	—	—	—	0	0.0	0.0	0%
	Others	0	—	—	—	—	—	0	0.0	0.0	0%
CEMEX Consolidated	Hardrock	103	18,028	6,031	1,884	1,042	2,926	62	53.3	47.3	19%
	Sand & Gravel	251	15,978	13,885	1,027	398	1,425	31	53.2	46.6	13%
	Others	60	854	1,515	222	364	586	38	14.6	15.5	19%
	Totals	414	34,860	21,432	3,133	1,804	4,937	45	121.1	109.3	

User Base

Cement is the primary building material in the industrial and residential construction sectors of most of the markets in which we operate. The lack of available cement substitutes further enhances the marketability of our product. The primary end-users of cement in each region in which we operate vary but usually include, among others, wholesalers, ready-mix concrete producers, industrial customers and contractors in bulk. Additionally, sales of bagged cement to individuals for self-construction and other basic needs are a significant component of the retail sector. The end-users of ready-mix concrete generally include homebuilders, commercial and industrial building contractors and road builders. Major end-users of aggregates include ready-mix concrete producers, mortar producers, general building contractors and those engaged in road building activity, asphalt producers and concrete product producers. In summary, because of their many favorable qualities, builders worldwide use our cement, ready-mix concrete and aggregates for almost every kind of construction project, from hospitals and highways to factories and family homes.

As of December 31, 2014, we did not depend on any of our existing customers to conduct our business and the loss of any of our existing customers individually would not have a material adverse effect on our financial condition or results of operations. For the period ended December 31, 2014, none of our customers represented more than 10% of our consolidated net sales.

Our Corporate Structure

CEMEX, S.A.B. de C.V. is an operating and also a holding company, and in general CEMEX operates its business through subsidiaries that, in turn, hold interests in CEMEX’s cement and ready-mix concrete operating companies, as well as other businesses. The following chart summarizes CEMEX’s corporate structure as of December 31, 2014. The chart also shows, for each company, CEMEX’s approximate direct or indirect percentage equity ownership or economic interest. The chart has been simplified to show only some of CEMEX’s major holding companies and/or operating companies in the main countries in which CEMEX operates and does not include all of CEMEX’s intermediary holding companies and all CEMEX’s operating subsidiaries.

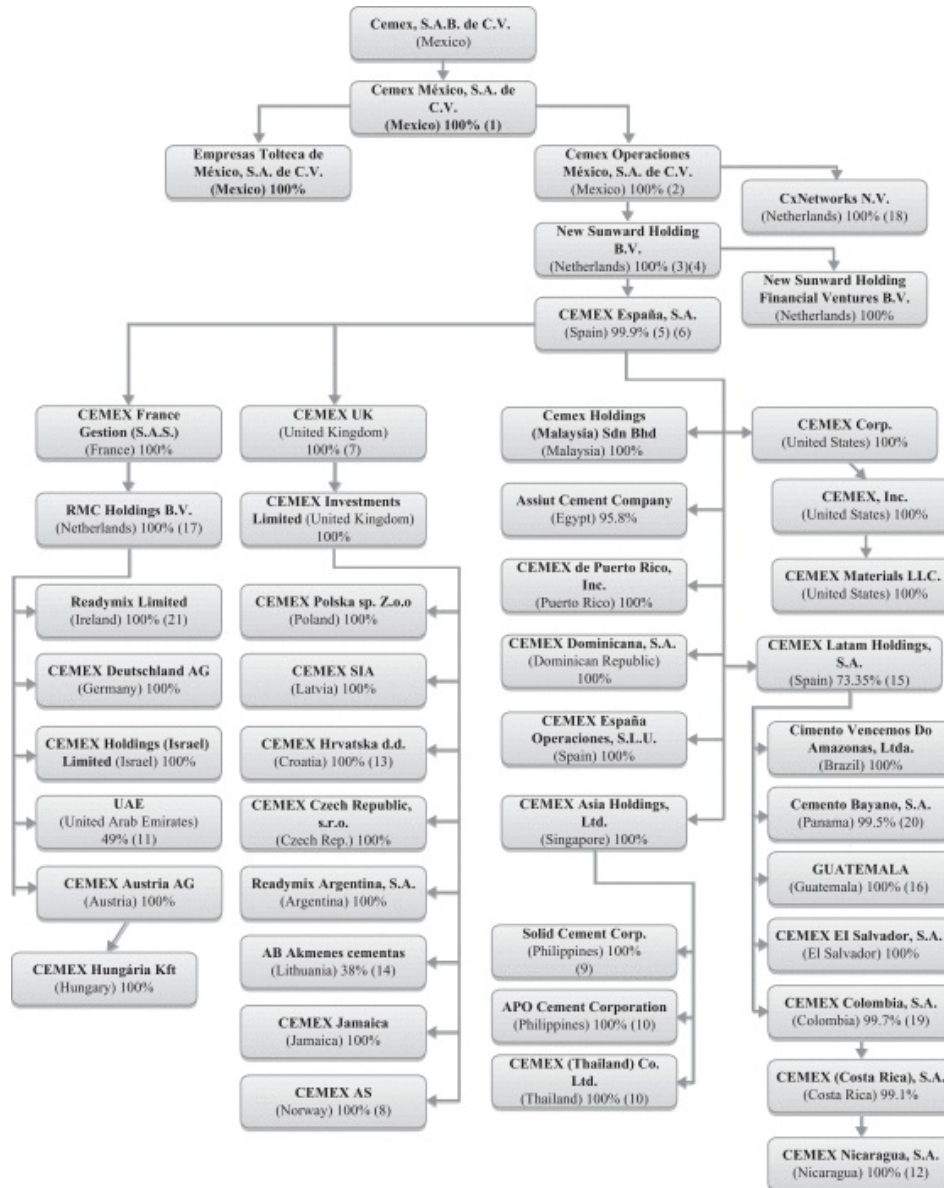


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- (1) Includes an approximately 99.87% interest pledged or transferred to a trustee under a security trust as part of the Collateral under the Credit Agreement, the Facilities Agreement and the Senior Secured Notes.
- (2) Includes an approximately 99.99% interest pledged as part of the Collateral. On December 1, 2013, Mexcement Holdings, S.A. de C.V. and Corporación Gouda, S.A. de C.V. were merged into and absorbed by Centro Distribuidor de Cemento, S.A. de C.V. On December 3, 2013 Centro Distribuidor de Cemento, S.A. de C.V. changed its legal name to CEMEX Operaciones México, S.A. de C.V.
- (3) All the shares of New Sunward are pledged as part of the Collateral.
- (4) CEMEX, S.A.B. de C.V. and CEMEX Operaciones México indirectly hold 100% of New Sunward through other intermediate subsidiaries.
- (5) Includes New Sunward's and CEMEX, S.A.B. de C.V.'s interest, and shares held in CEMEX España's treasury.
- (6) Includes an approximately 99.63% interest pledged as part of the Collateral.
- (7) Includes CEMEX España's 69.39% interest and CEMEX France Gestion (S.A.S.)'s ("CEMEX France") 30.61% interest.
- (8) On March 15, 2011, EMBRA AS changed its legal name to CEMEX AS. CEMEX AS both an operating and the holding company for our operations in Finland, Norway and Sweden.
- (9) Includes CEMEX Asia Holdings Ltd.'s ("Cemex Asia Holdings") 70% indirect economic interest and 30% indirect equity ownership by CEMEX España.
- (10) Represents CEMEX Asia Holdings' indirect economic interest.
- (11) Represents our economic interest in three UAE companies, CEMEX Topmix LLC, CEMEX Supermix LLC and CEMEX Falcon LLC. We own a 49% equity interest in each of these companies, and we have purchased the remaining 51% of the economic benefits through agreements with other shareholders.
- (12) Includes CEMEX (Costa Rica), S.A.'s 98% interest and CEMEX Latam's 2% indirect interest.
- (13) On December 4, 2009, Dalmacijacement d.d. changed its legal name to CEMEX Hrvatska d.d.
- (14) Represents our 37.84% and 11.76% interest in ordinary and preferred shares, respectively.
- (15) Represents outstanding shares of CEMEX Latam's capital stock and excludes treasury stock.
- (16) Represents CEMEX Latam's direct and indirect economic interest in five Guatemalan companies: CEMEX Guatemala, S.A., Global Concrete, S.A., Gestión Integral de Proyectos, S.A., Equipos para uso de Guatemala, S.A., and Cementos de Centroamérica, S.A.
- (17) Includes CEMEX France's 94.75% interest and CEMEX Investments Limited's 5.25% interest.
- (18) CxNetworks N.V. is the holding company of the global business and IT consulting entities.
- (19) Represents our 99.75% and 98.94% interest in ordinary and preferred shares, respectively.
- (20) Represents our 99.483% interest in ordinary shares, and excludes: (i) a 0.515% interest held in Cemento Bayano, S.A.'s treasury, and (ii) a 0.002% interest held by third parties.
- (21) On August 29, 2014, we completed the divestment of substantially all of our operating assets in Ireland.

Mexico

Overview. For the year ended December 31, 2014, our operations in Mexico represented approximately 22% of our net sales in Mexican Peso terms before eliminations resulting from consolidation. As of December 31, 2014, our business in Mexico represented approximately 31% of our total installed cement capacity and approximately 15% of our total assets.

As of December 31, 2014, we owned 100% of the outstanding capital stock of CEMEX México. CEMEX México, a direct subsidiary of CEMEX, S.A.B. de C.V., is currently both a holding company for some of our operating companies in Mexico and an operating company involved in the manufacturing and distribution of cement, aggregates, steel, groundstone and other construction materials and cement by-products in Mexico. CEMEX México, indirectly, is also the holding company for substantially all our international operations. CEMEX México, together with its subsidiaries, accounts for a substantial part of the revenues and operating income of our operations in Mexico.

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Our Tepeaca cement plant in Puebla, Mexico currently has a production capacity of approximately 3.2 million tons of cement per year. In December 2014, we announced the restart of the Tepeaca cement plant expansion, consisting in the construction of a new kiln, so that its total production capacity reaches approximately 7.6 million tons of cement per year by 2017. We anticipate spending a total of approximately U.S.\$650 million on the construction of this new kiln, which includes capital expenditures of approximately U.S.\$442 million incurred through the end of 2014. The additional investment will be approximately U.S.\$200 million.

In 2001, we launched the Construrama program, a registered brand name for construction material stores. Through the Construrama program, we offer to an exclusive group of our Mexican distributors the opportunity to sell a variety of products under the Construrama brand name, a concept that includes the standardization of stores, image, marketing, products and services. As of December 31, 2014, approximately 782 independent concessionaries with more than 1,110 stores were integrated into the Construrama program, with nationwide coverage.

Industry. The National Institute of Statistics and Geography (*Instituto Nacional de Estadística y Geografía*), or INEGI, indicated that, as of December, 2014, total construction investment in Mexico increased by 0.5% (based on constant prices, non-seasonally adjusted). The positive performance has been attributed mainly to an increase in the Residential segment. Residential sector increased by 3.0%, while non-residential sectors declined by 1.4%. Public construction investment declined by 8.5% while the private segment increased 4.3%.

Cement in Mexico is sold principally through distributors, with the remaining balance sold through ready-mix concrete producers, manufacturers of pre-cast concrete products and construction contractors. Cement sold through distributors is mixed with aggregates and water by the end user at the construction site to form concrete. Ready-mix concrete producers mix the ingredients in plants and deliver it to local construction sites in mixer trucks, which pour the concrete. Unlike more developed economies, where purchases of cement are concentrated in the commercial and industrial sectors, retail sales of cement through distributors in 2014 accounted for approximately 60% of Mexico's demand (bagged presentation). Individuals who purchase bags of cement for self-construction and other basic construction needs are a significant component of the retail sector. We estimate that about 40% (bulk mainly Industrial, Construction and Infrastructure Segments) of total demand in Mexico comes from individuals who address their own construction needs. We believe that this large retail sales base is a factor that significantly contributes to the overall performance of the Mexican cement market.

The retail nature of the Mexican cement market also enables us to foster brand loyalty, which distinguishes us from other worldwide producers selling primarily in bulk. We own the registered trademarks for our brands in Mexico, such as "Tolteca," "Monterrey," "Maya," "Anáhuac," "Campana," "Gallo," "Centenario," "Impercem" and "Tolteca Extra," "Monterrey Extra," "Maya Extra," "Anáhuac Extra," "Campana Extra," "Gallo Extra," and "Centenario Extra." We believe that these brand names are important in Mexico since cement is principally sold in bags to retail customers who may develop brand loyalty based on differences in quality and service. In addition, we own the registered trademark for the "Construrama" brand name for construction material stores.

Competition. In the early 1970s, the cement industry in Mexico was regionally fragmented. However, for over more than the past 40 years, cement producers in Mexico have increased their production capacity and the Mexican cement industry has consolidated into a national market, thus becoming increasingly competitive. The major cement producers in Mexico are CEMEX; Holcim; Sociedad Cooperativa Cruz Azul, a Mexican operator; Cementos Moctezuma, an associate of Ciments Molins; Grupo Cementos de Chihuahua, S.A.B. de C.V., or Cementos Chihuahua, a Mexican operator, whose holding company is 49% owned by us; and Lafarge Cementos, a subsidiary of Lafarge. During 2013, a new cement producer, Elementia (*Cementos Fortaleza*), entered the market and in 2014 merged with Lafarge within the Mexican market. The major ready-mix concrete producers in Mexico are CEMEX, Holcim Apasco, Sociedad Cooperativa Cruz Azul and Cementos Moctezuma.

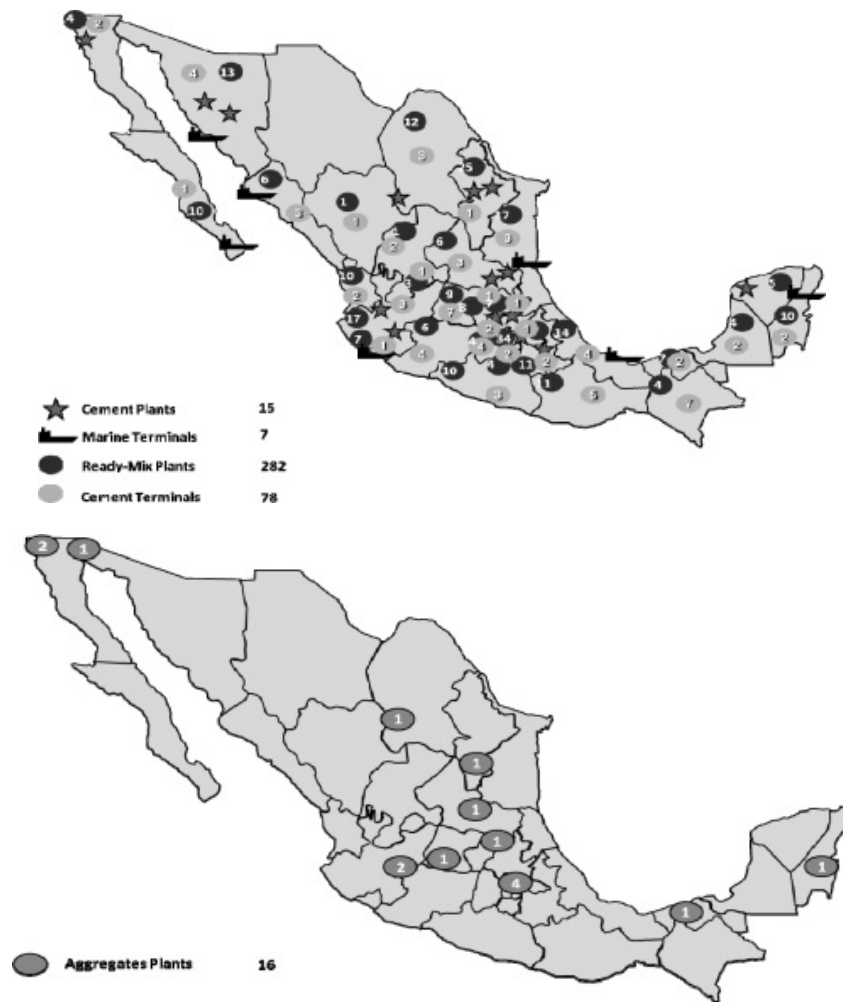
Potential entrants into the Mexican cement market face various impediments to entry, including, among other things, the time-consuming and expensive process of establishing a retail distribution network and

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developing the brand identification necessary to succeed in the retail market, which represents the bulk of the domestic market; the lack of port infrastructure and the high inland transportation costs resulting from the low value-to-weight ratio of cement; the distance from ports to major consumption centers and the presence of significant natural barriers, such as mountain ranges, which border Mexico's east and west coasts; the strong brand recognition and the wide variety of special products with enhanced properties; the extensive capital expenditure requirements; and the length of time required for construction of new plants, which is approximately two years.

Our Operating Network in Mexico

During 2014, we operated 13 out of our total of 15 cement plants (two were temporarily shut down given market conditions) and 85 cement distribution centers (including 7 marine terminals) located throughout Mexico. We operate modern cement plants on the Gulf of Mexico and Pacific coasts, allowing us to take advantage of low transportation costs to export to the United States, the Caribbean, and Central and South America.



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Products and Distribution Channels

Cement. Our cement operations represented approximately 53% of net sales for our operations in Mexico before eliminations resulting from consolidation in 2014. Our domestic cement sales volume represented approximately 95% of our total cement sales volume in Mexico for 2014. As a result of the retail nature of the Mexican market, our operations in Mexico are not dependent on a limited number of large customers. The total volume (bagged) in 2014 of the five most important distributors accounted for approximately 11% of our total cement sales by volume in Mexico in 2014 (excluding our in-house channels).

Ready-Mix Concrete. Our ready-mix concrete operations represented approximately 24% of net sales for our operations in Mexico before eliminations resulting from consolidation in 2014. Our ready-mix concrete operations in Mexico purchase all their cement requirements from our cement operations in Mexico. Ready-mix concrete is sold through our own internal sales force and facilities network.

Aggregates. Our aggregates operations represented approximately 6% of net sales for our operations in Mexico before eliminations resulting from consolidation in 2014.

Exports. Our operations in Mexico export a portion of their cement production, mainly in the form of cement and to a lesser extent in the form of clinker. Exports of cement and clinker by our operations in Mexico represented approximately 5% of our total cement sales volume in Mexico for 2014. In 2014, approximately 50% of our cement and clinker exports from Mexico were to the United States, 7% to Central America and the Caribbean and 43% to South America.

The cement and clinker exports by our operations in Mexico to the United States are marketed through subsidiaries of CEMEX Corp., the holding company of CEMEX, Inc. All transactions between CEMEX and the subsidiaries of CEMEX Corp., which act as our U.S. importers, are conducted on an arm's-length basis.

Production Costs. Our cement plants in Mexico primarily utilize pet coke and alternative fuels. We have entered into four 20-year contracts with PEMEX pursuant to which PEMEX has agreed to supply us with a total of 1.75 million tons of pet coke per year, including TEG coke consumption, through 2024. Pet coke is petroleum coke, a solid or fixed carbon substance that remains after the distillation of hydrocarbons in petroleum and that may be used as fuel in the production of cement. The PEMEX pet coke contracts have reduced the volatility of our fuel costs. In addition, since 1992, our operations in Mexico have begun to use alternative fuels, to further reduce the consumption of residual fuel oil and natural gas. These alternative fuels represented approximately 16% of the total fuel consumption for our operations in Mexico in 2014.

In 1999, we reached an agreement with TEG for the financing, construction and operation of a 230 megawatt energy plant in Tamuín, San Luis Potosí, Mexico. We entered into this agreement in order to reduce the volatility of our energy costs. The total cost of the project was approximately U.S.\$360 million. The power plant commenced commercial operations in April 2004. In February 2007, the original members of the consortium sold their participations in the project to a subsidiary of The AES Corporation. For additional information, see “Item 5—Operating and Financial Review and Prospects—Summary of Material Contractual Obligations and Commercial Commitments—Commercial Commitments.”

In 2006, in order to take advantage of the high wind potential in the “Tehuantepec Isthmus,” CEMEX and the Spanish company ACCIONA, formed an alliance to develop a wind farm project for the generation of 250 megawatts in the Mexican state of Oaxaca. CEMEX acted as promoter of the project, which was named EURUS. ACCIONA provided the required financing, constructed the facility and currently operates the wind farm. The installation of 167 wind turbines in the farm was finished on November 15, 2009. For additional information, see “Item 5—Operating and Financial Review and Prospects—Summary of Material Contractual Obligations and Commercial Commitments—Commercial Commitments.”

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On February 19, 2015, CEMEX announced the creation of CEMEX Energía, an energy division seeking to develop a portfolio of power projects in Mexico.

We have, from time to time, purchased hedges from third parties to reduce the effect of volatility in energy prices in Mexico. See “Item 5—Operating and Financial Review and Prospects—Liquidity and Capital Resources.”

Description of Properties, Plants and Equipment. As of December 31, 2014, we had 15 wholly-owned cement plants located throughout Mexico, with a total potential capacity of 29.3 million tons per year, of which two were temporarily shut down given market conditions. We have exclusive access to limestone quarries and clay reserves near each of our plant sites in Mexico. We estimate that, as of December 31, 2014, the limestone and clay permitted proven and probable reserves of our operations in Mexico had an average remaining life of approximately 83 and 79 years, respectively, assuming 2010-2014 average annual cement production levels. As of December 31, 2014, all our production plants in Mexico utilized the dry process.

As of December 31, 2014, we had a network of 78 land distribution centers in Mexico, which are supplied through a fleet of our own trucks and rail cars, as well as leased trucks and rail facilities, and operated seven marine terminals. In addition, we had 282 (47 are idle due to market conditions) ready-mix concrete plants throughout 77 cities in Mexico, more than 2,280 ready-mix concrete delivery trucks and 16 aggregates quarries.

As part of our global cost-reduction initiatives we have made temporary capacity adjustments and rationalizations in four of our cement plants in Mexico.

Capital Expenditures. We made capital expenditures of approximately U.S.\$98 million in 2012, U.S.\$86 million in 2013 and U.S.\$79 million in 2014 in our operations in Mexico. We currently expect to make capital expenditures of approximately U.S.\$93 million in our operations in Mexico during 2015.

United States

Overview. For the year ended December 31, 2014, our operations in the United States represented approximately 21% of our net sales in Mexican Peso terms before eliminations resulting from consolidation. As of December 31, 2014, our business in the United States represented approximately 18% of our total installed cement capacity and approximately 44% of our total assets. As of December 31, 2014, we held 100% of CEMEX, Inc., the main holding company of our operating subsidiaries in the United States.

As of December 31, 2014, we had a cement manufacturing capacity of approximately 17.1 million tons per year in our operations in the United States, including 1.2 million tons in proportional interests through non-controlling holdings. As of December 31, 2014, we operated a geographically diverse base of 13 cement plants located in Alabama, California, Colorado, Florida, Georgia, Kentucky, Ohio, Pennsylvania, Tennessee and Texas. As of that date, we also operated 46 rail, truck or water served active cement distribution terminals in the United States. As of December 31, 2014, we had 353 ready-mix concrete plants located in the Alabama, Arizona, California, Florida, Georgia, New Mexico, Nevada, Oregon, Tennessee, Texas and Washington and aggregates facilities in Arizona, California, Florida, Georgia, New Mexico, Nevada, Oregon, Texas, Virginia and Washington.

On May 30, 2013, we announced plans to expand the production capacity at our Odessa, Texas, cement plant by 345,000 tons to nearly 900,000 tons per year in order to keep pace with rapidly growing demand in the West Texas market led mainly by the oil and gas industry. By leveraging existing assets and producing value-added products, we expect to achieve strong returns on our investment. The demand for specialty cement products used in well construction is growing as a result of the use of more efficient extraction technologies, such as horizontal drilling and hydraulic fracturing. Oil wells using this technology typically reach depths of thousands of feet. Specialty well cement is required for the complex application and extreme conditions to which

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these wells are exposed. The expansion will utilize state of the art production technology resulting in higher fuel efficiency and improved productivity. The expansion will also include an improved higher capacity load out system, allowing for a more efficient truck loading process to accommodate the region's growing demand for cement. On November 24, 2014, we entered into an engineering, procurement & construction contract with FLSmidth for the 345,000 metric ton expansion of our Odessa, Texas, cement plant, marking the beginning of the first phase of the project, which includes detailed engineering, and fabrication and delivery of the equipment and structural steel.

On September 23, 2013, we and Concrete Supply Company, a leading producer of ready-mix concrete throughout the Carolinas, entered into a joint venture agreement and formed a joint venture company named Concrete Supply Co., LLC, which is majority owned by Concrete Supply Holdings Co, who acts as the managing member. This joint venture is a leading concrete supplier in North and South Carolina with strong local management.

Industry. Demand for cement is derived from the demand for ready-mix concrete and concrete products which, in turn, is dependent on the demand for construction. The construction industry is composed of three major sectors: the residential, the industrial and commercial, and the public sectors. The public sector is the most cement intensive sector, particularly for infrastructure projects such as streets, highways and bridges. While overall cement demand is sensitive to the business cycle, the public sector demand is more stable and also has helped to soften the decline in global demand during periodic economic recessions.

The construction industry is continuing to recover from the recession experienced during 2008 and 2009, which was the worst downturn in over 70 years. The construction industry was hit particularly hard during this recession due to the collapse of the housing sector. The massive job losses during the recession pushed home foreclosures to record levels, which resulted in excess inventories and a decline of over 30% in home prices. As a result, new construction plummeted, with housing starts declining 73% from a peak of 2.1 million units in 2005 to only 554,000 units in 2009. The decline in housing and other construction activity resulted in a 45% decline in cement demand from 2006 to 2010. The economic recovery has proceeded at a relatively moderate pace, with real gross domestic product growth of 1.6% in 2011, 2.3% in 2012, 2.2% in 2013 and an estimated 2.4% in 2014. With the economy growing again, the construction sector stabilized in 2010 and joined the economy-wide recovery in 2011. The excess vacant inventory in the housing sector has largely been absorbed and inventories have declined to below normal levels in most markets which has supported an increase in housing prices over the last two years of about 20%. Housing starts have increased approximately 67% from 554,000 units in 2009 to 925,000 units 2013. Housing starts in 2014 is estimated to increase approximately 8% to approximately 1 million units which remains well below the historical steady state level which we estimate at 1.6 million units. The industrial-and-commercial sector has also been growing with nominal spending up 24% from 2010 to 2013. Industrial & commercial nominal spending accelerated in 2014, increasing approximately 15%. The public sector, which has lagged the other construction sectors in this recovery, turned positive in 2014 with spending up approximately 3% over prior year as fiscal conditions for most states have returned to a relatively balanced position. Cement demand has been increasing annually since 2010 with cement demand up approximately 8% in 2014 after a cumulative increase of 17% from 2010 to 2013. The Portland Cement Association is forecasting a 8% increase in cement demand for 2015.

Competition. The cement industry in the United States is highly competitive, including national and regional cement producers in the United States. Our principal competitors in the United States are Holcim, Lafarge, Buzzi-Unicem, Heidelberg Cement and Ash Grove Cement.

The independent U.S. ready-mix concrete industry is highly fragmented. According to the National Ready Mixed Concrete Association ("NRMCA"), it is estimated that there are about 5,500 ready-mix concrete plants that produce ready-mix concrete in the United States and about 55,000 ready-mix concrete mixer trucks that deliver the concrete to the point of placement. The NRMCA estimates that the value of ready-mix concrete produced by the industry is approximately U.S.\$30 billion per year. Given that the concrete industry has historically consumed approximately 75% of all cement produced annually in the United States, many cement companies choose to develop concrete plant capabilities.

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Aggregates are widely used throughout the United States for all types of construction because they are the most basic materials for building activity. The U.S. Geological Survey (“USGS”) estimates over 2.1 billion tons of aggregates were produced in 2014, an up of about 3% over 2013. Crushed stone accounted for 58% of aggregates consumed and sand & gravel 41%, slag was about 1%. These products are produced in all 50 states and have a value of U.S.\$18 billion. The U.S. aggregates industry is highly fragmented and geographically dispersed. The top ten producing states represent approximately 50% of all production. According to the USGS, during 2014, an estimated 4,100 companies operated approximately 6,000 sand and gravel sites and 1,550 companies operated 4,000 crushed stone quarries and 91 underground mines in the 50 U.S. states.

Our Operating Network in the United States

The maps below reflect the location of our operating assets, including our cement plants and cement terminals in the United States as of December 31, 2014.





Products and Distribution Channels

Cement. Our cement operations represented approximately 29% of our operations in the United States' net sales before eliminations resulting from consolidation in 2014. We deliver a substantial portion of cement by rail, which occasionally those go directly to customers. Otherwise, shipments go to distribution terminals where customers pick up the product by truck or we deliver the product by truck. The majority of our cement sales are made directly to users of gray portland and masonry cements, generally within a radius of approximately 200 miles of each plant.

Ready-Mix Concrete. Our ready-mix concrete operations represented approximately 35% of our operations in the United States' net sales before eliminations resulting from consolidation in 2014. Our ready-mix concrete operations in the United States purchase most of their cement aggregates requirements from our cement operations in the United States. Our ready-mix concrete products are mainly sold to residential, commercial and public contractors and to building companies.

Aggregates. Our aggregates operations represented approximately 16% of our operations in the United States' net sales before eliminations resulting from consolidation in 2014. We estimate that, as of December 31, 2014, the crushed stone quarries and sand/gravel pits permitted proven and probable reserves of our operations in the United States had an average remaining life of approximately 42 and 53 years, respectively, assuming 2010-2014 average annual cement production levels. Our aggregates are consumed mainly by our internal operations and by our trade customers in the ready-mix, concrete products and asphalt industries.

Production Costs. The largest cost components of our plants are electricity and fuel, which accounted for approximately 30% of our total production costs of our cement operations in the United States in 2014. We are currently implementing a program to gradually replace coal with more economic fuels, such as pet coke, tires and other alternative fuels, which has resulted in reduced energy costs. By retrofitting our cement plants to handle alternative energy fuels, we have gained more flexibility in supplying our energy needs and have become less vulnerable to potential price spikes. In 2014, the increased use of alternative fuels helped to offset the effect on our fuel costs of increasing coal prices. Power costs in 2014 represented approximately 13% of our cash manufacturing cost of our cement operations in the United States, which represents production cost before depreciation. We have improved the efficiency of our electricity usage of our cement operations in the United States, concentrating our manufacturing activities in off-peak hours and negotiating lower rates with electricity suppliers.

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Description of Properties, Plants and Equipment. As of December 31, 2014, we operated 13 cement manufacturing plants in the United States, and had a total installed capacity of 17.1 million tons per year, including 1.2 million tons representing our proportional interests through associates in five other cement plants. We estimate that, as of December 31, 2014, the limestone permitted proven and probable reserves of our operations in the United States had an average remaining life of approximately 90 years, assuming 2010-2014 average annual cement production levels. As of that date, we operated a distribution network of 46 cement terminals. All of our 13 cement production facilities in 2014 were wholly-owned except for the Louisville, Kentucky plant, which is owned by Kosmos Cement Company, a joint venture in which we own a 75% interest and a subsidiary of Dyckerhoff AG owns a 25% interest. As of December 31, 2014, we had 353 wholly-owned ready-mix concrete plants and operated 74 aggregates quarries. As of December 31, 2014, we distributed fly ash through 15 terminals and 7 third-party-owned utility plants, which operate both as sources of fly ash and distribution terminals. As of that date, we also owned 114 concrete block, paver, pipe, precast, asphalt and gypsum products distribution facilities.

We have continued to take a number of actions to streamline our operations and improve productivity, including temporary capacity adjustments and rationalizations in some of our cement plants, and shutdowns of ready-mix and block plants and aggregates quarries. We are currently utilizing approximately 78% of our ready-mix plants, 68% of our block manufacturing plants and 88% of our aggregates quarries in the United States.

On January 22, 2010, we announced the permanent closure of our Davenport cement plant located in northern California. The plant had been closed on a temporary basis since March 2009 due to the economic conditions. We have been serving our customers in the region through our extensive network of terminals in northern California, which are located in Redwood City, Richmond, West Sacramento and Sacramento. Since March 2009, our state-of-the-art cement facility in Victorville, California has provided and will continue to provide cement to this market more efficiently than the Davenport plant. Opened in 1906, Davenport was the least efficient of our 14 plants in the United States to operate. We sold a portion of the Davenport facility in 2011 for U.S.\$30 million and a portion in 2012 for U.S.\$4.2 million, as well as some equipment in 2014.

Capital Expenditures. We made capital expenditures of approximately U.S.\$149 million in 2012, U.S.\$160 million in 2013 and U.S.\$202 million in 2014 in our operations in the United States. We currently expect to make capital expenditures of approximately U.S.\$240 million in our operations in the United States during 2015.

Northern Europe

For the year ended December 31, 2014, our business in Northern Europe, which includes our operations in the United Kingdom, Germany, France and our Rest of Northern Europe segment, as described below, represented approximately 25% of our net sales before eliminations resulting from consolidation. As of December 31, 2014, our business in Northern Europe represented approximately 13% of our total installed capacity and approximately 14% of our total assets.

Our Operations in the United Kingdom

Overview. For the year ended December 31, 2014, our operations in the United Kingdom represented approximately 7% of our net sales in Mexican Peso terms, before eliminations resulting from consolidation. As of December 31, 2014, our operations in the United Kingdom represented approximately 6% of our total assets.

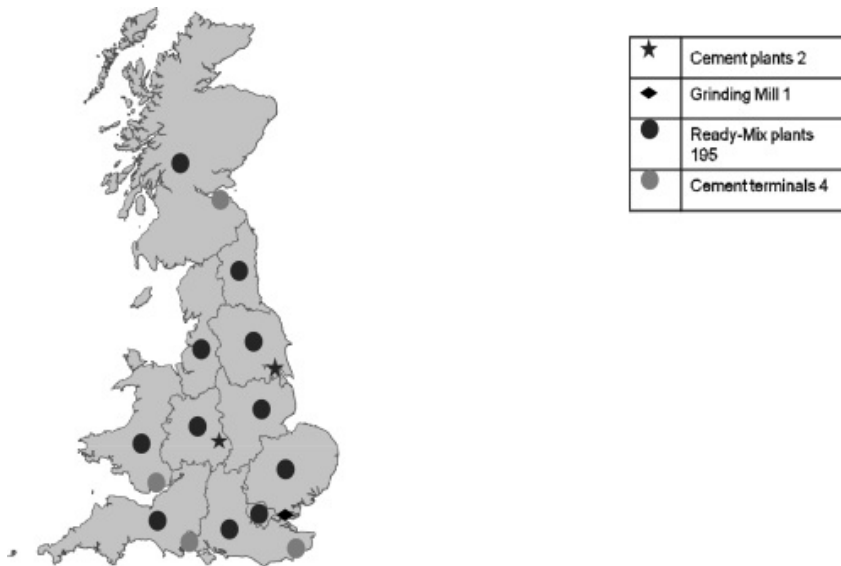
As of December 31, 2014, we held 100% of CEMEX Investments Limited, the main holding company of our operating subsidiaries in the United Kingdom. We are a leading provider of building materials in the United Kingdom with vertically integrated cement, ready-mix concrete, aggregates and asphalt operations. We are also an important provider of concrete and precast materials solutions such as concrete blocks, concrete block paving, flooring systems and sleepers for rail infrastructure.

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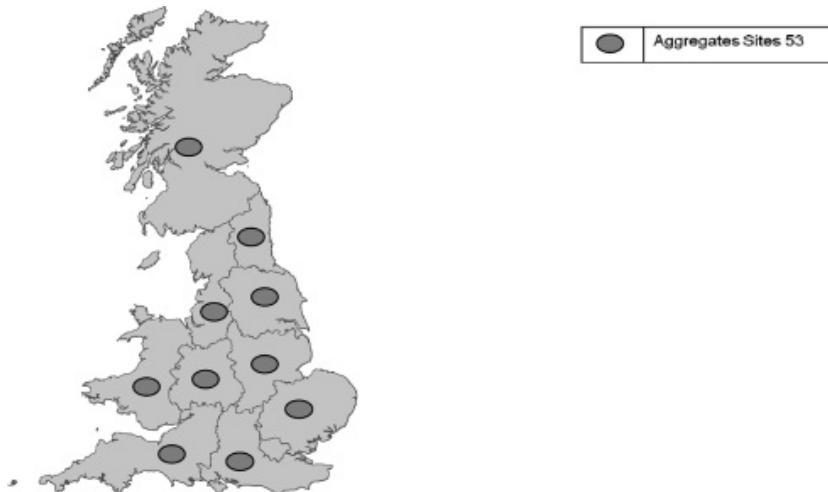
Industry. According to the United Kingdom’s Construction Products Association, in 2014, the gross domestic product of the United Kingdom was estimated to have grown by 3% compared to 1.7% growth in 2013. Total construction output is estimated to have increased by 4.8% in 2014, as compared to a 1.6% increase in 2013 over the preceding year. Both private and public housing sectors are estimated to have grown by 10% and 5%, respectively, in 2014, with the housing market continuing to be stimulated by the government’s Help to Buy scheme. Public sector non-housing construction output fell 2.9% in 2014, impacted by continued public sector spending cuts, but the industrial sector grew by 11%, boosted particularly by investment in new warehouses. In 2014 the commercial sector grew by 3.7%, with recovery now underway in offices and retail, and the infrastructure sector also grew by 8.6% driven by roads, rail and energy. As of the date of this annual report, the official data corresponding to 2014 has not been released by the Mineral Products Association, but we estimate that domestic cement demand expanded by approximately 3% in 2014 compared to 2013.

Competition. Our primary competitors in the United Kingdom are Lafarge Tarmac (a joint venture formed in early 2013), Heidelberg, Aggregate Industries (a subsidiary of Holcim) and Hope Construction Materials, owned by Mittal Investments and formed two years ago from enforced divestments by Lafarge and Tarmac when they created Lafarge Tarmac. The Lafarge Tarmac business is likely to be divested (except for one cement plant to be retained by Holcim) to a new player if the proposed Lafarge Holcim merger is completed in 2015, as required by the UK Competition and Markets Authority. In addition more than 1.5 million tons of cement are imported to the UK by various players including CRH, Holcim, and other independents, with material increasingly arriving from over-capacity markets including Ireland, Spain and Greece.

Our Operating Network in the United Kingdom



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Products and Distribution Channels

Cement. Our cement operations represented approximately 16% of net sales for our operations in the United Kingdom before eliminations resulting from consolidation in 2014. About 78% of our United Kingdom cement sales were of bulk cement, with the remaining 22% in bags. Our bulk cement is mainly sold to ready-mix concrete, concrete block and pre-cast product customers and contractors. Our bagged cement is primarily sold to national builders' merchants. During 2014, our operations in the United Kingdom imported clinker in order to support sales during the year when our Ferriby plant was undergoing major repairs following serious flood damage in December 2013. The imports were sourced predominantly from our operations in Spain, with small volumes from CRH in Ireland.

Ready-Mix Concrete. Our ready-mix concrete operations represented approximately 27% of net sales for our operations in the United Kingdom before eliminations resulting from consolidation in 2014. Special products, including self-compacting concrete, fiber-reinforced concrete, high strength concrete, flooring concrete and filling concrete, represented 25% of our 2014 United Kingdom sales volume. Our ready-mix concrete operations in the United Kingdom in 2014 purchased approximately 87% of their cement requirements from our cement operations in the United Kingdom and approximately 89% of their aggregates requirements from our aggregates operations in the United Kingdom. Our ready-mix concrete products are mainly sold to public, commercial and residential contractors.

Aggregates. Our aggregates operations represented approximately 25% of net sales for our operations in the United Kingdom before eliminations resulting from consolidation in 2014. In 2014, our United Kingdom aggregates sales were divided as follows: 46% were sand and gravel, 46% limestone, 7% hard stone, and 1% other. In 2014, 15% of our aggregates volumes were obtained from marine sources along the United Kingdom coast. In 2014, approximately 42% of our United Kingdom aggregates production was consumed by our own ready-mix concrete operations as well as our asphalt, concrete block and precast operations. We also sell aggregates to major contractors to build roads and other infrastructure projects.

Production Costs

Cement. In 2014, fixed production costs increased by 10% driven by increases in hired manpower costs. Variable costs decreased by 7%, primarily as a result of electricity and fuel costs, partially offset with higher imported clinker costs. We continued to implement our cost reduction programs although our use of alternative fuels decreased in 2014 due to our Ferriby plant not being in operation following the flood in December 2013.

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Ready-Mix Concrete. In 2014, fixed production costs increased by 5%, as compared to fixed production costs in 2013. During 2014, 2 ready-mix plants were closed as part of our capacity management measures.

Aggregates. In 2014, fixed production costs increased by 11%, as compared to 2013 fixed production costs.

Description of Properties, Plants and Equipment. As of December 31, 2014, we operated 2 cement plants, including Ferriby which did not return to production until December 2014, and 1 clinker grinding facility in the United Kingdom. Assets in operation at year-end 2014 represent an installed cement capacity of 2.4 million tons per year. We estimate that, as of December 31, 2014, the limestone and clay permitted proven and probable reserves of our operations in the United Kingdom had an average remaining life of approximately 40 and 31 years, respectively, assuming 2010-2014 average annual cement production levels. As of December 31, 2014, we also owned 4 cement import terminals and operated 195 ready-mix concrete plants and 53 aggregates quarries in the United Kingdom, in addition, we had operating units dedicated to the asphalt, concrete blocks, concrete block paving, sleepers and flooring businesses in the United Kingdom.

In order to ensure increased availability of blended cements, which are more sustainable based on their reduced clinker factor and use of by-products from other industries, we built a grinding and blending facility at the Port of Tilbury, located on the Thames River east of London, in 2009. The facility, which started operations during May 2009, has an annual grinding capacity of approximately 1.2 million tons. In total, we spent approximately U.S.\$93 million in the construction of this grinding and blending facility.

Capital Expenditures. We made capital expenditures of approximately U.S.\$43 million in 2012, U.S.\$44 million in 2013 and U.S.\$45 million in 2014 in our operations in the United Kingdom. We currently expect to make capital expenditures of approximately U.S.\$31 million in our operations in the United Kingdom during 2015.

Our Operations in Germany

Overview. For the year ended December 31, 2014, our operations in Germany represented approximately 6% of our net sales in Mexican Peso terms, before eliminations resulting from consolidation. As of December 31, 2014, our operations in Germany represented approximately 2% of our total assets. As of December 31, 2014, we held 100% of CEMEX Deutschland AG, our main subsidiary in Germany. We are a leading provider of building materials in Germany, with vertically integrated cement, ready-mix concrete and aggregates.

On January 5, 2015, we closed a series of transactions with Holcim, pursuant to which, we sold to Holcim assets in the western region of Germany, consisting of one cement plant, two cement grinding mills, one slag granulator, 22 aggregates quarries and 79 ready-mix plants, while we maintained our operations in the north, east and south of Germany. See “Item 5—Operating and Financial Review and Prospects—Recent Developments Relating to Our Operations—CEMEX and Holcim Close a Series of Transactions in Europe.”

Industry. According to Euroconstruct, total construction output in Germany increased by 2.4% in 2014, compared to 2013. The main driver of such increase was new construction in the residential sector which increased by 8% during 2014. According to the German Cement Association, in 2014, the national cement consumption in Germany increased by 2% to 27.1 million tons, while the ready-mix concrete market and the aggregates market each increased between 1% and 2%.

Competition. Our primary competitors in the cement market in Germany are Heidelberg, Dyckerhoff (a subsidiary of Buzzi-Unicem), Lafarge, Holcim and Schwenk, a local German competitor. These competitors, along with CEMEX, represent a market share of about 80%, as estimated by us for 2014. The ready-mix concrete and aggregates markets in Germany are fragmented and regionally heterogeneous, with many local competitors. The consolidation process in the ready-mix concrete and aggregates markets is moderate.

Our Operating Network in Germany



★	Cement plants 2
◊	Grinding Mill 3
🏗️	Marine terminals 2
①	Ready-Mix plants 154
◀	Admixtures 1



①	Aggregates plants 42
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Description of Properties, Plants and Equipment. As of December 31, 2014, we operated 2 cement plants in Germany and our installed cement capacity was 4.9 million tons per year. We estimate that, as of December 31, 2014, the limestone permitted proven and probable reserves of our operations in Germany had an average remaining life up to 42 years, assuming 2010-2014 average annual cement production levels. As of that date, our operations in Germany included 3 cement grinding mills, 157 ready-mix concrete plants, 42 aggregates quarries, 2 land distribution centers for cement and 2 maritime terminals.

Capital Expenditures. We made capital expenditures of approximately U.S.\$35 million in 2012, U.S.\$37 million in 2013 and U.S.\$29 million in 2014 in our operations in Germany. We currently expect to make capital expenditures of approximately U.S.\$17 million in our operations in Germany during 2015.

Our Operations in France

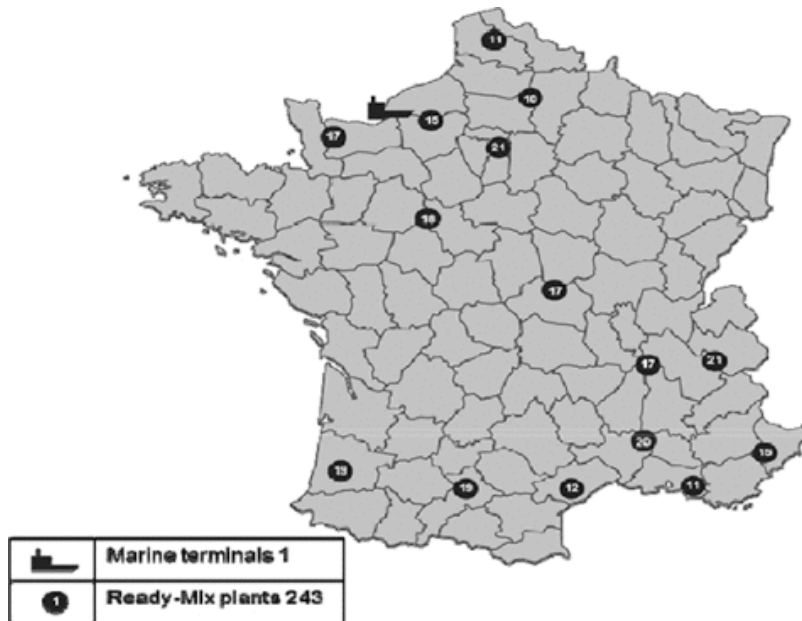
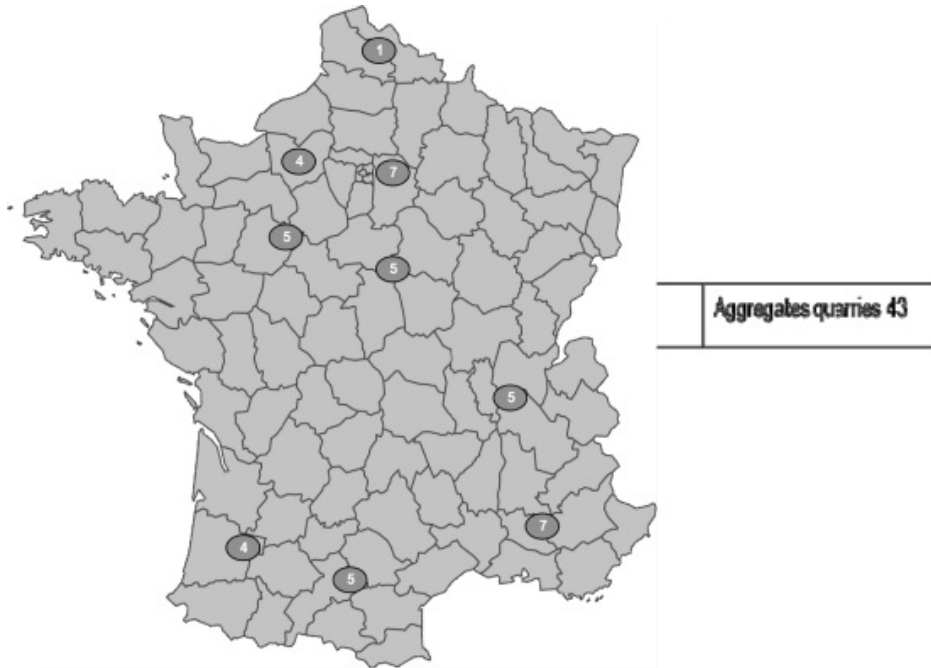
Overview. As of December 31, 2014, we held 100% of CEMEX France, our main subsidiary in France. We are a leading ready-mix concrete producer and a leading aggregates producer in France. We distribute the majority of our materials by road and a significant quantity by waterways, seeking to maximize the use of this efficient and sustainable alternative. For the year ended December 31, 2014, our operations in France represented approximately 6% of our net sales in Mexican Peso terms, before eliminations resulting from consolidation. As of December 31, 2014, our operations in France represented approximately 3% of our total assets.

Industry. According to the Ministry of Ecology, Sustainable Development and Energy, housing starts in the residential sector decreased by 10% in 2014 compared to 2013. According to market consensus data, buildings starts in 2014 compared to 2013 decreased by approximately 6% and demand from the public works sector decreased by approximately 5% over the same period.

According to the French cement producers association, total cement consumption in France in 2014 reached approximately 18 million tons, a 3% decrease compared to 2013. The decrease was primarily driven by a 7% decrease in demand in the construction, residential and non-residential sectors, and a lower proportion from the public works sector.

Competition. Our main competitors in the ready-mix concrete market in France include Lafarge, Holcim, Italcementi and Vicat. Our main competitors in the aggregates market in France include Lafarge, Italcementi, Colas (Bouygues) and Eurovia (Vinci). Many of our major competitors in ready-mix concrete are subsidiaries of French cement producers, whereas we rely on sourcing cement from third parties.

Our Operating Network in France



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Description of Properties, Plants and Equipment. As of December 31, 2014, we operated 243 ready-mix concrete plants in France, 1 maritime cement terminal located in Le Havre, on the northern coast of France, 18 land distribution centers, 43 quarries and 11 river ports.

Capital Expenditures. We made capital expenditures of approximately U.S.\$21 million in 2012, U.S.\$28 million in 2013 and U.S.\$27 million in 2014 in our operations in France. We currently expect to make capital expenditures of approximately U.S.\$23 million in our operations in France during 2015.

Rest of Northern Europe

As of December 31, 2014, our operations in the Rest of Northern Europe consisted primarily of our operations in the Czech Republic, Austria, Poland, Hungary and Latvia, as well as trading activities in Scandinavia and Finland, our other Northern European assets and our approximately 37.8% non-controlling interest in a Lithuanian company. These operations represented approximately 6% of our net sales in Mexican Peso terms, before eliminations resulting from consolidation, for the year ended December 31, 2014, and approximately 3% of our total assets as of December 31, 2014.

Our Operations in Poland

Overview. As of December 31, 2014, we held 100% of CEMEX Polska Sp. Z.O.O, or CEMEX Polska, our main subsidiary in Poland. We are a leading provider of building materials in Poland, serving the cement, ready-mix concrete and aggregates markets. As of December 31, 2014, we operated 2 cement plants and 1 grinding mill in Poland, with a total installed cement capacity of 3 million tons per year. As of December 31, 2014, we also operated 39 ready-mix concrete plants, 9 aggregates quarries and 2 maritime terminals in Poland.

Industry. According to our estimates, total cement consumption in Poland reached approximately 15.9 million tons in 2014, an increase of 6.1% compared to 2013.

Competition. Our primary competitors in the cement, ready-mix concrete and aggregates markets in Poland are Heidelberg, Lafarge, CRH and Dyckerhoff, Miebach.

Capital Expenditures. We made capital expenditures of approximately U.S.\$31 million in 2012, U.S.\$12.98 million in 2013 and U.S.\$13 million in 2014 in our operations in Poland. We currently expect to make capital expenditures of approximately U.S.\$14 million in our operations in Poland during 2015.

Our Operations in the Czech Republic

Overview. As of December 31, 2014, we held 100% of CEMEX Czech Republic, s.r.o., our main subsidiary in the Czech Republic. We are a leading producer of ready-mix concrete and aggregates in the Czech Republic. We also distribute cement in the Czech Republic. As of December 31, 2014, we operated 59 ready-mix concrete plants, 7 gravel pits and 6 aggregates quarries in the Czech Republic. As of that date, we also operated 7 cement grinding mill and 1 cement terminal in the Czech Republic.

On January 5, 2015, we closed a series of transactions with Holcim, pursuant to which, we acquired all of Holcim's assets in the Czech Republic, including a cement plant, four aggregates quarries and 17 ready-mix plants. See "Item 5—Operating and Financial Review and Prospects—Recent Developments Relating to Our Operations—CEMEX and Holcim Close a Series of Transactions in Europe."

Industry. According to the Czech Statistical Office, total construction output in the Czech Republic decreased approximately by 3.8% in 2014. The decrease was primarily driven by a continued slowdown in civil engineering works, low demand for housing, public procurement law and problems with drawing finances from EU funds. According to the Czech Cement Association, total cement production in the Czech Republic reached 3.5 million tons in 2014, an increase of 0.3% compared to 2013. In 2014, total ready-mix concrete production in the Czech Republic decreased by approximately 1.4% to 5.8 million tons as compared to 2013.

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Competition. Our main competitors in the cement, ready-mix concrete and aggregates markets in the Czech Republic are Heidelberg, Dyckerhoff, Holcim, Skanska and Lafarge.

Capital Expenditures. We made capital expenditures of approximately U.S.\$3.4 million in 2012, U.S.\$3.8 million in 2013 and U.S.\$5 million in 2014 in our operations in the Czech Republic. We currently expect to make capital expenditures of approximately U.S.\$6 million in our operations in the Czech Republic during 2015.

Our Operations in Latvia

Overview. As of December 31, 2014, we held 100% of CEMEX SIA, our operating subsidiary in Latvia. We are the only cement producer and a leading ready-mix concrete producer and supplier in Latvia. From our cement plant in Latvia we also supply markets in Estonia, Lithuania, Finland, Sweden, northwest Russia, Kaliningrad and Belarus. As of December 31, 2014, we operated 1 cement plant in Latvia with an installed cement capacity of 1.6 million tons per year. As of that date, we also operated 6 ready-mix concrete plants, a newly acquired mobile pugmill and 1 aggregates quarry in Latvia. In 2014, we began developing a new product for Latvia's road construction market – Roller Compacted Concrete as a road base layer.

In April 2006, we initiated an expansion project for our cement plant in Latvia in order to increase our cement production capacity by approximately 0.8 million tons per year to support strong demand in the region. The plant was fully commissioned during July 2010. The project was completed and fully capitalized in 2013, our total capital expenditure in the capacity expansion of this plant was approximately U.S.\$409 million.

Capital Expenditures. In total, we made capital expenditures of approximately U.S.\$9 million in 2012, U.S.\$8 million in 2013 and U.S.\$1.0 million in 2014 in our operations in Latvia. We currently expect to make capital expenditures of approximately U.S.\$8.5 million in our operations in Latvia during 2015.

Our Equity Investment in Lithuania

Overview. As of December 31, 2014, we owned an approximate 37.8% interest in AB Akmenes cementas, a cement producer in Lithuania, which operates one cement plant in Lithuania with an annual installed cement capacity of 1.3 million tons.

Our Operations in Austria

Overview. As of December 31, 2014, we held 100% of CEMEX Austria AG, our main subsidiary in Austria. We are a leading participant in the ready-mix concrete and aggregates markets in Austria and also produce admixtures. As of December 31, 2014, we owned 34 operating ready-mix concrete plants and operated 8 additional plants through joint ventures and special purpose entities. We also owned 24 aggregates quarries, including 6 quarries which are currently operated by third parties, and had non-controlling interests in 4 quarries.

Industry. According to Euroconstruct, total construction output in Austria increased by 1.7% in 2014. This increase was primarily driven by higher spending on residential construction projects. Total cement consumption in Austria increased by 1.1% compared to 2013.

Competition. Our main competitors in the ready-mix concrete and aggregates markets in Austria are Asamer, Lafarge, Lasselsberger, Strabag and Wopfinger.

Capital Expenditures. We made capital expenditures of approximately U.S.\$4 million in 2012, U.S.\$5 million in 2013 and U.S.\$5 million in 2014 in our operations in Austria. We currently expect to make capital expenditures of approximately U.S.\$4 million in our operations in Austria during 2015.

Our Operations in Hungary

Overview. As of December 31, 2014, we held 100% of CEMEX Hungária Kft., our main operating subsidiary in Hungary. As of December 31, 2014, we owned 29 ready-mix concrete plants and 3 aggregates quarries, and we had non-controlling interests in 3 other ready-mix concrete plants and 1 other aggregates quarry.

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Industry. According to the Hungarian Central Statistical Office, total construction output in Hungary increased by 16.7% in 2014 compared to 2013. The increase was primarily driven by construction in the industrial sector, as residential construction continued to decrease.

Competition. Our main competitors in the ready-mix concrete and aggregates markets in Hungary are Heidelberg, Holcim, Frissbeton (Strabag) and Lasselsberger.

Capital Expenditures. We made capital expenditures of approximately U.S.\$1 million in 2012, U.S.\$1.5 million in 2013 and U.S.\$1 million in 2014 in our operations in Hungary. We currently expect to make capital expenditures of approximately U.S.\$1.4 million in our operations in Hungary during 2015.

Our Operations in Other Northern European Countries

Overview. As of December 31, 2014, we operated ten marine cement terminals in Finland, Norway and Sweden through CEMEX AS, a leading bulk-cement importer in the Nordic region.

Capital Expenditures. We made capital expenditures of approximately U.S.\$0.2 million in 2012, U.S.\$0.3 million in 2013 and U.S.\$0.02 million in 2014 in our operations in Other Northern European countries. We currently do not expect to make any significant capital expenditures in our operations in Other Northern European countries during 2015.

The Mediterranean

For the year ended December 31, 2014, our business in the Mediterranean, which includes our operations in the Spain, Egypt and our Rest of the Mediterranean segment, as described below, represented approximately 9% of our net sales before eliminations resulting from consolidation. As of December 31, 2014, our business in the Mediterranean represented approximately 18% of our total installed capacity and approximately 8% of our total assets.

Our Operations in Spain

Overview. Our operations in Spain represented approximately 2% of our net sales in Mexican Peso terms, before eliminations resulting from consolidation, for the year ended December 31, 2014, and approximately 4% of our total assets, as of December 31, 2014.

On January 5, 2015, we closed a series of transactions with Holcim, pursuant to which, we acquired from Holcim the Gador cement plant (with an annual installed cement production capacity of approximately 0.97 million tons, which production capacity was recently reassessed after managing and operating the plant in the first quarter of 2015) and the Yeles cement grinding station (with an annual installed cement production capacity of 0.90 million tons). See “Item 5—Operating and Financial Review and Prospects—Recent Developments Relating to Our Operations—CEMEX and Holcim Close a Series of Transactions in Europe.”

As of December 31, 2014, we held 99.88% of CEMEX España (including shares held in treasury), a holding company for most of our international operations.

On October 1, 2012, CEMEX España agreed to spin-off its Spanish industrial operations in favor of CEMEX España Operaciones, a subsidiary in which CEMEX España holds 100% of the share capital.

In December 2012, the merger of CEMEX España Operaciones and Aricemex, S.A. and Hornicemex, S.A. was completed and, as a result, our manufacturing and sales of cement, aggregates, concrete and mortar were consolidated in CEMEX España Operaciones, which became our Spanish operating subsidiary.

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In March 2006, we announced a plan to invest approximately €47 million in the construction of a new cement mill and dry mortar production plant in the Port of Cartagena in Murcia, Spain. The first phase, which included the construction of a cement mill with production capacity of nearly one million tons of cement per year, was completed in the fourth quarter of 2007. Execution of the second phase, which included the construction of a new dry mortar plant with a production capacity of 200,000 tons of dry mortar per year, was delayed due to market conditions. In line with CEMEX España Operaciones' strategic plan, "Plan Horizonte," we decided to relinquish the administrative concession granted for the construction of the cement mill and dry mortar production plant. In June 2013, the Cartagena Port Authority approved the resignation, and we decided to dismantle the installation and relocate it to another country. By the end of 2014, the grinding mill was sold to our operations in Egypt and installed there.

In furtherance of our assets optimization plan, in June 2013, we formalized an agreement to sell our cement plant in San Feliú de Llobregat (Barcelona) to Cements Molins, S.A. The transaction was approved by the Spanish Competition Authorities and subsequently formally completed on November 15, 2013.

In February 2007, we announced that Cementos Andorra S.A., at the time a joint venture between us and Spanish investors (the Burgos family), intended to build a new cement production facility in Teruel, Spain. Due to the current market conditions in Spain, we are in the process of analyzing whether to relocate the installation to other markets where we have operations or sell the equipment and facilities to any interested third party. During 2013, CEMEX España Operaciones acquired up to the 100% interest in Cementos Andorra, S.A.

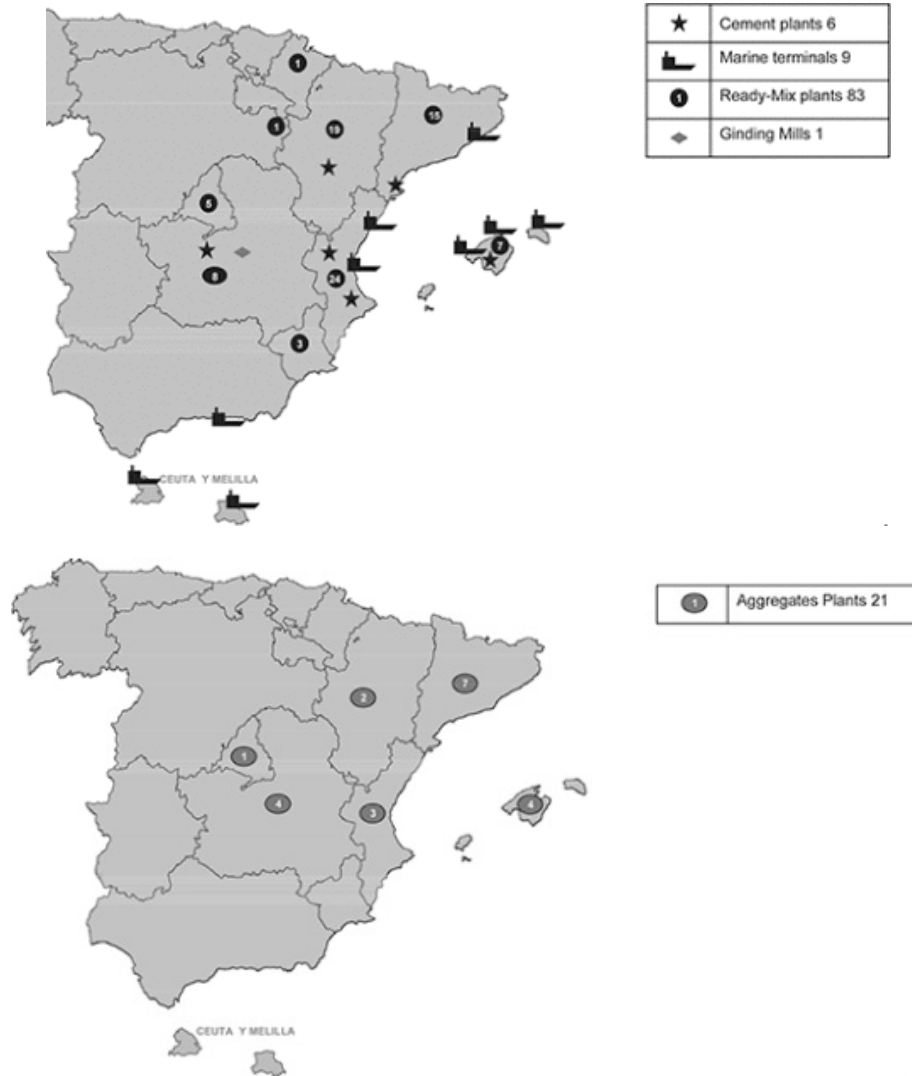
Industry. According to our latest estimates, in 2014, investment in the construction sector in Spain decreased by approximately 2.8% compared to 2013, primarily as a result of the drop in investment in the non-residential construction sector (both public and private), which decreased approximately 3% during this period. Investment in the residential construction sector decreased approximately 2.7% in 2014. According to the latest estimates from the *Asociación de Fabricantes de Cemento de España* (OFICEMEN), the Spanish cement trade organization, cement consumption in Spain increased 0.4% in 2014 compared to 2013.

During the past several years, the level of cement imports into Spain has been influenced by the strength of domestic demand and fluctuations in the value of the Euro against other currencies. According to OFICEMEN, cement imports decreased 10% in 2010, 29% in 2011, 18% in 2012, 18% in 2013 and increased 14.5% in 2014. Clinker imports have been significant, declined 49% in 2010, 47% in 2011, 75% in 2012, 18% in 2013 and 2.5% in 2014. Imports primarily have had an impact on coastal zones, since transportation costs make it less profitable to sell imported cement in inland markets.

In the early 1980's, Spain was one of the leading exporters of cement in the world, exporting up to 13 million tons per year. However, as of December 31, 2014, cement exports amounted approximately 10 million tons per year. In recent years, Spanish cement and clinker export volumes have fluctuated, reflecting the rapid changes in demand in the Mediterranean basin as well as the strength of the Euro and changes in the domestic market. According to OFICEMEN, these export volumes increased 37% in 2010, 2% in 2011, 56% in 2012, 12% in 2013, and 32% in 2014.

Competition. According to our estimates, as of December 31, 2014, we were one of the five largest multinational producers of clinker and cement in Spain. Competition in the ready-mix concrete industry is intense in large urban areas. The overall high degree of competition in the Spanish ready-mix concrete industry is reflected in the multitude of offerings from a large number of concrete suppliers. We have focused on developing value added products and attempting to differentiate ourselves in the marketplace. The distribution of ready-mix concrete remains a key component of our business strategy in Spain.

Our Operating Network in Spain



Products and Distribution Channels

Cement. Our cement operations represented approximately 75% of net sales for our operations in Spain before eliminations resulting from consolidation in 2014. We offer various types of cement in Spain, targeting specific products to specific markets and users. In 2014, approximately 21% of CEMEX España Operaciones' domestic sales volume consisted of bagged cement, and the remainder of CEMEX España Operaciones' domestic sales volume consisted of bulk cement, primarily to ready-mix concrete operators, including sales to our other operations in Spain, as well as industrial customers that use cement in their production processes and construction companies.

Ready-Mix Concrete. Our ready-mix concrete operations represented approximately 15% of net sales for our operations in Spain before eliminations resulting from consolidation in 2014. Our ready-mix concrete operations

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in Spain in 2014 purchased almost 99.9% of their cement requirements from our cement operations in Spain, and approximately 66.9 of their aggregates requirements from our aggregates operations in Spain.

Aggregates. Our aggregates operations represented approximately 3% of net sales for our operations in Spain before eliminations resulting from consolidation in 2014.

Exports. Exports of cement and clinker by our operations in Spain, which represented approximately 32% of net sales for our operations in Spain before eliminations resulting from consolidation, increased approximately 99% in 2014 compared to 2013, primarily as a result of an increase in export volumes to other countries, in particular, those located in Africa and the Middle East and Europe. Export prices are lower than domestic market prices, and costs are usually higher for export sales. Of our total exports from Spain in 2014, 7% consisted of white cement, 29% of gray portland cement and 64% of clinker. In 2014, 13% of our exports from Spain were to Central America, 36% to Europe and the Middle East and 51% to Africa.

Production Costs. We have improved the efficiency of our operations in Spain by introducing technological improvements that have significantly reduced our energy costs, including the use of alternative fuels, in accordance with our cost reduction efforts. In 2014, we used organic waste, tires and plastics as fuel, achieving a 40.7% substitution rate for pet coke in our gray and white clinker kilns for the year.

Description of Properties, Plants and Equipment. As of December 31, 2014, our operations in Spain included 6 cement plants located in Spain, with an annual installed cement capacity of 9.4 million tons, including 1 million tons of white cement. As of that date, we also owned 1 cement mill, 18 distribution centers, including 9 land and 9 marine terminals, 83 ready-mix concrete plants, 21 aggregates quarries and 13 mortar plants. As of December 31, 2014, we owned 8 limestone quarries located in close proximity to our cement plants and 4 clay quarries in our cement operations in Spain. We estimate that, as of December 31, 2014, the limestone and clay permitted proven and probable reserves of our operations in Spain had an average remaining life of approximately 58 and 35 years, respectively, assuming 2010-2014 average annual cement production levels.

Capital Expenditures. We made capital expenditures of approximately U.S.\$26 million in 2012, U.S.\$10 million in 2013 and U.S.\$12 million in 2014 in our operations in Spain. We currently expect to make capital expenditures of approximately U.S.\$13 million in our operations in Spain during 2015.

Our Operations in Egypt

Overview. As of December 31, 2014, we had a 95.8% interest in ACC, our main subsidiary in Egypt. As of December 31, 2014, we operated one cement plant in Egypt, with an annual installed Clinker capacity of approximately 5.3 million tons. This plant is located approximately 280 miles south of Cairo and serves the upper Nile region of Egypt, as well as Cairo and the delta region, Egypt's main cement market. We estimate that, as of December 31, 2014, the limestone and clay permitted proven and probable reserves of our operations in Egypt had an average remaining life of approximately 50 and 73 years, respectively, assuming 2010-2014 average annual cement production levels. In addition, as of December 31, 2014, we operated 9 ready-mix concrete plants, of which 4 are owned and 5 are under management contracts and 10 land distribution centers in Egypt. For the year ended December 31, 2014, our operations in Egypt represented approximately 3% of our net sales before eliminations resulting from consolidation and approximately 2% of our total assets.

See "Item 4—Information on the Company—Regulatory Matters and Legal Proceedings—Other Legal Proceedings—Egypt Share Purchase Agreement" for a description of certain legal proceedings relating to the share purchase agreement, signed in November 1999 between CEMEX, S.A.B. de C.V. and state-owned Metallurgical Industries Company, pursuant to which CEMEX, S.A.B. de C.V. acquired a controlling interest in ACC.

Industry. According to the Ministry of Investment official figures based on government data (local and imported cement), the Egyptian market consumed approximately 51.4 million tons of cement during 2014. Cement consumption increased by approximately 3% in 2014 compared to 2013, which was mainly attributed to the relative political and economic stability that bolstered the construction sector and the launch of a number of

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infrastructure projects. As of December 31, 2014, the cement industry in Egypt had a total of 20 cement producers, with an aggregate annual installed cement production capacity of approximately 75 million tons.

Competition. According to the Ministry of Investment official figures, during 2014, Holcim and Lafarge (Egyptian Cement Company), CEMEX (Assiut) and Italcementi (Suez Cement, Torah Cement and Helwan Portland Cement), four of the largest cement producers in the world, represented approximately 38% of the total cement production in Egypt. Other significant competitors in Egypt are Arabian (La Union), Titan (Alexandria Portland Cement and Beni Suef Cement), Ameriyah (Cimpor), National, Sinai (Vicat), Sinai White cement (Cementir), South Valley, Nile Valley, El Sewedy, Army Cement, Aswan Medcom, Misr Beni Suef, Al Nahda and Misr Quena Cement Companies, in addition to ASEC Cement and Egyptian Kuwait Holding Co.

Cement and Ready-Mix Concrete. For the year ended December 31, 2014, cement represented approximately 90% and ready-mix concrete represented approximately 8% of net sales for our operations in Egypt before eliminations resulting from consolidation.

Capital Expenditures. We made capital expenditures of approximately U.S.\$21 million in 2012, U.S.\$24 million in 2013 and U.S.\$31 million in 2014 in our operations in Egypt. We currently expect to make capital expenditures of approximately U.S.\$52 million in our operations in Egypt during 2015.

Rest of the Mediterranean

Our operations in the Rest of the Mediterranean, which as of December 31, 2014, consisted primarily of our operations in Croatia, the UAE and Israel. These operations represented approximately 4% of our net sales in Mexican Peso terms, before eliminations resulting from consolidation, for the year ended December 31, 2014, and approximately 2% of our total assets as of December 31, 2014.

Our Operations in South-East Europe

Overview. As of December 31, 2014, we held 100% of CEMEX Hrvatska d.d., our operating subsidiary in Croatia. We are the largest cement producer in Croatia based on installed capacity as of December 31, 2014, according to our estimates. We have three cement plants in Croatia with an annual installed capacity of 2.4 million tons. Due to inventory control, only the largest plant operated during 2014. As of December 31, 2014, we operated 13 land distribution centers, 4 maritime cement terminals in Croatia, Bosnia & Herzegovina and Montenegro, 8 ready-mix concrete facilities and 2 aggregates quarry in Croatia.

Industry. According to our estimates, total cement consumption in Croatia, Bosnia & Herzegovina and Montenegro reached almost 2.8 million tons in 2014, a decreased of 1.5% compared to 2013.

Competition. Our primary competitors in the cement market in Croatia are Nexce and Holcim.

Capital Expenditures. We made capital expenditures of approximately U.S.\$6 million in 2012, U.S.\$6 million in 2013 and U.S.\$5.7 million in 2014 in our operations in South-East Europe. We currently expect to make capital expenditures of approximately U.S.\$5 million in our operations in South-East Europe during 2015.

Our Operations in the United Arab Emirates (UAE)

Overview. As of December 31, 2014, we held a 49% equity interest (and 100% economic benefit) in three UAE companies: CEMEX Topmix LLC and CEMEX Supermix LLC, two ready-mix manufacturing companies, and CEMEX Falcon LLC, which specializes in the trading and production of cement and slag. We are not allowed to have a controlling interest in these companies (UAE law requires 51% ownership by UAE nationals). However, through agreements with other shareholders in these companies, we have control over the remaining 51% of the economic benefits in each of the companies. As a result, we own a 100% economic interest in all three companies. As of December 31, 2014, we owned 7 ready-mix concrete plants and 1 cement and slag grinding facility in the UAE, serving the markets of Dubai and Abu Dhabi.

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Capital Expenditures. We made capital expenditures of approximately U.S.\$0.5 million in 2012, U.S.\$0.4 million in 2013 and U.S.\$0.5 million in 2014 in our operations in the UAE. We currently expect to make capital expenditures of approximately U.S.\$1 million in our operations in the UAE during 2015.

Our Operations in Israel

Overview. As of December 31, 2014, we held 100% of CEMEX Holdings (Israel) Ltd., our main subsidiary in Israel. We are a leading producer and supplier of raw materials for the construction industry in Israel. In addition to ready-mix concrete and aggregates, we produce a diverse range of building materials and infrastructure products in Israel. As of December 31, 2014, we operated 58 ready-mix concrete plants, 6 aggregates quarries, 1 concrete products plant, 1 admixtures plant, 1 lime factory and 1 blocks factory in Israel.

Capital Expenditures. We made capital expenditures of approximately U.S.\$17 million in 2012, U.S.\$17 million in 2013 and U.S.\$14.8 million in 2014 in our operations in Israel. We currently expect to make capital expenditures of approximately U.S.\$14 million in our operations in Israel during 2015.

South America and the Caribbean

For the year ended December 31, 2014, our business in South America and the Caribbean, which includes our operations in the Colombia and our Rest of South America and the Caribbean segment, as described below, represented approximately 13% of our net sales before eliminations resulting from consolidation. As of December 31, 2014, our business in South America and the Caribbean represented approximately 13% of our total installed capacity and approximately 6% of our total assets.

In November 2012, CEMEX Latam, a then wholly-owned subsidiary of CEMEX España, completed the sale of newly issued common shares in the CEMEX Latam Offering, representing approximately 26.65% of CEMEX Latam's outstanding common shares. CEMEX Latam is the main holding company for CEMEX's operations in Brazil, Colombia, Costa Rica, Guatemala, Nicaragua, Panama and El Salvador. See "Item 5—Operating and Financial Review and Prospects—Results of Operations—Investments, Acquisitions and Divestitures—Divestitures" for additional information regarding the CEMEX Latam Offering.

Our Operations in Colombia

Overview. As of December 31, 2014, we indirectly owned through CEMEX Latam approximately 99.7% of CEMEX Colombia, S.A., or CEMEX Colombia, our main subsidiary in Colombia. As of December 31, 2014, CEMEX Colombia was the second-largest cement producer in Colombia, based on installed capacity of (4.5 million tons per year) as of December 31, 2014. For the year ended December 31, 2014, our operations in Colombia represented approximately 6% of our net sales before eliminations resulting from consolidation. As of December 31, 2014, our operations in Colombia represented 3% of our total assets.

CEMEX Colombia has a significant market share in the cement and ready-mix concrete market in the "Urban Triangle" of Colombia comprising the cities of Bogotá, Medellín and Cali. During 2014, these three metropolitan areas accounted for approximately 35.4% of Colombia's cement consumption. CEMEX Colombia's Ibagué plant, which uses the dry process and is strategically located in the Urban Triangle, is CEMEX Colombia's largest plant and had an annual installed capacity of 2.8 million tons as of December 31, 2014. CEMEX Colombia, through its Bucaramanga and Cúcuta plants, is also an active participant in Colombia's northeastern market.

Industry. According our estimates, the installed capacity for cement in Colombia was 17.4 million tons in 2014. According to DANE, total cement consumption in Colombia reached 12 million tons during 2014, an increase of 10% from 2013, while cement exports from Colombia reached 0.96 million tons. We estimate that close to 40% of cement in Colombia is consumed by the self-construction sector, while the infrastructure sector accounts for approximately 32% of total cement consumption and has been growing in recent years. The other construction segments in Colombia, including the formal housing and commercial sectors, account for the balance of cement consumption in Colombia.

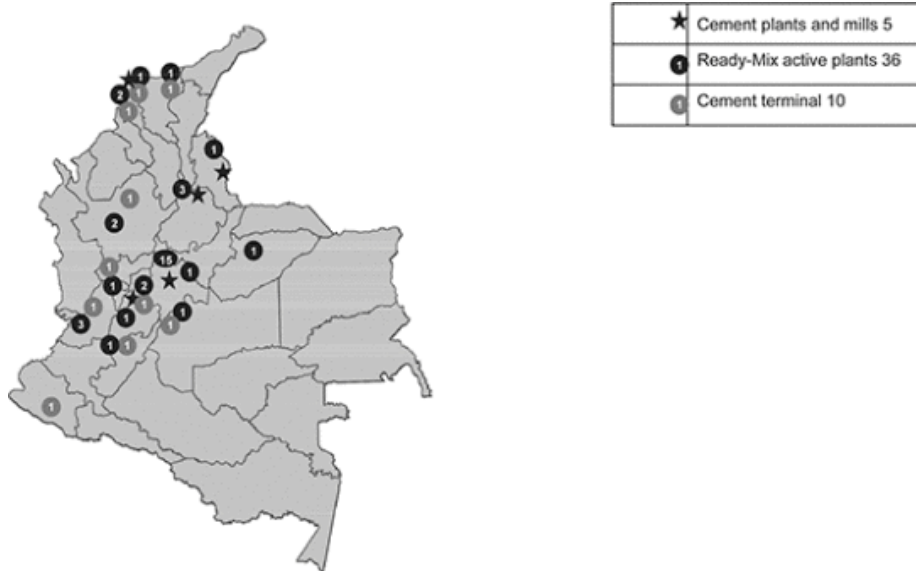
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Competition. We have two primary competitors, Cementos Argos, which has established a leading position in the Colombian Caribbean coast, Antioquia and Southwest region markets, and our other competitor is Holcim Colombia.

The ready-mix concrete industry in Colombia is fairly consolidated with the top three producers accounting for approximately 75% of the market as of December 31, 2014. CEMEX Colombia was the second-largest ready-mix concrete producer as of December 31, 2014. The first and third-largest producers were Argos and Holcim Colombia, respectively.

The aggregates market in Colombia is highly fragmented and is dominated by the informal market. CEMEX Colombia was the largest aggregates producer as of December 31, 2014. Approximately 75% of the aggregates market in Colombia is comprised of small independent producers as of December 31, 2014.

Our Operating Network in Colombia





Products and Distribution Channels

Cement. Our cement operations represented approximately 57% of net sales for our operations in Colombia before eliminations resulting from consolidation in 2014.

Ready-Mix Concrete. Our ready-mix concrete operations represented approximately 29% of net sales for our operations in Colombia before eliminations resulting from consolidation in 2014.

Aggregates. Our aggregates operations represented approximately 9% of net sales for our operations in Colombia before eliminations resulting from consolidation in 2014.

Description of Properties, Plants and Equipment. As of December 31, 2014, CEMEX Colombia owned 5 operating cement plants, having a total annual installed capacity of 4.0 million tons. In addition, through its grinding mills, CEMEX Colombia has the ability to produce 0.5 million tons of cement sourced by third parties. In 2014, we replaced 36% of our total fuel consumed in CEMEX Colombia with alternative fuels, and we have an internal electricity generating capacity of 40 megawatts. We estimate that, as of December 31, 2014, the limestone and clay permitted proven and probable reserves of our operations in Colombia had an average remaining life of approximately 145 and 13 years, respectively, assuming 2010-2014 average annual cement production levels. The operating licenses for quarries in Colombia are renewed every 30 years; assuming renewal of such licenses, we estimate having sufficient limestone reserves for our operations in Colombia for over 100 years assuming 2010-2014 average annual cement production levels. As of December 31, 2014, CEMEX Colombia owned 14 land distribution centers, 2 mortar plant, 57 ready-mix concrete plants (including 36 fixed and 21 mobile) and 6 aggregates operations. As of that date, CEMEX Colombia also owned 10 limestone quarries.

Regarding the new cement plant being built by CEMEX Colombia in the Antioquia department of the Municipality of Maceo, Colombia, the transaction pursuant to which CEMEX Colombia was to receive the transfer of the land, mining rights and benefits of the free tax zone in which the new cement plant is being built has been put on hold by Colombian authorities as a result of legal proceedings against one of the shareholders of the transferee. As a result, and while the legal proceedings take place, CEMEX Colombia has joined such legal proceedings as an affected third party and has also signed a lease agreement with the government of Colombia that allows CEMEX Colombia to continue the use of the property and advance the construction of the new cement plant while the legal proceedings are resolved, which could take until the fourth quarter of 2015.

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Capital Expenditures. We made capital expenditures of approximately U.S.\$81 million in 2012, U.S.\$60 million in 2013 and U.S.\$101 million in 2014 in our operations in Colombia. We currently expect to make capital expenditures of approximately U.S.\$195 million in our operations in Colombia during 2015.

Rest of South America and the Caribbean

As of December 31, 2014, our operations in the Rest of South America and the Caribbean consisted primarily of our operations in Costa Rica, the Dominican Republic, Jamaica, Nicaragua, Panama, Puerto Rico and other countries in the Caribbean, Guatemala and small ready-mix concrete operations in Argentina. These operations represented approximately 7% of our net sales in Mexican Peso terms, before eliminations resulting from consolidation, for the year ended December 31, 2014, and approximately 4% of our total assets as of December 31, 2014.

Our Operations in Costa Rica

Overview. As of December 31, 2014, we indirectly owned through CEMEX Latam a 99.1% interest in CEMEX (Costa Rica), S.A., or CEMEX Costa Rica, our main operating subsidiary in Costa Rica and a leading cement producer in the country.

On December 18, 2014, we announced that our subsidiary, CEMEX Latam, began a project to increase cement production capacity in its plant located in Colorado, Costa Rica by approximately 25%, reaching an annual capacity of 1.1 million tons per year by 2017. The total investment is expected to be of approximately U.S.\$35 million in a 3 year period and will include the construction of a new grinding mill, as well as several capacity enhancing projects on its clinker production line.

Industry. Approximately 1.4 million tons of cement were sold in Costa Rica during 2014, according to our estimations. The cement market in Costa Rica is a predominantly retail market, and we estimate that 50% of cement sold is bagged cement.

Competition. The Costa Rican cement industry currently includes two producers, CEMEX Costa Rica and Holcim Costa Rica.

Description of Properties, Plants and Equipment. As of December 31, 2014, CEMEX Costa Rica operated 1 cement plant in Costa Rica, with an annual installed capacity of 0.74 million tons, and operated a grinding mill in the capital city of San José with an annual installed capacity of 0.18 million tons. CEMEX Costa Rica had 8 operational ready-mix concrete plants (one is dismantled), 1 aggregates quarry and 1 land distribution center.

Exports. During 2014, cement exports by our operations in Costa Rica represented approximately 10.6% of our total production in Costa Rica. In 2014, 27.7% of our cement exports from Costa Rica were to El Salvador, and the remaining exports were to Nicaragua.

Capital Expenditures. We made capital expenditures of approximately U.S.\$6 million in 2012, U.S.\$6 million in 2013 and U.S.\$6 million in 2014 in our operations in Costa Rica. We currently expect to make capital expenditures of approximately U.S.\$9 million in our operations in Costa Rica during 2015.

Our Operations in the Dominican Republic

Overview. As of December 31, 2014, we held 100% of CEMEX Dominicana, S.A., or CEMEX Dominicana, our main subsidiary in the Dominican Republic and a leading cement producer in the country. CEMEX Dominicana's sales network covers the country's main consumption areas, which are Santo Domingo, Santiago de los Caballeros, La Vega, San Pedro de Macoris, Samaná and La Altagracia. On May 8, 2000, CEMEX Dominicana entered into a lease agreement with the government of the Dominican Republic related to the exploitation of a gypsum mine located at Las Salinas, Barahona, which has enabled CEMEX Dominicana to supply all local and regional gypsum requirements. The lease agreement expires on May 8, 2025 and may be extended by the parties.

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Industry. In 2014, cement consumption in the Dominican Republic reached 3.6 million tons according to our estimates.

Competition. Our principal competitors in the Dominican Republic are Domicem, a mixed Italian/local cement producer that started cement production in 2005; Cementos Cibao, a local competitor; Cemento Colón, an affiliated grinding operation of Argos; Cementos Santo Domingo, a cement grinding partnership between a local investor and Cementos La Union from Spain; Cementos Andinos, a Colombian cement producer which has an installed grinding operation and a partially constructed cement kiln; and Cementos Estrella, a grinding facility owned by a local investor.

Description of Properties, Plants and Equipment. As of December 31, 2014, CEMEX Dominicana operated one cement plant in the Dominican Republic, with an installed capacity of 2.6 million tons per year (which includes 2.4 million tons of grinding mill capacity). As of that date, CEMEX Dominicana also owned 10 ready-mix concrete plants, one aggregates quarry, 5 land distribution centers and 2 marine terminals.

Capital Expenditures. We made capital expenditures of approximately U.S.\$10 million in 2012, U.S.\$17 million in 2013 and U.S.\$7.5 million in 2014 in our operations in the Dominican Republic. We currently expect to make capital expenditures of approximately U.S.\$8 million in our operations in the Dominican Republic during 2015.

Our Operations in Panama

Overview. As of December 31, 2014, we indirectly held through CEMEX Latam a 99.5% interest in Cemento Bayano, S.A., or Cemento Bayano, our main subsidiary in Panama and a leading cement producer in the country.

Industry. Approximately 2.1 million cubic meters of ready-mix concrete were sold in Panama during 2014, according to our estimates. Cement consumption in Panama decreased 7% in 2014, due to the termination stage of Panama Canal.

Competition. The cement industry in Panama includes three cement producers: Cemento Bayano, Argos Panamá, an affiliate of Colombian Cementos Argos, and Cemento Interoceánico.

Description of Properties, Plants and Equipment. As of December 31, 2014, Cemento Bayano operated one cement plant in Panama, with an annual installed capacity of 2.1 million tons. As of that date, Cemento Bayano also owned and operated 14 ready-mix concrete plants, 4 aggregates quarries and 4 land distribution centers.

Capital Expenditures. We made capital expenditures of approximately U.S.\$9 million in 2012, U.S.\$11 million in 2013 and U.S.\$10 million in 2014 in our operations in Panama. We currently expect to make capital expenditures of approximately U.S.\$8 million in our operations in Panama during 2015.

Our Operations in Nicaragua

Overview. As of December 31, 2014, we indirectly owned through CEMEX Latam 100% of CEMEX Nicaragua, S.A., or CEMEX Nicaragua, our operating subsidiary in Nicaragua.

On May 5, 2014, we announced that our subsidiary, CEMEX Latam, began the construction of a new cement grinding plant in Ciudad Sandino, Managua, which is expected to increase CEMEX Latam's cement production capacity in Nicaragua by approximately 104%, reaching an estimated annual cement production capacity of 860,000 tons by 2017. The total investment is expected to be of approximately U.S.\$55 million. The first phase of this project, which is expected to be completed by the end of the second quarter of 2015, includes the installation of a cement grinding mill with a production capacity of approximately 220,000 tons and infrastructure procurement. The second phase, which is expected to be completed by the end of 2017, includes the installation of a second cement grinding mill with an annual production capacity of 220,000 tons.

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Industry. According to our estimates, approximately 0.869 million tons of cement, approximately 0.195 million cubic meters of ready-mix concrete and approximately 5.216 million tons of aggregates were sold in Nicaragua during 2014.

Competition. Two market participants compete in the Nicaraguan cement industry: CEMEX Nicaragua and Holcim (Nicaragua) S.A.

Description of Properties, Plants and Equipment. As of December 31, 2014, we leased and operated 1 fixed cement plant with an installed capacity of 0.6 million tons (which includes 0.454 million tons of grinding mill capacity), 8 ready-mix plants, 1 aggregate quarry and 1 distribution center in Nicaragua. Since March 2003, CEMEX Nicaragua has also leased a 100,000 ton milling plant in Managua, which has been used exclusively for pet coke milling.

Capital Expenditures. We made capital expenditures of approximately U.S.\$5 million in 2012, U.S.\$5 million in 2013 and U.S.\$21.5 million in 2014 in our operations in Nicaragua. We currently expect to make capital expenditures of approximately U.S.\$10 million in our operations in Nicaragua during 2015.

Our Operations in Puerto Rico

Overview. As of December 31, 2014, we owned 100% of CEMEX de Puerto Rico, Inc., or CEMEX Puerto Rico, our main subsidiary in Puerto Rico.

Industry. In 2014, cement consumption in Puerto Rico reached 0.6 million tons according to our estimates.

Competition. The cement industry in Puerto Rico in 2014 was comprised of two cement producers: CEMEX Puerto Rico and San Juan Cement Co., an affiliate of Italcementi and Elefante Rojo Inc. (formerly Antilles Cement Co).

Description of Properties, Plants and Equipment. As of December 31, 2014, CEMEX Puerto Rico operated one cement plant with an installed cement capacity of approximately 1.2 million tons per year. As of that date, CEMEX Puerto Rico also owned and operated 9 ready-mix concrete plants and 2 land distribution centers. CEMEX Puerto Rico owns an aggregate quarry, which is currently closed.

Capital Expenditures. We made capital expenditures of approximately U.S.\$4 million in 2012, U.S.\$4 million in 2013 and U.S.\$9 million in 2014 in our operations in Puerto Rico. We currently expect to make capital expenditures of approximately U.S.\$4 million in our operations in Puerto Rico during 2015.

Our Operations in Guatemala

Overview. As of December 31, 2014, we indirectly owned through CEMEX Latam 100% of CEMEX Guatemala, S.A., our main operating subsidiary in Guatemala. As of December 31, 2014, we owned and operated one cement grinding mill in Guatemala with an installed capacity of 500,000 tons per year. In addition, we also owned and operated two land distribution centers and one clinker dome close to the maritime terminal in the southern part of the country, as well as four ready-mix plants.

Capital Expenditures. We made capital expenditures of approximately U.S.\$1 million in 2012, U.S.\$2 million in 2013 and U.S.\$1.2 million in 2014 in Guatemala. We currently expect to make capital expenditures of approximately U.S.\$1.1 million in our operations in Guatemala during 2015.

Our Operations in Other South American and Caribbean Countries

Overview. As of December 31, 2014, we held 100% of Readymix Argentina, S.A., which owns 4 ready-mix concrete plants in Argentina.

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We believe that the Caribbean region holds considerable strategic importance because of its geographic location. As of December 31, 2014, we operated a network of 8 marine terminals in the Caribbean region, which facilitated exports from our operations in several countries, including Mexico, the Dominican Republic, Puerto Rico and the United States. Three of our marine terminals are located in the main cities of Haiti, two are in the Bahamas, and one is in Manaus, Brazil. We also have a non-controlling interest in two other terminals, one in Bermuda and the other in the Cayman Islands.

As of December 31, 2014, we had non-controlling positions in Trinidad Cement Limited, with cement operations in Trinidad and Tobago, Barbados and Jamaica, as well as a non-controlling position in Caribbean Cement Company Limited in Jamaica, National Cement Ltd. in the Cayman Islands and Maxcem Bermuda Ltd. in Bermuda. As of December 31, 2014, we also held a 100% interest in CEMEX Jamaica Limited, which operates a calcinated lime plant in Jamaica with a capacity of 120,000 tons per year and a hydrate line with a capacity of 18,000 tons per year. As of December 31, 2014, we also held a non-controlling position in Societe des Ciments Antillais, a company with cement operations in Guadalupe and Martinique.

Capital Expenditures. We made capital expenditures in our other operations in South America, Central America and the Caribbean of approximately U.S.\$3 million in 2012, U.S.\$7 million in 2013 and U.S.\$1 million in 2014. We currently expect to make capital expenditures of approximately U.S.\$2 million in our Other operations in South America, Central America and the Caribbean during 2015.

In April 2010, CEMEX announced its plans to contribute up to U.S.\$100 million for a non-controlling interest in a vehicle originally named Blue Rock Cement Holdings S.A. which is now named TRG Blue Rock HBM Holdings S.à.r.l. (“Blue Rock –TRG”) that would invest in the cement and related industries. Depending on funds raised from third-party investors and the availability of financing, Blue Rock—TRG may decide to invest in different assets in the cement industry and/or related industries and/or enter into operating contracts providing for CEMEX’s assistance in the development, building and operation of the invested assets, if any. As of December 31, 2014, different projects are being considered but CEMEX does not have any investment in Blue Rock—TRG. Although we do not anticipate being in a control position to affect the decisions of Blue Rock -TRG’s management, given our investment and industry expertise, we are in discussions with Blue Rock -TRG’s management to enter into an operating contract providing for our assistance in the development, building and operation of the invested assets, if any. Depending on the amount raised from third-party investors and the availability of financing, Blue Rock -TRG’s management may also decide to invest in different assets in the cement industry and/or related industries.

Asia

For the year ended December 31, 2014, our business in Asia, which includes our operations in the Philippines and the Rest of Asia segment, as described below, represented approximately 5% of our net sales before eliminations resulting from consolidation. As of December 31, 2014, our business in Asia represented approximately 6% of our total installed capacity and approximately 2% of our total assets.

Our Operations in the Philippines

Overview. As of December 31, 2014, on a consolidated basis through various subsidiaries, we held 100% of the economic benefits of our two operating subsidiaries in the Philippines, Solid Cement Corporation (“Solid Cement”) and APO Cement Corporation (“APO”). For the year ended December 31, 2014, our operations in the Philippines represented approximately 3% of our net sales before eliminations resulting from consolidation. As of December 31, 2014, our operations in the Philippines represented approximately 2% of our total assets.

Industry. According to the Cement Manufacturers’ Association of the Philippines (CEMAP), cement consumption in the Philippine market, which is primarily retail, totaled 21.3 million tons during 2014. Demand for cement in the Philippines increased by approximately 0.1% in 2014 compared to 2013.

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As of December 31, 2014, the Philippine cement industry had a total of 17 cement plants, of which 2 grinding plants. Annual installed clinker capacity is at an estimated 22.9 million tons, according to preliminary data of CEMAP.

Competition. As of December 31, 2014, our major competitors in the Philippine cement market were Lafarge, Holcim, Taiheiyo, Pacific, Northern, Goodfound, Mabuhay and Eagle.

Description of Properties, Plants and Equipment. As of December 31, 2014, our operations in the Philippines included 2 cement plants with an annual installed capacity of 4.5 million tons (and grinding mills with the ability to produce additional 1.2 million tons of cement per year), 4 quarries dedicated to supply raw materials to our cement plants, 25 land distribution centers and 4 marine distribution terminals. We estimate that, as of December 31, 2014, the limestone and clay permitted proven and probable reserves of our operations in the Philippines had an average remaining life of approximately 125 and 22 years, assuming 2010-2014 average annual cement production levels.

Cement. For the year ended December 31, 2014, our cement operations represented 99% of net sales for our operations in the Philippines before eliminations resulting from consolidation.

Capital Expenditures. We made capital expenditures of approximately U.S.\$19 million in 2012, U.S.\$39 million in 2013 and U.S.\$52 million in 2014 in our operations in the Philippines. We currently expect to make capital expenditures of approximately U.S.\$20 million in our operations in the Philippines during 2015.

Rest of Asia

Our operations in the Rest of Asia, which as of December 31, 2014, consisted primarily of our operations in Thailand, Bangladesh and Malaysia. These operations represented approximately 2% of our net sales in Mexican Peso terms, before eliminations resulting from consolidation, for the year ended December 31, 2014 and less than 1% of our total assets as of December 31, 2014.

Our Operations in Thailand

Overview. As of December 31, 2014, we held, on a consolidated basis, 100% of the economic benefits of CEMEX (Thailand) Co. Ltd., or CEMEX (Thailand), our operating subsidiary in Thailand. As of December 31, 2014, CEMEX (Thailand) owned one cement plant in Thailand, with an annual installed capacity of approximately 1.2 million tons (which includes 0.8 million tons of grinding mill capacity).

Industry. According to our estimates, at December 31, 2014, the cement industry in Thailand had a total of 14 cement plants, with an aggregate annual installed capacity of approximately 55 million tons, from which the capacity to produce 10 million tons has been temporarily shut down. We estimate that there are 6 major cement producers in Thailand, four of which represent approximately 98% of installed capacity and 94% of the market.

Competition. Our major competitors in Thailand, which have a significantly larger presence than CEMEX (Thailand), are Siam Cement, Holcim, TPI Polene and Italcementi.

Capital Expenditures. We made capital expenditures of approximately U.S.\$1 million in 2012, approximately U.S.\$1 million in 2013 and U.S.\$1.0 million in 2014. We currently expect to make capital expenditures of approximately U.S.\$0.8 million in our operations in Thailand during 2015.

Our Operations in Malaysia

Overview. As of December 31, 2014, we held on a consolidated basis 100% of the economic benefits of our operating subsidiaries in Malaysia. We are a leading ready-mix concrete producer in Malaysia, with a significant share in the country's major urban centers. As of December 31, 2014, we operated 13 ready-mix concrete plants, 2 asphalt plants and 2 aggregates quarries in Malaysia.

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Competition. Our main competitors in the ready-mix concrete and aggregates markets in Malaysia are YTL, Lafarge-Holcim, Heidelberg, Cement Industries of Malaysia (CIMA) and Tasek Concrete.

Capital Expenditures. We made capital expenditures of approximately U.S.\$2 million in 2012, U.S.\$2.7 million in 2013 and U.S.\$1.0 million in 2014 in our operations in Malaysia. We currently expect to make capital expenditures of approximately U.S.\$2.0 million in our operations in Malaysia during 2015.

Our Operations in Other Asian Countries

Overview. Since April 2001, we have been operating a grinding mill near Dhaka, Bangladesh. As of December 31, 2014, this mill had a production capacity of 520,000 tons per year. A majority of the supply of clinker for the mill is produced by our operations in the region. In the fourth quarter of 2012, we sold our stake in the company that owned and operated a cement terminal located on the west coast of Taiwan.

In the second quarter of 2013, we agreed to sell our stake in the company that owned and operated ready-mix plants in Qingdao. The transfer of ownership in said company was officially completed in the last quarter of 2013. In the first quarter of 2014, we also agreed to sell our stake in the company that owned the ready-mix plants located in the northern city of Tianjin. The transfer of ownership of our stake in the company owning the ready-mix plants located in Tianjin was completed in the third quarter of 2014.

Capital Expenditures. We made capital expenditures of approximately U.S.\$2.3 million in 2012, U.S.\$1.6 million in 2013 and U.S.\$1.2 million in 2014 in our operations in other Asian countries. We currently expect to make capital expenditures of approximately U.S.\$1.0 million in our operations in other Asian countries during 2015.

Our Trading Operations

In 2014, we traded approximately 10.2 million tons of cementitious materials, including 9.5 million tons of cement and clinker. Approximately 7.7 million tons of the traded cement and clinker consisted of exports from our operations in Costa Rica, Croatia, Czech Republic, the Dominican Republic, Germany, Guatemala, Latvia, Mexico, the Philippines, Poland, Puerto Rico, Spain, United Arab Emirates and the United States. The remaining approximately 1.8 million tons were purchased from third parties in countries such as China, Colombia, Honduras, India, Ireland, Jamaica, Japan, South Korea, Spain, the United States and Vietnam. As of December 31, 2014, we had trading activities in over 100 countries. In 2014, we traded approximately 0.7 million tons of granulated blast furnace slag, a non-clinker cementitious material.

Our trading network enables us to maximize the capacity utilization of our facilities worldwide while reducing our exposure to the inherent cyclicity of the cement industry. We are able to distribute excess capacity to regions around the world where there is demand. In addition, our worldwide network of strategically located marine terminals allows us to coordinate maritime logistics on a global basis and minimize transportation expenses. Our trading operations also enable us to explore new markets without significant initial capital expenditure.

Freight rates, which account for a large share of the total import supply cost, have been subject to significant volatility in recent years. Our trading operations, however, have obtained significant savings by contracting maritime transportation in due time and by using our own and chartered fleet, which transported approximately 34% of our cement and clinker traded volume during 2014.

In addition, based on our spare fleet capacity, we provide freight service to third parties, thus providing us with valuable shipping market information and generating additional revenues.

[Table of Contents](#)**Our Cement Plants**

The following table provides a summary of our cement plants, including location, used capacity and years of operation as of and for the year ended December 31, 2014:

<u>Location</u>	<u>Used Capacity</u>	<u>Years of Operation(1)</u>
Atotonilco, Hidalgo, México	1,267	56
Barrientos, Estado de México, México	800	70
Ensenada, Baja California, México	374	39
Guadalajara, Jalisco, México	715	41
CPN, Sonora, México	0	34
Hidalgo, Nuevo León, México	32	109
Huichapan, Hidalgo, México	3,333	30
Mérida, Yucatán, México	925	61
Monterrey, Nuevo León, México	1,440	95
Tamuín, San Luis Potosí, México	1,722	50
Tepeaca, Puebla, México	2,957	20
Torreón, Coahuila, México	955	48
Valles, San Luis Potosí, México	57	49
Yaqui, Sonora, México	1,434	25
Zapotiltic, Jalisco, México	1,708	47
Balcones, TX, United States	2,058	34
Brooksville, FL (North), United States	0	39
Brooksville, FL (South), United States	1,041	27
Clinchfield, GA, United States	584	40
Demopolis, AL, United States	691	37
Fairborn, OH, United States	586	40
Knoxville, TN, United States	608	35
Kosmosdale/Louisville, KY, United States	1,214	14
Miami, FL, United States	965	56
Lyons, CO, United States	323	34
Odessa, TX, United States	467	55
Victorville, CA, United States	2,555	49
Wampum, PA, United States	0	49
Rugby, United Kingdom	1,426	15
Ferriby, United Kingdom	364	48
Beckum or Kollenbach, Germany	476	43
Rudersdorf, Germany	2,050	49
Chelm, Poland	1,171	54
Rudniki, Poland	566	49
Broceni, Latvia	1,196	5
Alcanar, Spain	431	46
Buñol, Spain	459	47
Castillejo, Spain	247	103
Lloseta, Spain	341	48
Morata, Spain	330	82
San Vicente, Spain	283	39
Assiut, Egypt	5,184	28
Kolovoz, Croatia	13	106

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<u>Location</u>	<u>Used Capacity</u>	<u>Years of Operation(1)</u>
Juraj, Croatia	884	102
Kajo, Croatia	409	110
Cúcuta, Colombia	312	31
Ibagué, Colombia	2,371	22
Colorado, Costa Rica	609	35
San Pedro de Macorís, Dominican Republic	2,111	24
Calzada Larga, Panama	1,037	37
San Rafael del Sur, Nicaragua(2)	453	72
Ponce, Puerto Rico	372	24
APO, Philippines	2,567	17
Solid Cement, Philippines	1,570	21
Saraburi, Thailand	692	23

(1) Approximate.

(2) Leased.

For the aggregate installed cement production capacity of our cement plants by region, see “Item 4—Information on the Company—Business Overview.”

We have insurance coverage for our cement plants, which we believe is adequate and sufficient, in line with industry practices. However, in some instances our insurance coverage may not be sufficient to cover all of our potential unforeseen losses and liabilities. In addition, our insurance coverage may not cover all the risks to which our cement plants may be exposed. See “Item 3—Key Information—Risk Factors—Risks Related to Our Business—Our insurance coverage may not cover all the risks to which we may be exposed.”

Regulatory Matters and Legal Proceedings

A description of material regulatory matter and legal proceedings affecting us is provided below.

Antitrust Proceedings

Polish Antitrust Investigation. Between May 31, 2006 and June 2, 2006, officers of the Polish Competition and Consumer Protection Office (the “Protection Office”) conducted a search of the office in Warsaw, Poland, of CEMEX Polska, one of our indirect subsidiaries in Poland, and of the offices of other cement producers in Poland. These searches took place as a part of the exploratory investigation that the head of the Protection Office had started on April 26, 2006. On January 2, 2007, CEMEX Polska received a notification from the Protection Office informing it of the formal initiation of an antitrust proceeding against all cement producers in Poland, including CEMEX Polska and another of our indirect subsidiaries in Poland. The notification alleged that there was an agreement between all cement producers in Poland regarding prices and other sales conditions for cement, an agreed division of the market with respect to the sale and production of cement, and the exchange of confidential information, all of which limited competition in the Polish market with respect to the production and sale of cement. On December 9, 2009, the Protection Office delivered to CEMEX Polska its decision against Polish cement producers related to an investigation which covered a period from 1998 to 2006. The decision imposed fines on a number of Polish cement producers, including CEMEX Polska. The fine imposed on CEMEX Polska was approximately Polish Zloty 115.56 million (approximately U.S.\$30.35 million as of March 31, 2015, based on an exchange rate of Polish Zloty 3.8081 to U.S.\$1.00), which is approximately 10% of CEMEX Polska’s total revenue in 2008. CEMEX Polska disagreed with the decision, denied that it committed the

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practices alleged by the Protection Office and, therefore, on December 23, 2009, CEMEX Polska filed an appeal before the Polish Court of Competition and Consumer Protection in Warsaw (the “First Instance Court”). After a series of hearings, on December 13, 2013, the First Instance Court issued its judgment in regards with the appeals filed by CEMEX Polska and other cement producers, which were previously combined into a joint appeal. The First Instance Court reduced the penalty imposed on CEMEX Polska to approximately Polish Zloty 93.89 million (approximately U.S.\$24.66 million based on an exchange rate of Polish Zloty 3.8081 to U.S.\$1.00 as of March 31, 2015), which is equal to 8.125% of CEMEX Polska’s revenue in 2008. On May 8, 2014, CEMEX Polska filed an appeal against the First Instance Court judgment before the Appeals Court in Warsaw. The above-mentioned penalty is enforceable until the Appeals Court issues its final judgment. As of March 31, 2015, the accounting provision created in relation with this proceeding was approximately Polish Zloty 92.00 million (approximately U.S.\$24.16 million as of March 31, 2015, based on an exchange rate of Polish Zloty 3.8081 to U.S.\$1.00). As of March 31, 2015, we do not expect this matter would have a material adverse impact on our results of operations, liquidity and financial condition.

Antitrust Investigations in Europe by the European Commission. On November 4, 2008, officers of the European Commission, in conjunction with officials of the national competition enforcement authorities, conducted unannounced inspections at our offices in Thorpe, United Kingdom, and Ratingen, Germany. Further to these inspections, on September 22 and 23, 2009, our offices in Madrid, Spain, were also inspected by the European Commission.

In conducting these investigations, the European Commission alleged that we may have participated in anti-competitive agreements and/or concerted practices in breach of Article 101 of the Treaty on the Functioning of the European Union (formerly Article 81 of the EC Treaty) and Article 53 of the European Economic Area (“EEA”) Agreement in the form of restrictions of trade flows in the EEA, including restrictions on imports into the EEA from countries outside the EEA, market sharing, price coordination and connected anticompetitive practices in the cement and related products markets. During 2009 and 2010, we received requests for information and documentation from the European Commission, and we fully cooperated by providing the relevant information and documentation on time.

On December 8, 2010, the European Commission informed us that it decided to initiate formal proceedings with respect to the investigation of the aforementioned anticompetitive practices. These proceedings would affect Austria, Belgium, the Czech Republic, France, Germany, Italy, Luxembourg, the Netherlands, Spain and the United Kingdom. The European Commission indicated that we, as well as seven other companies, would be included in these proceedings. These proceedings may lead to an infringement decision, or if the objections raised by the European Commission are not substantiated, the case might be closed. This initiation of proceedings relieves the competition authorities of the Member States of the European Union of their competence to apply Article 101 of the Treaty on the Functioning of the European Union to the same case. We intend to defend our position vigorously in these proceedings and are fully cooperating and will continue to cooperate with the European Commission in connection with this matter.

On April 1, 2011, the European Commission notified CEMEX, S.A.B. de C.V. of a decision under Article 18(3) of Council Regulation (EC) No 1/2003 of December 16, 2002 on the implementation of the rules on competition set forth in Article 81 of the EC Treaty (current Articles 101 and 102 of the EC Treaty). The European Commission also requested that CEMEX, S.A.B. de C.V. deliver a substantial amount of information and documentation, which we effectively delivered on August 2, 2011, after requesting additional time.

On November 29, 2011, the European Commission notified CEMEX, S.A.B. de C.V. of its decision that if, by December 15, 2011, the European Commission did not receive a confirmation that CEMEX, S.A.B. de C.V.’s reply submitted on August 2, 2011 was complete, accurate and definitive, or if CEMEX, S.A.B. de C.V. did not submit a new reply with the necessary amendments and clarifications, the European Commission would impose a daily fine. On December 15, 2011, we complied with the terms of this decision and submitted a new reply with the amendments and clarifications identified in the revision and audit process performed since August 2, 2011.

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On the grounds that the above described decision by the European Commission requesting information and documentation was contrary to several principles of European Union Law, CEMEX, S.A.B. de C.V. and several of its affiliates in Europe filed an appeal before the General Court of the European Union (the “General Court”) for the annulment of such request. In addition, on June 17, 2011, CEMEX, S.A.B. de C.V. and several of its affiliates in Europe requested interim measures to the General Court, asking for the suspension of the information and document request until the appeal was resolved. The President of the General Court rejected the proposal for a suspension without considering the arguments of the main appeal. On December 21, 2011, CEMEX, S.A.B. de C.V. and several of its affiliates in Europe filed their reply to the European Commission’s defense. The European Commission filed its rejoinder on March 27, 2012. A hearing with respect to the proceedings against CEMEX, S.A.B. de C.V. and several of its affiliates in Europe was held on February 6, 2013, and the hearings for all other companies being investigated were held during April 2013. On March 14, 2014, the General Court issued a judgment dismissing the appeal filed by CEMEX, S.A.B. de C.V. and several of its affiliates in Europe and confirming the lawfulness of the request for information sent by the European Commission in all of its aspects. On May 23, 2014, CEMEX, S.A.B. de C.V. and several of its affiliates in Europe filed an appeal against the General Court’s judgment before the European Court of Justice (the “Court of Justice”).

If the alleged infringements investigated by the European Commission are substantiated, significant penalties may be imposed on our subsidiaries operating in such markets. In that case, pursuant to European Union Regulation 1/2003, the European Commission may impose penalties of up to 10% of the total turnover of the relevant companies for the last year preceding the imposition of the fine for which the financial statements have been approved by the shareholders’ meeting of the relevant companies. At this stage of the proceedings, as of March 31, 2015, the European Commission had not yet formulated a Statement of Objections against us and, as a result, the extent of the charges and the alleged infringements are unknown. Moreover, it is not clear which cement related products total turnover would be used as the basis for the determination of the possible penalties. As a consequence, we are not able to assess the likelihood of an adverse result or the amount of the potential fine, but if adversely resolved it may have a material adverse impact on our results of operations, liquidity and financial condition.

Antitrust Investigation in Spain by the CNMC. On September 16 and 17, 2014, the Competition Directorate (*Dirección de Competencia*) of the Spanish National Commission of Markets and Competition (*Comisión Nacional de los Mercados y la Competencia*), or CNMC, in the context of an investigation of the Spanish cement, ready-mix concrete and related products industry regarding alleged anticompetitive practices, inspected one of our facilities in Spain. On January 12, 2015, CEMEX España Operaciones, S.L.U., was notified of the initiation by the CNMC of a disciplinary proceeding for alleged prohibited conducts pursuant to Article 1 of the Spanish Competition Law (*Ley 15/2007, de 3 de Julio, de Defensa de la Competencia*). CEMEX España believes that it has not breached any applicable laws. However, as of March 31, 2015, considering the early stage of this matter, we do not have sufficient information to assess the likelihood of the CNMC issuing a decision imposing any penalties or remedies, if any, or if the CNMC issues a decision, the amount of the penalty or the scope of the remedies, if any. However, if the CNMC issues a decision imposing any penalty or remedy, we do not expect that it would have a material adverse impact on our results of operations, liquidity and financial condition.

Investigation in the United Kingdom. On January 20, 2012, the UK Commission commenced a Market Investigation, (“MIR”), into the supply or acquisition of cement, ready-mix concrete and aggregates for the period from 2007 to 2011. This referral to the UK Commission was made by the Office of Fair Trading following an investigation by them of the aggregates sector. Those companies and persons invited to participate in the MIR are required by law to comply with certain requests for information and, if necessary, to attend hearings. Our subsidiaries in the United Kingdom were invited to participate in the MIR and fully cooperated. The UK Commission issued its full Provisional Findings Report on May 23, 2013, in which it provisionally found that there was a combination of structural and conduct features that gave rise to an adverse effect on competition in the Great Britain cement markets and an adverse effect on competition as a result of contracts involving certain major producers for the supply of granulated blast furnace slag and for the supply of ground granulated blast furnace slag. The UK Commission has not identified any problems with the markets for aggregates or ready-mix concrete. The

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possible remedies the UK Commission listed include, among others, the divestiture of cement production capacity and/or ready-mix concrete plants by one or more of the top three cement producers and the creation of a cement buying group. On October 8, 2013, the UK Commission announced its provisional decision on remedies which not required CEMEX to divest any of its assets in the United Kingdom. On January 14, 2014, the UK Commission published its Final Report which followed the earlier provisional decision in regards any remedies for our subsidiaries in the United Kingdom. The UK Commission made changes to the provisional decision in its Final Report regarding the supply of granulated blast furnace slag and for the supply of ground granulated blast furnace slag by the other major participants in the MIR. As of March 31, 2015, the issuance of the Final Report did not have a material adverse impact on our results of operations, liquidity and financial condition.

Antitrust Cartel Litigation in Germany. On August 5, 2005, Cartel Damages Claims, SA (“CDC”), a Belgian company established by two lawyers in the aftermath of the German cement cartel investigation that took place from July 2002 to April 2003 by Germany’s Federal Cartel Office, with the express purpose of purchasing potential damages claims from cement consumers and pursuing those claims against the alleged cartel participants, filed a lawsuit in the District Court in Düsseldorf, Germany (“Düsseldorf District Court”) against CEMEX Deutschland AG and other German cement companies originally claiming €102 million (approximately U.S.\$109.52 million as of January 31, 2015, based on an exchange rate of €0.9313 to U.S.\$1.00), which later increased to €131 million (approximately U.S.\$140.66 million as of March 31, 2015, based on an exchange rate of €0.9313 to U.S.\$1.00), in damages related to alleged price and quota fixing by German cement companies between 1993 and 2002. On February 21, 2007, the Düsseldorf District Court allowed this lawsuit to proceed without going into the merits of this case by issuing an interlocutory judgment. All defendants appealed, but the appeal was dismissed on May 14, 2008.

On a hearing on the merits of this case that was held on March 1, 2012, the Düsseldorf District Court revealed several preliminary considerations on relevant legal questions and allowed the parties to submit their plea and reply on May 21, 2012. After several court hearings, on December 17, 2013 the Düsseldorf District Court issued a decision on closing the first instance. By this decision, all claims brought to court by CDC were dismissed. The court held that the manner in which CDC obtained the claims from 36 cement purchasers was illegal given the limited risk it faced for covering the litigation costs. The acquisition of the claims also breached rules that make the provision of legal advice subject to public authorization. On January 15, 2014, CDC filed an appeal to the Higher Regional Court in Düsseldorf, Germany, and thereafter submitted reasons for their appeal. A court hearing took place on November 12, 2014 and a date for issuing a decision was set for February 18, 2015. On February 18, 2015, the Court of Appeals in Düsseldorf fully rejected CDC’s appeal and maintained the first instance decision. The Court of Appeals in Düsseldorf expressly did not admit a second appeal against this decision which can be challenged by CDC by filing a complaint within one month after service of the written decision. CDC did not file a complaint against the decision and, therefore, as of March 31, 2015, the Court of Appeals decision is final and binding.

Antitrust Cases in Egypt. Regarding the separate lawsuits filed by two Egyptian contractors on July 29, 2009 against four cement producers, including ACC, demanding compensation from the four cement producers in the amount of approximately 5 million Egyptian Pounds (approximately U.S.\$656,512.91 as of March 31, 2015, based on an exchange rate of Egyptian Pounds 7.6160 to U.S.\$1.00) from each defendant, ACC was released from one of the claims on May 2010 and the other case was dismissed and all charges against ACC were dropped. The plaintiffs filed their appeal to this ruling before the Court of Cassation and on June 22, 2014, the Court of Cassation dismissed the case.

These cases were the first of their kind in Egypt due to the enactment of the Law on Competition Protection and Prevention of Monopolistic Practices No. 3 in 2005. Even if we prevailed, these claims could in the future have an adverse impact on our results of operations, liquidity and financial condition if they were to become a precedent and create a risk of similar claims being filed and resolved adversely to us in the future.

Antitrust Case in Florida. On October 26, 2010, CEMEX, Inc. received an Antitrust Civil Investigative Demand from the Office of the Florida Attorney General, which seeks documents and information in connection

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with an antitrust investigation by the Florida Attorney General into the ready-mix concrete industry in Florida. As of March 31, 2015, CEMEX, Inc. has complied with the Office of the Florida Attorney General with respect to the documents and information requested by the civil investigative demand, and it is unclear, as of March 31, 2015, whether any formal proceeding will be initiated by the Office of the Florida Attorney General or, if such proceedings are initiated, if any adverse decision against us resulting from the investigations would be made or if such decision would have a material adverse impact on our results of operations, liquidity and financial condition.

Antitrust Case in Ohio. On October 2013, a nonstructural steel manufacturing joint venture in which CEMEX, Inc. has an indirect majority interest, other nonstructural steel manufacturers, and related associations were named as defendants in a lawsuit filed in Ohio State Court alleging a conspiracy among the defendants to adopt sham industry standards with a goal to exclude the plaintiffs' products from the market. The proceedings are in the discovery stage. While we continue to vigorously deny any claims, it is unclear if any adverse decision against the joint venture in this litigation would be made or if such decision would have a material adverse impact on our results of operations, liquidity and financial condition.

Antitrust Investigation in Colombia. On September 5, 2013, CEMEX Colombia was notified of Resolution No. 49141 dated August 21, 2013, issued by the Colombian Superintendency of Industry and Commerce (*Superintendencia de Industria y Comercio*), or SIC, pursuant to which the SIC opened an investigation and issued a statement of objections (*pliego de cargos*) against five cement companies and fourteen directors of those companies, including CEMEX Colombia, for alleged anti-competitive practices. On October 7, 2013, CEMEX Colombia answered the statement of objections and submitted evidence.

The investigated parties are accused of allegedly breaching: (i) Article 1 of Law 155 of 1959, which prohibits any kind of practice, procedure or system designed to limit free competition and determining or maintaining unfair prices; (ii) numeral 1 of Article 47 of Decree 2153 of 1992, which prohibits any agreements designed to directly or indirectly fix prices; and (iii) numeral 3 of Article 47 of Decree 2153 of 1992, which prohibits any market sharing agreements between producers or between distributors. Additionally, the fourteen executives, including a former legal representative and the current President of CEMEX Colombia, are being investigated for allegedly breaching paragraph 16 of Article 4 of Decree 2153 of 1992, as amended by Article 26 of Law 1340 of 2009, which provides that the SIC may investigate and sanction any individual who collaborates, facilitates, authorizes, executes or tolerates behavior that violates free competition rules. Although the SIC announced three charges, only two of them were under investigation, namely, price fixing agreements and market sharing agreements.

If the alleged infringements investigated by the SIC are substantiated, aside from any measures that could be ordered to stop the alleged anti-competitive practices, the following penalties may be imposed against CEMEX Colombia pursuant to Law 1340 of 2009: (i) up to 100,000 times the legal monthly minimum wage, which equals approximately 58,950 million Colombian Pesos (approximately U.S.\$22.88 million as of March 31, 2015, based on an exchange rate of 2,576.05 Colombian Pesos to U.S.\$1.00) for each violation and to each company being declared in breach of the competition rules, and (ii) up to 2,000 times the legal monthly minimum wage, which equals approximately 1,179 million Colombian Pesos (approximately U.S.\$457,677.45 as of March 31, 2015, based on an exchange rate of 2,576.05 Colombian Pesos to U.S.\$1.00) against those individuals found responsible of collaborating, facilitating, authorizing, executing or tolerating behavior that violates free competition rules. On December 18, 2014, a hearing regarding this matter took place and the parties involved presented their closing arguments. A non-binding report which contains an analysis of all evidence gathered during the investigation and which could provide a recommendation to impose sanctions or to close the investigation is expected to be issued by the Superintendent Delegate for Competition Protection for the benefit of the SIC's Superintendent of Industry and Commerce. As of March 31, 2015, this non-binding report has not been issued. Once the non-binding report is issued, the investigated parties will have twenty business days to file their final arguments against it. A decision by the SIC on this matter is expected during the remainder of 2015. If the SIC decides to impose a sanction against CEMEX Colombia, we have the possibility of filing several recourses that are available to us, including a reconsideration request before the SIC and, if the reconsideration

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request does not succeed, challenging the validity of the SIC's decision before the Colombian Administrative Courts, which could take more than six years in order to have a final decision. At this stage of the investigations, as of March 31, 2015, we are not able to assess the likelihood of the SIC imposing any measures and/or penalties against CEMEX Colombia, but if any penalties are imposed, as we do not expect such penalties would be for the maximum amounts permitted by applicable laws and because there are recourses available to us that would take a considerable amount of time to get resolved, we do not expect this matter to have a material adverse impact on our results of operations, liquidity and financial condition.

Environmental Matters

In the ordinary course of business, we are subject to a broad range of environmental laws and regulations in each of the jurisdictions in which we operate. These laws and regulations impose increasingly stringent environmental protection standards regarding, among other things, air emissions, wastewater discharges, the use and handling of hazardous waste or materials, waste disposal practices and the remediation of environmental damage or contamination. These laws and regulations expose us to the risk of substantial environmental costs and liabilities, including liabilities associated with divested assets and past activities and, in some cases, the acts and omissions of the previous owners or operators of a property or facility. Furthermore, in some jurisdictions, certain environmental laws and regulations impose liability without regard to fault or the legality of the original activity at the time of the actions giving rise to liability.

To prevent, control and remediate environmental problems and maintain compliance with regulatory requirements, in line with our global initiatives on environmental management, we maintain an environmental policy designed to monitor and control environmental matters. Our environmental policies require that each of our subsidiaries respect and comply with local laws and meet our own internal standards to minimize the use of non-renewable resources and the generation of hazardous and other wastes. We use processes that are designed to reduce the impact of our operations on the environment throughout all the production stages in all our operations worldwide. In addition, during 2012 we started the implementation of a global Environmental Management System (EMS) at our operating sites that provides a framework to facilitate the consistent and systematic implementation of practical, risk-based environmental management at all sites. As of March 31, 2015, we expect to finish the implementation of the EMS at all of our operating sites by 2015. It will be used to support sites and businesses across CEMEX globally to document, maintain and continuously improve our environmental performance. We believe that, as of March 31, 2015, a substantial part of our operations already comply with all material environmental laws applicable to us, as all our cement plants already have some kind of EMS (most of which are ISO 14000 certified), with the remaining implementation efforts directed mainly on our aggregates and ready-mix plants.

We regularly incur capital expenditures that have an environmental component or that are impacted by environmental regulations. However, we do not keep separate accounts for such mixed capital and environmental expenditures. Environmental expenditures that extend the life, increase the capacity, improve the safety or efficiency of assets or are incurred to mitigate or prevent future environmental contamination may be capitalized. Other environmental costs are expensed when incurred. For the years ended December 31, 2012, 2013 and 2014, our sustainability capital expenditures (including our environmental expenditures and investments in alternative fuels and cementitious materials) were approximately U.S.\$139 million, approximately U.S.\$95 million and approximately U.S.\$85.1 million, respectively. Our environmental expenditures may materially increase in the future.

The following is a discussion of environmental regulations and related matters in our major markets.

Mexico. We were one of the first industrial groups in Mexico to sign an agreement with the Mexican Ministry of Environment and Natural Resources (*Secretaría del Medio Ambiente y Recursos Naturales*), or SEMARNAT, to carry out voluntary environmental audits in our 15 Mexican cement plants under a government-run program. In 2001, the Mexican Environmental Protection Agency (*Procuraduría Federal de Protección al Ambiente*), or PROFEPA, which is part of SEMARNAT, completed the audit of our cement plants and awarded each of them a Clean Industry Certificate (*Certificado de Industria Limpia*) certifying that our cement plants are in full compliance with applicable environmental laws. The Clean Industry Certificates are subject to renewal

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every two years. As of March 31, 2015, our operating cement plants had Clean Industry Certificates or were in the process of renewing them. We expect the renewal of all currently expired Clean Industry Certificates.

For over a decade, the technology for recycling used tires into an energy source has been employed in our plants located in Ensenada and Huichapan. By the end of 2006, all our cement plants in Mexico were using tires as an alternative fuel. Municipal collection centers in the cities of Tijuana, Mexicali, Ensenada, Mexico City, Reynosa, Nuevo Laredo and Guadalajara currently enable us to recycle an estimated 10,000 tons of tires per year. Overall, approximately 16.33% of the total fuel used in our operating cement plants in Mexico during 2014 was comprised of alternative fuels.

Between 1999 and March 31, 2015, our operations in Mexico have invested approximately U.S.\$104.26 million in the acquisition of environmental protection equipment and the implementation of the ISO 14001:2004 environmental management standards of the International Organization for Standardization ("ISO"). The audit to obtain the renewal of the ISO 14001:2004 certification took place during the first quarter of 2015 and our operating cement plants in Mexico obtained the renewal of the ISO 14001:2004 certification for environmental management systems which is valid for a three year period.

On June 6, 2012 the General Law on Climate Change (*Ley General de Cambio Climático*), or the Climate Change Law, was published in the Mexican Official Gazette. The Climate Change Law establishes a legal framework to regulate policies for climate change mitigation and adaptation. Many important provisions require the development of secondary legislation, and depend on the publication of subsequent implementing regulations, which were expected to take place within the twelve months following the publication of the Climate Change Law. Because secondary legislation has not yet been developed and corresponding regulations have not yet been implemented, at this stage, as of March 31, 2015, we do not have sufficient information to determine whether or not the measures that may be taken by the Mexican federal government in connection with the Climate Change Law will have a material impact on our business or operations. For instance, the Climate Change Law provides for the elaboration of a registry of the emissions that are generated by fixed sources. However, the detailed guidelines for reporting, including the scope and methodologies for calculation, will be developed by implementing regulations yet to be developed. Companies that are required to report their emissions and fail to do so or that report false information will be fined. We do not expect any negative impact from this development as we already report our direct and indirect carbon dioxide emissions to SEMARNAT under a voluntary scheme. The Climate Change Law also allows for the establishment of specific greenhouse gas reduction targets in accordance with the respective contribution of each economic sector to the national greenhouse gas emissions. We cannot estimate at this time the impact, if any, that any measures related to this may have upon our operations in Mexico. Although the Climate Change Law does not establish a program for emissions trading, it does vest on the Mexican federal government the power to create, authorize and regulate such a scheme, which may be voluntary or binding. We are closely observing the development of implementing regulations and cannot estimate at this time the impact, if any, that any measures related to this may have upon our operations in Mexico. A Special Tax on Production and Services (*Impuesto Especial Sobre Producción y Servicios*) on the sale of fossil fuels was included in the tax reform that became effective on January 1, 2014. Starting January 1, 2014, petroleum coke, a primary fuel widely used in our kilns in Mexico has been taxed at a rate of Mexican Ps15.60 (approximately U.S.\$1.02 as of March 31, 2015, based on an exchange rate of Mexican Ps15.27 to U.S.\$1.00) per ton.

On August 12, 2014, a package of energy reform legislation became law in Mexico. The newly enacted energy reform legislation, which includes nine new laws, as well as amendments to existing laws, implements the December 2013 constitutional energy reform and establishes a new legal framework for Mexico's energy industry. One of the new laws that was enacted is the new Electric Industry Law (*Ley de la Industria Eléctrica*), or the Electric Industry Law, which establishes a legal framework for electricity-related activities in Mexico, which has the effect of structurally changing the national electric industry. On October 31, 2014, certain rules and regulations related to the energy reform legislation, including the regulations of the Electric Industry Law, were published. As part of the Electric Industry Law, a system for tradable clean energy certificates was created and certain clean energy procurement obligations were imposed on consumers. On March 31, 2015, the clean energy procurement obligation for 2018 was announced at 5%, and this requirement is expected to increase in

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subsequent years. CEMEX's operations in Mexico have ongoing commitments to procure power from renewable projects operating under the "self-supply" framework of the former Electric Energy Public Service Law, and the energy supplied under these contracts is exempted from the clean energy obligation. Nonetheless, starting in 2018, we may still be required to acquire clean energy certificates to comply with the clean energy obligations for the fraction of energy supply that does not come from clean generators. At this stage, as of March 31, 2015, we do not have sufficient information to determine whether or not the energy reform legislation, and in particular the Electric Industry Law, will have a material impact on our business or operations.

United States. Our operating subsidiaries in the United States are subject to a wide range of U.S. federal, state and local laws, regulations and ordinances dealing with the protection of human health and the environment that are strictly enforced and can lead to significant monetary penalties for noncompliance. These laws and regulations expose us to the risk of substantial environmental costs and liabilities, including liabilities associated with divested assets and past activities and, in some cases, the acts and omissions of the previous owners or operators of a property or facility. These laws regulate, among other things, water discharges, noise, and air emissions, including dust, as well as the handling, use and disposal of hazardous and non-hazardous waste materials. Certain laws also create a shared liability scheme under which parties are held responsible for the cost of cleaning up releases to the environment of designated hazardous substances. We therefore may have to conduct environmental remediation associated with the disposal or release of hazardous substances at our various operating facilities, or at sites in the United States to which we sent hazardous waste for disposal. We believe that our current procedures and practices for handling and managing materials are generally consistent with industry standards and legal and regulatory requirements, and that we take appropriate precautions to protect employees and others from harmful exposure to hazardous materials.

As of March 31, 2015, CEMEX, Inc. and its subsidiaries had accrued liabilities specifically relating to environmental matters in the aggregate amount of approximately U.S.\$29.92 million. The environmental matters relate to (i) the disposal of various materials, in accordance with past industry practice, that might be categorized as hazardous substances or wastes, and (ii) the cleanup of hazardous substances or wastes at sites used or operated by CEMEX, Inc. and its subsidiaries including discontinued operations, either individually or jointly with other parties. Most of the proceedings are in the preliminary stages, and a final resolution might take several years. For purposes of recording the provision, CEMEX, Inc. and its subsidiaries consider that it is probable that a liability has been incurred and the amount of the liability is reasonably estimable, whether or not claims have been asserted, and without giving effect to any possible future recoveries. Based on information developed to date, CEMEX, Inc. does not believe it will be required to spend significant sums on these matters, in excess of the amounts previously recorded. The ultimate cost that might be incurred to resolve these environmental issues cannot be assured until all environmental studies, investigations, remediation work, and negotiations with, or litigation against, potential sources of recovery have been completed.

In 2007, the EPA launched a CAA enforcement initiative against the U.S. cement industry. The primary goal of the initiative is to assess the industry's historic compliance with the CAA's New Source Review program and to reduce emissions from the industry through the installation of add-on controls. CEMEX has actively engaged with the EPA on its investigations, which involve multiple CEMEX facilities, and has entered into three settlements involving a total of U.S.\$4.4 million in civil penalties and a commitment to incur certain capital expenditures for pollution control equipment at its Victorville, California, Fairborn, Ohio and Lyons, Colorado plants. Although some of these proceedings are still in the initial stages, based on our past experience with such matters and currently available information, as of March 31, 2015, we believe that such cases will not have a material adverse impact on our results of operations, liquidity and financial condition.

In 2002, CEMEX Construction Materials Florida, LLC (formerly Rinker Materials of Florida, Inc.) ("CEMEX Florida"), a subsidiary of CEMEX, Inc., was granted a federal quarry permit and was the beneficiary of another federal quarry permit for the Lake Belt area in South Florida. The permit held by CEMEX Florida covered CEMEX Florida's SCL and FEC quarries. CEMEX Florida's Kendall Krome quarry is operated under the permit of which it was a beneficiary. The FEC quarry is the largest of CEMEX Florida's quarries measured by volume of aggregates mined and sold. CEMEX Florida's Miami cement mill is located at the SCL quarry and

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is supplied by that quarry, while the FEC and Kendall Krome quarries have supplied aggregates to CEMEX and third-party users. In response to litigation brought by environmental groups concerning the manner in which the federal quarry permits were granted, in January 2009, the U.S. District Court for the Southern District of Florida ordered the withdrawal of the federal quarry permits for CEMEX Florida's SCL, FEC and Kendall Krome quarries. The judge ruled that there were deficiencies in the procedures and analysis undertaken by the Army Corps of Engineers ("Corps") in connection with the issuance of the permits. Upon appeal, on January 21, 2010, the Eleventh Circuit Court of Appeals affirmed the district court's ruling withdrawing the federal quarry permits for the three CEMEX Florida quarries as well as other third-party federal quarry permits subject to the litigation. On January 29, 2010, the Corps completed a multi-year review commenced as a result of this litigation and issued a Record of Decision (ROD) supporting the issuance of new federal quarry permits for the FEC and SCL quarries. Excavation of new aggregates was stopped at the FEC and SCL quarries from January 20, 2009 until new permits were issued. The FEC permit was issued on February 3, 2010, and the SCL permit on February 18, 2010. The ROD also indicated that a number of potential environmental impacts must be addressed at the wetlands located at the Kendall Krome site before a new federal quarry permit may be issued for mining at that quarry. It is unclear how long it will take to fully address the Corps' concerns regarding mining in the Kendall Krome wetlands. While no new aggregates will be quarried from wetland areas at Kendall Krome pending the resolution of the potential environmental issues, the FEC and SCL quarries will continue to operate. If CEMEX Florida is unable to maintain the new Lake Belt permits, CEMEX Florida would need to source aggregates, to the extent available, from other locations in Florida or import aggregates. This would likely affect operating income from our Florida operations. Any adverse impacts on the Florida economy arising from the cessation or significant restriction of quarrying operations in the Lake Belt area could also have a material adverse impact on our results of operations, liquidity and financial condition.

In June 2010, EPA proposed regulating Coal Combustion Residuals ("CCRs") generated by electric utilities and independent power producers as a hazardous or special waste under the Resource Conservation and Recovery Act. CEMEX uses CCRs as a raw material in the cement manufacturing process, as well as a supplemental cementitious material in some of our ready-mix concrete products. On December 19, 2014, the EPA issued a final rule on the regulation of CCRs (the "Final Rule"). As of March 31, 2015, we believe that the effects of the Final Rule should not have a material impact on us.

We are subject to a number of federal and state laws and regulations addressing climate change. On the federal side, EPA has promulgated a series of regulations pertaining to emissions of GHGs from industrial sources. EPA issued the Mandatory Reporting of GHGs Rule, effective December 29, 2009, which requires certain covered sectors, including cement manufacturing, with GHG emissions above an established threshold to inventory and report their GHG emissions annually on a facility-by-facility basis. In 2010, EPA issued a final rule that establishes GHG thresholds for the New Source Review Prevention of Significant Deterioration ("PSD") and Title V Operating Permit programs. The rule "tailors" the requirements of these CAA permitting programs to limit which facilities will be required to obtain PSD and Title V permits for GHG emissions. Cement production facilities are included within the categories of facilities required to obtain permits, provided that their GHG emissions exceed the thresholds in the tailoring rule. The PSD program requires new major sources of regulated pollutants and major modifications at existing major sources to secure pre-construction permits, that establish, among other things, limits on pollutants based on Best Available Control Technology ("BACT"). According to EPA's rules, stationary sources, such as cement manufacturing, which are already regulated under the PSD program for non-GHG pollutants, need to apply for a PSD permit for any GHG emissions increases above 75,000 tons/year of carbon dioxide equivalent ("CO₂E"). Therefore, new cement plants and existing plants undergoing modification which are major sources for non-GHG pollutants regulated under the CAA need to acquire a PSD permit for construction or modification activities that increase CO₂E by 75,000 or more tons/year, and would have to determine and install BACT controls for those emissions. Furthermore, any new source that emits 100,000 tons/year of CO₂E or any existing source that emits 100,000 tons/year of CO₂E and undergoes modifications that would emit 75,000 tons/year of CO₂E, must comply with PSD obligations. Complying with these PSD permitting requirements can involve significant costs and delay. The costs of future GHG-related regulation of our facilities through these efforts or others could have a material economic impact on our U.S. operations and the U.S. cement manufacturing industry.

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With respect to state efforts to address climate change, in 2006, the State of California adopted the Global Warming Solutions Act (Assembly Bill 32 or “AB32”) setting into law a goal to reduce the State’s carbon dioxide emissions to 1990 levels by 2020. As part of the measures derived from AB32, the California Air Resources Board (“CARB”) developed a cap-and-trade program, enforced from 2013, that covers most industrial sources of greenhouse gas emissions in the State, including cement production facilities. The program involves allocating a number of allowances free of charge to covered installations, which must subsequently surrender back to the regulator a number of allowances or qualified offset credits matching their verified emissions during the compliance period. Based on the free allowances received for the first compliance period (2013-2014), we expect that our Victorville cement plant will have enough free allowances to meet all of its compliance obligations for that period without a material impact on its operating costs. Furthermore, we are actively pursuing initiatives to substitute lower carbon fuels for fossil fuels, improve our energy efficiency and utilize renewable power in an effort to economically reduce our direct and indirect GHG emission intensities. However, even with these ongoing efforts and the expected distribution of free allowances, we cannot assure you that the overall costs of complying with a cap-and-trade program will not have a material impact on our operations in California.

In 2007, CARB approved a regulation that requires California equipment owners/operators to reduce diesel particulate and nitrogen oxide emissions from in-use off-road diesel equipment and to meet progressively more restrictive emission targets. In 2008, CARB approved a similar regulation for in-use on-road diesel equipment. The emission targets requires us to retrofit our California-based equipment with diesel emission control devices or replace equipment with new engine technology in accordance with certain deadlines. As of March 31, 2015, compliance with the CARB regulations has resulted in equipment related expenses or capital investments, including overhauling engines and purchases of new equipment directly related to the CARB regulations, in excess of U.S.\$30.7 million. We may continue to incur substantial expenditures to comply with these requirements.

Europe.

General overview of EU industrial regulation

In the European Union, the cement sector is subject to a range of environmental laws at EU and national Member State levels. These laws can be very broadly categorized as (1) primary and direct controls placed upon their main operational activities and (2) more general legal regimes which protect different aspects of the environment across many sectors.

The primary examples of the first kind of control are the various laws governing the specific operational activities of the sector, through stringent permitting and emissions controls, which are dealt with in the main sub-section below. Examples of the second, more general, legal controls are the EU Water Framework Directive (2000/60/EC) and the EU Waste Framework Directive (2008/98/EC) which impose various obligations in relation to protection of the surface and underground water environments and the recovery, disposal and overall management of waste. In practice, the applicable substance of even these more general laws tends to filter through to the industry via the direct route of the permitting emissions control systems. However, it is important to recognize that in the EU the sector is subject to a complex web of different environmental protection laws and standards.

The EU legal system also operates in a way different to federal systems. The EU legal regime is what is referred to as ‘supra-national’ law. It sits ‘above’ the legal systems of the different Member States, which retain their independence subject to tight oversight from the EU institutions, especially the Court of Justice, the European Commission, and the European Parliament. As such, EU law operates (in its many fields of application, including industrial regulation) in order to ‘control’ and authoritatively interpret the legislation and implementation of law (EU and domestic) in those Member States. One of the key manifestations of this ‘supra-national control’ are the inter-related doctrines of the supremacy of EU law and of conforming interpretation. Essentially, where an area of legal control in a Member State has its origin in an EU Directive, then the Member States must transpose the Directive fully and effectively into their domestic law and every organ of the Member State, including its regulators and its Courts, must interpret (and if necessary change) domestic law in order to conform with the objectives and the letter of the relevant EU Directive. This is of relevance to the cement sector since almost every aspect of its environmental regulation has its origins in EU legislation.

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EU Industrial Permits and Emissions Controls

In the European Union, the primary legal environmental controls applied to cement plants have been those EU Directives which control operational activities and emissions from those activities. Until recently, these controls were primarily derived from two EU Directives: (1) the so-called “IPPC Directives” and (2) the Incineration Directive (as defined below). On January 6, 2011, the Industrial Emissions Directive (2010/75/EU) (“IED”) came into force. The IED recasts seven pieces of existing legislation into a single coherent legislative instrument, including the IPPC Directives and the Incineration Directive, both of which it repeals. With some exceptions, the IED retains the essential substance of the earlier Directives.

The primary EU legislative control over the sector (until the transition between 2010-2014 of the 2010 Directive) was the Directive on Integrated Pollution Prevention and Control (2008/1/EC) (“IPPC Directive”). The 2008 version of this Directive was in fact an update and consolidation of an earlier Directive first promulgated in 1996. Since 1996, these IPPC Directives have adopted an integrated approach to regulation of various sectors of industrial plant, including cement, by taking into account and controlling/regulating the whole environmental performance of the plant. They required cement works to have a permit which, until recently in England and still in some other states, continues to be referred to as an “IPPC Permit”. These permits contain emission limit values and other conditions based on the application of (what was in 1996) a new legal and technical concept called “best available techniques” (“BAT”).

The concept of BAT is central to the system, and effectively imposes a legal obligation on plant operators to use and apply the best available techniques (as they develop from time to time) in order to prevent or, where this was not practicable, minimize emissions of pollutants likely to be emitted in significant quantities from the plant to air, water or land. Emission limit values, parameters or equivalent technical measures must be based on the best available techniques, without prescribing the use of one specific technique or technology and taking into consideration the technical characteristics of the installation concerned, its geographical location and local environmental conditions. In all cases the permit conditions must ensure a high level of protection for the environment as a whole.

Permit conditions also had to address energy efficiency, waste minimization, prevention of accidental emissions and site restoration. To assist the permitting authorities and companies in determining the BAT, the European Commission organized an exchange of information between experts from the member states, industry and environmental organizations. This resulted in the adoption and publication by the European Commission of BAT Reference Documents (“BREFs”) for the industry sectors covered by the IPPC Directive. A key element of the BREFs were the conclusions on BAT (“BAT conclusions”) which were used as a reference for setting permit conditions. All of these IPPC Directive requirements have been followed through (and in some respects tightened) by the IED.

The second earlier Directive, which was applied in direct control of cement operations, was the EU Waste Incineration Directive (2000/76/EC) (“Incineration Directive”) which regulated those parts of the cement operation that used recovered waste materials as substitute fuels in cement kilns. Its aim was to prevent or limit, as far as practicable, negative effects on the environment, in particular pollution by emissions in air, soil, surface water and groundwater and the resulting risks to human health, from incineration and co-incineration plants. Cement and lime kilns as a primary or secondary source of fuel fall within the definition of “co-incineration plants”. The Incineration Directive sought to achieve its aim by setting and maintaining stringent operational conditions and technical requirements, as well as emission limit values for a range of pollutants including dust, nitrogen oxides, sulfur dioxide, hydrogen chloride, heavy metals and dioxins. Again, the essential substance of the Incineration Directive has been followed through into the IED.

On January 6, 2011, the IED came into force. The IED has applied to new industrial installations since January 7, 2013 and to existing industrial installations (other than large combustion plants) since January 7, 2014. Under the IED, operators of industrial installations, including cement plants, are required to obtain an integrated permit from the relevant permitting authority in the member states. As with the IPPC Directive, permit conditions, including emission limit values, must be based on BAT and a total of 35 BREFs are being rewritten or revised for the

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IED. However, there is an important difference between the IPPC Directive and the IED. Under the IPPC Directive, the BREFs were considered as guidance only. This is not the case under the IED. Where BAT conclusions specify emission levels, permitting authorities are required to set emission limit values that do not exceed these levels. They may derogate from this requirement only where the costs associated with the achievement of the emission levels associated with the BAT disproportionately outweigh the environmental benefits due to the geographical location, the local environmental conditions or the technical characteristics of the installation concerned. The permitting authorities must document the reasons for the derogation from the emission limit values in the permit, including the result of the cost-benefit assessment. In April 2013, the European Commission published new BAT conclusions under the IED for Production of Cement, Lime and Magnesium Oxide, together with specific emission levels. It is the European Commission Decision No. 2013/163/EU that established the best available techniques (BAT) conclusions under Directive 2010/75/EU of the European Parliament and of the Council on industrial emissions for the production of cement, lime and magnesium oxide. This document sets out an extensive list of technical requirements for most aspects of the cement manufacture process in the EU, with a view to prevention and minimization of all polluting emissions. While it is too early to assess what impact the IED will have on our operations, it is reasonable to assume that there will be an impact given the change in regulatory approach heralded by the legislation and the fact that it will be key to the permitting of the cement industry in the EU.

EU Emissions Trading

In 1997, as part of the United Nations Framework Convention on Climate Change, the Kyoto Protocol was adopted to limit and reduce GHG emissions. The Kyoto Protocol set legally binding emission reduction targets for 37 industrialized countries and the European Union. Under the Kyoto Protocol, industrialized countries agreed to reduce their collective GHG emissions by 5% against 1990 levels over the five year period 2008-2012 (“first commitment period”); future mandatory targets were expected to be established for commitment periods after 2012. To compensate for the sting of binding targets, the Kyoto Protocol allows three “flexibility” mechanisms to be used by parties in meeting their emission limitation commitments: the CDM, Joint Implementation (“JI”) and International Emissions Trading.

In 2012, at the UN Climate Change Conference in Doha, Qatar, the Doha Amendment to the Kyoto Protocol was adopted. Certain parties, including the UK and the European Union, committed to reduce GHG emissions by at least 18% below 1990 levels in the eight year period from 2013 to 2020 (“second commitment period”).

Our operations in the United Kingdom, Spain, Germany, Latvia, Poland, Croatia (since 2013) and Czech Republic, are subject to binding caps on CO₂ emissions imposed pursuant to the European Union’s emissions trading system (“ETS”) that was established by Directive 2003/87/EC to implement the Kyoto Protocol. Under the ETS, a cap or limit is set on the total amount of CO₂ emissions that can be emitted by the power plants, energy-intensive installations (including cement plants) and commercial airlines that are covered by the system. The cap is reduced over time, so that the total amount of emissions will decrease. Within the cap, companies receive or buy emission allowances. These allowances are tradable so as to enable companies that manage to reduce their emissions to sell their excess allowances to companies that are not reaching their emissions objectives. After each year, a company must surrender enough carbon allowances to cover all its emissions. Failure to meet the emissions caps is subject to significant monetary penalties.

In addition to carbon allowances, the ETS also allows the use of Kyoto Protocol units: the Emission Reduction Unit, representing a metric ton of carbon saved by a project under the JI mechanism, and the Certified Emission Reduction unit under the CDM. The ETS recognizes these units as equivalent to its carbon allowances and allows them to be used by companies for compliance up to a certain limit to offset their carbon emissions in the EU. We have registered 19 CDM projects; in total, these projects have the potential to reduce almost 2.44 million tons of CO₂-E emissions per year. Croatia, as a new entrant, has a right to use only 4.5% of its verified carbon emissions in relation to other EU ETS members which have a right to use 11% of their verified carbon emissions.

The ETS consists of three trading phases: Phase I which lasted from January 1, 2005 to December 31, 2007, Phase II, which lasted from January 1, 2007 to December 31, 2012, and was intended to meet commitments

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under the Kyoto first commitment period, and Phase III which commenced on January 1, 2013 and will end on December 31, 2020. For Phase III of the ETS there is also a cap on nitrous oxide and perfluorocarbons (PFC) emissions. Prior to the commencement of each of ETS Phases I and II, each member state was responsible for publishing its National Allocation Plan (“NAP”), a document which sets out a national cap on the total amount of carbon emissions by all installations during each relevant trading phase and the methodology by which the cap would be allocated to the different sectors in the ETS and their respective installations. Each member state’s cap contributed to an overall EU cap on emissions, where one carbon allowance must be surrendered to account for 1 metric ton of carbon emitted. The carbon allowances were mostly distributed for free by each member state to its ETS installations, although some member states also used a fraction of their material cap for auctioning, mainly to power generators. Under ETS Phase III, however, the system of NAPs has been replaced by a single EU-wide, top-down, cap on CO₂ emissions, with allocation for all installations made according to harmonized EU rules and set out in each member state’s National Implementation Measures (“NIM”). Additional restrictions have been introduced on the extent to which Kyoto Protocol units can be used to offset EU carbon emissions, and auctioning, not free allocation, has become the default method for distributing allowances. For those allowances that are still given away free, as discussed below, harmonized rules apply based on EU-wide benchmarks of emissions performance.

EU policymakers see the free allocation of allowances as a principle way to reduce the risk of carbon leakage—that is, the risk that energy-intensive industries, facing higher costs because of the ETS, will move their facilities beyond the EU’s borders to countries that do not have climate change controls, thus resulting in a leakage of CO₂ emissions without any environmental benefits. In 2009, a list of ETS sectors deemed to be at significant risk of carbon leakage was formally adopted by the European Commission, following agreement by member states and the European Parliament. The list which was valid from 2010 to 2014 included the cement production sector, on the basis that the additional costs imposed by the ETS would lead to a 30% or more increase in production costs as a proportion of the “gross value added.” A decision on the list of sectors deemed to be at significant risk of carbon leakage for the period 2015-2019 was adopted by the European Commission on October 29, 2014 and the cement production sector resulted selected again. Sectors classified as deemed to be at significant risk of carbon leakage will continue to receive 100% of their benchmark allocation of allowances free of charge during Phase III, adjusted by a cross-sectoral correction factor that is being applied uniformly upon all participating facilities in Europe in order to reduce the amount of free allocation that each installation so that the total sum does not exceed the authorized EU-wide cap for free allocation. By contrast, sectors that are not considered at risk of carbon leakage received 80% of their benchmark allowances for free in 2013, declining to 30% by 2020.

On April 27, 2011, the European Commission adopted Decision 2011/278/EU that states the rules, including the benchmarks of greenhouse gas emissions performance, to be used by the Member States in calculating the number of allowances to be annually allocated for free to industrial sectors (such as cement) that are deemed to be exposed to the risk of “carbon leakage.” The number of allowances to be allocated to installations for free will be based on a combination of historic activity levels at that installation and an EU benchmark of carbon efficiency for the production of a particular product—for example, clinker. An installation’s historic activity level is calculated by taking the median of its annual production levels during the baseline period, either 2005 to 2008 or, where historic activity levels are higher, 2009/10. The product benchmark is based on the average carbon emissions of the top 10% most “carbon efficient” EU installations for a particular product during 2007/8, where carbon efficiency is measured by carbon intensity or carbon emission per metric ton of product. Preliminary allocation calculations based on the rules were carried out by each Member State and included in a NIM table which was sent for scrutiny to the European Commission. On September 5, 2013, the European Commission adopted Decision 2013/448/EU which approved the NIMs submitted by most Member States and by which the figures for the annual cross-sectoral correction factor were determined for the period 2013-2020. According to this Decision, the free allocation to each installation is to be adjusted by a cross-sectoral correction factor laid down in the Decision which will vary each year, as foreseen by the ETS legislation. This is to ensure that the total amount handed out for free does not exceed a maximum set in the ETS Directive. The application of this cross-sectoral correction factor results in an important decrease in the quantity of allowances that our ETS-participant operations expect to receive for free in the 2013-2020 period.

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On February 26, 2014, the European Commission adopted a Decision on national allocation allowances for the last group of Member States including Croatia, which was granted 5.56 million of free allowances. Thereafter, a regularly updated allocation table showing the number of allowances that have been allocated per Member State will be published on the European Commission's website. Based on the European Commission approved NIMs that have been published in the first quarter of 2014, we expect that the aggregate amount of allowances that will be annually allocated for free to CEMEX in Phase III of the ETS will be sufficient to operate. However, this has always been based on the assumption that the cement industry continues to be considered at significant risk of carbon leakage for the period 2015-2019 following the summer/fall 2014 review of the qualifying industries by the European Commission. A determination that the cement industry should no longer be regarded as at significant risk of carbon leakage could have a material impact on our operations and our results of operations, liquidity and financial condition.

However, on October 27, 2014, the European Commission issued Decision Number 2014/746/EU determining, pursuant to Directive 2003/87/EC of the European Parliament and of the Council, a list of sectors and subsectors which are deemed to be exposed to a significant risk of carbon leakage, for the period 2015 to 2019. The Commission assessed 245 industrial sectors and 24 subsectors classified under the 'Mining and quarrying' and 'Manufacturing' divisions of the NACE classification. The sectors and subsectors listed in point 1 of the Annex to the Decision are deemed to meet the relevant criteria and deemed as exposed to a significant risk of carbon leakage. This list includes NACE Codes 2351 "Manufacture of Cement" and 2352 "Manufacture of Lime and Plaster". This Decision took effect on January 1, 2015.

An installation can only receive its full allocation of free allowances if it is deemed to have not partially ceased under the "partial cessation rule" of the ETS. Partial cessation applies where a sub-installation which contributes at least 30% of the installation's final annual amount of emissions allocated, or contributes to more than 50,000 allowances, reduces its activity level by at least 50% of its historic activity levels. If activity levels are reduced to between 50% and 75% of the historic activity level, the amount of free carbon allowances the sub-installation will receive will reduce by half in the following year; if activity levels are reduced by 75% to 90% compared to historic activity levels, the amount of free carbon allowances the sub-installation will receive will reduce by 75% in the following year; and if activity levels are reduced by 90% or more compared to historic activity levels, no allowances shall be allocated free of charge the following year in respect of the sub-installation concerned. This represents a change from ETS Phase II, in which the rules for partial cessation were defined by each member state's NAP and often did not result in any reduction in the level of free allocation, but an installation was no longer entitled to a free allocation from the following year if it had permanently ceased operating. The new rules are therefore more stringent, and to the extent that they result in our plants foregoing free carbon allowances, they could represent a significant loss of revenue to us, since carbon allowances are also tradable.

After a favorable verdict in the case that the Republic of Latvia brought before the General Court against the European Commission's rejection of the initial version of the Latvian NAP for the period from 2008 to 2012, the Latvian Ministry of Environmental Protection and Regional Development issued the Decision No. 46 of April 18, 2012 increasing the allocation of allowances to our Broceni plant. The European Commission subsequently filed an appeal with the Court of Justice against the Judgment of the General Court. On October 3, 2013, the Court of Justice issued a judgment dismissing the European Commission's appeal; therefore our operations in Latvia obtained all the allowances they were entitled to pursuant to the initial version of the Latvian NAP.

Despite having sold a substantial amount of allowances during Phase II of the ETS, we believe that the aggregate amount of allowances that will be annually allocated for free to CEMEX in Phase III of the ETS (2013-2020) will be sufficient to operate. This assessment stems from various factors, notably our efforts to reduce emissions per unit of clinker produced, the stream of offset credits coming from our internal portfolio of CDM projects in Latin America and our expected long position in the initial years of Phase III of the ETS. We are taking measures intended to minimize our exposure to this market, while continuing to supply our products to our customers.

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Landfills

In Great Britain, future expenditure on closed and current landfill sites has been assessed and quantified over the period in which the sites are considered to have the potential to cause environmental harm, generally consistent with the regulatory view of up to 60 years from the date of closure. The assessed expenditure relates to the costs of monitoring the sites and the installation, repair and renewal of environmental infrastructure. The costs have been quantified on a net present value basis in the amount of approximately £131.2 million (approximately U.S.\$194.57 million as of March 31, 2015, based on an exchange rate of £0.6743 to U.S.\$1.00) as of March 31, 2015, and we made an accounting provision for this amount at March 31, 2015.

Tariffs

The following is a discussion of tariffs on imported cement in our major markets.

Mexico. Mexican tariffs on imported goods vary by product and have historically been as high as 100%. In recent years, import tariffs have been substantially reduced and currently range from none at all for raw materials to over 20% for finished products, with an average weighted tariff of approximately 3.7%. As a result of the North American Free Trade Agreement, or NAFTA, as of January 1, 1998, the tariff on cement imported into Mexico from the United States or Canada was eliminated. However, a tariff in the range of 7% ad valorem will continue to be imposed on cement produced in all other countries unless tariff reduction treaties are implemented or the Mexican government unilaterally reduces that tariff. While the reduction in tariffs could lead to increased competition from imports in our Mexican markets, we anticipate that the cost of transportation from most producers outside Mexico to central Mexico, the region of highest demand, will remain a barrier to entry.

United States. Cement imported into the United States from Cuba and North Korea is subject to custom duties depending on the specific type of cement. Imports into the United States from Cuba and North Korea are generally prohibited due to the U.S. import/export controls and economic sanctions. In order to import cement and other products into the United States from Cuba or North Korea, an importer would be required to obtain a license from the U.S. government or otherwise establish the existence of a license exception.

Cement imports from Russia into the United States are currently duty free, however, certain Russian, Ukrainian, and other individuals and entities on U.S. government lists of specially designated nationals and prohibited parties, may be subject to U.S. import/export controls and other sanctions that prohibit transactions (including import transactions) with such persons without a license.

Europe. Member countries of the European Union are subject to the uniform European Union commercial policy. There is no tariff on cement imported into a country that is a member of the European Union from another member country or on cement exported from a European Union country to another member country. As of March 31, 2015, for cement imported into a member country from a non-member country, the tariff was 1.7% of the customs value. Any country with preferential treatment with the European Union is subject to the same tariffs as members of the European Union. Most Eastern European producers exporting cement into European Union countries currently pay no tariff.

Tax Matters

Mexico. Pursuant to amendments to the Mexican Income Tax Law (*Ley del Impuesto sobre la Renta*) that became effective on January 1, 2005 (the "2005 Tax Reform"), Mexican companies with direct or indirect investments in entities incorporated in foreign countries, whose income tax liability in those countries is less than 75% of the income tax that would be payable in Mexico, were required to pay taxes in Mexico on passive income, such as dividends, royalties, interest, capital gains and rental fees obtained by such foreign entities, except for income derived from entrepreneurial activities in such countries, which were not subject to tax under these amendments. We filed two motions in the Mexican federal courts challenging the constitutionality of the 2005 Tax Reform and obtained a favorable ruling from the lower Mexican federal court. However, on September 9, 2008, the Mexican Supreme Court, on appeal, ruled against our constitutional challenge of the controlled foreign corporation

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tax rules in effect in Mexico for tax years 2005 to 2007. Because the Mexican Supreme Court's decision did not pertain to an amount of taxes due or other tax obligations, we had the right to self-assess any taxes due through the submission of amended tax returns. On March 1, 2012 and July 5, 2012, we self-assessed the taxes, filed the amended tax returns and paid 20% of the self-assessed amounts corresponding to the 2005 and 2006 tax years, respectively. The remaining 80% were to be paid in January 2013 and July 2013, respectively. No taxes were due in connection to the 2007 tax year. The tax authorities in Mexico agreed with our self-assessment and with the procedure to determine the taxes due for the 2005 and 2006 tax years and, as a result, the tax authorities in Mexico may not assess additional amounts of taxes past due for those years. On December 17, 2012, the Mexican authorities published the decree of the Federation Revenues Law for the 2013 tax year, which provides for a transitory amnesty provision (the "Amnesty Provision") that grants tax amnesty of up to 80% of certain tax proceedings originated before the 2007 tax period and 100% of interest and penalties of tax proceedings originated in the 2007 tax period and thereafter. The amounts due in connection to the 2005 and 2006 tax years were settled based on the Amnesty Provision and, as of March 31, 2015, there are no tax liabilities in connection to this matter.

In November 2009, the Mexican Congress approved a general tax reform, effective as of January 1, 2010 (the "2010 Tax Reform"). Specifically, the 2010 Tax Reform included changes to the tax consolidation regime that required CEMEX, among others, to determine and retroactively pay taxes at a current rate on items in past years that were eliminated in consolidation or that reduced consolidated taxable income ("Additional Consolidated Taxes"). The 2010 Tax Reform required CEMEX to pay taxes on certain previously exempted intercompany dividends, certain other special tax items and operating losses generated by members of the consolidated tax group not recovered by the individual company generating such losses within the succeeding 10-year period. The 2010 Tax Reform also increased the statutory income tax rate from 28% to 30% for the years 2010 to 2012, then lowered it to 29% for 2013 and 28% for 2014 and future years. However, in December of 2012, the Federal Revenue Law (*Ley de Ingresos de la Federación*) applicable in 2013, established that the statutory income tax rate would remain at 30% in 2013, and thereafter lowered to 29% for 2014 and 28% for 2015 and future years. As per the tax reforms enacted for 2014, the statutory income tax will remain at 30%.

For the 2010 fiscal year, CEMEX was required to pay (at the new, 30% tax rate) 25% of the Additional Consolidated Taxes for the period between 1999 and 2004, with the remaining 75% payable as follows: 25% in 2011, 20% in 2012, 15% in 2013 and 15% in 2014. Additional Consolidated Taxes arising after the 2004 tax year are taken into account in the sixth fiscal year after such year and are payable over the succeeding five years in the same proportions (25%, 25%, 20%, 15% and 15%). Applicable taxes payable as a result of this tax reform are increased by inflation adjustments as required by the Mexican Income Tax Law (*Ley del Impuesto Sobre la Renta*). In connection with these changes in the tax consolidation regime in Mexico, as of December 31, 2009, we recognized a liability of approximately Ps10.5 billion (approximately U.S.\$687.62 million as of March 31, 2015, based on an exchange rate of Ps15.27 to U.S.\$1.00), of which approximately Ps8.2 billion (approximately U.S.\$537.00 million as of March 31, 2015, based on an exchange rate of Mexican Ps15.27 to U.S.\$1.00) was recognized under "Other non-current assets" in connection with the net liability recognized under the new tax law and that we expect to realize in connection with the payment of this tax liability, and approximately Ps2.2 billion (approximately U.S.\$144.07 million as of March 31, 2015, based on an exchange rate of Ps15.27 to U.S.\$1.00) was recognized against "Retained earnings" upon adoption of IFRS according to the new law, related to: (a) the difference between the sum of the equity of the controlled entities for tax purposes and the equity for tax purposes of the consolidated entity, (b) dividends from the controlled entities for tax purposes to CEMEX, S.A.B. de C.V., and (c) other transactions among the companies included in the tax consolidation group that represented the transfer of resources within such group.

On February 15, 2010, we filed a constitutional challenge (*juicio de amparo*) against the 2010 Tax Reform. As of June 3, 2011, we were notified of a favorable verdict at the first stage of the trial; the Mexican tax authorities subsequently filed an appeal (*recurso de revisión*) before the Mexican Supreme Court, which, as of March 31, 2015, is pending. At this stage of the proceeding, it is probable that we will receive an adverse result to us on the appeal (*recurso de revisión*) filed by the Mexican tax authorities before the Mexican Supreme Court, however, even if adversely resolved, we do not foresee any material adverse impact on our results of operations, liquidity and financial condition, additional to those described herein.

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On March 31, 2010, additional tax rules (*miscelánea fiscal*) were published in connection with the general tax reform approved by the Mexican Congress in November 2009. These new rules provided certain taxpayers with benefits arising from the years 1999 to 2004.

On June 30, 2010, CEMEX paid approximately Ps325 million (approximately U.S.\$21.28 million as of March 31, 2015, based on an exchange rate of Ps15.27 to U.S.\$1.00) of Additional Consolidated Taxes. This first payment represented 25% of the Additional Consolidated Taxes for the period that includes from 1999 to 2004. On March 31, 2011, CEMEX made a second payment of approximately Ps506 million (approximately U.S.\$33.14 million as of March 31, 2015, based on an exchange rate of Ps15.27 to U.S.\$1.00). This second payment, together with the first payment, represented 50% of the Additional Consolidated Taxes for the period that corresponds to 2005. On March 30, 2012, CEMEX paid Ps698 million (approximately U.S.\$45.71 million as of March 31, 2015, based on an exchange rate of Ps15.27 to U.S.\$1.00). This third payment together with the first and second payments represented 70% of the Additional Consolidated Taxes for the period that includes from 1999 to 2004, 50% of the Additional Consolidated Taxes for the period that corresponds to 2005 and it also included the first payment of 25% of the Additional Consolidated Taxes for the period that corresponds to 2006. On March 27, 2013, CEMEX paid Ps2 billion (approximately U.S.\$130.98 million as of March 31, 2015, based on an exchange rate of Ps15.27 to U.S.\$1.00). This fourth payment, together with the first, second and third payments represented 85% of the Additional Consolidated Taxes for the period that includes from 1999 to 2004, 70% of the Additional Consolidated Taxes for the period that corresponds to 2005, 50% of the Additional Consolidated Taxes for the period that corresponds to 2006 and 25% of the Additional Consolidated Taxes for the period that corresponds to 2007. On March 31, 2014, CEMEX paid Ps2 billion (approximately U.S.\$130.98 million as of March 31, 2015, based on an exchange rate of Ps15.27 to U.S.\$1.00). This fifth payment, together with the first, second, third and fourth payments represented 100% of the Additional Consolidated Taxes for the period that includes from 1999 to 2004, 85% of the Additional Consolidated Taxes for the period that corresponds to 2005, 70% of the Additional Consolidated Taxes for the period that corresponds to 2006 and 50% of the Additional Consolidated Taxes for the period that corresponds to 2007. On March 31, 2015, CEMEX paid Ps1.5 billion (approximately U.S.\$98.23 million as of March 31, 2015, based on an exchange rate of Ps15.27 to U.S.\$1.00). This sixth payment, together with the first, second, third, fourth and fifth payments represented 100% of the Additional Consolidated Taxes for the period that includes from 1999 to 2004, 100% of the Additional Consolidated Taxes for the period that corresponds to 2005, 85% of the Additional Consolidated Taxes for the period that corresponds to 2006 and 70% of the Additional Consolidated Taxes for the period that corresponds to 2007. As of March 31, 2015, we have paid an aggregate amount of approximately Ps7.1 billion (approximately U.S.\$464.96 million as of March 31, 2015, based on an exchange rate of Ps15.27 to U.S.\$1.00) of Additional Consolidated Taxes.

In December 2010, pursuant to certain additional rules, the tax authorities granted the option to defer the calculation and payment of certain items included in the law in connection with the taxable amount for the difference between the sum of the equity of controlled entities for tax purposes and the equity of the consolidated entity for tax purposes. As a result, CEMEX reduced its estimated tax payable by approximately Ps2.9 billion (approximately U.S.\$189.91 million as of March 31, 2015, based on an exchange rate of Ps15.27 to U.S.\$1.00) against a credit to the income statement when the new tax enactment took place. In addition, after accounting for the following that took place in 2010: (a) cash payments of Ps325 million (approximately U.S.\$21.28 million as of March 31, 2015, based on an exchange rate of Ps15.27 to U.S.\$1.00), (b) income tax from subsidiaries paid to the parent company of Ps2.4 billion (approximately U.S.\$157.17 million as of March 31, 2015, based on an exchange rate of Ps15.27 to U.S.\$1.00), and (c) other adjustments of Ps358 million (approximately U.S.\$23.44 million as of March 31, 2015, based on an exchange rate of Ps15.27 to U.S.\$1.00), the estimated tax payable for tax consolidation in Mexico amounted to approximately Ps10.1 billion (approximately U.S.\$661.43 million as of March 31, 2015, based on an exchange rate of Ps15.27 to U.S.\$1.00) as of December 31, 2010. Furthermore, after accounting for the following that took place in 2011: (a) cash payments in the amount of Ps506 million (approximately U.S.\$33.14 million as of March 31, 2015, based on an exchange rate of Ps15.27 to U.S.\$1.00), (b) income tax from subsidiaries paid to the parent company of Ps2.3 billion (approximately

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U.S.\$150.62 million as of March 31, 2015, based on an exchange rate of Ps15.27 to U.S.\$1.00), and (c) other adjustments of Ps485 million (approximately U.S.\$31.76 million as of March 31, 2015, based on an exchange rate of Ps15.27 to U.S.\$1.00), the estimated tax payable for tax consolidation in Mexico increased to approximately Ps12.4 billion (approximately U.S.\$812.05 million as of March 31, 2015, based on an exchange rate of Ps15.27 to U.S.\$1.00) as of December 31, 2011. Additionally, after accounting for the following that took place in 2012: (a) cash payments in the amount of Ps698 million (approximately U.S.\$45.71 million as of March 31, 2015, based on an exchange rate of Ps15.27 to U.S.\$1.00), (b) income tax from the subsidiaries paid to the parent company of Ps2.1 billion (approximately U.S.\$137.52 million as of March 31, 2015, based on an exchange rate of Ps15.27 to U.S.\$1.00), and (c) other adjustments of Ps745 million (approximately U.S.\$48.79 million as of March 31, 2015, based on an exchange rate of Ps15.27 to U.S.\$1.00), as of December 31, 2012, the estimated tax payable for tax consolidation in Mexico increased to approximately Ps14.5 billion (approximately U.S.\$949.57 million as of March 31, 2015, based on an exchange rate of Ps15.27 to U.S.\$1.00). Furthermore, after accounting for the following that took place in 2013: (a) cash payments in the amount of Ps2 billion (approximately U.S.\$130.98 million as of March 31, 2015, based on an exchange rate of Ps15.27 to U.S.\$1.00), (b) income tax from subsidiaries paid to the parent company of Ps1.8 billion (approximately U.S.\$117.88 million as of March 31, 2015, based on an exchange rate of Ps15.27 to U.S.\$1.00), and (c) other adjustments of Ps1.2 billion (approximately U.S.\$78.59 million as of March 31, 2015, based on an exchange rate of Ps15.27 to U.S.\$1.00), and (d) effects of tax deconsolidation of Ps9.3 billion (approximately U.S.\$609.04 million as of March 31, 2015, based on an exchange rate of Ps15.27 to U.S.\$1.00), as of December 31, 2013, the estimated tax payable for tax consolidation in Mexico increased to approximately Ps24.8 billion (approximately U.S.\$1.62 billion as of March 31, 2015, based on an exchange rate of Ps15.27 to U.S.\$1.00). Additionally, after accounting for the following that took place in 2014: (a) payments, the majority of which were in cash, in the amount of Ps4.3 billion (approximately U.S.\$281.60 million as of March 31, 2015, based on an exchange rate of Ps15.27 to U.S.\$1.00), and (b) other adjustments of Ps955 million (approximately U.S.\$62.54 million as of March 31, 2015, based on an exchange rate of Ps15.27 to U.S.\$1.00), as of December 31, 2014, the estimated tax payable for tax consolidation in Mexico decreased to approximately Ps21.4 billion (approximately U.S.\$1.40 billion as of March 31, 2015, based on an exchange rate of Ps15.27 to U.S.\$1.00).

On January 21, 2011, the Mexican tax authorities notified CEMEX, S.A.B. de C.V. of a tax assessment pertaining to the 2005 tax year. The tax assessment was related to the corporate income tax in connection with the tax consolidation regime. On March 29, 2011, CEMEX challenged the assessment before the tax court. This tax assessment was settled in May of 2013 based on the Amnesty Provision.

On November 16, 2011, Mexican tax authorities notified Centro Distribuidor de Cemento, S.A. de C.V. (“CEDICE”) (now named Cemex Operaciones México, S.A. de C.V.) and Mexcement Holdings, S.A. de C.V. (“Mexcement”) (now merged to, and succeeded by CEDICE), both indirect subsidiaries of CEMEX, S.A.B. de C.V., of tax assessments, related to direct and indirect investments in entities considered to be preferential tax regimens for tax year 2004. On February 3, 2012, CEDICE and Mexcement filed a claim against the November 16, 2011 assessments. These tax assessments were settled in May 2013 based on the Amnesty Provision.

In addition, as a result of the enactment of the new Income Tax Law (*Ley del Impuesto Sobre la Renta*) in Mexico approved in December 2013 and effective beginning January 1, 2014 (the “2014 Tax Reform”), the statutory income tax rate for 2014 will remain at 30%, and the tax consolidation regime that was in effect up until December 31, 2013, was replaced prospectively by a new integration regime, to which CEMEX will not apply. In consequence, as of 2014, each company in Mexico will determine its income taxes based solely in its individual results, and a period of up to 10 years has been established for the settlement of the liability for income taxes related to the tax consolidation regime accrued until December 31, 2013 (“Deconsolidation Taxes”).

On February 12, 2014, we filed a constitutional challenge (*juicio de amparo*) against the 2014 Tax Reform that abrogated the tax consolidation regime. The purpose of the challenge is to obtain certainty in the applicable statutory rules in order to assess and pay the tax liability derived from such reform according to Constitutional

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principles. As of March 31, 2015, we cannot assess the likelihood of an adverse result to the constitutional challenge we filed, but even if the constitutional challenge is adversely resolved, we do not foresee any material adverse impact on our results of operations, liquidity and financial condition, additional to those described above.

On April 30, 2014, CEMEX paid Ps2.3 billion (approximately U.S.\$150.62 million as of March 31, 2015, based on an exchange rate of Ps15.27 to U.S.\$1.00). From this amount, Ps987 million (approximately U.S.\$64.64 million as of March 31, 2015, based on an exchange rate of Ps15.27 to U.S.\$1.00) were paid in cash and Ps1.3 billion (approximately U.S.\$85.13 million as of March 31, 2015, based on an exchange rate of Ps15.27 to U.S.\$1.00) were paid through the application of a tax credit, which represented approximately 25% of the Deconsolidation Taxes for the period that corresponded to the 2008 tax year.

As of March 31, 2015, our estimated payment schedule of Deconsolidation Taxes (which includes the Additional Consolidated Taxes) is as follows: approximately Ps3.6 billion (approximately U.S.\$235.76 million as of March 31, 2015, based on an exchange rate of Ps15.27 to U.S.\$1.00) in 2015; approximately Ps4.3 billion (approximately U.S.\$281.60 million as of March 31, 2015, based on an exchange rate of Ps15.27 to U.S.\$1.00) in 2016; and approximately Ps12 billion (approximately U.S.\$785.85 million as of March 31, 2015, based on an exchange rate of Ps15.27 to U.S.\$1.00) in 2017 and thereafter.

United States. As of March 31, 2015, the Internal Revenue Service (“IRS”) concluded its audit for the year 2013. The final findings did not alter the reserves CEMEX had set aside for these tax matters as they were not considered material to our financial results and, as such, the reserves have been reversed. On April 25, 2014, the IRS commenced its audit of the 2014 tax year under the Compliance Assurance Process. We have not identified any material audit issues and, as such, no reserves are recorded for the 2014 audit in our financial statements.

Colombia. On November 10, 2010, the Colombian Tax Authority (*Dirección de Impuestos*) notified CEMEX Colombia of a proceeding (*requerimiento especial*) in which the Colombian Tax Authority rejected certain tax losses taken by CEMEX Colombia in its 2008 year-end tax return. In addition, the Colombian Tax Authority assessed an increase in taxes to be paid by CEMEX Colombia in the amount of approximately 43 billion Colombian Pesos (approximately U.S.\$16.69 million as of March 31, 2015, based on an exchange rate of 2,576.05 Colombian Pesos to U.S.\$1.00) and imposed a penalty in the amount of approximately 69 billion Colombian Pesos (approximately U.S.\$26.79 million as of March 31, 2015, based on an exchange rate of 2,576.05 Colombian Pesos to U.S.\$1.00). The Colombian Tax Authority argued that CEMEX Colombia was limited in its use of prior year tax losses to 25% of such losses per subsequent year. We believed that the tax provision that limited the use of prior year tax losses did not apply in the case of CEMEX Colombia because the applicable tax law was repealed in 2006. Furthermore, we believed that the Colombian Tax Authority was no longer able to review the 2008 tax return because the time to review such returns had already expired pursuant to Colombian law. In February 2011, CEMEX Colombia presented its arguments to the Colombian Tax Authority. On July 27, 2011, the Colombian Tax Authority issued its final determination, which confirmed the information in the November 10, 2010 proceeding notice. The official assessment was appealed by CEMEX Colombia on September 27, 2011. On July 31, 2012, the Colombian Tax Authority notified CEMEX Colombia of the resolution confirming the official liquidation. CEMEX Colombia filed a lawsuit on November 16, 2012; however, during the second quarter of 2013, CEMEX Colombia reached a settlement with the Colombian Tax Authority regarding the 2008, and also its 2007, year-end tax returns. The aggregate amount paid in connection with the settlement regarding the 2008 and 2007 year-end tax returns was approximately \$47 billion Colombian Pesos (approximately U.S.\$18.24 million as of March 31, 2015, based on an exchange rate of 2,576.05 Colombian Pesos to U.S.\$1.00). On August 26, 2013 and September 16, 2013, CEMEX Colombia received the final resolutions regarding the 2007 and 2008 year-end tax returns, respectively, effectively concluding both processes.

On April 1, 2011, the Colombian Tax Authority notified CEMEX Colombia of a proceeding notice in which the Colombian Tax Authority rejected certain deductions taken by CEMEX Colombia in its 2009 year-end tax return. The Colombian Tax Authority assessed an increase in taxes to be paid by CEMEX Colombia in the

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amount of approximately 90 billion Colombian Pesos (approximately U.S.\$34.94 million as of March 31, 2015, based on an exchange rate of 2,576.05 Colombian Pesos to U.S.\$1.00) and imposed a penalty in the amount of approximately 144 billion Colombian Pesos (approximately U.S.\$55.90 million as of March 31, 2015, based on an exchange rate of 2,576.05 Colombian Pesos to U.S.\$1.00). The Colombian Tax Authority argues that certain expenses are not deductible for fiscal purposes because they are not linked to direct revenues recorded in the same fiscal year, without taking into consideration that future revenue will be taxed with income tax in Colombia. CEMEX Colombia responded to the proceeding notice on June 25, 2011. On December 15, 2011, the Colombian Tax Authority issued its final determination, which confirmed the information in the special proceeding. CEMEX Colombia appealed the final determination on February 15, 2012. On January 17, 2013, the Colombian Tax Authority notified CEMEX Colombia of the resolution confirming the official liquidation. CEMEX Colombia appealed the final determination on May 10, 2013 which was admitted on June 21, 2013. On July 3, 2013, the appeal was notified to the Colombian Tax Authority, and hearings took place on February 18, 2014 and March 11, 2014. An adverse resolution to the appeal was notified to CEMEX Colombia on July 14, 2014 and on July 22, 2014, CEMEX Colombia filed an appeal before the Colombian *Consejo de Estado* against such adverse resolution. At this stage of the proceeding, as of March 31, 2015, we are not able to assess the likelihood of an adverse result in this special proceeding, but if adversely resolved, they could have a material adverse impact on our results of operations, liquidity and financial condition.

Spain. On July 7, 2011, the tax authorities in Spain notified CEMEX España of a tax audit process in Spain covering the tax years from and including 2006 to 2009. The tax authorities in Spain have challenged part of the tax losses reported by CEMEX España for such years. CEMEX España has been formally notified of fines in the aggregate amount of approximately €456 million (approximately U.S.\$489.64 million as of March 31, 2015, based on an exchange rate of €0.9313 to U.S.\$1.00) resulting from the July 7, 2011 tax audit process in Spain. The laws of Spain provide a number of appeals that can be filed against such fines without CEMEX España having to make any payment until such appeals are finally resolved. On April 22, 2014, CEMEX España filed appeals against such fines. At this stage, as of March 31, 2015, we are not able to assess the likelihood of an adverse result regarding this matter, and the appeals that CEMEX España has filed could take an extended amount of time to be resolved, but if all appeals filed by CEMEX España are adversely resolved, it could have a material adverse impact on our results of operations, liquidity and financial condition.

Egypt. On February 9, 2014, ACC was notified of the decision of the Egyptian Ministry of Finance's Appeals Committee (the "Appeals Committee") pursuant to which ACC has been required to pay a development levy on clay applied to the Egyptian cement industry in the amount of: (i) approximately 322 million Egyptian Pounds (approximately U.S.\$42.28 million as of March 31, 2015, based on an exchange rate of Egyptian Pounds 7.6160 to U.S.\$1.00) for the period from May 5, 2008 to August 31, 2011; and (ii) approximately 50,235 Egyptian Pounds (approximately U.S.\$6,595.98 as of March 31, 2015, based on an exchange rate of Egyptian Pounds 7.6160 to U.S.\$1.00) for the period from September 1, 2011 to November 30, 2011. On March 10, 2014, ACC filed a claim before the North Cairo Court requesting the nullification of the Appeals Committee's decision and requesting that the North Cairo Court rule that the Egyptian tax authority is not entitled to require payment of the aforementioned amounts. This case has been adjourned until May 23, 2015. Furthermore, ACC has filed a request before the Ministerial Committee for Investments' Dispute Resolutions claiming non-entitlement of the Egyptian tax authority to the development levy on clay used in the production of cement from the date of enforceability of Law No. 114/2008 up until issuance of Law No. 73/2010, and from cement produced using imported clinker. At this stage, as of March 31, 2015, we are not able to assess the likelihood of an adverse result regarding this matter, but if ACC's claim before the North Cairo Court is adversely resolved, it should not have a material adverse impact on our results of operations, liquidity and financial condition.

Other Legal Proceedings

Colombian Construction Claims. On August 5, 2005, the Urban Development Institute (*Instituto de Desarrollo Urbano*), or UDI, and an individual filed a lawsuit in the Fourth Anti-Corruption Court of Bogotá (*Fiscalía Cuarta Anticorrupción de Bogotá*) against a subsidiary of CEMEX Colombia claiming that it was liable, along with the other members of the *Asociación Colombiana de Productores de Concreto*, or

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ASOCRETO, an association formed by the ready-mix concrete producers in Colombia, for the premature distress of the concrete slabs of the *Autopista Norte* trunk line of the TransMilenio bus rapid transit system of Bogotá in which ready-mix concrete and flowable fill supplied by CEMEX Colombia and other ASOCRETO members was used. The plaintiffs alleged that the base material supplied for the road construction failed to meet the quality standards offered by CEMEX Colombia and the other ASOCRETO members and/or that they provided insufficient or inaccurate information in connection with the product. The plaintiffs were seeking the repair of the concrete slabs in a manner which guarantees their service during the 20-year period for which they were originally designed, and estimate that the cost of such repair could have been approximately 100 billion Colombian Pesos (approximately U.S.\$38.82 million as of March 31, 2015, based on an exchange rate of 2,576.05 Colombian Pesos to U.S.\$1.00). The lawsuit was filed within the context of a criminal investigation against a former director and two officers of the UDI, the contractor, the inspector and two ASOCRETO officers. On January 21, 2008, a court issued an order, sequestering the El Tunjuelo quarry, as security for payment of a possible future money judgment against CEMEX Colombia. The court determined that in order to lift this attachment and prevent further attachments, CEMEX Colombia was required to deposit 337.8 billion Colombian Pesos (approximately U.S.\$131.13 million as of March 31, 2015, based on an exchange rate of 2,576.05 Colombian Pesos to U.S.\$1.00) in cash instead of posting an insurance policy to secure such recovery. CEMEX Colombia appealed this decision and the Superior Court of Bogotá (*Tribunal Superior de Bogotá*) allowed CEMEX to present an insurance policy in the amount of 20 billion Colombian Pesos (approximately U.S.\$7.76 million as of March 31, 2015, based on an exchange rate of 2,576.05 Colombian Pesos to U.S.\$1.00). CEMEX gave the aforementioned security and, on July 27, 2009, the court lifted the attachment on the quarry.

On October 10, 2012 the court issued a first instance judgment pursuant to which the accusation made against the ASOCRETO officers was nullified. The judgment also convicted a former UDI director, the contractor's legal representatives and the inspector to a prison term of 85 months and a fine of 32 million Colombian Pesos (approximately U.S.\$12,422.12 as of March 31, 2015, based on an exchange rate of 2,576.05 Colombian Pesos to U.S.\$1.00). As a consequence of the nullification, the judge ordered a restart of the proceeding against the ASOCRETO officers. The UDI and other parties to the legal proceeding appealed the first instance judgment and on August 30, 2013 the Superior Court of Bogotá resolved to reduce the prison term imposed to the former UDI director and the UDI officers to 60 months and imposed a fine equivalent to 8.8 million Colombian Pesos (approximately U.S.\$3,416.08 as of March 31, 2015, based on an exchange rate of 2,576.05 Colombian Pesos to U.S.\$1.00). Additionally, the UDI officers were sentenced to severally pay the amount of 108,000 million Colombian Pesos (approximately U.S.\$41.92 million as of March 31, 2015, based on an exchange rate of 2,576.05 Colombian Pesos to U.S.\$1.00) for the purported damages in the concrete slabs of the TransMilenio bus rapid transit system. Additionally, the Superior Court of Bogotá overturned the penalty imposed to the contractor's legal representatives and inspector because the criminal action against them was time barred. Furthermore, the Superior Court of Bogotá revoked the annulment in favor of the ASOCRETO officers and ordered the first instance judge to render a judgment regarding the ASOCRETO officers' liability or lack thereof. On June 25, 2014, the Supreme Court of Colombia's Penal Cassation Chamber (*Sala de Casación Penal de la Corte Suprema de Justicia de Colombia*) dismissed the cassation claim filed by the former UDI director and the UDI officers against the Superior Court of Bogotá's judgment. Dismissal of the cassation claim has no effect on CEMEX Colombia's or the ASOCRETO officers' interests in these proceedings. On January 21, 2015, the Penal Circuit Court of Bogotá issued a resolution agreeing with the arguments presented by CEMEX Colombia regarding the application of the statute of limitations to the criminal investigation against the ASOCRETO officers and acknowledging that the ASOCRETO officers were not public officers, and as a consequence, finalizing the process against the ASOCRETO officers and the civil responsibility claim against CEMEX Colombia. This resolution may be appealed before the Superior Court of Bogotá (*Tribunal Superior de Bogotá*). At this stage of the proceedings, as of March 31, 2015, we are not able to assess the likelihood of an adverse result or, due to the number of defendants, the potential damages which could be borne by CEMEX Colombia.

In addition, six legal actions related to the premature distress of the concrete slabs of the *Autopista Norte* trunk line of the TransMilenio bus rapid transit system were brought against CEMEX Colombia. The Cundinamarca Administrative Court (*Tribunal Administrativo de Cundinamarca*) nullified five of these actions

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and currently, only one remains outstanding. In addition, the UDI filed another action alleging that CEMEX Colombia made misleading advertisements on the characteristics of the flowable fill used in the construction of the concrete slabs. CEMEX Colombia participated in this project solely and exclusively as supplier of the ready-mix concrete and flowable fill, which were delivered and received to the satisfaction of the contractor, complying with all the required technical specifications. CEMEX Colombia neither participated in nor had any responsibility on the design, sourcing of materials or their corresponding technical specifications or construction. At this stage of the proceedings, as of March 31, 2015, we are not able to assess the likelihood of an adverse result, but if adversely resolved, it could have a material adverse impact on our results of operations, liquidity and financial condition.

Croatian Concession Litigation. After an extended consultation period, in April 2006, the cities of Kaštela and Solin in Croatia published their respective Master (physical) Plans defining the development zones within their respective municipalities, adversely impacting the mining concession granted to Cemex Hrvatska d.d. (“CEMEX Croatia”), our subsidiary in Croatia, by the Government of Croatia in September 2005. During the consultation period, CEMEX Croatia submitted comments and suggestions to the Master Plans intended to protect and preserve the rights of CEMEX Croatia’s mining concession, but these were not taken into account or incorporated into the Master Plans by Kaštela and Solin. Immediately after publication of the Master Plans, CEMEX Croatia filed a series of lawsuits and legal actions before the local and federal courts to protect its acquired rights under the mining concessions, including: (i) on May 17, 2006, a constitutional appeal before the constitutional court in Zagreb, seeking a declaration by the court concerning CEMEX Croatia’s constitutional claim for decrease and obstruction of rights earned by investment and seeking prohibition of implementation of the Master Plans; and (ii) on May 17, 2006, an administrative proceeding before an administrative court seeking a declaration from the Government of Croatia confirming that CEMEX Croatia acquired rights under the mining concessions. The administrative court subsequently ruled in favor of CEMEX Croatia, validating the legality of the mining concession granted to CEMEX Croatia by the Government of Croatia, in September 2005. On June 15, 2012, we were notified that the case had been transferred from the constitutional court to the administrative court as a result of a new law that places the administrative courts in charge of disputes relating to environmental planning. In February 2014, the administrative court requested CEMEX Croatia to declare if it is still interested in proceeding with the concession litigation and if so, to provide additional clarification and documentation to support such claims. On March 3, 2014, CEMEX Croatia submitted the clarification and required documentation and on April 4, 2014, CEMEX Croatia was notified that the administrative court rejected its claims and found that its acquired rights or interests under the mining concessions had not been violated as a result of any act or decision made by the cities of Solin or Kaštela or any other governmental body. On April 29, 2014, CEMEX Croatia filed two claims before the Constitutional Court of the Republic of Croatia alleging that CEMEX Croatia’s constitutional rights to a fair trial and judicial protection had been violated. In order to alleviate the adverse impact of the Master Plans, as of March 31, 2015, we are in the process of negotiating a new revised mining concession. On August 1, 2014, CEMEX Croatia also filed an application before the European Court of Human Rights alleging that CEMEX Croatia’s constitutional rights to a fair trial, property rights, concession rights and investment had been violated due to irregularities in a general act, which has been denied. The European Court of Human Rights found the application to be inadmissible pursuant to articles 34 and 35 of the Convention for the Protection of Human Rights and Fundamental Freedoms, meaning that CEMEX Croatia did not exhaust all its domestic legal remedies, thus stipulating the Constitutional Court of the Republic of Croatia’s jurisdiction in this matter. At this stage of the proceedings, as of March 31, 2015, we are not able to assess the likelihood of an adverse result to the claims filed before the Constitutional Court of the Republic of Croatia, but if adversely resolved, it should not have a material adverse impact on our results of operations, liquidity and financial condition. In the meantime there are ongoing negotiations with the Croatian Ministry of Construction and Physical Planning in order to obtain a permit for CEMEX Croatia’s Sveti Juraj-Sveti Kajo quarry. Obtaining this permit is required for the renewal of the concession and as of March 31, 2015, CEMEX Croatia is in the process of preparing all documentation necessary to comply with applicable rules and regulations.

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Panamanian Height Restriction Litigation. On July 30, 2008, the Panamanian Authority of Civil Aeronautics (*Autoridad de Aeronáutica Civil*), or AAC, denied a request from our subsidiary Cemento Bayano to erect structures above the permitted height restriction applicable to certain areas surrounding the Calzada Larga Airport. This height restriction was set according to applicable legal regulations and reaches the construction area of our cement plant's second line. Cemento Bayano has formally requested the above-mentioned authority to reconsider its denial. On October 14, 2008, the AAC granted permission for the construction of the tallest building of the second line, under the following conditions: that (a) Cemento Bayano assumes any liability arising from any incident or accident caused by the construction of such building; and (b) there would be no further permission for additional structures. Cemento Bayano filed an appeal with respect to both conditions considering that the construction involved building 12 additional structures. On March 13, 2009, the AAC issued an explanatory note stating that (a) should an accident occur in the Calzada Larga Airport's perimeter, an investigation shall be conducted in order to determine the cause and further responsibility; and (b) there will be no further permission for additional structures of the same height as the tallest structure was already authorized. Therefore, additional permits may be obtained as long as the structures are lower than the tallest building, on a case-by-case analysis to be conducted by the authority. Cemento Bayano filed an authorization request for the construction of the project's 12 remaining structures. On June 11, 2009, the AAC issued a resolution authorizing 3 of the 12 remaining structures and denying permits for 9 additional structures above the permitted height restriction applicable to certain areas surrounding Calzada Larga Airport. On June 16, 2009, Cemento Bayano requested the above-mentioned authority to reconsider its denial. On May 20, 2010, the ACC issued a report stating that all vertical structures erected by Cemento Bayano complied with the applicable signaling and lighting requirements in order to receive the respective authorization. Nonetheless, as of March 31, 2015, the AAC had not yet issued a ruling pursuant to our request for reconsideration for the 9 remaining structures, which have already been erected and are fully functional, and, therefore, we continue to monitor our request. At this stage, we are not able to determine if the AAC will issue a favorable decision to our request for reconsideration or if such denial would have a material adverse impact on our results of operations, liquidity and financial condition. We are also not able to assess the likelihood of any incident or accident occurring as a result of the construction of the second line of our cement plant and the responsibility, if any, that would be allocated to Cemento Bayano, but if any major incident or accident were to occur and if Cemento Bayano were to be held liable, any responsibility that is formally allocated to Cemento Bayano could have a material adverse impact on our results of operations, liquidity and financial condition.

Colombian Water Use Litigation. On June 5, 2010, the District of Bogotá's Environmental Secretary (*Secretaría Distrital de Ambiente de Bogotá*), or the Environmental Secretary, issued a temporary injunction suspending all mining activities at CEMEX Colombia's El Tunjuelo quarry, located in Bogotá, Colombia. As part of the temporary injunction, Holcim Colombia and Fundación San Antonio (local aggregates producers which also have mining activities located in the same area as the El Tunjuelo quarry) were ordered to suspend mining activities in that area. The Environmental Secretary alleged that during the past 60 years, CEMEX Colombia and the other companies illegally changed the course of the Tunjuelo River, used the percolating waters without permission and improperly used the edge of the river for mining activities. In connection with the temporary injunction, on June 5, 2010, CEMEX Colombia received a formal notification from the Environmental Secretary informing it of the initiation of proceedings to impose fines against CEMEX Colombia. CEMEX Colombia has requested that the temporary injunction be revoked, arguing that its mining activities are supported by all authorizations required pursuant to the applicable environmental laws and that all the environmental impact statements submitted by CEMEX Colombia have been reviewed and authorized by the Ministry of Environment and Sustainable Development (*Ministerio de Ambiente y Desarrollo Sostenible*). On June 11, 2010, the local authorities in Bogotá, in compliance with the Environmental Secretary's decision, sealed off the mine to machinery and prohibited the extraction of our aggregates inventory. Although there is not an official quantification of the possible fine, the District of Bogotá's environmental secretary has publicly declared that the fine could be as much as 300 billion Colombian Pesos (approximately U.S.\$116.46 million as of March 31, 2015, based on an exchange rate of 2,576.05 Colombian Pesos to U.S.\$1.00). The temporary injunction does not currently compromise the production and supply of ready-mix concrete to any of our clients in Colombia. At this stage, as of March 31, 2015, we are not able to assess the likelihood of an adverse result, but if adversely resolved, it could have a material adverse impact on our results of operations, liquidity and financial condition.

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Israeli Class Action Litigation. On June 21, 2012, one of our subsidiaries in Israel was notified about an application for the approval of a class action suit against it. The application was filed by a homeowner who built his house with concrete supplied by our Israeli subsidiary in October 2010 (a same application was filed against three other companies by the same legal representative). According to the application, the plaintiff claims that the concrete supplied to him did not meet with the “Israel Standard for Concrete Strength No. 118” and that, as a result, our Israeli subsidiary acted unlawfully toward all of its customers who requested a specific type of concrete but that received concrete that did not comply with Israeli standard requirements. As per the application, the plaintiff claims that the supply of the alleged non-conforming concrete has caused financial and non-financial damages to those customers, including the plaintiff. We presume that the class action would represent the claim of all the clients who purchased the alleged non-conforming concrete from our Israeli subsidiary during the past 7 years, the limitation period according to applicable laws in Israel. The damages that could be sought amount to approximately 276 million Israeli Shekels (approximately U.S.\$69.35 million as of March 31, 2015, based on an exchange rate of 3.980 Israeli Shekels to U.S.\$1.00). Our Israeli subsidiary submitted a formal response to the corresponding court. Both parties presented their preliminary arguments. The applicant requested the court to join all claims brought by him against all four companies, including our subsidiary in Israel. In a hearing held on January 18, 2015, all four companies, including our subsidiary in Israel, opposed the applicants request to join the claims and the court decided to request its general legal counselor for his response to the aforementioned application (a common procedure in these cases). Hearings have taken place and a new hearing has been scheduled for July 7, 2015. As of March 31, 2015, our subsidiary in Israel is not able to assess the likelihood of the class action application being approved or, if approved, of an adverse result, such as an award for damages in the full amount that could be sought, but if adversely resolved, we do not believe the final resolutions would have a material adverse impact on our results of operations, liquidity and financial condition.

Egypt Share Purchase Agreement. On April 7, 2011 and March 6, 2012, lawsuits seeking, among other things, the annulment of the share purchase agreement entered into by and between CEMEX and state-owned Metallurgical Industries Company (the “Holding Company”) in November 1999 pursuant to which CEMEX acquired a controlling interest in ACC (the “Share Purchase Agreement”), were filed by different plaintiffs, including 25 former employees of ACC, before the 7th and 8th Circuits of Cairo’s State Council Administrative Judiciary Court, respectively. Hearings in both cases were adjourned in order for the State Commissioner Authority (“SCA”) to prepare the corresponding reports to be submitted for the consideration of the 7th and 8th Circuits of Cairo’s State Council Administrative Judiciary Court. During March 2015, the SCA submitted the relevant reports recommending, in both cases, that the 7th and 8th Circuits of Cairo’s State Council Administrative Judiciary Court stays the proceedings until the Constitutional Court pronounces itself with regards to the challenges against the constitutionality of the Presidential Decree on Law No. 32 of 2014 (“Law 32/2014”). As of March 31, 2015, a new hearing date has been scheduled for October 13, 2015, for the case before the 8th Circuit of Cairo’s State Council Administrative Judiciary Court, but no hearing has been scheduled for case before the 7th Circuit of Cairo’s State Council Administrative Judiciary Court. As of March 31, 2015, we are not able to assess the likelihood of an adverse resolution regarding these lawsuits, but if adversely resolved, we do not believe the resolution in this first instance would have an immediate material adverse impact on our results of operations, liquidity and financial condition as there are different legal recourses that we could take. However, if we exhaust all legal recourses available to us, a final adverse resolution of this matter could have a material adverse impact on our operations, liquidity and financial condition.

Regarding a different lawsuit submitted to a first instance court in Assiut, Egypt and notified to ACC on May 23, 2011, on September 13, 2012, the first instance court of Assiut, Egypt issued a judgment (the “First Instance Judgment”) to (i) annul the Share Purchase Agreement; and (ii) reinstate former employees to their former jobs at ACC. The First Instance Judgment was notified to ACC on September 19, 2012. On October 18, 2012, ACC filed an appeal against the First Instance Judgment, which was followed by the Holding Company’s appeal filed on October 20, 2012 before the Appeals Court in Assiut, Egypt (the “Appeals Court”). At a November 17, 2013 hearing, the Appeals Court decided to join the appeals filed by ACC and the Holding Company and adjourned the session to January 20, 2014 to render judgment. On January 20, 2014, the Appeals Court issued a judgment (the “Appeal Judgment”) accepting the appeals, revoking the First Instance Judgment,

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ruling for non-qualitative jurisdiction of the first instance court to review the case and referred the matter to the administrative court in Assiut, Egypt (the “Administrative Court”) for a hearing to be held on March 16, 2014. This hearing was subsequently rescheduled to May 17, 2014 and ultimately was not held because the case file had not been completed on time in order for it to be referred to the Administrative Court. The SCA submitted a report recommending the Administrative Court to declare itself incompetent to review this case and to refer it to the Assiut Administrative Judiciary Court (the “Assiut Administrative Judiciary Court”). The Administrative Court scheduled a new hearing for October 11, 2014 to review the case. On October 15, 2014, the Administrative Court ruled for its non- jurisdiction to review the case and referred the case to the Assiut Administrative Judiciary Court. On December 11, 2014, ACC filed an appeal against the Administrative Court ruling requesting that its enforcement be suspended until a judgment is issued on the appeal filed before the Cassation Court on March 12, 2014. On February 10, 2015 and March 17, 2015, hearings were held before the Assiut Administrative Judiciary Court’s SCA in which the SCA decided to adjourn in order to prepare the corresponding report to be submitted for the consideration of the Assiut Administrative Judiciary Court.

On March 12, 2014, ACC filed an appeal before the Cassation Court against the part of the Appeal Judgment that refers to the referral of the case to the Administrative Court and payment of the appeal expenses and attorney fees, and requested a suspension of the Appeal Judgment execution in respect to these matters until the Cassation Court renders its judgment. As of March 31, 2015, a hearing date before the Cassation Court has not been scheduled. As of March 31, 2015, we are not able to assess the likelihood of an adverse resolution regarding these lawsuits, but if adversely resolved, we do not believe the resolution would have an immediate material adverse impact on our results of operations, liquidity and financial condition as there are different recourses that we could take. However, if we exhaust all legal recourses available to us, a final adverse resolution of this matter could have a material adverse impact on our operations, liquidity and financial condition.

Also, on February 23, 2014, two plaintiffs filed a lawsuit before the Assiut Administrative Judiciary Court requesting the cancellation of the resolutions taken by the Holding Company’s shareholders during the extraordinary general shareholders meeting pursuant to which it was agreed to sell ACC’s shares and enter into the Share Purchase Agreement in 1999. A hearing held on May 17, 2014 was adjourned in order for the SCA to prepare a report to be submitted for the consideration of the Assiut Administrative Judiciary Court. On September 4, 2014, ACC received the report issued by the SCA which is non-binding to the Assiut Administrative Judiciary Court. On December 11, 2014, the Assiut Administrative Judiciary Court resolved to refer the case to the 7th Circuit of Cairo’s State Council Administrative Judiciary Court. As of March 31, 2015, we do not have sufficient information to assess the likelihood of the 7th Circuit of Cairo’s State Council Administrative Judiciary Court cancelling the resolutions adopted by the Holding Company’s shareholders, or, if such shareholders’ resolutions are cancelled, how would such cancellation affect us, but if adversely resolved, we do not believe the resolution in this first instance would have an immediate material adverse impact on our results of operations, liquidity and financial condition as there are different legal recourses that we could take. However, if we exhaust all legal recourses available to us, a final adverse resolution of this matter could have a material adverse impact on our operations, liquidity and financial condition.

On April 22, 2014, Law 32/2014, which regulates legal actions to challenge agreements entered into by the Egyptian State (including its ministries, departments, special budget entities, local administrative units, authorities and state-participated companies) and third parties, was published in the Official Gazette, becoming effective as of April 23, 2014, but subject to its presentation, discussion and approval by the House of Representatives 15 days after it has been elected. As per the provisions of Law 32/2014, and considering certain exceptions, only the parties to these agreements have standing to challenge the validity of an agreement. As of March 31, 2015, several constitutional challenges have been filed against Law 32/2014 before the Constitutional Court, and the House of Representatives had not been yet elected (as of March 31, 2015, it is expected that parliamentary elections to the House of Representatives will take place during the second half of 2015). In consideration of the aforementioned, as of March 31, 2015, we are not able to assess if the Constitutional Court will dismiss Law 32/2014 or if Law 32/2014 will not be presented, discussed and ratified by the House of Representatives, but if the Constitutional Court dismisses Law 32/2014 or if Law 32/2014 is not presented,

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discussed and ratified by the House of Representatives, this could adversely impact the ongoing matters regarding the Share Purchase Agreement, which could have a material adverse impact on our operations, liquidity and financial condition.

South Louisiana Flood Protection Authority-East Claim

On July 24, 2013 a Petition for Damages and Injunctive Relief was filed by the South Louisiana Flood Protection Authority-East (“SLFPAE”) in the Civil District Court for the Parish of Orleans, State of Louisiana, against approximately 100 defendants, including CEMEX, Inc. SLFPAE is seeking compensation for and the restoration of certain coastal lands near New Orleans alleged to have been damaged by activities related to oil and gas exploration and production since the early 1900’s. CEMEX, Inc., which was previously named Southdown, Inc., may have acquired liabilities, to the extent there may be any, in connection with oil and gas operations that were divested in the late 1980’s. The matter was removed to the United States District Court for the Eastern District of Louisiana (the “Louisiana District Court”) and a motion by the Plaintiffs to remand to State Court was denied. In addition, on June 6, 2014, Louisiana Senate Bill No. 469 was enacted into Act No. 544 (“Act 544”) which prohibits certain state or local governmental entities such as the SLFPAE from initiating certain causes of action including the claims asserted in this matter. The effect of Act 544 on the pending matter has yet to be determined by the Louisiana District Court. Further, CEMEX, Inc. was dismissed without prejudice by the plaintiffs. On February 13, 2015, the Louisiana District Court dismissed the plaintiffs’ claims with prejudice. On February 27, 2015, the plaintiffs appealed this ruling. As of March 31, 2015, we cannot assess the likelihood of an adverse result or, because of the number of defendants, the potential damages which could be borne by CEMEX, Inc., if any, or if such damages, if any, would have a material adverse impact on our results of operations, liquidity and financial condition.

As of March 31, 2015, we are involved in various legal proceedings involving, but not limited to, product warranty claims, environmental claims, indemnification claims relating to acquisitions and similar types of claims brought against us that have arisen in the ordinary course of business. We believe we have made adequate provisions to cover both current and contemplated general and specific litigation risks, and we believe these matters will be resolved without any significant effect on our operations, financial position and results of operations. We are sometimes able to make and disclose reasonable estimates of the expected loss or range of possible loss, as well as disclose any provision accrued for such loss. However, for a limited number of ongoing legal proceedings, we may not be able to make a reasonable estimate of the expected loss or range of possible loss or may be able to do so but believe that disclosure of such information on a case-by-case basis would seriously prejudice our position in the ongoing legal proceedings or in any related settlement discussions. Accordingly, in these cases, we have disclosed qualitative information with respect to the nature and characteristics of the contingency, but have not disclosed the estimate of the range of potential loss.

Item 4A—Unresolved Staff Comments

Not applicable.

Item 5—Operating and Financial Review and Prospects

Cautionary Statement Regarding Forward-Looking Statements

This annual report contains forward-looking statements within the meaning of the U.S. federal securities laws. We intend these forward-looking statements to be covered by the safe harbor provisions for forward-looking statements in the U.S. federal securities laws. In some cases, these statements can be identified by the use of forward-looking words such as “may,” “should,” “could,” “anticipate,” “estimate,” “expect,” “plan,” “believe,” “predict,” “potential” and “intend” or other similar words. These forward-looking statements reflect our current expectations and projections about future events based on our knowledge of present facts and circumstances and assumptions about future events. These statements necessarily involve risks and uncertainties

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that could cause actual results to differ materially from our expectations. Some of the risks, uncertainties and other important factors that could cause results to differ, or that otherwise could have an impact on us or our subsidiaries, include:

- the cyclical activity of the construction sector;
- our exposure to other sectors that impact our business, such as the energy sector;
- competition;
- general political, economic and business conditions in the markets in which we operate;
- the regulatory environment, including environmental, tax, antitrust and acquisition-related rules and regulations;
- our ability to satisfy our obligations under our material debt agreements, the indentures that govern our Existing Senior Secured Notes (as defined herein) and our other debt instruments;
- the impact of our below investment grade debt rating on our cost of capital;
- our ability to consummate asset sales, fully integrate newly acquired businesses and to achieve cost-savings from our cost-reduction initiative and implement our global pricing initiatives for our products;
- the increasing reliance on information technology infrastructure for our invoicing, procurement, financial statements and other processes that can adversely affect operations in the event that the infrastructure does not work as intended, experiences technical difficulties or is subject to cyber-attacks;
- weather conditions;
- natural disasters and other unforeseen events; and
- other risks and uncertainties described under “Item 3—Key Information—Risk Factors” and elsewhere in this annual report.

Readers are urged to read this annual report and carefully consider the risks, uncertainties and other factors that affect our business. The information contained in this annual report is subject to change without notice, and we are not obligated to publicly update or revise forward-looking statements. Readers should review future reports filed by us with the SEC.

This annual report also includes statistical data regarding the production, distribution, marketing and sale of cement, ready-mix concrete, clinker and aggregates. We generated some of this data internally, and some was obtained from independent industry publications and reports that we believe to be reliable sources. We have not independently verified this data nor sought the consent of any organizations to refer to their reports in this annual report.

Overview

The following discussion should be read in conjunction with our consolidated financial statements included elsewhere in this annual report. Our financial statements have been prepared in accordance with IFRS.

The regulations of the SEC do not require foreign private issuers that prepare their financial statements on the basis of IFRS (as published by IASB) to reconcile such financial statements to U.S. GAAP. As such, while we had in the past reconciled our consolidated financial statements prepared in accordance with MFRS to U.S. GAAP, those reconciliations are no longer presented in our filings with the SEC. Any references to accounting treatments under MFRS or U.S. GAAP relate solely to the application of MFRS or U.S. GAAP to our historical consolidated financial statements.

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The percentage changes in cement sales volumes described in this annual report for our operations in a particular country or region include the number of tons of cement and/or the number of cubic meters of ready-mix concrete sold to our operations in other countries and regions. Likewise, unless otherwise indicated, the net sales financial information presented in this annual report for our operations in each country or region includes the Mexican Peso amount of sales derived from sales of cement and ready-mix concrete to our operations in other countries and regions, which have been eliminated in the preparation of our consolidated financial statements included elsewhere in this annual report.

The following table sets forth selected consolidated financial information as of December 31, 2014 and 2013 and for each of the three years ended December 31, 2014 by principal geographic segment expressed as an approximate percentage of our total consolidated group. We operate in countries and regions with economies in different stages of development and structural reform and with different levels of fluctuation in exchange rates, inflation and interest rates. These economic factors may affect our results of business, financial condition and results of operations, depending upon the depreciation or appreciation of the exchange rate of each country and region in which we operate compared to the Mexican Peso and the rate of inflation of each of these countries and regions.

	Net Sales For the Period Ended December 31,			Operating Earnings Before Other Expenses, Net For the Period Ended December 31,			Total Assets at December 31,	
	2012(1)	2013(1)	2014(1)	2012(2)	2013(2)	2014(2)	2013(2)	2014(2)
Mexico	21%	20%	22%	79%	53%	50%	15%	15%
United States	19%	20%	21%	(36)%	(15)%	(2)%	42%	44%
Northern Europe								
United Kingdom	7%	7%	7%	5%	1%	3%	6%	6%
Germany	7%	7%	6%	(2)%	1%	1%	3%	2%
France	6%	6%	6%	4%	4%	2%	3%	3%
Rest of Northern Europe	6%	6%	6%	6%	2%	2%	3%	3%
The Mediterranean								
Spain	2%	2%	2%	4%	(1)%	(1)%	5%	4%
Egypt	3%	3%	3%	11%	10%	10%	1%	2%
Rest of the Mediterranean	4%	5%	4%	4%	5%	5%	2%	2%
SAC								
Colombia	6%	6%	6%	27%	25%	20%	4%	3%
Rest of SAC	8%	7%	7%	22%	20%	18%	3%	4%
Asia								
Philippines	2%	3%	3%	4%	4%	5%	2%	2%
Rest of Asia	1%	1%	1%	—	—	—	—	—
Corporate and Other Operations	8%	7%	6%	(28)%	(9)%	(13)%	11%	10%
Combined	209,912	209,506	230,972	17,001	19,504	22,183	496,130	514,961
Eliminations	(12,876)	(13,845)	(20,949)	—	—	—	—	—
Consolidated	<u>197,036</u>	<u>195,661</u>	<u>210,023</u>	<u>17,001</u>	<u>19,504</u>	<u>22,183</u>	<u>496,130</u>	<u>514,961</u>

- (1) Percentages by reporting segment are determined before eliminations resulting from consolidation.
(2) Percentages by reporting segment are determined after eliminations resulting from consolidation.

Critical Accounting Policies

The preparation of financial statements in accordance with IFRS principles requires management to make estimates and assumptions that affect reported amounts of assets and liabilities and the disclosure of contingent

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assets and liabilities at the date of the financial statements, as well as the reported amounts of revenues and expenses during the period. These assumptions are reviewed on an ongoing basis using available information. Actual results could differ from these estimates.

The main items subject to estimates and assumptions by management include, among others, impairment tests of long-lived assets, allowances for doubtful accounts and inventories, recognition of deferred income tax assets, as well as the measurement of financial instruments at fair value, and the assets and liabilities related to employee benefits. Significant judgment by management is required to appropriately assess the amounts of these assets and liabilities.

Identified below are the accounting policies we have applied under IFRS that are critical to understanding our overall financial reporting.

Income Taxes

Our operations are subject to taxation in many different jurisdictions throughout the world. Under IFRS, we recognize deferred tax assets and liabilities using a balance sheet methodology which requires a determination of the temporary differences resulting from comparing the book and taxable values of assets and liabilities, considering tax loss carrying forwards as well as other recoverable tax and credits, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Our worldwide tax position is highly complex and subject to numerous laws that require interpretation and application and that are not consistent among the countries in which we operate. Significant judgment is required to appropriately assess the amounts of tax assets and liabilities. We expect to recover or settle the carrying amount of our assets and liabilities at the end of the reporting period. If this determination cannot be made, a valuation allowance is established to reduce the carrying value of the asset.

For the recognition of deferred tax assets derived from net operating losses and their corresponding valuation reserve, we make an assessment of:

(a) the aggregate amount of self-determined tax loss carryforwards included in our income tax returns in each country where we consider, based on available evidence, that the tax authorities would not reject such self-determined tax loss carryforwards; and

(b) the likelihood of the recoverability of such tax loss carryforwards prior to their expiration through an analysis of estimated future taxable income.

If we consider that it is more likely than not that the tax authorities would reject a self-determined deferred tax asset, we would decrease such deferred tax assets. Likewise, if we consider that we would not be able to use a deferred tax carryforward asset before its expiration, we would increase our valuation reserve. Both situations would result in additional income tax for the period in which such determination is made.

We consider all available positive and negative evidence including factors such as market conditions, industry analysis, our expansion plans, projected taxable income, carryforward periods, current tax structure, potential changes or adjustments in tax structure, tax planning strategies, future reversals of existing temporary differences, etc., in the determination of whether it is probable that such deferred tax assets will ultimately be realized.

Every reporting period, we analyze our actual results versus our estimates and adjust our tax asset valuations as necessary. If actual results vary from our estimates, the deferred tax asset and/or valuations may be affected and necessary adjustments will be made based on relevant information. Any adjustments recorded will affect our statement of operations in such period.

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The income tax effects from an uncertain tax position are recognized when it is more-likely-than-not that the position will be sustained based on its technical merits and assuming that the tax authorities will examine each position and have full knowledge of all relevant information, and they are measured using a cumulative probability model. Each position has been considered on its own, regardless of its relation to any other broader tax settlement. The more-likely-than-not threshold represents a positive assertion by management that we are entitled to the economic benefits of a tax position. If a tax position is not considered more-likely-than-not to be sustained, no benefits of the position are recognized. Our policy is to recognize interest and penalties related to unrecognized tax benefits as part of the income tax in the consolidated statements of operations.

Our overall strategy is to structure our worldwide operations to minimize or defer the payment of income taxes on a consolidated basis. Many of the activities we undertake in pursuing this tax reduction strategy are highly complex and involve interpretations of tax laws and regulations in multiple jurisdictions and are subject to review by the relevant taxing authorities. It is possible that the taxing authorities could challenge our application of these regulations to our operations and transactions. The taxing authorities have in the past challenged interpretations that we have made and have assessed additional taxes. Although we have, from time to time, paid some of these additional assessments, in general, we believe that these assessments have not been material and that we have been successful in sustaining our positions. No assurance can be given, however, that we will continue to be as successful as we have been in the past or that pending appeals of current tax assessments will be judged in our favor.

Derivative financial instruments

In compliance with the guidelines established by our risk management committee and the restrictions in our debt agreements and debt instruments, we use derivative financial instruments such as interest rate and currency swaps, currency and equity forward arrangements, and other instruments, in order to change the risk profile associated with changes in interest rates, the foreign exchange rates of debt agreements, or both, as an alternative source of financing, and as hedges of: (i) highly probable forecasted transactions, (ii) purchases of certain commodities, and (iii) our net assets in foreign subsidiaries. These instruments have been negotiated with institutions with significant financial capacity; therefore, we consider the risk of non-compliance with the obligations agreed upon by such counterparties to be minimal.

Derivative financial instruments are recognized as assets or liabilities in the balance sheet at their estimated fair values, and the changes in such fair values are recognized in the statements of operations within "Other financial expense, net" for the period in which they occur, except for changes in the fair value of derivative instruments associated with cash flow hedges, in which case, such changes in fair value are recognized in stockholders' equity, and are reclassified to earnings as the interest expense of the related debt is accrued, in the case of interest rate swaps, or when the underlying products are consumed in the case of contracts on the price of raw materials and commodities. Likewise, in hedges of the net investment in foreign subsidiaries, changes in fair value are recognized in stockholders' equity as part of the foreign currency translation result, which reversal to earnings would take place upon disposal of the foreign investment. During the reported periods, we have not designated any derivative instruments in fair value hedges. See note 16D to our 2014 audited consolidated financial statements included elsewhere in this annual report. Derivative instruments are negotiated with institutions with significant financial capacity; therefore, we believe the risk of non-performance of the obligations agreed to by such counterparties to be minimal.

Accrued interest generated by derivative financial instruments, when applicable, is recognized as financial expense, adjusting the effective interest rate of the related debt.

Pursuant to their recognition at fair value under IFRS, our balance sheets and statements of operations are subject to volatility arising from variations in interest rates, exchange rates, share prices and the counterparty's credit risk, among other conditions established in our derivative financial instruments. The estimated fair value

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under IFRS represents the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, considering the counterparty's credit risk in the valuation, that is, an exit price or a market-based measurement.

The concept of exit value is premised on the existence of a market and market participants for the specific asset or liability. When there is no market and/or market participants willing to make a market, IFRS establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that we have the ability to access at the measurement date. A quote price in an active market provides the most reliable evidence of fair value and is used without adjustment to measure fair value whenever available.
- Level 2 inputs are inputs other than quoted prices in active markets that are observable for the asset or liability, either directly or indirectly, and are used mainly to determine the fair value of securities, investments or loans that are not actively traded. Level 2 inputs included equity prices, certain interest rates and yield curves, implied volatility, credit spreads and other market corroborated inputs, including inputs extrapolated from other observable inputs. In the absence of Level 1 inputs CEMEX determined fair values by iteration of the applicable Level 2 inputs, the number of securities and/or the other relevant terms of the contract, as applicable.
- Level 3 inputs are unobservable inputs for the asset or liability. We use unobservable inputs to determine fair values, to the extent there are no Level 1 or Level 2 inputs, in valuation models such as Black-Scholes, binomial, discounted cash flows or multiples of Operative EBITDA, including risk assumptions consistent with what market participants would use to arrive at fair value.

Significant judgment and estimates by management are required to appropriately identify the corresponding level of fair value applicable to each derivative financing transaction, as well as to assess the amounts of the resulting assets and liabilities, mainly in respect of level 2 and level 3 fair values, in order to account for the effects of derivative financial instruments in the financial statements. See note 16D to our 2014 audited consolidated financial statements included elsewhere in this annual report.

The estimated fair values of derivative financial instruments fluctuate over time determined by measuring the effect of future relevant economic variables according to the yield curves shown in the market as of the reporting date. These values should be viewed in relation to the fair values of the underlying instruments or transactions, and as part of our overall exposure to fluctuations in foreign exchange rates, interest rates and prices of shares. The notional amounts of derivative financial instruments do not necessarily represent amounts exchanged by the parties and, therefore, are not a direct measure of our exposure through our use of derivatives. The amounts exchanged are determined on the basis of the notional amounts and other variables included in the derivative instruments.

Impairment of long-lived assets

Our balance sheet reflects significant amounts of long-lived assets (including property, machinery and equipment, intangible assets of definite life and other investments) associated with our operations throughout the world. Many of these amounts have resulted from past acquisitions, which have required us to reflect these assets at their fair market values at the dates of acquisition. According to their characteristics and the specific accounting rules related to them, we assess the recoverability of our long-lived assets at least once a year, normally during the fourth quarter, as is the case for goodwill, or whenever events or circumstances arise that we believe trigger a requirement to review such carrying values, as is the case with property, machinery and equipment and intangible assets of definite life.

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Property, machinery and equipment, intangible assets of definite life and other investments are tested for impairment upon the occurrence of factors such as the occurrence of a significant adverse event, changes in our operating environment, changes in projected use or in technology, as well as expectations of lower operating results for each cash generating unit, in order to determine whether their carrying amounts may not be recovered. In such cases, an impairment loss is recorded in the statements of operations for the period when such determination is made within "Other expenses, net." The impairment loss of an asset results from the excess of the asset's carrying amount over its recoverable amount, corresponding to the higher of the fair value of the asset, less costs to sell such asset, and the asset's value in use, the latter represented by the net present value of estimated cash flows related to the use and eventual disposal of the asset.

Goodwill and other intangible assets of indefinite life are tested for impairment when required due to significant adverse changes or at least once a year, during the last quarter of such year, by determining the recoverable amount of the group of cash-generating units ("CGUs") to which goodwill balances have been allocated, which consists of the higher of such group of CGUs fair value, less cost to sell and its value in use, represented by the discounted amount of estimated future cash flows to be generated by such CGUs to which goodwill has been allocated. Other intangible assets of indefinite life may be tested at the CGU or group of CGUs level, depending on their allocation. We determine discounted cash flows generally over periods of 5 years. In specific circumstances, when, according to our experience, actual results for a given cash-generating unit do not fairly reflect historical performance and most external economic variables provide the Company with confidence that a reasonably determinable improvement in the mid-term is expected in their operating results, management uses cash flow projections over a period of up to 10 years, to the extent we have detailed, explicit and reliable financial forecasts and is confident and can demonstrate its ability, based on past experience, to forecast cash flows accurately over that longer period. The number of additional periods above the standard period of 5 years of cash flow projections up to 10 years is determined by the extent to which future expected average performance resembles the historical average performance. If the value in use of a group of CGUs to which goodwill has been allocated is lower than its corresponding carrying amount, we determine the fair value of our reporting units using methodologies generally accepted in the market to determine the value of entities, such as multiples of Operating EBITDA and by reference to other market transactions, among others. An impairment loss under IFRS is recognized within other expenses, net, if the recoverable amount is lower than the net book value of the group of CGUs to which goodwill has been allocated. Impairment charges recognized on goodwill are not reversed in subsequent periods.

For the years ended December 31, 2012, 2013 and 2014, the geographic segments we reported in note 4 to our 2014 audited consolidated financial statements included elsewhere in this annual report, each integrated by groups of CGUs to which goodwill has been allocated for purposes of testing goodwill for impairment. In arriving at this conclusion, we considered: (a) that after the acquisition, goodwill was allocated at the level of the geographic operating segment; (b) that the operating components that comprise the reported segment have similar economic characteristics; (c) that the reported segments are used by us to organize and evaluate its activities in its internal information system; (d) the homogenous nature of the items produced and traded in each operative component, which are all used by the construction industry; (e) the vertical integration in the value chain of the products comprising each component; (f) the type of clients, which are substantially similar in all components, (g) the operative integration among components; and (h) the compensation system of specific county is based on the consolidated results of the geographic segment and not on the particular results of the components. In addition, the country level represents the lowest level within CEMEX at which goodwill is monitored for internal management purposes.

Significant judgment by management is required to appropriately assess the fair values and values in use of these assets. Impairment tests are significantly sensitive to, among other factors, the estimation of future prices of our products, the development of operating expenses, local and international economic trends in the construction industry, the long-term growth expectations in the different markets as well as the discount rates and the growth rates in perpetuity applied. For purposes of estimating future prices, we use, to the extent available, historical data plus the expected increase or decrease according to information issued by trusted external sources, such as

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national construction or cement producer chambers and/or in governmental economic expectations. Operating expenses are normally measured as a constant proportion of revenues, following past experience. However, such operating expenses are also reviewed considering external information sources in respect to inputs that behave according to international prices, such as gas and oil. We use specific pre-tax discount rates for each group of CGUs to which goodwill is allocated, which are applied to pre-tax cash flows. The amounts of estimated undiscounted cash flows are significantly sensitive to the growth rate in perpetuity applied. Likewise, the amounts of discounted estimated future cash flows are significantly sensitive to the weighted average cost of capital (discount rate) applied. The higher the growth rate in perpetuity applied, the higher the amount obtained of undiscounted future cash flows by group of CGUs obtained. Conversely, the higher the discount rate applied, the lower the amount obtained of discounted estimated future cash flows by group of CGUs obtained. Additionally, we monitor the lives assigned to these long-lived assets for purposes of depreciation and amortization, when applicable. This determination is subjective and is integral to the determination of whether impairment has occurred.

During the last quarter of 2012, 2013 and 2014, we performed our annual goodwill impairment test. Based on these analyses, in 2014, 2013 and 2012 we did not determine impairment losses of goodwill, whereas, in 2011, we determined an impairment loss of goodwill for approximately Ps145 million (U.S.\$12 million) associated with our groups of CGUs to which goodwill has been allocated in Latvia, representing 100% of the goodwill balance associated with such country. The estimated impairment loss was mainly attributable to market dynamics in this country and its position in the business economic cycle, generating that the net book value exceeded its respective recoverable amount. See note 15C to our 2014 audited consolidated financial statements included elsewhere in this annual report.

Pretax discount rates and long-term growth rates used in the reporting units that represent most of the consolidated balance of goodwill under IFRS in 2012, 2013 and 2014 are as follows:

Reporting units	Discount rates			Growth rates		
	2012	2013	2014	2012	2013	2014
United States	9.9%	9.8%	8.7%	2.5%	2.5%	2.5%
Spain	11.5%	11.4%	10.1%	2.5%	2.3%	2.0%
Mexico	10.7%	10.9%	9.7%	3.0%	3.8%	3.8%
Colombia	10.7%	10.9%	9.7%	3.5%	4.2%	3.0%
France	10.3%	10.7%	9.2%	1.9%	1.7%	1.7%
United Arab Emirates	13.3%	12.2%	10.4%	3.6%	3.4%	3.4%
United Kingdom	10.3%	10.5%	9.0%	2.7%	2.1%	2.4%
Egypt	13.5%	13.0%	11.6%	4.0%	4.0%	4.0%
Range of discount rates in other countries	11.1%—13.3%	11.0%—12.3%	9.2%—14.0%	3.4%—4.0%	2.4%—5.0%	2.1%—4.9%

As of December 31, 2014, the discount rates we used in our cash flows projections generally decreased from the discount rates we used in 2013, mainly as a result of reductions in both the funding cost observed in the industry and the risk free rate, which are significant assumptions made to determine discount rates. The funding cost decreased from 7.0% in 2013 to 6.1% in 2014, while the risk free rate decreased from 3.7% in 2013 to 3.1% in 2014. As of December 31, 2013, the discount rates changed slightly from the values determined in 2012, in each case mainly as a result of variations in the country specific sovereign yield as compared to the prior year. In respect to long-term growth rates, following general practice under IFRS, we use country specific rates, which are mainly obtained from the Consensus Economics, a compilation of analysts' forecast worldwide, or from the International Monetary Fund when the first are not available for a specific country.

In connection with our assumptions included in the table above, as of December 31, 2012, 2013 and 2014, we performed sensitivity analyses to changes in assumptions, affecting the value in use of all groups of cash-generating units with an independent reasonable possible increase of 1% in the pre-tax discount rate, and an independent possible decrease of 1% in the long-term growth rate. In addition, we performed cross-check

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analyses for reasonableness of our results using multiples of Operating EBITDA. In order to arrive at these multiples, which represent a reasonableness check of our discounted cash flow model; we determined a weighted average of multiples of Operating EBITDA to enterprise value observed in the industry. The average multiple was then applied to a stabilized amount of Operating EBITDA and the result was compared to the corresponding carrying amount for each group of cash-generating units to which goodwill has been allocated. As of December 31, 2013 and 2014, we considered an industry weighted average Operating EBITDA multiple of 10.3 and 9.5, respectively. Our own EBITDA multiples to enterprise value as of the same dates were 11.6 times in 2013 and 10.9 times in 2014. The lowest multiple observed in our benchmark as of December 31, 2013 and 2014 was 7.2 times and 6.0 times, and the highest was 20.9 times and 16.4 times, respectively.

As of December 31, 2014 and 2013, none of our sensitivity analyses resulted in a relative impairment risk in our operating segments. As of December 31, 2012, the impairment charges resulting from the sensitivity analyses that would have resulted from an independent change of each one of the variables and/or by the use of multiples of Operating EBITDA, regarding the operating segment that presented a relative impairment risk, would have been as follows:

As of December 31, 2012		Sensitivity analysis of described change in assumptions			Multiples of Operating EBITDA
		Recognized impairment charges	Discount rate + 1pt	Long-term growth rate - 1pt	
(Amounts in millions)					
Spain	U.S.\$	—	99	—	39
United Arab Emirates		—	8	—	—

Nonetheless, we will continue to monitor the evolution of the specific cash-generating units to which goodwill has been allocated that presented relative goodwill impairment risk and, in the event that the relevant economic variables and the related cash flows projections would be negatively affected, it may result in a goodwill impairment loss in the future.

We maintain a market capitalization significantly lower than our levels prior to the 2008 global crisis, which we believe is due to factors such as: a) the contraction of the construction industry in the United States, which has experienced a continued slow recovery after the 2008 crisis, that has significantly affected our operations in such country and consequently our overall generation of cash flows; b) our significant amount of consolidated debt and our operating since August 2009 under the 2009 Financing Agreement and, since September 2012 under the Facilities Agreement (see note 16A to our 2014 audited consolidated financial statements included elsewhere in this annual report), has also significantly affected our valuation, considering the high uncertainty perceived by stakeholders regarding our odds of successfully achieving the different milestones established with our main creditors; and c) the transfer of capital during the last few years, mainly due to high volatility generated by continued liquidity problems in certain European countries, from variable income securities in developing countries such as Mexico to fixed income securities in developed countries such as the United States. The market price of CEMEX, S.A.B. de C.V.'s CPOs has recovered significantly after we entered into the Facilities Agreement (see note 16A to our 2014 audited consolidated financial statements included elsewhere in this annual report). In U.S. Dollar terms, our market capitalization decreased by approximately 6% in 2014 compared to 2013, to approximately U.S.\$12.7 billion (Ps186.8 billion).

Goodwill allocated to the United States accounted for approximately 78% and 77% of our total amount of consolidated goodwill as of December 31, 2014 and 2013. In connection with our determination of value in use relative to our groups of CGUs in the United States as of December 31, 2014 and 2013, we have considered several factors, such as the historical performance of such operating segment, including operating losses in recent years, the long-term nature of our investment, the recent signs of recovery in the construction industry, the significant economic barriers for new potential competitors considering the high investment required, and the lack of susceptibility of the industry to technology improvements or alternate construction products, among other factors. We has also considered recent developments in our operations in the United States, such as the 2%, 8% and 20% increases in ready-mix concrete volumes in 2014, 2013 and 2012, respectively, and the 8%, 6% and 4%

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increases in 2012, 2013 and 2014, respectively, of ready-mix concrete prices, respectively, which are key drivers for cement consumption and our profitability, and which trends are expected to continue over the next few years, as anticipated in our cash flow projections.

In addition, as mentioned above, we performed a reasonableness test of the estimated value in use by performing a sensitivity analysis on key cash flow assumptions, and estimated the recoverable amount by using the method of multiples of Operating EBITDA.

Based on the above, considering economic assumptions that were verified for reasonableness with information generated by external sources, to the extent available, the value in use of the our operating segment in the United States exceeded the respective carrying amount for goodwill impairment test purposes as of December 31, 2013. The additional sensitivity analyses were as follows:

		<u>2013</u>
Basic test	U.S.\$	5,275
Sensitivity to plus 1 percent point in discount rate		1,131
Sensitivity to minus 1 percent point in long-term growth		2,263
Excess of multiples of Operating EBITDA over carrying amount		1,878

As of December 31, 2013 and 2014, we consider that our combination of discount rate and long-term growth rate applied in the base model for our group of cash-generating units in the United States to which goodwill has been allocated reflect the particular risk factors existing as of the date of analysis.

In addition, we have significant balances of property, machinery and equipment. During 2012, 2013 and 2014, we recognized impairment losses of property, plant and equipment, mainly in connection with the permanent closing of operating assets for an aggregate amount of approximately Ps542 million (U.S.\$41 million), Ps1,358 million (U.S.\$106 million) and Ps589 million (U.S.\$40 million), respectively. See note 14 to our 2014 audited consolidated financial statements included elsewhere in this annual report.

As of December 31, 2013 and 2014, the consolidated balances of property, machinery and equipment, net, represented approximately 41.5% and 39.4%, respectively, of our total consolidated assets. Property, machinery and equipment are tested for impairment upon the occurrence of factors, such as a significant adverse event, changes in our operating environment, changes in projected use or in technology, as well as expectations of lower operating results for each CGU, in order to determine whether their carrying amounts may not be recovered. In such cases, an impairment loss is recorded in the income statements for the period when such determination is made within "Other expenses, net." The impairment loss of an asset results from the excess of such asset's carrying amount over its recoverable amount, corresponding to the higher of the fair value of the asset, less costs to sell such asset, and the asset's value in use, the latter represented by the net present value of estimated cash flows related to the use and eventual disposal of the asset. Significant judgment by management is required to appropriately assess the fair values and values in use of these assets. The main assumptions utilized to develop these estimates are a discount rate that reflects the risk of the cash flows associated with the assets evaluated and the estimations of generation of future income. Those assumptions are evaluated for reasonableness by comparing such discount rates to available market information and by comparing to third-party expectations of industry growth, such as governmental agencies or industry chambers of commerce.

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As a result of impairment tests conducted on several cash-generating units considering certain triggering events, mainly: a) the closing and/or reduction of operations of cement and ready-mix concrete plants resulting from adjusting our supply to current demand conditions and b) the transferring of installed capacity to more efficient plants, for the years ended December 31, 2014 and 2013, we adjusted the related fixed assets to their estimated value in use in those circumstances in which the assets would continue in operation based on estimated cash flows during their remaining useful life, or to their realizable value, in case of permanent shut down, and recognized impairment losses in the following countries for the following amounts:

	For the Year Ended December 31,	
	2013	2014
	(in millions of Mexican Pesos)	
Spain	Ps917	Ps125
Puerto Rico	187	—
United States	134	108
Germany	59	19
Mexico	36	221
United Kingdom	—	59
Latvia	2	—
Bangladesh	—	14
Ireland	—	—
Other countries	23	43
	Ps1,358	Ps589

Valuation reserves on accounts receivable and inventories

On a periodic basis, we analyze the recoverability of our accounts receivable and our inventories (supplies, raw materials, work-in-process and finished goods), in order to determine if due to credit risk or other factors in the case of our receivables and due to weather or other conditions in the case of our inventories, some receivables may not be recovered or certain materials in our inventories may not be utilizable in the production process or for sale purposes. If we determine such a situation exists, book values related to the non-recoverable assets are adjusted and charged to the income statement through an increase in the doubtful accounts reserve or the inventory obsolescence reserve, as appropriate. These determinations require substantial management judgment and are highly complex when considering the various countries in which we have operations, each having its own economic circumstances that require continuous monitoring, and our numerous plants, deposits, warehouses and quarries. As a result, final losses from doubtful accounts or inventory obsolescence could differ from our estimated reserves

Asset retirement obligations

We recognize unavoidable obligations, legal or constructive, to restore operating sites upon retirement of long-lived assets at the end of their useful lives are measured at the net present value of estimated future cash flows to be incurred in the restoration process, and are initially recognized against the related assets' book value. The increase to the assets' book value is depreciated during its remaining useful life. The increase of the liability, related to the passage of time is charged to the line item "Other financial expenses, net." Adjustments to the liability for changes in estimations are recognized against fixed assets, and depreciation is modified prospectively.

Asset retirement obligations are related mainly to future costs of demolition, cleaning and reforestation, so that at the end of their operation, raw materials extraction sites, maritime terminals and other production sites are left in acceptable condition. Significant management judgment is required in assessing the estimated cash outflows that will be disbursed upon retirement of the related assets. See notes 17 and 24 to our 2014 audited consolidated financial statements included elsewhere in this annual report.

Transactions in our own stock

From time to time we have entered into various transactions involving our own stock. These transactions have been designed to achieve various financial goals but were primarily executed to give us a means of satisfying future transactions that may require us to deliver significant numbers of shares of our own stock. These transactions are described in detail in the notes to our 2014 audited consolidated financial statements included elsewhere in this annual report. We have viewed these transactions as hedges against future exposure even though they do not meet the definition of hedges under accounting principles. There is significant management judgment necessary to properly account for these transactions, as the obligations underlying the related transactions are required to be reflected at market value, with the changes in such value reflected in our income statement, including the mandatory convertible securities embedded and our optional convertible notes. These transactions raise the possibility that we could be required to reflect losses on the transactions in our own shares without having a converse reflection of gains on the transactions under which we would deliver such shares to others. See note 16D to our 2014 audited consolidated financial statements included elsewhere in this annual report.

Emission rights

In some of the countries where we operate, such as in countries of the European Union, governments have established mechanisms aimed at reducing CO₂ by means of which, industries releasing CO₂ must submit to the environmental authorities at the end of a compliance period, emission rights for a volume equivalent to the tons of CO₂ released. Since the mechanism for emissions reduction in the European Union has been in operation, a certain number of emission rights based on historical levels have been granted by the environmental authorities to industries free of cost. Therefore, companies are required to buy additional emission rights to meet any deficit between actual CO₂ emissions during the compliance period and emission rights held. Companies with surplus emission rights can also dispose of such surpluses in the market. In addition, the UNFCCC grants CERs to qualified CO₂ emission reduction projects. CERs may be used in specified proportions to settle emission rights obligations in the European Union. We actively participate in the development of projects aimed to reduce CO₂ emissions. Some of these projects have been awarded with CERs.

In the absence of an IFRS that defines the accounting treatment for these schemes, we account for the effects associated with CO₂ emission reduction mechanisms as follows:

- Emission rights granted by governments are not recognized in the balance sheet considering their cost is zero.
- Revenues from the sale of any surplus of emission rights are recognized decreasing cost of sales; in the case of forward sale transactions, revenues are recognized upon physical delivery of the emission certificates.
- Emission rights and/or CERs acquired to hedge current CO₂ emissions are recognized as intangible assets at cost, and are further amortized to cost of sales during the compliance period. In the case of forward purchases, assets are recognized upon physical reception of the emission certificates.
- We accrue a provision against cost of sales when the estimated annual emissions of CO₂ are expected to exceed the number of emission rights, net of any benefit obtained through swap transactions of emission rights for CERs.
- CERs received from the UNFCCC are recognized as intangible assets at their development cost, which are attributable mainly to legal expenses incurred with authorities in the process of obtaining such CERs.
- We do not maintain emission rights, CERs and/or forward transaction with trading purposes.

The combined effect of the use of alternate fuels that help reduce the emission of CO₂ and the downturn in produced cement volumes in the EU, has generated a surplus of emission rights held over the estimated CO₂

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emissions in recent years. From the consolidated surplus of emission rights, during 2011, we sold an aggregate amount of approximately 13.4 million certificates, receiving revenues of approximately Ps1,518 million (U.S.\$122 million), respectively. During 2012, 2013 and 2014, there were no sales of emission rights.

Significant judgment by management is required to appropriately assess estimated CO2 emissions and resulting excesses or deficit of allowances.

Revenue recognition

We consolidated net sales represent the value, before tax on sales, of products and services sold by consolidated subsidiaries as a result of ordinary activities, after the elimination of related parties transactions and are quantified at the fair value of the consideration received or receivable, decreased by any trade discounts or volume rebates granted to customers.

Revenue from the sale of goods and services is recognized when goods are delivered or services are rendered to customers, there is no condition or uncertainty implying a reversal thereof, and they have assumed the risk of loss. Revenues from trading activities, in which we acquire finished goods from a third party and subsequently we sell the goods to another third party, are recognized on a gross basis, considering that we assume the total risk of property on the goods purchased and we are not acting as agent or broker.

Revenue and costs associated with construction contracts are recognized in the period in which the work is performed by reference to the stage of completion of the contract activity at the end of the period, considering that the following have been defined: (a) each party's enforceable rights regarding the asset to be constructed; (b) the consideration to be exchanged; (c) the manner and terms of settlement; (d) actual cost incurred and contract costs required to complete the asset are effectively controlled; and (e) it is probable that the economic benefits associated with the contract will flow to us.

The percentage of completion of construction contracts represents the proportion that contract costs incurred for work performed to date bear to the estimated total contract costs or the surveys of work performed or the physical proportion of the contract work completed, whichever better reflects the percentage of completion under the specific circumstances. Progress payments and advances received from customers do not reflect the work performed and are recognized as a short or long term advanced payments, as appropriate.

Results of Operations

Consolidation of Our Results of Operations

Our 2014 audited consolidated financial statements, included elsewhere in this annual report, include those subsidiaries in which we hold a controlling interest or which we otherwise control. Control exists when we have the power, directly or indirectly, to govern the administrative, financial and operating policies of an entity in order to obtain benefits from its activities.

Investments in associates are accounted for by the equity method, when we have significant influence, which is generally presumed with a minimum equity interest of 20% unless it is proven that we have significant influence with a lower percentage. Under the equity method, after acquisition, the investment's original cost is adjusted for the proportional interest of the holding company in the associate's equity and earnings, considering the effects of inflation.

All significant balances and transactions between related parties have been eliminated in consolidation.

For the periods ended December 31, 2012, 2013 and 2014, our consolidated results reflect the following transactions:

- On October 31, 2014, we announced that we had entered into agreements with Holcim, regarding a series of transactions in Europe, which closed on January 5, 2015, with retrospective effect as of

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January 1, 2015. Pursuant to these agreements: a) in the Czech Republic, CEMEX acquired all of Holcim's assets, including a cement plant, four aggregates quarries and 17 ready-mix plants for approximately €115 million (U.S.\$139 million or Ps2,049 million); b) in Germany, CEMEX sold to Holcim its assets in the western part of the country, consisting of one cement plant, two cement grinding mills, one slag granulator, 22 aggregates quarries and 79 ready-mix plants for approximately €171 million (U.S.\$207 million or Ps3,047 million), while CEMEX maintained its operations in the north, east and south of the country; and c) in Spain, CEMEX acquired from Holcim one cement plant in the southern part of the country with a production capacity of 850 thousand tons, one cement mill in the central part of the country with grinding capacity of 900 thousand tons, as well as certain related train cargo facilities and warehouses, among other assets, for approximately €89 million (U.S.\$108 million or Ps1,592 million). The related assets in the western region of Germany were recognized at their estimated realizable value, net of costs to sell, and the reclassification from fixed assets to assets held for sale resulted in losses of approximately Ps242 million (U.S.\$16 million), which includes a loss of approximately Ps210 million (U.S.\$14 million) from the proportional reclassification to earnings of currency translation adjustments of the net investment in Germany accrued in equity.

- In November 2012, CEMEX Latam, a then wholly-owned subsidiary of CEMEX España, completed the sale of newly issued common shares in the CEMEX Latam Offering, representing approximately 26.65% of CEMEX Latam's outstanding common shares. CEMEX Latam is the main holding company for CEMEX's operations in Brazil, Colombia, Costa Rica, Guatemala, Nicaragua, Panama and El Salvador. CEMEX recognized within "Other equity reserves" a gain of approximately U.S. \$630 million (approximately Ps8,096 million). See "Item 5—Operating and Financial Review and Prospects—Investments, Acquisitions and Divestitures" for additional information regarding the CEMEX Latam Offering.
- In October 2012, Corporación Cementera Latinoamericana, S.L.U. (Sociedad Unipersonal), an indirect subsidiary of CEMEX España, completed the acquisition of the 49% non-controlling interest in CEMEX Guatemala, S.A., CEMEX's subsidiary in Guatemala, in a private transaction for approximately U.S.\$54 million (approximately Ps694 million), recognizing a reduction in the line items of "Other equity reserves" of approximately U.S.\$32 million (approximately Ps411 million).
- On May 17, 2012, through a public tender offer commenced on March 12, 2012, and after compliance with applicable regulations in Ireland, Readymix Investments, an indirect subsidiary of CEMEX España, acquired the 38.8% interest in Readymix plc, our main subsidiary in Ireland, that had not been owned by us for approximately €11 million (U.S.\$15 million or Ps187 million), for €0.25 per share in cash. The listing and trading of Readymix plc's shares on the Irish Stock Exchange was cancelled beginning on May 18, 2012.
- In August 2011, as a result of Ready Mix USA's exercise of its put option (see note 15B to our 2013 audited consolidated financial statements included elsewhere in this annual report), and after performance of the obligations by both parties under the put option agreement, effective as of August 1, 2011, through the payment of approximately U.S.\$352 million (approximately Ps4,914 million), we acquired our former joint venture partner's interests in CEMEX Southeast, LLC and Ready Mix USA, LLC, including a non-compete and a transition services agreement. In accordance with the joint venture agreements, from the date on which Ready Mix USA exercised its put option until the date we acquired Ready Mix USA's interest, Ready Mix USA continued to control and manage Ready Mix USA, LLC. Nonetheless, based on IAS 27, considering the existence of a settlement price that could have been paid any time until September 30, 2011 at our election, Ready Mix USA LLC's balance sheet was consolidated as of March 31, 2011 and its operating results beginning April 1, 2011. Upon consolidation, the purchase price was assigned to each joint venture in proportion to our relative contribution interest in CEMEX Southeast, LLC and Ready Mix USA, LLC considering the original fair values as of the dates of the agreements in 2005. We fully consolidated the acquisition of the minority interest in CEMEX Southeast, LLC, as of the acquisition date, and Ready Mix USA, LLC generated an aggregate gain of approximately U.S.\$24 million (approximately Ps316 million).

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million), which was recognized within “Other expenses, net.” During 2012 after the completion of the purchase price allocation, there were changes in the values of certain assets and liabilities, none of which were individually significant, which decreased the aggregate gain on purchase by approximately U.S.\$1 million (approximately Ps13 million). Our 2012 20-F includes the balance sheet of Ready Mix USA, LLC as of December 31, 2012, based on the best estimate of its net asset’s fair value as of the acquisition date of approximately Ps4,487 million, including cash and cash equivalents for approximately Ps912 million and debt for approximately Ps1,352 million, and its results of operations for the nine-month period ended December 31, 2011.

Selected Consolidated Statement of Operations Data

The following table sets forth our selected consolidated statement of operations data for each of the three years ended December 31, 2012, 2013 and 2014 expressed as a percentage of net sales.

	Year Ended December 31,		
	2012	2013	2014
Net sales	100%	100%	100%
Cost of sales	(70.4)	(68.9)	(68.0)
Gross profit	29.6	31.1	32.0
Administrative and selling expenses	(12.1)	(12.3)	(12.0)
Distribution expenses	(8.9)	(8.8)	(9.4)
Total administrative, selling and distribution expenses	(21.0)	(21.1)	(21.4)
Operating earnings before other expenses, net	8.6	10.0	10.6
Other expenses, net	(2.8)	(2.5)	(2.4)
Operating earnings	5.8	7.5	8.2
Financial expense	(9.4)	(10.2)	(10.2)
Other financial income, net	0.5	0.9	1.2
Equity in gain of associates	0.4	0.1	0.1
Loss before income tax	(2.7)	(1.7)	(0.7)
Income taxes	(3.1)	(3.2)	(1.9)
Consolidated net loss	(5.8)	(4.9)	(2.6)
Non-controlling interest net income	0.3	0.6	0.5
Controlling interest net loss	(6.1)	(5.5)	(3.1)

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Year Ended December 31, 2014 Compared to Year Ended December 31, 2013

Summarized in the table below are the percentage (%) increases (+) and decreases (-) for the year ended December 31, 2014 compared to the year ended December 31, 2013 in our domestic cement and ready-mix concrete sales volumes, as well as export sales volumes of cement and domestic cement and ready-mix concrete average sales prices for each of our geographic segments. The table below and the other volume data presented by geographic segment in this “Selected Consolidated Statement of Operations Data” section are presented before eliminations resulting from consolidation (including those shown on note 4 to our 2014 audited consolidated financial statements included elsewhere in this annual report).

Geographic Segment	Domestic Sales Volumes		Export Sales Volumes	Average Domestic Sales Prices in Local Currency(1)	
	Cement	Ready-Mix Concrete	Cement	Cement	Ready-Mix Concrete
Mexico	+2%	+3%	-25%	+2%	+2%
United States	+7%	+2%	—	+6%	+8%
Northern Europe					
United Kingdom	+2%	+1%	—	+1%	+5%
Germany	flat	-1%	+8%	+1%	+2%
France	—	-6%	—	—	-1%
Rest of Northern Europe(2)	+11%	+1%	+26%	-6%	-5%
Mediterranean					
Spain	+2%	+6%	+99%	-5%	+6%
Egypt	-6%	+12%	—	+19%	+18%
Rest of the Mediterranean(3)	+14%	+8%	—	-6%	Flat
South America and the Caribbean					
Colombia	+16%	+14%	—	-4%	+1%
Rest of SAC(4)	-2%	+2%	+7%	-2%	-3%
Asia					
Philippines	+11%	—	-30%	+3%	—
Rest of Asia(5)	+1%	-15%	—	-3%	+7%

“—” = Not Applicable.

- (1) Represents the average change in domestic cement and ready-mix concrete prices in local currency terms. For purposes of a geographic segment consisting of a region, the average prices in local currency terms for each individual country within the region are first translated into U.S. Dollar terms (except for the Rest of Northern Europe and the Rest of the Mediterranean regions, which is translated first into Euros) at the exchange rates in effect as of the end of the reporting period. Variations for a region represent the weighted average change of prices in U.S. Dollar terms (except for the Rest of Northern Europe and the Rest of the Mediterranean regions, which represent the weighted average change of prices in Euros) based on total sales volumes in the region.
- (2) Refers primarily to our operations in the Czech Republic, Austria, Poland, Hungary and Latvia, as well as trading activities in Scandinavia and Finland.
- (3) Includes mainly the operations in Croatia, the UAE and Israel.
- (4) Includes the operations in Costa Rica, Panama, Puerto Rico, the Dominican Republic, Nicaragua, Jamaica and other countries in the Caribbean, Guatemala, and small ready-mix concrete operations in Argentina.
- (5) Includes our operations in Thailand, Bangladesh and Malaysia.

On a consolidated basis, our cement sales volumes increased approximately 5%, from 65.0 million tons in 2013 to 68.0 million tons in 2014, and our ready-mix concrete sales volumes increased approximately 2%, from 54.9 million cubic meters in 2013 to 56.0 million cubic meters in 2014. Our net sales increased approximately 7%, from Ps19.5 billion in 2013 to Ps21.0 billion in 2014, and our operating earnings before other expenses, net, increased approximately 14%, from Ps19.5 billion in 2013 to Ps22.2 billion in 2014.

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The following tables present selected financial information of net sales and operating earnings before other expenses, net, for each of our geographic segments for the years ended December 31, 2014 and 2013. The net sales information in the table below is presented before eliminations resulting from consolidation (including those shown on note 4 to our 2014 audited consolidated financial statements included elsewhere in this annual report). Variations in net sales determined on the basis of Mexican Pesos include the appreciation or depreciation which occurred during the period between the local currencies of the countries in the regions vis-à-vis the Mexican Peso; therefore, such variations differ substantially from those based solely on the countries' local currencies:

Geographic Segment	Variation in Local Currency(1)	Approximate Currency Fluctuations Effects	Variation in Mexican Pesos	Net Sales For the Year Ended December 31,	
				2013	2014
(in millions of Mexican Pesos)					
Mexico	+26%	—	+26%	Ps 40,932	Ps 51,411
United States	+11%	+4%	+15%	42,582	49,127
Northern Europe					
United Kingdom	+9%	+10%	+19%	14,368	17,071
Germany	+1%	+2%	+3%	13,715	14,138
France	-7%	+3%	-4%	13,393	12,914
Rest of Northern Europe(2)	—	+6%	+6%	12,250	12,936
Mediterranean					
Spain	+19%	+3%	+22%	3,856	4,717
Egypt	+14%	+2%	+16%	6,162	7,123
Rest of the Mediterranean(3)	+4%	+3%	+8%	9,517	10,294
South America and the Caribbean					
Colombia	+3%	-3%	flat	13,203	13,242
Rest of SAC(4)	flat	+5%	+5%	15,527	16,292
Asia					
Philippines	+17%	flat	+17%	5,067	5,912
Rest of Asia(5)	-7%	+4%	-3%	2,330	2,263
Others(6)	-25%	+6%	-19%	16,604	13,532
Net sales before eliminations			+10%	Ps 209,506	Ps 230,972
Eliminations from consolidation				(13,845)	(20,949)
Consolidated net sales			+7%	<u>Ps 195,661</u>	<u>Ps 210,023</u>

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Geographic Segment	Variation in Local Currency(1)	Approximate Currency Fluctuations Effects	Variation in Mexican Pesos	Operating Earnings (Loss) Before Other Expenses, Net For the Year Ended December 31,	
				2013	2014
(in millions of Mexican Pesos)					
Mexico	+8%	—	+8%	Ps 10,247	Ps 11,060
United States	+86%	+1%	+87%	(2,906)	(381)
Northern Europe					
United Kingdom	+416%	+27%	+443%	123	668
Germany	+45%	-12%	+33%	183	244
France	-57%	+2%	-55%	742	336
Rest of Northern Europe(2)	+13%	-6%	+7%	421	451
Mediterranean					
Spain	+20%	+3%	+23%	(269)	(208)
Egypt	+13%	+2%	+15%	1,911	2,190
Rest of the Mediterranean(3)	-7%	+2%	-5%	1,109	1,059
South America and the Caribbean					
Colombia	-10%	-2%	-12%	4,964	4,362
Rest of SAC(4)	-1%	+7%	+6%	3,843	4,079
Asia					
Philippines	+19%	+2%	+21%	853	1,036
Rest of Asia(5)	+28%	+8%	+36%	73	99
Others(6)	-28%	-29%	-57%	(1,790)	(2,812)
Operating earnings before other expenses, net			+14%	Ps 19,504	Ps 22,183

“—” = Not Applicable.

- (1) Represents the variation in local currency terms. For purposes of a geographic segment consisting of a region, the variation in local currency terms for each individual country within the region are first translated into U.S. Dollar terms (except for the Rest of Northern Europe and the Rest of the Mediterranean regions, which is translated first into Euros) at the exchange rates in effect as of the end of the reporting period. Variations for a region represent the change in U.S. Dollar terms (except for the Rest of Northern Europe and the Rest of the Mediterranean regions, which represent the change in Euros), net, in the region.
- (2) Refers primarily to our operations in the Czech Republic, Austria, Poland, Hungary and Latvia, as well as trading activities in Scandinavia and Finland.
- (3) Includes mainly the operations in Croatia, the UAE and Israel.
- (4) Includes the operations in Costa Rica, Panama, Puerto Rico, the Dominican Republic, Nicaragua, Jamaica and other countries in the Caribbean, Guatemala, and small ready-mix concrete operations in Argentina.
- (5) Includes our operations in Thailand, Bangladesh and Malaysia.
- (6) Our Others segment refers to: (i) cement trade maritime operations, (ii) our information technology solutions business (Neoris N.V.), (iii) CEMEX, S.A.B. de C.V. and other corporate entities and (iv) other minor subsidiaries with different lines of business.

Net sales

Our consolidated net sales increased approximately 7%, from Ps195.7 billion in 2013 to Ps210.0 billion in 2014. The increase was primarily attributable to higher prices of our products, in local currency terms, in most of our operations, as well as higher volumes in Mexico, the United States, the United Kingdom and our Mediterranean, South and Central America and the Caribbean and Asia regions. Set forth below is a quantitative and qualitative analysis of the various factors affecting our net sales on a geographic segment basis. The discussion of volume data and net sales information below is presented before eliminations resulting from consolidation as described in note 4 to our 2014 audited consolidated financial statements included elsewhere in this annual report.

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Mexico

Our domestic cement sales volumes from our operations in Mexico increased approximately 2% in 2014 compared to 2013, and ready-mix concrete sales volumes increased approximately 3% over the same period. Our net sales from our operations in Mexico represented approximately 22% of our total net sales for the year ended December 31, 2014, in Mexican Peso terms, before eliminations resulting from consolidation. The increases in domestic cement and ready-mix concrete sales volumes were primarily attributable to an increase in the demand for our products driven by higher activity in the formal residential and the industrial-and-commercial sectors. In addition, increased activity in the infrastructure sector supported by the continued strong levels of public investment, and a recovery in the informal residential sector driven by improved macroeconomic indicators such as job creation and remittances, also contributed to the increase in domestic cement and ready-mix concrete sales volumes. Our cement export volumes of our operations in Mexico, which represented approximately 5% of our Mexican cement sales volumes for the year ended December 31, 2014, decreased approximately 25% in 2014 compared to 2013, primarily as a result of lower export volumes to South America. Of our total cement export volumes from our operations in Mexico during 2014, approximately 29% was shipped to the United States, approximately 35% to Central America and the Caribbean and approximately 36% to South America. Our average sales price of domestic cement from our operations in Mexico increased approximately 2%, in Mexican Peso terms, in 2014 compared to 2013, and our average sales price of ready-mix concrete also increased approximately 2%, in Mexican Peso terms, over the same period. For the year ended December 31, 2014, cement represented approximately 53%, ready-mix concrete approximately 24% and our aggregates and other businesses approximately 23% of our net sales from our operations in Mexico before intra-sector eliminations within the segment and before eliminations from consolidation, as applicable.

As a result of the increases in domestic cement and ready-mix concrete sales volumes and average sales prices, our net sales in Mexico, in Mexican Peso terms, increased approximately 26% in 2014 compared to 2013.

United States

Our domestic cement sales volumes from our operations in the United States increased approximately 7% in 2014 compared to 2013, and ready-mix concrete sales volumes increased approximately 2% over the same period. The increases in domestic cement and ready-mix concrete sales volumes of our operations in the U.S. resulted primarily from an increased demand in most of our U.S. markets. The industrial-and-commercial sector and the residential sector were the main drivers for volume growth. Office, hotels and manufacturing construction activity contributed favorably to the performance of the industrial-and-commercial sector. Activity in the residential sector was driven mainly by the multi-family segment supported by positive fundamentals such as large pent-up demand, relatively high affordability, and low levels of inventories. Our operations in the United States represented approximately 21% of our total net sales for the year ended December 31, 2014, in Mexican Peso terms, before eliminations resulting from consolidation. Our average domestic cement sales prices of our operations in the United States increased approximately 6%, in U.S. Dollar terms, in 2014 compared to 2013, and our average ready-mix concrete sales price increased approximately 8%, in U.S. Dollar terms, over the same period. For the year ended December 31, 2014, cement represented approximately 29%, ready-mix concrete approximately 35% and our aggregates and other businesses approximately 36% of net sales from our operations in the United States before intra-sector eliminations within the segment and before eliminations from consolidation, as applicable.

As a result of the increases in domestic cement and ready-mix concrete sales volumes and average sales prices, net sales from our operations in the United States, in U.S. Dollar terms, increased approximately 11% in 2014 compared to 2013.

Northern Europe

In 2014, our operations in the Northern Europe region consisted of our operations in the United Kingdom, Germany and France, which represent the most significant operations in this region, in addition to our Rest of Northern Europe segment, which refers primarily to our operations in the Czech Republic, Austria, Poland,

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Hungary and Latvia, as well as trading activities in Scandinavia and Finland. Our net sales from our operations in the Northern Europe region represented approximately 25% of our total net sales for the year ended December 31, 2014, in Mexican Peso terms, before eliminations resulting from consolidation. As of December 31, 2014, our operations in the Northern Europe region represented approximately 14% of our total assets. Set forth below is a quantitative and qualitative analysis of the effects of the various factors affecting our net sales for our main operations in the Northern Europe region. See “Item 5—Operating and Financial Review and Prospects—Recent Developments Relating to Our Operations—CEMEX and Holcim Close a Series of Transactions in Europe.”

United Kingdom

Our domestic cement sales volumes from our operations in the United Kingdom increased approximately 2% in 2014 compared to 2013, and ready-mix concrete sales volumes increased approximately 1% over the same period. The increases in domestic cement and ready-mix concrete sales volumes resulted primarily from the increased activity in the residential sector that continued to grow, at a more moderate rate, supported by a rise in consumer confidence and government incentives to promote home ownership. The industrial-and-commercial sector performed favorably during 2014 driven by office construction in large cities. Our operations in the United Kingdom represented approximately 7% of our total net sales for the year ended December 31, 2014, in Mexican Peso terms, before eliminations resulting from consolidation. Our average sales price of domestic cement from our operations in the United Kingdom increased approximately 1%, in Pound terms, in 2014 compared to 2013, and our average sales price of ready-mix concrete increased approximately 5%, in Pound terms, over the same period. For the year ended December 31, 2014, cement represented approximately 16%, ready-mix concrete approximately 27% and our aggregates and other businesses approximately 57% of net sales from our operations in the United Kingdom before intra-sector eliminations within the segment and before eliminations from consolidation, as applicable.

As a result of the increases in domestic cement and ready-mix concrete sales volumes and average sales prices, net sales from our operations in the United Kingdom, in Pound terms, increased approximately 9% in 2014 compared to 2013.

Germany

Our domestic cement sales volumes from our operations in Germany remained flat in 2014 compared to 2013, and ready-mix concrete sales volumes decreased approximately 1% over the same period. The decrease in our ready-mix concrete sales volumes reflects the general change in the economic outlook, as well as some construction-workforce constraints. The residential sector continued to benefit from low levels of unemployment and mortgage rates despite land availability and regulatory caps in rental increases. A growth in wages and net immigration also contributed to housing demand. In the industrial-and-commercial sector, there have been postponements and cancellations of projects. Our cement export volumes of our operations in Germany, which represented approximately 31% of our Germany cement sales volumes for the year ended December 31, 2014, increased approximately 8% in 2014 compared to 2013, primarily as a result of higher export volumes to Europe. Our operations in Germany represented approximately 6% of our total net sales for the year ended December 31, 2014, in Mexican Peso terms, before eliminations resulting from consolidation. Our average sales price of domestic cement from our operations in Germany increased approximately 1%, in Euro terms, in 2014 compared to 2013, and our average sales price of ready-mix concrete increased approximately 2%, in Euro terms, over the same period. For the year ended December 31, 2014, cement represented approximately 27%, ready-mix concrete approximately 37% and our aggregates and other businesses approximately 36% of net sales from our operations in Germany before intra-sector eliminations within the segment and before eliminations from consolidation, as applicable.

As a result of the increases in domestic cement and ready-mix concrete average sales prices, partially offset by a decrease in ready-mix concrete sales volumes, net sales from our operations in Germany, in Euro terms, increased approximately 1% in 2014 compared to 2013.

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France

Our ready-mix concrete sales volumes from our operations in France decreased approximately 6% in 2014 compared to 2013. The decrease in ready-mix concrete sales volumes resulted primarily from the deterioration of the French economy. In the infrastructure sector, activity slowed down due to public financing constraints and the cancellation or postponement of some projects due to the government's deficit reduction objectives; however, the sector continues to be supported by a number of ongoing highway and high-speed-railway projects that started in 2012. The performance of the residential sector continues to be affected by high levels of unemployment, loss of buying power and a less attractive buy-to-let program. Our operations in France represented approximately 6% of our total net sales for the year ended December 31, 2014, in Mexican Peso terms, before eliminations resulting from consolidation. Our average sales price of ready-mix concrete of our operations in France decreased approximately 1%, in Euro terms, in 2014 compared to 2013. For the year ended December 31, 2014, ready-mix concrete represented approximately 69% and our aggregates and other businesses approximately 31% of net sales from our operations in France before intra-sector eliminations within the segment and before eliminations from consolidation, as applicable.

As a result of the decreases in ready-mix concrete sales volumes and average sales price, net sales from our operations in France, in Euro terms, decreased approximately 7% in 2014 compared to 2013.

Rest of Northern Europe

In 2014, our operations in our Rest of Northern Europe segment consisted primarily of our operations in the Czech Republic, Austria, Poland, Hungary and Latvia, as well as trading activities in Scandinavia and Finland. Our domestic cement sales volumes of our operations in our Rest of Northern Europe segment increased approximately 11% in 2014 compared to 2013, and ready-mix concrete sales volumes increased approximately 1% over the same period. The increase in domestic cement volumes resulted primarily from an increase in sales volumes in our Poland operations. Our cement export volumes of our operations in the Rest of Northern Europe, which represented approximately 27% of our Rest of Northern Europe cement sales volumes for the year ended December 31, 2014, increased approximately 26% in 2014 compared to 2013, primarily as a result of higher export volumes to Europe and Asia. Our net sales from our operations in our Rest of Northern Europe segment represented approximately 6% of our total net sales for the year ended December 31, 2014, in Mexican Peso terms, before eliminations resulting from consolidation. Our average sales price of domestic cement from our operations in our Rest of Northern Europe segment decreased approximately 6%, in Euro terms, in 2014 compared to 2013, and our average sales price of ready-mix concrete decreased approximately 5%, in Euro terms, over the same period. For the year ended December 31, 2014, cement represented approximately 37%, ready-mix concrete approximately 40% and our aggregates and other businesses approximately 23% of net sales from our operations in our Rest of Northern Europe segment before intra-sector eliminations within the segment and before eliminations resulting from consolidation, as applicable.

As a result of the increases in domestic cement and ready-mix concrete sales volumes, completely offset by decreased in domestic cement and ready-mix concrete average sales prices, net sales in our Rest of Northern Europe segment, in Euro terms, remained flat in 2014 compared to 2013.

The Mediterranean

In 2014, our operations in the Mediterranean region consisted of our operations in Spain and Egypt, which represent the most significant operations in this region, in addition to our Rest of the Mediterranean segment, which includes mainly our operations in Croatia, the UAE and Israel. Our net sales from our operations in the Mediterranean region represented approximately 9% of our total net sales for the year ended December 31, 2014, in Mexican Peso terms, before eliminations resulting from consolidation. As of December 31, 2014, our operations in the Mediterranean region represented approximately 8% of our total assets. Set forth below is a quantitative and qualitative analysis of the effects of the various factors affecting our net sales for our main operations in the Mediterranean region.

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Spain

Our domestic cement sales volumes from our operations in Spain increased approximately 2% in 2014 compared to 2013, while ready-mix concrete sales volumes increased approximately 6% over the same period. The increases in domestic cement and ready-mix concrete sales volumes resulted primarily from the activity in the residential sector that continues to improve supported by macroeconomic and better credit conditions in the country. In addition, the increase in public biddings started to reflect in activity in the infrastructure sector. Our operations in Spain represented approximately 2% of our total net sales for the year ended December 31, 2014, in Mexican Peso terms, before eliminations resulting from consolidation. Our cement export volumes of our operations in Spain, which represented approximately 64% of our Spain cement sales volumes for the year ended December 31, 2014, increased approximately 99% in 2014 compared to 2013, primarily as a result of higher export volumes to Africa and Europe. Of our total cement export volumes of our operations in Spain during 2014, approximately 4% were to Central America and the Caribbean, approximately 9% were to South America, approximately 36% were to Europe and to the Middle East and approximately 51% were to Africa. Our average sales price of domestic cement of our operations in Spain decreased approximately 5%, in Euro terms, in 2014 compared to 2013, and our average sales price of ready-mix concrete increased approximately 6%, in Euro terms, over the same period. For the year ended December 31, 2014, cement represented approximately 75%, ready-mix concrete approximately 15% and our aggregates and other businesses approximately 10% of net sales from our operations in Spain before intra-sector eliminations within the segment and before eliminations from consolidation, as applicable.

As a result of the increases in domestic cement and ready-mix concrete sales volumes and the average ready-mix-concrete sales price, partially offset by a decrease in the average domestic cement sales price, net sales from our operations in Spain, in Euro terms, increased approximately 19% in 2014 compared to 2013.

Egypt

Our domestic cement sales volumes from our operations in Egypt decreased approximately 6% in 2014 compared to 2013, while ready-mix concrete sales volumes increased approximately 12% over the same period. The decrease in domestic cement sales volumes resulted primarily from electricity shortages and the increased cement-production capacity in the country. The informal sector continues to be the main driver of demand for our products. In addition, the formal residential sector continued to see increased activity. Our net sales from our operations in Egypt represented approximately 3% of our total net sales for the year ended December 31, 2014, in Mexican Peso terms. Our average sales price of domestic cement increased approximately 19%, in Egyptian pound terms, in 2014 compared to 2013, and our average sales price of ready-mix concrete increased approximately 18%, in Egyptian pound terms, over the same period. For the year ended December 31, 2014, cement represented approximately 88%, ready-mix concrete approximately 7% and our aggregates and other businesses approximately 5% of net sales from our operations in Egypt before intra-sector eliminations within the segment and before eliminations from consolidation, as applicable.

As a result of the increases in ready-mix concrete sales volumes and domestic cement and ready-mix concrete average sales prices, partially offset by a decrease in domestic cement sales volumes, our net sales in Egypt, in Egyptian pound terms, increased approximately 14% in 2014 compared to 2013.

Rest of the Mediterranean

In 2014, our operations in our Rest of the Mediterranean segment consisted mainly of our operations in Croatia, the UAE and Israel. Our domestic cement sales volumes of our operations in our Rest of the Mediterranean segment increased approximately 14% in 2014 compared to 2013, and ready-mix concrete sales volumes increased approximately 8% over the same period. The increases in domestic cement and ready-mix concrete sale volumes resulted primarily from increased levels of activity in the infrastructure and residential sectors in Israel and increased levels of construction in the UAE. Our cement export volumes of our operations in

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the Rest of the Mediterranean, which represented approximately 42% of our Rest of the Mediterranean cement sales volumes for the year ended December 31, 2014, increased approximately 2% in 2014 compared to 2013, primarily as a result of higher export volumes to the Middle East, partially offset by lower export volumes to Europe. Our net sales from our operations in our Rest of the Mediterranean segment represented approximately 4% of our total net sales for the year ended December 31, 2014, in Mexican Peso terms, before eliminations resulting from consolidation. Our average sales price of domestic cement from our operations in our Rest of the Mediterranean decreased approximately 6%, in Euro terms, in 2014 compared to 2013, and our average sales price of ready-mix concrete remained flat in Euro terms, over the same period. For the year ended December 31, 2014, cement represented approximately 19%, ready-mix concrete approximately 58% and our aggregates and other businesses approximately 23% of our net sales from our operations in our Rest of the Mediterranean segment before intra-sector eliminations within the segment and before eliminations resulting from consolidation, as applicable.

As a result of the increases in domestic cement and ready-mix concrete sales volumes, partially offset by a decrease in the domestic cement average sales price, net sales in our Rest of the Mediterranean segment, in Euro terms, increased approximately 4% in 2014 compared to 2013.

South America and the Caribbean

In 2014, our operations in the South America and the Caribbean region consisted of our operations in Colombia, which represents the most significant operations in this region, in addition to our Rest of South America and the Caribbean segment, which includes our operations in Costa Rica, Guatemala, Panama, Nicaragua, Puerto Rico, the Dominican Republic, Jamaica and other countries in the Caribbean, as well as small ready-mix concrete operations in Argentina. Some of these trading operations in the Caribbean region consist of the resale of cement produced by our operations in Mexico. Our net sales from our operations in the South America and the Caribbean region represented approximately 13% of our total net sales for the year ended December 31, 2014, in Mexican Peso terms, before eliminations resulting from consolidation. As of December 31, 2014, our operations in the South America and the Caribbean region represented approximately 7% of our total assets. Set forth below is a quantitative and qualitative analysis of the effects of the various factors affecting our net sales for our main operations in the South America and the Caribbean region.

Colombia

Our domestic cement sales volumes from our operations in Colombia increased approximately 16% in 2014 compared to 2013, and ready-mix concrete sales volumes increased approximately 14% over the same period. The increases in domestic cement and ready-mix concrete sales volumes resulted primarily from increased demand in all sectors. The residential sector, including self-construction and formal housing, continued its positive trend. Infrastructure remained also an important driver for demand of our products with the execution of several ongoing highway projects. The industrial-and-commercial sector continued with a strong performance driven by office and commercial buildings. Our net sales from our operations in Colombia represented approximately 6% of our total net sales for the year ended December 31, 2014, in Mexican Peso terms, before eliminations resulting from consolidation. Our average sales price of domestic cement from our operations in Colombia decreased approximately 4%, in Colombian Peso terms, in 2014 compared to 2013, and our average sales price of ready-mix concrete increased approximately 1%, in Colombian Peso terms, over the same period. For the year ended December 31, 2014, cement represented approximately 57%, ready-mix concrete approximately 30% and our aggregates and other businesses approximately 13% of our net sales from our operations in Colombia before intra-sector eliminations within the segment and before eliminations from consolidation, as applicable.

As a result of the increases in domestic cement and ready-mix concrete sales volumes and the average in ready-mix concrete sales price, partially offset by a decrease in the average domestic cement sales price, net sales of our operations in Colombia, in Colombian Peso terms, increased approximately 3% in 2014 compared to 2013.

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Rest of South America and the Caribbean

For the year ended December 31, 2014, our operations in our Rest of South America and the Caribbean segment included our operations in Costa Rica, Guatemala, Panama, Nicaragua, Puerto Rico, the Dominican Republic, Jamaica and other countries in the Caribbean, and small ready-mix concrete operations in Argentina. Our domestic cement volumes from our operations in our Rest of South America and the Caribbean segment decreased approximately 2% in 2014 compared to 2013, and ready-mix concrete sales volumes increased approximately 2%, over the same period. The decrease in domestic cement sales volumes resulted primarily from a decrease in our sales volumes in our operations in Panama, while the increase in our ready-mix concrete sales volumes resulted primarily from an increase in our sales volumes in our operations in the Dominican Republic. Our net sales from our operations in our Rest of South America and the Caribbean segment represented approximately 7% of our total net sales for the year ended December 31, 2014, in Mexican Peso terms, before eliminations resulting from consolidation. Our average sales price of domestic cement from our operations in our Rest of South America and the Caribbean segment decreased approximately 2% in U.S. Dollar terms, in 2014 compared to 2013, and our average sales price of ready-mix concrete decreased approximately 3%, in U.S. Dollar terms, over the same period. For the year ended December 31, 2014, cement represented approximately 73%, ready-mix concrete approximately 19% and our other businesses approximately 8% of net sales from our operations in our Rest of South America and the Caribbean segment before intra-sector eliminations within the segment and before eliminations from consolidation, as applicable.

As a result of the decreases in domestic cement sales volumes and domestic cement and ready-mix concrete average sales volumes, completely offset by an increase of ready-mix concrete sales price, net sales of our operations in our Rest of South America and the Caribbean segment, in U.S. Dollar terms, remained flat in 2014 compared to 2013.

Asia

For the year ended December 31, 2014, our operations in the Asia region consisted of our operations in the Philippines, which represent the most significant operations in this region, in addition to our Rest of Asia segment, which includes our operations in Thailand, Bangladesh and Malaysia. Our net sales from our operations in the Asia region represented approximately 5% of our total net sales for the year ended December 31, 2014, in Mexican Peso terms, before eliminations resulting from consolidation. As of December 31, 2014, our operations in the Asia region represented approximately 2% of our total assets. Set forth below is a quantitative and qualitative analysis of the effects of the various factors affecting our net sales for our main operations in the Asia region.

The Philippines

Our domestic cement sales volumes from our operations in the Philippines increased approximately 11% in 2014 compared to 2013. The increase in our domestic cement sales volumes resulted primarily from strong public and private spending and also reflect the introduction of the new cement-grinding mill at the end of the year. Favorable economic conditions such as stable levels of inflation and mortgage rates, and healthy remittances inflows continue to support the activity in the residential sector. Increased investor confidence contributed to the positive performance of the industrial-and-commercial sector during 2014 supported by different industries including manufacturing, automotive, business process outsourcing, gaming and hospitality, among others. Investment in the infrastructure sector has increased, although at a moderate pace reflecting a slow implementation of projects. In addition, the infrastructure and industrial-and-commercial sectors continued with their positive performance. Our cement export volumes of our operations in Philippines, which represented approximately 1% of our Philippines cement sales volumes for the year ended December 31, 2014, decreased approximately 30% in 2014 compared to 2013, primarily as a result of lower export volumes to the Asia region. Our net sales from our operations in the Philippines represented approximately 3% of our total net sales for the year ended December 31, 2014, in Mexican Peso terms, before eliminations resulting from consolidation. Our average sales price of domestic cement from our operations in the Philippines increased approximately 3% in

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Philippine Peso terms, in 2014 compared to 2013. For the year ended December 31, 2014, cement represented approximately 99% of our net sales from our operations in the Philippines before intra-sector eliminations within the segment and before eliminations from consolidation, as applicable.

As a result of the increases in domestic cement sales volumes and average sales price, net sales of our operations in the Philippines, in Philippine Peso terms, increased approximately 17% in 2014 compared to 2013.

Rest of Asia

For the year ended December 31, 2014, our operations in our Rest of Asia segment included our operations in Thailand, Bangladesh and Malaysia. Our domestic cement sales volumes from our operations in our Rest of Asia segment increased approximately 1% in 2014 compared to 2013, and ready-mix concrete sales volumes decreased approximately 15% over the same period. The decrease in ready-mix concrete sales volumes resulted primarily from the fact that we consolidated the results of our operations in China for the full year in 2013 while we only consolidated such results through August 31st in 2014. Our net sales from our operations in our Rest of Asia segment represented approximately 2% of our total net sales for the year ended December 31, 2014, in Mexican Peso terms, before eliminations resulting from consolidation. Our average sales price of domestic cement decreased approximately 3% in U.S. Dollar terms, in 2014 compared to 2013, and the average sales price of ready-mix concrete increased approximately 7%, in U.S. Dollar terms, over the same period. For the year ended December 31, 2014, cement represented approximately 44%, the average ready-mix concrete approximately 48% and our other businesses approximately 8% of net sales from our operations in our Rest of Asia segment before intra-sector eliminations within the segment and before eliminations from consolidation, as applicable.

As a result of the decreases in ready-mix concrete sales volumes and the average domestic cement sales price, partially offset by an increase in domestic cement sales volumes and ready-mix concrete sales price, net sales from our operations in our Rest of Asia segment, in U.S. Dollar terms, decreased approximately 7% in 2014 compared to 2013.

Others

Our Others segment refers to: (i) cement trade maritime operations, (ii) our information technology solutions business (Neoris N.V.), (iii) CEMEX, S.A.B. de C.V. and other corporate entities and (iv) other minor subsidiaries with different lines of business. Net sales from our Others segment decreased approximately 25% before intra-sector eliminations within the segment and before eliminations from consolidation, as applicable, in 2014 compared to 2013, in U.S. Dollar terms. The decrease in net sales in our Others segment primarily was a result of a decrease in our worldwide cement volumes of our trading operations. For the year ended December 31, 2014, our information technology solutions company represented approximately 35% and our trading operations represented approximately 31% of our net sales in our Others segment, in U.S. Dollar terms.

Cost of Sales. Our cost of sales, including depreciation, increased approximately 6% from Ps134.8 billion in 2013 to Ps142.7 billion in 2014. As a percentage of net sales, cost of sales decreased from 68.9% in 2013 to 68.0% in 2014. The decrease in cost of sales as a percentage of net sales was mainly driven by our improvement on operating efficiencies and product mix. Our cost of sales includes freight expenses of raw materials used in our producing plants and delivery expenses of our ready-mix concrete business.

Gross Profit. For the reasons explained above, our gross profit increased approximately 10% from approximately Ps60.9 billion in 2013 to approximately Ps67.3 billion in 2014. As a percentage of net sales, gross profit increased from approximately 31.1% in 2013 to 32.0% in 2014. In addition, our gross profit may not be directly comparable to those of other entities that include all their freight expenses in cost of sales. As described above, we include freight expenses of finished products from our producing plants to our points of sale and from our points of sale to our customers' locations within distribution expenses, which in aggregate represented costs of approximately Ps17.2 billion in 2013 and approximately Ps19.8 billion in 2014.

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Administrative, selling and distribution expenses. Our administrative, selling and distribution expenses increased approximately 9%, from approximately Ps41.3 billion in 2013 to approximately Ps45.1 billion in 2014. As a percentage of net sales, administrative, selling and distribution expenses increased from approximately 21.2% in 2013 to 21.5% in 2014. Our administrative, selling and distribution expenses includes (i) expenses related to personnel and equipment comprising our selling network and those expenses related to warehousing at the points of sale, which were included as part of our administrative and selling expenses line item in the amount of approximately Ps8.1 billion in 2013 and Ps6.2 billion in 2014; and (ii) freight expenses of finished products from our producing plants to our points of sale and from our points of sale to our customers' facilities, which were included as part of our distribution expenses line item and which, for the years ended December 31, 2013 and 2014, represented Ps17.2 billion and Ps19.8 billion, respectively.

Operating Earnings Before Other Expenses, Net. For the reasons mentioned above, our operating earnings before other expenses, net increased approximately 14% from approximately Ps19.5 billion in 2013 to approximately Ps22.2 billion in 2014. As a percentage of net sales, operating earnings before other expenses, net increased from approximately 10.0% in 2013 to 10.6% in 2014. Additionally, set forth below is a quantitative and qualitative analysis of the effects of the various factors affecting our operating earnings before other expenses, net on a geographic segment basis.

Mexico

Our operating earnings before other expenses, net, from our operations in Mexico increased approximately 8%, in Mexican Peso terms, from operating earnings before other expenses, net, of approximately Ps10.3 billion in 2013 to operating earnings before other expenses, net, of approximately Ps11.1 billion in 2014. The increase resulted primarily from the increases in domestic cement and ready-mix concrete sales volumes and average sales prices driven by higher activity in the formal residential, industrial-and-commercial and infrastructure sectors.

United States

Our operating loss before other expenses, net, from our operations in the United States decreased approximately 86% in U.S. Dollar terms. The decrease in operating loss before other expenses net, resulted primarily from the increases in domestic cement and ready-mix concrete sales volumes and average sales prices and by our continuous improvement operating efficiencies.

Northern Europe

United Kingdom

Our operating earnings before other expenses, net, from our operations in the United Kingdom increased significantly in Pound terms. The increase resulted primarily from increases in domestic cement and ready-mix concrete sales volumes and average sales prices supported by favorable performance in the residential and industrial-and-commercial sectors.

Germany

Our operating earnings before other expenses, net, from our operations in Germany increased 45% in Euro terms. The increase resulted primarily from the increases in cement and ready-mix concrete sales average sales prices as a result of housing demand in the residential sector.

France

Our operating earnings before other expenses, net, from our operations in France decreased approximately 57% in Euro terms. The decrease resulted primarily by the decreases in ready-mix concrete sales volumes and average sales price affected by the deterioration of the economy that has mainly slowed down the activity in the infrastructure and residential sectors.

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Rest of Northern Europe

Our operating earnings before other expenses, net, from our operations in our Rest of Northern Europe segment increased approximately 13% in Euro terms. The increase resulted primarily from the increases in domestic cement and ready-mix concrete sales volumes, supported by the infrastructure and industrial-and-commercial sectors.

The Mediterranean

Spain

Our operating loss before other expenses, net, from our operations in Spain increased approximately 20% in Euro terms. The increase in the operating loss before other expenses, net, resulted primarily from the increases in domestic cement and ready-mix concrete sales volumes and the average ready-mix concrete sales price as a result of the improvement in the residential and infrastructure sectors.

Egypt

Our operating earnings before other expenses, net, from our operations in Egypt increased 13% in Egypt Pound terms. The increase resulted primarily from the increases in ready-mix concrete sales volumes and domestic cement and ready-mix concrete average sales prices, partially offset by a decrease in domestic cement volumes.

Rest of the Mediterranean

Our operating earnings before other expenses, net, from our operations in our Rest of the Mediterranean segment decreased approximately 7% in Euro terms. The decrease resulted primarily from lower domestic cement and ready-mix concrete sales volumes in Croatia and Israel, partially offset by our operating results in UAE.

South America and the Caribbean

Colombia

Our operating earnings before other expenses, net, from our operations in Colombia decreased approximately 10% in Colombian Peso terms. The decrease resulted primarily from an increase in our Colombian cost of sales, mainly from higher production and maintenance costs.

Rest of South America and the Caribbean

Our operating earnings before other expenses, net, from our operations in our Rest of South America and the Caribbean segment decreased approximately 1% in U.S. Dollar terms. The decrease resulted primarily from the decreases in domestic cement volumes and domestic cement and ready-mix concrete average sales prices and from an increase in our Dominican Republic cost of sales.

Asia

The Philippines

Our operating earnings before other expenses, net, from our operations in the Philippines increased approximately 19% in Philippine Peso terms. The increase resulted primarily from the increases in domestic cement sales volumes and average sales prices and was driven mainly by strong public and private spending and favorable economic conditions that had a positive impact in all of our markets in the country.

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Rest of Asia

Our operating earnings before other expenses, net, from our operations in our Rest of Asia segment increased approximately 28% in U.S. Dollar terms. The increase resulted primarily from an increase in ready-mix concrete sales volumes.

Others

Our operating loss before other expenses, net, from our operations in our Others segment increased approximately 28% in U.S. Dollar terms. The increase in our operating loss resulted primarily from a decrease in trading operations and others, such as transport and concrete multiproducts.

Other Expenses, Net. Our other expenses, net, increased approximately 5%, in Mexican Peso terms, from approximately Ps4.9 billion in 2013 to approximately Ps5.1 billion in 2014. The increase resulted primarily from impairment losses from assets held for sale.

The most significant items included under this caption for the years ended December 31, 2013 and 2014 are as follows:

	For the Year Ended December 31,	
	2013	2014
	(in millions of Mexican Pesos)	
Impairment losses and effects from assets held for sale	Ps(1,591)	Ps(3,867)
Restructuring costs	(963)	(546)
Charitable contributions	(25)	(18)
Results from sales of assets and others, net	(2,324)	(697)
	<u>Ps(4,903)</u>	<u>Ps(5,128)</u>

Financial Items

Pursuant to IFRS, financial items include:

- financial or interest expense on borrowed funds;
- financial income on cash and cash equivalents;
- changes in the fair value resulting from the valuation of financial instruments, including derivative instruments and marketable securities;
- foreign exchange gains or losses associated with monetary assets and liabilities denominated in foreign currencies; and
- accretion result from assets and liabilities and others.

	Year Ended December 31,	
	2013	2014
	(in millions of Mexican Pesos)	
Financial items:		
Financial expense	Ps(19,937)	Ps(21,504)
Other financial income, net:		
Financial income	424	324
Results from financial instruments	2,075	(874)
Foreign exchange results	57	3,920
Effects of net present value on assets and liabilities and others, net	(850)	(875)
	<u>Ps(18,231)</u>	<u>Ps(19,009)</u>

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Our financial items in 2014, which comprises financial expense and other financial income, net, as reported in our statements of operations, increased 4% from a loss of approximately Ps18.2 billion in 2013 to a loss of approximately Ps19.0 billion in 2014. The components of the change are shown above.

Our financial expense increased approximately 8%, from approximately Ps19.9 billion in 2013 to approximately Ps21.5 billion in 2014, primarily attributable to premium payments, partially offset by lower interest rates on our financial debt.

Our other financial income, net decreased approximately 24%, from Ps424 million in 2013 to Ps324 million in 2014. Our result from financial instruments decreased significantly from a gain of approximately Ps2,075 million in 2013 to a loss of approximately Ps874 million in 2014, primarily attributable to derivatives related to CEMEX shares. Our foreign exchange result increased significantly, from a gain of approximately Ps57 million in 2013 to a gain of approximately Ps3.9 billion in 2014. The increase was primarily attributable to the fluctuation of the Mexican Peso against the U.S. Dollar. The accretion expense, which represents the effects on our net assets and liabilities recognized at amortized cost due to the passage of time, increased by approximately 3% from an expense of approximately Ps850 million in 2013 to an expense of Ps875 million in 2014.

Derivative Financial Instruments. For the years ended December 31, 2013 and 2014, our derivative financial instruments that had a potential impact on our other financial income consisted of equity forward in third-party shares contracts, interest rate swaps contracts derivatives related to energy projects, conversion options embedded in the March 2015 Optional Convertible Subordinated U.S. Dollar Notes and the March 2016 and March 2018 Optional Convertible Subordinated U.S. Dollar Notes until December 31, 2012 and since then, the conversion option embedded in the November 2019 Mandatory Convertible Mexican Peso Notes, as discussed in note 16D to our 2014 audited consolidated financial statements included elsewhere in this annual report.

For the year ended December 31, 2014, our loss from our financial instruments decreased significantly for the reasons described above. See “Item 5—Operating and Financial Review and Prospects—Liquidity and Capital Resources—Our Equity Forward Arrangements.”

Income Taxes. Our income tax effect in the statement of operations, which is primarily comprised of current income taxes plus deferred income taxes, decreased approximately 35% from an expense of approximately Ps6.2 billion in 2013 to an expense of Ps4.0 billion in 2014.

The decrease in the income tax expense is mainly attributable to current income taxes, which decreased from an expense of approximately Ps14.2 billion in 2013 to an expense of approximately Ps4.2 billion in 2014, resulting primarily from the absence of no material negative effects related to the consolidation regime in Mexico in 2014 compared to 2013.

Our deferred tax expense decreased from an income of approximately Ps8.0 billion in 2013 to an income of approximately Ps195 million in 2014. Our deferred tax benefit decrease was primarily attributable to the changes in income tax rates in some of the countries where CEMEX operates. See notes 19B and 19D to our 2014 audited consolidated financial statements included elsewhere in this annual report.

For each of the years ended December 31, 2013 and 2014, our approximate statutory income tax rate was 30%. Our effective tax rate in 2013 resulted in a negative tax rate of 182.6%, considering a loss before income tax of approximately Ps3.4 billion, while our effective tax rate in 2014 resulted in a negative tax rate of 242.7%, considering a loss before income tax of approximately Ps1.7 billion. See “Item 3—Key Information—Risk Factors—Certain tax matters may have an adverse effect on our cash flow, financial condition and net income.”

Consolidated Net Loss. For the reasons described above, our consolidated net loss (before deducting the portion allocable to non-controlling interest) for 2014 decreased 41%, from a consolidated net loss of approximately Ps9.6 billion in 2013 to a consolidated net loss of approximately Ps5.7 billion in 2014.

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Non-controlling Interest Net Income. Changes in non-controlling interest net income in any period reflect changes in the percentage of the stock of our subsidiaries held by non-associated third-parties as of the end of each month during the relevant period and the consolidated net loss attributable to those subsidiaries. Non-controlling interest net income decreased, from a gain of Ps1.2 billion in 2013 to a gain of Ps1.1 billion in 2014, primarily attributable to a decrease in the net income of the consolidated entities in which others have a non-controlling interest.

Controlling Interest Net Loss. Controlling interest net loss represents the difference between our consolidated net loss and non-controlling interest net income, which is the portion of our consolidated net loss attributable to those of our subsidiaries in which non-associated third-parties hold interests. For the reasons described above, our controlling interest net loss decreased 37%, from a net loss of approximately Ps10.8 billion in 2013 to a controlling interest net loss of approximately Ps6.8 billion in 2014.

Year Ended December 31, 2013 Compared to Year Ended December 31, 2012

Summarized in the table below are the percentage (%) increases (+) and decreases (-) for the year ended December 31, 2013 compared to the year ended December 31, 2012 in our domestic cement and ready-mix concrete sales volumes, as well as export sales volumes of cement and domestic cement and ready-mix concrete average prices for each of our geographic segments. The table below and the other volume data presented by geographic segment in this “— Selected Consolidated Statement of Operations Data” section are presented before eliminations resulting from consolidation (including those shown on note 4 to our 2013 audited consolidated financial statements included elsewhere in this annual report).

Geographic Segment	Domestic Sales Volumes		Export Sales Volumes	Average Domestic Prices in Local Currency(1)	
	Cement	Ready-Mix Concrete	Cement	Cement	Ready-Mix Concrete
Mexico	-8%	-6%	+6%	-3%	Flat
United States	+5%	+8%	—	+3%	+6%
Northern Europe					
United Kingdom	+7%	+4%	—	-3%	+2%
Germany	+1%	-4%	-9%	-1%	+5%
France	—	-6%	—	—	+2%
Rest of Northern Europe(2)	-10%	-4%	-7%	+5%	+1%
Mediterranean					
Spain	-28%	-27%	-13%	+5%	-5%
Egypt	+7%	-11%	—	+14%	+15%
Rest of the Mediterranean(3)	-2%	+15%	+100%	-2%	+8%
SAC					
Colombia	+1%	+8%	—	+5%	+8%
Rest of SAC(4)	+5%	-4%	—	-2%	+4%
Asia					
Philippines	+8%	—	-28%	+5%	—
Rest of Asia(5)	-4%	-12%	—	+9%	+4%

N/A = Not Applicable

- (1) Represents the average change in domestic cement and ready-mix concrete prices in local currency terms. For purposes of a geographic segment consisting of a region, the average prices in local currency terms for each individual country within the region are first translated into U.S. Dollar terms (except for the Rest of Northern Europe and the Rest of the Mediterranean regions, which is translated first into Euros) at the exchange rates in effect as of the end of the reporting period. Variations for a region represent the weighted average change of prices in U.S. Dollar terms (except for the Rest of Northern Europe and the Rest of the Mediterranean regions, which represent the weighted average change of prices in Euros) based on total sales volumes in the region.

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- (2) Refers primarily to operations in Ireland, the Czech Republic, Austria, Poland, Hungary and Latvia, as well as trading activities in Scandinavia and Finland.
- (3) Includes mainly the operations in Croatia, the UAE and Israel.
- (4) Includes the operations in Costa Rica, Panama, Puerto Rico, the Dominican Republic, Nicaragua, Jamaica and other countries in the Caribbean, Guatemala, and small ready-mix concrete operations Argentina.
- (5) Includes primarily our operations in Thailand, Bangladesh, China and Malaysia.

On a consolidated basis, our cement sales volumes decreased approximately 1%, from 65.8 million tons in 2012 to 65 million tons in 2013, and our ready-mix concrete sales volumes remained flat at approximately 54.9 million cubic meters in 2012 and 2013. Our net sales decreased approximately 1%, from Ps197 billion in 2012 to Ps195.7 billion in 2013, and our operating earnings before other expenses, net, increased approximately 15%, from Ps17 billion in 2012 to Ps19.5 billion in 2013.

The following tables present selected financial information of net sales and operating earnings before other expenses, net, for each of our geographic segments for the years ended December 31, 2013 and 2012. The net sales information in the table below is presented before eliminations resulting from consolidation (including those shown on note 4 to our 2013 audited consolidated financial statements included elsewhere in this annual report). Variations in net sales determined on the basis of Mexican Pesos include the appreciation or depreciation which occurred during the period between the local currencies of the countries in the regions vis-à-vis the Mexican Peso; therefore, such variations differ substantially from those based solely on the countries' local currencies:

Geographic Segment	Variation in Local Currency(1)	Approximate Currency Fluctuations Net of inflation effect	Variation in Mexican Pesos	Net Sales For the Year Ended December 31,	
				2012 (in millions of Mexican Pesos)	2013
Mexico	-8%	—	-8%	Ps 44,412	Ps40,932
United States	+8%	-2%	+6%	40,319	42,582
Northern Europe					
United Kingdom	+2%	-4%	-2%	14,620	14,368
Germany	-6%	+1%	-5%	14,406	13,715
France	Flat	+1%	+1%	13,324	13,393
Rest of Northern Europe(2)	-7%	+3%	-4%	12,778	12,250
Mediterranean					
Spain	-21%	+1%	-20%	4,841	3,856
Egypt	+16%	-19%	-3%	6,382	6,162
Rest of the Mediterranean(3)	+19%	-2%	+17%	8,160	9,517
SAC					
Colombia	+18%	-7%	+11%	11,932	13,203
Rest of SAC(4)	+2%	-8%	-6%	16,450	15,527
Asia					
Philippines	+12%	-4%	+8%	4,704	5,067
Rest of Asia(5)	-2%	-2%	-4%	2,430	2,330
Others(6)	-9%	+19%	+10%	15,154	16,604
Net sales before eliminations			Flat	Ps209,912	Ps209,506
Eliminations from consolidation				(12,876)	(13,845)
Eliminations from consolidation					
Consolidated net sales			-1%	<u>Ps197,036</u>	<u>Ps195,661</u>

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Geographic Segment	Variation in Local Currency(1)	Approximate Currency Fluctuations Net of inflation effect	Variation in Mexican Pesos	Operating Earnings (Loss) Before Other Expenses, Net For the Year Ended December 31,	
				2012	2013
				(in millions of Mexican Pesos)	
Mexico	-24%	—	-24%	Ps13,403	Ps10,247
United States	+54%	-2%	+52%	(6,059)	(2,906)
Northern Europe					
United Kingdom	-98%	+11%	-87%	914	123
Germany	+154%	+5%	+159%	(311)	183
France	-2%	—	-2%	759	742
Rest of Northern Europe(2)	-52%	—	-52%	879	421
Mediterranean					
Spain	-142%	-1%	-141%	659	(269)
Egypt	+19%	-19%	Flat	1,917	1,911
Rest of the Mediterranean(3)	+51%	-5%	+46%	762	1,109
SAC					
Colombia	+17%	-7%	+10%	4,509	4,964
Rest of SAC(4)	+16%	-11%	+5%	3,656	3,843
Asia					
Philippines	+39%	+4%	+43%	596	853
Rest of Asia(5)	+249%	-140%	+109%	35	73
Others(6)	-9%	+71%	+62%	(4,718)	(1,790)
Operating earnings before other expenses, net			+15%	Ps17,001	Ps19,504

“—” = Not Applicable

- Represents the variation in local currency terms. For purposes of a geographic segment consisting of a region, the variation in local currency terms for each individual country within the region are first translated into U.S. Dollar terms (except for the Rest of Northern Europe and the Rest of the Mediterranean regions, which is translated first into Euros) at the exchange rates in effect as of the end of the reporting period. Variations for a region represent the change in U.S. Dollar terms (except for the Rest of Northern Europe and the Rest of the Mediterranean regions, which represent the change in Euros), net, in the region.
- Refers primarily to operations in Ireland, the Czech Republic, Austria, Poland, Hungary and Latvia, as well as trading activities in Scandinavia and Finland.
- Includes mainly the operations in Croatia, the UAE and Israel.
- Includes the operations in Costa Rica, Panama, Puerto Rico, the Dominican Republic, Nicaragua, Jamaica and other countries in the Caribbean, Guatemala, and small ready-mix concrete operations Argentina.
- Includes primarily our operations in Thailand, Bangladesh, China and Malaysia.
- Our Others segment refers to: (i) cement trade maritime operations, (ii) our information technology solutions business (Neoris N.V.), (iii) CEMEX, S.A.B. de C.V. and other corporate entities and (iv) other minor subsidiaries with different lines of business.

Net sales. Our consolidated net sales decrease approximately 1%, from Ps197.0 billion in 2012 to Ps195.7 billion in 2013. The decrease was primarily attributable to lower volumes and prices from our operations in Mexico and Spain, partially mitigated by higher volumes and prices in local currency terms in the United States and Colombia. Set forth below is a quantitative and qualitative analysis of the various factors affecting our net sales on a geographic segment basis. The discussion of volume data and net sales information below are presented before eliminations resulting from consolidation (including those shown on note 4 to our 2013 audited consolidated financial statements included elsewhere in this annual report).

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Mexico

Our domestic cement sales volumes from our operations in Mexico decreased approximately 8% in 2013 compared to 2012, and ready-mix concrete sales volumes decreased approximately 6% over the same period. Our net sales from our operations in Mexico represented approximately 20% of our total net sales for the year ended December 31, 2013, in Mexican Peso terms, before eliminations resulting from consolidation. The decrease in domestic cement and ready-mix concrete sales volumes were primarily attributable to homebuilder's working capital financial constraints and high levels of inventories, resulting in lower demand in residential sector. The decrease in sales volumes was partially offset by positive performance in the industrial and commercial sectors and infrastructure spending accelerated during the second half of 2013. Our cement export volumes of our operations in Mexico, which represented approximately 7% of our Mexican cement sales volumes for the year ended December 31, 2013, increased approximately 6% in 2013 compared to 2012, primarily as a result of higher export volumes to South America, Central American and the Caribbean, and the United States. Of our total cement export volumes from our operations in Mexico during 2013, approximately 17% was shipped to the United States, 19% to Central America and the Caribbean and 64% to South America. Our average sales price of domestic cement from our operations in Mexico decreased approximately 3%, in Mexican Peso terms, in 2013 compared to 2012, and our average sales price of ready-mix concrete remained flat, in Mexican Peso terms, over the same period. For the year ended December 31, 2013, cement represented approximately 52%, ready-mix concrete approximately 24% and our aggregates and other businesses approximately 24% of our net sales from our operations in Mexico before intra-sector eliminations within the segment and before eliminations from consolidation, as applicable.

As a result of the decreases in domestic cement and ready-mix concrete sales volumes and domestic cement average sale prices, our net sales in Mexico, in Mexican Peso terms, decreased approximately 8% in 2013 compared to 2012.

United States

Our domestic cement sales volumes from our operations in the United States increased approximately 5% in 2013 compared to 2012, and ready-mix concrete sales volumes increased approximately 8% over the same period. The increases in domestic cement and ready-mix concrete sales volumes of our operations in the U.S. resulted primarily from the strong fundamentals such as high affordability, large pent-up demand and low levels of inventories that continued to be the main driver of the demand in the residential sector. In addition, the industrial and commercial sectors also contributed favorably to demand growth and the infrastructure sector showed a slight improvement in highway spending. Our operations in the United States represented approximately 20% of our total net sales for the year ended December 31, 2013, in Mexican Peso terms, before eliminations resulting from consolidation. Our average domestic cement sales price of our operations in the United States increased approximately 3%, in U.S. Dollar terms, in 2013 compared to 2012, and our average ready-mix concrete sales prices increased approximately 6%, in U.S. Dollar terms, over the same period. For the year ended December 31, 2013, cement represented approximately 29%, ready-mix concrete approximately 35% and our aggregates and other businesses approximately 36% of net sales from our operations in the United States before intra-sector eliminations within the segment and before eliminations from consolidation, as applicable.

As a result of the increases in domestic cement and ready-mix concrete sales volumes as well as the increase in average domestic cement and ready-mix concrete sales prices, net sales from our operations in the United States, in U.S. Dollar terms, increased approximately 8% in 2013 compared to 2012.

Northern Europe

In 2013, our operations in the Northern Europe region consisted of our operations in the United Kingdom, Germany and France, which represent the most significant operations in this region, in addition to our Rest of Northern Europe segment, which refers primarily to our operations in Ireland, the Czech Republic, Austria, Poland, Hungary and Latvia, as well as trading activities in Scandinavia and Finland. Our net sales from our operations in the Northern Europe region represented approximately 26% of our total net sales for the year ended

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December 31, 2013, in Mexican Peso terms, before eliminations resulting from consolidation. As of December 31, 2013, our operations in the Northern Europe region represented approximately 15% of our total assets. Set forth below is a quantitative and qualitative analysis of the effects of the various factors affecting our net sales for our main operations in the Northern Europe region.

United Kingdom

Our domestic cement sales volumes from our operations in the United Kingdom increased approximately 7% in 2013 compared to 2012, and ready-mix concrete sales volumes increased approximately 4% over the same period. The increases in domestic cement and ready-mix concrete sales volumes resulted primarily from the improved macroeconomic conditions that contributed to higher activity in the country. In addition, the residential sector continued driving the demand for our products, which benefited from the governmental incentives to promote home ownership. Our operations in the United Kingdom represented approximately 7% of our total net sales for the year ended December 31, 2013, in Mexican Peso terms, before eliminations resulting from consolidation. Our average sales price of domestic cement from our operations in the United Kingdom decreased approximately 3%, in Pound terms, in 2013 compared to 2012, and our average sales price of ready-mix concrete increased approximately 2%, in Pound terms, over the same period. For the year ended December 31, 2013, cement represented approximately 16%, ready-mix concrete approximately 27% and our aggregates and other businesses approximately 57% of net sales from our operations in the United Kingdom before intra-sector eliminations within the segment and before eliminations from consolidation, as applicable.

As a result of the increases in domestic cement and ready-mix concrete sales volumes and average ready-mix concrete sales prices, partially offset by the decrease in domestic cement average sales prices, net sales from our operations in the United Kingdom, in Pound terms, increased approximately 2% in 2013 compared to 2012.

Germany

Our domestic cement sales volumes from our operations in Germany increased approximately 1% in 2013 compared to 2012, and ready-mix concrete sales volumes decreased approximately 4% over the same period. The decrease in ready-mix concrete sales volumes resulted primarily from adverse weather conditions that mitigated the demand for our products. The decrease in ready-mix concrete sales volumes, was partially offset by low unemployment and mortgage rates, as well as higher wages and salaries that contributed to an increase activity in the residential sector, which was the main driver of demand for our products. Moreover, the performance of the infrastructure sector remained stable. Our cement export volumes of our operations in Germany, which represented approximately 29% of our Germany cement sales volumes for the year ended December 31, 2013, decreased approximately 9% in 2013 compared to 2012, primarily as a result of lower export volumes to Europe. Our operations in Germany represented approximately 7% of our total net sales for the year ended December 31, 2013, in Mexican Peso terms, before eliminations resulting from consolidation. Our average sales price of domestic cement from our operations in Germany decreased approximately 1%, in Euro terms, in 2013 compared to 2012, and our average sales price of ready-mix concrete increased approximately 5%, in Euro terms, over the same period. For the year ended December 31, 2013, cement represented approximately 26%, ready-mix concrete approximately 37% and our aggregates and other businesses approximately 37% of net sales from our operations in Germany before intra-sector eliminations within the segment and before eliminations from consolidation, as applicable.

As a result of the decrease in ready-mix concrete sales volumes and domestic cement sales price, partially offset by the increases in domestic cement sales volumes and ready-mix concrete average sales prices, net sales from our operations in Germany, in Euro terms, decreased approximately 6% in 2013 compared to 2012.

France

Our ready-mix concrete sales volumes from our operations in France decreased approximately 6% in 2013 compared to 2012. The decrease in ready-mix concrete sales volumes resulted primarily from a high level of

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unemployment, a less attractive buy-to-let program and limited credit availability which affected the performance in the residential sector. In contrast, the activity in the industrial and commercial sectors, especially in industrial buildings, mitigated the decline in volumes. The infrastructure activity continues to be supported by a number of ongoing highway and high-speed-railway projects. Our operations in France represented approximately 6% of our total net sales for the year ended December 31, 2013, in Mexican Peso terms, before eliminations resulting from consolidation. Our average sales price of ready-mix concrete of our operations in France increased approximately 2%, in Euro terms, in 2013 compared to 2012. For the year ended December 31, 2013, ready-mix concrete represented approximately 71% and our aggregates and other businesses approximately 29% of net sales from our operations in France before intra-sector eliminations within the segment and before eliminations from consolidation, as applicable.

As a result of the decrease in ready-mix concrete sales volumes, offset by the increase in ready-mix concrete average sales prices, net sales from our operations in France, in Euro terms, remained flat in 2013 compared to 2012.

Rest of Northern Europe

In 2013, our operations in our Rest of Northern Europe segment consisted primarily of our operations in Ireland, the Czech Republic, Austria, Poland, Hungary and Latvia, as well as trading activities in Scandinavia and Finland. Our domestic cement sales volumes of our operations in our Rest of Northern Europe segment decreased approximately 10% in 2013 compared to 2012, and ready-mix concrete sales volumes decreased approximately 4% over the same period. The decreases in domestic cement and ready-mix concrete sales volumes resulted primarily from lower activity in the infrastructure sector as well as high levels of unemployment and limited credit availability in the residential sector, mainly in Poland. Our cement export volumes of our operations in the Rest of Northern Europe, which represented approximately 24% of our Rest of Northern Europe cement sales volumes for the year ended December 31, 2013, decreased approximately 7% in 2013 compared to 2012, primarily as a result of lower export volumes to Europe and Asia. Our net sales from our operations in our Rest of Northern Europe segment represented approximately 6% of our total net sales for the year ended December 31, 2013, in Mexican Peso terms, before eliminations resulting from consolidation. Our average sales price of domestic cement from our operations in our Rest of Northern Europe segment increased approximately 5%, in Euro terms, in 2013 compared to 2012, and our average sales price of ready-mix concrete increased approximately 1%, in Euro terms, over the same period. For the year ended December 31, 2013, cement represented approximately 39%, ready-mix concrete approximately 41% and our aggregates and other businesses approximately 20% of net sales from our operations in our Rest of Northern Europe segment before intra-sector eliminations within the segment and before eliminations resulting from consolidation, as applicable.

As a result of the decreases in domestic cement and ready-mix concrete sales volumes, partially mitigated by increases in average sales prices, net sales in our Rest of Northern Europe segment, in Euro terms, decreased approximately 7% in 2013 compared to 2012.

The Mediterranean

In 2013, our operations in the Mediterranean region consisted of our operations in Spain and Egypt, which represent the most significant operations in this region, in addition to our Rest of the Mediterranean segment, which includes mainly our operations in Croatia, the UAE and Israel. Our net sales from our operations in the Mediterranean region represented approximately 10% of our total net sales for the year ended December 31, 2013, in Mexican Peso terms, before eliminations resulting from consolidation. As of December 31, 2013, our operations in the Mediterranean region represented approximately 8% of our total assets. Set forth below is a quantitative and qualitative analysis of the effects of the various factors affecting our net sales for our main operations in the Mediterranean region.

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Spain

Our domestic cement sales volumes from our operations in Spain decreased approximately 28% in 2013 compared to 2012, while ready-mix concrete sales volumes decreased approximately 27% over the same period. The decreases in domestic cement and ready-mix concrete sales volumes resulted primarily from government spending cuts that kept infrastructure activity at low levels and a gradual reduction in home inventories in the residential sector, while house prices showed signs of stabilization. Our operations in Spain represented approximately 2% of our total net sales for the year ended December 31, 2013, in Mexican Peso terms, before eliminations resulting from consolidation. Our cement export volumes of our operations in Spain, which represented approximately 48% of our Spain cement sales volumes for the year ended December 31, 2013, decreased approximately 13% in 2013 compared to 2012, primarily as a result of lower export volumes to Africa and Europe. Of our total cement export volumes of our operations in Spain during 2013, approximately 10% to Central America and the Caribbean, approximately 24% was shipped to Europe and to the Middle East and approximately 66% to Africa. Our average sales price of domestic cement of our operations in Spain increases approximately 5%, in Euro terms, in 2013 compared to 2012, and our average sales price of ready-mix concrete decreases approximately 5%, in Euro terms, over the same period. For the year ended December 31, 2013, cement represented approximately 71%, ready-mix concrete approximately 16% and our aggregates and other businesses approximately 13% of net sales from our operations in Spain before intra-sector eliminations within the segment and before eliminations from consolidation, as applicable.

As a result of the decreases in domestic cement and ready-mix concrete sales volumes and ready-mix average sales prices, partially offset by increase in our domestic cement sales prices, net sales from our operations in Spain, in Euro terms, decreased approximately 21% in 2013 compared to 2012.

Egypt

Our domestic cement sales volumes from our operations in Egypt increased approximately 7% in 2013 compared to 2012, while ready-mix concrete sales volumes decreased approximately 11% over the same period. The increase in domestic cement sales volumes resulted primarily from the informal residential sector that continues to be the main driver of demand. Our net sales from our operations in Egypt represented approximately 3% of our total net sales for the year ended December 31, 2013, in Mexican Peso terms. Our average sales price of domestic cement increased approximately 14%, in Egyptian pound terms, in 2013 compared to 2012, and our average sales price of ready-mix concrete increased approximately 15%, in Egyptian pound terms, over the same period. For the year ended December 31, 2013, cement represented approximately 91%, ready-mix concrete approximately 6% and our aggregates and other businesses approximately 3% of net sales from our operations in Egypt before intra-sector eliminations within the segment and before eliminations from consolidation, as applicable.

As a result of the increases in domestic cement sales volumes and domestic cement and ready-mix concrete average sale prices, partially offset by the decrease in ready-mix concrete sales volumes, our net sales in Egypt, in Egyptian pound terms, increased approximately 16% in 2013 compared to 2012.

Rest of the Mediterranean

In 2013, our operations in our Rest of the Mediterranean segment consisted mainly of our operations in Croatia, the UAE and Israel. Our domestic cement sales volumes of our operations in our Rest of the Mediterranean segment decreased approximately 2% in 2013 compared to 2012, and ready-mix concrete sales volumes increased approximately 15% over the same period. The decrease in domestic cement sales volumes resulted primarily from lower construction levels. The increase in ready-mix concrete sales volumes, resulted primary from higher volumes in Croatia, market reactivation in UAE and strong demand in the residential and infrastructure sectors in Israel. Our cement export volumes of our operations in the Rest of the Mediterranean, which represented approximately 44% of our Rest of the Mediterranean cement sales volumes for the year ended December 31, 2013, increased significantly in 2013 compared to 2012, primarily as a result of higher export

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volumes to Middle East and South American. Our net sales from our operations in our Rest of the Mediterranean segment represented approximately 5% of our total net sales for the year ended December 31, 2013, in Mexican Peso terms, before eliminations resulting from consolidation. Our average sales price of domestic cement from our operations in our Rest of the Mediterranean decreased approximately 2%, in U.S. Dollar terms, in 2013 compared to 2012, and our average sales price of ready-mix concrete increased approximately 8%, in U.S. Dollar terms, over the same period. For the year ended December 31, 2013, cement represented approximately 20%, ready-mix concrete approximately 58% and our aggregates and other businesses approximately 22% of our net sales from our operations in our Rest of the Mediterranean segment before intra-sector eliminations within the segment and before eliminations resulting from consolidation, as applicable.

As a result of the increases in ready-mix concrete sales volumes and ready-mix concrete average sale prices, partially offset by decreases in domestic cement sale volumes and domestic cement average sale prices, net sales in our Rest of the Mediterranean segment, in U.S. Dollar terms, increased approximately 19% in 2013 compared to 2012.

South America and the Caribbean

In 2013, our operations in the South America and the Caribbean region consisted of our operations in Colombia, which represents the most significant operation in this region, in addition to our Rest of South America and the Caribbean segment, which includes our operations in Costa Rica, Guatemala, Panama, Nicaragua, Puerto Rico, the Dominican Republic, Jamaica and other countries in the Caribbean, as well as small ready-mix concrete operations in Argentina. Some of these trading operations in the Caribbean region consist of the resale of cement produced by our operations in Mexico. Our net sales from our operations in the South America and the Caribbean region represented approximately 13% of our total net sales for the year ended December 31, 2013, in Mexican Peso terms, before eliminations resulting from consolidation. As of December 31, 2013, our operations in the South America and the Caribbean region represented approximately 7% of our total assets. Set forth below is a quantitative and qualitative analysis of the effects of the various factors affecting our net sales for our main operations in the South America and the Caribbean region.

Colombia

Our domestic cement volumes from our operations in Colombia increased approximately 1% in 2013 compared to 2012, and ready-mix concrete sales volumes increased approximately 8% over the same period. The increases in domestic cement and ready-mix concrete sales volumes resulted primarily from the government-sponsored free-home program, a driver of demand in the residential sector. The positive economic outlook, higher investor confidence and new trade agreements were factors that continued to support the favorable trend in the industrial and commercial sectors. Our net sales from our operations in Colombia represented approximately 6% of our total net sales for the year ended December 31, 2013, in Mexican Peso terms, before eliminations resulting from consolidation. Our average sales price of domestic cement from our operations in Colombia increased approximately 5% in Colombian Peso terms, in 2013 compared to 2012, and our average sales price of ready-mix concrete increased approximately 8% in Colombian Peso terms, over the same period. For the year ended December 31, 2013, cement represented approximately 58%, ready-mix concrete approximately 29% and our aggregates and other businesses approximately 13% of our net sales from our operations in Colombia before intra-sector eliminations within the segment and before eliminations from consolidation, as applicable.

As a result of the increases in domestic cement and ready-mix concrete sales volumes and domestic cement and ready-mix concrete average sales prices, net sales of our operations in Colombia, in Colombian Peso terms, increased approximately 18% in 2013 compared to 2012.

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Rest of South America and the Caribbean

For the year ended December 31, 2013, our operations in our Rest of South America and the Caribbean segment included our operations in Costa Rica, Guatemala, Panama, Nicaragua, Puerto Rico, the Dominican Republic, Jamaica and other countries in the Caribbean, and small ready-mix concrete operations in Argentina. Our domestic cement volumes from our operations in our Rest of South America and the Caribbean segment increased approximately 5% in 2013 compared to 2012, and ready-mix concrete sales volumes decreased approximately 4% over the same period. The increase in domestic cement volumes resulted primarily from higher consumption levels due to projects in Panama, Costa Rica and Nicaragua. The decrease in ready-mix concrete sales volumes resulted primarily from lower construction levels caused by cuts in public spending and the culmination of commercial and infrastructure projects in Dominican Republic, Puerto Rico and Costa Rica. Our net sales from our operations in our Rest of South America and the Caribbean segment represented approximately 7% of our total net sales for the year ended December 31, 2013, in Mexican Peso terms, before eliminations resulting from consolidation. Our average sales price of domestic cement from our operations in our Rest of South America and the Caribbean segment decreased approximately 2% in U.S. Dollar terms, in 2013 compared to 2012, and our average sales price of ready-mix concrete increased approximately 4% in U.S. Dollar terms, over the same period. For the year ended December 31, 2013, cement represented approximately 74% ready-mix concrete approximately 19% and our other businesses approximately 7% of net sales from our operations in our Rest of South America and the Caribbean segment before intra-sector eliminations within the segment and before eliminations from consolidation, as applicable.

As a result of the increases in domestic cement sales volumes and ready-mix concrete average sales price, partially offset by the decrease in ready-mix concrete sales volumes and domestic cement average sales prices, net sales of our operations in our Rest of South America and the Caribbean segment, in U.S. Dollar terms, increased approximately 2% in 2013 compared to 2012.

Asia

For the year ended December 31, 2013, our operations in the Asia region consisted of our operations in the Philippines, which represent the most significant operation in this region, in addition to our Rest of Asia segment, which includes our operations in Malaysia, Thailand, Bangladesh and China. Our net sales from our operations in the Asia region represented approximately 4% of our total net sales for the year ended December 31, 2013, in Mexican Peso terms, before eliminations resulting from consolidation. As of December 31, 2013, our operations in the Asia region represented approximately 2% of our total assets. Set forth below is a quantitative and qualitative analysis of the effects of the various factors affecting our net sales for our main operations in the Asia region.

The Philippines

Our domestic cement volumes from our operations in the Philippines increased approximately 8% in 2013 compared to 2012. The increase in domestic cement sales volumes resulted primarily from favorable economic conditions such as a stable level of inflation and mortgage rates, healthy remittances inflows that contributed to an increase in the activity in the residential sector. In addition, the infrastructure and industrial and commercial sectors continued with their positive performance. Our cement export volumes of our operations in Philippines, which represented approximately 1% of our Philippines cement sales volumes for the year ended December 31, 2013, decreased approximately 28% in 2013 compared to 2012, primarily as a result of lower export volumes to Asia. Our net sales from our operations in the Philippines represented approximately 3% of our total net sales for the year ended December 31, 2013, in Mexican Peso terms, before eliminations resulting from consolidation. Our average sales price of domestic cement from our operations in the Philippines increased approximately 5% in Philippine Peso terms, in 2013 compared to 2012. For the year ended December 31, 2013, cement represented approximately 100% of our net sales from our operations in the Philippines before intra-sector eliminations within the segment and before eliminations from consolidation, as applicable.

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As a result of the increases in domestic cement sales volumes and average sales price, net sales of our operations in the Philippines, in Philippine Peso terms, increased approximately 12% in 2013 compared to 2012.

Rest of Asia

For the year ended December 31, 2013, our operations in our Rest of Asia segment included our operations in Malaysia, Thailand, Bangladesh and China. Our domestic cement sales volumes from our operations in our Rest of Asia segment decreased approximately 4% in 2013 compared to 2012, and ready-mix concrete sales volumes decreased approximately 12% over the same period. The decreases in domestic cement and ready-mix concrete sales volumes resulted primarily from unfavorable market conditions that caused lower construction levels in our markets. Our net sales from our operations in our Rest of Asia segment represented approximately 1% of our total net sales for the year ended December 31, 2013, in Mexican Peso terms, before eliminations resulting from consolidation. Our average sales price of domestic cement increased approximately 9% in U.S. Dollar terms, in 2013 compared to 2012, and the average sales price of ready-mix concrete increased approximately 4%, in U.S. Dollar terms, over the same period. For the year ended December 31, 2013, cement represented approximately 41% ready-mix concrete approximately 49% and our other businesses approximately 10% of net sales from our operations in our Rest of Asia segment before intra-sector eliminations within the segment and before eliminations from consolidation, as applicable.

As a result of the decreases in domestic cement and ready-mix concrete sales volumes, offset by the increases in domestic cement and ready-mix concrete average sales price, net sales from our operations in our Rest of Asia segment, in U.S. Dollar terms, decreased approximately 2% in 2013 compared to 2012.

Others

Our Others segment refers to: (i) cement trade maritime operations, (ii) our information technology solutions business (Neoris N.V.), (iii) CEMEX, S.A.B. de C.V. and other corporate entities and (iv) other minor subsidiaries with different lines of business. Net sales from our Others segment decreased approximately 9% before intra-sector eliminations within the segment and before eliminations from consolidation, as applicable, in 2013 compared to 2012, in U.S. Dollar terms. The decrease in net sales in our Others segment primarily was a result of lower trading operations and others, such as transport, asphalt, concrete products and multiproducts. For the year ended December 31, 2013, our trading operations represented approximately 44% and our information technology solutions company represented approximately 18% of our net sales in our Others segment.

Cost of Sales. Our cost of sales, including depreciation, decreased approximately 3% from Ps138.7 billion in 2012 to Ps134.8 billion in 2013. As a percentage of net sales, cost of sales decreased from 70.4% in 2012 to 68.9% in 2013. The decrease in cost of sales as a percentage of net sales resulted primarily from a reduction in workforce and other cost reduction initiatives. In our cement and aggregates business, we have several producing plants and many selling points. Our cost of sales includes freight expenses of raw materials used in our producing plants and delivery expenses of our ready-mix concrete business. However, our costs of sales excludes (i) expenses related to personnel and equipment comprising our selling network and those expenses related to warehousing at the points of sale, which were included as part of our administrative and selling expenses line item in the amount of approximately Ps7.9 billion in 2012 and Ps8.1 billion in 2013; and (ii) freight expenses of finished products from our producing plants to our points of sale and from our points of sale to our customers' facilities, which are included as part of our distribution expenses line item (except for distribution or delivery expenses related to our ready-mix concrete business, which are included in our cost of sales), and which, for the years ended December 31, 2012 and 2013, represented Ps17.6 billion and Ps17.2 billion, respectively.

Gross Profit. For the reasons explained above, our gross profit increased approximately 4% from approximately Ps58.3 billion in 2012 to approximately Ps60.9 billion in 2013. As a percentage of net sales, gross profit increased from approximately 29.6% in 2012 to 31.1% in 2013. In addition, our gross profit may not be directly comparable to those of other entities that include all their freight expenses in cost of sales. As described

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above, we include freight expenses of finished products from our producing plants to our points of sale and from our points of sale to our customers' locations within distribution expenses, which in aggregate represented costs of approximately Ps17.6 billion in 2012 and approximately Ps17.2 billion in 2013.

Operating Earnings Before Other Expenses, Net. For the reasons mentioned above, our operating earnings before other expenses, net, increased approximately 15% from approximately Ps17.0 billion in 2012 to approximately Ps19.5 billion in 2013. As a percentage of net sales, operating earnings before other expenses, net, increased from approximately 8.6% in 2012 to 10.0% in 2013. Additionally, set forth below is a quantitative and qualitative analysis of the effects of the various factors affecting our operating earnings before other expenses, net, on a geographic segment basis.

Mexico

Our operating earnings before other expenses, net, from our operations in Mexico decreased approximately 24%, in Mexican Peso terms, from operating earnings before other expenses, net, of approximately Ps13.4 billion in 2012 to operating earnings before other expenses, net, of approximately Ps10.3 billion in 2013. The decrease resulted primarily from lower domestic cement and ready-mix concrete sales volumes and domestic cement average sales prices caused by lower demand in the residential sector.

United States

Our operating loss before other expenses, net, from our operations in the United States decreased approximately 54% in U.S. Dollar terms. The decrease resulted primarily from higher domestic cement and ready-mix concrete sales volumes and domestic cement and ready-mix concrete average sale prices, driven by the growth demand in the residential, industrial and commercial sectors.

Northern Europe

United Kingdom

Our operating earnings before other expenses, net, from our operations in the United Kingdom decreased 98% in Pound terms. The decrease resulted primarily from the net gain in operating results due to changes in defined benefit plans of approximately Ps1,914 million (U.S.\$146 million) recognized during 2012.

Germany

Our operating loss before other expenses, net, from our operations in Germany decreased significantly in Euro terms. The decrease resulted primarily from higher ready-mix concrete sales volumes and sales prices as well as our cost reduction initiatives.

France

Our operating earnings before other expenses, net, from our operations in France decreased approximately 2% in Euro terms. The decrease resulted primarily from lower ready-mix concrete sales volumes caused by a slowdown in the residential, industrial and commercial sectors.

Rest of Northern Europe

Our operating earnings before other expenses, net, from our operations in our Rest of Northern Europe segment decreased approximately 52% in Euro terms. The decrease resulted primarily from lower domestic cement and ready-mix concrete sales volumes as a result of lower activity in the infrastructure and residential sectors.

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The Mediterranean

Spain

Our operating earnings before other expenses, net, from our operations in Spain decreased significantly in Euro terms. The decrease resulted primarily from lower domestic cement and ready-mix concrete sales volumes mainly driven by government spending cuts in the infrastructure sector and continued unfavorable market conditions.

Egypt

Our operating earnings before other expenses, net, from our operations in Egypt increased 19% in Egypt Pound terms. The increase resulted from higher domestic cement sales volumes, as well as higher domestic cement and ready-mix concrete sales price, partially mitigated by a decrease in ready-mix concrete sales volumes.

Rest of the Mediterranean

Our operating earnings before other expenses, net, from our operations in our Rest of the Mediterranean segment increased approximately 51% in U.S. Dollar terms. The increase resulted primarily from higher ready-mix concrete sales volumes and average sales prices, mainly driven by strong demand in residential and infrastructure projects in Israel and favorable market conditions in Croatia and the UAE.

South America and the Caribbean

Colombia

Our operating earnings before other expenses, net, from our operations in Colombia increased approximately 17% in Colombian Peso terms. The increase resulted primarily from higher domestic cement and ready-mix concrete sales volumes as well as higher average sales prices, driven by the continued favorable trend in the residential, industrial and commercial sectors supported by the positive economic outlook and investor confidence.

Rest of South America and the Caribbean

Our operating earnings before other expenses, net, from our operations in our Rest of South America and the Caribbean segment increased approximately 16% in U.S. Dollar terms. The increase resulted primarily from higher domestic cement volumes and ready-mix concrete sales prices, driven by higher consumption levels due to current projects, despite of the culmination of others.

Asia

The Philippines

Our operating earnings before other expenses, net, from our operations in the Philippines increased approximately 39% in Philippine Peso terms. The increase resulted primarily from higher domestic cement sales volumes and average sales prices caused by favorable economic conditions and positive performance in all sectors.

Rest of Asia

Our operating earnings before other expenses, net, from our operations in our Rest of Asia segment increased significantly in U.S. Dollar terms. The increase resulted primarily from increases in domestic cement and ready-mix concrete average sales prices, as well as our cost reduction initiatives.

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Others

Our operating loss before other expenses, net, from our operations in our Others segment decreased approximately 62% in Mexican Peso terms, from an operating loss before other expenses, net, of approximately Ps4.7 billion in 2012 to an operating loss before other expenses, net, of approximately Ps1.8 billion in 2013. The decrease resulted primarily from a decrease in trading operations and others, such as transport, asphalt, concrete products and multiproducts.

Other Expenses, Net. Our other expenses, net, decreased approximately 11%, in Mexican Peso terms, from approximately Ps5.5 billion in 2012 to approximately Ps4.9 billion in 2013. The decrease resulted primarily from one-time restructuring costs in connection with a 10-year services agreement with IBM incurred during last year. The decrease was partially offset by an increase in fixed asset sales, net, in 2013 compared with 2012.

The most significant items included under this caption for the years ended December 31, 2012 and 2013 are as follows:

	For the Year Ended December 31,	
	2012	2013
	(in millions of Mexican Pesos)	
Restructuring costs	Ps(3,079)	Ps(963)
Impairment losses	(1,661)	(1,591)
Charitable contributions	(100)	(25)
Results from sales of assets and others, net	(650)	(2,324)
	<u>Ps(5,490)</u>	<u>Ps(4,903)</u>

Financial Items

Pursuant to IFRS, financial items include:

- financial or interest expense on borrowed funds;
- financial income on cash and cash equivalents;
- changes in the fair value resulting from the valuation of financial instruments, including derivative instruments and marketable securities;
- foreign exchange gains or losses associated with monetary assets and liabilities denominated in foreign currencies; and
- accretion result from assets and liabilities and others.

	Year Ended December 31,	
	2012	2013
	(in millions of Mexican Pesos)	
Financial items:		
Financial expense	Ps(18,511)	Ps(19,937)
Other financial income (expense), net:		
Financial income	620	424
Results from financial instruments	178	2,075
Foreign exchange results	1,142	57
Effects of net present value on assets and liabilities and others, net	(963)	(850)
	<u>Ps(17,534)</u>	<u>Ps(18,231)</u>

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Our financial items in 2013, which comprises financial expense and other financial (expense) income, net, as reported in our statements of operations, increased 4% from a loss of approximately Ps17.5 billion in 2012 to a loss of approximately Ps18.2 billion in 2013. The components of the change are shown above.

Our financial expense increased approximately 8%, from approximately Ps18.5 billion in 2012 to approximately Ps19.9 billion in 2013, primarily attributable to our liability management activities, through which we replaced debt with shorter term maturities with mostly fixed coupon bonds of longer term maturities.

Our other financial income (expense), net, comprises our financial income which decreased approximately 32%, from Ps620 million in 2012 to Ps424 million in 2013. Our result from financial instruments increased significantly from a gain of approximately Ps178 million in 2012 to a gain of approximately Ps2,075 million in 2013, primarily attributable to valuations of equity derivatives related to shares of CEMEX, S.A.B. de C.V. Our foreign exchange result decreased significantly, from a gain of approximately Ps1.1 billion in 2012 to a gain of approximately Ps57 million in 2013. The decrease was primarily attributable to the depreciation of the Mexican Peso and Euro against the U.S. Dollar. The accretion expense, which represents the effects on our net assets and liabilities recognized at amortized cost due to the passage of time, decreased by approximately 12% from an expense of approximately Ps963 million in 2012 to an expense of Ps850 million in 2013.

Derivative Financial Instruments. For the years ended December 31, 2012 and 2013, our derivative financial instruments that had a potential impact on our other financial income (expense) consisted of equity forward contracts, a forward instrument over the Total Return Index of the Mexican Stock Exchange, interest rate derivatives related to energy projects, conversion options embedded in the March 2015 Optional Convertible Subordinated U.S. Dollar Notes and the March 2016 and March 2018 Optional Convertible Subordinated U.S. Dollar Notes until December 31, 2012 and since then, the conversion option embedded in the November 2019 Mandatory Convertible Mexican Peso Notes, as discussed in note 16D to our 2013 audited consolidated financial statements included elsewhere in this annual report.

For the year ended December 31, 2013, our gain from our financial instruments increased significantly for the reasons described above. See “Item 5—Operating and Financial Review and Prospects—Liquidity and Capital Resources—Our Equity Forward Arrangements.”

Income Taxes. Our income tax effect in the statement of operations, which is primarily comprised of current income taxes plus deferred income taxes, increased approximately 3% from an expense of approximately Ps6.0 billion in 2012 to an expense of Ps6.2 billion in 2013.

The increase in the income tax expense is mainly attributable to our current income tax expense, which decreased from an income of approximately Ps6.2 billion in 2012 to an expense of approximately Ps14.2 billion in 2013, resulting primarily from the income tax expense generated by the new rules enacted for the disconnection of the tax consolidation regime in Mexico.

Our deferred tax expense decreased from an expense of approximately Ps12.2 billion in 2012 to an income of approximately Ps8.0 billion in 2013. Our deferred tax benefit was primarily attributable to the recognition of certain deferred tax assets associated with tax loss carryforwards considering new projections of estimated taxable income in our Mexican operations. See note 19B and 19D to our 2013 audited consolidated financial statements included elsewhere in this annual report.

For each of the years ended December 31, 2012 and 2013, our approximate statutory income tax rate was 30%. Our effective tax rate in 2012 resulted in a negative tax rate of 114.1%, considering a loss before income tax of approximately Ps5.3 billion, while our effective tax rate in 2013 resulted in a negative tax rate of 182.6%, considering a loss before income tax of approximately Ps3.4 billion. See “Item 3—Key Information—Risk Factors—Certain tax matters may have an adverse effect on our cash flow, financial condition and net income.”

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Consolidated Net Loss. For the reasons described above, our consolidated net loss (before deducting the portion allocable to non-controlling interest) for 2013 decreased 15%, from a consolidated net loss of approximately Ps11.3 billion in 2012 to a consolidated net loss of approximately Ps9.6 billion in 2013.

Non-controlling Interest Net Income. Changes in non-controlling interest net income in any period reflect changes in the percentage of the stock of our subsidiaries held by non-associated third parties as of the end of each month during the relevant period and the consolidated net loss attributable to those subsidiaries. Non-controlling interest net gain increased, from Ps662 million in 2012 to Ps1,223 million in 2013, primarily attributable to the net income of the consolidated entities in which others have a non-controlling interest, mainly those related with CEMEX Latam Offering.

Controlling Interest Net Loss. Controlling interest net loss represents the difference between our consolidated net loss and non-controlling interest net income, which is the portion of our consolidated net loss attributable to those of our subsidiaries in which non-associated third parties hold interests. Controlling interest net loss decreased 10%, from a net loss of approximately Ps12.0 billion in 2012 to a controlling interest net loss of approximately Ps10.8 billion in 2013.

Liquidity and Capital Resources

Operating Activities

We have satisfied our operating liquidity needs primarily through operations of our subsidiaries and expect to continue to do so for both the short and long-term. Although cash flow from our operations has historically met our overall liquidity needs for operations, servicing debt and funding capital expenditures and acquisitions, our subsidiaries are exposed to risks from changes in foreign currency exchange rates, price and currency controls, interest rates, inflation, governmental spending, social instability and other political, economic and/or social developments in the countries in which we operate, any one of which may materially increase our net loss and reduce cash from operations. Consequently, in order to meet our liquidity needs, we also rely on cost-cutting and operating improvements to optimize capacity utilization and maximize profitability, as well as borrowing under credit facilities, proceeds of debt and equity offerings, and proceeds from asset sales. Our consolidated net cash flows provided by operating activities before interest, coupons on Perpetual Debentures and income taxes paid in cash were approximately Ps30.2 billion in 2012, Ps27.0 billion in 2013 and Ps36.5 billion in 2014. See our statement of cash flows included elsewhere in this annual report. CEMEX management is of the opinion that working capital is sufficient for our present requirements.

Sources and Uses of Cash

Our review of sources and uses of resources below refers to nominal amounts included in our statement of cash flows for 2012, 2013 and 2014.

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Our primary sources and uses of cash during the years ended December 31, 2012, 2013 and 2014 were as follows:

	For the year ended December 31,		
	2012	2013	2014
	(in millions of Mexican Pesos)		
Operating Activities			
Consolidated net loss	(11,338)	(9,611)	(5,680)
Non-cash items	43,608	40,738	40,650
Changes in working capital, excluding income taxes	(2,048)	(4,082)	1,544
Net cash flow provided by operating activities before interest, coupons on Perpetual Debentures and income taxes	30,222	27,045	36,514
Financial expense paid in cash including coupons on Perpetual Debentures and income taxes	(24,273)	(25,775)	(24,522)
Net cash flows provided by operating activities	5,949	1,270	11,992
Investing Activities			
Property, machinery and equipment, net	(5,922)	(5,570)	(6,134)
Disposal (acquisition) of subsidiaries and associates, net	(895)	1,259	167
Other long term assets and others, net	4,258	(1,085)	(694)
Net cash flows used in investing activities	(2,559)	(5,396)	(6,661)
Financing Activities			
Issuance of common stock by subsidiaries	12,442	—	—
Derivative financial instruments	1,633	(256)	1,561
Issuance (repayment) of debt, net	(17,239)	5,933	(11,110)
Securitization of trade receivables	(193)	(1,854)	2,052
Non-current liabilities, net	(1,679)	(568)	(1,130)
Net cash flows (used in) provided by financing activities	(5,036)	3,255	(8,627)
Decrease in cash and cash equivalents	(1,646)	(871)	(3,296)
Cash conversion effect, net	(2,004)	3,569	709
Cash and cash equivalents at beginning of period	16,128	12,478	15,176
Cash and cash equivalents at the end of period	<u>Ps12,478</u>	<u>Ps15,176</u>	<u>Ps12,589</u>

2014. During 2014, including the positive foreign currency effect of our initial balances of cash and cash equivalents generated during the period of approximately Ps709 million, there was a decrease in cash and cash equivalents of approximately Ps2.6 billion. This decrease was the result of our net cash flows used in financing activities of approximately Ps8.6 billion and our net cash flows used in investing activities of approximately Ps6.7 billion, partially offset by our net cash flows provided by operating activities, which, after financial expense, Perpetual Debentures coupons and income taxes paid in cash of approximately Ps24.5 billion, amounted to approximately Ps12.0 billion.

For the year ended December 31, 2014, our net cash flows provided by operating activities included cash flows generated in working capital of approximately Ps1.5 billion, which was primarily comprised of cash flows originated by other accounts receivable and other assets, trade payables and other accounts payable and accrued expenses, for an aggregate amount of approximately Ps7.5 billion, partially offset by cash flows disbursed by trade receivable, net and inventories for an aggregate amount of approximately Ps6.0 billion.

During 2014, our net cash flows provided by operating activities after financial expense, Perpetual Debentures coupons and income taxes paid in cash of approximately Ps12.0 billion, which were disbursed mainly in connection with our net resources used in financing activities of approximately Ps8.6 billion, which include repayment of our debt, net, and non-current liabilities for an aggregate amount of approximately Ps12.2 billion,

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partially offset by our cash flows generated by the securitization of trade receivables and our derivative financial instruments for an aggregate amount of approximately Ps3.6 billion and with our net resources used in the investing activities of Ps6.7 billion, which include investing in Property, machinery and equipment, net and Other long term assets and others, net for an aggregate amount of approximately Ps6.8 billion, partially offset by our disposal of subsidiaries and associates, net for an aggregate amount of Ps1.67 billion.

2013. During 2013, including the positive foreign currency effect of our initial balances of cash and cash equivalents generated during the period of approximately Ps3.6 billion, there was an increase in cash and cash equivalents of approximately Ps2.7 billion. This increase was generated by our net cash flows provided by operating activities, which, after financial expense, Perpetual Debentures coupons and income taxes paid in cash of approximately Ps25.8 billion, amounted to approximately Ps1.3 billion, and by our net cash flows provided by financing activities of approximately Ps3.3 billion, partially offset by our net cash flows in investing activities of approximately Ps5.4 billion.

For the year ended December 31, 2013, our net cash flows provided by operating activities included cash flows applied in working capital of approximately Ps4.1 billion, which was primarily comprised of cash flows applied in trade accounts receivable, other accounts receivable and other assets, inventories and other accounts payable and accrued expenses for an aggregate amount of approximately Ps5.7 billion, partially offset by cash flows originated by trade accounts payables for an aggregate amount of approximately Ps1.6 billion.

During 2013, our net cash flows provided by operating activities after financial expense, Perpetual Debentures coupons and income taxes paid in cash of approximately Ps1.3 billion, our net resources generated by financing activities of approximately Ps3.3 billion, which include issuance of our debt, net, for an aggregate amount of approximately Ps5.9 billion, partially offset by our cash flows used in the securitization of trade receivables, derivative financial instruments and non-current liabilities for an aggregate amount of approximately Ps2.6 billion, were disbursed mainly in connection with capital expenditures of approximately Ps5.6 billion.

2012. During 2012, including the negative foreign currency effect of our initial balances of cash and cash equivalents generated during the period of approximately Ps2.0 billion, there was a decrease in cash and cash equivalents of approximately Ps3.7 billion. This decrease was generated by our net cash flows used in financing activities of approximately Ps5.0 billion and our net cash flows applied in investing activities of approximately Ps2.6 billion, partially offset by our net cash flows generated by operating activities, which after financial expenses, Perpetual Debentures coupons and income taxes paid in cash of approximately Ps24.3 billion, amounted to approximately Ps5.9 billion.

For the year ended December 31, 2012, our net cash flows provided by operating activities included cash flows included cash flows applied in working capital of approximately Ps2.0 billion, which was primarily comprised of cash flows applied to other accounts payable and accrued expenses, other accounts receivable and other assets and trade payables, for an aggregate amount of approximately Ps6.4 billion, partially offset by cash flows originated by trade receivables, net, and inventories for an aggregate amount of approximately Ps4.4 billion.

During 2012, our net cash flows provided by operating activities after financial expense, Perpetual Debentures coupons and income taxes paid in cash of approximately Ps5.9 billion, our net resources applied in financing activities of approximately Ps5.0 billion, which include payments to our debt for an aggregate amount of approximately Ps17.2 billion, partially offset by our cash flows provided by the issuance of common stock by subsidiaries for an aggregate amount of approximately Ps12.4 billion, related mainly in connection with CEMEX Latam outstanding common shares and cash flows generated by other long-term assets and others, net, for an aggregate amount of approximately Ps4.2 billion, were disbursed mainly in connection with capital expenditures of approximately Ps5.9 billion.

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As of December 31, 2014, we had the following lines of credit, the majority of which are subject to the bank's availability at annual interest rates ranging between approximately 2.24% and 7.20%, depending on the negotiated currency:

	<u>Lines of Credit</u>	<u>Available</u>
	(in millions of Mexican Pesos)	
Other lines of credit in foreign subsidiaries	6,649	5,315
Other lines of credit from banks	<u>5,209</u>	<u>5,209</u>
	11,858	10,524

Capital Expenditures

Our capital expenditures incurred for the years ended December 31, 2013 and 2014, and our expected capital expenditures during 2015, which include an allocation to 2015 of a portion of our total future committed amount, are as follows:

	<u>Actual For the Year</u>		<u>Estimated</u>
	<u>Ended December 31,</u>		
	Actual		in 2015
	<u>2013</u>	<u>2014</u>	<u>in 2015</u>
	(in millions of U.S. Dollars)		
Mexico	86	79	93
United States	160	202	240
Northern Europe			
United Kingdom	44	45	31
Germany	37	29	17
France	28	27	23
Rest of Northern Europe(1)	32	25	33
The Mediterranean			
Spain	10	12	13
Egypt	24	31	53
Rest of Mediterranean(2)	23	21	20
SAC			
Colombia	60	101	195
Rest of SAC(3)	52	57	46
Asia			
Philippines	39	52	20
Rest of Asia(4)	6	4	4
Others	5	4	12
Total consolidated	<u>606</u>	<u>689</u>	<u>800</u>
Of which			
Expansion capital expenditures	117	186	300
Base capital expenditures	<u>489</u>	<u>503</u>	<u>500</u>

(1) Refers primarily to our operations in the Czech Republic, Austria, Poland, Hungary and Latvia, as well as trading activities in Scandinavia and Finland.

(2) Includes mainly the operations in Croatia, the UAE and Israel.

(3) Includes the operations in Costa Rica, Panama, Puerto Rico, the Dominican Republic, Nicaragua, Jamaica and other countries in the Caribbean, Guatemala, and small ready-mix concrete operations in Argentina.

(4) Includes our operations in Thailand, Bangladesh and Malaysia.

For the years ended December 31, 2013 and 2014, we recognized U.S.\$606 million and U.S.\$689 million in capital expenditures, respectively. As of December 31, 2014, in connection with our significant projects, we had

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contractually committed capital expenditures of approximately U.S.\$645 million, including our capital expenditures estimated to be incurred during 2015. This amount is expected to be incurred during 2015, based on the evolution of the related projects. Pursuant to the Credit Agreement and the Facilities Agreement, we are prohibited from making aggregate annual capital expenditures in excess of U.S.\$1 billion (excluding certain capital expenditures, joint venture investments and acquisitions by CEMEX Latam and its subsidiaries, which capital expenditures, joint venture investments and acquisitions at any time then incurred are in the aggregate not to exceed U.S.\$500 million (or its equivalent)).

Our Indebtedness

As of December 31, 2014, we had approximately Ps244,429 million (U.S.\$16,583 million) (principal amount Ps248,657 million (U.S.\$16,870 million)) of total debt plus other financial obligations, which does not include approximately Ps6,869 million (U.S.\$466 million) of Perpetual Debentures. See notes 16A, 16B and 20D to our 2014 audited consolidated financial statements included elsewhere in this annual report. Of our total debt plus other financial obligations, approximately Ps26,019 were short-term (including current maturities of long-term debt) and Ps218,410 were long-term. As of December 31, 2014, approximately 87% of our total debt plus other financial obligations was Dollar-denominated, approximately 10% was Euro-denominated, approximately 2% was Mexican Peso-denominated and immaterial amounts were denominated in other currencies.

On August 14, 2009, we entered into the 2009 Financing Agreement, which extended the final maturities of approximately U.S.\$15 billion in syndicated and bilateral loans and private placement notes to February 14, 2014. On July 5, 2012, we launched the Exchange Offer and Consent Request to eligible creditors under the 2009 Financing Agreement, pursuant to which eligible creditors were requested to consent to the Amendment Consents. In addition, we offered to exchange the indebtedness owed to Participating Creditors for (i) new loans (or, in the case of the private placement notes, new private placement notes) or (ii) up to U.S.\$500 million of our June 2018 U.S. Dollar Notes, in each case, in transactions exempt from registration under the Securities Act.

On September 17, 2012, we successfully completed the Refinancing Transaction, and we and certain of our subsidiaries entered into (a) the Amendment and Restatement Agreement, pursuant to which the Amendment Consents with respect to the 2009 Financing Agreement were given effect, and (b) the Facilities Agreement, pursuant to which we were deemed to borrow loans from those Participating Creditors participating in the Exchange Offer and Consent Request in principal amounts equal to the principal amounts of indebtedness subject to the 2009 Financing Agreement that was extinguished by such Participating Creditors. As a result of the Refinancing Transaction, participating creditors received (i) approximately U.S.\$6.155 billion in aggregate principal amount of new loans and new private placement notes and (ii) U.S.\$500 million aggregate principal amount of the June 2018 U.S. Dollar Notes. In addition, approximately U.S.\$525 million aggregate principal amount of loans and private placement notes, which had remained outstanding under the 2009 Financing Agreement as of September 17, 2012, were subsequently repaid in full, as a result of prepayments made in accordance with the Facilities Agreement. Considering that the relevant economic terms of the new debt instruments are not substantially different from those of the original loans and private placements, the aforementioned exchange of debt as part of the refinancing process did not result in the extinguishment of the original financial liabilities under IFRS; therefore, there were no effects in profit or loss. CEMEX adjusted the carrying amount of the financial liability by approximately U.S.\$116 million in relation to the fees and cost incurred during the refinancing process, and those costs, together with any remaining costs relative to the 2009 Financing Agreement will be amortized over the remaining term of the Facilities Agreement.

On September 29, 2014, CEMEX, S.A.B. de C.V. entered into the Credit Agreement for U.S.\$1.35 billion with nine of the main lending banks from its Facilities Agreement. Effective October 31, 2014, we obtained the required consents to amend the Facilities Agreement so that the covenants and undertakings thereunder are substantially conformed to those of the Credit Agreement. On November 19, 2014, five additional banks joined the Credit Agreement as lenders with aggregate commitments of U.S.\$515 million, increasing the total amount of the Credit Agreement from U.S.\$1.35 billion to U.S.\$1.87 billion (increasing the revolving tranche of the Credit

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Agreement proportionally to U.S.\$746 million). On November 25 and 26, 2014, we used available cash and the additional U.S.\$515 million in proceeds from the Credit Agreement to partially prepay the Facilities Agreement and other debt. As a result, the remaining outstanding amount under the Facilities Agreement was reduced to approximately U.S.\$1.98 billion, scheduled to mature in February 2017. On December 8, 2014, we repaid U.S.\$560 million under the revolving tranche of the Credit Agreement; as a result, as of December 31, 2014, the total amount drawn under the revolving tranche of the Credit Agreement was U.S.\$186 million.

As part of the Facilities Agreement and the Credit Agreement, we pledged under pledge agreements or transferred to a trustee under a security trust substantially all the shares of CEMEX México, Cemex Operaciones México, CEMEX TRADEMARKS HOLDING Ltd., New Sunward, and CEMEX España, as Collateral, and all proceeds of such Collateral, to secure our payment obligations under the Facilities Agreement, the Credit Agreement, the Senior Secured Notes and under several other financing arrangements. These subsidiaries whose shares were pledged or transferred as part of the Collateral collectively own, directly or indirectly, substantially all our operations worldwide. See “Item 3—Key Information—Risk Factors—We pledged the capital stock of subsidiaries that represent substantially all of our business as collateral to secure our payment obligations under the Credit Agreement, the Facilities Agreement, the Senior Secured Notes and other financing arrangements.” Upon completion of the Refinancing Transaction, the collateral securing the 2009 Financing Agreement and other obligations secured by such collateral was released.

As of December 31, 2014, we had an aggregate principal amount of outstanding debt of approximately (i) Ps18,957 million (U.S.\$1,286 million) (principal amount Ps19,236 million (U.S.\$1,305 million)), under the Credit Agreement and (ii) Ps28,569 million (U.S.\$1,938 million) (principal amount Ps29,116 million (U.S.\$1,975 million)), under the Facilities Agreement. If we are unable to comply with our upcoming principal maturities under our indebtedness, or refinance or extend maturities of our indebtedness, our debt could be accelerated. Acceleration of our debt would have a material adverse effect on our financial condition. Additionally, if we are unable to comply with the milestones for addressing the maturities of certain indebtedness pursuant to the Facilities Agreement, the maturity date of our indebtedness under the Facilities Agreement will automatically spring-back to earlier dates. See “Item 3—Key Information—Risk Factors—If we are unable to comply with the milestones for addressing the maturities of certain indebtedness pursuant to the Facilities Agreement, the maturity date of our indebtedness under the Facilities Agreement will automatically reset, or “spring-back” to earlier dates,” “Item 3—Key Information—Risk Factors—We have a substantial amount of debt and other financial obligations maturing in the next several years. If we are unable to secure refinancing on favorable terms or at all, we may not be able to comply with our upcoming payment obligations. Our ability to comply with our principal maturities and financial covenants may depend on us making asset sales, and there is no assurance that we will be able to execute such sales on terms favorable to us or at all.”

For a discussion of restrictions and covenants under the Credit Agreement and the Facilities Agreement, see “Item 3—Key Information—Risk Factors—The Credit Agreement and the Facilities Agreement contain several restrictions and covenants. Our failure to comply with such restrictions and covenants could have a material adverse effect on us.”

For a description of the Senior Secured Notes, see “Item 5—Operating and Financial Review and Prospects—Summary of Material Contractual Obligations and Commercial Commitments—Senior Secured Notes.”

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Some of our subsidiaries and special purpose vehicles have issued or provided guarantees of certain of our indebtedness, as indicated in the table below and as adjusted to give effect to the Recent Financing Transactions.

	The Notes and any Other Notes	Senior Secured Notes	Credit Agreement	Facilities Agreement	Perpetual Debentures	CBs(1)
		U.S.\$10,399 million (Ps153,286 million) (principal amount U.S.\$10,506 million (Ps154,859 million))	U.S.\$1,286 million (Ps18,957 million) (principal amount U.S.\$1,305 million (Ps19,236 million))	U.S.\$1,938 million (Ps28,569 million) (principal amount U.S.\$1,975 million (Ps29,116 million))	U.S.\$699 million (Ps10,300 million)	U.S.\$42 million (Ps614 million)
Amount outstanding as of December 31, 2014(2)						
CEMEX, S.A.B. de C.V.	✓	✓	✓	✓	✓	✓
CEMEX México, S.A. de C.V.	✓	✓	✓	✓	✓	✓
CEMEX Concretos, S.A. de C.V.	✓	✓	✓	✓		
Empresas Tolteca de México, S.A. de C.V.	✓	✓	✓	✓		✓
New Sunward Holding B.V.	✓	✓	✓	✓	✓	
CEMEX España, S.A.	✓	✓	✓	✓		
CEMEX Asia B.V.	✓	✓	✓	✓		
CEMEX Corp.	✓	✓	✓	✓		
CEMEX Finance LLC	✓	✓	✓	✓		
Cemex Egyptian Investments B.V.	✓	✓	✓	✓		
Cemex Egyptian Investments II B.V.	✓	✓	✓	✓		
CEMEX France Gestion (S.A.S)	✓	✓	✓	✓		
CEMEX Research Group AG	✓	✓	✓	✓		
CEMEX Shipping B.V.	✓	✓	✓	✓		
CEMEX UK	✓	✓	✓	✓		

(1) Includes long-term secured CBs.

(2) Includes Senior Secured Notes and Perpetual Debentures held by CEMEX, as applicable.

In addition, as of December 31, 2014, (i) CEMEX, Inc., a subsidiary of CEMEX Corp., was a guarantor of Ps3,131 million (U.S.\$212 million) (principal amount Ps3,131 million (U.S.\$212 million)) in a facility under the Facilities Agreement; (ii) CEMEX Materials LLC was a borrower of Ps485 million (U.S.\$33 million) (principal amount Ps489 million (U.S.\$33 million)) in a facility under the Facilities Agreement, Ps344 million (U.S.\$23 million) under other debt facilities and other financial obligations, and of Ps2,344 million (U.S.\$159 million) (principal amount Ps2,211 million (U.S.\$150 million)) under an indenture, which was guaranteed by CEMEX Corp.; and (iii) several of our other operating subsidiaries were borrowers under debt facilities and other financial obligations aggregating Ps482 million (U.S.\$33 million).

Most of our outstanding indebtedness has been incurred to finance our acquisitions and to finance our capital expenditure programs. Historically, we have addressed our liquidity needs (including funds required to make scheduled principal and interest payments, refinance debt, and fund working capital and planned capital expenditures) with operating cash flow, securitizations, borrowings under credit facilities, proceeds of debt and equity offerings and proceeds from asset sales.

The moderate growth of the global economic environment and its adverse effects on our operating results may negatively affect our credit rating and the market value of CEMEX, S.A.B. de C.V. common stock, CPOs and ADSs. If current economic pressures continue or worsen, we may be dependent on the issuance of equity as a source to repay our existing indebtedness, including indebtedness under the Credit Agreement and the Facilities Agreement. Although we have been able to raise debt, equity and equity-linked capital in the recent past, previous conditions in the capital markets in 2008 and 2009 were such that traditional sources of capital were not

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available to us on reasonable terms or at all. As a result, we cannot assure you that we will be able to successfully raise additional debt or equity capital on terms that are favorable to us or at all.

If the global economic environment deteriorates and our operating results worsen significantly, if we were unable to complete debt or equity offerings or if the proceeds of any divestitures and/or our cash flow or capital resources prove inadequate, we could face liquidity problems and may not be able to comply with our upcoming principal payments under our indebtedness or refinance our indebtedness. If we are unable to comply with our upcoming principal maturities under our indebtedness, or refinance or extend maturities of our indebtedness, our debt could be accelerated. Acceleration of our debt would have a material adverse effect on our business and financial condition.

We and our subsidiaries have sought and obtained waivers and amendments to several of our debt instruments relating to a number of financial ratios in the past. Our ability to comply with these ratios may be affected by current global economic conditions and volatility in foreign exchange rates and the financial and capital markets. We may need to seek waivers or amendments in the future. However, we cannot assure you that any future waivers or amendments, if requested, will be obtained. If we or our subsidiaries are unable to comply with the provisions of our debt instruments, and are unable to obtain a waiver or amendment, the indebtedness outstanding under such debt instruments could be accelerated. Acceleration of these debt instruments would have a material adverse effect on our financial condition.

Relevant Transactions Related to Our Indebtedness During 2014

As of December 31, 2014, we had approximately Ps244,429 million (U.S.\$16,583 million) (principal amount Ps 248,657 million (U.S.\$16,870 million)) of total debt plus other financial obligations, which does not include approximately Ps6,869 million (U.S.\$466 million) of Perpetual Debentures. Our financing activities through December 31, 2013 are described in the 2013 Annual Report. The following is a description of our most important transactions related to our indebtedness in 2014:

- On February 28, 2014, CEMEX, S.A.B. de C.V. entered into private conversion agreements with certain institutional holders of its March 2015 Optional Convertible Subordinated U.S. Dollar Notes pursuant to which such holders converted U.S.\$280,387,000 in aggregate principal amount of the March 2015 Optional Convertible Subordinated U.S. Dollar Notes in exchange for approximately 27.73 million of CEMEX, S.A.B. de C.V.'s ADSs.
- On March 5, 2014, CEMEX Finance Europe B.V. repaid the remaining €247,442,000 aggregate principal amount outstanding of its Eurobonds at their maturity.
- On April 1, 2014, CEMEX Finance LLC issued the April 2024 U.S. Dollar and 2021 Euro Notes. The net proceeds from the offering of the April 2024 U.S. Dollar Notes of approximately U.S.\$995 million and the offering of the April 2021 Euro Notes of approximately €398 million were used to fund the April 2014 Tender Offer (as defined below), the redemption of the remaining €130,000,000 aggregate principal amount of the December 2017 Euro Notes (the "December 2017 Euro Notes Redemption") and the May 2020 Euro Notes Redemption (as defined below).
- On April 9, 2014, CEMEX Finance LLC completed the purchase of U.S.\$597,153,000 aggregate principal amount of the May 2020 U.S. Dollar Notes, Additional May 2020 U.S. Dollar Notes and U.S.\$482,847,000 aggregate principal amount of the January 2018 U.S. Dollar Notes and Additional January 2018 U.S. Dollar Notes through a cash tender offer (the "April 2014 Tender Offer") using a portion of the proceeds from the issuance of the April 2024 U.S. Dollar and April 2021 Euro Notes, which May 2020 U.S. Dollar Notes, Additional May 2020 U.S. Dollar Notes, January 2018 U.S. Dollar Notes and Additional January 2018 U.S. Dollar Notes were immediately cancelled.
- On April 25, 2014, CEMEX Finance LLC completed the December 2017 Euro Notes Redemption using a portion of the proceeds from the issuance of the April 2024 U.S. Dollar and April 2021 Euro Notes.

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- On May 12, 2014, CEMEX España, acting through its Luxembourg branch, completed the redemption of the €115,346,000 remaining aggregate principal amount outstanding of its May 2017 Euro Notes (the “May 2017 Euro Notes Redemption”) using a portion of the proceeds from the issuance of the April 2024 U.S. Dollar and April 2021 Euro Notes.
- In May 2014, CEMEX, S.A.B. de C.V. entered into additional private conversion agreements with certain institutional holders of its March 2015 Optional Convertible Subordinated U.S. Dollar Notes pursuant to which such holders converted U.S.\$59,497,000 in aggregate principal amount of the March 2015 Optional Convertible Subordinated U.S. Dollar Notes in exchange for approximately 5.99 million of CEMEX, S.A.B. de C.V.’s ADSs.
- In June 2014, CEMEX, S.A.B. de C.V. entered into additional private conversion agreements with certain institutional holders of its March 2015 Optional Convertible Subordinated U.S. Dollar Notes pursuant to which such holders converted U.S.\$55,057,000 in aggregate principal amount of the March 2015 Optional Convertible Subordinated U.S. Dollar Notes in exchange for approximately 5.52 million of CEMEX, S.A.B. de C.V.’s ADSs.
- On August 28, 2014, CEMEX, S.A.B. de C.V. entered into additional private conversion agreements with certain institutional holders of its March 2015 Optional Convertible Subordinated U.S. Dollar Notes pursuant to which such holders agreed to convert U.S.\$116,087,000 in aggregate principal amount of the March 2015 Optional Convertible Subordinated U.S. Dollar Notes in exchange for an estimated 11.2 million of CEMEX, S.A.B. de C.V.’s ADSs (collectively, the “August 2014 Private Conversions”). Following the closing of the August 2014 Private Conversions on September 2014, U.S.\$203,972,000 aggregate principal amount of the March 2015 Optional Convertible Subordinated U.S. Dollar Notes remained outstanding.
- On September 11, 2014, CEMEX, S.A.B. de C.V. issued the January 2025 U.S. Dollar Notes and the January 2022 Euro Notes. The net proceeds from the offering of the January 2025 U.S. Dollar Notes were used to fund a portion of the Tender Offer (as defined below) and for general corporate purposes. The net proceeds from the offering of the January 2022 Euro Notes were used for the repayment of indebtedness under the Facilities Agreement and for general corporate purposes, including to fund a portion of the Tender Offer (as defined below).
- On September 29, 2014, CEMEX S.A.B. de C.V. entered into the Credit Agreement for U.S.\$1.35 billion, with nine of the main lending banks from its Facilities Agreement. The net proceeds from the Credit Agreement were used to refinance U.S.\$1.35 billion aggregate principal amount of indebtedness under the Facilities Agreement.
- On October 2, 2014, CEMEX S.A.B. de C.V. settled a cash tender offer (the “Tender Offer”) to purchase up to U.S.\$1,175 million aggregate principal amount of the January 2018 U.S. Dollar Notes, Additional January 2018 U.S. Dollar Notes, the May 2020 U.S. Dollars Notes and Additional May 2020 U.S. Dollar Notes through the Tender Offer. Following completion of the Tender Offer, U.S.\$574,483,000 aggregate principal amount of January 2018 U.S. Dollar Notes and Additional January 2018 U.S. Dollar Notes, and U.S.\$230,622,000 aggregate principal amount of May 2020 U.S. Dollars and Additional May 2020 U.S. Dollar Notes remained outstanding.
- On October 3, 2014, CEMEX, S.A.B. de C.V. closed a private offering of 200,000 Contingent Convertible Units (“CCUs”), each with a stated amount of U.S.\$1,000. The CCUs were issued to finance the payment of U.S.\$200,000,000 of the principal amount of the March 2015 Optional Convertible Subordinated U.S. Dollar Notes that matured without conversion.
- On November 19, 2014, five additional banks joined the Credit Agreement as lenders with aggregate commitments of U.S.\$515 million, increasing the total amount of the Credit Agreement from U.S.\$1.35 billion to U.S.\$1.87 billion (increasing the revolving tranche of the Credit Agreement proportionally to U.S.\$746 million). On November 25 and 26, 2014, CEMEX, S.A.B. de C.V. used available cash and the additional U.S.\$515 million in proceeds from the Credit Agreement to partially prepay the Facilities

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Agreement and other debt. As a result, the remaining outstanding amount under the Facilities Agreement was reduced to approximately U.S.\$1.98 billion, scheduled to mature in February 2017.

- On December 8, 2014, CEMEX, S.A.B de C.V. repaid U.S.\$560 million under the revolving tranche of the Credit Agreement.

We used a substantial portion of the proceeds from these transactions to repay and refinance indebtedness, to improve our liquidity position and for general corporate purposes. Through these and prior refinancing transactions, we have addressed all maturities under the 2009 Financing Agreement and have addressed all maturities under the Facilities Agreement until February 14, 2017. For a description of the transactions related to our indebtedness completed after December 31, 2014, see “Item 5—Operating and Financial Review and Prospects—Recent Developments—Recent Developments Relating to Our Indebtedness.”

Our Other Financial Obligations

Other financial obligations in the consolidated balance sheet as of December 31, 2013 and 2014 are detailed as follows:

	December 31, 2013			December 31, 2014		
	Short-term	Long-term	Total	Short-term	Long-term	Total
March 2018 Optional Convertible Subordinated U.S. Dollar Notes	Ps —	7,565	7,565	Ps —	8,891	8,891
March 2016 Optional Convertible Subordinated U.S. Dollar Notes	—	11,551	11,551	—	13,642	13,642
March 2015 Optional Convertible Subordinated U.S. Dollar Notes	—	8,919	8,919	2,983	—	2,983
November 2019 Mandatory Convertible Mexican Peso Notes	177	1,392	1,569	206	1,194	1,400
Liabilities secured with accounts receivable	4,471	2,500	6,971	8,063	1,700	9,763
Capital leases	920	1,823	2,743	260	1,656	1,916
	<u>Ps5,568</u>	<u>33,750</u>	<u>39,318</u>	<u>Ps11,512</u>	<u>27,083</u>	<u>38,595</u>

As mentioned in note 2L to our 2014 audited consolidated financial statements included elsewhere in this annual report, financial instruments convertible into CEMEX’s S.A.B de C.V. CPOs and/or ADSs contain components of both liability and equity, which are recognized differently depending on whether the instrument is mandatorily convertible, or is optionally convertible by election of the note holders, as well as the currency in which the instrument is denominated.

March 2016 and March 2018 Optional Convertible Subordinated U.S. Dollar Notes

On March 15, 2011, CEMEX, S.A.B. de C.V. closed the offering of the March 2016 and March 2018 Optional Convertible Subordinated U.S. Dollar Notes. The notes are subordinated to all of CEMEX’s liabilities and commitments. The notes are convertible into a fixed number of CEMEX, S.A.B. de C.V.’s ADSs, at the holder’s election, at any time after June 30, 2011 and are subject to antidilution adjustments. The initial conversion price was equivalent to an approximate 30% premium to the closing price of our ADSs on March 9, 2011. A portion of the net proceeds from this transaction were used to fund the purchase of capped call transactions, which are generally expected to reduce the potential dilution cost to CEMEX, S.A.B. de C.V. upon future conversion of the March 2016 and March 2018 Optional Convertible Subordinated U.S. Dollar Notes. As of December 31, 2014 and 2013, the conversion price per ADS was approximately U.S.\$9.65 and U.S.\$10.03, respectively. The fair value of the conversion option as of the issuance date amounted to approximately Ps3,959 million, which considering the then functional currency of the issuer, was recognized until December 31, 2012 as

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a derivative instrument through profit or loss. Changes in fair value of the conversion option generated a loss of Ps1,094 million (U.S.\$88 million) in 2012, recognized within other financial income, net. Effective January 1, 2013, in connection with the change in CEMEX, S.A.B. de C.V.'s functional currency, the conversion options embedded in the March 2016 and March 2018 Optional Convertible Subordinated U.S. Dollar Notes ceased to be treated as stand-alone derivatives at fair value through profit or loss. The liability accrued until December 31, 2012, was cancelled against stockholders' equity. Therefore, there were no valuation effects from the conversion options during 2013 and 2014. As of December 31, 2013 and 2014, the fair value of such options represented assets of approximately Ps4,607 million (U.S.\$353 million) and Ps4,335 million (U.S.\$294 million), respectively. During 2013 and 2014, changes in the fair value of these capped call transactions generated gains of approximately Ps1,663 million (U.S.\$127 million) and losses of approximately Ps962 million (U.S.\$65 million), respectively, which were recognized within "Other financial income, net" in the statements of operations (see note 16D to our 2014 audited consolidated financial statements included elsewhere in this annual report). As a result of the issuance, a substantial part of the new shares approved at CEMEX, S.A.B. de C.V.'s extraordinary shareholders' meeting since 2011 (see note 20A to our 2014 audited consolidated financial statements included elsewhere in this annual report) were reserved by CEMEX, S.A.B. de C.V. to satisfy conversion of these notes. After antidilution adjustments, the conversion rate as of December 31, 2014 was 103.6741 ADSs per U.S.\$1,000 principal amount of such notes.

March 2015 Optional Convertible Subordinated U.S. Dollar Notes

On March 30, 2010, CEMEX, S.A.B. de C.V. issued the March 2015 Optional Convertible Subordinated U.S. Dollar Notes. The March 2015 Optional Convertible Subordinated U.S. Dollar Notes are subordinated to all of CEMEX's liabilities and commitments. The holders of the March 2015 Optional Convertible Subordinated U.S. Dollar Notes have the option to convert their notes for our ADSs at a conversion price per ADS 30% higher than the ADS price at the pricing of the transaction. In connection with the offering, CEMEX, S.A.B. de C.V. entered into a capped call transaction that was expected to reduce the potential dilution cost to CEMEX, S.A.B. de C.V. upon future conversion of the March 2015 Optional Convertible Subordinated U.S. Dollar Notes. As of December 31, 2013 and 2014, the conversion price per ADS was approximately U.S.\$11.62 and U.S.\$11.18, respectively. The fair value of the conversion option as of the issuance date amounted to Ps1,232 million, which considering the then functional currency of the issuer, was recognized until December 31, 2012 as a derivative instrument through profit or loss. Changes in fair value of the conversion option generated a loss of Ps114 million (U.S.\$9 million) in 2012, recognized within other financial income, net. Effective January 1, 2013, in connection with the change in CEMEX, S.A.B. de C.V.'s functional currency, the conversion options embedded in the March 2015 Optional Convertible Subordinated U.S. Dollar Notes ceased to be treated as stand-alone derivatives at fair value through profit or loss. Therefore, there were no valuation effects from the conversion options during 2013 and 2014. As of December 31, 2013, the fair value of such options represented an asset of approximately Ps1,228 million (U.S.\$94 million). During 2013 and 2014, changes in the fair value of this capped call transaction generated gains of approximately Ps465 million (U.S.\$36 million) and Ps253 million (U.S.\$17 million), respectively, which were recognized within "Other financial income, net" in the statements of operations (see note 16D to our 2014 audited consolidated financial statements included elsewhere in this annual report). After antidilution adjustments, the conversion rate as of December 31, 2014 was 89.4729 ADSs per U.S.\$1,000 principal amount of such notes. On several dates during 2014, CEMEX, S.A.B. de C.V. entered into private early conversion agreements with certain institutional holders of the March 2015 Optional Convertible Subordinated U.S. Dollar Notes, pursuant to which such holders converted approximately U.S.\$511 million in aggregate principal amount of the March 2015 Optional Convertible Subordinated U.S. Dollar Notes in exchange for approximately 50.4 million ADSs, which included the number of additional ADSs issued to the holders that converted their notes as inducement premiums, without incurring any cash outflow. As of December 31, 2014, the outstanding principal amount of the March 2015 Optional Convertible Subordinated U.S. Dollar Notes was of approximately U.S.\$204 million.

In January 2014, CEMEX initiated a process to amend the terms of the capped call transaction entered into in connection with the March 2015 Optional Convertible Subordinated U.S. Dollar Notes, pursuant to which,

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using the then existing market valuation of the instrument, CEMEX received approximately 7.7 million zero-strike call options over a same number of ADSs. In July 2014, CEMEX, S.A.B. de C.V. amended the zero-strike call options (which were the original capped call transactions entered into in relation to the March 2015 Optional Convertible Subordinated U.S. Dollar Notes) to reduce volatility of their fair value and placed a minimum value of approximately U.S.\$93.8 million for this equity derivative. As part of the amendment, CEMEX, S.A.B. de C.V. retained the economic value of approximately 1 million of CEMEX, S.A.B. de C.V.'s ADS. During December 2014, CEMEX further amended and unwound the zero-strike call options, monetizing the remainder value of the approximately 1 million ADSs it had retained, pursuant to which CEMEX received a total payment of approximately U.S.\$105 million.

On October 3, 2014, pursuant to a private offer, CEMEX, S.A.B. de C.V. issued 200,000 CCUs, each with a stated amount of U.S.\$1,000. The CCUs were issued to finance payment of the principal amount of U.S.\$200 million of March 2015 Optional Convertible Subordinated U.S. Dollar Notes that matured without conversion. The proceeds of the offering of CCUs were temporarily used to invest in qualifying treasury securities (the "Treasury Securities") which, together with certain additional amounts, were held in a securities account at The Bank of New York Mellon. Pursuant to the note purchase contracts (the "Note Purchase Contracts") underlying the CCUs, holders of the CCUs agreed to purchase from CEMEX, S.A.B. de C.V. and CEMEX, S.A.B. de C.V. agreed to sell to the holders new convertible notes of CEMEX, S.A.B. de C.V. to the extent the Note Purchase Contracts were exercised. The March 2015 Optional Convertible Subordinated U.S. Dollar Notes matured without conversion and the Note Purchase Contracts were exercised on March 13, 2015. As a result, CEMEX, S.A.B. de C.V. issued new convertible notes. See "Item 5—Recent Developments—Recent Developments Relating to Our Indebtedness—Issuance of March 2020 Convertible Subordinated U.S. Dollar Notes."

November 2019 Mandatory Convertible Mexican Peso Notes

In December 2009, CEMEX, S.A.B. de C.V. completed its offer to exchange CBs with maturities between 2010 and 2012 for approximately Ps4,126 million (U.S.\$315 million) of November 2019 Mandatory Convertible Mexican Peso Notes. Reflecting antidilution adjustments, at their scheduled conversion in 2019 or earlier if the price of the CPO reaches approximately Ps29.50, the securities will be mandatorily convertible into approximately 210 million CPOs at a conversion price of approximately Ps19.66 per CPO. During their tenure, the securities bear interest at an annual rate of 10% interest payable quarterly. Holders have an option to voluntarily convert their securities, after the first anniversary of their issuance, on any interest payment date into CPOs. The equity component, represented by the fair value of the conversion options of the issuance date of Ps1,971 million was recognized within "Other equity reserves." See note 16B to our 2014 audited consolidated financial statements included elsewhere in this annual report. Effective January 1, 2013, in connection with the change of CEMEX, S.A.B. de C.V.'s functional currency, the conversion option embedded in these securities as of January 1, 2013, started to be treated as stand-alone derivative liability at fair value through profit or loss, which as of December 31, 2013 and 2014, resulted in a liability of Ps506 million (U.S.\$39 million) and Ps413 million (U.S.\$28 million), respectively. Changes in the fair value of the conversion option during 2013 and 2014 generated losses of approximately Ps135 million (U.S.\$10 million) and gains of approximately Ps159 million (U.S.\$11 million), respectively, which were recognized within "Other financial income, net" in the statement of operations.

Our Receivables Financing Arrangements

Our subsidiaries in Mexico, the United States, France and the United Kingdom, are parties to sales of trade accounts receivable programs with financial institutions, referred to as securitization programs. As of December 31, 2013 and 2014, trade accounts receivable include receivables of Ps8,487 million (U.S.\$650 million) and Ps11,538 million (U.S.\$783 million), respectively. Under these programs, our subsidiaries effectively surrender control associated with the trade accounts receivable sold and there is no guarantee or obligation to reacquire the assets. However, we retain certain residual interest in the programs and/or maintain continuing involvement with the accounts receivable; therefore, the amounts received are recognized within

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“Other financial obligations.” Trade accounts receivable qualifying for sale exclude amounts over certain days past due or concentrations over certain limits to any customer, according to the terms of the programs. The portion of the accounts receivable sold maintained as reserves amounted to Ps1,516 million and Ps1,775 million as of December 31, 2013 and 2014, respectively. Therefore, the funded amount to CEMEX was Ps9,763 million (U.S.\$662 million) in 2014 and Ps6,971 million (U.S.\$534 million) in 2013. The discount granted to the acquirers of the trade accounts receivable is recorded as financial expense and amounted to approximately Ps317 million (U.S.\$25 million) and Ps298 million (U.S.\$22 million) in 2013 and 2014, respectively. Our securitization programs are negotiated for specific periods and may be renewed at their maturity. The securitization programs outstanding as of December 31, 2014 in Mexico, the United States, France and the United Kingdom, mature in March 2017, May 2015 and March 2015, respectively. The securitization programs in the United States, France and the United Kingdom, were extended in March 2015 and now mature in March 2016.

Capital leases

As of December 31, 2013 and 2014, we held several operating buildings and mainly mobile equipment, under capital lease contracts for a total of approximately U.S.\$210 million (Ps2,743 million) and U.S.\$130 million (Ps1,916 million), respectively. See note 16B to our 2014 audited consolidated financial statements included elsewhere in this annual report. Future payments associated with these contracts are presented in note 23E to our 2014 audited consolidated financial statements included elsewhere in this annual report.

Our Equity Forward Arrangements

As of December 31, 2014 and 2013, CEMEX had a forward contract to be settled in cash maturing in October 2015 over the price, in both years, of 59.5 million CPOs of Axtel, S.A.B. de C.V. (“Axtel”), a Mexican telecommunications company traded in the Mexican Stock Exchange (“MSE”). CEMEX negotiated this contract to maintain the exposure to changes in the price of this entity. Changes in the fair value of this instrument generated gains of approximately U.S.\$6 million (Ps76 million) in 2013, and losses of approximately U.S.\$9 million (Ps133 million) in 2014.

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Perpetual Debentures

As of December 31, 2013 and 2014, non-controlling interest stockholders' equity included approximately U.S.\$477 million (Ps6,223 million) and U.S.\$466 million (Ps6,869 million), respectively, representing the notional amount of Perpetual Debentures. The Perpetual Debentures have no fixed maturity date and do not represent contractual obligations to exchange any series of its outstanding Perpetual Debentures for financial assets or financial liabilities. Based on their characteristics, the Perpetual Debentures, issued through Special Purpose Vehicles ("SPVs"), qualify as equity instruments and are classified within non-controlling interest as they were issued by consolidated entities, and, if the conditions to interest deferred are satisfied, we have the unilateral right to defer indefinitely the payment of interest due on the Perpetual Debentures. Issuance costs, as well as the interest expense, which is accrued based on the principal amount of the Perpetual Debentures, are included within "Other equity reserves" and represented expenses of approximately Ps405 million and Ps420 million in 2013 and 2014, respectively. The different SPVs were established solely for purposes of issuing the Perpetual Debentures and are included in our 2014 audited consolidated financial statements included elsewhere in this annual report. As of December 31, 2014, the Perpetual Debentures were as follows:

Issuer	Issuance date	Nominal Amount at Issuance Date (in millions)	Nominal amount Outstanding as of December 31, 2014 (in millions)	Repurchase option	Interest rate
C10-EUR Capital (SPV) Ltd.	May 2007	€ 730	€ 64	Tenth anniversary	6.277%
C8 Capital (SPV) Ltd.(1)	February 2007	U.S.\$ 750	U.S.\$ 137	Eighth anniversary	LIBOR + 4.4%
C5 Capital (SPV) Ltd.(1)	December 2006	U.S.\$ 350	U.S.\$ 69	Fifth anniversary	LIBOR+4.277%
C10 Capital (SPV) Ltd.	December 2006	U.S.\$ 900	U.S.\$ 183	Tenth anniversary	6.722%

(1) We are restricted to call these Perpetual Debentures under the Credit Agreement and the Facilities Agreement.

Stock Repurchase Program

Under Mexican law, CEMEX, S.A.B. de C.V.'s shareholders may authorize a stock repurchase program at CEMEX, S.A.B. de C.V.'s annual general ordinary shareholders' meeting. Unless otherwise instructed by CEMEX, S.A.B. de C.V.'s shareholders, we are not required to purchase any minimum number of shares pursuant to such program.

In connection with CEMEX, S.A.B. de C.V.'s 2012, 2013 and 2014 annual general ordinary shareholders' meetings held on March 21, 2013, March 20, 2014, and March 26, 2015, respectively, no stock repurchase program has been proposed between March 2013 and the date of this annual report. Subject to certain exceptions, we are not permitted to repurchase shares of our capital stock under Credit Agreement, the Facilities Agreement and the indentures governing the Senior Secured Notes.

Research and Development, Patents and Licenses, etc.

Headed by CEMEX Research Group AG ("CEMEX Research Group"), based in Switzerland, research and development ("R&D") is increasingly assuming a key role as it is recognized as an important contributor to CEMEX's comprehensive pricing strategy for CEMEX's products. Through the development of innovative technologies, services, and commercial models, CEMEX is leveraging its know-how based assets to create an important differentiation in its offerings to customers in a broad range of markets with unique challenges. Focus is placed on creating tangible value for our customers by making their business more profitable, but more importantly, as leaders in the industry, there is an underlying mission for CEMEX to elevate and accelerate the

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industry's evolution in order to achieve greater sustainability, increase engagement in social responsibility and provoke an important leap in its technological advancement.

CEMEX's R&D initiatives are globally led, coordinated and managed by CEMEX Research Group, which encompasses the areas of Product Development & Construction Trends, Cement Production Technology, Sustainability, Business Process & IT, Innovation, and Commercial & Logistics. The areas of Product Development & Construction Trends and Cement Production Technology are responsible for, among others, developing new products for our cement, ready-mix concrete, aggregate and admixture businesses as well as introduce novel and/or improved processing and manufacturing technology for all of CEMEX's core businesses. Additionally, the Product Development & Construction Trends and Sustainability areas collaborate to develop and propose construction solutions through consulting and the integration of the aforementioned technologies. The Cement Production Technology and Sustainability areas are dedicated to, among others, operational efficiencies leading to cost reductions and enhancing our CO2 footprint and overall environmental impact through the usage of alternative or biomass fuels and the use of supplementary materials in substitution of clinker. For example, we have developed processes and products that allow us to reduce heat consumption in our kilns, which in turn reduces energy costs. Global products/brands have been conceptualized and engineered to positively impact the jobsite safety, promote efficient construction practices, sensibly preserve natural resources vital to life, lower carbon foot-print and improve the quality of life in rapidly transforming cities. Underlying CEMEX's R&D philosophy is a growing culture of global collaboration and coordination, where the Innovation Team identifies and promotes novel collaboration practices, and mobilizes its adoption within CEMEX. Getting closer and understanding our customers is a fundamental transformation within CEMEX, and consequently the Commercial & Logistics area is carrying out research initiatives to better attend the needs of customers as well as identify key changes in our supply chain management that will enable us to bring products, solutions, and services to our customers in the most cost-effective and efficient manner.

There are nine laboratories supporting CEMEX's R&D efforts under a collaboration network. The laboratories are strategically located in close proximity to our plants, and assist the operating subsidiaries with troubleshooting, optimization techniques and quality assurance methods. The laboratory located in Switzerland is continually improving and consolidating our research and development efforts in the areas of cement, concrete, aggregates, admixtures, mortar and asphalt technology, sustainability as well as in energy management. In addition, CEMEX Research Group actively generates as well as registers patents and pending applications in many of the countries in which CEMEX operates. Patents and trade secrets are managed strategically in order to ensure an important technology lock-ins associated with CEMEX technology.

Our Information Technology divisions develop information management systems and software relating to cement and ready-mix concrete operational practices, automation and maintenance. These systems have helped us to better serve our clients with respect to purchasing, delivery and payment. More importantly, thanks to the activities of the Business Process and IT departments, CEMEX is continuously improving and innovating its business processes to adapt them to the dynamically evolving markets, and better serve CEMEX's needs.

R&D activities comprise part of the daily routine of the departments and divisions mentioned above; therefore, the costs associated with such activities are expensed as incurred. However, the costs incurred in the development of software for internal use are capitalized and amortized in operating results over the estimated useful life of the software, which is approximately five years.

In 2012, 2013 and 2014, the total combined expense of the technology and energy departments in CEMEX, which includes all significant R&D activities, amounted to approximately Ps514 million (U.S.\$40 million), Ps494 million (U.S.\$38 million) and Ps538 million (U.S.\$36 million), respectively.

Trend Information

Other than as disclosed elsewhere in this annual report, we are not aware of any trends, uncertainties, demands, commitments or events for the year ended December 31, 2014 that are reasonably likely to have a

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material and adverse effect on our net sales, income, profitability, liquidity or capital resources, or that would cause the disclosed financial information to be not necessarily indicative of future results of operations or financial conditions.

Summary of Material Contractual Obligations and Commercial Commitments

The Facilities Agreement

As a result of the Refinancing Transaction, on September 17, 2012, we entered into the Facilities Agreement. See “Item 5—Operating and Financial Review and Prospects—Liquidity and Capital Resources—Recent Developments Relating to Our Indebtedness.” As of December 31, 2014, we had an aggregate principal amount of outstanding debt under the Facilities Agreement of approximately Ps28,569 million (U.S.\$1,938 million) (principal amount Ps29,116 million (U.S.\$1,975 million)), all of which matures in 2017. However, pursuant to the Facilities Agreement, if we are unable to comply with the milestones for addressing the maturities of certain indebtedness, the maturity date of our indebtedness under the Facilities Agreement will spring-back to earlier dates. See “Item 3—Key Information—Risk Factors—If we are unable to comply with the milestones for addressing the maturities of certain indebtedness pursuant to the Facilities Agreement, the maturity date of our indebtedness under the Facilities Agreement will automatically reset, or ‘spring-back,’ to earlier dates.”

The Facilities Agreement is secured by a first-priority security interest over the Collateral and all proceeds of such Collateral.

For a discussion of restrictions and covenants under the Facilities Agreement, see “Item 3—Key Information—Risk Factors—The Credit Agreement and the Facilities Agreement contain several restrictions and covenants. Our failure to comply with such restrictions and covenants could have a material adverse effect on us.”

The Credit Agreement

On September 29, 2014, we entered into the Credit Agreement for U.S.\$1.35 billion, with nine of the main lending banks from its Facilities Agreement. On November 19, 2014, five additional banks joined the Credit Agreement as lenders with aggregate commitments of U.S.\$515 million, increasing the total amount of the Credit Agreement from U.S.\$1.35 billion to U.S.\$1.87 billion (increasing the revolving tranche of the Credit Agreement proportionally to U.S.\$746 million). See “Item 5—Operating and Financial Review and Prospects—Liquidity and Capital Resources—Our Indebtedness.”

As of December 31, 2014, we had an aggregate principal amount of outstanding debt under the Credit Agreement of approximately Ps18,957 million (U.S.\$1,286 million) (principal amount Ps19,236 million (U.S.\$1,305 million)). The Credit Agreement is secured by a first-priority security interest over the Collateral and all proceeds of such Collateral.

For a discussion of restrictions and covenants under the Facilities Agreement, see “Item 3—Key Information—Risk Factors—The Credit Agreement and the Facilities Agreement contain several restrictions and covenants. Our failure to comply with such restrictions and covenants could have a material adverse effect on us.”

Senior Secured Notes

The indentures governing the Senior Secured Notes impose significant operating and financial restrictions on us. These restrictions will limit our ability, among other things, to: (i) create liens; (ii) incur in additional debt; (iii) change CEMEX’s business or the business of any obligor or material subsidiary (in each case, as defined in the Credit Agreement and the Facilities Agreement); (iv) enter into mergers; (v) enter into agreements that restrict our subsidiaries’ ability to pay dividends or repay intercompany debt; (vi) acquire assets; (vii) enter into

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or invest in joint venture agreements; (viii) dispose certain assets; (ix) grant additional guarantees or indemnities; (x) declare or pay cash dividends or make share redemptions; (xi) enter into certain derivatives transactions; (xii) exercise any call option in relation to any perpetual bonds issues unless the exercise of the call options does not have a materially negative impact on our cash flow; and (xiii) transfer all or substantially all the assets from subsidiaries or more than 10% of shares in subsidiaries into or out of CEMEX España or its subsidiaries if those assets or subsidiaries are not controlled by CEMEX España or any of its subsidiaries.

May 2020 U.S. Dollars and 2017 Euro Notes. On May 12, 2010, CEMEX España, acting through its Luxembourg branch, issued the May 2020 U.S. Dollars and 2017 Euro Notes, in exchange for a majority in principal amount of the then outstanding Perpetual Debentures pursuant to exchange offers, in private transactions exempt from registration pursuant to Section 4(2) of the Securities Act and Regulation S under the Securities Act. In addition, on March 4, 2011, CEMEX España, acting through its Luxembourg branch, issued the Additional May 2020 U.S. Dollar Notes in exchange for €119,350,000 aggregate principal amount of the Euro-Denominated 6.277% Fixed-to-Floating Rate Callable Perpetual Debentures issued by C10-EUR Capital (SPV), pursuant to an exchange offer, in a private transaction exempt from registration pursuant to Regulation S under the Securities Act. CEMEX, S.A.B. de C.V., CEMEX México, New Sunward, CEMEX Asia B.V. (“CEMEX Asia”), CEMEX Concretos, S.A. de C.V. (“CEMEX Concretos”), CEMEX Corp., CEMEX Finance LLC, Cemex Egyptian Investments B.V. (“CEMEX Egyptian Investments”), Cemex Egyptian Investments II B.V. (“CEMEX Egyptian Investments II”), CEMEX France Gestion (S.A.S.) (“CEMEX France”), CEMEX Research Group, CEMEX Shipping B.V. (“CEMEX Shipping”), CEMEX UK and Empresas Tolteca de México, S.A. de C.V. (“Empresas Tolteca”) have fully and unconditionally guaranteed the performance of all obligations of CEMEX España under the May 2020 U.S. Dollars and 2017 Euro Notes, on a senior basis. The payment of principal, interest and premium, if any, on such notes is secured by a first-priority security interest over the Collateral and all proceeds of such Collateral. “Item 5—Operating and Financial Review and Prospects—Recent Developments Relating to Our Indebtedness—Redemption of the May 2020 U.S. Dollar Notes and Additional May 2020 Notes.”

January 2018 U.S. Dollar Notes and Additional January 2018 U.S. Dollar Notes. On January 11, 2011, CEMEX, S.A.B. de C.V. issued the January 2018 U.S. Dollar Notes in transactions exempt from registration pursuant to Rule 144A and Regulation S under the Securities Act. On July 11, 2011, CEMEX, S.A.B. de C.V. issued the Additional January 2018 U.S. Dollar Notes. CEMEX México, CEMEX España, New Sunward, CEMEX Asia, CEMEX Concretos, CEMEX Corp., CEMEX Finance LLC, CEMEX Egyptian Investments, CEMEX Egyptian Investments II, CEMEX France, CEMEX Research Group, CEMEX Shipping, CEMEX UK and Empresas Tolteca have fully and unconditionally guaranteed the performance of all obligations of CEMEX, S.A.B. de C.V. under the January 2018 U.S. Dollar Notes and Additional January 2018 U.S. Dollar Notes on a senior basis. The payment of principal, interest and premium, if any, on such notes is secured by a first-priority security interest over the Collateral and all proceeds of such Collateral. See “Item 5—Operating and Financial Review and Prospects—Recent Developments Relating to Our Indebtedness—Redemption of the January 2018 U.S. Dollar Notes and Additional January 2018 U.S. Dollar Notes.”

September 2015 Floating Rate U.S. Dollar Notes. On April 5, 2011, CEMEX, S.A.B. de C.V. issued the September 2015 Floating Rate U.S. Dollar Notes in transactions exempt from registration pursuant to Rule 144A and Regulation S under the Securities Act. CEMEX México, CEMEX España, New Sunward, CEMEX Asia, CEMEX Concretos, CEMEX Corp., CEMEX Finance LLC, CEMEX Egyptian Investments, CEMEX Egyptian Investments II, CEMEX France, CEMEX Research Group, CEMEX Shipping, CEMEX UK and Empresas Tolteca have fully and unconditionally guaranteed the performance of all obligations of CEMEX, S.A.B. de C.V. under the September 2015 Floating Rate U.S. Dollar Notes on a senior basis. The payment of principal, interest and premium, if any, on such notes is secured by a first-priority security interest over the Collateral and all proceeds of such Collateral. The September 2015 Floating Rate U.S. Dollar Notes are redeemable beginning on June 30, 2015 at a redemption price of 100% of the principal amount thereof, plus accrued and unpaid interest through the redemption date. CEMEX, S.A.B. de C.V. intends to use a portion of the proceeds from the issuance the May 2025 U.S. Dollar and the March 2023 Euro Notes together with any necessary drawdowns under the

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revolving tranche of the Credit Agreement, to fund the redemption in full of U.S.\$746,415,000 aggregate principal amount of the September 2015 Floating Rate U.S. Dollar Notes (excluding U.S.\$37,710,000 in aggregate principal amount of September 2015 Floating Rate U.S. Dollar Notes held by us).

April 2019 U.S. Dollar and Euro Notes. On March 28, 2012, CEMEX España, acting through its Luxembourg branch, issued the April 2019 U.S. Dollar and Euro Notes in exchange for Perpetual Debentures and Eurobonds pursuant to separate private placement exchange offers directed to the holders of Perpetual Debentures and Eurobonds, in transactions exempt from registration pursuant to Section 4(2) of the Securities Act. Such exchange offers were made within the United States only to “qualified institutional buyers” (as defined in Rule 144A under the Securities Act), and outside the United States to persons that are not “U.S. persons,” as such term is defined in Rule 902(k) of Regulation S under the Securities Act and who participated in the transactions in accordance with Regulation S. CEMEX, S.A.B. de C.V., CEMEX México, New Sunward, CEMEX Asia, CEMEX Concretos, CEMEX Corp., CEMEX Finance LLC, CEMEX Egyptian Investments, CEMEX Egyptian Investments II, CEMEX France, CEMEX Research Group, CEMEX Shipping, CEMEX UK and Empresas Tolteca have fully and unconditionally guaranteed the performance of all obligations of CEMEX España under the April 2019 U.S. Dollar and Euro Notes on a senior basis. The payment of principal, interest and premium, if any, on such notes is secured by a first-priority security interest over the Collateral and all proceeds of such Collateral.

June 2018 U.S. Dollar Notes. In connection with the Refinancing Transaction, on September 17, 2012, CEMEX, S.A.B. de C.V. the June 2018 U.S. Dollar Notes to participating creditors that elected to receive the June 2018 U.S. Dollar Notes in place of all or a portion of their indebtedness subject to the 2009 Financing Agreement. CEMEX México, CEMEX España, New Sunward, CEMEX Asia, CEMEX Concretos, CEMEX Corp., CEMEX Finance LLC, CEMEX Egyptian Investments, CEMEX Egyptian Investments II, CEMEX France, CEMEX Research Group, CEMEX Shipping, CEMEX UK and Empresas Tolteca have fully and unconditionally guaranteed the performance of all obligations of CEMEX, S.A.B. de C.V. under the June 2018 U.S. Dollar Notes on a senior basis. The payment of principal, interest and premium, if any, on such notes is secured by a first-priority security interest over the Collateral and all proceeds of such Collateral.

October 2022 U.S. Dollar Notes. On October 12, 2012, our subsidiary, CEMEX Finance LLC, issued the October 2022 U.S. Dollar Notes in transactions exempt from registration pursuant to Rule 144A and Regulation S under the Securities Act. CEMEX, S.A.B. de C.V., CEMEX México, CEMEX España, New Sunward, CEMEX Asia, CEMEX Concretos, CEMEX Corp., CEMEX Egyptian Investments, CEMEX Egyptian Investments II, CEMEX France, CEMEX Research Group, CEMEX Shipping, CEMEX UK and Empresas Tolteca have fully and unconditionally guaranteed the performance of all obligations of CEMEX Finance LLC under the October 2022 U.S. Dollar Notes on a senior basis. The payment of principal, interest and premium, if any, on such notes is secured by a first-priority security interest over the Collateral and all proceeds of such Collateral.

March 2019 U.S. Dollar Notes. On March 25, 2013, CEMEX, S.A.B. de C.V. issued the March 2019 U.S. Dollar Notes in transactions exempt from registration pursuant to Rule 144A and Regulation S under the Securities Act. CEMEX México, CEMEX España, New Sunward, CEMEX Asia, CEMEX Concretos, CEMEX Corp., CEMEX Finance LLC, CEMEX Egyptian Investments, CEMEX Egyptian Investments II, CEMEX France, CEMEX Research Group, CEMEX Shipping, CEMEX UK and Empresas Tolteca have fully and unconditionally guaranteed the performance of all obligations of CEMEX, S.A.B. de C.V. under the March 2019 U.S. Dollar Notes. The payment of principal, interest and premium, if any, on such notes is secured by a first-priority security interest over the Collateral and all proceeds of such Collateral.

December 2019 U.S. Dollar Notes. On August 12, 2013, CEMEX S.A.B. de C.V. issued the December 2019 U.S. Dollar Notes, in transactions exempt from registration pursuant to Rule 144A and Regulation S under the Securities Act. CEMEX México, CEMEX España, New Sunward, CEMEX Asia, CEMEX Concretos, CEMEX Corp., CEMEX Finance LLC, CEMEX Egyptian Investments, CEMEX Egyptian Investments II, CEMEX

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France, CEMEX Research Group, CEMEX Shipping and CEMEX UK and Empresas Tolteca have fully and unconditionally guaranteed the performance of all obligations of CEMEX, S.A.B. de C.V. under the December 2019 U.S. Dollar Notes. The payment of principal, interest and premium, if any, on such notes is secured by a first-priority security interest over the Collateral and all proceeds of such Collateral.

January 2021 and October 2018 Floating Rate U.S. Dollar Notes. On October 2, 2013, CEMEX S.A.B. de C.V. issued the January 2021 and October 2018 Floating Rate U.S. Dollar Notes, in transactions exempt from registration pursuant to Rule 144A and Regulation S under the Securities Act. CEMEX México, CEMEX España, New Sunward, CEMEX Asia, CEMEX Concretos, CEMEX Corp., CEMEX Finance LLC, CEMEX Egyptian Investments, CEMEX Egyptian Investments II, CEMEX France, CEMEX Research Group, CEMEX Shipping and CEMEX UK and Empresas Tolteca have fully and unconditionally guaranteed the performance of all obligations of CEMEX, S.A.B. de C.V. under the January 2021 and October 2018 Floating Rate U.S. Dollar Notes. The payment of principal, interest and premium, if any, on such notes is secured by a first-priority security interest over the Collateral and all proceeds of such Collateral.

April 2024 U.S. Dollar and April 2021 Euro Notes. On April 1, 2014, CEMEX Finance LLC issued the April 2024 U.S. Dollar and 2021 Euro Notes in transactions exempt from registration pursuant to Rule 144A and Regulation S under the Securities Act. CEMEX, S.A.B. de C.V., CEMEX México, CEMEX España, New Sunward, CEMEX Asia, CEMEX Concretos, CEMEX Corp., CEMEX Egyptian Investments, CEMEX Egyptian Investments II, CEMEX France, CEMEX Research Group, CEMEX Shipping, CEMEX UK, Empresas Tolteca and CEMEX Finance LLC have fully and unconditionally guaranteed the performance of all obligations of CEMEX Finance LLC under the April 2024 U.S. Dollar and 2021 Euro Notes. The payment of principal, interest and premium, if any, on such notes is secured by a first-priority security interest over the Collateral and all proceeds of such Collateral.

January 2025 U.S. Dollar and January 2022 Euro Notes. On September 11, 2014, CEMEX, S.A.B. de C.V. issued the January 2025 U.S. Dollar and January 2022 Euro Notes, in transactions exempt from registration pursuant to Rule 144A and Regulation S under the Securities Act. CEMEX México, CEMEX Concretos, Empresas Tolteca, New Sunward, CEMEX España, CEMEX Asia B.V., CEMEX Corp., CEMEX Finance LLC, Cemex Egyptian Investments B.V., Cemex Egyptian Investments II B.V., CEMEX France Gestion (S.A.S.), CEMEX Research Group, CEMEX Shipping B.V. and CEMEX UK, have fully and unconditionally guaranteed the performance of all obligations of CEMEX, S.A.B. de C.V. under the January 2025 U.S. Dollar and January 2022 Euro Notes. The payment of principal, interest and premium, if any, on such notes is secured by a first-priority security interest over the Collateral and all proceeds of such Collateral.

May 2025 U.S. Dollar and March 2023 Euro Notes. On March 5, 2015, CEMEX, S.A.B. de C.V. issued the May 2025 U.S. Dollar and March 2023 Euro Notes in transactions exempt from registration pursuant to Rule 144A and Regulation S under the Securities Act. CEMEX México, CEMEX Concretos, Empresas Tolteca, New Sunward, CEMEX España, CEMEX Asia B.V., CEMEX Corp., CEMEX Finance LLC, Cemex Egyptian Investments B.V., Cemex Egyptian Investments II B.V., CEMEX France Gestion (S.A.S.), CEMEX Research Group, CEMEX Shipping B.V. and CEMEX UK, have fully and unconditionally guaranteed the performance of all obligations of CEMEX, S.A.B. de C.V. under the May 2025 U.S. Dollar and March 2023 Euro Notes. The payment of principal, interest and premium, if any, on such notes is secured by a first-priority security interest over the Collateral and all proceeds of such Collateral. See “Item 5—Recent Developments—Recent Developments Relating to Our Indebtedness—Issuance of the May 2025 U.S. Dollar and March 2023 Euro Notes.”

November 2019 Mandatory Convertible Mexican Peso Notes. On December 10, 2009, CEMEX, S.A.B. de C.V. issued approximately Ps4,126 million (approximately U.S.\$315 million) of its November 2019 Mandatory Convertible Mexican Peso Notes, in exchange for CBs maturing on or before December 31, 2012, pursuant to an exchange offer conducted in Mexico, in transactions exempt from registration pursuant to Regulation S under the Securities Act. The November 2019 Mandatory Convertible Mexican Peso Notes are mandatorily convertible

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into newly issued CPOs at a conversion price per CPO (calculated as the volume-weighted average price of the CPO for the ten trading days prior to the closing of the exchange offer multiplied by a conversion premium of approximately 1.65), accrue interest, payable in cash, at 10% per annum, provide for the payment of a cash penalty fee, equal to approximately one year of interest, upon the occurrence of certain anticipated conversion events, and mature on November 28, 2019. After antidilution adjustments, the conversion rate as of December 31, 2014 was 210 CPOs per each obligation at a conversion price of approximately Ps19.66 per CPO.

March 2015 Optional Convertible Subordinated U.S. Dollar Notes. On March 30, 2010, CEMEX, S.A.B. de C.V. issued the March 2015 Optional Convertible Subordinated U.S. Dollar Notes. The March 2015 Optional Convertible Subordinated U.S. Dollar Notes are subordinated to all of CEMEX's liabilities and commitments. The holders of the March 2015 Optional Convertible Subordinated U.S. Dollar Notes have the option to convert their notes for our ADSs at a conversion price per ADS 30% higher than the ADS price at the pricing of the transaction. In connection with the offering, CEMEX, S.A.B. de C.V. entered into a capped call transaction that was expected to reduce the potential dilution cost to CEMEX, S.A.B. de C.V. upon future conversion of the March 2015 Optional Convertible Subordinated U.S. Dollar Notes. As of December 31, 2013 and 2014, the conversion price per ADS was approximately U.S.\$11.62 and U.S.\$11.18, respectively. The fair value of the conversion option as of the issuance date amounted to Ps1,232 million, which considering the then functional currency of the issuer, was recognized until December 31, 2012 as a derivative instrument through profit or loss. Changes in fair value of the conversion option generated a loss of Ps114 million (U.S.\$9 million) in 2012, recognized within other financial income, net. Effective January 1, 2013, in connection with the change in CEMEX, S.A.B. de C.V.'s functional currency, the conversion options embedded in the March 2015 Optional Convertible Subordinated U.S. Dollar Notes ceased to be treated as stand-alone derivatives at fair value through profit or loss. Therefore, there were no valuation effects from the conversion options during 2013 and 2014. As of December 31, 2013, the fair value of such options represented an asset of approximately Ps1,228 million (U.S.\$94 million). During 2013 and 2014, changes in the fair value of this capped call transaction generated gains of approximately Ps465 million (U.S.\$36 million) and Ps253 million (U.S.\$17 million), respectively, which were recognized within "other financial income, net" in the statements of operations (see note 16D to our 2014 audited consolidated financial statements included elsewhere in this annual report). After antidilution adjustments, the conversion rate as of December 31, 2014 was 89.4729 ADSs per U.S.\$1,000 principal amount of such notes. On several dates during 2014, CEMEX, S.A.B. de C.V. entered into private early conversion agreements with certain institutional holders of the March 2015 Optional Convertible Subordinated U.S. Dollar Notes, pursuant to which such holders converted approximately U.S.\$511 million in aggregate principal amount of the March 2015 Optional Convertible Subordinated U.S. Dollar Notes in exchange for approximately 50.4 million ADSs, which included the number of additional ADSs issued to the holders that converted their notes as inducement premiums, without incurring any cash outflow. As of December 31, 2014, the outstanding principal amount of the March 2015 Optional Convertible Subordinated U.S. Dollar Notes was of approximately U.S.\$204 million.

In January 2014, CEMEX initiated a process to amend the terms of the capped call transaction entered into in connection with the March 2015 Optional Convertible Subordinated U.S. Dollar Notes, pursuant to which, using the then existing market valuation of the instrument, CEMEX received approximately 7.7 million zero-strike call options over a same number of ADSs. In July 2014, CEMEX, S.A.B. de C.V. amended the zero-strike call options (which were the original capped call transactions entered into in relation to the March 2015 Optional Convertible Subordinated U.S. Dollar Notes) to reduce volatility of their fair value and placed a minimum value of approximately U.S.\$93.8 million for this equity derivative. As part of the amendment, CEMEX, S.A.B. de C.V. retained the economic value of approximately 1 million of CEMEX, S.A.B. de C.V.'s ADS. During December 2014, CEMEX further amended and unwound the zero-strike call options, monetizing the remainder value of the approximately 1 million ADSs it had retained, pursuant to which CEMEX received a total payment of approximately U.S.\$105 million.

On October 3, 2014, pursuant to a private offer, CEMEX, S.A.B. de C.V. issued 200,000 CCUs, each with a stated amount of U.S. \$1,000. The CCUs were issued to finance payment of the principal amount of U.S.\$200

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million of March 2015 Optional Convertible Subordinated U.S. Dollar Notes that matured without conversion. The proceeds of the offering of CCUs were temporarily used to invest in Treasury Securities which, together with certain additional amounts, were held in a securities account at The Bank of New York Mellon. Pursuant to the Note Purchase Contracts underlying the CCUs, holders of the CCUs agreed to purchase from CEMEX, S.A.B. de C.V. and CEMEX, S.A.B. de C.V. agreed to sell to the holders new convertible notes of CEMEX, S.A.B. de C.V. to the extent the Note Purchase Contracts were exercised. The March 2015 Optional Convertible Subordinated U.S. Dollar Notes matured without conversion and the Note Purchase Contracts were exercised on March 13, 2015. As a result, CEMEX S.A.B. de C.V. issued new convertible notes. See “Item 5—Recent Developments—Recent Developments Relating to Our Indebtedness—Issuance of March 2020 Convertible Subordinated U.S. Dollar Notes.”

March 2016 and March 2018 Optional Convertible Subordinated U.S. Dollar Notes. On March 15, 2011, CEMEX, S.A.B. de C.V. issued the March 2016 and March 2018 Optional Convertible Subordinated U.S. Dollar Notes, including the initial purchasers’ exercise in full of their over-allotment options, in transactions exempt from registration pursuant to Rule 144A and Regulation S under the Securities Act. The March 2016 and March 2018 Optional Convertible Subordinated U.S. Dollar Notes are convertible into a fixed number of CEMEX, S.A.B. de C.V. ADSs, at any time after June 30, 2011 and are subject to antidilution adjustments. The initial conversion price for the March 2016 and March 2018 Optional Convertible Subordinated U.S. Dollar Notes was equivalent to approximately U.S.\$11.28 per ADS, a 30% premium to the closing price of CEMEX, S.A.B. de C.V.’s ADSs on March 9, 2011. After antidilution adjustments, the conversion rate as of December 31, 2014 was 103.6741 ADSs per U.S.\$1,000 principal amount of such notes. We used a portion of the net proceeds from the offering of the March 2016 and March 2018 Optional Convertible Subordinated U.S. Dollar Notes to fund the purchase of capped call transactions, which are expected generally to reduce the potential cost to CEMEX upon future conversion of the March 2016 and March 2018 Optional Convertible Subordinated U.S. Dollar Notes. As of the date of this annual report, we have begun to monetize some of the capped call transactions entered into in relation to the March 2016 and March 2018 Optional Convertible Subordinated U.S. Dollars Notes. In April 2015, we amended a portion of the capped calls with the purpose of unwinding the position. As a result, on April 24, 2015, we received U.S.\$17 million in cash, equivalent to 14.6% of the total notional amount of such capped calls.

Commercial Commitments

In April 2008, Citibank entered into put option transactions on CEMEX, S.A.B. de C.V. CPOs with a Mexican trust that we established on behalf of its Mexican pension fund and certain of CEMEX board members and current and former employees (the “Participating Individuals”). The transaction was structured with two main components. Under the first component, the trust sold, for the benefit of CEMEX’s Mexican pension fund, put options to Citibank in exchange for a premium of approximately U.S.\$38. The premium was deposited into the trust and was used to purchase, on a prepaid forward basis, securities that track the performance of the Mexican Stock Exchange. Under the second component, the trust sold, on behalf of the Participating Individuals, additional put options to Citibank in exchange for a premium of approximately U.S.\$38, which was used to purchase prepaid forward CPOs. These prepaid forward CPOs, together with additional CPOs representing an equal amount in U.S. Dollars, were deposited into the trust by the Participating Individuals as security for their obligations, and represented the maximum exposure of the Participating Individuals under this transaction. The put options gave Citibank the right to require the trust to purchase, in April 2013, approximately 136 million CPOs at a price of U.S.\$2.6498 per CPO (120% of initial CPO price in dollars). If the value of the assets held in the trust (34.7 million CPOs and the securities that track the performance of the Mexican Stock Exchange) was insufficient to cover the obligations of the trust, a guarantee would be triggered and we would be required settle, in April 2013, the difference between the total number of CPOs at a price of U.S.\$2.6498 per CPO and the market value of the assets of the trust. During the tenure of the transaction, the purchase price per CPO in dollars and the corresponding number of CPOs under this transaction were subject to dividend adjustments. Moreover, we recognized a liability for the fair value of the guarantee, and changes in valuation were recorded in the statements of operations (see note 16D to our 2014 audited consolidated financial statements included elsewhere

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in this annual report). Between January and April 2013, the 136 million put options were gradually unwounded, and cash deposits in margin accounts, after deducting the value of the trust's assets, were used in an aggregate amount of approximately U.S.\$112.

On July 30, 2012, we entered into a Master Professional Services Agreement with IBM. This agreement provides the framework for our contracting for IBM to provide us with the following services: information technology, application development and maintenance, finance and accounting outsourcing, human resources administration and contact center services. The agreement provides for these services to be provided to us from July 30, 2012 until August 31, 2022, unless earlier terminated. Our minimum required payments to IBM under the agreement are approximately U.S.\$50 million per year. We will have the right to adjust the cost and quality of the services every two years if it is determined that they do not meet certain benchmarks. We may terminate the agreement (or a portion of it) at our discretion and without cause at any time by providing at least six-months' notice to IBM and paying termination charges consisting of IBM's unrecovered investment and breakage and wind-down costs. In addition, we may terminate the agreement (or a portion of it) for cause without paying termination charges. Other termination rights may be available to us for a termination charge that will vary with the reason for termination. IBM may terminate the agreement if we (i) fail to make payments when due or (ii) become bankrupt and do not pay in advance for the services.

In some countries, CEMEX has self-insured health care benefits plans for its active employees, which are managed on cost plus fee arrangements with major insurance companies or provided through health maintenance organizations. As of December 31, 2013, in certain plans, CEMEX has established stop-loss limits for continued medical assistance derived from a series of specific causes (e.g., an automobile accident, illness, etc.) ranging from U.S.\$23 thousand dollars to U.S.\$400 thousand dollars. In other plans, CEMEX has established stop-loss limits per employee regardless of the number of events ranging from 350 thousand dollars to 2 million dollars. The contingency for CEMEX if all employees qualifying for health care benefits required medical services simultaneously is significantly. However, this scenario is remote. The amount expensed through self-insured health care benefits was approximately U.S.\$72 million (Ps 925 million) in 2012, U.S.\$70 million (Ps914 million) in 2013 and U.S.\$64 million (Ps943 million) in 2014.

As of December 31, 2014, we did not depend on any of our suppliers of goods or services to conduct our business.

Contractual Obligations

As of December 31, 2013 and 2014, we had material contractual obligations as set forth in the table below.

Obligations	As of December 31, 2013	As of December 31, 2014				Total
	Total	Less than 1 year	1-3 year	3-5 year	More than 5 years	
		(in millions of U.S. Dollars)				
Long-term debt	U.S.\$ 14,627	984	2,254	4,859	5,867	13,964
Capital lease obligations(1)	292	32	62	61	60	215
Convertible notes(2)	2,269	216	961	649	—	1,826
Total debt and other financial obligations(3)	17,188	1,232	3,277	5,569	5,927	16,005
Operating leases(4)	402	97	151	95	50	393
Interest payments on debt(5)	6,289	910	1,738	1,180	1,220	5,048
Pension plans and other benefits(6)	1,747	151	298	309	846	1,604
Purchases of raw material, fuel and energy(7)	3,488	334	434	446	2,041	3,255
Total contractual obligations	U.S.\$ 29,114	2,724	5,898	7,599	10,084	26,305
Total contractual obligations (Mexican Pesos)	Ps 379,938	40,152	86,937	112,009	148,638	387,736

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- (1) Represents nominal cash flows. As of December 31, 2014, the net present value of future payments under such leases is approximately U.S.\$130 million (Ps1,916 million), of which, approximately U.S.\$35 million (Ps509 million) refers to payments from 1 to 3 years, approximately U.S.\$25 million (Ps371 million) refers to payments from 3 to 5 years and approximately U.S.\$53 million (Ps776 million) refers to payments of more than 5 years.
- (2) Refers to the November 2019 Mandatory Convertible Mexican Peso Notes described herein and assumes repayment at maturity and no conversion of the notes.
- (3) The schedule of debt payments, which includes current maturities, does not consider the effect of any refinancing of debt that may occur during the following years. In the past, CEMEX has replaced its long-term obligations for others of a similar nature.
- (4) The amounts for operating leases have been determined on the basis of nominal cash flows. We have operating leases, primarily for operating facilities, cement storage and distribution facilities and certain transportation and other equipment, under which annual rental payments are required plus the payment of certain administrative, selling and distribution expenses. Rental expense was U.S.\$126 million (Ps1,647 million) in 2013 and U.S.\$112 million (Ps1,657 million) in 2014.
- (5) Estimated cash flows on floating rate denominated debt were determined using the interest rates in effect as of December 31, 2013 and 2014.
- (6) Represents estimated annual payments under these benefits for the next 10 years (see note 18 to our 2014 audited consolidated financial statements included elsewhere in this annual report). Future payments include the estimate of new retirees during such future years.
- (7) Future nominal payments for the purchase of raw materials are presented on the basis of contractual nominal cash flows. Future nominal payments of energy were estimated on the basis of an aggregate average expected consumption of approximately 3,147.8 GWh per year using the future prices of energy established in the contracts for each period. Future payments also include our commitments for the purchase of fuel.

As of December 31, 2012, 2013 and 2014, in connection with the commitments for the purchase of fuel and energy included in the table above, a description of the most significant contracts is as follows:

In September 2006, in order to take advantage of the high wind potential in the “Tehuantepec Isthmus,” we and ACCIONA, S.A. (“ACCIONA”) formed an alliance to develop a wind farm project for the generation of 250 megawatts in the Mexican state of Oaxaca. We acted as promoter of the project, which was named EURUS. ACCIONA provided the required financing, constructed the facility and currently owns and operates the wind farm. The operation of the 167 wind turbines on the farm commenced on November 15, 2009. The agreements between us and ACCIONA established that our plants in Mexico will acquire a portion of the energy generated by the wind farm for a period of at least 20 years, which began in February 2010, when EURUS reached the committed limit capacity. For the years ended December 31, 2012, 2013 and 2014, EURUS supplied approximately 29.1%, 25.8% and 29.1%, respectively, of our overall electricity needs in Mexico during such years.

In 1999, we entered into agreements with an international partnership, which financed, built and operated an electrical energy generating plant in Mexico called Termoeléctrica del Golfo (“TEG”). In 2007, the original operator was replaced. Pursuant to the agreement, we would purchase the energy generated from TEG for a term of not less than 20 years, which started in April 2004 and that was further extended until 2027 with the change of operator. In addition, we committed to supply TEG and another third-party electrical energy generating plant adjacent to TEG all fuel necessary for their operations, a commitment that has been hedged through four 20-year agreements entered with Petróleos Mexicanos (“PEMEX”), which terminate in 2024. Consequently, for the last 3 years, CEMEX intends to purchase the required fuel in the market. For the years ended December 31, 2012, 2013 and 2014, TEG supplied approximately 67.8%, 70.9% and 64.8%, respectively, of our overall electricity needs during such year for our cement plants in Mexico.

In regards with the above, in March 1998 and July 1999, we signed contracts with PEMEX providing that beginning in April 2004 PEMEX’s refineries in Cadereyta and Madero City would supply us with a combined

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volume of approximately 1.75 million tons of pet coke per year. As per the pet coke contracts with PEMEX, 1.2 million tons of the contracted volume will be allocated to TEG and the other energy producer and the remaining volume will be allocated to our operations in Mexico. By entering into the pet coke contracts with PEMEX, we expect to have a consistent source of pet coke throughout the 20-year term.

In 2007, CEMEX OstZement GmbH (“COZ”), our subsidiary in Germany, entered into a long-term energy supply contract with Vattenfall Europe New Energy Ecopower (“VENEE”), pursuant to which VENEE committed to supply energy to our Rüdersdorf plant for a period of 15 years starting on January 1, 2008. Based on the contract, each year COZ has the option to fix in advance the volume of energy that it will acquire from VENEE, with the option to adjust the purchase amount one time on a monthly and quarterly basis. According to the contract, COZ acquired (unaudited) approximately 27 MW in 2014, 27 MW per year for 2015, 2016, 2017 and 2018, 15 MW per year for 2019, and expects to acquire between 11 and 13 MW per year for 2019, and COZ expects to acquire between 26 and 28 MW per year starting in 2020 and thereafter. The contract, which establishes a price mechanism for the energy acquired, based on the price of energy future contracts quoted on the European Energy Exchange, did not require initial investments and was expected to be performed at a future date. Based on its terms, this contract qualified as a financial instrument under IFRS. However, as the contract is for CEMEX’s own use and CEMEX sells any energy surplus as soon as actual energy requirements are known, regardless of changes in prices and thereby avoiding any intention of trading in energy, such contract is not recognized at its fair value.

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements that are reasonably likely to have a material effect on our financial condition, operating results and liquidity or capital resources.

Qualitative and Quantitative Market Disclosure

Our Derivative Financial Instruments

For the year ended December 31, 2013, we had net gains related to the recognition of changes in fair values of derivative financial instruments of approximately Ps2,126 million (U.S.\$163 million). For the year ended December 31, 2014, we had a net losses related to the recognition of changes in fair values of derivative financial instruments of approximately Ps679 million (U.S.\$46 million).

Since the beginning of 2009, with the exception of our capped call transaction entered into in March 2011, we have been reducing the aggregate notional amount of our derivatives, thereby reducing the risk of cash margin calls. This initiative has included closing substantially all notional amounts of derivative instruments related to our debt (currency and interest rate derivatives) and the settlement of our inactive derivative financial instruments (see note 16D to our 2014 audited consolidated financial statements included elsewhere in this annual report), which we finalized during April 2009. The Credit Agreement and the Facilities Agreement significantly restrict our ability to enter into derivative transactions.

We use derivative financial instruments in order to change the risk profile associated with changes in interest rates and foreign exchange rates of debt agreements, as a vehicle to reduce financing costs, as an alternative source of financing, and as hedges of: (i) highly probable forecasted transactions, (ii) our net assets in foreign subsidiaries and (iii) future exercises of options under our executive stock option programs. Before entering into any transaction, we evaluate, by reviewing credit ratings and our business relationship according to our policies, the creditworthiness of the financial institutions and corporations that are prospective counterparties to our derivative financial instruments. We select our counterparties to the extent we believe that they have the financial capacity to meet their obligations in relation to these instruments. Under current financial conditions and volatility, we cannot assure that risk of non-compliance with the obligations agreed to with such counterparties is minimal.

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The fair value of derivative financial instruments is based on estimated settlement costs or quoted market prices and supported by confirmations of these values received from the counterparties to these financial instruments. The notional amounts of derivative financial instrument agreements are used to measure interest to be paid or received and do not represent the amount of exposure to credit loss.

	At December 31, 2013		At December 31, 2014		Maturity Date
	Notional amount	Estimated Fair value	Notional amount	Estimated Fair value	
	(in millions of U.S. Dollars)				
Interest Rate Swaps	174	33	165	33	September 2022
Equity forwards on third-party shares	27	1	27	—	October 2015
Options on CEMEX, S.A.B. de C.V.'s shares	2,383	408	1,668	266	March 2015 - March 2018

Our Interest Rate Swaps. As of December 31, 2013 and 2014, we had an interest rate swap maturing in September 2022 with notional amounts of U.S.\$174 million and U.S.\$165 million, respectively, negotiated to exchange floating for fixed rates in connection with agreements we entered into for the acquisition of electric energy in Mexico. As of December 31, 2013 and 2014, the fair value of the swap represented assets of approximately U.S.\$33 million in both years. Pursuant to this instrument, during the tenure of the swap and based on its notional amount, we will receive a fixed rate of 5.4% and will pay a LIBOR. Changes in the fair value of interest rate swaps, generated losses of approximately U.S.\$2 million (Ps35 million) in 2012, U.S.\$16 million (Ps207 million) in 2013 and U.S.\$1 million (Ps3 million) in 2014, which were recognized in the statement of operations for each year.

Our Equity Forwards on Third-Party Shares. As of December 31, 2013 and 2014, we had forward contracts to be settled in cash over the price, in both years, of 59.5 million CPOs of Axtel, a Mexican telecommunications company traded in the MSE. The forward contract to be settled in cash maturing in October 2015. Changes in the fair value of this instrument generated losses of approximately U.S.\$7 million (Ps100 million) in 2012, gains of approximately U.S.\$6 million (Ps76 million) in 2013 and losses of approximately U.S.\$9 million (Ps133 million) in 2014, which were recognized in the statement of operations for each year. See “Item 5—Operating and Financial Review and Prospects—Liquidity and Capital Resources—Our Equity Forward Arrangements.”

Our Options on Our Own Shares. On March 15, 2011, in connection with the offering of the March 2016 and March 2018 Optional Convertible Subordinated U.S. Dollar Notes and to effectively increase the conversion price for CEMEX, S.A.B. de C.V.'s CPOs under such notes, CEMEX, S.A.B. de C.V. entered into capped call transactions after antidilution adjustments over approximately 173 million ADSs (101 million ADSs maturing in March 2016 and 72 million ADSs maturing in March 2018), by means of which, for the March 2016 Convertible Subordinated U.S. Dollar Notes, at maturity of the notes in March 2016, if the price per ADS is above U.S.\$9.65, we will receive in cash the difference between the market price of the ADS and U.S.\$9.65, with a maximum appreciation per ADS of U.S.\$4.45. Likewise, for the 3.75% Convertible Subordinated Notes due 2018, at maturity of the notes in March 2018, if the price per ADS is above U.S.\$9.65, we will receive in cash the difference between the market price of the ADS and U.S.\$9.65, with a maximum appreciation per ADS of U.S.\$5.94. We paid a total premium of approximately U.S.\$222 million. As of December 31, 2013 and 2014, the fair value of such options represented assets approximately U.S.\$353 million (Ps4,607 million) and U.S.\$294 million (Ps4,335 million), respectively. During 2012, 2013 and 2014, changes in the fair value of this contract generated a gain of approximately U.S.\$155 million (Ps1,973 million) and U.S.\$127 million (Ps1,663 million), respectively, and a loss of U.S.\$65 million (Ps962 million) which were recognized in the statements of operations for each year.

On March 30, 2010, after antidilution adjustments in connection with the offering of the March 2015 Optional Convertible Subordinated U.S. Dollar Notes and to effectively increase the conversion price for CEMEX, S.A.B. de C.V.'s CPOs under such notes, CEMEX, S.A.B. de C.V. entered into a capped call transaction, as amended, over approximately 64 million ADSs maturing in March 2015, by means of which, at

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maturity of the notes, if the price per ADS is above U.S.\$11.18, we would receive in cash the difference between the market price of the ADS and U.S.\$11.18, with a maximum appreciation per ADS of U.S.\$4.30. We paid a premium of approximately U.S.\$105 million. During January, 2014, the transaction was amended and CEMEX S.A.B. de C.V. now had the right to receive approximately 7.7 million of its ADSs through the same number of zero-strike call options. In July 2014, the transaction was further amended to reduce volatility and place a minimum fair value of approximately U.S.\$93.8 million plus the economic value of approximately 1 million of CEMEX, S.A.B. de C.V.'s ADS. As of December 31, 2013, the fair value of such capped call options represented assets of approximately U.S.\$94 million (Ps1,228 million). During 2012, 2013 and 2014, changes in the fair value of this contract generated gains of approximately U.S.\$47 million (Ps594 million), U.S.\$36 million (Ps465 million) and U.S.\$17 million (Ps253 million), respectively, which were recognized within "Other financial income, net" in the statements of operations for each year. In addition, until December 31, 2012, considering that the functional currency of the issuer and the currency in which the notes are denominated differed, CEMEX, S.A.B. de C.V. separated the conversion options embedded in each of the March 2016 and March 2018 Optional Convertible Subordinated U.S. Dollar Notes, and the March 2015 Optional Convertible Subordinated U.S. Dollar Notes and recognized them at fair value through profit or loss, which as of December 31, 2012, resulted in a liability of approximately U.S.\$365 million (Ps4,690 million), which was reclassified to other equity reserves on January 1, 2013 considering the change in the parent company's functional currency (see note 2D to our 2014 audited consolidated financial statements included elsewhere in this annual report), which among other effects aligned the functional currency of the issuer with the currency in which the instruments are denominated and consequently, such embedded options ceased to be treated as stand-alone derivatives at fair value through the statement of operations, with no gains or losses recognized. Changes in fair value of the conversion options generated losses of approximately U.S.\$299 million (Ps3,786 million) in 2012.

Conversely, in connection with the November 2019 Mandatory Convertible Mexican Peso Notes (see note 16B to our 2014 audited consolidated financial statements included elsewhere in this annual report), and considering (i) the aforementioned change in CEMEX, S.A.B. de C.V.'s functional currency effective January 1, 2013 and (ii) that the currency in which such November 2019 Mandatory Convertible Mexican Peso Notes are denominated and the functional currency of the issuer differ, beginning January 1, 2013, we separate now the conversion option embedded in such instruments and recognizes it at fair value through profit or loss, which as of December 31, 2013 and 2014, resulted in a liability of approximately U.S.\$39 million (Ps506 million) and U.S.\$28 million (Ps413 million), respectively. Changes in fair value of the conversion option generated losses of approximately U.S.\$10 million (Ps135 million) in 2013 and gains of U.S.\$11 million (Ps159 million) in 2014.

As of December 31, 2012, we had granted a guarantee for a notional amount of approximately U.S.\$360 million in connection with put option transactions on CEMEX, S.A.B. de C.V.'s CPOs entered into by Citibank with a Mexican trust that we established on behalf of our Mexican pension fund and certain of the Participating Individuals in April 2008, as described in notes 16D to our 2014 audited consolidated financial statements included elsewhere in this annual report. The fair value of such guarantee, net of deposits in margin accounts, represented a liability of approximately U.S.\$58 million (Ps740 million) in 2012. Between January and April 2013, the notional amount of the guarantee was gradually unwound. Changes in fair value were recognized in the statements of operations within "Other financial income (expense), net," representing gains of U.S.\$95 million (Ps1,198 million) in 2012 and losses of U.S.\$22 million (Ps284 million) in 2013. As of April 17, 2013, the notional amount of the guarantee was completely closed as a result of the unwinding of 100% of the original underlying amount of put options over CPOs of CEMEX, S.A.B. de C.V. Cash and cash deposits in margin accounts, after deducting the proceeds from the sale of securities that track the performance of the Mexican Stock Exchange and CEMEX, S.A.B. de C.V.'s CPOs held by the Mexican trust in an aggregate amount of approximately U.S.\$112 million, were used to settle the unwinding of these put options.

Interest Rate Risk, Foreign Currency Risk and Equity Risk

Interest Rate Risk. The table below presents tabular information of our fixed and floating rate long-term foreign currency-denominated debt as of December 31, 2014. Average floating interest rates are calculated based

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on forward rates in the yield curve as of December 31, 2014. Future cash flows represent contractual principal payments. The fair value of our floating rate long-term debt is determined by discounting future cash flows using borrowing rates available to us as of December 31, 2014 and is summarized as follows:

Long-Term Debt(1)	Expected maturity dates as of December 31, 2014					Total	Fair Value
	2015	2016	2017	2018	After 2019		
	(In millions of U.S. Dollars, except percentages)						
Variable rate	U.S.\$ 749	7	2,168	1,022	503	U.S.\$4,449	U.S.\$ 4,554
Average interest rate	5.42%	6.11%	6.57%	6.67%	6.60%		
Fixed rate	U.S.\$ 228	—	80	835	8,365	U.S.\$9,508	U.S.\$10,016
Average interest rate	7.41%	7.37%	7.38%	7.18%	7.06%		

(1) The information above includes the current maturities of the long-term debt. Total long-term debt as of December 31, 2014 does not include our other financial obligations and the Perpetual Debentures for an aggregate amount of U.S.\$466 million (Ps6,869 million) issued by consolidated entities. See notes 16B and 20D to our 2014 audited consolidated financial statements included elsewhere in this annual report.

As of December 31, 2014, we were subject to the volatility of floating interest rates, which, if such rates were to increase, may adversely affect our financing cost and our net income. As of December 31, 2014, 29% of our foreign currency-denominated long-term debt bears floating rates at a weighted average interest rate of LIBOR plus 428 basis points. See note 16 to our 2014 audited consolidated financial statements included elsewhere in this annual report.

Foreign Currency Risk. Due to our geographic diversification, our revenues are generated in various countries and settled in different currencies. However, some of our production costs, including fuel and energy, and some of our cement prices, are periodically adjusted to take into account fluctuations in the U.S. Dollar/Mexican Peso exchange rate. For the year ended December 31, 2014, approximately 22% of our net sales, before eliminations resulting from consolidation, were generated in Mexico, 21% in the United States, 7% in the United Kingdom, 6% in Germany, 6% in France, 6% in the Rest of Northern Europe region, 2% in Spain, 3% in Egypt, 4% in the Rest of the Mediterranean region, 6% in Colombia, 7% in the Rest of South America and the Caribbean region, 4% in Asia and 6% from our Other operations.

As of December 31, 2014, approximately 87% of our total debt plus other financial obligations was U.S. Dollar-denominated, approximately 10% was Euro-denominated, approximately 2% was Mexican Peso-denominated and immaterial amounts were denominated in other currencies, which does not include approximately Ps466 million (U.S.\$6,869 million) of Perpetual Debentures; therefore, we had a foreign currency exposure arising from the debt plus other financial obligations denominated in U.S. Dollars, and the debt and other financial obligations denominated in Euros, versus the currencies in which our revenues are settled in most countries in which we operate. We cannot guarantee that we will generate sufficient revenues in Euros from our operations in Spain, Germany, France and the Rest of Northern Europe to service these obligations. As of December 31, 2013 and 2014, CEMEX had not implemented any derivative financing hedging strategy to address this foreign currency risk.

Equity Risk. As described above, we have entered into equity forward contracts on Axtel shares. Upon liquidation, the equity forward contracts provide for cash settlement and the effects are recognized in the statement of operations as part of "Other financial income, net." At maturity, if these forward contracts are not settled or replaced, or if we default on these agreements, our counterparties may sell the shares of the underlying contracts. Under these equity forward contracts, there is a direct relationship in the change in the fair value of the derivative with the change in value of the underlying asset.

As of December 31, 2014, the potential change in the fair value of these contracts that would result from a hypothetical, instantaneous decrease of 10% in the market price of Axtel's CPOs would be a loss of approximately U.S.\$1 million (Ps15 million).

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In connection with the offering of the March 2015 Optional Convertible Subordinated U.S. Dollar Notes and the March 2016 and March 2018 Optional Convertible Subordinated U.S. Dollar Notes issued in March 2010 and March 2011, respectively, we entered into capped call transactions with the financial institutions involved on those transactions or their affiliates. See “Item 5—Operating and Financial Review and Prospects—Qualitative and Quantitative Market Disclosure—Our Derivative Financial Instruments—Our Options on Our Own Shares.”

As of December 31, 2013 and 2014, the potential change in the fair value of our options (capped call) and based on the price of CEMEX, S.A.B. de C.V.’s CPOs that would result from a hypothetical, instantaneous decrease of 10% in the market price of CEMEX, S.A.B. de C.V.’s CPOs, with all other variables held constant, would have increased our net loss for 2013 and 2014 by approximately U.S.\$89 million (Ps1,155 million) and U.S.\$73 million (Ps1,076 million), respectively, as a result of additional negative changes in fair value associated with these contracts. A 10% hypothetical increase in the CPO price would generate approximately the opposite effect.

In addition, even though the change in fair value of our embedded conversion options in the November 2019 Mandatory Convertible Mexican Peso Notes affect the statements of operations, they do not imply any risk or variability in cash flows, considering that through their exercise, we will settle a fixed amount of debt with a fixed amount of shares. As of December 31, 2013 and 2014, after considering in the convertible notes the effects related with the change in CEMEX, S.A.B. de C.V.’s functional currency in 2013, the potential change in the fair value of these embedded conversion options in the November 2019 Mandatory Convertible Mexican Peso Notes that would result from a hypothetical, instantaneous decrease of 10% in the market price of CEMEX, S.A.B. de C.V.’s CPOs, with all other variables held constant, would have decreased our net loss for 2013 and 2014 by approximately U.S.\$8 million (Ps102 million) and U.S.\$8 million (Ps113 million), respectively, as a result of additional positive changes in fair value associated with this option. A 10% hypothetical increase in the CPO price would generate approximately the opposite effect.

Liquidity risk. The requirement of margin calls based on the relevant master agreements under our derivative instruments can have a significant negative effect on our liquidity position and can impair our ability to service our debt and fund our capital expenditures. In addition to the current amount of margin calls previously described as of December 31, 2013 and 2014 referring to our derivative financial instrument positions of approximately U.S.\$7 million (Ps95 million) and U.S.\$14 million (Ps206 million). The potential requirement as of December 31, 2013 and 2014 for additional margin calls that would result from a hypothetical instantaneous decrease of 10% in the prices of Axtel shares and CEMEX CPOs would not be significant.

Investments, Acquisitions and Divestitures

The transactions described below represent our principal investments, acquisitions and divestitures completed during 2012, 2013 and 2014.

Investments and Acquisitions

On December 1, 2014, we announced the restart of the Tepeaca cement plant expansion. By 2017 the total production capacity will reach 7.6 million tons per year and the total investment is estimated to be approximately U.S.\$650 million. The additional investment, in order to add 4.4 million tons per year to the current capacity, will be approximately U.S.\$200 million.

On October 31, 2014, we announced that we had entered into agreements with Holcim to complete a series of transactions in Europe, which closed on January 5, 2015, with retrospective effect as of January 1, 2015. See “Item 5—Operating and Financial Review and Prospects—Recent Developments Relating to Our Operations—CEMEX and Holcim Close a Series of Transactions in Europe.”

On August 14, 2014, we announced that our subsidiary, CEMEX Latam began the construction of a cement plant in Colombia. The total investment is expected to reach approximately U.S.\$340 million (approximately

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Ps5,012 million) and to increase CEMEX Latam's cement production capacity in Colombia from 4.5 million to approximately 5.5 million tons per year. The first phase of this project includes the construction of a new grinding mill that is expected to start cement production during the second quarter of 2015. The rest of the plant will be completed during the second half of 2016. This facility will be strategically located in the Antioquia department and will be financed with CEMEX Latam's free cash flow.

On April 10, 2014, we announced being successfully completed the financing of Ventika, a project comprising the construction of two 126 MW wind farms each, for a total nominal capacity of 252 MW to be located in Nuevo León, Mexico. The investment for the project is approximately U.S.\$650 million (approximately Ps9,581 million), of which 75% correspond to debt and 25% to equity. The project includes debt financiers, equity partners, private investors and the Company. In addition, we will supervise the construction process and, once operational, we will manage the wind farms without exercising control and owning a minority stake of 5% of the equity, therefore, the project will not be consolidated into our balance sheet and the project's debt will have no recourse to ours. These wind farms will supply renewable energy to facilities belonging to several local companies including us, under the self-supply scheme approved by the Mexican Energy Regulatory Commission.

On June 3, 2013, we announced that we expect to invest approximately U.S.\$100 million (approximately 700 million Egyptian Pounds) to improve our operations in Egypt and to continue supporting the country's housing, commercial and infrastructure development. A sizable percentage of the investment will be used by the company to increase our capacity to use coal and pet coke as energy sources in our Assiut cement plant. We also expect to install new waste co-processing and environmental equipment in the plant to continue reducing our emissions and to increase its alternative fuels usage.

On May 30, 2013, we announced plans to expand the production capacity at our Odessa, Texas cement plant by 345,000 tons to nearly 900,000 tons per year in order to supply the West Texas market led mainly by the oil and gas industry. Specialty cement products are used in well construction for the oil and gas industry as a result of the use of more efficient extraction technologies, such as horizontal drilling and hydraulic fracturing. Oil wells using this technology typically reach depths of thousands of feet. Specialty well cement is required for the complex application and extreme conditions to which these wells are exposed. Applications to obtain the required permits for this expansion have been lodged and equipment ordered. This project will be reviewed upon obtaining such permits.

In October 2012, Corporación Cementera Latinoamericana, S.L.U. (Sociedad Unipersonal), an indirect subsidiary of CEMEX España, completed the acquisition of the 49% non-controlling interest in CEMEX Guatemala, our main operating subsidiary in Guatemala, in a private transaction for approximately U.S.\$54 million (approximately Ps694 million), recognizing a reduction in the line item "Other equity reserves" of approximately U.S.\$32 million (approximately Ps411 million).

On September 17, 2012, we announced our plans to expand the cement production capacity of our APO plant in the Philippines by 1.5 million tons per year, which we completed during 2014. Through this investment, we increased production and strengthened our distribution network throughout the country.

On May 17, 2012, through a public tender offer commenced on March 12, 2012, and after compliance with applicable regulations in the Republic of Ireland, Readymix Investments, an indirect subsidiary of CEMEX España, acquired the 38.8% non-controlling interest in Readymix plc, our main operating subsidiary in the Republic of Ireland, for approximately €11 million (U.S.\$15 million or Ps187 million), for €0.25 per share in cash. The listing and trading of Readymix plc's shares on the Irish Stock Exchange was cancelled beginning on May 18, 2012.

Our total additions in property, machinery and equipment, as reflected in our 2014 audited consolidated financial statements (see note 14 to our 2014 audited consolidated financial statements included elsewhere in this

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annual report), excluding acquisitions of equity interests in subsidiaries and associates and including capital leases, was approximately U.S.\$555 million in 2010, U.S.\$468 million in 2012, U.S.\$609 million in 2013, and U.S.\$606 million in 2014. This capital expenditure in property, machinery and equipment has been applied to the construction and upgrade of plants and equipment and the maintenance of plants and equipment, including environmental controls and technology updates. As of the date of this annual report, we have allocated approximately U.S.\$58 million of our U.S.\$645 million 2015 budget to continue with this effort.

Divestitures

During 2013 and 2014, we sold assets for approximately U.S.\$172 million and U.S.\$243 million comprised in part by real estate, non-core businesses and equipment.

In November 2012, CEMEX Latam, a then wholly-owned subsidiary of CEMEX España, completed the sale of newly issued common shares in the CEMEX Latam Offering, representing approximately 26.65% of CEMEX Latam's outstanding common shares. CEMEX Latam's common shares are listed on the Colombian Stock Exchange (Bolsa de Valores de Colombia S.A.). The net proceeds to CEMEX Latam from the offering were approximately U.S.\$960 million, after deducting underwriting discounts, commissions and offering expenses. CEMEX Latam used the net proceeds to repay a portion of the indebtedness owed to us, which we used for general corporate purposes, including the repayment of indebtedness. CEMEX Latam is the main holding company for CEMEX's operations in Brazil, Colombia, Costa Rica, Guatemala, Nicaragua, Panama and El Salvador. As of December 31, 2014, CEMEX España owned approximately 73.35% of CEMEX Latam's outstanding common shares, excluding shares held in treasury.

Recent Developments

Recent Developments Relating to Our Indebtedness

Redemption of the January 2018 U.S. Dollar Notes and Additional January 2018 U.S. Dollar Notes

On January 12, 2015, CEMEX, S.A.B. de C.V. completed a partial redemption of U.S.\$216,861,000 aggregate principal amount of the January 2018 U.S. Dollar Notes and Additional January 2018 U.S. Dollar Notes, for a redemption price equal to U.S.\$226,619,745 plus accrued and unpaid interest through the redemption date, using a portion of the proceeds from the issuance of the January 2025 U.S. Dollar Notes and January 2022 Euro Notes issued by CEMEX S.A.B. de C.V. on September 11, 2014.

On March 30, 2015, CEMEX, S.A.B. de C.V. completed the redemption of the remaining amount of the January 2018 U.S. Dollar Notes and Additional January 2018 U.S. Dollar Notes, for a redemption price equal to U.S.\$343,984,000 plus accrued and unpaid interest through the redemption date, using a portion of the proceeds from the issuance of the May 2025 U.S. Dollar and March 2023 Euro Notes described below.

Issuance of the May 2025 U.S. Dollar and March 2023 Euro Notes

On March 5, 2015, CEMEX, S.A.B. de C.V. issued the May 2025 U.S. Dollar Notes and the March 2023 Euro Notes. Interest on the May 2025 U.S. Dollar Notes will accrue from March 5, 2015 at a rate of 6.125% per annum, payable in cash semi-annually in arrears on each May 5 and November 5, beginning on November 5, 2015 through their final maturity. Interest on the March 2023 Euro Notes will accrue from March 5, 2015 at a rate of 4.375% per annum, payable in cash semi-annually in arrears on each March 5 and September 5, beginning on September 5, 2015 through their final maturity.

CEMEX, S.A.B. de C.V. used a portion of the net proceeds from the issuance of the May 2025 U.S. Dollar and the March 2023 Euro Notes to redeem the outstanding January 2018 U.S. Dollar Notes and Additional January 2018 U.S. Dollar Notes as further described below. In addition, CEMEX, S.A.B. de C.V. intends to use a portion of the net proceeds from the issuance of the May 2025 U.S. Dollar and the March 2023 Euro Notes to redeem the outstanding May 2020 U.S. Dollar Notes and Additional May 2020 U.S. Dollar Notes on May 12,

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2015 and, to that end, on March 13, 2015, delivered an irrevocable notice of redemption to the trustee. Furthermore, CEMEX, S.A.B. de C.V. intends to use a portion of the net proceeds from the issuance of the May 2025 U.S. Dollar and the March 2023 Euro Notes to redeem the outstanding September 2015 Floating Rate U.S. Dollar Notes on June 30, 2015 and, to that end, (i) created a cash reserve and (ii) expects to re-draw from available funds under revolving tranche of the Credit Agreement, which funds were temporarily used to reduce amounts drawn under such revolving tranche. We cannot assure you, however, that we will have available cash in hand and/or funds under the revolving tranche of the Credit Agreement to fund the redemption of the September 2015 Floating Rate U.S. Dollar Notes on the redemption date.

Redemption of the May 2020 U.S. Dollar Notes and Additional May 2020 U.S. Dollar Notes

The May 2020 U.S. Dollar Notes and Additional May 2020 U.S. Dollar Notes issued by CEMEX España, S.A., acting through its Luxembourg Branch, are redeemable beginning on May 12, 2015 at a redemption price of 104.625% of the principal amount thereof, plus accrued and unpaid interest through the redemption date. CEMEX, S.A.B. de C.V. intends to use a portion of the proceeds from the issuance of the May 2025 U.S. Dollar and the March 2023 Euro Notes to fund the redemption in full of U.S.\$212,522,000 aggregate principal amount of the May 2020 U.S. Dollar Notes and Additional May 2020 U.S. Dollar Notes, and to that end, sent an irrevocable notice of redemption to the holders on March 13, 2015.

Issuance of March 2020 Convertible Subordinated U.S. Dollar Notes

On March 11, 2015, CEMEX S.A.B. de C.V. issued the March 2020 Convertible Subordinated U.S. Dollar Notes with an interest rate of 3.720% and an initial conversion rate of the 80.7735 of CEMEX's ADSs per U.S.\$1,000 principal amount of the Convertible Notes, in a transaction exemption from registration pursuant to Rule 144A and Regulation S under the Securities Act. The March 2020 Convertible Subordinated U.S. Dollar Notes were issued to finance, almost in its entirety, the payment at maturity of the March 2015 Optional Convertible Subordinated U.S. Dollar Notes that matured without conversion.

Recent Developments Relating to Our Operations

CEMEX and Holcim Close a Series of Transactions in Europe

On October 31, 2014, CEMEX, S.A.B. de C.V. announced that it had entered into agreements with Holcim, a global producer of building materials based in Switzerland, to complete a series of related transactions in Europe, which closed on January 5, 2015, with retrospective effect as of January 1, 2015. See note 26 to our 2014 audited consolidated financial statements included elsewhere in this annual report. As a result, (i) CEMEX acquired all of Holcim's assets in the Czech Republic, including a cement plant, four aggregates quarries and 17 ready-mix plants for approximately €115 million (U.S.\$139 million or Ps2,049 million); (ii) CEMEX sold to Holcim assets in the western region of Germany, consisting of one cement plant, two cement grinding mills, one slag granulator, 22 aggregates quarries and 79 ready-mix plants for approximately €171 million (U.S.\$207 million or Ps3,047 million), while CEMEX maintained its operations in the north, east and south of Germany; and (iii) CEMEX acquired from Holcim one cement plant in the southern part of Spain, and one cement mill in the central part of Spain, among other related assets for approximately €89 million (U.S.\$108 million or Ps1,592 million). In connection with these transactions, in January 2015 CEMEX made a final payment in cash, after combined debt and working capital adjustments, of approximately €33 million (U.S.\$40 million or Ps594 million).

Recent Developments Relating to Our Shareholders and Corporate Governance

Certain changes regarding CEMEX, S.A.B. de C.V.'s major shareholders

On January 22, 2015, BlackRock, Inc. ("BlackRock") filed an amendment to Schedule 13-G informing that as of December 31, 2014, BlackRock beneficially owned 8.9% of CEMEX, S.A.B. de C.V.'s outstanding capital stock. As of December 31, 2014, BlackRock beneficially owned approximately 8.75% of CEMEX, S.A.B. de C.V.'s outstanding capital stock.

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CEMEX, S.A.B. de C.V. Ordinary and Extraordinary General Shareholders' Meetings held on March 26, 2015

On March 26, 2015, CEMEX, S.A.B. de C.V. held its Annual Ordinary Shareholders Meeting followed by its Extraordinary Shareholders Meeting. Among the items included in the agenda at the Annual Ordinary Shareholders Meeting was the approval of the 2014 reports, including CEMEX's 2014 audited consolidated financial statements included elsewhere in this annual report. See "Item 10—Additional Information—Articles of Association and By-laws."

Item 6—Directors, Senior Management and Employees

Senior Management and Directors

Senior Management

Following the passing away on May 12, 2014 of Mr. Lorenzo H. Zambrano, the then Chairman of the Board of Directors and Chief Executive Officer of CEMEX, S.A.B. de C.V., an extraordinary meeting of CEMEX, S.A.B. de C.V.'s Board of Directors was held on May 15, 2014, at which meeting Mr. Fernando A. González Olivieri was appointed as CEMEX, S.A.B. de C.V.'s new Chief Executive Officer. Also, on May 21, 2014, José Antonio González Flores, Maher Al-Haffar and Mauricio Dohener Cobián were appointed senior managers of CEMEX. Effective as of July 15, 2014, Francisco Javier Garza Zambrano, Chairman of CEMEX's Latin America Advisory Board and Advisor to CEMEX's Chief Executive Officer on Institutional Relations, decided to retire after 25 years of a successful career with CEMEX.

Set forth below is the name and position of each member of our senior management team as of the date of this annual report. The terms of office of the senior managers are indefinite.

Name, Position (Age)

Fernando A. González Olivieri,
Chief Executive Officer (60)

Experience

Joined CEMEX in 1989, and has served as corporate vice-president of strategic planning from 1994 to 1998, president of CEMEX Venezuela from 1998 to 2000, president of CEMEX Asia from 2000 to May 2003, and president of the South American and the Caribbean region from May 2003 to February 2005. In March 2005, he was appointed president of the expanded CEMEX European Region, in February 2007, president of CEMEX's former Europe, Middle East, Africa, Asia and Australia Region, and, in May 2009, executive vice president of planning and development. In February 2010, Mr. González was appointed executive vice president of planning and finance and in 2011 he was additionally appointed chief financial officer. On May 15, 2014, Mr. González was appointed as CEMEX's chief executive officer. He has been a member of CEMEX, S.A.B de C.V.'s board of directors since March 26, 2015, and he is also a member of the board of directors of Cementos Chihuahua. Mr. González earned his B.A. and M.B.A. degrees from the Instituto Tecnológico y de Estudios Superiores de Monterrey ("ITESM").

Juan Romero Torres,
President CEMEX México (58)

Joined CEMEX in 1989 and has occupied several senior management positions, including president of CEMEX Colombia, president of our operations in Mexico, president of the South America and the Caribbean region and president of our former Europe, Middle East, Africa and Asia region. He is currently president of our operations in Mexico and is also in

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<u>Name, Position (Age)</u>	<u>Experience</u>
	charge of our global technology area. Mr. Romero graduated from Universidad de Comillas in Spain, where he studied law and economic and enterprise sciences. Mr. Romero was appointed vice-president and representative of the board of directors of the National Chamber of Cement (<i>Cámara Nacional del Cemento</i>) in June 2011 and member of the board of directors of Cementos Chihuahua in April 2011.
Jaime Gerardo Elizondo Chapa, President CEMEX South America, Central America and the Caribbean (51)	Joined CEMEX in 1985 and since then he has headed several operations, including Panama, Colombia, Venezuela, and, more recently, Mexico. He is the current president of CEMEX South America (including Central America) and the Caribbean, and is also in charge of the company's global technical area. Mr. Elizondo has served as a member of the board of directors of Cementos Chihuahua, as president and vice-president of the National Chamber of Cement (<i>Cámara Nacional del Cemento</i>) and as vice-president of the Transformation Industry Chamber of Nuevo León (<i>Cámara de la Industria de la Transformación de Nuevo León</i>). Mr. Elizondo is currently the chairman of CEMEX Latam's board of directors. He graduated with a B.S. in chemical and system engineering and an M.B.A. from ITESM.
Ignacio Madrdejos Fernández, President CEMEX Northern Europe (49)	Joined CEMEX in 1996 and, after holding management positions in the strategic planning area, he headed CEMEX's operations in Egypt, Spain, and Western Europe. He is currently president of CEMEX Northern Europe, and is also responsible for our global energy and sustainability area. Mr. Madrdejos Fernández is also a member of the board of directors of CEMEX Latam. He has served as a member of the board of directors of COMAC (<i>Comercial de Materiales de Construcción S.L.</i>), member of the board and president of OFICEMEN (<i>Agrupación de Fabricantes de Cemento de España</i>), member of the board of IECA (<i>Instituto Español del Cemento y sus Aplicaciones</i>), president of CEMA (<i>Fundación Laboral del Cemento y el Medioambiente</i>), patron of the Junior Achievement Foundation, vice-president and chairman of CEMBUREAU (European Cement Association). He graduated with a degree in civil engineering from the Universidad Politécnica de Madrid and holds an M.B.A. from Stanford University.
Jaime Muguero Domínguez, President CEMEX Mediterranean (46)	Joined CEMEX in 1996, and held several executive positions in the areas of strategic planning, business development, ready-mix concrete, aggregates, and human resources. More recently, he headed CEMEX's operations in Egypt. He is currently president of CEMEX Mediterranean, which includes CEMEX's operations in Spain, Egypt, Croatia and the Middle East, and a member of CEMEX Latam's board of directors. He graduated

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<u>Name, Position (Age)</u>	<u>Experience</u>
Karl H. Watson Jr, President CEMEX USA (50)	with a management degree from San Pablo CEU University, and holds a law degree from the Universidad Complutense de Madrid and an M.B.A. from the Massachusetts Institute of Technology. Joined CEMEX in 2007, after a successful career of more than 19 years in the building materials industry. Since then, he has held several senior positions in our operations in Florida and the Eastern region of the United States. Before joining CEMEX, he headed the ready-mix concrete and concrete products divisions of Rinker in the United States and Australia. He is currently president of CEMEX USA. Mr. Watson served as chairman of the Florida Concrete and Products Association from 2008 to 2009 and was appointed chairman of the NRMCA from 2010 to 2011 and member of the executive committee of the Portland Cement Association from 2011 to 2013. He holds a B.S. from the Palm Beach Atlantic University and an M.B.A. from the University of Nova Southeastern, both in Florida.
Joaquín Miguel Estrada Suarez, President CEMEX Asia (51)	Joined CEMEX in 1992 and has held several executive positions, including head of operations in Egypt and Spain, as well as head of trading for Europe, the Middle East and Asia. He is currently president of CEMEX Asia and is also responsible for our global trading activities. From 2008 to 2011, he served as a member of the board of directors of COMAC (<i>Comercial de Materiales de Construcción S.L.</i>), president and member of the board of OFICEMEN (<i>Agrupación de Fabricantes de Cemento de España</i>), and member of the board of IECA (<i>Instituto Español del Cemento y sus Aplicaciones</i>), he was also the president of CEMA (<i>Fundación Laboral del Cemento y el Medioambiente</i>) from 2010 to 2011. He graduated with a degree in economics from the Universidad de Zaragoza and holds an M.B.A. from the Instituto de Empresa.
José Antonio González Flores, Executive Vice President of Finance and Chief Financial Officer (44)	Joined CEMEX in 1998 and since then he has held management positions both in corporate and operating areas in Finance, Strategic Planning, and Corporate Communications and Public Affairs. He is currently responsible for CEMEX's Finance, Controllership, Tax and Process Assessment areas. Mr. González is an alternate director of Cementos Chihuahua. Mr. González has a B.S. in Industrial Engineering from ITESM and an M.B.A. from Stanford University.
Juan Pablo San Agustín Rubio, Executive Vice President of Strategic Planning and New Business Development (46)	Joined CEMEX in 1994 and has held executive positions in the strategic planning, continuous improvement, e-business, and marketing areas. He is currently executive vice president of strategic planning and new business development and vice chairman of the board of directors of CEMEX Latam. He graduated with a B.S. from the Universidad Metropolitana and holds an International M.B.A. from the Instituto de Empresa.

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<u>Name, Position (Age)</u>	<u>Experience</u>
Luis Hernández Echávez, Executive Vice President of Organization and Human Resources (51)	Joined CEMEX in 1996, and has held senior management positions in the strategic planning and human resources areas. He is currently executive vice president of organization and human resources. He graduated with a degree in civil engineering from ITESM, and holds a master's degree in civil engineering and an M.B.A. from the University of Texas at Austin. Mr. Hernández is also an alternate director of Cementos Chihuahua.
Maher Al-Haffar, Executive Vice President of Investor Relations, Corporate Communications and Public Affairs (57)	Joined CEMEX in 2000. Prior to his current position he was vice president of investor relations, corporate communications and public affairs. He also served as a Managing Director in Finance and Head of Investor Relations for CEMEX. Before joining CEMEX, he spent nineteen years with Citicorp Securities Inc. and Santander Investment Securities as an investment banker and capital markets professional. Mr. Al-Haffar holds a B.S. in Economics from the University of Texas and a Master's Degree in International Relations and Finance from Georgetown University.
Mauricio Doehner Cobián, Executive Vice President of Corporate Affairs and Enterprise Risk Management (40) (under unpaid leave of absence)	<p>Joined CEMEX in 1996, and has held several executive positions in areas such as Strategic Planning and Enterprise Risk Management for Europe, Asia, the Middle East, South America and Mexico. He is currently in charge of Corporate Affairs and Enterprise Risk Management. Prior to joining CEMEX, he worked in the public sector within the Mexican Presidency. Mr. Doehner earned his B.A. in Economics from ITESM and holds an M.B.A. from IESE/IPADE. He also holds a Professional Certification in Competitive Intelligence from the FULD Academy of Competitive Intelligence in Boston, Massachusetts.</p> <p>On March 9, 2015, Mr. Doehner was granted with a three (3) month unpaid leave of absence to lead a citizen-effort project, which is independent from CEMEX, related to the elections for Governor of the State of Nuevo León, México that are scheduled to take place during June of 2015. Thereafter, it is expected that Mr. Doehner will rejoin CEMEX. During Mr. Doehner's absence, Enrique Raúl Alanís Dávila, current CEMEX Global Enterprise Risk Management Director, will temporarily oversee the Corporate Affairs and Enterprise Risk Management responsibilities and report directly to Fernando A. González Olivieri, CEMEX's Chief Executive Officer.</p>
Víctor Manuel Romo Muñoz, Executive Advisor to the Chairman and CEO (57)	Joined CEMEX in 1985 and has served as director of administration of CEMEX España from 1992 to 1994, general director of administration and finance of CEMEX España from 1994 to 1996, president of CEMEX Venezuela from 1996 to 1998, president of our former South American and the Caribbean region from 1998 to May 2003, and executive vice president of administration from May 2003 to April 2011. In

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Rafael Garza Lozano,
Chief Accounting Officer (51)

April 2011, he was appointed executive advisor to the chairman and chief executive officer of CEMEX. He is a member of the board of directors of Cementos Chihuahua. Mr. Romo is a certified public accountant and received a master's degree in administration and finance from ITESM. Previously, he worked for Alfa from 1979 to 1985.

Joined CEMEX in 1985 and has served as chief accounting officer since 1999. Mr. Garza is a certified public accountant and received a master's degree in administration and finance from ITESM. He also attended executive programs at ITAM, IPADE and Harvard University. He is currently a member of the board of directors of *Consejo Mexicano para la Investigación y Desarrollo de Normas de Información Financiera*, or CINIF, and an alternate director of Cementos Chihuahua.

Ramiro G. Villarreal Morales,
Executive Vice President of Legal and Secretary of the Board
of Directors (67)

Joined CEMEX in 1987 and has served as general counsel since then, and also has served as secretary of CEMEX, S.A.B. de C.V.'s board of directors since 1995. He is a graduate of the Universidad Autónoma de Nuevo León with a degree in law. He also received a master of science degree in finance from the University of Wisconsin. Prior to joining CEMEX, he served as deputy general director of Grupo Financiero Banpais from 1985 to 1987.

Mr. Villarreal is a member of the board of directors of Vinte Viviendas Integrales, S.A.P.I. de C.V., a real estate development company, consulting member of the board of directors of Grupo Acosta Verde, and an alternate member of the boards of directors of Cementos Chihuahua and Axtel. Mr. Villarreal was the secretary of the board of directors of Enseñanza e Investigación Superior, A.C., which manages ITESM, until February 2012.

Board of Directors

Following the passing away on May 12, 2014 of Mr. Lorenzo H. Zambrano, the then Chairman of the Board of Directors and Chief Executive Officer of CEMEX, S.A.B. de C.V., an extraordinary meeting of CEMEX, S.A.B. de C.V.'s Board of Directors was held on May 15, 2014, at which meeting Mr. Rogelio Zambrano Lozano was appointed as the new Chairman of CEMEX, S.A.B. de C.V.'s Board of Directors and Mr. Ian Christian Armstrong Zambrano was appointed as a provisional member of CEMEX, S.A.B. de C.V.'s Board of Directors (his appointment as a member of CEMEX, S.A.B. de C.V.'s Board of Directors was ratified at CEMEX, S.A.B. de C.V.'s annual general ordinary shareholders' meeting held on March 26, 2015).

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Set forth below are the names of the current members of CEMEX, S.A.B. de C.V.'s board of directors, elected at CEMEX, S.A.B. de C.V.'s 2014 annual general ordinary shareholders' meeting held on March 26, 2015, which includes the election of Fernando A. González Olivieri, Armando Garza Sada and David Martínez Guzmán as members of the board of directors of CEMEX, S.A.B. de C.V. at such shareholders' meeting. At this shareholders' meeting no alternate directors were elected. Members of CEMEX, S.A.B. de C.V.'s board of directors serve for one-year terms.

<u>Name (Age)</u>	<u>Experience</u>
Rogelio Zambrano Lozano, Chairman (58)	Has been a member of CEMEX, S.A.B. de C.V.'s board of directors since 1987 and chairman of CEMEX, S.A.B. de C.V.'s board of directors since May 15, 2014. He was president of CEMEX, S.A.B. de C.V.'s finance committee from 2009 until March 2015. He is also a member of the advisory board of Banamex, Zona Norte, and member of the boards of directors of Carza, S.A. de C.V. and ITESM, among others. He holds an industrial and systems engineering degree from ITESM and an M.B.A. from the Wharton Business School of Pennsylvania University. He is a grandson of the late Mr. Lorenzo Zambrano Gutierrez, one of CEMEX, S.A.B. de C.V.'s founders, and a son of Mr. Marcelo Zambrano Hellión, who was a member of CEMEX, S.A.B. de C.V.'s board of directors from 1957 until his passing away and was chairman of CEMEX, S.A.B. de C.V.'s board of directors from 1979 to 1995. He is also a second cousin of Roberto Luis Zambrano Villarreal, a second uncle of Tomás Milmo Santos, and a second uncle of Ian Christian Armstrong Zambrano, all members of CEMEX, S.A.B. de C.V.'s board of directors.
Fernando A. González Olivieri (60)	See "Senior Management"
Tomás Milmo Santos (50)	Has been a member of CEMEX, S.A.B. de C.V.'s board of directors since 2006 and member of CEMEX, S.A.B. de C.V.'s finance committee from 2009 until March 2015. Mr. Milmo Santos served as an alternate member of CEMEX, S.A.B. de C.V.'s board of directors from 2001 to 2006. He is chief executive officer and chairman of the board of directors of Axtel, a telecommunications company that operates in the local, long distance and data transfer market and subscription-based television services. He is also a member of the board of directors of CEMEX México, Promotora Ambiental, S.A., ITESM and chairman of the board of directors of Tec Salud and Alianza Educativa por Nuevo León. He graduated with a degree in economics from Stanford University. Mr. Milmo Santos is a second nephew of Rogelio Zambrano Lozano, chairman of CEMEX, S.A.B. de C.V.'s board of directors.
Ian Christian Armstrong Zambrano (35)	Has been a member of CEMEX, S.A.B. de C.V.'s Board of Directors since March 26, 2015. He had previously been a provisional member of CEMEX, S.A.B. de C.V.'s Board of Directors since May 15, 2014. He is currently vice president of promotion and analysis at Evercore Casa de Bolsa, and a member of the Boards of Directors of each of Tec Salud, Fondo

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Zambrano Helli6n and Patronato DIF Nuevo Le6n. Mr. Armstrong Zambrano is a graduate in business administration from ITESM and holds an M.B.A. from the IE Business School. He is a second nephew of Rogelio Zambrano Lozano, chairman of CEMEX, S.A.B. de C.V.'s board of directors.

Armando J. Garc3a Segovia (63)

Has been a member of CEMEX, S.A.B. de C.V.'s board of directors since 1983. He initially joined CEMEX in 1975 and rejoined CEMEX in 1985. He served as director of operational and strategic planning from 1985 to 1988, director of operations from 1988 to 1991, director of corporate services and affiliate companies from 1991 to 1994, director of development from 1994 to 1996, general director of development from 1996 to 2000, executive vice president of development from 2000 to May 2009, and executive vice president for technology, energy and sustainability from May 2009 to March 2010. He is a graduate of ITESM with a degree in mechanical engineering and administration and received an M.B.A. from the University of Texas. He was employed at Cydsa, S.A. from 1979 to 1981 and at Conek, S.A. de C.V. from 1981 to 1985.

He also serves as a member of the board of directors of Cementos Chihuahua. He was also vice president of COPARMEX, member of the board and former chairman of the Private Sector Center for Sustainable Development Studies (*Centro de Estudios del Sector Privado para el Desarrollo Sustentable*), former chairman of Centro Patronal de Nuevo Le6n (now COPARMEX NL), he was chairman and member of the board of Gas Industrial de Monterrey, S.A. de C.V. also served as chairman of an advisory board of the School of Engineering and Information Technology of ITESM and member of the board of the World Environmental Center. Currently, he is a member of the board of directors of Hoteles City Express, S.A.P.I. de C.V. and of Innovaci6n y Conveniencia, S.A. de C.V. formerly known as Grupo Chapa, S.A. de C.V. He is also a member of the board of Universidad de Monterrey, A.C., Unidos para la Conservaci6n, Pronatura Noreste, A.C., and Consejo Consultivo de Flora y Fauna del Estado de N.L. He is also founder and chairman of the board of Comenzar de Nuevo, A.C. He is a first cousin of Rodolfo Garc3a Muriel, a member of CEMEX, S.A.B. de C.V.'s board of directors.

Rodolfo Garc3a Muriel (69)

Has been a member of CEMEX, S.A.B. de C.V.'s board of directors since 1985 and was a member of CEMEX, S.A.B. de C.V.'s finance committee from 2009 until March 2015. On March 26, 2015, he was appointed as a member of CEMEX, S.A.B. de C.V.'s corporate practices and finance committee. He is the chief executive officer of Compa3a1a Industrial de Parras, S.A. de C.V. He is a member of the board of directors of CEMEX M3xico, Inmobiliaria Romacarel, S.A.P.I. de C.V.,

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<u>Name (Age)</u>	<u>Experience</u>
	Comfort Jet, S.A. de C.V., and member of the regional board of Banamex. Mr. García Muriel is also vice president of the National Chamber of the Textile Industry (<i>Cámara Nacional de la Industria Textil</i>). Mr. García Muriel holds a degree in electric mechanical engineering from the Universidad Iberoamericana. He is a first cousin of Armando J. García Segovia, a member of CEMEX, S.A.B. de C.V.'s board of directors.
Roberto Luis Zambrano Villarreal (69)	Has been a member of CEMEX, S.A.B. de C.V.'s board of directors since 1987. He was president of CEMEX, S.A.B. de C.V.'s audit committee from 2002 to 2006, president of CEMEX, S.A.B. de C.V.'s corporate practices and audit committee from 2006 to 2009, and president of CEMEX, S.A.B. de C.V.'s new audit committee from 2009 until March 2015. On March 26, 2015, he was appointed as a member of CEMEX, S.A.B. de C.V.'s audit committee. He is also a member of the board of directors of CEMEX México. He is chairman of the board of directors of Desarrollo Integrado, S.A. de C.V., Administración Ficap, S.A. de C.V., Aero Zano, S.A. de C.V., Ciudad Villamonte, S.A. de C.V., Focos, S.A. de C.V., C & I Capital, S.A. de C.V., Industrias Diza, S.A. de C.V., Inmobiliaria Sanni, S.A. de C.V., Inmuebles Trevisa, S.A. de C.V., Servicios Técnicos Hidráulicos, S.A. de C.V., Mantenimiento Integrado, S.A. de C.V., and Pilatus PC-12 Center de México, S.A. de C.V. He is a member of the board of directors of S.L.I. de México, S.A. de C.V., and Compañía de Vidrio Industrial, S.A. de C.V. Mr. Zambrano Villarreal is a graduate in mechanical engineering and administration from the ITESM. He is a second cousin of Rogelio Zambrano Lozano, chairman of CEMEX, S.A.B. de C.V.'s board of directors.
Dionisio Garza Medina (61)	Has been a member of CEMEX, S.A.B. de C.V.'s board of directors since 1995 and president of CEMEX, S.A.B. de C.V.'s corporate practices committee from 2009 until March 2015. On March 26, 2015, he was appointed as a member and president of CEMEX, S.A.B. de C.V.'s corporate practices and finance committee. He is chairman of the board of Tenedora TOPAZ, S.A.P.I. de C.V. He was a member of the board of Alfa until February 2013 and chairman and chief executive officer until March 2010. Mr. Garza Medina is a member of the advisory committee of the David Rockefeller Center for Latin American Studies at Harvard and chairman of the advisory council of Stanford University's School of Engineering. Additionally, Mr. Garza Medina was the chairman of the board of the Universidad de Monterrey, A.C. until April 2012. Mr. Garza Medina holds an industrial engineering degree and a master degree in industrial engineering from Stanford University and an M.B.A. from Harvard University.
José Manuel Rincón Gallardo Purón (72)	Has been a member of CEMEX, S.A.B. de C.V.'s board of directors since 2003. On March 26, 2015, he was appointed as

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president of CEMEX, S.A.B. de C.V.'s audit committee, where he qualifies as a "financial expert" for purposes of the Sarbanes-Oxley Act of 2002. He is member of the board of directors of CEMEX México, president of the board of directors and a member of the audit committee of Sonoco de México S.A. de C.V., member of the board of directors and audit committees of Banamex, Grupo Herdez, S.A. de C.V., General de Seguros, S.A.B., Kansas City Southern and Grupo Aeroportuario del Pacífico, S.A. de C.V., and member of the board of directors of Laboratorios Sanfer-Hormona. Mr. Rincón Gallardo is a member of the Instituto Mexicano de Contadores Públicos, A.C., he was a managing partner of KPMG México, and was member of the board of directors of KPMG United States and KPMG International. He is also a member of the corporate practices committee of Consejo Coordinador Empresarial. He is a certified public accountant from the Universidad Nacional Autónoma de México.

Rafael Rangel Sostmann (73)

Has been a member of CEMEX, S.A.B. de C.V.'s board of directors since 2009 and member of CEMEX, S.A.B. de C.V.'s audit committee since 2010. He was a member of CEMEX, S.A.B. de C.V.'s corporate practices committee from 2009 until March 2015. Mr. Rangel Sostmann was president of ITESM from 1985 to 2011. He is also a member of the board of directors of the Coca-Cola Foundation in Mexico and New York University's research area. He also served as president and chief executive officer of the Monterrey Tech Foundation from October 2011 to March 2012. Since 2013, Mr. Rangel Sostmann has been the special advisor to the president of the Arizona State University. He graduated with a degree in electric mechanical engineering from ITESM and also holds a master's degree in mechanical engineering and a doctor's degree from University of Wisconsin. Mr. Rangel Sostmann is also an independent board member of the Mexican Petroleum Fund for Stability and Development and a member of Georgetown University's advisory board for Latin America.

Francisco Javier Fernández Carbajal (60)

Has been a member of CEMEX, S.A.B. de C.V.'s board of directors and member of CEMEX, S.A.B. de C.V.'s finance committee from February 2012 until March 2015 and a member of CEMEX, S.A.B. de C.V.'s corporate practices committee from March 2013 until March 2015. On March 26, 2015, he was appointed as a member of CEMEX, S.A.B. de C.V.'s audit committee and the corporate practices and finance committee. Mr. Fernández is currently the chief executive officer of Servicios Administrativos Contry, S.A. de C.V. and a proprietary investing advisor and consultant in investment banking transactions since January 2002. He has served as chief executive officer of Corporate Development at Grupo Financiero BBVA Bancomer, S.A. de C.V., after holding several positions in BBVA Bancomer since 1991. Furthermore,

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<u>Name (Age)</u>	<u>Experience</u>
	Mr. Fernández is a member of the board of directors of ALFA, FEMSA, and VISA, Inc. He graduated with a degree in electric mechanical engineering from ITESM and also holds an M.B.A. from Harvard Business School.
Armando Garza Sada (57)	Has been a member of CEMEX, S.A.B. de C.V.'s board of directors and corporate practices and finance committee since March 26, 2015. Mr. Garza Sada is currently the chairman of the board of directors of ALFA and a member of the boards of FEMSA, Frisa, Grupo Financiero Banorte, ITESM, Lamosa, Liverpool, Proeza, and Stanford Graduate School of Business Advisory Board and Stanford University's Board of Trustees. Mr. Garza Sada holds a bachelor's degree from the Massachusetts Institute of Technology and an M.B.A. from Stanford University.
David Martínez Guzmán (57)	Has been a member of CEMEX, S.A.B. de C.V.'s board of directors since March 26, 2015. Mr. Martínez Guzmán is a managing director of Fintech Advisory and chief executive officer of Fintech Advisory Limited. He is currently a member of the board of directors of ALFA and Vitro. Mr. Martínez Guzmán earned a degree in electrical engineering from ITESM and also holds an M.B.A. from Harvard Business School.

Board Practices

In compliance with the Mexican securities market law, which was enacted on December 28, 2005 and became effective on June 28, 2006, CEMEX, S.A.B. de C.V.'s shareholders approved, at a general extraordinary meeting held on April 27, 2006, a proposal to amend various articles of CEMEX, S.A.B. de C.V.'s by-laws (*estatutos sociales*), in order to improve our standards of corporate governance and transparency, among other matters. The amendments included outlining the fiduciary duties of the members of CEMEX, S.A.B. de C.V.'s board of directors, who are now required:

- to perform their duties in a value-creating manner for the benefit of CEMEX without favoring a specific shareholder or group of shareholders;
- to act diligently and in good faith by adopting informed decisions; and
- to comply with their duty of care and loyalty, abstaining from engaging in illicit acts or activities.

The Mexican securities market law also eliminated the position of statutory examiner, whose duties of surveillance are now the responsibility of the board of directors, fulfilled through the corporate practices and finance committee the audit committees, as well as through the external auditor who audits the entity's financial statements, each within its professional role. With its surveillance duties, CEMEX, S.A.B. de C.V.'s board of directors is no longer in charge of managing CEMEX; instead, this is the responsibility of CEMEX, S.A.B. de C.V.'s chief executive officer.

Pursuant to the Mexican securities market law and CEMEX, S.A.B. de C.V.'s by-laws, at least 25% of its directors must qualify as independent directors.

CEMEX, S.A.B. de C.V. has not entered into any service contracts with its directors that provide for benefits upon termination of employment.

The Audit Committee and the Corporate Practices and Finance Committee

The Mexican securities market law required CEMEX, S.A.B. de C.V. to create a corporate practices committee comprised entirely of independent directors, in addition to its then existing audit committee. In compliance with such requirement, in 2006 CEMEX, S.A.B. de C.V. increased the responsibilities of its audit committee and changed its name to “corporate practices and audit committee.” To further enhance the effectiveness of its corporate governance, at CEMEX, S.A.B. de C.V.’s annual shareholders meeting of April 23, 2009, CEMEX, S.A.B. de C.V.’s shareholders approved the division of this committee into two committees with different members and responsibilities, the audit committee and the corporate practices committee. In addition, at an annual general ordinary shareholders’ meeting held on April 29, 2010, CEMEX, S.A.B. de C.V.’s shareholders approved the creation of the finance committee. In addition, at the annual general ordinary shareholders’ meeting held on March 26, 2015, CEMEX, S.A.B. de C.V.’s shareholders approved that the then existing corporate practices committee took over certain responsibilities of the then existing finance committee and changed its name to “corporate practices and finance committee.”

CEMEX, S.A.B. de C.V.’s audit committee is responsible for:

- evaluating our internal controls and procedures, and identifying deficiencies;
- following up with corrective and preventive measures in response to any non-compliance with our operation and accounting guidelines and policies;
- evaluating the performance of our external auditors;
- describing and valuing non-audit services performed by our external auditor;
- reviewing CEMEX, S.A.B. de C.V.’s financial statements;
- assessing the effects of any modifications to the accounting policies approved during any fiscal year;
- overseeing measures adopted as a result of any observations made by CEMEX, S.A.B. de C.V.’s shareholders, directors, executive officers, employees or any third parties with respect to accounting, internal controls and internal and external audit, as well as any complaints regarding management irregularities, including anonymous and confidential methods for addressing concerns raised by employees; and
- analyzing the risks identified by CEMEX, S.A.B. de C.V.’s independent auditors, accounting, internal control and process assessment areas.

CEMEX, S.A.B. de C.V.’s corporate practices committee and finance committee is responsible for:

- evaluating the hiring, firing and compensation of CEMEX, S.A.B. de C.V.’s chief executive officer;
- reviewing the hiring and compensation policies for CEMEX, S.A.B. de C.V.’s executive officers;
- reviewing related party transactions;
- reviewing policies regarding use of corporate assets;
- reviewing unusual or material transactions;
- evaluating waivers granted to our directors or executive officers regarding seizure of corporate opportunities; and
- identifying, evaluating and following up on the operating risks affecting the company and its subsidiaries.
- evaluating the company’s financial plans;
- reviewing the company’s financial strategy and its implementation; and
- evaluating mergers, acquisitions, review of market information and financial plans, including financing and related transactions.

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Under CEMEX, S.A.B. de C.V.'s by laws and the Mexican securities market law, all members of the corporate practices and finance committee and the audit committee, including their presidents, are required to be independent directors. The president of the audit committee and the corporate practices and finance committee shall be appointed and removed from his or her position only by the general shareholders meeting, and the rest of the members may only be removed by a resolution of the general shareholders meeting or of the board of directors.

Set forth below are the names of the members of CEMEX, S.A.B. de C.V.'s current audit committee and corporate practices and finance committee. The terms of the members of the committees are indefinite. José Manuel Rincón Gallardo qualifies as an "audit committee financial expert" for purposes of the Sarbanes Oxley Act of 2002. See "Item 16A—Audit Committee Financial Expert."

AUDIT COMMITTEE:

José Manuel Rincón Gallardo Purón	President
Roberto Luis Zambrano Villarreal	
Rafael Rangel Sostmann	
Francisco Javier Fernández Carbajal	

CORPORATE PRACTICES AND FINANCE COMMITTEE:

Dionisio Garza Medina	President
Francisco Javier Fernández Carbajal	
Rodolfo García Muriel	
Armando Garza Sada	

Compensation of CEMEX, S.A.B. de C.V.'s Directors and Members of Our Senior Management

For the year ended December 31, 2014, the aggregate amount of compensation we paid, or our subsidiaries paid, to all members of our board of directors, alternate members of our board of directors and senior managers, as a group, was approximately U.S.\$68 million. Approximately U.S.\$35 million of this amount was paid as base compensation, including approximately U.S.\$7 million of a bonus pool to key executives based on our operating performance and U.S.\$2 million to provide pension, retirement or similar benefits. In addition, approximately U.S.\$33 million of the aggregate amount corresponds to stock-based compensation, including approximately U.S.\$22 million related to the bonus pool to key executives based on our operating performance and approximately U.S.\$4 million of compensation earned under the program that is linked to the fulfillment of certain performance conditions and that is payable through March 2015 to the then still active members of CEMEX, S.A.B. de C.V.'s board of directors and top management executives. During 2014, we issued approximately 61 million of CPOs to this group pursuant to the Restricted Stock Incentive Plan, or RSIP, described below under "—Restricted Stock Incentive Plan (RSIP)."

CEMEX, Inc. ESOP

As a result of the acquisition of CEMEX, Inc. (formerly Southdown, Inc.) in November 2000, we established a stock option program for CEMEX, Inc.'s executives to purchase CEMEX, S.A.B. de C.V.'s ADSs. The options granted under the program have a fixed exercise price in U.S. Dollars equivalent to the average market price of one ADS during a six-month period before the grant date and have a 10-year term. Twenty-five percent of the options vested annually during the first four years after their grant date. The options are covered using shares currently owned by our subsidiaries, thus potentially increasing stockholders' equity and the number of shares outstanding. As of December 31, 2014, options to acquire 141,025 ADSs remained outstanding under this program. These options have a weighted average exercise price of approximately U.S.\$1.91 per CPO, or U.S.\$19.11 per ADS. As of December 31, 2014, the outstanding options under this program had a remaining tenure of approximately 0.5 years.

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The November 2001 Voluntary Exchange Program

In November 2001, we implemented a voluntary exchange program to offer participants in our then existing stock option program new options in exchange for their existing options. The new options have an escalating strike price in U.S. Dollars increasing at a 7% annual rate. As of December 31, 2014, this program was totally vested.

The 2004 Voluntary Early Exercise Program

In December 2004, we offered participants in our then existing stock options programs new options, conditioned on the participants exercising and receiving the intrinsic value of their existing options. As a result of this program, we granted a total of 139,151,236 new options. The new options had an initial strike price of U.S.\$7.4661 per CPO, which was U.S.\$0.50 above the closing CPO market price on the date on which the old options were exercised, and which increased at a rate of 5.5% per annum. All gains from the exercise of these new options would be paid in restricted CPOs. The restrictions would be removed gradually within a period of between two and four years, depending on the exercise date.

Of the 139,151,236 new options, 120,827,370 would be automatically exercised if the closing CPO market price reached U.S.\$8.50, while the remaining 18,323,866 options did not have an automatic exercise threshold. Holders of these options were entitled to receive an annual payment of U.S.\$0.10 net of taxes per option outstanding as of the payment date until exercise or maturity of the options or until the closing CPO market price reached U.S.\$8.50, which payment was scheduled to grow annually at a 10% rate.

On June 17, 2005, the closing CPO market price reached U.S.\$8.50, and, as a result, all outstanding options subject to automatic exercise were automatically exercised and the annual payment to which holders of the remaining options were entitled was terminated. As of December 31, 2014, options to acquire 15,022,272 CPOs under this program were non-vested.

For accounting purposes under IFRS, as of December 31, 2014, we accounted for the options granted under the February 2004 voluntary exchange program by means of the fair value method through earnings. See notes 2S and 21 to our 2014 audited consolidated financial statements included elsewhere in this annual report.

Consolidated Employee Stock Option Information

Stock options activity during 2013 and 2014, the balance of options outstanding as of December 31, 2013 and 2014 and other general information regarding our stock option programs, is presented in note 21 to our 2014 audited consolidated financial statements included elsewhere in this annual report.

As of December 31, 2014, the following employee stock options to purchase our securities were outstanding:

<u>Title of security underlying options</u>	<u>Number of CPOs or CPO equivalents underlying options</u>	<u>Expiration Date</u>	<u>Range of exercise prices per CPO or CPO equivalent</u>
CEMEX, Inc. ESOP	1,410,250	2015	U.S.\$ 1.6-1.9

Restricted Stock Incentive Plan (RSIP)

Since January 2005, we have been changing our long-term variable compensation programs from stock option grants to restricted stock awards under a RSIP. Under the terms of the RSIP, eligible employees are allocated a specific number of restricted CPOs as variable compensation to be vested over a four-year period. Before 2006, we distributed annually to a trust an amount in cash sufficient to purchase in the market, on behalf of each eligible employee, 25% of such employee's allocated number of CPOs. During 2006, in order to reduce

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the volatility of our RSIP, we began to distribute annually an amount in cash sufficient to purchase 100% of the allocated CPOs for each eligible employee. Although the vesting period of the restricted CPOs and other features of the RSIP did not change as a result of this new policy, the nominal amount of annual compensation received by eligible employees increased in proportion to the additional number of CPOs received as a result of the new policy. The CPOs purchased by the trust was held in a restricted account by the trust on behalf of each employee for four years. At the end of each year during such four-year period, the restrictions lapsed with respect to 25% of the allocated CPOs and such CPOs became freely transferable and subject to withdrawal from the trust.

Starting in 2009, we made additional changes to the mechanism for granting the RSIP, but the benefits remained the same as in previous years. First, CPOs are no longer purchased in the open market, but instead CEMEX, S.A.B. de C.V. issues new CPOs to cover the RSIP. Second, CEMEX, S.A.B. de C.V. now issues the RSIP in four blocks of 25% per year. The total number of CEMEX, S.A.B. de C.V. CPOs granted during 2014 was approximately 36 million, of which approximately 10 million were related to senior management and the board of directors. In 2014, approximately 61 million CPOs were issued, representing the first 25% of the 2014 program, representing the second 25% of the 2013 program, the third 25% of the 2012 program and the final 25% of the 2011 program. Of these 61 million CPOs, approximately 23 million corresponded to senior management and the board of directors. See note 25 to our consolidated financial statements included elsewhere in this annual report.

CEMEX Latam Employee stock-ownership plan

To better align CEMEX Latam's executives' interests with those of its stockholders, on January 16, 2013, CEMEX Latam's board of directors approved, effective as of January 1, 2013, a long-term incentives plan available to eligible executives of CEMEX Latam, which consists of an annual compensation plan based on CEMEX Latam shares. The underlying shares in this long-term incentives plan, which are held in the CEMEX Latam's treasury, and subject to certain restrictions, are delivered fully vested under each annual program over a service period of four years. During 2014, CEMEX Latam delivered 75,979 shares to eligible executives under this long-term incentives plan. The delivery of these shares are dilutive to CEMEX's equity indirect interest in CEMEX Latam.

Employees

As of December 31, 2014, we had 44,241 employees worldwide, which represented an increase of approximately 3% from the total number of employees we had as of December 31, 2013. We reduced our headcount by approximately 22% as a result of the implementation of our global cost-reduction program since 2008, as part of our ongoing efforts to align our company with new market conditions, lower costs and increase our efficiency.

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The following table sets forth the number of our full-time employees and a breakdown of their geographic location as of December 31, 2012, December 31, 2013 and December 31, 2014:

Location	2012	2013	2014
Mexico	11,108	11,064	11,412
United States	9,846	9,483	9,808
Northern Europe			
United Kingdom	3,072	2,866	2,941
Germany	2,907	2,426	2,391
France	1,915	1,865	1,875
Rest of Northern Europe	3,299	2,893	2,811
The Mediterranean			
Spain	1,798	1,652	1,670
Egypt	637	644	650
Rest of the Mediterranean	2,056	2,137	2,116
SAC			
Colombia	2,157	2,732	3,132
Rest of SAC	3,911	4,147	4,297
Asia			
Philippines	555	623	665
Rest of Asia	644	555	473

In Mexico, we have entered into collective bargaining agreements on a plant-by-plant basis, and such collective bargaining agreements are renewable on an annual basis with respect to salaries and on a biannual basis with respect to benefits. During 2014, we renewed more than 188 contracts with different labor unions in Mexico.

In the United States, approximately 28% of our employees are represented by unions, with the largest number being members of the International Brotherhood of Teamsters, the Laborers' Union of North America, the International Brotherhood of Boilermakers and the International Union of Operating Engineers. We have entered into or are in the process of negotiating various collective bargaining agreements at many of our U.S. plants, which collective bargaining agreements have various expiration dates through December 15, 2020.

In Spain, (i) some of our employees in the cement business have company-specific collective bargaining agreements that are renewable every two to three years on a legal entity and business basis, and (ii) some of our employees in the ready-mix concrete, mortar, aggregates and transport sectors have industry-specific collective bargaining agreements.

In the United Kingdom, our cement manufacturing and cement logistics operations have collective bargaining agreements with the Unite union. The rest of our operations in the United Kingdom are not part of collective bargaining agreements; however, there are local agreements for consultation and employee representation with Unite union, and the GMB union.

In Germany, most of our employees work under collective bargaining agreements with the Industriegewerkschaft Bauen Agrar Umwelt—IG B.A.U. union. In addition, there are internal company agreements, negotiated between the workers council and the company itself.

In France, less than 5% of our employees are members of one of the five main unions. At least one representative from one of the five main unions is represented in our French subsidiaries, mainly in the following legal entities: Cemex Granulats, Cemex Bétones Nord Ouest, Cemex Bétons Ile de France, Cemex Bétons Centre & Ouest, Cemex Bétons Sud Est and Cemex Granulats Rhône Méditerranée. All agreements are negotiated with unions and non-union representatives elected in the local workers council (*Comité d'Entreprise*)

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for periods of four years. The last elections took place in April 2014 and the next election will take place in 2018, except for Cemex Bétons Ile de France, whose last election took place in early 2015 and the next one will be in 2019.

In Egypt, approximately 100% of our employees in ACC are affiliated to ACC's union ("ACC's Union"), which is a member of Egypt's General Union of Building Materials. ACC's Union represents these employees in any collective negotiation, agreement or dispute.

In Israel, approximately 87% of our employees in Lime & Stone Production Company Ltd., one of our operating subsidiaries in Israel, or 26% of all of our employees in Israel, are represented by Histadrut, Israel's largest labor union. These employees work under special collective bargaining agreements which are renewable on an annual basis with respect to salaries and benefits and every one or two years with respect to retirement and dismissal terms.

In the Philippines, approximately 36% of the cement operation employees of APO and Solid are members of either one of four labor unions that are affiliated with a national federation. Each labor union has a collective bargaining agreement with either APO or Solid. Each of the collective bargaining agreements has a term of five years, with the economic terms negotiated in the third and fifth years. We consider our relationships with the labor unions representing our employees in the Philippines to be satisfactory.

In Colombia, there are four regional sectionals of a single union that represents our employees at the Caracolito, Clemencia, Bucaramanga and Cúcuta cement plants and another union represents a minority group of employees of our logistics operations in Ibagué. There are also collective agreements with non-union workers at the Santa Rosa cement plant, all ready-mix concrete and aggregates plants and all logistics operations in Colombia. We consider our relationships with labor unions representing our employees in Colombia to be satisfactory.

In Panama, approximately 63% of our workforce is member of a union named Sindicato de Trabajadores de Cemento Bayano (SITRACEB), which is a legal entity registered before the Panamanian Ministry of Labor. The union's board of directors is elected every two to four years through a general voting process. The collective bargaining agreement that is currently in full force and effect was entered into in January 2011 and expires in December 2015.

Share Ownership

As of December 31, 2014, our senior management and directors and their immediate families owned, collectively, approximately 1.68% of CEMEX, S.A.B. de C.V.'s outstanding shares, including shares underlying stock options and restricted CPOs under our ESOPs. This percentage does not include shares held by the extended families of members of our senior management and directors, since, to the best of our knowledge, no voting arrangements or other agreements exist with respect to those shares. As of December 31, 2014, no individual director or member of our senior management beneficially owned one percent or more of any class of CEMEX, S.A.B. de C.V.'s outstanding capital stock and each such individual's share ownership has not been previously disclosed to shareholders or otherwise made public.

Item 7—Major Shareholders and Related Party Transactions

Major Shareholders

The information contained in Amendment No. 3 to a statement on Schedule 13G filed with the SEC on January 22, 2015, stated that as of December 31, 2014, BlackRock beneficially owned 1,089,541,380 CPOs, representing 8.9% of CEMEX, S.A.B. de C.V.'s outstanding capital stock. As of December 31, 2014, BlackRock beneficially owned approximately 8.75% of CEMEX, S.A.B. de C.V.'s outstanding capital stock. BlackRock does not have voting rights different from our other non-Mexican holders of CPOs. As required by CEMEX, S.A.B. de

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C.V.'s by-laws, CEMEX, S.A.B. de C.V.'s board of directors is required to approve BlackRock beneficial ownership of CEMEX, S.A.B. de C.V.'s outstanding capital stock. Pursuant to the authorizations by Board of Directors, BlackRock is authorized to acquire up to 13% of capital stock.

As of March 31, 2015, CEMEX, S.A.B. de C.V.'s outstanding capital stock consisted of 25,000,473,290 Series A shares and 12,500,236,645 Series B shares, in each case including shares held by our subsidiaries. Additionally, at CEMEX, S.A.B. de C.V.'s 2014 ordinary shareholders meeting held on March 26, 2015, CEMEX, S.A.B. de C.V.'s shareholders approved the issuance of 1,000,018,398 Series A shares and 500,009,466 Series B shares to be allocated to shareholders on a pro rata basis pursuant to such approval. These shares are expected to become part of CEMEX, S.A.B. de C.V.'s outstanding capital stock on May 4, 2015.

As of March 31, 2015, a total of 24,952,241,934 Series A shares and 12,476,120,967 Series B shares outstanding were held by the CPO trust. Each CPO represents two Series A shares and one Series B share. A portion of the CPOs is represented by ADSs. Under the terms of the CPO trust agreement, non-Mexican holders of CPOs and ADSs have no voting rights with respect to the A shares underlying those CPOs and ADSs. All ADSs are deemed to be held by non-Mexican nationals. At every shareholders' meeting, the A shares held in the CPO trust are voted as expressed by the shareholders representing the majority of the capital stock entitled to vote.

Other than BlackRock and the CPO trust, we are not aware of any person that is the beneficial owner of five percent or more of any class of CEMEX, S.A.B. de C.V.'s voting securities.

As of March 31, 2015, through CEMEX, S.A.B. de C.V.'s subsidiaries, we owned approximately 18.3 million CPOs, representing approximately 0.1% of CEMEX, S.A.B. de C.V.'s outstanding CPOs and approximately 0.1% of CEMEX, S.A.B. de C.V.'s outstanding voting stock. These CPOs are voted at the direction of our management. CEMEX, S.A.B. de C.V.'s voting rights over those CPOs are the same as those of any other CPO holder. As of the same date, we did not hold any CPOs in derivative instruments hedging expected cash flows of stock options exercises.

CEMEX, S.A.B. de C.V.'s provide that its board of directors must authorize in advance any transfer of voting shares of its capital stock that would result in any person's, or group's acting in concert, becoming a holder of 2% or more of CEMEX, S.A.B. de C.V.'s voting shares.

Mexican securities regulations provide that our majority-owned subsidiaries may neither directly or indirectly invest in CEMEX, S.A.B. de C.V.'s CPOs nor other securities representing CEMEX, S.A.B. de C.V.'s capital stock. The Mexican securities authority could require any disposition of the CPOs or of other securities representing our capital stock so owned and/or impose fines on us if it were to determine that the ownership of CEMEX, S.A.B. de C.V.'s CPOs or of other securities representing CEMEX, S.A.B. de C.V.'s capital stock by CEMEX, S.A.B. de C.V.'s subsidiaries, in most cases, negatively affects the interests of CEMEX, S.A.B. de C.V.'s shareholders. Notwithstanding the foregoing, the exercise of all rights pertaining to CEMEX, S.A.B. de C.V.'s CPOs or to other securities representing our capital stock in accordance with the instructions of CEMEX, S.A.B. de C.V.'s subsidiaries does not violate any provisions of CEMEX, S.A.B. de C.V.'s by-laws or the by-laws of its subsidiaries. The holders of these CPOs or of other securities representing CEMEX, S.A.B. de C.V.'s capital stock are entitled to exercise the same rights relating to their CPOs or their other securities representing CEMEX, S.A.B. de C.V.'s capital stock, including all voting rights, as any other holder of the same series.

As of March 31, 2015, we had 658 ADS holders of record, representing 4,660,927,180 CPOs, or approximately 37.29% of CEMEX, S.A.B. de C.V.'s outstanding capital stock as of such date.

Related Party Transactions

Mr. Lorenzo H. Zambrano Treviño, who passed away in May 2014, was chairman of CEMEX, S.A.B. de C.V.'s board of directors and Chief Executive Officer of CEMEX until he passed away, and was also a member

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of the board of directors of IBM until his passing. On July 30, 2012, we entered into a Master Professional Services Agreement with IBM pursuant to which, in the ordinary course of business, IBM provides CEMEX with business processes services and IT, including: data processing services (back office) in finance, accounting and human resources; as well as IT infrastructure services, support and maintenance of IT applications in the countries in which CEMEX operates.

Mr. Karl H. Watson Jr. is the president of CEMEX USA. In the ordinary course of business, CEMEX USA's operations pay fees for freight services to Florida Aggregate Transport, a Florida based vendor. Karl H. Watson Jr.'s stepbrother is part of Florida Aggregate Transport's ownership and senior management. The amounts for these services, which are negotiated on market terms, are not significant to CEMEX USA's operations.

Francisco Javier Fernández Carbajal, a member of CEMEX, S.A.B. de C.V.'s board of directors, is also a member of the board of directors of FEMSA, a large multinational beverage company. In addition, José Antonio Fernández Carbajal, the brother of Francisco Javier Fernández Carbajal, is the president and chief executive officer of FEMSA. In the ordinary course of business, we pay and receive various amounts to and from FEMSA for products and services for varying amounts on market terms.

From January 1, 2014 through the date of this annual report, we did not have any outstanding loans to any of our directors or members of senior management.

Item 8—Financial Information

Consolidated Financial Statements and Other Financial Information

See “Item 18—Financial Statements” and “Index to Consolidated Financial Statements.”

Legal Proceedings

See “Item 4—Information on the Company—Regulatory Matters and Legal Proceedings.”

Dividends

A declaration of any dividend is made by CEMEX, S.A.B. de C.V.'s shareholders at a general ordinary meeting. Any dividend declaration is usually based upon the recommendation of CEMEX, S.A.B. de C.V.'s board of directors. However, CEMEX, S.A.B. de C.V.'s shareholders are not obligated to approve the board's recommendation. CEMEX, S.A.B. de C.V. may only pay dividends from retained earnings included in financial statements that have been approved by CEMEX, S.A.B. de C.V.'s shareholders and after all losses have been paid for, a legal reserve equal to 5% of its paid-in capital has been created and CEMEX, S.A.B. de C.V.'s shareholders have approved the relevant dividend payment. See “Item 10—Additional Information—Taxation—Mexican Tax Considerations.” Since CEMEX, S.A.B. de C.V. conducts its operations through its subsidiaries, it has no significant assets of its own except for its investments in those subsidiaries. Consequently, CEMEX, S.A.B. de C.V.'s ability to pay dividends to its shareholders is dependent upon its ability to receive funds from its subsidiaries in the form of dividends, management fees, or otherwise. The Facilities Agreement and the indentures governing the Senior Secured Notes effectively prohibit CEMEX, S.A.B. de C.V. from declaring and paying cash dividends or making other cash distributions to its shareholders. See “Item 3—Key Information—Risk Factors—CEMEX, S.A.B. de C.V.'s ability to repay debt and pay dividends depends on our subsidiaries' ability to transfer income and dividends to us.”

The recommendation of CEMEX, S.A.B. de C.V.'s board of directors as to whether to pay and the amount of any annual dividends has been and will continue to be, in absence of contractual restrictions to pay or declare dividends, based upon, among other things, earnings, cash flow, capital requirements, contractual restrictions, and our financial condition and other relevant factors.

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Owners of ADSs on the applicable record date will be entitled to receive any dividends payable in respect of the A shares and the B shares underlying the CPOs represented by those ADSs; however, as permitted by the deposit agreement pursuant to which CEMEX, S.A.B. de C.V.'s ADSs are issued, CEMEX, S.A.B. de C.V. may instruct the ADS depository not to extend the option to elect to receive cash in lieu of the stock dividend to the holders of ADSs. The ADS depository will fix a record date for the holders of ADSs in respect of each dividend distribution. Unless otherwise stated, the ADS depository has agreed to convert cash dividends received by it in respect of the A shares and the B shares underlying the CPOs represented by ADSs from Mexican Pesos into U.S. Dollars and, after deduction or after payment of expenses of the ADS depository, to pay those dividends to holders of ADSs in U.S. Dollars. CEMEX, S.A.B. de C.V. cannot assure holders of its ADSs that the ADS depository will be able to convert dividends received in Mexican Pesos into U.S. Dollars.

CEMEX, S.A.B. de C.V. did not declare a dividend for fiscal years 2012, 2013 and 2014.

Significant Changes

Except as described herein, no significant change has occurred since the date of our consolidated financial statements included elsewhere in this annual report.

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CEMEX, S.A.B. de C.V.'s CPOs are listed on the Mexican Stock Exchange and trade under the symbol "CEMEX.CPO." CEMEX, S.A.B. de C.V.'s ADSs, each of which currently represents ten CPOs, are listed on the New York Stock Exchange ("NYSE") and trade under the symbol "CX." The following table sets forth, for the periods indicated, the reported highest and lowest market quotations in nominal Mexican Pesos for CPOs on the Mexican Stock Exchange and the high and low sales prices in U.S. Dollars for ADSs on the NYSE.

Calendar Period	CPOs(1)		ADSs	
	High	Low	High	Low
Yearly				
2010	16.16	9.59	12.60	7.46
2011	13.60	3.25	11.15	2.27
2012	12.93	7.00	10.14	4.94
2013	16.16	12.58	12.71	9.14
2014	18.50	14.32	14.36	9.66
Quarterly				
2013				
First quarter	15.55	12.59	12.47	9.83
Second quarter	15.41	12.58	12.71	9.14
Third quarter	16.16	13.33	12.53	10.17
Fourth quarter	15.43	13.05	11.86	9.81
2014				
First quarter	17.97	14.96	13.51	11.44
Second quarter	18.50	15.93	14.36	12.08
Third quarter	17.75	16.40	13.64	12.35
Fourth quarter	17.55	14.32	13.05	9.66
2015				
First quarter	15.60	12.97	10.44	8.73
Monthly				
2014-2015				
October	17.55	14.74	13.05	10.80
November	17.49	16.41	12.86	12.11
December	17.25	14.32	12.44	9.66
January	15.21	13.25	10.34	8.87
February	15.60	12.97	10.44	8.73
March	15.26	14.07	10.18	9.06
April(2)	15.40	14.28	10.29	9.37

Source: Based on data of the Mexican Stock Exchange and the NYSE.

(1) As of December 31, 2014, approximately 99.78% of CEMEX, S.A.B. de C.V.'s outstanding share capital was represented by CPOs.

(2) CPO and ADS prices are through April 20, 2015.

On April 20, 2015, the last reported closing price for CPOs on the Mexican Stock Exchange was Ps15.05 per CPO, and the last reported closing price for ADSs on the NYSE was U.S.\$9.73 per ADS.

During 2014, (i) we did not have a market maker and (ii) there was no suspension of trading of (a) CEMEX, S.A.B. de C.V.'s CPOs on the Mexican Stock Exchange or (b) CEMEX, S.A.B. de C.V.'s ADSs on the New York Stock Exchange.

Item 10—Additional Information

Articles of Association and By-laws

General

Pursuant to the requirements of Mexican corporations law, CEMEX, S.A.B. de C.V.'s articles of association and by-laws (*estatutos sociales*), have been registered with the Mercantile Section of the Public Registry of Property and Commerce in Monterrey, Nuevo León, Mexico, under entry number 21, since June 11, 1920.

CEMEX, S.A.B. de C.V. is an operating and holding company engaged, directly or indirectly, through its operating subsidiaries, primarily in the production, distribution, marketing and sale of cement, ready-mix concrete, aggregates, clinker and other construction materials throughout the world. CEMEX, S.A.B. de C.V.'s corporate purpose can be found in article 2 of CEMEX, S.A.B. de C.V.'s by-laws.

CEMEX, S.A.B. de C.V. has two series of common stock, the Series A common stock, with no par value, or A shares, which can only be owned by Mexican nationals, and the Series B common stock, with no par value, or B shares, which can be owned by both Mexican and non-Mexican nationals. CEMEX, S.A.B. de C.V.'s by-laws state that the A shares may not be held by non-Mexican individuals, corporations, groups, units, trusts, associations or governments that are foreign or have participation by foreign governments or their agencies. CEMEX, S.A.B. de C.V.'s by-laws also state that the A shares shall at all times account for a minimum of 64% of CEMEX, S.A.B. de C.V.'s total outstanding voting stock and that the B shares shall at all times account for a minimum of 36% of CEMEX, S.A.B. de C.V.'s total outstanding voting stock. Other than as described herein, holders of the A shares and the B shares have the same rights and obligations.

In 1994, CEMEX, S.A.B. de C.V. changed from a fixed capital corporation to a variable capital corporation in accordance with Mexican corporation law. As a result, CEMEX, S.A.B. de C.V. established a fixed capital account and a variable capital account and issued one share of variable capital stock of the same series for each eight shares of fixed capital stock held by any shareholder. Each of our fixed and variable capital accounts is comprised of A shares and B shares. Under the Mexican securities market law and CEMEX, S.A.B. de C.V.'s by-laws, holders of shares representing variable capital are not entitled to withdraw those shares.

Shareholder authorization is required to increase or decrease either the fixed capital account or the variable capital account. Shareholder authorization to increase or decrease the fixed capital account must be obtained at an extraordinary meeting of shareholders. Shareholder authorization to increase or decrease the variable capital account must be obtained at an ordinary general meeting of shareholders.

On September 15, 1999, CEMEX, S.A.B. de C.V.'s shareholders approved a stock split, and for every one of CEMEX, S.A.B. de C.V.'s shares of any series, CEMEX, S.A.B. de C.V. issued two Series A shares and one Series B share. Concurrently with this stock split, CEMEX, S.A.B. de C.V. also consummated an exchange offer to exchange new CPOs and new ADSs representing the new CPOs for CEMEX, S.A.B. de C.V.'s then existing A shares, B shares and ADSs, and converted CEMEX, S.A.B. de C.V.'s then existing CPOs into the new CPOs.

On June 1, 2001, the Mexican securities market law was amended, among other, to increase the protection granted to minority shareholders of Mexican listed companies and to commence bringing corporate governance procedures of Mexican listed companies in line with international standards.

On February 6, 2002, the Mexican securities authority (*Comisión Nacional Bancaria y de Valores*) issued an official communication authorizing the amendment of CEMEX, S.A.B. de C.V.'s by-laws to incorporate additional provisions to comply with the then new provisions of the Mexican securities market law. Following approval from CEMEX, S.A.B. de C.V.'s shareholders at the 2002 annual shareholders' meeting, CEMEX, S.A.B. de C.V. amended and restated its by-laws to incorporate these additional provisions, which consist of, among other things, protective measures to prevent share acquisitions, hostile takeovers, and direct or indirect changes of control. As a result of the amendment and restatement of CEMEX, S.A.B. de C.V.'s by-laws, the expiration of CEMEX, S.A.B. de C.V.'s corporate term of existence was extended from 2019 to 2100.

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On March 19, 2003, the Mexican securities authority issued new regulations designed to (i) further implement minority rights granted to shareholders by the Mexican securities market law and (ii) simplify and consolidate in a single document provisions relating to securities offerings and periodic reports by Mexican-listed companies.

On April 24, 2003, CEMEX, S.A.B. de C.V.'s shareholders approved changes to its by-laws, incorporating additional provisions and removing some restrictions. The changes that are still in force are as follows:

- The limitation on CEMEX, S.A.B. de C.V.'s variable capital was removed. Formerly, CEMEX, S.A.B. de C.V.'s variable capital was limited to ten times CEMEX, S.A.B. de C.V.'s minimum fixed capital.
- Increases and decreases in CEMEX, S.A.B. de C.V.'s variable capital now require the notarization of the minutes of the ordinary general shareholders' meeting that authorize such increase or decrease, as well as the filing of these minutes with the Mexican National Securities Registry (Registro Nacional de Valores), except when such increase or decrease results from (i) shareholders exercising their redemption rights or (ii) stock repurchases.
- The cancellation of registration of our shares in the Securities Section of the Mexican National Securities Registry now involves an amended procedure, which is described below under "—Repurchase Obligation." In addition, any amendments to the article containing these provisions no longer require the consent of the Mexican securities authority and 95% approval by shareholders entitled to vote.

At a general extraordinary shareholders' meeting held on April 28, 2005, CEMEX, S.A.B. de C.V.'s shareholders approved a two-for-one stock split, which became effective on July 1, 2005. In connection with this stock split, each of CEMEX, S.A.B. de C.V.'s existing Series A shares was surrendered in exchange for two new Series A shares, and each of CEMEX, S.A.B. de C.V.'s existing Series B shares was surrendered in exchange for two new Series B shares. Concurrent with this stock split, we authorized the amendment of the CPO trust agreement pursuant to which CEMEX, S.A.B. de C.V.'s CPOs are issued to provide for the substitution of two new CPOs for each of CEMEX, S.A.B. de C.V.'s existing CPOs, with each new CPO representing two new Series A shares and one new Series B share. The number of CEMEX, S.A.B. de C.V.'s existing ADSs did not change as a result of the stock split. Instead, the ratio of CPOs to ADSs was modified so that each existing ADS represented ten new CPOs following the stock split and the CPO trust amendment.

On December 30, 2005, a Mexican securities market law was published to continue bringing corporate governance requirements of Mexican listed companies in line with international standards. This new law includes provisions increasing disclosure information requirements, improving minority shareholder rights, and strengthening corporate governance standards including the introduction of new requirements and fiduciary duties (duties of care and loyalty), applicable to each director, officer, external auditor and major shareholder of publicly traded companies. The law also provides that each member of the audit committee must be an independent director, and requires the creation of corporate governance committees integrated by independent directors as well. In addition, the law clarifies directors' duties, specifies safe harbors for directors' actions, clarifies what is deemed as a conflict of interest and clarifies what are the confidentiality obligations for directors.

Under the new Mexican securities market law, CEMEX, S.A.B. de C.V. was required to adopt specific amendments to its by-laws within 180 days of the effective date of the new law. Following approval from CEMEX, S.A.B. de C.V.'s shareholders at its 2005 annual general extraordinary shareholders' meeting held on April 27, 2006, CEMEX, S.A.B. de C.V. amended and restated its by-laws to incorporate these amendments. The amendments to CEMEX, S.A.B. de C.V.'s by-laws became effective on July 3, 2006. The most significant of these amendments were as follows:

- The change of its corporate name from CEMEX, S.A. de C.V. to CEMEX, S.A.B. de C.V., which means that it is now called a publicly traded company (*sociedad anónima bursátil* or *S.A.B.*).

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- The creation of a corporate practices committee, which is a new committee of CEMEX, S.A.B. de C.V.'s board of directors and which is comprised exclusively of independent directors.
- The elimination of the position of statutory examiner (*comisario*) and the assumption of its responsibilities by the board of directors through the audit committee and the new corporate practices committee, as well as through the external auditor who audits CEMEX, S.A.B. de C.V.'s financial statements, each within its professional role.
- The express attribution of certain duties (such as the duty of loyalty and the duty of care) and liabilities on members of the board of directors as well as on certain senior executive officers.
- The implementation of a mechanism for claims of a breach of a director's or officer's duties, to be brought by us or by holders of 5% or more of CEMEX, S.A.B. de C.V.'s shares.
- The chief executive officer is now the person in charge of managing the company; previously, this was the duty of the board of directors. The board of directors now supervises the chief executive officer.
- Shareholders are given the right to enter into certain agreements with other shareholders.

At the 2005 annual general ordinary shareholders' meeting held on April 27, 2006, CEMEX, S.A.B. de C.V.'s shareholders approved a new stock split, which became effective on July 17, 2006. In connection with this new two-for-one stock split, each of its existing Series A shares was surrendered in exchange for two new Series A shares, and each of its existing Series B shares was surrendered in exchange for two new Series B shares. Concurrent with this stock split, we authorized the amendment of the CPO trust agreement pursuant to which CEMEX, S.A.B. de C.V.'s CPOs are issued to provide for the substitution of two new CPOs for each of its existing CPOs, with each new CPO representing two new Series A shares and one new Series B share. In connection with the stock split and at our request, Citibank, N.A., as depository for the ADSs, distributed one additional ADS for each ADS outstanding as of the record date for the stock split. The ratio of CPOs to ADSs did not change as a result of the stock split; each ADS continued to represent ten CPOs following the stock split and the CPO trust amendment. The proportional equity interest participation of existing shareholders did not change as a result of this stock split.

On September 4, 2009, CEMEX, S.A.B. de C.V. held an extraordinary shareholders' meeting in which its shareholders approved an increase in the variable portion of its capital stock of up to 4.8 billion shares (equivalent to 1.6 billion CPOs or 160 million ADSs). Pursuant to the resolution approved by CEMEX, S.A.B. de C.V.'s shareholders, the subscription and payment of the new shares represented by CPOs may occur through a public offer of CPOs and/or issuance of convertible bonds within a period of 24 months. On September 28, 2009, CEMEX, S.A.B. de C.V. sold a total of 1,495,000,000 CPOs, directly or in the form of ADSs, in a global offering for approximately U.S.\$1,782 billion in net proceeds. On November 11, 2009, CEMEX, S.A.B. de C.V. launched an exchange offer in México, in transactions exempt from registration pursuant to Regulation S under the Securities Act, directed to holders of CBs, in order to exchange such CBs for the November 2019 Mandatory Convertible Mexican Peso Notes. Pursuant to the exchange offer, on December 10, 2009, CEMEX, S.A.B. de C.V. issued approximately Ps4.1 billion (approximately U.S.\$334 million at the Mexican Peso/U.S. Dollar CEMEX accounting rate on December 31, 2010) in November 2019 Mandatory Convertible Mexican Peso Notes in exchange for CBs. On March 30, 2010, CEMEX, S.A.B. de C.V.'s closed the offering of U.S.\$715 million aggregate principal amount of its March 2015 Optional Convertible Subordinated U.S. Dollar Notes.

On February 24, 2011, CEMEX, S.A.B. de C.V. held an extraordinary shareholders' meeting in which its shareholders approved an increase in the variable portion of its capital stock of up to 6 billion shares (equivalent to 2 billion CPOs or 200 million ADSs). Pursuant to the resolution approved by CEMEX, S.A.B. de C.V.'s shareholders, the subscription and payment of the new shares represented by CPOs may occur through a public offer of CPOs and/or issuance of convertible bonds and, until then, these shares will be kept in our treasury. In addition, on February 24, 2011, CEMEX, S.A.B. de C.V. held its annual general ordinary shareholders' meeting in which its shareholders approved an increase in the variable portion of its capital stock of up to 60 million shares (equivalent to 20 million CPOs or 2 million ADSs). These shares will be kept in CEMEX, S.A.B. de

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C.V.'s treasury and will be used to preserve the rights of note holders pursuant to the issuance of convertible notes. On March 15, 2011, CEMEX, S.A.B. de C.V.'s closed the offering of U.S.\$1,667,500,000 aggregate principal amount of its March 2016 and March 2018 Optional Convertible Subordinated Notes.

On March 20, 2014, CEMEX, S.A.B. de C.V. held its 2013 annual general ordinary shareholders' meeting in which its shareholders approved, among other items, (i) an increase in the variable portion of CEMEX, S.A.B. de C.V.'s capital stock of up to 1,404,099,228 shares (equivalent to 468,033,076 CPOs or approximately 46.8 million ADSs) paid with a charge to retained earnings; (ii) an increase in the variable portion of CEMEX, S.A.B. de C.V.'s capital stock through the issuance of up to 387 million shares (equivalent to 129 million CPOs or 12.9 million ADSs), such shares to be kept in CEMEX, S.A.B. de C.V.'s treasury and to be used to preserve the rights of note holders pursuant to the outstanding November 2019 Mandatory Convertible Mexican Peso Notes, and the March 2016 and March 2018 Optional Convertible Subordinated U.S. Dollar Notes; and (iii) a reduction in the variable portion of CEMEX, S.A.B. de C.V.'s capital stock through the cancellation of 6,219,606 shares (equivalent to approximately 2 million CPOs or approximately 200,000 ADSs).

In addition, on March 20, 2014, CEMEX, S.A.B. de C.V. held an extraordinary shareholders' meeting at which its shareholders approved, among other items, the board of directors' proposal to expand the corporate purpose of CEMEX, S.A.B. de C.V. so that, aside from being a holding company, CEMEX, S.A.B. de C.V. can undertake operating activities related to the production and commercialization of cement, ready-mix concrete and aggregates.

On March 26, 2015, CEMEX, S.A.B. de C.V. held its 2014 annual general ordinary shareholders' meeting in which its shareholders approved, among other items, (i) an increase in the variable portion of CEMEX, S.A.B. de C.V.'s capital stock through the issuance of up to 1,500,028,398 shares (equivalent to 500,009,466 CPOs or approximately 50.0 million ADSs), paid with a charge to retained earnings; and (ii) an increase in the variable portion of CEMEX, S.A.B. de C.V.'s capital stock through the issuance of up to 297,000,000 shares (equivalent to 99 million CPOs or 9.9 million ADSs), such shares to be kept in CEMEX, S.A.B. de C.V.'s treasury and to be used to preserve the rights of note holders pursuant to the outstanding November 2019 Mandatory Convertible Mexican Peso Notes, and the March 2016 and March 2018 Optional Convertible Subordinated U.S. Dollar Notes.

In addition, on March 26, 2015, CEMEX, S.A.B. de C.V. held an extraordinary shareholders' meeting at which its shareholders approved, among other items, (i) changes to CEMEX, S.A.B. de C.V.'s by-laws, incorporating additional provisions and removing some restrictions. The changes, among other items, are the following: extend CEMEX, S.A.B. de C.V.'s corporate existence for an indefinite period of time; adopt the electronic system established by the Ministry of Economy (*Secretaría de Economía*) for the publication of notices and other legal matters; remove a redundancy in minority rights; adopt additional considerations that CEMEX, S.A.B. de C.V.'s board of directors shall consider in order to authorize purchases of 2% or more of shares and adopt provisions to improve corporate governance with respect to the presidency at shareholders meetings and corporate bodies; separation of the roles of chairman of the board and chief executive officer; include the possibility of electing an alternate secretary of the board of directors; authorization to prepare CEMEX, S.A.B. de C.V.'s restated by-laws and to exchange and cancel the share certificates that represent CEMEX, S.A.B. de C.V.'s currently outstanding capital.

CEMEX, S.A.B. de C.V. did not declare a dividend for fiscal years 2012, 2013 and 2014. See "Item—8 Financial Information—Dividends" for a description of CEMEX, S.A.B. de C.V.'s policy on dividend distributions and dividend restrictions.

At each of CEMEX, S.A.B. de C.V.'s 2012, 2013 and 2014 annual general ordinary shareholders' meetings, held on March 21, 2013, March 20, 2014 and March 26, 2015, respectively, CEMEX, S.A.B. de C.V.'s shareholders approved a recapitalization of retained earnings. New CPOs issued pursuant to each such recapitalization were allocated to shareholders on a pro-rata basis. As a result, shares equivalent to approximately 437.4 million CPOs, approximately 468 million CPOs and approximately 500 million CPOs were allocated to

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shareholders on a pro-rata basis in connection with the 2012, 2013 and 2014 recapitalizations, respectively. In each case, CPO holders received one new CPO for each 25 CPOs held and ADS holders received one new ADS for each 25 ADSs held. There was no cash distribution and no entitlement to fractional shares.

As of December 31, 2014, CEMEX, S.A.B. de C.V.'s common stock was represented as follows:

Shares ¹	2014	
	Series A2	Series B3
Subscribed and paid shares	24,913,159,536	12,456,579,768
Unissued shares authorized for stock compensation programs	933,604,310	466,802,155
Shares that guarantee the issuance of convertible securities ⁴	5,658,760,600	2,829,380,300
Shares authorized for the issuance of stock or convertible securities ⁵	—	—
	<u>31,505,524,446</u>	<u>15,752,762,223</u>

- (1) As of December 31, 2014, 13,068,000,000 shares correspond to the fixed portion, and 34,190,286,669 shares correspond to the variable portion.
- (2) Series "A" or Mexican shares must represent at least 64% of CEMEX's capital stock.
- (3) Series "B" or free subscription shares must represent at most 36% of CEMEX's capital stock.
- (4) Shares that guarantee the conversion of the November 2019 Mandatory Convertible Mexican Peso Notes, the March 2015 Optional Convertible Subordinated U.S. Dollar Notes and March 2016 and March 2018 Optional Convertible Subordinated U.S. Dollar Notes.
- (5) Shares authorized for the issuance of stock through a public offer or through the issuance of convertible securities.

Changes in Capital Stock and Preemptive Rights

Subject to certain exceptions referred below, CEMEX, S.A.B. de C.V.'s by-laws allow for a decrease or increase in its capital stock if it is approved by its shareholders at a shareholders' meeting. Additional shares of CEMEX, S.A.B. de C.V.'s capital stock, having no voting rights or limited voting rights, are authorized by its by-laws and may be issued upon the approval of its shareholders at a shareholders' meeting, with the prior approval of the Mexican securities authority.

CEMEX, S.A.B. de C.V.'s by-laws provide that, subject to certain exceptions, shareholders have preemptive rights with respect to the class and in proportion to the number of shares of our capital stock they hold, in connection with any capital increase in the number of outstanding A shares, B shares, or any other existing series of shares, as the case may be. Subject to certain requirements: (i) under article 53 of the Mexican securities market law, this preemptive right to subscribe is not applicable to increases of CEMEX, S.A.B. de C.V.'s capital through public offers; and (ii) under article 210 bis of the General Law of Negotiable Instruments and Credit Operations (*Ley General de Títulos y Operaciones de Crédito*), this preemptive right to subscribe is not applicable when issuing shares under convertible notes. Preemptive rights give shareholders the right, upon any issuance of shares by us, to purchase a sufficient number of shares to maintain their existing ownership percentages. Preemptive rights must be exercised within the period and under the conditions established for that purpose by the shareholders, and CEMEX, S.A.B. de C.V.'s by-laws and applicable law provide that this period must be 15 days following the publication of the notice of the capital increase through the electronic system established by the Ministry of Economy (*Secretaría de Economía*) or, in its absence, in the Official Gazette of the State of Nuevo León (*Periódico Oficial del Estado de Nuevo León*) or in any major newspaper published and distributed in the city of Monterrey, Nuevo León, México.

Holders of ADSs that are U.S. persons or are located in the United States may be restricted in their ability to participate in the exercise of such preemptive rights. See "Item 3—Key Information—Risk Factors—Preemptive rights may be unavailable to ADS holders."

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Pursuant to CEMEX, S.A.B. de C.V.'s by-laws, significant acquisitions of shares of CEMEX, S.A.B. de C.V.'s capital stock and changes of control of CEMEX, S.A.B. de C.V. require prior approval from CEMEX, S.A.B. de C.V.'s board of directors. CEMEX, S.A.B. de C.V.'s board of directors must authorize in advance any transfer of, or creation of any encumbrance or lien on, voting shares of CEMEX, S.A.B. de C.V.'s capital stock that would result in any person or group becoming a holder of 2% or more of CEMEX, S.A.B. de C.V.'s shares. CEMEX, S.A.B. de C.V.'s board of directors shall consider the following when determining whether to authorize such transfer of voting shares: a) the type of investors involved; b) if stock prices may be affected or if the number of CEMEX, S.A.B. de C.V.'s shares outstanding would be reduced in such way that marketability may be affected; c) whether the acquisition would result in the potential acquirer exercising a significant influence or being able to obtain control; d) whether all applicable rules and CEMEX, S.A.B. de C.V.'s by-laws have been observed by the potential acquirer; e) whether the potential acquirers are our competitors or are persons or legal entities participating in companies, entities or persons that are or competitors and whether there is a risk of affecting market competition, or the potential acquirers could have access to confidential and privileged information; f) the morality and economic solvency of the potential acquirers; g) the protection of minority rights and the rights of our employees; and h) whether an adequate base of investors would be maintained. If CEMEX, S.A.B. de C.V.'s board of directors denies the authorization, the transfer had been authorized on the basis of false or incorrect information or information had been withheld, or the requirements established in CEMEX, S.A.B. de C.V.'s by-laws are not complied with, the persons involved in the transfer shall not be entitled to exercise the voting rights corresponding to the transferred shares, and such shares shall not be taken into account for the determination of the quorums of attendance and voting at shareholders' meetings, nor shall the transfers be recorded in our share registry and the registry undertaken by S.D. Indeval, Institución para el Depósito de Valores, S.A. de C.V., or Indeval, the Mexican securities depository, shall not have any effect.

Any acquisition of shares of CEMEX, S.A.B. de C.V.'s capital stock representing 30% or more of its capital stock by a person or group of persons requires prior approval from CEMEX, S.A.B. de C.V.'s board of directors and, in the event approval is granted, the acquirer has an obligation to make a public offer to purchase all of the outstanding shares of CEMEX, S.A.B. de C.V.'s capital stock. In the event the requirements for significant acquisitions of shares of CEMEX, S.A.B. de C.V.'s capital stock are not met, the persons acquiring such shares will not be entitled to any corporate rights with respect to such shares, such shares will not be taken into account for purposes of determining a quorum for shareholders' meetings, CEMEX, S.A.B. de C.V. will not record such persons as holders of such shares in its share registry, and the registry undertaken by the Indeval shall not have any effect.

CEMEX, S.A.B. de C.V.'s by-laws require the stock certificates representing shares of its capital stock to make reference to the provisions in its by-laws relating to the prior approval of the CEMEX, S.A.B. de C.V. board of directors for significant share transfers and the requirements for recording share transfers in its share registry. In addition, shareholders are responsible for informing CEMEX, S.A.B. de C.V. within five business days whenever their shareholdings exceed 5%, 10%, 15%, 20%, 25% and 30% of CEMEX, S.A.B. de C.V.'s capital stock. If a person acquires beneficial ownership (within the meaning of Rule 13d-3 promulgated by the SEC under the Securities Exchange Act of 1934) of 20% or more in voting power of the outstanding voting stock of CEMEX, S.A.B. de C.V., a change of control will be deemed to have occurred under the Facilities Agreement and other debt agreements of CEMEX; provided that the acquisition of beneficial ownership of capital stock of CEMEX, S.A.B. de C.V. by Rogelio Zambrano Lozano or any member of his immediate family shall not constitute a change of control as described herein.

CEMEX, S.A.B. de C.V. is required to maintain a share registry to record the names, nationalities and domiciles of all significant shareholders, and any shareholder that meets or exceeds these thresholds must be recorded in this registry if such shareholder is to be recognized or represented at any shareholders' meeting. If a shareholder fails to inform CEMEX, S.A.B. de C.V. of its shareholdings reaching a threshold as described above, we will not record the transactions that cause such threshold to be met or exceeded in CEMEX, S.A.B. de C.V.'s share registry, and such transaction will have no legal effect and will not be binding on us.

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CEMEX, S.A.B. de C.V.'s by-laws also require that its shareholders comply with legal provisions regarding acquisitions of securities and certain shareholders' agreements that require disclosure to the public.

Repurchase Obligation

In accordance with Mexican securities regulations, CEMEX, S.A.B. de C.V. is obligated to make a public offer for the purchase of stock to its shareholders if CEMEX, S.A.B. de C.V.'s registration with the Mexican securities registry is canceled, either by resolution of its shareholders or by an order of the Mexican securities authority. The minimum price at which we must purchase the stock is the higher of:

- the weighted average price per share based on the weighted average trading price of CEMEX, S.A.B. de C.V.'s CPOs on the Mexican Stock Exchange during the latest period of 30 trading days preceding the date of the offer, for a period not to exceed six months; or
- the book value per share, as reflected in the last quarterly report filed with the Mexican securities authority and the Mexican Stock Exchange before the date of the offer.

CEMEX, S.A.B. de C.V.'s board of directors shall prepare and disclose to the public through the Mexican Stock Exchange, within ten business days after the day the public offer begins, and after consulting the corporate practices and finance committee, its opinion regarding the price of the offer and any conflicts of interests that each of its members may have regarding such offer. This opinion may be accompanied by an additional opinion issued by an independent expert that we may hire.

Following the cancellation of CEMEX, S.A.B. de C.V.'s registration with the Mexican securities registry, it must place in a trust set up for that purpose for a six-month period an amount equal to that required to purchase the remaining shares held by investors who did not participate in the offer.

Shareholders' Meetings and Voting Rights

Shareholders' meetings may be called by:

- CEMEX, S.A.B. de C.V.'s board of directors or the corporate practices and finance committee or the audit committee;
- shareholders representing at least 10% of outstanding and fully paid shares, by requesting that it to the chairman of CEMEX, S.A.B. de C.V.'s board of directors or CEMEX, S.A.B. de C.V.'s corporate practices and finance committee and audit committee;
- any shareholder (i) if no meeting has been held for two consecutive years or when the matters referred to in Article 181 of the Mexican corporations law have not been dealt with, or (ii) when, for any reason, the required quorum for valid sessions of the corporate practices and finance committee and audit committee was not reached and the board of directors failed to make the appropriate provisional appointments; or
- a Mexican court of competent jurisdiction, in the event CEMEX, S.A.B. de C.V.'s board of directors or the corporate practices and finance committee and audit committee do not comply with the valid shareholders' request described above.

Notice of shareholders' meetings must be published through the electronic system established by the Ministry of Economy (*Secretaría de Economía*) or, in its absence, in the Official Gazette of the State of Nuevo León (*Periódico Oficial del Estado de Nuevo León*), Mexico or in any major newspaper published and distributed in the city of Monterrey, Nuevo León, Mexico. The notice must be published at least 15 days prior to the date of any shareholders' meeting. Consistent with Mexican law, CEMEX, S.A.B. de C.V.'s by-laws further require that all information and documents relating to the shareholders' meeting be available to shareholders from the date the notice of the meeting is published.

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General shareholders' meetings can be ordinary or extraordinary. At every general shareholders' meeting, each qualified holder of A shares and B shares is entitled to one vote per share. Shareholders may vote by proxy duly appointed in writing. Under the CPO trust agreement, holders of CPOs who are not Mexican nationals cannot exercise voting rights corresponding to the A shares represented by their CPOs, in which case, the CPO trustee will vote the underlying A shares in the same manner as the holders of the majority of the voting shares.

An annual general ordinary shareholders' meeting must be held during the first four months after the end of each of CEMEX, S.A.B. de C.V.'s fiscal year to consider the approval of a report of its board of directors regarding CEMEX, S.A.B. de C.V.'s performance and its financial statements for the preceding fiscal year and to determine the allocation of profits from the preceding year. In addition, CEMEX, S.A.B. de C.V.'s annual general ordinary shareholders' meeting must:

- review the annual reports of CEMEX, S.A.B. de C.V.'s corporate practices and finance committee and audit committee, its chief executive officer, and its board of directors;
- elect, remove, or substitute the members of CEMEX, S.A.B. de C.V.'s board of directors;
- determine the level of independence of the members of CEMEX, S.A.B. de C.V.'s board of directors;
- elect or remove the chairman of CEMEX, S.A.B. de C.V.'s audit and corporate practices and finance committees;
- approve any transaction that represents 20% or more of CEMEX, S.A.B. de C.V. consolidated assets; and
- resolve any issues not reserved for extraordinary shareholders' meetings.

A general extraordinary shareholders' meeting may be called at any time to deal with any of the matters specified by Article 182 of the Mexican corporations law, which include, among other things:

- extending CEMEX, S.A.B. de C.V.'s corporate existence;
- CEMEX, S.A.B. de C.V.'s voluntary dissolution;
- increasing or reducing CEMEX, S.A.B. de C.V.'s fixed capital stock;
- changing CEMEX, S.A.B. de C.V.'s corporate purpose;
- changing CEMEX, S.A.B. de C.V.'s country of incorporation;
- changing CEMEX, S.A.B. de C.V.'s form of organization;
- a proposed merger;
- issuing preferred shares;
- redeeming CEMEX, S.A.B. de C.V.'s own shares;
- any amendment to CEMEX, S.A.B. de C.V.'s by-laws; and
- any other matter for which a special quorum is required by law or by CEMEX, S.A.B. de C.V.'s by-laws.

In order to vote at a meeting of shareholders, shareholders must (i) appear on the list that Indeval and the Indeval participants holding shares on behalf of the shareholders prepare prior to the meeting or must deposit prior to that meeting, or (ii) prior to the meeting, deposit the certificates representing their shares at CEMEX, S.A.B. de C.V.'s offices or in a Mexican credit institution or brokerage house that operates in accordance with applicable laws in Mexico. The certificate of deposit with respect to the share certificates must be presented to CEMEX, S.A.B. de C.V.'s company secretary at least 48 hours before a meeting of shareholders. CEMEX, S.A.B. de C.V.'s company secretary verifies that the person in whose favor any certificate of deposit was issued is named in CEMEX, S.A.B. de C.V.'s share registry and issues an admission pass authorizing that person's attendance at the meeting of shareholders.

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CEMEX, S.A.B. de C.V.'s by-laws provide that a shareholder may only be represented by proxy in a shareholders' meeting with a duly completed form provided by CEMEX, S.A.B. de C.V. authorizing the proxy's presence. In addition, CEMEX, S.A.B. de C.V.'s by-laws require that the secretary acting at the shareholders' meeting publicly affirm the compliance by all proxies with this requirement. A shareholders' resolution is required to take action on any matter presented at a shareholders' meeting.

At an ordinary meeting of shareholders, the affirmative vote of the holders of a majority of the shares present at the meeting is required to adopt a shareholders' resolution. At an extraordinary meeting of shareholders, the affirmative vote of at least 50% of the capital stock is required to adopt a shareholders' resolution, except that when amending Article 7 (with respect to measures limiting shareholding ownership), Article 10 (relating to the register of shares and significant participations) or Article 22 (specifying the impediments to being appointed a member of CEMEX, S.A.B. de C.V.'s board of directors) of CEMEX, S.A.B. de C.V.'s by-laws, the affirmative vote of at least 75% of the voting stock is needed.

The attendance quorum for a general ordinary meeting of shareholders upon the first call, is 50% of CEMEX, S.A.B. de C.V.'s outstanding and fully paid shares, and for the second call is any number of CEMEX, S.A.B. de C.V.'s outstanding and fully paid shares. If the quorum is not met upon the first call, a subsequent meeting may be called and the quorum for the second ordinary meeting is any number of CEMEX, S.A.B. de C.V.'s outstanding and fully paid shares represented at the meeting. The attendance quorum for the extraordinary shareholders' meeting upon the first call, is 75% of CEMEX, S.A.B. de C.V.'s outstanding and fully paid shares, upon the second and subsequent calls is 50% of CEMEX, S.A.B. de C.V.'s outstanding and fully paid shares.

Rights of Minority Shareholders

At CEMEX, S.A.B. de C.V.'s annual general ordinary shareholders' meeting, any shareholder or group of shareholders representing 10% or more of its voting stock has the right to appoint or remove one member of CEMEX, S.A.B. de C.V.'s board of directors, in addition to the directors appointed by the majority. Such appointment may only be revoked by other shareholders when the appointment of all other directors is also revoked.

CEMEX, S.A.B. de C.V.'s by-laws provide that holders of at least 10% of its capital stock are entitled to demand the postponement of the voting on any resolution of which they deem they have not been sufficiently informed.

Under Mexican law, holders of at least 20% of CEMEX, S.A.B. de C.V.'s outstanding capital stock entitled to vote on a particular matter may oppose any resolution at a shareholders' meeting, by filing a petition for a court order to suspend the resolution temporarily with a court of law within 15 days after the adjournment of the meeting at which that action was taken and showing that the challenged action violates Mexican law or CEMEX, S.A.B. de C.V.'s by-laws and provided the opposing shareholders deliver a bond to the court to secure payment of any damages that we suffer as a result of suspending the resolution in the event that the court ultimately rules against the opposing shareholders. Relief under these provisions is only available to holders who were entitled to vote on, or whose rights as shareholders were adversely affected by, the challenged shareholder action and whose shares were not represented when the action was taken or, if represented, voted against it.

Under Mexican law, an action for civil liabilities against directors may be initiated by a shareholders' resolution for violation of their duty of loyalty to shareholders. In the event shareholders decide to bring an action of this type, the persons against whom that action is brought will immediately cease to be directors. Additionally, shareholders representing not less than 33% of the outstanding shares may directly exercise that action against the directors; provided that:

- those shareholders shall not have voted against exercising such action at the relevant shareholders' meeting; and
- the claim covers all of the damage alleged to have been caused to us and not merely the damage suffered by the plaintiffs.

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Under CEMEX, S.A.B. de C.V.'s by-laws, shareholders representing 5% or more of its outstanding capital stock may initiate actions exclusively on behalf of CEMEX, S.A.B. de C.V. against members of its board of directors, its corporate practices and finance committee and audit committee, its chief executive officer, or any relevant executives, for breach of their duty of care or duty of loyalty to shareholders or for committing illicit acts or activities. The only requirement is that the claim covers all of the damage alleged to have been caused to us or any entities on which we have a significant influence and not merely the damage suffered by the plaintiffs. Actions initiated on these grounds have a five-year statute of limitations from the day of the act or action that caused the damage.

Any recovery of damages with respect to these actions will be for CEMEX, S.A.B. de C.V.'s benefit and not that of the shareholders bringing the action.

Registration and Transfer

CEMEX, S.A.B. de C.V.'s common stock is evidenced by share certificates in registered form with registered dividend coupons attached. Shareholders who have not deposited their shares into the CPO trust may hold their shares in the form of physical certificates or through institutions that have accounts with Indeval. Accounts may be maintained at Indeval by brokers, banks and other entities approved by the Mexican securities authority. CEMEX, S.A.B. de C.V. maintains a stock registry, and, in accordance with Mexican law, only those holders listed in CEMEX, S.A.B. de C.V.'s stock registry and those holding certificates issued by Indeval and by Indeval participants indicating ownership are recognized as CEMEX, S.A.B. de C.V. shareholders.

Pursuant to Mexican law, any transfer of shares must be registered in CEMEX, S.A.B. de C.V.'s stock registry, if effected physically, or through book entries that may be tracked back from CEMEX, S.A.B. de C.V.'s stock registry to the records of Indeval.

Redemption

CEMEX, S.A.B. de C.V.'s capital stock is subject to redemption upon approval of our shareholders at an extraordinary shareholders' meeting.

Share Repurchases

If approved by CEMEX, S.A.B. de C.V.'s shareholders at a general shareholders' meeting, we may purchase CEMEX, S.A.B. de C.V.'s outstanding shares. The economic and voting rights corresponding to repurchased shares cannot be exercised during the period the shares are owned by us and the shares will be deemed outstanding for purposes of calculating any quorum or vote at any shareholders' meeting. We may also repurchase our equity securities on the Mexican Stock Exchange at the then prevailing market prices in accordance with Mexican securities law. If we intend to repurchase shares representing more than 1% of CEMEX, S.A.B. de C.V.'s outstanding shares at a single trading session, we must inform the public of such intention at least ten minutes before submitting our bid. If we intend to repurchase shares representing 3% or more of CEMEX, S.A.B. de C.V.'s outstanding shares during a period of 20 trading days, we are required to conduct a public tender offer for such shares. We must conduct share repurchases through the person or persons approved by CEMEX, S.A.B. de C.V.'s board of directors, through a single broker dealer during the relevant trading session, and without submitting bids during the first and the last 30 minutes of each trading session. We must inform the Mexican Stock Exchange of the results of any share repurchase no later than the business day following any such share repurchase.

Directors' and Shareholders' Conflict of Interest

Under Mexican law, any shareholder who has a conflict of interest with CEMEX, S.A.B. de C.V. with respect to any transaction is obligated to disclose such conflict and is prohibited from voting on that transaction.

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A shareholder who violates this prohibition may be liable for damages if the relevant transaction would not have been approved without that shareholder's vote.

Under Mexican law, any director who has a conflict of interest with CEMEX, S.A.B. de C.V. in any transaction must disclose that fact to the other directors and is prohibited from participating and being present during the deliberations and voting on that transaction. A director who violates this prohibition will be liable for damages and lost profits. Additionally, CEMEX, S.A.B. de C.V.'s directors may not represent shareholders in our shareholders' meetings.

Withdrawal Rights

Whenever CEMEX, S.A.B. de C.V.'s shareholders approve a change of corporate purpose, change of nationality or transformation from one form of corporate organization to another, Mexican law provides that any shareholder entitled to vote on that change who has voted against it may withdraw from CEMEX, S.A.B. de C.V. and receive an amount equal to the book value (in accordance with the latest balance sheet approved by the annual general ordinary shareholders' meeting) attributable to such shareholder's shares, provided that such shareholder exercises that right within 15 days following the meeting at which the change was approved.

Dividends

At the annual general ordinary shareholders' meeting, CEMEX, S.A.B. de C.V.'s board of directors submits, for approval by its shareholders, its financial statements together with a report on them prepared by its board of directors and the statutory auditors. CEMEX, S.A.B. de C.V.'s shareholders, once they have approved the financial statements, determine the allocation of our net income, after provision for income taxes, legal reserve and statutory employee profit sharing payments, for the preceding year. All shares of CEMEX, S.A.B. de C.V.'s capital stock outstanding at the time a dividend or other distribution is declared are entitled to share equally in that dividend or other distribution.

Liquidation Rights

In the event CEMEX, S.A.B. de C.V. is liquidated, the surplus assets remaining after payment of all its creditors will be divided among CEMEX, S.A.B. de C.V.'s shareholders in proportion to the respective shares held by them. The liquidator may, with the approval of CEMEX, S.A.B. de C.V.'s shareholders, distribute the surplus assets in kind among CEMEX, S.A.B. de C.V.'s shareholders, sell the surplus assets and divide the proceeds among CEMEX, S.A.B. de C.V.'s shareholders or put the surplus assets to any other uses agreed to by a majority of CEMEX, S.A.B. de C.V.'s shareholders voting at an extraordinary shareholders' meeting.

Differences Between Our Corporate Governance Practices and NYSE Standards for Domestic Companies

For a description of significant ways in which CEMEX, S.A.B. de C.V.'s corporate governance practices differ from those required of domestic companies under NYSE standards, see "Item 16G—Corporate Governance."

You may find additional information in the corporate governance section of our website (www.cemex.com), or you may contact our investment relations team, by writing to or telephoning us as follows:

CEMEX, S.A.B. de C.V.
Avenida Ricardo Margáin Zozaya #325
Colonia Valle del Campestre
San Pedro Garza García, Nuevo León, México 66265.
Attn: Eduardo Rendón
Telephone: +52 81 8888-4292
Email: eduardo.rendon@cemex.com

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Material Contracts

On March 14, 2006, CEMEX, S.A.B. de C.V. registered a Ps5 billion revolving promissory note program (*programa dual revolving de certificados bursátiles*) with the Mexican securities authority. CEMEX, S.A.B. de C.V. has subsequently increased the authorized amount under this program. On March 31, 2011, we received authorization from the Mexican securities authority for a Ps10 billion revolving promissory note program, which authorization is valid until March 31, 2016.

On December 18, 2006, CEMEX, through two special purpose vehicles, issued two tranches of fixed-to-floating rate callable Perpetual Debentures. C5 Capital (SPV) Limited issued U.S.\$350 million original principal amount of Perpetual Debentures under the first tranche, with the issuer having the option to redeem such Perpetual Debentures on December 31, 2011 and on each interest payment date thereafter, of which U.S.\$69 million principal amount were outstanding as of December 31, 2013 (excluding Perpetual Debentures held by us). C10 Capital (SPV) Limited issued U.S.\$900 million original principal amount of Perpetual Debentures under the second tranche, with the issuer having the option to redeem such Perpetual Debentures on December 31, 2016 and on each interest payment date thereafter, of which U.S.\$183 million principal amount were outstanding as of December 31, 2013 (excluding Perpetual Debentures held by us). Both tranches pay coupons denominated in U.S. Dollars at a fixed rate until the call date and at a floating rate thereafter. On February 12, 2007, CEMEX, through a special purpose vehicle, issued a third tranche of fixed-to-floating rate callable Debentures. C8 Capital (SPV) Limited issued U.S.\$750 million original principal amount of Perpetual Debentures under this third tranche, with the issuer having the option to redeem such Perpetual Debentures on December 31, 2014 and on each interest payment date thereafter, of which U.S.\$137 million principal amount were outstanding as of December 31, 2013 (excluding Perpetual Debentures held by us). This third tranche also pays coupons denominated in U.S. Dollars at a fixed rate until the call date and at a floating rate thereafter. On May 9, 2007, CEMEX, through a special purpose vehicle, issued a fourth tranche of fixed-to-floating rate callable Perpetual Debentures. C10-EUR Capital (SPV) Limited issued €730 million original principal amount of Perpetual Debentures under this fourth tranche, with the issuer having the option to redeem such Perpetual Debentures on June 30, 2017 and on each interest payment date thereafter, of which €64 million principal amount were outstanding as of December 31, 2013 (excluding Perpetual Debentures held by us). This fourth tranche pays coupons denominated in Euros at a fixed rate until the call date and at a floating rate thereafter. Due to their perpetual nature and optional deferral of coupons, these transactions, in accordance with IFRS, qualify as equity.

For a description of the material terms relating to the November 2019 Mandatory Convertible Mexican Peso Notes, see “Item 5—Operating and Financial Review and Prospects—Summary of Material Contractual Obligations and Commercial Commitments—November 2019 Mandatory Convertible Mexican Peso Notes.”

For a description of the material terms relating to the March 2015 Optional Convertible Subordinated U.S. Dollar Notes and the March 2016 and March 2018 Optional Convertible Subordinated U.S. Dollar Notes, see “Item 5—Operating and Financial Review and Prospects—Summary of Material Contractual Obligations and Commercial Commitments—Convertible Subordinated Notes.”

For a description of the material terms relating to the Credit Agreement and the Facilities Agreement, see “Item 5—Operating and Financial Review and Prospects—Liquidity and Capital Resources—Our Indebtedness.” In connection with our entry into the Facilities Agreement, we also entered into the related Ancillary Agreement, dated as of September 17, 2012, Irrevocable Administration Trust Agreement, dated as of September 17, 2012, USPP Note Purchase Agreement, dated as of September 17, 2012 and USPP Note Guarantee, dated as of September 17, 2012, as well as the Intercreditor Agreement, dated as of September 17, 2012, as amended on October 31, 2014, Dutch law Share Pledge, dated as of September 17, 2012, Swiss law Share Pledge, dated as of September 17, 2012, Spanish law Share Pledge, dated as of November 8, 2012, and Mexican law Security Trust Agreement, dated as of September 17, 2012, relating to the Collateral.

For a description of the material terms relating to the Senior Secured Notes, see “Item 5—Operating and Financial Review and Prospects—Summary of Material Contractual Obligations and Commercial Commitments—Senior Secured Notes.”

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Exchange Controls

See “Item 3—Key Information—Mexican Peso Exchange Rates.”

Taxation

Mexican Tax Considerations

General

The following is a summary of certain Mexican federal income tax considerations relating to the ownership and disposition of CEMEX, S.A.B. de C.V.’s CPOs or ADSs.

This summary is based on Mexican income tax law that is in effect on the date of this annual report, which is subject to change. This summary is limited to non-residents of Mexico, as defined below, who own CEMEX, S.A.B. de C.V.’s CPOs or ADSs. This summary does not address all aspects of Mexican income tax law. Holders are urged to consult their tax counsel as to the tax consequences that the purchase, ownership and disposition of CEMEX, S.A.B. de C.V.’s CPOs or ADSs, may have.

For purposes of Mexican taxation, an individual is a resident of Mexico if he or she has established his or her home in Mexico. If the individual also has a home in another country, he or she will be considered a resident of Mexico if his or her center of vital interests is in Mexico. Under Mexican law, an individual’s center of vital interests is in Mexico if, among other things:

- more than 50% of the individual’s total income in the relevant year comes from Mexican sources; or
- the individual’s main center of professional activities is in Mexico.

Mexican nationals that are employed by the Mexican government are deemed residents of Mexico, even if his or her center of vital interests is located outside of Mexico. Unless otherwise proven, Mexican nationals are deemed residents of Mexico for tax purposes.

A legal entity is a resident of Mexico if it is organized under the laws of Mexico or if it maintains the principal administration of its business or the effective location of its management in Mexico.

A Mexican citizen is presumed to be a resident of Mexico for tax purposes unless such person or entity can demonstrate otherwise. If a legal entity or an individual is deemed to have a permanent establishment in Mexico for tax purposes, all income attributable to such permanent establishment will be subject to Mexican taxes, in accordance with relevant tax provisions.

Individuals or legal entities that cease to be residents of Mexico must notify the tax authorities within 15 business days before their change of residency.

A non-resident of Mexico is a legal entity or individual that does not satisfy the requirements to be considered a resident of Mexico for Mexican federal income tax purposes.

Taxation of Dividends

Dividends from earnings generated before January 1, 2014, either in cash or in any other form, paid to non-residents of Mexico with respect to A shares or B shares represented by the CPOs (or in the case of holders who hold CPOs represented by ADSs), will not be subject to withholding tax in Mexico.

As a result of the enactment of certain tax provisions in Mexico, as of January 1, 2014, dividends in cash from identified pre-tax retained earnings generated after January 1, 2014 will be subject to a 10% withholding tax. This tax is considered as a definitive payment.

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Disposition of CPOs or ADSs

As a result of the enactment of certain tax provisions in Mexico, as of January 1, 2014, in the case of individuals, capital gains of shares issued by Mexican companies in the Mexican Stock Exchange will be subject to a 10% withholding tax which will be withheld by the intermediary acting as a withholding agent. If the individual is a tax resident in a country with a tax treaty in force with Mexico such individual will not be subject to any withholding tax.

Gains on the sale or disposition of CPOs by a holder who is a non-resident of Mexico will not be subject to any Mexican tax if the sale is carried out through the Mexican Stock Exchange or other recognized securities market, as determined by Mexican tax authorities. Gains realized on sales or other dispositions of CPOs by non-residents of Mexico made in other circumstances would be subject to Mexican income tax. However, gains on the sale or disposition of ADSs by a holder who is a non-resident of Mexico will not be subject to Mexican tax.

Under the terms of the Convention Between the United States and Mexico for Avoidance of Double Taxation and Prevention of Fiscal Evasion with Respect to Income Taxes, and a Protocol thereto, the Tax Treaty, gains obtained by a U.S. Shareholder eligible for benefits under the Tax Treaty on the disposition of CPOs will not generally be subject to Mexican tax, provided that such gains are not attributable to a permanent establishment of such U.S. Shareholder in Mexico and that the eligible U.S. Shareholder did not own, directly or indirectly, 25% or more of our outstanding stock during the 12-month period preceding the disposition. In the case of non-residents of Mexico eligible for the benefits of a tax treaty, gains derived from the disposition of ADSs or CPOs may also be exempt, in whole or in part, from Mexican taxation under a treaty to which Mexico is a party.

Deposits and withdrawals of ADSs will not give rise to any Mexican tax or transfer duties.

The term U.S. Shareholder shall have the same meaning ascribed below under the section “—U.S. Federal Income Tax Considerations.”

Estate and Gift Taxes

There are no Mexican inheritance or succession taxes applicable to the ownership, transfer or disposition of ADSs or CPOs by holders that are non-residents of Mexico, although gratuitous transfers of CPOs may, in some circumstances, cause a Mexican federal tax to be imposed upon a recipient. There are no Mexican stamp, issue, registration or similar taxes or duties payable by holders of ADSs or CPOs.

U.S. Federal Income Tax Considerations

General

The following is a summary of certain U.S. federal income tax consequences relating to the ownership and disposition of CEMEX, S.A.B. de C.V.’s CPOs and ADSs.

This summary is based on provisions of the U.S. Internal Revenue Code, or the Code, of 1986, as amended, U.S. Treasury regulations promulgated under the Code, and administrative rulings, and judicial interpretations of the Code, all as in effect on the date of this annual report and all of which are subject to change, possibly retroactively. This summary is limited to U.S. Shareholders (as defined below) who hold our ADSs or CPOs, as the case may be, as capital assets. This summary does not discuss all aspects of U.S. federal income taxation that may be important to an investor in light of its individual circumstances, for example, an investor subject to special tax rules (e.g., banks, thrifts, real estate investment trusts, regulated investment companies, insurance companies, dealers in securities or currencies, expatriates, tax-exempt investors, persons who own 10% or more of our voting stock, or holders whose functional currency is not the Dollar or U.S. Shareholders who hold a CPO or an ADS as a position in a “straddle,” as part of a “synthetic security” or “hedge,” as part of a “conversion

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transaction” or other integrated investment, or as other than a capital asset). In addition, this summary does not address any aspect of state, local or foreign taxation.

For purposes of this summary, a “U.S. Shareholder” means a beneficial owner of CPOs or ADSs, who is for U.S. federal income tax purposes:

- an individual citizen or resident of the United States;
- a corporation or other entity taxable as a corporation that is created or organized in the United States or under the laws of the United States or any political subdivision thereof;
- an estate the income of which is subject to U.S. federal income tax regardless of its source; or
- a trust that (i) is subject to the primary supervision of a court within the United States and the control of one or more U.S. persons are authorized to control all substantial decisions or (ii) has a valid election in effect under applicable U.S. Treasury regulations to be treated as a United States person.

If a partnership (including any entity arrangement treated as a partnership for U.S. federal income tax purposes) is the beneficial owner of CPOs or ADSs, the U.S. federal income tax treatment of a partner in such partnership will generally depend upon the status of the partner and the activities of the partnership. A partner in a partnership that is the beneficial owner of CPOs or ADSs should consult its tax advisor regarding the associated tax consequences.

U.S. Shareholders should consult their tax advisors as to the particular tax consequences to them under United States federal, state and local, and foreign laws relating to the ownership and disposition of CEMEX, S.A.B. de C.V.’s CPOs and ADSs.

Ownership of CPOs or ADSs in general

In general, for U.S. federal income tax purposes, U.S. Shareholders who own ADSs will be treated as the beneficial owners of the CPOs represented by those ADSs, and each CPO will represent a beneficial interest in two series A shares and one series B share.

Taxation of distributions with respect to CPOs and ADSs

A distribution of cash or property with respect to the series A shares or series B shares represented by CPOs, including CPOs represented by ADSs, generally will be treated as a dividend to the extent paid out of our current or accumulated earnings and profits, as determined under U.S. federal income tax principles, and will be includible in the gross income of a U.S. Shareholder as foreign source “passive” income on the date the distribution is received by the CPO trustee or successor thereof. Any such dividend will not be eligible for the dividends-received deduction allowed to corporate U.S. Shareholders. To the extent, if any, that the amount of any distribution by us exceeds our current and accumulated earnings and profits as determined under U.S. federal income tax principles, it will be treated first as a tax-free return of the U.S. Shareholder’s adjusted tax basis in the CPOs or ADSs, as applicable, and thereafter as capital gain.

The gross amount of any dividends paid in Mexican Pesos will be includible in the income of a U.S. Shareholder in a Dollar amount calculated by reference to the exchange rate in effect the day the Mexican Pesos are received by the CPO trustee or successor thereof whether or not the Mexican Pesos are converted into Dollars on that day. Generally, any gain or loss resulting from currency exchange fluctuations during the period from the date the dividend payment is includible in income to the date such payment is converted into Dollars will be treated as ordinary income or loss. Such gain or loss will generally be income from sources within the United States for foreign tax credit limitation purposes.

Dividend income is generally taxed as ordinary income. However, “qualified dividend income” received by U.S. Shareholders that are individuals (as well as certain trusts and estates) is generally eligible for preferential

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U.S. federal income tax rates, provided that certain holding period requirements are met). “Qualified dividend income” includes dividends paid on shares of “qualified foreign corporations” if, among other things: (i) the shares of the foreign corporation are readily tradable on an established securities market in the United States, or (ii) the foreign corporation is eligible with respect to substantially all of its income for the benefits of a comprehensive income tax treaty with the United States which contains an exchange of information program.

We believe that we are a “qualified foreign corporation” because (i) the ADSs trade on the New York Stock Exchange and (ii) we are eligible for the benefits of the comprehensive income tax treaty between Mexico and the United States which includes an exchange of information program. Accordingly, we believe that any dividends we pay should constitute “qualified dividend income” for U.S. federal income tax purposes. We cannot assure you, however, that we will continue to be considered a “qualified foreign corporation” and that our dividends will continue to be “qualified dividend income.”

Taxation of capital gains on disposition of CPOs or ADSs

The sale, exchange, redemption, or other disposition of CPOs or ADSs will result in the recognition of gain or loss by a U.S. Shareholder for U.S. federal income tax purposes in an amount equal to the difference between the amount realized on the disposition and the U.S. Shareholder’s tax basis in the CPOs or ADSs, as applicable. Such gain or loss will be long-term capital gain or loss if the U.S. Shareholder’s holding period for the CPOs or ADSs exceeds one year at the time of disposition. Long-term capital gain recognized by a U.S. Shareholder that is an individual (as well as certain trusts and estates) upon the sale or exchange of CPOs or ADSs is generally eligible for preferential U.S. federal income tax rates. The deduction of capital losses is subject to limitations. Gain from the disposition of CPOs or ADSs generally will be treated as a U.S. source for foreign tax credit purposes; losses will generally be allocated against U.S. source income. Deposits and withdrawals of CPOs by U.S. Shareholders in exchange for ADSs will not result in the realization of gain or loss for U.S. federal income tax purposes.

United States backup withholding and information reporting

A U.S. Shareholder may, under certain circumstances, be subject to information reporting with respect to some payments to that U.S. Shareholder such as dividends or the proceeds of a sale or other disposition of the CPOs or ADSs. Backup withholding also may apply to amounts paid to such holder unless such holder (i) is a corporation or comes within certain exempt categories and demonstrates this fact when so required, or (ii) provides a correct taxpayer identification number and otherwise complies with applicable requirements of the backup withholding rules. Backup withholding is not an additional tax. Amounts withheld as backup withholding may be creditable against the U.S. Shareholder’s federal income tax liability, and the U.S. Shareholder may obtain a refund of any excess amounts withheld under the backup withholding rules by filing the appropriate claim for refund with the Internal Revenue Service (“IRS”) and timely furnishing any required information.

Pursuant to the Hiring Incentives to Restore Employment Act enacted on March 18, 2010, an individual U.S. Shareholder may be required to submit to the IRS certain information with respect to his or her beneficial ownership of CPOs or ADSs, unless such CPOs or ADSs are held on his or her behalf by a U.S. financial institution. The law also imposes penalties if an individual U.S. Shareholder is required to submit such information to the IRS and fails to do so. U.S. Shareholders should consult their tax advisors regarding the application of the new law in their particular circumstances.

Documents on Display

We are subject to the informational requirements of the Securities Exchange Act of 1934 and, in accordance with these requirements, file reports and information statements and other information with the SEC. These reports and information statements and other information filed by us with the SEC can be inspected and copied at the public reference room of the SEC at 100 F Street, N.E., Washington, D.C. 20549.

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In reviewing the agreements included as exhibits to this annual report, please remember they are included to provide you with information regarding their terms and are not intended to provide any other factual or disclosure information about us or the other parties to the agreements.

The agreements may contain representations and warranties by each of the parties to the applicable agreement. These representations and warranties have been made solely for the benefit of the other parties to the applicable agreement and:

- should not in all instances be treated as categorical statements of fact, but rather as a way of allocating the risk to one of the parties if those statements prove to be inaccurate;
- have been qualified by disclosures that were made to the other party in connection with the negotiation of the applicable agreement, which disclosures are not necessarily reflected in the agreement;
- may apply standards of materiality in a way that is different from what may be viewed as material to you or other investors; and
- were made only as of the date of the applicable agreement or such other date or dates as may be specified in the agreement and are subject to more recent developments.

Accordingly, these representations and warranties may not describe the actual state of affairs as of the date they were made or at any other time.

Item 11—Qualitative and Quantitative Disclosures About Market Risk

See “Item 5—Operating and Financial Review and Prospects—Qualitative and Quantitative Market Disclosure—Our Derivative Financial Instruments.”

Item 12—Description of Securities Other than Equity Securities

Item 12A—Debt Securities

Not applicable.

Item 12B—Warrants and Rights

Not applicable.

Item 12C—Other Securities

Not applicable.

Item 12D—American Depositary Shares

Depository Fees and Charges

Under the terms of the Deposit Agreement for CEMEX, S.A.B. de C.V.’s ADSs, an ADS holder may have to pay the following service fees to the depository:

<u>Services</u>	<u>Fees</u>
Issuance of ADSs upon deposit of eligible securities	Up to 5¢ per ADS issued.
Surrender of ADSs for cancellation and withdrawal of deposited securities	Up to 5¢ per ADS surrendered.
Exercise of rights to purchase additional ADSs	Up to 5¢ per ADS issued.
Distribution of cash (i.e., upon sale of rights and other entitlements)	Up to 2¢ per ADS held.

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An ADS holder also is responsible to pay fees and expenses incurred by the ADS depository and taxes and governmental charges including, but not limited to:

- transfer and registration fees charged by the registrar and transfer agent for eligible and deposited securities, such as upon deposit of eligible securities and withdrawal of deposited securities;
- expenses incurred for converting foreign currency into Dollars;
- expenses for cable, telex and fax transmissions and for delivery of securities;
- expenses incurred in connection with compliance with exchange control regulations and other applicable regulatory requirements;
- fees and expenses incurred in connection with the delivery of deposited securities; and
- taxes and duties upon the transfer of securities, such as when eligible securities are deposited or withdrawn from deposit.

We have agreed to pay some of the other charges and expenses of the ADS depository. Note that the fees and charges that a holder of ADSs is required to pay may vary over time and may be changed by us and by the ADS depository. ADS holders will receive notice of the changes. The fees described above may be amended from time to time.

Depository Payments for the year ended December 31, 2014

In 2014, we received approximately U.S.\$1,784,828.31 (after applicable U.S. taxes) from our Depository Bank, Citibank, N.A., to reimburse us for contributions towards our investor relations activities (including but not limited to investor meetings, conferences, and fees to investor relations service vendors), and other miscellaneous expenses related to the listing of our ADSs on the NYSE.

PART II

Item 13—Defaults, Dividend Arrearages and Delinquencies

None.

Item 14—Material Modifications to the Rights of Security Holders and Use of Proceeds

None.

Item 15—Controls and Procedures

Disclosure Controls and Procedures

Our management has evaluated, with the participation of our Chief Executive Officer and Executive Vice President of Finance and Administration, the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934) as of the end of the period covered by this report, and has concluded that our disclosure controls and procedures were effective as of December 31, 2014.

Management’s Annual Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, (as defined in Rule 13a-15(f) under the Securities Exchange Act of 1934). Under the supervision and with the participation of our management, including our Chief Executive Officer and principal financial and accounting officers, we conducted an evaluation of the effectiveness of our internal control over financial reporting as of December 31, 2014 using criteria established in “Internal Control—Integrated Framework (2013)” issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this evaluation, our management has concluded that internal control over financial reporting was effective as of December 31, 2014.

KPMG Cárdenas Dosal, S.C., the registered public accounting firm that audited our financial statements included elsewhere in this annual report, has issued an attestation report on our internal control over financial reporting, which is included in page F-3 of this report.

Attestation Report of the Registered Public Accounting Firm

KPMG Cárdenas Dosal, S.C.’s report on our internal control over financial reporting appears on page F-3 of this report, and is incorporated herein by reference.

Changes in Internal Control Over Financial Reporting

We have not identified changes in our internal control over financial reporting during 2014 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Item 16—[RESERVED]

Item 16A—Audit Committee Financial Expert

Our board of directors has determined that it has at least one “audit committee financial expert” (as defined in Item 16A of Form 20-F) serving on its audit committee. Mr. José Manuel Rincón Gallardo meets the requisite qualifications.

Item 16B—Code of Ethics

We have adopted a written code of ethics that applies to all employees, including our principal executive officer, principal financial officer and principal accounting officer, to ensure that all of our employees abide by the same high standards of conduct in their daily interactions.

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Our code of ethics provides the following main guidelines:

(i) Our purpose, mission and values: we look to build a better future through the creation of sustainable value by providing industry-leading products and solutions to satisfy the construction needs of our customers;

(ii) Our people and human rights: we believe our employees give us a competitive advantage; we foster an encouraging environment for individual growth acting pursuant to our principles and values;

(iii) Customer relations and fair dealing: we work to be our customers' best option and, to that end, conduct our business dealings fairly and professionally, and supply top-quality services and products as agreed with our customers; we and our employees make every possible effort to act in an innovative and proactive manner, exceeding our customers' expectations and anticipating their needs in order to ensure long and mutually beneficial relationships;

(iv) Supplier relations and fair dealing: our success depends on supplier relationships that are built on trust and mutual benefit; we try to always manage our supplier relationships with honesty, respect and integrity, offering equal opportunities to all parties;

(v) Government relations: our operations require a wide range of interactions with government agencies in many countries; these agencies may act as regulators, customers, suppliers, stockholders and/or promoters; we try to always conduct our interactions with these agencies consistent with our principles and values, with particular emphasis on honesty and respect;

(vi) Community relations: we are committed to promoting and contributing to the development of our communities by preserving the environment, fostering mutually beneficial relationships and maintaining open lines of communication;

(vii) Antitrust compliance: we are dedicated to conducting all of our business activities with the highest ethical standards; compliance with applicable laws, including antitrust legislation, is a fundamental part of our corporate values; we operate in many countries and are subject to different antitrust laws and regulations; therefore, our country managers must ensure that all of our business activities conform to local laws and regulations, and to our own policies;

(viii) Anti-bribery: we reject all forms of corruption; paying or receiving bribes is illegal and highly unethical, and can lead to severe consequences for all parties involved, including jail for individuals and harsh penalties to our company; we are committed to conducting our business with transparency and integrity, and try to ensure that all transactions comply with anti-bribery laws, including requirements to maintain complete and accurate books and records;

(ix) Preventing money laundering: we prohibit money laundering, understood as any transaction or series thereof undertaken to conceal the true origin of illicit funds or making them look as they have been obtained from legitimate activities;

(x) Conflicts of interest and corporate opportunities. our employees, officers and directors have an obligation to conduct themselves in an honest and ethical manner and to act in our best interest; our employees, officers and directors must avoid situations that present or could present a potential or actual conflict between their interests and our interests;

(xi) Gifts, services and other courtesies: we, our employees, officers and directors may not accept or give courtesies of any kind that may compromise, or appear to compromise, decision-making on current or future negotiations; it is forbidden to seek or condition a negotiation on any kind of gift, service or courtesy;

(xii) Environmental responsibility: managing our environmental footprint is an integral part of our business philosophy and, therefore, we are fully committed to carrying out our business activities in an environmentally responsible and sustainable manner to minimize the environmental implications of our activities;

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(xiii) Political contributions and activities: we acknowledge and respect the right of our employees to participate in activities external to the company, such as politics, provided that they are legal and do not interfere with the employees' duties and responsibilities or in any way involve the company;

(xiv) Health and safety in the workplace: we give highest priority to preventing incidents and safeguarding the health and safety of our workforce and are fully committed to carrying out our business activities in a safe and efficient manner to care for the well-being of all those on our sites and those who may be impacted by our activities;

(xv) Confidential information: our employees must administer and handle confidential information in a responsible, safe, objective and legal manner;

(xvi) Financial controls and records: we seek to build credibility and trust with our stakeholders and try to communicate effectively with them so that they are provided with full and accurate information about our financial condition and results of operations; consequently, our employees, officers and directors must ensure, within the scope of their responsibilities and duties, that our financial records are accurate and our financial controls effective; we must also ensure that our reports and documents filed with or submitted to securities regulators, as well as all other public communications, include full, fair, accurate, timely and understandable disclosure; and

(xvii) Preservation of assets: the proper use and preservation of our tangible and intangible assets are essential to fulfill our mission.

We ensure awareness and enforcement of our code of ethics through our ethics committees, training programs, and secured internal communications channels. We periodically evaluate and update the provisions of our code of ethics.

You may view our code of ethics in the corporate governance section of our website (www.cemex.com), or you may request a copy of our code of ethics, at no cost, by writing to or telephoning us as follows:

CEMEX, S.A.B. de C.V.
Avenida Ricardo Margáin Zozaya #325
Colonia Valle del Campestre
San Pedro Garza García, Nuevo León, México 66265.
Attn: Luis Hernández
Telephone: +52 81 8888-8888

Item 16C—Principal Accountant Fees and Services

Audit Fees: KPMG Cárdenas Dosal, S.C. in Mexico and KPMG firms worldwide charged us approximately Ps194 million in fiscal year 2014 in connection with the professional services rendered for the audit of our annual financial statements and services normally provided by them relating to statutory and regulatory filings or engagements. In fiscal year 2013, KPMG Cárdenas Dosal, S.C. in Mexico and KPMG firms worldwide billed us approximately Ps198 million for these services.

Audit-Related Fees: KPMG Cárdenas Dosal, S.C. in Mexico and KPMG firms worldwide billed us approximately Ps10 million in fiscal year 2014 for assurance and related services reasonably related to the performance of our audit. In fiscal year 2013, KPMG Cárdenas Dosal, S.C. in Mexico and KPMG firms worldwide charged us approximately Ps8 million for audit-related services.

Tax Fees: KPMG Cárdenas Dosal, S.C. in Mexico and KPMG firms worldwide charged us approximately Ps11 million in fiscal year 2014 for tax compliance, tax advice and tax planning. In fiscal year 2013, KPMG Cárdenas Dosal, S.C. in Mexico and KPMG firms worldwide billed us approximately Ps14 million for tax-related services.

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All Other Fees: KPMG Cárdenas Dosal, S.C. in Mexico and KPMG firms worldwide billed us Ps27 million in fiscal year 2014 for products and services other than those comprising audit fees, audit-related fees and tax fees. In fiscal year 2013, KPMG Cárdenas Dosal, S.C. in Mexico and KPMG firms worldwide charged us approximately Ps26 million for products and services in this category. These fees relate mainly to services provided by KPMG to us with respect to our due diligence activities around the world.

Audit Committee Pre-Approval Policies and Procedures

Our audit committee is responsible, among other things, for the appointment, compensation and oversight of our external auditors. To assure the independence of our independent auditors, our audit committee pre-approves annually a catalog of specific audit and non-audit services in the categories Audit Services, Audit-Related Services, Tax-Related Services, and Other Services that may be performed by our auditors, as well as the budgeted fee levels for each of these categories. All other permitted services must receive a specific approval from our audit committee. Our external auditor periodically provides a report to our audit committee in order for our audit committee to review the services that our external auditor is providing, as well as the status and cost of those services.

During 2014, there were no services provided to us by our external auditors that were performed pursuant to the de minimis exception.

Item 16D—Exemptions from the Listing Standards for Audit Committees

Not applicable.

Item 16E—Purchases of Equity Securities by the Issuer and Affiliated Purchasers

Not applicable.

Item 16F—Change in Registrant’s Certifying Accountant

Not applicable.

Item 16G—Corporate Governance

Section 303A.11 of the NYSE Listed Company Manual (“LCM”) requires that listed foreign private issuers, such as CEMEX, disclose any significant ways in which their corporate governance practices differ from those followed by U.S. companies under NYSE listing standards.

CEMEX’s corporate governance practices are governed by its by-laws, by the corporate governance provisions set forth in the Ley del Mercado de Valores (the “Mexican Securities Market Law”), the Circular de Emisoras (the “Mexican Regulation for Issuers”) issued by the Comisión Nacional Bancaria y de Valores (the “Mexican Banking and Securities Commission”) and the Reglamento Interior de la Bolsa Mexicana de Valores (the “Mexican Stock Exchange Rules”) (the Mexican Securities Market Law, the Mexican Regulation for Issuers and the Mexican Stock Exchange Rules, collectively the “Mexican Laws and Regulations”), and by applicable U.S. securities laws. CEMEX is also subject to the rules of the NYSE to the extent they apply to foreign private issuers. Except for those specific rules, foreign private issuers are permitted to follow home country practice in lieu of the provisions of Section 303A of the LCM.

CEMEX, on a voluntary basis, also complies with the Código de Mejores Prácticas Corporativas (the “Mexican Code of Best Corporate Practices”) as indicated below, which was promulgated by a committee established by the Consejo Coordinador Empresarial (“Mexican Corporate Coordination Board”). The Mexican Corporate Coordination Board provides recommendations for better corporate governance practices for listed companies in Mexico, and the Mexican Code of Best Corporate Practices has been endorsed by the Mexican Banking and Securities Commission.

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The following is a summary of significant ways in which our corporate governance practices differ from those required to be followed by U.S. domestic companies under the NYSE's listing standards.

NYSE LISTING STANDARDS

303A.01

Listed companies must have a majority of independent directors.

303A.03

Non-management directors must meet at regularly executive sessions without management.

303A.04

Listed companies must have a nominating/corporate governance committee composed of independent directors.

CEMEX CORPORATE GOVERNANCE PRACTICE

Pursuant to the Mexican securities market law, CEMEX, S.A.B. de C.V. is required to have a board of directors with a maximum of 21 members, 25% of whom must be independent. Determination as to the independence of CEMEX, S.A.B. de C.V.'s directors is made upon their election by CEMEX, S.A.B. de C.V.'s shareholders at the corresponding meeting. Currently, CEMEX, S.A.B. de C.V.'s Board of Directors has 13 members, of which more than 25% are independent under the Mexican Securities Market Law.

The Mexican Securities Market Law sets forth, in article 26, the definition of "independence," which differs from the one set forth in Section 303A.02 of the LCM. Generally, under the Mexican Securities Market Law, a director is not independent if such director is an employee or officer of the company or its subsidiaries; an individual that has significant influence over the company or its subsidiaries; a shareholder that is part of a group that controls the company; or, if there exist certain relationships between a company and a director, entities with which the director is associated or family members of the director.

Under CEMEX, S.A.B. de C.V.'s by-laws and the Mexican Laws and Regulations, our non-management and independent directors are not required to meet in executive sessions. Our Board of Directors must meet at least once every three months.

Under CEMEX, S.A.B. de C.V.'s by-laws and the Mexican Laws and Regulations, we are not required to have a nominating committee. We do not have such a committee.

Our Corporate Practices and Finance Committee operates pursuant to the provisions of the Mexican securities market law and CEMEX, S.A.B. de C.V.'s by-laws. Our Corporate Practices and Finance Committee is composed of 4 independent directors.

Our Corporate Practices and Finance Committee is responsible for evaluating the performance of our executive officers; reviewing related party transactions; reviewing the compensation paid to executive officers; evaluating any waivers granted to directors or executive officers for their taking of corporate opportunities; and carrying out the activities described under Mexican law.

Our Corporate Practices and Finance Committee meets as required by CEMEX, S.A.B. de C.V.'s by-laws and by the Mexican Laws and Regulations.

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NYSE LISTING STANDARDS

303A.05

Listed companies must have a compensation committee composed of independent directors. Compensation committee members must satisfy additional independence requirements specific to compensation committee membership.

303A.06

Listed companies must have an audit committee that satisfies the requirements of Rule 10A-3 under the Exchange Act.

303A.09

Listed companies must adopt and disclose corporate governance guidelines.

CEMEX CORPORATE GOVERNANCE PRACTICE

Under CEMEX, S.A.B. de C.V.'s by-laws and the Mexican Laws and Regulations, we are not required to have a compensation committee. We do not have such committee.

CEMEX, S.A.B. de C.V.'s Audit Committee operates pursuant to the provisions of the Mexican Securities Market Law and CEMEX, S.A.B. de C.V.'s by-laws.

CEMEX, S.A.B. de C.V.'s Audit Committee is composed of 4 members. According to CEMEX, S.A.B. de C.V.'s by-laws, all of the members must be independent.

CEMEX, S.A.B. de C.V.'s Audit Committee is responsible for evaluating the company's internal controls and procedures, identifying any material deficiencies it finds; following up with any corrective or preventive measures adopted with respect to the non-compliance with the operation and accounting guidelines and policies; evaluating the performance of the external auditors; describing and valuating those non-audit services rendered by the external auditor; reviewing the company's financial statements; assessing the effects of any modifications to the accounting policies approved during a fiscal year; overseeing measures adopted as result of any observations made by shareholders, directors, executive officers, employees or any third parties with respect to accounting, internal controls and internal and external audit, as well as any complaints regarding irregularities on management, including anonymous and confidential methods for addressing concerns raised by employees; assuring the execution of resolutions adopted at shareholders' or board of directors' meetings.

CEMEX, S.A.B. de C.V.'s Board of Directors has determined that it has an "audit committee financial expert," for purposes of the Sarbanes-Oxley Act of 2002, serving on its Audit Committee.

CEMEX, S.A.B. de C.V.'s Audit Committee meets as required by CEMEX, S.A.B. de C.V.'s by-laws and by the Mexican Laws and Regulations.

Under CEMEX, S.A.B. de C.V.'s by-laws and the Mexican Laws and Regulations, we are not required to adopt corporate governance guidelines, but, on an annual basis, we file a report with the Mexican Stock Exchange regarding our compliance with the Mexican Code of Best Corporate Practices.

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NYSE LISTING STANDARDS

303A.10

Listed companies must adopt and disclose a code of business conduct and ethics for directors, officers and employees, and promptly disclose any waivers of the code for directors or executive officers.

Equity compensation plans

Equity compensation plans require shareholder approval, subject to limited exemptions.

Item 16H—Mine Safety Disclosure

The information concerning mine safety violations and other regulatory matters required by Section 1503(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act is included in Exhibit 15.1 to this annual report on Form 20-F.

CEMEX CORPORATE GOVERNANCE PRACTICE

CEMEX, S.A.B. de C.V. has adopted a written code of ethics that applies to all of our employees, including our principal executive officer, principal financial officer and principal accounting officer.

Shareholder approval is not expressly required under CEMEX, S.A.B. de C.V.'s by-laws for the adoption and amendment of an equity compensation plan. However, on our annual shareholders' meeting held on February 23, 2012, CEMEX, S.A.B. de C.V.'s shareholders resolved to extend our current stock program for our employees, officers and administrators until December 31, 2018.

PART III

Item 17—Financial Statements

Not applicable.

Item 18—Financial Statements

See pages F-1 through F-108, incorporated herein by reference.

Item 19—Exhibits

- 1.1 Amended and Restated By-laws of CEMEX, S.A.B. de C.V.(a)
- 2.1 Form of Trust Agreement between CEMEX, S.A.B. de C.V., as founder of the trust, and Banco Nacional de México, S.A. regarding the CPOs.(b)
- 2.1.1 English Translation of Amendment Agreement to the Trust Agreement dated November 21, 2002, between CEMEX, S.A.B. de C.V., as founder of the trust, and Banco Nacional de México, S.A. regarding the CPOs.(c)
- 2.1.2 English Translation of Amendment Agreement to the Trust Agreement dated January 8, 2007, between CEMEX, S.A.B. de C.V., as founder of the trust, and Banco Nacional de México, S.A. regarding the CPOs.(i)
- 2.1.3 English Translation of Amendment Agreement to the Trust Agreement dated September 23, 2014, between CEMEX, S.A.B. de C.V., as founder of the trust, and Banco Nacional de México, S.A. regarding the CPOs.(k)
- 2.1.4 English Translation of Amended and Restated Agreement to the Trust Agreement dated November 27, 2014, between CEMEX, S.A.B. de C.V., as founder of the trust, and Banco Nacional de México, S.A. regarding the CPOs.(k)
- 2.2 Form of CPO Certificate.(i)
- 2.3 Form of Second Amended and Restated Deposit Agreement (A and B share CPOs), dated August 10, 1999, among CEMEX, S.A.B. de C.V., Citibank, N.A. and holders and beneficial owners of American Depositary Shares.(b)
- 2.3.1 Amendment No. 1 to the Second Amended and Restated Deposit Agreement, dated as of July 1, 2005, by and among CEMEX, S.A.B. de C.V., Citibank, N.A., as Depositary, and all holders and beneficial owners from time to time of American Depositary Shares evidenced by American Depositary Receipts issued thereunder, including the form of ADR attached thereto.(e)
- 2.3.2 Letter Agreement, dated October 12, 2007, by and between CEMEX, S.A.B. de C.V. and Citibank, N.A., as Depositary, supplementing the Second Amended and Restated Deposit Agreement, as amended, to enable the Depositary to establish a direct registration system for the ADSs.(e)
- 2.3.3 Letter Agreement, dated March 30, 2010 by and between CEMEX, S.A.B. de C.V. and Citibank, N.A., as Depositary, supplementing the Second Amended and Restated Deposit Agreement, as amended, to set forth the terms upon which CEMEX, S.A.B. de C.V. is to deposit CPOs upon conversion of the 4.875% Subordinated Convertible Notes due 2015, and the Depositary is to issue ADSs upon deposit of such CPOs.(j)
- 2.3.4 Letter Agreement, dated March 30, 2010 by and between CEMEX, S.A.B. de C.V. and Citibank, N.A., as Depositary, supplementing the Second Amended and Restated Deposit Agreement, as amended, to set forth the terms upon which CEMEX, S.A.B. de C.V. is to establish a restricted ADS series.(j)

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- 2.3.5 Letter Agreement, dated March 15, 2011 by and between CEMEX, S.A.B. de C.V. and Citibank, N.A., as Depositary, supplementing the Second Amended and Restated Deposit Agreement, as amended, to set forth the terms upon which CEMEX, S.A.B. de C.V. is to deposit CPOs upon conversion of the 3.25% Subordinated Convertible Notes due 2016 and 3.75% Subordinated Convertible Notes due 2018, and the Depositary is to issue ADSs upon deposit of such CPOs.(j)
- 2.3.6 Letter Agreement, dated March 15, 2011 by and between CEMEX, S.A.B. de C.V. and Citibank, N.A., as Depositary, supplementing the Second Amended and Restated Deposit Agreement, as amended, to set forth the terms upon which CEMEX, S.A.B. de C.V. is to establish a restricted ADS series.(j)
- 2.3.7 Letter Agreement, dated February 11, 2015 by and between CEMEX, S.A.B. de C.V. and Citibank, N.A., as Depositary, supplementing the Second Amended and Restated Deposit Agreement, as amended, to set forth the terms upon which CEMEX, S.A.B. de C.V. is to establish a restricted ADS series.(j)
- 2.4 Form of American Depositary Receipt evidencing American Depositary Shares.(h)
- 2.5 Form of Certificate for shares of Series A Common Stock of CEMEX, S.A.B. de C.V.(i)
- 2.6 Form of Certificate for shares of Series B Common Stock of CEMEX, S.A.B. de C.V.(i)
- 4.1 Note Indenture, dated as of December 18, 2006, by and among New Sunward Holding Financial Ventures B.V., as issuer, and CEMEX, S.A.B. de C.V., CEMEX México, S.A. de C.V., and New Sunward Holding B.V., as guarantors and the Bank of New York, as trustee, relating to New Sunward Holding Financial Ventures B.V.'s U.S.\$350,000,000 aggregate principal amount of Callable Perpetual Dual-Currency Notes.(e)
- 4.1.1 First Supplemental Note Indenture, dated as of August 10, 2009, by and among New Sunward Holding Financial Ventures B.V., as issuer, and CEMEX, S.A.B. de C.V., CEMEX México, S.A. de C.V., and New Sunward Holding B.V., as guarantors and the Bank of New York, as trustee, supplementing the Note Indenture, dated as of December 18, 2006, among New Sunward Holding Financial Ventures B.V., as issuer, CEMEX, S.A.B. de C.V., CEMEX México, S.A. de C.V. and New Sunward Holding B.V., as guarantors, and The Bank of New York Mellon, as trustee, relating to New Sunward Holding Financial Ventures B.V.'s U.S.\$350,000,000 aggregate principal amount of Callable Perpetual Dual-Currency Notes.(e)
- 4.1.2 Second Supplemental Note Indenture, dated as of May 12, 2010, by and among New Sunward Holding Financial Ventures B.V., as issuer, CEMEX, S.A.B. de C.V., CEMEX México, S.A. de C.V. and New Sunward Holding B.V., as guarantors, The Bank of New York Mellon, as trustee, Swap 5 Capital (SPV) Limited and C5 Capital (SPV) Limited., supplementing the Note Indenture, dated as of December 18, 2006, among New Sunward Holding Financial Ventures B.V., as issuer, CEMEX, S.A.B. de C.V., CEMEX México, S.A. de C.V. and New Sunward Holding B.V., as guarantors, and The Bank of New York Mellon, as trustee, relating to New Sunward Holding Financial Ventures B.V.'s U.S.\$350,000,000 aggregate principal amount of Callable Perpetual Dual-Currency Notes.(e)
- 4.2 Note Indenture, dated as of December 18, 2006, by and among New Sunward Holding Financial Ventures B.V., as issuer, and CEMEX, S.A.B. de C.V., CEMEX México, S.A. de C.V., and New Sunward Holding B.V., as guarantors and the Bank of New York, as trustee, relating to New Sunward Holding Financial Ventures B.V.'s U.S.\$900,000,000 aggregate principal amount of Callable Perpetual Dual-Currency Notes.(e)
- 4.2.1 First Supplemental Note Indenture, dated as of August 10, 2009, by and among New Sunward Holding Financial Ventures B.V., as issuer, and CEMEX, S.A.B. de C.V., CEMEX México, S.A. de C.V., and New Sunward Holding B.V., as guarantors and the Bank of New York, as trustee, supplementing the Note Indenture, dated as of December 18, 2006, among New Sunward Holding Financial Ventures B.V., as issuer, CEMEX, S.A.B. de C.V., CEMEX México, S.A. de C.V. and New Sunward Holding B.V., as guarantors, and The Bank of New York Mellon, as trustee, relating to New Sunward Holding Financial Ventures B.V.'s U.S.\$900,000,000 aggregate principal amount of Callable Perpetual Dual-Currency Notes.(e)

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- 4.2.2 Second Supplemental Note Indenture, dated as of May 12, 2010, by and among New Sunward Holding Financial Ventures B.V., as issuer, CEMEX, S.A.B. de C.V., CEMEX México, S.A. de C.V. and New Sunward Holding B.V., as guarantors, The Bank of New York Mellon, as trustee, Swap 10 Capital (SPV) Limited and C10 Capital (SPV) Limited., supplementing the Note Indenture, dated as of December 18, 2006, among New Sunward Holding Financial Ventures B.V., as issuer, CEMEX, S.A.B. de C.V., CEMEX México, S.A. de C.V. and New Sunward Holding B.V., as guarantors, and The Bank of New York Mellon, as trustee, relating to New Sunward Holding Financial Ventures B.V.'s U.S.\$900,000,000 aggregate principal amount of Callable Perpetual Dual-Currency Notes.(e)
- 4.3 Note Indenture, dated as of February 12, 2007, by and among New Sunward Holding Financial Ventures B.V., as issuer, and CEMEX, S.A.B. de C.V., CEMEX México, S.A. de C.V., and New Sunward Holding B.V., as guarantors and the Bank of New York, as trustee, relating to New Sunward Holding Financial Ventures B.V.'s U.S.\$750,000,000 aggregate principal amount of Callable Perpetual Dual-Currency Notes.(e)
- 4.3.1 First Supplemental Note Indenture, dated as of August 10, 2009, by and among New Sunward Holding Financial Ventures B.V., as issuer, and CEMEX, S.A.B. de C.V., CEMEX México, S.A. de C.V., and New Sunward Holding B.V., as guarantors and the Bank of New York, as trustee, supplementing the Note Indenture, dated as of February 12, 2007, among New Sunward Holding Financial Ventures B.V., as issuer, CEMEX, S.A.B. de C.V., CEMEX México, S.A. de C.V. and New Sunward Holding B.V., as guarantors, and The Bank of New York Mellon, as trustee, relating to New Sunward Holding Financial Ventures B.V.'s U.S.\$750,000,000 aggregate principal amount of Callable Perpetual Dual-Currency Notes.(e)
- 4.3.2 Second Supplemental Note Indenture, dated as of May 12, 2010, by and among New Sunward Holding Financial Ventures B.V., as issuer, CEMEX, S.A.B. de C.V., CEMEX México, S.A. de C.V. and New Sunward Holding B.V., as guarantors, The Bank of New York Mellon, as trustee, Swap 8 Capital (SPV) Limited and 8 Capital (SPV) Limited., supplementing the Note Indenture, dated as of February 12, 2007, among New Sunward Holding Financial Ventures B.V., as issuer, CEMEX, S.A.B. de C.V., CEMEX México, S.A. de C.V. and New Sunward Holding B.V., as guarantors, and The Bank of New York Mellon, as trustee, relating to New Sunward Holding Financial Ventures B.V.'s U.S.\$750,000,000 aggregate principal amount of Callable Perpetual Dual-Currency Notes.(e)
- 4.4 Note Indenture, dated as of May 9, 2007, by and among New Sunward Holding Financial Ventures B.V., as issuer, and CEMEX, S.A.B. de C.V., CEMEX México, S.A. de C.V., and New Sunward Holding B.V., as guarantors and the Bank of New York, as trustee, relating to New Sunward Holding Financial Ventures B.V.'s U.S. €730,000,000 Callable Perpetual Dual-Currency Notes.(e)
- 4.4.1 First Supplemental Note Indenture, dated as of August 10, 2009, by and among New Sunward Holding Financial Ventures B.V., as issuer, and CEMEX, S.A.B. de C.V., CEMEX México, S.A. de C.V., and New Sunward Holding B.V., as guarantors and the Bank of New York, as trustee, supplementing the Note Indenture, dated as of May 9, 2007, among New Sunward Holding Financial Ventures B.V., as issuer, CEMEX, S.A.B. de C.V., CEMEX México, S.A. de C.V. and New Sunward Holding B.V., as guarantors, and The Bank of New York Mellon, as trustee, relating to New Sunward Holding Financial Ventures B.V.'s U.S. €730,000,000 Callable Perpetual Dual-Currency Notes.(e)
- 4.4.2 Second Supplemental Note Indenture, dated as of May 12, 2010, by and among New Sunward Holding Financial Ventures B.V., as issuer, CEMEX, S.A.B. de C.V., CEMEX México, S.A. de C.V. and New Sunward Holding B.V., as guarantors, The Bank of New York Mellon, as trustee, Swap C10-EUR Capital (SPV) Limited and C10-EUR Capital (SPV) Limited., supplementing the Note Indenture, dated as of February 12, 2007, among New Sunward Holding Financial Ventures B.V., as issuer, CEMEX, S.A.B. de C.V., CEMEX México, S.A. de C.V. and New Sunward Holding B.V., as guarantors, and The Bank of New York Mellon, as trustee, relating to New Sunward Holding Financial Ventures B.V.'s U.S. €730,000,000 Callable Perpetual Dual-Currency Notes.(e)

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- 4.5 Indenture, dated as of December 10, 2009, by and among CEMEX, S.A.B. de C.V., as issuer, Banco Mercantil del Norte, Sociedad Anónima, Institución de Banca Múltiple, Grupo Financiero Banorte, as common representative and calculation agent, in connection with the issuance of Mandatory Convertible Bonds.(e)
- 4.6 Indenture, dated as of May 12, 2010, among CEMEX España, acting through its Luxembourg branch, as issuer, the Note Guarantors party thereto and The Bank of New York Mellon, as trustee, in connection with the issuance of U.S.\$1,067,665,000 aggregate principal amount of 9.25% U.S. Dollar-Denominated Senior Secured Notes Due 2020 and €115,346,000 aggregate principal amount of the 8.875% Euro-Denominated Senior Secured Notes Due 2017.(h)
- 4.6.1 Supplemental Indenture No. 1, dated as of September 17, 2012, among CEMEX España, acting through its Luxembourg branch, as issuer, as issuer, the Note Guarantors party thereto and The Bank of New York Mellon, as trustee, relating to its 9.25% U.S. Dollar-Denominated Senior Secured Notes Due 2020 and 8.875% Euro-Denominated Senior Secured Notes Due 2017.(h)
- 4.6.2 Supplemental Indenture No. 2, dated as of March 25, 2013, among CEMEX España, acting through its Luxembourg branch, as issuer, as issuer, the Note Guarantors party thereto and The Bank of New York Mellon, as trustee, relating to its 9.25% U.S. Dollar-Denominated Senior Secured Notes Due 2020 and 8.875% Euro-Denominated Senior Secured Notes Due 2017.(h)
- 4.6.3 Supplemental Indenture No. 3, dated as of June 6, 2013, among CEMEX España, acting through its Luxembourg branch, as issuer, as issuer, the Note Guarantors party thereto and The Bank of New York Mellon, as trustee, relating to its 9.25% U.S. Dollar-Denominated Senior Secured Notes Due 2020 and 8.875% Euro-Denominated Senior Secured Notes Due 2017.(i)
- 4.6.4 Supplemental Indenture No. 4, dated as of April 1, 2014, among CEMEX España, acting through its Luxembourg branch, as issuer, as issuer, the Note Guarantors party thereto and The Bank of New York Mellon, as trustee, relating to its 9.25% U.S. Dollar-Denominated Senior Secured Notes Due 2020 and 8.875% Euro-Denominated Senior Secured Notes Due 2017.(i)
- 4.7 Master Terms and Conditions Agreement, dated March 9, 2011, by and between Citibank, N.A. and CEMEX, S.A.B. de C.V., relating to the capped call transaction entered into in connection with issuance by CEMEX, S.A.B. de C.V. of U.S.\$800,000,000 aggregate principal amount of 3.25% Convertible Subordinated Notes due 2016.(f)
- 4.8 Master Terms and Conditions Agreement, dated March 9, 2011, by and between JPMorgan Chase Bank, National Association, London Branch and CEMEX, S.A.B. de C.V., relating to the capped call transaction entered into in connection with issuance by CEMEX, S.A.B. de C.V. of U.S.\$800,000,000 aggregate principal amount of 3.25% Convertible Subordinated Notes due 2016.(f)
- 4.9 Master Terms and Conditions Agreement, dated March 9, 2011, by and between BNP Paribas and CEMEX, S.A.B. de C.V., relating to the capped call transaction entered into in connection with issuance by CEMEX, S.A.B. de C.V. of U.S.\$600,000,000 aggregate principal amount of 3.75% Convertible Subordinated Notes due 2018.(f)
- 4.10 Master Terms and Conditions Agreement, dated March 9, 2011, by and between Bank of America, N.A. and CEMEX, S.A.B. de C.V., relating to the capped call transaction entered into in connection with issuance by CEMEX, S.A.B. de C.V. of U.S.\$800,000,000 aggregate principal amount of 3.25% Convertible Subordinated Notes due 2016 and U.S.\$600,000,000 aggregate principal amount of 3.75% Convertible Subordinated Notes due 2018.(f)
- 4.11 Master Terms and Conditions Agreement, dated March 9, 2011, by and between The Royal Bank of Scotland plc and CEMEX, S.A.B. de C.V., relating to the capped call transaction entered into in connection with issuance by CEMEX, S.A.B. de C.V. of U.S.\$800,000,000 aggregate principal amount of 3.25% Convertible Subordinated Notes due 2016.(f)

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- 4.12 Master Terms and Conditions Agreement, dated March 9, 2011, by and between HSBC Bank USA, National Association and CEMEX, S.A.B. de C.V., relating to the capped call transaction entered into in connection with issuance by CEMEX, S.A.B. de C.V. of U.S.\$800,000,000 aggregate principal amount of 3.25% Convertible Subordinated Notes due 2016.(f)
- 4.13 Master Terms and Conditions Agreement, dated March 9, 2011, by and between Banco Santander, S.A. and CEMEX, S.A.B. de C.V., relating to the capped call transaction entered into in connection with issuance by CEMEX, S.A.B. de C.V. of U.S.\$800,000,000 aggregate principal amount of 3.25% Convertible Subordinated Notes due 2016 and U.S.\$600,000,000 aggregate principal amount of 3.75% Convertible Subordinated Notes due 2018.(f)
- 4.14 Indenture, dated as of March 15, 2011, CEMEX, S.A.B. de C.V., as issuer, The Bank of New York Mellon, as trustee, and The Bank of New York Mellon S.A., Institución de Banca Múltiple, as Mexican trustee, in connection with the issuance of U.S.\$977,500,000 aggregate principal amount of 3.25% Convertible Subordinated Notes due 2016.(i)
- 4.15 Indenture, dated as of March 15, 2011, CEMEX, S.A.B. de C.V., as issuer, The Bank of New York Mellon, as trustee, and The Bank of New York Mellon S.A., Institución de Banca Múltiple, as Mexican trustee, in connection with the issuance of U.S.\$690,000,000 aggregate principal amount of 3.75% Convertible Subordinated Notes due 2018.(i)
- 4.16 Indenture, dated as of April 5, 2011, among CEMEX, S.A.B. de C.V., as issuer, the Note Guarantors party thereto and The Bank of New York Mellon, as trustee, in connection with the issuance of U.S.\$800,000,000 aggregate principal amount of Floating Rate Senior Secured Notes due 2015.(f)
- 4.16.1 Supplemental Indenture No. 1, dated as of September 17, 2012, among CEMEX, S.A.B. de C.V., as issuer, the Note Guarantors party thereto and The Bank of New York Mellon, as trustee, relating to its Floating Rate Senior Secured Notes due 2015.(h)
- 4.16.2 Supplemental Indenture No. 2, dated as of March 25, 2013, among CEMEX, S.A.B. de C.V., as issuer, the Note Guarantors party thereto and The Bank of New York Mellon, as trustee, relating to its Floating Rate Senior Secured Notes due 2015.(h)
- 4.16.3 Supplemental Indenture No. 3, dated as of June 6, 2013, among CEMEX, S.A.B. de C.V., as issuer, the Note Guarantors party thereto and The Bank of New York Mellon, as trustee, relating to its Floating Rate Senior Secured Notes due 2015.(i)
- 4.16.4 Supplemental Indenture No. 4, dated as of April 1, 2014, among CEMEX, S.A.B. de C.V., as issuer, the Note Guarantors party thereto and The Bank of New York Mellon, as trustee, relating to its Floating Rate Senior Secured Notes due 2015.(i)
- 4.17 Indenture, dated as of March 28, 2012, among CEMEX España, acting through its Luxembourg branch, as issuer, the Note Guarantors party thereto and The Bank of New York Mellon, as trustee, in connection with the issuance of U.S.\$703,861,000 aggregate principal amount of 9.875% U.S. Dollar-Denominated Senior Secured Notes due 2019 and €179,219,000 aggregate principal amount of 9.875% Euro-Denominated Senior Secured Notes due 2019.(g)
- 4.17.1 Supplemental Indenture No. 1, dated as of September 17, 2012, among CEMEX España, acting through its Luxembourg branch, as issuer, the Note Guarantors party thereto and The Bank of New York Mellon, as trustee, relating to its 9.875% U.S. Dollar-Denominated Senior Secured Notes due 2019 and 9.875% Euro-Denominated Senior Secured Notes due 2019.(h)
- 4.17.2 Supplemental Indenture No. 2, dated as of March 25, 2013, among CEMEX España, acting through its Luxembourg branch, as issuer, the Note Guarantors party thereto and The Bank of New York Mellon, as trustee, relating to its 9.875% U.S. Dollar-Denominated Senior Secured Notes due 2019 and 9.875% Euro-Denominated Senior Secured Notes due 2019.(h)
- 4.17.3 Supplemental Indenture No. 3, dated as of June 6, 2013, among CEMEX España, acting through its Luxembourg branch, as issuer, the Note Guarantors party thereto and The Bank of New York Mellon, as trustee, relating to its 9.875% U.S. Dollar-Denominated Senior Secured Notes due 2019 and 9.875% Euro-Denominated Senior Secured Notes due 2019.(i)

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- 4.17.4 Supplemental Indenture No. 4, dated as of April 1, 2014, among CEMEX España, acting through its Luxembourg branch, as issuer, the Note Guarantors party thereto and The Bank of New York Mellon, as trustee, relating to its 9.875% U.S. Dollar-Denominated Senior Secured Notes due 2019 and 9.875% Euro-Denominated Senior Secured Notes due 2019.(i)
- 4.18 Facilities Agreement for CEMEX, S.A.B. de C.V. and certain of its subsidiaries, dated September 17, 2012, with the financial institutions, noteholders and other entities named therein as Original Creditors and Citibank International plc acting as Agent and Wilmington Trust (London) Limited acting as Security Agent.(h)
- 4.18.1 Amendment Agreement, dated October 16, 2013, between CEMEX, S.A.B. de C.V., acting for itself and as agent on behalf of each other Obligor, and Citibank International plc, acting for itself and as Agent on behalf of the Finance Parties, relating to the Facilities Agreement.(i)
- 4.18.2 Amendment Agreement, dated October 31, 2014, between CEMEX, S.A.B. de C.V., acting for itself and as agent on behalf of each other Obligor, and Citibank International plc, acting for itself and as Agent on behalf of the Finance Parties, relating to the Facilities Agreement.(k)
- 4.19 Intercreditor Agreement, dated September 17, 2012, by and among Citibank International plc, as Facilities Agent, The Facilities Agreement Creditors (as named therein), CEMEX, S.A.B. de C.V. and certain of its subsidiaries, as Original Borrowers, Original Guarantors and Original Security Providers and Intra-Group Lenders, Wilmington Trust (London) Limited, acting as Security Agent, and others.(h)
- 4.19.1 Amendment Agreement, dated October 31, 2014, by and among Citibank International plc, as Facilities Agent, The Facilities Agreement Creditors (as named therein), CEMEX, S.A.B. de C.V. and certain of its subsidiaries, as Original Borrowers, Original Guarantors and Original Security Providers and Intra-Group Lenders, Wilmington Trust (London) Limited, acting as Security Agent, and others.(k)
- 4.20 Dutch law Share Pledge over the registered shares in New Sunward Holding B.V., dated September 17, 2012, between Corporación Gouda S.A. de C.V., Mexcement Holdings, S.A. de C.V., CEMEX International Finance Company and CEMEX TRADEMARKS HOLDING Ltd. (as Pledgors) and Wilmington Trust (London) Limited (as Pledgee).(h)
- 4.21 Swiss law Share Pledge over 1,938,958,014 shares in CEMEX TRADEMARKS HOLDING Ltd., dated September 17, 2012, between CEMEX, S.A.B. de C.V., CEMEX México, S.A. de C.V., Interamerican Investments Inc. and Empresas Tolteca de México, S.A. de C.V. (as Pledgors) and Wilmington Trust (London) Limited (as Pledgee).(h)
- 4.22 Spanish law Share Pledge over the shares in CEMEX España, dated November 8, 2012, between New Sunward Holding B.V., CEMEX, S.A.B. de C.V., CEMEX España, S.A. and Wilmington Trust (London) Limited (as Security Agent).(h)
- 4.23 English translation of Mexican law Security Trust Agreement, dated September 17, 2012, entered into by CEMEX, S.A.B. de C.V., Empresas Tolteca de Mexico, S.A. de C.V., Imprá Café S.A. de C.V., Interamerican Investments Inc., Centro Distribuidor de Cemento, S.A. de C.V. and CEMEX México, S.A. de C.V., regarding the shares of each of them owns in: CEMEX México, S.A. de C.V.; Centro Distribuidor de Cemento S.A. de C.V.; Corporación Gouda S.A. de C.V.; and Mexcement Holdings, S.A. de C.V.(h)
- 4.24 Ancillary Agreement, dated as of September 17, 2012, among CEMEX, S.A.B. de C.V., certain subsidiaries of CEMEX, S.A.B. de C.V., certain creditors party to the 2009 Financing Agreement, dated August 14, 2009 (as amended), Citibank International PLC, as administrative agent, and Citibank International PLC, as exchange agent.(h)

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- 4.25 English translation of Irrevocable Administration Trust Agreement with Reversion Rights No. 111523-3, dated as of September 17, 2012, by and among CEMEX, S.A.B. de C.V. and certain of its subsidiaries, as the settlors and second beneficiaries, Banco Nacional de México, S.A., as trustee, and Wilmington Trust Company (London) Limited, as first beneficiary, and CEMEX, S.A.B. de C.V. and certain other of its subsidiaries, as counterparties.(h)
- 4.26 USPP Note Purchase Agreement, dated as of September 17, 2012, among CEMEX Finance LLC and each of the purchasers thereunder, for \$106,586,333.79 aggregate principal amount of 9.66% senior notes due 2017.(h)
- 4.27 USPP Note Guarantee, dated as of September 17, 2012, by CEMEX España, S.A. in favor of the holders of notes under the Note Purchase Agreement, dated as of September 17, 2012.(h)
- 4.28 Facilities Agreement for CEMEX, S.A.B. de C.V. and certain of its subsidiaries, dated September 29, 2014, with the financial institutions named therein as Original Lenders and Citibank International plc acting as Agent and Wilmington Trust (London) Limited acting as Security Agent.(k)
- 4.29 Indenture, dated as of September 17, 2012, among CEMEX, S.A.B. de C.V., as issuer, the Note Guarantors party thereto and Computershare Trust Company, N.A., as trustee, in connection with the issuance of U.S.\$500,000,000 aggregate principal amount of 9.50% Senior Secured Notes due 2018.(h)
- 4.29.1 Supplemental Indenture No. 1, dated as of June 6, 2013, among CEMEX, S.A.B. de C.V., as issuer, the Note Guarantors party thereto and Computershare Trust Company, N.A., trustee, relating to its 9.50% Senior Secured Notes due 2018.(i)
- 4.29.2 Supplemental Indenture No. 2, dated as of April 1, 2014, among CEMEX, S.A.B. de C.V., as issuer, the Note Guarantors party thereto and Computershare Trust Company, N.A., trustee, relating to its 9.50% Senior Secured Notes due 2018.(i)
- 4.30 Indenture, dated as of October 12, 2012, among CEMEX Finance LLC, as issuer, the Note Guarantors party thereto and The Bank of New York Mellon, as trustee, in connection with the issuance of U.S.\$1,500,000,000 aggregate principal amount of 9.375% Senior Secured Notes due 2022.(h)
- 4.30.1 Supplemental Indenture No. 1, dated as of June 6, 2013, among CEMEX Finance LLC, as issuer, the Note Guarantors party thereto and The Bank of New York Mellon, as trustee, relating to its 9.375% Senior Secured Notes due 2022.(i)
- 4.31 Indenture, dated as of March 25, 2013, among CEMEX, S.A.B. de C.V., as issuer, the Note Guarantors party thereto and The Bank of New York Mellon, as trustee, in connection with the issuance of U.S.\$600,000,000 aggregate principal amount of 5.875% Senior Secured Notes due 2019.(h)
- 4.31.1 Supplemental Indenture No. 1, dated as of June 6, 2013, among CEMEX, S.A.B. de C.V., as issuer, the Note Guarantors party thereto and The Bank of New York Mellon, as trustee, relating to its 5.875% Senior Secured Notes due 2019.(i)
- 4.31.2 Supplemental Indenture No. 2, dated as of April 1, 2014, among CEMEX, S.A.B. de C.V., as issuer, the Note Guarantors party thereto and The Bank of New York Mellon, as trustee, relating to its 5.875% Senior Secured Notes due 2019.(i)
- 4.32 English translation of Accession Deed, dated March 25, 2013, issued by The Bank of New York Mellon, as Trustee, and CEMEX España, S.A., concerning the shares of CEMEX España, S.A. relating to the issuance by CEMEX, S.A.B. de C.V. of U.S.\$600,000,000 aggregate principal amount of 5.875% Senior Secured Notes due 2019.(h)
- 4.33 Indenture, dated as of August 12, 2013, among CEMEX, S.A.B. de C.V., as issuer, the Note Guarantors party thereto and The Bank of New York Mellon, as trustee, in connection with the issuance of U.S.\$1,000,000,000 aggregate principal amount of 6.500% Senior Secured Notes due 2019.(i)

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- 4.33.1 Supplemental Indenture No. 1, dated as of April 1, 2014, among CEMEX, S.A.B. de C.V., as issuer, the Note Guarantors party thereto and The Bank of New York Mellon, as trustee, relating to its 6.500% Senior Secured Notes due 2019.(i)
- 4.34 English translation of Accession Deed, dated August 12, 2013, issued by The Bank of New York Mellon, as Trustee, and CEMEX España, S.A., concerning the shares of CEMEX España, S.A. relating to the issuance by CEMEX, S.A.B. de C.V. of U.S.\$1,000,000,000 aggregate principal amount of 6.500% Senior Secured Notes due 2019.(i)
- 4.35 Indenture, dated as of October 2, 2013, among CEMEX, S.A.B. de C.V., as issuer, the Note Guarantors party thereto and The Bank of New York Mellon, as trustee, in connection with the issuance of U.S.\$1,000,000,000 aggregate principal amount of 7.250% Senior Secured Notes due 2021.(i)
- 4.35.1 Supplemental Indenture No. 1, dated as of April 1, 2014, among CEMEX, S.A.B. de C.V., as issuer, the Note Guarantors party thereto and The Bank of New York Mellon, as trustee, relating to its 7.250% Senior Secured Notes due 2021.(i)
- 4.36 English translation of Accession Deed, dated as of October 2, 2013, issued by The Bank of New York Mellon, as Trustee, and CEMEX España, S.A., concerning the shares of CEMEX España, S.A. relating to the issuance by CEMEX, S.A.B. de C.V. of U.S.\$1,000,000,000 aggregate principal amount of 7.250% Senior Secured Notes due 2021.(i)
- 4.37 Indenture, dated as of October 2, 2013, among CEMEX S.A.B. de C.V. as issuer, the Note Guarantors party thereto and The Bank of New York Mellon, as trustee, in connection with the issuance of U.S.\$500,000,000 aggregate principal amount of Floating Rate Senior Secured Notes due 2018.(i)
- 4.37.1 Supplemental Indenture No. 1, dated as of April 1, 2014, among CEMEX, S.A.B. de C.V., as issuer, the Note Guarantors party thereto and The Bank of New York Mellon, as trustee, relating to its Floating Rate Senior Secured Notes due 2018.(i)
- 4.38 English Translation of Accession Deed, dated October 2, 2013, issued by The Bank of New York Mellon, as Trustee, and CEMEX España, S.A., concerning the shares of CEMEX España, S.A. relating to the issuance by CEMEX, S.A.B. de C.V. of U.S.\$500,000,000 aggregate principal amount of Floating Rate Senior Secured Notes due 2018.(i)
- 4.39 Indenture, dated as of April 1, 2014, among CEMEX Finance LLC, as issuer, the Note Guarantors party thereto and The Bank of New York Mellon, as trustee, in connection with the issuance of U.S.\$1,000,000,000 aggregate principal amount of 6.000% U.S. Dollar-Denominated Senior Secured Notes due 2024.(i)
- 4.40 English Translation of Accession Deed, dated April 1, 2014, issued by The Bank of New York Mellon, as Trustee, and CEMEX España, S.A., concerning the shares of CEMEX España, S.A. relating to the issuance by CEMEX Finance LLC of U.S.\$1,000,000,000 aggregate principal amount of 6.000% U.S. Dollar-Denominated Senior Secured Notes due 2024.(i)
- 4.41 Indenture, dated as of April 1, 2014, among CEMEX Finance LLC, as issuer, the Note Guarantors party thereto, The Bank of New York Mellon, as trustee, and The Bank of New York Mellon, London Branch, as paying agent and transfer agent, in connection with the issuance of €400,000,000 aggregate principal amount of 5.250% Euro-Denominated Senior Secured Notes due 2021.(i)
- 4.42 English Translation of Accession Deed, dated April 1, 2014, issued by The Bank of New York Mellon, as Trustee, and CEMEX España, S.A., concerning the shares of CEMEX España, S.A. relating to the issuance by CEMEX Finance LLC of €400,000,000 aggregate principal amount of 5.250% Euro-Denominated Senior Secured Notes due 2021.(i)
- 4.43 Indenture, dated as of September 11, 2014, among CEMEX S.A.B. de C.V., as issuer, the Note Guarantors party thereto and The Bank of New York Mellon, as trustee, in connection with the issuance of U.S.\$1,100,000,000 aggregate principal amount of 5.700% U.S. Dollar-Denominated Senior Secured Notes due 2025.(k)

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- 4.44 English Translation of Accession Deed, dated September 11, 2014, issued by The Bank of New York Mellon, as Trustee, and CEMEX España, S.A., concerning the shares of CEMEX España, S.A. relating to the issuance by CEMEX S.A.B. de C.V. of U.S.\$1,100,000,000 aggregate principal amount of 5.700% U.S. Dollar-Denominated Senior Secured Notes due 2025.(k)
- 4.45 Indenture, dated as of September 11, 2014, among CEMEX S.A.B. de C.V., as issuer, the Note Guarantors party thereto, The Bank of New York Mellon, as trustee, and The Bank of New York Mellon, London Branch, as paying agent and transfer agent, in connection with the issuance of €400,000,000 aggregate principal amount of 4.750% Euro-Denominated Senior Secured Notes due 2022.(k)
- 4.46 English Translation of Accession Deed, dated September 11, 2014, issued by The Bank of New York Mellon, as Trustee, and CEMEX España, S.A., concerning the shares of CEMEX España, S.A. relating to the issuance by CEMEX S.A.B. de C.V. of €400,000,000 aggregate principal amount of 4.750% Euro-Denominated Senior Secured Notes due 2022.(k)
- 4.47 Pledge Agreement, dated as of October 3, 2014, among CEMEX S.A.B. de C.V., as issuer, The Bank of New York Mellon, as collateral agent and securities intermediary, and The Bank of New York Mellon, as note purchase contract agent, in connection with the issuance of 200,000 Contingent Convertible Units.(k)
- 4.48 Indenture, dated as of March 5, 2015, among CEMEX S.A.B. de C.V., as issuer, the Note Guarantors party thereto, The Bank of New York Mellon, as trustee, registrar, paying agent and transfer agent, in connection with the issuance of U.S. \$750,000,000 aggregate principal amount of 6.125% U.S. Dollar-Denominated Senior Secured Notes due 2025.(k)
- 4.49 English Translation of Accession Deed, dated March 5, 2015, issued by The Bank of New York Mellon, as Trustee, and CEMEX España, S.A., concerning the shares of CEMEX España, S.A. relating to the issuance by CEMEX S.A.B. de C.V. of U.S.\$750,000,000 aggregate principal amount of 6.125% U.S. Dollar-Denominated Senior Secured Notes due 2025.(k)
- 4.50 Indenture, dated as of March 5, 2015, among CEMEX S.A.B. de C.V., as issuer, the Note Guarantors party thereto, The Bank of New York Mellon, as trustee and registrar, and The Bank of New York Mellon, London Branch, as paying agent and transfer agent, in connection with the issuance of €550,000,000 aggregate principal amount of 4.375% Euro-Denominated Senior Secured Notes due 2023.(k)
- 4.51 English Translation of Accession Deed, dated March 5, 2015, issued by The Bank of New York Mellon, as Trustee, and CEMEX España, S.A., concerning the shares of CEMEX España, S.A. relating to the issuance by CEMEX S.A.B. de C.V. of €550,000,000 aggregate principal amount of 4.375% Euro-Denominated Senior Secured Notes due 2023.(k)
- 4.52 Indenture, dated as of March 13, 2015, among CEMEX S.A.B. de C.V., as issuer, the Note Guarantors party thereto, The Bank of New York Mellon, as trustee, CIBanco S.A., Institución de Banca Múltiple, as Mexican trustee, in connection with the issuance of \$200,000,000 aggregate principal amount of Convertible Subordinated Notes due 2020.(k)
- 8.1 List of subsidiaries of CEMEX, S.A.B. de C.V.(k)
- 12.1 Certification of the Principal Executive Officer of CEMEX, S.A.B. de C.V. pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.(k)
- 12.2 Certification of the Principal Financial Officer of CEMEX, S.A.B. de C.V. pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.(k)
- 13.1 Certification of the Principal Executive and Financial Officers of CEMEX, S.A.B. de C.V. pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.(k)

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14.1 Consent of KPMG Cárdenas Dosal, S.C. to the incorporation by reference into the effective registration statements of CEMEX, S.A.B. de C.V. under the Securities Act of their report with respect to the consolidated financial statements of CEMEX, S.A.B. de C.V., which appears in this Annual Report on Form 20-F.(k)

15.1 Mine safety and health administration safety data.(k)

- (a) Incorporated by reference to Form 6-K of CEMEX, S.A.B. de C.V., filed with the SEC on March 27, 2015.
- (b) Incorporated by reference to the Registration Statement on Form F-4 of CEMEX, S.A.B. de C.V. (Registration No. 333-10682), filed with the SEC on August 10, 1999.
- (c) Incorporated by reference to the 2002 annual report on Form 20-F of CEMEX, S.A.B. de C.V. filed with the SEC on April 8, 2003.
- (d) Incorporated by reference to the 2006 annual report on Form 20-F of CEMEX, S.A.B. de C.V. filed with the SEC on June 27, 2007.
- (e) Incorporated by reference to the 2009 annual report on Form 20-F of CEMEX, S.A.B. de C.V. filed with the SEC on June 30, 2010.
- (f) Incorporated by reference to the 2010 annual report on Form 20-F of CEMEX, S.A.B. de C.V. filed with the SEC on June 16, 2011.
- (g) Incorporated by reference to the 2011 annual report on Form 20-F of CEMEX, S.A.B. de C.V. filed with the SEC on April 30, 2012.
- (h) Incorporated by reference to the 2012 annual report on Form 20-F of CEMEX, S.A.B. de C.V. filed with the SEC on April 23, 2013.
- (i) Incorporated by reference to the 2013 annual report on Form 20-F of CEMEX, S.A.B. de C.V. filed with the SEC on April 28, 2014.
- (j) Incorporated by reference to the Registration Statement on Form F-6 of CEMEX, S.A.B. de C.V. (Registration No. 333-174743), filed with the SEC on June 6, 2011.
- (k) Filed herewith.

In reviewing the agreements included as exhibits to this annual report, please remember they are included to provide you with information regarding their terms and are not intended to provide any other factual or disclosure information about us or the other parties to the agreements.

The agreements may contain representations and warranties by each of the parties to the applicable agreement. These representations and warranties have been made solely for the benefit of the other parties to the applicable agreement and:

- should not in all instances be treated as categorical statements of fact, but rather as a way of allocating the risk to one of the parties if those statements prove to be inaccurate;
- have been qualified by disclosures that were made to the other party in connection with the negotiation of the applicable agreement, which disclosures are not necessarily reflected in the agreement;
- may apply standards of materiality in a way that is different from what may be viewed as material to you or other investors; and
- were made only as of the date of the applicable agreement or such other date or dates as may be specified in the agreement and are subject to more recent developments.

Accordingly, these representations and warranties may not describe the actual state of affairs as of the date they were made or at any other time.

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SIGNATURES

CEMEX, S.A.B. de C.V. hereby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorized the undersigned to sign this annual report on its behalf.

CEMEX, S.A.B. de C.V.

By: /s/ Fernando A. González Olivieri

Name: Fernando A. González Olivieri

Title: Chief Executive Officer

Date: April 24, 2015

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors and Stockholders

CEMEX, S.A.B. de C.V.:

We have audited the accompanying consolidated balance sheets of CEMEX, S.A.B. de C.V. and subsidiaries (the Company) as of December 31, 2014 and 2013, and the related consolidated statements of operations, comprehensive loss, changes in stockholders' equity, and cash flows for each of the years in the three-year period ended December 31, 2014. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of CEMEX, S.A.B. de C.V. and subsidiaries as of December 31, 2014 and 2013, and the results of their operations and their cash flows for each of the years in the three-year period ended December 31, 2014, in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), CEMEX, S.A.B. de C.V. and subsidiaries' internal control over financial reporting as of December 31, 2014, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), and our report dated April 24, 2015 expressed an unqualified opinion on the effectiveness of the Company's internal control over financial reporting.

KPMG Cardenas Dosal, S.C.

/s/ Luis Gabriel Ortiz Esqueda

Monterrey, N.L., Mexico
April 24, 2015

INTERNAL CONTROL REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors and Stockholders

CEMEX, S.A.B. de C.V.:

We have audited CEMEX, S.A.B. de C.V. and subsidiaries' (the Company) internal control over financial reporting as of December 31, 2014, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). CEMEX, S.A.B. de C.V. and subsidiaries' management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Annual Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, CEMEX, S.A.B. de C.V. and subsidiaries maintained, in all material respects, effective internal control over financial reporting as of December 31, 2014, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of CEMEX, S.A.B. de C.V. and subsidiaries as of December 31, 2014 and 2013, and the related consolidated statements of operations, comprehensive loss, changes in stockholders' equity, and cash flows for each of the years in the three-year period ended December 31, 2014, and our report dated April 24, 2015 expressed an unqualified opinion on those consolidated financial statements.

KPMG Cardenas Dosal, S.C.

/s/ Luis Gabriel Ortiz Esqueda

Monterrey, N.L. Mexico
April 24, 2015

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CEMEX, S.A.B. DE C.V. AND SUBSIDIARIES
Consolidated Statements of Operations
(Millions of Mexican pesos, except for loss per share)

	Note	Years ended December 31,		
		2014	2013	2012
Net sales	3	Ps 210,023	195,661	197,036
Cost of sales	2R	(142,746)	(134,774)	(138,706)
Gross profit		67,277	60,887	58,330
Administrative and selling expenses		(25,263)	(24,142)	(23,749)
Distribution expenses		(19,831)	(17,241)	(17,580)
	2R	(45,094)	(41,383)	(41,329)
Operating earnings before other expenses, net	2A	22,183	19,504	17,001
Other expenses, net	6	(5,128)	(4,903)	(5,490)
Operating earnings		17,055	14,601	11,511
Financial expense	16	(21,504)	(19,937)	(18,511)
Other financial income, net	7	2,495	1,706	977
Equity in gain of associates	13A	297	229	728
Loss before income tax		(1,657)	(3,401)	(5,295)
Income tax	19	(4,023)	(6,210)	(6,043)
CONSOLIDATED NET LOSS		(5,680)	(9,611)	(11,338)
Non-controlling interest net income		1,103	1,223	662
CONTROLLING INTEREST NET LOSS		(6,783)	(10,834)	(12,000)
BASIC LOSS PER SHARE	22	Ps (0.18)	(0.29)	(0.33)
DILUTED LOSS PER SHARE	22	Ps (0.18)	(0.29)	(0.33)

The accompanying notes are part of these consolidated financial statements.

CEMEX, S.A.B. DE C.V. AND SUBSIDIARIES
Consolidated Statements of Comprehensive Loss
(Millions of Mexican pesos)

		<u>Years ended December 31,</u>		
	<u>Note</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
CONSOLIDATED NET LOSS		Ps (5,680)	(9,611)	(11,338)
Items that will not be reclassified subsequently to profit or loss				
Actuarial losses	18	(3,025)	(391)	(754)
Income tax recognized directly in other comprehensive income	19	486	(122)	263
		<u>(2,539)</u>	<u>(513)</u>	<u>(491)</u>
Items that will be reclassified subsequently to profit or loss when specific conditions are met				
Effects from available-for-sale investments	13B	(94)	80	(44)
Currency translation of foreign subsidiaries	20B	501	952	(7,324)
Income tax recognized directly in other comprehensive income	19	(85)	(1,085)	(3,639)
		<u>322</u>	<u>(53)</u>	<u>(11,007)</u>
Other comprehensive loss		<u>(2,217)</u>	<u>(566)</u>	<u>(11,498)</u>
TOTAL COMPREHENSIVE LOSS		(7,897)	(10,177)	(22,836)
Non-controlling interest comprehensive income		2,129	892	662
CONTROLLING INTEREST COMPREHENSIVE LOSS		Ps (10,026)	(11,069)	(23,498)

The accompanying notes are part of these consolidated financial statements.

CEMEX, S.A.B. DE C.V. AND SUBSIDIARIES
Consolidated Balance Sheets
(Millions of Mexican pesos)

	Note	December 31,	
		2014	2013
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	8	Ps 12,589	15,176
Trade receivables less allowance for doubtful accounts	9	26,954	25,971
Other accounts receivable	10	4,435	7,010
Inventories, net	11	18,074	16,985
Other current assets	12	8,906	3,906
Total current assets		<u>70,958</u>	<u>69,048</u>
NON-CURRENT ASSETS			
Investments in associates	13A	9,560	9,022
Other investments and non-current accounts receivable	13B	10,317	12,060
Property, machinery and equipment, net	14	202,928	205,717
Goodwill and intangible assets, net	15	193,484	174,940
Deferred income taxes	19B	27,714	25,343
Total non-current assets		<u>444,003</u>	<u>427,082</u>
TOTAL ASSETS		Ps <u>514,961</u>	<u>496,130</u>
LIABILITIES AND STOCKHOLDERS' EQUITY			
CURRENT LIABILITIES			
Short-term debt including current maturities of long-term debt	16A	Ps 14,507	3,959
Other financial obligations	16B	11,512	5,568
Trade payables		24,271	22,202
Income tax payable		9,890	9,779
Other accounts payable and accrued expenses	17	20,045	18,054
Total current liabilities		<u>80,225</u>	<u>59,562</u>
NON-CURRENT LIABILITIES			
Long-term debt	16A	191,327	187,021
Other financial obligations	16B	27,083	33,750
Employee benefits	18	16,881	14,073
Deferred income taxes	19B	19,783	18,315
Other non-current liabilities	17	31,491	35,091
Total non-current liabilities		<u>286,565</u>	<u>288,250</u>
TOTAL LIABILITIES		<u>366,790</u>	<u>347,812</u>
STOCKHOLDERS' EQUITY			
Controlling interest:			
Common stock and additional paid-in capital	20A	105,367	88,943
Other equity reserves	20B	10,738	15,037
Retained earnings	20C	21,781	40,233
Net loss		<u>(6,783)</u>	<u>(10,834)</u>
Total controlling interest		131,103	133,379
Non-controlling interest and perpetual debentures	20D	17,068	14,939
TOTAL STOCKHOLDERS' EQUITY		<u>148,171</u>	<u>148,318</u>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY		Ps <u>514,961</u>	<u>496,130</u>

The accompanying notes are part of these consolidated financial statements.

CEMEX, S.A.B. DE C.V. AND SUBSIDIARIES
Consolidated Statements of Cash Flows
(Millions of Mexican pesos)

	Notes	Years ended December 31,			
		2014	2013	2012	
OPERATING ACTIVITIES					
Consolidated net loss		Ps	(5,680)	(9,611)	(11,338)
Non-cash items:					
Depreciation and amortization of assets	5		14,457	14,459	17,505
Impairment losses	6		3,867	1,591	1,661
Equity in gain of associates	13A		(297)	(229)	(728)
Other (expenses) income, net			(409)	476	1,593
Financial items, net			19,009	18,231	17,534
Income taxes	19		4,023	6,210	6,043
Changes in working capital, excluding income taxes			1,544	(4,082)	(2,048)
Net cash flow provided by operating activities before interest, coupons on perpetual debentures and income taxes			36,514	27,045	30,222
Financial expense paid in cash including coupons on perpetual debentures	20D		(16,844)	(19,110)	(19,564)
Income taxes paid in cash			(7,678)	(6,665)	(4,709)
Net cash flows provided by operating activities			11,992	1,270	5,949
INVESTING ACTIVITIES					
Property, machinery and equipment, net	14		(6,134)	(5,570)	(5,922)
Disposal (acquisition) of subsidiaries and associates, net	13, 15		167	1,259	(895)
Intangible assets and other deferred charges	15		(902)	(1,203)	(438)
Long term assets and others, net			208	118	4,696
Net cash flows used in investing activities			(6,661)	(5,396)	(2,559)
FINANCING ACTIVITIES					
Issuance of common stock by subsidiaries	20D		—	—	12,442
Derivative instruments			1,561	(256)	1,633
Issuance (repayment) of debt, net	16A		(11,110)	5,933	(17,239)
Securitization of trade receivables			2,052	(1,854)	(193)
Non-current liabilities, net			(1,130)	(568)	(1,679)
Net cash flows (used in) provided by financing activities			(8,627)	3,255	(5,036)
Decrease in cash and cash equivalents			(3,296)	(871)	(1,646)
Cash conversion effect, net			709	3,569	(2,004)
Cash and cash equivalents at beginning of year			15,176	12,478	16,128
CASH AND CASH EQUIVALENTS AT END OF YEAR	8	Ps	12,589	15,176	12,478
Changes in working capital, excluding income taxes:					
Trade receivables, net		Ps	(3,266)	(2,187)	2,956
Other accounts receivable and other assets			1,264	(1,033)	(2,010)
Inventories			(2,735)	(616)	1,412
Trade payables			3,794	1,620	(424)
Other accounts payable and accrued expenses			2,487	(1,866)	(3,982)
Changes in working capital, excluding income taxes		Ps	1,544	(4,082)	(2,048)

The accompanying notes are part of these consolidated financial statements.

CEMEX, S.A.B. DE C.V. AND SUBSIDIARIES
Statements of Changes in Stockholders' Equity
(Millions of Mexican pesos)

	Notes	Common stock	Additional paid-in capital	Other equity reserves	Retained earnings	Total controlling interest	Non-controlling interest	Total stockholders' equity
Balance at December 31, 2011	Ps	4,135	109,309	14,965	26,695	155,104	16,602	171,706
Net loss		—	—	—	(12,000)	(12,000)	662	(11,338)
Total other items of comprehensive loss		—	—	(11,498)	—	(11,498)	—	(11,498)
Capitalization of retained earnings	20A	4	4,134	—	(4,138)	—	—	—
Stock-based compensation	20A, 21	—	486	136	—	622	—	622
Effects of perpetual debentures	20D	—	—	1,227	—	1,227	(7,004)	(5,777)
Changes in non-controlling interest	20D	—	—	7,684	—	7,684	4,228	11,912
Balance at December 31, 2012		4,139	113,929	12,514	10,557	141,139	14,488	155,627
Net loss		—	—	—	(10,834)	(10,834)	1,223	(9,611)
Total other items of comprehensive loss		—	—	(235)	—	(235)	(331)	(566)
Change in the Parent Company's functional currency	20D	—	—	3,027	—	3,027	—	3,027
Restitution of retained earnings		—	(35,667)	—	35,667	—	—	—
Capitalization of retained earnings	20A	4	5,987	—	(5,991)	—	—	—
Stock-based compensation	20A, 21	—	551	136	—	687	—	687
Effects of perpetual debentures	20D	—	—	(405)	—	(405)	—	(405)
Changes in non-controlling interest	20D	—	—	—	—	—	(441)	(441)
Balance at December 31, 2013		4,143	84,800	15,037	29,399	133,379	14,939	148,318
Net loss		—	—	—	(6,783)	(6,783)	1,103	(5,680)
Total other items of comprehensive loss		—	—	(3,243)	—	(3,243)	1,026	(2,217)
Effects of early conversion of subordinated notes	16B	4	8,037	(601)	—	7,440	—	7,440
Capitalization of retained earnings	20A	4	7,614	—	(7,618)	—	—	—
Stock-based compensation	20A, 21	—	765	(35)	—	730	—	730
Effects of perpetual debentures	20D	—	—	(420)	—	(420)	—	(420)
Balance at December 31, 2014	Ps	4,151	101,216	10,738	14,998	131,103	17,068	148,171

The accompanying notes are part of these consolidated financial statements.

CEMEX, S.A.B. DE C.V. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements
As of December 31, 2014, 2013 and 2012
(Millions of Mexican pesos)

1) DESCRIPTION OF BUSINESS

CEMEX, S.A.B. de C.V., a public stock corporation with variable capital (S.A.B. de C.V.) organized under the laws of the United Mexican States, or Mexico, is a holding company (parent) of entities whose main activities are oriented to the construction industry, through the production, marketing, distribution and sale of cement, ready-mix concrete, aggregates and other construction materials. In addition, in order to facilitate the acquisition of financing and to run its operations in Mexico more efficiently considering that there are efficiency and improvement opportunities by shifting from a platform where its customers were served from different entities according to its line of business (i.e. cement, concrete, aggregates), into a platform where customers, sorted by end-user segment (i.e. distributor, builder, manufacturer) are now serviced from a single entity. In a first phase, beginning in April 1, 2014, CEMEX, S.A.B. de C.V. integrated and carried out all businesses and operational activities of the cement and aggregates sectors in Mexico. During the second phase beginning in 2015, CEMEX, S.A.B. de C.V. will integrate productive, commercial, marketing and administrative activities related to the sale of ready-mix concrete in Mexico.

CEMEX, S.A.B. de C.V. was founded in 1906 and was registered with the Mercantile Section of the Public Register of Property and Commerce in Monterrey, N.L., Mexico in 1920 for a period of 99 years. In 2002, this period was extended to the year 2100. The shares of CEMEX, S.A.B. de C.V. are listed on the Mexican Stock Exchange (“MSE”) as Ordinary Participation Certificates (“CPOs”). Each CPO represents two series “A” shares and one series “B” share of common stock of CEMEX, S.A.B. de C.V. In addition, CEMEX, S.A.B. de C.V.’s shares are listed on the New York Stock Exchange (“NYSE”) as *American Depositary Shares* (“ADSs”) under the symbol “CX.” Each ADS represents ten CPOs.

The terms “CEMEX, S.A.B. de C.V.” and/or the “Parent Company” used in these accompanying notes to the financial statements refer to CEMEX, S.A.B. de C.V. without its consolidated subsidiaries. The terms the “Company” or “CEMEX” refer to CEMEX, S.A.B. de C.V. together with its consolidated subsidiaries. These consolidated financial statements were issued by the Company’s management on January 29, and were further authorized by the Shareholders’ Meeting of CEMEX, S.A.B. de C.V. on March 26, 2015.

2) SIGNIFICANT ACCOUNTING POLICIES

2A) BASIS OF PRESENTATION AND DISCLOSURE

The consolidated financial statements as of December 31, 2014 and 2013 and for the years ended December 31, 2014, 2013 and 2012, were prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”).

Presentation currency and definition of terms

The presentation currency of the consolidated financial statements is the Mexican peso, which is also the currency in which the Company submits its periodic filings to the MSE. When reference is made to pesos or “Ps” it means Mexican pesos. The amounts in the financial statements and the accompanying notes are stated in millions, except when references are made to loss per share and/or prices per share. When reference is made to “US\$” or “dollars”, it means dollars of the United States of America (“United States”). When reference is made to “€” or “Euros”, it means the currency in circulation in a significant number of European Union (“EU”) countries. When it is deemed relevant, certain amounts presented in the notes to the financial statements include between parentheses a convenience translation into dollars or into pesos, as applicable. These translations should not be construed as representations that the amounts in pesos or dollars, as applicable, actually represent those

CEMEX, S.A.B. DE C.V. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements
As of December 31, 2014, 2013 and 2012
(Millions of Mexican pesos)

Presentation currency and definition of terms – continued

peso or dollar amounts or could be converted into pesos or dollars at the rate indicated. As of December 31, 2014 and 2013, translations of pesos into dollars and dollars into pesos, were determined for balance sheet amounts using the closing exchange rates of Ps14.74 and Ps13.05 pesos per dollar, respectively, and for statements of operations amounts, using the average exchange rates of Ps13.37, Ps12.85 and Ps13.15 pesos per dollar for 2014, 2013 and 2012, respectively. When the amounts between parentheses are the peso and the dollar, the amounts were determined by translating the euro amount into dollars using the closing exchange rates at year-end and then translating the dollars into pesos as previously described.

All amounts disclosed in these notes to the financial statements, mainly in connection with tax or legal proceedings (notes 19D and 24), which are originated in jurisdictions which currencies are different to the dollar, are presented in dollar equivalents as of the closing of the most recent year presented. Consequently, without any change in the original currency, such dollar amounts will fluctuate over time due to changes in exchange rates.

Statements of operations

In the statements of operations, CEMEX includes the line item titled “Operating earnings before other expenses, net” considering that it is a relevant measure for CEMEX’s management as explained in note 4. Under IFRS, while there are line items that are customarily included in the statement of operations, such as net sales, operating costs and expenses and financial revenues and expenses, among others, the inclusion of certain subtotals such as “Operating earnings before other expenses, net” and the display of such statement of operations varies significantly by industry and company according to specific needs.

The line item “Other expenses, net” in the statements of operations consists primarily of revenues and expenses not directly related to CEMEX’s main activities, or which are of an unusual and/or non-recurring nature, including impairment losses of long-lived assets, results on disposal of assets and restructuring costs, among others (note 6).

Statements of other comprehensive loss

For the years ended December 31, 2014, 2013 and 2012, based on IAS 1, *Presentation of financial statements*, CEMEX presents line items for amounts of other comprehensive income (loss) in the period grouped into those that, in accordance with other IFRSs: a) will not be reclassified subsequently to profit or loss; and b) will be reclassified subsequently to profit or loss when specific conditions are met.

Statements of cash flows

The statements of cash flows present cash inflows and outflows, excluding unrealized foreign exchange effects, as well as the following transactions that did not represent sources or uses of cash:

- In 2014, the decrease in debt for Ps6,483, the decrease in other equity reserves for Ps601, the increase in common stock for Ps4 and the increase in additional paid-in capital for Ps8,037, in connection with several early conversions of the 4.875% Optional Convertible Subordinated Notes due 2015 (the “2015 Convertible Notes”) for a notional amount of approximately US\$511, incurred in different dates during the year, pursuant to which inducement premiums of approximately Ps828 were recognized as expense within the line item “Other financial income”, net (note 16B);

CEMEX, S.A.B. DE C.V. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements
As of December 31, 2014, 2013 and 2012
(Millions of Mexican pesos)

Statements of cash flows – continued

- In 2014, 2013 and 2012, the increases in common stock and additional paid-in capital associated with: (i) the capitalization of retained earnings for Ps7,618, Ps5,991 and Ps4,138, respectively (note 20A); and (ii) CPOs issued as part of the executive stock-based compensation for Ps765, Ps551 y Ps486, respectively (note 20A);
- In 2014, 2013 and 2012, the increases in property, plant and equipment for approximately Ps108, Ps141 and Ps2,025, respectively, a decrease in debt for approximately Ps827, a decrease of approximately Ps657, and an increase of approximately Ps1,401, respectively, associated with the negotiation of capital leases during the year (note 16B);
- In 2013, the increase in investments in associates for Ps712, related to CEMEX's joint arrangement in Concrete Supply Co., LLC. (note 13A). As part of the agreement CEMEX contributed cash of approximately US\$4 million;
- In 2013, the decrease in other non-current liabilities for approximately Ps4,325 before a deferred tax liability of approximately Ps1,298, as a result of the change in the functional currency at the Parent Company (note 16B);
- In 2012, the exchange of approximately US\$452 (48%) of CEMEX's then outstanding perpetual debentures and of approximately €470 (53%) of CEMEX's then outstanding Euro-denominated 4.75% notes due 2014, for new Euro-denominated notes for €179 and new Dollar-denominated notes for US\$704. These exchanges represented a net increase in debt of Ps4,111, a reduction in equity's non controlling interest of Ps5,808, and an increase in equity's controlling interest of Ps1,680.

2B) PRINCIPLES OF CONSOLIDATION

Pursuant to IFRS 10, *Consolidated financial statements*, the consolidated financial statements include those of CEMEX, S.A.B. de C.V. and those of the entities, including Special Purpose Entities ("SPEs"), in which the Parent Company exercises control, by means of which the Parent Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Among other factors, control is evidenced when the Parent Company: a) holds directly or through subsidiaries, more than 50% of an entity's common stock; b) has the power, directly or indirectly, to govern the administrative, financial and operating policies of an entity, or c) is the primary receptor of the risks and rewards of a SPE. Balances and operations between related parties are eliminated in consolidation.

Pursuant to IAS 28, *Investments in associates*, investments in associates are accounted for by the equity method when CEMEX has significant influence, which is generally presumed with a minimum equity interest of 20%, unless it is proven in unusual cases that CEMEX has significant influence with a lower percentage. The equity method reflects in the financial statements the investment's original cost and the proportional interest of the holding company in the associate's equity and earnings after acquisition, considering, if applicable, the effects of inflation. According to IFRS 11, *Joint arrangements*, the financial statements of joint ventures, are those joint arrangements in which CEMEX and other third-party investors have agreed to exercise joint control and have rights to the net assets of the arrangement, are recognized under the equity method, whereas, the financial statements of joint operations, in which the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities relating to the arrangement, are proportionally consolidated line-by-line. The equity method is discontinued when the carrying amount of the investment, including any long-term interest in the associate or joint venture, is reduced to zero, unless CEMEX has incurred or guaranteed additional obligations of the associate or joint venture.

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Principles of consolidation – continued

Other investments of a permanent nature where CEMEX holds equity interests of less than 20% and/or there is no significant influence are carried at their historical cost.

2C) USE OF ESTIMATES AND CRITICAL ASSUMPTIONS

The preparation of financial statements in accordance with IFRS principles requires management to make estimates and assumptions that affect reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of revenues and expenses during the period. These assumptions are reviewed on an ongoing basis using available information. Actual results could differ from these estimates.

The main items subject to estimates and assumptions by management include, among others, impairment tests of long-lived assets, allowances for doubtful accounts and obsolescence of inventories, recognition of deferred income tax assets, as well as the measurement of financial instruments at fair value, and the assets and liabilities related to employee benefits. Significant judgment is required by management to appropriately assess the amounts of these concepts.

2D) FOREIGN CURRENCY TRANSACTIONS AND TRANSLATION OF FOREIGN CURRENCY FINANCIAL STATEMENTS

According to IAS 21, *The effects of changes in foreign exchange rates* (“IAS 21”), transactions denominated in foreign currencies are recorded in the functional currency at the exchange rates prevailing on the dates of their execution. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rates prevailing at the balance sheet date, and the resulting foreign exchange fluctuations are recognized in earnings, except for exchange fluctuations arising from: 1) foreign currency indebtedness associated to the acquisition of foreign entities; and 2) fluctuations associated with related parties’ balances denominated in foreign currency, which settlement is neither planned nor likely to occur in the foreseeable future and as a result, such balances are of a permanent investment nature. These fluctuations are recorded against “Other equity reserves”, as part of the foreign currency translation adjustment (note 20B) until the disposal of the foreign net investment, at which time, the accumulated amount is recycled through the statement of operations as part of the gain or loss on disposal.

The financial statements of foreign subsidiaries, as determined using their respective functional currency, are translated to pesos at the closing exchange rate for balance sheet accounts and at the closing exchange rates of each month within the period for statements of operations accounts. The functional currency is that in which each consolidated entity primarily generates and expends cash. The corresponding translation effect is included within “Other equity reserves” and is presented in the statement of other comprehensive income (loss) for the period as part of the foreign currency translation adjustment (note 20B) until the disposal of the net investment in the foreign subsidiary.

Considering guidance in IAS 21, and changing circumstances on the net monetary position in foreign currencies of the Parent Company, resulting mainly from: a) a significant decrease in tax liabilities denominated in Mexican Pesos; b) a significant increase in its U.S. Dollar-denominated debt and other financial obligations; and c) the increase in U.S. Dollar-denominated intra-group administrative expenses associated with the externalization of major back office activities with IBM (note 23C); effective as of January 1, 2013, CEMEX, S.A.B. de C.V., on a

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Foreigncurrency transactions and translation of foreign currency financial statements – continued

stand-alone basis, prospectively changed its functional currency from the Mexican Peso to the U.S. Dollar. The main effects in the Parent Company's-only financial statements beginning on January 1, 2013, associated with the change in functional currency, as compared to prior years are: i) all transactions, revenues and expenses in any currency are recognized in U.S. Dollars at the exchange rates prevailing at their execution dates; ii) monetary balances of CEMEX, S.A.B. de C.V. denominated in U.S. Dollars will not generate foreign currency fluctuations, while monetary balances in Mexican Pesos and other non-U.S. Dollar-denominated balances will now generate foreign currency fluctuations through the statement of operations; and iii) the conversion option embedded in the Parent Company's mandatory convertible notes denominated in pesos are now treated as a stand-alone derivative instrument with changes in fair value through the statement of operations (notes 16B and 16D), the options embedded in the Parent Company's optional convertible notes denominated in dollars ceased to be treated as stand-alone derivatives, recognizing its fair value as an equity component (notes 16B and 16D). Based on IFRS, prior period financial statements were not restated.

During the reported periods, there were no subsidiaries whose functional currency was the currency of a hyperinflationary economy, which is generally considered to exist when the cumulative inflation rate over the last three years is approaching, or exceeds, 100%. In a hyperinflationary economy, the accounts of the subsidiary's statements of operations should be restated to constant amounts as of the reporting date, in which case, both the balance sheet accounts and the statements of operations accounts would be translated to pesos at the closing exchange rates of the year.

The most significant closing exchange rates and the approximate average exchange rates for balance sheet accounts and income statement accounts, as of December 31 2014, 2013 and 2012, were as follows:

Currency	2014		2013		2012	
	Closing	Average	Closing	Average	Closing	Average
Dollar	14.7400	13.3700	13.0500	12.8500	12.8500	13.1500
Euro	17.8386	17.6306	17.9554	17.1079	16.9615	16.9688
British Pound Sterling	22.9738	21.9931	21.6167	20.1106	20.8841	20.9373
Colombian Peso	0.0062	0.0066	0.0068	0.0068	0.0073	0.0073
Egyptian Pound	2.0584	1.8824	1.8750	1.8600	2.0233	2.1590
Philippine Peso	0.3296	0.3009	0.2940	0.3014	0.3130	0.3125

The financial statements of foreign subsidiaries are initially translated from their functional currencies into dollars and subsequently into pesos. Therefore, the foreign exchange rates presented in the table above between the functional currency and the peso represent the exchange rates resulting from this methodology. The peso to U.S. dollar exchange rate used by CEMEX is an average of free market rates available to settle its foreign currency transactions. No significant differences exist, in any case, between the foreign exchange rates used by CEMEX and those exchange rates published by the Mexican Central Bank.

2E) CASH AND CASH EQUIVALENTS (note 8)

The balance in this caption is comprised of available amounts of cash and cash equivalents, mainly represented by highly-liquid short-term investments, which are easily convertible into cash, and which are not subject to significant risks of changes in their values, including overnight investments, which yield fixed returns and have maturities of less than three months from the investment date. These fixed-income investments are recorded at

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cost plus accrued interest. Other investments which are easily convertible into cash are recorded at their market value. Gains or losses resulting from changes in market values and accrued interest are included in the statements of operations as part of “Other financial income (expense), net”.

The amount of cash and cash equivalents in the balance sheet includes restricted cash and investments, comprised of deposits in margin accounts that guarantee several of CEMEX’s obligations, to the extent that the restriction will be lifted in less than three months from the balance sheet date. When the restriction period is greater than three months, such restricted cash and investments are not considered cash equivalents and are included within short-term or long-term “Other accounts receivable,” as appropriate. When contracts contain provisions for net settlement, these restricted amounts of cash and investments are offset against the liabilities that CEMEX has with its counterparties.

2F) TRADE ACCOUNTS RECEIVABLE AND OTHER CURRENT ACCOUNTS RECEIVABLE (notes 9, 10)

According to IAS 39, *Financial instruments: recognition and measurement* (“IAS 39”), items under this caption are classified as “loans and receivables”, with no explicit cost, which are recorded at their amortized cost, which is represented by the net present value of the consideration receivable or payable as of the transaction date. Due to their short-term nature, CEMEX initially recognizes these receivables at the original invoiced amount less an estimate of doubtful accounts. Allowances for doubtful accounts as well as impairment of other current accounts receivable, are recognized against administrative and selling expenses.

Trade receivables sold under securitization programs, in which CEMEX maintains a residual interest in the trade accounts receivable sold in case of recovery failure, as well as continued involvement in such assets, do not qualify for derecognition and are maintained on the balance sheet.

2G) INVENTORIES (note 11)

Inventories are valued using the lower of cost and net realizable value. The cost of inventories includes expenditures incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. CEMEX analyzes its inventory balances to determine if, as a result of internal events, such as physical damage, or external events, such as technological changes or market conditions, certain portions of such balances have become obsolete or impaired. When an impairment situation arises, the inventory balance is adjusted to its net realizable value, whereas, if an obsolescence situation occurs, the inventory obsolescence reserve is increased. In both cases, these adjustments are recognized against the results for the period. Advances to suppliers of inventory are presented as part of other short-term accounts receivable.

2H) OTHER INVESTMENTS AND NON-CURRENT RECEIVABLES (note 13B)

As part of the category of “loans and receivables” under IAS 39, non-current accounts receivable, as well as investments classified as held to maturity are initially recognized at their amortized cost. Subsequent changes in net present value are recognized in the statements of operations as part of other financial income (expenses), net.

Investments in financial instruments held for trading, as well as those investments available for sale, classified under IAS 39, are recognized at their estimated fair value, in the first case through the statements of operations as

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part of other financial income (expenses), net, and in the second case, changes in valuation are recognized as part of other comprehensive income (loss) of the period within other equity reserves until their time of disposition, when all valuation effects accrued in equity are reclassified to other financial income (expenses), net in the statements of operations. These investments are tested for impairment upon the occurrence of a significant adverse change or at least once a year during the last quarter.

2I) PROPERTY, MACHINERY AND EQUIPMENT (note 14)

Property, machinery and equipment are recognized at their acquisition or construction cost, as applicable, less accumulated depreciation and accumulated impairment losses. Depreciation of fixed assets is recognized as part of cost and operating expenses (note 5), and is calculated using the straight-line method over the estimated useful lives of the assets, except for mineral reserves, which are depleted using the units-of-production method.

As of December 31, 2014, the maximum average useful lives by category of fixed assets were as follows:

	<u>Years</u>
Administrative buildings	34
Industrial buildings	33
Machinery and equipment in plant	18
Ready-mix trucks and motor vehicles	7
Office equipment and other assets	<u>6</u>

CEMEX capitalizes, as part of the related cost of fixed assets, interest expense from existing debt during the construction or installation period of significant fixed assets, considering CEMEX's corporate average interest rate and the average balance of investments in process for the period.

Based on IFRIC 20, *Stripping costs in the production phase of a surface mine* ("IFRIC 20"), all waste removal costs or stripping costs incurred in the operative phase of a surface mine that result in improved access to mineral reserves are recognized as part of the carrying amount of the related quarries. The capitalized amounts are further amortized over the expected useful life of exposed ore body based on the units of production method. Until December 31, 2012, only initial stripping costs were capitalized, while ongoing stripping costs in the same quarry were expensed as incurred, consequently, the consolidated statement of operations for the year ended December 31, 2012 included as part of these consolidated financial statements was restated as a result of the adoption of IFRIC 20. The effects were not significant.

Costs incurred in respect of operating fixed assets that result in future economic benefits, such as an extension in their useful lives, an increase in their production capacity or in safety, as well as those costs incurred to mitigate or prevent environmental damage, are capitalized as part of the carrying amount of the related assets. The capitalized costs are depreciated over the remaining useful lives of such fixed assets. Periodic maintenance on fixed assets is expensed as incurred. Advances to suppliers of fixed assets are presented as part of other long-term accounts receivable.

2J) BUSINESS COMBINATIONS, GOODWILL, OTHER INTANGIBLE ASSETS AND DEFERRED CHARGES (note 15)

Business combinations are recognized using the purchase method, by allocating the consideration transferred to assume control of the entity to all assets acquired and liabilities assumed, based on their estimated fair values as

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of the acquisition date. Intangible assets acquired are identified and recognized at fair value. Any unallocated portion of the purchase price represents goodwill, which is not amortized and is subject to periodic impairment tests (note 2K), can be adjusted for any correction to the preliminary assessment given to the assets acquired and/or liabilities assumed within the twelve-month period after purchase. Costs associated with the acquisition are expensed in the statements of operations as incurred.

CEMEX capitalizes intangible assets acquired, as well as costs incurred in the development of intangible assets, when future economic benefits associated with the assets are identified and there is evidence of control over such benefits. Intangible assets are presented at their acquisition or development cost. Such assets are classified as having a definite or indefinite life; the latter are not amortized since the period cannot be accurately established in which the benefits associated with such intangibles will terminate. Amortization of intangible assets of definite life is calculated under the straight-line method and recognized as part of costs and operating expenses (note 5).

Startup costs are recognized in the statements of operations as they are incurred. Costs associated with research and development activities (“R&D activities”), performed by CEMEX to create products and services, as well as to develop processes, equipment and methods to optimize operational efficiency and reduce costs, are recognized in the operating results as incurred. The Technology and Energy departments in CEMEX undertake all significant R&D activities as part of their daily activities. In 2014, 2013 and 2012, total combined expenses of these departments were approximately Ps538 (US\$36), Ps494 (US\$38) and Ps514 (US\$40), respectively. Development costs are capitalized only if they meet the definition of intangible asset mentioned above.

Direct costs incurred in the development stage of computer software for internal use are capitalized and amortized through the operating results over the useful life of the software, which on average is approximately 5 years.

Costs incurred in exploration activities such as payments for rights to explore, topographical and geological studies, as well as trenching, among other items incurred to assess the technical and commercial feasibility of extracting a mineral resource, which are not significant to CEMEX, are capitalized when future economic benefits associated with such activities are identified. When extraction begins, these costs are amortized during the useful life of the quarry based on the estimated tons of material to be extracted. When future economic benefits are not achieved, any capitalized costs are subject to impairment.

CEMEX’s extraction rights have maximum useful lives that range from 30 to 100 years, depending on the sector, and the expected life of the related reserves. As of December 31, 2014, except for extraction rights and/or as otherwise indicated, CEMEX’s intangible assets are amortized on a straight line basis over their useful lives that range on average from 3 to 20 years.

2K IMPAIRMENT OF LONG LIVED ASSETS (notes 14, 15)

Impairment of property, machinery and equipment, intangible assets of definite life and other investments

Property, machinery and equipment, intangible assets of definite life and other investments are tested for impairment upon the occurrence of factors such as the occurrence of a significant adverse event, changes in CEMEX’s operating environment, changes in projected use or in technology, as well as expectations of lower operating results for each cash generating unit, in order to determine whether their carrying amounts may not be recovered. In such cases, an impairment loss is recorded in the income statements for the period when such

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determination is made within “Other expenses, net.” The impairment loss of an asset results from the excess of the asset’s carrying amount over its recoverable amount, corresponding to the higher of the fair value of the asset, less costs to sell such asset, and the asset’s value in use, the latter represented by the net present value of estimated cash flows related to the use and eventual disposal of the asset.

Significant judgment by management is required to appropriately assess the fair values and values in use of these assets. The main assumptions utilized to develop these estimates are a discount rate that reflects the risk of the cash flows associated with the assets evaluated and the estimations of generation of future income. Those assumptions are evaluated for reasonableness by comparing such discount rates to available market information and by comparing to third-party expectations of industry growth, such as governmental agencies or industry chambers of commerce.

Goodwill

Goodwill is tested for impairment when required due to significant adverse changes or at least once a year, during the last quarter of such year, by determining the recoverable amount of the group of cash-generating units (“CGUs”) to which goodwill balances have been allocated, which consists of the higher of such group of CGUs fair value, less cost to sell and its value in use, represented by the discounted amount of estimated future cash flows to be generated by such CGUs to which goodwill has been allocated. Other intangible assets of indefinite life may be tested at the CGU or group of CGUs level, depending on their allocation. CEMEX determines discounted cash flows generally over periods of 5 years. In specific circumstances, when, according to CEMEX’s experience, actual results for a given cash-generating unit do not fairly reflect historical performance and most external economic variables provide the Company with confidence that a reasonably determinable improvement in the mid-term is expected in their operating results, management uses cash flow projections over a period of up to 10 years, to the extent CEMEX has detailed, explicit and reliable financial forecasts and is confident and can demonstrate its ability, based on past experience, to forecast cash flows accurately over that longer period. The number of additional periods above the standard period of 5 years of cash flow projections up to 10 years is determined by the extent to which future expected average performance resembles the historical average performance. If the value in use of a group of CGUs to which goodwill has been allocated is lower than its corresponding carrying amount, CEMEX determines the fair value of such group of CGUs using methodologies generally accepted in the market to determine the value of entities, such as multiples of Operating EBITDA and by reference to other market transactions, among others. An impairment loss is recognized within other expenses, net, if the recoverable amount is lower than the net book value of the group of CGUs to which goodwill has been allocated. Impairment charges recognized on goodwill are not reversed in subsequent periods.

The geographic operating segments reported by CEMEX (note 4), represent CEMEX’s groups of CGUs to which goodwill has been allocated for purposes of testing goodwill for impairment. In arriving at this conclusion, CEMEX considered: a) that after the acquisition, goodwill was allocated at the level of the geographic operating segment; b) that the operating components that comprise the reported segment have similar economic characteristics; c) that the reported segments are used by CEMEX to organize and evaluate its activities in its internal information system; d) the homogeneous nature of the items produced and traded in each operative component, which are all used by the construction industry; e) the vertical integration in the value chain of the products comprising each component; f) the type of clients, which are substantially similar in all components; g) the operative integration among components; and h) that the compensation system of a specific country is based

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on the consolidated results of the geographic segment and not on the particular results of the components. In addition, the country level represents the lowest level within CEMEX at which goodwill is monitored for internal management purposes.

Impairment tests are significantly sensitive to, among other factors, the estimation of future prices of CEMEX's products, the development of operating expenses, local and international economic trends in the construction industry, the long-term growth expectations in the different markets, as well as the discount rates and the growth rates in perpetuity applied. For purposes of estimating future prices, CEMEX uses, to the extent available, historical data plus the expected increase or decrease according to information issued by trusted external sources, such as national construction or cement producer chambers and/or in governmental economic expectations. Operating expenses are normally measured as a constant proportion of revenues, following past experience. However, such operating expenses are also reviewed considering external information sources in respect to inputs that behave according to international prices, such as gas and oil. CEMEX uses specific pre-tax discount rates for each group of CGUs to which goodwill is allocated, which are applied to discount pre-tax cash flows. The amounts of estimated undiscounted cash flows are significantly sensitive to the growth rate in perpetuity applied. Likewise, the amounts of discounted estimated future cash flows are significantly sensitive to the weighted average cost of capital (discount rate) applied. The higher the growth rate in perpetuity applied, the higher the amount of undiscounted future cash flows by group of CGUs obtained. Conversely, the higher the discount rate applied, the lower the amount of discounted estimated future cash flows by group of CGUs obtained.

2L) FINANCIAL LIABILITIES, DERIVATIVE FINANCIAL INSTRUMENTS AND FAIR VALUE MEASUREMENTS (note 16)

Debt

Bank loans and notes payable are recognized at their amortized cost. Interest accrued on financial instruments is recognized in the balance sheet within "Other accounts payable and accrued expenses" against financial expense. During the reported periods, CEMEX did not have financial liabilities voluntarily recognized at fair value or associated to fair value hedge strategies with derivative financial instruments. Direct costs incurred in debt issuances or borrowings, as well as debt refinancing or non-substantial modifications to debt agreements that did not represent an extinguishment of debt by considering: a) that the relevant economic terms of the new instrument are not substantially different to the replaced instrument; and b) the proportion in which the final holders of the new instrument are the same of the replaced instrument, adjust the carrying amount of related debt are amortized as interest expense as part of the effective interest rate of each transaction over its maturity. These costs include commissions and professional fees. Costs incurred in the extinguishment of debt, as well as debt refinancing or modifications to debt agreements when the new instrument is substantially different to the old instrument according to a qualitative and quantitative analysis, are recognized in the statements of operations within "Financial expense" as incurred.

Capital leases

Capital leases, in which CEMEX has substantially all risks and rewards associated with the ownership of an asset, are recognized as financing liabilities against a corresponding fixed asset for the lesser of the market value of the leased asset and the net present value of future minimum payments, using the contract's implicit interest rate to the extent available, or the incremental borrowing cost. Among other elements, the main factors that

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determine a capital lease are: a) if ownership title of the asset is transferred to CEMEX at the expiration of the contract; b) if CEMEX has a bargain purchase option to acquire the asset at the end of the lease term; c) if the lease term covers the majority of the useful life of the asset; and/or d) if the net present value of minimum payments represents substantially all the fair value of the related asset at the beginning of the lease.

Financial instruments with components of both liabilities and equity

Based on IAS 32, *Financial instruments: presentation* (“IAS 32”) and IAS 39, when a financial instrument contains components of both liability and equity, such as a note that at maturity is convertible into a fixed number of CEMEX’s shares and the currency in which the instrument is denominated is the same as the functional currency of the issuer, each component is recognized separately in the balance sheet according to the specific characteristics of each transaction. In the case of instruments mandatorily convertible into shares of the issuer, the liability component represents the net present value of interest payments on the principal amount using a market interest rate, without assuming any early conversion, and is recognized within “Other financial obligations,” whereas the equity component represents the difference between the principal amount and the liability component, and is recognized within “Other equity reserves” net of commissions. In the case of instruments that are optionally convertible into a fixed number of shares, the liability component represents the difference between the principal amount and the fair value of the conversion option premium, which reflects the equity component (note 2P). When the transaction is denominated in a currency different than the functional currency of the issuer, the conversion option is accounted for as a derivative financial instrument at fair value in the statements of operations.

Derivative financial instruments

CEMEX recognizes all derivative instruments as assets or liabilities in the balance sheet at their estimated fair values, and the changes in such fair values are recognized in the statements of operations within “Other financial expense, net” for the period in which they occur, except for changes in fair value of derivative instruments associated with cash flow hedges, in which case, such changes in fair value are recognized in stockholders’ equity, and are reclassified to earnings as the interest expense of the related debt is accrued, in the case of interest rate swaps, or when the underlying products are consumed in the case of contracts on the price of raw materials and commodities. Likewise, in hedges of the net investment in foreign subsidiaries, changes in fair value are recognized in stockholders’ equity as part of the foreign currency translation result (note 2D), which reversal to earnings would take place upon disposal of the foreign investment. During the reported periods, CEMEX has not designated any derivative instruments in fair value hedges. Derivative instruments are negotiated with institutions with significant financial capacity; therefore, CEMEX believes the risk of non-performance of the obligations agreed to by such counterparties to be minimal.

Accrued interest generated by interest rate derivative instruments, when applicable, is recognized as financial expense in the relevant period, adjusting the effective interest rate of the related debt.

CEMEX reviews its different contracts to identify the existence of embedded derivatives. Identified embedded derivatives are analyzed to determine if they need to be separated from the host contract and recognized in the balance sheet as assets or liabilities, applying the same valuation rules used for other derivative instruments.

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Put options granted for the purchase of non-controlling interests and associates

Represent agreements by means of which CEMEX commits to acquire, in case the counterparty exercises its right to sell at a future date at a predefined price formula or at fair market value, the shares of a non-controlling interest in a subsidiary of CEMEX or an associate. In respect of a put option granted for the purchase of a non-controlling interest in a CEMEX subsidiary, to the extent CEMEX should settle the obligation in cash or through the delivery of other financial asset CEMEX recognizes a liability for the net present value of the redemption amount as of the financial statements' date against the controlling interest within stockholders' equity. A liability is not recognized as a result of an option granted for the purchase of a non-controlling interest when the redemption amount is determined at fair market value at the exercise date and CEMEX has the election to settle using its own shares.

In respect of a put option granted for the purchase of an associate, CEMEX would recognize a liability against a loss in the statements of operations whenever the estimated purchase price exceeds the fair value of the net assets to be acquired by CEMEX, had the counterparty exercised its right to sell.

Fair value measurements

CEMEX applies the guidance of IFRS 13, *Fair value measurements* ("IFRS 13") for its fair value measurements of financial assets and financial liabilities recognized or disclosed at fair value. IFRS 13 does not require fair value measurements in addition to those already required or permitted by other IFRSs and is not intended to establish valuation standards or affect valuation practices outside financial reporting. Under IFRS 13, fair value represents an "Exit Value," which is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, considering the counterparty's credit risk in the valuation.

The concept of exit value is premised on the existence of a market and market participants for the specific asset or liability. When there is no market and/or market participants willing to make a market, IFRS 13 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy are as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that CEMEX has the ability to access at the measurement date. A quote price in an active market provides the most reliable evidence of fair value and is used without adjustment to measure fair value whenever available.
- Level 2 inputs are inputs other than quoted prices in active markets that are observable for the asset or liability, either directly or indirectly, and are used mainly to determine the fair value of securities, investments or loans that are not actively traded. Level 2 inputs included equity prices, certain interest rates and yield curves, implied volatility, credit spreads and other market corroborated inputs, including inputs extrapolated from other observable inputs. In the absence of Level 1 inputs CEMEX determined fair values by iteration of the applicable Level 2 inputs, the number of securities and/or the other relevant terms of the contract, as applicable.
- Level 3 inputs are unobservable inputs for the asset or liability. CEMEX used unobservable inputs to determine fair values, to the extent there are no Level 1 or Level 2 inputs, in valuation models such as Black-Scholes, binomial, discounted cash flows or multiples of Operative EBITDA, including risk assumptions consistent with what market participants would use to arrive at fair value.

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2M) PROVISIONS

CEMEX recognizes provisions when it has a legal or constructive obligation resulting from past events, whose resolution would imply cash outflows or the delivery of other resources owned by the Company. As of December 31, 2014 and 2013 some significant proceedings that gave rise to a portion of the carrying amount of CEMEX's other current and non-current liabilities and provisions are detailed in note 24A.

In May 2013, the IASB issued IFRIC 21, *Levies* ("IFRIC 21"), setting up guidance on the accounting for levies imposed by governments. IFRIC 21, which was effective January 1, 2014, clarifies, among other aspects, that the obligating event that gives rise to a liability to pay a levy is the activity that triggers the payment of the levy, as identified in the legislation, and that an entity does not have a constructive obligation to pay a levy that will be triggered by operating in a future period. CEMEX implemented IFRIC 21 as of January 1, 2014. Given that clear interpretive guidance on the application of IFRIC 21 is not yet available, the adoption of this standard required management to exercise judgment on the conclusion that the effects were not significant. As a result of this assessment it was also determined that the effects from judgments made in measuring the impact of this adoption may subsequently vary from conclusive interpretive guidance when it becomes available.

Restructuring (note 17)

CEMEX recognizes provisions for restructuring costs only when the restructuring plans have been properly finalized and authorized by management, and have been communicated to the third parties involved and/or affected by the restructuring prior to the balance sheet date. These provisions may include costs not associated with CEMEX's ongoing activities.

Asset retirement obligations (note 17)

Unavoidable obligations, legal or constructive, to restore operating sites upon retirement of long-lived assets at the end of their useful lives are measured at the net present value of estimated future cash flows to be incurred in the restoration process, and are initially recognized against the related assets' book value. The increase to the assets' book value is depreciated during its remaining useful life. The increase in the liability related to the passage of time is charged to the line item "Other financial expenses, net." Adjustments to the liability for changes in estimations are recognized against fixed assets, and depreciation is modified prospectively. These obligations are related mainly to future costs of demolition, cleaning and reforestation, so that quarries, maritime terminals and other production sites are left in acceptable condition at the end of their operation.

Costs related to remediation of the environment (notes 17 and 24)

Provisions associated with environmental damage represent the estimated future cost of remediation, which are recognized at their nominal value when the time schedule for the disbursement is not clear, or when the economic effect for the passage of time is not significant; otherwise, such provisions are recognized at their discounted values. Reimbursements from insurance companies are recognized as assets only when their recovery is practically certain. In that case, such reimbursement assets are not offset against the provision for remediation costs.

Contingencies and commitments (notes 23 and 24)

Obligations or losses related to contingencies are recognized as liabilities in the balance sheet when present obligations exist resulting from past events that are expected to result in an outflow of resources and the amount

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Contingencies and commitments – continued

can be measured reliably. Otherwise, a qualitative disclosure is included in the notes to the financial statements. The effects of long-term commitments established with third parties, such as supply contracts with suppliers or customers, are recognized in the financial statements on an incurred or accrued basis, after taking into consideration the substance of the agreements. Relevant commitments are disclosed in the notes to the financial statements. The Company does not recognize contingent revenues, income or assets, unless their realization is virtually certain.

2N) PENSIONS AND POSTRETIREMENT EMPLOYEE BENEFITS (note 18)

Defined contribution pension plans

The costs of defined contribution pension plans are recognized in the operating results as they are incurred. Liabilities arising from such plans are settled through cash transfers to the employees' retirement accounts, without generating future obligations.

Defined benefit pension plans, other postretirement benefits and termination benefits

Based on IAS 19, *Employee benefits* ("IAS19"), the costs associated with employees' benefits for: a) defined benefit pension plans; and b) other postretirement benefits, basically comprised of health care benefits, life insurance and seniority premiums, granted by CEMEX and/or pursuant to applicable law, are recognized as services are rendered, based on actuarial estimations of the benefits' present value with the advice of external actuaries. For certain pension plans, CEMEX has created irrevocable trust funds to cover future benefit payments ("plan assets"). These plan assets are valued at their estimated fair value at the balance sheet date. The actuarial assumptions and accounting policy consider: a) the use of nominal rates, b) a single rate is used for the determination of the expected return on plan assets and the discount of the benefits obligation to present value; c) a net interest is recognized on the net defined benefit liability (liability minus plan assets), and d) all actuarial gains and losses for the period, related to differences between the projected and real actuarial assumptions at the end of the period, as well as the difference between the expected and real return on plan assets, are recognized as part of "Other comprehensive income or loss" within stockholders' equity. Until December 31, 2012, the expected rates of return on plan assets were determined based on market prices prevailing on the calculation date, applicable to the period over which the obligation were expected to be settled. As a result of the adoption of amendments to IAS 19 on January 1, 2013, CEMEX restated its consolidated statement of operations for the year ended December 31, 2012. The effects were no significant.

The service cost, corresponding to the increase in the obligation for additional benefits earned by employees during the period, is recognized within operating costs and expenses. The net interest is recognized within "Other financial expenses, net."

The effects from modifications to the pension plans that affect the cost of past services are recognized within operating costs and expenses during the period in which such modifications become effective with respect to the employees or without delay if changes are effective immediately. Likewise, the effects from curtailments and/or settlements of obligations occurring during the period, associated with events that significantly reduce the cost of future services and/or reduce significantly the population subject to pension benefits, respectively, are recognized within operating costs and expenses.

Termination benefits, not associated with a restructuring event, which mainly represent severance payments by law, are recognized in the operating results for the period in which they are incurred.

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20) INCOME TAXES (note 19)

Based on IAS 12, *Income taxes* (“IAS 12”), the effects reflected in the statements of operations for income taxes include the amounts incurred during the period and the amounts of deferred income taxes, determined according to the income tax law applicable to each subsidiary. Consolidated deferred income taxes represent the addition of the amounts determined in each subsidiary by applying the enacted statutory income tax rate to the total temporary differences resulting from comparing the book and taxable values of assets and liabilities, considering tax loss carryforwards as well as other recoverable taxes and tax credits, to the extent that it is probable that future taxable profits will be available against which they can be utilized. The measurement of deferred income taxes reflects the tax consequences that follow the manner in which CEMEX expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred income taxes for the period represent the difference between balances of deferred income at the beginning and the end of the period. Deferred income tax assets and liabilities relating to different tax jurisdictions are not offset. According to IFRS, all items charged or credited directly in stockholders’ equity or as part of other comprehensive income or loss for the period are recognized net of their current and deferred income tax effects. The effect of a change in enacted statutory tax rates is recognized in the period in which the change is officially enacted.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is not considered probable that the related tax benefit will be realized. In conducting such assessment, CEMEX analyzes the aggregate amount of self-determined tax loss carryforwards included in its income tax returns in each country where CEMEX believes, based on available evidence, that the tax authorities would not reject such tax loss carryforwards; and the likelihood of the recoverability of such tax loss carryforwards prior to their expiration through an analysis of estimated future taxable income. If CEMEX believes that it is probable that the tax authorities would reject a self-determined deferred tax asset, it would decrease such asset. Likewise, if CEMEX believes that it would not be able to use a tax loss carryforward before its expiration or any other deferred tax asset, CEMEX would not recognize such deferred tax asset. Both situations would result in additional income tax expense for the period in which such determination is made. In order to determine whether it is probable that deferred tax assets will ultimately be realized, CEMEX takes into consideration all available positive and negative evidence, including factors such as market conditions, industry analysis, expansion plans, projected taxable income, carryforward periods, current tax structure, potential changes or adjustments in tax structure, tax planning strategies, future reversals of existing temporary differences, etc. Likewise, every reporting period, CEMEX analyzes its actual results versus the Company’s estimates, and adjusts, as necessary, its tax asset valuations. If actual results vary from CEMEX’s estimates, the deferred tax asset and/or valuations may be affected and necessary adjustments will be made based on relevant information. Any adjustments recorded will affect CEMEX’s statements of operations in such period.

The income tax effects from an uncertain tax position are recognized when it is more-likely-than-not that the position will be sustained based on its technical merits and assuming that the tax authorities will examine each position and have full knowledge of all relevant information, and they are measured using a cumulative probability model. Each position has been considered on its own, regardless of its relation to any other broader tax settlement. The more-likely-than-not threshold represents a positive assertion by management that CEMEX is entitled to the economic benefits of a tax position. If a tax position is not considered more-likely-than-not to be sustained, no benefits of the position are recognized. CEMEX’s policy is to recognize interest and penalties related to unrecognized tax benefits as part of the income tax in the consolidated statements of operations.

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2P) STOCKHOLDERS' EQUITY

Common stock and additional paid-in capital (note 20A)

These items represent the value of stockholders' contributions, and include increases related to the capitalization of retained earnings and the recognition of executive compensation programs in CEMEX's CPOs as well as decreases associated with the restitution of retained earnings.

Other equity reserves (note 20B)

This caption groups the cumulative effects of items and transactions that are, temporarily or permanently, recognized directly to stockholders' equity, and includes the elements presented in the statements of comprehensive income (loss). Comprehensive income (loss) for the period includes, in addition to net income (loss), certain changes in stockholders' equity during a period that do not result from investments by owners and distributions to owners. The most significant items within "Other equity reserves" during the reported periods are as follows:

Items of "Other equity reserves" included within other comprehensive loss:

- Currency translation effects from the translation of foreign subsidiaries' financial statements, net of: a) exchange results from foreign currency debt directly related to the acquisition of foreign subsidiaries; and b) exchange results from foreign currency related parties balances that are of a long-term investment nature (note 2D);
- The effective portion of the valuation and liquidation effects from derivative instruments under cash flow hedging relationships, which are recorded temporarily in stockholders' equity (note 2L);
- Changes in fair value during the tenure of available-for-sale investments until their disposal (note 2H); and
- Current and deferred income taxes during the period arising from items whose effects are directly recognized in stockholders' equity.

Items of "Other equity reserves" not included in comprehensive loss:

- Effects related to controlling stockholders' equity for changes or transactions affecting non-controlling interest stockholders in CEMEX's consolidated subsidiaries;
- Effects attributable to controlling stockholders' equity for financial instruments issued by consolidated subsidiaries that qualify for accounting purposes as equity instruments, such as the interest expense paid on perpetual debentures;
- The equity component determined upon issuance of convertible securities or upon classification, which are mandatorily or optionally convertible into shares of the Parent Company (note 16B) and that qualify under IFRS as instruments having components of liability and equity (note 2L). Upon conversion, this amount will be reclassified to common stock and additional paid-in capital; and
- The cancellation of the Parent Company's shares held by consolidated entities.

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Retained earnings (note 20C)

Retained earnings represent the cumulative net results of prior accounting periods, net of: a) dividends declared to stockholders; b) recapitalizations of retained earnings; c) the effects generated from initial adoption of IFRS as of January 1, 2010 according to IFRS 1; and d) when applicable, the restitution of retained earnings from other line items within stockholder's equity.

Non-controlling interest and perpetual debentures (note 20D)

This caption includes the share of non-controlling stockholders in the results and equity of consolidated subsidiaries. This caption also includes the nominal amount as of the balance sheet date of financial instruments (perpetual notes) issued by consolidated entities that qualify as equity instruments considering that there is: a) no contractual obligation to deliver cash or another financial asset; b) no predefined maturity date; and c) a unilateral option to defer interest payments or preferred dividends for indeterminate periods.

2Q) REVENUE RECOGNITION (note 3)

CEMEX's consolidated net sales represent the value, before tax on sales, of revenues originated by products and services sold by consolidated subsidiaries as a result of their ordinary activities, after the elimination of transactions between related parties, and are quantified at the fair value of the consideration received or receivable, decreased by any trade discounts or volume rebates granted to customers.

Revenue from the sale of goods and services is recognized when goods are delivered or services are rendered to customers, there is no condition or uncertainty implying a reversal thereof, and they have assumed the risk of loss. Revenue from trading activities, in which CEMEX acquires finished goods from a third party and subsequently sells the goods to another third-party, are recognized on a gross basis, considering that CEMEX assumes the total risk on the goods purchased, not acting as agent or broker.

Revenue and costs associated with construction contracts are recognized in the period in which the work is performed by reference to the percentage or stage of completion of the contract at the end of the period, considering that the following have been defined: a) each party's enforceable rights regarding the asset to be constructed; b) the consideration to be exchanged; c) the manner and terms of settlement; d) actual costs incurred and contract costs required to complete the asset are effectively controlled; and e) it is probable that the economic benefits associated with the contract will flow to the entity.

The percentage of completion of construction contracts represents the proportion that contract costs incurred for work performed to date bear to the estimated total contract costs or the surveys of work performed or the physical proportion of the contract work completed, whichever better reflects the percentage of completion under the specific circumstances. Progress payments and advances received from customers do not reflect the work performed and are recognized as a short or long term advanced payments, as appropriate.

2R) COST OF SALES, ADMINISTRATIVE AND SELLING EXPENSES AND DISTRIBUTION EXPENSES

Cost of sales represents the production cost of inventories at the moment of sale. Such cost of sales includes depreciation, amortization and depletion of assets involved in production and expenses related to storage in production plants. Cost of sales excludes expenses related to personnel, equipment and services involved in sale

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Cost of sales, administrative and selling expenses and distribution expenses – continued

activities and storage of product at points of sales, which are included as part of the administrative and selling expenses. Cost of sales includes freight expenses of raw material in plants and delivery expenses of CEMEX's ready-mix concrete business, but excludes freight expenses of finished products between plants and points of sale and freight expenses between points of sales and the customers' facilities, which are included as part of the distribution expenses line item. For the years ended December 31, 2014, 2013 and 2012, selling expenses included as part of the selling and administrative expenses line item amounted to Ps6,218, Ps8,120 and Ps7,946, respectively.

2S) EXECUTIVE STOCK-BASED COMPENSATION (note 21)

Based on IFRS 2, *Share-based payments* ("IFRS 2"), stock awards based on shares of the Parent Company and/or a subsidiary granted to executives are defined as equity instruments when services received from employees are settled by delivering CEMEX's shares; or as liability instruments when CEMEX commits to make cash payments to the executives on the exercise date of the awards based on changes in CEMEX's own stock (intrinsic value). The cost of equity instruments represents their estimated fair value at the date of grant and is recognized in the statements of operations during the period in which the exercise rights of the employees become vested. In respect of liability instruments, these instruments are valued at their estimated fair value at each reporting date, recognizing the changes in fair value through the operating results. CEMEX determines the estimated fair value of options using the binomial financial option-pricing model.

2T) EMISSION RIGHTS

In some of the countries where CEMEX operates, such as EU countries, governments have established mechanisms aimed at reducing carbon dioxide emissions ("CO₂") by means of which industries releasing CO₂ must submit to the environmental authorities at the end of a compliance period emission rights for a volume equivalent to the tons of CO₂ released. Since the mechanism for emissions reduction in the EU has been in operation, a certain number of emission rights based on historical levels have been granted by the relevant environmental authorities to the different industries free of cost. Therefore, companies have to buy additional emission rights to meet deficits between actual CO₂ emissions during the compliance period and emission rights actually held, or they can dispose of any surplus of emission rights in the market. In addition, the United Nations Framework Convention on Climate Change ("UNFCCC") grants Certified Emission Reductions ("CERs") to qualified CO₂ emission reduction projects. CERs may be used in specified proportions to settle emission rights obligations in the EU. CEMEX actively participates in the development of projects aimed to reduce CO₂ emissions. Some of these projects have been awarded with CERs.

CEMEX does not maintain emission rights, CERs and/or enter into forward transactions with trading purposes. In the absence of an IFRS that defines an accounting treatment for these schemes, CEMEX accounts for the effects associated with CO₂ emission reduction mechanisms as follows:

- Emission rights granted by governments are not recognized in the balance sheet considering that their cost is zero.
- Revenues from the sale of any surplus of emission rights are recognized by decreasing cost of sales; in the case of forward sale transactions, revenues are recognized upon physical delivery of the emission certificates.
- Emission rights and/or CERs acquired to hedge current CO₂ emissions are recognized as intangible assets at cost, and are further amortized to cost of sales during the compliance period. In the case of forward purchases, assets are recognized upon physical reception of the emission certificates.

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Emission rights – continued

- CEMEX accrues a provision against cost of sales when the estimated annual emissions of CO² are expected to exceed the number of emission rights, net of any benefit obtained through swap transactions of emission rights for CERs.
- CERs received from the UNFCCC are recognized as intangible assets at their development cost, which are attributable mainly to legal expenses incurred in the process of obtaining such CERs.

The combined effect of the use of alternate fuels that help reduce the emission of CO², and the downturn in produced cement volumes in the EU, generated a surplus of emission rights held over the estimated CO² emissions in the recent years. During 2014, 2013 and 2012, there were no sales of emission rights to third parties.

2U) CONCENTRATION OF CREDIT

CEMEX sells its products primarily to distributors in the construction industry, with no specific geographic concentration within the countries in which CEMEX operates. As of and for the years ended December 31, 2014, 2013 and 2012, no single customer individually accounted for a significant amount of the reported amounts of sales or in the balances of trade receivables. In addition, there is no significant concentration of a specific supplier relating to the purchase of raw materials.

2V) NEWLY ISSUED IFRS NOT YET ADOPTED

There are a number of IFRS issued as of the date of issuance of these financial statements but which have not yet been adopted, which are listed below. Except as otherwise indicated, CEMEX expects to adopt these IFRS when they become effective.

- IFRS 9, *Financial instruments: classification and measurement* (“IFRS 9”). Phase 1: during 2009 and 2010, the IASB issued the chapters of IFRS 9 relating to the classification and measurement of financial assets and liabilities, and incorporated limited amendments in July 2014 for the classification and measurement of financial assets. Phase 2: in July 2014, the IASB added to IFRS 9 the impairment requirements related to the accounting for expected credit losses on an entity’s financial assets and commitments to extend credits. Phase 3: in November 2013, the IASB added to IFRS 9 the requirements related to hedge accounting. As intended by the IASB, IFRS 9 will replace IAS 39 in its entirety. IFRS 9 requires an entity to recognize a financial asset or a financial liability in its statement of financial position when, and only when, the entity becomes party to the contractual provisions of the instrument. At initial recognition, an entity shall measure a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability, and includes a category of financial assets at fair value through other comprehensive income for simple debt instruments. In respect to impairment requirements, IFRS 9 eliminates the threshold set forth in IAS 39 for the recognition of credit losses. Under the impairment approach in IFRS 9 it is no longer necessary for a credit event to have occurred before credit losses are recognized, instead, an entity always accounts for expected credit losses, and changes in those expected losses through profit or loss. In respect to hedging activities, the requirements of IFRS 9 align hedge accounting more closely with an entity’s risk management through a principles-based approach. Nonetheless, the IASB provided entities with an accounting policy choice between applying the hedge accounting requirements of IFRS 9 or continuing to apply the existing hedge accounting requirements in IAS 39 until the IASB completes its project on the accounting for macro hedging. IFRS 9 is effective for annual periods beginning on or after January 1, 2018, with early adoption permitted. If an entity elects to

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Newly issued IFRS not yet adopted – continued

apply IFRS 9 early, it must apply all of the requirements in this standard at the same time. CEMEX is currently evaluating the impact that IFRS 9 will have on the classification and measurement of its financial assets and financial liabilities, impairment of financial assets and hedging activities. Preliminarily, CEMEX does not expect a significant effect. Nonetheless, CEMEX is not considering an early application of IFRS 9.

- In May 2014, the IASB issued IFRS 15, *Revenue from contracts with customers* (“IFRS 15”). The core principle of IFRS 15 is that an entity recognizes revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services, following a five step model: Step 1: Identify the contract(s) with a customer, which is an agreement between two or more parties that creates enforceable rights and obligations; Step 2: Identify the performance obligations in the contract, considering that if a contract includes promises to transfer distinct goods or services to a customer, the promises are performance obligations and are accounted for separately; Step 3: Determine the transaction price, which is the amount of consideration in a contract to which an entity expects to be entitled in exchange for transferring promised goods or services to a customer; Step 4: Allocate the transaction price to the performance obligations in the contract, on the basis of the relative stand-alone selling prices of each distinct good or service promised in the contract; and Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation, by transferring a promised good or service to a customer (which is when the customer obtains control of that good or service). A performance obligation may be satisfied at a point in time (typically for promises to transfer goods to a customer) or over time (typically for promises to transfer services to a customer). IFRS 15 also includes disclosure requirements that would provide users of financial statements with comprehensive information about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity’s contracts with customers. IFRS 15 will supersede all existing guidance on revenue recognition. IFRS 15 is effective for annual periods beginning on or after January 1, 2017, with early adoption permitted considering certain additional disclosure requirements. CEMEX is currently evaluating the impact that IFRS 15 will have on the recognition of revenue from its contracts with customers. Preliminarily, CEMEX does not expect a significant effect. Nonetheless, CEMEX is not considering an early application of IFRS 15.

3) REVENUES AND CONSTRUCTION CONTRACTS

For the years ended December 31, 2014, 2013 and 2012, net sales, after sales and eliminations between related parties resulting from consolidation, were as follows:

		2014	2013	2012
From the sale of goods associated to CEMEX’s main activities ¹	Ps	202,529	187,335	189,219
From the sale of services ²		2,618	2,523	2,574
From the sale of other goods and services ³		4,876	5,803	5,243
	Ps	<u>210,023</u>	<u>195,661</u>	<u>197,036</u>

¹ Includes in each period those revenues generated under construction contracts that are presented in the table below.

² Refers mainly to revenues generated by Neoris N.V., a subsidiary involved in providing information technology solutions and services.

³ Refers mainly to revenues generated by subsidiaries not individually significant operating in different lines of business.

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Revenues and construction contracts – continued

For the years ended December 31, 2014, 2013 and 2012, revenues and costs related to construction contracts in progress were as follows:

		Recognized to date ¹	2014	2013	2012
Revenue from construction contracts included in consolidated net sales ²	Ps	4,026	328	1,319	180
Costs incurred in construction contracts included in consolidated cost of sales ³		<u>(2,986)</u>	<u>(291)</u>	<u>(1,144)</u>	<u>(80)</u>
Construction contracts operating profit	Ps	<u>1,040</u>	<u>37</u>	<u>175</u>	<u>100</u>

- 1 Revenues and costs recognized from inception of the contracts until December 31, 2014 in connection with those projects still in progress.
- 2 Revenues from construction contracts during 2014, 2013 and 2012, determined under the percentage of completion method, were mainly obtained in Mexico and Colombia.
- 3 Refers to actual costs incurred during the periods. The oldest contract in progress as of December 31, 2014 started in 2010.

As of December 31, 2014 and 2013, amounts receivable for progress billings to customers of construction contracts and/or advances received by CEMEX from these customers were not significant.

4) SELECTED FINANCIAL INFORMATION BY GEOGRAPHIC OPERATING SEGMENT

CEMEX applies IFRS 8, *Operating Segments* (“IFRS 8”), for the disclosure of its operating segments, which are defined as the components of an entity that engage in business activities from which they may earn revenues and incur expenses, whose operating results are regularly reviewed by the entity’s top management to make decisions about resources to be allocated to the segments and assess their performance, and for which discrete financial information is available.

CEMEX’s main activities are oriented to the construction industry segment through the production, distribution, marketing and sale of cement, ready-mix concrete, aggregates and other construction materials. CEMEX operates geographically on a regional basis. Beginning in April 2011, CEMEX’s operations were reorganized into six geographical regions, each under the supervision of a regional president: 1) Mexico, 2) United States, 3) Northern Europe, 4) Mediterranean, 5) South America and the Caribbean (“SAC”), and 6) Asia. Each regional president supervises and is responsible for all the business activities in the countries comprising the region. These activities refer to the production, distribution, marketing and sale of cement, ready-mix concrete, aggregates and other construction materials, the allocation of resources and the review of their performance and operating results. All regional presidents report directly to CEMEX’s Chief Executive Officer. The country manager, who is one level below the regional president in the organizational structure, reports the performance and operating results of its country to the regional president, including all the operating sectors. CEMEX’s top management internally evaluates the results and performance of each country and region for decision-making purposes and allocation of resources, following a vertical integration approach considering: a) that the operating components that comprise the reported segment have similar economic characteristics; b) that the reported segments are used by CEMEX to organize and evaluate its activities in its internal information system; c) the homogeneous nature of the items produced and traded in each operative component, which are all used by the construction industry; d) the vertical integration in the value chain of the products comprising each component; e) the type of clients,

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Selected financial information by geographic operating segment – continued

which are substantially similar in all components; f) the operative integration among components; and g) that the compensation system of a specific country is based on the consolidated results of the geographic segment and not on the particular results of the components. In accordance with this approach, in CEMEX's daily operations, management allocates economic resources and evaluates operating results on a country basis rather than on an operating component basis.

Based on IFRS 8 and considering the financial information that is regularly reviewed by CEMEX's top management, each of the six geographic regions in which CEMEX operates and the countries that comprise such regions represent reportable operating segments. However, for disclosure purposes in the notes to the financial statements, considering similar regional and economic characteristics and/or the fact that certain countries do not exceed the materiality thresholds included in IFRS 8 to be reported separately, such countries have been aggregated and presented as single line items as follows: a) "Rest of Northern Europe" is mainly comprised of CEMEX's operations in Ireland, the Czech Republic, Austria, Poland, Hungary and Latvia, as well as trading activities in Scandinavia and Finland; b) "Rest of Mediterranean" is mainly comprised of CEMEX's operations in Croatia, the United Arab Emirates and Israel; c) "Rest of South America and the Caribbean" or "Rest of SAC" is mainly comprised of CEMEX's operations in Costa Rica, Panama, Puerto Rico, the Dominican Republic, Nicaragua, Jamaica and other countries in the Caribbean, Guatemala, and small ready-mix concrete operations in Argentina; and d) "Rest of Asia" is mainly comprised of CEMEX's operations in Thailand, Bangladesh, China and Malaysia. The segment "Others" refers to: 1) cement trade maritime operations, 2) Neoris N.V., CEMEX's subsidiary involved in the development of information technology solutions, 3) the Parent Company and other corporate entities, and 4) other minor subsidiaries with different lines of business.

The main indicator used by CEMEX's management to evaluate the performance of each country is "Operating EBITDA" representing operating earnings before other expenses, net, plus depreciation and amortization, considering that such amount represents a relevant measure for CEMEX's management as an indicator of the ability to internally fund capital expenditures, as well as a widely accepted financial indicator to measure CEMEX's ability to service or incur debt (note 16). Operating EBITDA should not be considered as an indicator of CEMEX's financial performance, as an alternative to cash flow, as a measure of liquidity, or as being comparable to other similarly titled measures of other companies. This indicator, which is presented in the selected financial information by geographic operating segment, is consistent with the information used by CEMEX's management for decision-making purposes. The accounting policies applied to determine the financial information by geographic operating segment are consistent with those described in note 2. CEMEX recognizes sales and other transactions between related parties based on market values.

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		Net sales (including related parties)	Less: Related parties	Net sales	Operating EBITDA	Less: depreciation and amortization	Operating earnings before other expenses, net	Other expenses, net	Financial expense	Other financing items, net
2014										
Mexico	Ps	51,411	(10,142)	41,269	13,480	2,420	11,060	734	(262)	481
United States		49,127	(32)	49,095	5,337	5,718	(381)	(346)	(417)	(122)
Northern Europe										
United Kingdom		17,071	—	17,071	1,672	1,004	668	1,062	(33)	(378)
Germany		14,138	(1,247)	12,891	869	625	244	(797)	(29)	(122)
France		12,914	—	12,914	852	516	336	(94)	(72)	(4)
Rest of Northern Europe		12,936	(957)	11,979	1,348	897	451	(356)	(31)	(90)
Mediterranean										
Spain		4,717	(559)	4,158	363	571	(208)	(2,107)	(29)	(4)
Egypt		7,123	(12)	7,111	2,664	474	2,190	(209)	(28)	15
Rest of Mediterranean		10,294	(94)	10,200	1,344	285	1,059	(73)	(26)	(13)
South America and the Caribbean										
Colombia		13,242	(1)	13,241	4,838	476	4,362	52	(90)	(353)
Rest of SAC		16,292	(1,865)	14,427	4,767	688	4,079	(101)	(44)	9
Asia										
Philippines		5,912	(2)	5,910	1,374	338	1,036	40	(5)	(8)
Rest of Asia		2,263	—	2,263	170	71	99	(174)	(6)	36
Others		13,532	(6,038)	7,494	(2,438)	374	(2,812)	(2,759)	(20,432)	3,048
Total	Ps	<u>230,972</u>	<u>(20,949)</u>	<u>210,023</u>	<u>36,640</u>	<u>14,457</u>	<u>22,183</u>	<u>(5,128)</u>	<u>(21,504)</u>	<u>2,495</u>

		Net sales (including related parties)	Less: Related parties	Net sales	Operating EBITDA	Less: depreciation and amortization	Operating earnings before other expenses, net	Other expenses, net	Financial expense	Other financing items, net
2013										
Mexico	Ps	40,932	(1,507)	39,425	12,740	2,493	10,247	(721)	(337)	206
United States		42,582	(128)	42,454	2,979	5,885	(2,906)	(359)	(501)	(129)
Northern Europe										
United Kingdom		14,368	—	14,368	1,005	882	123	(258)	(113)	(220)
Germany		13,715	(976)	12,739	826	643	183	(80)	(11)	(125)
France		13,393	—	13,393	1,274	532	742	(160)	(61)	(22)
Rest of Northern Europe		12,250	(822)	11,428	1,310	889	421	(115)	(13)	(141)
Mediterranean										
Spain		3,856	(203)	3,653	360	629	(269)	(1,439)	(55)	11
Egypt		6,162	3	6,165	2,373	462	1,911	(144)	(15)	55
Rest of Mediterranean		9,517	(91)	9,426	1,334	225	1,109	(12)	(49)	30
South America and the Caribbean										
Colombia		13,203	—	13,203	5,449	485	4,964	(87)	(177)	(183)
Rest of SAC		15,527	(1,843)	13,684	4,518	675	3,843	(345)	(49)	(11)
Asia										
Philippines		5,067	—	5,067	1,173	320	853	12	(3)	38
Rest of Asia		2,330	—	2,330	153	80	73	57	(12)	29
Others		16,604	(8,278)	8,326	(1,531)	259	(1,790)	(1,252)	(18,541)	2,168
Total	Ps	<u>209,506</u>	<u>(13,845)</u>	<u>195,661</u>	<u>33,963</u>	<u>14,459</u>	<u>19,504</u>	<u>(4,903)</u>	<u>(19,937)</u>	<u>1,706</u>

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		Net sales (including related parties)	Less: Related parties	Net sales	Operating EBITDA	Less: depreciation and amortization	Operating earnings before other expenses, net	Other expenses, net	Financial expense	Other financing items, net
2012										
Mexico	Ps	44,412	(1,425)	42,987	16,048	2,645	13,403	(94)	(438)	(84)
United States		40,319	(122)	40,197	405	6,464	(6,059)	(967)	(617)	(159)
Northern Europe										
United Kingdom		14,620	—	14,620	1,910	996	914	(297)	(244)	(701)
Germany		14,406	(953)	13,453	704	1,015	(311)	(258)	(18)	(170)
France		13,324	—	13,324	1,340	581	759	(156)	(68)	13
Rest of Northern Europe		12,778	(806)	11,972	1,797	918	879	440	(119)	56
Mediterranean										
Spain		4,841	(155)	4,686	1,349	690	659	(1,443)	(111)	944
Egypt		6,382	(190)	6,192	2,473	556	1,917	(203)	(9)	82
Rest of Mediterranean		8,160	(37)	8,123	1,069	307	762	(112)	(47)	(91)
South America and the Caribbean										
Colombia		11,932	—	11,932	4,905	396	4,509	31	(139)	348
Rest of SAC		16,450	(1,851)	14,599	4,417	761	3,656	(70)	(62)	5
Asia										
Philippines		4,704	—	4,704	901	305	596	27	(3)	(11)
Rest of Asia		2,430	—	2,430	110	75	35	13	(13)	—
Others		15,154	(7,337)	7,817	(2,922)	1,796	(4,718)	(2,401)	(16,623)	745
Total	Ps	<u>209,912</u>	<u>(12,876)</u>	<u>197,036</u>	<u>34,506</u>	<u>17,505</u>	<u>17,001</u>	<u>(5,490)</u>	<u>(18,511)</u>	<u>977</u>

The information of equity in income of associates by geographic Operating segment for the years ended December 31, 2014, 2013 and 2012 is included in the note 13A.

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Selected information of the consolidated statements of operations by geographic operating segment – continued

As of December 31, 2014 and 2013, selected balance sheet information by geographic segment was as follows:

2014		Investments in associates	Other segment Assets	Total assets	Total liabilities	Net assets by segment	Additions to fixed assets ¹
Mexico	Ps	855	75,739	76,594	17,367	59,227	1,177
United States		1,007	228,068	229,075	15,420	213,655	2,738
Northern Europe							
United Kingdom		104	29,780	29,884	16,736	13,148	626
Germany		61	12,383	12,444	7,683	4,761	389
France		544	14,019	14,563	5,960	8,603	362
Rest of Northern Europe		73	16,791	16,864	4,541	12,323	353
Mediterranean							
Spain		77	21,343	21,420	2,583	18,837	166
Egypt		—	7,914	7,914	4,182	3,732	418
Rest of Mediterranean		5	11,364	11,369	4,518	6,851	289
South America and the Caribbean							
Colombia		—	15,949	15,949	9,447	6,502	1,378
Rest of South America and the Caribbean		24	18,341	18,365	3,361	15,004	766
Asia							
Philippines		3	9,567	9,570	1,931	7,639	705
Rest of Asia		—	1,871	1,871	751	1,120	49
Others		<u>6,807</u>	<u>42,272</u>	<u>49,079</u>	<u>272,310</u>	<u>(223,231)</u>	<u>70</u>
Total	Ps	<u>9,560</u>	<u>505,401</u>	<u>514,961</u>	<u>366,790</u>	<u>148,171</u>	<u>9,486</u>
2013							
Mexico	Ps	821	75,948	76,769	16,230	60,539	1,182
United States		920	205,487	206,407	11,259	195,148	2,237
Northern Europe							
United Kingdom		190	28,512	28,702	12,710	15,992	567
Germany		59	12,845	12,904	6,891	6,013	556
France		539	14,629	15,168	4,839	10,329	482
Rest of Northern Europe		74	18,089	18,163	4,400	13,763	505
Mediterranean							
Spain		15	23,362	23,377	2,539	20,838	151
Egypt		—	7,498	7,498	3,402	4,096	314
Rest of Mediterranean		6	10,646	10,652	3,711	6,941	299
South America and the Caribbean							
Colombia		—	17,285	17,285	9,948	7,337	934
Rest of South America and the Caribbean		24	16,681	16,705	3,233	13,472	594
Asia							
Philippines		3	7,716	7,719	1,296	6,423	451
Rest of Asia		—	2,116	2,116	711	1,405	74
Others		<u>6,371</u>	<u>46,294</u>	<u>52,665</u>	<u>266,643</u>	<u>(213,978)</u>	<u>63</u>
Total	Ps	<u>9,022</u>	<u>487,108</u>	<u>496,130</u>	<u>347,812</u>	<u>148,318</u>	<u>8,409</u>

¹ In 2014 and 2013, the total “Additions to fixed assets “includes capital expenditures of approximately Ps8,866 and Ps7,769, respectively (note 14).

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Total consolidated liabilities as of December 31, 2014 and 2013 included debt of Ps205,834 and Ps190,980, respectively. Of such balances, as of December 31, 2014 and 2013, 59% and 49% was in the Parent Company, 8% and 17% was in Spain, 32% and 32% was in finance subsidiaries in the Netherlands, Luxembourg and the United States, and 1% and 2% was in other countries, respectively. As mentioned above, the Parent Company and the finance subsidiaries mentioned above are included within the segment "Others".

Net sales by product and geographic segment for the years ended December 31, 2014, 2013 and 2012 were as follows:

2014		Cement	Concrete	Aggregates	Others	Eliminations	Net sales
Mexico	Ps	27,667	12,855	2,963	9,056	(11,272)	41,269
United States		17,937	21,490	9,886	12,294	(12,512)	49,095
Northern Europe							
United Kingdom		3,824	6,666	6,128	7,929	(7,476)	17,071
Germany		4,883	6,600	4,042	2,434	(5,068)	12,891
France		—	10,826	4,585	215	(2,712)	12,914
Rest of Northern Europe		5,305	5,753	2,427	893	(2,399)	11,979
Mediterranean							
Spain		3,856	783	168	359	(1,008)	4,158
Egypt		6,402	542	19	318	(170)	7,111
Rest of Mediterranean		2,289	7,082	1,755	996	(1,922)	10,200
South America and the Caribbean							
Colombia		9,544	4,964	1,547	770	(3,584)	13,241
Rest of South America and the Caribbean		13,123	3,417	712	690	(3,515)	14,427
Asia							
Philippines		5,849	48	—	27	(14)	5,910
Rest of Asia		998	1,099	94	102	(30)	2,263
Others		—	—	—	11,605	(4,111)	7,494
Total	Ps	<u>101,677</u>	<u>82,125</u>	<u>34,326</u>	<u>47,688</u>	<u>(55,793)</u>	<u>210,023</u>
2013							
Mexico	Ps	26,497	12,228	2,580	9,924	(11,804)	39,425
United States		15,296	18,589	8,764	10,793	(10,988)	42,454
Northern Europe							
United Kingdom		3,387	5,699	4,856	6,952	(6,526)	14,368
Germany		4,460	6,386	3,972	2,524	(4,603)	12,739
France		—	11,244	4,378	189	(2,418)	13,393
Rest of Northern Europe		5,377	5,775	2,186	619	(2,529)	11,428
Mediterranean							
Spain		3,057	678	174	368	(624)	3,653
Egypt		5,718	403	18	128	(102)	6,165
Rest of Mediterranean		2,122	6,214	1,438	911	(1,259)	9,426
South America and the Caribbean							
Colombia		8,847	4,474	1,358	630	(2,106)	13,203
Rest of South America and the Caribbean		12,677	3,240	651	552	(3,436)	13,684
Asia							
Philippines		5,040	10	—	23	(6)	5,067
Rest of Asia		977	1,166	143	101	(57)	2,330
Others		—	—	—	16,605	(8,279)	8,326
Total	Ps	<u>93,455</u>	<u>76,106</u>	<u>30,518</u>	<u>50,319</u>	<u>(54,737)</u>	<u>195,661</u>

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Net sales by product and geographic segment – continued

2012		Cement	Concrete	Aggregates	Others	Eliminations	Net sales
Mexico	Ps	29,229	12,927	2,478	10,090	(11,737)	42,987
United States		14,372	16,653	8,215	11,204	(10,247)	40,197
Northern Europe							
United Kingdom		3,404	5,628	5,064	7,345	(6,821)	14,620
Germany		4,546	6,264	3,882	3,283	(4,522)	13,453
France		—	11,181	4,112	312	(2,281)	13,324
Rest of Northern Europe		5,103	6,066	2,155	892	(2,244)	11,972
Mediterranean							
Spain		3,829	965	316	397	(821)	4,686
Egypt		5,461	463	24	525	(281)	6,192
Rest of Mediterranean		1,910	5,130	1,187	1,018	(1,122)	8,123
South America and the Caribbean							
Colombia		8,911	4,102	1,351	897	(3,329)	11,932
Rest of South America and the Caribbean		12,832	3,337	619	703	(2,892)	14,599
Asia							
Philippines		4,702	—	1	2	(1)	4,704
Rest of Asia		954	1,320	102	92	(38)	2,430
Others		—	—	—	15,153	(7,336)	7,817
Total	Ps	<u>95,253</u>	<u>74,036</u>	<u>29,506</u>	<u>51,913</u>	<u>(53,672)</u>	<u>197,036</u>

5) DEPRECIATION AND AMORTIZATION

Depreciation and amortization recognized during 2014, 2013 and 2012 is detailed as follows:

		2014	2013	2012
Depreciation and amortization expense related to assets used in the production process	Ps	12,912	13,048	14,182
Depreciation and amortization expense related to assets used in administrative and selling activities		1,545	1,411	3,323
	Ps	<u>14,457</u>	<u>14,459</u>	<u>17,505</u>

6) OTHER EXPENSES, NET

“Other expenses, net” in 2014, 2013 and 2012, consisted of the following:

		2014	2013	2012
Impairment losses and effects from assets held for sale (notes 11, 12, 13B, 14 and 15) ¹	Ps	(3,867)	(1,591)	(1,661)
Restructuring costs ²		(546)	(963)	(3,079)
Charitable contributions		(18)	(25)	(100)
Results from the sale of assets and others, net		(697)	(2,324)	(650)
	Ps	<u>(5,128)</u>	<u>(4,903)</u>	<u>(5,490)</u>

¹ In 2014, includes impairment losses on inventory of Ps292, as well as aggregate impairment losses from assets reclassified to held for sale for approximately Ps2,392, both in connection with the projected sale transactions in the western region of Germany and in Andorra, Spain (notes 11, 12 and 15B).

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Other expenses, net – continued

2 In 2014, 2013 and 2012, restructuring costs mainly refer to severance payments. During 2012, in connection with the 10-year services agreement with IBM (note 23C), CEMEX recognized one-time restructuring costs of approximately US\$138 (Ps1,818), of which, approximately US\$54 (Ps710) were related to severance payments for termination of employees' employment.

7) OTHER FINANCIAL INCOME, NET

“Other financial income, net” in 2014, 2013 and 2012, is detailed as follows:

	2014	2013	2012
Financial income	Ps 324	424	620
Results from financial instruments, net (notes 13B and 16D)	(874)	2,075	178
Foreign exchange results	3,920	57	1,142
Effects of net present value on assets and liabilities and others, net	(875)	(850)	(963)
	Ps <u>2,495</u>	<u>1,706</u>	<u>977</u>

8) CASH AND CASH EQUIVALENTS

As of December 31, 2014 and 2013, consolidated cash and cash equivalents consisted of:

	2014	2013
Cash and bank accounts	Ps 9,577	5,007
Fixed-income securities and other cash equivalents ¹	3,012	10,169
	Ps <u>12,589</u>	<u>15,176</u>

1 As of December 31, 2013, this caption included approximately Ps3,734 of cash that was used for payment of CEMEX Finance Europe B.V.'s 4.75% notes payment due on March 2014. As of December 31, 2014 and 2013, this caption included restricted deposits related to insurance contracts of approximately Ps31 and Ps34, respectively.

Based on net settlement agreements, the balance of cash and cash equivalents excludes deposits in margin accounts that guarantee several obligations of CEMEX of approximately Ps695 in 2014 and Ps564 in 2013, which were offset against the corresponding obligations of CEMEX with the counterparties, considering CEMEX's right, ability and intention to settle the amounts on a net basis.

9) TRADE ACCOUNTS RECEIVABLE

As of December 31, 2014 and 2013, consolidated trade accounts receivable consisted of:

	2014	2013
Trade accounts receivable	Ps 28,810	27,775
Allowances for doubtful accounts	(1,856)	(1,804)
	Ps <u>26,954</u>	<u>25,971</u>

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Trade accounts receivable – continued

As of December 31, 2014 and 2013, trade accounts receivable include receivables of Ps1,538 (US\$783) and Ps8,487 (US\$650), respectively, that were sold under outstanding securitization programs for the sale of trade accounts receivable and/or factoring programs with recourse in Mexico, the United States, France and the United Kingdom. Under the outstanding securitization programs, CEMEX effectively surrenders control associated with the trade accounts receivable sold and there is no guarantee or obligation to reacquire the assets. However, CEMEX retains certain residual interest in the programs and/or maintains continuing involvement with the accounts receivable; therefore, the amounts received are recognized within “Other financial obligations.” Trade accounts receivable qualifying for sale exclude amounts over certain days past due or concentrations over certain limits to any one customer, according to the terms of the programs. The portion of the accounts receivable sold maintained as reserves amounted to Ps1,775 in 2014 and Ps1,516 in 2013. Therefore, the funded amount to CEMEX was Ps9,763 (US\$662) in 2014 and Ps6,971 (US\$534) in 2013, representing the amounts recognized within the line item of “Other financial obligations.” The discount granted to the acquirers of the trade accounts receivable is recorded as financial expense and amounted to approximately Ps298 (US\$22) in 2014, Ps317 (US\$25) in 2013 and Ps368 (US\$28) in 2012. CEMEX’s securitization programs are negotiated for specific periods and may be renewed at their maturity. The securitization programs outstanding as of December 31, 2014 in Mexico, the United States, France and the United Kingdom mature in March 2017, May 2015, March 2015 and March 2015, respectively.

Allowances for doubtful accounts are established according to the credit history and risk profile of each customer. Changes in the valuation of this caption allowance for doubtful accounts in 2014, 2013 and 2012, were as follows:

	<u>2014</u>	<u>2013</u>	<u>2012</u>
Allowances for doubtful accounts at beginning of period	Ps 1,804	1,766	2,171
Charged to selling expenses	442	561	372
Deductions	(394)	(587)	(595)
Foreign currency translation effects	4	64	(182)
Allowances for doubtful accounts at end of period	Ps <u>1,856</u>	<u>1,804</u>	<u>1,766</u>

10) OTHER ACCOUNTS RECEIVABLE

As of December 31, 2014 and 2013, consolidated other accounts receivable consisted of:

	<u>2014</u>	<u>2013</u>
Non-trade accounts receivable ¹	Ps 2,143	2,683
Interest and notes receivable ²	1,313	1,952
Loans to employees and others	155	154
Refundable taxes	824	2,221
	Ps <u>4,435</u>	<u>7,010</u>

¹ Non-trade accounts receivable are mainly attributable to the sale of assets.

² Includes Ps161 in 2014 and Ps174 in 2013, representing the short-term portion of a restricted investment related to coupon payments under CEMEX’s perpetual debentures (note 20D).

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11) INVENTORIES

As of December 31, 2014 and 2013, the consolidated balance of inventories was summarized as follows:

		<u>2014</u>	<u>2013</u>
Finished goods	Ps	6,588	6,153
Work-in-process		3,278	2,825
Raw materials		3,019	3,121
Materials and spare parts		4,768	4,683
Inventory in transit		839	689
Allowance for obsolescence		(418)	(486)
	Ps	<u>18,074</u>	<u>16,985</u>

For the years ended December 31, 2014, 2013 and 2012, CEMEX recognized within cost of sales in the statements of operations, inventory impairment losses of approximately Ps36, Ps6 and Ps44, respectively. In addition, in 2014, CEMEX recognized as part of "Other expenses, net", impairment losses related to inventories of raw materials of approximately Ps292 that become obsolete as a result of the decision of divesting assets in the western region of Germany (note 15B).

12) OTHER CURRENT ASSETS

As of December 31, 2014 and 2013, consolidated other current assets consisted of:

		<u>2014</u>	<u>2013</u>
Advance payments	Ps	2,791	2,296
Assets held for sale		6,115	1,610
	Ps	<u>8,906</u>	<u>3,906</u>

As of December 31, 2014 and 2013, the caption of advance payments included advances to suppliers of inventory that were not significant (note 2G). Assets held for sale are stated at their estimated realizable value and include real estate properties received in payment of trade receivables as well as other assets held for sale. In addition, in 2014, assets held for sale include: a) those assets that were divested in the western region of Germany on January 5, 2015 for Ps4,658 (note 15B) and; b) those idle operating assets in Andorra, Spain for Ps451 expected to be sold during the first quarter of 2015 (note 15B). The related assets in the western region of Germany and in Andorra, Spain were recognized at their estimated realizable value, net of costs to sell, and the reclassification from fixed assets to assets held for sale resulted in losses of approximately Ps242, which includes a loss of approximately Ps210 from the proportional reclassification to earnings of currency translation adjustments of the net investment in Germany accrued in equity (note 2D), and Ps2,150, respectively, recognized in 2014 within "Other expenses, net". During 2014, 2013 and 2012, CEMEX recognized within "Other expenses, net" impairment losses in connection with assets held for sale for approximately Ps55, Ps56 and Ps595, respectively.

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13) INVESTMENTS IN ASSOCIATES AND OTHER INVESTMENTS AND NON-CURRENT ACCOUNTS RECEIVABLE

13A) INVESTMENTS IN ASSOCIATES

As of December 31, 2014 and 2013, the main investments in common shares of associates were as follows:

	<u>Activity</u>	<u>Country</u>	<u>%</u>		<u>2014</u>	<u>2013</u>
Control Administrativo Mexicano, S.A. de C.V.	Cement	Mexico	49.0	Ps	4,826	4,420
Concrete Supply Co. LLC	Concrete	United States	40.0		765	712
Akmenes Cementas AB	Cement	Lithuania	37.8		546	551
Cancem, S.A. de C.V.	Cement	Mexico	10.3		476	476
ABC Capital, S.A. Institución de Banca Múltiple	Financing	Mexico	43.3		371	411
Trinidad Cement Ltd	Cement	Trinidad and Tobago	20.0		286	307
Lehigh White Cement Company	Cement	United States	24.5		223	184
Société Méridionale de Carrières	Aggregates	France	33.3		221	228
Société d'Exploitation de Carrières	Aggregates	France	50.0		179	163
Industrias Básicas, S.A.	Cement	Panama	25.0		127	128
Société des Ciments Antillais	Cement	French Antilles	26.0		74	74
Other companies	—	—	—		<u>1,466</u>	<u>1,368</u>
				Ps	<u>9,560</u>	<u>9,022</u>
Out of which:						
Book value at acquisition date				Ps	3,334	3,236
Changes in stockholders' equity				Ps	<u>6,226</u>	<u>5,786</u>

As of December 31, 2014 and 2013, there were no written put options granted by CEMEX for the purchase of investments in associates.

During 2013, with the aim of improving its strategic position in Lithuania, CEMEX increased by approximately 4% its equity interest in Akmenes Cementas AB for approximately US\$8. In addition, CEMEX holds approximately 11.8% of preferred shares that have no voting rights of Akmenes Cementas AB.

In September 2013, CEMEX entered into contribution agreements with Concrete Supply Holding Company ("CSH"). The agreements established a new limited liability company, Concrete Supply Company LLC ("CSC LLC"). As a result, CEMEX recognized assets at fair value for approximately US\$54 (Ps712) which represented the assets contributed to CSC LLC, giving CEMEX a 40% non-controlling interest in CSC LLC. CSH also contributed ready mix assets to CSC LLC with a fair value of approximately US\$87 (Ps1,147). CSC LLC was formed for the purpose of engaging in the production, sale and distribution of ready-mix concrete within North and South Carolina, United States.

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Investments in associates – continued

Equity in net income (loss) of associates by geographic operating segment in 2014, 2013 and 2012 is detailed as follows:

		<u>2014</u>	<u>2013</u>	<u>2012</u>
Mexico	Ps	242	(6)	92
United States		4	91	343
Northern Europe		60	111	157
Mediterranean		16	16	(90)
Corporate and others		(25)	17	226
	Ps	<u>297</u>	<u>229</u>	<u>728</u>

Combined condensed balance sheet information of CEMEX's associates as of December 31, 2014 and 2013 is set forth below:

		<u>2014</u>	<u>2013</u>
Current assets	Ps	15,548	14,192
Non-current assets		39,436	37,974
Total assets		<u>54,984</u>	<u>52,166</u>
Current liabilities		5,838	5,465
Non-current liabilities		18,596	17,531
Total liabilities		24,434	22,996
Total net assets	Ps	<u>30,550</u>	<u>29,170</u>

Combined selected information of the statements of operations of CEMEX's associates in 2014, 2013 and 2012 is set forth below:

		<u>2014</u>	<u>2013</u>	<u>2012</u>
Sales	Ps	20,551	19,966	11,693
Operating earnings		2,786	2,024	1,160
Income (loss) before income tax		1,620	928	531
Net income (loss)		<u>945</u>	<u>455</u>	<u>517</u>

- 1 In 2013, the combined condensed selected information of balance sheet and statements of operations of CEMEX's associates presented in the tables above did not include the balances and operations of CSC LLC as of and for the three-month period ended December 31, 2013.

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13B) OTHER INVESTMENTS AND NON-CURRENT ACCOUNTS RECEIVABLE

As of December 31, 2014 and 2013, consolidated other investments and non-current accounts receivable were summarized as follows:

		<u>2014</u>	<u>2013</u>
Non-current portion of valuation of derivative financial instruments	Ps	4,816	6,274
Non-current accounts receivable and other investments ¹		4,933	4,983
Investments available-for-sale ²		246	340
Investments held for trading ³		322	463
	Ps	<u>10,317</u>	<u>12,060</u>

- 1** Includes, among other items: a) advances to suppliers of fixed assets of approximately Ps143 in 2014 and Ps138 in 2013; and b) the non-current portion of a restricted investment used to pay coupons under the perpetual debentures (note 20D) of approximately Ps200 in 2014 and Ps326 in 2013. CEMEX recognized impairment losses of non-current accounts receivable in the United Kingdom of approximately Ps16 in 2014, and the United States of approximately Ps14 in 2013 and Ps90 in 2012.
- 2** This line item includes an investment in CPOs of Axtel, S.A.B. de C.V. ("Axtel").
- 3** This line item refers to investments in private funds. In 2014 and 2013, no contributions were made to such private funds.

14) PROPERTY, MACHINERY AND EQUIPMENT, NET

As of December 31, 2014 and 2013, consolidated property, machinery and equipment, net and the changes in such line item during 2014, 2013 and 2012, were as follows:

		<u>2014</u>				<u>Total</u>
		<u>Land and mineral reserves ¹</u>	<u>Building ¹</u>	<u>Machinery and equipment ²</u>	<u>Construction in progress</u>	
Cost at beginning of period	Ps	75,415	41,531	179,905	12,817	309,668
Accumulated depreciation and depletion		(8,675)	(14,657)	(80,619)	—	(103,951)
Net book value at beginning of period		66,740	26,874	99,286	12,817	205,717
Capital expenditures		675	566	7,625	—	8,866
Additions through capital leases		—	—	108	—	108
Stripping costs		512	—	—	—	512
Total additions		1,187	566	7,733	—	9,486
Disposals ³		(548)	(367)	(1,294)	(252)	(2,461)
Reclassifications ⁴		(1,116)	(257)	(5,416)	(39)	(6,828)
Depreciation and depletion for the period		(1,888)	(1,778)	(9,283)	—	(12,949)
Impairment losses		(271)	(202)	(116)	—	(589)
Foreign currency translation effects		4,571	1,667	3,360	954	10,552
Cost at end of period		78,511	43,473	185,629	13,480	321,093
Accumulated depreciation and depletion		(9,836)	(16,970)	(91,359)	—	(118,165)
Net book value at end of period	Ps	<u>68,675</u>	<u>26,503</u>	<u>94,270</u>	<u>13,480</u>	<u>202,928</u>

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Property, machinery and equipment, net – continued

		2013				Total	2012
		Land and mineral reserves ¹	Building ¹	Machinery and equipment ²	Construction in progress		
Cost at beginning of period	Ps	76,620	40,316	176,720	14,276	307,932	324,580
Accumulated depreciation and depletion		(7,681)	(12,703)	(74,473)	—	(94,857)	(90,237)
Net book value at beginning of period		68,939	27,613	102,247	14,276	213,075	234,343
Capital expenditures		961	632	6,176	—	7,769	7,899
Additions through capital leases		—	38	103	—	141	2,025
Stripping costs		499	—	—	—	499	439
Capitalization of financial expense		—	—	—	—	—	102
Total additions		1,460	670	6,279	—	8,409	10,465
Disposals ³		(1,014)	(471)	(1,465)	(10)	(2,960)	(3,381)
Reclassifications ⁴		(317)	(98)	(246)	(4)	(665)	(1,102)
Depreciation and depletion for the period		(1,501)	(1,873)	(9,758)	—	(13,132)	(14,392)
Impairment losses		(240)	(96)	(1,022)	—	(1,358)	(542)
Foreign currency translation effects		(587)	1,129	3,251	(1,445)	2,348	(12,316)
Cost at end of period		75,415	41,531	179,905	12,817	309,668	307,932
Accumulated depreciation and depletion		(8,675)	(14,657)	(80,619)	—	(103,951)	(94,857)
Net book value at end of period	Ps	66,740	26,874	99,286	12,817	205,717	213,075

- 1 Includes corporate buildings and related land sold to financial institutions during 2012 and 2011, which were leased back, without incurring any change in the carrying amount of such assets or gain or loss on the transactions. The aggregate carrying amount of these assets as of December 31, 2014 and 2013 was approximately Ps1,953 and Ps2,041, respectively.
- 2 Includes assets, mainly mobile equipment, acquired through capital leases, which carrying amount as of December 31, 2014 and 2013 was approximately Ps108 and Ps141, respectively.
- 3 In 2014, the sales of non-strategic fixed assets in the United States, the United Kingdom and Ireland for Ps757, Ps539 and Ps537, respectively. In 2013, includes sales of non-strategic fixed assets in Mexico, the United States, and United Kingdom for Ps680, Ps702 and Ps920, respectively. In 2012, includes sales of non-strategic fixed assets in the United States, the United Kingdom and Mexico for Ps384, Ps1,129 and Ps1,160, respectively.
- 4 In 2014, refers primarily to the reclassification to assets held for sale in connection with the agreement to divest assets in the western region of Germany and in Andorra, Spain (notes 12 and 15B) for Ps3,956 and Ps2,601, respectively. In 2013, as described in note 13A, CEMEX contributed fixed assets to its associate Concrete Supply Co., LLC for approximately Ps445. In 2012, due to decision to dispose of certain components of CGUs in the United States, CEMEX reclassified approximately Ps1,102 of fixed assets associated with such CGUs to assets held for sale (note 12).

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CEMEX has significant balances of property, machinery and equipment. As of December 31, 2014 and 2013, the consolidated balances of property, machinery and equipment, net, represented approximately 39.4% and 41.5%, respectively, of CEMEX's total consolidated assets. As a result of impairment tests conducted on several CGUs considering certain triggering events, mainly: a) the closing and/or reduction of operations of cement and ready-mix concrete plants resulting from adjusting the supply to current demand conditions; and b) the transferring of installed capacity to more efficient plants, for the years ended December 31, 2014, 2013 and 2012, CEMEX adjusted the related fixed assets to their estimated value in use in those circumstances in which the assets would continue in operation based on estimated cash flows during the remaining useful life, or to their realizable value, in case of permanent shut down, and recognized impairment losses (note 2K) during 2014, 2013 and 2012 in the following countries and for the following amounts:

		<u>2014</u>	<u>2013</u>	<u>2012</u>
Mexico	Ps	221	36	203
Spain		125	917	—
United States		108	134	71
United Kingdom		59	—	—
Germany		19	59	128
Bangladesh		14	—	—
Puerto Rico		—	187	—
Latvia		—	2	38
Ireland		—	—	64
Other countries		43	23	38
	Ps	<u>589</u>	<u>1,358</u>	<u>542</u>

15) GOODWILL AND INTANGIBLE ASSETS

15A) BALANCES AND CHANGES DURING THE PERIOD

As of December 31, 2014 and 2013, consolidated goodwill, intangible assets and deferred charges were summarized as follows:

		<u>2014</u>			<u>2013</u>			
		<u>Cost</u>	<u>Accumulated amortization</u>	<u>Carrying amount</u>	<u>Cost</u>	<u>Accumulated amortization</u>	<u>Carrying Amount</u>	
Intangible assets of indefinite useful life:								
Goodwill	Ps	160,544	—	160,544	Ps	144,457	—	144,457
Intangible assets of definite useful life:								
Extraction rights		30,677	(3,347)	27,330	27,550	(2,554)	24,996	
Industrial property and trademarks		267	(145)	122	248	(108)	140	
Customer relationships		5,405	(4,012)	1,393	4,829	(3,090)	1,739	
Mining projects		1,746	(245)	1,501	1,562	(221)	1,341	
Others intangible assets		8,563	(5,969)	2,594	7,023	(4,756)	2,267	
	Ps	<u>207,202</u>	<u>(13,718)</u>	<u>193,484</u>	Ps	<u>185,669</u>	<u>(10,729)</u>	<u>174,940</u>

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Balances and changes during the period – continued

The amortization of intangible assets of definite useful life was approximately Ps1,508 in 2014, Ps1,327 in 2013 and Ps3,113 in 2012, and was recognized within operating costs and expenses.

Goodwill

Changes in consolidated goodwill in 2014, 2013 and 2012 were as follows:

		<u>2014</u>	<u>2013</u>	<u>2012</u>
Balance at beginning of period	Ps	144,457	142,444	152,674
Disposals and cancellations ¹		—	—	(323)
Reclassification to assets held for sale ²		—	—	(212)
Foreign currency translation effects		16,087	2,013	(9,695)
Balance at end of period	Ps	<u>160,544</u>	<u>144,457</u>	<u>142,444</u>

- 1 In 2012, due to the decision to sell certain milling assets from CEMEX's operations in Spain to its operations in Colombia, CEMEX cancelled approximately Ps323 of goodwill in Spain associated with the original acquisition of the entity that held the assets against other expenses, net.
- 2 In 2012, due to the classification of certain CGUs in the United States to assets held for sale, considering the historical average Operating EBITDA generation of such CGUs, CEMEX allocated approximately Ps212 of goodwill related to the groups of CGUs to which goodwill had been allocated in such country to the fair value less cost to sale associated with such assets recognized in assets held for sale (note 12).

Intangible assets of definite life

Changes in intangible assets of definite life in 2014, 2013 and 2012 were as follows:

		<u>2014</u>					<u>Total</u>
		<u>Extraction rights</u>	<u>Industrial property and trademarks</u>	<u>Customer relations</u>	<u>Mining Projects</u>	<u>Others ¹</u>	
Balance at beginning of period	Ps	24,996	140	1,739	1,341	2,267	30,483
Additions (disposals), net ¹		118	605	—	(19)	(51)	653
Amortization		(624)	(134)	(509)	(45)	(196)	(1,508)
Reclassification to assets held for sale		—	—	(5)	—	—	(5)
Foreign currency translation effects		2,840	(489)	168	224	574	3,317
Balance at the end of period	Ps	<u>27,330</u>	<u>122</u>	<u>1,393</u>	<u>1,501</u>	<u>2,594</u>	<u>32,940</u>

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Intangible assets of definite life – continued

		2013					Total	2012
		Extraction rights	Industrial property and trademarks	Customer relations	Mining Projects	Others ¹		
Balance at beginning of period	Ps	25,174	353	2,256	1,079	1,684	30,546	35,971
Additions (disposals), net ¹		(110)	(69)	(9)	537	185	534	(500)
Reclassification to assets held for sale		—	—	(13)	—	(35)	(48)	—
Amortization		(447)	(295)	(498)	(53)	(34)	(1,327)	(3,113)
Impairment losses		—	(5)	(29)	—	(129)	(163)	(111)
Foreign currency translation effects		379	156	32	(222)	596	941	(1,701)
Balance at the end of period	Ps	<u>24,996</u>	<u>140</u>	<u>1,739</u>	<u>1,341</u>	<u>2,267</u>	<u>30,483</u>	<u>30,546</u>

¹ As of December 31, 2014 and 2013, “Others” includes the carrying amount of internal-use software of approximately Ps1,560 and Ps984, respectively. Capitalized direct costs incurred in the development stage of internal-use software, such as professional fees, direct labor and related travel expenses, amounted to approximately Ps702 in 2014, Ps562 in 2013 and Ps352 in 2012.

When impairment indicators exist, for each intangible asset, CEMEX determines its projected revenue streams over the estimated useful life of the asset. In order to obtain discounted cash flows attributable to each intangible asset, such revenues are adjusted for operating expenses, changes in working capital and other expenditures, as applicable, and discounted to net present value using the risk adjusted discount rate of return. Significant management judgment is necessary to determine the appropriate valuation method and estimates under the key assumptions, among which are: a) the useful life of the asset; b) the risk adjusted discount rate of return; c) royalty rates; and d) growth rates. Assumptions used for these cash flows are consistent with internal forecasts and industry practices. The fair values of intangible assets are very sensitive to changes in the significant assumptions used in their calculation. Certain key assumptions are more subjective than others. In respect of trademarks, CEMEX considers that the most subjective key assumption in the determination of revenue streams is the royalty rate. In respect of extraction rights and customer relationships, the most subjective assumptions are revenue growth rates and estimated useful lives. CEMEX validates its assumptions through benchmarking with industry practices and the corroboration of third party valuation advisors.

15B) MAIN ACQUISITIONS AND DIVESTITURES DURING THE REPORTED PERIODS

On October 31, 2014, CEMEX announced the signing of binding agreements with Holcim Ltd. (“Holcim”), a global producer of building materials based in Switzerland. Pursuant to these agreements, CEMEX and Holcim agreed to conduct a series of related transactions, finally executed on January 5, 2015 (note 26) after customary conditions precedent were concluded, with retrospective effects as of January 1, 2015, by means of which: a) in the Czech Republic, CEMEX acquired all of Holcim’s assets, including a cement plant, four aggregates quarries and 17 ready-mix plants for approximately €115 (US\$139 or Ps2,049); b) in Germany, CEMEX sold to Holcim its assets in the western region of the country, consisting of one cement plant, two cement grinding mills, one slag granulator, 22 aggregates quarries and 79 ready-mix plants for approximately €171 (US\$207 or Ps3,047), while CEMEX maintained its operations in the north, east and south of the country; and c) in Spain, CEMEX acquired from Holcim one cement plant in the southern part of the country with a production capacity of

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850 thousand tons, and one cement mill in the central part of the country with grinding capacity of 900 thousand tons, among other related assets for approximately €89 (US\$108 or Ps1,592); and d) CEMEX agreed a final payment in cash, after combined debt and working capital adjustments agreed with Holcim, of approximately €33 (US\$40 or Ps594). Holcim kept its other operations in Spain. Initially, it was announced that Holcim would contribute all its operations in the country to CEMEX España Operaciones, S.L. (“CEMEX España Operaciones”), CEMEX’s operating subsidiary in the country, in exchange for approximately 25% of the resulting combined entity’s common stock, reflecting at the time the relative estimated fair value of the net assets to be contributed, while CEMEX would hold a 75% equity interest in CEMEX España Operaciones but the scope was modified. The aforementioned transactions were authorized by European competition authorities in Germany, Spain and the Czech Republic in which the transaction in this country is concerned. As of December 31, 2014, the related CEMEX’s net assets in the western region of Germany were reclassified to assets and liabilities held for sale at their expected selling price less certain costs for disposal (notes 12 and 17).

In Germany, the operations of the net assets sold by CEMEX to Holcim on January 5, 2015 were consolidated by CEMEX line-by-line for all the periods presented. CEMEX measured the materiality of such net assets using a threshold of 5% of consolidated net sales, operating earnings before other expenses, net gain (loss) and total assets. Considering the results of the quantitative tests and its remaining ongoing operations in its operating segment in Germany, CEMEX concluded that the net assets sold in Germany did not reach the materiality thresholds to be classified as discontinued operations. The results of CEMEX’s quantitative tests for the years ended December 31, 2014, 2013 and 2012 were as follows:

Millions of U.S. dollars		<u>2014</u>	<u>2013</u>	<u>2012</u>
Net sales				
CEMEX consolidated	US\$	15,709	15,227	14,984
German assets held for sale		498	474	479
		<u>3.2%</u>	<u>3.1%</u>	<u>3.2%</u>
Operating earnings before other expenses, net				
CEMEX consolidated	US\$	1,659	1,518	1,293
German assets held for sale		17	8	(12)
		<u>1.0%</u>	<u>0.5%</u>	<u>N/A</u>
Consolidated net income (loss)				
CEMEX consolidated	US\$	(425)	(748)	(862)
German assets held for sale		9	(1)	(17)
		<u>N/A</u>	<u>0.1%</u>	<u>1.9%</u>
Total assets				
CEMEX consolidated	US\$	34,936	38,018	
German assets held for sale		316	374	
		<u>0.9%</u>	<u>1.0%</u>	

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Main acquisitions and divestitures during the reported periods – continued

For 2014, 2013 and 2012, selected combined statement of operations information of the assets held for sale in Germany was as follows:

		<u>2014</u>	<u>2013</u>	<u>2012</u>
Net sales	Ps	6,655	6,091	6,301
Operating earnings before other expenses, net		227	98	(157)
Net income (loss)		<u>122</u>	<u>(14)</u>	<u>(217)</u>

As of December 31, 2014, the condensed combined balance sheet of the assets held for sale in Germany was as follows:

		<u>2014</u>
Current assets	Ps	713
Non-current assets		3,945
Total assets		<u>4,658</u>
Current liabilities		595
Non-current liabilities		<u>1,016</u>
Total liabilities		<u>1,611</u>
Total net assets	Ps	<u>3,047</u>

As of December 31, 2014, CEMEX was in negotiations with an international investor to sell its idle operating assets in Andorra, Spain for approximately €25 (US\$31 or Ps451). After certain conditions precedent, the transaction is expected to be finalized during the first quarter of 2015. The related assets were reclassified to assets held for sale (notes 12 and 14). Subject to further negotiation, CEMEX may provide decommissioning services to the third party for an estimated additional amount of €15 (US\$18 or Ps268).

As of December 2014, CEMEX sold significantly all the operating assets of Readymix plc (“Readymix”), CEMEX’s main operating subsidiary in the Republic of Ireland, and an indirect subsidiary of CEMEX España, for €19 (US\$23 or Ps339), recognizing a loss on sale of approximately €14 (US\$17 or Ps250). Previously, on May 17, 2012, and after compliance with applicable regulations in such country, CEMEX acquired the 38.8% non-controlling interest held by third parties for €0.25 per share in cash or approximately €11 (US\$15 or Ps187). The listing and trading of Readymix’s shares on the Irish Stock Exchange was cancelled beginning on May 18, 2012.

On November 15, 2012, as described in note 20D, and giving effect to the put option granted to the initial purchasers in December 2012, CEMEX sold a non-controlling interest of 26.65% in CEMEX Latam Holdings, S.A, a direct subsidiary of CEMEX España S.A, (“CEMEX España”) for a net amount of approximately US\$960 (Ps12,336).

On October 12, 2012, in a private transaction, CEMEX made the final payment in connection with the acquisition, initiated in April 2012, of the 49% non-controlling interest in an indirect holding company of Global Cement, S.A., which on May 23, 2013 changed its name to CEMEX Guatemala, S.A., CEMEX’s main operating subsidiary in Guatemala, for a total amount of approximately US\$54 (Ps694), recognizing a reduction in the line item “Other equity reserves” of approximately US\$32 (Ps411).

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15C) ANALYSIS OF GOODWILL IMPAIRMENT

As of December 31, 2014 and 2013, goodwill balances allocated by operating segment were as follows:

	2014	2013
United States	Ps 125,447	111,064
Mexico	6,648	6,399
Northern Europe		
United Kingdom	4,905	4,559
France	3,717	3,638
Czech Republic	456	428
Mediterranean		
Spain	9,577	8,845
United Arab Emirates	1,460	1,370
Egypt	231	231
SA&C		
Colombia	5,225	5,289
Dominican Republic	208	215
Rest of SA&C ¹	786	743
Asia		
Philippines	1,478	1,317
Others		
Other reporting segments ²	406	359
	Ps <u>160,544</u>	<u>144,457</u>

¹ This caption refers to the operating segments in the Caribbean, Argentina, Costa Rica and Panama.

² This caption is primarily associated with Neoris N.V., CEMEX's subsidiary involved in the sale of information technology and services.

CEMEX is engaged in the production, marketing, distribution and sale of cement, ready-mix concrete, aggregates and other construction materials. The geographic operating segments reported by CEMEX (note 4) represent CEMEX's groups of CGUs to which goodwill has been allocated for purposes of testing goodwill for impairment. Correspondingly, each of CEMEX's geographic operating segments is comprised of CEMEX's operations in a country. Each country or operating segment is, in turn, comprised of a lower level of CGUs, which are not larger than an operating segment, identified by CEMEX as geographical zones within the country in which all main business activities are conducted. For purposes of goodwill impairment tests, all cash-generating units within a country are aggregated, as goodwill is allocated at that level. In order to arrive at these conclusions, CEMEX evaluated: a) that after the acquisition, goodwill is allocated at the level of the reportable operating segment and represents the lowest level within CEMEX at which goodwill is monitored for internal management purposes and reflects the way CEMEX manages its operations and allocates resources; b) that the cash-generating units that comprise the reported segment have similar economic characteristics; c) that the reported segments are used by CEMEX to organize and evaluate its activities in its internal information systems; d) the homogeneous nature of the items produced and traded in each cash-generating unit, which are all used by the construction industry; e) the vertical integration in the value chain of the products comprising each component; f) the type of clients, which are substantially similar in all components; g) the operative integration among components; and h) that the compensation system of a specific country is based on the consolidated results of the geographic operating segment and not on the particular results of the components. Considering

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Analysis of goodwill impairment – continued

materiality for disclosure purposes, in note 15C, certain balances of goodwill were presented for Rest of Northern Europe or Rest of South America and the Caribbean, but this does not represent that goodwill was tested at a level higher than for operations in an individual country.

Impairment tests are significantly sensitive to, among other factors, the estimation of future prices of CEMEX's products, the development of operating expenses, local and international economic trends in the construction industry, the long-term growth expectations in the different markets, as well as the discount rates and the long-term growth rates applied. CEMEX's cash flow projections to determine the value in use of its CGUs to which goodwill has been allocated consider the use of long-term economic assumptions. CEMEX believes that its discounted cash flow projections and the discount rates used reasonably reflect current economic conditions at the time of the calculations, considering, among other factors that: a) the cost of capital reflects current risks and volatility in the markets; and b) the cost of debt represents the average of industry specific interest rates observed in recent transactions. Other key assumptions used to determine CEMEX's discounted cash flows are volume and price increases or decreases by main product during the projected periods. Volume increases or decreases generally reflect forecasts issued by trustworthy external sources, occasionally adjusted based on CEMEX's actual backlog, experience and judgment considering its concentration in certain sectors, while price changes normally reflect the expected inflation in the respective country. Operating costs and expenses during all periods are maintained as a fixed percent of revenues considering historic performance.

During the last quarter of 2014, 2013 and 2012, CEMEX performed its annual goodwill impairment test. Based on these analyses, CEMEX did not determine impairment losses of goodwill in any of the reported periods.

CEMEX's pre-tax discount rates and long-term growth rates used to determine the discounted cash flows in the group of CGUs with the main goodwill balances were as follows:

Groups of CGUs	Discount rates			Growth rates		
	2014	2013	2012	2014	2013	2012
United States	8.7%	9.8%	9.9%	2.5%	2.5%	2.5%
Spain	10.1%	11.4%	11.5%	2.0%	2.3%	2.5%
Mexico	9.7%	10.9%	10.7%	3.8%	3.8%	3.0%
Colombia	9.7%	10.9%	10.7%	3.0%	4.2%	3.5%
France	9.2%	10.7%	10.3%	1.7%	1.7%	1.9%
United Arab Emirates	10.4%	12.2%	13.3%	3.4%	3.4%	3.6%
United Kingdom	9.0%	10.5%	10.3%	2.4%	2.1%	2.7%
Egypt	11.6%	13.0%	13.5%	4.0%	4.0%	4.0%
Range of discount rates in other countries	9.2% - 14.0%	11.0% - 12.3%	11.1% - 13.3%	2.1% - 4.9%	2.4% - 5.0%	3.4% - 4.0%

As of December 31, 2014, the discount rates used by CEMEX in its cash flows projections generally decreased from the values determined in 2013, mainly as a result of the reduction of the funding cost observed in the industry as compared to the prior year and the reduction in the risk free rate, significant assumptions in the determination of the discount rates. The funding cost decreased from 7.0% in 2013 to 6.1% in 2014, while the risk free rate decreased from 3.7% in 2013 to 3.1% in 2014. As of December 31, 2013, the discount rates changed slightly from the values determined in 2012, in each case mainly as a result of variations in the country specific sovereign yield as compared to the prior year. In respect to long-term growth rates, following general

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practice under IFRS, CEMEX uses country specific rates, which are mainly obtained from the Consensus Economics, a compilation of analysts' forecast worldwide, or from the International Monetary Fund when the first are not available for a specific country.

In connection with the assumptions included in the table above, CEMEX made sensitivity analyses to changes in assumptions, affecting the value in use of all groups of CGUs with an independent reasonable possible increase of 1% in the pre-tax discount rate, and an independent possible decrease of 1% in the long-term growth rate. In addition, CEMEX performed cross-check analyses for reasonableness of its results using multiples of Operating EBITDA. In order to arrive at these multiples, which represent a reasonableness check of the discounted cash flow models, CEMEX determined a weighted average multiple of Operating EBITDA to enterprise value observed in the industry. The average multiple was then applied to a stabilized amount of Operating EBITDA and the result was compared to the corresponding carrying amount for each group of CGUs to which goodwill has been allocated. CEMEX considered an industry weighted average Operating EBITDA multiple of 9.5 times in 2014 and 10.3 times in 2013 and 2012. CEMEX's own Operating EBITDA multiple was 10.9 times in 2014, 11.6 times in 2013 and 10.6 times in 2012. The lowest multiple observed in CEMEX's benchmark was 6.0 times in 2014 and 7.2 times in 2013 and 2012, and the highest being 16.4 times in 2014, 20.9 times in 2013 and 21.3 times in 2012.

As of December 31, 2014 and 2013, none of CEMEX's sensitivity analyses resulted in a relative impairment risk in CEMEX's operating segments. Whereas, as of December 31, 2012, the impairment charges resulting from the sensitivity analyses that would have resulted from an independent change of each one of the variables and/or by the use of multiples of Operating EBITDA, regarding the operating segment that presented a relative impairment risk, would have been as follows:

As of December 31, 2012

(Amounts in millions)		Recognized impairment charges	Sensitivity analysis		
			Discount rate + 1pt	Long-term growth rate - 1pt	Multiples of Operating EBITDA
Spain	U.S.\$	—	99	—	39
United Arab Emirates		—	8	—	—

CEMEX continually monitors the evolution of the specific CGUs to which goodwill has been allocated that have presented relative goodwill impairment risk in any of the reported periods and, in the event that the relevant economic variables and the related cash flows projections would be negatively affected, it may result in a goodwill impairment loss in the future.

CEMEX maintains a market capitalization significantly lower than its levels prior to the 2008 global crisis, which CEMEX believes is due to factors such as: a) the contraction of the global construction industry and mainly in the United States, which has experienced a continued slow recovery after the crisis of 2008, that has significantly affected CEMEX's operations in such country and consequently its overall generation of cash flows; b) CEMEX's significant amount of consolidated debt and its operation since August 2009 under agreements with its main creditors (note 16A), considering the high uncertainty perceived by stakeholders regarding CEMEX's odds of successfully achieving the different milestones established with its main creditors; and c) the transfer of capital, mainly due to high volatility generated by continued liquidity problems in certain European countries, from variable income securities in developing countries such as Mexico to fixed income securities in developed countries such as the United States. The market price of CEMEX's CPO has recovered significantly after CEMEX's renegotiation of September 2012 (note 16A). In dollar terms, CEMEX's market

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capitalization increased by 25% in 2013 compared to 2012, to approximately US\$13.5 billion (Ps176.1 billion), and decreased approximately 6% in 2014 compared to 2013 to approximately US\$12.7 billion (Ps186.8 billion), due to a significant depreciation of the peso against the dollar during the last quarter of 2014, as part of a general appreciation of the dollar against all major currencies in the world during such period. During 2014 the Mexican peso depreciated 13% against the dollar.

As of December 31, 2014 and 2013, Goodwill allocated to the United States accounted for approximately 78% and 77%, respectively, of CEMEX's total amount of consolidated goodwill. In connection with CEMEX's determination of value in use relative to its groups of CGUs in the United States in the reported periods, CEMEX has considered several factors, such as the historical performance of such operating segment, including operating losses in recent years, the long-term nature of CEMEX's investment, the recent signs of recovery in the construction industry, the significant economic barriers for new potential competitors considering the high investment required, and the lack of susceptibility of the industry to technology improvements or alternate construction products, among other factors. CEMEX has also considered recent developments in its operations in the United States, such as the increases in ready-mix concrete volumes of approximately 2% in 2014, 8% in 2013 and 20% in 2012, and the increases in ready-mix concrete prices of approximately 8% in 2014, 6% in 2013 and 4% in 2012, which are key drivers for cement consumption and CEMEX's profitability, and which trends are expected to continue over the next few years, as anticipated in CEMEX's cash flow projections.

16) FINANCIAL INSTRUMENTS

16A) SHORT-TERM AND LONG-TERM DEBT

As of December 31, 2014 and 2013, CEMEX's consolidated debt summarized by interest rates and currencies, was as follow:

	2014			2013		
	Short-Term	Long-Term	Total	Short-Term	Long-Term	Total
Floating rate debt	Ps 11,042	54,529	65,571	Ps 82	70,707	70,789
Fixed rate debt	3,465	136,798	140,263	3,877	116,314	120,191
	Ps 14,507	191,327	205,834	Ps 3,959	187,021	190,980
Effective rate ¹						
Floating rate	5.2%	4.4%		3.9%	4.9%	
Fixed rate	8.8%	7.3%		4.7%	8.5%	

	2014				2013			
	Short-term	Long-term	Total	Effective rate ¹	Short-Term	Long-Term	Total	Effective rate ¹
Currency								
Dollars	Ps 14,439	165,999	180,438	6.6%	Ps 125	163,632	163,757	7.2%
Euros	23	23,783	23,806	5.5%	3,765	20,895	24,660	6.2%
Pesos	—	1,495	1,495	6.5%	—	2,413	2,413	7.4%
Other currencies	45	50	95	4.8%	69	81	150	4.7%
	Ps 14,507	191,327	205,834		Ps 3,959	187,021	190,980	

¹ Represents the weighted average effective interest rate.

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As of December 31, 2014 and 2013, CEMEX's consolidated debt summarized by type of instrument, was as follow:

2014	Short-term	Long-term	2013	Short-term	Long-term
Bank loans			Bank loans		
Loans in foreign countries, 2015 to 2018	Ps 7	223	Loans in Mexico, 2014 to 2017	Ps —	1,090
Syndicated loans, 2015 to 2019	—	47,018	Loans in foreign countries, 2014 to 2018	6	1,234
	<u>7</u>	<u>47,241</u>	Syndicated loans, 2014 to 2017	—	53,102
				<u>6</u>	<u>55,426</u>
Notes payable			Notes payable		
Notes payable in Mexico, 2015 to 2017	—	614	Notes payable in Mexico, 2014 to 2017	—	589
Medium-term notes, 2015 to 2025	—	155,470	Medium-term notes, 2014 to 2022	—	132,702
Other notes payable, 2015 to 2025	94	2,408	Other notes payable, 2014 to 2025	87	2,170
	<u>94</u>	<u>158,492</u>		<u>87</u>	<u>135,461</u>
Total bank loans and notes payable	101	205,733	Total bank loans and notes payable	93	190,887
Current maturities	<u>14,406</u>	<u>(14,406)</u>	Current maturities	<u>3,866</u>	<u>(3,866)</u>
	Ps <u>14,507</u>	<u>191,327</u>		Ps <u>3,959</u>	<u>187,021</u>

As of December 31, 2014 and 2013, discounts, fees and other direct costs incurred in the issuance of CEMEX's outstanding notes payable for approximately US\$155 and US\$177, respectively, adjust the balance of notes payable, and are amortized to financing expense over the maturity of the related debt instruments.

Changes in consolidated debt for the years ended December 31, 2014, 2013 and 2012 were as follows:

	2014	2013	2012
Debt at beginning of year	Ps 190,980	178,135	208,471
Proceeds from new debt instruments	72,534	40,661	33,468
Debt repayments	(79,248)	(31,913)	(52,699)
Issuance of debt in exchange for perpetual notes	—	—	4,123
Foreign currency translation and inflation effects	<u>21,568</u>	<u>4,097</u>	<u>(15,228)</u>
Debt at end of year	Ps <u>205,834</u>	<u>190,980</u>	<u>178,135</u>

As of December 31, 2014 and 2013, as presented in the table above of debt by type of instrument, approximately 23% and 29%, respectively, of CEMEX's total indebtedness, was represented by bank loans, of which, in 2014, the most significant portion corresponded to those balances under CEMEX's financing agreement entered into on September 29, 2014 (the "Credit Agreement") of approximately US\$1,286 (Ps18,957) and the financing agreement entered into on September 17, 2012, as amended several times including on October 31, 2014 (the "Facilities Agreement") of approximately US\$1,904 (Ps28,061), both agreements described elsewhere in this note 16A, and in 2013, the most significant portion corresponded to the balance under the Facilities Agreement of approximately US\$4,069 (Ps53,102).

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In addition, as of December 31, 2014 and 2013, as presented in the table above of debt by type of instrument, approximately 77% and 71%, respectively, of CEMEX's total indebtedness, was represented by notes payable, of which, the most significant portion was long-term in both periods. As of December 31, 2014 and 2013, CEMEX's long-term notes payable are detailed as follows:

Description	Date of issuance	Issuer 1,2	Currency	Principal amount	Rate ¹	Maturity date	Repurchased amount	Outstanding amount ³		2014	2013
July 2025 Notes	02/Apr/03	CEMEX Materials, LLC	Dollar	150	7.70%	21/Jul/25	—	150	Ps	2,344	2,091
January 2025 Notes	11/Sep/14	CEMEX, S.A.B. de C.V.	Dollar	1,100	5.70%	11/Jan/25	—	1,100		16,142	—
April 2024 Notes	01/Apr/14	CEMEX Finance LLC	Dollar	1,000	6.00%	01/Apr/24	—	1,000		14,203	—
October 2022 Notes ¹³	12/Oct/12	CEMEX Finance LLC	Dollar	1,500	9.375%	12/Oct/22	—	1,500		21,942	19,414
January 2022 Notes	11/Sep/14	CEMEX, S.A.B. de C.V.	Euro	400	4.75%	11/Jan/22	—	400		7,106	—
January 2021 Notes ^{9, 10}	02/Oct/13	CEMEX, S.A.B. de C.V.	Dollar	1,000	7.25%	15/Jan/21	—	1,000		14,512	12,816
April 2021 Notes	01/Apr/14	CEMEX Finance LLC	Euro	400	5.25%	01/Apr/21	—	400		7,096	—
May 2020 Notes ^{4, 7}	12/May/10	CEMEX España, S.A.	Dollar	1,193	9.25%	12/May/20	(969)	224		3,124	15,351
December 2019 Notes ¹¹	12/Aug/13	CEMEX, S.A.B. de C.V.	Dollar	1,000	6.50%	10/Dec/19	—	1,000		14,461	12,755
April 2019 USD Notes ¹⁴	28/Mar/12	CEMEX España, S.A.	Dollar	704	9.875%	30/Apr/19	—	704		10,375	9,185
April 2019 Euro Notes ¹⁴	28/Mar/12	CEMEX España, S.A.	Euro	179	9.875%	30/Apr/19	—	179		3,197	3,218
March 2019 Notes ¹²	25/Mar/13	CEMEX, S.A.B. de C.V.	Dollar	600	5.875%	25/Mar/19	—	600		8,798	7,775
October 2018 Variable Notes ^{9, 10}	02/Oct/13	CEMEX, S.A.B. de C.V.	Dollar	500	L+475bps	15/Oct/18	—	500		7,348	6,498
June 2018 Notes	17/Sep/12	CEMEX, S.A.B. de C.V.	Dollar	500	9.50%	15/Jun/18	—	500		7,335	6,482
January 2018 Notes ^{4, 7}	11/Jan/11	CEMEX, S.A.B. de C.V.	Dollar	1,650	9.00%	11/Jan/18	(1,089)	561		8,317	21,233
December 2017 Notes ^{6, 9, 10}	14/Dec/09	CEMEX Finance LLC	Euro	350	9.625%	14/Dec/17	(350)	—		—	2,318
November 2017 Notes	30/Nov/07	CEMEX, S.A.B. de C.V.	Peso	614	4.40%	17/Nov/17	—	614		614	589
May 2017 Notes ⁵	12/May/10	CEMEX España, S.A.	Euro	115	8.875%	12/May/17	(115)	—		—	2,063
September 2015 Variable Notes	05/Apr/11	CEMEX, S.A.B. de C.V.	Dollar	800	L+500bps	30/Sep/15	(16)	784		10,968	9,841
March 2014 Notes ^{8, 12, 14}	05/Mar/08	CEMEX Finance Europe	Euro	900	4.75%	05/Mar/14	—	—		—	3,732
Other notes payable										610	100
									Ps	<u>158,492</u>	<u>135,461</u>

¹ In all applicable cases the issuer refers to CEMEX España, S.A. acting through its Luxembourg Branch. The letter “L” included above refers to LIBOR, which represents the London Inter-Bank Offered Rate, variable rate used in international markets for debt denominated in U.S. dollars. As of December 31, 2014 and 2013, 3-Month LIBOR rate was 0.2556% and 0.2461%, respectively. The contraction “bps” means basis points. One hundred basis points equal 1%.

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- 2 Unless otherwise indicated, all issuances are fully and unconditionally guaranteed by CEMEX, S.A.B. de C.V., CEMEX México, S.A. de C.V., CEMEX Concretos S.A. de C.V., Empresas Toltecas de México, S.A. de C.V., New Sunward Holding B.V., CEMEX España, S.A., CEMEX Asia, B.V., CEMEX Corp., CEMEX Egyptian Investments, B.V., CEMEX Egyptian Investments II, B.V., CEMEX France Gestion, (S.A.S.), CEMEX Research Group AG, CEMEX Shipping B.V. and CEMEX UK.
- 3 Includes all outstanding notes held by CEMEX's subsidiaries.
- 4 On October 1, 2014, expired a cash tender offer to purchase up to US\$1,175 aggregate principal amount of the January 2018 Notes and of the May 2020 Notes. Pursuant to this tender offer and using a portion of the proceeds from the issuance of the January 2025 Notes, CEMEX completed the purchase of approximately US\$593 aggregate principal amount of the January 2018 Notes and approximately US\$365 aggregate principal amount of the May 2020 Notes.
- 5 On May 12, 2014, CEMEX completed the redemption of €115 aggregate principal amount of the May 2017 Notes using a portion of the proceeds from the issuance of the April 2021 Notes.
- 6 On April 25, 2014, CEMEX completed the redemption of the remaining €130 aggregate principal amount of the December 2017 Notes using a portion of the proceeds from the issuance of the April 2021 Notes.
- 7 On April 9, 2014, through a cash tender offer using a portion of the proceeds from the issuance of the April 2024 Notes, CEMEX completed the purchase of US\$483 aggregate principal amount of the January 2018 Notes and US\$597 aggregate principal amount of the May 2020 Notes.
- 8 On March 5, 2014, using a portion of the proceeds from the issuance of the January 2021 Notes, CEMEX repaid the remaining €247 aggregate principal amount outstanding of the March 2014 Notes at their maturity.
- 9 On December 14, 2013, subsequent to the tender offers of September 25 described below, CEMEX completed the redemption of all of the outstanding US\$355 principal amount of 9.50% Senior Secured Notes due 2016 (the "2016 Notes") issued by CEMEX Finance LLC and the redemption of approximately €39 of the then outstanding €169 aggregate principal amount of the December 2017 Notes.
- 10 On September 25, 2013, in connection with the proceeds obtained from the issuance of the October 2018 Variable Notes and of the January 2021 Notes, CEMEX commenced tender offers to purchase any and all of US\$825 aggregate principal amount outstanding of the 2016 Notes and to purchase up to €150, further increased €220 on October 3, 2013, of the December 2017 Notes. The remainder was used for general corporate purposes, including the repayment at maturity of the March 2014 Notes. The tender offers resulted in the purchase of approximately US\$470 principal amount of the 2016 Notes and approximately €181 principal amount of the December 2017 Notes.
- 11 On August 5, 2013, in connection with the issuance of the December 2019 Notes, CEMEX commenced a tender offer to purchase up to US\$925 of the then outstanding amount of the 2016 Notes. The tender offer resulted in the purchase of US\$925 principal amount of the 2016 Notes.
- 12 In March 2013, in connection with the issuance of the March 2019 Notes, CEMEX used the proceeds from the offering for the repayment of US\$55 of the remaining indebtedness under CEMEX's Financing Agreement, described elsewhere in this note 16A, the purchase of €183 of the March 2014 Notes and for general corporate purposes, including the repayment of other indebtedness.
- 13 In October 2012, in connection with the issuance of the October 2022 Notes, CEMEX used the proceeds to repay indebtedness under the Facilities Agreement, which allowed CEMEX to achieve the first debt repayment milestone and the reduction in the interest rate under such agreement by 25 basis points, as detailed in other section of this note 16A.
- 14 In March 2012, through several exchange offers made on a private placement basis, CEMEX finalized the issuance of the April 2019 Euro Notes and the April 2019 USD Notes, in exchange for approximately €470 of its then outstanding March 2014 Notes and approximately US\$452 in several series of its then aggregate

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outstanding perpetual debentures (note 20D). As a result of the private exchanges, CEMEX generated in 2012 a gain of approximately US\$131 (Ps1,680), representing the difference between the notional amount of the April 2019 Euro Notes and the April 2019 USD Notes, and the several series of the reacquired and cancelled perpetual debentures, which was recognized within “Other equity reserves.”

During 2014, 2013 and 2012, as a result of the debt transactions incurred by CEMEX mentioned above, including exchange offers and tender offers to replace and/or repurchase existing debt instruments, CEMEX paid combined premiums, fees and issuance costs for approximately US\$232 (Ps3,107), US\$155 (Ps1,988) and US\$120 (Ps1,583), respectively, of which approximately US\$167 (Ps2,236) in 2014 and US\$110 (Ps1,410) in 2013, associated with the extinguished portion of the exchanged or repurchased notes, were recognized in the statement of operations in each year within financial expense. In addition, approximately US\$65 (Ps871) in 2014, US\$45 (Ps578) in 2013 and US\$120 (Ps1,583) in 2012, corresponding to the portion of the combined premiums, fees and issuance costs treated as a refinancing of the old instruments by considering that: a) the relevant economic terms of the old notes were not substantially different; and b) the final holders of the new notes were the same of such portion of the old notes; adjusted the carrying amount of the new debt instruments, and are amortized over the remaining term of each instrument. Moreover, proportional fees and issuance costs related to the extinguished debt instruments for approximately US\$87 (Ps1,161) in 2014, US\$34 (Ps436) in 2013 and US\$58 (Ps766) in 2012 that were pending for amortization were recognized in the statement of operations of each year as part of financial expense.

The maturities of consolidated long-term debt as of December 31, 2014, were as follows:

	2014
2016	Ps 101
2017	33,128
2018	27,380
2019	44,248
2020 and thereafter.	86,470
	Ps <u>191,327</u>

As of December 31, 2014, CEMEX had the following lines of credit, the majority of which are subject to the banks’ availability, at annual interest rates ranging between 2.24% and 7.20%, depending on the negotiated currency:

		<u>Lines of credit</u>	<u>Available</u>
Other lines of credit in foreign subsidiaries	Ps	6,649	5,315
Other lines of credit from banks		<u>5,209</u>	<u>5,209</u>
	Ps	<u>11,858</u>	<u>10,524</u>

Credit Agreement, Facilities Agreement and Financing Agreement

On September 29, 2014, CEMEX entered into the Credit Agreement for US\$1,350, with nine of the main participating banks under its Facilities Agreement. The proceeds from the Credit Agreement were used to repay US\$1,350 of debt under the Facilities Agreement. Following such repayment, and along with the repayment on

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September 12, 2014 of US\$350 of debt under the Facilities Agreement using the proceeds from the January 2025 Notes, CEMEX reduced the total outstanding amount under the Facilities Agreement to approximately US\$2,475; thereby, CEMEX may avoid a contingent payment of a quarterly fee of 0.50% over such amount from the third quarter of 2015 onwards, subject to certain thresholds in CEMEX's ADS price. Moreover, on November 3, 2014, CEMEX received US\$515 of additional commitments from banks that agreed to join the Credit Agreement, increasing the total amount to US\$1,865. The incremental amount was applied to partially prepay the Facilities Agreement and other debt. As a result, the remaining outstanding amount under the Facilities Agreement was reduced to approximately US\$2,050, scheduled to mature in 2017. The main differences of the Credit Agreement as compared to the main terms of the Facilities Agreement, include: (a) an average 4-year term with equal semi-annual payments of principal of 20% each, beginning on the third anniversary of the Credit Agreement and with the last payment on September 2019, (b) a spread over LIBOR of between 250 and 375 basis points, depending on the level of CEMEX's Leverage Ratio (as defined below); (c) a revolving credit tranche of 40% of the total principal amount with the same maturity; and (d) improvements in certain covenants and undertakings that will provide more flexibility to CEMEX. In addition, on October 31, 2014, CEMEX obtained the required consents to amend certain provisions of the Facilities Agreement to substantially conform such agreement to the Credit Agreement. On December 8, 2014, CEMEX paid a portion of the revolving credit tranche for US\$560 (Ps8,254).

The main amendments of September 29, 2014 to the Facilities Agreement effective on October 31, 2014 include: (a) the aggregate amount allowed for capital expenditures were increased from US\$800 to US\$1,000 per year excluding certain capital expenditures, and, joint venture investments and acquisitions by CEMEX Latam and its subsidiaries, which capital expenditures, joint venture investments and acquisitions at any time then incurred are subject to a separate aggregate limit of US\$500 (or its equivalent); (b) the amounts allowed for permitted acquisitions and investments in joint ventures were increased from US\$250 to US\$400 per year; (c) the restrictions on asset swaps were eliminated; and (d) a new mandatory prepayment regime that eliminates the mandatory prepayment of debt with excess cash held above certain threshold and provides CEMEX with more discretion to use its cash.

On August 14, 2009, CEMEX entered into a financing with its major creditors, as amended from time to time during 2009, 2010, 2011 and 2012 (the "Financing Agreement"), by means of which CEMEX extended the maturities of US\$14,961 of syndicated loans, private placement notes and other obligations. On September 17, 2012, CEMEX entered into the Facilities Agreement pursuant to an invitation to the creditors under the Financing Agreement to exchange their existing loans and private placement notes under the Financing Agreement for new loans and new private placement notes maturing in February 2017 and the June 2018 Notes (the "Exchange Offer"), and completed the refinancing process of approximately 92.7% of the then outstanding debt under the Financing Agreement of US\$7,195, after the application of the proceeds from several refinancing transactions, the application of the net proceeds obtained from the sale of assets, and an equity offering of the Parent Company in 2009, with payments due of approximately US\$488 in December 2013 and US\$6,707 at final maturity in February 2014. As a result of the Exchange Offer, under the Facilities Agreement, CEMEX issued US\$6,155 of new loans and private placement notes with a final maturity on February 14, 2017, US\$500 of the June 2018 Notes and approximately US\$525 aggregate principal amount of loans and private placement notes remained outstanding after the Exchange Offer under the existing Financing Agreement, as amended. Considering that the relevant economic terms of the new debt instruments were not substantially different from those of the original loans and private placements, the aforementioned exchange of debt did not result for financial reporting in the extinguishment of the original financial liabilities; therefore, there were no effects in profit or loss. CEMEX adjusted the carrying amount of the financial liability for approximately US\$116 in

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relation to the fees and cost incurred during the refinancing process, and those costs, together with any remaining costs relative to the Financing Agreement are being amortized over the remaining term of the Facilities Agreement. Subsequently, after the application of proceeds resulting from the October 2012 Notes, the aggregate principal amount of loans and U.S. dollar private placement notes under the amended Financing Agreement was US\$55 (Ps707), with a final maturity on February 14, 2014. This amount was repaid in full in March 2013 with proceeds from the issuance of the March 2019 Notes.

The debt under both, the Credit Agreement and the Facilities Agreement is guaranteed by CEMEX, S.A.B. de C.V., CEMEX México, S.A. de C.V., CEMEX Concretos S.A. de C.V., Empresas Tolteca de México, S.A. de C.V., New Sunward Holding B.V., CEMEX España, S.A., CEMEX Asia, B.V., CEMEX Corp., CEMEX Egyptian Investments, B.V., CEMEX Egyptian Investments II, B.V., CEMEX France Gestion, (S.A.S.), CEMEX Research Group AG, CEMEX Shipping B.V. and CEMEX UK. In addition, the debt under such agreements (together with all other senior capital markets debt issued or guaranteed by CEMEX, and certain other precedent facilities) is also secured by a first-priority security interest in: (a) substantially all the shares of CEMEX México, S.A. de C.V., Centro Distribuidor de Cemento, S.A. de C.V., Corporación Gouda, S.A. de C.V., Mexcement Holdings, S.A. de C.V., New Sunward Holding B.V., CEMEX Trademarks Holding Ltd. and CEMEX España, S.A. (the “Collateral”); and (b) all proceeds of such Collateral. Effective December 1, 2013, Corporación Gouda S.A. de C.V. and Mexcement Holdings, S.A. de C.V. together with other Mexican subsidiaries merged into Centro Distribuidor de Cemento, S.A. de C.V. being Centro Distribuidor de Cemento, S.A. de C.V. the successor and surviving entity and universal successor that assumed all the obligations of the merged entities, which, on December 3, 2013, changed its name to CEMEX Operaciones México, S.A. de C.V. The Credit Agreement contains similar collateral release provisions as the Facilities Agreement.

In addition to the restrictions mentioned above, and subject in each case to the permitted negotiated amounts and other exceptions, CEMEX is also subject to a number of negative covenants that, among other things, restrict or limit its ability to: (i) create liens; (ii) incur additional debt; (iii) change CEMEX’s business or the business of any obligor or material subsidiary (in each case, as defined in the Credit Agreement and the Facilities Agreement); (iv) enter into mergers; (v) enter into agreements that restrict its subsidiaries’ ability to pay dividends or repay intercompany debt; (vi) acquire assets; (vii) enter into or invest in joint venture agreements; (viii) dispose of certain assets; (ix) grant additional guarantees or indemnities; (x) declare or pay cash dividends or make share redemptions; (xi) enter into certain derivatives transactions; (xii) exercise any call option in relation to any perpetual bonds CEMEX issues unless the exercise of the call options does not have a materially negative impact on its cash flow; and (xiii) transfer all or substantially all the assets from subsidiaries or more than 10% of shares in subsidiaries into or out of CEMEX España or its subsidiaries if those assets or subsidiaries are not controlled by CEMEX España or any of its subsidiaries.

The Credit Agreement and the Facilities Agreement also contain a number of affirmative covenants that, among other things, require CEMEX to provide periodic financial information to its lenders. However, a number of those covenants and restrictions will automatically cease to apply or become less restrictive if CEMEX so elects when (i) CEMEX’s Leverage Ratio for the two most recently completed quarterly testing periods is less than or equal to 4.0 times; and (ii) no default under the Credit Agreement and the Facilities Agreement is continuing. At that point the Leverage Ratio must not exceed 4.25 times. Restrictions that will cease to apply when CEMEX satisfies such conditions include the capital expenditure limitations mentioned above and several negative covenants, including limitations on CEMEX’s ability to declare or pay cash dividends and distributions to shareholders, limitations on CEMEX’s ability to repay existing financial indebtedness, certain asset sale restrictions, certain mandatory prepayment provisions, and restrictions on exercising call options in relation to

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any perpetual bonds CEMEX issues (provided that creditors will continue to receive the benefit of any restrictive covenants that other creditors receive relating to other financial indebtedness of CEMEX in excess of US\$75). At such time, several baskets and caps relating to negative covenants will also increase, including permitted financial indebtedness, permitted guarantees and limitations on liens. However, CEMEX cannot assure that it will be able to meet the conditions for these restrictions to cease to apply prior to the final maturity date under the Credit Agreement and the Facilities Agreement.

In addition, Credit Agreement and the Facilities Agreement contain events of default, some of which may be outside of CEMEX's control. Failure to meet any of these milestones will result in a spring back of the maturity date of CEMEX's indebtedness under the Facilities Agreement, and CEMEX cannot assure that at such time it will be able to repay such indebtedness. Moreover, CEMEX cannot assure that it will be able to comply with the restrictive covenants and limitations contained in the Credit Agreement and the Facilities Agreement. CEMEX's failure to comply with such covenants and limitations could result in an event of default, which could materially and adversely affect CEMEX's business and financial condition.

Financial Covenants

The Credit Agreement and the Facilities Agreement requires CEMEX the compliance with financial ratios, which mainly include: a) the consolidated ratio of debt to Operating EBITDA (the "Leverage Ratio"); and b) the consolidated ratio of Operating EBITDA to interest expense (the "Coverage Ratio"). These financial ratios are calculated according to the formulas established in the debt contracts using the consolidated amounts under IFRS.

CEMEX must comply with a Coverage Ratio for each period of four consecutive fiscal quarters of not less than (i) 1.50 times from the period ending on December 31, 2012 up to and including the period ending on September 30, 2014, (ii) 1.75 times from the period ending on December 31, 2014 up to and including the period ending on September 30, 2015, (iii) 1.85 times for the period ending on December 31, 2015 up to and including the period ending on March 31, 2016, (iv) 2.0 times for the period ending on June 30, 2016 up to and including the period ending on September 30, 2016, and (v) 2.25 times for the period ending on December 31, 2016 and each subsequent reference period. In addition, CEMEX must comply with a maximum Leverage Ratio for each period of four consecutive fiscal quarters not to exceed: (i) 7.0 times for the period ending on December 31, 2012 up to and including the period ending on December 31, 2013, (ii) 6.75 times for the period ending on September 30, 2014, (iii) 6.5 times for the period ending on December 31, 2014 up to and including the period ending on March 31, 2015, (iv) 6.0 times for the period ending on June 30, 2015 up to and including the period ending on September 30, 2015, (v) 5.5 times for the period ending on December 31, 2015 up to and including the period ending on March 31, 2016, (vi) 5.0 times for the period ending on June 30, 2016 up to and including the period ending on September 30, 2016, and (vii) 4.25 times for the period ending on December 31, 2016 and each subsequent reference period.

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Financial Covenants – continued

CEMEX’s ability to comply with these ratios may be affected by economic conditions and volatility in foreign exchange rates, as well as by overall conditions in the financial and capital markets. For the compliance periods ended as of December 31, 2014, 2013 and 2012, taking into account the Credit Agreement, the Facilities Agreement and the Financing Agreement, as applicable, CEMEX, S.A.B. de C.V. and its subsidiaries were in compliance with the financial covenants imposed by its debt contracts. The main consolidated financial ratios as of December 31, 2014, 2013 and 2012 were as follows:

		Consolidated financial ratios		
		2014	2013	2012
Leverage ratio 1,2	Limit	≤< 6.50	≤< 7.00	≤< 7.00
	Calculation	5.19	5.49	5.44
Coverage ratio 3	Limit	≤< 1.75	>1.50	>1.50
	Calculation	2.34	2.11	2.10

- 1 The leverage ratio is calculated in pesos by dividing “Funded debt” by pro forma Operating EBITDA for the last twelve months as of the calculation date. Funded debt equals debt, as reported in the balance sheet excluding finance leases, components of liability of convertible subordinated notes, plus perpetual debentures and guarantees, plus or minus the fair value of derivative financial instruments, as applicable, among other adjustments
- 2 Pro forma Operating EBITDA represents, all calculated in pesos, Operating EBITDA for the last twelve months as of the calculation date, plus the portion of Operating EBITDA referring to such twelve-month period of any significant acquisition made in the period before its consolidation in CEMEX, minus Operating EBITDA referring to such twelve-month period of any significant disposal that had already been liquidated.
- 3 The coverage ratio is calculated in pesos using the amounts from the financial statements, by dividing the pro forma operating EBITDA by the financial expense for the last twelve months as of the calculation date. Financial expense includes interest accrued on the perpetual debentures.

CEMEX will classify all of its outstanding debt as current debt in its balance sheet if: 1) as of any relevant measurement date on which CEMEX fails to comply with the aforementioned financial ratios; or 2) as of any date prior to a subsequent measurement date on which CEMEX expects not to be in compliance with such financial ratios in the absence of: a) amendments and/or waivers covering the next succeeding 12 months; b) high probability that the violation will be cured during any agreed upon remediation period and be sustained for the next succeeding 12 months; and/or c) a signed refinancing agreement to refinance the relevant debt on a long-term basis. Moreover, concurrent with the aforementioned classification of debt in the short-term, the noncompliance of CEMEX with the financial ratios agreed upon pursuant to the Credit Agreement and the Facilities Agreement or, in such event, the absence of a waiver of compliance or a negotiation thereof, after certain procedures upon CEMEX’s lenders’ request, they would call for the acceleration of payments due under the Credit Agreement and the Facilities Agreement. That scenario will have a material adverse effect on CEMEX’s liquidity, capital resources and financial position.

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16B) OTHER FINANCIAL OBLIGATIONS

As of December 31, 2014 and 2013, other financial obligations in the consolidated balance sheet are detailed as follows:

	2014			2013		
	Short-term	Long-term	Total	Short-term	Long-term	Total
I. Convertible subordinated notes due 2018	Ps —	8,891	8,891	Ps —	7,565	7,565
I. Convertible subordinated notes due 2016	—	13,642	13,642	—	11,551	11,551
II. Convertible subordinated notes due 2015	2,983	—	2,983	—	8,919	8,919
III. Mandatory convertible securities 2019	206	1,194	1,400	177	1,392	1,569
IV. Liabilities secured with accounts receivable	8,063	1,700	9,763	4,471	2,500	6,971
V. Capital Leases	260	1,656	1,916	920	1,823	2,743
	Ps <u>11,512</u>	<u>27,083</u>	<u>38,595</u>	Ps <u>5,568</u>	<u>33,750</u>	<u>39,318</u>

Financial instruments convertible into CEMEX's shares contain components of liability and equity, which are recognized differently depending upon the currency in which the instrument is denominated and the functional currency of the issuer (note 2L).

I. Optional convertible subordinated notes due in 2016 and 2018

On March 15, 2011, CEMEX, S.A.B. de C.V. closed the offering of US\$978 (Ps11,632) aggregate principal amount of 3.25% convertible subordinated notes due in 2016 (the "2016 Convertible Notes") and US\$690 (Ps8,211) aggregate principal amount of 3.75% convertible subordinated notes due in 2018 (the "2018 Convertible Notes"). The notes are subordinated to all of CEMEX's liabilities and commitments. The notes are convertible into a fixed number of CEMEX's ADSs, at the holder's election, at any time after June 30, 2011 and are subject to antidilution adjustments. As of December 31, 2014 and 2013, the conversion price per ADS was approximately 9.65 dollars and 10.03 dollars, respectively. The fair value of the conversion option as of the issuance date amounted to approximately Ps3,959, which considering the then functional currency of the issuer, was recognized until December 31, 2012 as a derivative instrument through profit or loss (note 16D). Changes in fair value of the conversion option generated a loss of Ps1,094 (US\$88) in 2012, recognized within other financial income (expense), net. Effective January 1, 2013, in connection with the change of the Parent Company's functional currency described in note 2D, which among other effects aligned the functional currency of the issuer with the currency in which the instruments are denominated, the conversion options embedded in the 2016 Convertible Notes and the 2018 Convertible Notes ceased to be treated as stand-alone derivatives at fair value through profit or loss. The liability accrued until December 31, 2012 was cancelled against stockholders' equity. After antidilution adjustments, the conversion rate as of December 31, 2014 and 2013 was 103.6741 ADS and 99.6866 ADS, respectively, per each 1 thousand dollars principal amount of such notes. Concurrent with the offering, a portion of the net proceeds from this transaction were used to fund the purchase of capped call options, which are generally expected to reduce the potential dilution cost to CEMEX upon the potential conversion of such notes (note 16D).

II. Optional convertible subordinated notes due in 2015

On March 30, 2010, CEMEX, S.A.B. de C.V. issued US\$715 (Ps8,837) aggregate principal amount of 4.875% Optional Convertible Subordinated Notes due 2015 (the "2015 Convertible Notes"). The notes are subordinated to all of CEMEX's liabilities and commitments. The notes are convertible into a fixed number of CEMEX's

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ADSs, at the holder's election, and are subject to antidilution adjustments. As of December 31, 2014 and 2013, the conversion price per ADS was approximately 11.18 dollars and 11.62 dollars, respectively. The fair value of the conversion option as of the issuance date amounted to Ps1,232, which considering the then functional currency of the issuer was recognized until December 31, 2012 as a derivative instrument through profit or loss (note 16D). Changes in fair value of the conversion option generated a loss of Ps114 (US\$9) in 2012, recognized within other financial income (expense), net. Effective January 1, 2013, in connection with the change of the Parent Company's functional currency described in note 2D, which among other effects aligned the functional currency of the issuer with the currency in which the instrument is denominated, the conversion option embedded in the 2015 Convertible Notes ceased to be treated as stand-alone derivative at fair value through the statement of operations. The liability accrued until December 31, 2012 was cancelled against stockholders' equity. After antidilution adjustments, the conversion rate as of December 31, 2014 and 2013 was 89.4729 ADS and 86.0316 ADS, respectively, per each 1 thousand dollars principal amount of such notes. Concurrent with the offering, a portion of the proceeds were used to enter into a capped call transaction that was expected to generally reduce the potential dilution cost to CEMEX, S.A.B. de C.V. upon the potential conversion of the notes (note 16D).

On several dates during 2014, CEMEX, S.A.B. de C.V. entered into private early conversion agreements with certain institutional holders of the 2015 Convertible Notes, pursuant to which such holders converted approximately US\$511 in aggregate principal amount of the 2015 Convertible Notes in exchange for approximately 50.4 million ADSs, which includes the number of additional ADSs issued to the holders that converted their notes as inducement premiums, without incurring any cash outflow. As a result of the early conversion agreements, an aggregate amount of approximately Ps6,483, representing the liability component of the converted notes, was reclassified from other financial obligations to other equity reserves. In addition, considering the issuance of shares, CEMEX increased common stock for Ps4 and additional paid-in capital for Ps8,037 against other equity reserves. The additional ADSs issued as inducement premiums resulted in an aggregate expense of approximately Ps957, representing the fair value of the ADSs at the issuance dates, which was recognized in the statement of operations in 2014 within other financial income (expense), net. As of December 31, 2014, the outstanding principal amount of the 2015 Convertible notes was of approximately US\$204.

On October 3, 2014, in connection with the 2015 Convertible Notes and pursuant to a private offer, the Parent Company issued US\$200 (Ps2,948) Contingent Convertible Units ("CCUs"), by means of which, in exchange for monthly payments by CEMEX to the holders of the CCUs at the annual rate of 3.0% on the notional amount, CEMEX secures the refinancing for any of the 2015 Convertible Notes that would mature without conversion up to US\$200 of the principal amount. Based on the contract of the CCUs, the holders invested the US\$200 in treasury bonds of the United States, and irrevocably agreed that such investment would be applied, if necessary, in March 2015, to subscribe new convertible notes of the Parent Company for up to US\$200. The proceeds from the potential issuance of new convertibles notes in shares of the Parent Company would be used by CEMEX to pay the holders of the 2015 Convertible Notes that would mature without conversion. In case the 2015 Convertible Notes would be converted at their maturity in shares of CEMEX, S.A.B. de C.V., the proceeds invested in treasury bonds of the United States would be returned to the holders of the CCUs. Pursuant to the issuance of the CCUs, CEMEX did not assume additional debt nor is in capacity to use the resources invested by the holders of the CCUs, which, in case they are used, such proceeds would be applied by Bank of New York Mellon, acting as trustee, to subscribe the new convertible notes on behalf of the holders of the CCUs and to pay to the holders of the 2015 Convertible Notes on behalf of CEMEX.

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III. Mandatorily convertible securities due in 2019

In December 2009, CEMEX, S.A.B. de C.V. completed its offer to exchange marketable notes issued in Mexico with maturities between 2010 and 2012, into mandatorily convertible securities for approximately Ps4,126 (US\$315) (the “2019 Mandatorily Convertible Securities”). Reflecting antidilution adjustments, at their scheduled conversion in 2019 or earlier if the price of the CPO reaches approximately Ps29.50 the securities will be mandatorily convertible into approximately 210 million CPOs at a conversion price of approximately Ps19.66 per CPO. During their tenure, the securities bear interest at an annual rate of 10% payable quarterly. Holders have an option to voluntarily convert their securities, after the first anniversary of their issuance, on any interest payment date into CPOs. Considering the then functional currency of the issuer, the equity component represented by the fair value of the conversion option as of the issuance date of Ps1,971 was recognized within “Other equity reserves.” Effective January 1, 2013, in connection with the change of the Parent Company’s functional currency, the conversion option embedded in these securities, which started to be treated as a stand-alone derivative liability at fair value through profit or loss, recognizing an initial effect of Ps365. Changes in fair value of the conversion option generated a gain for approximately Ps159 (US\$11) in 2014 and a loss of approximately Ps135 (US\$10) in 2013.

IV. Liabilities secured with accounts receivable

As mentioned in note 9, as of December 31, 2014 and 2013, CEMEX maintained securitization programs for the sale of trade accounts receivable established in Mexico, the United States, France and the United Kingdom, by means of which, CEMEX effectively surrenders control associated with the trade accounts receivable sold and there is no guarantee or obligation to reacquire the assets. However, CEMEX retains certain residual interest in the programs and/or maintains continuing involvement with the accounts receivable. Based on IAS 39, CEMEX recognizes cash flows received, that is the funded amounts of the trade receivables sold within “Other financial obligations”, and maintains the receivables sold in the balance sheet.

V. Capital leases

CEMEX has several operating and administrative assets, including buildings and mobile equipment, under capital lease contracts. Future payments associated with these contracts are presented in note 23E.

16C) FAIR VALUE OF FINANCIAL INSTRUMENTS

Financial assets and liabilities

CEMEX’s carrying amounts of cash, trade accounts receivable, other accounts receivable, trade accounts payable, other accounts payable and accrued expenses, as well as short-term debt, approximate their corresponding estimated fair values due to the short-term maturity and revolving nature of these financial assets and liabilities. Temporary investments (cash equivalents) and certain long-term investments are recognized at fair value, considering to the extent available, quoted market prices for the same or similar instruments. The estimated fair value of CEMEX’s long-term debt is level 2, and is either based on estimated market prices for such or similar instruments, considering interest rates currently available for CEMEX to negotiate debt with the same maturities, or determined by discounting future cash flows using market-based interest rates currently available to CEMEX.

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Financial assets and liabilities – continued

As of December 31, 2014 and 2013, the carrying amounts of financial assets and liabilities and their respective fair values were as follows:

	2014		2013	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Derivative instruments (notes 13B and 16D)	Ps 4,816	4,816	Ps 6,274	6,274
Other investments and non-current accounts receivable (note 13B)	5,501	5,252	5,786	5,586
	Ps <u>10,317</u>	<u>10,068</u>	Ps <u>12,060</u>	<u>11,860</u>
Financial liabilities				
Long-term debt (note 16A)	191,327	200,366	187,021	201,040
Other financial obligations (note 16B)	27,083	37,329	33,750	48,106
Derivative instruments (notes 16D and 17)	413	413	508	508
	Ps <u>218,823</u>	<u>238,108</u>	Ps <u>221,279</u>	<u>249,654</u>

Fair Value Hierarchy

As mentioned in note 2L, CEMEX applies IFRS 13 for fair value measurements of financial assets and financial liabilities recognized or disclosed at fair value. Assets and liabilities carried at fair value in the consolidated balance sheets as of December 31, 2014 and 2013 are included in the following fair value hierarchy categories:

	2014	Level			Total
		Level 1	2	Level 3	
Assets measured at fair value					
Derivative instruments (notes 13B and 16D)	Ps	—	4,816	—	4,816
Investments available-for-sale (note 13B)		246	—	—	246
Investments held for trading (note 13B)		—	322	—	322
	Ps	<u>246</u>	<u>5,138</u>	<u>—</u>	<u>5,384</u>
Liabilities measured at fair value					
Derivative instruments (notes 16D and 17)	Ps	—	413	—	413
2013					
Assets measured at fair value					
Derivative instruments (notes 13B and 16D)	Ps	—	6,274	—	6,274
Investments available-for-sale (note 13B)		340	—	—	340
Investments held for trading (note 13B)		—	463	—	463
	Ps	<u>340</u>	<u>6,737</u>	<u>—</u>	<u>7,077</u>
Liabilities measured at fair value					
Derivative instruments (notes 16D and 17)	Ps	—	508	—	508

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16D) DERIVATIVE FINANCIAL INSTRUMENTS

During the reported periods, in compliance with the guidelines established by its Risk Management Committee and the restrictions set forth by its debt agreements, CEMEX held interest rate swaps, as well as forward contracts and other derivative instruments on CEMEX, S.A.B. de C.V.'s own CPOs and/or ADSs and third parties' shares, with the objective of, as the case may be: a) changing the risk profile associated with the price of raw materials and other energy projects; and b) other corporate purposes. As of December 31, 2014 and 2013, the notional amounts and fair values of CEMEX's derivative instruments were as follows:

(U.S. dollars millions)		2014		2013	
		Notional amount	Fair value	Notional amount	Fair value
I. Interest rate swaps	US\$	165	33	174	33
II. Equity forwards on third party shares		27	—	27	1
III. Options on the Parent Company's own shares		1,668	266	2,383	408
	US\$	<u>1,860</u>	<u>299</u>	<u>2,584</u>	<u>442</u>

The fair values determined by CEMEX for its derivative financial instruments are Level 2. There is no direct measure for the risk of CEMEX or its counterparties in connection with the derivative instruments. Therefore, the risk factors applied for CEMEX's assets and liabilities originated by the valuation of such derivatives were extrapolated from publicly available risk discounts for other public debt instruments of CEMEX and its counterparties.

The caption "Other financial income (expenses), net" includes gains and losses related to the recognition of changes in fair values of the derivative instruments during the applicable period and that represented net losses of Ps679 (US\$46) in 2014, gains of Ps2,126 (US\$163) in 2013 and losses of Ps98 (US\$8) in 2012. As of December 31, 2014 and 2013, pursuant to net balance settlement agreements, cash deposits in margin accounts that guaranteed obligations through derivative financial instruments were offset with the fair value of the derivative instruments for Ps206 (US\$14) and Ps95 (US\$7), respectively.

The estimated fair value of derivative instruments fluctuates over time and is determined by measuring the effect of future relevant economic variables according to the yield curves shown in the market as of the reporting date. These values should be analyzed in relation to the fair values of the underlying transactions and as part of CEMEX's overall exposure attributable to fluctuations in interest rates and foreign exchange rates. The notional amounts of derivative instruments do not represent amounts exchanged by the parties, and consequently, there is no direct measure of CEMEX's exposure to the use of these derivatives. The amounts exchanged are determined based on the basis of the notional amounts and other terms included in the derivative instruments.

I. Interest rate swap contracts

As of December 31, 2014 and 2013, CEMEX had an interest rate swap maturing in September 2022 associated with agreements entered into by CEMEX for the acquisition of electric energy in Mexico, which fair value represented assets of approximately US\$33 and US\$33, respectively. Pursuant to this instrument, during the tenure of the swap and based on its notional amount, CEMEX will receive a fixed rate of 5.4% and will pay LIBOR. Changes in the fair value of this interest rate swap generated losses of US\$1 (Ps3) in 2014, US\$16 (Ps207) in 2013 and US\$2 (Ps35) in 2012, recognized in the statements of operations for each year.

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II. Equity forwards in third party shares

As of December 31, 2014 and 2013, CEMEX had a forward contract to be settled in cash maturing in October 2015 over the price, in both years, of 59.5 million CPOs of Axtel, a Mexican telecommunications company traded in the MSE. CEMEX negotiated this contract to maintain the exposure to changes in the price of this entity. Changes in the fair value of this instrument generated losses of US\$9 (Ps133) in 2014, gains of US\$6 (Ps76) in 2013 and losses of US\$7 (Ps100) in 2012 recognized in the statements of operations for each period.

III. Options on the Parent Company's own shares

On March 15, 2011, CEMEX, S.A.B. de C.V. entered into a capped call transaction, after antidilution adjustments, over approximately 173 million ADSs (101 million ADSs maturing in March 2016 and 72 million ADSs maturing in March 2018), in connection with the 2016 Convertible Notes and the 2018 Convertible Notes and to effectively increase the conversion price for CEMEX's ADSs under such notes, by means of which, at maturity of the notes, if the market price per ADS is above the strike price of approximately 9.65 dollars, CEMEX will receive in cash the difference between the market price and the strike price, with a maximum appreciation per ADS of approximately 4.45 dollars for the 2016 Convertible Notes and 5.94 dollars for the 2018 Convertible Notes. CEMEX paid aggregate premiums of approximately US\$222. As of December 31, 2014 and 2013, the fair value of such options represented an asset of approximately US\$294 (Ps4,335) and US\$353 (Ps4,607), respectively. During 2014, 2013 and 2012, changes in the fair value of these instruments generated losses of US\$65 (Ps962), and gains of US\$127 (Ps1,663) and US\$155 (Ps1,973), respectively, recognized within "Other financial income (expense), net" in the statements of operations.

On March 30, 2010, CEMEX, S.A.B. de C.V. entered into a capped call transaction, after antidilution adjustments, over approximately 64 million ADSs maturing in March 2015, in connection with the 2015 Convertible Notes and to effectively increase the conversion price for CEMEX's CPOs under such notes, by means of which, at maturity of the notes, if the market price per ADS was above the strike price of approximately 11.18 dollars, CEMEX would receive in cash the difference between the market price and the strike price, with a maximum appreciation per ADS of approximately 4.30 dollars. CEMEX paid a premium of approximately US\$105. In January, 2014, CEMEX initiated a process to amend the terms of this capped call transaction, pursuant to which, using the then existing market valuation of the instrument, CEMEX received approximately 7.7 million zero-strike call options over a same number of ADSs. In July 2014, CEMEX amended the zero-strike call options to fix a minimum value of approximately US\$94. As part of the amendment, CEMEX also retained the economic value of approximately 1 million ADSs. During December 2014, CEMEX further amended and unwound the zero-strike call options, monetizing the remainder value of the approximately 1 million ADSs it had retained, pursuant to which CEMEX received a total payment of approximately US\$105. As of December 31, 2013, the combined fair value of such options represented an asset of approximately US\$94 (Ps1,228). During 2014, 2013 and 2012, changes in the fair value of these options generated gains of approximately US\$17 (Ps253), US\$36 (Ps465) and US\$47 (Ps594), respectively, which were recognized within "Other financial income (expense), net" in the statements of operations.

In addition, until December 31, 2012, considering that the functional currency of the issuer and the currency in which the notes are denominated differed, CEMEX separated the conversion options embedded in the 2016 Convertible Notes, the 2018 Convertible Notes and the 2015 Convertible Notes and recognized them at fair value through profit or loss, which as of December 31, 2012, resulted in a liability of approximately US\$365 (Ps4,690), which was reclassified to other equity reserves on January 1, 2013 considering the change in the Parent Company's functional currency (note 2D), which among other effects aligned the functional currency of the

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III. Options on the Parent Company's own shares – continued

issuer with the currency in which the instruments are denominated and consequently, such embedded options ceased to be treated as stand-alone derivatives at fair value through the statement of operations, with no gains or losses recognized. Changes in fair value of the conversion options generated losses of approximately US\$299 (Ps3,786) in 2012.

Conversely, in connection with the 2019 Mandatorily Convertible Securities (note 16B); considering i) the aforementioned change in the functional currency of the Parent Company effective January 1, 2013 and ii) that the currency in which such instruments are denominated and the functional currency of the issuer differ, beginning January 1, 2013, CEMEX separated the conversion option embedded in such instruments and recognized it at fair value through profit or loss, which as of December 31, 2014 and 2013, resulted in a liability of US\$28 (Ps413) and US\$39 (Ps506), respectively. Changes in fair value generated gains of US\$11 (Ps159) in 2014 and losses of US\$10 (Ps135) in 2013. The initial liability as of January 1, 2013 was reclassified from other equity reserves within stockholders' equity with no gains or losses recognized.

As of December 31, 2012, CEMEX had granted a guarantee for a notional amount of approximately US\$360, in connection with put option transactions on CEMEX's CPOs entered into by Citibank with a Mexican trust that CEMEX established on behalf of its Mexican pension fund and certain of CEMEX's directors and current and former employees in April 2008, which fair value as of December 31, 2012, net of deposits in margin accounts, represented a liability of US\$58 (Ps740). Between January and April 2013, the notional amount of the guarantee was gradually unwound. Changes in fair value were recognized in the statements of operations within "Other financial income (expense), net," representing losses of US\$22 (Ps284) in 2013 and gains of US\$95 (Ps1,198) in 2012.

16E) RISK MANAGEMENT

In recent years, with the exception of the capped call transactions entered into in March 2010 and March 2011 mentioned above (notes 16B and 16D), CEMEX has significantly decreased its use of derivatives instruments related to debt, both currency and interest rate derivatives, thereby reducing the risk of cash margin calls. In addition, the Credit and the Facilities Agreement significantly restrict CEMEX's ability to enter into certain derivative transactions.

Credit risk

Credit risk is the risk of financial loss faced by CEMEX if a customer or counterpart of a financial instrument does not meet its contractual obligations and originates mainly from trade accounts receivable. As of December 31, 2014 and 2013, the maximum exposure to credit risk is represented by the balance of financial assets. Management has developed policies for the authorization of credit to customers. The exposure to credit risk is monitored constantly according to the behavior of payment of the debtors. Credit is assigned on a customer-by-customer basis and is subject to assessments which consider the customers' payment capacity, as well as past behavior regarding due dates, balances past due and delinquent accounts. In cases deemed necessary, CEMEX's management requires guarantees from its customers and financial counterparties with regard to financial assets.

The Company's management has established a policy of low risk which analyzes the creditworthiness of each new client individually before offering the general conditions of payment terms and delivery, the review includes external ratings, when references are available, and in some cases bank references. Threshold of purchase limits

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Credit risk – continued

are established for each client, which represent the maximum purchase amounts that require different levels of approval. Customers that do not meet the levels of solvency requirements imposed by CEMEX can only carry out transactions by paying cash in advance. As of December 31, 2014, considering CEMEX's best estimate of potential losses based on an analysis of age and considering recovery efforts, the allowance for doubtful accounts was Ps1,856 (US\$126).

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates, which only affects CEMEX's results if the fixed-rate long-term debt is measured at fair value. All of CEMEX's fixed-rate long-term debt is carried at amortized cost and therefore is not subject to interest rate risk. CEMEX's exposure to the risk of changes in market interest rates relates primarily to its long-term debt obligations with floating interest rates. As of December 31, 2014 and 2013, CEMEX was subject to the volatility of floating interest rates, which, if such rates were to increase, may adversely affect its financing cost and increase its net loss. CEMEX manages its interest rate risk by balancing its exposure to fixed and variable rates while attempting to reduce its interest costs.

As of December 31, 2014 and 2013, approximately 29% and 38%, respectively, of CEMEX's long-term debt was denominated in floating rates at a weighted average interest rate of LIBOR plus 428 basis points in 2014 and 458 basis points in 2013. As of December 31, 2014 and 2013, if interest rates at that date had been 0.5% higher, with all other variables held constant, CEMEX's net loss for 2014 and 2013 would have increased by approximately US\$2 (Ps32) and US\$27 (Ps354), respectively, as a result of higher interest expense on variable rate denominated debt.

Foreign currency risk

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. CEMEX's exposure to the risk of changes in foreign exchange rates relates primarily to its operating activities. Due to its geographic diversification, CEMEX's revenues and costs are generated and settled in various countries and in different currencies. For the year ended December 31, 2014, approximately 22% of CEMEX's net sales, before eliminations resulting from consolidation, were generated in Mexico, 21% in the United States, 7% in the United Kingdom, 6% in Germany, 6% in France, 6% in the Rest of Northern Europe region, 2% in Spain, 3% in Egypt, 4% in the Rest of Mediterranean region, 6% in Colombia, 7% in the Rest of South America and the Caribbean region, 5% in Asia and 5% from CEMEX's other operations.

Foreign exchange gains and losses occur when any entity incurs monetary assets or liabilities in a currency different from its functional currency, and are recorded in the consolidated statements of operations, except for exchange fluctuations associated with foreign currency indebtedness directly related to the acquisition of foreign entities and related parties' long-term balances denominated in foreign currency, for which the resulting gains or losses are reported in other comprehensive income. As of December 31, 2014 and 2013, excluding from the sensitivity analysis the impact of translating the net assets of foreign operations into CEMEX's reporting currency, considering a hypothetical 10% strengthening of the U.S. dollar against the Mexican peso, with all other variables held constant, CEMEX's net loss for 2014 and 2013 would have increased by approximately US\$216 (Ps3,186) and US\$59 (Ps773), respectively, as a result of higher foreign exchange losses on CEMEX's dollar-

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Foreign currency risk – continued

denominated net monetary liabilities held in consolidated entities with other functional currencies. Conversely, a hypothetical 10% weakening of the U.S. dollar against the Mexican peso would have the opposite effect.

As of December 31, 2014, approximately 88% of CEMEX's financial debt was Dollar-denominated, approximately 12% was Euro-denominated, approximately 1% was Peso-denominated and immaterial amounts were denominated in other currencies; therefore, CEMEX had a foreign currency exposure arising from the Dollar-denominated financial debt, and the Euro-denominated financial debt, versus the currencies in which CEMEX's revenues are settled in most countries in which it operates. CEMEX cannot guarantee that it will generate sufficient revenues in Dollars and Euros from its operations to service these obligations. As of December 31, 2014 and 2013, CEMEX had not implemented any derivative financing hedging strategy to address this foreign currency risk.

As of December 31, 2014 and 2013, CEMEX's consolidated net monetary assets (liabilities) by currency are as follows:

		2014							
		<u>Mexico</u>	<u>USA</u>	<u>Northern Europe</u>	<u>Mediterranean</u>	<u>SAC</u>	<u>Asia</u>	<u>Others</u>	<u>Total</u>
Monetary assets	Ps	15,565	8,319	15,954	7,315	5,245	2,126	8,677	63,201
Monetary liabilities		<u>12,389</u>	<u>14,876</u>	<u>32,619</u>	<u>9,336</u>	<u>5,839</u>	<u>2,251</u>	<u>269,141</u>	<u>346,451</u>
Net monetary assets (liabilities)	Ps	<u>3,176</u>	<u>(6,557)</u>	<u>(16,665)</u>	<u>(2,021)</u>	<u>(594)</u>	<u>(125)</u>	<u>(260,464)</u>	<u>(283,250)</u>
Out of which:									
Dollars	Ps	(136)	(6,560)	—	10	598	111	(193,772)	(199,749)
Pesos		<u>3,312</u>	<u>3</u>	—	—	—	—	(35,141)	(31,826)
Euros		—	—	(4,155)	(2,178)	(25)	—	(42,685)	(49,043)
Other currencies		—	—	<u>(12,510)</u>	<u>147</u>	<u>(1,167)</u>	<u>(236)</u>	<u>11,134</u>	<u>(2,632)</u>
	Ps	<u>3,176</u>	<u>(6,557)</u>	<u>(16,665)</u>	<u>(2,021)</u>	<u>(594)</u>	<u>(125)</u>	<u>(260,464)</u>	<u>(283,250)</u>
		2013							
		<u>Mexico</u>	<u>USA</u>	<u>Northern Europe</u>	<u>Mediterranean</u>	<u>SAC</u>	<u>Asia</u>	<u>Others</u>	<u>Total</u>
Monetary assets	Ps	13,608	7,632	11,237	6,644	6,081	1,775	17,145	64,122
Monetary liabilities		<u>12,135</u>	<u>12,603</u>	<u>27,323</u>	<u>8,493</u>	<u>6,193</u>	<u>1,643</u>	<u>260,543</u>	<u>328,933</u>
Net monetary assets (liabilities)	Ps	<u>1,473</u>	<u>(4,971)</u>	<u>(16,086)</u>	<u>(1,849)</u>	<u>(112)</u>	<u>132</u>	<u>(243,398)</u>	<u>(264,811)</u>
Out of which:									
Dollars	Ps	(688)	(5,283)	—	(6)	1,065	129	(180,829)	(185,612)
Pesos		2,161	1	—	—	—	—	(22,366)	(20,204)
Euros		—	281	(6,623)	(2,091)	1	—	(49,073)	(57,505)
Other currencies		—	<u>30</u>	<u>(9,463)</u>	<u>248</u>	<u>(1,178)</u>	<u>3</u>	<u>8,870</u>	<u>(1,490)</u>
	Ps	<u>1,473</u>	<u>(4,971)</u>	<u>(16,086)</u>	<u>(1,849)</u>	<u>(112)</u>	<u>132</u>	<u>(243,398)</u>	<u>(264,811)</u>

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Equity risk

Equity risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in the market price of CEMEX's and/or third party's shares. As described in note 16D, CEMEX has entered into equity forward contracts on Axtel CPOs, as well as capped call based on the price of CEMEX's own ADSs. Under these equity derivative instruments, there is a direct relationship in the change in the fair value of the derivative with the change in price of the underlying share. All changes in fair value of such derivative instruments are recognized in profit or loss as part of "Other financial income (expense), net." A significant decrease in the market price of CEMEX's ADSs would negatively affect CEMEX's liquidity and financial position.

As of December 31, 2014 and 2013, the potential change in the fair value of CEMEX's forward contracts in Axtel's shares that would result from a hypothetical, instantaneous decrease of 10% in the market price of Axtel CPOs, with all other variables held constant, would have increased CEMEX's net loss for 2014 and 2013 by approximately US\$1 (Ps15) and US\$2 (Ps29), respectively, as a result of additional negative changes in fair value associated with such forward contracts. A 10% hypothetical increase in the Axtel CPO price would generate approximately the opposite effect.

As of December 31, 2014 and 2013, the potential change in the fair value of CEMEX's options (capped calls) that would result from a hypothetical, instantaneous decrease of 10% in the market price of CEMEX's ADSs, with all other variables held constant, would have increased CEMEX's net loss for 2014 and 2013 by approximately US\$73 (Ps1,076) and US\$89 (Ps1,155), respectively, as a result of additional negative changes in fair value associated with these contracts. A 10% hypothetical increase in CEMEX's ADS price would generate approximately the opposite effect.

In addition, even though the changes in fair value of CEMEX's embedded conversion options in the convertible notes denominated in a currency other than the functional currency of CEMEX, S.A.B de C.V. affect the statements of operations, they do not imply any risk or variability in cash flows, considering that through their exercise, CEMEX will settle a fixed amount of debt with a fixed amount of shares. As of December 31, 2014 and 2013, the potential change in the fair value of the embedded conversion options in the Mandatorily Convertible Notes 2019 that would result from a hypothetical, instantaneous decrease of 10% in the market price of CEMEX's CPOs, with all other variables held constant, would have decreased CEMEX's net loss for 2014 and 2013 by approximately US\$8 (Ps113) and US\$8 (Ps102), respectively, as a result of additional positive changes in fair value associated with this option. A 10% hypothetical increase in the CEMEX CPO price would generate approximately the opposite effect.

Liquidity risk

Liquidity risk is the risk that CEMEX will not have sufficient funds available to meet its obligations. In recent years, in addition to cash flows provided by its operating activities, in order to meet CEMEX's overall liquidity needs for operations, servicing debt and funding capital expenditures and acquisitions, CEMEX has also relied on cost-cutting and operating improvements to optimize capacity utilization and maximize profitability, as well as borrowing under credit facilities, proceeds of debt and equity offerings, and proceeds from asset sales. CEMEX is exposed to risks from changes in foreign currency exchange rates, prices and currency controls, interest rates, inflation, governmental spending, social instability and other political, economic and/or social developments in the countries in which it operates, any one of which may materially increase CEMEX net loss and reduce cash from operations. CEMEX's consolidated net cash flows provided by operating activities, after interest and taxes,

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Liquidity risk – continued

as presented in its consolidated statements of cash flows, were Ps11,992 in 2014, Ps1,270 in 2013, and Ps5,949 in 2012. The maturities of CEMEX's contractual obligations are included in note 23E. As of December 31, 2014, CEMEX has approximately US\$560 (Ps8,254) available in its committed revolving credit tranche under its Credit Agreement (note 16A).

As of December 31, 2014 and 2013, the potential requirement for additional margin calls that would result from a hypothetical instantaneous decrease of 10% in the prices of Axtel shares would not be significant.

17) OTHER CURRENT AND NON-CURRENT LIABILITIES

As of December 31, 2014 and 2013, consolidated other current accounts payable and accrued expenses were as follows:

		<u>2014</u>	<u>2013</u>
Provisions ¹	Ps	10,341	10,186
Interest payable		3,106	3,007
Advances from customers		2,595	2,074
Other accounts payable and accrued expenses		2,392	2,763
Liabilities held for sale (note 15B)		1,611	—
Dividends payable		—	24
	Ps	<u>20,045</u>	<u>18,054</u>

- 1** Current provisions primarily consist of accrued employee benefits, insurance payments, and accruals for legal assessments, among others. These amounts are revolving in nature and are expected to be settled and replaced by similar amounts within the next 12 months.

As of December 31, 2014 and 2013, consolidated other non-current liabilities were as follows:

		<u>2014</u>	<u>2013</u>
Asset retirement obligations ¹	Ps	7,630	7,190
Accruals for legal assessments and other responsibilities ²		3,499	3,817
Non-current liabilities for valuation of derivative instruments		413	508
Environmental liabilities ³		365	522
Other non-current liabilities and provisions ⁴		19,584	23,054
	Ps	<u>31,491</u>	<u>35,091</u>

- 1** Provisions for asset retirement include future estimated costs for demolition, cleaning and reforestation of production sites at the end of their operation, which are initially recognized against the related assets and are depreciated over their estimated useful life.
- 2** Provisions for legal claims and other responsibilities include items related to tax contingencies.
- 3** Environmental liabilities include future estimated costs arising from legal or constructive obligations, related to cleaning, reforestation and other remedial actions to remediate damage caused to the environment. The expected average period to settle these obligations is greater than 15 years.

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Other current and non-current liabilities – continued

- 4 As of December 31, 2014 and 2013, includes approximately Ps16,264 and Ps20,530, respectively, of the non-current portion of taxes payable recognized since 2009 as a result of the changes to the tax consolidation regime in Mexico approved in 2009 and 2013 as described in note 19D. Approximately Ps5,165 and Ps4,274 as of December 31, 2014 and 2013 respectively, were included within current taxes payable.

Changes in consolidated other non-current liabilities for the years ended December 31, 2014 and 2013 were as follows:

		2014						
		Asset retirement obligations	Environmental liabilities	Accruals for legal proceedings	Valuation of derivative instruments	Other Provisions	Total	2013
Balance at beginning of period	Ps	7,190	522	3,817	508	33,240	45,277	42,723
Additions or increase in estimates		378	175	17	—	19,322	19,892	43,700
Releases or decrease in estimates		(352)	(30)	(564)	(159)	(28,864)	(29,969)	(50,433)
Reclassification current to non-current, net		(89)	(23)	24	—	71	(17)	240
Accretion expense		22	—	—	—	(897)	(875)	(850)
Foreign currency translation		481	(279)	205	64	7,053	7,524	9,897
Balance at the end of period	Ps	<u>7,630</u>	<u>365</u>	<u>3,499</u>	<u>413</u>	<u>29,925</u>	<u>41,832</u>	<u>45,277</u>
Out of which:								
Current provisions	Ps	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>10,341</u>	<u>10,341</u>	<u>10,186</u>

18) PENSIONS AND POSTRETIREMENT EMPLOYEE BENEFITS

Defined contribution pension plans

The costs of defined contribution plans for the years ended December 31, 2014, 2013 and 2012 were approximately Ps497, Ps455 and Ps528, respectively. CEMEX contributes periodically the amounts offered by the pension plan to the employee's individual accounts, not retaining any remaining liability as of the balance sheet date.

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Defined benefit pension plans

Actuarial results related to pension and other post retirement benefits are recognized in the results and/or in other comprehensive income (loss) for the period in which they are generated, as correspond. For the years ended December 31, 2014, 2013 and 2012, the effects of pension plans and other postretirement benefits are summarized as follows:

		Pensions			Other benefits			Total		
		2014	2013	2012	2014	2013	2012	2014	2013	2012
Net period cost (revenue):										
Recorded in operating costs and expenses										
Service cost	Ps	109	112	138	38	35	59	147	147	197
Past service cost		4	(40)	(1,454)	—	(90)	(21)	4	(130)	(1,475)
Loss (gain) for settlements and curtailments		—	(18)	(513)	(110)	—	(18)	(110)	(18)	(531)
		<u>113</u>	<u>54</u>	<u>(1,829)</u>	<u>(72)</u>	<u>(55)</u>	<u>20</u>	<u>41</u>	<u>(1)</u>	<u>(1,809)</u>
Recorded in other financial expenses										
Net interest cost		<u>529</u>	<u>518</u>	<u>697</u>	<u>60</u>	<u>71</u>	<u>91</u>	<u>589</u>	<u>589</u>	<u>788</u>
Recorded in other comprehensive income for the period										
Actuarial (gains) losses for the period		<u>3,024</u>	<u>729</u>	<u>657</u>	<u>1</u>	<u>(338)</u>	<u>97</u>	<u>3,025</u>	<u>391</u>	<u>754</u>
	Ps	<u><u>3,666</u></u>	<u><u>1,301</u></u>	<u><u>(475)</u></u>	<u><u>(11)</u></u>	<u><u>(322)</u></u>	<u><u>208</u></u>	<u><u>3,655</u></u>	<u><u>979</u></u>	<u><u>(267)</u></u>

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Defined benefit pension plans – continued

The reconciliations of the actuarial benefits obligations, pension plan assets, and liabilities recognized in the balance sheet as of December 31, 2014 and 2013 are presented as follows:

		Pensions		Other benefits		Total	
		2014	2013	2014	2013	2014	2013
Change in benefits obligation:							
Projected benefit obligation at beginning of year	Ps	35,089	33,440	1,357	1,729	36,446	35,169
Service cost		109	112	38	35	147	147
Interest cost		1,529	1,448	62	72	1,591	1,520
Actuarial (gains) losses for the period		3,714	830	2	(338)	3,716	492
Reduction for disposal of assets (note 15B)		(421)	—	—	—	(421)	—
Settlements and curtailments		—	(66)	(110)	(90)	(110)	(156)
Benefits paid		(1,811)	(1,694)	(77)	(76)	(1,888)	(1,770)
Foreign currency translation		2,076	1,019	49	25	2,125	1,044
Projected benefit obligation at end of year		<u>40,285</u>	<u>35,089</u>	<u>1,321</u>	<u>1,357</u>	<u>41,606</u>	<u>36,446</u>
Change in plan assets:							
Fair value of plan assets at beginning of year		22,349	21,691	24	23	22,373	21,714
Return on plan assets		1,000	930	2	1	1,002	931
Actuarial results		690	101	1	—	691	101
Employer contributions		982	642	77	75	1,059	717
Reduction for disposal of assets (note 15B)		(85)	—	—	—	(85)	—
Benefits paid		(1,811)	(1,694)	(77)	(76)	(1,888)	(1,770)
Foreign currency translation		1,573	679	—	1	1,573	680
Fair value of plan assets at end of year		<u>24,698</u>	<u>22,349</u>	<u>27</u>	<u>24</u>	<u>24,725</u>	<u>22,373</u>
Amounts recognized in the balance sheets:							
Net projected liability recognized in the balance sheet	Ps	<u>15,587</u>	<u>12,740</u>	<u>1,294</u>	<u>1,333</u>	<u>16,881</u>	<u>14,073</u>

Most CEMEX's defined benefit plans have been closed to new participants for several years. Actuarial losses during 2014 were mainly generated by a reduction in the discount rates applicable to the obligations at the end of the period in the United Kingdom, Germany and the United States, and to a lesser extent by the increase in the expected life assumption in the United States.

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Defined benefit pension plans – continued

As of December 31, 2014 and 2013, plan assets were measured at their estimated fair value and consisted of:

		2014	2013
Cash	Ps	1,682	1,761
Investments in corporate bonds		2,731	3,091
Investments in government bonds		8,788	7,170
Total fixed-income securities		<u>13,201</u>	<u>12,022</u>
Investment in marketable securities		7,137	7,178
Other investments and private funds		4,387	3,173
Total variable-income securities		<u>11,524</u>	<u>10,351</u>
Total plan assets	Ps	<u>24,725</u>	<u>22,373</u>

As of December 31, 2014 and 2013, based on the hierarchy of fair values established in IFRS 13 (note 16C), investments in plan assets are summarized as follows:

(Millions of pesos)		2014				2013			
		Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Cash	Ps	1,569	113	—	1,682	1,654	107	—	1,761
Investments in corporate bonds		2,099	632	—	2,731	2,524	567	—	3,091
Investments in government bonds		8,788	—	—	8,788	7,170	—	—	7,170
Total fixed-income securities		<u>12,456</u>	<u>745</u>	<u>—</u>	<u>13,201</u>	<u>11,348</u>	<u>674</u>	<u>—</u>	<u>12,022</u>
Investment in marketable securities		5,547	1,590	—	7,137	5,771	1,407	—	7,178
Other investments and private funds		1,773	2,586	28	4,387	947	2,218	8	3,173
Total variable-income securities		<u>7,320</u>	<u>4,176</u>	<u>28</u>	<u>11,524</u>	<u>6,718</u>	<u>3,625</u>	<u>8</u>	<u>10,351</u>
Total plan assets	Ps	<u>19,776</u>	<u>4,921</u>	<u>28</u>	<u>24,725</u>	<u>18,066</u>	<u>4,299</u>	<u>8</u>	<u>22,373</u>

As of December 31, 2014, estimated payments for pensions and other postretirement benefits over the next ten years were as follows:

	2014
2015	2,231
2016	2,186
2017	2,204
2018	2,293
2019	2,254
2020 – 2024	12,476

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Defined benefit pension plans – continued

The most significant assumptions used in the determination of the net periodic cost were as follows:

	2014				2013			
	Mexico	United States	United Kingdom	Range of rates in other countries	Mexico	United States	United Kingdom	Range of rates in other countries
Discount rates	5.5%	4.8%	4.4%	2.3% – 7.5%	7.0%	3.9%	4.6%	2.7% – 7.0%
Rate of return on plan assets	5.5%	4.8%	4.4%	2.3% – 7.5%	7.0%	3.9%	4.6%	2.7% – 7.0%
Rate of salary increases	4.0%	—	3.4%	2.0% – 5.0%	4.0%	—	3.1%	2.3% – 5.0%

As of December 31, 2014 and 2013, the aggregate projected benefit obligation (“PBO”) for pension plans and other postretirement benefits and the plan assets by country were as follows:

		2014			2013		
		PBO	Assets	Deficit	PBO	Assets	Deficit
Mexico	Ps	3,760	799	2,961	3,355	693	2,662
United States		5,501	3,569	1,932	4,654	3,272	1,382
United Kingdom		25,635	18,953	6,682	22,078	17,030	5,048
Germany		3,634	196	3,438	3,600	295	3,305
Other countries		3,076	1,208	1,868	2,759	1,083	1,676
	Ps	<u>41,606</u>	<u>24,725</u>	<u>16,881</u>	<u>36,446</u>	<u>22,373</u>	<u>14,073</u>

In some countries, CEMEX has established health care benefits for retired personnel limited to a certain number of years after retirement. As of December 31, 2014 and 2013, the projected benefits obligation related to these benefits was approximately Ps842 and Ps908, respectively. The medical inflation rates used to determine the projected benefits obligation of these benefits in 2014 and 2013 for Mexico were 7.0%, for Puerto Rico 4.7%, the United States 4.4%, and for the United Kingdom were 6.6%.

Significant events related to employees’ pension benefits and other postretirement benefits

Effective December 31, 2014, CEMEX in the United States terminated the retiree medical and life insurance coverage for most new retirees. In addition, CEMEX changed the existing retirees program effective January 1, 2015, where participants will cease their current plans and instead receive a Health Reimbursement Account (HRA) contribution, if they become eligible. This curtailment under IAS 19 resulted in an adjustment to past service cost which generated a gain of approximately Ps110 (US\$8) recognized immediately through the 2014 benefit cost.

Effective December 31, 2013, in connection with the closure in 2010 of the Davenport Plant in California, United States, and all benefits under the Medical Plan ceased to former RMC Davenport employees and their spouses. This plan amendment under IAS 19 resulted in an adjustment to past service cost which generated a gain of approximately Ps94 recognized immediately through the 2013 benefit cost. In addition, certain reductions in workforce affected CEMEX’s pension plans in Spain and the Philippines, which led to curtailment gains of approximately Ps18 also recognized through the 2013 benefit cost.

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Significant events related to employees' pension benefits and other postretirement benefits – continued

Applicable regulation in the United Kingdom requires entities to maintain plan assets at a level similar to that of the obligations. In November 2012, in order to better manage CEMEX's obligations under its defined benefit pension schemes and future cash funding requirements thereof, CEMEX implemented an asset backed pension funding arrangement in its operations in the United Kingdom by means of which CEMEX transferred certain operating assets to a non-transferable limited partnership, owned, controlled and consolidated by CEMEX UK with a total value of approximately US\$553 and entered into lease agreements for the use of such assets with the limited partnership, in which the pension schemes hold a limited interest. On an ongoing basis CEMEX UK will make annual rental payments of approximately US\$20, increasing at annual rate of 5%, which will generate profits in the limited partnership that are then distributed to the pension schemes. As previously mentioned, the purpose of the structure, in addition to provide the pension schemes with secured assets producing an annual return over a period of 25 years, improves the security for the trustees of the pension schemes, and reduces the level of cash funding that CEMEX UK will have to make in future periods. In 2037, on expiry of the lease arrangements, the limited partnership will be terminated and under the terms of the agreement, the remaining assets will be distributed to CEMEX UK. Any future profit distribution from the limited partnership to the pension fund will be considered as an employer contribution to plan assets in the period in which they occur.

On February 29, 2012, CEMEX UK agreed with the trustees of its employees' defined benefits pension plans to the modification of certain terms and benefits accrued until February 29, 2012. Beginning on this date, the eligible employees in the United Kingdom started to accrue pension benefits in the existing defined contribution scheme. In addition, during 2012, the adjustment for the change in the consumer price index explained below was extended to retirees under the pension plan. As of the modifications dates, the changes to the defined benefits schemes resulted in a curtailment event and also affected prior service costs, generating a net gain in the operating results for 2012 of approximately Ps1,914 (US\$146), mainly related to: 1) the effect of replacing salary increases with inflationary ones for the current retirees, and 2) the removal of certain death and termination benefits. In addition, during 2011, based on the applicable regulation, CEMEX UK communicated to the pension plans' trustees its decision to adopt for active beneficiaries the consumer price index for purposes of the restatement by inflation of the related obligations, in replacement of the retail price index, which had been used until 2010, resulting in a decrease in the projected benefit obligation related to past services of approximately Ps509, which is reflected in both the table of the net periodic cost in 2011 and the table of the reconciliation of the benefits' obligations, within the line item of actuarial results. These plans in the United Kingdom have been closed to new participants since 2004.

During 2012, in Puerto Rico, CEMEX eliminated coverage under the medical plan for any participants who had not retired by January 2, 2012. This event generated a curtailment gain of approximately Ps18 recognized as part of the net periodic cost in 2012.

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Sensitivity analysis of pension and other postretirement benefits

For the year ended December 31, 2014, CEMEX performed sensitivity analyses on the most significant assumptions that affect the PBO, considering reasonable independent changes of plus or minus 50 basis points in each of these assumptions. The increase (decrease) that would have resulted in the PBO of pensions and other postretirement benefits as of December 31, 2014 are shown below:

	<u>Pensions</u>		<u>Other benefits</u>		<u>Total</u>	
	<u>+50 bps</u>	<u>-50 bps</u>	<u>+50 bps</u>	<u>-50 bps</u>	<u>+50 bps</u>	<u>-50 bps</u>
Assumptions:						
Discount Rate Sensitivity	Ps (2,725)	3,059	(60)	65	(2,785)	3,124
Salary Increase Rate Sensitivity	90	(78)	15	(14)	105	(92)
Pension Increase Rate Sensitivity	<u>1,951</u>	<u>(1,778)</u>	<u>—</u>	<u>—</u>	<u>1,951</u>	<u>(1,778)</u>

19) INCOME TAXES

19A) INCOME TAXES FOR THE PERIOD

The amounts for income taxes (expense) income to the statements of operations in 2014, 2013 and 2012 are summarized as follows:

	<u>2014</u>	<u>2013</u>	<u>2012</u>
Current income taxes			
From Mexican operations	Ps (1,838)	(12,227)	1,825
From foreign operations	<u>(2,380)</u>	<u>(2,013)</u>	<u>4,377</u>
	<u>(4,218)</u>	<u>(14,240)</u>	<u>6,202</u>
Deferred income taxes			
From Mexican operations	4,086	8,645	1,276
From foreign operations	<u>(3,891)</u>	<u>(615)</u>	<u>(13,521)</u>
	195	8,030	(12,245)
	Ps <u>(4,023)</u>	<u>(6,210)</u>	<u>(6,043)</u>

As of December 31, 2014, consolidated tax loss and tax credits carryforwards and reserved carryforwards expire as follows:

	<u>Amount of</u>	<u>Amount of reserved</u>
	<u>carryforwards</u>	<u>carryforwards</u>
2015	Ps 2,058	723
2016	3,243	409
2017	6,054	660
2018	9,338	416
2019 and thereafter	<u>369,770</u>	<u>303,027</u>
	Ps <u>390,463</u>	<u>305,235</u>

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19B) DEFERRED INCOME TAXES

As of December 31, 2014 and 2013, the main temporary differences that generated the consolidated deferred income tax assets and liabilities are presented below:

	<u>2014</u>	<u>2013</u>
Deferred tax assets:		
Tax loss carryforwards and other tax credits	Ps 25,720	26,290
Accounts payable and accrued expenses	8,694	7,511
Intangible assets and deferred charges, net	8,086	8,647
Others	216	211
Total deferred tax assets, net	<u>42,716</u>	<u>42,659</u>
Deferred tax liabilities:		
Property, machinery and equipment	(32,017)	(32,099)
Investments and other assets	(2,768)	(3,532)
Total deferred tax liabilities, net	<u>(34,785)</u>	<u>(35,631)</u>
Net deferred tax asset	Ps <u><u>7,931</u></u>	<u><u>7,028</u></u>

The breakdown of changes in consolidated deferred income taxes during 2014, 2013 and 2012 were as follows:

	<u>2014</u>	<u>2013</u>	<u>2012</u>
Deferred income tax (charged) credited to the statements of operations 1,2	Ps 195	8,030	(12,245)
Deferred income tax (charged) credited to stockholders' equity	229	(1,167)	(570)
Reclassification to other captions in the balance sheet 3	479	(21)	6
Change in deferred income tax during the period	Ps <u><u>903</u></u>	<u><u>6,842</u></u>	<u><u>(12,809)</u></u>

- 1 In 2013, CEMEX recognized deferred income tax assets in Mexico for approximately Ps10,823, considering the projections of estimated taxable income in the Parent Company resulting from the integration of the operations in Mexico that is described in note 1.
- 2 In 2012, includes a reduction in the deferred tax assets associated with tax loss carryforwards in Spain by approximately Ps17,018, against the deferred income tax expense for the period, considering current estimates of future taxable income and due to changes in the applicable regulations.
- 3 In 2014, includes the effect of the divest assets in the western region of Germany (note 15B).

Current and/or deferred income tax relative to items of other comprehensive loss during 2014, 2013 and 2012 were as follows:

	<u>2014</u>	<u>2013</u>	<u>2012</u>
Tax effects relative to foreign exchange fluctuations from debt (note 20B) 1	Ps (75)	—	(2,082)
Tax effects relative to foreign exchange fluctuations from intercompany balances (note 20B)	247	(1,338)	(724)
Tax effects relative to actuarial (gains) and losses (note 20B)	486	(122)	263
Other effects 2	(257)	253	(833)
	Ps <u><u>401</u></u>	<u><u>(1,207)</u></u>	<u><u>(3,376)</u></u>

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- 1 Effective January 1, 2013, in connection with the change of the Parent Company's functional currency described in note 2D there were no effects of foreign exchange fluctuations from the Parent Company's US dollar-denominated debt within other comprehensive loss.
- 2 In 2013, includes a deferred income tax expense of Ps1,298 recognized directly into stockholders' equity in connection with the changes in the conversion options embedded into the mandatorily convertible securities and into the convertible notes as explained in note 16B.

For the recognition of deferred tax assets, CEMEX analyzes the aggregate amount of self-determined tax loss carryforwards included in its income tax returns in each country where CEMEX believes, based on available evidence, that the tax authorities would not reject such tax loss carryforwards; and the likelihood of the recoverability of such tax loss carryforwards prior to their expiration through an analysis of estimated future taxable income. If CEMEX believes that it is probable that the tax authorities would reject a self-determined deferred tax asset, it would decrease such asset. Likewise, if CEMEX believes that it would not be able to use a tax loss carryforward before its expiration or any other tax asset, CEMEX would not recognize such asset. Both situations would result in additional income tax expense for the period in which such determination is made. In order to determine whether it is probable that deferred tax assets will ultimately be realized, CEMEX takes into consideration all available positive and negative evidence, including factors such as market conditions, industry analysis, expansion plans, projected taxable income, carryforward periods, current tax structure, potential changes or adjustments in tax structure, tax planning strategies, future reversals of existing temporary differences, etc. In addition, every reporting period, CEMEX analyzes its actual results versus its estimates, and adjusts, as necessary, its tax asset valuations. If actual results vary from CEMEX's estimates, the deferred tax asset may be affected and necessary adjustments will be made based on relevant information. Any adjustments recorded will affect CEMEX's statements of operations in such period.

As of December 31, 2014, CEMEX's deferred tax loss carryforwards that have been recognized expire as follows:

	Amount of unreserved carryforwards
2015	Ps 1,335
2016	2,834
2017	5,394
2018	8,922
2019 and thereafter	<u>66,743</u>
	<u>Ps 85,228</u>

As of December 31, 2014, in connection with CEMEX's deferred tax loss carryforwards presented in the table above, in order to realize the benefits associated with such deferred tax assets that have not been reserved, before their expiration, CEMEX would need to generate approximately Ps85,228 in consolidated pre-tax income in future periods. For the years ended December 31, 2014, 2013 and 2012, CEMEX has reported pre-tax losses on a worldwide consolidated basis. Nonetheless, based on the same forecasts of future cash flows and operating results used by CEMEX's management to allocate resources and evaluate performance in the countries in which CEMEX operates, which include expected growth in revenues and reductions in interest expense in several countries due to a reduction in intra-group debt balances, along with the implementation of feasible tax strategies, CEMEX believes that it will recover the balance of its tax loss carryforwards that have not been reserved before their expiration. In addition, CEMEX concluded that, the deferred tax liabilities that were considered in the

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Deferred income taxes – continued

analysis of recoverability of its deferred tax assets will reverse in the same period and tax jurisdiction of the related recognized deferred tax assets. Moreover, a certain amount of CEMEX's deferred tax assets refer to operating segments and tax jurisdictions in which CEMEX is currently generating taxable income or in which, according to CEMEX's management cash flow projections, will generate taxable income in the relevant periods before the expiration of the deferred tax assets.

CEMEX, S.A.B de C.V., has not provided for any deferred tax liability for the undistributed earnings generated by its subsidiaries recognized under the equity method, considering that such undistributed earnings are expected to be reinvested, and to not generate income tax in the foreseeable future. Likewise, CEMEX does not recognize a deferred income tax liability related to its investments in subsidiaries and interests in joint ventures, considering that CEMEX controls the reversal of the temporary differences arising from these investments.

19C) EFFECTIVE TAX RATE

Differences between the financial reporting and the corresponding tax basis of assets and liabilities and the different income tax rates and laws applicable to CEMEX, among other factors, give rise to permanent differences between the statutory tax rate applicable in Mexico, and the effective tax rate presented in the consolidated statements of operations, which in 2014, 2013 and 2012 were as follows:

	<u>2014</u>	<u>2013</u>	<u>2012</u>
	%	%	%
Consolidated statutory tax rate	(30.0)	(30.0)	(30.0)
Non-taxable dividend income	(4.4)	(5.6)	(0.7)
Expenses and other non-deductible items ¹	81.7	352.7	7.7
Unrecognized tax benefits in the year	6.1	(37.8)	(49.5)
Non-taxable sale of marketable securities and fixed assets	(52.6)	(48.1)	(14.2)
Difference between book and tax inflation	48.4	39.9	34.0
Other tax non-accounting benefits ²	192.0	(87.0)	166.4
Others	<u>1.5</u>	<u>(1.5)</u>	<u>0.4</u>
Effective consolidated tax rate	<u>242.7</u>	<u>182.6</u>	<u>114.1</u>

¹ In 2013, this line item includes the effects associated with the termination of the tax consolidation regime in Mexico.

² Includes: a) the effects of the different income tax rates in the countries where CEMEX operates and other permanent differences; b) changes during the period related to deferred tax assets originated by tax loss carryforwards (note 19B); and c) changes in the balance of provisions for tax uncertainties during the period, as described in note 19D.

19D) UNCERTAIN TAX POSITIONS AND SIGNIFICANT TAX PROCEEDINGS

As of December 31, 2014 and 2013, as part of short-term and long-term provisions and other liabilities (note 17), CEMEX has recognized provisions related to unrecognized tax benefits in connection with uncertain tax positions taken, in which it is deemed probable that the tax authority would differ from the position adopted by CEMEX. As of December 31, 2014, the tax returns submitted by some subsidiaries of CEMEX located in several countries are under review by the respective tax authorities in the ordinary course of business. CEMEX cannot anticipate if such reviews will result in new tax assessments, which would, should any arise, be appropriately disclosed and/or recognized in the financial statements.

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Uncertain tax positions and significant tax proceedings – continued

A summary of the beginning and ending amount of unrecognized tax benefits for the years ended December 31, 2014, 2013 and 2012, excluding interest and penalties, is as follows:

		<u>2014</u>	<u>2013</u>	<u>2012</u>
Balance of tax positions at beginning of year	Ps	1,283	1,235	21,936
Additions for tax positions of prior years		216	207	325
Additions for tax positions of current year		278	68	110
Reductions for tax positions related to prior years and other items		(71)	(42)	(14,601)
Settlements and reclassifications		(317)	(81)	(4,053)
Expiration of the statute of limitations		(73)	(103)	(1,599)
Foreign currency translation effects		80	(1)	(883)
Balance of tax positions at end of year	Ps	<u>1,396</u>	<u>1,283</u>	<u>1,235</u>

Tax examinations can involve complex issues, and the resolution of issues may span multiple years, particularly if subject to negotiation or litigation. Although CEMEX believes its estimates of the total unrecognized tax benefits are reasonable, uncertainties regarding the final determination of income tax audit settlements and any related litigation could affect the amount of total unrecognized tax benefits in future periods. It is difficult to estimate the timing and range of possible changes related to the uncertain tax positions, as finalizing audits with the income tax authorities may involve formal administrative and legal proceedings. Accordingly, it is not possible to reasonably estimate the expected changes to the total unrecognized tax benefits over the next 12 months, although any settlements or statute of limitations expirations may result in a significant increase or decrease in the total unrecognized tax benefits, including those positions related to tax examinations being currently conducted.

As of December 31, 2014, certain significant proceedings associated with these tax positions are as follows:

- As of December 31, 2014, the U.S. Internal Revenue Service (“IRS”) has concluded its audits for the years 2010, 2011 and 2012. The final findings did not materially alter the provisions CEMEX had set aside for these matters and, as such, the amounts were not material for its financial results. On April 25, 2014, the IRS commenced its audit of the 2013 and 2014 tax years under the Compliance Assurance Process. CEMEX has not identified any material audit results that could have a significant adverse effect in its financial statements.
- On July 7, 2011, the tax authorities in Spain notified CEMEX España, S.A. of a tax audit process in Spain covering the tax years from and including 2006 to 2009. The tax authorities in Spain have challenged part of the tax losses reported by CEMEX España for such years. The tax authorities in Spain notified CEMEX España of fines in the aggregate amount of approximately €456 (US\$552 or Ps8,134). The laws of Spain provide a number of appeals that could be filed against such penalty without making any payment until they are finally resolved. On April 22, 2014, CEMEX España filed appeals against such fines. At this stage, CEMEX is not able to assess the likelihood of an adverse result regarding this matter, and the appeals that CEMEX España has filed could take an extended amount of time to be resolved, but if all appeals filed by CEMEX España are adversely resolved, it could have a material adverse impact on CEMEX’s results of operations, liquidity or financial condition.
- On December 17, 2012, the Mexican tax authorities published the decree of the Federation Revenues Law for the 2013 tax year. The decree contained a transitory ruling (the “Amnesty Provision”) that granted the

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Uncertain tax positions and significant tax proceedings – continued

cancellation of up to 80% of certain tax proceedings originated before the 2007 tax period, and 100% of interest and penalties, as well as 100% of interest and penalties of tax proceedings originated in the 2007 tax period and thereafter. CEMEX was a beneficiary of such transitory amnesty provision in connection with several of the Mexican tax proceedings mentioned in the following paragraphs. As a result, CEMEX reduced the provision accrued in prior years related to these tax proceedings and the effect is included as part of the changes of unrecognized tax benefits during the year 2012 presented in the table above.

- Pursuant to amendments to the Mexican income tax law effective January 1, 2005, Mexican companies with investments in foreign entities whose income tax liability is less than 75% of the income tax that would be payable in Mexico, are required to pay taxes in Mexico on net passive income, such as dividends, royalties, interest, capital gains and rental fees obtained by such entities, provided, however, that those revenues are not derived from entrepreneurial activities in such countries. CEMEX challenged the constitutionality of the amendments before the Mexican federal courts. In September 2008, the Supreme Court of Justice ruled the amendments were constitutional for tax years 2005 to 2007. In March and July, 2012, CEMEX self-assessed the taxes corresponding to the 2005 and 2006 tax years, respectively, for a total amount, inclusive of surcharges and carry-forward charges, of Ps4,642 (US\$358) for 2005 and Ps1,100 (US\$86) for 2006, of which 20%, or approximately Ps928 (US\$72) for 2005 and Ps221 (US\$17) for 2006, was paid in connection with the submission of amended tax returns. The remaining 80% of such total amounts would have been due in February 2013 and July 2013 for the 2005 and 2006 tax years, respectively, plus additional interest if CEMEX would have elected to extend the payment date in thirty-six monthly installments. On January 31, 2013 in connection with the Amnesty Provision, CEMEX reached a settlement agreement with the tax authorities for the remaining 80% consisting in a single final payment on February 1, 2013 according to the rules set forth by the transitory provision described above. Changes in the provision were recognized within income tax expense in 2012.

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- In November 2009, amendments to the income tax law effective on January 1, 2010 were approved in Mexico. Such amendments modified the tax consolidation regime by requiring entities to determine income taxes as if the tax consolidation rules did not exist from 1999 onward, specifically turning into taxable items: a) the difference between the sum of the equity of the controlled entities for tax purposes and the equity of the consolidated entity for tax purposes; b) dividends from the controlled entities for tax purposes to CEMEX, S.A.B. de C.V.; and c) other transactions that represented the transfer of resources between the companies included in the tax consolidation. In December 2010, pursuant to miscellaneous rules, the tax authority in Mexico had granted the option to defer the calculation and payment of the income tax over the difference in equity explained above, until the subsidiary was disposed of or CEMEX would eliminate the tax consolidation. Nonetheless, in December 2013 new amendments to the income tax law in Mexico were approved effective beginning January 1, 2014, which eliminated the tax consolidation regime in effect until December 31, 2013, and implemented prospectively a new voluntary integration regime that CEMEX will not apply. As a result, beginning in 2014, each Mexican entity will determine its income taxes based solely in its individual results. A period of up to 10 years has been established for the settlement of the liability for income taxes related to the tax consolidation regime accrued until December 31, 2013, amount which considering the rules issued for the disconnection of the tax consolidation regime amounted to approximately Ps24,804 as of December 31, 2013, as described in the table below. Changes in the Parent Company's tax payable associated with the aforementioned elimination of the tax consolidation regime in Mexico during 2014, 2013 and 2012 were as follows:

		<u>2014</u>	<u>2013</u>	<u>2012</u>
Balance at beginning of period	Ps	24,804	14,546	12,410
Income tax received from subsidiaries		—	1,805	2,089
Restatement for the period		955	1,234	745
Payments during the period		(4,330)	(2,035)	(698)
Effects associated with the termination of the tax consolidation regime		—	9,254	—
Balance at end of period	Ps	<u>21,429</u>	<u>24,804</u>	<u>14,546</u>

- On January 2011, the Mexican tax authority notified CEMEX, S.A.B. de C.V., of a tax assessment for approximately Ps996 (US\$77) pertaining to changes to the income tax law approved in 2005 that permits the deductibility of the cost of goods sold deducted in the determination of income taxes, instead of using the amount of purchases. Since there were inventories as of December 31, 2004, in a transition provision, the law allowed the inventory to be accumulated as income (thus reversing the deduction via purchases) and then be deducted from 2005 onwards as cost of goods sold. In order to compute the income resulting from the inventories in 2004, the law allowed this income to be offset against accumulated tax losses of some of CEMEX's subsidiaries. The authorities argued that because of this offsetting, the right to use such losses at the consolidated level had been lost; therefore, CEMEX had to increase its consolidated income or decrease its consolidated losses. During May 2013, CEMEX settled this tax assessment as part of the Amnesty Provision described above.
- On November 16, 2011, the Mexican tax authorities notified Centro Distribuidor de Cemento, S.A. de C.V. and Mexcement Holdings, S.A. de C.V., subsidiaries of CEMEX in Mexico, of tax assessments related to direct and indirect investments in entities considered to be preferential tax regimes, in the amount of approximately Ps1,251 (US\$101) and approximately Ps759 (US\$59), respectively. In February 2014, CEMEX filed a claim against these assessments before the corresponding courts. At this stage, CEMEX is not able to assess the likelihood of an adverse result in these proceedings. During May 2013, CEMEX settled these tax assessments based on the Amnesty Provision previously described.

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Uncertain tax positions and significant tax proceedings – continued

- On April 1, 2011, the Colombian Tax Authority notified CEMEX Colombia, S.A. (“CEMEX Colombia”) of a special proceeding in which the Colombian Tax Authority rejected certain deductions taken by CEMEX Colombia in its 2009 year-end tax return. The Colombian Tax Authority assessed an increase in taxes to be paid by CEMEX Colombia in an amount equivalent as of December 31, 2014 to approximately US\$38 (Ps560) and imposed a penalty in an amount equivalent to approximately US\$60 (Ps884). The Colombian Tax Authority argues that certain expenses are not deductible for fiscal purposes because they are not linked to direct revenues recorded in the same fiscal year, without considering that future revenue will be taxed under the income tax law in Colombia. CEMEX Colombia responded to the special proceeding notice June 25, 2011. On December 15, 2011, the Colombian Tax Authority issued its final determination, which confirmed the information in the special proceeding. CEMEX Colombia appealed the final determination on February 15, 2012. On January 17, 2013, CEMEX Colombia was notified of a resolution confirming the official liquidation. On May 10, 2013 CEMEX Colombia appealed the final determination before the Administrative Tribunal of Cundinamarca, which was admitted on June 21, 2013. On July 14, 2014, CEMEX Colombia was notified about an adverse resolution to its appeal, which confirms the official liquidation notified by the Colombian Tax Authority. On July 22, 2014, CEMEX Colombia filed an appeal against this resolution before the Colombian State Council (*Consejo de Estado*). At this stage of the proceeding, as of December 31, 2014, CEMEX is not able to assess the likelihood of an adverse result in the proceedings, but if adversely resolved, this proceeding could have a material adverse impact on CEMEX’s results of operations, liquidity or financial position.
- On November 10, 2010, the Colombian Tax Authority notified CEMEX Colombia of a proceeding in which the Colombian Tax Authority rejected certain tax losses taken by CEMEX Colombia in its 2007 and 2008 year-end tax return. In addition, the Colombian Tax Authority assessed an increase in taxes to be paid by CEMEX Colombia in an amount equivalent as of December 31, 2014 to approximately US\$18 (Ps265) and imposed a penalty in an amount equivalent to approximately US\$29 (Ps427). The Colombian Tax Authority argues that CEMEX Colombia is limited in its use of prior year tax losses to 25% of such losses per subsequent year. CEMEX believes that the tax provision that limits the use of prior year tax losses does not apply in the case of CEMEX Colombia because the applicable tax law was repealed in 2006. Furthermore, CEMEX believes that the Colombian Tax Authority is no longer able to review the 2008 tax return because the time to review such return has already expired pursuant to Colombian law. The Colombian Tax Authority issued an official settlement on July 27, 2011, which confirmed its position in the special request. The official settlement was appealed by CEMEX on September 27, 2011. On July 31, 2012, the Colombian Tax Authority notified CEMEX Colombia of the resolution confirming the official liquidation. In November 2012, CEMEX Colombia appealed the official assessment. During 2013, CEMEX Colombia reached a settlement agreement with the Colombian Tax Authority by means of the payment of the income tax due, while penalties were canceled. On August 26, 2013 and September 16, 2013, the settlement confirmations were signed in connection with the years 2007 and 2008, respectively, representing the official conclusion of this proceeding.
- On February 9, 2014, the Egyptian Ministry of Finance’s Appeals Committee (the “Appeals Committee”) notified a resolution to Assiut Cement Company (“ACC”), CEMEX’s subsidiary in Egypt, requiring the payment of a development levy on clay applied to the Egyptian cement industry in amounts equivalent as of December 31, 2014, of: (i) approximately US\$45 (Ps663) for the period from May 5, 2008 to August 31, 2011; and (ii) approximately 7 thousand dollars (103 thousand pesos) for the period from September 1, 2011 to November 30, 2011. On March 10, 2014, ACC filed a claim before the North Cairo Court requesting the nullification of decision and requesting that the Egyptian tax authority is not entitled to require payment of

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Uncertain tax positions and significant tax proceedings – continued

the aforementioned amounts. This matter is being reviewed by the North Cairo Court expert's office. At this stage, as of December 31, 2014, CEMEX is not able to assess the likelihood of an adverse result regarding this matter, but if adversely resolved, this proceeding could have a material adverse impact on CEMEX's results of operations, liquidity or financial position.

20) STOCKHOLDERS' EQUITY

As of December 31, 2014 and 2013, stockholders' equity excludes investments in CPOs of CEMEX, S.A.B. de C.V. held by subsidiaries of approximately Ps264 (18,261,131 CPOs) and Ps269 (17,558,782 CPOs), respectively, which were eliminated within "Other equity reserves."

20A) COMMON STOCK AND ADDITIONAL PAID-IN CAPITAL

As of December 31, 2014 and 2013, the breakdown of common stock and additional paid-in capital was as follows:

		<u>2014</u>	<u>2013</u>
Common stock	Ps	4,151	4,143
Additional paid-in capital		<u>101,216</u>	<u>84,800</u>
	Ps	<u>105,367</u>	<u>88,943</u>

During December 2013, the Company's management approved restitution to the consolidated line item of "Retained earnings" for Ps35,667, by means of transfer with charge to the line item of "Additional paid-in capital". This transfer represents a reclassification between line items within CEMEX's consolidated stockholders' equity that does not affect its consolidated amount.

As of December 31, 2014 and 2013 the common stock of CEMEX, S.A.B. de C.V. was presented as follows:

Shares ¹	<u>2014</u>		<u>2013</u>	
	Series A ²	Series B ²	Series A ²	Series B ²
Subscribed and paid shares	24,913,159,536	12,456,579,768	22,847,063,194	11,423,531,597
Unissued shares authorized for stock compensation programs	933,604,310	466,802,155	1,055,956,580	527,978,290
Shares that guarantee the issuance of convertible securities ³	5,658,760,600	2,829,380,300	6,408,438,520	3,204,219,260
Shares authorized for the issuance of stock or convertible securities ⁴	—	—	4,146,404	2,073,202
	<u>31,505,524,446</u>	<u>15,752,762,223</u>	<u>30,315,604,698</u>	<u>15,157,802,349</u>

- 1 As of December 31, 2014 and 2013, 13,068,000,000 shares correspond to the fixed portion, and 34,190,286,669 shares in 2014, 32,405,407,047 shares in 2013, correspond to the variable portion.
- 2 Series "A" or Mexican shares must represent at least 64% of CEMEX's capital stock; meanwhile, Series "B" or free subscription shares must represent at most 36% of CEMEX's capital stock.
- 3 Shares that guarantee the conversion of both the outstanding voluntary and mandatorily convertible securities (note 16B).

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Common stock and additional paid-in capital – continued

4 Shares authorized for the issuance of stock through a public offer or through the issuance of convertible securities.

On March 20, 2014, stockholders at the annual ordinary shareholders' meeting approved resolutions to: (i) increase the variable common stock through the capitalization of retained earnings by issuing up to 1,404.0 million shares (468.0 million CPOs), which shares were issued, representing an increase in common stock of approximately Ps4, considering a nominal value of Ps0.00833 per CPO, and additional paid-in capital of approximately Ps7,614; (ii) increase the variable common stock by issuing up to 387 million shares (129 million CPOs), which will be kept in CEMEX's treasury to be used to preserve the anti-dilutive rights of note holders pursuant CEMEX's convertible securities (note 16B).

On March 21, 2013, stockholders at the annual ordinary shareholders' meeting approved resolutions to: (i) increase the variable common stock through the capitalization of retained earnings by issuing up to 1,312.3 million shares (437.4 million CPOs), which shares were issued, representing an increase in common stock of approximately Ps4, considering a nominal value of Ps0.00833 per CPO, and additional paid-in capital of approximately Ps5,987; (ii) increase the variable common stock by issuing up to 369 million shares (123 million CPOs), which will be kept in CEMEX's treasury to be used to preserve the anti-dilutive rights of note holders pursuant CEMEX's convertible securities (note 16B). Also, on March 21, 2013, stockholders at the extraordinary shareholders' meeting approved resolutions pursuant to which all or any part of the shares currently kept in CEMEX's treasury as a guarantee for the potential issuance of shares through CEMEX's convertible securities may be re-allocated to ensure the conversion rights of any new convertible securities if any new convertible securities are issued.

On February 23, 2012, stockholders at the annual ordinary shareholders' meeting approved resolutions to: (i) increase the variable common stock through the capitalization of retained earnings by issuing up to 1,256.4 million shares (418.8 million CPOs), which shares were issued, representing an increase in common stock of approximately Ps3.4, considering a nominal value of Ps0.00833 per CPO, and additional paid-in capital of approximately Ps4,133.8; (ii) increase the variable common stock by issuing up to 345 million shares (115 million CPOs), which will be kept in CEMEX's treasury to be used to preserve the anti-dilutive rights of note holders pursuant CEMEX's convertible securities (note 16B); (iii) the cancellation of 5,122 million treasury shares, which were not subject to public offer or convertible notes issuance in the 24 months period authorized by the extraordinary shareholders meeting held on September 4, 2009; and (iv) increase the variable common stock by issuing up to 1,500 million shares (500 million CPOs) which will be kept in CEMEX's treasury and used to be subscribed and paid pursuant to the terms and conditions of CEMEX's long-term compensation stock program (note 21), without triggering the shareholders' preemptive rights.

In connection with the long-term executive stock-based compensation program (note 21) in 2014, 2013 and 2012, CEMEX issued approximately 61.1 million, 49.6 million and 46.4 million CPOs, respectively, generating an additional paid-in capital of approximately Ps765 in 2014, Ps551 in 2013 and Ps486 in 2012 associated with the fair value of the compensation received by executives.

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20B) OTHER EQUITY RESERVES

As of December 31, 2014 and 2013 other equity reserves are summarized as follows:

		<u>2014</u>	<u>2013</u>
Cumulative translation effect, net of effects from perpetual debentures and deferred income taxes recognized directly in equity (notes 19B and 20D)	Ps	11,474	12,152
Cumulative actuarial losses		(6,167)	(3,142)
Effects associated with CEMEX's convertible securities ¹		5,695	6,296
Treasury shares held by subsidiaries		(264)	(269)
	Ps	<u>10,738</u>	<u>15,037</u>

¹ Represents the equity component upon the issuance of CEMEX's convertible securities described in note 16B, as well as the effects associated with such securities in connection with the change in the Parent Company's functional currency (note 2D). Upon conversion of these securities, the balances have been correspondingly reclassified to common stock and/or additional paid-in capital (note 16A).

For the years ended December 31, 2014, 2013 and 2012, the translation effects of foreign subsidiaries included in the statements of comprehensive loss were as follows:

		<u>2014</u>	<u>2013</u>	<u>2012</u>
Foreign currency translation adjustment ¹	Ps	15,157	(4,187)	(16,019)
Foreign exchange fluctuations from debt ²		479	—	6,939
Foreign exchange fluctuations from intercompany balances ³		(15,135)	5,139	1,756
	Ps	<u>501</u>	<u>952</u>	<u>(7,324)</u>

¹ These effects refer to the result from the translation of the financial statements of foreign subsidiaries.

² Generated by foreign exchange fluctuations over a notional amount of debt in CEMEX, S.A.B. de C.V., associated with the acquisition of foreign subsidiaries and designated as a hedge of the net investment in foreign subsidiaries.

³ Refers to foreign exchange fluctuations arising from balances with related parties in foreign currencies that are of a long-term investment nature considering that their liquidation is not anticipated in the foreseeable future and foreign exchange fluctuations over a notional amount of debt of a subsidiary of CEMEX España identified and designated as a hedge of the net investment in foreign subsidiaries.

20C) RETAINED EARNINGS

Net income for the year is subject to a 5% allocation toward a legal reserve until such reserve equals one fifth of the common stock. As of December 31, 2014, the legal reserve amounted to Ps1,804. As mentioned in note 20A, in December 2013, CEMEX incurred a restitution of retained earnings from additional paid-in capital for Ps35,667.

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20D) NON-CONTROLLING INTEREST AND PERPETUAL DEBENTURES

Non-controlling interest

Non-controlling interest represents the share of non-controlling stockholders in the results and equity of consolidated subsidiaries. As of December 31, 2014 and 2013, non-controlling interest in equity amounted to approximately Ps10,199 and Ps8,716, respectively.

On November 15, 2012, pursuant to a public offering in Colombia and an international private placement, CEMEX Latam, a wholly-owned subsidiary of CEMEX España, S.A., concluded its initial offering of 170,388,000 common shares, which include 22,224,000 treasury shares, repurchased by means of a put option granted to the initial purchasers during the 30-day period following closing of the offering. CEMEX Latam's assets include substantially all of CEMEX's assets in Colombia, Panama, Costa Rica, Brazil, Guatemala and El Salvador. After the offering, CEMEX España, S.A., maintained 73.35% of CEMEX Latam's outstanding common shares, excluding shares held in treasury. CEMEX Latam's common shares are listed on the Colombian Stock Exchange (*Bolsa de Valores de Colombia S.A.*) under the ticker CLH. The net proceeds from the offering of approximately US\$960, after deducting commissions and offering expenses and after giving effect to the exercise of the put option by the initial purchasers, were used by CEMEX to repay indebtedness under the Facilities Agreement and the Financing Agreement.

Perpetual debentures

As of December 31, 2014 and 2013, the balances of the non-controlling interest included approximately US\$466 (Ps6,869) and US\$477 (Ps6,223), respectively, representing the notional amount of perpetual debentures, which exclude any perpetual debentures held by subsidiaries, acquired in 2012 through a series of voluntary exchange transactions agreed with the holders of each series of their then outstanding perpetual debentures for new secured notes or other financial instruments (notes 2A and 16A).

Interest expense on the perpetual debentures, was included within "Other equity reserves" and amounted to approximately Ps420 in 2014, Ps405 in 2013 and Ps453 in 2012, excluding in all the periods the amount of interest accrued by perpetual debentures held by subsidiaries.

CEMEX's perpetual debentures have no fixed maturity date and there are no contractual obligations for CEMEX to exchange any series of its outstanding perpetual debentures for financial assets or financial liabilities. As a result, these debentures, issued entirely by Special Purpose Vehicles ("SPVs"), qualify as equity instruments and are classified within non-controlling interest, as they were issued by consolidated entities. In addition, subject to certain conditions, CEMEX has the unilateral right to defer indefinitely the payment of interest due on the debentures. The classification of the debentures as equity instruments was made under applicable IFRS. The different SPVs were established solely for purposes of issuing the perpetual debentures and were included in CEMEX's consolidated financial statements.

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Perpetual debentures – continued

As of December 31, 2014 and 2013, the detail of CEMEX's perpetual debentures, excluding the perpetual debentures held by subsidiaries, was as follows:

Issuer	Issuance date	2014		2013		Repurchase option	Interest rate
		Nominal amount		Nominal amount			
C10-EUR Capital (SPV) Ltd	May 2007	€64		€64		Tenth anniversary	6.277%
C8 Capital (SPV) Ltd	February 2007	US\$ 137		US\$ 137		Eighth anniversary	LIBOR + 4.4%
C5 Capital (SPV) Ltd ¹	December 2006	US\$ 69		US\$ 69		Fifth anniversary	LIBOR+4.277%
C10 Capital (SPV) Ltd	December 2006	US\$ 183		US\$ 183		Tenth anniversary	6.722%

¹ CEMEX is not permitted to call these debentures under the Facilities Agreement.

21) EXECUTIVE STOCK-BASED COMPENSATION

CEMEX has long-term restricted stock-based compensation programs providing for the grant of CEMEX's CPOs to a group of executives, pursuant to which, new CPOs are issued under each annual program over a service period of 4 years. By agreement with the executives, the CPOs of the annual grant (25% of each annual program) are placed at the beginning of the service period in a trust established for the benefit of the executives to comply with a one year restriction on sale. Under these programs, CEMEX granted approximately 61.1 million CPOs in 2014, 49.6 million CPOs in 2013 and 46.4 million CPOs in 2012 that were subscribed and pending for payment in CEMEX's treasury. Of the total CPOs granted in 2013, approximately 10.3 million CPOs were related to termination benefits associated with restructuring events (note 6). As of December 31, 2014, there are approximately 58 million CPOs associated with these annual programs that are expected to be issued in the following years as the executives render services.

Beginning January 1, 2013, eligible executives belonging to CEMEX Latam's operations (note 20D), ceased to receive CEMEX's CPOs and instead started receiving shares of CEMEX Latam. The only different condition as compared to CEMEX's plan is that executives receive each 25% of the shares related to the annual program fully unrestricted at the end of the service period. CEMEX Latam granted 135,250 shares in 2014 and 56,925 shares in 2013. As of December 31, 2014, there are approximately 207,193 shares of CEMEX Latam associated with these annual programs that are expected to be issued in the following years as the executives render services.

In addition, in 2012, CEMEX initiated a stock-based compensation program for a group of executives which was linked to both, internal performance conditions (increase in Operating EBITDA) and market conditions (increase in the price of CEMEX's CPO), over a period of three years ending on December 31, 2014. Under this program, CEMEX granted awards over approximately 39.9 million CPOs, which became fully vested upon achievement of the annual internal and/or external performance conditions in each of the three years. Any CPOs vested would be only delivered, fully unrestricted, to active executives in March 2015.

The combined compensation expense related to the programs described above in 2014, 2013 and 2012, recognized in the operating results, amounted to approximately Ps730, Ps687 and Ps622, respectively. The weighted average price per CPO granted during the period was approximately 12.53 pesos in 2014, 11.11 pesos in 2013 and 10.48 pesos in 2012. Moreover, the weighted average price per CEMEX Latam share granted during the period was approximately 15,073 Colombian pesos in 2014 and 12,700 Colombian pesos in 2013.

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Executive stock-based compensation – continued

Options outstanding under CEMEX's programs represent liability instruments (note 2S). The information related to options granted in respect of CEMEX, S.A.B. de C.V., shares is as follows:

Options	Variable Program (A)	Special Program (B)
Options at the beginning of 2013	263,776	507,447
Changes in 2013:		
Options cancelled and adjustments	(263,776)	(160,112)
Options exercised	—	(111,312)
Options at the end of 2013	—	236,023
Changes in 2014:		
Options cancelled and adjustments	—	(165,510)
Options at the end of 2014	—	70,513
Underlying CPOs ¹	—	1,410,250
Weighted average exercise prices per CPO:		
Options outstanding at the beginning of 2014 ¹	—	1.6 dollars
Options outstanding at the end of 2014 ¹	—	1.9 dollars
Average life of options:	—	0.5 years

¹ Prices and the number of underlying CPOs are technically adjusted for the dilutive effect of stock dividends and recapitalization of retained earnings

A) Variable program

This program started in November 2001, through an exchange for options of an extinguished former program, with exercise prices denominated in dollars increasing annually at a 7% rate.

B) Special program

Until 2005, a subsidiary in the United States granted to a group of its employees a stock option program to purchase CEMEX ADSs. The options granted have a fixed exercise price denominated in dollars and tenure of 10 years. The option exercises are hedged using ADSs currently owned by subsidiaries, which increases the number of shares outstanding. The amounts of these ADS programs are presented in terms of equivalent CPOs.

Valuation of options at fair value and accounting recognition

All options outstanding qualify as liability instruments and are valued at their estimated fair value as of the date of the financial statements, recognizing changes in valuations in the statements of operations. The options' fair values were determined through the binomial option-pricing model considering the options' remaining tenure and assumptions of expected dividend yield, volatility and interest rate based on reasonable market conditions. The balances of the provision for the remaining executive stock options as of December 31, 2014 and 2013 and the changes in such provision for the years ended December 31, 2014, 2013 and 2012 were not significant.

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22) LOSS PER SHARE

Based on IAS 33 *Earnings per Share* ("IAS 33"), basic earnings (loss) per share shall be calculated by dividing profit or loss attributable to ordinary equity holders of the parent entity (the numerator) by the weighted average number of shares outstanding (the denominator) during the period. Shares that would be issued depending only by the passage of time should be included in the determination of the basic weighted average number of shares outstanding. Diluted earnings (loss) per share should reflect in both, the numerator and denominator, the assumption that convertible instruments are converted, that options or warrants are exercised, or that ordinary shares are issued upon the satisfaction of specified conditions, to the extent that such assumption would lead to a reduction in basic earnings per share or an increase in basic loss per share, otherwise, the effects of potential shares are not considered because they generate antidilution.

The amounts considered for calculations of loss per share in 2014, 2013 and 2012 were as follows:

		2014	2013	2012
Denominator (thousands of shares)				
Weighted average number of shares outstanding ¹		35,293,441	34,128,538	33,974,677
Capitalization of retained earnings in 2013 ²		1,404,099	1,404,099	1,404,099
Effect of dilutive instruments – mandatorily convertible securities (note 16B) ³		629,545	629,545	629,545
Weighted average number of shares outstanding – basic		37,327,085	36,162,182	36,008,321
Effect of dilutive instruments – stock-based compensation (note 21) ³		293,657	306,930	286,042
Effect of potentially dilutive instruments – optionally convertible securities (note 16B) ³		5,733,796	7,105,488	7,105,488
Weighted average number of shares outstanding – diluted		<u>43,354,538</u>	<u>43,574,600</u>	<u>43,399,851</u>
Numerator				
Consolidated net loss	Ps	(5,680)	(9,611)	(11,338)
Less: non-controlling interest net income		1,103	1,223	662
Controlling interest net loss		(6,783)	(10,834)	(12,000)
Plus: after tax interest expense on mandatorily convertible securities		164	181	196
Controlling interest net loss – basic loss per share		(6,619)	(10,653)	(11,804)
Plus: after tax interest expense on optionally convertible securities		1,424	1,494	1,501
Controlling interest net loss – diluted loss per share	Ps	<u>(5,195)</u>	<u>(9,159)</u>	<u>(10,303)</u>
Controlling Interest Basic Loss Per Share	Ps	<u>(0.18)</u>	<u>(0.29)</u>	<u>(0.33)</u>
Controlling Interest Diluted Loss Per Share ⁴	Ps	<u>(0.18)</u>	<u>(0.29)</u>	<u>(0.33)</u>

¹ Based on IAS 33, the weighted average number of shares outstanding in 2013 and 2012 reflects the shares issued as a result of the capitalization of retained earnings declared on March 2013 and March 2012, as applicable (note 20A).

² According to resolution of the stockholders' meetings on March 20, 2014.

³ The number of CPO to be issued under the executive stock-based compensation programs, as well as the total amount of CPOs committed for issuance in the future under the mandatorily and optionally convertible

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Loss per share – continued

securities, are computed from the beginning of the reporting period. The number of shares resulting from the executives' stock option programs is determined under the inverse treasury method.

- 4 For 2014, 2013 and 2012, the effects on the denominator and numerator of potential dilutive shares generate antidilution; therefore, there is no change between the reported basic and diluted loss per share.

23) COMMITMENTS

23A) GUARANTEES

As of December 31, 2014 and 2013, CEMEX, S.A.B. de C.V., had guaranteed loans of certain subsidiaries for approximately US\$5,589 (Ps82,383) and US\$7,125 (Ps92,982), respectively.

23B) PLEDGED ASSETS

As of December 31, 2014, CEMEX had prepaid in total its liabilities secured by property, machinery and equipment. In 2013, CEMEX had liabilities amounting US\$83. These amounts exclude the financial liabilities associated with capital leases (note 16B), as there are no legal liens on the related assets.

In addition, CEMEX transferred to a guarantee trust and entered into pledge agreements for the benefit of the Credit Agreement and the Facilities Agreement lenders, note holders and other creditors having the benefit of negative pledge clauses, the shares of several of its main subsidiaries, including CEMEX México, S.A. de C.V. and CEMEX España, S.A., in order to secure payment obligations under the Credit Agreement, the Facilities Agreement and other debt instruments entered into prior to the date of these agreements (note 16A).

23C) OTHER COMMITMENTS

In April 2008, Citibank entered into put option transactions on CEMEX's CPOs with a Mexican trust that CEMEX established on behalf of its Mexican pension fund and certain of CEMEX's directors and current and former employees (the "participating individuals"). The transaction was structured with two main components. Under the first component, the trust sold, for the benefit of CEMEX's Mexican pension fund, put options to Citibank in exchange for a premium of US\$38. The premium was used by the trust to purchase, on a prepaid forward basis, securities that tracked the performance of the MSE. Under the second component, the trust sold, on behalf of the participating individuals, additional put options to Citibank in exchange for a premium of US\$38, which was used to purchase prepaid forward CPOs. These prepaid forward CPOs, together with additional CPOs representing an equal amount in U.S. dollars, were deposited into the trust by the participating individuals as security for their obligations, and represented the maximum exposure of the participating individuals under this transaction. The put options gave Citibank the right to require the trust to purchase, in April 2013, approximately 136 million CPOs at a price of US\$2.6498 per CPO (120% of initial CPO price in dollars). If the value of the assets held in the trust (34.7 million CPOs and the securities that tracked the performance of the MSE) was insufficient to cover the obligations of the trust, CEMEX should settle, in April 2013, the difference between the total number of CPOs at a price of US\$2.6498 per CPO and the market value of the assets of the trust. During the transaction, CEMEX recognized a liability for the fair value of the guarantee, and changes in valuation were recorded in the statements of operations (note 16D). Between January and April 2013, the 136 million put options were gradually unwounded, and after deducting the value of the trust's assets, for an aggregate amount of approximately US\$112.

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Other commitments – continued

On July 30, 2012, CEMEX signed a 10-year strategic agreement with International Business Machines Corporation (“IBM”) pursuant to which IBM provides business processes services and information technology (“IT”). Moreover, IBM provides business consulting to detect and promote sustainable improvements in CEMEX’s profitability. The 10-year contract signed with IBM is expected to generate cost reductions to CEMEX over such period, and includes: data processing services (back office) in finance, accounting and human resources; as well as IT infrastructure services, support and maintenance of IT applications in the countries in which CEMEX operates.

23D) COMMITMENTS FROM EMPLOYEE BENEFITS

In some countries, CEMEX has self-insured health care benefits plans for its active employees, which are managed on cost plus fee arrangements with major insurance companies or provided through health maintenance organizations. As of December 31, 2013, in certain plans, CEMEX has established stop-loss limits for continued medical assistance derived from a specific cause (e.g., an automobile accident, illness, etc.) ranging from 23 thousand dollars to 400 thousand dollars. In other plans, CEMEX has established stop-loss limits per employee regardless of the number of events ranging from 350 thousand dollars to 2 million dollars. The contingency for CEMEX if all employees qualifying for health care benefits required medical services simultaneously is significantly. However, this scenario is remote. The amount expensed through self-insured health care benefits was approximately US\$64 (Ps943) in 2014, US\$70 (Ps914) in 2013 and US\$72 (Ps925) in 2012.

23E) CONTRACTUAL OBLIGATIONS

As of December 31, 2014 and 2013, CEMEX had the following contractual obligations:

(U.S. dollars millions)		2014				2013	
		Less than 1 year	1-3 years	3-5 years	More than 5 years	Total	Total
Obligations							
Long-term debt	US\$	984	2,254	4,859	5,867	13,964	14,627
Capital lease obligations ¹		32	62	61	60	215	292
Convertible notes ²		216	961	649	—	1,826	2,269
Total debt and other financial obligations ³		1,232	3,277	5,569	5,927	16,005	17,188
Operating leases ⁴		97	151	95	50	393	402
Interest payments on debt ⁵		910	1,738	1,180	1,220	5,048	6,289
Pension plans and other benefits ⁶		151	298	309	846	1,604	1,747
Purchases of raw materials, fuel and energy ⁷		334	434	446	2,041	3,255	3,488
Total contractual obligations	US\$	2,724	5,898	7,599	10,084	26,305	29,114
	Ps	40,152	86,937	112,009	148,638	387,736	379,938

¹ Represent nominal cash flows. As of December 31, 2014, the net present value of future payments under such leases was US\$130 (Ps1,916), of which, US\$35 (Ps509) refers to payments from 1 to 3 years, US\$25 (Ps371) refer to payments from 3 to 5 years, and US\$53 (Ps776) refer payments of more than 5 years.

² Refers to the components of liability of the convertible notes described in note 16B and assumes repayment at maturity and no conversion of the notes.

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- 3 The schedule of debt payments, which includes current maturities, does not consider the effect of any refinancing of debt that may occur during the following years. In the past, CEMEX has replaced its long-term obligations for others of a similar nature.
- 4 The amounts represent nominal cash flows. CEMEX has operating leases, primarily for operating facilities, cement storage and distribution facilities and certain transportation and other equipment, under which annual rental payments are required plus the payment of certain operating expenses. Rental expense was US\$112 (Ps1,657) in 2014, US\$126 (Ps1,647) in 2013 and US\$156 (Ps2,003) in 2012.
- 5 Estimated cash flows on floating rate denominated debt were determined using the floating interest rates in effect as of December 31, 2014 and 2013.
- 6 Represents estimated annual payments under these benefits for the next 10 years (note 18), including the estimate of new retirees during such future years.
- 7 Future payments for the purchase of raw materials are presented on the basis of contractual nominal cash flows. Future nominal payments for energy were estimated for all contractual commitments on the basis of an aggregate average expected consumption of 3,124.1 GWh per year using the future prices of energy established in the contracts for each period. Future payments also include CEMEX's commitments for the purchase of fuel.

As of December 31, 2014 and 2013, in connection with the commitments for the purchase of fuel and energy included in the table above, a description of the most significant contracts is as follows:

- In September 2006, CEMEX and the Spanish company ACCIONA agreed to develop a wind farm project for the generation of 250 Megawatts (MW) in the Mexican state of Oaxaca. CEMEX acted as promoter of the project, which was named EURUS. ACCIONA provided the required financing, constructed the facility and currently operates the wind farm. The installation of 167 wind turbines in the farm was finished in November 2009. The agreements established that CEMEX's plants in Mexico will acquire a portion of the energy generated by the wind farm for a period of at least 20 years, which began in February 2010, when EURUS reached the committed limit capacity. For the years ended December 31, 2014, 2013 and 2012, EURUS supplied (unaudited) approximately 29.1%, 25.8% and 29.1%, respectively, of CEMEX's overall electricity needs in Mexico during such year. This agreement is for CEMEX's own use and there is no intention of trading in energy by CEMEX.
- In 1999, CEMEX entered into agreements with an international partnership, which financed, built and operated an electrical energy generating plant in Mexico called Termoeléctrica del Golfo ("TEG"). In 2007, the original operator was replaced. Pursuant to the agreement, CEMEX would purchase the energy generated from TEG for a term of not less than 20 years, which started in April 2004 and that was further extended until 2027 with the change of operator. CEMEX committed to supply TEG and another third-party electrical energy generating plant adjacent to TEG all fuel necessary for their operations, a commitment that has been hedged through four 20-year agreements entered with Petróleos Mexicanos ("PEMEX"), which terminate in 2024. Consequently, for the last 3 years, CEMEX intends to purchase the required fuel in the market. For the years ended December 31, 2014, 2013 and 2012, TEG supplied (unaudited) approximately 64.8%, 70.9% and 67.8%, respectively, of CEMEX's overall electricity needs during such year for its cement plants in Mexico.
- In regards with the above, in March 1998 and July 1999, CEMEX signed contracts with PEMEX providing that beginning in April 2004 PEMEX's refineries in Cadereyta and Madero City would supply CEMEX with a combined volume of approximately 1.75 million tons of petcoke per year. As per the petcoke contracts with PEMEX, 1.2 million tons of the contracted volume will be allocated to TEG and the other

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Contractual obligations – continued

energy producer and the remaining volume will be allocated to CEMEX's operations in Mexico. By entering into the petcoke contracts with PEMEX, CEMEX expects to have a consistent source of petcoke throughout the 20-year term.

- In 2007, CEMEX Ostzement GmbH ("COZ"), CEMEX's subsidiary in Germany, entered into a long-term energy supply contract with Vattenfall Europe New Energy Ecopower ("VENEE"), pursuant to which VENEE committed to supply energy to CEMEX's Rüdersdorf plant for a period of 15 years starting on January 1, 2008. Based on the contract, each year COZ has the option to fix in advance the volume of energy that it will acquire from VENEE, with the option to adjust the purchase amount one time on a monthly and quarterly basis. According to the contract, COZ acquired (unaudited) approximately 27 MW in 2014, 2013 and 2012, and COZ expects to acquire between 26 and 28 MW per year starting in 2015 and thereafter. The contract, which establishes a price mechanism for the energy acquired, based on the price of energy future contracts quoted on the European Energy Exchange, did not require initial investments and was expected to be performed at a future date. Based on its terms, this contract qualified as a financial instrument under IFRS. As the contract is for CEMEX's own use and CEMEX sells any energy surplus as soon as actual energy requirements are known, regardless of changes in prices and thereby avoiding any intention of trading in energy, such contract is not recognized at its fair value.

24) CONTINGENCIES

24A) PROVISIONS RESULTING FROM LEGAL PROCEEDINGS

CEMEX is involved in various significant legal proceedings, in addition to those related to income tax matters (note 19D), the resolutions of which are deemed probable and imply cash outflows or the delivery of other resources owned by CEMEX. As a result, certain provisions have been recognized in the financial statements, representing the best estimate of the amounts payable. Therefore, CEMEX believes that it will not incur significant expenditure in excess of the amounts recorded. As of December 31, 2014, the details of the most significant events are as follows:

- In January 2007, the Polish Competition and Consumers Protection Office (the "Protection Office") notified CEMEX Polska, a subsidiary in Poland, about the initiation of an antitrust proceeding against all cement producers in the country, including CEMEX Polska and another of CEMEX's indirect subsidiaries in Poland. The Protection Office alleged that there was an agreement between all cement producers in Poland regarding prices, market quotas and other sales conditions of cement, and that the producers exchanged confidential information, all of which limited competition in the Polish cement market. In January 2007, CEMEX Polska filed its response to the notification, denying that it had committed the practices listed by the Protection Office, and submitted formal comments and objections gathered during the proceeding, as well as facts supporting its position that its activities were in line with Polish competition law. In December 2009, the Protection Office issued a resolution imposing fines on a number of Polish cement producers, including CEMEX Polska for the period of 1998 to 2006. The fine imposed on CEMEX Polska amounted to the equivalent of approximately US\$33 (Ps485), which represented 10% of CEMEX Polska's total revenue for the calendar year preceding the imposition of the fine. On December 23, 2009, CEMEX Polska filed an appeal before the Polish Court of Competition and Consumer Protection in Warsaw (the "First Instance Court"). After a series of hearings, on December 13, 2013, the First Instance Court reduced the penalty imposed on CEMEX Polska to the equivalent of approximately US\$27 (Ps393) or 8.125% of CEMEX Polska's revenue in 2008. On May 8, 2014, CEMEX Polska filed an appeal against the First Instance Court judgment before the Appeals Court in Warsaw. The abovementioned penalty is enforceable until the

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Provisions resulting from legal proceedings – continued

Appeals Court issues its final judgment. As of December 31, 2014, CEMEX had accrued a provision equivalent to approximately US\$27 (Ps393), representing the best estimate of the expected cash outflow in connection with this resolution. As of December 31, 2014, CEMEX does not expect this matter would have a material adverse impact on its results of operations, liquidity or financial condition.

- In August 2005, Cartel Damages Claims, S.A. (“CDC”), a Belgian company established in the aftermath of the German cement cartel investigation that took place from July 2002 to April 2003 by Germany’s Federal Cartel Office, with the purpose of purchasing potential damage claims from cement consumers and pursuing those claims against the cartel participants, filed a lawsuit in the District Court in Düsseldorf, Germany, against CEMEX Deutschland AG, a subsidiary of CEMEX in Germany, and other German cement companies in respect of damage claims relating to alleged price and quota fixing by German cement companies between 1993 and 2002. CDC has brought claims for an amount equivalent of approximately US\$159 (Ps2,337). After several resolutions by the District Court in Düsseldorf over the years, court hearings and appeals from the defendants, on December 17, 2013 the District Court in Düsseldorf issued a resolution by means of which all claims brought to court by CDC were dismissed on the grounds that the way CDC obtained the claims from 36 cement purchasers was illegal given the limited risk it faced for covering the litigation costs and that the acquisition of the claims also breached rules that make the provision of legal advice subject to public authorization. On January 15, 2014, CDC filed an appeal to the Higher Regional Court in Düsseldorf, and thereafter submitted reasons for their appeal. A court hearing took place on November 12, 2014 and a date for issuing a decision was set for February 18, 2015. CEMEX is unable to assess the likelihood of an adverse result. As of December 31, 2014, CEMEX Deutschland AG had accrued a provision regarding this matter equivalent to approximately US\$36 (Ps535), including accrued interests over the principal amount of the claim, representing the best estimate of CEMEX’s cash outflow in connection with an adverse resolution.
- As of December 31, 2014, CEMEX had accrued environmental remediation liabilities in the United Kingdom pertaining to closed and current landfill sites for the confinement of waste, representing the net present value of such obligations for an equivalent of approximately US\$204 (Ps3,010). Expenditure was assessed and quantified over the period in which the sites have the potential to cause environmental harm, which was accepted by the regulator as being up to 60 years from the date of closure. The assessed expenditure included the costs of monitoring the sites and the installation, repair and renewal of environmental infrastructure.
- As of December 31, 2014, CEMEX had accrued environmental remediation liabilities in the United States for an amount of approximately US\$30 (Ps442), related to: a) the disposal of various materials in accordance with past industry practice, which might currently be categorized as hazardous substances or wastes, and b) the cleanup of sites used or operated by CEMEX, including discontinued operations, regarding the disposal of hazardous substances or waste, either individually or jointly with other parties. Most of the proceedings are in the preliminary stages, and a final resolution might take several years. Based on the information developed to date, CEMEX’s does not believe that it will be required to spend significant sums on these matters in excess of the amounts previously recorded. The ultimate cost that may be incurred to resolve these environmental issues cannot be assured until all environmental studies, investigations, remediation work and negotiations with, or litigation against, potential sources of recovery have been completed.

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24B) OTHER CONTINGENCIES FROM LEGAL PROCEEDINGS

CEMEX is involved in various legal proceedings, which have not required the recognition of accruals, as CEMEX believes that the probability of loss is less than probable or remote. In certain cases, a negative resolution may represent the revocation of an operating license, in which case, CEMEX may experience a decrease in future revenues, an increase in operating costs or a loss. As of December 31, 2014, the most significant events with a quantification of the potential loss, when it is determinable and would not impair the outcome of the relevant proceeding, were as follows:

- In September 2014, the National Markets and Competition Commission (*Comisión Nacional de los Mercados y la Competencia* or the “CNMC”), in the context of an investigation of the Spanish cement, ready-mix concrete and related products industry regarding alleged anticompetitive practices, inspected one of CEMEX’s facilities in Spain. CEMEX España believes that it has not breached any applicable laws. As of December 31, 2014, considering the early stage of this matter, CEMEX cannot assess the likelihood of the CNMC issuing a decision imposing any penalties or remedies, if any, or the amount of the penalty or the scope of the remedies, if any, however, if the CNMC issues a decision imposing any penalty or remedy, CEMEX does not expect that it would have a material adverse impact on CEMEX’s results of operations, liquidity or financial condition.
- On September 5, 2013, the Colombian Superintendency of Industry and Commerce (the “SIC”) issued a resolution pursuant to which the SIC opened an investigation against five cement companies and 14 directors of those companies, including CEMEX Colombia, its former legal representative and the current President of CEMEX Colombia, for allegedly breaching rules which prohibit: a) to limit free competition and/or determining or maintaining unfair prices; b) direct or indirect price fixing agreements; and c) any market sharing agreements between producers or distributors. In connection with the 14 executives under investigation, the SIC may sanction any individual who collaborated, facilitated, authorized, executed or tolerated behavior that violates free competition rules. On October 7, 2013, CEMEX Colombia responded the resolution and submitted evidence in its relief. If the alleged infringements are substantiated, aside from any measures that could be ordered to remediate the alleged practices, penalties may be imposed by the SIC against each company being declared in breach of the competition rules for an equivalent of up to US\$25 (Ps363) for each violation, and an equivalent of up to US\$1 (Ps15) against those individuals found responsible of collaborating, facilitating, authorizing, executing or tolerating behavior that violates free competition rules. It is expected that in early 2015, the Superintendent Delegate for Competition Protection will issue a non-binding report of the investigation, which could provide a recommendation to impose sanctions or to close the investigation, and a decision by the SIC on this matter would be expected during the second or third quarter of 2015. As of December 31, 2014, CEMEX is not able to assess the likelihood of the SIC imposing any measures and/or penalties against CEMEX Colombia, but if any penalties are imposed, CEMEX does not expect this matter to have a material adverse impact on CEMEX’s financial results of operation, liquidity or financial condition.
- On July 24, 2013, the South Louisiana Flood Protection Authority-East (“SLFPAE”) issued a petition for damages in the Civil District Court for the Parish of Orleans, Louisiana in the United States, against approximately 100 defendants including CEMEX, Inc., seeking compensation for and the restoration of certain coastal lands near New Orleans alleged to have been damaged by activities related to oil and gas exploration and production since the early 1900’s. CEMEX, Inc., which was previously named Southdown, Inc., may have acquired liabilities, to the extent there may be any, in connection with oil and gas operations that were divested in the late 1980’s. The matter was removed to the United States District Court for the Eastern District of Louisiana (the “Louisiana District Court”). On June 6, 2014, a new act (“Act 544”) was enacted which prohibits certain state or local governmental entities such as the SLFPAE from initiating

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certain causes of action including the claims asserted in this matter. The effects of Act 544 on the pending matter have yet to be determined by the Louisiana District Court. As of December 31, 2014, CEMEX does not have sufficient information to assess the likelihood of an adverse result or, because of the number of defendants, the potential damages which could be borne by CEMEX, Inc., if any, or if such damages, if any, would have or not a material adverse impact on CEMEX's results of operations, liquidity or financial condition.

- In connection with a lawsuit submitted to a first instance court in Assiut, Egypt and notified on May 23, 2011 to Assiut Cement Company ("ACC"), a subsidiary of CEMEX in Egypt. On September 13, 2012, the first instance court of Assiut issued a resolution in order to nullify the Share Purchase Agreement (the "SPA") pursuant to which CEMEX acquired a controlling interest in ACC. On January 20, 2014, the Appeals Court in Assiut, Egypt, issued a judgment accepting the appeals, revoking the court's resolution, and referring the matter to an administrative court in Assiut (the "Administrative Court"). On October 15, 2014, the Administrative Court ruled for its non-jurisdiction to review the case and referred the case to the Administrative Judiciary Court of Assiut. In connection with this matter, on April 7, 2011 and March 6, 2012, lawsuits seeking, among other things, the annulment of the SPA were filed by different plaintiffs, including 25 former employees of ACC, before Cairo's State Council. Moreover, on February 23, 2014, in connection with the above, two plaintiffs filed a lawsuit before the Assiut Administrative Judiciary Court requesting the cancellation of the resolutions taken by Metallurgical Industries Company's ("MIC") shareholders during the extraordinary general shareholders meeting pursuant to which it was agreed to sell ACC's shares and enter into the SPA. In a related matter, on April 23, 2014, the Presidential Decree on Law No. 32 of 2014 ("Law 32/2014"), which regulates legal actions to challenge agreements entered into by the Egyptian State (including its ministries, departments, special budget entities, local administrative units, authorities and state-participated companies) and third parties, become effective, but still subject to approval by the House of Representatives. As of December 31, 2014, several constitutional challenges have been filed against Law 32/2014 before the Constitutional Court, and the House of Representatives had not been yet elected. In consideration of the aforementioned, after several resolutions, hearings and appeals in these cases over the years, as of December 31, 2014, CEMEX is not able to assess the likelihood of an adverse resolution regarding these lawsuits nor is able to assess if the Constitutional Court will dismiss Law 32/2014 or if Law 32/2014 will not be ratified by the House of Representatives, but, regarding the lawsuits, if adversely resolved, CEMEX does not believe the resolutions in the first instance would have an immediate material adverse impact on CEMEX's operations, liquidity and financial condition. However, if CEMEX exhausts all legal recourses available, a final adverse resolution of these lawsuits, or if the Constitutional Court dismisses Law 32/2014, or if Law 32/2014 is not ratified by the House of Representatives, this could adversely impact the ongoing matters regarding the SPA, which could have a material adverse impact on CEMEX's operations, liquidity and financial condition.
- On June 21, 2012, one of CEMEX's subsidiaries in Israel was notified about an application for the approval of a class action suit against it. The application, filed by a homeowner who built his house with concrete supplied by CEMEX in October of 2010, claims that the concrete supplied to him did not meet with the Israeli ready-mix strength standard requirements and that as a result CEMEX acted unlawfully toward all of its customers who received concrete that did not comply with such standard requirements. As per the application, the plaintiff claims that the supply of the alleged non-conforming concrete has caused financial and non-financial damages to those customers, including the plaintiff. CEMEX presumes that the class action would represent the claim of all the clients who purchased the alleged non-conforming concrete from its subsidiary in Israel during the past 7 years, the limitation period according to applicable laws in Israel.

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The damages that could be sought amount and equivalent to approximately US\$71 (Ps1,046). CEMEX's subsidiary submitted a formal response to the corresponding court. As of December 31, 2014, CEMEX's subsidiary in Israel is not able to assess the likelihood of the class action application being approved or, if approved, of an adverse result, such as an award for damages in the full amount that could be sought, but if adversely resolved CEMEX does not believe that the final resolutions would have a material adverse impact on its results of operations, liquidity or financial condition.

- On January 20, 2012, the United Kingdom Competition Commission (the "UK Commission"), commenced a market investigation ("MIR") into the supply or acquisition of cement, ready-mix concrete and aggregates. The referral to the UK Commission was made by the Office of Fair Trading, following an investigation by them of the aggregates sector. The UK Commission issued its full Provisional Findings Report on May 23, 2013, in which it provisionally found that there was a combination of structural and conduct features that gave rise to an adverse effect on competition in the Great Britain cement markets and an adverse effect on competition as a result of contracts involving certain major suppliers of granulated blast furnace slag and for the supply of ground granulated blast furnace slag. The UK Commission has not identified any problems with the markets for aggregates or ready mix concrete. The possible remedies the UK Commission listed include, among others, the divestiture of cement production capacity and/or ready mix concrete plants by one or more of the top three cement producers and the creation of a cement buying group. On October 8, 2013 the UK Commission announced its provisional decision which not required CEMEX to divest assets in the United Kingdom. On January 14, 2014, the UK Commission published its final report, which followed the earlier provisional decision in regards CEMEX's subsidiaries in the United Kingdom. However, the final report made changes regarding the supply of granulated blast furnace slag and for the supply of ground granulated blast furnace slag by the other major participants in the MIR. These resolutions did not affect CEMEX's results of operations, liquidity or financial condition.
- On December 8, 2010, the European Commission (the "EC") informed CEMEX that it has decided to initiate formal proceedings in respect of possible anticompetitive practices in Austria, Belgium, the Czech Republic, France, Germany, Italy, Luxembourg, the Netherlands, Spain and the United Kingdom, which include CEMEX and seven other companies. These proceedings may lead to an infringement decision or, if the objections raised by the EC are not substantiated, the case might be closed. After several requests of information by the EC to CEMEX during the audits process, hearings, appeals and replies by CEMEX over the years, on March 14, 2014, the General Court dismissed the appeal filed by CEMEX and several of its affiliates in Europe and confirmed the lawfulness of the request for information sent by the EC in all of its aspects. On May 23, 2014, CEMEX and several of its affiliates in Europe filed an appeal against the General Court's judgment before the European Court of Justice. If the alleged infringements are substantiated, the EC may impose a maximum fine of up to 10% of the total turnover of the relevant companies for the last year preceding the imposition of the fine for which the financial statements have been approved. CEMEX intends to defend its position vigorously in this proceeding and is fully cooperating and will continue to cooperate with the EC in connection with this matter. As of December 31, 2014, the EC had not yet formulated a Statement of Objections against CEMEX and, as a result, the extent of the charges and the alleged infringements are unknown, and it is not clear which cement related products turnover revenues would be used for the determination of the possible penalties. As a result, CEMEX cannot assess the likelihood of an adverse result or the amount of the potential fine, but, if adversely resolved, it may have a material adverse impact on CEMEX's results of operations, liquidity or financial condition.
- On October 26, 2010, CEMEX, Inc., one of CEMEX's subsidiaries in the United States, received an Antitrust Civil Investigative Demand from the Office of the Florida Attorney General, which seeks

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documents and information in connection with an antitrust investigation in the ready-mix concrete industry in Florida. CEMEX Inc. has complied with the Office of the Florida Attorney General with respect to the documents and information requested by the civil investigative demand, and it is unclear, as of December 31, 2014, whether any formal proceeding will be initiated by such authority, or if a proceeding is initiated, if an adverse decision against CEMEX resulting from the investigation would be made or if such decision would have or not a material adverse impact on CEMEX's results of operations, liquidity or financial condition.

- On June 5, 2010, the District of Bogota's Environmental Secretary (*Secretaría Distrital de Ambiente de Bogotá* or the "Environmental Secretary"), ordered the suspension of CEMEX Colombia's mining activities at El Tunjuelo quarry, located in Bogotá, as well as those of other aggregates producers in the same area. The Environmental Secretary alleged that during the past 60 years CEMEX Colombia and the other companies have illegally changed the course of the Tunjuelo River, have used the percolating waters without permission and have improperly used the edge of the river for mining activities. In connection with the injunction, on June 5, 2010, CEMEX Colombia received a notification from the Environmental Secretary informing the initiation of proceedings to impose fines against CEMEX Colombia based on the above mentioned alleged environmental violations. CEMEX Colombia responded to the injunction by requesting that it be revoked based on the fact that the mining activities at El Tunjuelo quarry are supported by the authorizations required by the applicable environmental laws and that all the environmental impact statements submitted by CEMEX Colombia have been reviewed and permanently authorized by the Ministry of Environment and Sustainable Development (*Ministerio de Ambiente y Desarrollo Sostenible*). On June 11, 2010, the local authorities in Bogotá, in compliance with the Environmental Secretary's decision, sealed off the mine to machinery and prohibited the removal of CEMEX's aggregates inventory. Although there is not an official quantification of the possible fine, the Environmental Secretary has publicly declared that the fine could be up to the equivalent of approximately US\$125 (Ps1,848). The temporary injunction does not currently compromise the production and supply of ready-mix concrete to CEMEX's clients in Colombia. At this stage, CEMEX is not able to assess the likelihood of an adverse result or potential damages which could be borne by CEMEX Colombia. An adverse resolution on this case could have a material adverse impact on CEMEX's results of operations, liquidity or financial condition.
- In January 2009, in response to litigation brought by environmental groups concerning the manner in which certain federal quarry permits were granted, a judge from the U.S. District Court for the Southern District of Florida ordered the withdrawal of the federal quarry permits of CEMEX's SCL, FEC and Kendall Krome quarries, in the Lake Belt area in South Florida, which were granted in 2002 to CEMEX Construction Materials Florida, LLC ("CEMEX Florida"), one of CEMEX's subsidiaries in the United States. The judge ruled that there were deficiencies in the procedures and analysis undertaken by the Army Corps of Engineers (the "Engineers") in connection with the issuance of the permits. On January 29, 2010, the Engineers concluded a revision and determined procedures for granting new federal quarry permits for the SCL and FEC quarries. During February 2010, new quarry permits were granted to the SCL and FEC quarries. A number of potential environmental impacts must be addressed at the wetlands located at the Kendall Krome site before a new federal quarry permit may be issued for mining at that quarry. If CEMEX Florida were unable to maintain the new Lake Belt permits, CEMEX Florida would need to source aggregates, to the extent available, from other locations in Florida or import aggregates. The cessation or significant restriction of quarrying operations in the *Lake Belt* area could have a significant adverse impact on CEMEX's results of operations, liquidity or financial condition.

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- In April 2006, the cities of Kaštela and Solin in Croatia published their respective development master plans, adversely impacting the mining concession granted to a CEMEX's subsidiary in Croatia by the Croatian government in September 2005. After several procedures and appeals filed by CEMEX over the years before the Constitutional Court and before the Administrative Court in Croatia, seeking prohibition of the implementation of the master plans and a declaration from the Croatian Government confirming its acquired rights under the mining concessions, and after several resolutions of the authorities thereof, on April 4, 2014, CEMEX Croatia was notified that the administrative court rejected its claims and found that its acquired rights or interests under the mining concessions had not been violated as a result of any act or decision made by the cities of Solin or Kaštela or any other governmental body. On April 29, 2014, CEMEX Croatia filed two claims before the Constitutional Court alleging that CEMEX Croatia's constitutional rights to a fair trial and judicial protection had been violated. In order to alleviate the adverse impact of the aforementioned master plans, CEMEX Croatia is in the process of negotiating a new revised mining concession. On August 1, 2014, CEMEX Croatia filed an application before the European Court of Human Rights alleging that CEMEX Croatia's constitutional rights to a fair trial, property rights, concession rights and investment had been violated due to irregularities in a general act. At this stage of the proceedings, as of December 31, 2014, we are not able to assess the likelihood of an adverse result to the claims filed before the Constitutional Court, but if adversely resolved, it should not have a material adverse impact on our results of operations, liquidity or financial condition. In the meantime there are ongoing negotiations with the Croatian Ministry of Construction and Physical Planning in order to obtain a permit for CEMEX Croatia's Sveti Juraj-Sveti Kajo quarry. Obtaining this permit is required for the renewal of the concession and as of December 31, 2014, CEMEX Croatia is in the process of preparing all documentation necessary to comply with applicable rules and regulations.
- In August 2005, a lawsuit was filed against CEMEX Colombia and other members of the Colombian Ready-mix Producers Association (*Asociación Colombiana de Productores de Concreto* or "ASOCRETO"). The lawsuit claimed that CEMEX Colombia and other ASOCRETO members were liable for the premature distress of the concrete slabs of the *Autopista Norte* trunk line of the *Transmilenio* bus rapid transit system in Bogotá in which ready-mix concrete and flowable fill supplied by CEMEX Colombia and other ASOCRETO members was used. The plaintiffs alleged that the base material supplied for the road construction failed to meet the quality standards offered by CEMEX Colombia and the other ASOCRETO members and/or that they provided insufficient or inaccurate information in connection with the product. The plaintiffs seek compensation for damages for an equivalent of approximately US\$42 (Ps616). In 2008, as security for a possible future money judgment to be rendered against CEMEX Colombia in these proceedings, the Superior Court of Bogotá allowed CEMEX to present an insurance policy for an equivalent of approximately US\$8 (Ps118) pursuant to which the attachment over certain assets was lifted. On October 10, 2012, a court resolution convicted the former director of the Urban Development Institute ("UDI"), the legal representatives of the builder and the auditor to a prison term of 85 months and a fine equivalent to approximately 13 thousand dollars, and ordered a restart of the proceeding against the ASOCRETO officers. On August 30, 2013, after an appeal by the UDI, the Superior Court of Bogotá issued a resolution that, among other matters, reduced the prison term imposed to the former UDI officers to 60 months, imposed the UDI officers to severally pay an amount equivalent to US\$45 (Ps664), overturned the sentence imposed to the builder's legal representatives and auditor because the criminal action against them was time barred, revoked the annulment in favor of the ASOCRETO officers and ordered the first instance judge to render a judgment regarding the ASOCRETO officers' liability or lack thereof. In addition, six actions related to the premature distress of the concrete slabs were brought against CEMEX Colombia. The Cundinamarca Administrative Court (*Tribunal Administrativo de Cundinamarca*) nullified five of these

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actions and currently, only one remains outstanding. In addition, the UDI filed another action alleging that CEMEX Colombia made deceiving advertisements on the characteristics of the flowable fill used in the construction of the line. CEMEX Colombia participated in this project solely and exclusively as supplier of the ready-mix concrete and flowable fill, which were delivered and received to the satisfaction of the contractor, fulfilling all the required technical specifications. CEMEX Colombia did not participate in nor had any responsibility on the design, sourcing of materials or their corresponding technical specifications or construction. At this stage of the proceedings, as of December 31, 2014, CEMEX is not able to assess the likelihood of an adverse result, but if adversely resolved, it could have a material adverse impact on CEMEX's results of operations, liquidity or financial condition.

In connection with the legal proceedings presented in notes 24A and 24B, the exchange rates as of December 31, 2014 used by CEMEX to convert the amounts in local currency to their equivalents in dollars were the official closing exchange rates of approximately 3.52 Polish Zloty per Dollar, 0.83 Euro per Dollar, 0.64 British Pound Sterling per Dollar, 2,356 Colombian Pesos per Dollar and 3.89 Israel Shekel per Dollar.

In addition to the legal proceedings described above in notes 24A and 24B, as of December 31, 2014, CEMEX is involved in various legal proceedings of minor impact that have arisen in the ordinary course of business. These proceedings involve: 1) product warranty claims; 2) claims for environmental damages; 3) indemnification claims relating to acquisitions; 4) claims to revoke permits and/or concessions; and 5) other diverse civil actions. CEMEX considers that in those instances in which obligations have been incurred, CEMEX has accrued adequate provisions to cover the related risks. CEMEX believes these matters will be resolved without any significant effect on its business, financial position or results of operations. In addition, in relation to certain ongoing legal proceedings, CEMEX is sometimes able to make and disclose reasonable estimates of the expected loss or range of possible loss, as well as disclose any provision accrued for such loss, but for a limited number of ongoing legal proceedings, CEMEX may not be able to make a reasonable estimate of the expected loss or range of possible loss or may be able to do so but believes that disclosure of such information on a case-by-case basis would seriously prejudice CEMEX's position in the ongoing legal proceedings or in any related settlement discussions. Accordingly, in these cases, CEMEX has disclosed qualitative information with respect to the nature and characteristics of the contingency, but has not disclosed the estimate of the range of potential loss.

25) RELATED PARTIES

All significant balances and transactions between the entities that constitute the CEMEX group have been eliminated in the preparation of the consolidated financial statements. These balances with related parties resulted primarily from: (i) the sale and purchase of goods between group entities; (ii) the sale and/or acquisition of subsidiaries' shares within the CEMEX group; (iii) the invoicing of administrative services, rentals, trademarks and commercial name rights, royalties and other services rendered between group entities; and (iv) loans between related parties. Transactions between group entities were conducted on arm's length terms based on market prices and conditions.

The definition of related parties includes entities or individuals outside the CEMEX group, which, pursuant to their relationship with CEMEX, may take advantage of being in a privileged situation. Likewise, this applies to cases in which CEMEX may take advantage of such relationships and obtain benefits in its financial position or operating results. CEMEX's transactions with related parties are executed under market conditions.

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Related parties – continued

CEMEX has identified the following transactions between related parties:

- Mr. Francisco Javier Fernández Carbajal, member of the board of directors of CEMEX, S.A.B. de C.V. effective March 21, 2013, is brother of Mr. José Antonio Fernández Carbajal, former member of the board of directors of CEMEX, S.A.B. de C.V. until February 23, 2012, and president and chief executive officer of Fomento Empresarial Mexicano, S.A.B. de C.V. (“FEMSA”), a large multinational beverage company. In the ordinary course of business, CEMEX pays and receives various amounts to and from FEMSA for products and services for varying amounts on market terms. Moreover, Mr. José Antonio Fernández Carbajal is the actual chairman of the board of Consejo de Enseñanza e Investigación Superior, A.C. (the managing entity of Instituto Tecnológico y de Estudios Superiores de Monterrey or ITESM). Mr. Lorenzo H. Zambrano, former Chairman of the Board of Directors and Chief Executive Officer of CEMEX, S.A.B. de C.V. until he passed away on May 12, 2014, was chairman of the board of ITESM until February 13, 2012. ITESM has received contributions from CEMEX for amounts that were not material in the periods presented.
- Mr. Rafael Rangel Sostmann, a member of the board of directors of CEMEX, S.A.B. de C.V., was the dean of ITESM until September 12, 2011.
- Mr. Bernardo Quintana Isaac, former member of the board of directors of CEMEX, S.A.B. de C.V., until March 20, 2013 is the chairman of the board of directors of Empresas ICA, S.A.B. de C.V. (“Empresas ICA”). Empresas ICA is one of the most important engineering and construction companies in Mexico. In the ordinary course of business, CEMEX extends financing to Empresas ICA in connection with the purchase of CEMEX’s products, on the same credit conditions that CEMEX awards to other customers.
- Mr. Lorenzo H. Zambrano was a member of the board of directors of IBM until he passed away on May 12, 2014. As mentioned in note 23C, in the ordinary course of business, IBM provides CEMEX with business processes services and IT, including: data processing services (back office) in finance, accounting and human resources; as well as IT infrastructure services, support and maintenance of IT applications in the countries in which CEMEX operates.
- Mr. Karl H. Watson Jr. is the President of CEMEX’s operations in the U.S. In the ordinary course of business, CEMEX’s U.S. operations pay fees to Florida Aggregate Transport, a vendor based in Florida, for freight services. Karl H. Watson Jr.’s stepbrother is part of Florida Aggregate Transport’s ownership and senior management. The amounts of those services, which are negotiated on market terms, are not significant to CEMEX’s U.S. operations.
- For the years ended December 31, 2014, 2013 and 2012, the aggregate amount of compensation of CEMEX, S.A.B. de C.V.’s board of directors, including alternate directors, and top management executives, was approximately US\$68 (Ps909), US\$39 (Ps503) and US\$37 (Ps490), respectively. Of these amounts, approximately US\$35 (Ps464) in 2014, US\$25 (Ps320) in 2013 and US\$26 (Ps343) in 2012, was paid as base compensation plus performance bonuses, including pension and postretirement benefits. In addition, approximately US\$33 (Ps444) in 2014, US\$14 (Ps183) in 2013 and US\$11 (Ps147) in 2012 of the aggregate amount in each year, corresponded to allocations of CPOs under CEMEX’s executive stock-based compensation programs. In 2014 and 2013, the amount of CPOs allocated included approximately US\$4 (Ps52) and US\$3 (Ps38), respectively, of compensation earned under the program that is linked to the fulfillment of certain performance conditions and that is payable through March 2015 to then still active members of CEMEX, S.A.B. de C.V.’s board of directors and top management executives (note 21).

CEMEX, S.A.B. DE C.V. AND SUBSIDIARIES
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26) SUBSEQUENT EVENTS

On January 5, 2015, as mentioned in note 15B, CEMEX and Holcim closed the series of related transactions pursuant to which, with retroactive effects as of January 1, 2015, CEMEX acquired all of Holcim's assets in the Czech Republic and divested its assets in the western part of Germany to Holcim. In Spain, CEMEX acquired Holcim's Gador cement plant (cement capacity of 0.85 million tons) and its Yeles cement grinding station (cement capacity of 0.90 million tons), among other operating assets. As part of these transactions, as originally agreed, CEMEX paid €45 (US\$54 or Ps803) in cash to Holcim on January 5, 2015. Nonetheless, considering debt assumed by CEMEX with the acquired assets of approximately €5 (US\$6 or Ps88), as well as other working capital adjustments determined as of the date of these financial statements related to the purchased and sold assets agreed with Holcim measured as of December 31, 2014 of approximately €7 (US\$8 or Ps118) that will be recovered from Holcim, the final payment in cash for CEMEX is expected to be reduced to approximately €33 (US\$40 or Ps594). Nevertheless final amounts can differ; CEMEX will consolidate the operating results of the acquired assets in Spain and the Czech Republic and will stop consolidating the operating results of the divested assets in the western part of Germany beginning January 1, 2015.

Considering CEMEX's best estimates, as well as legacy carrying amounts in certain cases, obtained during the due diligence process, the preliminary allocation of the purchase price to the combined net assets acquired from Holcim in Spain and the Czech Republic on January 5, 2015, would be as follows:

Millions of U.S. dollars		(Unaudited)
		Total
Current assets	US\$	24
Non-current assets		211
Goodwill		39
Total assets		274
Current liabilities		19
Non-current liabilities		8
Total liabilities		27
Total net assets	US\$	247

CEMEX will conclude such purchase price allocation to the fair values of the assets acquired and liabilities assumed in Spain and the Czech Republic during 2015.

On January 7, 2015, CEMEX withdrew the amount of US\$327 (Ps4,820) from the revolving credit tranche of the Credit Agreement mentioned in note 16A. The proceeds were used to repay a partial redemption of the January 2018 Notes for an aggregate principal amount of approximately US\$217 (Ps3,199). For purposes of the partial redemption of the January 2018 Notes, CEMEX paid aggregate premiums to the holders of such notes for approximately US\$10 (Ps147). CEMEX will apply the rest of the proceeds for other corporate purposes.

On January 21, 2015, in connection with the legal proceeding related to the premature distress of the concrete slabs of the *Autopista Norte* trunk line of the *Transmilenio* bus rapid transit system in Bogota, Colombia (note 24B), the court issued a resolution pursuant to which the judge agreed with the arguments presented by CEMEX Colombia in respect that the individuals under investigation were not public officers, and consequently, they had receive sentence since 2012. Considering the court's action time-bared, the process against the ASOCRETO officers ceases, and consequently, also the damage claim against CEMEX Colombia in its condition of purported joint responsible. The court's resolution is subject to be appealed before the Superior Court of Bogotá.

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Subsequent events – continued

On February 18, 2015, in connection with the legal proceeding related to the CDC the Court of Appeals in Düsseldorf fully rejected CDC's appeal and maintained the first instance decision. The Court of Appeals in Düsseldorf expressly did not admit a second appeal against this decision which could have been challenged by CDC. The Court of Appeals decision is final and binding. Therefore, CEMEX canceled the provision accrued as of December 31, 2014 (note 24A).

On March 5, 2015, CEMEX, S.A.B. de C.V. announced the issuance of €550 due in 2023 and US\$750 due in 2025. The Euro Notes bear interest at an annual rate of 4.375% and mature on March 5, 2023. The Euro Notes were issued at par and are callable commencing on March 5, 2019. The U.S. Dollar Notes bear interest at an annual rate of 6.125% and mature on May 5, 2025. The U.S. Dollar Notes were issued at 99.98% of face value and are callable commencing on May 5, 2020.

On March 13, 2015, CEMEX S.A.B. de C.V. issued US\$200 of aggregate principal amount of U.S. dollar denominated Convertible Subordinated Notes due March 2020 (the "March 2020 Convertible Notes"). The March 2020 Convertible Notes were issued to partially fund the payment of the 2015 Optional Convertible Notes that matured on March 15, 2015 without conversion.

On March 26, 2015, stockholders at the annual ordinary shareholders' meeting approved, among other resolutions, a capitalization of retained earnings consisting in the issuance of 1,000,018,398 Series A shares and 500,009,466 Series B shares to be allocated to shareholders on a pro rata basis pursuant to such approval. These shares will become part of CEMEX, S.A.B. de C.V.'s outstanding capital stock on May 4, 2015.

On March 30, 2015, part of the proceeds from the March 5, 2015 issuance were used for the redemption of the remaining US\$344 aggregate principal amount of the January 2018 U.S. Dollar Notes (note 16A).

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Subsequent events – continued

In connection with loss per share (note 21) and the capitalization of retained earnings mentioned above, giving effect to the issuance of new shares, CEMEX's loss per share in 2014, 2013 and 2012 would have been as follows:

	2014	2013	2012
Denominator (thousands of shares)			
Weighted average number of shares outstanding	36,695,349	35,530,445	35,376,584
Capitalization of retained earnings in 2015	1,500,028	1,500,028	1,500,028
Effect of dilutive instruments – mandatorily convertible securities (note 16B)	<u>629,545</u>	<u>629,545</u>	<u>629,545</u>
Weighted average number of shares outstanding – basic	38,824,922	37,660,018	37,506,157
Effect of dilutive instruments – stock-based compensation	293,657	306,930	286,042
Effect of potentially dilutive instruments – optionally convertible securities (note 16B)	<u>5,733,796</u>	<u>7,105,488</u>	<u>7,105,488</u>
Weighted average number of shares outstanding – diluted	<u>44,852,375</u>	<u>45,072,436</u>	<u>44,897,687</u>
Numerator			
Consolidated net loss	Ps (5,680)	(9,611)	(11,338)
Less: non-controlling interest net income	<u>1,103</u>	<u>1,223</u>	<u>662</u>
Controlling interest net loss	(6,783)	(10,834)	(12,000)
Plus: after tax interest expense on mandatorily convertible securities	<u>164</u>	<u>181</u>	<u>196</u>
Controlling interest net loss – basic loss per share	(6,619)	(10,653)	(11,804)
Plus: after tax interest expense on optionally convertible securities	<u>1,424</u>	<u>1,494</u>	<u>1,501</u>
Controlling interest net loss – diluted loss per share	Ps <u>(5,195)</u>	<u>(9,159)</u>	<u>(10,303)</u>
Controlling Interest Basic Loss Per Share	Ps <u>(0.17)</u>	<u>(0.28)</u>	<u>(0.31)</u>
Controlling Interest Diluted Loss Per Share	Ps <u>(0.17)</u>	<u>(0.28)</u>	<u>(0.31)</u>

In connection with the securitization programs in the United States, France and the United Kingdom were extended in March 2015 and now they mature in March 2016 (note 9).

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27) MAIN SUBSIDIARIES

The main subsidiaries as of December 31, 2014 and 2013 were as follows:

Subsidiary	Country	% Interest	
		2014	2013
CEMEX México, S. A. de C.V. ¹	Mexico	100.0	100.0
CEMEX España, S.A. ²	Spain	99.9	99.9
CEMEX, Inc.	United States	100.0	100.0
CEMEX Latam Holdings, S.A. ³	Spain	74.4	74.4
CEMEX (Costa Rica), S.A.	Costa Rica	99.1	99.1
CEMEX Nicaragua, S.A.	Nicaragua	100.0	100.0
Assiut Cement Company	Egypt	95.8	95.8
CEMEX Colombia S.A. ⁴	Colombia	99.7	99.7
Cemento Bayano, S.A. ⁵	Panama	99.9	99.9
CEMEX Dominicana, S.A.	Dominican Republic	100.0	100.0
CEMEX de Puerto Rico Inc.	Puerto Rico	100.0	100.0
CEMEX France Gestion (S.A.S.)	France	100.0	100.0
Solid Cement Corporation ⁶	Philippines	100.0	100.0
APO Cement Corporation ⁶	Philippines	100.0	100.0
CEMEX (Thailand) Co., Ltd. ⁶	Thailand	100.0	100.0
CEMEX Holdings (Malaysia) Sdn Bhd ⁶	Malaysia	100.0	100.0
CEMEX U.K.	United Kingdom	100.0	100.0
CEMEX Deutschland, AG.	Germany	100.0	100.0
CEMEX Austria, AG.	Austria	100.0	100.0
CEMEX Hrvatska d.d.	Croatia	100.0	100.0
CEMEX Czech Republic, s.r.o.	Czech Republic	100.0	100.0
CEMEX Polska sp. Z.o.o.	Poland	100.0	100.0
CEMEX Hungária Kft.	Hungary	100.0	100.0
Readymix Limited ⁷	Ireland	100.0	100.0
CEMEX Holdings (Israel) Ltd.	Israel	100.0	100.0
CEMEX SIA	Latvia	100.0	100.0
CEMEX Topmix LLC, CEMEX Supermix LLC and CEMEX Falcon LLC ⁸	United Arab Emirates	100.0	100.0
CEMEX AS	Norway	100.0	100.0
Cimentos Vencemos do Amazonas, Ltda.	Brazil	100.0	100.0
Readymix Argentina, S.A.	Argentina	100.0	100.0
CEMEX Jamaica	Jamaica	100.0	100.0
Neoris N.V. ⁹	The Netherlands	99.8	99.8
CEMEX Trading, LLC ¹⁰	United States	100.0	100.0
Gulf Coast Portland Cement Co. ¹¹	United States	100.0	100.0

¹ CEMEX México, S.A. de C.V. is the indirect holding company of CEMEX España and subsidiaries.

² CEMEX España is the indirect holding company of most of CEMEX's international operations.

³ The interest reported includes treasury shares, CEMEX Latam Holdings, which is listed in the Colombian stock exchange, is a subsidiary of CEMEX España and the indirect holding company of CEMEX's operations in Colombia, Costa Rica, Panama, Brazil, Guatemala and El Salvador (note 20D).

⁴ Represents our 99.7% and 98.9% interest in ordinary and preferred shares, respectively.

⁵ Includes a 0.515% interest held on Cemento Bayano's treasury.

⁶ Represents CEMEX's indirect interest in the economic benefits of these entities.

⁷ On August 29, 2014, we completed the divestment of substantially all our operating assets in Ireland.

⁸ CEMEX owns 49% equity interest in each of these entities and holds the remaining 51% of the economic benefits, through agreements with other shareholders.

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Main subsidiaries – continued

- 9** Neoris N.V. is the holding company of the entities involved in the sale of information technology solutions and services.
- 10** CEMEX Trading, LLC is involved in the international trading of CEMEX's products through its branch in the Dominican Republic.
- 11** This entity is engaged in the procurement of fuels, such as coal and petcoke, used in certain CEMEX's operations.

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- - - VOLUME ONE THOUSAND TWO HUNDRED SEVENTY.- - - - -
- - - PUBLIC DEED NUMBER SIXTY ONE THOUSAND ONE HUNDRED NINETY SEVEN - - - - -

- - - In Mexico City, Federal District, on the Twenty Third day of September of Two Thousand Fourteen, the undersigned ERICK SALVADOR PULLIAM ABURTO, Notary Public Number One Hundred Ninety Six of this city, hereby attest the AMENDMENT TO THE TRUST AGREEMENT REGISTERED UNDER NUMBER 111033-9 (ONE HUNDRED ELEVEN THOUSAND THIRTY THREE DASH NINE) EXECUTED ON SEPTEMBER 6 (SIX) OF 1999 (NINETEEN NINETY NINE) AT BANCO NACIONAL DE MEXICO, SOCIEDAD ANONIMA, INTEGRANTE DEL GRUPO FINANCIERO BANAMEX, DIVISION FIDUCIARIA, ENTERED INTO BY AND BETWEEN "BANCO NACIONAL DE MEXICO", SOCIEDAD ANONIMA, INTEGRANTE DEL GRUPO FINANCIERO BANAMEX, DIVISION FIDUCIARIA, represented herein by ELVA NELLY WING TREVIÑO AND EDUARDO CHAVEZ HUITRON, in their capacity as trust officers of such institution, hereinafter and for the purposes of this agreement referred to as the "TRUSTEE"; and "CEMEX", SOCIEDAD ANONIMA BURSATIL DE CAPITAL VARIABLE, represented herein by RENÉ DELGADILLO GALVÁN, in his capacity as attorney-in fact of said entity, hereinafter and for the purposes of this agreement referred to as "CEMEX", before the presence of the NATIONAL BANKING AND SECURITIES COMMISSION OF MEXICO, represented herein by EDUARDO FLORES HERRERA, Vice-president of Securities' Supervision; who agree to formalize their agreement pursuant to the following statements and clauses:-

- - - - - **SWORN OATH** - - - - -

- - - The appearing persons, who under oath and after having been warned about the fines imposed to those persons who make misrepresentations to public officials, pursuant to articles three hundred eleven of the Criminal Code and one hundred sixty five of the Notary Public Act of the Federal District, make the following:- - - - -

- - - - - **S T A T E M E N T S** - - - - -

- - - THE "TRUSTEE" DECLARES.- - - - -
- - - **ONE.- TRUST AGREEMENT.-** That on September six of nineteen ninety nine, a Trust Agreement registered under number "111033-9" (one hundred eleven thousand thirty three dash nine) was entered into by and between "CEMEX," as

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Settlor, and the "TRUSTEE", as Trustee, in order to issue the Non-Redeemable Ordinary Participation Certificates denominated "CEMEX.CPO". - - - - -

- - - **TWO.- FIRST AMENDMENT AGREEMENT.**- That on November twenty first of two thousand two, they entered into the First Amendment Agreement to the Trust Agreement, pursuant to which the Fourth, Fifth and Eleventh Clauses of such Trust Agreement were amended. A copy of such amendment agreement is included under letter "A" in the appendix of this deed. - - -

- - - **THREE.- SECOND AMENDMENT AGREEMENT.**- That on January eight of two thousand seven, they entered into the Second Amendment Agreement to the Trust Agreement, pursuant to which the Second, Fifth, Sixth, Seventh, Fourteenth and Fifteenth Clauses of such Trust Agreement were amended. A copy of such amendment agreement is included under letter "B" in the appendix of this deed. - - - - -

- - - **FOUR.- GENERAL MEETING OF HOLDERS OF NON-REDEEMABLE ORDINARY PARTICIPATION CERTIFICATES DENOMINATED "CEMEX.CPO".**- That pursuant to public deed number ten thousand forty four dated September eleven of two thousand fourteen, granted before Ignacio Gerardo Martinez Gonzalez, Notary Public Number Seventy Five, with registered office in San Pedro Garza Garcia, Nuevo Leon, which registration in the Public Registry of Commerce of Monterrey, Nuevo Leon is still pending, the minutes of the General Meeting of Holders of Non-redeemable Ordinary Participation Certificates of CEMEX, SOCIEDAD ANONIMA BURSATIL DE CAPITAL VARIABLE held on September eleven of two thousand fourteen were protocolized, that in such meeting, the "CEMEX.CPO" Holders approved, among other things, and amendment to Clause Nineteenth of the Trust Agreement for purposes of conforming the text of said Clause to the provisions of articles two hundred twenty eight, letter S and two hundred twenty of Mexico's General Law on Negotiable Instruments and Credit Transactions, regarding Quorum and voting at General Meetings of Holders of Non-redeemable Ordinary Participation Certificate "CEMEX.CPO", leaving the rest of the Clauses of the Trust Agreement unamended. A copy of such public deed is included under letter "C" in the appendix of this deed. - - - - -

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- - - **FIVE.- MINUTES OF THE MEETING OF THE TECHNICAL COMMITTEE.**- The Technical Committee of the Trust No. "111033-9" (one hundred eleven thousand thirty three dash nine), at a meeting held on September eleven of two thousand fourteen, instructed the "TRUSTEE" to execute all necessary or convenient actions in order to amend Clause Nineteenth of the Trust Agreement so that the text of such Clause would conform to the terms included in the proposal submitted at the General Meeting of Holders of Non-redeemable Ordinary Participation Certificates "CEMEX.CPO", leaving the rest of the Clauses of the Trust Agreement unamended, and subject to the condition precedent of obtaining the corresponding favorable resolution from the National Banking and Securities Commission of Mexico. A copy of such minutes is included under letter "D" in the appendix of this deed. - - -

- - - **SIX.- NOTICE TO THE NATIONAL BANKING AND SECURITIES COMMISSION OF MEXICO.**- The "TRUSTEE" and "CEMEX" sent a written notice to the National Banking and Securities Commission of Mexico requesting the latter's approval for the execution of this amendment to the Trust Agreement Number "111033-9" (one hundred eleven thousand thirty three dash nine) pursuant to the aforementioned terms, a copy of which is included under letter "E" in the appendix of this deed. -

- - - **SEVEN.- OFFICIAL LETTER OF APPROVAL FROM THE NATIONAL BANKING AND SECURITIES COMMISSION OF MEXICO.**- That in relation to the request described in the previous statement, an official letter of approval for the proposed amendment by the "TRUSTEE" and "CEMEX" was issued by the National Banking and Securities Commission of Mexico. A copy of such document is included under letter "F" in the appendix of this deed. -

- - - **THE PARTIES JOINTLY DECLARE:**- - - - -
- - - That they freely enter into this amendment agreement, pursuant to the following: - - - - -

- - - - - **C L A U S E S** - - - - -

- - - **FIRST.- AMENDMENT TO CLAUSE NINETEENTH OF THE TRUST AGREEMENT.**- THE "TRUSTEE" AND "CEMEX", pursuant to the resolutions passed at the General Meeting of Holders of Non-redeemable Ordinary Participation Certificates of CEMEX, SOCIEDAD ANONIMA BURSATIL DE CAPITAL VARIABLE and the

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instructions given by the Technical Committee, documents which are herein described in statements FOUR and FIVE above, hereby amend Clause NINETEENTH of the Trust Agreement No. "111033-9" (one hundred eleven thousand thirty three dash nine), which shall now read as follows:-

"NINETEENTH. MODIFICATIONS-
- - - This Agreement shall not be amended in any of its clauses, without prior approval from the Technical Committee, with the consent of the General Meeting of Holders and with the approval of the National Banking and Securities Commission of Mexico; provided, however, that in order to amend the Clause regarding the integration and operation of the Technical Committee, holders of at least 75% of the outstanding CPOs must be represented at the General Meeting of Holders and resolutions must be approved by the affirmative vote of at least 50% plus one of the votes cast at the General Meeting called and held for such purpose."

SECOND.- SURVIVAL.- The rest of the Clauses of the Trust Agreement No. "111033-9" (one hundred eleven thousand thirty three dash nine), pursuant to which the Non-redeemable Ordinary Participation Certificates "CEMEX.CPOs" were issued are to remain in their current form and in full force and effect.

I, THE NOTARY PUBLIC, ATTEST:

I.- That the originals of the documents mentioned in this deed, as well as those described in the appendix of this deed, were shown to me.

II.- That I verified the identities of the appearing persons after reviewing the documents mentioned below which were shown to me in their original form and of which photocopies I attached to the appendix of this deed under letter "G", whom I consider to have legal capacity to act and be legally bound.

III.- That I made the appearing persons aware of their right to read this deed by themselves.

IV.- That the appearing persons stated that their represented parties have the legal capacity to act and be legally bound and that their authority to bind their

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represented parties under the terms and conditions set forth herein has not expired, all of which I certify to be true pursuant to the documents attached to the appendix of this deed marked with the letters "H", "I" and "J", which I describe below:- - - - -

- - - Ms. **ELVA NELLY WING TREVIÑO** and Mr. **EDUARDO CHAVEZ HUITRON** with a certified copy of the public deed number sixty four thousand four hundred seventy three dated August thirty first of two thousand eleven, granted before Roberto Nuñez Bandera, Notary Public Number One with Registered Office in the Federal District.- - - - -

- - - Mr. **RENE DELGADILLO GALVAN** with a certified copy of the public deed number twenty eight thousand six hundred seventy one dated October eight of two thousand seven, granted before Juan Manuel Garcia, Notary Public Number One Hundred Twenty Nine with Registered Office in the First District of the municipality of San Pedro Garza Garcia, Nuevo Leon.- - - - -

- - - And Mr. **EDUARDO FLORES HERRERA** with a copy of his appointment letter.- - - - -

- - - V.- That the appearing persons, after having been warned by the undersigned Notary Public about the fines imposed to those persons who make misrepresentations to public officials, identified themselves under oath as:- - - - -

- - - Ms. ELVA NELLY WING TREVIÑO, a Mexican national by birth, daughter of Mexican citizens, born on December five of nineteen sixty six, single, a professional, with address at Calzada del Valle numero trescientos cincuenta, primer piso, Colonia del Valle, San Pedro Garza Garcia, Nuevo Leon, who is visiting this city for the purpose of executing this deed, and who identifies herself with ordinary passport number "G" two million one hundred sixty four thousand seven hundred sixteen, issued by the Ministry of Foreign Affairs on December sixteen of two thousand eight.- - - - -

- - - Mr. EDUARDO CHAVEZ HUITRON, a Mexican national by birth, son of Mexican citizens, born in this city on February fifteen of nineteen sixty eight, married, a banking official, with address at Bosque de Duraznos numero setenta y cinco, Pent House, Colonia Bosques de las Lomas, Delegacion Miguel Hidalgo, and who identifies himself with passport number six

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thousand three hundred seventy million twenty six thousand four hundred forty seven, issued by the Ministry of Foreign Affairs on August thirty of two thousand six.-----

- - - Mr. RENE DELGADILLO GALVAN, a Mexican national by birth, son of Mexican citizens, born in Monterrey, Nuevo Leon on July first of nineteen sixty, married, a professional, with address at Presidente Masaryk numero ciento uno, piso dieciocho, Colonia Polanco, in this city, and who identifies himself with voting card number thirty four million one hundred eighteen thousand eight hundred eleven, registration year of nineteen ninety one, issued by the Federal Electoral Institute.-----

- - - Mr. EDUARDO FLORES HERRERA, a Mexican national by birth, son of Mexican citizens, born in Zapopan, Jalisco on August twenty five of nineteen eighty, married, a public official, with address at Insurgentes sur mil novecientos setenta y uno, Torre Norte, piso siete, código postal mil veinte, Colonia Guadalupe Inn, in this city, and who identifies himself with voting card number "4931087126784", issued by the Federal Electoral Institute.-----

- - - Once this deed was read by the appearing persons and by I, the undersigned Notary Public, I explained to the formers its value and legal consequences of its contents, after which each one of the appearing persons acknowledged to fully understand them, expressing their conformity with it and proceeded to sign it on September twenty three of two thousand fourteen, therefore I DEFINITELY AUTHORIZE IT. I attest.-----

- - - ELVA NELLY WING TREVIÑO.- SIGNED.- EDUARDO CHAVEZ HUITRON.- SIGNED.- RENE DELGADILLO GALVAN.- SIGNED.- EDUARDO FLORES HERRERA.- SIGNED.- E. PULLIAM.- SIGNED.- AUTHORIZING SEAL.-----

- - - THE UNDERSIGNED ERICK SALVADOR PULLIAM ABURTO, NOTARY PUBLIC NUMBER ONE HUNDRED NINETY SIX OF THE FEDERAL DISTRICT,-----

- - - C E R T I F Y: THAT THE FOREGOING IS A TRUE AND ACCURATE COPY OF ITS ORIGINAL RECORDED IN MY NOTARIAL JOURNAL.-----

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- - - AND ATTESTING TO THE VERACITY OF IT, PURSUANT TO ARTICLE ONE HUNDRED FIFTY FOUR, FIRST PARAGRAPH OF THE NOTARY PUBLIC ACT OF THE FEDERAL DISTRICT, I ISSUE THIS CERTIFIED COPY WHICH IS PROTECTED BY A KINEGRAM AND CONSISTS OF SIX COLLATED AND CORRECTED PAGES. FEDERAL DISTRICT, MEXICO, ON SEPTEMBER TWENTY THIRD OF TWO THOUSAND FOURTEEN. I ATTEST.

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Federal District's
Association of
Notaries]

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ERICK SALVADOR PULLIAM
ABURTO
NOTARY PUBLIC NO. 196 OF THE
FEDERAL DISTRICT

ERICK S. PULLIAM ABURTO, ATTY.
Notary Public No. 196 of the Federal District

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VOLUME ONE THOUSAND TWO HUNDRED SEVENTY-EIGHT.

INSTRUMENT SIXTY-ONE THOUSAND SIX HUNDRED EIGHTY-TWO.

In Mexico City, Federal District, on November twenty-seventh of two thousand fourteen, I the undersigned attorney **ERICK SALVADOR PULLIAM ABURTO**, Notary Public Number Ninety-Six of this city, hereby record the **AMENDMENT TO AND AUTHENTICATED COPY OF IRREVOCABLE TRUST AGREEMENT NUMBER 111033-9 (ONE HUNDRED ELEVEN THOUSAND THIRTY-THREE DASH NINE) CONSTITUTED ON SEPTEMBER 6 (SIXTH), 1999 (NINETEEN NINETY-NINE) AT THE BANCO NACIONAL DE MÉXICO, LIMITED COMPANY, A MEMBER OF THE BANAMEX FINANCIAL GROUP, FIDUCIARY DIVISION**, which grants to **"BANCO NACIONAL DE MÉXICO," LIMITED COMPANY, A MEMBER OF THE BANAMEX FINANCIAL GROUP, FIDUCIARY DIVISION**, represented in this act by Attorneys **ELVA NELLY WING TREVINO** and **EDUARDO CHÁVEZ HUITRÓN** in their capacity as legal representatives of the latter, which shall hereinafter be referred to as "THE TRUSTEE"; and on the other hand by the Commercial Company known as **"CEMEX," VARIABLE CAPITAL STOCK CORPORATION**, represented in this act by Attorney **RENE DELGADILLO GALVÁN**, in his capacity as legal representative of the latter, which shall hereinafter be referred to as "CEMEX," in addition to the intervention of the **COMISIÓN NACIONAL BANCARIA Y DE VALORES** [National Banking and Securities Commission], represented by Attorney **EDUARDO FLORES HERRERA**, Vice President of Stock Exchange Oversight; under the terms set forth in the following representations and clauses:

LEGAL OATH

The appearing parties declare under penalty of perjury, and having been warned of the penalties incurred by those who perjure themselves before notaries public, under the terms set forth in articles three hundred eleven of the Criminal Code and one hundred sixty-five of the Ley del Notariado [Notarial Law], both of the Federal District, make the following:

REPRESENTATIONS

"THE TRUSTEE" DECLARES AS FOLLOWS.

ONE. TRUST AGREEMENT. On September sixth of nineteen ninety-nine, Trust

Agreement number “11 1033-9” (one hundred eleven thousand thirty-three dash nine) was entered into between “CEMEX” as Trustor and “THE TRUSTEE” as Trustee, in order to effect the issue of the Non-Repayable Ordinary Participation Certificates referred to as “CEMEX.CPO.”

TWO. FIRST AMENDING AGREEMENT. On November twenty-first of two thousand two, the First Amending Agreement to the Trust Agreement was entered into, by virtue of which clauses Four, Five and Eleven of the aforementioned trust were amended. A copy of the aforementioned agreement is attached to the appendices to the present instrument marked with the letter “A”.

THREE. SECOND AMENDING AGREEMENT. On January eighth of two thousand seven, the Second Modifying Agreement to the Trust Agreement was formalized by virtue of which clauses Two, Five, Six, Seven, Fourteen and Fifteen of the aforementioned trust were amended. A copy of the aforementioned agreement is attached to the appendices to the present instrument marked with the letter “B”.

FOUR. THIRD AMENDING AGREEMENT. Via public instrument number sixty-one thousand one hundred ninety-seven dated September twenty-third of two thousand fourteen, granted before the undersigned Notary, Notary Public Number Ninety-Six of the Federal District, recordation was made of the Third Modifying Agreement to the Trust Agreement, by virtue of which clause Nineteen of the aforementioned trust was amended. A copy of the aforementioned agreement is attached to the appendices to the present instrument marked with the letter “C”.

FIVE. GENERAL MEETING OF HOLDERS OF NON-REPAYABLE ORDINARY PARTICIPATION CERTIFICATES REFERRED TO AS “CEMEX.CPO.” Via public instrument number ten thousand three hundred forty-seven dated October twenty-eighth of two thousand fourteen, granted before Attorney Ignacio Gerardo Martínez González, Notary Public Number Seventy-Five practicing in the Municipality of San Pedro Garza García, State of Nuevo León, pending entry in the Public Registry of Commerce of Monterrey, Nuevo León, the minutes of the General Meeting of Holders of Non-Repayable Ordinary Participation Certificates of CEMEX, VARIABLE CAPITAL STOCK CORPORATION, formalized on October twenty-seventh, two thousand fourteen, were recorded, which among other points approved an amendment to clause Twelve appointing the Chairman of the Technical Committee and generating an authenticated copy of the clauses currently in effect in a single instrument of the Trust Agreement. A copy of the aforementioned document is attached to the appendices to the present instrument marked with the letter “D”.

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SIX. MINUTES OF THE TECHNICAL COMMITTEE. The Technical Committee of Trust "111033-9" (one hundred eleven thousand thirty-three hyphen nine), in closed session held on October twenty-seventh of two thousand fourteen, instructed "THE TRUSTEE" to proceed to execute those legal acts that are necessary, appropriate or relevant in order to amend clause Twelve of the Trust Agreement in order that the latter may be drafted in the terms set forth in the proposal submitted to the General Meeting of Holders, without the remaining clauses of the aforementioned agreement suffering any amendment whatsoever, appointing Engineer Rogelio Zambrano Lozano as Chairman of the Technical Committee of the Trust Agreement and generating an authenticated copy of the clauses currently in effect in a single instrument of the Trust Agreement, subject to the condition of obtaining a favorable corresponding resolution from the National Banking and Securities Commission. A copy of the aforementioned act is attached to the appendices to the present instrument marked with the letter "E".

SEVEN. COMMUNICATION WITH THE NATIONAL BANKING AND SECURITIES COMMISSION. "THE TRUSTEE" and "CEMEX" sent a document to the National Banking and Securities Commission requesting approval for the present amendment to Trust Agreement "111033-9" (one hundred eleven thousand thirty-three dash nine) under the terms indicated above, which is added to the appendices to this document marked with the letter "F".

EIGHT. LETTER OF APPROVAL FROM THE NATIONAL BANKING AND SECURITIES COMMISSION. Based on the request described in the preceding point, a letter of approval of the amendment requested by "THE TRUSTEE" and "CEMEX" was obtained from the National Banking and Securities Commission. A copy of the aforementioned document is attached to the appendices to the present instrument marked with the letter "G".

THE PARTIES HEREBY REPRESENT THAT:

It is their will to carry out the present amendment in accordance with the content of the following:

CLAUSES

ONE. AMENDMENT TO CLAUSE TWELVE OF THE TRUST AGREEMENT. “THE TRUSTEE” and “CEMEX”, in compliance with the approval issued by the General Meeting of Holders of Non-Repayable Ordinary Participation Certificates of CEMEX, VARIABLE CAPITAL STOCK CORPORATION and the instructions of the Technical Committee, which documents are described in recitals FIVE and SIX of the present instrument, hereby modify clause Twelve of Trust Agreement number “111033-9” (one hundred eleven thousand thirty-three dash nine) so that it reads as follows:

“TWELVE. TECHNICAL COMMITTEE.

Based on the provisions set forth in the final paragraph of Article 80 of the Ley de Instituciones de Crédito [(General) Law of Credit Institutions], a Technical Committee of the present Trust is created by virtue of this act which shall be constituted by a minimum of three titular members, with it being possible to appoint Substitute members who may replace any of the Titular members. The Chairman of the Committee, who shall enjoy the casting vote in the event of a tie, will be Eng. Rogelio Zambrano Lozano, who may appoint, substitute or replace the other Members of the same, whether Titular or Substitute members, as applicable. The position of member of the Technical Committee is honorific and enjoys no compensatory rights whatsoever.

Eng. Rogelio Zambrano Lozano, in his capacity as Chairman of the Technical Committee, shall inform “THE TRUSTEE” of any appointment, removal or substitution as applicable that is made to the Membership of the Committee, which shall take effect from receipt of said communication by “THE TRUSTEE.”

The Technical Committee shall meet with the frequency necessary to carry out its functions, and at any time requested by “THE TRUSTEE”. The meetings of the Technical Committee shall be deemed to be validly held with the attendance of at least three of its Members. “THE TRUSTEE” and the Representative of the Holders of the “CPOs” may attend the meetings of the Committee with a voice but no vote.

The resolutions of the Technical Committee should be taken by votes in favor by the majority of those members present at the session in question, with the understanding that the Chairman and a minimum of two of the other Members, whether Titular or Substitute, must also be present. Minutes shall be taken of each session containing the agreements adopted therein, which document must be signed by the attendees.

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*Any of the members of the Technical Committee shall be empowered to send a copy of the minutes of the meeting of the Technical Committee to **"THE TRUSTEE"**, and once received by **"THE TRUSTEE"** the latter shall act pursuant to the provisions set forth in the latter, being free of all liability as set forth in Article 80 of the General Law of Credit Institutions.*

*In the event of the resignation, death, disability, absence or any other similar cause resulting in the definitive absence of the Chairman of the Technical Committee, under the terms set forth in article 143 of the Ley General de Sociedades Mercantiles [General Law of Commercial Companies], his or her position shall be taken by the **"CEMEX"** director following him or her in order of appointment to the Board of Directors approved by the Ordinary Shareholder Meeting of **"CEMEX"** immediately before the act or event, it being necessary for **"CEMEX"** to communicate the substitution in writing to **"THE TRUSTEE"** in order that the latter may record the name and signature of the new Chairman of the Technical Committee.*

TWO. AUTHENTICATED COPY OF THE CLAUSES OF THE TRUST CONTRACT CURRENTLY IN EFFECT. *"THE TRUSTEE" and "CEMEX" in compliance with the approval issued by the General Meeting of Holders of Non-Repayable Ordinary Participation Certificates of CEMEX, VARIABLE CAPITAL STOCK CORPORATION and the instructions of the Technical Committee, which documents are described in recitals FIVE and SIX of the present instrument, hereby reiterates in this instrument the clauses amended since it was formalized and those that remain as originally drafted, and hereby formalizes the authenticated copy of the full text that remains in effect of Trust Agreement number "111033-9" (one hundred eleven thousand thirty-three dash nine), the basis of the issue of the Non-Repayable Ordinary Participation Certificates referred to as "CEMEX.CPO," as they are a drafted in their current terms as follows;*

"ONE: CONSTITUTION. *"CEMEX" contributes to the present trust, which is constituted with **"THE TRUSTEE"**, the amount of \$1,000.00 (one thousand pesos 00/100 National Currency) to be allocated for the purposes set forth below, it being possible to increase the assets in trust in accordance with the provisions set forth in the present agreement.*

*For its part, **"THE TRUSTEE"** in this act expresses its acceptance of its responsibility and undertakes to faithfully comply with the same, to which effects it receives the aforementioned amount to its entire satisfaction.*

TWO: PARTIES. The parties to the present Trust are the following:

TRUSTOR: CEMEX, VARIABLE CAPITAL STOCK CORPORATION.

ADHERENT TRUSTORS: Natural or artificial persons, whether Mexican or foreign, that adhere to the present Trust via the irrevocable designation and presentation of “**SHARES**” which shall form part of the assets of the present [trust].

TRUSTEE: BANCO NACIONAL DE MÉXICO, S.A., MEMBER OF THE BANAMEX FINANCIAL GROUP, FIDUCIARY DIVISION.

BENEFICIARIES: (i) These shall be those natural or artificial persons, whether Mexican or foreign, that acquire, receive and are holders of “**CPOs**” and (ii) Those that adhere to these presents via the contribution of “**SHARES**” for the purpose of obtaining these in exchange for the aforementioned “**CPOs**.”

THREE: TRUST ASSETS. The assets held in trust shall consist of (i) the amount referred to in clause one of the present trust (ii) as well as the “**SHARES**” designated in accordance with the following:

a. By those “**SHARES**” of any Series or Class received by “**THE TRUSTEE**” as a result of increases in capital by capitalization: (i) of premiums on Shares, (ii) of profits withheld, or (iii) on reserves or updated Shareholders’ Equity accounts, as agreed by the General Shareholder Meeting of “**CEMEX**” in its capacity as owner of the “**SHARES**” constituting the assets held in trust at that moment.

b. By those “**SHARES**” of any Series or Class issued by “**CEMEX**” for the purpose of increasing its Company Stock and which “**THE TRUSTEE**” as owner of those “**SHARES**” held in trust that are subscribed and paid-in in proportion with the funds previously submitted to it by the Holders of the “**CPOs**”.

c. By the “**SHARES**” of any Series of Class received by “**THE TRUSTEE**” in its capacity as owner of the “**SHARES**” that are held in trust, for the purpose of any restructurings or subdivisions that “**CEMEX**” may agree to in connection with the “**SHARES**,” as well as by those shares attributable to “**THE TRUSTEE**” in connection with any mergers or splits in which “**CEMEX**” is a participant;

d. By additional contributions of “**SHARES**” made by “**CEMEX**” or the “**ADHERENT TRUSTORS**” for the purposes and under the terms and conditions set forth in the present Trust.

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FOUR: RIGHTS AND OBLIGATIONS. a. HOLDERS OF THE CPOs: *Those moral or artificial persons, bodies, trusts or entities, whether Mexican or foreign, that acquire the “CPOs” issued on the basis of the present “TRUST”, together with those moral or artificial persons, bodies, trusts or entities, whether Mexican or foreign, that adhere via contribution of “SHARES”.*

Those persons indicated in the preceding paragraph by the sole fact of having acquired and holding the “CPOs”, as well as those, where applicable, that have simply contributed “SHARES”, shall be subject to the terms, conditions and stipulations contained both in this agreement and any corresponding amendments made to it as well as to the corresponding Act of Issuance and the deed or deeds covering the “CPOs”, as well as the provisions set forth in Articles 7 (seven) and 10 (ten) of the Company Bylaws of “CEMEX”, in connection with the restrictions on transferring “CPOs” or on acquiring significant parts of the company stock of “CEMEX”.

b. CEMEX AND ADHERENT TRUSTORS: *With respect to “CEMEX”, it shall have the sole and exclusive right to receive from “THE TRUSTEE” the funds arising therefrom, when applicable, from those publicly offered placements made via the issue of “CPOs”, following contribution of “SHARES” issued for that purpose or, if applicable, repurchased under the terms set forth in applicable legislation, as well as having the right to receive the proceeds of the placement of any “CPOs” that “THE TRUSTEE” may have reacquired with resources contributed by “CEMEX” or which the latter may have directly reacquired; and with respect to the “ADHERENT TRUSTORS”, that they may designate “SHARES” so that these may be placed before the investing public, thereby having the right to receive from “THE TRUSTEE” the amount received from placements made by issuing “CPOs”.*

c. The **"THE TRUSTORS"** who adhere to this document in order to obtain **"CPOs"** with respect to **"SHARES"** that they contribute to the Trust, as will the persons, organizations or entities who acquire **"CPOs"** will have, subject to this agreement, the economic and voting rights of the **"SHARES"** which make up the proportional share of the trust assets corresponding to the **"CPOs"** held by them. In addition, the Holders of the **"CPOs"** will have the right to receive the net proceeds resulting from the sale of the **"SHARES"** that form part of the proportional share of the Trust Assets corresponding to each **"CPO"** or such **"SHARES"** or participation certificates issued by the **"MASTER TRUST"** strictly complying, however, with the terms and conditions agreed to in this Agreement.

FIFTH: PURPOSES OF THE TRUST. – The purposes of the Trust are:

a. That **"THE TRUSTEE"** acquires and retains trust ownership of the **"SHARES"** making up the assets of this Trust.

b. That **"THE TRUSTEE:"**

b.1 Subscribes the **"SHARES"** that **"CEMEX"** issues or re-purchases so that their placement is in accordance with applicable law, through their transfer to this **"CPOs"** trust and, as the case may be, deliver to **"CEMEX"** the value of the same with the proceeds of the placement; in addition, that **"THE TRUSTEE"**, with funds provided by **"CEMEX"**, re-acquires **"CPOs"** in order to later place them in accordance with applicable legislation.

b.2 Acquires trust ownership of those **"SHARES"** that the **"ADHERING TRUSTORS"** contribute; and

b.3 Acquires trust ownership of those **"SHARES"** resulting from (i) increases in capital from the capitalization of reserves or profits, restructuring of **"SHARES"** or (ii) as the case may be, from the shares resulting from mergers or spin-offs in which **CEMEX** takes part, and (iii) in addition, subscribes for and pays for, subject to previous payment of the necessary funds by the **BENEFICIARIES**, **"SHARES"** resulting from increases in capital by additional contributions or re-investment of distributed profits.

c. That, in accordance with this Agreement, **"THE TRUSTEE"** issues **"CPOs"** intended for acquisition by individuals or companies, Mexican or foreign, with the understanding that **"THE TRUSTEE"** may only issue one **"CPO"** for each three common ordinary Shares in the

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Capital of CEMEX, Sociedad Anónima Bursátil de Capital Variable, two of which shall be Series "A" and one Series "B", which are held in accordance with this agreement and that form part of the assets of the "TRUST", for which reason the proportional portion of the Trust Assets corresponding to each "CPO" will consist of two Series "A" Shares and one Series "B" Share in the Common Ordinary Capital of "CEMEX", with the understanding that such proportional part may be modified as a result of capitalizations, re-investment of distributed profits, subdivisions or restructuring of the "SHARES" or by mergers or spin-offs in which "CEMEX" takes part.

d. That "THE TRUSTEE" transmits, through S.D. Indeval, S.A. de C.V., the "CPOs" that it issues with respect to the "SHARES", to national or foreign investors having a right to such "CPOs" and similarly to those national or foreign investors who have contributed "SHARES" owned by them to the "TRUST".

e. That "THE TRUSTEE", through S.D. Indeval, S.A. de C.V., keeps the "SHARES" on deposit, being able to do so in another or other security deposit institutions, as provided by applicable legislation.

f. That "THE TRUSTEE" exercises the economic and corporate rights corresponding to the "SHARES", upon the understanding that it will exercise the right to vote through the respective legal representatives, as set out below:

f.1 "BENEFICIARIES" of Mexican Nationality will have the right to attend "CEMEX" Shareholder Meetings, personally or by legal representatives, in order to represent and exercise the right to vote inherent in the "SHARES" making up the proportional share of the Assets of the "TRUST" corresponding to the "CPOs" held by them, it being sufficient for doing so, instructions directed to "THE TRUSTEE" a minimum of 72 (seventy-two) hours prior to the date and time of the Shareholder Meeting of "CEMEX", together with the referred to instructions, they shall adequately and in a legally unquestionable manner prove, to the satisfaction of "THE TRUSTEE", their current holdings of the "CPOs", as well as the nationality of the holder and effective beneficiary of the "CPOs", on the terms and conditions of this agreement; for its part and if legally appropriate, "THE TRUSTEE" will issue to the corresponding "BENEFICIARY" or its respective legal representative, a certificate which shows the number of "SHARES" with a right to vote that it legally has in the Shareholder Meeting, granting to it the corresponding Proxy.

f.2 The “BENEFICIARIES” may exercise the right to vote from the “SHARES” forming part of the Assets of the “TRUST,” subject to the terms and conditions of the following paragraphs:

f.2 (i) The “BENEFICIARIES” of Mexican Nationality will exercise the right to vote based on the representative capacity granted to them by “THE TRUSTEE” in accordance with the foregoing Point f.1.

For purposes of this Agreement, “BENEFICIARIES” of Mexican Nationality will be understood as: (i) individuals of Mexican nationality and (ii) companies whose Bylaws contain the Exclusion of Foreigners Clause, this being understood to mean an express agreement which establishes that neither directly nor indirectly may foreign investors or companies with a clause allowing foreigners be admitted as members or shareholders.

f.2 (ii) The “BENEFICIARIES” of Foreign Nationality and “BENEFICIARIES” which are companies of Mexican Nationality which directly or indirectly allow foreign individuals, companies, entities, trusts, funds, Governments or any other type of entity, whether or not having its own separate legal status, of foreign nationality or with a clause Admitting Foreigners, may attend a “CEMEX” Shareholder Meeting as set out in this paragraph (f.1) [sic], only for purposes of representing and exercising the right to vote inherent in Series “B” “SHARES” (or those that freely circulate), which, in accordance with the proportional portion of the Assets of the “TRUST”, correspond to their holdings of “CPOs”, which shall be proven in a legally unquestionable manner, together with their nationality, at the time they send to “THE TRUSTEE” their instructions with the advance notice indicated in this Agreement.

f.2 (iii) The instructions of the “BENEFICIARIES” to which this Paragraph (f.1)[sic] refers shall be in writing, shall always set out the complete name, nationality (which shall be proven in a legally unquestionable manner with a public document that is evidence of what they say), proof of their status as legitimate holders of “CPOs”, the number of these recognized as their property, and if they wish the “TRUSTEE” to represent the “SHARES” corresponding to their “CPOs”, the way in which their vote is to be cast with respect to each of the points to be dealt with at the Shareholder Meeting of “CEMEX” in accordance with the agenda contained in the respective call for the call for the meeting and any other information and/or documentation

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necessary or appropriate requested by **"THE TRUSTEE"** for their identification and/or to prove their legal status. For purposes of the Bylaws of **"CEMEX"** with respect to the acquisition, holding, ownership or transfer of **"SHARES"**, **"BENEFICIARIES"**, upon acquiring **"CPOs"** by any means, shall do so in such manner that for the **"SHARES"** making up the proportional part relative to the **"CPOs"** that they have acquired, such bylaw provisions are complied with, in addition to those of this agreement, for which reason all acquisitions of **"CPOs"** will be considered as if the **"SHARES"** making up the proportional part of the **"TRUST ASSETS"** corresponding to such **"CPOs"** had been acquired and transferred, and if the Bylaws of **"CEMEX"** or the provisions of this agreement are not complied with, the respective **"BENEFICIARIES"** will not have legal status to instruct **"THE TRUSTEE"** concerning the voting or representation and voting of the **"SHARES"** making up the proportional part of the Assets of the **"TRUST"** corresponding to the holding of the **"CPOs"**. **"BENEFICIARIES"** may freely make use of letters, telefaxes or any other electronic, computer or telecommunications media to send their instructions, always complying with the terms and conditions of this agreement.

f.2 (iv) **"THE TRUSTEE"** will vote from the Series "A" **"SHARES"** (and those that only people of Mexican Nationality may hold) that form the assets of the **"TRUST"** that correspond proportionally to the **"CPOs"** that are controlled by foreign **"BENEFICIARIES"** in the same manner as stated by the Shareholders who represent the majority of the Capital with a right to vote.

f.2 (v) **"THE TRUSTEE"** will attend Shareholder Meetings of **"CEMEX"** representing the **"SHARES"** and will vote with respect to the **"SHARES"** of any Series or class forming part of the Assets of the **"TRUST"** and concerning those for which it has not received instructions from the **"BENEFICIARIES"** on the terms and conditions that it considers appropriate, with the exception contemplated in the previous paragraph.

f.3 **"BENEFICIARIES"** and **"THE TRUSTEE"** shall comply with Articles 7 (seven) and 10 (ten) of the **"CEMEX"** Bylaws with respect to the **"SHARES"** that they seek to represent at Shareholder Meetings of **"CEMEX"** concerning restrictions on transferring **"CPOs"** or acquiring significant portions of the capital of **"CEMEX"**.

*g. That **"THE TRUSTEE,"** through S.D. Indeval, S.A. de C.V., subscribes for increases in capital adopted by **"CEMEX"** as set out in the following Eighth Clause, provided that it receives sufficient funds, in time, from the Holders who wish to increase their **"CPOs"** with the subscription by **"THE TRUSTEE"**.*

*h. That **"THE TRUSTEE,"** through S.D. Indeval, S.A. de C.V., collects dividends in cash declared by **"CEMEX"** and distributes them among the Holders of the **"CPOs"** in the portion which corresponds to them, in accordance with their holdings. With respect to **"SHARES"** issued as a result of increases in capital for the capitalization of reserves or profits, for those issued resulting from a restructuring of the capital of **"CEMEX"**, and those stemming from a re-investment of profits or of those shares which are delivered because of mergers or spin-offs in which that company takes part, **"THE TRUSTEE"** will receive and as the case may be, subscribe for such **"SHARES"**, adding them to the assets of the **"TRUST"** which will form part of the proportional share corresponding to each **"CPO"**.*

*i. That **"THE TRUSTEE"** proceeds, in accordance with the following Ninth Clause, to withdraw from the circulation of the corresponding **"CPOs"** if **"CEMEX"** amortizes the **"SHARES"** or reduces its Capital by means of the respective reimbursement.*

*j. That upon termination of this Agreement, as provided in Clause Eleven, **"THE TRUSTEE"** will proceed:*

*j.1 In the case of **"BENEFICIARIES"** of Mexican nationality, as defined in Paragraph f.2 of this Clause, to withdraw from circulation and cancel the **"CPOs"**, transferring to such **"BENEFICIARIES"** the corresponding proportional part of the assets of the **"TRUST"** in proportion to their holdings.*

*j.2 In the case of **"BENEFICIARIES"** of foreign nationality, as well as **"BENEFICIARIES"** which are companies of Mexican nationality in whose capital, directly or indirectly, Governments, persons or entities with or without separate legal status, of foreign nationality may participate, to withdraw from circulation and cancel the **"CPOs"**, (i) transferring to such **"BENEFICIARIES"** only Series "B" Shares (or those that may freely circulate) forming part of the assets of the **"TRUST"** and corresponding to them in proportion to their holdings of **"CPOs"** and (ii) with respect to Series "A" Shares (or those that may only be held by Mexicans) forming part of the assets of the **"TRUST"** and that correspond to them in*

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proportion to their holdings of “CPOs”, to place in trust such “SHARES” in Trust No. 771-7 called “Fideicomiso Maestro de Inversión Neutra” [Neutral Investment Master Trust], entered into with the participation of Nacional Financiera, S.N.C. as Trustee, on November 24, 1989 (hereinafter referred to in this Agreement for identification purposes as the “MASTER TRUST”), in accordance with the authorizations granted at the time by the competent authorities, and proceed to exchange for Ordinary Participation Certificates issued under that Trust to the respective “BENEFICIARIES,” through S.D. Indeval, S.A. de C.V., in accordance with the Eleventh Clause.

j.3 Paragraphs j.1 and j.2 will not be applicable in those cases in which the transfer involves a Transaction or Encumbrance, as defined in Article 7 (seven) of the “CEMEX” Bylaws, with respect to the “CPOs” or “SHARES” that represent 2% (two percent) or more of the Capital of “CEMEX” or that in the case of a Transaction or Encumbrance that results or may result in a share equal to or greater than 30% (thirty percent) of the Capital of “CEMEX”, in which case and for these purposes, “THE TRUSTEE” will be subject to the provisions of Articles 7 (seven) and 10 (ten) of the “CEMEX” Bylaws with respect to the restrictions on transfer of “CPOs”; to obtain ownership, possession or to hold “SHARES”; to limit, restrict or encumber rights inherent in the “SHARES” or to acquire significant portions of the capital of “CEMEX”.

k. That “THE TRUSTEE” proceeds in accordance with the instructions it receives from the Technical Committee that is created below, to exchange the “CPO” Certificates that are in circulation for new Certificates when the Trust Assets are modified as a result of capitalizations, re-investment of distributed profits, subdivisions or restructuring of “SHARES,” reductions in the capital of “CEMEX,” amortizations of “SHARES,” or mergers or spin-offs in which the Company takes part. In addition, if the terms and conditions under which the “CPOs” are issued.[sic]

l. That “THE TRUSTEE,” subject to the prior contribution of the funds required by “CEMEX”, temporarily acquires the “CPOs” that have been issued, in accordance with the terms and conditions set out in writing by the Technical Committee, and subject to Article 56 (fifty-six) of the Securities Market Act, published in the Federal Official Gazette on December 30, 2005 and the applicable related general rules issued by the National Banking and Securities Commission.

m. That the Trustee, in accordance with the instructions of the Technical Committee, proceeds to carry out the exchange to which the First Clause of this agreement refers; as well as proceeds to carry out the registration of the “CPOs” with the National Securities Registry and the competent authorities and organs of other countries with recognized markets in order to record and quote the “CPOs” on the Mexican Stock Exchange and of countries having recognized Markets.

***SIXTH: POWERS OF THE TRUSTEE.** – “**THE TRUSTEE**” will have all the powers that are necessary to carry out the purposes of this trust as contemplated in the previous Clause, including by way of illustration and not limitation, the power and duties to which Article 391 (three hundred and ninety-one) of the General Negotiable Instruments and Credit Operations Act refers. Specifically, “**THE TRUSTEE**” will have the power to grant powers of attorney to those indicated by the Technical Committee established under the Twelfth Clause (designated as the “Technical Committee” in this Agreement for purposes of identification) so that such Legal Representatives may exercise the corporate rights inherent in the “**SHARES**” held in trust in the “**CEMEX**” Shareholder Meetings, observing in all cases the provisions of Paragraph (f) of the Fifth Clause.*

***SEVENTH: THE “CPOS”** – The “CPOs” issued by “**THE TRUSTEE**” in compliance with the purposes of this trust, will be represented by a SINGLE CERTIFICATE for all the “CPOs” of each issue, which will remain deposited, at all times, with S.D. Indeval, S.A. de C.V. or in a securities deposit institution under applicable legislation. The “**BENEFICIARIES**” will prove ownership of the “CPOs” with the certificates issued by S.D. Indeval, S.A. de C.V. pursuant to Article 290 (two hundred and ninety) of the Securities Market Act, published in the Federal Official Gazette on December 30, 2005. Deliveries and transfers of “CPOs” that will take place through S.D. Indeval, S.A. de C.V. following the procedure established in Article 283 (two hundred and eighty-three) of the Securities Market Act, published in the Federal Official Gazette on December 30, 2005. The respective certificates shall comply with the requirements established in Article 228 n (two hundred and twenty-eight, letter n) of the General Negotiable Instruments and Credit Operations Act.*

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With respect to the “SHARES” to which paragraph (b) of the Third Clause refers, the “BENEFICIARIES” will have the right to the dividends paid on the same, provided that they had contributed to “THE TRUSTEE” funds so that the latter could subscribe for the increases in capital of “CEMEX,” as set out in the following clause.

The amount of the issue and the par value of the “CPOs” will be established exclusively for purposes of Articles 228 l (two hundred and twenty-eight, letter l) and 228 n (two hundred and twenty-eight, letter n) of the General Negotiable Instruments and Credit Operations Act, without the issuer being obligated to pay to holders the par value of the Certificates under Article 228 k (two hundred and twenty-eight, letter k) of the same Act. The par value of each Ordinary Participation Certificate will be based on the result of dividing the amount of the issue by the number of Certificates issued and put in circulation.

EIGHTH: SUBSCRIPTION FOR NEW SHARES. – *If there is an increase in the Capital of “CEMEX” by contributions in cash, “THE TRUSTEE” will notify the “BENEFICIARIES” fifteen calendar days in advance of the final date the shareholders have to subscribe to such increase, so that the “BENEFICIARIES” may make their contributions in cash to the “TRUST”, in order for “THE TRUSTEE” to subscribe proportionally and pay for the corresponding “SHARES”, only if such subscription can be validly made under the applicable legislation in the Country of residence of the corresponding “BENEFICIARY”.*

If the “BENEFICIARIES” provide “THE TRUSTEE” with the funds necessary for “THE TRUSTEE” to carry out the subscription and payment for the corresponding “SHARES”, such “SHARES”, which are subject to the purposes contemplated in this “TRUST” and in the portion corresponding to each “BENEFICIARY”, will be increased by the proportional share of their trust assets. “THE TRUSTEE”, as instructed by the Technical Committee, will exchange the “CPOs” as required, issuing new certificates, or as the case may be, will issue the amount of the corresponding “CPOs”, which will be delivered to the respective “BENEFICIARIES”, in proportion to their contributions.

NINTH: AMORTIZATIONS, REDUCTION AND RESTRUCTURING OF CAPITAL, MERGERS OR SPIN-OFFS. – *1) If “CEMEX” amortizes “SHARES” with distributable*

profits, reduces its capital, or if it agrees to a subdivision or merger of the “SHARES”, “THE TRUSTEE” shall continue in accordance with the respective agreements executed by the Shareholder Meeting and shall make the notices, redemptions and procedures, which corresponds to each “CPO” as required; and 2) in the case of mergers and spin-offs that are duly approved, “THE TRUSTEE” shall perform the required procedures for the substitution and receipt of the Shares which shall be subscribed by “THE TRUSTEE” and shall form part of the assets of the “TRUST”, with the following change to the proportional part of the Trust Assets corresponding to each “CPO”.

TENTH: PLACEMENT OF “CPOs”. – “CEMEX” shall perform, if applicable, with the supervision of Stock Exchange or other authorized institutions, the placement of the “CPOs” that “THE TRUSTEE” issues with respect to the “SHARES” held in trust, between national and foreign investors, pursuant to paragraph (d) of the above Fifth Clause, “THE TRUSTEE” shall transfer, by means of “Indeval”, the “CPOs” issued in respect to the “SHARES” held in trust to the persons who had acquired them in the placement as stated by “CEMEX” in writing and which shall receive through said transfer the funds which arise from the placement, with which the payment shall be made of the subscription price of the “SHARES” it has subscribed. In the case that not all “CPOs” issued were placed with respect to the “SHARES” held in trust, “THE TRUSTEE” shall cancel the “CPOs” that were not placed and return to “CEMEX” the securities which cover the “SHARES” subscribed and not paid-in, the subscription being void, or if applicable, the SOLE SECURITY shall be redeemed by means of “Indeval”.

For the purposes of executing the redemption referred to in the First Clause, it shall proceed with the supervision of the stock exchanges or authorized institutions, executing the transfer under the aforementioned terms.

ELEVENTH: VALIDITY. The validity of this Agreement shall be thirty (30) years from September sixth (6) of nineteen hundred ninety-nine (1999), the date of its signing. This Trust and its contents shall remain in force pursuant to the below paragraph. The Trust Estate shall remain in effect for the agreed upon purposes; both Trusts are irrevocable.

On the same date as the termination of the “TRUST”, and with the participation of the Common Representative of Holders of “CPOs”, with

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a trust company expressly authorized under the laws in force and subject to the terms and conditions which determined by the Technical Committee, an Irrevocable Trust shall be formed, in which "THE TRUSTEE" shall deliver the "SHARES" forming part of the "TRUST" assets, with the understanding that the newly formed Trust shall include the purposes, term, rights and obligations that are provided in this "TRUST" on this date. Thus, the trustee of the new trust shall proceed based on the instructions of its technical committee to substitute the "CPOs" in circulation with the "CPOs" issued by the institution acting as Trustee in the newly formed Trust.

The "TRUST" may be terminated for any of the reasons provided in Article 392 (three hundred ninety-two) of the General Law of Securities and Credit Transactions and which is compatible with what is agreed upon in the "TRUST", in which case "THE TRUSTEE", with the participation of the Common Representative of the Holders of the "CPOs" and in accordance with the provisions of the Fifth Clause, paragraph (j), shall act as follows:

a. Carry out the acts required to remove the "CPOs" from the market that are owned by natural persons of Mexico or by Mexican companies which include in their bylaws the "Foreigner Exclusion Clause" both directly or indirectly (through other companies or associations) for the purpose of delivering to said persons the proportional part of the "TRUST" assets in respect to its ownership, except in the case of any of the provisions pursuant to Articles 7 (seven) and 10 (ten) the Bylaws of "CEMEX", referred to in the Fifth Clause, paragraph j-3 (with respect to the restriction on the transfer of Shares or the purchase of significant portions of Capital), in which case they shall proceed as provided herein. The redemption of the "CPOs" and the delivery of the "SHARES" which form part of the "TRUST" assets shall be performed by means of S.D. Indeval de C.V.

b. Carry out the acts required to remove from the market those "CPOs" which are property of foreigners or Mexican companies which do not have the Foreigner Exclusion Clause directly or indirectly (through other Companies or Associations), acting as follows:

b.1 In the case of Series "A" Shares (or of restricted circulation whereby the ownership is limited to Mexicans) which forms part of the "TRUST" assets, place under trust the proportional part in respect to those these "CPOs" issued in the "MASTER TRUST", with

the understanding that for each of the “CPOs”, Nacional Financiera, S.N.C. shall deliver to “**THE TRUSTEE**” the Ordinary Participation Certificates issued based on the “**MASTER TRUST**” and which legally corresponds in respect to its ownership;

b.2 In the case of Series “B” Shares (or of free circulation) which form part of the “**TRUST**” assets, deliver to said “**TRUSTEES**” the proportional part of the “**TRUST**” assets with respect to its ownership, except as provided in paragraph (a) of this clause; and

b.3 Or, in its absence and at the request of “**THE TRUSTEE**” referred to in this paragraph, proceed to redeem the necessary Series “A” Shares (or of restricted circulation whereby the ownership is limited to Mexicans) held in trust, to deliver the proportional part of the product of the sale as it relates to its ownership.

b.4 The redemption of the “CPOs”, the delivery of the Ordinary Participation Certificates issued based on the “**MASTER TRUST**”, the delivery of the Series “B” shares (of free circulation) which form part of the “**TRUST**” estate and, if applicable, the delivery of the product of the sale of the Series “A” Shares (or of restricted circulation whereby the ownership is limited to Mexicans) held in trust which legally corresponds, shall be made by means of S.D. Indeval, S.A. de C.V. or “**THE TRUSTEE**” where legally appropriate.

In any of these cases “**THE TRUSTEE**” shall duly proceed with the cancellation of the “CPOs” once the legal procedures have been performed.

With respect to the provisions of the above paragraph b.1, “**THE TRUSTEE**” is required to perform the steps necessary for Nacional Financiera, S.N.C., in its capacity as Trustee of the “**MASTER TRUST**” issues Non-Repayable Ordinary Participation Certificates based on the “**MASTER TRUST**”, so that such Certificates may be delivered to “**THE TRUSTEE**” referred to in the aforementioned paragraph b.1.

The termination of the Agreement is subject, in any case, to the provisions set forth in Article 228t (two hundred twenty-eight, letter t) of the General Law of Securities and Credit Transaction and which states: “**ARTICLE 228-T. The trust based on issuance shall not be terminated while there are unpaid balances for payment of credits that are the responsibility of the trust estate, from certificates or from shares in the returns or yields.**”

TWELFTH: TECHNICAL COMMITTEE. With a basis on the provisions of the last paragraph of Article 80 of the Credit Institutions Act, a Technical Committee of this Trust is formed herein which shall be formed by a minimum of three regular members who may

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designate Alternates who may take the place of any of the regular members. The Chairman of the Committee, who shall have a vote in the case of a tie, shall be Rogelio Zambrano Lozano, Engineer, who shall appoint, replace or remove any of the other members, whether they are Titular members or Substitutes. The role of member of the Technical Committee is honorific without any right to compensation.

*Rogelio Zambrano Lozano, Engineer, in his capacity as Chairman of the Technical Committee, shall report to **"THE TRUSTEE"** the appointments, removals or substitutions that, if appropriate, are made by the Committee Members, and shall take effect starting from the time of receipt of the communication by **"THE TRUSTEE"**.*

*The Technical Committee shall meet with the frequency required to fulfill its functions, and at any time at the request of **"THE TRUSTEE"**. The meetings of the Technical Committee shall be considered validly held when at least three of the members are in attendance.*

The resolutions of the Technical Committee shall be made by favorable vote of the majority of the members present at the respective session in the understanding that the Chairman shall always be present in addition to a minimum of two of the other members, whether they are Titular members or Substitutes. Minutes shall be taken at each meeting which shall include any agreements adopted and shall be signed by the attendees.

*Any of the members of the Technical Committee shall be authorized to submit to **"THE TRUSTEE"** a copy of the meeting minutes of the Technical Committee and once received by **"THE TRUSTEE"** shall act in accordance with the same, being free of any responsibility, as provided in Article 80 in the General Law of Credit Institutions.*

*In the case of resignation, death, incapacity, absence or any other similar reason which is the source of the final decision of the President of the Technical Committee, pursuant to Article 143 of the General Law on Corporations, the role of Board Member of **"CEMEX"** shall be assumed by following the order of appointment of the Board of Directors*

approved by the Ordinary Shareholder Meeting of “CEMEX” immediately prior to the act or event, it being necessary that “CEMEX” communicate the substitution made in writing to “THE TRUSTEE” in order to record the name and signature of the new Chairman of the Technical Committee.

THIRTEENTH: AUTHORITIES OF TECHNICAL COMMITTEE. *The Technical Committee shall have the following authority:*

Instruct “THE TRUSTEE” for the foregoing to issue the “CPOs” (or if applicable the replacement and redemption of the securities which they represent) object of this trust in fulfillment of the agreed upon purposes.

Assist “THE TRUSTEE” so that it may exercise the corporate rights of the “SHARES” which form part of the “TRUST” assets pursuant to the terms of the Fifth Clause.

Resolve and instruct “THE TRUSTEE” with respect to the Public Offers and repurchase of “CPOs” which is performed, if necessary; in the cases referred to in the provisions and clauses of this trust.

Designates the institution which shall act as Trustee in the case referred to in the Eleventh Clause, Second Paragraph.

The other authorities required for “THE TRUSTEE” to fulfill the purposes of the “TRUST”, including that of instructing “THE TRUSTEE” with respect to its actions in those cases or situations which were not anticipated, or were not expressly stated, regulations to which “THE TRUSTEE” must subject its action, and in those cases in which “THE TRUSTEE” requests it or there are questions with respect to the fulfillment of the terms of this trust or when the instructions are not duly received from the “BENEFICIARIES”.

FOURTEENTH: RESPONSIBILITY OF THE TRUSTEE. *It is hereby expressly agreed that “THE TRUSTEE” shall respond to the obligations upon which it agrees in the execution of the Trust, solely to the maximum extent of the estate. “THE TRUSTEE” shall insert this stipulation in the documents and contracts which are subscribed in fulfillment of the Trust. “THE TRUSTEE” shall be free of any responsibility arising from the acts which it performs in the fulfillment of the instructions which the Technical Committee receives and the foregoing shall not be bound to fulfill said instructions if they are contrary to the legal nature or the purposes of the Trust. In addition, it is agreed that “THE TRUSTEE” shall not incur any responsibility when, not having duly provided the funds required for such purposes, the subscription of the “SHARES” issued by “CEMEX” is not performed by virtue of a capital increase, in accordance with the provisions of the Eighth Clause of this Agreement.*

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Furthermore, **“THE TRUSTEE”** does not assume any responsibility with respect to the placing of the **“CPOs”** to be made by **“CEMEX”** pursuant to Clause Five above nor with respect to the payment of the subscription price and release of the **“SHARES”** in accordance with the Eleventh Clause above. In this case, **“CEMEX”** is required to leave the unpaid **“SHARES”** in accordance with the provisions of the Eleventh Clause above, said **“SHARES”** being cancelled pursuant to the provisions of Article 53 of the Securities Market Act.

In addition, **“THE TRUSTEE”** does not assume any responsibility for investing the amounts which it receives pursuant to the Fifth, Eighth, Ninth and Tenth Clauses, which shall not provide any yield to the Holders of the **“CPOs”** for the period which includes the date on which said amounts are received by **“THE TRUSTEE”** and the date on which the terms of the corresponding Clause are in force.

When emergency measures are required to fulfill the purposes of the Trust, the omission of which may substantially harm the trust assets, if it is not possible to convene the Technical Committee, in exceptional cases **“THE TRUSTEE”** may act at its discretion, always acting in accordance with sound bank practices.

The Trustor does not reserve any right with respect to the Trust assets and the primary Beneficiaries as it relates to the Trust assets shall only have the rights which result directly from the terms of this Agreement, with no rights existing or arising in favor of any person other than the Beneficiaries, pursuant to Article 386 (three hundred eighty-six) and Article 390 (three hundred ninety) of the General Law of Securities and Credit Transactions.

“THE TRUSTEE” shall respond civilly to the damages and harm which it causes for the breach of obligations under its responsibility assumed in this agreement.

FIFTEENTH: PROHIBITIONS. Section XIX, paragraph (b) of Article 106 of the Credit Institutions Act states:

“Article 106. The credit institutions shall be prohibited: (... ..) XIX. – In the performance of the transactions referred to in Section XV of Article 46 of this Law; (... ..).”

b) – To answer to the trustors, principals or agents for the breach of the debtors, due to the credits granted or from the issuers of securities, for the securities that are acquired, unless they are at fault, in accordance with the final part of Article 391 of the General Law of Securities and Credit Transactions, or to ensure the perception of returns on the funds whose investment is entrusted to them.

If at the end of the trust, mandate or commission formed to grant credits, the foregoing has not been settled by the debtors, the institution shall transfer them to the trustor or trustee, as applicable, or to the principal or agent, refraining from covering the amount.

In the trust, mandate or commissions agreements, the provisions of this paragraph and a notarized statement of the trustee shall be inserted to make its contents unequivocally known to the persons who have received property or rights for their assignment in trust.

(... ..)

Any agreement to the contrary of the provisions in the above paragraph shall be void.”

The final section of Article 391 (three hundred ninety-one) of the General Law of Securities and Credit Transactions binds the trustee to fulfill its duty in accordance with the provisions in the agreement, acting with great care, being responsible for the losses or pecuniary damages that the property or rights incur due to its fault.

In addition, in accordance with the provisions of CIRCULAR 1/2005 of the Banco de México, relative to rules which the multiple banking institutions, stock exchanges and limited purpose financial institutions are subject in operation of the trust (hereinafter the “Circular”), **“THE TRUSTEE”** is prohibited:

- a) To assign to the trust assets prices other than those agreed upon when agreeing to the related transaction;
- b) To guarantee the payment of yields or prices of the funds whose investment is entrusted to them;
- c) To execute transactions under terms and conditions contrary to internal policies and sound financial practices;
- d) To execute transactions with securities, credit titles or any other financial instrument which does comply with the specification which they have agreed upon in the corresponding trust agreement; and

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e) To cover, with charge to the trust assets, the payment of any penalty imposed on the Banco Nacional de México, S.A., member of Grupo Financiero Banamex, for transactions on its own behalf, by any authority, and any other penalty imposed under the terms of number 8.1 of the Circular.

SIXTEENTH: TRUSTEE FEES AND COSTS. *“THE TRUSTEE” shall cover in payment of fees for the performance of its responsibility under this Agreement, the amounts agreed upon in a separate instrument between “THE TRUSTEE” and “CEMEX”.*

The fees of “THE TRUSTEE”, of the Common Representative of the Holders of the “CPOs” as well as other expenses which are necessary to distribute due to or in compliance with this Agreement, the issuance of “CPOs” or the registration fees of the “CPOs” in the Securities Sections and in the Special Section of the National Register of Securities and Intermediaries, and any other fees which, if necessary, covers “Indeval” in its capacity as holder of “SHARES” held in trust, shall be the responsibility of “CEMEX”.

In addition, all expenses in which “THE TRUSTEE” incurs (including documented reasonable legal costs and fees) in the defense of the Trust estates shall be at the expense of “CEMEX” as well as the fees and costs agreed upon by “CEMEX” and “THE TRUSTEE” for the execution of the transactions which the Technical Committee instructs to the “TRUSTEE” in fulfillment of the purposes set forth herein.

SEVENTEENTH: CONTROL. – *“Indeval” shall operate at the expense of “THE TRUSTEE” the account debits and credits to the account that are necessary for the proper recording and control of all transactions attributable to this Trust, and shall issue the account statements reflecting the trust assets as well as the Participation Certificates as established under the terms herein.*

EIGHTEENTH: REGISTRY. *“THE TRUSTEE” shall apply to the National Registry of Foreign Investment for the entry of this Agreement in the Third Section of said Registry within 60 business days from the signing of this Trust.*

NINETEENTH. AMENDMENTS. *This Agreement may not be amended in any of the Clauses without prior authorization of the Technical Committee, the consent of the General Meeting of Holders and with approval of the National Banking and Securities Commission, in*

the understanding that, to amend the Clause with respect to the formation and operation of the Technical Committee, it shall be necessary for at least 75% of the "CPOs" in circulation to be represented in the Meeting and that the decisions be approved by half plus one, at least, of the votes calculated in the Meeting is convened and held for such purposes.

TWENTIETH: NOTICES AND DOMICILES. Any communications that the parties must provide under the terms of this Agreement shall be made in writing and submitted to the other party via certified mail with acknowledgment of receipt, telex, telecopy or by any other means which ensures its receipt, to the following elected domiciles:

CEMEX

Ave. Constitución No. 444 Pte.
6400 Monterrey, N.L. [Nuevo León]
Attn: Lorenzo H. Zambrano, Engineer

THE TRUSTEE

Banco Nacional de México, S.A.
Fiduciary Division
Calzada Del Valle No. 350 Ote.
66220 San Pedro Garza García, N.L.
Attn: María de los Angeles Montemayor Garza

TWENTY-FIRST: INTERPRETATION AND JURISDICTION. This Agreement is subject, in its interpretation and fulfillment, to the laws of the United Mexican States for the resolution of any dispute which arises from the same, the parties being subject to the jurisdiction of the competent courts in Mexico City, Federal District, hereby waiving any other jurisdiction that may correspond to them as a result of their present or future domicile or the location of their property.

I, THE NOTARY PUBLIC, HEREBY ATTEST:

I. I have had before me the aforementioned original documents as well as those provided in its appendix.

II. I hereby certify the identity of the parties appearing with the documents referred below, the same which are provided in the original and in the collated copy that I attach to the appendix of this instrument, **without being reproduced in the testimonies filed herein**, marked with the letter "H", who in my judgment have sufficient capacity.

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III. I informed the appearing parties of the right to personally read the document.

IV. The appearing parties state that their representatives are legally authorized and that the power of attorney is current, which I hereby certify and which the undersigned Notary Public attaches to the appendix of this deed marked with the letters “I” and “J” and are provided below:

ELVA NELLY WING TREVIÑO and EDUARDO CHÁVEZ HUITRÓN with a certified copy of instrument sixty-four thousand four hundred seventy-three on August thirty-first of two thousand eleven, granted by Notary Public Roberto Núñez y Bandera, Notary Public No. One of the Federal District.

Mr. **RENÉ DELGADILLO GALVAN** with the certified copy of instrument twenty-eight thousand six hundred seventy-one, dated October eighth of two thousand seven, executed before Notary Public Juan Manual García, Notary Public No. One Hundred Twenty-Nine in the First District of the Municipality of San Pedro Garza García, Nuevo León.

And Mr. **EDUARDO FLORES HERRERA**, with a copy of his appointment.

V. The appearing parties, after having been warned by the undersigned of penalties to those who make false statements under oath, under penalty of perjury on their GENERAL DATA state:

EDUARDO CHAVEZ HUITRON, Mexican by birth, born of Mexican parents, native of this city, where he was born on February fifteenth of nineteen hundred sixty-eight, married, bank officer, with domicile in Bosque de Duraznos, number seventy-five, Penthouse, district of Bosques de las Lomas, borough of Miguel Hidalgo, and identified with passport number six thousand three hundred seventy million twenty-six thousand four hundred forty-seven, issued on the August thirtieth of two thousand six by the Ministry of Foreign Affairs.

ELVA NELLY WING TREVIÑO, Mexican by birth, born of Mexican parents, born on the December fifth of nineteen hundred sixty-six, single, professional, domiciled at Calzada del Valle, number three hundred fifty East, First Floor, in the district of Colonia del Valle, in San Pedro Garza García, Nuevo León, and temporarily in this city for the signing of this instrument and identified with the passport number “G” two million one hundred sixty-four thousand seven hundred sixteen, issued on December sixteenth of two thousand eight by the Ministry of Foreign Affairs.

RENÉ DELGADILLO GALVAN, Mexican by birth, born of Mexican parents, native of Monterrey, Nuevo León, where he was born on July first of nineteen hundred seventy, married, professional, with domicile at Avenida Presidente Masaryk, number one hundred one, eighteenth floor, District of Polanco, in this City, and identified with voter registration card number thirty-four million one hundred eighteen thousand eight hundred eleven, registered in the year nineteen ninety-one, issued by the Federal Electoral Institute.

EDUARDO FLORES HERRERA, Mexican by birth, born of Mexican parents, native of Zapopan, Jalisco, where he was born on August twenty-fifth of nineteen hundred eighty, married, civil servant, domiciled at Insurgentes Sur, nineteen hundred seventy-one, North Tower, seventh floor, zip code one thousand twenty, District of Guadalupe Inn, in this city and identified with voter registration card number "4931087126784", issued by the Federal Electoral Institute.

This deed has been read to the appearing parties, by they themselves and by the undersigned Notary Public, I explained to them its value and the legal consequence of its content, and they state that they each fully understand and grant it, stating their agreement and signing it on November twenty-sixth of two thousand fourteen, I **DEFINITELY AUTHORIZE**. I hereby attest.

ELVA NELLY WING TREVIÑO. – SIGNED. – EDUARDO CHÁVEZ HUITRÓN. – SIGNED. – RENÉ DELGADILLO GALVÁN. – SIGNED. – EDUARDO FLORES HERRERA. – SIGNED. – E. PULLIAM. – SIGNED. – NOTARY PUBLIC'S CERTIFYING SEAL.

TRANSCRIBED OR ATTACHED BELOW IN COPIES OR ORIGINAL, IF APPLICABLE, THE DOCUMENTS OF THE APPENDIX OF THIS INSTRUMENT, EXCEPT THOSE DOCUMENTS WHICH HAVE BEEN TRANSCRIBED OR COPIED IN THE BODY OF THE SAME OR THOSE WHICH PURSUANT TO THIS LAW IT IS NOT NECESSARY TO INCLUDE.

AMENDMENT AGREEMENT

DATED 31 OCTOBER 2014

RELATING TO A FACILITIES AGREEMENT
DATED 17 SEPTEMBER 2012
(AS AMENDED)

BETWEEN
(AMONG OTHERS)

CEMEX, S.A.B. DE C.V.
THE PARENT

CITIBANK INTERNATIONAL LIMITED
(FORMERLY CITIBANK INTERNATIONAL PLC)
ACTING AS AGENT

AND

WILMINGTON TRUST (LONDON) LIMITED
ACTING AS SECURITY AGENT

AMENDMENT AND RESTATEMENT AGREEMENT

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THIS AGREEMENT is dated 31 October 2014 and made between:

- (1) **CEMEX, S.A.B. de C.V.** (the “**Parent**”);
- (2) **NEW SUNWARD HOLDING B.V.**;
- (3) **CEMEX ESPAÑA, S.A.**;
- (4) **CEMEX FRANCE GESTION S.A.S.**;
- (5) **CITIBANK INTERNATIONAL LIMITED (FORMERLY CITIBANK INTERNATIONAL PLC)** as agent of the other Finance Parties (other than itself) (the “**Agent**”); and
- (6) **WILMINGTON TRUST (LONDON) LIMITED** as security trustee for the Secured Parties (the “**Security Agent**”).

BACKGROUND:

- (A) The Parent executes this Agreement for itself and on behalf of each other Obligor (being, as at the date of this Agreement, those listed in Schedule 1 (*The Obligors*)) other than CEMEX France Gestion S.A.S. in accordance with clause 33.8 (*Obligor Agent*) of the Original Facilities Agreement.
- (B) New Sunward Holding B.V. and CEMEX España, S.A. execute this Agreement only for the purpose of the confirmation under Clause 5.3 (*Confirmation of Security*) in respect of the Transaction Security granted by New Sunward Holding B.V. and the Parent over their shares in CEMEX España, S.A. For all other purposes, the Parent executes this Agreement on behalf of New Sunward Holding B.V. and CEMEX España, S.A. as described above.
- (C) The Agent executes this Agreement for itself and on behalf of each other Finance Party in accordance with paragraph (b) of clause 37.1 (*Required consents*) of the Original Facilities Agreement.
- (D) The Agent confirms that the Majority Creditors have consented to the amendments referred to in Clause 4 (*Restatement*). On the basis of that consent, the Agent has instructed the Security Agent to execute this Agreement.

IT IS AGREED as follows:

1. **DEFINITIONS AND INTERPRETATION**

1.1 **Definitions**

In this Agreement:

“**Amended Facilities Agreement**” means the Original Facilities Agreement, as amended and restated by this Agreement.

“**Club Loan Agent**” means the Agent in its capacity as the “Agent” under (and as defined in) the Club Loan Facilities Agreement.

“**Club Loan CP Document**” means any document listed in part 1 (*Initial Conditions Precedent*) of schedule 2 (*Conditions Precedent*) to the Club Loan Facilities Agreement which is or has been provided on or before the Effective Date to the Club Loan Agent in form and substance satisfactory to the Club Loan Agent (acting reasonably), but excluding any document which may not, pursuant to its terms, be disclosed to all Finance Parties.

“**Club Loan Facilities Agreement**” has the meaning given to that term in the form of Amended Facilities Agreement set out in Schedule 3 (*Restated Agreement*).

“**Effective Date**” means the date on which the Agent confirms to the Security Agent, the Creditors and the Parent that, subject to Clause 3 (*Conditions Precedent*), it has received each of the documents and other evidence listed in Schedule 2 (*Conditions Precedent*) in a form and substance satisfactory to the Agent.

“**Guarantee Obligations**” means the guarantee and indemnity obligations of a Guarantor contained in the Original Facilities Agreement.

“**Intercreditor Amendment Agreement**” means the amendment agreement relating to the Intercreditor Agreement, substantially in the form agreed in writing between the Parent and the Security Agent prior to the date of this Agreement.

“**Original Facilities Agreement**” means the facilities agreement dated 17 September 2012 between (among others) the Parent, the Agent and the Security Agent, as amended from time to time prior to the date of this Agreement.

“**Party**” means a party to this Agreement.

“**Relevant Group Member**” means, for the purposes of Schedule 2 (*Conditions Precedent*), each member of the Group which is:

- (a) an Obligor; and/or
- (b) a Debtor, a Security Provider and/or an Intra-Group Lender (each as defined in the Intercreditor Agreement).

“**Secured Obligations**” has the meaning given to that term in the Intercreditor Agreement.

1.2 **Incorporation of defined terms**

- (a) Unless a contrary indication appears, a term defined in the Original Facilities Agreement has the same meaning in this Agreement.
- (b) The principles of construction set out in the Original Facilities Agreement shall have effect as if set out in this Agreement.

1.3 **Clauses**

In this Agreement, any reference to a “Clause” or a “Schedule” is, unless the context otherwise requires, a reference to a Clause of, or a Schedule to, this Agreement.

1.4 **Third party rights**

A person who is not a party to this Agreement has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce or to enjoy the benefit of any term of this Agreement.

1.5 **Designation**

In accordance with the Original Facilities Agreement, each of the Parent and the Agent designates this Agreement as a Finance Document.

2. **REPRESENTATIONS**

The Repeating Representations are deemed to be made by each Obligor to the Finance Parties (by reference to the facts and circumstances then existing) on:

- (a) the date of this Agreement; and
- (b) the Effective Date,

and references to “this Agreement” in the Repeating Representations should be construed, on the date of this Agreement, as references to this Agreement and to the Original Facilities Agreement and, on the Effective Date, as references to the Amended Facilities Agreement.

3. **CONDITIONS PRECEDENT**

- (a) If any Club Loan CP Document also fulfils, to the satisfaction of the Agent (acting reasonably), a requirement of Schedule 2 (*Conditions Precedent*), the Parent shall not be required to provide a further copy of that document to the Agent for the purposes of this Agreement.
- (b) For the purposes of paragraph (a) above:
 - (i) the Parent authorises the Agent to disclose any Club Loan CP Document received by it in its capacity as the Club Loan Agent to any Finance Party; and
 - (ii) the Parent confirms that any certificate of an Obligor under (and as defined in) the Club Loan Facilities Agreement which is addressed to or otherwise able to be relied upon by one or more Finance Parties under (and as defined in) the Club Loan Facilities Agreement may be relied upon by the Finance Parties as if it was addressed to them.

4. **RESTATEMENT**

With effect from the Effective Date the Original Facilities Agreement shall be amended and restated so that it shall be read and construed for all purposes as set out in Schedule 3 (*Restated Agreement*).

5. **CONTINUITY AND FURTHER ASSURANCE**

5.1 **Continuing obligations**

The provisions of the Original Facilities Agreement and the other Finance Documents shall, save as amended by this Agreement, continue in full force and effect.

5.2 **Confirmation of Guarantee Obligations**

For the avoidance of doubt, each Guarantor confirms for the benefit of the Finance Parties that all Guarantee Obligations owed by it under the Amended Facilities Agreement shall (a) remain in full force and effect notwithstanding the amendments referred to in Clause 4 (*Restatement*) and (b) extend to any new obligations assumed by any Obligor under the Finance Documents as a result of this Agreement (including, but not limited to, under the Amended Facilities Agreement).

5.3 **Confirmation of Security**

For the avoidance of doubt, each Obligor confirms for the benefit of the Finance Parties that the Security created by it pursuant to each Transaction Security Document to which it is a party shall (a) remain in full force and effect notwithstanding the amendments referred to in Clause 4 (*Restatement*) and the Intercreditor Amendment Agreement and (b) continue to secure its Secured Obligations under the Finance Documents as amended (including, but not limited to, under the Amended Facilities Agreement).

5.4 **Further assurance**

Each Obligor, shall, at the request of the Agent and at such Obligor's own expense, do all such acts and things necessary or desirable to give effect to the amendments effected or to be effected pursuant to this Agreement.

5.5 **Notarisation in Spain**

The Parent shall (and shall ensure that each other relevant member of the Group will), at the request of the Agent (giving reasonable notice and specifying a time during normal business hours), appear before a notary in Madrid to raise this Agreement and the Intercreditor Amendment Agreement to the status of a Spanish Public Document in each case on or before the date falling ten Business Days after its date.

6. **MISCELLANEOUS**

6.1 **Incorporation of terms**

The provisions of clause 41 (*Enforcement*) of the Original Facilities Agreement shall be incorporated into this Agreement as if set out in full in this Agreement and as if references in that clause to "this Agreement" were references to this Agreement.

6.2 **Counterparts**

This Agreement may be executed in any number of counterparts, and this has the same effect as if the signatures on the counterparts were on a single copy of this Agreement.

7. **GOVERNING LAW**

This Agreement and any non-contractual obligations arising out of or in connection with it are governed by English law.

THIS AGREEMENT has been executed as, and is intended to take effect as, a deed by New Sunward Holding B.V., and has been signed by each other Party, on the date written on the first page of this Agreement.

**SCHEDULE 1
THE OBLIGORS**

Name of Borrower	Registration number (or equivalent, if any)
CEMEX, S.A.B. de C.V.	CEM-880726-UZA
CEMEX España, S.A.	A-46004214
New Sunward Holding B.V.	34133556
CEMEX Materials LLC	File # 4443303 (Delaware)
CEMEX Finance LLC (formerly known as CEMEX España Finance LLC)	File # 3654572 (Delaware)

Name of Guarantor	Registration number (or equivalent, if any)
CEMEX, S.A.B. de C.V.	CEM-880726-UZA
CEMEX España, S.A.	A-46004214
CEMEX México, S.A. de C.V.	CME-820101-LJ4
CEMEX Concretos, S.A. de C.V.	CCO-740918-9M1
Empresas Tolteca de México, S.A. de C.V.	ETM-890720-DJ2
New Sunward Holding B.V.	34133556
CEMEX Corp.	File #: 2162255
CEMEX, Inc.	Charter # 13000400D (Louisiana)
CEMEX Finance LLC (formerly known as CEMEX España Finance LLC)	File #: 3654572 (Delaware)

Cemex Research Group AG	CHE-113.951.069
CEMEX Shipping B.V.	34213063
CEMEX Asia B.V.	34228466
CEMEX France Gestion (S.A.S.)	334 533 288
CEMEX UK	05196131
CEMEX Egyptian Investments B.V.	34108365
CEMEX Egyptian Investments II B.V.	58083987

Name of Security Provider	Registration number (or equivalent, if any)
CEMEX, S.A.B. de C.V.	CEM-880726-UZA
CEMEX México, S.A. de C.V.	CME-820101-LJ4
CEMEX Operaciones México, S.A. de C.V. (formerly Centro Distribuidor de Cemento, S.A. de C.V.)	CDC-960913-SK6
Empresas Tolteca de México, S.A. de C.V.	ETM-890720-DJ2
Impra Café, S.A. de C.V.	ICA-801002-5E8
Interamerican Investments, Inc.	File #: 2252951
New Sunward Holding B.V.	34133556
CEMEX International Finance Company	226652
CEMEX TRADEMARKS HOLDING Ltd.	CHE-109.294.363

SCHEDULE 2
CONDITIONS PRECEDENT

1. Relevant Group Members

- (a) In the case of each Relevant Group Member (other than any Relevant Group Member incorporated in the Netherlands, Switzerland or France), a copy of its current constitutional documents (in the case of an Relevant Group Member incorporated in Mexico, certified by a notary public or otherwise authenticated) or, in the case of an Relevant Group Member incorporated in Spain, a certificate or excerpt from the relevant Mercantile Registry including the updated by-laws of that Relevant Group Member.
- (b) In the case of the Parent, a copy of a power of attorney delegating to the Chief Executive Officer of the Parent sufficient powers (which are themselves delegable) to authorise the entry into this Agreement and any document referred to in this Agreement to be entered into by the Parent, and a copy of any sub-delegated powers required in connection therewith.
- (c) In the case of each Relevant Group Member (other than any Relevant Group Member incorporated in Mexico, the Netherlands, Switzerland or France), a copy (or, in the case of any Relevant Group Member incorporated in Spain, a certificate issued by the secretary with the approval of the president and raised to public document status) of a resolution of the board of directors (or any other competent body) of that Relevant Group Member:
 - (i) approving the terms of, and the transactions contemplated by, this Agreement and/or (as applicable) any document referred to in this Agreement which is to be entered into by or on behalf of that Relevant Group Member;
 - (ii) authorising the Parent, on its behalf, to execute this Agreement and/or (as applicable) any document referred to in this Agreement which is to be executed by the Parent on behalf of that Relevant Group Member, and authorising the Parent, on its behalf, to sign and/or despatch all documents and notices which are to be signed and/or despatched by the Parent on behalf of that Relevant Group Member under or in connection with this Agreement or any other document referred to in this Agreement; and
 - (iii) authorising a specified person or persons, on its behalf, to execute any document referred to in this Agreement which is to be executed by that Relevant Group Member (rather than by the Parent on its behalf) and to sign and/or despatch all documents and notices to be signed and/or despatched by that Relevant Group Member (rather than by the Parent on its behalf) under or in connection with this Agreement or any other document referred to in this Agreement.
- (d) In the case of an Relevant Group Member incorporated in Mexico (to the extent not covered under paragraph (b) above), powers of attorney duly notarised containing authority for acts of administration and if applicable for acts of disposition (in respect of any Transaction Security Document).

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- (e) A specimen of the signature of each person authorised by the documents referred to in paragraphs (b) to (d) above in relation to the Finance Documents.
- (f) In the case of each Relevant Group Member incorporated in the Netherlands:
- (i) a copy of the deed of incorporation (*oprichtingsakte*) and, where the articles of association have been amended since the date of incorporation, the articles of association (*statuten*) of that Relevant Group Member, as well as an extract (*uittreksel*) from the Dutch Commercial Register (*Handelsregister*) of that Relevant Group Member;
 - (ii) a copy of the resolution of the board of managing directors of that Relevant Group Member:
 - (A) approving the terms of, and the transactions contemplated by, this Agreement and/or (as applicable) any document referred to in this Agreement which is to be entered into by or on behalf of that Relevant Group Member;
 - (B) authorising the Parent, on its behalf, to execute this Agreement and/or (as applicable) any document referred to in this Agreement which is to be executed by the Parent on behalf of that Relevant Group Member, and authorising the Parent, on its behalf, to sign and/or despatch all documents and notices which are to be signed and/or despatched by the Parent on behalf of that Relevant Group Member under or in connection with this Agreement or any other document referred to in this Agreement; and
 - (C) authorising a specified person or persons, on its behalf, to execute this Agreement and any document referred to in this Agreement which is to be executed by that Relevant Group Member (rather than by the Parent on its behalf) and to sign and/or despatch all documents and notices to be signed and/or despatched by that Relevant Group Member (rather than by the Parent on its behalf) under or in connection with this Agreement or any other document referred to in this Agreement;
 - (iii) a specimen of the signature of each member of the board of managing directors of that Relevant Group Member and, if applicable, each person authorised by the resolutions referred to in paragraph (ii)(C) above; and
 - (iv) if applicable, a copy of (A) the request for advice from each works council, or central or European works council with jurisdiction over the transactions contemplated by this Agreement and (B) the unconditional positive advice from such works council.

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- (g) In the case of each Relevant Group Member incorporated in Switzerland:
- (i) a copy of the articles of association (*Statuten*) of that Relevant Group Member, as well as an extract from the Commercial Register (*Handelsregister*) of that Relevant Group Member;
 - (ii) a copy of a unanimous resolution of the board of directors of that Relevant Group Member:
 - (A) approving the terms of, and the transactions contemplated by, this Agreement and/or (as applicable) any document referred to in this Agreement which is to be entered into by or on behalf of that Relevant Group Member;
 - (B) authorising the Parent, on its behalf, to execute this Agreement and/or (as applicable) any document referred to in this Agreement which is to be executed by the Parent on behalf of that Relevant Group Member, and authorising the Parent, on its behalf, to sign and/or despatch all documents and notices which are to be signed and/or despatched by the Parent on behalf of that Relevant Group Member under or in connection with this Agreement or any other document referred to in this Agreement; and
 - (C) authorising a specified person or persons, on its behalf, to execute any document referred to in this Agreement which is to be executed by that Relevant Group Member (rather than by the Parent on its behalf) and to sign and/or despatch all documents and notices to be signed and/or despatched by that Relevant Group Member (rather than by the Parent on its behalf) under or in connection with this Agreement or any other document referred to in this Agreement;
 - (iii) a copy of the unanimous shareholders' resolution of that Relevant Group Member approving:
 - (A) the terms of, and the transactions contemplated by, this Agreement and/or (as applicable) any document referred to in this Agreement which is to be entered into by or on behalf of that Relevant Group Member and resolving that the execution of those documents by or on behalf of that Relevant Group Member is in the best interests of that Relevant Group Member; and
 - (B) the execution of this Agreement and/or (as applicable) any document referred to in this Agreement by or on behalf of that Relevant Group Member;

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- (iv) a specimen of the signature of each member of the board of directors of that Relevant Group Member and, if applicable, each person authorised by the resolutions referred to in paragraph (ii)(C) above; and
 - (v) evidence to the effect that the articles of association of that Relevant Group Member empower that Relevant Group Member to enter into upstream and/or cross-stream obligations.
- (h) In the case of each Relevant Group Member incorporated in France:
- (i) a certified copy of its constitutive documents (*statuts*);
 - (ii) an original extract (*extrait K-bis*) provided by the commercial and companies registry (*registre du commerce et des sociétés*), not more than fifteen (15) days old;
 - (iii) a non-bankruptcy certificate (*certificat de recherche de procédures collectives*) provided by the commercial and companies registry (*registre du commerce et des sociétés*), not more than fifteen (15) days old;
 - (iv) a copy of the resolution of the shareholder(s) of that Relevant Group Member approving:
 - (A) the terms of, and the transactions contemplated by, this Agreement and/or (as applicable) any document referred to in this Agreement which is to be entered into by or on behalf of that Relevant Group Member; and
 - (B) the execution of this Agreement and/or (as applicable) any document referred to in this Agreement by or on behalf of that Relevant Group Member;
 - (v) a copy of the resolution of the board of directors (or any other competent body) of that Relevant Group Member:
 - (A) approving the terms of, and the transactions contemplated by, this Agreement and/or (as applicable) any document referred to in this Agreement which is to be entered into by or on behalf of that Relevant Group Member;
 - (B) authorising the Parent, on its behalf, to execute any document referred to in this Agreement which is to be executed by the Parent on behalf of that Relevant Group Member, and authorising the Parent, on its behalf, to sign and/or despatch all documents and notices which are to be signed and/or despatched by the Parent on behalf of that Relevant Group Member under or in connection with this Agreement or any other document referred to in this Agreement; and

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- (C) authorising a specified person or persons, on its behalf, to execute this Agreement and any document referred to in this Agreement which is to be executed by that Relevant Group Member (rather than by the Parent on its behalf) and to sign and/or despatch all documents and notices to be signed and/or despatched by that Relevant Group Member (rather than by the Parent on its behalf) under or in connection with this Agreement or any other document referred to in this Agreement; and
 - (vi) evidence that the person(s) who has(ve) signed any document referred to in this Agreement on behalf of that Relevant Group Member was (were) duly authorised to sign.
 - (i) In the case of each Relevant Group Member whose jurisdiction of organisation is a state of the United States or the District of Columbia:
 - (i) a copy of a good standing certificate with respect to that Relevant Group Member, issued as of a recent date by the Secretary of State or other appropriate official of that Relevant Group Member's jurisdiction of incorporation or organisation; and
 - (ii) a certificate in form and substance satisfactory to the Agent of the chief financial officer, director of finance or other appropriate person of that Relevant Group Member as to the solvency of that Relevant Group Member.
 - (j) In the case of each Relevant Group Member incorporated in England and Wales, a copy of a resolution signed by all the holders of the issued shares in that Relevant Group Member, approving the terms of, and the transactions contemplated by, this Agreement and/or (as applicable) any document referred to in this Agreement which is to be entered into by or on behalf of that Relevant Group Member.
 - (k) In relation to each Obligor, a certificate of the Parent (signed by an Authorised Signatory) confirming that borrowing or guaranteeing and/or (as applicable) granting Security in respect of the Total Commitments under the Amended Facilities Agreement would not cause any borrowing, guarantee, security or similar limit binding on that Obligor to be exceeded.
 - (l) In relation to each Relevant Group Member, a certificate of the Parent (signed by an Authorised Signatory) certifying that each copy document relating to that Relevant Group Member specified in this Schedule 2 is correct, complete and in full force and effect as at a date no earlier than the date of this Agreement.

2. **Legal opinions**

The following legal opinions, in each case substantially in the form distributed to the Agent and the Security Agent prior to the date of this Agreement.

Dutch law

(a) An opinion with respect to the laws and regulations of the Netherlands from Clifford Chance LLP.

English law

(b) An opinion with respect to the laws and regulations of England and Wales from Clifford Chance, S.L.

French law

(c) An incorporation and authority opinion with respect to the laws and regulations of France from in-house counsel of the Parent.

(d) An opinion with respect to the laws and regulations of France from Clifford Chance Europe LLP.

Mexican law

(e) An opinion with respect to the laws and regulations of Mexico from in-house counsel of the Parent.

3. **Other documents and evidence**

An up-to-date copy of the Group Structure Chart.

SCHEDULE 3
RESTATED AGREEMENT

Form of restated agreement follows on the next page

SIGNATURES TO THE AMENDMENT AND RESTATEMENT AGREEMENT

The Parent

CEMEX, S.A.B. de C.V.

By: /s/ Francisco Javier García Ruiz de Morales

Executed as a deed by)
NEW SUNWARD)
HOLDING B.V. acting by)
Francisco Javier García Ruiz de Morales)

/s/ Francisco Javier García Ruiz de Morales

CEMEX ESPAÑA, S.A.

By: /s/ Francisco Javier García Ruiz de Morales

CEMEX FRANCE GESTION S.A.S.

By: /s/ Francisco Javier García Ruiz de Morales

The Agent

CITIBANK INTERNATIONAL LIMITED

By: /s/ Raya Brody

The Security Agent

WILMINGTON TRUST (LONDON) LIMITED

By: /s/ Sajada Afzal

AMENDMENT AGREEMENT

DATED 31 OCTOBER 2014

RELATING TO AN INTERCREDITOR AGREEMENT
DATED 17 SEPTEMBER 2012

BETWEEN
(AMONG OTHERS)

CEMEX, S.A.B. DE C.V.
THE PARENT

AND

WILMINGTON TRUST (LONDON) LIMITED
ACTING AS SECURITY AGENT

AMENDMENT AGREEMENT

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THIS AGREEMENT is dated 31 October 2014 and made between:

- (1) **CEMEX, S.A.B. de C.V.** (the “**Parent**”);
- (2) **THE SUBSIDIARIES OF THE PARENT** named on the signing pages as Debtors, Security Providers and Intra-Group Lenders; and
- (3) **WILMINGTON TRUST (LONDON) LIMITED** as security trustee for the Secured Parties (the “**Security Agent**”).

RECITALS:

The Security Agent confirms (on the basis of information provided to it by the Facility Agent and the Club Loan Agent in accordance with paragraph (d) of clause 17.1 (*Information and dealing*) of the Original Intercreditor Agreement) that an Instructing Group has consented to the amendments referred to in Clause 2 (*Amendment of the Original Intercreditor Agreement*). On the basis of that consent, the Facility Agent and the Club Loan Agent have instructed the Security Agent to execute this Agreement for itself and on behalf of the other Secured Parties in accordance with clause 20.3 (*Effectiveness*) of the Original Intercreditor Agreement.

IT IS AGREED as follows:

1. **DEFINITIONS AND INTERPRETATION**

1.1 **Definitions**

In this Agreement:

“**Amended Intercreditor Agreement**” means the Original Intercreditor Agreement, as amended by this Agreement.

“**Club Loan Agent**” means the Agent under (and as defined in) the Club Loan Facilities Agreement (in its capacity as a Refinancing Creditor Representative for the purposes of the Intercreditor Agreement).

“**Club Loan Facilities Agreement**” means the facilities agreement dated 29 September 2014 between, among others, the Parent and Citibank International Limited (formerly Citibank International plc) as agent.

“**Effective Date**” has the meaning given to that term in the Facilities Agreement Amendment and Restatement Agreement.

“**Facilities Agreement Amendment and Restatement Agreement**” means the amendment and restatement agreement dated on or about the date of this Agreement between, among others, the Parent and the Facility Agent, in relation to the Facilities Agreement.

“**Original Intercreditor Agreement**” means the intercreditor agreement dated 17 September 2012 between, among others, the Parent and the Security Agent.

“**Party**” means a party to this Agreement.

1.2 **Incorporation of defined terms**

- (a) Unless a contrary indication appears, a term defined in the Original Intercreditor Agreement has the same meaning in this Agreement.
- (b) The principles of construction set out in the Original Intercreditor Agreement shall have effect as if set out in this Agreement.

1.3 **Clauses**

In this Agreement any reference to a “Clause” or a “Schedule” is, unless the context otherwise requires, a reference to a Clause of, or a Schedule to, this Agreement.

1.4 **Third party rights**

A person who is not a party to this Agreement has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce or to enjoy the benefit of any term of this Agreement.

1.5 **Designation**

- (a) Each of the Parent and the Security Agent (on the instructions of the Facility Agent) designates this Agreement as a Finance Document for the purposes of (and as defined in) the Facilities Agreement.
- (b) Each of the Parent and the Security Agent (on the instructions of the Club Loan Agent) designates this Agreement as a Finance Document for the purposes of (and as defined in) the Club Loan Facilities Agreement.

2. **AMENDMENT OF THE ORIGINAL INTERCREDITOR AGREEMENT**

With effect from the Effective Date the Original Intercreditor Agreement shall be amended as set out in Schedule 1 (*Amendments to Original Intercreditor Agreement*).

3. **CONTINUITY AND FURTHER ASSURANCE**

3.1 **Continuing obligations**

The provisions of the Original Intercreditor Agreement and each other Debt Document (including, for the avoidance of doubt, the Transaction Security Documents) shall, save as amended by this Agreement, continue in full force and effect.

3.2 **Further assurance**

The Parent shall (and shall ensure that each other member of the Group will), at the request of the Security Agent and at the Parent’s or such member of the Group’s own expense, do all such acts and things necessary or desirable to give effect to the amendments effected or to be effected pursuant to this Agreement.

4. **MISCELLANEOUS**

4.1 **Incorporation of terms**

The provisions of clause 18 (*Notices*), clause 19.1 (*Partial invalidity*), clause 19.2 (*No impairment*), clause 19.3 (*Remedies and waivers*) and clause 23 (*Enforcement*) of the Original Intercreditor Agreement shall be incorporated into this Agreement as if set out in full in this Agreement and as if references in those clauses to “this Agreement” were references to this Agreement.

4.2 **Counterparts**

This Agreement may be executed in any number of counterparts, and this has the same effect as if the signatures on the counterparts were on a single copy of this Agreement.

5. **GOVERNING LAW**

This Agreement and any non-contractual obligations arising out of or in connection with it are governed by English law.

THIS AGREEMENT has been executed as, and is intended to take effect as, a deed by each Party (other than the Security Agent) and has been signed by the Security Agent on the date written on the first page of this Agreement.

SCHEDULE 1
AMENDMENTS TO ORIGINAL INTERCREDITOR AGREEMENT

1. The following new definitions shall be inserted into clause 1.1 (*Definitions*):

“**First Amendment Agreement**” means the amendment agreement dated 2014 between, among others, the Parent and the Security Agent, in relation to this Agreement.

“**First Amendment Date**” means the date on which the amendments to this Agreement contemplated by the First Amendment Agreement became effective (being the “Effective Date” under (and as defined in) the First Amendment Agreement).”

2. Clause 3.7 (*Mexican Intra-Group Credit Rights*) shall be deleted and replaced with the following:

3.7 Mexican Intra-Group Credit Rights

- (a) If the Parent so elects by written notice to the Security Agent (a “**Mexican Voting Trust Election**”), each Debtor and Security Provider shall agree (and the Parent shall accept on behalf of all members of the Group) that, until the Final Discharge Date, Mexican Intra-Group Credit Rights will be subject to a voting trust, governed by the terms of the Voting Trust Agreement currently in effect, where a Mexican bank acts as trustee, pursuant to which, among other things, each Debtor and Security Provider will, until the Final Discharge Date, from time to time transfer to such trustee applicable Mexican Intra-Group Credit Rights, and if any Debtor, Security Provider or other member of the Group is subject to any proceedings for *concurso mercantil*, *quiebra* or other similar proceeding, (i) all Mexican Intra-Group Credit Rights will continue to be held by the trustee, (ii) all Mexican Intra-Group Credit Rights of that Debtor, Security Provider or other member of the Group will be voted by the trustee as instructed by the Security Agent (acting on the instructions of an Instructing Group), and (iii) any proceeds received by the trustee under the voting trust in respect of such Mexican Intra-Group Credit Rights will be paid over by the trustee to the Security Agent to be applied in accordance with Clause 10 (*Application of Proceeds*), provided that only Mexican Intra-Group Liabilities in an amount exceeding \$25,000,000 (or its equivalent in other currencies) will be subject to ongoing disclosure obligations under such voting trust.
- (b) The Parent may elect (a “**Mexican Subordinated Rights Election**”), by written notice to the Security Agent, to treat those rights which would otherwise be treated as Mexican Intra-Group Credit Rights for the purposes of paragraph (a) above as Intra-Group Liabilities for the purposes of this Agreement (such rights, “**Mexican Subordinated Rights**”). Following a Mexican Subordinated Rights Election, the provisions of (without limitation) Clauses 2.3 (*Intra-Group Liabilities*), 3.1 (*Restriction on Payment: Intra-Group Liabilities*), 3.2

(Permitted Payments: Intra-Group Liabilities), 3.3 (Payment obligations continue), 3.4 (Acquisition of Intra-Group Liabilities), 3.5 (Security: Intra-Group Lenders), 3.6 (Restriction on enforcement: Intra-Group Lenders) and 5 (Turnover of Receipts) of this Agreement shall apply *mutatis mutandis* as if such Mexican Subordinated Rights were Intra-Group Liabilities and the lenders in respect of such Mexican Subordinated Rights were Intra-Group Lenders.

- (c) Subject to paragraph (d) below, each of the Parties hereby agrees that, in the event of any Insolvency Proceedings in relation to the relevant Debtor or Security Provider, in respect of Mexican Subordinated Rights, such Mexican Subordinated Rights shall be subordinated to any and all other claims against any such Debtor or Security Provider as provided for in Clause 2.3 (*Intra-Group Liabilities*), and shall be voted as instructed or determined by the Security Agent, or if not so voted or if the Security Agent would be restricted from so voting, each Debtor and Security Provider agrees to (i) specify to the bankruptcy trustee, the bankruptcy judge or any other party acting in the relevant Insolvency Proceedings, and use its best efforts within its respective control to cause to have the bankruptcy trustee, the bankruptcy judge or any other party acting in the relevant Insolvency Proceedings to recognise, that the Mexican Subordinated Rights are subordinated to any and all other claims against any such Debtor or Security Provider, (ii) vote, or to cause to be voted, the Mexican Subordinated Rights as instructed by the Security Agent or, if not possible, in the same manner as the majority of the non-related Relevant Liabilities (that are senior to any subordinated debt, of any nature), and (iii) to take any and all other action reasonably requested by the Security Agent, to have the rights specified under this paragraph (c) benefiting the Security Agent and the Lenders and all relevant provisions of this Agreement, be recognised by the bankruptcy trustee, the bankruptcy judge or any other party acting in the relevant Insolvency Proceedings, provided that (A) any action derived from or provided for under this paragraph (c) shall be undertaken by such Debtor or Security Provider to the extent necessary, if requested by the Security Agent, and (B) for the avoidance of doubt, should any funds be received by any Debtor or Security Provider in connection with any Mexican Subordinated Rights, in any Insolvency Proceedings affecting a Debtor or Security Provider, such funds shall be held in trust by the applicable Debtor or Security Provider, and promptly paid over to the Security Agent, for application as set forth in Clause 10 (*Application of Proceeds*).
- (d) If the Mexican Subordinated Rights would represent less than 25% of the aggregate Relevant Liabilities of a Debtor or Security Provider and such Mexican Subordinated Rights would be permitted to be voted in any Insolvency Proceedings in respect of such Debtor or Security Provider, in addition to observing the terms of paragraph (c) above, each Debtor and Security Provider agrees not to collude, or reach any form of agreement, regardless of whether it is oral or in writing and regardless of how such agreement is designated, with other Creditors

or Noteholders to cause a restructuring agreement in respect of a Debtor or Security Provider to be approved, it being understood that any of the Security Agent, a Debtor or a Security Provider shall be entitled to disclose the terms of this paragraph (d) and any other relevant provisions of this Agreement, if deemed necessary or appropriate (including, in the case of the Security Agent, as a result of an instruction by an Instructing Group) to the bankruptcy trustee, the bankruptcy judge or any other party acting in the relevant Insolvency Proceedings.

- (e) Subject to paragraph (b) of Clause 3.2 (*Permitted Payments: Intra-Group Liabilities*), following the occurrence of an Insolvency Event affecting any Debtor or Security Provider, any funds received by a Debtor or Security Provider in respect of Mexican Subordinated Rights, shall be held in trust by the applicable Debtor or Security Provider, and promptly shall be paid over to the Security Agent to be applied in accordance with Clause 10 (*Application of Proceeds*).
- (f) The Parent shall make either a Mexican Voting Trust Election or a Mexican Subordinated Rights Election within six (6) months of the First Amendment Date, but shall not be entitled to make both a Mexican Voting Trust Election and a Mexican Subordinated Rights Election. Pending the Parent making either a Mexican Voting Trust Election or a Mexican Subordinated Rights Election, the voting trust governed by the terms of the Voting Trust Agreement in effect as at the First Amendment Date shall continue to apply. The provisions of this Clause 3.7 shall terminate on the Final Discharge Date.”

3. In paragraph (c) of clause 10.1 (*Order of application – Transaction Security Recoveries*):

- (a) “in Clause 3.7” shall be replaced with “in paragraph (a) of Clause 3.7”; and
- (b) “paragraph (c) of that Clause 3.7” shall be replaced with “sub-paragraph (iii) of that paragraph (a) of Clause 3.7”.

4. In clause 16.1 (*Debtors’ indemnity*), the opening paragraph (from “Each Debtor shall promptly...” to “...against:”) shall be deleted and replaced with the following:

“Each Debtor shall promptly indemnify the Security Agent, every Receiver and Delegate, the Mexican Security Trustee and the Mexican bank acting as trustee under the voting trust to which the Mexican Intra-Group Credit Rights shall have been transferred in accordance with paragraph (a) of Clause 7.3 (Mexican Intra-Group Credit Rights) against:”

4.1 In clause 16.1 (*Debtors’ indemnity*), the last paragraph (from “Each Debtor expressly acknowledges...” to “...of such amount.”) shall be deleted and replaced with the following:

“Each Debtor expressly acknowledges and agrees that the continuation of its indemnity obligations under this Clause 16.1 (*Debtors' indemnity*) will not be prejudiced by any release or disposal under Clause 8.2 (*Distressed Disposals*) taking into account the operation of that Clause 8.2, Clause 11.20 (*Winding up of trust*) or Clause 11.21 (*Winding up of trust - Notes Secured Creditors*). To the extent that the Security Agent, a Receiver, a Delegate, the Mexican Security Trustee or the Mexican bank acting as trustee under the voting trust to which the Mexican Intra-Group Credit Rights shall have been transferred in accordance with paragraph (a) of Clause 3.7 (*Mexican Intra-Group Credit Rights*) recovers any amount pursuant to an indemnity contained in any other Finance Document, there shall be no double recovery under this Clause 16.1 of such amount.”

SIGNATURES TO THE AMENDMENT AGREEMENT

The Debtors

Executed as a deed by)
CEMEX, S.A.B. de C.V.)
acting by Francisco Javier García Ruiz)
de Morales) /s/ Francisco Javier García Ruiz de Morales

Executed as a deed by)
CEMEX ESPAÑA, S.A.)
acting by Francisco Javier García Ruiz)
de Morales) /s/ Francisco Javier García Ruiz de Morales

Executed as a deed by)
NEW SUNWARD HOLDING B.V.)
acting by Francisco Javier García Ruiz)
de Morales) /s/ Francisco Javier García Ruiz de Morales

Executed as a deed by)
CEMEX MATERIALS LLC)
acting by Francisco Javier García Ruiz)
de Morales) /s/ Francisco Javier García Ruiz de Morales

Executed as a deed by)
CEMEX FINANCE LLC acting by)
Francisco Javier García Ruiz de)
Morales) /s/ Francisco Javier García Ruiz de Morales

Executed as a deed by)
CEMEX MÉXICO, S.A. de C.V.)
acting by Francisco Javier García Ruiz)
de Morales) /s/ Francisco Javier García Ruiz de Morales

Executed as a deed by)
CEMEX CONCRETOS, S.A. de C.V.)
acting by Francisco Javier García Ruiz)
de Morales) /s/ Francisco Javier García Ruiz de Morales

Executed as a deed by)
EMPRESAS TOLTECA DE)
MÉXICO, S.A. de C.V. acting by)
Francisco Javier García Ruiz de)
Morales) /s/ Francisco Javier García Ruiz de Morales

Executed as a deed by)
CEMEX CORP. acting by Francisco)
Javier García Ruiz de Morales)
) /s/ Francisco Javier García Ruiz de Morales _____

Executed as a deed by)
CEMEX, INC.)
acting by Francisco Javier García Ruiz)
de Morales) /s/ Francisco Javier García Ruiz de Morales

Executed as a deed by)
CEMEX RESEARCH GROUP AG)
acting by Jaime Armando Chapa)
González) /s/ Jaime Armando Chapa González

Executed as a deed by
CEMEX SHIPPING B.V.
acting by Jaime Armando Chapa
González

)
)
)
) /s/ Jaime Armando Chapa González

Executed as a deed by)
CEMEX ASIA B.V.)
acting by Jaime Armando Chapa)
González) /s/ Jaime Armando Chapa González

Executed as a deed by)
CEMEX FRANCE GESTION S.A.S.)
acting by Jaime Armando Chapa)
González) /s/ Jaime Armando Chapa González

Signed as a deed by Jaime Armando)
Chapa González as attorney for)
CEMEX UK in the presence of:)
) /s/ Jaime Armando Chapa González _____

/s/ Fernando J Reiter Signature of witness

Fernando J Reiter Name of witness

Col Valle del Campestre Address of witness

San Pedro Garza Garcia

NL Mexico

Executed as a deed by)
CEMEX EGYPTIAN)
INVESTMENTS B.V.)
acting by Jaime Armando Chapa González) /s/ Jaime Armando Chapa González

Executed as a deed by)
CEMEX EGYPTIAN)
INVESTMENTS II B.V.)
acting by Jaime Armando Chapa González) /s/ Jaime Armando Chapa González

The Security Providers

Executed as a deed by)
CEMEX, S.A.B. de C.V.)
acting by Francisco Javier García Ruiz)
de Morales) /s/ Francisco Javier García Ruiz de Morales

Executed as a deed by)
CEMEX MÉXICO, S.A. de C.V.)
acting by Francisco Javier García Ruiz)
de Morales) /s/ Francisco Javier García Ruiz de Morales

Executed as a deed by)
CEMEX OPERACIONES MÉXICO,)
S.A. de C.V. acting by Francisco Javier)
García Ruiz de Morales) /s/ Francisco Javier García Ruiz de Morales

Executed as a deed by)
EMPRESAS TOLTECA DE)
MÉXICO, S.A. de C.V. acting by)
Francisco Javier García Ruiz de)
Morales) /s/ Francisco Javier García Ruiz de Morales

Executed as a deed by)
IMPRA CAFÉ, S.A. de C.V. acting by)
Francisco Javier García Ruiz de)
Morales) /s/ Francisco Javier García Ruiz de Morales

Executed as a deed by)
INTERAMERICAN)
INVESTMENTS, INC. acting by)
Jaime Armando Chapa González) /s/ Jaime Armando Chapa González

Executed as a deed by)
NEW SUNWARD HOLDING B.V.)
acting by Francisco Javier García Ruiz)
de Morales) /s/ Francisco Javier García Ruiz de Morales

Executed as a deed by)
CEMEX INTERNATIONAL)
FINANCE COMPANY)
acting by Jaime Armando Chapa González) /s/ Jaime Armando Chapa González

Executed as a deed by)
CEMEX TRADEMARKS)
HOLDING LTD.)
acting by Jaime Armando Chapa González) /s/ Jaime Armando Chapa González

Intra-Group Lenders

Executed as a deed by)
CEMEX, S.A.B. de C.V. acting by)
Francisco Javier García Ruiz de)
Morales) /s/ Francisco Javier García Ruiz de Morales

Executed as a deed by)
CEMEX ESPAÑA, S.A. acting by)
Francisco Javier García Ruiz de)
Morales) /s/ Francisco Javier García Ruiz de Morales

Executed as a deed by)
NEW SUNWARD HOLDING B.V.)
acting by Francisco Javier García Ruiz)
de Morales) /s/ Francisco Javier García Ruiz de Morales

Executed as a deed by)
CEMEX MATERIALS LLC acting)
by Francisco Javier García Ruiz de)
Morales) /s/ Francisco Javier García Ruiz de Morales

Executed as a deed by)
CEMEX MÉXICO, S.A. de C.V.)
acting by Francisco Javier García Ruiz)
de Morales) /s/ Francisco Javier García Ruiz de Morales

Executed as a deed by
CEMEX CONCRETOS, S.A. de C.V.
acting by Francisco Javier García Ruiz
de Morales

)
)
)
) /s/ Francisco Javier García Ruiz de Morales

Executed as a deed by)
EMPRESAS TOLTECA DE)
MÉXICO, S.A. de C.V. acting by)
Francisco Javier García Ruiz de)
Morales) /s/ Francisco Javier García Ruiz de Morales

Executed as a deed by)
CEMEX CORP acting by Francisco)
Javier García Ruiz de Morales)
) /s/ Francisco Javier García Ruiz de Morales _____

Executed as a deed by)
CEMEX, INC. acting by Francisco)
Javier García Ruiz de Morales)
) /s/ Francisco Javier García Ruiz de Morales _____

Executed as a deed by)
CEMEX FINANCE, LLC acting by)
Francisco Javier García Ruiz de)
Morales) /s/ Francisco Javier García Ruiz de Morales

Executed as a deed by)
CEMEX RESEARCH GROUP AG)
acting by Jaime Armando Chapa)
González) /s/ Jaime Armando Chapa González

Executed as a deed by)
CEMEX SHIPPING B.V. acting by)
Jaime Armando Chapa González)
) /s/ Jaime Armando Chapa González

Executed as a deed by)
CEMEX ASIA B.V. acting by Jaime)
Armando Chapa González)
) /s/ Jaime Armando Chapa González

Executed as a deed by)
CEMEX FRANCE GESTION S.A.S.)
acting by Jaime Armando Chapa)
González) /s/ Jaime Armando Chapa González

Signed as a deed by Jaime Armando)
Chapa González as attorney for)
CEMEX UK in the presence of:)
) /s/ Jaime Armando Chapa González _____

/s/ Fernando J Reiter Signature of witness

Fernando J Reiter Name of witness

Ricardo Margain 325 Address of witness

Col Valle del Campestre

San Pedro Garza Garcia

NL Mexico

Executed as a deed by)
CEMEX EGYPTIAN)
INVESTMENTS B.V. acting by Jaime)
Armando Chapa González) /s/ Jaime Armando Chapa González

Executed as a deed by)
CEMEX EGYPTIAN)
INVESTMENTS II B.V. acting by)
Jaime Armando Chapa González) /s/ Jaime Armando Chapa González

The Security Agent

WILMINGTON TRUST (LONDON) LIMITED

By: /s/ Sajada Afzal

C L I F F O R D
C H A N C E

CLIFFORD CHANCE S.L.
ABOGADOS

SEPTEMBER 2014

CEMEX, S.A.B. DE C.V.
AS BORROWER

BANCO SANTANDER (MÉXICO), S.A., INSTITUCIÓN DE BANCA MÚLTIPLE, GRUPO FINANCIERO SANTANDER MÉXICO, BBVA SECURITIES INC.,
BNP PARIBAS SECURITIES CORP., CITIGROUP GLOBAL MARKETS INC., CRÉDIT AGRICOLE CORPORATE AND INVESTMENT BANK, HSBC
MEXICO, S.A., INSTITUCIÓN DE BANCA MÚLTIPLE, GRUPO FINANCIERO HSBC, ING CAPITAL LLC, J.P. MORGAN SECURITIES LLC AND
MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED

AS JOINT MANDATED LEAD ARRANGERS AND JOINT BOOKRUNNERS

THE FINANCIAL INSTITUTIONS NAMED HEREIN
AS ORIGINAL LENDERS

AND

CITIBANK INTERNATIONAL PLC
ACTING AS AGENT

AND

WILMINGTON TRUST (LONDON) LIMITED
ACTING AS SECURITY AGENT

FACILITIES AGREEMENT

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THIS AGREEMENT is dated September 2014 and made between:

- (1) **CEMEX, S.A.B. de C.V.** (the “**Borrower**”);
- (2) **THE SUBSIDIARIES** of the Borrower listed in Part I of Schedule 1 (*The Original Parties*) as guarantors (the “**Original Guarantors**”);
- (3) **THE SUBSIDIARIES** of the Borrower listed in Part I of Schedule 1 (*The Original Parties*) as security providers (together with the Borrower, the “**Original Security Providers**”);
- (4) **BANCO SANTANDER (MÉXICO), S.A., INSTITUCIÓN DE BANCA MÚLTIPLE, GRUPO FINANCIERO SANTANDER MÉXICO, BBVA SECURITIES INC., BNP PARIBAS SECURITIES CORP., CITIGROUP GLOBAL MARKETS INC., CRÉDIT AGRICOLE CORPORATE AND INVESTMENT BANK, HSBC MEXICO, S.A., INSTITUCIÓN DE BANCA MÚLTIPLE, GRUPO FINANCIERO HSBC, ING CAPITAL LLC, J.P. MORGAN SECURITIES LLC AND MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED** as joint mandated lead arrangers and joint bookrunners (whether acting individually or together, the “**Arranger**”);
- (5) **THE FINANCIAL INSTITUTIONS** listed in Part II (*The Original Lenders*) of Schedule 1 (*The Original Parties*) as original lenders (the “**Original Lenders**”);
- (6) **CITIBANK INTERNATIONAL PLC** as agent of the Finance Parties (other than itself) (the “**Agent**”); and
- (7) **WILMINGTON TRUST (LONDON) LIMITED** as security agent of the Secured Parties (the “**Security Agent**”).

IT IS AGREED as follows:

SECTION 1 INTERPRETATION

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Agreement:

“**2012 Facilities Agreement**” means the facilities agreement dated 17 September 2012 (as amended pursuant to an amendment agreement dated 16 October 2013 and a consent request dated 7 February 2014) and made between, among others, the Borrower and certain of its Subsidiaries as original obligors, certain financial institutions, noteholders and other entities as original creditors, Citibank International plc as agent and Wilmington Trust (London) Limited as security agent.

“**2015 Floating Rate Notes**” means the \$800,000,000 floating rate senior secured notes maturing on 30 September 2015 issued by the Borrower.

“**2015 Subordinated Convertible Notes**” means the \$715,000,000 4.875% subordinated optional convertible securities maturing on 15 March 2015 issued by the Borrower.

“**2016 Subordinated Convertible Notes**” means the \$977,500,000 3.25% subordinated optional convertible securities maturing on 15 March 2016 issued by the Borrower.

“**2018 9.00% Senior Notes**” means the \$1,650,000,000 9.000% senior secured notes maturing on 11 January 2018 and issued by the Borrower.

“**2018 9.50% Senior Notes**” means the \$500,000,000 9.500% senior secured notes maturing on 15 June 2018 and issued by the Borrower.

“**2018 Floating Rate Notes**” means the \$500,000,000 floating rate senior secured notes maturing on 15 October 2018 issued by the Borrower.

“**2018 Senior Notes**” means the 2018 9.00% Senior Notes, the 2018 9.50% Senior Notes and the 2018 Floating Rate Notes.

“**2018 Subordinated Convertible Notes**” means the \$690,000,000 3.75% subordinated optional convertible securities maturing on 15 March 2018 issued by the Borrower.

“**2019 5.875% Senior Notes**” means the \$600,000,000 5.875% senior secured notes maturing on 25 March 2019 and issued by the Borrower.

“**2019 6.50% Senior Notes**” means the \$1,000,000,000 6.500% senior secured notes maturing on 10 December 2019 and issued by the Borrower.

“**2019 CEMEX España EUR Senior Notes**” means the €179,219,000 9.875% senior secured notes maturing on 30 April 2019 and issued by CEMEX España.

“**2019 CEMEX España USD Senior Notes**” means the \$703,861,000 9.875% senior secured notes maturing on 30 April 2019 and issued by CEMEX España.

“**2019 Senior Notes**” means the 2019 5.875% Senior Notes, 2019 6.50% Senior Notes, 2019 CEMEX España EUR Senior Notes and the 2019 CEMEX España USD Senior Notes.

“**2020 Senior Notes**” means the \$1,192,996,000 9.25% senior secured notes maturing on 12 May 2020 and issued by CEMEX España.

“**2021 EUR Senior Notes**” means the €400,000,000 5.250% senior secured notes maturing on 1 April 2021 and issued by CEMEX Finance.

“**2021 USD Senior Notes**” means the \$1,000,000,000 7.250% senior secured notes maturing on 15 January 2021 and issued by the Borrower.

“**2021 Senior Notes**” means the 2021 EUR Senior Notes and the 2021 USD Senior Notes.

“**2022 EUR Senior Notes**” means the €400,000,000 4.750% senior secured notes maturing on 11 January 2022 and issued by the Borrower.

“**2022 USD Senior Notes**” means the \$1,500,000,000 9.375% senior secured notes maturing on 12 October 2022 and issued by CEMEX Finance.

“**2022 Senior Notes**” means the 2022 EUR Senior Notes and the 2022 USD Senior Notes.

“**2024 Senior Notes**” means the \$1,000,000,000 6.000% senior secured notes maturing on 1 April 2024 and issued by CEMEX Finance.

“**2025 Senior Notes**” means the \$1,100,000,000 5.700% senior secured notes maturing on 11 January 2025 and issued by the Borrower.

“**Acceptable Bank**” means:

- (a) a bank or financial institution which has a rating for its long-term unsecured and non credit-enhanced debt obligations of BBB or higher by S&P, BBB or higher by Fitch or Baa2 or higher by Moody’s or a comparable rating from an internationally recognised credit rating agency;
- (b) any other bank or financial institution in a jurisdiction in which a member of the Group conducts commercial operations where such member of the Group, in the ordinary course of trading, subscribes for certificates of deposit issued by such bank or financial institution; or
- (c) any other bank or financial institution approved by the Agent.

“**Accession Letter**” means a document substantially in the form set out in Schedule 7 (*Form of Accession Letter*).

“**Accordion Confirmation**” means a confirmation substantially in the form set out in Schedule 19 (*Form of Accordion Confirmation*).

“**Accordion Facility B Utilisation Amount**” means the amount calculated in accordance with paragraph (g)(ii) of Clause 2.2 (*Accordion*).

“**Accordion Lender**” has the meaning given to that term in Clause 2.2 (*Accordion*).

“**Accordion Lender’s Facility A Commitment**” means, for any Accordion Lender, the amount listed in the table in the Schedule to the Accordion Confirmation of that Accordion Lender under that heading.

“**Accordion Lender’s Facility B Commitment**” means, for any Accordion Lender, the amount listed in the table in the Schedule to the Accordion Confirmation of that Accordion Lender under that heading.

“**Additional Guarantor**” means a company that becomes an Additional Guarantor in accordance with Clause 29 (*Changes to the Obligors*).

“**Additional Obligor**” means an Additional Guarantor or an Additional Security Provider.

“**Additional Security Provider**” means a company that becomes an Additional Security Provider in accordance with Clause 29 (*Changes to the Obligors*).

“**Affiliate**” means, in relation to any person, a Subsidiary of that person or a Holding Company of that person or any other Subsidiary of that Holding Company.

“**Agent’s Spot Rate of Exchange**” means the Agent’s spot rate of exchange for the purchase of the relevant currency with dollars in the London foreign exchange market at or about 11:00 a.m. on a particular day.

“**Applicable GAAP**” means:

- (a) in the case of the Borrower, IFRS;
- (b) in the case of CEMEX España, Spanish GAAP or, if adopted by CEMEX España in accordance with Clause 21.3 (*Requirements as to financial statements*), IFRS; and
- (c) in the case of any other Obligor, the generally accepted accounting principles applying to it in the country of its incorporation or in a jurisdiction agreed to by the Agent or, if adopted by the relevant Obligor, IFRS.

“**Asset Swap**” has the meaning given to such term in paragraph (g) of the definition of Permitted Acquisition.

“**Assignment Agreement**” means an agreement substantially in the form set out in Schedule 6 (*Form of Assignment Agreement*) or any other form agreed between the relevant assignor and assignee **provided that** if that other form does not contain the undertaking in the form set out in Schedule 6 (*Form of Assignment Agreement*) in respect of clause 14.6 of the Intercreditor Agreement, it shall not be a Creditor/Agent/Security Agent Accession Undertaking as defined in, and for the purposes of, the Intercreditor Agreement.

“**Authorisation**” means an authorisation, consent, approval, resolution, licence, exemption, filing, notarisation or registration.

“**Authorised Signatory**” means, in relation to any Obligor, any person who is duly authorised and in respect of whom the Agent has received a certificate signed by a director or another Authorised Signatory of such Obligor setting out the name and signature of such person and confirming such person’s authority to act.

“**Availability Period**” means:

- (a) in relation to Facility A:
 - (i) in relation to the first Utilisation of Facility A, the period from and including the date of this Agreement to and including the date falling 30 Business Days after the date of this Agreement; and

-
- (ii) in respect of an increase in the Facility A Commitments pursuant to Clause 2.2 (*Accordion*), in relation to the Utilisation in respect of the increased Facility A Commitment(s) of the Accordion Lender(s), the period from and including the Increase Date on which that increase becomes effective to and including the date falling 15 Business Days after such Increase Date; and
 - (b) in relation to Facility B:
 - (i) in relation to the first Utilisation of Facility B, the period from and including the date of this Agreement to and including the date falling 30 Business Days after the date of this Agreement;
 - (ii) in respect of an increase in the Facility B Commitments pursuant to Clause 2.2 (*Accordion*), in relation to the first Utilisation of Facility B following that increase, the period from and including the Increase Date on which that increase becomes effective to and including the date falling 15 Business Days after such Increase Date; and
 - (iii) in relation to any other Utilisation of Facility B, the period from and including the date of this Agreement to and including the date falling one Month prior to the Termination Date.

“**Available Commitment**” means, in relation to a Facility, a Lender’s Commitment under that Facility minus:

- (a) the amount of its participation in any outstanding Loans under that Facility; and
- (b) in relation to any proposed Utilisation, the amount of its participation in any Loans that are due to be made under that Facility on or before the proposed Utilisation Date,

but without subtracting, in relation to any proposed Utilisation under Facility B only, that Lender’s participation in any Facility B Loans that are due to be repaid or prepaid on or before the proposed Utilisation Date.

“**Available Facility**” means, in relation to a Facility, the aggregate for the time being of each Lender’s Available Commitment in respect of that Facility.

“**Bancomext**” means Banco Nacional de Comercio Exterior, Sociedad Nacional de Crédito, Institución de Banca de Desarrollo.

“**Bancomext Facility**” means a facility agreement between the Borrower and Bancomext, with the appearance of Centro Distribuidor de Cemento S.A. de C.V., Empresas Tolteca de México, S.A. de C.V., Petrocemex S.A. de C.V. and Cemex México, dated as of 14 October 2008 (as amended from time to time).

“**Break Costs**” means the amount (if any) by which:

- (a) the interest (excluding any Margin) which a Lender should have received for the period from the date of receipt of all or any part of its participation in a

Loan or Unpaid Sum to the last day of the current Interest Period in respect of that Loan or Unpaid Sum, had the principal amount or Unpaid Sum received been paid on the last day of that Interest Period;

exceeds:

- (b) the amount of interest which that Lender would be able to obtain by placing an amount equal to the principal amount or Unpaid Sum received by it on deposit with a leading bank in the Relevant Interbank Market for a period starting on the Business Day following receipt or recovery and ending on the last day of the current Interest Period.

“**Business Day**” means a day (other than a Saturday or Sunday) on which banks are open for general business in London, New York City and Mexico City (in the case of Mexico City, if applicable, as specified by a Governmental Authority).

“**Caliza**” means CEMEX LATAM Holdings, S.A.

“**Caliza Capital Expenditure**” means Capital Expenditure permitted by paragraph (d) of Clause 22.2 (*Financial condition*) to be invested in the Caliza Group.

“**Caliza Expansion Capital**” means (without double counting) any:

- (a) Caliza Capital Expenditure;
- (b) Caliza Joint Venture Investment; and
- (c) amount of the consideration for an acquisition made under paragraph (k) of the definition of Permitted Acquisition.

“**Caliza Expansion Capital Permitted Limit**” means \$500,000,000 (or its equivalent).

“**Caliza Gross Proceeds**” means the cash proceeds of a Caliza Transaction falling within paragraph (b) of the definition thereof.

“**Caliza Group**” means Caliza and its Subsidiaries for the time being.

“**Caliza Joint Venture**” has the meaning given to such term in paragraph (b) of the definition of Permitted Joint Venture.

“**Caliza Joint Venture Investment**” has the meaning given to such term in paragraph (b) of the definition of Permitted Joint Venture.

“**Caliza Offering Option**” has the meaning given to such term in paragraph (b) of the definition of Caliza Transaction.

“**Caliza Offering Option Amount**” means the amount that would be required in the event that a Caliza Offering Option is exercised in whole or in part, **provided that** such amount shall not exceed an amount equal to 13.1 per cent. of the relevant Caliza Gross Proceeds.

“**Caliza Offering Option Exercise Period**” has the meaning given to such term in paragraph (b) of the definition of Caliza Transaction.

“**Caliza Proceeds**” has the meaning given to such term in Clause 8.1 (*Definitions*).

“**Caliza Transaction**” means:

- (a) a Disposal (including by way of a Permitted Treasury Transaction within the scope of paragraph 1(e) of Schedule 16 (*Hedging Parameters*)) by a member of the Group of any shares in Caliza to a person who is not a member of the Group; or
- (b) an offering of shares in Caliza and including any put or other option entered into with one or more financial institutions in respect of any share lending, over-allotment or other similar arrangement in connection with an offering of shares in Caliza **provided that** the exercise period for such put or other option shall be no longer than 30 days from the settlement date of the offering of shares in Caliza (a “**Caliza Offering Option**” and such exercise period, the “**Caliza Offering Option Exercise Period**”),

(in either case) whether by way of a single transaction or a series of transactions and which does not breach Clause 23.20 (*Disposals*) or Clause 23.34 (*Caliza*).

“**Capital Lease**” has the meaning given to such term in Clause 22.1 (*Financial definitions*).

“**Cash Collateral Release Amount**” means the amount of any cash collateral or margin posted by the Borrower or any member of the Group as at the date of this Agreement in respect of an Excluded Position set forth in Annex 1 (*Excluded Positions*) to Schedule 16 (*Hedging Parameters*) which has been released to the Borrower or any member of the Group upon the replacement of Permitted Security by a Permitted Put/Call Transaction in accordance with paragraph 3 of Schedule 16 (*Hedging Parameters*) or any cash amounts transferred to any member of the Group in conjunction with the entry into a Permitted Put/Call Transaction.

“**Cash Equivalent Investments**” means at any time:

- (a) certificates of deposit maturing within one year after the relevant date of calculation and issued by an Acceptable Bank;
- (b) any investment in marketable debt obligations issued or expressly guaranteed by the government of Mexico, the United States of America (or any state thereof (including any political subdivision of such state)), the United Kingdom, any member state of the European Economic Area or any Participating Member State or any member state of NAFTA (or any other jurisdiction in which a member of the Group conducts commercial operations if that member of the Group makes investments in such debt obligations in the ordinary course of its trading) or by an instrumentality or agency of any of them having an equivalent credit rating, maturing within one year after the relevant date of calculation and not convertible into or exchangeable for any other security;

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- (c) commercial paper not convertible into or exchangeable for any other security:
 - (i) for which a recognised trading market exists;
 - (ii) issued by an issuer incorporated in Mexico, the United States of America (or any state thereof (including any political subdivision of such state)), the United Kingdom, any member state of the European Economic Area or any Participating Member State or any member state of NAFTA (or any other jurisdiction in which a member of the Group makes investments in such debt obligations in the ordinary course of trading);
 - (iii) which matures within one year after the relevant date of calculation; and
 - (iv) which has a credit rating of either A-1 or higher by S&P or F1 or higher by Fitch or P-1 or higher by Moody's, or, if no rating is available in respect of the commercial paper, the issuer of which has, in respect of its long-term unsecured and non credit-enhanced debt obligations, an equivalent rating;
 - (d) sterling bills of exchange eligible for rediscount at the Bank of England and accepted by an Acceptable Bank (or their dematerialised equivalent);
 - (e) any investment in money market funds which (i) have a credit rating of either A-1 or higher by S&P or F1 or higher by Fitch or P-1 or higher by Moody's, (ii) which invest substantially all their assets in securities of the types described in paragraphs (a) to (d) above and (f) and (g) below, and (iii) can be turned into cash on not more than 30 days' notice; or
 - (f) any deposit issued by any of Nacional Financiera, S.N.C., Banco Nacional de Comercio Exterior, S.N.C., Banco Nacional de Obras y Servicios Públicos, S.N.C. or any other development bank controlled by the Mexican government;
 - (g) any other debt instrument rated "investment grade" (or the local equivalent thereof according to local criteria in a country in which any member of the Group conducts commercial operations and in which local pensions are permitted by law to invest) with maturities of 12 months or less from the date of acquiring such investment;
 - (h) investments in mutual funds, managed by banks or financial institutions, with a local currency credit rating of at least MxAA by S&P or equivalent by any other reputable local rating agency, that invest principally in marketable direct obligations issued by the Mexican government, or issued by any agency or instrumentality thereof; and
 - (i) any other debt security, certificate of deposit, commercial paper, bill of exchange, investment in money market funds or material funds approved by the Majority Lenders,

in each case, to which any member of the Group is alone (or together with other members of the Group) beneficially entitled at that time and which is not issued or guaranteed by any member of the Group or subject to any Security (other than Security arising under the Transaction Security Documents).

“**CEMEX Concretos**” means CEMEX Concretos, S.A. de C.V.

“**CEMEX España**” means CEMEX España, S.A.

“**CEMEX España Operaciones**” means CEMEX España Operaciones S.L.U.

“**CEMEX Finance**” means CEMEX Finance LLC (formerly known as CEMEX España Finance LLC).

“**CEMEX México**” means CEMEX México, S.A. de C.V.

“**Certificados Bursátiles**” means any securities issued by the Borrower in the Mexican capital markets with the approval of the Mexican National Banking and Securities Commission (Comisión Nacional Bancaria y de Valores) and listed on the Mexican Stock Exchange (Bolsa Mexicana de Valores, S.A.B. de C.V.).

“**Change of Control**” means that the beneficial ownership (within the meaning of Rule 13d-3 promulgated by the SEC under the Securities Exchange Act of 1934, as amended) of 20 per cent. or more in voting power of the outstanding voting stock of the Borrower is acquired by any person.

“**Charged Property**” means all of the assets of the Security Providers which from time to time are, or are expressed to be, the subject of the Transaction Security.

“**Code**” means the Internal Revenue Code of 1986.

“**Commitment**” means a Facility A Commitment or a Facility B Commitment.

“**Compliance Certificate**” means a certificate substantially in the form set out in Schedule 9 (*Form of Compliance Certificate*).

“**Confidential Information**” means all information relating to the Borrower, any Obligor, the Group, the Finance Documents or a Facility of which a Finance Party becomes aware in its capacity as, or for the purpose of becoming, a Finance Party or which is received by a Finance Party in relation to, or for the purpose of becoming a Finance Party under, the Finance Documents or a Facility from either:

- (a) any member of the Group or any of its advisers; or
- (b) another Finance Party, if the information was obtained by that Finance Party directly or indirectly from any member of the Group or any of its advisers,

in whatever form, and includes information given orally and any document, electronic file or any other way of representing or recording information which contains or is derived or copied from such information but excludes information that:

- (i) is or becomes public information other than as a direct or indirect result of any breach by that Finance Party of Clause 40 (*Confidentiality*); or

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- (ii) is identified in writing at the time of delivery as non-confidential by any member of the Group or any of its advisers; or
- (iii) is known by that Finance Party before the date the information is disclosed to it in accordance with paragraph (a) or (b) above or is lawfully obtained by that Finance Party after that date, from a source which is, as far as that Finance Party is aware, unconnected with the Group and which, in either case, as far as that Finance Party is aware, has not been obtained in breach of, and is not otherwise subject to, any obligation of confidentiality.

“**Confidentiality Undertaking**” means a confidentiality undertaking substantially in the form set out in Schedule 18 (*Form of Confidentiality Undertaking*) or in any other form agreed between the Borrower and the Agent.

“**Consent Deadline**” has the meaning given to such term in Clause 23.35 (*Alternative Club Loan*).

“**Consent Request**” has the meaning given to such term in Clause 23.35 (*Alternative Club Loan*).

“**Consolidated Leverage Ratio**” has the meaning given to such term in Clause 22.1 (*Financial definitions*).

“**Contingent Instrument**” means any documentary credit (including all forms of letter of credit) or performance bond, advance payment, bank guarantee or similar instrument.

“**Covenant Reset Date**” means the first date falling after the date of this Agreement on which both of the following conditions are met:

- (a) the Consolidated Leverage Ratio for the two most recently completed Reference Periods in respect of which Compliance Certificates have been (or are required to have been) delivered under this Agreement was below 4.00:1; and
- (b) no Default is continuing.

“**Custodian**” means any custodian of the Promissory Notes acting on behalf of the Lenders for the time being appointed by the Agent in consultation with the Borrower **provided that** such Custodian must maintain an office in the City of Monterrey, Nuevo Leon, Mexico.

“**Czech Acquisition**” means the acquisition of any asset, undertaking or business located in the Czech Republic by a member (or members) of the Group from a member (or members) of the Holcim Group.

“**Default**” means an Event of Default or any event or circumstance specified in Clause 26 (*Events of Default*) which would (with the expiry of a grace period, the giving of notice, the making of any determination under the Finance Documents or any combination of any of the foregoing) be an Event of Default.

“**Defaulting Lender**” means any Lender:

- (a) which has rescinded or repudiated a Finance Document; or
- (b) with respect to which an Insolvency Event has occurred and is continuing.

“**Delegate**” means any delegate, agent, attorney-in-fact, representative or co-trustee appointed by the Security Agent.

“**Disposal**” has the meaning given to that term in Clause 8.1 (*Definitions*).

“**Disposal Proceeds**” has the meaning given to that term in Clause 8.1 (*Definitions*).

“**Disruption Event**” means either or both of:

- (a) a material disruption to those payment or communications systems or to those financial markets which are, in each case, required to operate in order for payments to be made in connection with the Facilities (or otherwise in order for the transactions contemplated by the Finance Documents to be carried out) which disruption is not caused by, and is beyond the control of, any of the Parties; or
- (b) the occurrence of any other event which results in a disruption (of a technical or systems-related nature) to the treasury or payments operations of a Party preventing that, or any other Party:
 - (i) from performing its payment obligations under the Finance Documents; or
 - (ii) from communicating with other Parties in accordance with the terms of the Finance Documents,

and which (in either such case) is not caused by, and is beyond the control of, the Party whose operations are disrupted.

“**Dutch Civil Code**” means the Dutch civil code (*Burgerlijk Wetboek*).

“**Dutch FSA**” means the Dutch Financial Supervision Act (*Wet op het financieel toezicht*) and the rules and regulations promulgated thereunder.

“**Dutch Obligor**” means an Obligor incorporated in The Netherlands.

“**Empresas Tolteca**” means Empresas Tolteca de México, S.A. de C.V.

“**English Obligor**” means an Obligor incorporated in England and Wales.

“**Environmental Claim**” means any claim, proceeding or investigation by any person in respect of any Environmental Law or use of Hazardous Materials.

“**Environmental Law**” means any applicable law or regulation in any jurisdiction in which any member of the Group conducts business which relates to the pollution or protection of the environment or harm to or the protection of human health or the health of animals or plants.

“**Environmental Permits**” means any permit, licence, consent, approval and other authorisation and the filing of any notification, report or assessment required under any Environmental Law for the operation of the business of any member of the Group conducted on or from the properties owned or used by the relevant member of the Group.

“**Equally Secured Debt Proceeds**” has the meaning given to that term in Clause 8.1 (*Definitions*).

“**ERISA**” means the U.S. Employee Retirement Income Security Act of 1974, as amended, and any successor statute thereto, as interpreted by the rules and regulations thereunder, all as the same may be in effect from time to time. References to sections of ERISA shall be construed also to refer to any successor sections.

“**ERISA Affiliate**” means an entity, whether or not incorporated, that is under common control with any Obligor within the meaning of Section 4001(a)(14) of ERISA, or is a member of a group that includes any Obligor and that is treated as a single employer under section 414(b) or (c) of the Code.

“**España Subsidiary Guarantor**” means Cemex Research Group AG, CEMEX Shipping B.V., CEMEX Asia B.V., CEMEX France Gestion (S.A.S.), CEMEX UK, CEMEX Egyptian Investments B.V. and CEMEX Egyptian Investments II B.V.

“**European Transaction**” means the Czech Acquisition, the West German Disposal and the Spanish Combination.

“**Event of Default**” means any event or circumstance specified as such in Clause 26 (*Events of Default*).

“**Excluded Positions**” shall have the meaning ascribed thereto in Schedule 16 (*Hedging Parameters*).

“**Executive Compensation Plan**” means any stock option plan, restricted stock plan or retirement plan which the Borrower, any other Obligor or, as the case may be, Caliza, customarily provides to its employees, consultants and directors.

“**Existing Financial Indebtedness**” means the Financial Indebtedness described in Schedule 10 (*Existing Financial Indebtedness*) **provided that** the principal amount of such Financial Indebtedness does not increase above the principal amount outstanding as at the date of this Agreement (except by the amount of any capitalised interest under any facility or instrument that provided for capitalisation of interest on those terms as at the date of this Agreement) less the amount of any repayments and prepayments made in respect of such Financial Indebtedness.

“**Existing High Yield Notes**” means the 2015 Floating Rate Notes, the 2018 Senior Notes, the 2019 Senior Notes, the 2020 Senior Notes, the 2021 Senior Notes, the 2022 Senior Notes, the 2024 Senior Notes and the 2025 Senior Notes.

“**Existing Subordinated Convertible Notes**” means the 2015 Subordinated Convertible Notes, the 2016 Subordinated Convertible Notes and the 2018 Subordinated Convertible Notes.

“**Facility**” means Facility A or Facility B.

“**Facility A**” means the term loan facility made available under this Agreement as described in paragraph (a) of Clause 2.1 (*The Facilities*).

“**Facility A Commitment**” means:

- (a) in relation to an Original Lender, the amount set opposite its name under the heading “Facility A Commitment” in Part II of Schedule 1 (*The Original Parties*) and the amount of any other Facility A Commitment transferred to it under this Agreement or assumed by it in accordance with Clause 2.2 (*Accordion*); and
- (b) in relation to any other Lender, the amount of any Facility A Commitment transferred to it under this Agreement or assumed by it in accordance with Clause 2.2 (*Accordion*),

to the extent not cancelled, reduced or transferred by it under this Agreement.

“**Facility A Loan**” means a loan made or to be made under Facility A or the principal amount outstanding for the time being of that loan.

“**Facility A Repayment Date**” means each of the dates specified in paragraph (a) of Clause 6.1 (*Repayment of Facility A Loans*) as Facility A Repayment Dates.

“**Facility A Repayment Instalment**” means each instalment for repayment of the Facility A Loans referred to in paragraph (a) of Clause 6.1 (*Repayment of Facility A Loans*).

“**Facility B**” means the revolving loan facility (subject to Clause 5.8 (*Mandatory Rollover Utilisation*)) made available under this Agreement as described in paragraph (b) of Clause 2.1 (*The Facilities*).

“**Facility B Commitment**” means:

- (a) in relation to an Original Lender, the amount set opposite its name under the heading “Facility B Commitment” in Part II of Schedule 1 (*The Original Parties*) and the amount of any other Facility B Commitment transferred to it under this Agreement or assumed by it in accordance with Clause 2.2 (*Accordion*); and
- (b) in relation to any other Lender, the amount of any Facility B Commitment transferred to it under this Agreement or assumed by it in accordance with Clause 2.2 (*Accordion*),

to the extent not cancelled, reduced or transferred by it under this Agreement.

“**Facility B Loan**” means a loan made or to be made under Facility B or the principal amount outstanding for the time being of that loan.

“Facility B Reduction Date” means each of the dates specified in Clause 6.3 (*Reduction of Facility B*) as Facility B Reduction Dates.

“Facility B Reduction Instalment” means each instalment for reduction of the Facility B Commitments referred to in Clause 6.3 (*Reduction of Facility B*).

“Facility Office” means:

- (a) in respect of a Lender, the office or offices notified by that Lender to the Agent in writing on or before the date it becomes a Lender (or, following that date, by not less than five Business Days’ written notice) as the office or offices through which it will perform its obligations under this Agreement; or
- (b) in respect of any other Finance Party, the office in the jurisdiction in which it is resident for tax purposes.

“FATCA” means:

- (a) sections 1471 to 1474 of the Code or any associated regulations;
- (b) any treaty, law or regulation of any other jurisdiction, or relating to an intergovernmental agreement between the US and any other jurisdiction, which (in either case) facilitates the implementation of any law or regulation referred to in paragraph (a) above; or
- (c) any agreement pursuant to the implementation of any treaty, law or regulation referred to in paragraph (a) or (b) above with the US Internal Revenue Service, the US government or any governmental or taxation authority in any other jurisdiction.

“FATCA Application Date” means:

- (a) in relation to a “withholdable payment” described in section 1473(1)(A)(i) of the Code (which relates to payments of interest and certain other payments from sources within the US), 1 July 2014;
 - (b) in relation to a “withholdable payment” described in section 1473(1)(A)(ii) of the Code (which relates to “gross proceeds” from the disposition of property of a type that can produce interest from sources within the US), 1 January 2017; or
 - (c) in relation to a “passthru payment” described in section 1471(d)(7) of the Code not falling within paragraph (a) or (b) above, 1 January 2017,
- or, in each case, such other date from which such payment may become subject to a deduction or withholding required by FATCA as a result of any change in FATCA after the date of this Agreement.

“FATCA Deduction” means a deduction or withholding from a payment under a Finance Document required by FATCA.

“FATCA Exempt Party” means a Party that is entitled to receive payments free from any FATCA Deduction.

“Fee Letter” means any letter or letters dated on or before the date of this Agreement between the Arranger (or any of them) and the Borrower, the Agent and the Borrower or the Security Agent and the Borrower setting out any of the fees payable by the Borrower to those Finance Parties in connection with this Agreement, and any fee letter between an Accordion Lender and the Borrower entered into in accordance with paragraph (f) of Clause 2.2 (*Accordion*).

“Finance Document” means this Agreement, any Accession Letter, any Accordion Confirmation, any Compliance Certificate, any Fee Letter, the Intercreditor Agreement, any Promissory Note, any Resignation Letter, any Selection Notice, any Transaction Security Document, any Utilisation Request and any other document designated as a “Finance Document” by the Agent and the Borrower.

“Finance Party” means the Agent, the Arranger, the Security Agent or a Lender.

“Financial Indebtedness” means any indebtedness for or in respect of:

- (a) monies borrowed and debit balances at banks or other financial institutions;
- (b) any acceptance under any acceptance credit or bill discounting facility (or dematerialised equivalent);
- (c) any amount raised pursuant to a note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument (including, without limitation, any perpetual bonds);
- (d) the amount of any liability in respect of any lease or hire purchase contract which would (in accordance with Applicable GAAP of the Borrower) be treated as a finance or capital lease;
- (e) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis and meet any requirement for de-recognition under Applicable GAAP of the Borrower);
- (f) any Treasury Transaction (and, when calculating the value of that Treasury Transaction, only the mark-to-market value (or, if any actual amount is due as a result of the termination or close-out of that Treasury Transaction, that amount) shall be taken into account);
- (g) any counter-indemnity obligation in respect of a guarantee, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution;
- (h) any amount raised by the issue of redeemable shares which are redeemable (other than at the option of the issuer) before the Termination Date or are otherwise classified as borrowings under Applicable GAAP of the Borrower;
- (i) any amount of any liability under an advance or deferred purchase agreement if (i) one of the primary reasons behind entering into the agreement is to raise finance or to finance the acquisition or construction of the asset or service in question or (ii) the agreement is in respect of the supply of assets or services and payment is due more than 60 days after the date of supply;

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- (j) any arrangement pursuant to which an asset sold or otherwise disposed of by that person may be re-acquired by a member of the Group (whether following the exercise of an option or otherwise) and any Inventory Financing;
- (k) any amount raised under any other transaction (including any forward sale or purchase, sale and sale back or sale and leaseback agreement) having the commercial effect of a borrowing or otherwise classified as borrowings under Applicable GAAP of the Borrower; and
- (l) the amount of any liability in respect of any guarantee for any of the items referred to in paragraphs (a) to (k) above, and **provided that** the Spanish Combination Termination Mechanism is not Financial Indebtedness.

“**Financial Quarter**” has the meaning given to such term in Clause 22.1 (*Financial definitions*).

“**Financial Year**” has the meaning given to such term in Clause 22.1 (*Financial definitions*).

“**Fitch**” means Fitch Ratings Limited or any successor thereto from time to time.

“**French Guarantor**” or “**French Obligor**” means a Guarantor or other Obligor incorporated in France.

“**Governmental Authority**” means the government of any jurisdiction, or any political subdivision thereof, whether provincial, state or local, and any department, ministry, agency, instrumentality, authority, body, court, central bank or other entity lawfully exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government.

“**Group**” means the Borrower and each of its Subsidiaries for the time being.

“**Group Structure Chart**” means the structure chart delivered to the Agent under paragraph 5 (*Other documents and evidence*) of Part I of Schedule 2 (*Conditions Precedent*).

“**Guarantors**” means the Original Guarantors and any Additional Guarantor other than any Original Guarantor or Additional Guarantor which has ceased to be a Guarantor pursuant to Clause 29.3 (*Resignation of a Guarantor*) and/or sub-paragraph (ii) of paragraph (c) of Clause 39.2 (*Exceptions*) and has not subsequently become an Additional Guarantor pursuant to Clause 29.2 (*Additional Guarantors and Additional Security Providers*) and “**Guarantor**” means any of them.

“**Hazardous Materials**” means (a) radioactive materials, asbestos-containing materials, polychlorinated biphenyls, radon gas and (b) any other chemicals, materials or substances designated, classified or regulated as hazardous or toxic or as a pollutant or contaminant under any applicable Environmental Law.

“**Holcim**” means Holcim Ltd.

“**Holcim Group**” means Holcim and each of its Subsidiaries for the time being.

“**Holding Company**” means, in relation to a company or corporation, any other company or corporation in respect of which it is a Subsidiary.

“**IFRS**” means international accounting standards within the meaning of IAS Regulation 1606/2002 to the extent applicable to the relevant financial statements.

“**Impaired Agent**” means the Agent at any time when:

- (a) it has failed to make (or has notified a Party that it will not make) a payment required to be made by it under the Finance Documents by the due date for payment;
- (b) the Agent otherwise rescinds or repudiates a Finance Document;
- (c) (if the Agent is also a Lender) it is a Defaulting Lender under paragraph (a) of the definition of “Defaulting Lender”; or
- (d) an Insolvency Event has occurred and is continuing with respect to the Agent,

unless, in the case of paragraph (a) above:

- (i) its failure to pay is caused by:
 - (A) administrative or technical error; or
 - (B) a Disruption Event; andpayment is made within three Business Days of its due date; or
- (ii) the Agent is disputing in good faith whether it is contractually obliged to make the payment in question.

“**IMSS**” means the Mexican Social Security Institute (*Instituto Mexicano del Seguro Social*).

“**Increase Date**” has the meaning given to it in paragraph (b) of Clause 2.2 (*Accordion*).

“**INFONAVIT**” means the Mexican Workers’ Housing Fund Institute (*Instituto del Fondo Nacional de la Vivienda para los Trabajadores*).

“**Insolvency Event**” in relation to a Finance Party means that the Finance Party:

- (a) is dissolved (other than pursuant to a consolidation, amalgamation or merger);
- (b) becomes insolvent or is unable to pay its debts or fails or admits in writing its inability generally to pay its debts as they become due;
- (c) makes a general assignment, arrangement or composition with or for the benefit of its creditors;

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- (d) institutes or has instituted against it, by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law (including *concurso mercantil*) or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official;
 - (e) has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy (including *concurso mercantil*) or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition is instituted or presented by a person or entity not described in paragraph (d) above and:
 - (i) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation; or
 - (ii) is not dismissed, discharged, stayed or restrained in each case within 30 days of the institution or presentation thereof;
 - (f) has a resolution passed for its winding-up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger);
 - (g) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets;
 - (h) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within 30 days thereafter;
 - (i) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in paragraph (a) to (h) above; or
 - (j) takes any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the foregoing acts.

“**Insolvency Proceedings**” means any of the matters described in Clause 26.7 (*Insolvency proceedings*).

“**Intellectual Property**” means:

- (a) any patents, trademarks, service marks, designs, business names, copyrights, design rights, database rights, inventions, knowhow and other intellectual property rights and interests, whether registered or unregistered; and
- (b) the benefit of all applications and rights to use such assets of each member of the Group.

“**Intercreditor Agreement**” means the intercreditor agreement dated 17 September 2012 and made between, among others, the Borrower, Wilmington Trust (London) Limited as Security Agent, Citibank International plc as agent under the 2012 Facilities Agreement, the creditors under the 2012 Facilities Agreement and any other creditors of the Group that may accede to it from time to time in accordance with its terms.

“**Interest Period**” means, in relation to a Utilisation, each period determined in accordance with Clause 11 (*Interest Periods*) and, in relation to an Unpaid Sum, each period determined in accordance with Clause 10.3 (*Default interest*).

“**Interpolated Screen Rate**” means, in relation to LIBOR for any Loan, the rate which results from interpolating on a linear basis between:

- (a) the applicable Screen Rate for the longest period (for which that Screen Rate is available) which is less than the Interest Period of that Loan; and
 - (b) the applicable Screen Rate for the shortest period (for which that Screen Rate is available) which exceeds the Interest Period of that Loan,
- each as of the Specified Time on the Quotation Day for dollars.

“**Inventory Financing**” means a financing arrangement pursuant to which a member of the Group sells inventory to a bank or other institution (or a special purpose vehicle or partnership incorporated or established by or on behalf of such bank or other institution or an Affiliate of such bank or other institution) and has an obligation to repurchase such inventory to the extent that it is not sold to a third party within a specified period.

“**Joint Venture**” means any joint venture entity, whether a company, unincorporated firm, undertaking, association, joint venture or partnership or any other entity.

“**Joint Venture Investment**” has the meaning given to such term in sub-paragraph (c)(ii) of the definition of Permitted Joint Venture.

“**Legal Opinions**” means the legal opinions delivered to the Agent pursuant to paragraph 4 (*Legal opinions*) of Part I of Schedule 2 (*Conditions Precedent*) or paragraph 4 (*Legal opinions*) of Part II of Schedule 2 (*Conditions Precedent*).

“**Legal Reservations**” means:

- (a) the principle that equitable remedies may be granted or refused at the discretion of a court and the limitation of enforcement by laws relating to insolvency, reorganisation and other laws generally affecting the rights of creditors;

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- (b) the time barring of claims under the Limitation Act 1980 and the Foreign Limitation Periods Act 1984, the possibility that an undertaking to assume liability for or indemnify a person against non-payment of UK stamp duty may be void and defences of set-off or counterclaim;
 - (c) similar principles, rights and defences under the laws of any Relevant Jurisdiction; and
 - (d) any other matters which are set out as qualifications or reservations as to matters of law in the Legal Opinions.

“**Lender**” means:

- (a) any Original Lender; and
- (b) any bank, financial institution, trust, fund or other entity which has become a Party in accordance with Clause 2.2 (*Accordion*) or Clause 27 (*Changes to the Lenders*),

which in each case has not ceased to be a Party in that capacity in accordance with the terms of this Agreement.

“**LIBOR**” means, in relation to any Loan:

- (a) the applicable Screen Rate;
- (b) (if no Screen Rate is available for the Interest Period of that Loan) the Interpolated Screen Rate for that Loan; or
- (c) if:
 - (i) no Screen Rate is available for dollars; or
 - (ii) no Screen Rate is available for the Interest Period of that Loan and it is not possible to calculate an Interpolated Screen Rate for that Loan,

the Reference Bank Rate,

as of, in the case of paragraphs (a) and (c) above, the Specified Time on the Quotation Day for dollars and for a period equal in length to the Interest Period of that Loan and, if that rate is less than zero, LIBOR shall be deemed to be zero.

“**Loan**” means a Facility A Loan or a Facility B Loan.

“**London Business Day**” means a day (other than a Saturday or Sunday) on which banks are open for general business in London.

“**Majority Lenders**” means a Lender or Lenders whose Commitments aggregate 66 2/3% or more of the Total Commitments (or, if the Total Commitments have been reduced to zero, aggregated 66 2/3% or more of the Total Commitments immediately prior to the reduction).

“Margin” means, in relation to any Loan or Unpaid Sum, 3.75 per cent. per annum, but if:

- (a) no Event of Default has occurred and is continuing; and
- (b) the Consolidated Leverage Ratio in respect of the most recently completed Reference Period is within a range set out below, then the Margin for each Loan will be the percentage per annum set out below opposite that range:

Consolidated Leverage Ratio	Margin (per cent. p.a.)
Greater than or equal to 5.50:1	3.75
Less than 5.50:1 but greater than or equal to 5.00:1	3.50
Less than 5.00:1 but greater than or equal to 4.50:1	3.25
Less than 4.50:1 but greater than or equal to 4.00:1	3.00
Less than 4.00:1 but greater than or equal to 3.50:1	2.75
Less than 3.50:1	2.50

However:

- (i) any increase or decrease in the Margin for a Loan shall take effect on the date (the “reset date”) which is the first day of the next Interest Period for that Loan following receipt by the Agent of the Compliance Certificate for that Reference Period pursuant to Clause 21.2 (*Compliance Certificate*);
- (ii) if, following receipt by the Agent of the Compliance Certificate related to the relevant annual financial statements, that Compliance Certificate does not confirm the basis for either a reduced or an increased Margin which applied during that annual period, then the relevant provisions of paragraph (b) of Clause 10.2 (*Payment of interest*) shall apply from the reset date and the Margin for that Loan shall be the percentage per annum determined using the table above and the revised Consolidated Leverage Ratio calculated using the figures in that Compliance Certificate;
- (iii) while an Event of Default is continuing, the Margin for each Loan shall be 3.75 per cent. per annum; and
- (iv) for the purpose of determining the Margin, Consolidated Leverage Ratio and Reference Period shall be determined in accordance with Clause 22.1 (*Financial definitions*).

“**Marketable Securities**” means securities (whether equity, debt or other securities) which are listed on a stock exchange or for which a trading market exists (whether on market or over the counter) but excluding: (a) shares in any member of the Group (other than shares in Caliza held other than by a member of the Group) and (b) any shares in Axtel, S.A.B. de C.V.

“**Material Adverse Effect**” means a material adverse effect on:

- (a) the business, property, assets, condition (financial or otherwise) or operations of the Group, taken as a whole; or
- (b) the rights or remedies of any Finance Party under the Finance Documents; or
- (c) the ability of any Obligor to perform its obligations under the Finance Documents or the validity or enforceability, effectiveness or ranking of any of the Transaction Security granted or purported to be granted under or pursuant to any of the Finance Documents.

“**Material Operating Subsidiary**” means a Material Subsidiary other than a member of the Group that is a Material Subsidiary solely by virtue of its being a Holding Company of a Material Subsidiary or Obligor.

“**Material Subsidiary**” means, from the date of this Agreement up to (and excluding) the date on which the first Compliance Certificate to be delivered under Clause 21.2 (*Compliance Certificate*) is delivered in accordance with that Clause, those companies set out in Schedule 15 (*Material Subsidiaries*) and, thereafter, means any Subsidiary of the Borrower which:

- (a) has total gross assets representing 5 per cent. or more of the total consolidated assets of the Group;
- (b) has revenues representing 5 per cent. or more of the consolidated turnover of the Group; and/or
- (c) has earnings before interest, tax, depreciation and amortisation calculated on the same basis as EBITDA, representing 5 per cent. or more of the consolidated EBITDA of the Group,

in each case calculated on a consolidated basis (without duplication) and any Holding Company of any such Subsidiary or of an Obligor.

Compliance with the conditions set out in paragraphs (a) to (c) shall be determined by reference to the most recent Compliance Certificate supplied by the Borrower and/or the latest audited financial statements of that Subsidiary (if available) and the latest audited consolidated financial statements of the Group, but if a Subsidiary has been acquired since the date as at which the latest audited consolidated financial statements of the Group were prepared, the financial statements shall be adjusted to take into account the acquisition of that Subsidiary (that adjustment being certified by the Group’s auditors as representing an accurate reflection of each of the respective revised total assets and turnover of the Group).

A report by the auditors of the Borrower (or, as the case may be, any other internationally recognised accounting firm that is approved by the Agent) that a Subsidiary is a Material Subsidiary shall, in the absence of manifest error, be conclusive and binding on all Parties.

“**Mexican Integration Initiative**” means the initiative under which the businesses of the Group in Mexico, previously undertaken by CEMEX Concretos, CEMEX México and CEMEX Agregados S.A. de C.V., may be integrated such that they are all undertaken by the Borrower, with the Borrower (itself, through a Subsidiary or via an appropriate trust arrangement) leasing from those three companies the assets required for such businesses.

“**Mexico**” means the United Mexican States.

“**Month**” means a period starting on one day in a calendar month and ending on the numerically corresponding day in the next calendar month, except that:

- (a) if the numerically corresponding day is not a Business Day, that period shall end on the next Business Day in that calendar month in which that period is to end if there is one or, if there is not, on the immediately preceding Business Day; and
- (b) if there is no numerically corresponding day in the calendar month in which that period is to end, that period shall end on the last Business Day in that calendar month.

The above rules will only apply to the last Month of any period. “**Monthly**” shall be construed accordingly.

“**Moody’s**” means Moody’s Investors Services Limited or any successor to its ratings business.

“**Multiemployer Plan**” means a “multiemployer plan” as defined in Section 4001(a)(3) of ERISA that is subject to Title IV of ERISA to which any Obligor or any ERISA Affiliate is making contributions or has an obligation to make contributions.

“**New Lender**” has the meaning given to that term in Clause 27 (*Changes to the Lenders*).

“**Non-Consenting Lender**” has the meaning given to that term in Clause 39.4 (*Replacement of Lender*).

“**Non-US Pension Plan**” means any defined benefit plan, fund (including, without limitation, any superannuation fund) or other similar program established or maintained outside the United States by any Obligor or any of its Subsidiaries, primarily for the benefit of employees of such Obligor or any such Subsidiary residing outside the United States, which plan, fund or other similar program provides, or results in, retirement income, a deferral of income in contemplation of retirement, and which plan, fund or program is not a Pension Plan or Multiemployer Plan and is not otherwise subject to ERISA or the Code.

“**Obligors**” means the Borrower, the Guarantors and the Security Providers and “**Obligor**” means any of them.

“Original Financial Statements” means:

- (a) in relation to the Borrower, its audited unconsolidated and consolidated financial statements for its Financial Year ended 31 December 2013 accompanied by an audit opinion of KPMG Cárdenas Dosal, S.C.;
- (b) in relation to CEMEX España, its audited consolidated financial statements for its financial year ended 31 December 2013; and
- (c) in relation to any other Guarantor, its most recent annual financial statements (audited, if available).

“Original Obligor” means the Borrower, an Original Guarantor or an Original Security Provider.

“Outlook” means a rating outlook of the Borrower with regard to the Borrower’s economic and/or fundamental business condition, as assigned by a Rating Agency.

“Participating Member State” means any member state of the European Union that has the euro as its lawful currency in accordance with legislation of the European Union relating to Economic and Monetary Union.

“Party” means a party to this Agreement.

“Pension Plan” means a “pension plan” as such term is defined in Section 3(2) of ERISA, which is subject to Title IV of ERISA (other than a multiemployer plan as defined in Section 4001(a)(3) of ERISA), and with respect to which any Obligor or any ERISA Affiliate is an “employer” as defined in Section 3(5) of ERISA.

“Permitted Acquisition” means:

- (a) an acquisition by a member of the Group of an asset sold, leased, transferred or otherwise disposed of by another member of the Group in circumstances constituting a Permitted Disposal;
- (b) an acquisition of shares or securities pursuant to a Permitted Share Issue;
- (c) an acquisition of cash or securities which are Cash Equivalent Investments;
- (d) the incorporation of a company which on incorporation becomes a member of the Group or which is a special purpose vehicle, whether a member of the Group or not;
- (e) an acquisition that constitutes a Permitted Joint Venture;
- (f) an acquisition that constitutes a Permitted PPP Investment;
- (g) an acquisition of assets and, if applicable, cash, in exchange for other assets and, if applicable, cash, of equal or higher value (an **“Asset Swap”**);
- (h) any acquisition of shares of the Borrower or any acquisition of shares of Caliza pursuant to (i) an obligation in respect of any Executive Compensation

Plan of the Borrower or, as the case may be, of Caliza or (ii) a Permitted Treasury Transaction within the scope of paragraph 1(e) of Schedule 16 (*Hedging Parameters*);

- (i) any other acquisition consented to by the Agent acting on the instructions of the Majority Lenders;
- (j) an acquisition of shares in the Borrower or any other member of the Group to the extent that a member of the Group has an obligation to deliver such shares to any holder(s) of convertible securities constituting Existing Financial Indebtedness or falling within paragraph (f)(i) of the definition of Permitted Financial Indebtedness pursuant to the terms of such convertible securities;
- (k) any acquisition by a member of the Caliza Group of assets or of a company, of shares, securities or a business or undertaking (or, in each case, any interest in any of them) including, without limitation, in circumstances constituting a Permitted Disposal under paragraph (j) of the definition of Permitted Disposal **provided that** (except where the assets, company, shares, securities, business or undertaking (or, in each case, any interest in any of them) acquired was disposed of by a member of the Group which is not a member of the Caliza Group in circumstances constituting a Permitted Disposal under paragraph (j) of the definition of Permitted Disposal or where such acquisition constitutes a Permitted Acquisition under paragraph (o) below) the aggregate amount of the consideration for such acquisitions does not at any time (when aggregated with all other amounts of Caliza Expansion Capital then incurred) exceed the Caliza Expansion Capital Permitted Limit;
- (l) any acquisition constituting a Reconstruction permitted pursuant to Clause 23.7 (*Merger*);
- (m) any other acquisition of a company, of shares, securities or a business or undertaking (or, in each case, any interest in any of them) **provided that** the aggregate amount of the consideration (excluding any such amount that is funded from Reinvestment Proceeds Sources) for such acquisitions (when aggregated with the aggregate amount of Joint Venture Investment falling within paragraph (c)(ii) of the definition of Permitted Joint Venture (excluding any such amount that is funded from Reinvestment Proceeds Sources in that Financial Year) does not exceed \$400,000,000 (or its equivalent in any other currencies) in any Financial Year, and **provided further that**:
 - (i) if an asset is acquired by a member of the Group pursuant to this paragraph (m); and
 - (ii) such asset is the subject of a Disposal by the Group within 12 Months of the date of completion of its acquisition,the unutilised portion of the amount referred to above in respect of that Financial Year shall be increased by an amount equal to the lower of (A) the amount of the consideration originally paid by the relevant member of the Group which acquired such asset and (B) the amount of the Disposal Proceeds received for such Disposal **provided that** such Disposal Proceeds are (to the extent required) applied in accordance with Clause 8 (*Mandatory Prepayment*);

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- (n) an acquisition pursuant to the European Transaction; and
 - (o) any acquisition of any assets, a company, of shares, securities or a business or undertaking (or, in each case, any interest in any of them) funded from Reinvestment Proceeds Sources, **provided that** where such proceeds are from a primary offering of shares in Caliza or shares of any Caliza Group Company, the acquired assets must be acquired into the Caliza Group.

“Permitted Debt Fundraising Proceeds” has the meaning given to that term in Clause 8.1 (*Definitions*).

“Permitted Debt Purchase Transaction” means, in relation to a person, a transaction where such person purchases by way of assignment or transfer any Commitment or amount outstanding under this Agreement.

“Permitted Disposal” means any sale, lease, licence, transfer or other disposal which, except in the case of Disposals as between members of the Group, is on arm’s length terms:

- (a) of trading stock or cash made by any member of the Group in the ordinary course of trading of the disposing entity;
- (b) (other than a Disposal by a member of the Group which is not a member of the Caliza Group to a member of the Caliza Group, which shall be subject to paragraph (j) below) of any asset by a member of the Group (the **“Disposing Company”**) to another member of the Group (the **“Acquiring Company”**), but if:
 - (i) the Disposing Company had given Transaction Security over the asset, the Acquiring Company must give equivalent Transaction Security over that asset (and, if the Acquiring Company is not already a Security Provider, it must accede to this Agreement as an Additional Security Provider); and
 - (ii) the Disposing Company is a Guarantor, the Acquiring Company must be a Guarantor guaranteeing at all times an amount no less than that guaranteed by the Disposing Company (subject to any applicable guarantee limitations),

provided that the conditions set out in paragraphs (i) and (ii) above shall only apply (A) to a Disposal of shares if such Disposal would result in the Acquiring Company becoming a Material Subsidiary, or (B) to a Disposal of other assets if all or substantially all of the assets of the Disposing Company are being disposed of;

- (c) of obsolete or redundant vehicles, machinery, parts and equipment in the ordinary course of trading;
- (d) of cash or Cash Equivalent Investments for cash or in exchange for other Cash Equivalent Investments;

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- (e) constituted by a licence of Intellectual Property in the ordinary course of trading;
 - (f) to a Joint Venture, to the extent permitted by Clause 23.19 (*Joint ventures*);
 - (g) arising as a result of any Permitted Security;
 - (h) which is a Permitted PPP Investment;
 - (i) of shares in Caliza or any put or other option entered into with one or more financial institutions in respect of any share lending, over-allotment or other similar arrangement in connection with an offering of shares in Caliza pursuant to a Caliza Transaction or a Permitted Treasury Transaction within the scope of paragraph 1(e) of Schedule 16 (*Hedging Parameters*);
 - (j) by a member of the Group which is not a member of the Caliza Group to a member of the Caliza Group (other than a Disposal of shares which are subject to the Transaction Security, unless the acquiring member of the Caliza Group grants equivalent Transaction Security over such shares) **provided that** the aggregate fair market value of all assets disposed of pursuant to this paragraph (j) after the date of this Agreement does not exceed \$750,000,000 (or its equivalent in other currencies) (when aggregated with the aggregate fair market value of all share issuances falling within paragraph (g) of the definition of Permitted Share Issue);
 - (k) of any shares in a member of the Group (**provided that** all such shares in that entity owned by a member of the Group are the subject of the Disposal) or of any other asset, in each case on arm's length terms and for full market value where:
 - (i) no less than 80 per cent. of the consideration for the Disposal is payable to the Group in cash or Marketable Securities paid or received by a member of the Group at completion of the Disposal (**provided that** where a portion of that 80 per cent. comprises Marketable Securities, those Marketable Securities must be disposed of for cash to a person that is not a member of the Group within 180 days of completion);
 - (ii) if the aggregate consideration for the Disposal (when aggregated with the consideration for any related Disposals) is equal to 5 per cent. or more of the value of consolidated assets of the Group, the Borrower has delivered to the Agent a certificate signed by an Authorised Signatory confirming that, on a *pro forma* basis, assuming that the Disposal had been completed, and the proceeds had (to the extent required) been applied in accordance with Clause 8 (*Mandatory Prepayment*) and for such purpose(s) as such proceeds are intended by the Group to be applied, immediately prior to the first day of the most recent Reference Period for which a Compliance Certificate has been or is required to have been delivered under this Agreement, the

Borrower would have been in compliance with the financial covenants in paragraphs (a) and (b) of Clause 22.2 (*Financial condition*) as at the last day of the most recent Reference Period for which a Compliance Certificate has been or is required to have been delivered under this Agreement; and

- (iii) the Disposal Proceeds received by members of the Group are applied (to the extent required) in accordance with Clause 8 (*Mandatory Prepayment*);
- (l) of any asset compulsorily acquired by a Governmental Authority **provided that** the Disposal Proceeds received by members of the Group are applied (to the extent required) in accordance with Clause 8 (*Mandatory Prepayment*);
- (m) of any receivables disposed of pursuant to a factoring or similar receivables financing arrangement that is otherwise permitted under this Agreement;
- (n) of any inventory disposed of pursuant to an Inventory Financing or similar arrangement that is otherwise permitted under this Agreement;
- (o) of any plant or equipment disposed of pursuant to a sale and lease-back arrangement that is otherwise permitted under this Agreement;
- (p) of receivables disposed of pursuant to a Permitted Securitisation;
- (q) of land or buildings arising as a result of lease or licence in the ordinary course of its trading;
- (r) of any shares of the Borrower or, as the case may be and subject to Clause 23.34 (*Caliza*), Caliza, pursuant to an obligation in respect of any Executive Compensation Plan;
- (s) of shares, common equity securities in the Borrower or reference property in connection with the same to the extent that a member of the Group has an obligation to deliver such shares, common equity securities or reference property to any holder(s) of convertible or exchangeable securities comprising Existing Financial Indebtedness or falling within paragraph (f)(i) of the definition of Permitted Financial Indebtedness pursuant to the terms of such convertible or exchangeable securities or to any counterparty pursuant to the terms of any Permitted Put/Call Transaction;
- (t) which is, or constitutes, an Asset Swap;
- (u) forming part of a Reconstruction permitted pursuant to Clause 23.7 (*Merger*);
- (v) otherwise approved by the Agent acting on the instructions of the Majority Lenders; or
- (w) pursuant to the West German Disposal.

“Permitted Distribution” means the declaration, making or payment of a dividend, charge, fee or other distribution (or interest on any unpaid dividend, charge, fee or other distribution):

- (a) on or in respect of share capital to the Borrower or any of its Subsidiaries; or

(b) that is:

- (i) a recapitalisation of earnings on or in respect of the share capital of the Borrower (or any class of its share capital) pursuant to which additional share capital of the Borrower or the right to subscribe for additional share capital is issued to the existing shareholders of the Borrower on a *pro rata* basis;
- (ii) by way of the issuance of common equity securities of the Borrower or the right to subscribe for such common equity securities to the existing shareholders of the Borrower on a *pro rata* basis; or
- (iii) by way of the issuance of common equity securities of Caliza or the right to subscribe for such common equity securities to the existing shareholders of Caliza on a *pro rata* basis,

provided that, for the avoidance of doubt, no cash or other asset (other than the common equity securities referred to above) of any member of the Group (or any interest in any such cash or asset) is paid or otherwise transferred or assigned to any person that is not a member of the Group in connection with such distribution or interest; or

- (c) that is a payment of interest (at a time at which no Default is continuing) on any perpetual debt securities issued by the Borrower or New Sunward Holding Financial Ventures B.V. or otherwise permitted by this Agreement; or
- (d) to any minority shareholders of any Subsidiary of the Borrower; (i) *pro rata* to its holding in such Subsidiary and **provided that** all other shareholders of the relevant Subsidiary receive their equivalent *pro rata* share in any such dividend, charge, fee, distribution or interest payment at the same time; or (ii) in the case of minority shareholders of Assiut Cement Company on any basis (whether *pro rata* to its holding in such Subsidiary or otherwise), **provided that** the maximum aggregate amount distributed under this sub-paragraph (ii) must not exceed \$25,000,000 (or its equivalent) from the date of this Agreement to the Termination Date.

“Permitted Equity Fundraising Proceeds” has the meaning given to that term in Clause 8.1 (*Definitions*).

“Permitted Financial Indebtedness” means Financial Indebtedness:

- (a) incurred or arising under the Finance Documents;
- (b) that is Existing Financial Indebtedness;
- (c) owed to a member of the Group;
- (d) that constitutes a Permitted Securitisation;

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- (e) arising under Capital Leases, factoring arrangements, Inventory Financing arrangements or export credit facilities or any similar arrangements for the purchase of equipment (**provided that** any Security granted in relation to any such facility relates solely to equipment, the purchase of which was financed under such facility) or pursuant to sale and lease-back transactions **provided that**:
- (i) no amount of Financial Indebtedness of members of the Group under such transactions in place as at the date of this Agreement may be reborrowed once repaid;
 - (ii) the maximum aggregate Financial Indebtedness of members of the Group under such transactions (excluding any amounts under any transactions referred to in sub-paragraph (i) above) does not exceed \$500,000,000 at any time (and any amount of Financial Indebtedness permitted under this sub-paragraph (ii) which has been repaid may be reborrowed or replaced whether pursuant to the terms of the arrangement constituting such Financial Indebtedness when originally advanced or otherwise); and
 - (iii) the maximum aggregate Financial Indebtedness of members of the Group under any transactions referred to in sub-paragraphs (i) and (ii) above taken together does not exceed \$700,000,000 at any time;
- (f) arising:
- (i) pursuant to an issuance of bonds, notes or other debt securities, or of convertible or exchangeable securities by:
 - (A) in the case of bonds, notes or other debt securities or convertible or exchangeable securities (or other equity-like instruments which are treated as Financial Indebtedness) issued to refinance or replace Existing Financial Indebtedness or to refinance or replace Permitted Refinancing Indebtedness falling within paragraph (a) or (c) of the definition thereof, one or more Obligors and/or the same member of the Group that issued the relevant Existing Financial Indebtedness that is being refinanced or replaced (whether acting as co-issuers or otherwise but, for the avoidance of doubt, with several liability only);
 - (B) in the case of bonds, notes or other debt securities or convertible or exchangeable securities (or other equity-like instruments which are treated as Financial Indebtedness) issued so as to be applied in repayment or prepayment of the Facilities or in repayment or prepayment of Permitted Refinancing Indebtedness falling within paragraph (b) or (c) of the definition thereof, one or more Obligors whether acting as co-issuers or otherwise; or

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- (C) in the case of any issuance of Subordinated Optional Convertible Securities issued so as to be applied in accordance with Clause 8.5 (*Application of Permitted Equity Fundraising Proceeds and Caliza Proceeds*), the Borrower or any other members of the Group acting as co-issuers or otherwise,

(and, for the avoidance of doubt, such securities may be issued with an original issue discount) on the capital markets in each case subscribed or paid for in full in cash on issue (unless such securities are exchanged on issue for other securities that constitute Existing Financial Indebtedness) **provided that** (other than (x) any conversion into common equity securities of the Borrower or other equity-like instruments issued by the Borrower or a member of the Group, (y) in the case of a refinancing by Bancomext of the Bancomext Facility other than under the Facilities or (z) one or more issuances of Certificados Bursatiles in an aggregate outstanding principal amount of not more than \$300,000,000 at any time (the “**\$300,000,000 Certificados Bursatiles**”)) no principal repayments are scheduled in respect thereof until after the Termination Date;

- (ii) under a loan facility (whether term or revolving and including, without limitation, a ‘term loan B’ or other tranching) in respect of which the only borrowers are:
- (A) in the case of loan facilities entered into to refinance or replace Existing Financial Indebtedness or to refinance or replace Permitted Refinancing Indebtedness falling within paragraph (a) or (c) of the definition thereof, one or more Obligors and/or the same member of the Group that borrowed the relevant Financial Indebtedness that is being refinanced or replaced, (whether acting as joint or multiple borrowers but for the avoidance of doubt, with several liability only); or
- (B) in the case of loan facilities entered into so as to refinance or replace the Facilities or Permitted Refinancing Indebtedness falling within paragraph (b) or (c) of the definition thereof, one or more Obligors whether acting as joint or multiple borrowers,

and further **provided that**:

- (1) subject to paragraph (2) below, the terms applicable to such issuance under paragraph (f)(i) (excluding pricing, but including, without limitation, as to prepayments, representations, covenants, events of default, guarantees and security) taken as a whole are no more restrictive or onerous than the terms applicable to the Facilities, any of the Existing High Yield Notes and any of the Existing Subordinated Convertible Notes, whichever is the more restrictive or onerous with respect to the terms taken as a whole and the terms applicable to such incurrence under paragraph (f)(ii) (excluding pricing, but including, without limitation, as to prepayments,

representations, covenants, events of default, guarantees and security) are no more restrictive or onerous taken as a whole than the terms applicable to the Facilities, any of the Existing High Yield Notes or any of the Existing Subordinated Convertible Notes, whichever is the more restrictive or onerous taken as a whole;

- (2) the terms relating to mandatory prepayments that are applicable to any \$300,000,000 Certificados Bursatiles under paragraph (f)(i) or any incurrence under (f)(ii) may not be more onerous or restrictive taken as a whole than the terms relating to mandatory prepayments applicable to the Facilities;
- (3) the proceeds of such issuance or incurrence are applied (to the extent required) in accordance with Clause 8 (*Mandatory Prepayment*);
- (4) (i) if proceeds of such issuance or incurrence are, to the extent required under this Agreement, being used to replace or refinance: (aa) the Facilities; (bb) (in whole or part) Existing High Yield Notes which share in the Transaction Security; (cc) any other Existing Financial Indebtedness (other than the Existing Subordinated Convertible Notes or the Bancomext Facility (other than where the Bancomext Facility is being replaced or refinanced with the Facilities)); (dd) any Permitted Refinancing Indebtedness applied to replace or refinance any of the Financial Indebtedness falling within (aa) to (cc) above or any refinancing or replacement thereof; or (ii) if the proceeds of such issuance or incurrence are either (xx) Financial Indebtedness falling within paragraph (p) of this definition of Permitted Financial Indebtedness; or (yy) an issuance (whether a refinancing or otherwise) providing Equally Secured Debt Proceeds which are dealt with in accordance with Clause 8 (*Mandatory Prepayment*), then in the case of both (i) and (ii) above such Financial Indebtedness issued or incurred shall be entitled to share in the Transaction Security in accordance with (and on the terms of) the Intercreditor Agreement;
- (5) any issuance under paragraph (f)(i) or (f)(ii) above which refinances or replaces any Permitted Refinancing Indebtedness which is subordinated to the Facilities must be so subordinated; and
- (6) any issuance under paragraph (f)(i) above which refinances or replaces Subordinated Optional Convertible Securities or other equity-like instruments

must constitute an issuance of Subordinated Optional Convertible Securities or such other equity-like instruments;

- (g) that becomes Financial Indebtedness solely as a result of any change in Applicable GAAP of the Borrower after the date of this Agreement and that existed prior to the date of such change in Applicable GAAP of the Borrower (or that replaces, and is on substantially the same terms as, such Financial Indebtedness);
- (h) of any person acquired by a member of the Group pursuant to an acquisition falling within paragraph (k) or (m) of the definition of Permitted Acquisition **provided that**: (i) such Financial Indebtedness existed prior to the date of the acquisition and was not incurred, increased or extended in contemplation of, or since, the acquisition; and (ii) the aggregate amount of any such Financial Indebtedness of members of the Group does not exceed \$200,000,000 at any time;
- (i) under Treasury Transactions entered into in accordance with Clause 23.28 (*Treasury Transactions*);
- (j) incurred pursuant to or in connection with any cash pooling or other cash management agreements in place with a bank or financial institution, but only to the extent of offsetting credit balances of the Borrower or its Subsidiaries pursuant to such cash pooling or other cash management arrangement;
- (k) constituting Financial Indebtedness for taxes levied, assessments due and other governmental charges required to be paid as a matter of law or regulation in the ordinary course of trading;
- (l) that constitutes a Permitted Joint Venture;
- (m) that constitutes Financial Indebtedness permitted to be incurred pursuant to a Permitted PPP Investment;
- (n) that constitutes a Permitted Working Capital Facility;
- (o) incurred by a member of the Caliza Group for the purposes of financing Caliza Expansion Capital in the amount of the Caliza Expansion Capital to be incurred (**provided that** the aggregate of all such Caliza Expansion Capital (other than any such amount that is funded from Reinvestment Proceeds Sources) may not exceed the Caliza Expansion Capital Permitted Limit at any time);
- (p) not permitted by the preceding paragraphs or as a Permitted Transaction and the outstanding principal amount of which does not exceed \$500,000,000 (or its equivalent) in aggregate for the Group at any time, **provided that** such Financial Indebtedness may, if CEMEX so determines, benefit from the Transaction Security; and
- (q) approved by the Agent acting on the instructions of the Majority Lenders.

“Permitted Fundraising” means:

- (a) any issuance of equity securities by the Borrower paid for in full in cash on issue (and, for the avoidance of doubt, such securities may be issued with an original issue discount) and not redeemable on or prior to the Termination Date and where such issue does not lead to a Change of Control;
- (b) any issuance of equity-linked securities issued by any member of the Group that are linked solely to, and result only in the issuance of, equity securities of the Borrower otherwise entitled to be issued under this definition (and that do not, for the avoidance of doubt, result in the issuance of any equity securities by such member of the Group) and that are paid for in full in cash on issue (and, for the avoidance of doubt, such securities may be issued with an original issue discount) and where such issue does not lead to a Change of Control (**provided that** such securities do not provide for the payment of interest in cash and are not redeemable on or prior to the Termination Date); and
- (c) any incurrence of Financial Indebtedness falling within paragraph (f) of the definition of Permitted Financial Indebtedness.

“Permitted Guarantee” means:

- (a) any guarantee existing on the date of this Agreement with those guaranteeing Financial Indebtedness above an amount of \$10,000,000 (or its equivalent) (other than Financial Indebtedness described in paragraphs (i) and (j) of the definition thereof) being listed in Schedule 12 (*Existing Guarantees*);
- (b) any guarantee forming part of the obligations comprised in the Finance Documents;
- (c) the endorsement of negotiable instruments in the ordinary course of trade but excluding an *aval*;
- (d) any performance guarantee or Contingent Instrument guaranteeing performance by a member of the Group under any contract entered into in the ordinary course of trade;
- (e) any guarantee of a Joint Venture to the extent permitted by Clause 23.19 (*Joint ventures*);
- (f) any guarantee (including an *aval*) of Financial Indebtedness falling within the following paragraphs of the definition of Permitted Financial Indebtedness:
 - (i) paragraph (a);
 - (ii) paragraph (b) (other than Existing Financial Indebtedness under the Bancomext Facility or under the Existing Subordinated Convertible Notes);
 - (iii) paragraph (c) or (e);

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- (iv) paragraph (f) (so long as: (A) the Financial Indebtedness refinanced from the proceeds of such Permitted Financial Indebtedness was Existing Financial Indebtedness (other than Existing Financial Indebtedness under the Bancomext Facility (save where such Permitted Financial Indebtedness is a refinancing or replacement of the Bancomext Facility under the Facilities) or under the Existing Subordinated Convertible Notes); (B) the Financial Indebtedness refinanced from the proceeds of such Permitted Financial Indebtedness was issued, borrowed or guaranteed by the relevant guarantor; or (C) such Permitted Financial Indebtedness that is guaranteed is applied, to the extent required, in accordance with Clause 8 (*Mandatory Prepayment*) to repay Lenders; or
 - (v) any of paragraphs (i) to (l) or (p);
 - (g) any guarantee given in respect of the netting or set-off arrangements permitted pursuant to paragraph (B) of the definition of Permitted Security;
 - (h) any indemnity given to professional advisers on customary terms as part of the terms of their engagement;
 - (i) any indemnity given on customary terms in connection with a Permitted Disposal or a Permitted Acquisition (but not, for the avoidance of doubt, a guarantee of Financial Indebtedness), in each case in a maximum amount not exceeding the cash consideration received by members of the Group for that Disposal or, as the case may be, paid by members of the Group for that acquisition (except in the case of environmental, employment or tax indemnities given in connection with a Permitted Acquisition or Permitted Disposal);
 - (j) any guarantee consented to by the Agent acting on behalf of the Majority Lenders;
 - (k) any guarantee given by a member of the Group in favour of another member of the Group (including a guarantee given by a member of the Caliza Group in favour of another member of the Caliza Group but excluding (save for any such guarantees which exist as at the date of this Agreement) a guarantee given by a member of the Group which is not a member of the Caliza Group in favour of a member of the Caliza Group) other than:
 - (i) a guarantee given by a member of the Group in favour of another member of the Group that is an issuer, borrower or guarantor of:
 - (A) any Financial Indebtedness falling within the definition of Existing Financial Indebtedness; or
 - (B) any Financial Indebtedness falling within paragraph (f) of the definition of Permitted Financial Indebtedness that is not used to repay or prepay the Facilities,

where such guarantee provides direct or indirect support for such person's obligations in respect of such Financial Indebtedness (**provided that**, for the avoidance of doubt, other guarantees given by a member of the Group in favour of the relevant issuer, borrower or guarantor will not be restricted under this paragraph (i));

- (ii) a guarantee given by a member of the Group in favour of another member of the Group that provides direct or indirect support for Financial Indebtedness falling within paragraphs (g) (other than where such guarantee was granted prior to the date of the relevant change in Applicable GAAP of the Borrower) or (h) of the definition of Permitted Financial Indebtedness;
- (iii) a guarantee given by a member of the Group in favour of another member of the Group that is the issuer (or equivalent) under any Permitted Securitisation, other than any indemnities that are customary in the context of such a transaction carried out on a non-recourse basis or on a basis where recovery is limited solely to the collection of the relevant receivables (**provided that**, for the avoidance of doubt, other guarantees given by a member of the Group in favour of the relevant issuer (or equivalent) will not be restricted under this sub-paragraph (iv));
- (l) any guarantee given by a member of the Group in respect of obligations of a member of the Caliza Group under Financial Indebtedness permitted to be incurred under paragraph (o) of the definition of Permitted Financial Indebtedness;
- (m) any other guarantee given by a member of the Group (i) in respect of a Permitted Working Capital Facility or (ii) in favour of a bank or financial institution in respect of obligations of that bank or financial institution to a third party that does not fall within paragraph (d) above **provided that** at any time the aggregate principal amount guaranteed by all such guarantees then outstanding under (i) and (ii) above does not exceed \$900,000,000 (and **provided further that** any performance bonds, banker's acceptances or guarantee, bonding, documentary or stand-by letter of credit facilities shall only be counted towards such limit to the extent that such performance bond, banker's acceptance, guarantee, bonding, documentary or stand-by letter of credit facility constitutes Debt);
- (n) any guarantee granted in respect of obligations of a Group member under the European Transaction; and
- (o) any guarantee granted in respect of obligations of a Group member under Financial Indebtedness providing Equally Secured Debt Proceeds.

"Permitted Joint Venture" means any investment in any Joint Venture where:

- (a) such investment exists or a member of the Group is contractually committed to such investment at the date of this Agreement and, if the value of the Group's investment in such Joint Venture is \$50,000,000 or greater (as shown in the Original Financial Statements of the Borrower) is detailed in Schedule 13 (*Permitted Joint Ventures*); or

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- (b) such investment is made by a member of the Caliza Group to finance a Joint Venture entered into by a member of the Caliza Group (a “**Caliza Joint Venture**”) and:
- (i) either the investment has been consented to by the Agent acting on the instructions of the Majority Lenders or the Caliza Joint Venture is engaged in a business substantially the same as that carried on by any member of the Caliza Group; and
 - (ii) the aggregate (excluding any such amount that is funded from Reinvestment Proceeds Sources) of:
 - (A) all amounts subscribed for shares in, lent to, or invested in all such Caliza Joint Ventures by any member of the Group;
 - (B) the contingent liabilities of any member of the Group under any guarantee given in respect of the liabilities of any such Caliza Joint Venture; and
 - (C) the market value of any assets transferred by any member of the Group to any such Caliza Joint Venture;
minus
 - (D) an amount up to, but not exceeding, the Caliza Expansion Capital Permitted Limit (or its equivalent) that represents all cash amounts received by any member of the Caliza Group (i) relating to dividends, repayment of loans or distributions of any other nature in respect of any such Joint Ventures and (ii) as a result of or in relation to any disposals of shares, interests or participations, divestments, capital reductions or any similar decreases of interest in any such Joint Ventures (**provided that** such cash amounts may only be deducted under this sub-paragraph (ii)(D) to the extent not already deducted under sub-paragraph (ii)(D) of paragraph (c) below),

(such amount being the “**Caliza Joint Venture Investment**”) does not at any time (when aggregated with all other amounts of Caliza Expansion Capital then incurred) exceed the Caliza Expansion Capital Permitted Limit;
- (c) such investment is made after the date of this Agreement and:
- (i) either the investment has been consented to by the Agent acting on the instructions of the Majority Lenders or the Joint Venture is engaged in a business substantially the same as that carried on by the Group; and

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- (ii) in any Financial Year of the Borrower, the aggregate (excluding any such amount that is funded from Reinvestment Proceeds Sources) of:
- (A) all amounts subscribed for shares in, lent to, or invested in all such Joint Ventures by any member of the Group;
 - (B) the contingent liabilities of any member of the Group under any guarantee given in respect of the liabilities of any such Joint Venture; and
 - (C) the market value of any assets transferred by any member of the Group to any such Joint Venture;
minus
 - (D) an amount up to, but not exceeding, \$400,000,000 (or its equivalent) in any Financial Year that represents all cash amounts received by any member of the Group (aa) relating to dividends, repayment of loans or distributions of any other nature in respect of any such Joint Ventures in that Financial Year and (bb) as a result of or in relation to any disposals of shares, interests or participations, divestments, capital reductions or any similar decreases of interest in any such Joint Ventures in that Financial Year,

does not (when aggregated with the aggregate amount of the consideration for acquisitions falling within paragraph (m) of the definition of Permitted Acquisition (excluding any such amount that is funded from Reinvestment Proceeds Sources) in that Financial Year) exceed \$400,000,000 (or its equivalent in other currencies) or such greater amount as the Agent (acting on the instructions of the Majority Lenders) may agree (such amount being the “**Joint Venture Investment**”);

- (d) such investment is made under or in connection with the Spanish Combination; or
- (e) in addition to the above, such investment is made by a member of the Group and is funded by Reinvestment Proceeds Sources.

“**Permitted Loan**” means:

- (a) any trade credit extended by any member of the Group to its customers on normal commercial terms and in the ordinary course of its trading activities;
- (b) Financial Indebtedness which is referred to in the definition of, or otherwise constitutes, Permitted Financial Indebtedness (except under paragraph (d) of that definition);
- (c) a loan made to a Joint Venture to the extent permitted under Clause 23.19 (*Joint ventures*);

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- (d) a loan which constitutes a Permitted PPP Investment;
 - (e) a loan made by a member of the Group to another member of the Group;
 - (f) deferred consideration in relation to Disposals falling within paragraph (k) of the definition of Permitted Disposal;
 - (g) a loan made by a member of the Group to an employee or director of any member of the Group if the amount of that loan when aggregated with the amount of all loans to employees and directors by members of the Group does not exceed \$15,000,000 (or its equivalent) at any time;
 - (h) any loan consented to by the Agent acting on the instructions of the Majority Lenders;
 - (i) a loan arising as a result of an advance payment of Capital Expenditure made in the ordinary course of trading where such Capital Expenditure is permitted under this Agreement;
 - (j) any credit extended by way of receipt by a member of the Group of promissory notes in exchange for supplying materials or services for use in Mexican public works projects as long as the aggregate principal amount of the Financial Indebtedness under such loan(s) does not exceed \$100,000,000 (or its equivalent) at any time; and
 - (k) any other loan(s) as long as the aggregate principal amount of the Financial Indebtedness under any such loan(s) does not exceed \$250,000,000 (or its equivalent) at any time.

“Permitted Payment” means:

- (a) a scheduled principal repayment or redemption of any Financial Indebtedness (but not, for the avoidance of doubt, any prepayment or early redemption of any such Financial Indebtedness save as described in paragraphs (b) to (i) below);
- (b) subject, to the extent applicable, to compliance with Clause 8 (*Mandatory Prepayment*), a principal prepayment or early redemption (including, for the avoidance of doubt, any break costs, make whole amount or other prepayment penalty (howsoever described)) in respect of Financial Indebtedness falling within (i) the definition of Existing Financial Indebtedness from the proceeds of a Permitted Fundraising falling within paragraph (f)(i) of the definition of Permitted Financial Indebtedness, or (ii) paragraph (b) of the definition of Permitted Financial Indebtedness to the extent it relates to Certificados Bursatiles or (iii) paragraph (p) of the definition of Permitted Financial Indebtedness;
- (c) subject, to the extent applicable, to compliance with Clause 8 (*Mandatory Prepayment*), a principal prepayment or early redemption (including, for the avoidance of doubt, any break costs, make whole amount or other prepayment penalty (howsoever described)) in respect of (i) Financial Indebtedness falling within the definition of Existing Financial Indebtedness from the proceeds of a

Permitted Fundraising falling within paragraph (f)(ii) of the definition of Permitted Financial Indebtedness or (ii) the Bancomext Facility (or any refinancings thereof);

- (d) a principal repayment or redemption required under the terms of the Bancomext Facility or, as the case may be, any refinancings of the Bancomext Facility;
- (e) a principal prepayment or early redemption (including, for the avoidance of doubt, any break costs, make whole amount or other prepayment penalty (howsoever described)) in respect of Financial Indebtedness falling within paragraph (e) of the definition of Permitted Financial Indebtedness from the proceeds of a refinancing or replacement facility or facilities falling within that paragraph (e);
- (f) any prepayment (including, for the avoidance of doubt, any break costs, make whole amount or other prepayment penalty (howsoever described)) of Existing Financial Indebtedness or Permitted Financial Indebtedness arising under paragraph (f)(i) or (f)(ii) of the definition thereof as a result of (x) a change of control or (y) unlawfulness affecting a Lender, in each case in respect of such Existing Financial Indebtedness or such Permitted Financial Indebtedness;
- (g) a cash payment made using proceeds of Permitted Refinancing Indebtedness or otherwise in accordance with Clause 8 (*Mandatory Prepayment*) by a member of the Group to a creditor in respect of Existing Financial Indebtedness pursuant to a cash tender offer for the purchase or repurchase thereof;
- (h) any payment (including, for the avoidance of doubt, any break costs, make whole amount or other prepayment penalty (howsoever described)) of Financial Indebtedness of the Group using the cash reserves of the Group or permitted to be made pursuant to Clause 8 (*Mandatory Prepayment*);
- (i) any payment of fees and expenses incurred in connection with Permitted Financial Indebtedness,

including, in each case, any payment, prepayment or redemption pursuant to a Permitted Guarantee given in respect of such Financial Indebtedness.

“Permitted PPP Investment” means any subscription for shares in, loan or transfer of assets to or other investment in, a PPP Vehicle participating in a PPP Project where:

- (a) the aggregate of (without double counting):
 - (i) all amounts subscribed for shares in, lent to, or otherwise invested in all such PPP Vehicles by any member of the Group (whether, in the case of subscription for shares, as a majority or a minority shareholder);
 - (ii) the market value of any assets transferred by any member of the Group to any such PPP Vehicle;

(iii) (if a member of the Group owns, directly or indirectly, 50 per cent. or more of the share capital of a PPP Vehicle) the amount of Financial Indebtedness incurred by that PPP Vehicle from sources outside the Group,

(such aggregate amount being the “**PPP Investment**”) does not at the time of any such PPP Investment exceed:

(A) \$300,000,000 (or its equivalent); or

(B) such greater amount as the Agent (acting on the instructions of the Majority Lenders) may agree;

- (b) the PPP Investment (including any transfer of assets by a member of the Group to the relevant PPP Vehicle) and any related transactions are made in accordance with Clause 23.14 (*Transactions with Affiliates*) (and, if any PPP Vehicle is not an Affiliate of a member of the Group, it shall be deemed to be an Affiliate for the purposes of this paragraph (b) and paragraph (d) below);
- (c) no asset of any member of the Group will be the subject of Security or Quasi-Security to secure the obligations of a PPP Vehicle, other than (i) assets of the relevant PPP Vehicle (including, without limitation, receivables of that PPP Vehicle) and (ii) the share capital (or other interest) owned by any member of the Group in that PPP Vehicle (the “**Permitted PPP Security**”); and
- (d) no member of the Group will have any liability to any PPP Vehicle or to third parties in connection with the PPP Investment or the PPP Vehicle except for (i) any Permitted PPP Security; and (ii) transactions for the supply of goods and services between a member of the Group and the PPP Vehicle made in compliance with Clause 23.14 (*Transactions with Affiliates*).

“**Permitted PPP Security**” has the meaning given to it in paragraph (c) of the definition of Permitted PPP Investment.

“**Permitted Put/Call Proceeds**” means any cash or other assets arising out of or in connection with any Permitted Put/Call Transaction, including, but not limited to, any settlement, disposal, transfer, assignment, close-out or other termination of such Permitted Put/Call Transaction.

“**Permitted Put/Call Transaction**” has the meaning given to it in paragraph (d) of paragraph 1 of Schedule 16 (*Hedging Parameters*).

“**Permitted Refinancing Indebtedness**” means Financial Indebtedness which is Permitted Financial Indebtedness falling within paragraph (f) of the definition thereof issued or incurred to:

- (a) refinance or replace Existing Financial Indebtedness;
- (b) repay, prepay, refinance or replace the Facilities or provide Equally Secured Debt Proceeds; or
- (c) refinance or replace Permitted Financial Indebtedness falling within paragraph (f) of the definition thereof which has been applied towards the purposes described in paragraphs (a) and (b) above or to refinance or replace any such subsequently issued or incurred Financial Indebtedness or any further refinancings or replacements.

“**Permitted Reorganisation**” means, any intra-Group reorganisation involving an Obligor consented to by the Agent (acting on the instructions of the Majority Lenders), **provided that** upon completion of each step in the Permitted Reorganisation the requirements of Clause 23.29 (*Transaction Security*) are satisfied.

“**Permitted Securitisations**” means a transaction or series of related transactions providing for the securitisation of receivables and related assets by the Borrower or its Subsidiaries, including a sale at a discount, **provided that** (i) such receivables have been transferred, directly or indirectly, by the originator thereof to a person that is not a member of the Group in a manner that satisfies the requirements for an absolute conveyance (or, where the originator is organised in Mexico, a true sale), and not merely a pledge, under the laws and regulations of the jurisdiction in which such originator is organised; and (ii) except for customary representations, warranties, covenants and indemnities, such sale, transfer or other securitisation is carried out on a non-recourse basis or on a basis where recovery is limited solely to the collection of the relevant receivables (other than where such recourse or recovery is required pursuant to Article 122a of the Capital Requirements Directive of the European Parliament and of the Council of the European Union (as introduced by Directive 2009/111/EC of 16 September 2009, amending Directives 2006/48/EC, 2006/49/EC and 2007/64/EC) (as further amended or replaced from time to time, including, without limitation, by virtue of Articles 404 to 410 of Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms) and any relevant implementing legislation or pursuant to any analogous laws or regulations in any jurisdiction (the “**Relevant Legislation**”).

“**Permitted Security**” has the meaning given to such term in Clause 23.5 (*Negative pledge*).

“**Permitted Share Issue**” means:

- (a) a Permitted Fundraising falling within paragraph (a) or (b) of the definition thereof;
- (b) (other than an issue of shares by a member of the Group that is not a member of the Caliza Group to a member of the Caliza Group) an issue of shares by a member of the Group which is a Subsidiary of the Borrower to another member of the Group (and, where the member of the Group has a minority shareholder, to that minority shareholder on a *pro rata* basis) where (if the existing shares of the Subsidiary are the subject of the Transaction Security) the newly-issued shares also become subject to the Transaction Security on the same terms;
- (c) an issue of shares by the Borrower to comply with an obligation in respect of any Executive Compensation Plan of the Borrower;

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- (d) an issue of common equity securities of the Borrower or other equity-like instruments of the Borrower or any other member of the Group either (i) by the Borrower or (ii) to any member of the Group where the Borrower or that member of the Group has an obligation to deliver such shares or other equity-like instruments to a counterparty pursuant to the terms of any Permitted Put/Call Transaction or an obligation to deliver such shares or other equity-like instruments to the holder(s) of convertible or exchangeable securities comprising Existing Financial Indebtedness or falling within paragraph (f)(i) of the definition of Permitted Financial Indebtedness pursuant to the terms and conditions of such convertible or exchangeable securities (as amended from time to time);
 - (e) an issue of shares by Caliza to comply with an obligation in respect of any Executive Compensation Plan of Caliza;
 - (f) an issue of shares by Caliza pursuant to a Caliza Transaction or a Permitted Treasury Transaction within the scope of paragraph 1(e) of Schedule 16 (*Hedging Parameters*);
 - (g) an issue of shares by a member of the Group (other than a member of the Group whose shares are subject to the Transaction Security, unless the newly-issued shares also become subject to the Transaction Security on the same terms) that is not a member of the Caliza Group to a member of the Caliza Group, **provided that** the aggregate fair market value of all shares issued pursuant to this paragraph (g) after the date of this Agreement does not exceed \$750,000,000 (or its equivalent) (when aggregated with the aggregate fair market value of asset disposals falling within paragraph (j) of the definition of Permitted Disposal);
 - (h) any issue of shares by CEMEX España Operaciones pursuant to the Spanish Combination;
 - (i) any issue of shares by the Borrower or Caliza which comprise the consideration for a Permitted Acquisition;
 - (j) an issue of shares which constitutes a Permitted Joint Venture; and
 - (k) any issue of shares consented to by the Agent acting on the instructions of the Majority Lenders.

“**Permitted Transaction**” means:

- (a) any disposal required, Financial Indebtedness incurred, guarantee, indemnity or Security given, or other transaction arising, under the Finance Documents;
- (b) the solvent liquidation or reorganisation of any member of the Group which is not an Obligor so long as any payments or assets distributed as a result of such liquidation or reorganisation are distributed to other members of the Group (and, where the member of the Group has a minority shareholder, to that minority shareholder on a *pro rata* basis);
- (c) any Permitted Reorganisation; and
- (d) transactions (other than (i) any sale, lease, license, transfer or other disposal and (ii) the granting or creation of Security or the incurring or permitting to subsist of Financial Indebtedness) conducted in the ordinary course of trading on arm’s length terms.

“**Permitted Treasury Transaction**” has the meaning given to that term in Schedule 16 (*Hedging Parameters*).

“**Permitted Working Capital Facility**” means Financial Indebtedness of one or more members of the Group under loan facilities, overdraft facilities, performance bonds, banker’s acceptances, guarantee, bonding, documentary or stand-by letter of credit facilities, commercial paper, insurance premium financing and, in each case, other similar facilities or accommodation (in any case) for the financing of working capital of the Group or such members of the Group in an aggregate amount of no more than \$900,000,000 (or its equivalent) (the “**Permitted Working Capital Basket**”) **provided that** the Permitted Working Capital Basket shall only limit any such performance bond, banker’s acceptance, guarantee, bonding, documentary or stand-by letter of credit facility to the extent that such performance bond, banker’s acceptance, guarantee, bonding, documentary or stand-by letter of credit facility constitutes Debt.

“**Permitted Working Capital Basket**” has the meaning given to that term in the definition of Permitted Working Capital Facility.

“**PPP Investment**” has the meaning given to that term in the definition of Permitted PPP Investment.

“**PPP Project**” means an infrastructure development project in Mexico under the terms of the Private/Public Partnership Law (*Ley de Asociaciones Público-Privadas*) at a federal or state level, or any similar project in another jurisdiction under the terms of equivalent legislation in that jurisdiction.

“**PPP Vehicle**” means a special purpose vehicle participating in PPP Projects.

“**Process Agent**” means CEMEX UK at its registered address being, as at the date of this Agreement, CEMEX House, Coldharbour Lane, Thorpe, Egham, Surrey TW20 8TD and with fax number (+44) 01932 568933, Attn: The Secretary.

“**Promissory Note**” means a dual column English and Spanish non-negotiable promissory note issued or to be issued by the Borrower and executed *por aval* by each of the Guarantors, substantially in the form set out in Schedule 4 (*Form of Promissory Note*).

“**Protected Party**” means a Finance Party which is or will be subject to any liability or required to make any payment for or on account of Tax in relation to a sum received or receivable (or any sum deemed for the purposes of Tax to be received or receivable) under a Finance Document.

“**Qualifying Lender**” has the meaning given to that term in Clause 14 (*Tax Gross-Up and Indemnities*).

“**Quasi-Security**” has the meaning given to that term in Clause 23.5 (*Negative pledge*).

“**Quotation Day**” means, in relation to any period for which an interest rate is to be determined, two London Business Days before the first day of that period unless market practice differs in the Relevant Interbank Market, in which case the Quotation Day will be determined by the Agent in accordance with market practice in the Relevant Interbank Market (and if quotations would normally be given by leading banks in the Relevant Interbank Market on more than one day, the Quotation Day will be the last of those days).

“**Rating**” means at any time the solicited long-term credit rating or the senior implied rating of the Borrower or an issue of securities of or guaranteed by the Borrower, where the rating is based primarily on the senior unsecured credit risk of the Borrower and/or, in the case of the senior implied rating, on the characteristics of any particular issue, assigned by a Rating Agency.

“**Rating Agency**” means S&P, Moody’s or Fitch.

“**Receiver**” means a receiver or receiver and manager or administrative receiver of the whole or any part of the Charged Property.

“**Reference Bank Rate**” means the arithmetic mean of the rates (rounded upwards to four decimal places) as supplied to the Agent at its request by the Reference Banks as the rate at which the relevant Reference Bank could borrow funds in the London interbank market in dollars and for the relevant period, were it to do so by asking for and then accepting interbank offers for deposits in reasonable market size in that currency and for that period.

“**Reference Banks**” means the principal London offices of BNP Paribas, ING Bank NV and such other banks as may be appointed by the Agent in consultation with the Borrower.

“**Reference Period**” has the meaning given to that term in Clause 22.1 (*Financial definitions*).

“**Reinvestment Proceeds Sources**” means Caliza Proceeds, Disposal Proceeds, Permitted Equity Fundraising Proceeds or Permitted Put/Call Proceeds;

“**Related Fund**” in relation to a fund (the “**first fund**”), means a fund which is managed or advised by the same investment manager or investment adviser as the first fund or, if it is managed by a different investment manager or adviser, a fund whose investment manager or investment adviser is an Affiliate of the investment manager or investment adviser of the first fund.

“**Relevant Commitment**” has the meaning given to that term in a relevant Accordion Confirmation.

“**Relevant Convertible/Exchangeable Obligations**” has the meaning given to that term in Clause 22.1 (*Financial definitions*).

“**Relevant Interbank Market**” means the London interbank market.

“**Relevant Jurisdiction**” means, in relation to an Obligor:

- (a) its jurisdiction of incorporation or formation;
- (b) any jurisdiction where any asset subject to or intended to be subject to the Transaction Security to be created by it is situated;
- (c) any jurisdiction where it conducts its business; and
- (d) the jurisdiction whose laws govern the perfection of any of the Transaction Security Documents entered into by it.

“**Relevant Legislation**” has the meaning given to such term in the definition of Permitted Securitisations.

“**Relevant Proceeds**” has the meaning given to that term in Clause 8.1 (*Definitions*).

“**Relevant Reserve**” has the meaning given to that term in Clause 8.1 (*Definitions*).

“**Repeating Representations**” means each of the representations set out in Clause 20.1 (*Status*) to Clause 20.5 (*Validity and admissibility in evidence*) and paragraphs (a) and (b) of Clause 20.11 (*Financial statements*).

“**Representative**” means any delegate, agent, manager, administrator, nominee, Irish law examiner, attorney, trustee or custodian.

“**Reserve**” has the meaning given to that term in Clause 8.1 (*Definitions*).

“**Resignation Letter**” means a document substantially in the form set out in Schedule 8 (*Form of Resignation Letter*).

“**Responsible Officer**” means the Chief Financial Officer and/or Chief Controlling Officer of the Borrower or a person holding equivalent status (or higher).

“**Restricted Debt Purchase Transaction**” means, in relation to a person, a transaction where such person enters into any sub-participation in respect of, or enters into any other agreement or arrangement having an economic effect substantially similar to a sub-participation in respect of, any Commitment or amount outstanding under this Agreement.

“**S&P**” means Standard & Poor’s Rating Services, a division of The McGraw-Hill Companies, Inc., or any successor thereto from time to time.

“**Sanctioned Country**” means a country or territory that is, or whose government is, the subject of Sanctions broadly prohibiting dealings with such government, country, or territory, including, without limitation, as of the date of this Agreement, Cuba, Iran, Burma, North Korea, Sudan and Syria.

“**Sanctions**” means:

- (a) United Nations sanctions imposed pursuant to any United Nations Security Council Resolution;

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- (b) U.S. sanctions administered by the Office of Foreign Assets Control of the U.S. Department of the Treasury or any other U.S. Governmental Authority or department;
 - (c) EU restrictive measures implemented pursuant to any EU Council or Commission Regulation or Decision adopted pursuant to a Common Position in furtherance of the EU's Common Foreign and Security Policy;
 - (d) UK sanctions adopted by the Terrorist-Asset Freezing etc Act 2010 or other legislation and statutory instruments enacted pursuant to the United Nations Act 1946 or the European Communities Act 1972 or enacted by or pursuant to other laws and administered by Her Majesty's Treasury or any other Governmental Authority; and
 - (e) any other economic, trade sanctions or similar restrictive laws and regulations relating to economic or trade sanctions applicable to any Party or any of its Affiliates.

“**SAR**” means the Mexican Retirement Savings System (*Sistema de Ahorro para el Retiro*).

“**Screen Rate**” means the London interbank offered rate administered by ICE Benchmark Administration Limited (or any other person which takes over the administration of that rate) for dollars for the relevant period displayed on pages LIBOR01 or LIBOR02 of the Reuters screen (or any replacement Reuters page which displays that rate) or on the appropriate page of such other information service which publishes that rate from time to time in place of Reuters. If such page or service ceases to be available, the Agent may specify another page or service displaying the relevant rate after consultation with the Borrower and the Lenders.

“**SEC**” means the U.S. Securities Exchange Commission and any successor thereto.

“**Secured Parties**” means each Finance Party from time to time party to this Agreement and any Receiver or Delegate.

“**Security**” means a mortgage, charge, pledge, lien, security trust or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect.

“**Security Providers**” means the Original Security Providers and any Additional Security Provider other than any Original Security Provider or Additional Security Provider which has ceased to be a Security Provider pursuant to Clause 29.4 (*Resignation of a Security Provider*) and has not subsequently become an Additional Security Provider pursuant to Clause 29.2 (*Additional Guarantors and Additional Security Providers*), and “**Security Provider**” means any of them.

“**Selection Notice**” means a notice substantially in the form set out in Part II of Schedule 3 (*Requests and Notices*) given in accordance with Clause 11 (*Interest Periods*).

“**Spain**” means the Kingdom of Spain.

“**Spanish Combination**” means the contribution agreement, the shareholders agreement and other arrangements entered into or to be entered into between CEMEX España (and any other member of the Group) and a member (or members) of the Holcim Group in relation to CEMEX España Operaciones, pursuant to which a member (or members) of the Holcim Group will contribute assets to CEMEX España Operaciones or its subsidiaries in consideration for the issue to or acquisition by a member (or members) of the Holcim Group of shares in CEMEX España Operaciones.

“**Spanish Combination Termination Mechanism**” means the ability of a Group member on or after the fifth anniversary of completion of the Spanish Combination to acquire all of the shares in CEMEX España Operaciones held by any member of the Holcim Group at the relevant time (whether such shares were issued as part of completion of the Spanish Combination or were acquired or subscribed for as part of any capital contribution in CEMEX España Operaciones after completion of the Spanish Combination or otherwise).

“**Spanish GAAP**” means the Spanish General Accounting Plan (*Plan general de contabilidad*) approved by Royal Decree 1514/2007 as in effect from time to time and consistent with those used in the preparation of the most recent audited financial statements referred to in Clause 21.1 (*Financial statements*).

“**Spanish Public Document**” means any obligation in an *Escritura Pública* or *poliza intervenida*.

“**Specified Time**” means a time determined in accordance with Schedule 17 (*Timetables*).

“**Subordinated Optional Convertible Securities**” means:

- (a) the Existing Subordinated Convertible Notes; and
- (b) any Financial Indebtedness incurred by any member of the Group meeting the requirements of paragraph (f)(i) of the definition of Permitted Financial Indebtedness (including that no principal repayments are scheduled until after the Termination Date which may, for the avoidance of doubt, include a fundraising the proceeds of which are (to the extent required) applied in accordance with Clause 8 (*Mandatory Prepayment*) the terms of which provide that such indebtedness is capable of optional conversion into equity securities or other equity-like instruments of the Borrower or any member of the Group and that repayment of principal and accrued but unpaid interest thereon is subordinated (under terms customary for an issuance of such Financial Indebtedness) to all senior Financial Indebtedness of the Borrower (including, but not limited to, the Facilities) except for: (A) indebtedness that states, or is issued under a deed, indenture, agreement or other instrument that states, that it is subordinated to or ranks equally with any Subordinated Optional Convertible Securities and (B) indebtedness between or among members of the Group.

“**Subsidiary**” means in relation to any company, partnership or corporation, a company, partnership or corporation:

- (a) which is controlled, directly or indirectly, by the first mentioned company, partnership or corporation;
- (b) in the case of a company or corporation, more than half the issued share capital of which is beneficially owned, directly or indirectly, by the first mentioned company, partnership or corporation; or
- (c) which is a Subsidiary of another Subsidiary of the first mentioned company, partnership or corporation,

and for this purpose, a company or corporation shall be treated as being controlled by another if that other company or corporation is able to direct its affairs and/or to control the composition of its board of directors or equivalent body.

“**Super Majority Lenders**” means, at any time, a Lender or Lenders whose Commitments aggregate 85 per cent. or more of the Total Commitments (or, if the Total Commitments have been reduced to zero, aggregated 85 per cent. or more of the Total Commitments immediately prior to that reduction).

“**Swiss Obligor**” means an Obligor incorporated in Switzerland.

“**Tax**” means any tax, levy, impost, duty or other charge, deduction or withholding of a similar nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same).

“**Termination Date**” means the date falling 60 Months after the date of this Agreement.

“**Third Party Disposal**” has the meaning given to such term in Clause 29 (*Changes to the Obligors*).

“**Total Commitments**” means the aggregate of the Total Facility A Commitments and the Total Facility B Commitments, being \$1,350,000,000 as at the date of this Agreement.

“**Total Facility A Commitments**” means the aggregate of the Facility A Commitments, being \$810,000,000 as at the date of this Agreement.

“**Total Facility B Commitments**” means the aggregate of the Facility B Commitments, being \$540,000,000 as at the date of this Agreement.

“**Transaction Security**” means the Security created or expressed to be created in favour of the Security Agent pursuant to the Transaction Security Documents.

“**Transaction Security Documents**” means each of the documents listed as being a Transaction Security Document in paragraph 3 (*Transaction Security Documents*) of Part I of Schedule 2 (*Conditions Precedent*) and any document required to be delivered to the Agent under paragraph 3 (*Transaction Security Documents*) of Part II of Schedule 2 (*Conditions Precedent*) together with any other document entered into

by any Obligor creating or expressed to create any Security over all or any part of its assets in respect of the obligations of any of the Obligors under any of the Finance Documents (and any other “Debt Documents” as defined in the Intercreditor Agreement).

“**Transfer Certificate**” means a certificate substantially in the form set out in Schedule 5 (*Form of Transfer Certificate*) or any other form agreed between the Agent and the Borrower.

“**Transfer Date**” means, in relation to an assignment or a transfer, the later of:

- (a) the proposed Transfer Date specified in the relevant Assignment Agreement or Transfer Certificate; and
- (b) the date on which the Agent executes the relevant Assignment Agreement or Transfer Certificate.

“**Treasury Transactions**” means any derivatives transaction (i) that is a rate swap transaction, swap option, basis swap, forward rate transaction, commodity swap, commodity option, equity or equity index swap, equity or equity index option, bond option, interest rate option, foreign exchange transaction, cap transaction, floor transaction, collar transaction, currency swap transaction, cross-currency rate swap transaction, currency option, credit protection transaction, credit swap, credit default swap, credit default option, total return swap, credit spread transaction, repurchase transaction, reverse repurchase transaction, buy/sell-back transaction, securities lending transaction, weather index transaction or forward purchase or sale of a security, commodity or other financial instrument or interest (including any option with respect to any of these transactions), (ii) that is a type of transaction that is similar to any transaction referred to in clause (i) above that is currently, or in the future becomes, recurrently entered into in the financial markets and that is a forward, swap, future, option or other derivative (including one or more spot transactions that are equivalent to any of the foregoing) on one or more rates, currencies, commodities, equity securities or other equity instruments, debt securities or other debt instruments, economic indices or measures of economic risk or value, or other benchmarks against which payments or deliveries are to be made or (iii) that is a combination of these transactions, it being understood that any Executive Compensation Plan permitted by this Agreement and any Caliza Offering Option are not Treasury Transactions.

“**Unpaid Sum**” means any sum due and payable but unpaid by an Obligor under the Finance Documents.

“**U.S.**”, “**US**” or “**United States**” means the United States of America.

“**U.S. Obligor**” means a Guarantor whose jurisdiction of organisation is a state of the United States or the District of Columbia.

“**Utilisation**” means a Loan.

“**Utilisation Date**” means the date of a Utilisation, being the date on which the relevant Loan is to be made.

“**Utilisation Request**” means a notice substantially in the form set out in Part I (*Utilisation Request*) of Schedule 3 (*Requests and Notices*).

“**VAT**” means value added tax as provided for in the Value Added Tax Act 1994 and any other tax of a similar nature.

“**West German Disposal**” means the disposal of any asset, undertaking or business located in western Germany or in The Netherlands or France (to the extent any such asset, undertaking or business in The Netherlands or France is related to operations in western Germany) by a member (or members) of the Group to a member (or members) of the Holcim Group.

1.2 Construction

(a) Unless a contrary indication appears a reference in this Agreement to:

- (i) the “**Agent**”, any “**Secured Party**”, the “**Security Agent**”, any “**Finance Party**”, any “**Lender**”, any “**Obligor**” or any “**Party**” shall be construed so as to include its successors in title, permitted assigns and permitted transferees and, in the case of the Security Agent, any person for the time being appointed as Security Agent or Security Agents in accordance with the Finance Documents;
- (ii) a document in “**agreed form**” is a document which is previously agreed in writing by or on behalf of the Borrower and the Agent or, if not so agreed, is in the form specified by the Agent;
- (iii) “**assets**” includes present and future properties, revenues and rights of every description;
- (iv) “**cash**” for the purposes of paragraph (k) of the definition of Permitted Disposal shall include any Financial Indebtedness of the entity being disposed of which is assumed by the acquiror and shall include the release of any liability in respect of or related to such debt;
- (v) a “**Finance Document**” or any other agreement or instrument is a reference to that Finance Document or other agreement or instrument as amended or novated;
- (vi) “**indebtedness**” includes any obligation (whether incurred as principal or as surety) for the payment or repayment of money, whether present or future, actual or contingent;
- (vii) a Lender’s “**participation**” in relation to a Loan means the amount of such Loan which such Lender has made or is to make available and thereafter that part of the Loan which is owed to such Lender;
- (viii) a “**person**” includes any person, firm, company, corporation, government, state or agency of a state or any association, trust, joint venture, consortium or partnership (whether or not having separate legal personality) of two or more of the foregoing;

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- (ix) a “**regulation**” includes any regulation, rule, official directive, request or guideline (whether or not having the force of law but, if not having the force of law, with which persons who are subject thereto are accustomed to comply) of any governmental, intergovernmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation;
- (x) the “**winding-up**”, “**dissolution**”, “**administration**” or “**reorganisation**” of a company or corporation shall be construed so as to include any equivalent or analogous proceedings (such as, in Mexico, a *concurso mercantil* or *quiebra* and in Spain, any *situación concursal*) under the laws and regulations of the jurisdiction in which such company or corporation is incorporated or any jurisdiction in which such company or corporation carries on business including the seeking of liquidation, winding-up, reorganisation, bankruptcy, dissolution, administration, examinership in Ireland, arrangement, adjustment, protection or relief of debtors;
- (xi) a provision of law is a reference to that provision as amended or re-enacted without material modification;
- (xii) a time of day is a reference to London time;
- (xiii) a clause, paragraph or schedule, unless the context otherwise requires, is a reference to a clause, a paragraph of or a schedule to this Agreement;
- (xiv) a “**guarantee**” (other than in Clause 19 (*Guarantee and Indemnity*) and unless otherwise stated) includes any guarantee, *aval*, *obligado solidario*, letter of credit, bond, indemnity, counter-indemnity or similar assurance against loss, or any obligation, direct or indirect, actual or contingent, to purchase or assume any indebtedness of any person or to make an investment in or loan to any person or to purchase assets of any person where, in each case, such obligation is assumed in order to maintain or assist the ability of such person to meet its indebtedness;
- (xv) where it relates to a Dutch entity:
- (A) necessary action to authorise, where applicable, includes without limitation:
- (1) any action required to comply with the Dutch Works Council Act (*Wet op de ondernemingsraden*); and
- (2) obtaining unconditional positive advice (*advies*) from each competent works council;
- (B) a winding-up, administration or dissolution includes a Dutch entity being:
- (1) declared bankrupt (*failliet verklaard*); and
- (2) dissolved (*ontbonden*);

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- (C) a moratorium includes *surséance van betaling* and granted a moratorium includes *surséance verleend*;
 - (D) a trustee in bankruptcy includes a *curator*;
 - (E) an administrator includes a *bewindvoerder*;
 - (F) a receiver or an administrative receiver does not include a *curator* or *bewindvoerder*; and
 - (G) an attachment includes a *beslag*; and
- (xvi) where it relates to a French entity:
- (A) “**acting in concert**” has the meaning given in article L. 233-10 of the French Commercial Code;
 - (B) “**control**” has the meaning given in article L. 233-3 of the French Commercial Code;
 - (C) “**financial assistance**” has the meaning given in article L. 225-216 of the French Commercial Code;
 - (D) “**gross negligence**” means “*faute lourde*”;
 - (E) a “**guarantee**” includes any “*cautionnement*”, “*aval*” and any “*garantie*” which is independent from the debt to which it relates;
 - (F) a “**merger**” includes any “*fusion*” implemented in accordance with articles L. 236-1 to L. 236-24 of the French Commercial Code;
 - (G) a “**reconstruction**” includes, in relation to any company, any contribution of part of its business in consideration of shares (*apport partiel d’actifs*) and any demerger (*scission*) implemented in accordance with articles L. 236-1 to L. 236-24 of the French Commercial Code;
 - (H) a “**security interest**” includes any type of security (*sûreté réelle*), transfer or assignment by way of security and *fiducie-sûreté*; and
 - (I) “**wilful misconduct**” means “*dol*”.
- (b) Section, Clause and Schedule headings are for ease of reference only.
- (c) Unless a contrary indication appears, a term used in any other Finance Document or in any notice given under or in connection with any Finance Document has the same meaning in that Finance Document or notice as in this Agreement.

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- (d) Unless otherwise provided for in this Agreement, for the purposes of determining whether a material adverse change or material adverse effect has occurred, the date from which the change or effect is assessed will be the date of this Agreement.
 - (e) A Default (including an Event of Default) is “**continuing**” if it has not been remedied or waived but, for the avoidance of doubt, no breach of any of the financial covenants set out in Clause 22 (*Financial Covenants*) shall be capable of being, or be deemed to be, remedied by virtue of the fact that upon any subsequent testing of such covenants pursuant to Clause 22 (*Financial Covenants*), there is no breach thereof.

1.3 **Currency Symbols and Definitions**

“**£**” and “**sterling**” denote the lawful currency of the United Kingdom, “**€**”, “**EUR**” and “**euro**” denote the single currency unit of the Participating Member States, “**US\$**”, “**\$**” and “**dollars**” denote the lawful currency of the United States of America, “**¥**”, “**JPY**” and “**yen**” denote the lawful currency of Japan, “**Mexican pesos**”, “**Mex\$**”, “**MXPS**” and “**pesos**” denote the lawful currency of Mexico and “**UDI**” denotes the Mexican *Unidad de Inversion*.

1.4 **Third party rights**

- (a) Unless expressly provided to the contrary in a Finance Document, a person who is not a Party has no right under the Contracts (Rights of Third Parties) Act 1999 (the “**Third Parties Act**”) to enforce or enjoy the benefit of any term of any Finance Document.
- (b) Notwithstanding any term of any Finance Document, the consent of any person who is not a Party is not required to rescind or vary any Finance Document at any time.

1.5 **Intercreditor Agreement / this Agreement prevail**

To the maximum extent permitted by law:

- (a) in the event of any inconsistency or conflict between the Intercreditor Agreement and any other Finance Document, the Intercreditor Agreement will prevail; and
- (b) in the event of any inconsistency or conflict between this Agreement and any other Finance Document (other than the Intercreditor Agreement) the terms of this Agreement will prevail.

SECTION 2
THE FACILITIES

2. THE FACILITIES

2.1 The Facilities

Subject to the terms of this Agreement, the Lenders make available to the Borrower:

- (a) a dollar term loan facility in an aggregate amount equal to the Total Facility A Commitments; and
- (b) a dollar revolving loan facility in an aggregate amount equal to the Total Facility B Commitments.

2.2 Accordion

- (a) The Borrower may by giving not less than 5 Business Days' prior notice to the Agent request that the Total Commitments be increased by (subject to paragraph (d) of Clause 3.1 (*Purpose*)) up to an amount which, when aggregated with the Total Commitments immediately prior to that increase, does not exceed the aggregate amount then outstanding under the 2012 Facilities Agreement and Bancomext Facility (converted into US Dollars at the Agent's Spot Rate of Exchange) (and the Total Commitments shall be so increased) as follows:
 - (i) the increased Commitments will be assumed by one or more Lenders or other banks, financial institutions, trusts, funds or other entities (each an "**Accordion Lender**") selected by the Borrower (each of which shall not be a member of the Group) and each of which confirms in writing (whether in the relevant Accordion Confirmation or otherwise) its willingness to assume and does assume all the obligations of a Lender corresponding to that part of the increased Commitments which it is to assume, as if it had been an Original Lender (provided that, in relation to each Accordion Lender and each increase in the Total Commitments, the ratio of the increased Facility A Commitments assumed by that Accordion Lender to the increased Facility B Commitments assumed by that Accordion Lender must be 6:4);
 - (ii) each of the Obligors and any Accordion Lender shall assume obligations towards one another and/or acquire rights against one another as the Obligors and the Accordion Lender would have assumed and/or acquired had the Accordion Lender been an Original Lender;
 - (iii) each Accordion Lender shall become a Party as a "Lender" and each Accordion Lender and each of the other Finance Parties shall assume obligations towards one another and acquire rights against one another as that Accordion Lender and those Finance Parties would have assumed and/or acquired had the Accordion Lender been an Original Lender;

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- (iv) the Commitments of the other Lenders shall continue in full force and effect; and
 - (v) any increase in the Commitments shall take effect on the date specified by the Borrower in the notice referred to above or any later date on which the conditions set out in paragraph (b) below are satisfied (provided no increase in the Commitments may take effect (A) before the date falling on the earlier of (i) the first Utilisation of Facility A and the first Utilisation of Facility B and (ii) the expiry of the Availability Period in respect of the first Utilisation of Facility A and the first Utilisation of Facility B or (B) after the date falling 18 Months after the date of this Agreement).
- (b) An increase in the Commitments will only be effective on the date (the “**Increase Date**”) on which:
- (i) the Agent and the Security Agent execute an Accordion Confirmation from the relevant Accordion Lender; and
 - (ii) in relation to an Accordion Lender which is not a Lender immediately prior to the relevant increase:
 - (A) the Accordion Lender enters into the documentation required for it to accede to the Intercreditor Agreement as a Refinancing Creditor; and
 - (B) the Agent is satisfied that it has complied with all necessary “know your customer” or other similar checks under all applicable laws and regulations in relation to the assumption of the increased Commitments by that Accordion Lender. The Agent shall promptly notify the Borrower and the Accordion Lender upon being so satisfied,
- and the Agent shall promptly notify the Borrower and the Accordion Lender of the occurrence of the Increase Date.
- (c) Each Accordion Lender, by executing the Accordion Confirmation, confirms (for the avoidance of doubt) that the Agent has authority to execute on its behalf any amendment or waiver that has been approved by or on behalf of the requisite Lender or Lenders in accordance with this Agreement on or prior to the date on which the increase becomes effective.
 - (d) The Borrower shall, promptly on demand, pay the Agent and the Security Agent the amount of all costs and expenses (including legal fees) reasonably incurred by either of them and, in the case of the Security Agent, by any Receiver or Delegate) in connection with any increase in Commitments under this Clause 2.2.
 - (e) The Accordion Lender shall, on the date upon which the increase takes effect, pay to the Agent (for its own account) a fee in an amount equal to the fee which would be payable under Clause 27.3 (*Assignment or transfer fee*) if the increase was a transfer pursuant to Clause 27.5 (*Procedure for transfer*) and if the Accordion Lender was a New Lender.

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- (f) The Borrower may pay to any Accordion Lender a participation fee in the amount and at the times agreed between the Borrower and that Accordion Lender in a letter between the Borrower and that Accordion Lender provided that, only if the Accordion Lender becomes a Party as a “Lender” prior to the date falling six months from the date of this Agreement, such fee may not exceed the amount equal to the percentage of the increased Commitments assumed by that Accordion Lender agreed in writing between the Borrower and the Arranger. No fee, other than the participation fee referred to in this paragraph (f) and the commitment fee referred to in Clause 13.1 (*Commitment fee*), shall be paid to an Accordion Lender. A reference in this Agreement to a Fee Letter shall include any letter referred to in this paragraph.
- (g)
- (i) The amount of the Utilisation of an Accordion Lender’s Facility A Commitment shall be an amount equal to that Accordion Lender’s Facility A Commitment (to the extent that such Commitment has not been cancelled or reduced under this Agreement).
- (ii) The amount of the first Utilisation of an Accordion Lender’s Facility B Commitment:
- (A) in the event that the Total Facility B Commitments of all the Earlier Lenders are fully drawn, shall be an amount equal to such Accordion Lender’s Facility B Commitment;
- (B) in the event that the Total Facility B Commitments of all the Earlier Lenders are not fully drawn:
- (1) shall be an amount equal to such Accordion Lender’s Facility B Commitment multiplied by the Target Facility B Utilisation Percentage; and
- (2) each of the Earlier Drawn Lenders shall make available its participation in a Facility B Loan in an amount equal to that Lender’s Facility B Commitment multiplied by the percentage produced by deducting the Existing Facility B Utilisation Percentage from the Target Facility B Utilisation Percentage.
- (iii) In this Clause 2.2:
- “**Earlier Drawn Lenders**” means Earlier Lenders for whom this Utilisation is not the first Utilisation of their Facility B Commitment;
- “**Earlier Lenders**” means the Lenders immediately prior to the Increase Date preceding the proposed Utilisation Date; and

the Agent shall, in consultation with the Borrower, calculate:

- (A) the “**Existing Facility B Utilisation Percentage**” as: $\frac{a}{b} \times 100$
- (B) the “**Target Facility B Utilisation Percentage**” as: $\frac{a+y}{b+y} \times 100$

where:

“*a*” is the aggregate amount of all Facility B Loans (excluding this proposed Utilisation) immediately prior to the proposed Utilisation Date;

“*b*” is the aggregate of the Facility B Commitments of the Earlier Drawn Lenders; and

“*y*” is the amount of the proposed Utilisation, being equal to the amount of the Facility B Commitment(s) of one or more Accordion Lenders nominated by the Borrower (none of whom have previously been so nominated).

- (h) An Accordion Confirmation shall be raised to the status of a Spanish Public Document and the powers of attorney and authorisations granted under the Finance Documents shall have been ratified under such Spanish public deed, in each case on a date falling less than 30 days after the date of the Increase Date.
- (i) Clause 27.4 (*Limitation of responsibility of Existing Lenders*) shall apply *mutatis mutandis* in this Clause 2.2 in relation to an Accordion Lender as if references in that Clause to:
- (i) an “Existing Lender” were references to all the Lenders immediately prior to the relevant increase;
 - (ii) the “New Lender” were references to that “Accordion Lender”; and
 - (iii) a “re-transfer” and “re-assignment” were references to respectively a “transfer” and an “assignment”.
- (j) Each Obligor shall (and the Borrower shall procure that each member of the Group will) promptly do all such acts and execute all such documents as the Security Agent may reasonably specify (and in such form as the Security Agent may reasonably require in favour of the Security Agent or its nominee(s) or the Secured Parties) following an increase in the Commitments pursuant to this Clause 2.2 to preserve and perfect the Transaction Security created or evidenced or expressed to be created or evidenced pursuant to the Transaction Security Documents (and so that the Transaction Security extends to secure the Secured Obligations under this Agreement in respect of the increased Commitments).

2.3 **Finance Parties' rights and obligations**

- (a) The obligations of each Finance Party under the Finance Documents are several. Failure by a Finance Party to perform its obligations under the Finance Documents does not affect the obligations of any other Party under the Finance Documents. No Finance Party is responsible for the obligations of any other Finance Party under the Finance Documents.
- (b) Except as otherwise stated in the Finance Documents, the rights of each Finance Party under or in connection with the Finance Documents are separate and independent rights and any debt arising under the Finance Documents and owed to a Finance Party from an Obligor (other than a Security Provider which is not also the Borrower or a Guarantor) shall be a separate and independent debt.
- (c) A Finance Party may, except as otherwise stated in the Finance Documents, separately enforce its rights under the Finance Documents.

3. **PURPOSE**

3.1 **Purpose**

- (a) The Borrower shall apply all amounts borrowed by it under the first Utilisation of Facility A and the first Utilisation of Facility B towards:
 - (i) the payment, or effecting the payment, of amounts outstanding under the 2012 Facilities Agreement; and
 - (ii) the payment of costs and expenses in connection with this Agreement and the other Finance Documents.
- (b) Save as provided in paragraph (d) below, following an increase in the Commitments pursuant to Clause 2.2 (*Accordion*), the Borrower shall apply all amounts borrowed by it under the Utilisation of Facility A in respect of the increased Facility A Commitment(s) of the Accordion Lender(s) and the first Utilisation of Facility B following the increase in the Facility B Commitments towards:
 - (i) the payment, or effecting the payment, of amounts outstanding under the 2012 Facilities Agreement; and
 - (ii) the payment of costs and expenses in connection with the increase in the Commitments.
- (c) Save as described above and as provided in paragraph (d) below, the Borrower shall apply all amounts borrowed by it under any other Utilisation of Facility B towards its general corporate and working capital purposes (including the repayment or prepayment of other Permitted Financial Indebtedness of the Group).

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- (d) If and to the extent that Bancomext accedes pursuant to Clause 2.2 (*Accordion*) as an Accordion Lender, then amounts provided by Bancomext as an Accordion Lender shall:
- (i) first, be used to repay or prepay, or effect the repayment or prepayment of, amounts of principal (and not, for the avoidance of doubt, interest) due under the Bancomext Facility (whether deemed or otherwise);
 - (ii) second, to the extent that any amounts have been prepaid pursuant to the terms of the Bancomext Facility to Bancomext by the Borrower or any member of the Group in the period beginning on 1 September 2014 and ending on the Increase Date in respect of Bancomext acceding as an Accordion Lender, an amount of the Bancomext Accordion Lender Commitment equal to the amount prepaid over such period shall be retained by the Borrower; and
 - (iii) third, only any amounts in excess of the amount of the Bancomext Facility and the amount described in (ii) above shall be used in accordance with paragraph (b) above.

3.2 Monitoring

No Finance Party is bound to monitor or verify the application of any amount borrowed pursuant to this Agreement.

4. CONDITIONS OF UTILISATION

4.1 Initial conditions precedent

- (a) The Borrower may not deliver a Utilisation Request unless the Agent has received all of the documents and other evidence listed in Part I of Schedule 2 (*Conditions Precedent*) in form and substance satisfactory to the Agent (acting reasonably). The Agent shall notify the Borrower and the Lenders promptly upon being so satisfied.
- (b) Other than to the extent that the Majority Lenders notify the Agent in writing to the contrary before the Agent gives the notification described in paragraph (a) above, the Lenders authorise (but do not require) the Agent to give that notification. The Agent shall not be liable for any damages, costs or losses whatsoever as a result of giving any such notification.

4.2 Further conditions precedent

- (a) The Lenders will only be obliged to comply with Clause 5.4 (*Lenders' participation*) if on the date of the Utilisation Request and on the proposed Utilisation Date:
 - (i) no Default is continuing or would result from the proposed Loan; and
 - (ii) the Repeating Representations to be made by each Obligor are true in all material respects.

4.3 **Maximum number of Loans**

- (a) The Borrower may not deliver a Utilisation Request if as a result of the proposed Utilisation:
 - (i) two or more Facility A Loans would be outstanding; or
 - (ii) nine or more Facility B Loans would be outstanding.
- (b) The Borrower may not request that a Loan be divided.
- (c) Following an increase in the Commitments pursuant to Clause 2.2 (*Accordion*), the Facility A Loan made by the relevant Accordion Lender(s) in respect of the increased Facility A Commitment(s) and the first Facility B Loan made by the relevant Lender(s) following the increase in the Facility B Commitments shall not be taken into account in this Clause 4.3.

**SECTION 3
UTILISATION**

5. UTILISATION

5.1 Delivery of a Utilisation Request

The Borrower may utilise a Facility by delivery to the Agent of a duly completed Utilisation Request not later than the Specified Time.

5.2 Completion of a Utilisation Request

- (a) Each Utilisation Request is irrevocable and will not be regarded as having been duly completed unless:
 - (i) it identifies the Facility to be utilised;
 - (ii) the proposed Utilisation Date is a Business Day within the relevant Availability Period;
 - (iii) the currency and amount of the Utilisation comply with Clause 5.3 (*Currency and amount*); and
 - (iv) the proposed Interest Period complies with Clause 11 (*Interest Periods*).
- (b) Only one Loan may be requested in each Utilisation Request.

5.3 Currency and amount

- (a) The currency specified in a Utilisation Request must be dollars.
- (b) The amount of the proposed Loan must be:
 - (i) in relation to the first Utilisation of Facility A and the first Utilisation of Facility B, an amount equal to the Available Facility as at the date of such Utilisation;
 - (ii) following an increase in the Commitments pursuant to Clause 2.2 (*Accordion*), determined pursuant to paragraph (g) of Clause 2.2 (*Accordion*); and
 - (iii) in relation to any other Utilisation of Facility B, an amount which is not more than the Available Facility and which is a minimum of \$25,000,000 or, if less, the Available Facility.

5.4 Lenders' participation

- (a) If the conditions set out in this Agreement have been met, and subject to Clause 6.2 (*Repayment of Facility B Loans*), each Lender shall make its participation in each Loan available by the Specified Time on the Utilisation Date through its Facility Office.

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- (b) Subject to paragraph (g) of Clause 2.2 (*Accordion*), the amount of each Lender's participation in each Loan will be equal to the proportion borne by its Available Commitment to the Available Facility immediately prior to making the Loan.
 - (c) The Agent shall notify each Lender (and, if applicable, any Accordion Lender which is anticipated to be a Lender on the proposed Utilisation Date pursuant to paragraph (b)(ii) of Clause 2.2 (*Accordion*)) of the amount of each Loan, the amount of its participation in that Loan (and, in the case of a Facility B Loan, the amount of that participation to be made available in accordance with Clause 33.1 (*Payments to the Agent*)) in each case by the Specified Time.

5.5 Limitation on Utilisations

In respect of the first Utilisation of Facility B only, Facility B may not be utilised unless Facility A has been utilised or will be utilised on the same date.

5.6 Promissory Notes

- (a) The Borrower shall, on or before the Utilisation Date of any Facility A Loan, issue and deliver a Promissory Note to each Lender participating in that Facility A Loan, setting forth the amount of that Lender's participation in that Facility A Loan.
- (b) The Borrower shall, on or before the Utilisation Date of the first Facility B Loan, issue and deliver a Promissory Note to each Lender participating in that Facility B Loan, setting forth the amount of the Facility B Commitment of that Lender.
- (c) The Borrower shall, on or before the Utilisation Date of the first Facility B Loan to be made following any increase in the Facility B Commitments pursuant to Clause 2.2 (*Accordion*), issue and deliver a Promissory Note to each Accordion Lender in respect of that increase, setting forth the amount of the increase in the Facility B Commitment corresponding to that Lender.
- (d) The Borrower:
 - (i) shall, promptly but in any event within 5 Business Days following any notification pursuant to Clause 10.4 (*Notification of rates of interest*) arising as a result of an increase in the applicable Margin following any event described in paragraphs (b)(i) to (b)(iii) (inclusive) of the definition of Margin, execute, and cause the execution by each Guarantor as *avalista*, issue and deliver a Promissory Note to each Lender participating in a Loan or Facility to which the notification relates; and
 - (ii) may, within 5 Business Days following (A) any notification pursuant to Clause 10.4 (*Notification of rates of interest*) arising as a result of a decrease in the applicable Margin following any event described in paragraphs (b)(i) or (b)(ii) of the definition of Margin or (B) any repayment of any Loan or decrease in the Total Commitments,

execute, and cause the execution by each Guarantor as *avalista*, issue and deliver a Promissory Note to each Lender participating in a Loan or Facility to which the relevant notification, repayment or decrease (as the case may be) relates,

provided that any Promissory Note held by or on behalf of such Lender in respect of that Loan (the “**Old Promissory Note**”) is tendered or otherwise made available for exchange by the Custodian (or, if none, such Lender). Upon such exchange, the Old Promissory Note shall be cancelled and have no further effect. For the avoidance of doubt: (x) if the exchange does not take place the Old Promissory Note remains in full force and effect; and (y) notwithstanding any Promissory Note, this Agreement determines, *inter alia*, the rate of interest accruing on Loans and any amount payable by the Obligor.

- (e) Any obligation of the Borrower to deliver a Promissory Note to a Lender pursuant to this Agreement may be satisfied by delivery of such Promissory Note to the Custodian, if any.
- (f) Notwithstanding any amount set forth in any Promissory Note issued to a Lender in respect of any Commitment of that Lender, no such Lender shall be entitled, and each such Lender that holds any Promissory Note evidencing any Commitment in accordance with this Agreement hereby waives the right, to claim any amount of principal in excess of the amounts disbursed and not repaid to such Lender in respect of the relevant Loan(s) at that time. Each Lender that holds any Promissory Note evidencing any Commitment in accordance with this Agreement agrees that the Borrower may introduce this Agreement (and in particular, the provisions of this Clause 5.6) as a defence in connection with any such claim.
- (g) For the avoidance of doubt, no Lender may claim under a Promissory Note separately from under this Agreement, except for claims initiated before Mexican courts as permitted under Clause 43.1 (*Jurisdiction in relation to actions brought against parties organised or incorporated in Mexico*) (and in such circumstances the Agent will provide to the Borrower such information as the Borrower may reasonably request in connection with the aggregate amounts disbursed to the Borrower).

5.7 Cancellation of Commitment

- (a) The Facility A Commitments which, at that time, are unutilised shall be immediately cancelled at the end of each Availability Period for Facility A to which they relate.
- (b) Any Facility B Commitments of the Original Lenders which, at that time, are unutilised shall be immediately cancelled at the end of the Availability Period for Facility B specified in paragraph (b)(i) of the definition of Availability Period.
- (c) Any Facility B Commitments which, at that time, are unutilised shall be immediately cancelled at the end of the Availability Period for Facility B specified in paragraph (b)(iii) of the definition of Availability Period.
- (d) For the avoidance of doubt, any increased Facility B Commitments assumed by an Accordion Lender which, at the end of the Availability Period in respect of that increase under paragraph (b)(ii) of the definition of Availability Period, are unutilised, shall not be cancelled at that time.

5.8 **Mandatory Rollover Utilisation**

- (a) Except to the extent that a Facility B Loan is required to be repaid under Clause 7 (*Illegality and Voluntary Prepayment*) or Clause 26 (*Events of Default*), where a Facility B Loan would, but for this Clause 5.8, fall due for repayment on the last day of an Interest Period prior to the earlier of (i) 14 February 2017 or (ii) such time as the 2012 Facilities Agreement permits scheduled repayments of Financial Indebtedness under (and as defined in) the 2012 Facilities Agreement to take place prior to 14 February 2017, such Facility B Loan shall not fall due for repayment on the last day of such Interest Period and shall instead mandatorily roll (without further action required from the Borrower) until the last day of the first subsequent Interest Period in which repayment of such Facility B Loan would be permitted under this Clause 5.8.
- (b) Unless the Borrower specifies otherwise in a Selection Notice, in relation to any Facility B Loan which mandatorily rolls pursuant to paragraph (a) above, the Interest Period for the Facility B Loan commencing on the date on which the Facility B Loan mandatorily rolls pursuant to paragraph (a) above shall be of the same length as the Interest Period for that Facility B Loan ending on that date.

SECTION 4
REPAYMENT, PREPAYMENT AND CANCELLATION

6. REPAYMENT

6.1 Repayment of Facility A Loans

- (a) The Borrower shall repay the Facility A Loans in instalments by repaying on each Facility A Repayment Date an amount which reduces the aggregate amount of the outstanding Facility A Loans by an amount equal to the relevant percentage of all the Facility A Loans borrowed by the Borrower as at the close of business in London on the last day of the last Availability Period in relation to Facility A (after the application of Clause 5.7 (*Cancellation of Commitment*) at the end of that Availability Period) as set out in the table below:

Facility A Repayment Date	Facility A Repayment Instalment (percentage)
The date falling 36 Months after the date of this Agreement	20%
The date falling 42 Months after the date of this Agreement	20%
The date falling 48 Months after the date of this Agreement	20%
The date falling 54 Months after the date of this Agreement	20%
The Termination Date	20%

- (b) The Borrower may not reborrow any part of Facility A which is repaid.

6.2 Repayment of Facility B Loans

- (a) The Borrower shall repay each Facility B Loan on the last day of its Interest Period.
- (b) Without prejudice to the Borrower's obligation under paragraph (a) above, if:
- (i) one or more Facility B Loans are to be made available:
 - (A) on the same day that a maturing Facility B Loan is due to be repaid; and
 - (B) in whole or in part for the purpose of refinancing the maturing Facility B Loan; and

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- (C) the proportion borne by each Lender's participation in the maturing Facility B Loan to the amount of that maturing Facility B Loan is the same as the proportion borne by that Lender's participation in the new Facility B Loans to the aggregate amount of those new Facility B Loans,
- the aggregate amount of the new Facility B Loans shall, unless the Borrower notifies the Agent to the contrary in the relevant Utilisation Request, be treated as if applied in or towards repayment of the maturing Facility B Loan so that:
- (D) if the amount of the maturing Facility B Loan exceeds the aggregate amount of the new Facility B Loans:
- (1) the Borrower will only be required to make a payment under Clause 33.1 (*Payments to the Agent*) in an amount in the relevant currency equal to that excess; and
 - (2) each Lender's participation in the new Facility B Loans shall be treated as having been made available and applied by the Borrower in or towards repayment of that Lender's participation in the maturing Facility B Loan and that Lender will not be required to make a payment under Clause 33.1 (*Payments to the Agent*) in respect of its participation in the new Facility B Loans; and
- (E) if the amount of the maturing Facility B Loan is equal to or less than the aggregate amount of the new Facility B Loans:
- (1) the Borrower will not be required to make a payment under Clause 33.1 (*Payments to the Agent*); and
 - (2) each Lender will be required to make a payment under Clause 33.1 (*Payments to the Agent*) in respect of its participation in the new Facility B Loans only to the extent that its participation in the new Facility B Loans exceeds that Lender's participation in the maturing Facility B Loan and the remainder of that Lender's participation in the new Facility B Loans shall be treated as having been made available and applied by the Borrower in or towards repayment of that Lender's participation in the maturing Facility B Loan.

6.3 **Reduction of Facility B**

- (a) The Total Facility B Commitments shall be reduced in instalments on each Facility B Reduction Date by an amount equal to the percentage of the Total Facility B Commitments as at the close of business in London on the last day of the last Availability Period under paragraph (b) (ii) of the definition of Availability Period in relation to Facility B as set out in the table below:

Facility B Reduction Date	Facility B Reduction Instalment (percentage)
The date falling 36 Months after the date of this Agreement	20%
The date falling 42 Months after the date of this Agreement	20%
The date falling 48 Months after the date of this Agreement	20%
The date falling 54 Months after the date of this Agreement	20%
The Termination Date	20%

- (b) The Borrower shall ensure that sufficient Facility B Loans are repaid or prepaid on a Facility B Reduction Date to the extent necessary so that the aggregate of the outstanding Facility B Loans (after that repayment) is equal to or less than the reduced amount of the Total Facility B Commitments.
- (c) Any reduction of the Total Facility B Commitments shall reduce rateably the Commitment of each Lender.

6.4 **Application of repayments**

Any repayment of a Utilisation under this Clause 6 shall be applied *pro rata* to each Lender's participation in that Utilisation.

6.5 **Effect of cancellation and prepayment on scheduled repayments and reductions**

- (a) If the Borrower cancels the whole or any part of any Available Commitment in accordance with Clause 7.4 (*Right of replacement or cancellation and repayment in relation to a single Lender*) or if the Available Commitment of any Lender is cancelled under Clause 7.1 (*Illegality*) then:
- (i) in the case of the Facility A Commitments, the amount of the Facility A Repayment Instalment for each Facility A Repayment Date falling after that cancellation will reduce *pro rata* by the amount cancelled; and
 - (ii) in the case of the Facility B Commitments, the amount of the Facility B Reduction Instalment for each Facility B Reduction Date falling after that cancellation will reduce *pro rata* by the amount cancelled.

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- (b) If the Borrower cancels the whole or any part of any Available Commitment in accordance with Clause 7.2 (*Voluntary cancellation*) then:
 - (i) in the case of the Facility A Commitments, the Facility A Repayment Instalment for each Facility A Repayment Date falling after that cancellation will reduce in the order selected by the Borrower by the amount cancelled;
 - (ii) in the case of the Facility B Commitments, the amount of the Facility B Reduction Instalment for each Facility B Reduction Date falling after that cancellation will reduce in the order selected by the Borrower by the amount cancelled.
 - (c) If any Loan is prepaid in accordance with Clause 7.4 (*Right of replacement or cancellation and repayment in relation to a single Lender*) or Clause 7.1 (*Illegality*), then:
 - (i) in the case of a Facility A Loan, the amount of the Facility A Repayment Instalments for each Facility A Repayment Date falling after that repayment or prepayment will reduce *pro rata* by the amount of the Facility A Loan prepaid; and
 - (ii) in the case of a Facility B Loan, the amount of the Facility B Reduction Instalment for each Facility B Reduction Date falling after that repayment or prepayment will reduce *pro rata* by the amount of the Facility B Loan prepaid.
 - (d) If any Facility A Loan is prepaid in accordance with Clause 7.3 (*Voluntary prepayment*) then the Facility A Repayment Instalment for each Facility A Repayment Date falling after that cancellation will reduce in the order selected by the Borrower by the amount of the Facility A Loan prepaid.

7. ILLEGALITY AND VOLUNTARY PREPAYMENT

7.1 Illegality

If, at any time, it is or will become unlawful in any applicable jurisdiction for a Lender to perform any of its obligations as contemplated by the Finance Documents or to fund, issue or maintain its participation in any Utilisation:

- (a) that Lender shall promptly notify the Agent upon becoming aware of that event;
- (b) upon the Agent notifying the Borrower, each Available Commitment of that Lender will be immediately cancelled; and
- (c) to the extent that the Lender's participation has not been transferred pursuant to Clause 39.4 (*Replacement of Lender*), the Borrower shall repay that

Lender's participation in the Utilisations on the last day of the Interest Period for each Utilisation occurring after the Agent has notified the Borrower or, if earlier, the date specified by the Lender in the notice delivered to the Agent (being no earlier than the last day of any applicable grace period permitted by law) and that Lender's corresponding Commitment(s) shall be cancelled in the amount of the participations repaid.

7.2 Voluntary cancellation

Subject to Clause 9.9 (*Application of prepayments and cancellations*), the Borrower may, if it gives the Agent not less than three Business Days' (or such shorter period as the Majority Lenders and the Agent may agree) prior notice, cancel the whole or any part (but, if in part, in a minimum amount of \$20,000,000) of an Available Facility.

7.3 Voluntary prepayment

Subject to Clause 9.9 (*Application of prepayments and cancellations*), the Borrower may, if it gives the Agent not less than five Business Days' (or such shorter period as the Majority Lenders and the Agent may agree) prior notice, prepay the whole or any part of a Loan (but, if in part, being an amount that reduces the aggregate amount of the Loans by a minimum amount of \$20,000,000).

7.4 Right of replacement or cancellation and repayment in relation to a single Lender

- (a) If:
- (i) any sum payable to any Lender by an Obligor is required to be increased under paragraph (c) of Clause 14.2 (*Tax gross-up*); or
 - (ii) any Lender claims, or gives notice that it intends to claim, indemnification from the Borrower or an Obligor under Clause 14.3 (*Tax indemnity*) or Clause 15 (*Increased Costs*),
- the Borrower may (**provided that**, no Default has occurred and is continuing), while the circumstance giving rise to the requirement for that increase or indemnification continues, give the Agent notice of cancellation of the Commitment(s) of that Lender and its intention to procure the repayment of that Lender's participation in the Utilisations.
- (b) On receipt of a notice referred to in paragraph (a) above in relation to a Lender, the Commitment(s) of that Lender shall immediately be reduced to zero.
 - (c) On the last day of each Interest Period which ends after the Borrower has given notice under paragraph (a) above in relation to a Lender (or, if earlier, the date specified by the Borrower in that notice), each Borrower to which a Utilisation is outstanding shall repay that Lender's participation in that Utilisation together with all interest and other amounts accrued under the Finance Documents (including any amount payable to the Lender under paragraph (c) of Clause 14.2 (*Tax gross-up*)).

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- (d) The Borrower may, in the circumstances set out in paragraph (a) above, on three Business Days' prior notice to the Agent and that Lender, replace that Lender by requiring that Lender to (and, to the extent permitted by law, that Lender shall) transfer pursuant to Clause 27 (*Changes to the Lenders*) all (and not part only) of its rights and obligations under this Agreement to a Lender or other bank, financial institution, trust, fund or other entity selected by the Company which confirms its willingness to assume and does assume all the obligations of the transferring Lender in accordance with Clause 27 (*Changes to the Lenders*) (i) for a purchase price in cash payable at the time of the transfer in an amount equal to the outstanding principal amount of such Lender's participation in the outstanding Loans and all accrued interest (to the extent that the Agent has not given a notification under Clause 27.9 (*Pro rata interest settlement*), Break Costs and other amounts payable in relation thereto under the Finance Documents or (ii) for such purchase price as the transferring Lender may in its absolute discretion agree.
- (e) The replacement of a Lender pursuant to paragraph (d) above shall be subject to the following conditions:
- (i) the Borrower shall have no right to replace the Agent;
 - (ii) neither the Agent nor any Lender shall have any obligation to find a replacement Lender;
 - (iii) in no event shall the Lender replaced under paragraph (d) above be required to pay or surrender any of the fees received by such Lender pursuant to the Finance Documents; and
 - (iv) the Lender shall only be obliged to transfer its rights and obligations pursuant to paragraph (d) above once it is satisfied that it has complied with all necessary "know your customer" or other similar checks under all applicable laws and regulations in relation to that transfer.
- (f) A Lender shall perform the checks described in paragraph (e)(iv) above as soon as reasonably practicable following delivery of a notice referred to in paragraph (d) above and shall notify the Agent and the Company when it is satisfied that it has complied with those checks.

8. MANDATORY PREPAYMENT

8.1 Definitions

For the purposes of this Clause 8:

"**Caliza Proceeds**" means the cash proceeds (subject to the proviso below, excluding the Caliza Offering Option Amount) received by any member of the Group from a Caliza Transaction, after deducting:

- (a) any reasonable fees and expenses which are incurred by any member(s) of the Group with respect to the Caliza Transaction to persons who are not members of the Group; and

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- (b) any Tax incurred and required to be paid by any member of the Group in connection with the Caliza Transaction (as reasonably determined by the relevant member(s) of the Group on the basis of rates existing at the time of the Caliza Transaction and taking account of any available credit, deduction or allowance),

provided that at the end of the Caliza Offering Option Exercise Period, any Caliza Offering Option Amount previously excluded from Caliza Proceeds and not utilised pursuant to any exercise of a Caliza Offering Option shall constitute Caliza Proceeds.

“Debt Funded Reserve” means any reserve created by the Borrower or any of its Subsidiaries (and placed in an account held with a Lender or an Affiliate of a Lender) for the purpose of holding any amount of any Permitted Debt Fundraising Proceeds pending their application in accordance with Clause 8.6 (*Application of Permitted Debt Fundraising Proceeds*).

“Disposal” means a sale, lease, licence, transfer, loan or other disposal by a person of any asset (including shares in any Subsidiary or other company), undertaking or business (whether by a voluntary or involuntary single transaction or series of transactions).

“Disposal Funded Reserve” means any reserve created by the Borrower or any of its Subsidiaries (and placed in an account held with a Lender or an Affiliate of a Lender) for the purpose of holding any amount of any Disposal Proceeds and (if the Borrower so elects in relation to any Caliza Proceeds) any Caliza Proceeds, in each case pending their application in accordance with Clause 8.4 (*Application of Disposal Proceeds and Caliza Proceeds*).

“Disposal Proceeds” means:

- (a) the cash consideration received by any member of the Group (including any amount received from a person who is not a member of the Group in repayment of intercompany debt save to the extent that the creditor in respect of the intercompany debt is obliged to repay that amount to the purchaser at or about completion of the Disposal) for any Disposal;
- (b) any proceeds of any Disposal received in the form of Marketable Securities that are required to be disposed of for cash (after deducting reasonable expenses incurred by the party disposing of those Marketable Securities to persons other than members of the Group) pursuant to the criteria set out at paragraph (k) of the definition of Permitted Disposal; and
- (c) any proceeds of any Disposal received in any other form to the extent disposed of or otherwise converted into cash within 180 days of receipt, but excluding any Excluded Disposal Proceeds and, in every case, after deducting:
- (i) any reasonable fees and expenses which are incurred by the disposing party of such assets with respect to that Disposal to persons who are not members of the Group; and
- (ii) any Tax incurred and required to be paid by the disposing party in connection with that Disposal (as reasonably determined by the disposing party on the basis of rates existing at the time of the disposal and taking account of any available credit, deduction or allowance),

and further excluding an aggregate amount of up to \$50,000,000 of any Disposal Proceeds (whether from a single Disposal or a series of Disposals) received (after deducting amounts under paragraphs (i) and (ii)).

“**Equally Secured Debt Proceeds**” means any Permitted Debt Fundraising Proceeds arising from Financial Indebtedness which is secured by the Transaction Security (such Financial Indebtedness, “**Equally Secured Debt**”).

“**Equity Funded Reserve**” means any reserve created by the Borrower or any of its Subsidiaries (and placed in an account held with a Lender or an Affiliate of a Lender) for the purpose of holding any amount of any Permitted Equity Fundraising Proceeds and (if the Borrower so elects in relation to any Caliza Proceeds) any Caliza Proceeds, in each case pending their application in accordance with Clause 8.5 (*Application of Permitted Equity Fundraising Proceeds and Caliza Proceeds*).

“**Excluded Debt Fundraising Proceeds**” means the proceeds of:

- (a) a Permitted Fundraising falling within paragraph (c) of the definition of Permitted Fundraising entered into for the purpose of refinancing or extending the maturity of Existing Financial Indebtedness or any Permitted Refinancing Indebtedness (and, in the case of a refinancing, where the proceeds (less any reasonable fees and expenses incurred by the Group with respect to that refinancing) that would, but for this paragraph (a), constitute “Permitted Fundraising Proceeds”, are actually applied for such purpose as soon as reasonably practicable (and in any event within 120 days) following receipt of those proceeds by any member of the Group and, until the date of such application, are held in a Refinancing Reserve for such purposes);
- (b) any transaction between members of the Group;
- (c) a Permitted Fundraising falling within paragraph (b) of that definition;
- (d) any Relevant Convertible/Exchangeable Obligations Proceeds to the extent applied in payment of any premiums arising under or related to any Permitted Put/Call Transaction; and
- (e) a Permitted Fundraising arising out of or in connection with any Permitted Put/Call Transaction, including, but not limited to, any settlement, disposal, transfer, assignment, close-out or other termination of such Permitted Put/Call Transaction.

“**Excluded Disposal Proceeds**” means the proceeds of any Disposal of:

- (a) inventory or trade receivables in the ordinary course of trading of the disposing entity;

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- (b) assets pursuant to a Permitted Securitisation programme existing as at the date of this Agreement (or any rollover or extension of such a Permitted Securitisation);
 - (c) any asset from any member of the Group to another member of the Group on arm's length terms and for fair market or book value;
 - (d) any assets the consideration for which (when aggregated with the consideration for any related Disposals) is less than \$10,000,000 (or its equivalent in any other currency);
 - (e) assets leased or licensed to any director, officer or employee of any member of the Group in connection with and as part of the ordinary course of the service or employment arrangements of the Group;
 - (f) Marketable Securities (other than Marketable Securities received as consideration for a Disposal as envisaged in paragraphs (b) and (c) of the definition of Disposal Proceeds);
 - (g) Permitted Put/Call Proceeds;
 - (h) shares in Caliza pursuant to the Caliza Transaction;
 - (i) any Caliza Proceeds to the extent applied in payment of any premiums arising under or related to any Permitted Treasury Transaction within the scope of paragraph 1(e) of Schedule 16 (*Hedging Parameters*)); and
 - (j) cash or Cash Equivalent Investments.

“Excluded Equity Fundraising Proceeds” means:

- (a) any Caliza Proceeds;
- (b) the proceeds received by a member of the Group from a member of the Group in respect of any transaction between members of the Group;
- (c) a Permitted Fundraising for the purposes of issuing shares as required on any settlement, disposal, transfer, assignment, close-out or other termination of a Permitted Put/Call Transaction;
- (d) for the avoidance of doubt, any Relevant Convertible/Exchangeable Obligations Proceeds; and
- (e) for the avoidance of doubt, any issuance of shares by a member of the Group in order to redeem or retire any equity-like instruments issued by a member of the Group (to the extent permitted under this Agreement).

“Permitted Debt Fundraising” means a Permitted Fundraising falling within paragraph (c) of the definition of Permitted Fundraising (other than any Financial Indebtedness falling within paragraph (f)(i)(C) of the definition of Permitted Financial Indebtedness).

“Permitted Debt Fundraising Proceeds” means the cash proceeds received by any member of the Group from a Permitted Debt Fundraising other than Excluded Debt Fundraising Proceeds after deducting:

- (a) any reasonable fees and expenses which are incurred by the relevant member(s) of the Group with respect to that Permitted Debt Fundraising owing to persons who are not members of the Group; and
- (b) any Tax incurred and required to be paid by the relevant member(s) of the Group with respect to that Permitted Debt Fundraising (as reasonably determined by the relevant member(s) of the Group on the basis of rates existing at the time and taking account of any available credit, deduction or allowance).

“Permitted Equity Fundraising” means a Permitted Fundraising falling within paragraph (a), paragraph (b) or (only in relation to any Financial Indebtedness falling within paragraph (f)(i)(C) of the definition of Permitted Financial Indebtedness) paragraph (c) of the definition of Permitted Fundraising.

“Permitted Equity Fundraising Proceeds” means the cash proceeds received by any member of the Group from a Permitted Equity Fundraising other than Excluded Equity Fundraising Proceeds and after deducting:

- (a) any reasonable fees and expenses which are incurred by the relevant member(s) of the Group with respect to that Permitted Equity Fundraising owing to persons who are not members of the Group; and
- (b) any Tax incurred and required to be paid by the relevant member(s) of the Group with respect to that Permitted Equity Fundraising (as reasonably determined by the relevant member(s) of the Group on the basis of rates existing at the time and taking account of any available credit, deduction or allowance).

“Refinancing Reserve” means any reserve created by the Borrower or any of its Subsidiaries (and placed in an account held with a Lender or an Affiliate of a Lender) for the purpose of holding any amount of any Excluded Debt Fundraising Proceeds referred to in paragraph (a) of the definition of Excluded Debt Fundraising Proceeds pending their application in accordance with those paragraphs.

“Relevant Convertible/Exchangeable Obligations Proceeds” means the cash proceeds received by any member of the Group from an issuance of Relevant Convertible/Exchangeable Obligations after deducting:

- (a) any reasonable fees and expenses which are incurred by the relevant member(s) of the Group with respect to that issuance of Relevant Convertible/Exchangeable Obligations (including with respect to any related Permitted Put/Call Transaction) owing to persons who are not members of the Group; and
- (b) any Tax incurred and required to be paid by the relevant member(s) of the Group with respect to that issuance of Relevant Convertible/Exchangeable

Obligations or with respect to any related Permitted Put/Call Transaction (as reasonably determined by the relevant member(s) of the Group on the basis of rates existing at the time and taking account of any available credit, deduction or allowance).

“**Relevant Proceeds**” means any Caliza Proceeds, Disposal Proceeds, Permitted Debt Fundraising Proceeds or Permitted Equity Fundraising Proceeds.

“**Relevant Reserve**” means a Debt Funded Reserve, a Disposal Funded Reserve, an Equity Funded Reserve or a Refinancing Reserve.

“**Reserve**” means the Refinancing Reserve or a Relevant Reserve.

8.2 Notices in relation to Relevant Proceeds

- (a) The Borrower shall, promptly following:
 - (i) receipt of any Relevant Proceeds; and
 - (ii) transfer of any amount of any Relevant Proceeds into a Relevant Reserve, notify the Agent of such receipt or transfer.
- (b) If any amount of any Relevant Proceeds will be applied by any member of the Group in prepayment of any Financial Indebtedness, the Borrower shall notify the Agent accordingly at the time when those proceeds have been designated by the relevant member of the Group as to be so applied.

8.3 Transfer into Reserves

The Borrower shall (and shall ensure that each relevant member of the Group will) transfer:

- (a) any Disposal Proceeds into a Disposal Funded Reserve;
- (b) any Permitted Equity Fundraising Proceeds into an Equity Funded Reserve;
- (c) any Caliza Proceeds into a Disposal Funded Reserve or (at the Borrower’s option) an Equity Funded Reserve; and
- (d) any Permitted Debt Fundraising Proceeds into a Debt Funded Reserve,

in each case within 30 days of receipt of those proceeds, other than to the extent that those proceeds have, on or prior to that date, been (to the extent required) applied in accordance with (as applicable) Clause 8.4 (*Application of Disposal Proceeds and Caliza Proceeds*), Clause 8.5 (*Application of Permitted Equity Fundraising Proceeds and Caliza Proceeds*) or Clause 8.6 (*Application of Permitted Debt Fundraising Proceeds*). For the avoidance of doubt, the Disposal Funded Reserve, Equity Funded Reserve and Debt Funded Reserve are not required to be separate bank accounts and may be documented by ledger entries only.

8.4 Application of Disposal Proceeds and Caliza Proceeds

Subject to Clause 8.7 (*Application of mandatory prepayments*), the Borrower shall (and shall ensure that each relevant member of the Group will) apply any Disposal Proceeds and (if it so elects) any Caliza Proceeds (whether by way of withdrawal from the Disposal Funded Reserve or otherwise):

- (a) in reinvestment in the business of the Group (including, but not limited to, towards any Capital Expenditure, Caliza Expansion Capital, Permitted Acquisition or Permitted Joint Venture); and/or
- (b) to repay, prepay, redeem, refinance, purchase, repurchase, defease or discharge any unsubordinated secured Financial Indebtedness of the Group (or, if no unsubordinated secured Financial Indebtedness is outstanding, any unsubordinated unsecured Financial Indebtedness of the Group, or, if no unsubordinated unsecured Financial Indebtedness is outstanding, subordinated Financial Indebtedness of the Group),

at the Borrower's option and in each case within 12 months of receipt of those proceeds.

8.5 Application of Permitted Equity Fundraising Proceeds and Caliza Proceeds

Subject to Clause 8.7 (*Application of mandatory prepayments*), the Borrower shall (and shall ensure that each relevant member of the Group will) apply any Permitted Equity Fundraising Proceeds and (if it so elects) any Caliza Proceeds (whether by way of withdrawal from the Equity Funded Reserve or otherwise):

- (a) in reinvestment in the business of the Group (including, but not limited to, towards any Capital Expenditure, Caliza Expansion Capital, Permitted Acquisition or Permitted Joint Venture); and/or
- (b) to repay, prepay, redeem, refinance, purchase, repurchase, defease or discharge any Financial Indebtedness of the Group (including Subordinated Optional Convertible Securities),

at the Borrower's option and in each case within 18 months of receipt of those proceeds.

8.6 Application of Permitted Debt Fundraising Proceeds

Subject to Clause 8.7 (*Application of mandatory prepayments*), the Borrower shall (and shall ensure that each relevant member of the Group will) apply any Permitted Debt Fundraising Proceeds (whether by way of withdrawal from the Debt Funded Reserve or otherwise) to replenish cash of the Borrower as provided for in Clause 8.8 (*Replenishment*) below and/or to repay, prepay, redeem, refinance, purchase, repurchase, defease or discharge any Financial Indebtedness of the Group, **provided that**:

- (a) any such Financial Indebtedness which is subordinated to the Facilities may only be repaid, prepaid, redeemed, refinanced, purchased, repurchased, defeased or discharged with Permitted Debt Fundraising Proceeds from a Permitted Debt Fundraising which is itself subordinated to the Facilities; and

(b) any such Financial Indebtedness which is unsecured may only be repaid, prepaid, redeemed, refinanced, purchased, repurchased, defeased or discharged with Permitted Debt Fundraising Proceeds from a Permitted Debt Fundraising which is itself unsecured,

in each case at the Borrower's option and within 12 months of receipt of those proceeds.

8.7 Application of mandatory prepayments

Any mandatory prepayment made at the Borrower's election of the Facilities pursuant to 8.4 (*Application of Disposal Proceeds and Caliza Proceeds*), 8.5 (*Application of Permitted Equity Fundraising Proceeds and Caliza Proceeds*) and 8.6 (*Application of Permitted Debt Fundraising Proceeds*) shall be applied as the Borrower may in its discretion determine as between the Total Facility A Commitments and Total Facility B Commitments, but in relation to each Facility *pro rata* between the Lenders' Commitments under that Facility.

8.8 Replenishment

The Borrower shall be entitled, from any Permitted Debt Fundraising Proceeds, to replenish its cash reserves at its discretion, **provided that** where the proceeds constitute Equally Secured Debt Proceeds the aggregate amount of Equally Secured Debt Proceeds used for such purpose shall not, at any time, exceed \$1,000,000,000 (the "**Subsequent Cash Replenishment from Equally Secured Debt Proceeds Basket**") and subject to the fact that where the Subsequent Cash Replenishment from Equally Secured Debt Proceeds Basket has been utilised in accordance with the above, such utilisation shall be deemed reduced (and the Subsequent Cash Replenishment from Equally Secured Debt Proceeds Basket may be reutilised) by a maximum amount equal to the aggregate amount of any Caliza Proceeds, Permitted Equity Fundraising Proceeds, Permitted Put/Call Proceeds, Disposal Proceeds and the proceeds from Permitted Financial Indebtedness which does not share in the Transaction Security (but not, for the avoidance of doubt, with other Equally Secured Debt Proceeds) which have been applied to reduce Equally Secured Debt.

9. RESTRICTIONS

9.1 Notices of Prepayment

Any notice of prepayment, authorisation or other election given by any Party under Clause 7 (*Illegality and Voluntary Prepayment*) (subject to the terms of that Clause) or paragraph (b) of Clause 8.2 (*Notices in relation to Relevant Proceeds*) shall be irrevocable and, unless a contrary indication appears in this Agreement, shall specify the date or dates upon which the relevant cancellation or prepayment is to be made and the amount of that cancellation or prepayment.

9.2 Interest and other amounts

Any prepayment under this Agreement shall be made together with accrued interest on the amount prepaid and, subject to any Break Costs, without premium or penalty.

9.3 Prepayment and cancellation in accordance with Agreement

No Borrower shall repay or prepay all or any part of the Loans or cancel any Commitments except at the times and in the manner expressly provided for in this Agreement.

9.4 No reborrowing of Facility A

The Borrower may not reborrow any part of Facility A which is prepaid.

9.5 Reborrowing of Facility B

Unless a contrary indication appears in this Agreement, any part of Facility B which is repaid or prepaid may be reborrowed in accordance with this Agreement.

9.6 No reinstatement of Commitments

Subject to Clause 2.2 (*Accordion*), no amount of the Total Commitments cancelled under this Agreement may be subsequently reinstated.

9.7 Agent's receipt of Notices

If the Agent receives a notice or election under Clause 7 (*Illegality and Voluntary Prepayment*) or Clause 8 (*Mandatory Prepayment*), it shall promptly forward a copy of that notice or election to either the Borrower or the affected Lender, as appropriate.

9.8 Effect of Repayment and Prepayment on Facility A Commitments

If all or part of a Utilisation under Facility A is repaid or prepaid, an amount of the Facility A Commitments (equal to the amount of the Utilisation which is repaid or prepaid) will be deemed to be cancelled on the date of repayment or prepayment. Any cancellation under this Clause 9.8 shall, except in the case of a repayment made pursuant to Clause 7.1 (*Illegality*) or Clause 7.4 (*Right of replacement or cancellation and repayment in relation to a single Lender*), reduce the Facility A Commitments of the Lenders rateably.

9.9 Application of prepayments and cancellations

Any prepayment of a Utilisation or cancellation of any Commitments pursuant to Clause 7 (*Illegality and Voluntary Prepayment*) (other than pursuant to Clause 7.1 (*Illegality*) or Clause 7.4 (*Right of replacement or cancellation and repayment in relation to a single Lender*)) shall be applied:

- (a) in the case of a prepayment of a Utilisation, *pro rata* to each Lender's participation in that Utilisation;

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- (b) in the case of a cancellation of any Commitments under a Facility, so that it reduces the Commitments of the Lenders rateably under that Facility;
 - (c) in any case, as the Borrower may in its discretion determine as between the Total Facility A Commitments and Total Facility B Commitments, but in relation to each Facility *pro rata* between the Lenders' Commitments under that Facility.
 - (d) in each case (if applicable), so that the Facility A Repayment Instalments or (as applicable) Facility B Reduction Instalments are reduced in the manner contemplated by Clause 6.5 (*Effect of cancellation and prepayment on scheduled repayments and reductions*).

**SECTION 5
COSTS OF UTILISATION**

10. INTEREST

10.1 Calculation and payment of interest

The rate of interest on each Loan for each Interest Period is the percentage rate per annum which is the aggregate of the applicable:

- (a) Margin; and
- (b) LIBOR.

10.2 Payment of interest

- (a) The Borrower shall pay accrued interest on that Loan on the last day of each Interest Period (and, if the Interest Period is longer than six Months, on the dates falling at six Monthly intervals after the first day of the Interest Period).
- (b) If the Compliance Certificate received by the Agent which relates to the Borrower's annual consolidated financial statements delivered pursuant to Clause 21.1 (*Financial statements*) shows that:
 - (i) a higher Margin should have applied to an Interest Period at any point during the period since the Compliance Certificate was received by the Agent which related to the Borrower's previous set of annual consolidated financial statements, then the Borrower shall promptly pay to the Agent any amounts necessary to put the Agent and the Lenders in the position they would have been in had the appropriate rate of the Margin applied during such period; or
 - (ii) a lower Margin should have applied to an Interest Period at any point during the period since the Compliance Certificate was received by the Agent which related to the Borrower's previous set of annual consolidated financial statements, then the amount of interest due in relation to a Loan on the next interest payment date of that specific Loan shall be reduced by the amount necessary to put the Borrower in the position they would have been in had the appropriate rate of Margin applied during such period,
provided that (i) any such increase or reduction shall only apply to the extent that any Lender which received the underpayment or overpayment of interest remains a Lender at the date of such adjustment and no claim shall be made against the Borrower to the extent that any Lender has not remained a Lender under this Agreement and (ii) any amounts calculated under paragraphs (i) and (ii) above shall be netted.

10.3 Default interest

- (a) If an Obligor fails to pay any amount payable by it under a Finance Document on its due date, interest shall accrue on the overdue amount from the due date

up to the date of actual payment (both before and after judgment) at a rate which, subject to paragraph (b) below, is 2.00 per cent. higher than the rate which would have been payable if the overdue amount had, during the period of non-payment, constituted a Loan or other amount outstanding in the currency of the overdue amount under the relevant Facility for successive Interest Periods, each of a duration selected by the Agent (acting reasonably). Any interest accruing under this Clause 10.3 shall be immediately payable by the Obligor on demand by the Agent.

- (b) If any overdue amount consists of all or part of a Loan or other amount outstanding which became due on a day which was not the last day of an Interest Period relating to that Loan or other amount outstanding:
 - (i) the first Interest Period for that overdue amount shall have a duration equal to the unexpired portion of the current Interest Period relating to that Loan or other amount outstanding; and
 - (ii) the rate of interest applying to the overdue amount during that first Interest Period shall be 2.00 per cent. higher than the rate which would have applied if the overdue amount had not become due.
- (c) Default interest (if unpaid) arising on an overdue amount will be compounded with the overdue amount at the end of each Interest Period applicable to that overdue amount but will remain immediately due and payable.

10.4 Notification of rates of interest

The Agent shall promptly notify the Lenders and the Borrower of the determination of a rate of interest under this Agreement.

11. INTEREST PERIODS

11.1 Selection of Interest Periods

- (a) The Borrower may select an Interest Period for a Loan in the Utilisation Request for that Loan or (in relation to a Facility A Loan that has already been borrowed) in a Selection Notice.
- (b) Each Selection Notice for a Facility A Loan is irrevocable and must be delivered to the Agent by the Borrower not later than the Specified Time.
- (c) If the Borrower fails to deliver a Selection Notice to the Agent in accordance with paragraph (b) above, the relevant Interest Period will be one Month.
- (d) Subject to this Clause 11, the Borrower may select an Interest Period of one, three or six Months or any other period agreed between the Borrower and the Agent (acting on the instructions of all the Lenders in relation to the relevant Loan and **provided that** no period shall be longer than six Months). In addition the Borrower may select an Interest Period of:
 - (i) (in relation to Facility A) a period of less than one Month, if necessary to ensure that there are Facility A Loans (with an aggregate amount

equal to or greater than the Facility A Repayment Instalment) which have an Interest Period ending on a Facility A Repayment Date for the Borrower to make the Facility A Repayment Instalment due on that date; or

- (ii) (in relation to Facility B) a period of less than one Month, if necessary to ensure that (when aggregated with the Available Facility for Facility B) there are Facility B Loans (with an aggregate amount equal to or greater than the Facility B Reduction Instalment) which have an Interest Period ending on a Facility B Reduction Date for the scheduled reduction to occur.
- (e) Following an increase in the Commitments pursuant to Clause 2.2 (*Accordion*), in relation to a Loan in respect of the increased Facility A Commitments or the increased Facility B Commitments, the first Interest Period following such increase shall end on the same date as an Interest Period for an outstanding Facility A Loan or (as applicable) Facility B Loan that has been utilised.
- (f) An Interest Period for a Loan shall not extend beyond the Termination Date.
- (g) Each Interest Period for a Loan shall start on the Utilisation Date or (if already made) on the last day of its preceding Interest Period.

11.2 **Non-Business Days**

If an Interest Period would otherwise end on a day which is not a Business Day, that Interest Period will instead end on the next Business Day in that calendar month (if there is one) or the preceding Business Day (if there is not).

11.3 **Consolidation of Facility A Loans**

If two or more Interest Periods:

- (a) relate to Facility A Loans; and
- (b) end on the same date,

those Facility A Loans will, unless the Borrower specifies to the contrary in the Selection Notice for the next Interest Period, be consolidated into, and treated as, a single Facility A Loan under the relevant Facility on the last day of the Interest Period.

11.4 **Consolidation of Facility B Loans**

If two or more Interest Periods:

- (a) relate to Facility B Loans which mandatorily roll pursuant to Clause 5.8 (*Mandatory Rollover Utilisation*); and
- (b) end on the same date,

those Facility B Loans will be consolidated into, and treated as, a single Facility B Loan under the relevant Facility on the last day of the Interest Period.

12. **CHANGES TO THE CALCULATION OF INTEREST**

12.1 **Absence of quotations**

Subject to Clause 12.2 (*Market disruption*) if LIBOR is to be determined by reference to the Reference Banks but a Reference Bank does not supply a quotation by the Specified Time on the Quotation Day, the applicable LIBOR shall be determined on the basis of the quotations of the remaining Reference Banks.

12.2 **Market disruption**

- (a) If a Market Disruption Event occurs in relation to a Loan for any Interest Period, then the rate of interest on each Lender's participation in that Loan for the Interest Period shall be the percentage rate per annum which is the sum of:
 - (i) the Margin; and
 - (ii) the rate notified to the Agent by that Lender as soon as practicable and in any event by close of business on the date falling five Business Days after the Quotation Day (or, if earlier, on the date falling five Business Days prior to the date on which interest is due to be paid in respect of that Interest Period), to be that which expresses as a percentage rate per annum the cost to that Lender of funding its participation in that Loan from whatever source it may reasonably select.
- (b) If:
 - (i) the percentage rate per annum notified by a Lender pursuant to paragraph (a)(ii) above is less than LIBOR; or
 - (ii) a Lender has not notified the Agent of a percentage rate per annum pursuant to paragraph (a)(ii) above,the cost to that Lender of funding its participation in that Loan for that Interest Period shall be deemed, for the purposes of paragraph (a) above, to be LIBOR.

(c) In this Agreement:

“**Market Disruption Event**” means:

- (i) at or about noon on the Quotation Day for the relevant Interest Period the Screen Rate is not available (or, where applicable, it is not possible to calculate the Interpolated Screen Rate) and none or only one of the Reference Banks supplies a rate to the Agent to determine LIBOR for dollars and the relevant Interest Period; or
- (ii) before close of business in London on the Quotation Day for the relevant Interest Period, the Agent receives notifications from a Lender or Lenders (whose participations in a Loan exceed 35 per cent. of that Loan) that the cost to it of funding its participation in that Loan from whatever source it may reasonably select would be in excess of LIBOR.

12.3 Alternative basis of interest or funding

- (a) If a Market Disruption Event occurs and the Agent or the Borrower so requires, the Agent and the Borrower shall enter into negotiations (for a period of not more than 30 days) with a view to agreeing a substitute basis for determining the rate of interest.
- (b) Any alternative basis agreed pursuant to paragraph (a) above shall, with the prior consent of all the Lenders and the Borrower, be binding on all Parties.

12.4 Break Costs

- (a) The Borrower shall, within three Business Days of demand by a Lender, pay to that Lender its Break Costs attributable to all or any part of a Loan or Unpaid Sum being paid by that Borrower on a day other than the last day of an Interest Period for that Loan or Unpaid Sum.
- (b) Each Lender to whom paragraph (a) above applies shall, as soon as reasonably practicable after a demand by the Agent, provide a certificate confirming the amount of its Break Costs for any Interest Period in which they accrue.

13. FEES

13.1 Commitment fee

- (a) Subject to paragraph (c) below, the Borrower shall pay to the Agent (for the account of each Lender) a fee in dollars computed at a rate equal to, at any time, 35 per cent. of the then applicable Margin per annum on that Lender’s Available Commitment under a Facility for the Availability Period applicable to that Facility.
- (b) The accrued commitment fee is calculated on a daily basis and payable on the last day of each successive period of three Months which ends during the relevant Availability Period, on the last day of the Availability Period and, if cancelled in full, on the cancelled amount of the relevant Lender’s Commitment at the time the cancellation is effective.
- (c) No commitment fee is payable to the Agent (for the account of a Lender) on any Available Commitment of that Lender for any day on which that Lender is a Defaulting Lender.

13.2 **Structuring fee**

The Borrower shall pay to the Agent (for the account of each Arranger) a structuring fee in the amount and at the times agreed in a Fee Letter.

13.3 **Participation fee**

The Borrower shall pay to the Agent (for the account of each Original Lender) a participation fee in the amount and at the times agreed in a Fee Letter.

13.4 **Agency fee**

The Borrower shall pay to the Agent (for its own account) an agency fee in the amount and at the times agreed in a Fee Letter.

13.5 **Security Agent fee**

The Borrower shall pay to the Security Agent (for its own account) the Security Agent fee in the amount and at the times agreed in a Fee Letter.

SECTION 6
ADDITIONAL PAYMENT OBLIGATIONS

14. **TAX GROSS-UP AND INDEMNITIES**

14.1 **Definitions**

In this Agreement:

“**Qualifying Lender**” means:

- (a) any *institución de banca múltiple* established under the laws of Mexico and authorised to engage in the business of banking in Mexico by any of the Ministry of Finance and Public Credit (*Secretaría de Hacienda y Crédito Público*) or the National Banking and Securities Commission (*Comisión Nacional Bancaria y de Valores*); or
- (b) a Treaty Lender.

“**Treaty Lender**” means any person, of any nature, that:

- (a) qualifies as a resident, for tax purposes, of any jurisdiction with which Mexico has entered into a treaty for the avoidance of double taxation, which is in effect; and
- (b) has provided any information required by the Servicio de Administración Tributaria of Mexico (either directly or through the Borrower) pursuant to the terms of the general rules issued by the Ministry of Finance and Public Credit (*Secretaría de Hacienda y Crédito Público*) from time to time.

“**Tax Credit**” means a credit against, relief or remission for, or repayment of, any Tax.

“**Tax Deduction**” means a deduction or withholding for or on account of Tax from a payment under a Finance Document, other than a FATCA Deduction.

“**Tax Payment**” means either the increase in a payment made by an Obligor to a Finance Party under Clause 14.2 (*Tax gross-up*) or a payment, arising from such increase, under Clause 14.3 (*Tax indemnity*).

Unless a contrary indication appears, in this Clause 14 a reference to “**determines**” or “**determined**” means a determination made in the absolute discretion of the person making the determination.

14.2 **Tax gross-up**

- (a) Each Obligor shall make all payments to be made by it without any Tax Deduction, unless a Tax Deduction is required by law.
- (b) The Borrower shall promptly upon becoming aware that an Obligor must make a Tax Deduction (or that there is any change in the rate or the basis of a Tax Deduction, if a Tax Deduction was applicable on the date of this

Agreement or would have been notified to the Agent following the date of this Agreement as contemplated by this Clause 14.2) under the Finance Documents notify the Agent accordingly. Similarly, a Finance Party or a New Lender shall notify the Agent on becoming so aware in respect of a Tax Deduction being applicable, other than Tax Deductions being applicable on the date of this Agreement or on the date of an assignment to a New Lender in accordance with this Agreement. If the Agent receives such notification from a Finance Party it shall notify the Borrower and that Obligor.

- (c) Subject to paragraph (d), if a Tax Deduction is required by law to be made by an Obligor under the Finance Documents, the amount of the payment due from that Obligor shall be increased to an amount which (after making any Tax Deduction) leaves an amount equal to the payment which would have been due if no Tax Deduction had been required and will provide to the Agent, upon request, evidence of the payment of the applicable Taxes.
- (d) A payment shall not be increased under paragraph (c) above by reason of a Tax Deduction on account of Tax imposed by Mexico if, on the date on which the payment falls due, the payment could have been made to the relevant Finance Party without a Tax Deduction, or subject to a Tax Deduction at a reduced rate, if the Finance Party had been a Qualifying Lender or a Treaty Lender, but on that date that Finance Party is not or has ceased to be a Qualifying Lender or a Treaty Lender, other than as a result of any change after the date it became a Finance Party under this Agreement in (or in the interpretation, administration, or application of) any law, regulation or treaty, or any published practice of any relevant taxing authority or for any other reason not attributable to the applicable Lender **provided that:**
 - (i) in respect of a Lender which is an assignee or transferee of an Original Lender, payments under paragraph (c) above shall not exceed the amounts payable under such paragraph (c) to that Original Lender; and
 - (ii) in respect of a Lender that satisfies the definition of Treaty Lender, the maximum percentage in respect of which amounts under paragraph (c) shall be paid is 4.9 per cent. (or any other substitute percentage specified as a result of a change in applicable law) (as may be increased to permit payment in full after paragraph (c) has been applied).
- (e) If an Obligor is required to make a Tax Deduction, that Obligor shall make that Tax Deduction and any payment required in connection with that Tax Deduction within the time allowed and in the minimum amount required by law.
- (f) Within 30 days of making either a Tax Deduction or any payment required in connection with that Tax Deduction, the Obligor making that Tax Deduction shall deliver to the Agent for the Finance Party entitled to the payment an original receipt (or certified copy thereof) or if unavailable such other evidence as is reasonably satisfactory to that Finance Party that the Tax Deduction has been made or (as applicable) any appropriate payment paid to the relevant taxing authority.

14.3 **Tax indemnity**

- (a) The Borrower shall (within three Business Days of demand by the Agent) pay to a Protected Party an amount equal to the loss, liability or cost which that Protected Party determines will be or has been (directly or indirectly) suffered for or on account of Tax by that Protected Party in respect of a Finance Document.
- (b) Paragraph (a) above shall not apply:
 - (i) with respect to any Tax assessed on a Finance Party:
 - (A) under the law of the jurisdiction in which that Finance Party is incorporated or, if different, the jurisdiction (or jurisdictions) in which that Finance Party is treated as resident for tax purposes; or
 - (B) under the law of the jurisdiction in which that Finance Party's Facility Office is located in respect of amounts received or receivable in that jurisdiction,
if that Tax is imposed on or calculated by reference to the net income received or receivable (but not any sum deemed to be received or receivable) by that Finance Party; or
 - (ii) to the extent a loss, liability or cost:
 - (A) is compensated for by an increased payment under Clause 14.2 (*Tax gross-up*);
 - (B) would have been compensated for by an increased payment under Clause 14.2 (*Tax gross-up*) but was not so compensated solely because the exclusion in paragraph (d) of Clause 14.2 (*Tax gross-up*) applied; or
 - (C) relates to a FATCA Deduction required to be made by a Party.
- (c) A Protected Party making, or intending to make, a claim under paragraph (a) above shall promptly notify the Agent of the event which will give, or has given, rise to the claim, following which the Agent shall notify the Borrower.
- (d) A Protected Party shall, on receiving a payment from an Obligor under this Clause 14.3, notify the Agent.

14.4 **Tax Credit**

If an Obligor makes a Tax Payment and the relevant Finance Party determines that:

- (a) a Tax Credit is attributable either to an increased payment of which that Tax Payment forms part or to that Tax Payment; and
- (b) that Finance Party has obtained, utilised and retained that Tax Credit,

the Finance Party shall pay an amount to the Obligor which that Finance Party determines will leave it (after that payment) in the same after-Tax position as it would have been in had the Tax Payment not been required to be made by the Obligor.

14.5 Lender Status Confirmation

- (a) Each Original Lender confirms that it is a Qualifying Lender.
- (b) Each Lender which becomes a Party to this Agreement after the date of this Agreement shall indicate, in the Transfer Certificate, Assignment Agreement or Accordion Confirmation which it executes on becoming a Party, and for the benefit of the Agent and without liability to any Obligor, which of the following categories it falls in:
 - (i) a Qualifying Lender (other than a Treaty Lender);
 - (ii) a Treaty Lender; or
 - (iii) not a Qualifying Lender.
- (c) If a New Lender fails to indicate its status in accordance with this Clause 14.5 then such New Lender shall be treated for the purposes of this Agreement (including by each Obligor) as if it is not a Qualifying Lender until such time as it notifies the Agent which category applies (and the Agent, upon receipt of such notification, shall inform the Borrower). For the avoidance of doubt, a Transfer Certificate, Assignment Agreement or Accordion Confirmation shall not be invalidated by any failure of a Finance Party to comply with this Clause 14.5.

14.6 FATCA Deduction

- (a) Each Party may make any FATCA Deduction it is required to make by FATCA, and any payment required in connection with that FATCA Deduction, and no Party shall be required to increase any payment in respect of which it makes such a FATCA Deduction or otherwise compensate the recipient of the payment for that FATCA Deduction.
- (b) Each Party shall promptly, upon becoming aware that it must make a FATCA Deduction (or that there is any change in the rate or the basis of such FATCA Deduction), notify the Party to whom it is making the payment and, in addition, shall notify the Borrower and the Agent and the Agent shall notify the other Finance Parties.

14.7 Stamp taxes

The Borrower shall pay and, within five Business Days of demand, indemnify each Secured Party against any cost, loss or liability that Secured Party incurs in relation to all stamp duty, registration and other similar Taxes payable in respect of any Finance Document.

14.8 **Value added tax**

- (a) All consideration expressed to be payable under a Finance Document by any Party to a Finance Party shall be deemed to be exclusive of any VAT. If VAT is chargeable on any supply made by any Finance Party to any party in connection with a Finance Document, that Party shall pay to the Finance Party (in addition to and at the same time as paying the consideration) an amount equal to the amount of the VAT and such Finance Party shall promptly provide an appropriate VAT invoice to such Party.
- (b) Where a Finance Document requires any Party to reimburse a Finance Party for any costs or expenses, that Party shall also at the same time pay and indemnify that Finance Party against all VAT incurred by the Finance Party in respect of the costs or expenses to the extent that the Finance party reasonably determines that it is not entitled to credit or repayment of the VAT.

14.9 **No double-recovery**

No Finance Party may recover more than once under the Finance Documents for any cost, loss or liability in respect of which it has a claim under this Clause 14, Clause 15 (*Increased Costs*) or Clause 16 (*Other Indemnities*).

14.10 **French Obligors**

All payments to be made under this Agreement by an Obligor resident or established in France shall be made to an account opened in a financial institution situated in a State or territory other than a non-cooperative State or territory (*Etat ou territoire non coopératif*) within the meaning of Article 238-0 A of the French tax code (*code général des impôts*).

15. **INCREASED COSTS**

15.1 **Increased costs**

- (a) Subject to Clause 15.3 (*Exceptions*) the Borrower shall, within three Business Days of a demand by the Agent, pay for the account of a Finance Party the amount of any Increased Costs incurred by that Finance Party or any of its Affiliates as a result of:
 - (i) the introduction of or any change in (or in the interpretation, administration or application of) any law or regulation after the date of this Agreement; or
 - (ii) compliance with any law or regulation made after the date of this Agreement; or
 - (iii) the implementation or application of, or compliance with, (A) the Dodd-Frank Wall Street Reform and Consumer Protection Act (Public Law 111-203 (signed into law July 21, 2010)) and all requests, rules, guidelines or directives thereunder or issued in connection therewith or (B) Basel III or CRD IV or any law or regulation that implements or applies Basel III or CRD IV.

(b) In this Agreement:

(i) “**Increased Costs**” means:

- (A) a reduction in the rate of return from a Facility or on a Finance Party’s (or its Affiliate’s) overall capital;
- (B) an additional or increased cost; or
- (C) a reduction of any amount due and payable under any Finance Document,

which is incurred or suffered by a Finance Party or any of its Affiliates to the extent that it is attributable to that Finance Party having entered into its Commitment or funding or performing its obligations under any Finance Document; and

(ii) “**Basel III**” means:

- (A) the agreements on capital requirements, a leverage ratio and liquidity standards contained in “Basel III: A global regulatory framework for more resilient banks and banking systems”, “Basel III: International framework for liquidity risk measurement, standards and monitoring” and “Guidance for national authorities operating the countercyclical capital buffer” published by the Basel Committee on Banking Supervision in December 2010, each as amended, supplemented or restated; and
- (B) any further guidance or standards published by the Basel Committee on Banking Supervision relating to “Basel III”.

(iii) “**CRD IV**” means:

- (A) Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms; and
- (B) Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC.

15.2 Increased cost claims

- (a) A Finance Party intending to make a claim pursuant to Clause 15.1 (*Increased costs*) shall notify the Agent of the event giving rise to the claim, following which the Agent shall promptly notify the Borrower.
- (b) Each Finance Party shall, as soon as practicable after a demand by the Agent, provide a certificate confirming the amount of its Increased Costs and setting out the calculation of the amount in reasonable detail.

15.3 **Exceptions**

- (a) Clause 15.1 (*Increased costs*) does not apply to the extent any Increased Cost is:
- (i) attributable to a Tax Deduction required by law to be made by an Obligor;
 - (ii) attributable to a FATCA Deduction required to be made by a Party;
 - (iii) compensated for by Clause 14.3 (*Tax indemnity*) (or would have been compensated for under Clause 14.3 (*Tax indemnity*) but was not so compensated solely because the exclusion in paragraph (b) of Clause 14.3 (*Tax indemnity*) applied);
 - (iv) attributable to the wilful breach by the relevant Finance Party or its Affiliates of any law or regulation; or
 - (v) attributable to the implementation of or compliance with the “International Convergence of Capital Measurements and Capital Standards - a Revised Framework” published by the Basel Committee on Banking Supervision in June 2004 in the form existing on the date of this Agreement (“**Basel II**”) or any other law or regulation that implements Basel II (whether such implementation or compliance is by a government, governmental regulator, Finance Party or an Affiliate thereof) but, for the avoidance of doubt and without prejudice to Clause 15.1 (*Increased costs*), so that this exception does not apply to costs attributable to the implementation or application or compliance with Basel III or CRD IV or any law or regulation that implements or applies Basel III (including CRD IV) **provided that** the relevant Finance Party claiming for any Increased Cost relating to the implementation or application of or compliance with (i) Basel III (each, a “**Basel III Cost**”) and (ii) CRD IV (each a “**CRD IV Cost**”) and the Borrower shall negotiate in good faith for a period not exceeding 30 days following receipt by the Borrower of notice from the Agent of a claim from such Finance Party to pay such Basel III Cost and CRD IV Cost (the “**Negotiation Period**”), with a view to identifying and agreeing the amount of such Basel III Cost and CRD IV Cost to be paid by the Borrower. If such mutually satisfactory arrangements are agreed within such Negotiation Period, these arrangements will be binding on the Borrower and the relevant Finance Party. If no such mutually satisfactory arrangements are agreed by the expiry of the Negotiation Period, then the Borrower shall within 15 days from the expiry of the Negotiation Period, pay the amount of such Basel III Costs and CRD IV Costs (whether or not such amount has been agreed), it being acknowledged that such payment obligation is without prejudice to the Borrower’s right to replace or repay and cancel

that Finance Party's participation in the Utilisations in accordance with Clause 7.4 (*Right of replacement or cancellation and repayment in relation to a single Lender*).

- (b) In this Clause 15.3 reference to a "**Tax Deduction**" has the same meaning given to the term in Clause 14.1 (*Definitions*).

16. OTHER INDEMNITIES

16.1 Currency indemnity

- (a) If any sum due from an Obligor under the Finance Documents (a "**Sum**"), or any order, judgment or award given or made in relation to a Sum, has to be converted from the currency (the "**First Currency**") in which that Sum is payable into another currency (the "**Second Currency**") for the purpose of:
- (i) making or filing a claim or proof against that Obligor; or
 - (ii) obtaining or enforcing an order, judgment or award in relation to any litigation or arbitration proceedings,
- that Obligor shall as an independent obligation, within three Business Days of demand, indemnify each Secured Party to whom that Sum is due against any cost, loss or liability arising out of or as a result of the conversion including any discrepancy between (A) the rate of exchange used to convert that Sum from the First Currency into the Second Currency and (B) the rate or rates of exchange available to that person at the time of its receipt of that Sum.
- (b) Each Obligor waives any right it may have in any jurisdiction to pay any amount under the Finance Documents in a currency or currency unit other than that in which it is expressed to be payable.

16.2 Other indemnities

- (a) The Borrower shall (or shall procure that an Obligor will), within three Business Days of demand, indemnify each Secured Party against any cost, loss or liability incurred by it as a result of:
- (i) the occurrence of any Event of Default;
 - (ii) a failure by an Obligor to pay any amount due under a Finance Document on its due date, including without limitation, any cost, loss or liability arising as a result of Clause 32 (*Sharing among the Finance Parties*);
 - (iii) funding, or making arrangements to fund, its participation in a Utilisation but not made by reason of the operation of any one or more of the provisions of the Finance Documents (other than by reason of default or negligence by that Finance Party alone); or
 - (iv) a Utilisation (or part thereof) not being prepaid in accordance with a notice of prepayment given by the Borrower.

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- (b) The Borrower will indemnify and hold harmless each Finance Party and its Affiliates and each of their and their Affiliates' respective directors, officers, employees, agents, advisers and representatives (each being an "**Indemnified Person**") from and against any and all claims, damages, losses, liabilities, costs, legal expenses and other expenses (all together "**Losses**") which have been incurred by or awarded against any Indemnified Person, in each case arising out of or in connection with any claim, investigation, litigation or proceeding (or the preparation of any defence with respect thereto) commenced or threatened by any person other than itself, its respective directors, officers, employees, agents, advisers or representatives in relation to any of the Finance Documents (or in connection with the execution and/or notarisation of any Finance Document) except to the extent such Losses or claims result from such Indemnified Person's negligence or misconduct or a breach of any term of any Finance Document by that Indemnified Person. Any third party referred to in this paragraph (b) may rely on this Clause 16.2.

16.3 Indemnity to the Agent

The Borrower shall promptly indemnify the Agent against any cost, loss or liability incurred by the Agent (acting reasonably) as a result of:

- (a) investigating any event which it reasonably believes is a Default; or
- (b) acting or relying on any notice, request or instruction which it reasonably believes to be genuine, correct and appropriately authorised.

17. MITIGATION BY THE FINANCE PARTIES

17.1 Mitigation

- (a) Each Finance Party shall, in consultation with the Borrower, take all reasonable steps to mitigate any circumstances which arise and which would result in any amount becoming payable under or pursuant to, or cancelled pursuant to, any of Clause 7.1 (*Illegality*), Clause 14 (*Tax Gross-Up and Indemnities*), Clause 15 (*Increased Costs*) or Clause 16 (*Other Indemnities*) including (but not limited to) transferring its rights and obligations under the Finance Documents to another Affiliate or Facility Office.
- (b) Paragraph (a) above does not in any way limit the obligations of any Obligor under the Finance Documents.

17.2 Limitation of liability

- (a) The Borrower shall promptly indemnify each Finance Party for all costs and expenses reasonably incurred by that Finance Party as a result of steps taken by it under Clause 17.1 (*Mitigation*) after consultation with the Borrower.
- (b) A Finance Party is not obliged to take any steps under Clause 17.1 (*Mitigation*) if, in the opinion of that Finance Party (acting reasonably), to do so might be prejudicial to it.

18. **COSTS AND EXPENSES**

18.1 **Transaction expenses**

The Borrower shall promptly on demand pay (or procure to be paid) to the Agent and the Security Agent the amount of all costs and expenses (including legal fees) reasonably incurred by any of them (and, in the case of the Security Agent, by any Receiver or Delegate) in connection with the negotiation, preparation, printing, execution and perfection of:

- (a) this Agreement and any other documents referred to in this Agreement and the Transaction Security; and
- (b) any other Finance Documents executed after the date of this Agreement.

18.2 **Amendment costs**

If an Obligor requests an amendment, waiver or consent, the Borrower shall, within three Business Days of demand, reimburse (or procure to be reimbursed) each of the Agent and the Security Agent for the amount of all costs and expenses (including legal fees) reasonably incurred by the Agent and the Security Agent (and, in the case of the Security Agent, by any Receiver or Delegate) in responding to, evaluating, negotiating or complying with that request or requirement.

18.3 **Security Agent's ongoing costs**

- (a) In the event of (i) a Default or (ii) the Security Agent considering it necessary or expedient or (iii) the Security Agent being requested by an Obligor or the Majority Lenders to undertake duties which the Security Agent and the Borrower agree to be of an exceptional nature and/or outside the scope of the normal duties of the Security Agent under the Finance Documents, the Borrower shall pay to the Security Agent any additional remuneration that may be agreed between them.
- (b) If the Security Agent and the Borrower fail to agree upon the nature of the duties or upon any additional remuneration, that dispute shall be determined by an investment bank (acting as an expert and not as an arbitrator) selected by the Security Agent and approved by the Borrower or, failing approval, nominated (on the application of the Security Agent) by the President for the time being of the Law Society of England and Wales (the costs of the nomination and of the investment bank being payable by the Borrower) and the determination of any investment bank shall be final and binding upon the parties to this Agreement.

18.4 **Enforcement and preservation costs**

The Borrower shall, within three Business Days of demand, pay (or procure to be paid) to each Secured Party the amount of all costs and expenses (including legal fees) incurred by it in connection with the enforcement of or the preservation of any rights under any Finance Document and the Transaction Security and any proceedings instituted by or against the Security Agent as a consequence of taking or holding the Transaction Security or enforcing these rights.

18.5 **Custodian**

The Borrower shall promptly on demand pay (or procure to be paid) to the Agent and the Custodian the amount of all costs and expenses (including legal fees) reasonably incurred by any of them in connection with the appointment of the Custodian or the performance by it of its duties in relation to this Agreement. The Custodian may rely on this Clause 18.5 subject to Clause 1.4 (*Third party rights*) and the provisions of the Third Parties Act.

**SECTION 7
GUARANTEE**

19. GUARANTEE AND INDEMNITY

19.1 Guarantee and indemnity

Each Guarantor irrevocably and unconditionally jointly and severally:

- (a) guarantees to each Finance Party punctual performance by each other Obligor of that Obligor's obligations under the Finance Documents;
- (b) undertakes with each Finance Party that whenever an Obligor does not pay any amount when due under or in connection with any Finance Document, it shall immediately on demand pay that amount as if it were the principal obligor; and
- (c) agrees with each Finance Party that if any obligation guaranteed by it pursuant to this Clause 19.1 is or becomes unenforceable, invalid or illegal or is otherwise discharged by the operation of clause 8.2 (*Distressed Disposals*) of the Intercreditor Agreement, it will, as an independent and primary obligation, indemnify that Finance Party immediately on demand against any cost, loss or liability it incurs as a result of an Obligor not paying any amount which would, but for such unenforceability, invalidity or illegality, have been payable by it under any Finance Document on the date when it would have been due. The amount payable by a Guarantor under this indemnity will not exceed the amount it would have had to pay under this Clause 19 if the amount claimed had been recoverable on the basis of a guarantee.

19.2 Continuing Guarantee

Each guarantee is a continuing guarantee and will extend to the ultimate balance of sums payable by each Obligor under the Finance Documents, regardless of any intermediate payment or discharge in whole or in part.

19.3 Reinstatement

If any discharge, release or arrangement (whether in respect of the obligations of any Obligor or any security for those obligations or otherwise) is made by a Finance Party in whole or in part on the basis of any payment, security or other disposition which is avoided or must be restored in insolvency, liquidation, administration, Irish law examinership or otherwise, then the liability of each Guarantor under this Clause 19 will continue or be reinstated as if the discharge, release or arrangement had not occurred.

19.4 **Waiver of defences**

- (a) The obligations of each Guarantor under this Clause 19 will not be affected by an act, omission, matter or thing which, but for this Clause 19, would reduce, release or prejudice any of its obligations under this Clause 19 (without limitation and whether or not known to it or any Finance Party) including:
- (i) any time, waiver or consent granted to, or composition with, any other Obligor or other person;
 - (ii) the release of any other Obligor or any other person under the terms of any composition or arrangement with any creditor of any member of the Group;
 - (iii) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or security over assets of, any other Obligor or other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any security;
 - (iv) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of any other Obligor or any other person;
 - (v) any amendment, novation, supplement, extension, restatement (however fundamental and whether or not more onerous) or replacement of a Finance Document or any other document or security including, without limitation, any change in the purpose of, any extension of or increase in any facility or the addition of any new facility under any Finance Document or other document or security;
 - (vi) any unenforceability, illegality or invalidity of any obligation of any person under any Finance Document or any other document or security;
 - (vii) any insolvency, *concurso mercantil*, *quiebra* or similar proceedings;
 - (viii) the existence of any claim, set-off or other right which any of the Guarantors may have at any time against any Obligor, the Agent, any Lender or any other person, whether in connection with this transaction or with any unrelated transaction;
 - (ix) any provision of applicable law or regulation purporting to prohibit the payment by any Obligor of any amount payable by any Obligor under any Finance Document or the payment, observance, fulfilment or performance of any other obligations to the Lenders or the Agent now or in future existing under or in connection with the Finance Documents, whether direct or indirect, absolute or contingent, due or to become due;

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- (x) any change in the name, purposes, business, capital stock (including the ownership thereof) or constitution of any Obligor; or
 - (xi) any other act or omission to act or delay of any kind by any Obligor, the Agent, the Lenders or any other person or any other circumstance whatsoever which might otherwise constitute a legal or equitable discharge of or defense to any Guarantor's obligations hereunder.
- (b) To the extent permitted by applicable law and notwithstanding any contrary principles under the laws of any other jurisdiction, each of the Guarantors hereby waives any and all defences to which it may be entitled, whether at common law, in equity or by statute which limits the liability of, or exonerates, guarantors or which may conflict with the terms of this Clause 19 including failure of consideration, breach of warranty, statute of frauds, merger or consolidation of any Obligor, statute of limitations, accord and satisfaction and usury. Without limiting the generality of the foregoing, each of the Guarantors consents that, without notice to such Guarantor and without the necessity for additional endorsement or consent by such Guarantor, and without impairing or affecting in any way the liability of such Guarantor hereunder, the Agent and the Lenders may at any time and from time to time, upon or without any terms or conditions and in whole or in part:
- (i) change the manner, place or terms of payment of, and/or change or extend the time or payment of, renew or alter, any of the Guarantors' obligations under the Finance Documents, any security therefor, or any liability incurred directly or indirectly in respect thereof, and this Clause 19 shall apply to such obligations as so changed, extended, renewed or altered;
 - (ii) exercise or refrain from exercising any rights against any Obligor or others (including the Guarantors) or otherwise act or refrain from acting;
 - (iii) settle or compromise any such obligations, any security therefor or any liability (including any of those hereunder) incurred directly or indirectly in respect thereof or hereof, and may subordinate the payment of all or any part thereof to the payment of any such liability (whether due or not) of any Obligor to creditors of any Obligor other than the Agent and the Lenders and Guarantors;
 - (iv) apply any sums by whomsoever paid or howsoever realised, other than payments of the Guarantors of such obligations, to any liability or liabilities of any Obligor under the Finance Documents or any instruments or agreements referred to herein or therein, to the Agent and the Lenders regardless of which of such liability or liabilities of any Obligor under the Finance Documents or any instruments or agreements referred to herein or therein remain unpaid;
 - (v) consent to or waive any breach of, or any act, omission or default under such obligations or any of the instruments or agreements referred to in this Agreement and the other Finance Documents, or otherwise amend, modify or supplement such obligations or any of such instruments or agreements, including the Finance Documents; and/or
 - (vi) request or accept other support of such obligations or take and hold any security for the payment of such obligations, or allow the release, impairment, surrender, exchange, substitution, compromise, settlement, rescission or subordination thereof.

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- (c) Each Guarantor incorporated in Mexico expressly waives, irrevocably and unconditionally:
- (i) any right to require that any Finance Party first proceed against, initiate any actions before a court or any other judge or authority, or enforce any other rights or security or claim payment from any Obligor or any other person, before claiming any amounts due from such Guarantor incorporated in Mexico hereunder;
 - (ii) any right to which it may be entitled to have the assets of the Borrower, any other Obligor or any other person first be used, applied or depleted as payment of the Obligor's obligations hereunder, prior to any amount being claimed from or paid by any Guarantor incorporated in Mexico hereunder;
 - (iii) any right to which it may be entitled to have claims against it, or assets to be used or applied as payment, divided among different Guarantors; and
 - (iv) the benefits of *orden*, *excusión*, *división*, *quita* and *espera* and any right specified in Articles 2814, 2815, 2817, 2818, 2819, 2820, 2821, 2822, 2823, 2826, 2829, 2837, 2840, 2845, 2846, 2847 and any other related or applicable Articles that are not explicitly set forth herein because of the Guarantor's knowledge thereof, of the *Código Civil Federal* of Mexico and the *Código Civil* of each State of the Mexican Republic and the Federal District of Mexico.

19.5 Immediate recourse

- (a) Each Guarantor waives any right it may have of first requiring any Finance Party (or any trustee or agent on its behalf) to proceed against or enforce any other rights or security or claim payment from any person before claiming from a Guarantor under this Clause 19. This waiver applies irrespective of any law or regulation or any provision of a Finance Document to the contrary.
- (b) Each Guarantor also waives any right to be sued jointly with other Guarantors and to share liability resulting from any claim against it.

19.6 **Appropriations**

Until all amounts which may be or become payable by any Obligor under or in connection with the Finance Documents have been irrevocably paid in full, each Finance Party (or any trustee or agent on its behalf) may:

- (a) refrain from applying or enforcing any other monies, security or rights held or received by that Finance Party (or any trustee or agent on its behalf) in respect of those amounts, or apply and enforce the same in such manner and order as it sees fit (whether against those amounts or otherwise) and no Guarantor shall be entitled to the benefit of the same; and
- (b) hold in an interest-bearing suspense account any monies received from a Guarantor or on account of such Guarantor's liability under this Clause 19,

provided that the operation of this Clause 19.6 shall not be deemed to create any Security.

19.7 **Deferral of Guarantors' rights**

Until all amounts which may be or become payable by any Obligor under or in connection with the Finance Documents have been irrevocably paid in full and unless the Agent otherwise directs, no Guarantor will exercise any rights which it may have by reason of performance by it of its obligations under the Finance Documents or by reason of any amount being payable, or liability arising, under this Clause 19:

- (a) to be indemnified by any other Obligor;
- (b) to claim any contribution from any other guarantor of any other Obligor's obligations under the Finance Documents;
- (c) to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Finance Parties under the Finance Documents or of any other guarantee or security taken pursuant to, or in connection with, the Finance Documents by any Finance Party;
- (d) to bring legal or other proceedings for an order requiring any Obligor to make any payment, or perform any obligation, in respect of which any Guarantor has given a guarantee, undertaking or indemnity under, as the case may be, Clause 19.1 (*Guarantee and indemnity*);
- (e) to exercise any right of set-off against any Obligor; and/or
- (f) to claim or provide as a creditor of any Obligor in competition with any Finance Party.

19.8 **Additional security**

Each guarantee is in addition to and is not in any way prejudiced by any other guarantee or security now or subsequently held by any Finance Party.

19.9 **General limitation on guaranty**

In any action or proceeding involving any applicable corporate law, or any applicable bankruptcy, insolvency, reorganisation, *concurso mercantil*, *quiebra* or other law affecting the rights of creditors generally, if the obligations of any Guarantor under this Clause 19 would otherwise be held or determined to be void, invalid or unenforceable, or subordinated to the claims of any other creditors, on account of the amount of its liability under this Clause 19, then, notwithstanding any other provision hereof to the contrary, the amount of such liability shall, without any further action by such Guarantor, any Lender, the Agent or any other person to the greatest extent permitted under applicable law, be automatically limited and reduced to the highest amount that is valid and enforceable and not subordinated to the claims of other creditors as determined in such action or proceeding.

19.10 **Bankruptcy and related matters**

- (a) So long as any of the obligations under the Finance Documents are outstanding, each of the Guarantors shall not (unless required to do so by law or regulation), without the prior written consent of the Majority Lenders, commence or join with any other person in commencing any bankruptcy, liquidation, reorganisation, *concurso mercantil*, *quiebra* or insolvency proceedings of, or against, any Obligor.
- (b) If acceleration of the time for payment of any amount payable by Borrower under the Finance Documents is stayed upon the insolvency, bankruptcy, reorganisation, *concurso mercantil*, *quiebra* or any similar event of any Obligor or otherwise, all such amounts otherwise subject to acceleration under the terms of this Agreement shall nonetheless be payable by the Guarantors hereunder forthwith on demand by the Agent made at the request of the Lenders.
- (c) The obligations of each of the Guarantors under this Clause 19 shall not be reduced, limited, impaired, discharged, deferred suspended or terminated by any proceeding or action, voluntary or involuntary, involving the bankruptcy, insolvency, *concurso mercantil*, *quiebra*, receivership, reorganisation, marshalling of assets, assignment for the benefit of creditors, readjustment, liquidation or arrangement of any Obligor or similar proceedings or actions or by any defense which any Obligor may have by reason of the order, decree or decision of any court or administrative body resulting from any such proceeding or action. Without limiting the generality of the foregoing, the Guarantors' liability shall extend to all amounts and obligations under the Finance Documents and would be owed by any Obligor but for the fact that they are unenforceable or not allowable due to the existence of any such proceeding or action.
- (d) Each of the Guarantors acknowledges and agrees that any interest on any portion of the obligations under the Finance Documents which accrues after the commencement of any proceeding or action referred to above in paragraph (c) of this Clause 19.10 (or, if interest on any portion of such obligations ceases to accrue by operation of law by reason of the commencement of said proceeding or action, such interest as would have accrued on such portion of

such obligations if said proceedings or actions had not been commenced) shall be included in such obligations, it being the intention of the Guarantors, the Agent, and the Lenders that such obligations which are to be guaranteed by the Guarantors pursuant to this Clause 19 shall be determined without regard to any rule of law or order which may relieve any Obligor of any portion of such obligations. The Guarantors will take no action to prevent any trustee in bankruptcy, receiver, debtor in possession, assignee for the benefit of creditors or similar person from paying the Agent, or allowing the claim of the Agent, for the benefit of the Agent, and the Lenders, in respect of any such interest accruing after the date of which such proceeding is commenced, except to the extent any such interest shall already have been paid by the Guarantors.

- (e) Notwithstanding anything to the contrary contained herein, if all or any portion of the obligations under the Finance Documents are paid by or on behalf of any Obligor, the obligations of the Guarantors hereunder shall continue and remain in full force and effect or be reinstated, as the case may be, in the event that all or any part of such payment(s) are rescinded or recovered, directly or indirectly, from the Agent and/or the Lenders as a preference, preferential transfer, fraudulent transfer or otherwise, and any such payments which are so rescinded or recovered shall constitute obligations under the Finance Documents for all purposes under this Clause 19, to the extent permitted by applicable law.

19.11 Dutch guarantee limitation

Notwithstanding any other provision of this Clause 19 (*Guarantee and Indemnity*) the guarantees, indemnities and other obligations of any Dutch Obligor expressed to be assumed in this Clause 19 (*Guarantee and Indemnity*) shall be deemed not to be assumed by such Dutch Obligor to the extent that the same would constitute unlawful financial assistance within the meaning of Article 2:98c of the Dutch Civil Code (where applicable) or any other applicable financial assistance rules under any rules under any relevant jurisdiction (the “**Prohibition**”) and the provisions of this Agreement and the other Finance Documents shall be construed accordingly. For the avoidance of doubt, it is expressly acknowledged that the relevant Dutch Obligors will continue to guarantee all such obligations which, if included, do not constitute a violation of the Prohibition.

19.12 Spanish guarantee limitation

Notwithstanding any other provision of this Clause 19 (*Guarantee and Indemnity*) the guarantees, indemnities and other obligations of any Obligor incorporated in Spain expressed to be assumed in this Clause 19 (*Guarantee and Indemnity*) shall be deemed not to be assumed by such Obligor incorporated in Spain to the extent that the same would constitute the provision of financial assistance within the meaning of either Article 150.1 of the 2010 Spanish Corporations Act (*Ley de Sociedades de Capital*) (in the case of a Spanish Obligor which is a *sociedad anónima*), or Article 143.2 of the 2010 Spanish Corporations Act (*Ley de Sociedades de Capital*) (in the case of a Spanish Obligor which is a *sociedad limitada*).

19.13 Swiss guarantee limitation

- (a) The obligations and liabilities of an Obligor incorporated in Switzerland (the “**Swiss Obligor**”) under this Agreement or any other Finance Document in relation to the obligations, undertakings, indemnities or liabilities of an Obligor other than that Swiss Obligor or any of its fully owned and controlled subsidiaries (the “**Restricted Obligations**”) shall be limited to the amount of that Swiss Obligor’s Free Reserves Available for Distribution at the time payment is requested, **provided that** such limitation is a requirement under applicable law (including any case law) at that point in time and that such limitation shall not free the Swiss Obligor from its obligations in excess thereof, but merely postpone the performance date until such time as performance is permitted notwithstanding such limitation.
- (b) For the purpose of this Clause 19.13, “**Free Reserves Available for Distribution**” means an amount equal to the maximal amount in which the relevant Swiss Obligor can make a dividend payment to its shareholder(s) (being the balance sheet profit and any freely disposable reserves available for this purpose, in each case in accordance with applicable Swiss law).
- (c) As soon as possible after having been requested to discharge a Restricted Obligation, the Swiss Obligor shall, if it cannot discharge the full amount of the Restricted Obligations, provide the Security Agent with an interim statutory balance sheet audited by the statutory auditors of the Swiss Obligor setting out the Free Reserves Available for Distribution and, immediately thereafter, pay the amount corresponding to the Free Reserves Available for Distribution to the Security Agent (save to the extent provided below).
- (d) In respect of the Restricted Obligations, the Swiss Obligor shall:
 - (i) if and to the extent required by applicable law in force at the relevant time:
 - (A) subject to any applicable double taxation treaties, deduct Swiss withholding tax at the rate of 35 per cent. (or such other rate as is in force at that time) from any payment made by it;
 - (B) pay any such deduction to the Swiss Federal Tax Administration; and
 - (C) notify and provide evidence to the Security Agent that the Swiss withholding tax has been paid to the Swiss Federal Tax Administration; and
 - (ii) to the extent such deduction is made, not be required to make a gross-up, indemnify or otherwise hold harmless the Finance Parties for the deduction of the Swiss withholding tax notwithstanding anything to the contrary contained in the Finance Documents, unless grossing up is permitted under the laws of Switzerland then in force and **provided that** this should not in any way limit any obligations of any non-Swiss Obligors under the Finance Documents to

indemnify the Finance Parties in respect of the deduction of the Swiss withholding tax, including, without limitation, in accordance with Clause 14 (*Tax Gross-Up and Indemnities*). The Swiss Obligor shall use all reasonable efforts to procure that any person which is entitled to a full or partial refund of any Swiss withholding tax paid pursuant to paragraph (a) above will, as soon as possible after the deduction of the Swiss withholding tax: (y) request a refund of the Swiss withholding tax under any applicable law (including double taxation treaties) and (z) pay to the Security Agent upon receipt any amount so refunded.

- (e) The Swiss Obligor will take, and cause to be taken, all and any other action, including, without limitation, the passing of any shareholders' resolutions to approve any payment or other performance under the Finance Documents and the receipt of any confirmations from the Swiss Obligor's auditors, whether following a request to discharge a Restricted Obligation or which may be required as a matter of mandatory Swiss law in force at the time it is required to make a payment or perform other obligations under the Finance Documents in order to allow a prompt payment or performance of other obligations under the Finance Documents.
- (f) If the enforcement of the Restricted Obligations would be limited due to the effects referred to in this Clause 19 and if any asset of the Swiss Obligor has a book value that is less than its market value (an "**Undervalued Asset**"), the Swiss Obligor shall, to the extent permitted by applicable law and its Accounting Standards (i) write up the book value of such Undervalued Asset such that its balance sheet reflects a book value that is equal to the market value of such Undervalued Asset, and (ii) make reasonable efforts to realise the Undervalued Asset for a sum which is at least equal to the market value of such asset. Without prejudice to the rights of the Security Agent under the Finance Documents, the Swiss Obligor will only be required to realise an Undervalued Asset if such asset is not necessary for the Swiss Obligor's business (*nicht betriebsnotwendig*).

19.14 French guarantee limitation

- (a) The obligations and liabilities under the Finance Documents of any French Guarantor are subject to the limitations set out in this Clause 19.14.
- (b) The obligations and liabilities of any French Guarantor under the Finance Documents and in particular under this Clause 19 (*Guarantee and Indemnity*) shall not include any obligation or liability which, if incurred, would constitute the provisions of financial assistance within the meaning of article L.255-216 of the French Commercial Code and/or would constitute a misuse of corporate assets within the meaning of article L. 241-3, L. 242-6 or L. 244-1 of the French Commercial Code or any other law or regulation having the same effect, as interpreted by French courts and/or would infringe article L. 511-7 of the French Monetary and Financial Code.
- (c) The obligations and liabilities of any French Guarantor under this Clause 19 (*Guarantee and Indemnity*) for the obligations under the Finance Documents

of any other Obligor which is not a Subsidiary of such French Guarantor shall be limited, at any time, to an amount equal to the aggregate of all amounts directly or indirectly borrowed under this Agreement by such other Obligor to the extent directly or indirectly on-lent to such French Guarantor under intercompany loan agreements (excluding, for the avoidance of doubt, any cash-pooling arrangements or other cash management agreements, **provided that** no Facility made available under this Agreement shall finance, directly or indirectly, such cash pooling arrangements or other cash management agreements) and outstanding at the date a payment is to be made by such French Guarantor under this Clause 19 (*Guarantee and Indemnity*), it being specified that any payment made by a French Guarantor under this Clause 19 (*Guarantee and Indemnity*) in respect of the obligations of such Obligor shall reduce *pro tanto* the outstanding amount of the intercompany loans due by such French Guarantor under the intercompany loan agreements referred to above and that any repayment of the intercompany loans by the French Guarantor shall reduce *pro tanto* the amount payable by it under this Clause 19 (*Guarantee and Indemnity*).

- (d) The obligations and liabilities of any French Guarantor under this Clause 19 (*Guarantee and Indemnity*) for the obligations under the Finance Documents of any other Obligor which is its Subsidiary shall not be limited and shall therefore cover all amounts due by such Obligor under this Agreement. However, where such Subsidiary is itself a Guarantor which guarantees the obligations of a member of the Group which is not a Subsidiary of the relevant French Guarantor, the amounts payable by such French Guarantor under this paragraph (d) in respect of the obligations of this Subsidiary as Guarantor, shall be limited as set out in paragraph (c) above.
- (e) It is acknowledged that no French Guarantor is acting jointly and severally with the other Guarantors and no French Guarantor shall therefore be considered as “co-débiteur solidaire” as to its obligations pursuant to the guarantee given pursuant to this Clause 19 (*Guarantee and Indemnity*).
- (f) In the event that there is any inconsistency between the provisions of this Clause 19.14 and any other provision in this Agreement or any other Finance Documents (each of which shall be expressly subject thereto), the provisions of this Clause 19.14 shall prevail.
- (g) For the purpose of paragraphs (b), (c) and (d) above, “Subsidiary” means, in relation to any company, another company which is controlled by it within the meaning of article L. 233-3 of the French Commercial Code.

SECTION 8
REPRESENTATIONS, UNDERTAKINGS AND EVENTS OF DEFAULT

20. REPRESENTATIONS

Each Obligor makes the representations and warranties set out in this Clause 20 to each Finance Party except that no representation or warranty is made by a Security Provider that is not also the Borrower or a Guarantor in respect of the representations and warranties set out in Clauses 20.9 (*No default*) to 20.11 (*Financial statements*), 20.13 (*No proceedings pending or threatened*) to 20.17 (*Environmental Claims*), 20.22 (*Accuracy of Existing Financial Indebtedness*), 20.23 (*Group Structure Chart*) and 20.26 (*Governmental Regulations*) to 20.29 (*Pension, Welfare and other Similar Plans*).

20.1 Status

- (a) It is a corporation or limited liability company, duly organised and validly existing under the laws and regulations of its jurisdiction of incorporation or formation other than (i) in the case of CEMEX International Finance Company, which is a private company duly incorporated with unlimited liability under the laws and regulations of Ireland and (ii) CEMEX UK, which is a private company duly incorporated with unlimited liability under the laws and regulations of England and Wales.
- (b) It has the power to own its assets and carry on its business as it is being conducted.

20.2 Binding obligations

Subject to the Legal Reservations:

- (a) the obligations expressed to be assumed by it in each Finance Document are legal, valid, binding and enforceable obligations; and
- (b) (without limiting the generality of paragraph (a) above) each Transaction Security Document to which it is a party creates the Security which that Transaction Security Document purports to create and that Security is valid and effective.

20.3 Non-conflict with other obligations

The entry into and performance by it (or, in the case of paragraph (c) below, any Obligor) of, and the transactions contemplated by, the Finance Documents and the granting of the Transaction Security do not and will not conflict with:

- (a) any law or regulation applicable to it or any judgment or other administrative or judicial order affecting it or binding upon it or any of its assets (including in respect of CEMEX International Finance Company, section 60 of the Companies Act, 1963);
- (b) its constitutional documents;

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- (c) the Finance Documents or any documentation relating to any publicly-issued securities binding upon it; or
 - (d) any agreement or instrument binding upon it or any of its assets, in a manner or to an extent which would have or would be reasonably likely to have a Material Adverse Effect.

20.4 Power and authority

It has the power to enter into, perform and deliver, and has taken all necessary action to authorise its entry into, performance and delivery of, the Finance Documents to which it is a party and the transactions contemplated by those Finance Documents.

20.5 Validity and admissibility in evidence

All Authorisations required or desirable:

- (a) to enable it lawfully to enter into, exercise its rights and comply with its obligations under the Finance Documents to which it is a party; and
- (b) to make the Finance Documents to which it is a party admissible in evidence in its jurisdiction of incorporation, have been obtained or effected and are in full force and effect.

20.6 Governing law, choice of forum and enforcement

Subject to the Legal Reservations:

- (a) the choice of governing law of each Finance Document to which it is a party in the jurisdiction of the governing law of that Finance Document, will be recognised and enforced in its jurisdiction of incorporation;
- (b) the choice of the English courts set forth in this Agreement is a valid and enforceable choice of forum under any other applicable law; and
- (c) any judgment obtained in relation to a Finance Document to which it is a party in the jurisdiction of the governing law of that Finance Document will be recognised and enforced in its jurisdiction of incorporation.

20.7 Tax

- (a) The Borrower is not required under the laws and regulations of its jurisdiction of incorporation to make any deduction for or on account of Tax from any payment it may make under any Finance Document to any Lender (other than as disclosed prior to the date of this Agreement).
- (b) In respect of the Dutch Obligors only, no notice under Article 36 Tax Collection Act (*Invorderingswet 1990*) has been given prior to the date of this Agreement.

20.8 No filing or stamp taxes

- (a) Subject to the Legal Reservations, no order, permission, consent, approval, license, authorisation, registration or validation of, or notice to, or filing with, or exemption by, any Governmental Authority or third party is required to authorise, or is required in connection with, the execution, delivery and performance by each Obligor of the Finance Documents or the taking of any action contemplated thereby.
- (b) Under the laws and regulations of its jurisdiction of incorporation it is not necessary that any stamp, registration or similar tax be paid on or in relation to the Finance Documents or the transactions contemplated by the Finance Documents except any tax or fee which is referred to in any Legal Opinion and which will be paid promptly after the date of the relevant Finance Document.
- (c) Each Finance Document is in proper legal form under the law of the jurisdiction of organisation of each Obligor for the enforcement thereof against each such Obligor under the law of its respective jurisdiction of organisation. To ensure the legality, validity, enforceability or admissibility in evidence of any Finance Document in such jurisdiction, it is not necessary that any Finance Document be filed or recorded with any Governmental Authority in such jurisdiction (other than (i) in the case of CEMEX International Finance Company, where the Transaction Security created by it as referred to in paragraph 3 (*Transaction Security Documents*) of Part I of Schedule 2 (*Conditions Precedent*) was required to be (and was) registered at the Companies Registration Office in Ireland within 21 days of the creation thereof and (ii) the registration of the Transaction Security Document referred to in sub-paragraph (a)(iii) of paragraph 3 (*Transaction Security Documents*) of Part I of Schedule 2 (*Conditions Precedent*) with the *Registro Único de Garantías Mobiliarias* of Mexico) or that any stamp or similar tax be paid on or in respect of any Finance Document, unless such stamp or similar taxes have been paid by the Borrower, **provided that** in the event that any legal proceedings are brought to the courts of Mexico or Spain, a Spanish translation of the documents required in such proceedings prepared by a court-approved translator (or, in the case of the courts of Spain, an authorised sworn translator), would have to be approved by the court after the defendant had been given an opportunity to be heard with respect to the accuracy of the translation, and proceedings would thereafter be based upon the translated documents.
- (d) It is not necessary (i) in order for the Agent or any Lender to enforce any right or remedies under the Finance Documents, or (ii) solely by reason of the execution, delivery and performance of any Finance Document by the Agent or any Lender, that the Agent or such Lender be licensed or qualified with any Governmental Authority or be entitled to carry on business, in each case in the jurisdiction of organisation of the applicable Obligors.

20.9 **No default**

- (a) No Default or Event of Default is continuing or might reasonably be expected to result from the making of any Utilisation.
- (b) No other event or circumstance is outstanding which constitutes a default under any other agreement or instrument which is binding on it or any of its Subsidiaries or to which its (or its Subsidiaries') assets are subject which would have or would be reasonably likely to have a Material Adverse Effect.

20.10 **No misleading information**

All written information provided by or on behalf of any member of the Group to a Finance Party under or in connection with the transaction contemplated by the Finance Documents was true, complete and accurate in all material respects as at the date it was provided and was not misleading in any material respect as at such date.

20.11 **Financial statements**

- (a) Its Original Financial Statements were prepared in accordance with Applicable GAAP (save as disclosed therein) consistently applied and are complete and accurate in all material respects.
- (b) Its Original Financial Statements fairly represent its financial condition and operations during the relevant financial year unless expressly disclosed to the Agent in writing prior to the date of this Agreement.
- (c) For the purposes of any repetition of the representations contained in paragraphs (a) and (b) of this Clause 20.11 (pursuant to Clause 20.30 (*Times at which representations are made*)) the representations will be made in respect of the latest consolidated (or if, other than in the case of the Borrower or CEMEX España, consolidated financial statements are not available, unconsolidated) financial statements of the Borrower and each Guarantor instead of the Original Financial Statements.

20.12 **Ranking**

- (a) Its payment obligations under the Finance Documents rank at least *pari passu* with the claims of all its other unsecured and unsubordinated creditors, except for obligations mandatorily preferred by law or regulation applying to companies generally.
- (b) The Transaction Security has or will have the ranking in priority which it is expressed to have in the Transaction Security Documents and it is not subject to any prior ranking or *pari passu* ranking Security.
- (c) Each Finance Document constitutes a direct, unconditional and unsubordinated obligation of each Obligor which is a party to such Finance Document.

20.13 No proceedings pending or threatened

Except as disclosed in Schedule 14 (*Proceedings Pending or Threatened*), no litigation, arbitration or administrative proceedings of or before any court, arbitral body or agency which:

- (a) are likely to be adversely determined and which, if so determined, would be reasonably likely to have a Material Adverse Effect; or
 - (b) purport to affect the legality, validity or enforceability of any of the obligations under the Finance Documents,
- have been started or threatened against it or, in the case of the Borrower, any Obligor or Material Subsidiary.

20.14 No winding-up

No legal proceedings or other procedures or steps have been taken or, to the Borrower's knowledge after reasonable enquiry, are being threatened, in relation to the winding-up, dissolution, administration, examinership or reorganisation of any Obligor or Material Subsidiary (other than a solvent liquidation or reorganisation of any Material Subsidiary which is not an Obligor).

20.15 Material Adverse Change

There has been no material adverse change in the Borrower's business, condition (financial or otherwise), operations, performance or assets taken as a whole (or the business, consolidated condition (financial or otherwise) operations, performance or the assets generally of the Group taken as a whole) since its Original Financial Statements save as disclosed by publicly available information filed with the SEC.

20.16 Environmental compliance

Each member of the Group has performed and observed in all material respects all Environmental Law, Environmental Permits and all other material covenants, conditions, restrictions or agreements directly or indirectly concerned with any contamination, pollution or waste or the release or discharge of any toxic or hazardous substance in connection with any real property which is or was at any time owned, leased or occupied by any member of the Group or on which any member of the Group has conducted any activity where failure to do so might reasonably be expected to have a Material Adverse Effect.

20.17 Environmental Claims

No Environmental Claim has been commenced or (to the best of its knowledge and belief) is threatened against any member of the Group where that claim would be reasonably likely, if determined against that member of the Group, to have a Material Adverse Effect.

20.18 **Anti-corruption law**

Each Obligor and their respective officers and directors has conducted its businesses in compliance with applicable anti-corruption, anti-bribery and anti-money laundering laws and regulations. The Borrower has instituted and maintained policies and procedures designed to promote and achieve compliance with applicable anti-corruption, anti-bribery and anti-money laundering laws and regulations laws.

20.19 **Sanctions**

Neither it nor any other Obligor, none of their respective officers or directors, and no other member of the Group, and, to its knowledge, no director or officer of a member of the Group which is not an Obligor and no agent, employee or Affiliate of any member of the Group, is a person that is, or is controlled by a person that is, (a) currently a designated target of, or is otherwise a subject of, Sanctions, or (b) located, organised or resident in a Sanctioned Country.

20.20 **No Immunity**

In any proceedings taken in its jurisdiction of incorporation in relation to any Finance Document, it will not be entitled to claim for itself or any of its assets immunity from suit, execution, attachment (prior to judgment or in aid of execution) or other legal process.

20.21 **Private and commercial acts**

Its execution of the Finance Documents constitutes, and its exercise of its rights and performance of its obligations hereunder will constitute, private and commercial acts done and performed for private and commercial purposes.

20.22 **Accuracy of Existing Financial Indebtedness**

The list of Existing Financial Indebtedness contained in Schedule 10 (*Existing Financial Indebtedness*) is, in all material respects, a true, complete and accurate list of all the Group's existing Financial Indebtedness in respect of (a) the 2012 Facilities Agreement and the Bancomext Facility and (b) public debt instruments, in each case as at the date of this Agreement.

20.23 **Group Structure Chart**

The Group Structure Chart is true, complete and accurate in all material respects.

20.24 **Legal and beneficial ownership**

It and each of its Subsidiaries is the sole legal and beneficial owner of the respective assets over which it has granted Transaction Security.

20.25 **Shares**

- (a) The shares of any member of the Group which are or, as the case may be, will be, subject to the Transaction Security are fully paid and not subject to any option to purchase or similar rights. The constitutional documents of

companies whose shares are subject to the Transaction Security do not and could not restrict or inhibit any transfer of those shares on creation or enforcement of the Transaction Security. There are no agreements in force which provide for the issue or allotment of, or grant any person the right to call for the issue or allotment of, any share or loan capital of any Obligor or Material Subsidiary (including any option or right of pre-emption or conversion) other than:

- (i) pre-emptive rights (A) arising under applicable law in favour of shareholders generally; and (B) arising under any obligation in respect of any Executive Compensation Plan; and
 - (ii) obligations to deliver shares to the holder(s) of convertible or exchangeable securities comprising Existing Financial Indebtedness pursuant to the terms and conditions of such convertible or exchangeable securities.
- (b) Under the Transaction Security Documents, Transaction Security is, or, as the case may be, will be granted over all the issued share capital in each member of the Group whose shares are subject to the Transaction Security except:
- (i) in the case of CEMEX España:
 - (A) 0.2444% of the issued share capital, being shares owned by CEMEX España; and
 - (B) 0.1164% of the issued share capital, being shares owned by persons that are not members of the Group;
 - (ii) in the case of CEMEX TRADEMARKS HOLDING Ltd., 8,424,037 shares owned by CEMEX, Inc., representing 0.4326% of the issued share capital of CEMEX TRADEMARKS HOLDING Ltd.;
 - (iii) in the case of each Mexican company whose shares are the subject of Transaction Security (except in the case of CEMEX México), the single share held by a minority shareholder that is a member of the Group; and
 - (iv) in the case of CEMEX México, 0.1200% of the issued share capital, being shares owned by CEMEX, Inc.

20.26 Governmental Regulations

The Borrower is not controlled by an “investment company” within the meaning of the United States Investment Company Act of 1940, as amended.

20.27 Taxes

- (a) It has filed all material tax returns which are required to be filed by it and has paid all taxes due pursuant to such returns or pursuant to any material assessment received by it, except where the same may be contested in good faith by appropriate proceedings and as to which such Obligor maintains

reserves to the extent it is required to do so by law or pursuant to Applicable GAAP. The charges, accruals and reserves on the books of each Obligor in respect of taxes or other governmental charges are, in the opinion of the Borrower, adequate.

- (b) Except for taxes imposed by way of withholding on interest, fees and commissions paid to non-residents of the jurisdiction of organisation of the Borrower, there is no tax (other than taxes on, or measured by, income or profits), levy, impost, deduction, charge or withholding imposed, levied, charged, assessed or made by the jurisdiction of organisation of the Borrower or any political subdivision or taxing authority thereof or therein either (i) on or by virtue of the execution of delivery of this Agreement or (ii) on any payment to be made by the Borrower pursuant to this Agreement. It is permitted to pay any additional amounts payable pursuant to Clause 14 (*Tax Gross-Up and Indemnities*) or Clause 14.7 (*Stamp taxes*).

20.28 Treasury Transactions

The Borrower represents and warrants that, as of the date of this Agreement, neither it nor any member of the Group is party to any Treasury Transaction other than Permitted Treasury Transactions as defined in Schedule 16 (*Hedging Parameters*).

20.29 Pension, Welfare and other Similar Plans

Neither it nor, to its knowledge, any ERISA Affiliate has taken any steps to terminate any Pension Plan or any Multiemployer Plan or has failed to make any contribution with respect to any Pension Plan or any Multiemployer Plan sufficient to give rise to a Security under Section 303(k) of ERISA. No condition exists or event or transaction has occurred with respect to any Pension Plan, any Non-US Pension Plan or any Multiemployer Plan which has resulted in or which would reasonably be expected to result in the incurrence by the Obligor or any of its ERISA Affiliates of any liability, fine or penalty (other than liabilities incurred in the ordinary course of maintaining the applicable plan), which would have or be reasonably likely to have a Material Adverse Effect. Neither it nor any of its Subsidiaries has any contingent liability with respect to any post-retirement benefit under any employee welfare benefit plan (as defined in Section 3(1) of ERISA) which would reasonably be expected to have a Material Adverse Effect, other than liability for continuation coverage described in Part 6 of Title I of ERISA. Except as would not have or be reasonably likely to have a Material Adverse Effect, the Borrower is in compliance with and has duly and in a timely manner paid any amounts due to IMSS or INFONAVIT, pursuant to SAR laws, or as required under any mandatory retirement fund laws.

20.30 Times at which representations are made

- (a) All the representations and warranties in this Clause 20 are made to each Finance Party on the date of this Agreement.
- (b) The Repeating Representations are deemed to be made by each Obligor to each Finance Party on the first day of each Interest Period.

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- (c) The Repeating Representations are deemed to be made by each Additional Guarantor to each Finance Party on the day on which it becomes an Additional Guarantor.
 - (d) Each representation or warranty deemed to be made after the date of this Agreement shall be made by reference to the facts and circumstances existing at the date the representation or warranty is made.

21. INFORMATION UNDERTAKINGS

The undertakings in this Clause 21 remain in force from the date of this Agreement for so long as any amount is outstanding under the Finance Documents or any Commitment is in force.

21.1 Financial statements

The Borrower shall supply to the Agent (for distribution to the Lenders):

- (a) as soon as the same become available, but in any event within 120 days after the end of each of the Borrower's Financial Years, a copy of the annual audit report for such Financial Year for the Borrower and its Subsidiaries containing consolidated and consolidating balance sheets of the Borrower and its Subsidiaries, as of the end of such Financial Year and consolidated statements of income and cash flows of the Borrower and its Subsidiaries, for such Financial Year, in each case accompanied by an opinion acceptable to the Majority Lenders (acting reasonably) by KPMG Cardenas Dosal, S.C. or other independent public accountants of recognised standing acceptable to the Majority Lenders, together with (i) a certificate of such accounting firm to the Lenders stating that in the course of the regular audit of the business of the Borrower and its Subsidiaries, which audit was conducted by such accounting firm in accordance with Applicable GAAP of the Borrower, such accounting firm has obtained no knowledge that a Default or Event of Default has occurred and is continuing, or if, in the opinion of such accounting firm a Default or Event of Default has occurred and is continuing, a statement as to the nature thereof; and (ii) a certificate of a Responsible Officer of the Borrower stating that no Default or Event of Default has occurred and is continuing or, if a Default or Event of Default has occurred and is continuing, a statement as to the nature thereof and the action that the Borrower has taken and proposes to take with respect thereto;
- (b) as soon as the same become available, but in any event within 120 days after the end of each of the Borrower's Financial Years, the Borrower's audited unconsolidated financial statements for that Financial Year;
- (c) as soon as the same become available, but in any event within 180 days after the end of each of CEMEX España's financial years, CEMEX España's audited consolidated and unconsolidated financial statements for that financial year;
- (d) as soon as the same become available, but in any event within 180 days after the end of each financial year of each Obligor (other than CEMEX España, the

Borrower and each Security Provider), such Obligor's audited consolidated (to the extent available) and unconsolidated financial statements for that financial year;

- (e) as soon as the same become available, but in any event within 90 days after the end of the first half of each of CEMEX España's financial years, CEMEX España's consolidated financial statements for that period;
- (f) as soon as the same become available, but in any event within 60 days after the end of each of the first three Financial Quarters of each of the Borrower's Financial Years, consolidated balance sheets of the Borrower and its Subsidiaries, as of the end of such quarter and consolidated statements of income and cash flows of the Borrower and its Subsidiaries for the period commencing at the end of the previous Financial Year and ending with the end of such Financial Quarter, duly certified (subject to year-end audit adjustments) by a Responsible Officer of the Borrower as having been prepared in accordance with Applicable GAAP of the Borrower and together with a certificate of a Responsible Officer of the Borrower, as to compliance with the terms of this Agreement and stating that no Default or Event of Default has occurred and is continuing or, if a Default or Event of Default has occurred and is continuing, the nature thereof and the action that the Borrower has taken and proposes to take with respect thereto; and
- (g) as soon as the same become available, but in any event within 90 days after the end of each of the first three quarterly periods of each of the financial years of each Obligor (other than the Borrower, CEMEX España and each Security Provider), its unconsolidated financial statements for that period.

21.2 Compliance Certificate

- (a) The Borrower shall supply to the Agent (for distribution to the Lenders), with each set of consolidated financial statements delivered pursuant to paragraph (a) of Clause 21.1 (*Financial statements*) above and each set of consolidated financial statements delivered pursuant to paragraph (f) of Clause 21.1 (*Financial statements*) for a Financial Quarter, a single Compliance Certificate setting out (in reasonable detail) computations as to compliance with Clause 22 (*Financial Covenants*) as at the date at which those financial statements were drawn up.
- (b) Each Compliance Certificate shall be signed by two Responsible Officers of the Borrower and, if required to be delivered with the consolidated financial statements delivered pursuant to paragraph (a) of Clause 21.1 (*Financial statements*), the Borrower shall provide to the Agent (for distribution to the Lenders), by no later than 180 days after the end of the relevant Financial Year, a letter (in a form approved by the Agent) from the Borrower's auditors or any other internationally recognised accounting firm confirming that the numbers used in the Compliance Certificate calculations have been correctly extracted from the consolidated financial statements of the Borrower.

21.3 **Requirements as to financial statements**

- (a) Each set of financial statements delivered by the Borrower pursuant to Clause 21.1 (*Financial statements*) shall be certified by a Responsible Officer of the relevant company as fairly representing its financial condition as at the date at which those financial statements were drawn up.
- (b) The audited consolidated accounts of the Borrower and CEMEX España and each other set of financial statements described pursuant to Clause 21.1 (*Financial statements*) which the relevant member of the Group ordinarily produces in English shall be provided in English.
- (c) The Borrower shall procure that each set of financial statements delivered pursuant to Clause 21.1 (*Financial statements*) is prepared using Applicable GAAP and accounting practices and financial reference periods consistent with those applied to the preparation of the Original Financial Statements for that Obligor unless: (i) in the case of CEMEX España, it notifies the Agent that it has adopted IFRS in which case CEMEX España shall be entitled to deliver financial statements prepared in accordance with IFRS; or (ii) in the case of any other Obligor, in relation to any set of financial statements, it notifies the Agent that there has been a change in Applicable GAAP, or the accounting practices or reference periods and, unless amendments are agreed in accordance with paragraph (d) below, its auditors deliver to the Agent a description of any change necessary for those financial statements to reflect the Applicable GAAP, accounting practices and reference periods upon which that Obligor's Original Financial Statements were prepared.

Any reference in this Agreement to those financial statements shall be construed as a reference to those financial statements as adjusted to reflect the basis upon which the Original Financial Statements for that Obligor were prepared.

- (d) If a relevant Obligor (other than CEMEX España) adopts IFRS or, unless the procedure in paragraph (c) above is utilised, there are changes to Applicable GAAP, or the accounting practices or reference periods, the relevant Obligor and the Agent (acting on the instructions of the Majority Lenders) shall, at the relevant Obligor's request, negotiate in good faith with a view to agreeing such amendments to the financial covenants in Clause 22 (*Financial Covenants*) and the definitions used therein as may be necessary to ensure that the criteria for evaluating the Group's financial condition grant to the Lenders protection equivalent to that which would have been enjoyed by them had the relevant Obligor not adopted IFRS or there had not been a change in Applicable GAAP, or the accounting practices or reference periods (subject to compliance with paragraph (b) above). Any amendments agreed will take effect on the date agreed between the Agent and the relevant Obligor subject to the consent of the Majority Lenders. If no such agreement is reached within 90 days of the relevant Obligor's request, the relevant Obligor will remain subject to the obligation to deliver the information specified in paragraph (c) of this Clause 21.3 and the financial covenants in Clause 22 (*Financial Covenants*) and the financial ratios to calculate the Margin shall be based on the information delivered.

21.4 **Caliza Group**

The Borrower shall supply to the Agent (for distribution to the Lenders):

- (a) copies of documents (if any) despatched by Caliza to its shareholders (or any class of them) or its creditors generally at the same time as they are despatched; and
- (b) within five days after the same are sent, all financial statements and reports that Caliza sends to holders of any class of its Financial Indebtedness.

21.5 **Information: miscellaneous**

The Borrower shall supply to the Agent (for distribution to the Lenders):

- (a) all documents despatched by the Borrower to its shareholders (or any class of them) or its creditors generally at the same time as they are despatched;
- (b) within five days after the same are sent, copies of all financial statements and reports that the Borrower sends to the holders of any class of its debt securities;
- (c) promptly upon becoming aware of them, the details of any litigation, arbitration, administrative proceedings or enforcement proceedings and any material tax related event or assessment which are current, or which, to the Borrower's knowledge after reasonable enquiry, are being threatened or are pending and are likely to be adversely determined against any member of the Group which, in the reasonable opinion of the Borrower, are not spurious or vexatious, and which might, if adversely determined, have a Material Adverse Effect;
- (d) promptly, such further information as the Security Agent may reasonably require about the Charged Property and compliance of the Obligors with the terms of any Transaction Security Documents;
- (e) promptly, such further information regarding the financial condition, assets and business of any Obligor or member of the Group as the Agent (or any Lender through the Agent) may reasonably request (including, but not limited to, information on Ratings, if such credit rating has not been publicly announced) other than any information the disclosure of which would result in a breach of any applicable law or regulation or confidentiality agreement entered into in good faith **provided that** the Borrower shall use reasonable efforts to be released from any such confidentiality agreement; and
- (f) promptly upon becoming aware of them, the details of any Environmental Claim which is current, threatened or pending against any member of the Group which is referred to in Clause 23.11 (*Environmental Claims*) which are not spurious or vexatious, which are likely to be adversely determined against any member of the Group and which could reasonably be expected, if adversely determined, to have a Material Adverse Effect.

21.6 **Notification of Default**

- (a) Each Obligor shall notify the Agent of any Default (and the steps, if any, being taken to remedy it) promptly upon becoming aware of its occurrence (unless that Obligor is aware that a notification has already been provided by another Obligor).
- (b) Promptly upon a request by the Agent, the Borrower shall supply to the Agent a certificate signed by an Authorised Signatory on its behalf certifying that no Default is continuing (or if a Default is continuing, specifying the Default and the steps, if any, being taken to remedy it).

21.7 **“Know your client” checks**

- (a) Each Obligor shall promptly, upon the request of the Agent or any Lender, and each Lender shall promptly upon the request of the Agent, supply, or procure the supply of, such documentation and other evidence as is reasonably requested by the Agent (for itself or on behalf of any Lender) or any Lender (for itself or on behalf of any prospective New Lender) in order for the Agent, such Lender or any prospective New Lender to carry out and be satisfied with the results of all necessary “know your client” or other checks, such as the checks required by the US Patriot Act (Title III of Pub. L. 107-55 (signed into law on 26 October 2001)) in relation to the identity of any person that it is required by law to carry out in relation to the transactions contemplated in the Finance Documents. For the avoidance of doubt, a Lender will have no obligation towards the Agent to evidence that it has complied with any “know your client” or similar checks in relation to the Obligors.
- (b) The Borrower shall, by not less than five Business Days’ written notice to the Agent, notify the Agent (which shall promptly notify the Lenders) of its intention to request that one of its Subsidiaries becomes an Additional Guarantor or Additional Security Provider pursuant to Clause 29 (*Changes to the Obligors*).
- (c) Following the giving of any notice pursuant to paragraph (b) above, the Borrower shall promptly upon the request of the Agent or any Lender supply, or procure the supply of, such documentation and other evidence as is reasonably requested by the Agent (for itself or on behalf of any Lender) or any Lender (for itself or on behalf of any prospective New Lender) in order for the Agent, such Lender or any prospective New Lender to carry out and be satisfied with the results of all necessary “know your client” or other checks in relation to the identity of any person that it is required by law to carry out in relation to the accession of such Additional Guarantor or Additional Security Provider to this Agreement.

21.8 **FATCA Information**

- (a) Subject to paragraph (c) below, each Party shall, within ten Business Days of a reasonable request by another Party:
 - (i) confirm to that other Party whether it is:

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- (A) a FATCA Exempt Party; or
 - (B) not a FATCA Exempt Party;
- (ii) supply to that other Party such forms, documentation and other information relating to its status under FATCA as that other Party reasonably requests for the purposes of that other Party's compliance with FATCA;
 - (iii) supply to that other Party such forms, documentation and other information relating to its status as that other Party reasonably requests for the purposes of that other Party's compliance with any other law, regulation, or exchange of information regime.
- (b) If a Party confirms to another Party pursuant to paragraph (a)(i) above that it is a FATCA Exempt Party and it subsequently becomes aware that it is not or has ceased to be a FATCA Exempt Party, that Party shall notify that other Party reasonably promptly.
 - (c) Paragraph (a) above shall not oblige any Finance Party to do anything, and paragraph (a)(iii) above shall not oblige any other Party to do anything, which would or might in its reasonable opinion constitute a breach of:
 - (i) any law or regulation;
 - (ii) any policy of that Finance Party;
 - (iii) any fiduciary duty; or
 - (iv) any duty of confidentiality.
 - (d) If a Party fails to confirm whether or not it is a FATCA Exempt Party or to supply forms, documentation or other information requested in accordance with paragraph (a)(i) or (ii) above (including, for the avoidance of doubt, where paragraph (c) above applies), then such Party shall be treated for the purposes of the Finance Documents (and payments under them) as if it is not a FATCA Exempt Party until such time as the Party in question provides the requested confirmation, forms, documentation or other information.

21.9 Confirmation as to public information

The Borrower will, by notice in writing to the Agent at the same time as any information is delivered to the Agent under the Finance Documents, confirm whether that information is publicly available information or not and any Lender that is unable to receive non-publicly available information will be able to elect, by making a declaration on the Designated Website (as defined in paragraph (a) of Clause 35.9 (*Use of websites*)) in accordance with the terms set out therein, not to receive any information confirmed by the Borrower to be non-publicly available information.

22. FINANCIAL COVENANTS

22.1 Financial definitions

In this Agreement:

“**Capital Expenditure**” means any expenditure or obligation in respect of expenditure which, in accordance with Applicable GAAP of the Borrower, is treated as capital expenditure (and including the capital element of any expenditure or obligation incurred in connection with a Capital Lease).

“**Capital Lease**” means, as to any person, the obligations of such person to pay rent or other amounts under any lease of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, which obligations are required to be classified and accounted for as capital leases on a balance sheet of the Borrower under Applicable GAAP of the Borrower (excluding any operating lease which is or becomes classified and accounted for as, or in an equivalent manner to, a capital lease on a balance sheet of the Borrower pursuant to any change in Applicable GAAP after the date of this Agreement) and, for the purposes of this Agreement, the amount of such obligations at any time shall be the capitalised amount thereof at such time determined in accordance with Applicable GAAP of the Borrower.

“**Capital Stock**” means any and all shares, interests, participations or other equivalents (however designed) of capital stock of a corporation, any and all equivalent ownership interests in a person (other than a corporation) and any and all warrants, rights or options to purchase any of the foregoing.

“**Consolidated Coverage Ratio**” means, on any date of determination, the ratio of (a) EBITDA for the one (1) year period ending on such date to (b) Consolidated Interest Expense for the one (1) year period ending on such date.

“**Consolidated Debt**” means, at any date, the sum (without duplication) of (a) the aggregate amount of all Debt of the Borrower and its Subsidiaries at such date, which shall include the amount of any recourse in respect of Inventory Financing permitted under paragraph (e) of the definition of Permitted Financial Indebtedness, *plus* (b) to the extent not included in Debt, the aggregate net mark-to-market amount of all derivative financing in the form of equity swaps outstanding at such date (except to the extent such exposure is cash collateralised to the extent permitted under the Finance Documents).

“**Consolidated Funded Debt**” means, for any period, Consolidated Debt less the sum (without duplication) of (a) all obligations of such person to pay the deferred purchase price of property or services, (b) all obligations of such person as lessee under Capital Leases, and (c) all obligations of such person with respect to product invoices incurred in connection with export financing.

“**Consolidated Interest Expense**” means, for any period, the sum of (a) the total gross cash and non cash interest expense of the Borrower and its consolidated Subsidiaries relating to Consolidated Funded Debt of such persons, (b) any amortisation or accretion of debt discount or any interest paid on Consolidated Funded Debt of the Borrower and its Subsidiaries in the form of additional Financial

Indebtedness (but excluding any amortisation of deferred financing and debt issuance costs), (c) the net costs under Treasury Transactions in respect of interest rates (but excluding amortisation of fees), (d) any amounts paid in cash on preferred stock, and (e) any interest paid or accrued in respect of Consolidated Funded Debt without a maturity date, regardless of whether considered interest expense under Applicable GAAP of the Borrower.

“**Consolidated Leverage Ratio**” means, on any date of determination, the ratio of (a) Consolidated Funded Debt on such date to (b) EBITDA for the one (1) year period ending on such date.

“**Debt**” of any person means, without duplication:

- (a) all obligations of such person for borrowed money;
- (b) all obligations of such person evidenced by bonds, debentures, notes or other similar instruments, including perpetual bonds;
- (c) the aggregate net mark-to-market of Treasury Transactions (except to the extent such exposure is cash collateralised to the extent permitted under the Finance Documents) of such person but excluding Treasury Transactions relating to the rate or price of energy or any commodity;
- (d) all obligations of such person to pay the deferred purchase price of property or services, except trade accounts payable arising in the ordinary course of trading;
- (e) all obligations of such person as lessee under Capital Leases;
- (f) all Debt of others secured by Security on any asset of such person, up to the value of such asset;
- (g) all obligations of such person with respect to product invoices incurred in connection with export financing;
- (h) all obligations of such person under repurchase agreements for the stock issued by such person or another person;
- (i) all obligations of such person in respect of Inventory Financing permitted under paragraph (e) of the definition of Permitted Financial Indebtedness; and
- (j) all guarantees of such person in respect of any of the foregoing,

provided, however, that:

- (i) for the purposes of calculating the Consolidated Funded Debt element of the Consolidated Leverage Ratio, Relevant Convertible/ Exchangeable Obligations shall be excluded from each of the foregoing paragraphs (a) to (j) inclusive (**provided that**, in the case of outstanding Financial Indebtedness under any Subordinated Optional Convertible Securities (A) only the principal amount thereof shall be excluded and (B) such exclusion shall apply only for so long as such amounts remain subordinated in accordance with the terms of that definition);

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- (ii) any Financial Indebtedness of a PPP Vehicle in respect of which no member of the Group has any liability to that PPP Vehicle or any third party (except as permitted by paragraph (d) of the definition of Permitted PPP Investment) shall be excluded from each of the foregoing paragraphs (a) to (j) inclusive;
 - (iii) any amounts of:
 - (A) Relevant Proceeds in respect of which the Borrower has given a notice to the Agent under paragraph (b) of Clause 8.2 (*Notices in relation to Relevant Proceeds*) (but excluding, until the earlier of (1) the date of exercise of the Caliza Offering Option, if exercised in whole, and (2) the last day of the Caliza Offering Option Exercise Period, any Caliza Offering Option Amount); and
 - (B) Excluded Debt Fundraising Proceeds falling within paragraph (a) of the definition of Excluded Debt Fundraising Proceeds, in each case that are standing to the credit of, or to be applied in accordance with this Agreement to, a Reserve shall, for the period in which they are being held by the Borrower or any other member of the Group pending application in accordance with the terms of this Agreement, be deducted from the aggregate calculation of Debt resulting from this definition,
 - (iv) if at any time during any applicable period the Borrower or any of its Subsidiaries shall own, directly or indirectly, more than 50 per cent. of the share capital of Caliza pursuant to the Caliza Transaction and the EBITDA attributable to the Caliza Group is counted in EBITDA, 100 per cent. of the Debt attributable to the Caliza Group shall continue to be included when calculating Debt;
 - (v) for the avoidance of doubt, a Permitted Securitisation shall not be deemed to be Debt **except that** any recourse required as a result of the Relevant Legislation and which is not recourse over the collection of receivables and would, but for this provision, be treated as Debt will, to the extent of the required recourse under the Relevant Legislation, be counted as Debt;
 - (vi) for the avoidance of doubt, all performance bonds, guarantees, bonding, documentary or stand-by letters of credit, banker's acceptances or similar credit transactions, including reimbursement obligations in respect thereof, are not Debt until they are required to be funded; and
 - (vii) the Spanish Combination Termination Mechanism is not Debt.

“**Discontinued EBITDA**” means, for any period, the sum for Discontinued Operations of (a) operating income (*utilidad de operación*), and (b) the depreciation and amortisation expense, in each case determined in accordance with Applicable GAAP of the Borrower consistently applied for such period.

“**Discontinued Operations**” means operations that are accounted for as discontinued operations pursuant to Applicable GAAP of the Borrower for which the Disposal of such assets has not yet occurred.

“**EBITDA**” means, for any period, the sum for the Borrower and its Subsidiaries, determined on a consolidated basis of (x) operating income (*Utilidad de Operacion*) and (y) depreciation and amortisation expense, in each case determined in accordance with Applicable GAAP of the Borrower, subject to the adjustments herein, consistently applied for such period and adjusted for Discontinued EBITDA as follows: if the amount of Discontinued EBITDA is a positive amount, then EBITDA shall increase by such amount, and if the amount of Discontinued EBITDA is a negative amount, then EBITDA shall decrease by the absolute value of such amount. For the purposes of calculating EBITDA for any applicable period pursuant to any determination of the Consolidated Leverage Ratio (but not the Consolidated Coverage Ratio):

- (a) if at any time during such applicable period the Borrower or any of its Subsidiaries shall have made:
 - (i) any Material Disposal, the EBITDA for such applicable period shall be reduced by an amount equal to the EBITDA (if positive) attributable to the property that is the subject of such Material Disposal for such applicable period (but when the Material Disposal is by way of lease, income received by the Borrower or any of its Subsidiaries under such lease shall be included in EBITDA); and
 - (ii) any Material Acquisition, EBITDA for such applicable period shall be calculated after giving *pro forma* effect thereto as if such Material Acquisition had occurred on the first day of such applicable period,

and if since the beginning of such applicable period any person that subsequently shall have become a Subsidiary or was merged or consolidated with the Borrower or any of its Subsidiaries as a result of a Material Acquisition occurring during such applicable period shall have made any Material Disposal or Material Acquisition of property that would have required an adjustment pursuant to sub-paragraph (i) or (ii) above if made by the Borrower or any of its Subsidiaries during such applicable period, EBITDA for such period shall be calculated after giving *pro forma* effect thereto as if such Material Disposal or Material Acquisition had occurred on the first day of such applicable period **provided that** if at any time during such applicable period the Borrower or any of its Subsidiaries shall own, directly or indirectly, more than 50 per cent. of the share capital of Caliza, 100 per cent. of the EBITDA attributable to the Caliza Group shall continue to be counted in the EBITDA for such applicable period; and

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- (b) EBITDA will be recalculated by multiplying each month's EBITDA by the Ending Exchange Rate and dividing the amount obtained thereto by the exchange rate used by the Borrower in preparation of its monthly financial statements in accordance with Applicable GAAP of the Borrower to convert \$ into Mexican pesos.

"Ending Exchange Rate" means the exchange rate at the end of a Reference Period for converting \$ into Mexican pesos as used by the Borrower and its auditors in preparation of the Borrower's financial statements in accordance with Applicable GAAP of the Borrower.

"Financial Quarter" means the period commencing on the day after one Quarter Date and ending on the next Quarter Date.

"Financial Year" means the annual accounting period of the Borrower ending on or about 31 December in each year.

"Material Acquisition" means any (a) acquisition of property or series of related acquisitions of property that constitutes assets comprising all or substantially all of an operating unit, division or line of business or (b) acquisition of or other investment in the Capital Stock of any Subsidiary or any person which becomes a Subsidiary or is merged or consolidated with the Borrower or any of its Subsidiaries, in each case, which involves the payment of consideration by the Borrower and its Subsidiaries in excess of \$100,000,000 (or the equivalent in other currencies).

"Material Disposal" means any Disposal of property or series of related Disposals of property that yields gross proceeds to the Borrower or any of its Subsidiaries in excess of \$100,000,000 (or the equivalent in other currencies) excluding the Caliza Transaction and the Spanish Combination.

"Quarter Date" means each of 31 March, 30 June, 30 September and 31 December.

"Reference Period" means a period of four consecutive Financial Quarters.

"Relevant Convertible/Exchangeable Obligations" means:

- (a) any Financial Indebtedness incurred by any person the terms of which provide that satisfaction of the principal amount owing under such Financial Indebtedness (whether on or prior to its maturity and whether as a result of bankruptcy, liquidation or other default by such person or otherwise) shall occur solely by delivery of shares or common equity securities in the Borrower or any other member of the Group; and
- (b) any Financial Indebtedness under any Subordinated Optional Convertible Securities.

22.2 **Financial condition**

The Borrower shall ensure that:

- (a) *Consolidated Coverage Ratio*: the Consolidated Coverage Ratio in respect of any Reference Period specified in column 1 below shall not be less than the ratio set out in column 2 below opposite that Reference Period.

Column 1 Reference Period ending	Column 2 Ratio
30 September 2014	1.50:1
31 December 2014	1.75:1
31 March 2015	1.75:1
30 June 2015	1.75:1
30 September 2015	1.75:1
31 December 2015	1.85:1
31 March 2016	1.85:1
30 June 2016	2.00:1
30 September 2016	2.00:1
31 December 2016 and each subsequent Reference Period	2.25:1

- (b) *Consolidated Leverage Ratio*: the Consolidated Leverage Ratio in respect of any Reference Period specified in column 1 below shall not exceed the ratio set out in column 2 below opposite that Reference Period.

Column 1 Reference Period ending	Column 2 Ratio
30 September 2014	6.75:1
31 December 2014	6.50:1
31 March 2015	6.50:1
30 June 2015	6.00:1
30 September 2015	6.00:1
31 December 2015	5.50:1
31 March 2016	5.50:1
30 June 2016	5.00:1
30 September 2016	5.00:1
31 December 2016 and each subsequent Reference Period	4.25:1

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- (c) *Capital Expenditure*: The aggregate Capital Expenditure of the Group (other than: (i) any Caliza Expansion Capital; and (ii) any amount of Capital Expenditure that is funded from Reinvestment Proceeds Sources) in respect of any Financial Year shall not exceed \$1,000,000,000.

If in any Financial Year (the “**First Financial Year**”) the amount of the Capital Expenditure of the Group is less than the maximum amount permitted for that Financial Year (the difference being referred to as the “**Unused Amount**”), then a portion of the Capital Expenditure incurred in the Financial Quarter immediately following the First Financial Year in an amount up to the Unused Amount will be treated for the purposes of this paragraph (c) as if it had been incurred in the First Financial Year.

- (d) *Caliza Capital Expenditure*: in addition to the amount referred to in paragraph (c) above, the Caliza Group shall be entitled to incur Capital Expenditure in an aggregate amount (when aggregated with all other amounts of Caliza Expansion Capital then incurred but excluding any amount of Capital Expenditure that is funded from Reinvestment Proceeds Sources) not exceeding the Caliza Expansion Capital Permitted Limit.

22.3 **Financial testing**

The financial covenants set out in Clause 22.2 (*Financial condition*) shall be tested quarterly by reference to the Borrower’s consolidated financial statements delivered pursuant to paragraphs (a) and (f) of Clause 21.1 (*Financial statements*) and/or each Compliance Certificate delivered pursuant to Clause 21.2 (*Compliance Certificate*).

22.4 **Accounting terms**

All accounting expressions which are not otherwise defined herein shall have the meaning ascribed thereto in Applicable GAAP of the Borrower.

23. **GENERAL UNDERTAKINGS**

The undertakings in this Clause 23 remain in force from the date of this Agreement for so long as any amount is outstanding under the Finance Documents or any Commitment is in force.

23.1 **Authorisations**

Each Obligor shall promptly:

- (a) obtain, comply with and do all that is necessary to maintain in full force and effect; and
- (b) supply certified copies to the Agent of,

any Authorisation required under any law or regulation of its jurisdiction of incorporation to enable it to perform its obligations under the Finance Documents and to ensure the legality, validity, enforceability or admissibility in evidence in its jurisdiction of incorporation of any Finance Document.

23.2 **Preservation of corporate existence**

Subject to Clause 23.7 (*Merger*), each Obligor shall (and the Borrower shall ensure that each of its Material Subsidiaries will), preserve and maintain its corporate existence and rights.

23.3 **Preservation of properties**

Each Obligor shall (and the Borrower shall ensure that each of its Material Subsidiaries will):

- (a) maintain and preserve all of its properties that are used in the conduct of its business in good working order and condition, ordinary wear and tear excepted; and
- (b) maintain, preserve and protect all Intellectual Property and all necessary governmental and third party approvals, franchises, licenses and permits, material to the business of the Borrower or its Subsidiaries,

provided neither paragraph (a) nor paragraph (b) shall prevent the Borrower or any of its Subsidiaries from discontinuing the operation and maintenance of any of its properties or allowing to lapse certain approvals, licenses or permits which discontinuance is desirable in the conduct of its business and which discontinuance could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

23.4 **Compliance with laws, regulations and contractual obligations**

- (a) Each Obligor shall (and shall procure that each of its Subsidiaries will) comply in all respects with all laws and regulations to which it may be subject and all material contractual obligations to which it is a party or by which it or any of its property or assets is bound, in each case, if failure to comply would be likely to have a Material Adverse Effect.
- (b) The Borrower and each Obligor shall (and shall procure that each of its respective Subsidiaries will) comply with all applicable requirements under ERISA and laws relating to IMSS, INFONAVIT, SAR laws or under other mandatory pension or retirement fund laws and will ensure that the levels of

contribution to pension schemes are in accordance with all its and their material obligations under such schemes and generally under applicable laws (including ERISA) and regulations, except where such failure to comply or failure to make such contributions would not reasonably be expected to have a Material Adverse Effect.

- (c) Each Dutch Obligor will comply with the Dutch FSA if failure to comply would be likely to have a Material Adverse Effect.

23.5 Negative pledge

The Borrower shall not and shall not permit any of its Subsidiaries:

- (a) directly or indirectly, to create, incur, assume or permit to exist any Security on or with respect to any of its property or assets or those of any Subsidiary, whether now owned or held or hereafter acquired; or
- (b) to:
- (i) sell, transfer or otherwise dispose of any of its assets on terms whereby they are or may be leased to or re-acquired by an Obligor or any other member of the Group;
 - (ii) sell, transfer or otherwise dispose of any of its receivables on recourse terms;
 - (iii) enter into any arrangement under which money or the benefit of a bank or other account may be applied, set-off or made subject to a combination of accounts; or
 - (iv) enter into any other preferential arrangement having a similar effect,

in circumstances where the arrangement or transaction is entered into primarily as a method of raising Financial Indebtedness or of financing the acquisition of an asset (such arrangement or transaction being "**Quasi-Security**"),

other than the following Security and Quasi-Security ("**Permitted Security**"):

- (A) Security for taxes, assessments and other governmental charges the payment of which is being contested in good faith by appropriate proceedings promptly initiated and diligently conducted and for which such reserves or other appropriate provision, if any, as shall be required by Applicable GAAP of the Borrower shall have been made;
- (B) Security granted pursuant to or in connection with any netting or set-off arrangements entered into in the ordinary course of trading (including, for the avoidance of doubt, any cash pooling or cash management arrangements in place with a bank or financial institution falling within paragraph (j) of the definition of Permitted Financial Indebtedness);

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- (C) statutory liens of landlords and liens of carriers, warehousemen, mechanics and materialmen incurred in the ordinary course of business for sums not yet due or the payment of which is being contested in good faith by appropriate proceedings promptly initiated and diligently conducted and for which such reserves or other appropriate provision, if any, as shall be required by Applicable GAAP of the Borrower shall have been made;
 - (D) liens incurred or deposits made in the ordinary course of business in connection with (1) workers' compensation, unemployment insurance and other types of social security, or (2) other insurance maintained by the Group in accordance with Clause 23.9 (*Insurance*);
 - (E) any attachment or judgment lien, unless the judgment it secures shall not, within 60 days after the entry thereof, have been discharged or execution thereof stayed pending appeal, or shall not have been discharged within 60 days after the expiration of any such stay;
 - (F) Security and Quasi-Security existing on the date of this Agreement as described in Schedule 11 (*Existing Security and Quasi-Security*) (or any replacement of Security or Quasi-Security in accordance with paragraph 3 of Schedule 16 (*Hedging Parameters*) or any equivalent Security or Quasi-Security for Existing Financial Indebtedness that is a refinancing or replacement of Existing Financial Indebtedness) **provided that** the principal amount secured thereby is not increased (save that principal amounts secured by Security or Quasi-Security in respect of:
 - (1) Treasury Transactions where there are fluctuations in the mark-to-market exposures of those Treasury Transactions; and
 - (2) Existing Financial Indebtedness where principal may increase by virtue of capitalisation of interest, may be increased by the amount of such fluctuations or capitalisations, as the case may be);
 - (G) any Security or Quasi-Security permitted by the Agent, acting on the instructions of the Majority Lenders;
 - (H) any Security created or deemed created pursuant to a Permitted Securitisation;
 - (I) any Permitted PPP Security;
 - (J) any Security granted by the Borrower or any member of the Group incorporated in Mexico in favour of a Mexican

development bank (*sociedad nacional de crédito*) controlled by the government of Mexico (including Banco Nacional de Comercio Exterior, S.N.C., and Banco Nacional de Obras y Servicios Públicos, S.N.C.) securing indebtedness of the members of the Group in an aggregate additional amount of such indebtedness not exceeding \$250,000,000 (or its equivalent in any other currency);

- (K) any Security or Quasi-Security granted in connection with any Treasury Transaction, excluding any Treasury Transaction described in Schedule 11 (*Existing Security and Quasi-Security*), that constitutes Permitted Financial Indebtedness **provided that** the aggregate value of the assets that are the subject of such Security or Quasi-Security does not exceed \$200,000,000 (or its equivalent in other currencies) at any time;
- (L) Security or Quasi-Security granted or arising over receivables, inventory, plant or equipment that are the subject of an arrangement falling within paragraph (e) of the definition of Permitted Financial Indebtedness;
- (M) the Transaction Security including, for the avoidance of doubt, (i) any sharing in the Transaction Security referred to in paragraphs (f) and (p) of the definition of Permitted Financial Indebtedness and (ii) the Transaction Security which is in place over any Equally Secured Debt;
- (N) any Quasi-Security that is created or deemed created on shares of the Borrower or, as the case may be, Caliza, under paragraph (r) of the definition of Permitted Disposals by virtue of such shares being held on trust for the holders of the convertible securities pending exercise of any conversion option, where such Quasi-Security is customary for such transaction;

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- (O) any Security or Quasi-Security granted over assets of the Caliza Group in connection with any Permitted Financial Indebtedness referred to in paragraph (o) of that definition; or
 - (P) in addition to the Security and Quasi-Security permitted by the foregoing paragraphs (A) to (P), Security or Quasi-Security securing indebtedness of the Borrower and its Subsidiaries (taken as a whole) not in excess of \$500,000,000; or
- (c) to permit any Pension Plan to incur any “funding deficiency” whether or not waived, within the meaning of section 302 of ERISA or Section 412 of the Code or to permit any Non-US Pension Plan to violate any material funding requirements under applicable law.

23.6 Financial Indebtedness

- (a) Except as permitted under paragraph (b) below, no Obligor shall (and the Borrower shall ensure that no member of the Group will) incur or allow to remain outstanding any Financial Indebtedness.
- (b) Paragraph (a) above does not apply to Financial Indebtedness which is Permitted Financial Indebtedness, Permitted Security, a Permitted Guarantee or Financial Indebtedness constituting (or incurred pursuant to) a Permitted Transaction.

23.7 Merger

- (a) Subject to paragraph (b) of this Clause 23.7, unless it has obtained the prior written approval of the Majority Lenders, no Obligor shall (and the Borrower shall ensure that none of its Subsidiaries will) enter into any amalgamation, demerger, merger, *fusión*, *escisión* or other corporate reconstruction (a “**Reconstruction**”), other than (i) a Reconstruction relating only to the Borrower’s Subsidiaries *inter se*; (ii) a Reconstruction between the Borrower and any of its Subsidiaries; (iii) a Reconstruction between members of the Caliza Group; or (iv) a solvent reorganisation or liquidation of any of the Subsidiaries that are not Obligors, **provided that** in any case no Default shall have occurred and be continuing at the time of such transaction or would result therefrom and **provided further that** (A) none of the Transaction Security (if any) granted to the Lenders nor the guarantees granted by the Guarantors hereunder is or are adversely affected as a result, and (B) the resulting entity, if it is not an Obligor, assumes the obligations of the Obligor the subject of the merger.
- (b) No merger otherwise permitted by paragraph (a) of this Clause 23.7 (other than a Permitted Reorganisation) shall be so permitted if:
 - (i) as a result the then existing Ratings of the Borrower would be downgraded or the Outlook would be negative, in each case at the date of announcement of a Reconstruction, directly as a result of any merger involving the Borrower; or
 - (ii) the resulting entity, if it is not an Obligor, does not assume the obligations of the Obligor that is the subject of the merger.

23.8 **Change of business**

- (a) None of the Obligors (other than a Security Provider that is not also the Borrower or a Guarantor) shall make a substantial change to the general nature of its business from that carried on at the date of this Agreement and there shall be no cessation of business in relation to any of the Obligors (unless (except in the case of the Borrower which shall in no event cease or substantially change its business) another Obligor continues to operate any such business).
- (b) The Borrower shall procure that no substantial change is made to the general nature of the business of any of its Material Subsidiaries which are not Obligors from that carried on at the date of this Agreement and that there shall be no cessation of such business (save that a Material Subsidiary that is only a Material Subsidiary by virtue of its being a Holding Company of a Material Subsidiary may change the nature of its business such that it is substantially similar to the business carried on by any other Material Subsidiary).
- (c) Paragraphs (a) and (b) above do not apply to the Mexican Integration Initiative.

23.9 **Insurance**

The Obligors (other than a Security Provider that is not also the Borrower or a Guarantor) shall (and the Borrower shall ensure that each of its Material Subsidiaries will) maintain insurances on and in relation to its business and assets with reputable underwriters or insurance companies against those risks and to the extent as is usual for companies carrying on the same or substantially similar business where such insurance is available on reasonable commercial terms.

23.10 **Environmental Compliance**

The Borrower shall (and the Borrower shall ensure that each of its Subsidiaries will) comply in all material respects with all Environmental Laws and obtain and maintain any Environmental Permits and take all reasonable steps in anticipation of known or expected future changes to or obligations under the same, in each case where failure to do so might reasonably be expected to have a Material Adverse Effect.

23.11 **Environmental Claims**

The Borrower shall inform the Agent in writing as soon as reasonably practicable upon becoming aware of the same:

- (a) if any Environmental Claim has been commenced or (to the best of the Borrower's knowledge and belief) is threatened against any member of the Group which is likely to be determined adversely to the member of the Group; or
- (b) of any facts or circumstances which will or are reasonably likely to result in any Environmental Claim being commenced or threatened against any member of the Group,

where the claim would be reasonably likely, if determined against that member of the Group, to have a Material Adverse Effect.

23.12 Anti-corruption law

- (a) No Obligor shall directly or, to the knowledge of such Obligor, indirectly use the proceeds of the Facilities for any purpose which would breach the Bribery Act 2010, the United States Foreign Corrupt Practices Act of 1977 or other similar legislation in other jurisdictions.
- (b) The Borrower shall maintain policies and procedures designed to promote and achieve compliance by the Obligors with applicable anti-corruption, anti-bribery and anti-money laundering laws and regulations.

23.13 Sanctions

No Obligor shall directly or, to the knowledge of such Obligor, indirectly use the proceeds of the Facilities (or lend, contribute or otherwise make available such proceeds to any person):

- (a) to directly fund or facilitate any activities or business (i) of, with or related to (or otherwise make funds available to or for the benefit of) any person, who is a designated target of or who is otherwise the subject of Sanctions or (ii) in any country or territory that is a Sanctioned Country, each as of the time of such funding; or
- (b) in any manner or for any purpose that is prohibited by Sanctions:
 - (i) applicable to such Obligor; or
 - (ii) that would result in a violation of Sanctions by any Obligor.

23.14 Transactions with Affiliates

Each Obligor shall (and the Borrower shall ensure that its Subsidiaries will) ensure that any transactions with respective Affiliates (other than a Permitted Reorganisation) are on terms that are fair and reasonable and no less favourable to such Obligor or such Subsidiary than it would obtain in a comparable arm's length transaction with a person not an Affiliate (and, if applicable, in accordance with any requirement of law (such as the Mexican Security Market Law (*Ley del Mercado de Valores*)).

23.15 Pari passu ranking

Each Obligor shall ensure that at all times its payment obligations under the Finance Documents rank at least *pari passu* with the claims of all its other unsecured and unsubordinated creditors, except for obligations mandatorily preferred by law or regulation applying to companies generally from time to time.

23.16 **Payment restrictions affecting Subsidiaries**

- (a) Except as permitted under paragraph (b) below, the Borrower shall not enter into or suffer to exist, or permit any of its Subsidiaries to enter into or suffer to exist, any agreement or arrangement (other than any Finance Document) directly limiting the ability of any of its Subsidiaries to:
- (i) declare or pay dividends or other distributions in respect of its or their respective equity interests in a Subsidiary, except any agreement or arrangement entered into by a person prior to such person becoming a Subsidiary, in which case the Borrower shall use its reasonable endeavours to remove such limitations. If, however, such limitations are reasonably likely to affect the ability of any Obligor to satisfy its payment obligations under this Agreement, the Borrower shall use its best endeavours to remove such limitations as soon as possible; or
 - (ii) repay or capitalise any intercompany indebtedness owed by any Subsidiary to any Obligor and, for the avoidance of doubt, subordination provisions shall not be considered a limitation for the purpose of this Clause 23.16.
- (b) The provision of paragraph (a) above shall not restrict:
- (i) any agreements or arrangements that are binding upon any person in connection with a Permitted Securitisation and any agreement or arrangement that limits the ability of any Subsidiary of the Borrower that transfers receivables and related assets pursuant to a Permitted Securitisation to distribute or transfer receivables and related assets **provided that**, in each case, all such agreements and arrangements are customarily required by the institutional sponsor or arranger of such Permitted Securitisation in similar types of documents relating to the purchase of receivables and related assets in connection with the financing thereof;
 - (ii) customary provisions in Joint Venture agreements relating to dividends or other distributions in respect of such Joint Venture or the securities, assets or revenues of such Joint Venture;
 - (iii) restrictions on distributions applicable to Subsidiaries of the Borrower that are the subject of agreements to sell or otherwise dispose of the stock or assets of such Subsidiaries pending such sale or other disposition;
 - (iv) any repayments of intercompany indebtedness owed by Caliza to the Borrower or any other member of the Group; and
 - (v) (subject to such Financial Indebtedness being Permitted Financial Indebtedness, and there being no other requirements restricting the same) entry by any member of the Caliza Group into a working capital facility the terms of which limit the amount of dividends or other distributions as referred to in paragraph (a) above or the amount of

repayments or capitalisation of intercompany indebtedness as referred to in paragraph (a)(ii) above which may be made (in each case) by Caliza to any member of the Group at any time.

23.17 Notification of adverse change in Ratings

The Borrower shall promptly notify the Agent of any change in its Ratings or Outlook.

23.18 Acquisitions

- (a) Except as permitted under paragraph (b) below, no Obligor shall (and the Borrower shall ensure that no other member of the Group will) acquire a company or any shares or securities or a business or undertaking (or, in each case, any interest in any of them).
- (b) Paragraph (a) above does not apply to an acquisition of a company, of shares, securities or a business or undertaking (or, in each case, any interest in any of them) or the incorporation of a company which is a Permitted Acquisition, a Permitted Joint Venture or a Permitted Transaction.

23.19 Joint ventures

- (a) Except as permitted under paragraph (b) below, no Obligor shall (and the Borrower shall ensure that no member of the Group will):
 - (i) enter into, invest in or acquire (or agree to acquire) any shares, stocks, securities or other interest in any Joint Venture; or
 - (ii) transfer any assets or lend to or guarantee or give an indemnity for or give Security for the obligations of a Joint Venture or maintain the solvency of or provide working capital to any Joint Venture (or agree to do any of the foregoing).
- (b) Paragraph (a) above does not apply to any acquisition of (or agreement to acquire) any interest in a Joint Venture or transfer of assets (or agreement to transfer assets) to a Joint Venture or loan made to or guarantee or indemnity or Security given in respect of the obligations of a Joint Venture if such transaction is a Permitted Acquisition, a Permitted Transaction, a Permitted Disposal, a Permitted Loan, Permitted Security or a Permitted Joint Venture.

23.20 Disposals

- (a) Except as permitted under paragraph (b) below, no Obligor shall (and the Borrower shall ensure that no member of the Group will) enter into a single transaction or a series of transactions (whether related or not) and whether voluntary or involuntary to sell, lease, transfer or otherwise dispose of any asset.
- (b) Paragraph (a) above does not apply to any sale, lease, transfer or other disposal which is a Permitted Disposal, a Permitted Distribution or a Permitted Transaction.

23.21 Arm's length basis

- (a) Except as permitted by paragraph (b) below, no Obligor shall (and the Borrower shall ensure no member of the Group will) enter into any transaction with any person except on arm's length terms and for full market value.
- (b) The following transactions shall not be a breach of this Clause 23.21:
 - (i) intra-Group loans permitted under Clause 23.22 (*Loans or credit*);
 - (ii) any Permitted Reorganisation or Permitted Transaction.

23.22 Loans or credit

- (a) Except as permitted under paragraph (b) below, no Obligor shall (and the Borrower shall ensure that no member of the Group will) be a creditor in respect of any Financial Indebtedness.
- (b) Paragraph (a) above does not apply to:
 - (i) a Permitted Loan; or
 - (ii) a Permitted Transaction.

23.23 No Guarantees or indemnities

- (a) Except as permitted under paragraph (b) below, no Obligor shall (and the Borrower shall ensure that no member of the Group will) incur or allow to remain outstanding any guarantee in respect of any obligation of any person.
- (b) Paragraph (a) does not apply to a guarantee which is:
 - (i) a Permitted Guarantee; or
 - (ii) a Permitted Transaction.

23.24 Dividends and share redemption

- (a) Except as permitted under paragraph (b) below, the Borrower shall not (and will ensure that no other member of the Group will):
 - (i) declare, make or pay any dividend, charge, fee or other distribution (or interest on any unpaid dividend, charge, fee or other distribution) (whether in cash or in kind) on or in respect of its share capital (or any class of its share capital);
 - (ii) repay or distribute any dividend or share premium reserve;
 - (iii) pay or allow any member of the Group to pay any management, advisory or other fee to or to the order of any of the shareholders of the Borrower; or
 - (iv) redeem, repurchase, defease, retire or repay any of its share capital or resolve to do so,

other than, in each case, in connection with the entry into or performance of obligations or distribution or settlement under any Permitted Put/Call Transaction or, in the case of sub-paragraph (iv) above, in connection with the entry into or performance of obligations or distribution or settlement under any Caliza Offering Option.

- (b) Paragraph (a) above does not apply to:
 - (i) a Permitted Distribution; or
 - (ii) a Permitted Transaction (other than one referred to in paragraph (d) of the definition of that term).

23.25 Existing Financial Indebtedness and Permitted Fundraisings

- (a) Except as permitted under paragraph (b) below, the Borrower shall not (and will ensure that no other member of the Group will):
 - (i) repay or prepay any principal amount (or capitalised interest) under the Existing Financial Indebtedness or any Permitted Fundraising falling within paragraph (c) of the definition thereof; or
 - (ii) (other than where such Financial Indebtedness is acquired by the Group in consideration for a Permitted Disposal or results from a Permitted Acquisition) purchase, redeem, defease or discharge any of the Existing Financial Indebtedness or any Permitted Fundraising falling within paragraph (c) of the definition thereof.
- (b) Paragraph (a) above does not apply to a Permitted Payment or a Permitted Transaction.
- (c) The Borrower shall (and will ensure that any other member of the Group which is or becomes a party to the Bancomext Facility or any refinancing thereof will) use its best endeavours to refinance the Bancomext Facility (and any subsequent refinancing of the Bancomext Facility) on terms (excluding Security) which are no more favourable to Bancomext than the terms of this Agreement are to the Lenders hereunder.
- (d) For the avoidance of doubt:
 - (i) any delivery of shares, common equity securities in the Borrower or reference property in connection with the same pursuant to the operation of the terms of any Relevant Convertible/Exchangeable Obligations; and
 - (ii) any payment pursuant to Clause 28.1 (*Permitted Debt Purchase Transactions*),shall not be restricted by this Clause 23.25.

23.26 **Share capital**

No Obligor shall (and the Borrower shall ensure no member of the Group will) issue any shares except pursuant to:

- (a) a Permitted Share Issue or delivery of shares contemplated by paragraph (d)(i) of Clause 23.25 (*Existing Financial Indebtedness and Permitted Fundraisings*);
- (b) a Permitted Distribution; and
- (c) a Permitted Transaction.

23.27 **Amendments**

- (a) No Obligor shall (and the Borrower shall ensure that no member of the Group will) following the date of this Agreement amend, vary, novate, supplement, supersede, waive or terminate any term of any document evidencing or relating to Existing Financial Indebtedness or any other document delivered to the Agent pursuant to Part I of Schedule 2 (*Conditions Precedent*) or Clause 29 (*Changes to the Obligors*) or enter into any agreement with any shareholders of the Borrower or any of their Affiliates which is not a member of the Group except in writing:
 - (i) in the case of any document evidencing or relating to any Existing Financial Indebtedness, or any other document delivered to the Agent pursuant to Part I of Schedule 2 (*Conditions Precedent*) or Clause 29 (*Changes to the Obligors*), in a way which:
 - (A) could not reasonably be expected materially and adversely to affect the interests of the Lenders; and
 - (B) except as provided for under this Agreement, would not change the obligors, borrowers or guarantors, provide Security or Quasi-Security, bring forward a date for payment or increase the amount of interest, principal or fees payable, in each case in respect of Existing Financial Indebtedness (**provided that** nothing in this Clause 23.27 will affect the ability of members of the Group to enter into a Permitted Fundraising); and
 - (ii) in the case of an agreement with any shareholder of the Borrower or any of their Affiliates which is not a member of the Group, where such agreement could not be reasonably expected to materially and adversely affect the interests of the Lenders (taken as a whole).
- (b) The Borrower shall promptly supply to the Agent a copy of any document relating to any of the matters referred to in paragraphs (i) and (ii) above.

23.28 Treasury Transactions

No Obligor shall (and the Borrower will procure that no members of the Group will) engage in any Treasury Transaction, other than in accordance with the terms of Schedule 16 (*Hedging Parameters*).

23.29 Transaction Security

The Borrower will ensure that, under the Transaction Security Documents, save as a result of the operation of Clause 25 (*Automatic Release of Transaction Security*), the Lenders have Transaction Security over:

- (a) all of the shares in each entity that is a direct or indirect shareholder in CEMEX España (except (i) CEMEX International Finance Company, CEMEX Trading Caribe Ltd, CEMEX Trading LLC, Sunbelt Trading, SRL and Sunbelt-Re Limited; (ii) 8,424,037 shares in CEMEX TRADEMARKS HOLDING Ltd. held by CEMEX, Inc., representing 0.4326% of the issued share capital of CEMEX TRADEMARKS HOLDING Ltd.; (iii) 0.1200% of the shares in CEMEX México held by CEMEX, Inc. and (iv) the single share held by a minority shareholder that is a member of the Group in each Mexican company whose shares are the subject of Transaction Security (other than CEMEX Mexico)); and
- (b) all of the shares in CEMEX España (except (i) 0.2444% of the issued share capital, being shares owned by CEMEX España; and (ii) 0.1164% of the issued share capital, being shares owned by persons that are not members of the Group),

such Transaction Security to be, in each case, in substantially the form of the Transaction Security referred to in paragraph 3 (*Transaction Security Documents*) of Part I of Schedule 2 (*Conditions Precedent*) granted in the jurisdiction of incorporation or establishment of the company whose shares are the subject of the Transaction Security or, where there is no Transaction Security referred to in paragraph 3 (*Transaction Security Documents*) of Part I of Schedule 2 (*Conditions Precedent*) granted in such jurisdiction, in form and substance satisfactory to the Agent (acting reasonably).

23.30 Further assurance

- (a) Each Obligor shall (and the Borrower shall procure that each member of the Group will) promptly do all such acts or execute all such documents (including assignments, transfers, mortgages, charges, notices and instructions) as the Security Agent may reasonably specify (and in such form as the Security Agent may reasonably require in favour of the Security Agent or its nominee(s)):
 - (i) to perfect the Security created or intended to be created under or evidenced by the Transaction Security Documents (which may include the execution of a mortgage, security trust, charge, assignment or other Security over all or any of the assets which are, or are intended to be, the subject of the Transaction Security) or for the exercise of any

rights, powers and remedies of the Security Agent or the Finance Parties provided by or pursuant to the Finance Documents or by law (directly, through the Agent or Security Agent, through any sub-agent appointed thereby or otherwise);

- (ii) to confer on the Security Agent (or confer on the Finance Parties) Security over any property and assets of that Obligor located in any jurisdiction equivalent or similar to the Security intended to be conferred by or pursuant to the Transaction Security Documents; and/or
 - (iii) to facilitate the realisation of the assets which are, or are intended to be, the subject of the Transaction Security.
- (b) Each Obligor shall (and the Borrower shall procure that each member of the Group shall) take all such action as is available to it (including making all filings and registrations) as may be necessary for the purpose of the creation, perfection, protection or maintenance of any Security conferred or intended to be conferred on the Security Agent or the Finance Parties by or pursuant to the Finance Documents.

23.31 Restriction on exercise of perpetual bond call options

The Borrower shall not (and shall procure that no member of the Group will) exercise (or take any action or step with a view to exercising) any call option in relation to any perpetual bonds issued by any member of the Group unless the exercise of the call option will not have a materially negative impact on the cash flow of the Group (and, prior to exercising such call option, the Borrower has delivered written notice to the Agent confirming that this is the case).

23.32 Payment of Obligations

The Borrower will pay and discharge, and cause each of its Subsidiaries to pay and discharge, before the same shall become delinquent, (a) all taxes, assessments and governmental charges or levies assessed, charged or imposed upon it or upon its property and (b) all lawful claims that, if unpaid, might by law become a Security upon its property, except where the failure to make such payments or effect such discharges could not reasonably be expected to have a Material Adverse Effect, **provided, however, that** neither Borrower nor any of its Subsidiaries shall be required to pay or discharge or cause to be paid or discharged any such tax, assessment, charge or claim that is being contested in good faith and proper proceedings and as to which appropriate reserves are being maintained in accordance with Applicable GAAP of the Borrower, unless and until any Security resulting therefrom attaches to its property and becomes enforceable against its other creditors.

23.33 Margin regulations

The Borrower shall not use any part of the proceeds of the Utilisations for any purpose which would result in any violation (whether by the Borrower, the Agent or the Lenders) of Regulation T, U or X of the Board of Governors of the Federal Reserve System or to extend credit to others for any such purpose. The Borrower

shall not engage in, or maintain as one of its important activities, the business of extending credit for the purpose of purchasing or carrying any margin stock (as defined in such regulations).

23.34 **Caliza**

The Borrower shall if it owns (directly or indirectly) any shares in Caliza, ensure that:

- (a) it has the power to:
 - (i) cast, or control the casting of, at least 51% of the maximum number of votes that might be cast at a general meeting of Caliza; and
 - (ii) appoint or remove all, or the majority, of the directors or other equivalent officers of Caliza;
- (b) it has the right to receive at least 51% of all dividends and other distributions in respect of equity interests in Caliza; and
- (c) to the extent permitted by Applicable GAAP, Caliza is consolidated within the Group for accounting purposes in accordance with Applicable GAAP (and, if Caliza is not consolidated, the Borrower shall provide to the Agent, at the same time it delivers consolidated financial statements pursuant to Clause 21.1 (*Financial statements*), *pro forma* financial statements for the Group (for the avoidance of doubt, including the Caliza Group)).

23.35 **Alternative Club Loan**

- (a) In this Clause 23.35:
 - (i) “**Amendment Terms**” means, in connection with any amendments to this Agreement that may be required pursuant to paragraphs (b) or (c) below, the terms of an amendment and restatement agreement in relation to this Agreement (including as a schedule to that agreement an amended and restated form of this Agreement) and of such other documents as may be entered into in connection with those amendments (including in connection with any extension or ratification of the Transaction Security), as such terms may be agreed or determined in accordance with paragraphs (d) to (f) below;
 - (ii) “**Consent Date**” means the date on which the Agent under (and as defined in) the 2012 Facilities Agreement notifies the Borrower that the Majority Lenders under (and as defined in) the 2012 Facilities Agreement have consented to all of the amendments to the 2012 Facilities Agreement requested in the Consent Request;
 - (iii) “**Consent Request**” means a consent request in the agreed form delivered by the Borrower (in its capacity as the Parent under (and as defined in) the 2012 Facilities Agreement) to the Agent under (and as defined in) the 2012 Facilities Agreement requesting the consent of the Majority Lenders under (and as defined in) the 2012 Facilities Agreement to certain amendments to the terms of the 2012 Facilities Agreement;

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- (iv) **“Day 30”** means the date falling 30 days after the date of this Agreement;
 - (v) **“Day 60”** means the date falling 60 days after the date of this Agreement;
 - (vi) **“Day 60 + 5”** means the date falling five Business Days after Day 60;
 - (vii) **“Day 90”** means the date falling 90 days after the date of this Agreement;
 - (viii) **“Day 90 + 5”** means the date falling five Business Days after Day 90; and
 - (ix) **“Negotiation Period”** means the period from (but excluding) Day 30 to (and including):
 - (A) (if the Borrower has delivered a Consent Request on or before Day 30) the earlier of Day 90 and the Consent Date; and
 - (B) (if the Borrower has not delivered a Consent Request on or before Day 30) Day 60,**provided that**, for the avoidance of doubt, if the Borrower has delivered a Consent Request on or before Day 30 and the Consent Date has occurred on or before Day 30, there shall be no Negotiation Period.

(b) In the event that:

- (i) the Borrower has delivered a Consent Request on or before Day 30; and
- (ii) the consent of the Majority Lenders under (and as defined in) the 2012 Facilities Agreement to any of the amendments requested in the Consent Request has not been given on or before Day 90,

then any term of this Agreement corresponding to a term of the 2012 Facilities Agreement in respect of which such consent was sought and not given on or before Day 90, shall, on or before Day 90 + 5, be amended to conform to the corresponding term of 2012 Facilities Agreement in accordance with paragraphs (d) to (f) below.

- (c) In the event that the Borrower has not delivered a Consent Request to the Agent under (and as defined in) the 2012 Facilities Agreement on or before Day 30, then any term of this Agreement corresponding to a term of the 2012 Facilities Agreement in respect of which the consent of the Majority Lenders under (and as defined in) the 2012 Facilities Agreement to an amendment would have been sought in the Consent Request (determined with reference to the term sheet annexed to the mandate letter dated 5 September 2014 in

respect of the Facilities, and had the Consent Request been delivered on or before Day 30) shall, on or before Day 60 + 5, be amended to bring it into line with the corresponding term of 2012 Facilities Agreement in accordance with paragraphs (d) to (f) below.

- (d) The Borrower and the Agent (acting on the instructions of the Majority Lenders) shall work together in good faith during any Negotiation Period to agree the Amendment Terms.
- (e) If any amendments to this Agreement are required pursuant to paragraph (b) or paragraph (c) above, but the Borrower and the Agent have failed to reach an agreement on any Amendment Terms by close of business in London on the last day of the relevant Negotiation Period, then the Amendment Terms in respect of which no agreement has been reached shall be specified by the Agent (acting on the instructions of the Majority Lenders and only insofar as is strictly necessary for the amendments required).
- (f) If any amendments to this Agreement are required pursuant to paragraph (b) or paragraph (c) above, the Borrower shall execute any documents and take any other actions as the Agent (acting on the instructions of the Majority Lenders) or Security Agent (acting on the instructions of the Agent, itself acting on the instructions of the Majority Lenders) may reasonably request to effect the Amendment Terms.

23.36 Relevant Convertible/Exchangeable Obligations

The Borrower shall (and shall ensure that all members of the Group shall) ensure that in relation to any issuance of Relevant Convertible/Exchangeable Obligations where there is a related Permitted Put/Call Transaction, at the time of the issuance of the Relevant Convertible/Exchangeable Obligations, the aggregate of (i) the maximum applicable coupon (excluding any amounts payable as a result of or in relation to any withholding tax) on the Relevant Convertible/Exchangeable Obligations (expressed as a percentage on an annual basis) plus the premium associated with any Permitted Put/Call Transaction(s) related to those Relevant Convertible/Exchangeable Obligations (expressed as a percentage of the aggregate principal amount of such issuance of Relevant Convertible/Exchangeable Obligations) divided by (ii) the number of years for which those Relevant Convertible/Exchangeable Obligations are issued, will be less than or equal to 15 per cent. per annum.

23.37 Swiss restrictions on Facilities

The Borrower shall not (and shall ensure that no other member of the Group will) permit that any proceeds of the Facilities be remitted, directly or indirectly, to any Swiss tax resident company or Swiss tax resident permanent establishment, where this remittance could be viewed as a use of such proceeds in Switzerland (whether through an intercompany loan or advance by any other Group entities or otherwise) as per the practice of the Swiss Federal Tax Administration, unless the Swiss Federal Tax Administration confirms in a written advance tax ruling (based on a fair description of the fact pattern in the tax ruling request made by the Borrower or other relevant member of the Group) that such use of proceeds in Switzerland does not lead to Swiss withholding tax becoming due on or in respect of a Facility or any part thereof.

23.38 **Conditions subsequent**

- (a) The Borrower shall appear (and ensure that each member of the Group party to the relevant document appears) before a notary in Spain for the purpose of raising this Agreement, the document described at paragraph 3(a)(ii) of Part I (*Initial Conditions Precedent*) of Schedule 2 and any document required for the Borrower and each Original Guarantor to accede to the Intercreditor Agreement to the status of a Spanish Public Document on or before the date falling 10 Business Days after the date of this Agreement.
- (b) The Borrower shall ensure that, on or before the date falling 30 Business Days after the date of this Agreement, the Security Agent has received evidence in form and substance satisfactory to it of the registration of the Transaction Security Document referred to in sub paragraph (a)(iii) of paragraph 3 (*Transaction Security Documents*) of Part I of Schedule 2 (*Conditions Precedent*) with the *Registro Único de Garantías Mobiliarias* of Mexico.
- (c) The Borrower shall (and shall ensure that each member of the Group party to the relevant document will), upon the request of the Agent, appear before a notary in Spain for the purpose of raising to the status of a Spanish Public Document:
 - (i) any Accession Letter; and
 - (ii) any other Finance Document (or other document required in connection with a Finance Document) that the Agent may reasonably request be raised to the status of a Spanish Public Document,

provided that (unless the Borrower otherwise agrees) the Agent may not request that any member of the Group appear before a notary:

- (A) on a date falling less than 30 days after the date of the request; and
- (B) (where the Lenders are also required to appear before the notary in relation to a document) unless Lenders representing at least 80 per cent. of the Total Commitments (or such lesser number as would represent the remainder of the Lenders that have yet to appear in relation to the document) will also appear before the notary at the same time.

24. **COVENANT RESET DATE**

On or after the Covenant Reset Date this Agreement shall, if the Borrower so elects by notice to the Agent, automatically be amended as follows:

- (a) The definition of “**Majority Lenders**” shall be amended so that to the words “66 ²/₃ % or more” shall in (both places where it appears) be replaced with “more than 50%”.

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- (b) Paragraph (m) of the definition of Permitted Acquisition in Clause 1.1 (*Definitions*) shall be deleted and replaced by the following:
- “(m) any other acquisition of a company, of shares, securities or a business or undertaking (or, in any case, any interest in any of them) **provided that** the Borrower has delivered to the Agent a certificate signed by an Authorised Signatory confirming that, on a *pro forma* basis, assuming that the Acquisition had been made immediately prior to the first day of the most recent Reference Period for which a Compliance Certificate has been or is required to have been delivered under this Agreement, the Borrower would have been in compliance with the financial covenant in paragraph (b) of Clause 22.2 (*Financial condition*) as at the last day of the most recent Reference Period for which a Compliance Certificate has been or is required to have been delivered under this Agreement;”
- (c) Paragraph (k) of the definition of Permitted Disposal in Clause 1.1 (*Definitions*) shall be deleted and replaced with the following:
- “(k) of shares in any member of the Group (provided that all such shares in that entity owned by a member of the Group are the subject of the Disposal) or of any other asset, in each case on arm’s length terms and for full market value;”
- (d) Paragraph (p) of the definition of Permitted Financial Indebtedness in Clause 1.1 (*Definitions*) shall be deleted and replaced by the following:
- “(p) not permitted by the preceding paragraphs or as a Permitted Transaction **provided that** the Borrower has delivered to the Agent a certificate signed by an Authorised Signatory confirming that, on a *pro forma* basis, assuming that the Financial Indebtedness had been incurred and the proceeds had been applied (to the extent required) in accordance with Clause 8 (*Mandatory Prepayment*) in the way in which such proceeds are intended by the Group to be applied immediately prior to the first day of the most recent Reference Period for which a Compliance Certificate has been or is required to have been delivered under this Agreement, the Borrower would have been in compliance with the financial covenant in paragraph (b) of Clause 22.2 (*Financial condition*) as at the last day of the most recent Reference Period for which a Compliance Certificate has been or is required to have been delivered under this Agreement;”
- (e) In the definition of Permitted Guarantee in Clause 1.1 (*Definitions*):
- (i) paragraph (f)(v) shall be deleted and replaced with the following:
- “(v) any of paragraphs (i) to (l), paragraph (n) or paragraph (p);”
- (ii) paragraph (m) shall be deleted and replaced with the following:
- “(m) any other guarantee given by a member of the Group in favour of a bank or financial institution in respect of obligations of that bank or financial institution to a third party that does not fall within paragraph (d) above **provided that** at any time the

aggregate principal amount guaranteed by all such guarantees then outstanding under this paragraph (m) does not exceed \$900,000,000 (and **provided further that** any performance bonds, banker's acceptances or guarantee, bonding, documentary or stand-by letter of credit facilities shall only be counted towards such limit to the extent that such performance bond, banker's acceptance, guarantee, bonding, documentary or stand-by letter of credit facility constitutes Debt);”.

- (f) In paragraph (c) of the definition of Permitted Joint Venture in Clause 1.1 (*Definitions*), the figure “\$400,000,000” shall (in both places where it appears) be deleted and replaced with “\$500,000,000” and the wording which reads “(when aggregated with the aggregate amount of the consideration for acquisitions falling within paragraph (m) of the definition of Permitted Acquisition (excluding any such amount that is funded from Reinvestment Proceeds Sources) in that Financial Year)” shall be deleted.
- (g) In paragraph (k) of the definition of Permitted Loan in Clause 1.1 (*Definitions*), the figure “\$250,000,000” shall be deleted and replaced with “\$500,000,000”.
- (h) The definition of “Super Majority Lenders”, and the word “Super” at paragraph (c) of Clause 39.2 (*Exceptions*), shall be deleted.
- (i) Clause 8 (*Mandatory Prepayment*) shall be amended so that Disposal Proceeds, Caliza Proceeds, Permitted Equity Fundraising Proceeds and Permitted Debt Fundraising Proceeds may be used for reinvestment in the business of the Group (including, but not limited to, towards any Capital Expenditure, Caliza Expansion Capital, Permitted Acquisition or Permitted Joint Venture), repayment of any Financial Indebtedness or any other purpose otherwise permitted or not restricted by the terms of this Agreement.
- (j) Paragraph (b) (*Consolidated Leverage Ratio*) of Clause 22.2 (*Financial condition*) shall be deleted and replaced by the following:
 - “(b) Consolidated Leverage Ratio: the Consolidated Leverage Ratio in respect of any Reference Period shall not exceed 4.25:1.”
- (k) Paragraphs (c) (*Capital Expenditure*) and (d) (*Caliza Capital Expenditure*) of Clause 22.2 (*Financial condition*) shall be deleted.
- (l) In paragraph (b)(P) of Clause 23.5 (*Negative pledge*), the figure “\$500,000,000” shall be deleted and replaced by “five per cent. of the total consolidated gross assets of the Group at that time”.
- (m) Clause 23.8 (*Change of business*) shall be deleted and replaced with the following:

“23.8 **Change of business**

The Borrower shall ensure that no substantial change is made to the general nature of the business of the Borrower, the Obligors of the Group taken as a whole from that carried on at the date of this Agreement.”

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- (n) Clause 23.24 (*Dividends and share redemption*), Clause 23.25 (*Existing Financial Indebtedness and Permitted Fundraisings*), Clause 23.26 (*Share capital*), Clause 23.31 (*Restriction on exercise of perpetual bond call options*), and Clause 23.36 (*Relevant Convertible/Exchangeable Obligations*) shall be deleted.
 - (o) In Clause 23.27 (*Amendments*), the words “any document evidencing or relating to Existing Financial Indebtedness or” shall be deleted (in both places where they appear).
 - (p) Clause 23.28 (*Treasury Transactions*) shall be deleted and replaced with the following:
 - “23.8 **Treasury Transactions**
 - No Obligor shall (and the Borrower shall procure that no other member of the Group will) enter into any Treasury Transaction other than for the hedging of actual or projected real exposures arising in the ordinary course of business of a member of the Group and not for speculative purposes.”
 - (q) Paragraph (d) of Clause 39.2 (*Exceptions*) shall be deleted.

25. **AUTOMATIC RELEASE OF TRANSACTION SECURITY**

25.1 **Release of Mexican Security Trust Agreement**

Notwithstanding any term in the Intercreditor Agreement to the contrary, on the first Business Day falling after the date of this Agreement on which all of the following conditions are met:

- (a) the Consolidated Leverage Ratio of the two most recently completed Reference Periods in respect of which Compliance Certificates have been delivered under this Agreement was not greater than 3.75:1; and
- (b) the Borrower has delivered a certificate (signed by an Authorised Signatory and dated no earlier than the date of most recent Compliance Certificate referred to in paragraph (a) above) confirming that no Default is continuing at the date of that certificate,

provided that no other unsubordinated Financial Indebtedness of the Borrower shall benefit from the Mexican Security Trust Agreement, and (subject to receipt of written notice from the Agent in accordance with Clause 25.3 (*Notification by Agent*) below) the Security Agent is irrevocably authorised (at the cost of the relevant Obligor, Security Provider or the Borrower and without any consent, sanction, authority or further confirmation from any Secured Party, Obligor or Security Provider) to promptly instruct (and the Security Agent shall so instruct) the Mexican Security Trustee to release the Security over the assets of the Mexican Security Trust Agreement and any of the assets subject to the Mexican Security Trust Agreement,

and to execute and deliver or enter into any termination or release of that Transaction Security and any assets affected thereunder if approved in exchange for a release from the other parties to the Mexican Security Trust Agreement.

25.2 Release of Transaction Security - other jurisdictions

Notwithstanding any term in the Intercreditor Agreement to the contrary, on the first Business Day falling after the date of this Agreement on which all of the following conditions are met:

- (a) the Consolidated Leverage Ratio for the two most recently completed Reference Periods in respect of which Compliance Certificates have been delivered under this Agreement was not greater than 3.75:1; and
- (b) the Borrower has delivered a certificate (signed by an Authorised Signatory and dated no earlier than the date of most recent Compliance Certificate referred to in paragraph (a) above) confirming that no Default is continuing at the date of that certificate,

provided that no other unsecured Financial Indebtedness of the Borrower shall benefit from the Transaction Security not referred to in Clause 25.1 (*Release of Mexican Security Trust Agreement*) and (subject to receipt of written notice from the Agent in accordance with Clause 25.3 (*Notification by Agent*) below) the Security Agent is irrevocably authorised (at the cost of the relevant Obligor, Security Provider or the Borrower and without any consent, sanction, authority or further confirmation from any Secured Party, Obligor or Security Provider) to promptly release (and the Security Agent shall so release) the Transaction Security not already released pursuant to Clause 25.1 (*Release of Mexican Security Trust Agreement*) above and any other claim over the assets subject to that Transaction Security, and to execute and deliver or enter into (and the Security Agent shall execute and deliver or enter into) any release of that Transaction Security or claim that may, in the discretion of the Security Agent, be considered necessary or desirable.

25.3 Notification by Agent

The Agent shall promptly notify the Security Agent in writing on the date at which the conditions set out in Clause 25.1 (*Release of Mexican Security Trust Agreement*) have been satisfied and on the date at which the conditions set out in Clause 25.2 (*Release of Transaction Security - other jurisdictions*) have been satisfied.

25.4 Finance Parties' and Obligors' actions

Each Finance Party and each Obligor will:

- (a) do all things that the Security Agent or the Borrower reasonably requests in order to give effect to this Clause 25 (which shall include, without limitation, the execution of any assignments, transfers, releases or other documents that the Security Agent or the Borrower may consider to be necessary to give effect to the releases contemplated by Clause 25.1 (*Release of Mexican Security Trust Agreement*) and Clause 25.2 (*Release of Transaction Security - other jurisdictions*) and the voting in favour of any amendment to the Intercreditor Agreement proposed by the Borrower in order to give effect to this Clause 25);

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- (b) if the Security Agent is not entitled to take any of the actions contemplated by this Clause 25 or is otherwise prevented from taking or, with respect to any Finance Party, is unable to take the actions contemplated by this Clause 25 and requests that a Finance Party take that action, each Finance Party will undertake that action itself in accordance with the instructions of the Security Agent or grant a power of attorney to the Security Agent (on such terms as the Security Agent may reasonably require) to enable the Security Agent to take such action under applicable law (any such power of attorney, with respect to any enforcement of Transaction Security governed by Spanish law or any claim against an Obligor or Security Provider incorporated in Spain, shall be notarised and apostilled); and
 - (c) if the Security Agent is not entitled to take any of the actions contemplated by this Clause 25 with respect to any Obligor or requests that any Obligor take any such action, such Obligor shall take that action itself in accordance with the instructions of the Security Agent.]

26. **EVENTS OF DEFAULT**

Each of the events or circumstances set out in this Clause 26 (except for Clause 26.16 (*Acceleration*)) is an Event of Default.

26.1 **Non-payment**

An Obligor does not pay on the due date any amount payable to or for the account of a Lender pursuant to a Finance Document at the place at and in the currency in which it is expressed to be payable unless such failure to pay is caused by an administrative error or technical difficulties within the banking system in relation to the transmission of funds and payment is made within three Business Days of its due date.

26.2 **Financial Covenants and other obligations**

Any requirement of Clause 22 (*Financial Covenants*) is not satisfied or the Borrower fails to deliver any Compliance Certificate in accordance with Clause 21.2 (*Compliance Certificate*).

26.3 **Other obligations**

- (a) An Obligor or any other member of the Group does not comply with any provision of the Finance Documents (other than those referred to in Clause 26.1 (*Non-payment*) and Clause 26.2 (*Financial Covenants and other obligations*)).
- (b) No Event of Default under paragraph (a) of this Clause 26.3 above will occur if the failure to comply is capable of remedy and is remedied within 15 Business Days of the Agent giving written notice to the Borrower or an Obligor becoming aware of the failure to comply, whichever is the earlier.

26.4 Misrepresentation

- (a) Any representation or statement made or deemed to be made by an Obligor in the Finance Documents or any other document delivered by or on behalf of any Obligor under or in connection with any Finance Document is or proves to have been incorrect or misleading in any material respect when made or deemed to be made.
- (b) No Event of Default under paragraph (a) of this Clause 26.4 will arise if the circumstances giving rise to the misrepresentation are capable of remedy and are remedied within 15 Business Days of the Agent giving written notice to the Borrower or an Obligor becoming aware of the failure to comply, whichever is the earlier.

26.5 Cross default

- (a) Any Financial Indebtedness of any Obligor or member of the Group is not paid when due nor within any originally applicable grace period.
- (b) Any Financial Indebtedness of any Obligor or member of the Group is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (however described).
- (c) Any creditor of any member of the Group or any Obligor becomes entitled to declare any Financial Indebtedness of any member of the Group or any Obligor due and payable prior to its specified maturity as a result of an event of default (however described).
- (d) No Event of Default will occur under this Clause 26.5 if the aggregate amount of Financial Indebtedness falling within paragraphs (a) to (c) of this Clause 26.5 is less than \$50,000,000 (or its equivalent in any other currency or currencies).

26.6 Insolvency

- (a) Any of the Obligors or Material Subsidiaries is unable or admits inability to pay its debts as they fall due (including a state of *cessation des paiements* within the meaning of the French Commercial Code) or, by reason of actual financial difficulties: (i) suspends or threatens to suspend making payments on any of its debts in an aggregate amount exceeding \$50,000,000 (or its equivalent in any other currency or currencies) or (ii) commences negotiations with one or more of its creditors with a view to rescheduling any of its indebtedness in respect of an aggregate amount of indebtedness exceeding \$50,000,000 (or its equivalent in any other currency or currencies).
- (b) The value of the assets of any of the Obligors or Material Subsidiaries is less than its liabilities (taking into account contingent and prospective liabilities other than any such liabilities arising under Clause 19 (*Guarantee and Indemnity*)) other than:
 - (i) in the case of CEMEX Corp. or the Holding Company of CEMEX Corp. or any other Holding Company which (A) is not an Obligor, (B)

is not a Holding Company incorporated in Mexico or (C) does not, on a solus basis, satisfy the requirements of paragraphs (a), (b) or (c) of the definition of Material Subsidiary, liabilities (including contingent and prospective liabilities) owed by such companies on and at any time after the date of this Agreement to another member of the Group **provided that**, in each case, such liabilities of such companies are subordinated to the claims of the Lenders in the event of the bankruptcy, winding-up or liquidation of such companies or an acceleration under Clause 26.16 (*Acceleration*); and

- (ii) in the case of the Holding Company of CEMEX Corp. when consolidating CEMEX Corp. or when considering the value of its shareholding in CEMEX Corp., any liabilities (including contingent and prospective liabilities) owed by CEMEX Corp. to another member of the Group **provided that**, such liabilities of CEMEX Corp. are subordinated to the claims of the Lenders in the event of the bankruptcy, winding-up or liquidation of CEMEX Corp. or an acceleration under Clause 26.16 (*Acceleration*).

- (c) A moratorium is declared in respect of any indebtedness of any of the Obligors or Material Subsidiaries.

26.7 **Insolvency proceedings**

Any corporate action, legal proceeding or other procedure or step is taken in relation to:

- (a) the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, administration, the opening of proceedings for *sauvegarde*, *sauvegarde financière accélérée*, *redressement judiciaire* or *liquidation judiciaire* or judgment for *cession totale ou partielle de l'entreprise* pursuant to articles L. 620-1 to L. 670-8 of the French Commercial Code, Irish law examinership, reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise, including, in the context of a *mandat ad hoc* or of a *conciliation* in accordance with articles L. 611-3 to L. 611-15 of the French Commercial Code), *concurso mercantil*, *quiebra* of any of the Obligors or Material Subsidiaries other than a solvent liquidation or reorganisation of any of the Material Subsidiaries;
- (b) a composition, assignment or arrangement with any class of creditor of any of the Obligors or Material Subsidiaries;
- (c) the appointment of a liquidator (other than in respect of a solvent liquidation of any of the Material Subsidiaries), receiver, administrator, *mandataire ad hoc*, *conciliateur*, examiner, *conciliador*, administrative receiver, compulsory manager or other similar officer in respect of any of the Obligors or Material Subsidiaries or any of their assets,

or any analogous procedure or step is taken in any jurisdiction.

This paragraph shall not apply to any winding-up petition (or equivalent procedure in any jurisdiction) which is frivolous or vexatious and is discharged, stayed or dismissed within 60 days of commencement.

26.8 Expropriation and sequestration

- (a) Any expropriation or sequestration (or equivalent event under any applicable law) affects any asset or assets of any Obligor or any Material Subsidiary and has a Material Adverse Effect.
- (b) The authority or ability of the Borrower or any Material Subsidiary to conduct its business is limited or wholly or substantially curtailed by any seizure, expropriation, nationalisation, intervention, restriction or other action by or on behalf of any governmental, regulatory or other authority or other person in relation to the Borrower or any Material Subsidiary (or, in each case, any of its assets) with an aggregate book value equal to 5 per cent. or more of the gross book value of the assets of the Group (on a consolidated basis).

26.9 Availability of foreign exchange

- (a) Any restriction or requirement not in effect on the date hereof shall be imposed, whether by legislative enactment, decree, regulation, order or otherwise, which limits the availability or the transfer of foreign exchange by any Obligor for the purpose of performing any material obligations under the Finance Documents, any certificates, waivers, or any other agreements delivered pursuant to the Finance Documents.
- (b) Paragraph (a) above shall not apply to any such restriction or requirement imposed as a result of a member state of the European Union which is a Participating Member State in relation to the euro ceasing to be a Participating Member State in relation to the euro, unless such restriction or requirement would be reasonably likely to result in a Material Adverse Effect.

26.10 Creditors' process and enforcement of Security

- (a) Any Security is enforced against any Obligor or any Material Subsidiary.
- (b) Any attachment, distress or execution (including any of the enforcement proceedings provided for in French Ordinance n° 2011-1895 of 19 December 2011) affects any asset or assets of any Obligor or any Material Subsidiary which is reasonably likely to cause a Material Adverse Effect.
- (c) No Event of Default under paragraph (a) or (b) of this Clause 26.10 will occur if:
 - (i) the action is being contested in good faith by appropriate proceedings;
 - (ii) the principal amount of the indebtedness secured by such Security or in respect of which such attachment, distress or execution is carried out represents less than \$50,000,000 (or its equivalent in any other currency or currencies); and
 - (iii) the enforcement proceedings, attachment, distress or execution is or are discharged within 60 days of commencement.

26.11 Ownership of Obligors

- (a) Any Obligor (other than the Borrower) ceases to be a wholly owned Subsidiary of the Borrower (or, in the case of CEMEX España, CEMEX Concretos, CEMEX Finance, CEMEX Corp. or any España Subsidiary Guarantor, the Borrower's percentage indirect shareholding in CEMEX España, CEMEX Concretos, CEMEX Finance, CEMEX Corp. or that España Subsidiary Guarantor is reduced from the percentage as at the date of this Agreement) except if it is the subject of a Third Party Disposal.
- (b) Either of the following events occurs:
 - (i) a Change of Control; or
 - (ii) the sale of all or substantially all of the assets of the Group whether in a single transaction or a series of related transactions.

26.12 Judgment

- (a) A final judgment or judgments or order or orders not subject to further appeal for the payment of money in an aggregate amount in excess of \$50,000,000 shall be rendered against the Borrower and/or any of its Subsidiaries that are neither discharged nor bonded in full within 60 days thereafter; or
- (b) Any Obligor or any Material Subsidiary fails to comply with or pay any sum due from it under any judgment or any order made or given by any court of competent jurisdiction (in each case in an amount in aggregate exceeding \$50,000,000 at any time) save unless payment of any such sum is suspended pending an appeal.

26.13 Unlawfulness

- (a) It is or becomes unlawful for an Obligor or any other member of the Group that is a party to the Intercreditor Agreement to perform any of its obligations under the Finance Documents where non-performance is reasonably likely to cause a Material Adverse Effect.
- (b) Any Transaction Security created or expressed to be created or evidenced by the Transaction Security Documents ceases to be effective except in accordance with the terms of the Finance Documents.
- (c) Any obligation or obligations of any Obligor under any Finance Documents or any other member of the Group under the Intercreditor Agreement are not (subject to the Legal Reservations) or cease to be legal, valid, binding or enforceable and the cessation individually or cumulatively materially and adversely affects the interests of the Lenders under the Finance Documents.
- (d) Any Finance Document ceases to be in full force and effect or is alleged by an Obligor to be ineffective except in accordance with the terms of the Finance Documents.

26.14 **Repudiation**

An Obligor repudiates a Finance Document or any of the Transaction Security or evidences an intention to repudiate a Finance Document or any of the Transaction Security.

26.15 **Failure to perform payment obligations**

Any material adverse change arises in the financial condition of the Group taken as a whole which the Majority Lenders reasonably determine would result in the failure by the Obligor (taken as a whole) to perform their payment obligations under any of the Finance Documents.

26.16 **Acceleration**

On and at any time after the occurrence of an Event of Default which is continuing the Agent may, without *mise en demeure* or any other judicial or extra judicial step, and shall if so directed by the Majority Lenders, by notice to the Borrower (but, in respect of any French Obligor, subject to the mandatory provisions of articles L. 620-1 to L. 670-8 of the French Commercial Code):

- (a) cancel the Total Commitments at which time they shall immediately be cancelled;
- (b) declare that all or part of the Loans, together with accrued interest, and all other amounts accrued or outstanding under the Finance Documents be immediately due and payable, at which time they shall become immediately due and payable without presentment, demand, protest or other notice of any kind, all of which are hereby expressly waived;
- (c) declare that all or part of the Loans be payable on demand, at which time they shall immediately become payable on demand by the Agent on the instructions of the Majority Lenders;
- (d) make demand on any Guarantor under this Agreement in respect of amounts due and payable under or in connection with this Agreement without presentment, demand, protest or other notice of any kind, all of which are hereby expressly waived; and/or
- (e) subject to the Intercreditor Agreement (including the requirements of clause 7.2 (*Enforcement Instructions*) thereof), exercise or direct the Security Agent to exercise any or all of its rights, remedies, powers or discretions under the Finance Documents,

provided that, in the case of an Event of Default under Clause 26.6 (*Insolvency*) or Clause 26.7 (*Insolvency proceedings*) with respect to an Obligor, all of the Total Commitments shall be cancelled automatically and immediately and all Utilisations under the Facilities (together with accrued interest and all other amounts accrued

under the Finance Documents) shall become due and payable automatically and immediately without presentment, demand, protest or other notice of any kind, all of which are hereby expressly waived.

SECTION 9
CHANGES TO PARTIES

27. CHANGES TO THE LENDERS

27.1 Assignments and transfers by the Lenders

Subject to this Clause 27 and to Clause 28 (*Debt Purchase Transactions*), a Lender (the “**Existing Lender**”) may:

- (a) assign any of its rights and benefits; or
- (b) transfer by novation any of its rights, benefits and obligations,

under any Finance Document to another bank or financial institution or to a trust, fund or other entity which is regularly engaged in or established for the purpose of making, purchasing or investing in loans, securities or other financial assets (the “**New Lender**”).

27.2 Conditions of assignment or transfer

- (a) The express written consent of the Borrower is required for an assignment or transfer by an Existing Lender, unless the assignment or transfer is:
 - (i) to a bank;
 - (ii) to another Lender or an Affiliate of a Lender; or
 - (iii) made at a time when an Event of Default is continuing.
- (b) The express written consent of the Borrower to an assignment or transfer must not be unreasonably withheld or delayed. The Company will be deemed to have given its consent ten Business Days after the Existing Lender has requested it unless consent is expressly refused by the Borrower within that time. For the avoidance of doubt, it shall not be considered unreasonable for the consent of the Borrower to be withheld in the case of an assignment or transfer to a hedge fund.
- (c) (Other than in the case of an assignment permitted by paragraph (b) of Clause 28.1 (*Permitted Debt Purchase Transactions*)) an assignment will only be effective on:
 - (i) receipt by the Agent (whether in the Assignment Agreement or otherwise) of written confirmation from the New Lender (in form and substance satisfactory to the Agent) that the New Lender will assume the same obligations to the other Finance Parties and the other Secured Parties as it would have been under if it was an Original Lender;
 - (ii) the New Lender entering into the documentation required for it to accede as a party to the Intercreditor Agreement; and
 - (iii) the performance by the Agent of all necessary “know your customer” or other similar checks under all applicable laws and regulations in relation to such assignment to a New Lender, the completion of which the Agent shall promptly notify to the Existing Lender and the New Lender.

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- (d) A transfer will only be effective if the New Lender enters into the documentation required for it to accede as a party to the Intercreditor Agreement and if the procedures set out in Clause 27.5 (*Procedure for transfer*) are complied with.
- (e) If:
- (i) a Lender assigns, transfers, declares a trust or grants Security over any of its rights or obligations under the Finance Documents or changes its Facility Office; and
 - (ii) as a result of the assignment, transfer, declaration of trust, grant of Security or change (other than because of any change in law), an Obligor would be obliged to make a payment to the New Lender or Lender acting through its new Facility Office under Clause 14 (*Tax Gross-Up and Indemnities*) or Clause 15 (*Increased Costs*),
- then the New Lender or Lender acting through its new Facility Office is only entitled to receive payment under that Clause to the same extent as the Existing Lender or Lender acting through its previous Facility Office would have been if the assignment, transfer, declaration of trust, grant of Security or change had not occurred.
- (f) An assignment or transfer shall (unless the Agent at its discretion (and acting in accordance with Clause 30.2 (*Interests of Lenders*)) agrees otherwise) only be effective if the Assignment Agreement or (as applicable) Transfer Certificate has been raised to the status of a Spanish Public Document and the powers of attorney and authorisations granted under the Finance Documents have been ratified under such Spanish public deed. For the avoidance of doubt, the Agent shall not be responsible for the cost of raising the Assignment Agreement or (as applicable) Transfer Certificate to the status of a Spanish Public Document.
- (g) On an assignment or transfer by an Existing Lender of all of its Facility A Commitment or all of its Facility B Commitment to a New Lender, the Existing Lender shall, on or prior to the Transfer Date, endorse and deliver to the New Lender any Promissory Note(s) issued to the Existing Lender in respect of the transferred or assigned Facility A Commitment or Facility B Commitment, as applicable. The Borrower shall, promptly upon request by the New Lender and at the Borrower's cost, replace the endorsed Promissory Note(s) by issuing new Promissory Note(s), setting forth the amount of such Facility A Commitment assigned or transferred to the New Lender or (as applicable) the amount of the Facility B Commitment assigned or transferred to the New Lender, under the name of the New Lender, which shall be released (through the Custodian, if any), duly signed, to the New Lender, upon tendering of the endorsed Promissory Note(s) to the Borrower.

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- (h) On an assignment or transfer by an Existing Lender of part of its Facility A Commitment or part of its Facility B Commitment to a New Lender, such Existing Lender shall tender (or procure that the Custodian tenders) to the Borrower, on the Transfer Date, the Promissory Note(s) issued to such Existing Lender evidencing such Existing Lender's Facility A Commitment or Facility B Commitment (as applicable), and the Borrower shall promptly, at the cost of the Borrower, issue (i) to the Existing Lender, a Promissory Note setting forth the amount of the Facility A Commitment of the Existing Lender not assigned or transferred to the New Lender or (as applicable) a Promissory Note setting forth the amount of the Facility B Commitment of the Existing Lender not assigned or transferred to the New Lender and (ii) to the New Lender, a Promissory Note setting forth the amount of the Facility A Commitment of the New Lender assigned or transferred to it by the Existing Lender or (as applicable) a Promissory Note setting forth the amount of the Facility B Commitment of the New Lender assigned or transferred to it by the Existing Lender. Any such new Promissory Notes shall be issued under the name of the Existing Lender or the New Lender (as applicable), and shall be released (through the Custodian, if any), duly signed, to the Existing Lender and the New Lender, upon tendering to the Borrower of the Promissory Notes previously issued to the Existing Lender in respect of the relevant Facility A Commitments or Facility B Commitments, as applicable.
- (i) Each New Lender, by executing the relevant Transfer Certificate or Assignment Agreement, confirms, for the avoidance of doubt, that the Agent has authority to execute on its behalf any amendment or waiver that has been approved by or on behalf of the requisite Lender or Lenders in accordance with this Agreement on or prior to the date on which the transfer or assignment becomes effective in accordance with this Agreement and that it is bound by that decision to the same extent as the Existing Lender would have been had it remained a Lender.
- (j) The minimum amount of an assignment or transfer shall be the lower of \$1,000,000 (or equivalent) or (if less) the amount of a Lender's Commitments.
- (k) Following an increase in the Commitments pursuant to Clause 2.2 (*Accordion*), an Accordion Lender in respect of that increase may not assign or transfer its rights or obligations in relation to its increased Commitments until after the end of the Availability Period in relation to those increased Commitments.
- (l) In relation to any assignment or transfer by an Existing Lender of part of its Commitments in relation to a Facility, where the Existing Lender has, on the Transfer Date immediately prior to the assignment or transfer, any Available Commitment in relation to that Facility, the assignment or transfer shall be made such that a proportionate amount of the Existing Lender's Available Commitment is assigned or transferred to the New Lender.

27.3 **Assignment or transfer fee**

Unless the Agent otherwise agrees, the New Lender shall, on the date upon which an assignment or transfer takes effect, pay to the Agent (for its own account) a fee of \$3,000.

27.4 **Limitation of responsibility of Existing Lenders**

- (a) Unless expressly agreed to the contrary, an Existing Lender makes no representation or warranty and assumes no responsibility to a New Lender for:
- (i) the legality, validity, effectiveness, adequacy or enforceability of the Finance Documents, the Transaction Security or any other documents;
 - (ii) the financial condition of any Obligor;
 - (iii) the performance and observance by any Obligor of its obligations under the Finance Documents or any other documents; or
 - (iv) the accuracy of any statements (whether written or oral) made in or in connection with any Finance Document or any other document,
- and any representations or warranties implied by law are excluded.
- (b) Each New Lender confirms to the Existing Lender, the other Finance Parties and the Secured Parties that it:
- (i) has made (and shall continue to make) its own independent investigation and assessment of the financial condition and affairs of each Obligor and its related entities in connection with its participation in the Finance Documents and has not relied exclusively on any information provided to it by the Existing Lender or any other Finance Party in connection with any Finance Document or the Transaction Security; and
 - (ii) will continue to make its own independent appraisal of the creditworthiness of each Obligor and its related entities while any amount is or may be outstanding under the Finance Documents or any Commitment is in force.
- (c) Nothing in any Finance Document obliges an Existing Lender to:
- (i) accept a re-transfer or re-assignment from a New Lender of any of the rights and obligations assigned or transferred under this Clause 27; or
 - (ii) support any losses directly or indirectly incurred by the New Lender by reason of the non-performance by any Obligor of its obligations under the Finance Documents or otherwise.

27.5 **Procedure for transfer**

- (a) Subject to the conditions set out in Clause 27.2 (*Conditions of assignment or transfer*) a transfer is effected in accordance with paragraph (c) below when the Agent executes an otherwise duly completed Transfer Certificate delivered to it by the Existing Lender and the New Lender. The Agent shall, subject to paragraph (b) below, as soon as reasonably practicable after receipt by it of a duly completed Transfer Certificate appearing on its face to comply with the terms of this Agreement and delivered in accordance with the terms of this Agreement, execute that Transfer Certificate.
- (b) The Agent shall only be obliged to execute a Transfer Certificate delivered to it by the Existing Lender and the New Lender once it is satisfied it has complied with all necessary “know your customer” or other similar checks under all applicable laws and regulations in relation to the transfer to such New Lender.
- (c) Subject to Clause 27.9 (*Pro rata interest settlement*), on the Transfer Date:
 - (i) to the extent that in the Transfer Certificate the Existing Lender seeks to transfer by novation its rights and obligations under the Finance Documents and in respect of the Transaction Security each of the Obligors and the Existing Lender shall be released from further obligations towards one another under the Finance Documents and in respect of the Transaction Security and their respective rights against one another under the Finance Documents and in respect of the Transaction Security shall be cancelled (being the “**Discharged Rights and Obligations**”);
 - (ii) each of the Obligors and the New Lender shall assume obligations towards one another and/or acquire rights against one another which differ from the Discharged Rights and Obligations only insofar as that Obligor or other member of the Group and the New Lender have assumed and/or acquired the same in place of that Obligor and the Existing Lender;
 - (iii) the Agent, the Security Agent, the New Lender and the other Lenders shall acquire the same rights and assume the same obligations between themselves and in respect of the Transaction Security as they would have acquired and assumed had the New Lender been an Original Lender with the rights and/or obligations acquired or assumed by it as a result of the transfer and to that extent the Agent, the Security Agent, and the Existing Lender shall each be released from further obligations to each other under the Finance Documents; and
 - (iv) the New Lender shall become a Party as a “Lender”.

27.6 **Procedure for assignment**

- (a) Subject to the conditions set out in Clause 27.2 (*Conditions of assignment or transfer*) an assignment may be effected in accordance with paragraph (c)

below when the Agent executes an otherwise duly completed Assignment Agreement delivered to it by the Existing Lender and the New Lender. The Agent shall, subject to paragraph (b) below, as soon as reasonably practicable after receipt by it of a duly completed Assignment Agreement appearing on its face to comply with the terms of this Agreement and delivered in accordance with the terms of this Agreement, execute that Assignment Agreement.

- (b) The Agent shall only be obliged to execute an Assignment Agreement delivered to it by the Existing Lender and the New Lender once it is satisfied it has complied with all necessary “know your customer” or other similar checks under all applicable laws and regulations in relation to the assignment to such New Lender.
- (c) Subject to Clause 27.9 (*Pro rata interest settlement*), on the Transfer Date:
 - (i) the Existing Lender will assign absolutely to the New Lender its rights under the Finance Documents and in respect of the Transaction Security expressed to be the subject of the assignment in the Assignment Agreement;
 - (ii) the Existing Lender will be released from the obligations (the “**Relevant Obligations**”) expressed to be the subject of the release in the Assignment Agreement (and any corresponding obligations by which it is bound in respect of the Transaction Security); and
 - (iii) the New Lender shall become a Party as a “Lender” and will be bound by obligations equivalent to the Relevant Obligations.
- (d) Lenders may utilise procedures other than those set out in this Clause 27.6 to assign their rights under the Finance Documents (but not, without the consent of the relevant Obligor or unless in accordance with Clause 27.5 (*Procedure for transfer*), to obtain a release by that Obligor from the obligations owed to that Obligor by the Lenders nor the assumption of equivalent obligations by a New Lender) **provided that** they comply with the conditions set out in Clause 27.2 (*Conditions of assignment or transfer*).

27.7 Copy of Transfer Certificate, Assignment Agreement or Accordion Confirmation to Borrower

The Agent shall, as soon as reasonably practicable after it has executed a Transfer Certificate, an Assignment Agreement or an Accordion Confirmation, send to the Borrower a copy of that Transfer Certificate, Assignment Agreement or Accordion Confirmation.

27.8 **Security over Lenders' rights**

In addition to the other rights provided to Lenders under this Clause 27, each Lender may, without consulting with or obtaining consent from any Obligor, at any time charge, assign or otherwise create Security in or over (whether by way of collateral or otherwise) all or any of its rights under any Finance Document to secure obligations of that Lender including, without limitation:

- (a) any charge, assignment or other Security to secure obligations to a federal reserve or central bank; and
- (b) in the case of any Lender which is a fund, any charge, assignment or other Security granted to any holders (or trustee or representatives of holders) of obligations owed, or securities issued, by that Lender as security for those obligations or securities,

except that no such charge, assignment or Security shall:

- (i) release a Lender from any of its obligations under the Finance Documents or substitute the beneficiary of the relevant charge, assignment or other Security for the Lender as a party to any of the Finance Documents; or
- (ii) require any payments to be made by an Obligor or grant to any person any more extensive rights than those required to be made or granted to the relevant Lender under the Finance Documents.

27.9 **Pro rata interest settlement**

If the Agent has notified the Lenders that it is able to distribute interest payments on a "**pro rata basis**" to Existing Lenders and New Lenders then (in respect of any transfer pursuant to Clause 27.5 (*Procedure for transfer*) or any assignment pursuant to Clause 27.6 (*Procedure for assignment*) the Transfer Date of which, in each case, is after the date of such notification and is not on the last day of an Interest Period):

- (a) any interest or fees in respect of the relevant participation which are expressed to accrue by reference to the lapse of time shall continue to accrue in favour of the Existing Lender up to but excluding the Transfer Date ("**Accrued Amounts**") and shall become due and payable to the Existing Lender (without further interest accruing on them) on the last day of the current Interest Period (or, if the Interest Period is longer than six Months, on the next of the dates which falls at six Monthly intervals after the first day of that Interest Period); and
- (b) the rights assigned or transferred by the Existing Lender will not include the right to the Accrued Amounts so that, for the avoidance of doubt:
 - (i) when the Accrued Amounts become payable, those Accrued Amounts will be payable for the account of the Existing Lender; and
 - (ii) the amount payable to the New Lender on that date will be the amount which would, but for the application of this Clause 27.9, have been payable to it on that date, but after deduction of the Accrued Amounts.

27.10 **French law provisions**

- (a) To the extent a transfer of rights and obligations hereunder could be construed as a novation within the meaning of articles 1271 *et seq.* of the French Civil Code, each Party agrees that upon a transfer under Clauses 27.1 (*Assignments and transfers by the Lenders*) and 27.5 (*Procedure for transfer*), the Security created under the French law governed Transaction Security Documents shall be preserved and maintained for the benefit of the Security Agent, the New Lender and the remaining Finance Parties pursuant to articles 1278 *et seq.* of the French Civil Code.
- (b) The New Lender may, in case of an assignment of rights by an Existing Lender hereunder, if it considers it necessary to make such transfer effective as against third parties, arrange for the Assignment Agreement to be notified by way of *signification* to any French Obligor in accordance with article 1690 of the French Civil Code.

28. **DEBT PURCHASE TRANSACTIONS**

28.1 **Permitted Debt Purchase Transactions**

- (a) The Borrower shall not (and shall procure that no other member of the Group or any Affiliate of the Borrower shall) (i) enter into any Permitted Debt Purchase Transaction other than in accordance with the other provisions of this Clause 28.1 or (ii) be party to (or beneficially own all or any part of the share capital of a company that is a Lender or a party to) any Restricted Debt Purchase Transaction.
- (b) The Borrower may purchase by way of assignment, pursuant to Clause 27 (*Changes to the Lenders*), a participation in any Facility A Loan and any related Commitment where:
 - (i) such purchase is made for a consideration of less than par;
 - (ii) such purchase is made using one of the processes set out at paragraphs (c) and (d) below;
 - (iii) such purchase is made at a time when no Default is continuing; and
 - (iv) the consideration for such purchase is funded from that part of any Relevant Proceeds which is permitted to be retained by the Group and is not required to be applied to prepay the Facilities or to prepay, redeem, repay, retire, or purchase other Financial Indebtedness (or to be placed in a Reserve for such purpose) pursuant to Clause 8 (*Mandatory Prepayment*).

(c)

- (i) A Permitted Debt Purchase Transaction referred to in paragraph (a) above may be entered into pursuant to a solicitation process (a “**Solicitation Process**”) which is carried out as follows.
- (ii) Prior to 11.00 am on a given Business Day (the “**Solicitation Day**”) the Borrower or a financial institution acting on its behalf (the “**Purchase Agent**”) will approach at the same time each Lender which participates in Facility A to enable them to offer to sell to the Borrower an amount of their participation in the Facility A Loans. Any Lender wishing to make such an offer shall, by 11.00 am on the second Business Day following such Solicitation Day, communicate to the Purchase Agent details of the amount of its participations in the Facility A Loans it is offering to sell and the price at which it is offering to sell such participations. Any such offer shall be irrevocable until 11.00 am on the third Business Day following such Solicitation Day and shall be capable of acceptance by the Borrower on or before such time by communicating its acceptance in writing to the Purchase Agent or, if it is the Purchase Agent, the relevant Lenders. The Purchase Agent (if someone other than the Borrower) will communicate to the relevant Lenders which offers have been accepted by 12 noon on the third Business Day following such Solicitation Day. In any event by 11.00 am on the fourth Business Day following such Solicitation Day, the Borrower shall notify the Agent of the amounts of the participations purchased through the relevant Solicitation Process and the average price paid for the purchase of participations. The Agent shall disclose such information to any Lender that requests such disclosure.
- (iii) Any purchase of participations in Facility A pursuant to a Solicitation Process shall be completed and settled on or before the fifth Business Day after the relevant Solicitation Day.
- (iv) In accepting any offers made pursuant to a Solicitation Process the Borrower shall be free to select which offers and in which amounts it accepts but on the basis that in relation to a participation in the Facility A Loans it accepts offers in inverse order of the price offered (with the offer or offers at the lowest price being accepted first) and that if in respect of participations in the Facility A Loans it receives two or more offers at the same price it shall only accept such offers on a *pro rata* basis.

(d)

- (i) A Permitted Debt Purchase Transaction referred to in paragraph (a) above may also be entered into pursuant to an open order process (an “**Open Order Process**”) which is carried out as follows.
- (ii) The Borrower may by itself or through another Purchase Agent place an open order (an “**Open Order**”) to purchase participations in Facility A up to a set aggregate amount at a set price by notifying at the same time all the Lenders participating in the Facility A Loans of the same.

Any Lender wishing to sell pursuant to an Open Order will, by 11.00 am on any Business Day following the date on which the Open Order is placed but no earlier than the first Business Day, and no later than the fifth Business Day, following the date on which the Open Order is placed, communicate to the Purchase Agent details of the amount of its participations in the Facility A Loans it is offering to sell. Any such offer to sell shall be irrevocable until 11.00 am on the Business Day following the date of such offer from the Lender and shall be capable of acceptance by the Borrower on or before such time by it communicating such acceptance in writing to the relevant Lender.

- (iii) Any purchase of participations in the Facility A Loans pursuant to an Open Order Process shall be completed and settled by the Borrower on or before the fourth Business Day after the date of the relevant offer by a Lender to sell under the relevant Open Order.
 - (iv) If in respect of participations in the Facility A Loans the Purchase Agent receives on the same Business Day two or more offers at the set price such that the maximum amount of the Facility A Loans to which an Open Order relates would be exceeded, the Borrower shall only accept such offers on a *pro rata* basis.
 - (v) The Borrower shall, by 11.00 am on the sixth Business Day following the date on which an Open Order is placed, notify the Agent of the amounts of the participations purchased through such Open Order Process. The Agent shall disclose such information to any Lender that requests the same.
- (e) For the avoidance of doubt, there is no limit on the number of occasions a Solicitation Process or an Open Order Process may be implemented.
- (f) In relation to any Permitted Debt Purchase Transaction entered into pursuant to this Clause 28.1, notwithstanding any other term of this Agreement or the other Finance Documents:
- (i) on completion of the relevant assignment pursuant to Clause 27 (*Changes to the Lenders*), the portions of the Utilisations to which it relates shall be extinguished and the Facility A Repayment Instalments will be reduced *pro rata* accordingly;
 - (ii) such Permitted Debt Purchase Transaction and the related extinguishment referred to in paragraph (i) above shall not constitute a prepayment of the Facility A Loans;
 - (iii) the Borrower shall be deemed to be an entity which fulfils the requirements of Clause 27.1 (*Assignments and transfers by the Lenders*) to be a New Lender (as defined in such Clause);
 - (iv) no member of the Group shall be deemed to be in breach of any provision of Clause 23 (*General Undertakings*) solely by reason of such Permitted Debt Purchase Transaction;

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- (v) Clause 32 (*Sharing among the Finance Parties*) shall not be applicable to the consideration paid under such Permitted Debt Purchase Transaction; and
 - (vi) for the avoidance of doubt, any extinguishment of any part of the Utilisations shall not affect any amendment or waiver which prior to such extinguishment had been approved by or on behalf of the requisite Lender or Lenders in accordance with this Agreement.
 - (g) The Agent shall be under no obligation to act as Purchase Agent under any transaction contemplated by this Clause 28.1.

29. CHANGES TO THE OBLIGORS

29.1 Assignment and Transfers by Obligors

No Obligor or any other member of the Group may assign any of its rights or transfer any of its rights or obligations under the Finance Documents.

29.2 Additional Guarantors and Additional Security Providers

- (a) Subject to compliance with the provisions of paragraphs (b) and (c) of Clause 21.7 (*"Know your client" checks*), the Borrower may request that any of its wholly owned Subsidiaries become an Additional Guarantor or an Additional Security Provider by:
 - (i) the Borrower delivering to the Agent a duly completed and executed Accession Letter; and
 - (ii) the Borrower delivers (or procures that the Additional Guarantor or Additional Security Provider (as the case may be) delivers) all of the documents and other evidence referred to in Part II of Schedule 2 (*Conditions Precedent*) in relation to that Additional Guarantor or Additional Security Provider to the Agent.
- (b) The Agent shall notify the Obligors and the Lenders promptly upon being satisfied that it has received all the documents and other evidence listed in Part II of Schedule 2 (*Conditions Precedent*).

29.3 Resignation of a Guarantor

- (a) In this Clause 29.3 (*Resignation of a Guarantor*) and Clause 29.6 (*Resignation and release of Security on disposal*), "**Third Party Disposal**" means the disposal of all of the issued share capital of an Obligor to a person which is not a member of the Group where that disposal is permitted under Clause 23.20 (*Disposals*) or made with the approval of the Majority Lenders (and the Borrower has confirmed this is the case).

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- (b) The Borrower may request that a Guarantor (other than the Borrower) ceases to be a Guarantor by delivering to the Agent a Resignation Letter if:
 - (i) that Guarantor is being disposed of by way of a Third Party Disposal and the Borrower has confirmed this is the case; or
 - (ii) all the Lenders have consented to the resignation of that Guarantor.
 - (c) The Agent shall accept a Resignation Letter and notify the Borrower and the Lenders of its acceptance if:
 - (i) the Borrower has confirmed that no Default is continuing or would result from the acceptance of the Resignation Letter;
 - (ii) no payment is due from the Guarantor under Clause 19 (*Guarantee and Indemnity*);
 - (iii) the Borrower has confirmed that it shall ensure, if so required, that the Disposal Proceeds will be applied in accordance with Clause 8 (*Mandatory Prepayment*).
 - (d) The resignation of a Guarantor shall not be effective until the date of the relevant Third Party Disposal, at which time that company shall cease to be a Guarantor and shall have no further rights or obligations under the Finance Documents as a Guarantor.

29.4 Resignation of a Security Provider

- (a) The Borrower may request that a Security Provider ceases to be a Security Provider by delivering to the Agent a Resignation Letter if:
 - (i) the Transaction Security granted by that Security Provider is being released under and in accordance with the Intercreditor Agreement and the Borrower has confirmed that this is the case; or
 - (ii) all the Lenders have consented to the resignation of that Security Provider.
- (b) The Agent shall accept a Resignation Letter and notify the Borrower and the Lenders of its acceptance if:
 - (i) the Borrower has confirmed that no Default is continuing or would result from the acceptance of the Resignation Letter;
 - (ii) the Borrower has confirmed that the Transaction Security granted by that Security Provider has not become enforceable in accordance with its terms.
- (c) The resignation of that Security Provider shall not be effective until the date on which the Transaction Security granted by the Security Provider has been released under and in accordance with the Intercreditor Agreement, at which time that company shall cease to be a Security Provider and shall have no further rights or obligations under the Finance Documents as a Security Provider.

29.5 **Repetition of Representations**

Delivery of an Accession Letter constitutes confirmation by the relevant Affiliate that the Repeating Representations are true and correct in relation to it as at the date of delivery as if made by reference to the facts and circumstances then existing.

29.6 **Resignation and release of Security on disposal**

If a Guarantor is or is proposed to be the subject of a Third Party Disposal then:

- (a) where that Obligor created Transaction Security over any of its assets or business in favour of the Security Agent, or Transaction Security in favour of the Security Agent was created over the shares (or equivalent) of that Obligor, the Security Agent may, at the cost and request of the Borrower, release those assets, business or shares (or equivalent) and issue certificates of non-crystallisation;
- (b) the resignation of that Obligor and related release of Transaction Security referred to in paragraph (a) above shall not become effective until the date of that disposal; and
- (c) if the disposal of that Obligor is not made, the Resignation Letter of that Obligor and the related release of Transaction Security referred to in paragraph (a) above shall have no effect and the obligations of the Obligor and the Transaction Security created or intended to be created by or over that Obligor shall continue in such force and effect as if that release had not been effected.

SECTION 10
THE FINANCE PARTIES

30. ROLE OF THE AGENT

30.1 Appointment of the Agent

- (a) Each of the Lenders appoints the Agent to act as its agent under and in connection with the Finance Documents.
- (b) Each of the Lenders authorises the Agent to exercise the rights, powers, authorities and discretions specifically given to the Agent under or in connection with the Finance Documents (including the appointment of any sub-agents or local agents to assist in administration of payments, the supervision or enforcement of any of the Finance Documents) together with any other incidental rights, powers, authorities and discretions.

30.2 Interests of Lenders

Without limiting paragraphs (a) to (c) of Clause 30.8 (*Majority Lenders' instructions*), in connection with the exercise of its powers, authorities or discretions (including, but not limited to, those in relation to any proposed modifications, waiver or authorisation of any breach or proposed breach of any of the provisions of this Agreement), the Agent shall have regard to the general interests of the Lenders (taken as a whole) and shall not have regard to any interest arising from circumstances particular to individual Lenders.

30.3 Duties of the Agent

- (a) Subject to paragraph (b) below, the Agent shall promptly forward to a Party the original or a copy of any document which is delivered to the Agent for that Party by any other Party.
- (b) Without prejudice to Clause 27.7 (*Copy of Transfer Certificate, Assignment Agreement or Accordion Confirmation to Borrower*), paragraph (a) above shall not apply to any Transfer Certificate, any Assignment Agreement or any Accordion Confirmation.
- (c) The Agent is not obliged to review or check the adequacy, accuracy or completeness of any document it forwards to another Party.
- (d) If the Agent receives notice from a Party referring to this Agreement, describing a Default and stating that the circumstance described is a Default, it shall promptly notify the other Finance Parties.
- (e) If the Agent is aware of the non-payment of any principal, interest or fee payable to a Finance Party (other than the Agent or the Security Agent) under this Agreement it shall promptly notify the other Finance Parties.
- (f) The Agent shall provide to the Borrower within three Business Days of a request by the Borrower (but no more frequently than once per calendar month) a list (which may be in electronic form) setting out the names of the

Lenders as at that Business Day, their respective Commitments, and the name of the contact person, if any, for whose attention any communication sent to that Lender is to be made or any document delivered under or in connection with the Finance Documents and, in the case of any Lender to whom any communication under or in connection with the Finance Documents may be made by that means, the electronic mail address and/or any other information required to enable the sending and receipt of information by electronic mail or other electronic means to and by that Lender.

- (g) The Agent's duties under the Finance Documents are solely mechanical and administrative in nature.

30.4 Role of the Arranger

Except as specifically provided in the Finance Documents, the Arranger does not have any obligations or liabilities of any kind to any other Party under or in connection with any Finance Document.

30.5 No fiduciary duties

- (a) Nothing in this Agreement constitutes the Agent or the Arranger as a trustee or fiduciary of any other person.
- (b) None of the Agent or the Security Agent or the Arranger shall be bound to account to any Lender for any sum or the profit element of any sum received by it for its own account.

30.6 Business with the Group

The Agent, the Security Agent or the Arranger may accept deposits from, lend money to and generally engage in any kind of banking or other business with any member of the Group.

30.7 Rights and discretions

- (a) The Agent may rely on:
- (i) any representation, notice or document (including, for the avoidance of doubt, any representation, notice or document communicating the consent of the Majority Lenders pursuant to Clause 39.1 (*Required consents*)) believed by it to be genuine, correct and appropriately authorised; and
 - (ii) any statement made by a director, authorised signatory or employee of any person regarding any matters which may reasonably be assumed to be within his knowledge or within his power to verify.
- (b) The Agent may assume (unless it has received notice to the contrary in its capacity as agent for the Lenders) that:
- (i) no Default has occurred (unless it has actual knowledge of a Default arising under Clause 26.1 (*Non-payment*));

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- (ii) any right, power, authority or discretion vested in any Party or the Majority Lenders has not been exercised;
 - (iii) any notice or request made by the Borrower (other than a Selection Notice) is made on behalf of and with the consent and knowledge of all the Obligors.
- (c) The Agent may engage, pay for and rely on the advice or services of any lawyers, accountants, surveyors or other experts including any Custodian.
 - (d) The Agent may act in relation to the Finance Documents through its personnel and agents and through any necessary sub-agent, local agent or Affiliate and, for that purpose, may enter into any agreement or cause any agreement to be entered into, by any such sub-agent, local agent or Affiliate, including the execution, delivery, performance or enforcement of any Transaction Security Document.
 - (e) The Agent may disclose to any other Party any information it reasonably believes it has received as agent under this Agreement.
 - (f) Without prejudice to the generality of paragraph (e) above, the Agent may disclose the identity of a Defaulting Lender to the other Finance Parties and the Borrower and shall disclose the same upon the written request of the Borrower or the Majority Lenders.
 - (g) Notwithstanding any other provision of any Finance Document to the contrary, neither the Agent nor the Arranger is obliged to do or omit to do anything if it would or might in its reasonable opinion constitute a breach of any law or regulation or a breach of a fiduciary duty or duty of confidentiality.
 - (h) The Agent is not obliged to disclose to any Finance Party but shall disclose to the Borrower as soon as reasonably practical following a request to do so any details of the rate notified to the Agent by any Lender or the identity of any such Lender for the purpose of paragraph (a) (ii) of Clause 12.2 (*Market disruption*) (**provided that** the Borrower, by its signature to this Agreement, agrees to keep such information confidential and not to disclose it to anyone except for its officers, directors, employees and professional advisers on a confidential and “need to know” basis).

30.8 **Majority Lenders’ instructions**

- (a) Unless a contrary indication appears in a Finance Document, the Agent shall (i) exercise any right, power, authority or discretion vested in it as Agent in accordance with any instructions given to it by the Majority Lenders (or, if so instructed by the Majority Lenders, refrain from exercising any right, power, authority or discretion vested in it as Agent) and (ii) not be liable for any act (or omission) if it acts (or refrains from taking any action) in accordance with an instruction of the Majority Lenders.

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- (b) Unless a contrary indication appears in a Finance Document, any instructions given by the Majority Lenders will be binding on all the Finance Parties other than the Security Agent.
 - (c) The Agent may refrain from acting in accordance with the instructions of the Majority Lenders (or, if appropriate, the Lenders) until it has received such security as it may require for any cost, loss or liability (together with any associated VAT) which it may incur in complying with the instructions.
 - (d) In the absence of instructions from the Majority Lenders, (or, if appropriate, the Lenders) the Agent may act (or refrain from taking action) as it considers to be in the best interest of the Lenders (taken as a whole).
 - (e) The Agent is not authorised to act on behalf of a Lender (without first obtaining that Lender's consent) in any legal or arbitration proceedings relating to any Finance Document. This paragraph (e) shall not apply to any legal or arbitration proceeding relating to the perfection, preservation or protection of rights under the Transaction Security Documents or enforcement of the Transaction Security or Transaction Security Documents.

30.9 Responsibility for documentation

Neither the Agent nor the Arranger is:

- (a) responsible for the adequacy, accuracy and/or completeness of any information (whether oral or written) supplied by the Agent, an Obligor or any other person given in or in connection with any Finance Document or the Transaction Security;
- (b) responsible for the legality, validity, effectiveness, adequacy or enforceability of any Finance Document or the Transaction Security or any other agreement, arrangement or document entered into, made or executed in anticipation of or in connection with any Finance Document or the Transaction Security; or
- (c) responsible for any determination as to whether any information provided or to be provided to any Finance Party is non-public information the use of which may be regulated or prohibited by applicable law or regulation relating to insider dealing or otherwise.

30.10 Exclusion of liability

- (a) Without limiting paragraph (b) below, neither the Agent nor the Arranger will be liable for any action taken by it under or in connection with any Finance Document or the Transaction Security (or the negotiation or implementation of such documents) unless directly caused by its gross negligence or wilful misconduct or wilful breach of any Finance Document (and, for the avoidance of doubt, neither the Agent nor the Arranger will be liable in any circumstances for any consequential loss).
- (b) No Party (other than the Agent) may take any proceedings against any officer, employee or agent of the Agent in respect of any claim it might have against the Agent or in respect of any act or omission of any kind by that officer,

employee or agent in relation to any Finance Document and any officer, employee or agent of the Agent may rely on this Clause 29 subject to Clause 1.4 (*Third party rights*) and the provisions of the Third Parties Act.

- (c) The Agent will not be liable for any delay (or any related consequences) in crediting an account with an amount required under the Finance Documents to be paid by the Agent if the Agent has taken all necessary steps as soon as reasonably practicable to comply with the regulations or operating procedures of any recognised clearing or settlement system used by the Agent for that purpose.
- (d) Nothing in this Agreement shall oblige the Agent or the Arranger to carry out any checks pursuant to any laws or regulations relating to money laundering in relation to any person on behalf of any Lender and each Lender confirms to the Agent and the Arranger that it is solely responsible for any such checks it is required to carry out and that it may not rely on any statement in relation to such checks made by the Agent or the Arranger.
- (e) The Agent will have no liability for the acts of its agents, sub-agents or delegates (including Affiliates acting in such capacities) except to the extent that the acts or omissions of such agent or sub-agent (to the extent that it is an Affiliate of the Agent) constitute gross negligence or wilful misconduct.

30.11 **Lenders' indemnity to the Agent**

Each Lender shall (in proportion to its share of the Total Commitments or, if the Total Commitments are then zero, to its share of the Total Commitments immediately prior to their reduction to zero) indemnify the Agent and its Affiliates (to the extent they act as agents, sub-agents or delegates in relation to the Finance Documents), within three Business Days of demand, against any cost, loss or liability incurred by the Agent and its Affiliates (to the extent they act as agents, sub-agents or delegates in relation to the Finance Documents) (otherwise than by reason of the Agent's or the relevant Affiliate's gross negligence or wilful misconduct) in acting as (or, as the case may be, assisting the) Agent under the Finance Documents (unless the Agent or the relevant Affiliate has been reimbursed by an Obligor pursuant to a Finance Document). Any third party referred to in this Clause 30.11 may rely on this Clause 30.11.

30.12 **Resignation of the Agent**

- (a) The Agent may resign and appoint one of its Affiliates acting through an office in the European Union as successor by giving notice to the other Finance Parties and the Borrower.
- (b) Alternatively the Agent may resign by giving notice to the other Finance Parties and the Borrower, in which case the Majority Lenders (after consultation with the Borrower) may appoint a successor Agent.
- (c) If the Majority Lenders have not appointed a successor Agent in accordance with paragraph (b) above within 30 days after notice of resignation was given, the Agent (after consultation with the Borrower) may appoint a successor Agent (acting through an office in the European Union).

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- (d) The retiring Agent shall, at its own cost, make available to the successor Agent such documents and records and provide such assistance as the successor Agent may reasonably request for the purposes of performing its functions as Agent under the Finance Documents.
 - (e) The Agent's resignation notice shall only take effect upon the appointment of a successor.
 - (f) Upon the appointment of a successor, the retiring Agent shall be discharged from any further obligation in respect of the Finance Documents but shall remain entitled to the benefit of this Clause 30.12. Its successor and each of the other Parties shall have the same rights and obligations amongst themselves as they would have had if such successor had been an original Party.
 - (g) The Agent shall resign in accordance with paragraph (b) above (and, to the extent applicable, shall use reasonable endeavours to appoint a successor Agent pursuant to paragraph (c) above) if on or after the date which is three months before the earliest FATCA Application Date relating to any payment to the Agent under the Finance Documents, either:
 - (i) the Agent fails to respond to a request under Clause 21.8 (*FATCA Information*) and the Borrower or a Lender reasonably believes that the Agent will not be (or will have ceased to be) a FATCA Exempt Party on or after that FATCA Application Date;
 - (ii) the information supplied by the Agent pursuant to Clause 21.8 (*FATCA Information*) indicates that the Agent will not be (or will have ceased to be) a FATCA Exempt Party on or after that FATCA Application Date; or
 - (iii) the Agent notifies the Borrower and the Lenders that the Agent will not be (or will have ceased to be) a FATCA Exempt Party on or after that FATCA Application Date,and (in each case) the Borrower or a Lender reasonably believes that a Party will be required to make a FATCA Deduction that would not be required if the Agent were a FATCA Exempt Party, and the Borrower or that Lender, by notice to the Agent, requires it to resign.

30.13 Replacement of the Agent

- (a) After consultation with the Borrower, the Majority Lenders may, by giving 30 days' notice to the Agent (or, at any time the Agent is an Impaired Agent, by giving any shorter notice determined by the Majority Lenders) replace the Agent by appointing a successor Agent (acting through an office in the European Union).
- (b) The retiring Agent shall (at its own cost if it is an Impaired Agent and otherwise at the expense of the Lenders) make available to the successor Agent such documents and records and provide such assistance as the successor Agent may reasonably request for the purposes of performing its functions as Agent under the Finance Documents.

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- (c) The appointment of the successor Agent shall take effect on the date specified in the notice from the Majority Lenders to the retiring Agent. As from this date, the retiring Agent shall be discharged from any further obligation in respect of the Finance Documents but shall remain entitled to the benefit of this Clause 30 (and any agency fees for the account of the retiring Agent shall cease to accrue from (and shall be payable on) that date).
 - (d) Any successor Agent and each of the other Parties shall have the same rights and obligations among themselves as they would have had if such successor had been an original Party.

30.14 Confidentiality

- (a) In acting as agent for the Finance Parties, the Agent shall be regarded as acting through its agency division which shall be treated as a separate entity from any other of its divisions or departments.
- (b) If information is received by another division or department of the Agent, it may be treated as confidential to that division or department and the Agent shall not be deemed to have notice of it.
- (c) Notwithstanding any other provision of any Finance Document to the contrary, the Agent is not obliged to disclose to any other person (i) any confidential information or (ii) any other information if the disclosure would or might in its reasonable opinion constitute a breach of any law or a breach of a fiduciary duty.

30.15 Relationship with the Lenders

- (a) Subject to Clause 27.9 (*Pro rata interest settlement*), the Agent may treat the person shown in its records as Lender at the opening of business (in the place of the Agent's principal office as notified to the Finance Parties from time to time) as the Lender acting through its Facility Office:
 - (i) entitled to or liable for any payment due under any Finance Document on that day; and
 - (ii) entitled to receive and act upon any notice, request, document or communication or make any decision or determination under any Finance Document made or delivered on that day,unless it has received not less than five Business Days' prior notice from that Lender to the contrary in accordance with the terms of this Agreement.
- (b) Each Lender shall supply the Agent with any information that the Security Agent may reasonably specify (through the Agent) as being necessary or desirable to enable the Security Agent to perform its functions as Security Agent. Each Lender shall deal with the Security Agent exclusively through the Agent and shall not deal directly with the Security Agent.

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- (c) The Agent may disclose to any Lender any information received by it in its capacity as Agent (including, without limitation, details of the identities and Commitments of the Lenders).
 - (d) Any Lender may by notice to the Agent appoint a person to receive on its behalf all notices, communications, information and documents to be made or despatched to that Lender under the Finance Documents. Such notice shall contain the address, fax number and (where communication by electronic mail or other electronic means is permitted under Clause 35.6 (*Electronic communication*)) electronic mail address and/or any other information required to enable the sending and receipt of information by that means (and, in each case, the department or officer, if any, for whose attention communication is to be made) and be treated as a notification of a substitute address, fax number, electronic mail address, department and officer by that Lender for the purposes of Clause 35.2 (*Addresses*) and paragraph (a)(iii) of Clause 35.6 (*Electronic communication*) and the Agent shall be entitled to treat such person as the person entitled to receive all such notices, communications, information and documents as though that person were that Lender.

30.16 Credit appraisal by the Lenders

Without affecting the responsibility of any Obligor for information supplied by it or on its behalf in connection with any Finance Document, each Lender confirms to the Agent and the Arranger that it has been, and will continue to be, solely responsible for making its own independent appraisal and investigation of all risks arising under or in connection with any Finance Document including but not limited to:

- (a) the financial condition, status and nature of each member of the Group;
- (b) the legality, validity, effectiveness, adequacy or enforceability of any Finance Document and the Transaction Security and any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document or the Transaction Security;
- (c) whether that Secured Party has recourse, and the nature and extent of that recourse, against any Party or any of its respective assets under or in connection with any Finance Document, the Transaction Security or the transactions contemplated by the Finance Documents or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document;
- (d) the adequacy, accuracy and/or completeness of any information provided by the Agent, any Party or by any other person under or in connection with any Finance Document, the transactions contemplated by the Finance Documents or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document;

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- (e) the right or title of any person in or to, or the value or sufficiency of any part of the Charged Property, the priority of any of the Transaction Security or the existence of any Security affecting the Charged Property; and
 - (f) the legality, validity, effectiveness, adequacy or enforceability of any action taken or made in connection with any Finance Document.

30.17 Reference Banks

The Parties agree and acknowledge that:

- (a) the Obligors have proposed the names of the entities referred to in the definition of Reference Banks and the appointment of those Reference Banks has been accepted by the Original Lenders and such Reference Banks; and
- (b) each Obligor represents that it considers it beneficial for it to appoint banks of international repute which are Lenders hereunder as Reference Banks for the purposes of this Agreement (instead of other banks which are not Lenders hereunder in order to have Reference Banks which are not Lenders the rates of which could be less representative of market rates).

30.18 Agent's management time

Any amount payable to the Agent under Clause 16.3 (*Indemnity to the Agent*), Clause 18 (*Costs and Expenses*) and Clause 30.11 (*Lenders' indemnity to the Agent*) shall include the cost of utilising the Agent's management time or other resources and will be calculated on the basis of such reasonable daily or hourly rates as the Agent may notify to the Borrower and the Lenders, and is in addition to any fee paid or payable to the Agent under Clause 13 (*Fees*).

30.19 Deduction from amounts payable by the Agent

If any Party owes an amount to the Agent under the Finance Documents the Agent may, after giving notice to that Party, deduct an amount not exceeding that amount from any payment to that Party which the Agent would otherwise be obliged to make under the Finance Documents and apply the amount deducted in or towards satisfaction of the amount owed. For the purposes of the Finance Documents that Party shall be regarded as having received any amount so deducted.

30.20 Role of the Security Agent

- (a) The Security Agent's duties under this Agreement are solely mechanical and administrative in nature.
- (b) In particular, the role and, *inter alia*, duties, rights, powers, protections and benefits of the Security Agent are more particularly described in the Intercreditor Agreement, which sets out the basis upon which the Security Agent acts under this Agreement. Should any provision regarding the duties, discretions, rights, benefits, protections, indemnities and immunities of the Security Agent (the "**Security Agent Provisions**") conflict or otherwise be inconsistent as between this Agreement and the Intercreditor Agreement, then the Security Agent Provisions as contained in the Intercreditor Agreement shall prevail.

30.21 **Reliance and engagement letters**

Each Finance Party and Secured Party confirms that the Agent has authority to accept on its behalf (and ratifies the acceptance on its behalf of any letters or reports already accepted by the Agent) the terms of any reliance letter or engagement letters relating to any reports or letters provided by accountants in connection with the Finance Documents or the transactions contemplated in the Finance Documents and to bind it in respect of those reports or letters and to sign such letters on its behalf and further confirms that it accepts the terms and qualifications set out in such letters.

31. **CONDUCT OF BUSINESS BY THE FINANCE PARTIES**

No provision of this Agreement will:

- (a) interfere with the right of any Finance Party to arrange its affairs (tax or otherwise) in whatever manner it thinks fit;
- (b) oblige any Finance Party to investigate or claim any credit, relief, remission or repayment available to it or the extent, order and manner of any claim; or
- (c) oblige any Finance Party to disclose any information relating to its affairs (tax or otherwise) or any computations in respect of Tax.

32. **SHARING AMONG THE FINANCE PARTIES**

32.1 **Payments to Finance Parties**

If a Finance Party (a “**Recovering Finance Party**”) receives or recovers any amount from an Obligor other than in accordance with Clause 33 (*Payment Mechanics*) or otherwise receives or recovers more than the amount to which it is entitled under the Finance Documents (a “**Recovered Amount**”) and applies that amount to a payment due under the Finance Documents then:

- (a) the Recovering Finance Party shall, within three Business Days, notify details of the receipt or recovery, to the Agent;
- (b) the Agent shall determine whether the receipt or recovery is in excess of the amount the Recovering Finance Party would have been paid had the receipt or recovery been received or made by the Agent and distributed in accordance with Clause 33 (*Payment Mechanics*), without taking account of any Tax which would be imposed on the Agent in relation to the receipt, recovery or distribution; and
- (c) the Recovering Finance Party shall, within three Business Days of demand by the Agent, pay to the Agent an amount (the “**Sharing Payment**”) equal to such receipt or recovery less any amount which the Agent determines may be retained by the Recovering Finance Party as its share of any payment to be made, in accordance with Clause 33.6 (*Partial payments*).

32.2 **Redistribution of payments**

The Agent shall treat the Sharing Payment as if it had been paid by the relevant Obligor and distribute it between the Finance Parties (other than the Recovering Finance Party) (the “**Sharing Finance Parties**”) in accordance with Clause 33.6 (*Partial payments*) towards the obligations of that Obligor to the Sharing Finance Parties.

32.3 **Recovering Finance Party’s rights**

- (a) On a distribution by the Agent under Clause 32.2 (*Redistribution of payments*), of a payment received by a Recovering Finance Party from an Obligor, as between the relevant Obligor and the Recovering Finance Party, an amount of the Recovered Amount equal to the Sharing Payment will be treated as not having been paid by that Obligor.
- (b) If and to the extent that the Recovering Finance Party is not able to rely on its rights under paragraph (a) above, the relevant Obligor shall be liable to the Recovering Finance Party for a debt equal to the Sharing Payment which is immediately due and payable.

32.4 **Reversal of redistribution**

If any part of the Sharing Payment received or recovered by a Recovering Finance Party becomes repayable and is repaid by that Recovering Finance Party, then:

- (a) each Sharing Finance Party shall, upon request of the Agent, pay to the Agent for the account of that Recovering Finance Party an amount equal to the appropriate part of its share of the Sharing Payment (together with an amount as is necessary to reimburse that Recovering Finance Party for its proportion of any interest on the Sharing Payment which that Recovering Finance Party is required to pay) (the “**Redistributed Amount**”); and
- (b) that Recovering Finance Party’s right of subrogation in respect of any reimbursement shall be cancelled and, as between the relevant Obligor and each relevant Sharing Finance Party, an amount equal to the relevant Redistributed Amount will be treated as not having been paid by that Obligor.

32.5 **Exceptions**

- (a) This Clause 32 shall not apply to the extent that the Recovering Finance Party would not, after making any payment pursuant to this Clause, have a valid and enforceable claim against the relevant Obligor.
- (b) A Recovering Finance Party is not obliged to share with any other Finance Party any amount which the Recovering Finance Party has received or recovered as a result of taking legal or arbitration proceedings, if:
 - (i) it notified the other Finance Party of the legal or arbitration proceedings; and
 - (ii) the other Finance Party had an opportunity to participate in those legal or arbitration proceedings but did not do so as soon as reasonably practicable having received notice and did not take separate legal or arbitration proceedings.
- (c) This Clause 32 shall not impose any obligation on the Security Agent to pay a Sharing Payment to the Agent under Clause 32.1 (*Payments to Finance Parties*) or Clause 32.4 (*Reversal of redistribution*).

**SECTION 11
ADMINISTRATION**

33. PAYMENT MECHANICS

33.1 Payments to the Agent

- (a) Subject to paragraph (b), on each date on which an Obligor or a Lender is required to make a payment under a Finance Document, that Obligor or Lender shall make the same available to the Agent (unless a contrary indication appears in a Finance Document) for value on the due date at the time and in such funds specified by the Agent as being customary at the time for settlement of transactions in the relevant currency in the place of payment.
- (b) Payment shall be made to such account in the principal financial centre of the country of that currency (or, in relation to euro, in a principal financial centre in a Participating Member State or London) with such bank as the Agent specifies.

33.2 Distributions by the Agent

Each payment received by the Agent under the Finance Documents for another Party shall, subject to Clause 33.3 (*Distributions to an Obligor*) and Clause 33.4 (*Clawback*) and Clause 30.19 (*Deduction from amounts payable by the Agent*), be made available by the Agent as soon as practicable after receipt to the Party entitled to receive payment in accordance with this Agreement for the account of its Facility Office, to such account as that Party may notify to the Agent by not less than five Business Days' notice with a bank in the principal financial centre of the country of that currency (or, in relation to euro, in the principal financial centre of a Participating Member State or London).

33.3 Distributions to an Obligor

The Agent may (with the consent of the Obligor or in accordance with Clause 34 (*Set-Off*)) apply any amount received by it for that Obligor in or towards payment (on the date and in the currency and funds of receipt) of any amount due from that Obligor under the Finance Documents or in or towards purchase of any amount of any currency to be so applied.

33.4 Clawback

- (a) Where a sum is to be paid to the Agent under the Finance Documents for another Party, the Agent is not obliged to pay that sum to that other Party (or to enter into or perform any related exchange contract) until it has been able to establish to its satisfaction that it has actually received that sum.
- (b) If the Agent pays an amount to another Party and it proves to be the case that the Agent had not actually received that amount, then the Party to whom that amount (or the proceeds of any related exchange contract) was paid by the Agent shall on demand refund the same to the Agent together with interest on that amount from the date of payment to the date of receipt by the Agent, calculated by the Agent to reflect its cost of funds.

33.5 Impaired Agent

- (a) If, at any time, the Agent becomes an Impaired Agent, an Obligor or a Lender which is required to make a payment under the Finance Documents to the Agent in accordance with Clause 33.1 (*Payments to the Agent*) may instead either pay that amount direct to the required recipient or pay that amount to an interest-bearing account held with an Acceptable Bank within the meaning of paragraph (a) of the definition of “Acceptable Bank” and in relation to which no Insolvency Event has occurred and is continuing, in the name of the Obligor or the Lender making the payment and designated as a trust account for the benefit of the Party or Parties beneficially entitled to that payment under the Finance Documents. In each case such payments must be made on the due date for payment under the Finance Documents.
- (b) All interest accrued on the amount standing to the credit of the trust account shall be for the benefit of the beneficiaries of that trust account *pro rata* to their respective entitlements.
- (c) A Party which has made a payment in accordance with this Clause 33.5 shall be discharged of the relevant payment obligation under the Finance Documents and shall not take any credit risk with respect to the amounts standing to the credit of the trust account.
- (d) Promptly upon the appointment of a successor Agent in accordance with Clause 30.13 (*Replacement of the Agent*), each Party which has made a payment to a trust account in accordance with this Clause 33.5 shall give all requisite instructions to the bank with whom the trust account is held to transfer the amount (together with any accrued interest) to the successor Agent for distribution in accordance with Clause 33.2 (*Distributions by the Agent*).

33.6 Partial payments

- (a) Subject to the provisions of the Intercreditor Agreement, if the Agent receives a payment for application against amounts due in respect of any Finance Documents that is insufficient to discharge all the amounts then due and payable by an Obligor under those Finance Documents, the Agent shall apply that payment towards the obligations of that Obligor under those Finance Documents in the following order:
 - (i) **first**, in or towards payment *pro rata* of any unpaid fees, costs and expenses of the Agent and the Security Agent under those Finance Documents;
 - (ii) **secondly**, in or towards payment *pro rata* of any accrued interest, fee or commission due but unpaid under those Finance Documents;
 - (iii) **thirdly**, in or towards payment *pro rata* of any principal due but unpaid under those Finance Documents; and
 - (iv) **fourthly**, in or towards payment *pro rata* of any other sum due but unpaid under the Finance Documents.

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- (b) The Agent shall, if so directed by the Majority Lenders, vary the order set out in paragraphs (a)(ii) to (iv) above (but not, for the avoidance of doubt, the *pro rata* allocation of payments falling within any such paragraph).
 - (c) Paragraphs (a) and (b) above will override any appropriation made by an Obligor.

33.7 Set-off by Obligors

All payments to be made by an Obligor under the Finance Documents shall be calculated and be made without (and free and clear of any deduction for) set-off or counterclaim.

33.8 Business Days

- (a) Any payment which is due to be made on a day that is not a Business Day shall be made on the next Business Day in the same calendar month (if there is one) or the preceding Business Day (if there is not).
- (b) During any extension of the due date for payment of any principal or Unpaid Sum under this Agreement interest is payable on the principal or Unpaid Sum at the rate payable on the original due date.

33.9 Currency of account

- (a) Subject to paragraphs (b) to (e) below, dollars is the currency of account and payment for any sum due from an Obligor under any Finance Document.
- (b) A repayment of a Utilisation or Unpaid Sum or a part of a Utilisation or Unpaid Sum shall be made in the currency in which that Utilisation or Unpaid Sum is denominated on its due date.
- (c) Each payment of interest shall be made in the currency in which the sum in respect of which the interest is payable was denominated when that interest accrued.
- (d) Each payment in respect of costs, expenses or Taxes shall be made in the currency in which the costs, expenses or Taxes are incurred.
- (e) Any amount expressed to be payable in a currency other than dollars shall be paid in that other currency.

33.10 Change of currency

- (a) Unless otherwise prohibited by law, if more than one currency or currency unit is at the same time recognised by the central bank of any country as the lawful currency of that country, then:
 - (i) any reference in the Finance Documents to, and any obligations arising under the Finance Documents in, the currency of that country shall be translated into, or paid in, the currency or currency unit of that country designated by the Agent (after consultation with the Borrower); and
 - (ii) any translation from one currency or currency unit to another shall be at the official rate of exchange recognised by the central bank for the conversion of that currency or currency unit into the other, rounded up or down by the Agent (acting reasonably).

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- (b) If a change in any currency of a country occurs, this Agreement will, to the extent the Agent (acting reasonably and after consultation with the Borrower) specifies to be necessary, be amended to comply with any generally accepted conventions and market practice in the Relevant Interbank Market and otherwise to reflect the change in currency.

34. SET-OFF

A Finance Party may set off any matured obligation due from an Obligor under the Finance Documents (to the extent beneficially owned by that Finance Party) against any matured obligation owed by that Finance Party to that Obligor, regardless of the place of payment, booking branch or currency of either obligation. If the obligations are in different currencies, the Finance Party may convert either obligation at a market rate of exchange in its usual course of business for the purpose of the set-off.

35. NOTICES

35.1 Communications in writing

Any communication to be made under or in connection with the Finance Documents shall be made in writing and, unless otherwise stated, may be made by fax or letter or (in accordance with Clause 35.6 (*Electronic communication*)) by email.

35.2 Addresses

The address and fax number (and the department or officer, if any, for whose attention the communication is to be made) of each Party for any communication or document to be made or delivered under or in connection with the Finance Documents is:

- (a) in the case of the Borrower:

Address: CEMEX, S.A.B. de C.V.
Avenida Ricardo Margáin Zozaya #325
Colonia Valle del Campestre
San Pedro Garza García, Nuevo León, 66265
México

Fax: +52 (81) 8888 4465

Attention: Corporate Finance Director;

with a copy to:

Address: CEMEX, S.A.B. de C.V.
Avenida Ricardo Margáin Zozaya #325
Colonia Valle del Campestre
San Pedro Garza García, Nuevo León, 66265
México

Fax: +52 (81) 8888 6779

Attention: Financial Operations Manager;

- (b) in the case of each Lender, or any other Obligor, that notified in writing to the Agent on or prior to the date on which it becomes a Party;
- (c) in the case of the Agent:

Address: Citibank International plc
5th Floor, Citigroup Centre
Mail Drop CGC2 05-65
25 Canada Square, Canary Wharf
London E14 5LB
United Kingdom

Fax: +44 (0) 20 7492 3980 / +44 (0) 20 7067 9536

Attention: EMEA Loans Agency; and

- (d) in the case of the Security Agent:

Address: Third Floor, 1 King's Arms Yard
London EC2R 7AF
United Kingdom

Fax: +44 (0) 20 7397 3601

Attention: Frank Cibej,

or any substitute address, fax number or department or officer as the Party may notify to the Agent (or the Agent may notify to the other Parties, if a change is made by the Agent) by not less than five Business Days' notice.

35.3 **Delivery**

- (a) Any communication or document made or delivered by one person to another under or in connection with the Finance Documents will only be effective:
 - (i) if by way of fax, when received in legible form; or
 - (ii) if by way of letter, when it has been left at the relevant address or five Business Days after being deposited in the post (postage prepaid) in an envelope addressed to it at that address,

and, if a particular department or officer is specified as part of its address details provided under Clause 35.2 (*Addresses*), if addressed to that department or officer.

- (b) Any communication or document to be made or delivered to the Agent or the Security Agent will be effective only when actually received by the Agent or Security Agent and then only if it is expressly marked for the attention of the department or officer identified in Clause 35.2 (*Addresses*) (or any substitute department or officer as the Agent or Security Agent shall specify for this purpose).
- (c) All notices from or to an Obligor shall be sent through the Agent. The Borrower may make and/or deliver as agent of each Obligor notices and/or requests on behalf of each Obligor.
- (d) Any communication or document made or delivered to the Borrower in accordance with this Clause 35.3 will be deemed to have been made or delivered to each of the Obligors.

35.4 Notification of address and fax number

Promptly upon receipt of notification of an address or fax number or change of address or fax number pursuant to Clause 35.2 (*Addresses*) or changing its own address or fax number, the Agent shall notify the other Parties.

35.5 Communication when Agent is Impaired Agent

If the Agent is an Impaired Agent the Parties may, instead of communicating with each other through the Agent, communicate with each other directly and (while the Agent is an Impaired Agent) all the provisions of the Finance Documents which require communications to be made or notices to be given to or by the Agent shall be varied so that communications may be made and notices given to or by the relevant Parties directly. This provision shall not operate after a replacement Agent has been appointed.

35.6 Electronic communication

- (a) Any communication to be made between the Agent or the Security Agent and a Lender and/or any member of the Group under or in connection with the Finance Documents may be made by electronic mail or other electronic means, if the Agent, the Security Agent and the relevant Lender and/or member of the Group:
 - (i) agree that, unless and until notified to the contrary, this is to be an accepted form of communication;
 - (ii) notify each other in writing of their electronic mail address and/or any other information required to enable the sending and receipt of information by that means; and
 - (iii) notify each other of any change to their address or any other such information supplied by them.

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- (b) Any electronic communication made between the Agent and a Lender or the Security Agent and/or any member of the Group will be effective only when actually received in readable form and, in the case of any electronic communication made by a Lender and/or the Security Agent and/or any member of the Group to the Agent, only if it is addressed in such a manner as the Agent or Security Agent shall specify for this purpose.
 - (c) As at the date of this Agreement, the Security Agent has not agreed that electronic communication as contemplated by this Clause 35.6 is an accepted form of communication unless any communication from a Party to the Security Agent by electronic means is also made by fax, and such communication shall only be effective when such fax is received in legible form.

35.7 English language

- (a) Any notice given under or in connection with any Finance Document must be in English.
- (b) All other documents provided under or in connection with any Finance Document must be:
 - (i) in English; or
 - (ii) if not in English, and if so required by the Agent, accompanied by a certified English translation and, in this case, the English translation will prevail unless the document is a constitutional, statutory or other official document.

35.8 Obligor Agent

- (a) Each Obligor (other than the Borrower) by its execution of this Agreement or an Accession Letter (as the case may be) irrevocably appoints the Borrower to act on its behalf as its agent in relation to the Finance Documents and irrevocably authorises:
 - (i) the Borrower on its behalf to supply all information concerning itself contemplated by this Agreement to the Finance Parties and to give all notices and instructions, to execute on its behalf any documents required hereunder and to make such agreements capable of being given or made by any Obligor notwithstanding that they may affect such Obligor, without further reference to or consent of such Obligor; and
 - (ii) each Finance Party to give any notice, demand or other communication to such Obligor pursuant to the Finance Documents to the Borrower on its behalf,

and in each case such Obligor shall be bound thereby as though such Obligor itself had given such notices and instructions or executed or made such agreements or received any notice, demand or other communication.

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- (b) Every act, agreement, undertaking, settlement, waiver, notice or other communication given or made by the Borrower, or given to the Borrower, in its capacity as agent in accordance with paragraph (a) of this Clause 35.8, in connection with this Agreement shall be binding for all purposes on such Obligors as if the other Obligors had expressly made, given or concurred with the same. In the event of any conflict between any notices or other communications of the Borrower and any other Obligor, those of the Borrower shall prevail.

35.9 Use of websites

- (a) The Borrower may satisfy its obligation under this Agreement to deliver any information in relation to those Lenders (the “**Website Lenders**”) who accept this method of communication by posting this information on to an electronic website designated by the Borrower and the Agent (the “**Designated Website**”) if:
- (i) the Agent expressly agrees (after consultation with each of the Lenders) that it will accept communication of the information by this method;
 - (ii) both the Borrower and the Agent are aware of the address of and any relevant password specifications for the Designated Website; and
 - (iii) the information is in a format previously agreed between the Borrower and the Agent.

If any Lender does not agree to the delivery of information electronically then the Agent shall notify the Borrower accordingly and the Borrower shall supply the information to the Agent in paper form. In any event the Borrower shall supply the Agent with at least one copy in paper form of any information required to be provided by it.

- (b) The Agent shall supply each Website Lender with the address of and any relevant password specifications for the Designated Website following designation of that website by the Borrower and the Agent.
- (c) The Borrower shall promptly upon becoming aware of its occurrence notify the Agent if:
- (i) the Designated Website cannot be accessed due to technical failure;
 - (ii) the password specifications for the Designated Website change;
 - (iii) any new information which is required to be provided under this Agreement is posted on to the Designated Website;
 - (iv) any existing information which has been provided under this Agreement and posted on to the Designated Website is amended; or
 - (v) the Borrower becomes aware that the Designated Website or any information posted on to the Designated Website is or has been infected by any electronic virus or similar software.

If the Borrower notifies the Agent under paragraph (c)(i) or paragraph (c)(v) above, all information to be provided by the Borrower under this Agreement after the date of that notice shall be supplied in paper form unless and until the Agent and each Website Lender are satisfied that the circumstances giving rise to the notification are no longer continuing.

- (d) Any Website Lender may request, through the Agent, one paper copy of any information required to be provided under this Agreement which is posted on to the Designated Website. The Borrower shall at its own cost comply with any such request within ten Business Days.

36. CALCULATIONS AND CERTIFICATES

36.1 Accounts

In any litigation or arbitration proceedings arising out of or in connection with a Finance Document, the entries made in the accounts maintained by a Finance Party are *prima facie* evidence of the matters to which they relate.

36.2 Certificates and determinations

Any certification or determination by a Finance Party of a rate or amount under any Finance Document is, in the absence of manifest error, conclusive evidence of the matters to which it relates.

36.3 Day count convention

Any interest, commission or fee accruing under a Finance Document will accrue from day to day and is calculated on the basis of the actual number of days elapsed and a year of 360 days or, in any case where the practice in the Relevant Interbank Market differs, in accordance with that market practice.

36.4 Spanish Civil Procedure

In the event that this Agreement is raised to a Spanish Public Document, for the purposes of Article 572.2 of the Spanish Civil Procedure Law (*Ley de Enjuiciamiento Civil*), all parties expressly agree that the exact amount due at any time by the Obligors to the Lenders will be the amount specified in a certificate issued by the Agent (and/or any Lender) in accordance with Clause 36.2 (*Certificates and determinations*) as representative of the Lenders reflecting the balance of the accounts referred to in Clause 36.1 (*Accounts*).

36.5 No personal liability

If an individual signs a certificate on behalf of any member of the Group and the certificate proves to be incorrect, the individual will incur no personal liability as a result, unless the individual acted fraudulently in giving the certificate. In this case any liability of the individual will be determined in accordance with applicable law.

37. **PARTIAL INVALIDITY**

If, at any time, any provision of the Finance Documents is or becomes illegal, invalid or unenforceable in any respect under any law or regulation of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions nor the legality, validity or enforceability of such provision under the law or regulations of any other jurisdiction will in any way be affected or impaired.

38. **REMEDIES AND WAIVERS**

No failure to exercise, nor any delay in exercising, on the part of any Finance Party or Secured Party, any right or remedy under the Finance Documents shall operate as a waiver of any such right or remedy or constitute an election to affirm any of the Finance Documents. No election to affirm any of the Finance Documents on the part of any Finance Party shall be effective unless it is in writing. No single or partial exercise of any right or remedy shall prevent any further or other exercise or the exercise of any other right or remedy. The rights and remedies provided in this Agreement are cumulative and not exclusive of any rights or remedies provided by law or regulation.

39. **AMENDMENTS AND WAIVERS**

39.1 **Required consents**

- (a) Subject to Clause 39.2 (*Exceptions*) and Clause 39.3 (*Facility Change*), any term of the Finance Documents may be amended or waived only with the consent of the Majority Lenders and the Borrower and any such amendment or waiver will be binding on all Parties.
- (b) The Agent may effect, on behalf of any Finance Party, any amendment or waiver permitted by this Clause 39.
- (c) Each Obligor agrees to any such amendment or waiver permitted by this Clause 39 which is agreed to by the Borrower. This includes any amendment or waiver which would, but for this paragraph (c), require the consent of all of the Guarantors.

39.2 **Exceptions**

- (a) An amendment or waiver that has the effect of changing or which relates to:
 - (i) the definition of “Majority Lenders” or “Super Majority Lenders” in Clause 1.1 (*Definitions*);
 - (ii) an extension to the Termination Date or to the date of any scheduled payment of any amount under the Finance Documents (except pursuant to a Facility Change);
 - (iii) a reduction in the Margin or a reduction in the amount (or, in respect of interest, fees and commissions, the rate) of any payment of principal, interest, fees or commission payable;

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- (iv) the allocation as among the Lenders of any amount payable under the Finance Documents;
 - (v) a change in currency of payment of any amount under the Finance Documents;
 - (vi) an increase in or an extension of any Commitment or the Total Commitments (except pursuant to Clause 2.2 (*Accordion*) or a Facility Change);
 - (vii) a change to the Borrower or any of the Guarantors other than in accordance with Clause 29 (*Changes to the Obligors*);
 - (viii) any provision which expressly requires the consent of all the Lenders;
 - (ix) Clause 2.3 (*Finance Parties' rights and obligations*), Clause 19 (*Guarantee and Indemnity*), Clause 27 (*Changes to the Lenders*), Clause 29 (*Changes to the Obligors*) or this Clause 39; or
 - (x) any amendment to the order of priority or subordination under the Intercreditor Agreement,

shall not be made without the prior consent of all of the Lenders (save in circumstances where such change is made pursuant to Clause 24 (*Covenant Reset Date*)).

- (b) An amendment or waiver which relates to the rights or obligations of the Agent, the Arranger or, as the case may be, the Security Agent may not be effected without the consent of the Agent, the Arranger or, as the case may be, the Security Agent at such time.
- (c) Any amendment or waiver that has the effect of changing or that relates to:
 - (i) the nature or scope of the Charged Property or the manner in which the proceeds of enforcement of the Transaction Security are distributed (except insofar as it relates to a sale or disposal of an asset which is the subject of the Transaction Security where such sale or disposal is expressly permitted under this Agreement or any other Finance Document);
 - (ii) the release of any guarantee and indemnity granted under Clause 19 (*Guarantee and Indemnity*) or of any Transaction Security unless permitted under this Agreement or any other Finance Document or relating to a sale or disposal of an asset which is the subject of the Transaction Security where such sale or disposal is expressly permitted under this Agreement or any other Finance Document,

may only be made with the consent of the Super Majority Lenders.

- (d) If any Lender fails to respond to a request for a consent, waiver or amendment of or in relation to any of the terms of any Finance Document or other vote of Lenders under the terms of this Agreement within 20 Business Days of that

request being made (or such longer period as the Borrower may, in its absolute discretion, specify (subject to prior notice being given by the Borrower to the Agent)), its Commitment and/or participation shall not be included for the purpose of calculating the Total Commitments or participations under the relevant Facility/ies when ascertaining whether any relevant percentage (including, for the avoidance of doubt, unanimity) of Total Commitments and/or participations has been obtained to approve that request.

39.3 Facility Change

- (a) The Borrower may, by notice to the Agent for circulation to all Lenders, request the consent of each Lender to an extension of the Termination Date with respect to that Lender's Commitment and participation in the Loans (such extension, a "**Facility Change**", and any such Lender which consents to an extension of the Termination Date with respect to its Commitment and participation in the Loans, a "**Facility Change Lender**").
- (b) A Facility Change shall be implemented by way of an amendment to this Agreement (and, if required, any other Finance Document) to reflect the Facility Change in relation to the relevant Facility Change Lender(s) (but, for the avoidance of doubt, in relation to no other Lender) (including, without limitation, by the creation of sub-tranches or a new facility comprising the Commitment and participation in the Loans the Facility Change Lender(s), and to which the extended Termination Date is to apply).
- (c) Notwithstanding anything in this Clause 39 or any other provision of the Finance Documents to the contrary, an amendment to any term of the Finance Documents made in accordance with this Clause 39.3 in order to implement a Facility Change may be approved with the consent of the relevant Facility Change Lender and the Borrower (and countersigned by the Agent) and any such amendment will be binding on all Parties.

39.4 Replacement of Lender

- (a) If at any time:
 - (i) any Lender becomes a Non-Consenting Lender (as defined in paragraph (c) below); or
 - (ii) an Obligor other than a Security Provider that is not also the Borrower or a Guarantor becomes obliged to repay any amount in accordance with Clause 7.1 (*Illegality*) or to pay additional amounts pursuant to Clause 15.1 (*Increased costs*), Clause 14.2 (*Tax gross-up*) or Clause 14.3 (*Tax indemnity*) to any Lender in excess of amounts payable to the other Lenders generally,then the Borrower may, on 10 Business Days' prior written notice to the Agent and such Lender, replace such Lender by requiring such Lender to (and such Lender shall) transfer pursuant to Clause 27 (*Changes to the Lenders*) all (and not part only) of its rights and obligations under this Agreement to a Lender or other bank, financial institution, trust, fund or other entity (a "**Replacement**

Lender”) selected by the Borrower, and (unless at such time the Agent is an Impaired Agent) which is acceptable to the Agent (acting reasonably), which confirms its willingness to assume and does assume all the obligations of the transferring Lender (including the assumption of the transferring Lender’s participations on the same basis as the transferring Lender) for a purchase price in cash payable at the time of transfer equal to the outstanding principal amount of such Lender’s participation in the outstanding Utilisations and all accrued interest and/or Break Costs and other amounts payable in relation thereto under the Finance Documents.

- (b) The replacement of a Lender pursuant to this Clause 39.4 shall be subject to the following conditions:
- (i) the Borrower shall have no right to replace the Agent or Security Agent;
 - (ii) neither the Agent nor the Lender shall have any obligation to the Borrower to find a Replacement Lender;
 - (iii) in the event of a replacement of a Non-Consenting Lender such replacement must take place no later than 180 days after the date on which the Non-Consenting Lender notifies the Borrower and the Agent of its failure or refusal to give a consent in relation to, or agree to any waiver or amendment to the Finance Documents requested by the Borrower; and
 - (iv) in no event shall the Lender replaced under this paragraph (b) be required to pay or surrender to such Replacement Lender any of the fees received by such Lender pursuant to the Finance Documents.
- (c) In the event that:
- (i) the Borrower or the Agent (at the request of the Borrower) has requested the Lenders to give a consent in relation to, or to agree to a waiver or amendment of, any provisions of the Finance Documents;
 - (ii) the consent, waiver or amendment in question requires the approval of all the Lenders; and
 - (iii) Lenders whose Commitments aggregate more than 85 per cent. of the Total Commitments (or, if the Total Commitments have been reduced to zero, aggregated more than 85 per cent. of the Total Commitments prior to that reduction) have consented or agreed to such waiver or amendment,

then any Lender who does not and continues not to consent or agree to such waiver or amendment shall be deemed a “**Non-Consenting Lender**”.

39.5 **Replacement of a Defaulting Lender**

- (a) The Borrower may, at any time a Lender has become and continues to be a Defaulting Lender, by giving 10 Business Days’ prior written notice to the

Agent and such Lender, replace such Lender by requiring such Lender to (and such Lender shall) transfer pursuant to Clause 27 (*Changes to the Lenders*) all (and not part only) of its rights and obligations under this Agreement to a Lender or Replacement Lender selected by the Borrower, and which (unless the Agent is an Impaired Agent) is acceptable to the Agent (acting reasonably), which confirms its willingness to assume and does assume all the obligations or all the relevant obligations of the transferring Lender (including the assumption of the transferring Lender's participations or unfunded participations (as the case may be) on the same basis as the transferring Lender) for a purchase price in cash payable at the time of transfer equal to the outstanding principal amount of such Lender's participation in the outstanding Utilisations and all accrued interest, Break Costs and other amounts payable in relation thereto under the Finance Documents.

- (b) Any transfer of rights and obligations of a Defaulting Lender pursuant to this Clause shall be subject to the following conditions:
- (i) the Borrower shall have no right to replace the Agent or Security Agent;
 - (ii) neither the Agent nor the Defaulting Lender shall have any obligation to the Borrower to find a Replacement Lender;
 - (iii) the transfer must take place no later than 180 days after the notice referred to in paragraph (a) above; and
 - (iv) in no event shall the Defaulting Lender be required to pay or surrender to the Replacement Lender any of the fees received by the Defaulting Lender pursuant to the Finance Documents.

40. CONFIDENTIALITY

40.1 Confidential Information

Each Finance Party agrees to keep all Confidential Information confidential and not to disclose it to anyone, save to the extent permitted by Clause 40.2 (*Disclosure of Confidential Information*) and Clause 40.3 (*Disclosure to numbering service providers*), and to ensure that all Confidential Information is protected with security measures and a degree of care that would apply to its own confidential information.

40.2 Disclosure of Confidential Information

Any Finance Party may, subject (where applicable) to the provisions of article L. 511-33 of the French Monetary and Financial Code, disclose:

- (a) to any of its Affiliates and Related Funds and any of its or their officers, directors, employees, professional advisers, auditors, partners and Representatives such Confidential Information as that Finance Party shall consider appropriate if any person to whom the Confidential Information is to be given pursuant to this paragraph (a) is informed in writing of its confidential nature and that some or all of such Confidential Information may be price-sensitive information except that there shall be no such requirement

to inform if the recipient is subject to professional obligations to maintain the confidentiality of the information or is otherwise bound by requirements of confidentiality in relation to the Confidential Information;

(b) to any person:

- (i) to (or through) whom it assigns or transfers (or may potentially assign or transfer) all or any of its rights and/or obligations under one or more Finance Documents and to any of that person's Affiliates, Related Funds, Representatives and professional advisers;
- (ii) with (or through) whom it enters into (or may potentially enter into), whether directly or indirectly, any sub-participation in relation to, or any other transaction under which payments are to be made or may be made by reference to, one or more Finance Documents and/or one or more Obligors and to any of that person's Affiliates, Related Funds, Representatives and professional advisers;
- (iii) appointed by any Finance Party or by a person to whom paragraph (b)(i) or (ii) above applies to receive communications, notices, information or documents delivered pursuant to the Finance Documents on its behalf (including, without limitation, any person appointed under paragraph (e) of Clause 30.15 (*Relationship with the Lenders*));
- (iv) who invests in or otherwise finances (or may potentially invest in or otherwise finance), directly or indirectly, any transaction referred to in paragraph (b)(i) or (b)(ii) above;
- (v) to whom information is required or requested to be disclosed by any court of competent jurisdiction or any governmental, banking, taxation or other regulatory authority or similar body, the rules of any relevant stock exchange or pursuant to any applicable law or regulation;
- (vi) to whom or for whose benefit that Finance Party charges, assigns or otherwise creates Security (or may do so) pursuant to Clause 27.8 (*Security over Lenders' rights*);
- (vii) to whom information is required to be disclosed in connection with, and for the purposes of, any litigation, arbitration, administrative or other investigations, proceedings or disputes;
- (viii) who is a Party; or
- (ix) with the consent of the Borrower;

in each case, such Confidential Information as that Finance Party shall consider appropriate if:

- (A) in relation to paragraphs (b)(i), (b)(ii) and (b)(iii) above, the person to whom the Confidential Information is to be given has entered into a Confidentiality Undertaking except that there

shall be no requirement for a Confidentiality Undertaking if the recipient is a professional adviser and is subject to professional obligations to maintain the confidentiality of the Confidential Information;

- (B) in relation to paragraph (b)(iv) above, the person to whom the Confidential Information is to be given has entered into a Confidentiality Undertaking or is otherwise bound by requirements of confidentiality in relation to the Confidential Information they receive and is informed that some or all of such Confidential Information may be price-sensitive information;
 - (C) in relation to paragraphs (b)(v), (b)(vi) and (b)(vii) above, the person to whom the Confidential Information is to be given is informed of its confidential nature and that some or all of such Confidential Information may be price-sensitive information except that there shall be no requirement to so inform if, in the opinion of that Finance Party, it is not practicable so to do in the circumstances;
- (c) to any person appointed by that Finance Party or by a person to whom paragraph (b)(i) or (b)(ii) above applies to provide administration or settlement services in respect of one or more of the Finance Documents, including without limitation, in relation to the trading of participations in respect of the Finance Documents, such Confidential Information as may be required to be disclosed to enable such service provider to provide any of the services referred to in this paragraph (c) if the service provider to whom the Confidential Information is to be given has entered into a confidentiality agreement substantially in the form of the LMA Master Confidentiality Undertaking for Use With Administration/Settlement Service Providers or such other form of confidentiality undertaking agreed between the Borrower and the relevant Finance Party; and
 - (d) to any rating agency (including its professional advisers) such Confidential Information as may be required to be disclosed to enable such rating agency to carry out its normal rating activities in relation to the Finance Documents and/or the Obligors if the rating agency to whom the Confidential Information is to be given is informed of its confidential nature and that some or all of such Confidential Information may be price-sensitive information.

40.3 Disclosure to numbering service providers

- (a) Any Finance Party may, subject (where applicable) to the provisions of article L. 511-33 of the French Monetary and Financial Code, disclose to any national or international numbering service provider appointed by that Finance Party to provide identification numbering services in respect of this Agreement, the Facilities and/or one or more Obligors the following information:
 - (i) names of Obligors;

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- (ii) country of domicile of Obligors;
 - (iii) place of incorporation of Obligors;
 - (iv) date of this Agreement;
 - (v) the name of the Agent;
 - (vi) date of each amendment and restatement of this Agreement;
 - (vii) amount of the Commitments under each Facility;
 - (viii) currencies of the Facilities;
 - (ix) type of Facilities;
 - (x) ranking of Facilities;
 - (xi) Termination Date for Facilities;
 - (xii) law and jurisdiction of the Facilities;
 - (xiii) changes to any of the information previously supplied pursuant to paragraphs (i) to (xii) above; and
 - (xiv) such other information agreed between such Finance Party and the Borrower,
to enable such numbering service provider to provide its usual syndicated loan numbering identification services.
- (b) The Parties acknowledge and agree that each identification number assigned to this Agreement, the Facilities and/or one or more Obligors by a numbering service provider and the information associated with each such number may be disclosed to users of its services in accordance with the standard terms and conditions of that numbering service provider.
- (c) The Agent shall notify the Borrower and the other Finance Parties of:
- (i) the name of any numbering service provider appointed by the Agent in respect of this Agreement, the Facilities and/or one or more Obligors; and
 - (ii) the number or, as the case may be, numbers assigned to this Agreement, the Facilities and/or one or more Obligors by such numbering service provider.

40.4 Entire agreement

Subject to the provisions of article L. 511-33 of the French Monetary and Financial Code, this Clause 40 constitutes the entire agreement between the Parties in relation to the obligations of the Finance Parties under the Finance Documents regarding Confidential Information and supersedes any previous agreement, whether express or implied, regarding Confidential Information.

40.5 Inside information

Each of the Finance Parties acknowledges that some or all of the Confidential Information is or may be price-sensitive information and that the use of such information may be regulated or prohibited by applicable legislation including securities law relating to insider dealing and market abuse and each of the Finance Parties undertakes not to use any Confidential Information for any unlawful purpose.

40.6 Notification of disclosure

Each of the Finance Parties agrees (to the extent permitted by law and regulation) to inform the Borrower as soon as reasonably practicable:

- (a) of the circumstances of any disclosure of Confidential Information made pursuant to paragraph (b)(v) of Clause 40.2 (*Disclosure of Confidential Information*) except where such disclosure is made to any of the persons referred to in that paragraph during the ordinary course of its supervisory or regulatory function; and
- (b) upon becoming aware that Confidential Information has been disclosed in breach of this Clause 40.

40.7 Continuing obligations

The obligations in this Clause 40 are continuing and, in particular, shall survive and remain binding on each Finance Party for a period of 12 months from the earlier of:

- (a) the date on which all amounts payable by the Obligors under or in connection with the Finance Documents have been paid in full and all Commitments have been cancelled or otherwise cease to be available; and
- (b) the date on which such Finance Party otherwise ceases to be a Finance Party.

41. COUNTERPARTS

Each Finance Document may be executed in any number of counterparts, and this has the same effect as if the signatures on the counterparts were on a single copy of the Finance Document.

SECTION 12
GOVERNING LAW AND ENFORCEMENT

42. **GOVERNING LAW**

- (a) This Agreement and all non-contractual obligations arising from or connected with it are governed by English law.
- (b) If any of the Original Obligors is represented by an attorney or attorneys in connection with the signing and/or execution and/or delivery of this Agreement or any agreement or document referred to herein or made pursuant hereto and the relevant power or powers of attorney is or are expressed to be governed by the laws and regulations of a particular jurisdiction, it is hereby expressly acknowledged and accepted by the other parties hereto that such laws and regulations shall govern the existence and extent of such attorney's or attorney's authority and the effects of the exercise thereof.

43. **ENFORCEMENT**

43.1 **Jurisdiction in relation to actions brought against parties organised or incorporated in Mexico**

In relation to actions brought by or against any Party organised or incorporated in Mexico:

- (a) each of the Parties agrees that the courts of England and the courts of each Party's corporate domicile (but only in respect of actions brought against such Party as a defendant), have jurisdiction to settle any dispute arising out of or in connection with this Agreement (including a dispute regarding the existence, validity or termination of this Agreement or any non-contractual obligations arising from or connected with this Agreement) (a "**Dispute**"); and
- (b) each of the Parties agrees that the courts of England and such courts of each Party's corporate domicile (but only in respect of actions brought against such Party as a defendant) are the most appropriate and convenient courts to settle Disputes and accordingly no Party will argue to the contrary and hereby waives any right to which any of them may be entitled on account of place of residence or domicile.

43.2 **Jurisdiction of English Courts in other cases**

Subject to Clause 43.1 (*Jurisdiction in relation to actions brought against parties organised or incorporated in Mexico*) above:

- (a) the courts of England have jurisdiction to settle any Dispute;
- (b) the Parties agree that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly no Party will argue to the contrary and hereby waives any right to which any of them may be entitled on account of place of residence or domicile; and

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- (c) this Clause 43.2 is for the benefit of the Finance Parties and Secured Parties only. As a result, no Finance Party or Secured Party shall be prevented from taking proceedings relating to a Dispute (or any other dispute whatsoever) in any other courts with jurisdiction. To the extent allowed by law or regulation, the Finance Parties and Secured Parties may take concurrent proceedings in any number of jurisdictions.

43.3 Service of process

Without prejudice to any other mode of service allowed under any relevant law or regulation, each Obligor (other than an Obligor incorporated in England and Wales):

- (a) irrevocably appoints the Process Agent as its agent for service of process in relation to any proceedings before the English courts in connection with any Finance Document (and the Process Agent, by its execution of this Agreement, accepts that appointment); and
- (b) agrees that failure by the Process Agent to notify the relevant Obligor of the process will not invalidate the proceedings concerned, and each Obligor, including each Additional Guarantor or Additional Security Provider, that is incorporated in Mexico shall grant an irrevocable power of attorney granted before a Mexican notary public, appointing the Process Agent as its agent for service of process as provided herein on or before the date of this Agreement or when it becomes a Party to this Agreement, as applicable.

43.4 Waiver of right to trial by jury

TO THE EXTENT PERMITTED BY APPLICABLE LAW, EACH PARTY TO THIS AGREEMENT HEREBY EXPRESSLY AND IRREVOCABLY WAIVES ANY RIGHT TO TRIAL BY JURY OF ANY CLAIM, DEMAND, ACTION OR CAUSE OF ACTION ARISING UNDER ANY FINANCE DOCUMENT OR IN ANY WAY CONNECTED WITH OR RELATED OR INCIDENTAL TO THE DEALINGS OF THE PARTIES HERETO OR ANY OF THEM WITH RESPECT TO ANY FINANCE DOCUMENT, OR THE TRANSACTIONS RELATED THERETO, IN EACH CASE WHETHER NOW EXISTING OR HEREAFTER ARISING, AND WHETHER FOUNDED IN CONTRACT OR TORT OR OTHERWISE; AND EACH PARTY HEREBY AGREES AND CONSENTS THAT ANY SUCH CLAIM, DEMAND, ACTION OR CAUSE OF ACTION SHALL BE DECIDED BY COURT TRIAL WITHOUT A JURY. Each Party acknowledges that (a) this waiver is a material inducement to enter into this Agreement, (b) it has already relied on this waiver in entering into this Agreement and (c) it will continue to rely on this waiver in future dealings. Each Party represents that it has reviewed this waiver with its legal advisers and that it knowingly and voluntarily waives its jury trial rights after consultation with its legal advisers. Each Party hereby agrees and consents that any Party to this Agreement may file an original counterpart or a copy of this Clause 43.4 with any court as written evidence of the consent of the signatories hereto to the waiver of their right to trial by jury.

This Agreement has been entered into on the date stated at the beginning of this Agreement.

**SCHEDULE 1
THE ORIGINAL PARTIES**

**PART I
THE ORIGINAL OBLIGORS**

<u>Name of Original Borrower</u>	<u>Registration number or equivalent</u>
CEMEX, S.A.B. de C.V.	CEM-880726-UZA (Mexico)
<u>Name of Original Guarantors</u>	<u>Registration number or equivalent</u>
CEMEX España, S.A.	A-46004214 (Spain)
CEMEX México, S.A. de C.V.	CME-820101-LJ4(Mexico)
CEMEX Concretos, S.A. de C.V.	CCO-740918-9M1(Mexico)
Empresas Tolteca de México, S.A. de C.V.	ETM-890720-DJ2(Mexico)
New Sunward Holding B.V.	34133556 (The Netherlands)
CEMEX Corp.	File #: 2162255 (Delaware)
CEMEX Finance LLC (formerly known as CEMEX España Finance LLC)	File #: 3654572 (Delaware)
Cemex Research Group AG	CHE-113.951.069 (Switzerland)
CEMEX Shipping B.V.	34213063 (The Netherlands)
CEMEX Asia B.V.	34228466 (The Netherlands)
CEMEX France Gestion (S.A.S.)	334 533 288 R.C.S. Créteil (France)
CEMEX UK	05196131 (United Kingdom)
CEMEX Egyptian Investments B.V.	34108365 (The Netherlands)
CEMEX Egyptian Investments II B.V.	58083987 (The Netherlands)

<u>Name of Original Security Providers</u>	<u>Registration number or equivalent</u>
CEMEX, S.A.B. de C.V.	CEM-880726-UZA(Mexico)
CEMEX México, S.A. de C.V.	CME-820101-LJ4(Mexico)
CEMEX Operaciones México, S.A. de C.V. (formerly Centro Distribuidor de Cemento, S.A. de C.V.)	CDC-960913-SK6(Mexico)
Empresas Tolteca de México, S.A. de C.V.	ETM-890720-DJ2(Mexico)
Impra Café, S.A. de C.V.	ICA-801002-5E8(Mexico)
Interamerican Investments, Inc.	File #: 2252951 (Delaware)
New Sunward Holding B.V.	34133556 (The Netherlands)
CEMEX International Finance Company	226652 (Ireland)
CEMEX TRADEMARKS HOLDING Ltd.	CHE-109.294.363 (Switzerland)

PART II
THE ORIGINAL LENDERS

<u>Name of Original Lender</u>	<u>Facility A Commitment</u>	<u>Facility B Commitment</u>
Banco Santander (México), S.A., Institución de Banca Múltiple, Grupo Financiero Santander México	\$ 90,000,000	\$ 60,000,000
Bank of America, N.A., London Branch	\$ 90,000,000	\$ 60,000,000
BBVA Bancomer, S.A., Institución de Banca Múltiple, Grupo Financiero BBVA Bancomer	\$ 90,000,000	\$ 60,000,000
BNP Paribas	\$ 90,000,000	\$ 60,000,000
Banco Nacional de Mexico, S.A. integrante del Grupo Financiero Banamex	\$ 90,000,000	\$ 60,000,000
Crédit Agricole Corporate and Investment Bank	\$ 90,000,000	\$ 60,000,000
HSBC Bank plc, Sucursal en España	\$ 90,000,000	\$ 60,000,000
ING Bank NV (Dublin Branch)	\$ 90,000,000	\$ 60,000,000
JPMorgan Chase Bank, N.A.	\$ 90,000,000	\$ 60,000,000

SCHEDULE 2
CONDITIONS PRECEDENT

PART I
INITIAL CONDITIONS PRECEDENT

1. Obligors

- (a) A copy (in the case of an Obligor incorporated in Mexico, certified by a notary public or otherwise authenticated) of the current constitutional documents of each Original Obligor other than a Dutch Obligor, a Swiss Obligor or a French Obligor (or, in the case of an Original Obligor incorporated in Spain, a certificate or excerpt from the relevant Mercantile Registry including the updated by-laws of the Original Obligor).
- (b) A copy (in the case of the Borrower) of the power of attorney delegating to the Chief Executive Officer of the Borrower sufficient powers (which are themselves delegable) to authorise the entry into the Facilities, and a copy of any sub-delegated powers required in connection herewith.
- (c) A copy of a resolution of the board of directors (or any other competent body) (or, in the case of an Original Obligor incorporated in Spain, a certificate issued by the secretary with the approval of the president and raised to public document status) of each Original Obligor (except any Original Obligor incorporated in Mexico and any Dutch Obligor, Swiss Obligor or French Obligor):
 - (i) approving the terms of, and the transactions contemplated by, the Finance Documents to which it is a party and resolving that it execute the Finance Documents to which it is a party;
 - (ii) authorising a specified person or persons to execute the Finance Documents to which it is a party on its behalf (including, in the case of an Original Obligor incorporated in Spain, the authority to irrevocably appoint a process agent (“*mandatario ad litem*”) unless such appointment has been made by other means by a duly authorised representative); and
 - (iii) authorising a specified person or persons, on its behalf, to sign and/or despatch all documents and notices to be signed and/or despatched by it under or in connection with the Finance Documents to which it is a party.
- (d) In the case of an Obligor incorporated in Mexico (to the extent not covered under paragraph (b) above), (i) powers of attorney duly notarised containing authority for acts of administration, and if applicable for acts of disposition (in respect of any Transaction Security Document) and to execute negotiable instruments; and (ii) powers of attorney for the Process Agent, duly notarised before a Mexican notary public, together with any necessary appointment and acceptance letter.

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- (e) A specimen of the signature of each person authorised by the resolution referred to in paragraph (c) above in relation to the Finance Documents.
- (f) In the case of Dutch Obligor:
- (i) a copy of the deed of incorporation (*oprichtingsakte*) and where the articles of association have been amended since the date of incorporation the articles of association (*statuten*) of each Dutch Obligor, as well as an extract (*uittreksel*) from the Dutch Commercial Register (*Handelsregister*) of such Dutch Obligor;
 - (ii) a copy of the resolution of the board of managing directors of each Dutch Obligor:
 - (A) approving the terms of, and the transactions contemplated by, the Finance Documents to which it is a party and resolving that it execute the Finance Documents to which it is a party;
 - (B) if applicable, authorising a specified person or persons to execute the Finance Documents to which it is a party on its behalf; and
 - (C) if applicable, authorising a specified person or persons, on its behalf, to sign and/or despatch all documents and notices to be signed and/or despatched by it under or in connection with the Finance Documents to which it is a party; and
 - (iii) a specimen of the signature of each member of the board of managing directors of each Dutch Obligor and, if applicable, each person authorised by the resolutions referred to in paragraph (ii)(B) and/or (C) above in relation to the Finance Documents.
- (g) In the case of a Swiss Obligor:
- (i) a copy of the articles of association (*Statuten*) of the Swiss Obligor, as well as an extract from the Commercial Register (*Handelsregister*) of such Swiss Obligor;
 - (ii) a copy of a unanimous resolution of the board of directors of the Swiss Obligor:
 - (A) approving the terms of, and the transactions contemplated by, the Finance Documents to which it is a party and resolving that it executes the Finance Documents to which it is a party;
 - (B) resolving that the execution of the transactions contemplated by the Finance Documents to which it is a party is in the best interest of such Swiss Obligor;
 - (C) if applicable, authorising a specified person or persons to execute the Finance Documents to which it is a party on its behalf; and
 - (D) if applicable, authorising a specified person or persons, on its behalf, to sign and/or despatch all documents and notices to be signed and/or despatched by it under or in connection with the Finance Documents to which it is a party;

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- (iii) a copy of the unanimous shareholders' resolution of the Swiss Obligor approving the terms of, and the transactions contemplated by, the Finance Documents to which it is a party and resolving that (i) it executes the Finance Documents to which it is a party and (ii) the execution of the transactions contemplated by the Finance Documents to which it is a party is in its best interest;
 - (iv) a specimen of the signature of each member of the board of directors of the Swiss Obligor and, if applicable, each person authorised by the resolutions referred to in paragraph (ii)(C) and/or (D) above in relation to the Finance Documents; and
 - (v) evidence to the effect that the Swiss Obligor's articles of association empower such Swiss Obligor to enter into upstream and/or cross-stream obligations.
- (h) In the case of a French Obligor:
- (i) a certified copy of its constitutive documents (*statuts*);
 - (ii) an original extract (*extrait K-bis*) provided by the commercial and companies registry (*registre du commerce et des sociétés*), not more than fifteen (15) days old;
 - (iii) a non-bankruptcy certificate (*certificat de recherche de procédures collectives*) provided by the commercial and companies registry (*registre du commerce et des sociétés*), not more than fifteen (15) days old;
 - (iv) a copy of the resolution of the shareholder(s) of each French Obligor approving:
 - (A) the terms of, and the transactions contemplated by, the Finance Documents to which it is a party; and
 - (B) the execution of the Finance Documents to which it is a party;
 - (v) a copy of the resolution of the board of directors (or any other competent body) of each French Obligor:
 - (A) approving the terms of, and the transactions contemplated by, the Finance Documents to which it is a party and resolving that it executes the Finance Documents to which it is a party;
 - (B) authorising a specified person or persons to execute the Finance Documents to which it is a party on its behalf; and
 - (C) authorising a specified person or persons on its behalf to sign and/or despatch all documents and notices to be signed and/or despatched by it under or in connection with the Finance Documents to which it is a party; and
 - (vi) evidence that the person(s) who has(ve) signed the Finance Documents on behalf of each French Obligor was (were) duly authorised to sign.

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- (i) In the case of a U.S. Obligor:
 - (i) a copy of a good standing certificate with respect to such U.S. Obligor, issued as of a recent date by the Secretary of State or other appropriate official of such U.S. Obligor's jurisdiction of incorporation or organisation; and
 - (ii) a certificate in form and substance satisfactory to the Agent of the chief financial officer, director of finance or other appropriate person of each U.S. Obligor as to the solvency of such U.S. Obligor.
 - (j) In the case of an English Obligor, a copy of a resolution signed by all the holders of the issued shares in that English Guarantor, approving the terms of, and the transactions contemplated by, the Finance Documents to which that English Obligor is a party.
 - (k) A certificate of each Original Obligor (signed by an Authorised Signatory) confirming that borrowing or guaranteeing or granting Security in respect of, as appropriate, the Total Commitments would not cause any borrowing, guarantee, security or similar limit binding on that Original Obligor to be exceeded.
 - (l) A certificate of an Authorised Signatory of the relevant Original Obligor certifying that each copy document relating to it specified in this Part I of Schedule 2 is correct, complete and in full force and effect as at a date no earlier than the date of this Agreement.

2. **Finance Documents (other than Transaction Security Documents)**

- (a) The documents required for each Original Lender, the Agent, the Borrower and each Original Guarantor to accede to the Intercreditor Agreement in accordance with its terms (as a Refinancing Creditor, Refinancing Creditor Representative or (as applicable) Debtor (each as defined in the Intercreditor Agreement) in respect of this Agreement), in each case executed by each party thereto.
- (b) A Promissory Note evidencing the Loan made by each of the Lenders.
- (c) The Fee Letters executed by the Borrower.

3. **Transaction Security Documents**

- (a) At least two originals of any deed of confirmation, ratification or extension, any letter of designation or appointment or any other document that is required

for the Transaction Security evidenced or expressed to be created or evidenced under or pursuant to the following Transaction Security Documents listed in paragraphs (i) and (ii) below to extend to secure the Secured Obligations under this Agreement, in each case substantially in the form distributed (together with an English translation, if not in English) to the Lenders prior to the date of this Agreement and otherwise in form and substance satisfactory to the Security Agent, and executed by the relevant Obligor:

- (i) a Mexican security trust agreement dated 17 September 2012 entered into by the Borrower, Empresas Tolteca de Mexico, S.A. de C.V., Impra Café S.A. de C.V., Interamerican Investments Inc., Centro Distribuidor de Cemento, S.A. de C.V. and CEMEX México; and
 - (ii) a deed of ratification and extension (together with irrevocable powers of attorney in the agreed form) in relation to the share pledge agreement dated 8 November 2012 between, among others, CEMEX, S.A.B. de C.V. and New Sunward Holding B.V. as pledgors, the Security Agent as pledgee, the entities listed therein as original creditors, Banco Bilbao Vizcaya Argentaria, S.A. as custodian and CEMEX España as the company (in the case of this document, in a form ready for notarisation pursuant to paragraph (a) of Clause 23.38 (*Conditions subsequent*)).
- (b) A copy of each notice required to be sent under the documents referred to in paragraph (a) above (duly acknowledged by the addressee) and evidence that any other action required to perfect the Transaction Security created or evidenced or expressed to be created or evidenced pursuant to those documents has been taken.
 - (c) Unless already held by the Security Agent, a copy of all share certificates, transfers and stock transfer forms or equivalent duly executed by the relevant Obligor in blank in relation to the assets subject to or expressed to be subject to the Transaction Security and other documents of title to be provided under the Transaction Security Documents.

4. **Legal opinions**

Dutch law

- (a) An opinion with respect to the laws and regulations of The Netherlands from Clifford Chance LLP, substantially in the form distributed to the Original Lenders, the Agent and the Security Agent prior to signing this Agreement.

English law

- (b) An opinion with respect to the laws and regulations of England and Wales from Clifford Chance, S.L., substantially in the form distributed to the Original Lenders, the Agent and the Security Agent prior to signing this Agreement.

French law

- (c) An incorporation and authority opinion with respect to the laws and regulations of France from in-house counsel of the Borrower, substantially in the form distributed to the Original Lenders, the Agent and the Security Agent prior to signing this Agreement.
- (d) An opinion with respect to the laws and regulations of France from Clifford Chance Europe LLP, substantially in the form distributed to the Original Lenders, the Agent and the Security Agent prior to signing this Agreement.

Irish law

- (e) An opinion with respect to the laws and regulations of Ireland from A&L Goodbody, substantially in the form distributed to the Original Lenders, the Agent and the Security Agent prior to signing this Agreement.

Mexican law

- (f) An incorporation and authority opinion with respect to the laws and regulations of Mexico from in-house counsel of the Borrower, substantially in the form distributed to the Original Lenders, the Agent and the Security Agent prior to signing this Agreement.
- (g) An opinion with respect to the laws and regulations of Mexico from Ritch, Mueller, Heather y Nicolau S.C., substantially in the form distributed to the Original Lenders, the Agent and the Security Agent prior to signing this Agreement.

Spanish law

- (h) An incorporation and authority opinion with respect to the laws and regulations of Spain from in-house counsel of the Borrower, substantially in the form distributed to the Original Lenders, the Agent and the Security Agent prior to signing this Agreement.
- (i) An opinion with respect to the laws and regulations of Spain from Clifford Chance, S.L., substantially in the form distributed to the Original Lenders, the Agent and the Security Agent prior to signing this Agreement.

Swiss law

- (j) An opinion with respect to the laws and regulations of Switzerland from Bär & Karrer AG, substantially in the form distributed to the Original Lenders, the Agent and the Security Agent prior to signing this Agreement.

US law (Delaware)

- (k) An opinion with respect to the laws and regulations of Delaware from Skadden, Arps, Slate, Meagher & Flom LLP, substantially in the form distributed to the Original Lenders, the Agent and the Security Agent prior to signing this Agreement.

5. **Other documents and evidence**

- (a) The Group Structure Chart.
- (b) The Original Financial Statements of the Borrower and each Guarantor.
- (c) Evidence that the fees, costs and expenses then due from the Borrower to any Finance Party under the Finance Documents have been paid or will be paid by the first Utilisation Date.
- (d) Each Lender and the Security Agent having confirmed to the Agent that it is satisfied that it has (and the Agent being satisfied that they have) complied with all necessary “know your customer” or other similar checks under all applicable laws and regulations in relation to each Obligor then party to this Agreement.

PART II
CONDITIONS PRECEDENT REQUIRED TO BE
DELIVERED BY AN ADDITIONAL OBLIGOR

1. Additional Guarantor/Additional Security Provider

- (a) A copy (in the case of an Obligor incorporated in Mexico, certified by a notary public or otherwise authenticated) of the constitutional documents of the Additional Guarantor or an Additional Security Provider (other than a Dutch Obligor, Swiss Obligor or French Obligor) (or, in the case of an Additional Guarantor or Additional Security Provider incorporated in Spain, a certificate or excerpt from the relevant Mercantile Registry including the updated by-laws of the Additional Guarantor or Additional Security Provider).
- (b) A copy (or, in the case of an Additional Guarantor or Additional Security Provider incorporated in Spain, a certificate issued by the secretary with the approval of the president and raised to public document status) of a resolution of the board of directors (or any other competent body) of the Additional Guarantor or Additional Security Provider (other than a Dutch Obligor, Swiss Obligor or French Obligor) and, when applicable, in the case of any Additional Guarantor or Additional Security Provider incorporated in Mexico, a resolution of its shareholder's meeting:
 - (i) approving the terms of, and the transactions contemplated by, the Accession Letter and the Finance Documents and resolving that it execute the Accession Letter;
 - (ii) authorising a specified person or persons to execute the Accession Letter and other Finance Documents on its behalf (including, in the case of an Additional Guarantor or Additional Security Provider incorporated in Spain, the authority to irrevocably appoint a process agent ("*mandatario ad litem*") unless such appointment has been made by other means by a duly authorised representative); and
 - (iii) authorising a specified person or persons, on its behalf, to sign and/or despatch all documents and notices to be signed and/or despatched by it under or in connection with the Finance Documents to which it is a party.
- (c) In the case of an Additional Guarantor or Additional Security Provider incorporated in Mexico, (to the extent not covered or not applicable under paragraph (b) above) (i) powers of attorney duly notarised containing authority for acts of administration, for acts of disposition (in respect of any Transaction Security Document) and to execute negotiable instruments; and (ii) powers of attorney for the Process Agent, duly notarised before a Mexican notary public, together with any necessary appointment and acceptance letter.
- (d) A specimen of the signature of each person authorised by the resolution referred to in paragraph (b) above.

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- (e) In the case of Dutch Obligor:
- (i) a copy of the deed of incorporation (*oprichtingsakte*) and where the articles of association have been amended since the date of incorporation, the articles of association (*statuten*) of each Dutch Obligor, as well as an extract (*uittreksel*) from the Dutch Commercial Register (*Handelsregister*) of such Dutch Obligor;
 - (ii) a copy of the resolution of the board of managing directors of each Dutch Obligor:
 - (A) approving the terms of, and the transactions contemplated by, the Finance Documents to which it is a party and resolving that it execute the Finance Documents to which it is a party;
 - (B) if applicable, authorising a specified person or persons to execute the Finance Documents to which it is a party on its behalf; and
 - (C) if applicable, authorising a specified person or persons, on its behalf, to sign and/or despatch all documents and notices to be signed and/or despatched by it under or in connection with the Finance Documents to which it is a party;
 - (iii) if applicable, a copy of the resolution of the board of supervisory directors of each Dutch Obligor approving the resolutions of the board of managing directors referred to under (ii) above and, to the extent applicable, appointing an authorised person to represent the relevant Dutch Obligor in case of a conflict of interest;
 - (iv) if applicable, a copy of the resolution of the shareholder(s) of each Dutch Obligor approving the resolutions of the board of managing directors referred to under (ii) above and, to the extent applicable, appointing an authorised person to represent the relevant Dutch Obligor in case of a conflict of interest;
 - (v) if applicable, a copy of (i) the request for advice from each works council, or central or European works council with jurisdiction over the transactions contemplated by this Agreement, (ii) the positive advice from such works council which contains no condition, which if complied with, could result in a breach of any of the Finance Documents and (iii) positive advice in respect of the security to be granted by the Dutch Obligor as well as the conditional transfer of the voting rights attached to the shares which are subject to security; and
 - (vi) a specimen of the signature of each member of the board of managing directors of each Dutch Obligor and, if applicable, each person authorised by the resolutions referred to in paragraph (ii) sub-paragraph (B) and/or (C) above in relation to the Finance Documents.

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- (f) In the case of a Swiss Obligor:
- (i) a copy of the articles of association (*Statuten*) of the Swiss Obligor, as well as an extract from the Commercial Register (*Handelsregister*) of such Swiss Obligor;
 - (ii) a copy of a unanimous resolution of the board of directors of the Swiss Obligor:
 - (A) approving the terms of, and the transactions contemplated by, the Finance Documents to which it is a party and resolving that it executes the Finance Documents to which it is a party;
 - (B) resolving that the execution of the transactions contemplated by the Finance Documents to which it is a party is in the best interest of such Swiss Obligor;
 - (C) if applicable, authorising a specified person or persons to execute the Finance Documents to which it is a party on its behalf; and
 - (D) if applicable, authorising a specified person or persons, on its behalf, to sign and/or despatch all documents and notices to be signed and/or despatched by it under or in connection with the Finance Documents to which it is a party;
 - (iii) a copy of the unanimous shareholders' resolution of the Swiss Obligor approving the terms of, and the transactions contemplated by, the Finance Documents to which it is a party and resolving that (i) it executes the Finance Documents to which it is a party and (ii) the execution of the transactions contemplated by the Finance Documents to which it is a party is in its best interest;
 - (iv) a specimen of the signature of each member of the board of directors of the Swiss Obligor and, if applicable, each person authorised by the resolutions referred to in paragraph (ii)(C) and/or (D) above in relation to the Finance Documents; and
 - (v) evidence to the effect that the Swiss Obligor's articles of association empower such Swiss Obligor to enter into upstream and/or cross-stream obligations.
- (g) In the case of a French Obligor:
- (i) a certified copy of its constitutive documents (*statuts*);
 - (ii) an original extract (*extrait K-bis*) provided by the commercial and companies registry (*registre du commerce et des sociétés*), not more than fifteen (15) days old;
 - (iii) a non-bankruptcy certificate (*certificat de recherche de procédures collectives*) provided by the commercial and companies registry (*registre du commerce et des sociétés*), not more than fifteen (15) days old;

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- (iv) a copy of the resolution of the shareholder(s) of each French Obligor approving:
 - (A) the terms of, and the transactions contemplated by, the Finance Documents to which it is a party; and
 - (B) the execution of the Finance Documents to which it is a party;
 - (v) a copy of the resolution of the board of directors (or any other competent body) of each French Obligor:
 - (A) approving the terms of, and the transactions contemplated by, the Finance Documents to which it is a party and resolving that it executes the Finance Documents to which it is a party;
 - (B) authorising a specified person or persons to execute the Finance Documents to which it is a party on its behalf; and
 - (C) authorising a specified person or persons on its behalf to sign and/or despatch all documents and notices to be signed and/or despatched by it under or in connection with the Finance Documents to which it is a party; and
 - (vi) evidence that the person(s) who has(ve) signed the Finance Documents on behalf of each French Obligor was(were) duly authorised to sign.
- (h) In the case of a U.S. Obligor:
 - (i) a copy of a good standing certificate with respect to such U.S. Obligor, issued as of a recent date by the Secretary of State or other appropriate official of such U.S. Obligor's jurisdiction of incorporation or organisation; and
 - (ii) a certificate in form and substance satisfactory to the Agent of the chief financial officer, director of finance or other appropriate person of each U.S. Obligor as to the solvency of such U.S. Obligor.
 - (i) Should the legal advisers of the Lenders consider it advisable, a copy of a resolution signed by all the holders of the issued shares of the Additional Guarantor or Additional Security Provider, approving the terms of, and the transactions contemplated by, the Finance Documents to which the Additional Guarantor or Additional Security Provider is a party.
 - (j) A certificate of the Additional Guarantor or Additional Security Provider (signed by an Authorised Signatory) confirming that guaranteeing the Total Commitments would not cause any guaranteeing or similar limit binding on it to be exceeded.
 - (k) A certificate of an Authorised Signatory of the Additional Guarantor or Additional Security Provider certifying that each copy document listed in this Part II of Schedule 2 is correct, complete and in full force and effect as at a date no earlier than the date of the Accession Letter.

2. **Finance Documents (other than Transaction Security Documents)**

- (a) An Accession Letter, duly executed by the Additional Guarantor or Additional Security Provider and the Borrower.
- (b) A Debtor/Security Provider Accession Deed for the Additional Guarantor or Additional Security Provider to accede to the Intercreditor Agreement, executed by the Additional Guarantor or Additional Security Provider.

3. **Transaction Security Documents**

- (a) In relation to an Additional Security Provider, any Transaction Security Documents that are required by the Agent to be executed by the Additional Security Provider.
- (b) A copy of each notice required to be sent under the documents referred to in paragraph (a) above (duly acknowledged by the addressee) and evidence that any other action required to perfect the Transaction Security created or evidenced or expressed to be created or evidenced pursuant to those documents has been taken.
- (c) Unless already held by the Security Agent, a copy of all share certificates, transfers and stock transfer forms or equivalent duly executed by the relevant Additional Security Provider in blank in relation to the assets subject to or expressed to be subject to the documents referred to in paragraph (a) above and other documents of title to be provided under those documents.

4. **Legal opinions**

- (a) A legal opinion of the legal advisers to the Additional Guarantor or Additional Security Provider in form and substance reasonably satisfactory to the legal advisers of the Lenders.
- (b) A legal opinion of the legal advisers to the Lenders.

5. **Other documents and evidence**

- (a) Evidence that any process agent referred to in Clause 43.3 (*Service of process*) has accepted its appointment and, in respect of each Additional Obligor that is incorporated in Mexico, that an irrevocable power of attorney has been granted before a Mexican notary public, appointing such process agent as its agent for service of process.
- (b) A copy of any other Authorisation or other document, opinion or assurance which the Agent considers (after having taken appropriate legal advice) to be necessary or desirable (if it has notified the Additional Guarantor or Additional Security Provider and the Borrower accordingly) in connection

with the entry into and performance of the transactions contemplated by any Finance Document or for the validity and enforceability of any Finance Document.

- (c) In the case of an Additional Guarantor, its Original Financial Statements.

**SCHEDULE 3
REQUESTS AND NOTICES**

**PART I
UTILISATION REQUEST**

From: CEMEX, S.A.B. de C.V. as the Borrower
To: [✗] as the Agent
Dated:
Dear Sirs

**CEMEX, S.A.B. de C.V. – Facilities Agreement
dated [✗] September 2014 (the “Facilities Agreement”)**

1. We refer to the Facilities Agreement. This is a Utilisation Request. Terms defined in the Facilities Agreement have the same meaning in this Utilisation Request unless given a different meaning in this Utilisation Request.
2. We wish to borrow a Loan on the following terms:
 - (a) Borrower: CEMEX, S.A.B. de C.V.
 - (b) Proposed Utilisation Date: [✗] (or, if that is not a Business Day, the next Business Day)
 - (c) Facility to be utilised: [Facility A]/[Facility B]*
 - (d) Currency of Loan: USD
 - (e) Amount: [✗] or, if less, the Available Facility **
 - (f) Interest Period: [✗]
3. We confirm that each condition specified in Clause 4.2 (*Further conditions precedent*) is satisfied on the date of this Utilisation Request.
4. [This Loan is to be made in [whole]/[part] for the purpose of refinancing [*identify maturing Facility B Loan*]./[The proceeds of this Loan should be credited to [*account*]].
5. This Utilisation Request is irrevocable.

Yours faithfully

authorised signatory for and on behalf of
CEMEX, S.A.B. de C.V.

NOTES:

- * Select the Facility to be utilised and delete references to the other Facilities.
- ** If paragraph (g) of Clause 2.2 (*Accordion*) of the Facilities Agreement applies, identify Lender(s) nominated for “y”.

**PART II
SELECTION NOTICE**

From: CEMEX, S.A.B. de C.V. as the Borrower

To: [✕] as the Agent

Dated:

Dear Sirs

**CEMEX, S.A.B. de C.V. – Facilities Agreement
dated [✕] September 2014 (the “Facilities Agreement”)**

1. We refer to the Facilities Agreement. This is a Selection Notice. Terms defined in the Facilities Agreement have the same meaning in this Selection Notice unless given a different meaning in this Selection Notice.
2. We refer to the following Facility A Loan[s] with an Interest Period ending on [✕]: [✕].*
3. We request that the next Interest Period for the above Facility A Loan[s] is [✕].
4. This Selection Notice is irrevocable.

Yours faithfully

authorised signatory for and on behalf of
CEMEX, S.A.B. de C.V.

NOTES:

- * Insert details of all Facility A Loan(s) for the relevant Facility which have an Interest Period ending on the same date.

**SCHEDULE 4
FORM OF PROMISSORY NOTE**

**PAGARÉ NO NEGOCIABLE /
NON-NEGOTIABLE PROMISSORY NOTE**

US\$

For value received, the undersigned, CEMEX, S.A.B. de C.V., by this Promissory Note unconditionally promises to pay to the order of (the “**Creditor**”), in dollars of the United States of America (“**Dollars**”), the following principal sums payable on the following dates (each a “**Principal Payment Date**”, and the last such date, the “**Final Payment Date**”):

<u>Principal Payment Date</u>	<u>Amount¹</u>
<input checked="" type="checkbox"/> ²	US\$ <input checked="" type="checkbox"/>
<input checked="" type="checkbox"/> ³	US\$ <input checked="" type="checkbox"/>
<input checked="" type="checkbox"/> ⁴	US\$ <input checked="" type="checkbox"/>
<input checked="" type="checkbox"/> ⁵	US\$ <input checked="" type="checkbox"/>
<input checked="" type="checkbox"/> ⁶	US\$ <input checked="" type="checkbox"/>

provided that, on the Final Payment Date, any and all principal amounts then due, shall be paid.

The undersigned also promises to pay interest on the outstanding and unpaid principal amount of this Promissory Note, from the date hereof, for each day during each Interest Period (as defined below), at a rate per annum equal to LIBOR (as defined below) plus the Margin (as defined below), payable in arrears, on each Interest Payment Date (as defined below), until payment in full of the outstanding principal amount hereof.

- ¹ Include amount equal to 20% of the Facility A Loan amount/Facility B Commitment, in each case.
- ² Include date that is 36 months after the date of the Facilities Agreement.
- ³ Include date that is 42 months after the date of the Facilities Agreement.
- ⁴ Include date that is 48 months after the date of the Facilities Agreement.
- ⁵ Include date that is 54 months after the date of the Facilities Agreement.
- ⁶ Include date that is 60 months after the date of the Facilities Agreement.

E.U.A. \$

Por valor recibido, la suscrita, CEMEX, S.A.B. de C.V., por este Pagaré promete incondicionalmente pagar a la orden de (el “**Acreeedor**”), en dólares de los Estados Unidos de América (“**Dólares**”), las siguientes sumas de principal pagaderas en las siguientes fechas (cada una, una “**Fecha de Pago de Principal**” y la última de dichas fechas, la “**Fecha de Vencimiento**”):

<u>Fecha de Pago de Principal</u>	<u>Monto</u>
<input checked="" type="checkbox"/>	EUAS <input checked="" type="checkbox"/>
<input checked="" type="checkbox"/>	EUAS <input checked="" type="checkbox"/>
<input checked="" type="checkbox"/>	EUAS <input checked="" type="checkbox"/>
<input checked="" type="checkbox"/>	EUAS <input checked="" type="checkbox"/>
<input checked="" type="checkbox"/>	EUAS <input checked="" type="checkbox"/>

en la inteligencia que, en la Fecha de Vencimiento, todas las sumas de principal pagaderas, deberán pagarse.

La suscrita promete, así mismo, pagar intereses sobre el saldo insoluto de la suma de principal de este Pagaré, a partir de la fecha de suscripción del presente Pagaré, por cada día respecto de cada Período de Interés (según este término se define a continuación), a una tasa anual igual a LIBOR (según este término se define a

Any principal amount and (to the extent permitted by applicable law) interest not paid when due under this Promissory Note, shall bear interest for each day until paid, payable on demand, at a rate per annum equal to the sum of two percent (2%) plus the interest rate then applicable hereunder as provided in the preceding paragraph.

Interest hereunder shall be calculated on the basis of the actual number of days elapsed, divided by three hundred and sixty (360).

For purposes of this Promissory Note, the following terms shall have the following meanings:

“**Agent**” means Citibank International Plc.

“**Business Day**” means a day (other than a Saturday or Sunday) on which banks are open for general business in London, United Kingdom, New York, United States of America and Mexico City, United Mexican States.

“**Interest Payment Date**” means [X]⁷ occurring on or before the Final Payment Date.

“**Interest Period**” means (a) initially, the period commencing on the date hereof and ending on ⁸, and (b) thereafter, each period commencing on the last day of the next preceding Interest Period and ending on the next Interest Payment Date, **provided, however**, that any Interest Period which would otherwise end after the Final Payment Date shall end on the Final Payment Date.

⁷ Interest payment date to be included based on the election made by CEMEX of applicable Interest Periods (i.e., monthly, quarterly or semi-annually).

⁸ Date corresponding to the immediately following Interest Payment Date.

continuación) más el Margen (según este término se define a continuación), pagaderos en forma vencida, en cada Fecha de Pago de Interés (según este término se define a continuación), hasta que se efectúe el pago de la totalidad del saldo insoluto del presente.

Cualquier monto de principal y (en la medida permitida por la legislación aplicable) de intereses que no sea pagado cuando sea debido conforme a este Pagaré, devengará intereses por cada día hasta que sea pagado, pagaderos a la vista, a una tasa anual igual a la suma de dos por ciento (2%) más la tasa de interés aplicable conforme a lo previsto en el párrafo anterior.

Los intereses conforme al presente serán calculados sobre la base del número de días efectivamente transcurridos, divididos entre trescientos sesenta (360).

Para efectos de éste Pagaré, los siguientes términos tendrán los significados indicados a continuación:

“**Agente**” significa Citibank International Plc.

“**Día Hábil**” significa cualquier día (que no sea sábado o domingo), en el cual los bancos comerciales en las ciudades de Londres, Reino Unido, Nueva York, Estados Unidos de América y México, Estados Unidos Mexicanos estén abiertos para celebrar operaciones en general.

“**Fecha de Pago de Interés**” significa [*] que ocurra[n] en o antes de la Fecha de Vencimiento.

“**Período de Interés**” significa (a) inicialmente, el período que inicie en la fecha del presente y que termine el ⁸, y (b) subsecuentemente, cada período que inicie el último día del Período de Interés inmediato anterior y que termine en la siguiente Fecha de Pago de Interés, **en el**

entendido, sin embargo, que cualquier Período de Interés que terminaría después de la Fecha de Vencimiento, terminará en la Fecha de Vencimiento.

“**LIBOR**” means (a) the applicable Screen Rate, or (b) if no Screen Rate is available for an applicable Interest Period, the Interpolated Screen Rate, or (c) if no Screen Rate is available for (i) Dollars or (ii) an applicable Interest Period and it is not possible to calculate an Interpolated Screen Rate for that Interest Period, the Reference Bank Rate, in the case of paragraphs (a) and (c) above, as of approximately 11:00 a.m. (London time) on the Quotation Day for the offering of deposits in Dollars and for a period comparable to the Interest Period and, if the rate is less than zero, LIBOR shall be deemed to be zero.

“**London Business Day**” means a day (other than a Saturday or Sunday) on which banks are open for general business in London, United Kingdom.

“**Interpolated Screen Rate**” means the rate which results from interpolating on a linear basis between (a) the applicable Screen Rate for the longest period (for which that Screen Rate is available) which is less than the Interest Period; and (b) the applicable Screen Rate for the shortest period (for which that Screen Rate is available) which exceeds the Interest Period, as of approximately 11:00 a.m. (London time) on the Quotation Day for the offering of deposits in Dollars and for a period comparable to the Interest Period.

“**Margin**” means three point seventy five percent (3.75%) per annum.

“**Quotation Day**” means, in relation to any period for which an interest rate is to be determined, two (2) London Business Days before the first day of that period, unless

“**LIBOR**” significa (a) la Tasa de Pantalla aplicable, o (b) si la Tasa de Pantalla no estuviere disponible para el Período de Interés de que se trate, la Tasa de Pantalla Interpolada, o (c) si la Tasa de Pantalla no estuviere disponible para (i) Dólares o (ii) el Período de Interés de que se trate y no fuere posible calcular la Tasa de Pantalla Interpolada para dicho Período de Intereses, la Tasa de los Bancos de Referencia, en los supuestos previstos en los incisos (a) y (c) anteriores, aproximadamente a las 11:00 a.m. (hora de Londres) en la Fecha de Cotización respecto de la oferta de depósitos en Dólares y por un período comparable al Período de Interés y, en caso que la tasa sea menor de cero, entonces LIBOR deberá ser cero.

“**Día Hábil en Londres**” significa cualquier día (que no sea sábado o domingo), en el cual los bancos comerciales en la ciudad de Londres, Reino Unido estén abiertos para celebrar operaciones en general.

“**Tasa de Pantalla Interpolada**” significa la tasa que resulte de interpolar en forma lineal (a) la Tasa de Pantalla aplicable para el período más largo (para el cual la Tasa de Pantalla esté disponible) pero que sea menor al Período de Intereses y (b) la Tasa de Pantalla aplicable para el período más corto (para el cual la Tasa de Pantalla esté disponible) pero que exceda el Período de Interés, aproximadamente a las 11:00 a.m. (hora de Londres) en la Fecha de Cotización respecto de la oferta de depósitos en Dólares y por un período comparable al Período de Interés.

“**Margen**” significa tres punto setenta y cinco por ciento (3.75%) por año.

“**Fecha de Cotización**” significa, respecto de cualquier período para el cual una tasa de interés deba ser determinada, dos (2) Días Hábiles en Londres antes del primer día de

market practice differs in the Relevant Interbank Market, in which case the Quotation Day will be determined by the Agent in accordance with market practice in the Relevant Interbank Market (and if quotations would normally be given by leading banks in the Relevant Interbank Market on more than one day, the Quotation Day will be the last of those days).

“**Relevant Interbank Market**” means the London interbank market.

“**Reference Banks**” means the principal London offices of BNP Paribas and ING Bank NV.

“**Reference Bank Rate**” means the arithmetic mean of the rates (rounded upwards to four decimal places), as supplied to the Agent at its request by the Reference Banks, at which the relevant Reference Bank could borrow funds in the London interbank market in Dollars and for the relevant period, were it to do so by asking for and then accepting interbank offers for deposits in reasonable market size in Dollars and for that period.

“**Screen Rate**” means the London interbank offered rate administered by ICE Benchmark Administration Limited (or any other person which takes over the administration of that rate) for Dollars for the relevant period displayed on pages LIBOR01 or LIBOR02 of the Reuters screen (or any replacement Reuters page which displays that rate) or on the appropriate page of such other information service which publishes that rate from time to time in place of Reuters. If such page or service ceases to be available, the Agent may specify another page or service displaying the relevant rate.

tal período, a menos que la práctica de mercado en el Mercado Interbancario Relevante sea distinta, en cuyo caso la Fecha de Cotización será determinada por el Agente de conformidad con la práctica de mercado en el Mercado Interbancario Relevante (y en caso de que las cotizaciones normalmente sean proporcionadas por bancos líderes en el Mercado Interbancario Relevante en más de un día, la Fecha de Cotización será el último de dichos días).

“**Mercado Interbancario Relevante**” significa el mercado interbancario de Londres.

“**Bancos de Referencia**” significa las oficinas principales de BNP Paribas y ING Bank NV en Londres.

“**Tasa de los Bancos de Referencia**” significa el promedio aritmético de las tasas (redondeadas hacia arriba, a cuatro decimales) que proporcionen los Bancos de Referencia a petición del Agente, de la tasa de interés a la cual el Banco de Referencia que corresponda podría recibir fondos en préstamo en el mercado interbancario de Londres en Dólares y por el periodo de que se trate, en caso que dicho Banco de Referencia obtuviera fondos en préstamo después de haber pedido y aceptado dichas ofertas interbancarias para depósitos en tamaños de mercado razonables, en Dólares y por ese mismo periodo.

“**Tasa de Pantalla**” significa la tasa ofrecida en el mercado interbancario de Londres administrada por ICE Benchmark Administration Limited (o cualquier otra persona que asuma la administración de dicha tasa) para Dólares y para el período de que se trate, que aparezca en las páginas LIBOR01 o LIBOR02 de la pantalla Reuters (o cualquier página que reemplace la pantalla Reuters que divulgue dicha tasa). Si la página convenida es reemplazada o el servicio deja de estar disponible, el Agente puede señalar otra página o servicio para que divulgue la tasa apropiada.

All payments by the undersigned of principal, interest and other payments hereunder, shall be made without setoff, deduction or counterclaim not later than 11:00 a.m., London time, on the due date for each such payment, in Dollars and in immediately available funds, at the office of the Agent located at 5th Floor, Citigroup Centre, 25 Canada Square, Canary Wharf, London E14 5LB, United Kingdom, Attention: Loans Agency. The undersigned agrees to reimburse upon demand, in like manner and funds, all losses, costs and expenses of the holder hereof, incurred in connection with the enforcement of this Promissory Note.

Any payment which is due to be made on a day that is not a Business Day shall be made on the next Business Day in the same calendar month (if there is one) or the preceding Business Day (if there is not). During any extension of the due date of payment of any principal, interest is payable on the principal at the rate payable on the original due date.

All payments by the undersigned hereunder, shall be made free and clear of, and without deduction for, any present or future income, excise, stamp or franchise taxes and other taxes, fees, duties, withholdings or other charges, of any nature whatsoever, imposed by the United Mexican States or any other jurisdiction from which any amount payable hereunder is made, or any taxing authority thereof or therein, unless required by law. In the event that the undersigned shall be compelled by law to make any such deduction or withholding, in respect of any payments hereunder, then the undersigned shall pay such additional amounts as may be necessary so that the holder hereof would receive the full amounts it would have received, if such deductions or withholdings would not have been made.

Todos los pagos que deban hacerse conforme a este Pagaré por la suscrita, de principal, intereses y por otros conceptos, serán efectuados sin compensación, deducción o defensa, antes de las 11:00 a.m., hora de la ciudad de Londres, en la fecha en que el pago de que se trate venza, en Dólares y en fondos disponibles inmediatamente, en la oficina del Agente ubicada en el 5to piso de Citigroup Centre, 25 Canada Square, Canary Wharf, Londres E14 5LB, Reino Unido, Atención: Agente de Créditos. La suscrita conviene en reembolsar a la vista, en la misma forma y fondos, cualesquiera pérdidas, costos y gastos del tenedor del presente, incurridos en relación con el procedimiento de cobro del presente Pagaré.

Cualquier pago que deba hacerse conforme al presente en un día que no sea un Día Hábil, deberá hacerse en el siguiente Día Hábil durante el mismo mes calendario (si existe uno) o en el Día Hábil previo (si no existe uno). Respecto de cualquier extensión de cualquier fecha de pago de principal, los intereses que correspondan al pago de principal se devengarán a la tasa de interés pagadera en la fecha de pago original.

Todos los pagos que se efectúen por la suscrita en términos del presente, deberán hacerse libres de y sin deducción alguna por, cualquier impuesto sobre la renta, gravamen, impuesto del timbre o impuesto sobre franquicias y otros impuestos, contribuciones, derechos, retenciones u otras cargas, presentes o futuros, de cualquier naturaleza, establecidos o determinados por los Estados Unidos Mexicanos o por cualquier otra jurisdicción de la que se paguen cantidades adeudadas conforme al presente, a menos que sea requerido por ley. En caso que la suscrita esté obligada legalmente a llevar a cabo cualquier retención o deducción, respecto de cualesquiera pagos conforme al presente, la suscrita pagará las sumas adicionales que sean necesarias para asegurar que las sumas recibidas por el tenedor del presente sean iguales a la suma que el tenedor hubiera recibido, si tales retenciones o deducciones no se hubieren realizado.

This Promissory Note shall be governed by, and construed in accordance with, the laws of England; **provided, however that** if any action or proceedings in connection with this Promissory Note were brought to any courts in the United Mexican States, this Promissory Note shall be deemed as governed under the laws of the United Mexican States.

Any legal action or proceeding arising out of or relating to this Promissory Note may be brought to the jurisdiction of the courts of England and any appellate court thereof, or any federal court sitting in Mexico City, Federal District, United Mexican States; the undersigned waives the right to jurisdiction of any other courts.

The undersigned hereby waives diligence, demand, protest, presentment, notice of dishonor or any other notice or demand whatsoever.

This Promissory Note is executed in both English and Spanish versions. In the case of any conflict or doubt as to the proper construction of this Promissory Note, the English version shall govern; **provided, however, that** in any action or proceeding brought in any court in the United Mexican States, the Spanish version shall prevail.

If the laws of the United Mexican States apply, for the purposes of Article 128 of the General Law of Negotiable Instruments and Credit Transactions of the United Mexican States, the term of presentation of this Promissory Note is hereby irrevocably extended until the date that is six (6) months after the Final Payment Date, **it being understood** that such extension shall not be deemed to prevent presentation of this Promissory Note prior to such date.

Este Pagaré se regirá e interpretará de acuerdo con las leyes de Inglaterra; **en el entendido, sin embargo** que si cualquier acción o procedimiento en relación con este Pagaré se iniciara en los tribunales de los Estados Unidos Mexicanos, este Pagaré se considerará regido de acuerdo con las leyes de los Estados Unidos Mexicanos.

Cualquier acción o procedimiento legal que derive o se relacione con este Pagaré podrá ser iniciado en los tribunales de Inglaterra, o en cualquier tribunal de apelación de los mismos, o cualquier tribunal federal localizado en la ciudad de México, Distrito Federal, Estados Unidos Mexicanos, renunciando la suscrita a la jurisdicción de cualesquiera otros tribunales.

La suscrita en este acto renuncia a diligencia, demanda, protesto, presentación, notificación de no aceptación y a cualquier notificación o demanda de cualquier naturaleza.

El presente Pagaré se suscribe en versiones en inglés y español. En caso de conflicto o duda en relación con la debida interpretación de este Pagaré, la versión en inglés prevalecerá; **en el entendido, sin embargo** que en cualquier procedimiento iniciado en cualquier tribunal de los Estados Unidos Mexicanos, prevalecerá la versión en español.

Si la legislación de los Estados Unidos Mexicanos fuere aplicable, para los efectos del Artículo 128 de la Ley General de Títulos y Operaciones de Crédito de los Estados Unidos Mexicanos, por medio del presente se proroga irrevocablemente el plazo de presentación de este Pagaré hasta la fecha que sea seis (6) meses después de la Fecha de Vencimiento, **en el entendido** de que dicha prórroga no impedirá la presentación de este Pagaré con anterioridad a dicha fecha.

IN WITNESS WHEREOF, the undersigned has duly executed this Promissory Note on the date indicated below.

EN VIRTUD DE LO CUAL, la suscrita ha firmado este Pagaré en la fecha abajo mencionada.

, , a de de 2014.

, , , 2014.

CEMEX, S.A.B. de C.V.

By/Por _____
Name/Nombre:
Title/Cargo:

Guaranteed/Por Aval:
CEMEX España, S.A.

By/Por _____
Name/Nombre:
Title/Cargo:

Guaranteed/Por Aval:
CEMEX México, S.A. de C.V.

By/Por _____
Name/Nombre:
Title/Cargo:

Guaranteed/Por Aval:
CEMEX Concretos, S.A. de C.V.

By/Por _____
Name/Nombre:
Title/Cargo:

Guaranteed/Por Aval:
Empresas Tolteca de México, S.A. de C.V.

By/Por _____
Name/Nombre:
Title/Cargo:

Guaranteed/Por Aval:
New Sunward Holding B.V.

By/Por _____
Name/Nombre:
Title/Cargo:

Guaranteed/Por Aval:
CEMEX Corp.

By/Por _____
Name/Nombre:
Title/Cargo:

Guaranteed/Por Aval:
CEMEX Finance LLC

By/Por _____
Name/Nombre:
Title/Cargo:

Guaranteed/Por Aval:
CEMEX Research Group AG

By/Por _____
Name/Nombre:
Title/Cargo:

Guaranteed/Por Aval:
CEMEX Shipping B.V.

By/Por _____
Name/Nombre:
Title/Cargo:

Guaranteed/Por Aval:
CEMEX Asia B.V.

By/Por _____
Name/Nombre:
Title/Cargo:

Guaranteed/Por Aval:
CEMEX France Gestion (S.A.S.)

By/Por _____
Name/Nombre:
Title/Cargo:

Guaranteed/Por Aval:
CEMEX UK

By/Por _____
Name/Nombre:
Title/Cargo:

Guaranteed/Por Aval:
CEMEX Egyptian Investments B.V.

By/Por _____
Name/Nombre:
Title/Cargo:

Guaranteed/Por Aval:
CEMEX Egyptian Investments II B.V.

By/Por _____
Name/Nombre:
Title/Cargo:

FORM OF SIDE LETTER TO PROMISSORY NOTE

CEMEX, S.A.B. de C.V.
Av. Ricardo Margáin Zozaya #325
Colonia Valle del Campestre
66265 San Pedro Garza García, Nuevo León
Mexico

[Date]

RE: PROMISSORY NOTE

Dear Sirs:

Reference is made to the promissory note (*pagaré*) (the “**Promissory Note**”) issued by CEMEX, S.A.B. de C.V. (the “**Issuer**”), dated _____, 2014 for the amount of USD \$ _____ (_____ Dollars, currency of the United States of America 00/100) in favor of _____ (the “**Holder**”).

The parties to this letter agree that notwithstanding anything to the contrary in the Promissory Note, (i) [principal and]⁹ interest payments in respect of the Promissory Note shall be made at the times, on the dates, in the amounts and in the manner provided for in the Facilities Agreement dated as of _____, 2014 between the Issuer, as borrower, certain direct and indirect subsidiaries of the Issuer, as guarantors or security providers, Banco Santander (México), S.A., Institución de Banca Múltiple, Grupo Financiero Santander México, BBVA Securities Inc., BNP Paribas Securities Corp., Citigroup Global Markets Inc., Crédit Agricole Corporate and Investment Bank, HSBC Mexico, S.A., Institución de Banca Múltiple, Grupo Financiero HSBC, ING Capital LLC, J.P. Morgan Securities LLC and Merrill Lynch, Pierce, Fenner & Smith Inc., as Joint Mandated Lead Arrangers and Joint Bookrunners, the financial institutions named therein as original lenders, and Citibank International Plc., as agent and Wilmington Trust (London) Limited as security agent (as amended from time to time in accordance with its terms, the “Facilities Agreement”) and (ii) interest shall be calculated in the manner provided for in the Facilities Agreement. Without limiting the generality of the above, the parties to this letter agree that notwithstanding anything else to the contrary in the Promissory Note, the loan represented by the Promissory Note may bear interest at the rates provided for in the Facilities Agreement. In the case of any inconsistency between the terms of the Facilities Agreement and the Promissory Note, the Facilities Agreement shall prevail.

Sincerely,

[_____]

By:

Name:

Title:

⁹ To be included only in respect of Promissory Notes related to Facility B Commitments.

Accepted and agreed,
CEMEX, S.A.B. de C.V.

By:
Name:
Title:

Accepted and agreed,
CEMEX España, S.A., as guarantor

By:
Name:
Title:

Accepted and agreed,
CEMEX México, S.A. de C.V., as guarantor

By:
Name:
Title:

Accepted and agreed,
CEMEX Concretos, S.A. de C.V., as guarantor

By:
Name:
Title:

Accepted and agreed,
Empresas Tolteca de México, S.A. de C.V., as guarantor

By:
Name:
Title:

Accepted and agreed,
New Sunward Holding B.V., as guarantor

By:
Name:
Title:

Accepted and agreed,
CEMEX Corp., as guarantor

By:
Name:
Title:

Accepted and agreed,
CEMEX Finance LLC, as guarantor

By:
Name:
Title:

Accepted and agreed,
CEMEX Research Group AG, as guarantor

By:
Name:
Title:

Accepted and agreed,
CEMEX Shipping B.V., as guarantor

By:
Name:
Title:

Accepted and agreed,
CEMEX Asia B.V., as guarantor

By:
Name:
Title:

Accepted and agreed,
CEMEX France Gestion (S.A.S.), as guarantor

By:
Name:
Title:

Accepted and agreed,
CEMEX UK, as guarantor

By:
Name:
Title:

Accepted and agreed,
CEMEX Egyptian Investments B.V., as guarantor

By:
Name:
Title:

Accepted and agreed,
CEMEX Egyptian Investments II B.V., as guarantor

By:
Name:
Title:

SCHEDULE 5
FORM OF TRANSFER CERTIFICATE

To: [✗] as Agent and [✗] as Security Agent

From: [*The Existing Lender*] (the “**Existing Lender**”) and [*The New Lender*] (the “**New Lender**”)

Dated:

CEMEX, S.A.B. de C.V.– Facilities Agreement
dated [✗] September 2014 (the “Facilities Agreement”)

1. We refer to the Facilities Agreement and to the Intercreditor Agreement (as defined in the Facilities Agreement). This agreement (the “**Agreement**”) shall take effect as a Transfer Certificate for the purpose of the Facilities Agreement and as a Creditor/Agent/Security Agent Accession Undertaking for the purposes of the Intercreditor Agreement (and as defined in the Intercreditor Agreement). Terms defined in the Facilities Agreement have the same meaning in this Agreement unless given a different meaning in this Agreement.
2. We refer to Clause 27.5 (*Procedure for transfer*) of the Facilities Agreement:
 - (a) The Existing Lender and the New Lender agree to the Existing Lender transferring to the New Lender by novation all or part of the Existing Lender’s Commitment, rights and obligations referred to in the Schedule in accordance with Clause 27.5 (*Procedure for transfer*) of the Facilities Agreement.
 - (b) The proposed Transfer Date is [✗].
 - (c) The Facility Office and address, fax number and attention details for notices of the New Lender for the purposes of Clause 35.2 (*Addresses*) of the Facilities Agreement are set out in the Schedule.
3. The New Lender expressly acknowledges the limitations on the Existing Lender’s obligations set out in paragraph (c) of Clause 27.4 (*Limitation of responsibility of Existing Lenders*) of the Facilities Agreement.
4. The New Lender confirms, for the benefit of the Agent and without liability to any Obligor, that it is [a Qualifying Lender (other than a Treaty Lender)]/[a Treaty Lender]/[not a Qualifying Lender]*.
5. We refer to clause 14.6 (*Creditor/Agent/Security Agent Accession Undertaking*) of the Intercreditor Agreement.

In consideration of the New Lender being accepted as a Refinancing Creditor for the purposes of the Intercreditor Agreement (and as defined in the Intercreditor Agreement), the New Lender confirms that, as from the Transfer Date, it intends to be party to the Intercreditor Agreement as a Refinancing Creditor, and undertakes to perform all the obligations expressed in the Intercreditor Agreement to be assumed by

a Refinancing Creditor and agrees that it shall be bound by all the provisions of the Intercreditor Agreement, as if it had been an original party to the Intercreditor Agreement.

6. For the purposes of articles 1278 *et seq.* of the French Civil Code, it is expressly agreed that the Security created under the Security Documents governed by French law shall be preserved and maintained for the benefit of the Security Agent, the New Lender and the remaining Finance Parties.
7. The New Lender may, in the case of an assignment of rights by the Existing Lender under this Transfer Certificate, if it considers it necessary to make the assignment effective against third parties, arrange for it to be notified to any Obligor established or domiciled in France in accordance with the provisions of article 1690 of the French Civil Code.
8. This Agreement may be executed in any number of counterparts and this has the same effect as if the signatures on the counterparts were on a single copy of this Agreement.
9. This Agreement and any non-contractual obligations arising out of or in connection with it are governed by English law.

This Agreement has been entered into on the date stated at the beginning of this Agreement.

Notes: * Delete as applicable - each New Lender is required to confirm which of these three categories it falls within.

The execution of this Transfer Certificate may not transfer a proportionate share of the Existing Lender's interest in the Transaction Security in all jurisdictions. It is the responsibility of the New Lender to ascertain whether any other documents or other formalities are required to perfect a transfer of such a share in the Existing Lender's Transaction Security in any jurisdiction and, if so, to arrange for execution of those documents and completion of those formalities.

THE SCHEDULE

Commitment/rights and obligations to be transferred

[insert relevant details]

[Facility Office address, fax number and attention details for notices and account details for payments]

[Existing Lender]

[New Lender]

By:

By:

This Agreement is accepted as a Transfer Certificate for the purposes of the Facilities Agreement by the Agent, and as a Creditor/Agent/Security Agent Accession Undertaking for the purposes of the Intercreditor Agreement by the Security Agent, and the Transfer Date is confirmed as [].

[Agent]

By:

[Security Agent]

By:

SCHEDULE 6
FORM OF ASSIGNMENT AGREEMENT

To: [✗] as Agent, [✗] as Security Agent and CEMEX, S.A.B. de C.V. as Borrower for and on behalf of each Obligor
From: [the *Existing Lender*] (the “**Existing Lender**”) and [the *New Lender*] (the “**New Lender**”)
Dated:

CEMEX, S.A.B. de C.V.– Facilities Agreement
dated [✗] September 2014 (the “Facilities Agreement”)

1. We refer to the Facilities Agreement and to the Intercreditor Agreement (as defined in the Facilities Agreement). This is an Assignment Agreement. This agreement (the “**Agreement**”) shall take effect as an Assignment Agreement for the purpose of the Facilities Agreement and as a Creditor/Agent/Security Agent Accession Undertaking for the purposes of the Intercreditor Agreement (and as defined in the Intercreditor Agreement). Terms defined in the Facilities Agreement have the same meaning in this Agreement unless given a different meaning in this Agreement.
2. We refer to Clause 27.6 (*Procedure for assignment*) of the Facilities Agreement:
 - (a) The Existing Lender assigns absolutely to the New Lender all the rights of the Existing Lender under the Facilities Agreement, the other Finance Documents and in respect of the Transaction Security which correspond to that portion of the Existing Lender’s Commitments and participations in Utilisations under the Facilities Agreement as specified in the Schedule.
 - (b) The Existing Lender is released from all the obligations of the Existing Lender which correspond to that portion of the Existing Lender’s Commitments and participations in Utilisations under the Facilities Agreement specified in the Schedule.
 - (c) The New Lender becomes a Party as a Lender and is bound by obligations equivalent to those from which the Existing Lender is released under paragraph (b) above.
3. The proposed Transfer Date is [✗].
4. On the Transfer Date the New Lender becomes:
 - (a) party to the relevant Finance Documents (other than the Intercreditor Agreement) as a Lender; and
 - (b) party to the Intercreditor Agreement as a Facilities Lender.

-
5. The Facility Office and address, fax number and attention details for notices of the New Lender for the purposes of Clause 35.2 (*Addresses*) of the Facilities Agreement are set out in the Schedule.
 6. The New Lender expressly acknowledges the limitations on the Existing Lender's obligations set out in paragraph (c) of Clause 27.4 (*Limitation of responsibility of Existing Lenders*) of the Facilities Agreement.
 7. The New Lender confirms, for the benefit of the Agent and without liability to any Obligor, that it is [a Qualifying Lender (other than a Treaty Lender)]/[a Treaty Lender]/[not a Qualifying Lender]*.
 8. We refer to clause 14.6 (*Creditor/Agent/Security Agent Accession Undertaking*) of the Intercreditor Agreement.
In consideration of the New Lender being accepted as a Refinancing Creditor for the purposes of the Intercreditor Agreement (and as defined in the Intercreditor Agreement), the New Lender confirms that, as from the Transfer Date, it intends to be party to the Intercreditor Agreement as a Refinancing Creditor, and undertakes to perform all the obligations expressed in the Intercreditor Agreement to be assumed by a Refinancing Creditor and agrees that it shall be bound by all the provisions of the Intercreditor Agreement, as if it had been an original party to the Intercreditor Agreement.
 9. This Agreement acts as notice to the Agent (on behalf of each Finance Party) and, upon delivery in accordance with Clause 27.7 (*Copy of Transfer Certificate, Assignment Agreement or Accordion Confirmation to Borrower*), to the Borrower (on behalf of each Obligor) of the assignment referred to in this Agreement.
 10. This Agreement may be executed in any number of counterparts and this has the same effect as if the signatures on the counterparts were on a single copy of this Agreement.
 11. This Agreement and any non-contractual obligations arising out of or in connection with it are governed by English law.

This Agreement has been entered into on the date stated at the beginning of this Agreement.

Notes: The execution of this Assignment Agreement may not transfer a proportionate share of the Existing Lender's interest in the Transaction Security in all jurisdictions. It is the responsibility of the New Lender to ascertain whether any other documents or other formalities are required to perfect a transfer of such a share in the Existing Lender's Transaction Security in any jurisdiction and, if so, to arrange for execution of those documents and completion of those formalities.

THE SCHEDULE

**Commitment/rights and obligations to be transferred by assignment,
release and accession**

[insert relevant details]

*[Facility office address, fax number and attention details for notices
and account details for payments]*

[Existing Lender]

[New Lender]

By:

By:

This Agreement is accepted as an Assignment Agreement for the purposes of the Facilities Agreement by the Agent, and as a Creditor/Agent/Security Agent Accession Undertaking for the purposes of the Intercreditor Agreement by the Security Agent, and the Transfer Date is confirmed as [].

Signature of this Agreement by the Agent constitutes confirmation by the Agent of receipt of notice of the assignment referred to in this Agreement, which notice the Agent receives on behalf of each Finance Party.

[Agent]

By:

[Security Agent]

By:

NOTES:

* Delete as applicable - each New Lender is required to confirm which of these three categories it falls within

**SCHEDULE 7
FORM OF ACCESSION LETTER**

To: [✗] as Agent and [✗] as Security Agent for itself and each of the other parties to the Intercreditor Agreement referred to below

From: [Subsidiary] and [Borrower]

Dated:

Dear Sirs

**CEMEX, S.A.B. de C.V. – Facilities Agreement
dated [✗] September 2014 (the “Facilities Agreement”)**

1. We refer to the Facilities Agreement and to the Intercreditor Agreement. This deed (the “**Accession Letter**”) shall take effect as an Accession Letter for the purposes of the Facilities Agreement and as a Debtor/Security Provider Accession Deed for the purposes of the Intercreditor Agreement (and as defined in the Intercreditor Agreement). Terms defined in the Facilities Agreement have the same meaning in paragraphs 1 to 3 of this Accession Letter unless given a different meaning in this Accession Letter.
2. [Subsidiary] agrees to become an Additional [Guarantor]/[Security Provider] and to be bound by the terms of the Facilities Agreement and the other Finance Documents (other than the Intercreditor Agreement) as an Additional [Guarantor]/[Security Provider] pursuant to Clause 29.2 (*Additional Guarantors and Additional Security Providers*) of the Facilities Agreement. [Subsidiary] is a company duly incorporated under the laws of [name of relevant jurisdiction] and is a limited liability company and registered number [✗].
3. [Subsidiary’s] administrative details for the purposes of the Facilities Agreement and the Intercreditor Agreement are as follows:
Address:
Fax No.:
Attention:
4. [Subsidiary] (for the purposes of this paragraph 4, the “**Acceding Debtor**”) intends to [incur Liabilities under the following documents]/[give a guarantee, indemnity or other assurance against loss in respect of Liabilities under the following documents]:
[Insert details (date, parties and description) of relevant documents]
the “**Relevant Documents**”.

IT IS AGREED as follows:

- (a) Terms defined in the Intercreditor Agreement shall, unless otherwise defined in this Accession Letter, bear the same meaning when used in this paragraph 4.
- (b) The Acceding Debtor and the Security Agent agree that the Security Agent shall hold:
 - (i) [any Security in respect of Liabilities created or expressed to be created pursuant to the Relevant Documents;
 - (ii) all proceeds of that Security; and]
 - (iii) all obligations expressed to be undertaken by the Acceding Debtor to pay amounts in respect of the Liabilities to the Security Agent as trustee for the Secured Parties (in the Relevant Documents or otherwise) and secured by the Transaction Security together with all representations and warranties expressed to be given by the Acceding Debtor (in the Relevant Documents or otherwise) in favour of the Security Agent as trustee for the Secured Parties,

on trust, or as otherwise provided in the Finance Documents, for the Secured Parties on the terms and conditions contained in the Intercreditor Agreement.
- (c) The Acceding Debtor confirms that it intends to be party to the Intercreditor Agreement as a Debtor, undertakes to perform all the obligations expressed to be assumed by a Debtor under the Intercreditor Agreement and agrees that it shall be bound by all the provisions of the Intercreditor Agreement as if it had been an original party to the Intercreditor Agreement.

[4]/[5] This Accession Letter and any non-contractual obligations arising out of or in connection with it is governed by English law.

THIS ACCESSION LETTER has been signed on behalf of the Security Agent (for the purposes of paragraph 4 above only), signed on behalf of the Borrower and executed as a deed by [*Subsidiary*] and is delivered on the date stated above.

[Subsidiary]

[EXECUTED AS A DEED
By: [*Subsidiary*]

])

Director

Director/Secretary

OR

[EXECUTED AS A DEED

By: [*Subsidiary*]

in the presence of

Signature of Director

Name of Director

Signature of witness

Name of witness

Address of witness

Occupation of witness]

The Borrower

[*Borrower*]

By:

The Security Agent

[*Full Name of Current Security Agent*]

By:

Date:

NOTES:

**SCHEDULE 8
FORM OF RESIGNATION LETTER**

To: [✗] as Agent

From: [resigning Obligor] and CEMEX, S.A.B. de C.V.

Dated:

Dear Sirs

**CEMEX, S.A.B. de C.V.– Facilities Agreement
dated [✗] September 2014 (the “Facilities Agreement”)**

1. We refer to the Facilities Agreement. This is a Resignation Letter. Terms defined in the Facilities Agreement have the same meaning in this Resignation Letter unless given a different meaning in this Resignation Letter.
2. Pursuant to [Clause 29.3 (*Resignation of a Guarantor*)] [Clause 29.4 (*Resignation of a Security Provider*)], we request that [resigning Obligor] be released from its obligations as a [Guarantor]/[Security Provider] under the Facilities Agreement and the Finance Documents (other than the Intercreditor Agreement).
3. We confirm that:
 - (a) no Default is continuing or would result from the acceptance of this request; and
 - (b) [this request is given in relation to a Third Party Disposal of [resigning Obligor];]*
 - (c) [the Disposal Proceeds have been or will be applied in accordance with Clause 8 (*Mandatory Prepayment*);]*
 - (d) [no payment is due from [resigning Obligor] under Clause 19 (*Guarantee and Indemnity*);]*
 - (e) [the Transaction Security granted by [resigning Obligor] has not become enforceable in accordance with its terms.]*
4. This Resignation Letter and any non-contractual obligations arising out of or in connection with it are governed by English law.

5. The Borrower agrees to indemnify the Finance Parties and Secured Parties for any costs, expenses, or liabilities which would have been payable by [resigning Obligor] in connection with the Finance Documents but for the release set out in paragraph 2 above.

CEMEX, S.A.B. de C.V.

[resigning Obligor]

By:

By:

NOTES:

* Include / delete as applicable.

**SCHEDULE 9
FORM OF COMPLIANCE CERTIFICATE**

To: [X] as Agent
From: CEMEX, S.A.B. de C.V.

Dated:

Dear Sirs

**CEMEX, S.A.B. de C.V.– Facilities Agreement
dated [X] September 2014 (the “Facilities Agreement”)**

1. We refer to the Facilities Agreement. This is a Compliance Certificate. Terms defined in the Facilities Agreement have the same meaning when used in this Compliance Certificate unless given a different meaning in this Compliance Certificate.
2. We confirm that:
 - (a) For the Reference Period ending [X], EBITDA was \$[X] and Consolidated Interest Expense was \$[X]. Therefore the Consolidated Coverage Ratio for such Reference Period was [X]:1 which [is/is not] in compliance with paragraph (a) of Clause 22.2 (*Financial condition*) of the Facilities Agreement.
 - (b) Consolidated Funded Debt as at the last day of the Reference Period ending [X] was \$[X] and EBITDA for the Reference Period ending [X] was \$[X]. Therefore the Consolidated Leverage Ratio for such Reference Period was [X]:1 which [is/is not] in compliance with paragraph (b) of Clause 22.2 (*Financial condition*) of the Facilities Agreement.
 - (c) Capital Expenditure of the Group for the Financial Year ending [X] was \$[X]. Therefore the requirements of paragraph (c) of Clause 22.2 (*Financial condition*) of the Facilities Agreement [have/have not] been complied with.
 - (d) Caliza Capital Expenditure for the Financial Year ending [X] was \$[X]. Therefore the requirements of paragraph (d) of Clause 22.2 (*Financial condition*) of the Facilities Agreement [have/have not] been complied with.

Signed _____

CEMEX, S.A.B. de C.V.

**SCHEDULE 10
EXISTING FINANCIAL INDEBTEDNESS**

(Figures as at 19 September 2014)

<u>Obligation</u>	<u>Type</u>	<u>Outstanding Principal Amounts</u>	<u>Obligor</u>	<u>Guarantor(s)</u>	<u>Bank Party</u>	<u>Security</u>	<u>Maturity</u>
Part I.A - 2012 Facilities Agreement							
2012 Facilities Agreement dated 17 September 2012 (as amended)	Syndicated loan and private placement notes	\$2,810,480,407	Cemex, S.A.B. de C.V., Cemex España S.A., New Sunward Holding B.V., Cemex Materials LLC and CEMEX Finance LLC	Cemex, S.A.B. de C.V., Cemex España S.A., Cemex México, S.A. de C.V., Empresas Tolteca de México, S.A. de C.V., Cemex Concretos, S.A. de C.V., New Sunward Holding B.V., CEMEX Finance LLC and Cemex Corp., Cemex Inc., Cemex Research Group AG, Cemex Shipping B.V., Cemex Asia B.V., Cemex France Gestion (S.A.S.), Cemex UK, Cemex Egyptian Investments B.V., and Cemex Egyptian Investments II B.V.		Sharing in Transaction Security	February 14, 2017
2012 Facilities Agreement dated 17 September 2012 (as amended)	Syndicated loan and private placement notes	€ 677,585,844	Cemex, S.A.B. de C.V., Cemex España S.A., New Sunward Holding B.V., Cemex Materials LLC and CEMEX Finance LLC	Cemex, S.A.B. de C.V., Cemex España S.A., Cemex México, S.A. de C.V., Empresas Tolteca de México, S.A. de C.V., Cemex Concretos, S.A. de C.V., New Sunward Holding B.V., CEMEX Finance LLC and Cemex Corp., Cemex Inc., Cemex Research Group AG, Cemex Shipping B.V., Cemex Asia B.V., Cemex France Gestion (S.A.S.), Cemex UK Cemex Egyptian Investments B.V., and Cemex Egyptian Investments II B.V.		Sharing in Transaction Security	February 14, 2017
2012 Facilities Agreement dated 17 September 2012 (as amended)	Syndicated loan and private placement notes	MXN 1,670,349,422	Cemex, S.A.B. de C.V., Cemex España S.A., New Sunward Holding B.V., Cemex Materials LLC and CEMEX Finance LLC	Cemex, S.A.B. de C.V., Cemex España S.A., Cemex México, S.A. de C.V., Empresas Tolteca de México, S.A. de C.V., Cemex Concretos, S.A. de C.V., New Sunward Holding B.V., CEMEX Finance LLC and Cemex Corp., Cemex Inc., Cemex Research Group AG, Cemex Shipping B.V., Cemex Asia B.V., Cemex France Gestion (S.A.S.), Cemex UK Cemex Egyptian Investments B.V., and Cemex Egyptian Investments II B.V.		Sharing in Transaction Security	February 14, 2017

<u>Obligation</u>	<u>Type</u>	<u>Outstanding Principal Amounts</u>	<u>Obligor</u>	<u>Guarantor(s)</u>	<u>Bank Party</u>	<u>Security</u>	<u>Maturity</u>
Part II - Public Debt Instruments							
Part II.A							
US\$149,897,000 Rinker 2025 Indenture, dated 1 April 2003 (as supplemented)	Public Debt Instruments	\$149,897,000	CEMEX Materials LLC	CEMEX Corp.		None	July 21, 2025
NSHFV \$900m Note Indenture dated 18 December 2006 (as supplemented) (C10)	Public Debt Instruments	\$289,134,000	New Sunward Holding Financial Ventures B.V.	CEMEX, S.A.B. de C.V.; CEMEX México, S.A. de C.V.; New Sunward Holding B.V.		Sharing in Transaction Security	Perpetual - Callable on 31 December 2016, and at each interest payment date thereafter
NSHFV €730m Note Indenture dated 9 May 2007 (as supplemented) (C10-EUR)	Public Debt Instruments	€ 69,828,000	New Sunward Holding Financial Ventures B.V.	CEMEX, S.A.B. de C.V.; CEMEX México, S.A. de C.V.; New Sunward Holding B.V.		Sharing in Transaction Security	Perpetual - Callable on 30 June 2017, and at each interest payment date thereafter
NSHFV US\$350m Note Indenture dated 18 December 2006 (as supplemented) (C5)	Public Debt Instruments	\$104,152,000	New Sunward Holding Financial Ventures B.V.	CEMEX, S.A.B. de C.V.; CEMEX México, S.A. de C.V.; New Sunward Holding B.V.		Sharing in Transaction Security	Perpetual - Callable on 31 December 2011, and at each interest payment date thereafter
NSHFV US\$750m Note Indenture dated 12 February 2007 (as supplemented) (C8)	Public Debt Instruments	\$220,985,000	New Sunward Holding Financial Ventures B.V.	CEMEX, S.A.B. de C.V.; CEMEX México, S.A. de C.V.; New Sunward Holding B.V.		Sharing in Transaction Security	Perpetual - Callable on 31 December 2014, and at each interest payment date thereafter
Obligaciones Forzosamente Convertibles en Acciones CEMEX 09 MXN 4,126,538,400	Public Debt Instruments	MXN 4,126,538,400	CEMEX, S.A.B. de C.V.	CEMEX México, S.A. de C.V.; Empresas Tolteca de México, S.A. de C.V. – (the guarantee limited to the payments of coupons)		None	November 28, 2019
US\$715,000,000 4.875% Convertible Subordinated Notes due 2015; dated 30 March 2010	Public Debt Instruments	203,972,000	CEMEX, S.A.B. de C.V.			None	March 15, 2015
US\$977,500,000 3.25% Convertible Subordinated Notes due 2016; dated 15 March 2011	Public Debt Instrument	\$977,500,000	CEMEX, S.A.B. de C.V.			None	March 15, 2016
US\$690,000,000 3.75% Convertible Subordinated Notes due 2018; dated 15 March 2011	Public Debt Instrument	\$690,000,000	CEMEX, S.A.B. de C.V.			None	March 15, 2018

<u>Obligation</u>	<u>Type</u>	<u>Outstanding Principal Amounts</u>	<u>Obligor</u>	<u>Guarantor(s)</u>	<u>Bank Party</u>	<u>Security</u>	<u>Maturity</u>
US\$1,192,996,000 9.25% Senior Secured Notes due 12 May 2020; Callable Commencing on the 5th Anniversary; dated 12 May 2010	Public Debt Instruments	\$230,697,000	CEMEX España, S.A., acting through its Luxembourg Branch	CEMEX S.A.B. de C.V., CEMEX Finance LLC, CEMEX México S.A. de C.V., CEMEX España S.A., New Sunward Holdings B.V., CEMEX Asia B.V., CEMEX Concretos S.A. de C.V., CEMEX Corp., CEMEX Egyptian Investments B.V., CEMEX France Gestion (S.A.S.), Cemex Research Group AG, Cemex Shipping B.V., CEMEX UK, Empresas Tolteca de México S.A. de C.V., Cemex Egyptian Investments B.V. and Cemex Egyptian Investments II B.V.		Sharing in Transaction Security	May 12, 2020
US\$1,650,000,000 9.00% Senior Secured Notes due 2018; Callable Commencing on the 4th Anniversary; dated 11 Jan 2011	Public Debt Instruments	\$574,633,000	CEMEX, S.A.B. de C.V.	CEMEX México S.A. de C.V., CEMEX España S.A., New Sunward Holdings B.V., CEMEX Asia B.V., CEMEX Concretos S.A. de C.V., CEMEX Corp., CEMEX Egyptian Investments B.V., CEMEX France Gestion (S.A.S.), Cemex Research Group AG, Cemex Shipping B.V., CEMEX UK, Empresas Tolteca de México S.A. de C.V., Cemex Egyptian Investments B.V. and Cemex Egyptian Investments II B.V.		Sharing in Transaction Security	January 11, 2018
US\$800,000,000 Floating Rate Senior Secured Notes due 2015; dated 5 April 2011	Public Debt Instrument	\$794,500,000	CEMEX, S.A.B. de C.V.	CEMEX México S.A. de C.V., CEMEX España S.A., New Sunward Holdings B.V., CEMEX Asia B.V., CEMEX Concretos S.A. de C.V., CEMEX Corp., CEMEX Egyptian Investments B.V., CEMEX France Gestion (S.A.S.), Cemex Research Group AG, Cemex Shipping B.V., CEMEX UK, Empresas Tolteca de México S.A. de C.V., Cemex Egyptian Investments B.V. and Cemex Egyptian Investments II B.V.		Sharing in Transaction Security	September 30, 2015
US\$703,861,000 9.875% Senior Secured Notes due 30 April 2019; dated 28 March 2012	Public Debt Instrument	\$703,861,000	CEMEX España, S.A., acting through its Luxembourg Branch	CEMEX S.A.B. de C.V., CEMEX México S.A. de C.V., CEMEX España S.A., New Sunward Holdings B.V., CEMEX Asia B.V., CEMEX Concretos S.A. de C.V., CEMEX Corp., CEMEX Egyptian Investments B.V., CEMEX France Gestion (S.A.S.), Cemex Research Group AG, Cemex Shipping B.V., CEMEX UK, Empresas Tolteca de México S.A. de C.V., Cemex Egyptian Investments B.V. and Cemex Egyptian Investments II B.V.		Sharing in Transaction Security	April 30, 2019

<u>Obligation</u>	<u>Type</u>	<u>Outstanding Principal Amounts</u>	<u>Obligor</u>	<u>Guarantor(s)</u>	<u>Bank Party</u>	<u>Security</u>	<u>Maturity</u>
€179,219,000 9.875% Senior Secured Notes due 30 April 2019; dated 28 March 2012	Public Debt Instrument	€ 179,219,000	CEMEX España, S.A., acting through its Luxembourg Branch	CEMEX S.A.B. de C.V., CEMEX México S.A. de C.V., CEMEX España S.A., New Sunward Holdings B.V., CEMEX Asia B.V., CEMEX Concretos S.A. de C.V., CEMEX Corp., CEMEX Egyptian Investments B.V., CEMEX France Gestion (S.A.S.), Cemex Research Group AG, Cemex Shipping B.V., CEMEX UK, Empresas Tolteca de México S.A. de C.V., Cemex Egyptian Investments B.V. and Cemex Egyptian Investments II B.V.		Sharing in Transaction Security	April 30, 2019
US\$500,000,000 9.50%, Senior Secured Notes due 2018; dated Sept 17, 2012	Public Debt Instrument	\$500,000,000	CEMEX, S.A.B. de C.V.	CEMEX México S.A. de C.V., CEMEX España S.A., New Sunward Holdings B.V., CEMEX Asia B.V., CEMEX Concretos S.A. de C.V., CEMEX Corp., CEMEX Egyptian Investments B.V., CEMEX France Gestion (S.A.S.), Cemex Research Group AG, Cemex Shipping B.V., CEMEX UK, Empresas Tolteca de México S.A. de C.V., Cemex Egyptian Investments B.V. and Cemex Egyptian Investments II B.V.		Sharing in Transaction Security	June 15, 2018
US\$1,500,000,000 9.375%, Senior Secured Notes due 2022; dated Oct 12, 2012	Public Debt Instrument	\$1,500,000,000	CEMEX Finance LLC	CEMEX S.A.B. de C.V., CEMEX Finance LLC, CEMEX México S.A. de C.V., CEMEX España S.A., New Sunward Holdings B.V., CEMEX Asia B.V., CEMEX Concretos S.A. de C.V., CEMEX Corp., CEMEX Egyptian Investments B.V., CEMEX France Gestion (S.A.S.), Cemex Research Group AG, Cemex Shipping B.V., CEMEX UK, Empresas Tolteca de México S.A. de C.V., Cemex Egyptian Investments B.V. and Cemex Egyptian Investments II B.V.		Sharing in Transaction Security	October 12, 2022
US\$600,000,000 5.875%, Senior Secured Notes due 2019; dated Mar 25, 2013	Public Debt Instrument	\$600,000,000	CEMEX, S.A.B. de C.V.	CEMEX México S.A. de C.V., CEMEX España S.A., New Sunward Holdings B.V., CEMEX Asia B.V., CEMEX Concretos S.A. de C.V., CEMEX Corp., CEMEX Egyptian Investments B.V., CEMEX France Gestion (S.A.S.), Cemex Research Group AG, Cemex Shipping B.V., CEMEX UK, Empresas Tolteca de México S.A. de C.V., Cemex Egyptian Investments B.V. and Cemex Egyptian Investments II B.V.		Sharing in Transaction Security	March 25, 2019

<u>Obligation</u>	<u>Type</u>	<u>Outstanding Principal Amounts</u>	<u>Obligor</u>	<u>Guarantor(s)</u>	<u>Bank Party</u>	<u>Security</u>	<u>Maturity</u>
US\$1,000,000,000 6.50%, Senior Secured Notes due 2019; dated Aug 12, 2013	Public Debt Instrument	\$1,000,000,000	CEMEX, S.A.B. de C.V.	CEMEX México S.A. de C.V., CEMEX España S.A., New Sunward Holdings B.V., CEMEX Asia B.V., CEMEX Concretos S.A. de C.V., CEMEX Corp., CEMEX Egyptian Investments B.V., CEMEX France Gestion (S.A.S.), Cemex Research Group AG, Cemex Shipping B.V., CEMEX UK, Empresas Tolteca de México S.A. de C.V., Cemex Egyptian Investments B.V. and Cemex Egyptian Investments II B.V.		Sharing in Transaction Security	December 10, 2019
US\$1,000,000,000 7.25%, Senior Secured Notes due 2021; dated Oct 02, 2013	Public Debt Instrument	\$1,000,000,000	CEMEX, S.A.B. de C.V.	CEMEX México S.A. de C.V., CEMEX España S.A., New Sunward Holdings B.V., CEMEX Asia B.V., CEMEX Concretos S.A. de C.V., CEMEX Corp., CEMEX Egyptian Investments B.V., CEMEX France Gestion (S.A.S.), Cemex Research Group AG, Cemex Shipping B.V., CEMEX UK, Empresas Tolteca de México S.A. de C.V., Cemex Egyptian Investments B.V. and Cemex Egyptian Investments II B.V.		Sharing in Transaction Security	January 15, 2021
US\$500,000,000 Floating Rate Senior Secured Notes due 2018; dated Oct 02, 2013	Public Debt Instrument	\$500,000,000	CEMEX, S.A.B. de C.V.	CEMEX México S.A. de C.V., CEMEX España S.A., New Sunward Holdings B.V., CEMEX Asia B.V., CEMEX Concretos S.A. de C.V., CEMEX Corp., CEMEX Egyptian Investments B.V., CEMEX France Gestion (S.A.S.), Cemex Research Group AG, Cemex Shipping B.V., CEMEX UK, Empresas Tolteca de México S.A. de C.V., Cemex Egyptian Investments B.V. and Cemex Egyptian Investments II B.V.		Sharing in Transaction Security	October 15, 2018
US\$1,000,000,000 6.0%, Senior Secured Notes due 2024; dated Apr 01, 2014	Public Debt Instrument	\$1,000,000,000	CEMEX Finance LLC	CEMEX S.A.B. de C.V., CEMEX Finance LLC, CEMEX México S.A. de C.V., CEMEX España S.A., New Sunward Holdings B.V., CEMEX Asia B.V., CEMEX Concretos S.A. de C.V., CEMEX Corp., CEMEX Egyptian Investments B.V., CEMEX France Gestion (S.A.S.), Cemex Research Group AG, Cemex Shipping B.V., CEMEX UK, Empresas Tolteca de México S.A. de C.V., Cemex Egyptian Investments B.V. and Cemex Egyptian Investments II B.V.		Sharing in Transaction Security	April 1, 2024

<u>Obligation</u>	<u>Type</u>	<u>Outstanding Principal Amounts</u>	<u>Obligor</u>	<u>Guarantor(s)</u>	<u>Bank Party</u>	<u>Security</u>	<u>Maturity</u>
€ 400,000,000 5.25%, Senior Secured Notes due 2021; dated Apr 01, 2014	Public Debt Instrument	€ 400,000,000	CEMEX Finance LLC	CEMEX S.A.B. de C.V., CEMEX Finance LLC, CEMEX México S.A. de C.V., CEMEX España S.A., New Sunward Holdings B.V., CEMEX Asia B.V., CEMEX Concretos S.A. de C.V., CEMEX Corp., CEMEX Egyptian Investments B.V., CEMEX France Gestion (S.A.S.), Cemex Research Group AG, Cemex Shipping B.V., CEMEX UK, Empresas Tolteca de México S.A. de C.V., Cemex Egyptian Investments B.V. and Cemex Egyptian Investments II B.V.		Sharing in Transaction Security	April 1, 2021
€400,000,000 4.750% Senior Secured Notes due 11 January 2022; dated 11 September 2014	Public Debt Instrument	€ 400,000,000	CEMEX, S.A.B. de C.V.	CEMEX México S.A. de C.V., CEMEX España S.A., New Sunward Holdings B.V., CEMEX Asia B.V., CEMEX Concretos S.A. de C.V., CEMEX Corp., CEMEX Egyptian Investments B.V., CEMEX France Gestion (S.A.S.), Cemex Research Group AG, Cemex Shipping B.V., CEMEX UK, Empresas Tolteca de México S.A. de C.V., Cemex Egyptian Investments B.V. and Cemex Egyptian Investments II B.V.		Sharing in Transaction Security	January 11, 2022
US\$1,100,000,000 5.700% Senior Secured Notes due 11 January 2025; dated 11 September 2014	Public Debt Instrument	US\$1,100,000,000	CEMEX, S.A.B. de C.V.	CEMEX México S.A. de C.V., CEMEX España S.A., New Sunward Holdings B.V., CEMEX Asia B.V., CEMEX Concretos S.A. de C.V., CEMEX Corp., CEMEX Egyptian Investments B.V., CEMEX France Gestion (S.A.S.), Cemex Research Group AG, Cemex Shipping B.V., CEMEX UK, Empresas Tolteca de México S.A. de C.V., Cemex Egyptian Investments B.V. and Cemex Egyptian Investments II B.V.		Sharing in Transaction Security	January 11, 2025

Part II.B – Mexican Public Debt Instruments

Programa Dual Revolvente de Certificados Bursátiles dated 30 May 2011 for up to Mex\$ 10,000,000,000 for short and long term issuances (and with a sublimit of Mex\$ 2,500,000,000 in respect of short term issuances)

Certificado Bursátil UDI 116.5308MM CEMEX 07-2U, dated 30 November 2007	Mexican Public Debt Instrument	UDI 116,530,800	CEMEX, S.A.B. de C.V.	CEMEX México, S.A. de C.V.; Empresas Tolteca de México, S.A. de C.V.		Sharing in Transaction Security	November 17, 2017
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<u>Obligation</u>	<u>Type</u>	<u>Outstanding Principal Amounts</u>	<u>Obligor</u>	<u>Guarantor(s)</u>	<u>Bank Party</u>	<u>Security</u>	<u>Maturity</u>
Part II.C – Bilateral Bank Facilities							
US\$250,000,000 Crédito Simple Bancomext, dated 14 October 2008 (as amended)	Bilateral Bank Facility	\$83,498,825	CEMEX, S.A.B. de C.V.	CEMEX México, S.A. de C.V.	Banco Nacional de Comercio Exterior, S.N.C.	Mortgage of cement plant in Ensenada, Baja California, México	February 14, 2017

**SCHEDULE 11
EXISTING SECURITY AND QUASI-SECURITY**

(Figures in Millions \$ as at 19 September 2014)

<u>CEMEX Subsidiary</u>	<u>Counterparty</u>	<u>Lien Concept</u>	<u>Maturity Date</u>	<u>Secured Amount</u>	<u>Agreement Type</u>
CEMEX Austria AG	Raiffeisenbank Bruck an der Mur eg. Gen.& various other	Plant Equipment Lien	1-Sep-17	1.13	Leasing agreement on movables entered by and between Raiffeisen-Leasing Mobilien und KFZ GmbH and Trans-Beton Ges.m.b.H. dated March 31, 2004.
CEMEX Beton d.o.o.	M-P-B d.o.o.	Cash Collateral	1-Jul-16	0.85	Cash deposit for concrete plants
CEMEX Granulats	Caisse d'épargne	Cash Collateral	Revolving	0.53	Guarantee for Drome Ardeche Granulats
CEMEX Deutschland AG	Private Investor Günter Wunder	Servitude	31-Dec-17	7.51	Plant Investment + Operating Lease - Project Kieswerk Löwen GmbH
CEMEX Deutschland AG	HypoVereinsban (Unicredit)	Cash Collateral	Revolving	4.31	Bank Guarantees (several local governments: gravel and sand mining supply)
CEMEX Deutschland AG	HypoVereinsban (Unicredit)	Cash Collateral	Revolving	3.2	Daily Cash Operations (Direct Debit collections, unpaid return risk)
CEMEX Deutschland AG	Commerzbank	Cash Collateral	Revolving	9.4	Bank Guarantees (several local governments: gravel and sand mining supply)
CEMEX Deutschland AG	Bayem LB	Cash Collateral	Revolving	0.26	Bank Guarantees (several local governments: gravel and sand mining supply)
CEMEX Deutschland AG	Bayem LB	Cash Collateral	Revolving	0.33	Bank Guarantees (several local governments: gravel and sand mining supply)
CEMEX Deutschland AG	Bayem LB	Cash Collateral	Revolving	0.39	Bank Guarantees (several local governments: gravel and sand mining supply)
CEMEX Deutschland AG	Bayem LB	Cash Collateral	Revolving	1.08	Bank Guarantees (several local governments: gravel and sand mining supply)
CEMEX Deutschland AG	Bayem LB	Cash Collateral	Revolving	0.43	Bank Guarantees (several local governments: gravel and sand mining supply)
CEMEX Deutschland AG	Bayem LB	Cash Collateral	Revolving	0.26	Bank Guarantees (several local governments: gravel and sand mining supply)

<u>CEMEX Subsidiary</u>	<u>Counterparty</u>	<u>Lien Concept</u>	<u>Maturity Date</u>	<u>Secured Amount</u>	<u>Agreement Type</u>
CEMEX Deutschland AG	Bayern LB	Cash Collateral	Revolving	0.21	Bank Guarantees (several local governments: gravel and sand mining supply)
CEMEX Deutschland AG	Bayern LB	Cash Collateral	Revolving	0.21	Bank Guarantees (several local governments: gravel and sand mining supply)
CEMEX Deutschland AG	Bayern LB	Cash Collateral	Revolving	0.67	Bank Guarantees (several local governments: gravel and sand mining supply)
CEMEX Deutschland AG	Bayern LB	Cash Collateral	Revolving	1.05	Bank Guarantees (several local governments: gravel and sand mining supply)
CEMEX Deutschland AG	Bayern LB	Cash Collateral	Revolving	0.64	Bank Guarantees (several local governments: gravel and sand mining supply)
CEMEX Deutschland AG	Bayern LB	Cash Collateral	Revolving	0.07	Bank Guarantees (several local governments: gravel and sand mining supply)
Cemex Hungary Kft	Raiffeisen Bank	Cash Collateral	31-Dec-14	0.24	Quarry recovery
RMC Concrete	Tenaga Nasional Berhad	Cash Collateral	Revolving	0.01	Guarantee for payment of bills for supplying electricity to plant
RMC Concrete	Tenaga Nasional Berhad	Cash Collateral	Revolving	0.01	Guarantee for payment of bills for supplying electricity to plant
RMC Aggregates	Tenaga Nasional Berhad	Cash Collateral	Revolving	0.05	Guarantee for payment of bills for supplying electricity to plant
RMC Concrete	Tenaga Nasional Berhad	Cash Collateral	Revolving	0.01	Guarantee for payment of bills for supplying electricity to plant
Cemex España	Autoridad Portuaria Alicante	Cash Collateral	Revolving	0.24	Port authority guarantee
Cemex España	Autoridad Portuaria Baleares	Cash Collateral	Revolving	0.004	Port authority guarantee
Cemex Thailand	Provincial Electricity Authority	Cash Collateral	Revolving	0.32	For use of electricity
CEMEX Topmix LLC	EPPCO	Cash Collateral	Revolving	0.03	Supply of Petroleum Products
CEMEX Supermix LLC	Ministry of Labour	Cash Collateral	Open Ended	0.05	Labor GTEE - required by governmental authority

<u>CEMEX Subsidiary</u>	<u>Counterparty</u>	<u>Lien Concept</u>	<u>Maturity Date</u>	<u>Secured Amount</u>	<u>Agreement Type</u>
CEMEX Topmix LLC	Ministry of Labour	Cash Collateral	Open Ended	0.32	Labor GTEE - required by governmental authority
CEMEX Falcon LLC	Ministry of Labour	Cash Collateral	Open Ended	0.1	Labor GTEE - required by governmental authority
CEMEX UK Operations Limited	Lloyds TSB Asset Finance	Cash Collateral	1-Sep-21	0.07	Cash collateral required for extraction of mineral reserves. Supplemented by a performance bond.
Solid Cement Corporation	Masinloc Power Partners Co. ltd	Cash Collateral	6-Oct-16	0.44	Refundable Security Deposit
Solid Cement Corporation	Masinloc Power Partners Co. ltd	Cash Collateral	Open Ended	0.2	Additional deposit
Solid Cement Corporation	Paramount Ins	Cash Collateral	Open Ended	0.02	Judicial (labor case)
Solid Cement Corporation	Intra Strata Insurance Co.	Cash Collateral	Open Ended	1.67	IQAC Tax Cases
Cemex Bangladesh	Titas Gas	Cash Collateral	15-Jul-18	0.08	Cash Backed BG for Nat Gas
Cemex Ireland	Arbitrator	Cash Collateral	31-Oct-14	1.98	Lodged Funds in Arbitration
Cemex Panamá	Citibank	Cash Collateral	7-Jun-15	2.25	Standby Letter of Credit (Supplier Agreement)
CEMEX Colombia	Liberty	Cash Collateral	Open Ended	2.61	Insurance claim
Cemex Construction Materials Florida	Lake Louisa, LLC	Land Lien	1-Apr-22	5	Land lease
CEMEX INC & SUBS.	CAT Financial	Cash Collateral	15-Jul-17	0.64	Operating lease cash deposit
CEMEX, S.A.B. de C.V., guarantee by CEMEX México, S.A. de C.V.	Banco Nacional de Comercio Exterior, S.N.C:	Mortgage of Cement Plant Ensenada, Baja California, México	14-Feb-17	83.5	Credit Agreement. [Lien permitted under clause 22.5 (J)]
Cemex Operaciones Mexico, S.A. de C.V.	Credit Suisse International	Cash Collateral	15-Oct-15	7.25	Permitted Lien [under Clause 22.5 (F)(1) in relation with Treasury Transactions / See Annex 1 Excluded Position item (a)]

**SCHEDULE 12
EXISTING GUARANTEES**

(Figures as at 19 September 2014)

<u>Obligation</u>	<u>Outstanding Principal Amounts</u>	<u>USD Amount</u>	<u>Obligor</u>	<u>Guarantor(s)</u>	<u>Maturity</u>	<u>Security</u>
2012 Facilities Agreement dated 17 September 2012 (as amended)	\$2,810,480,407	\$2,810,480,407	Cemex, S.A.B. de C.V., Cemex España S.A., New Sunward Holding B.V., Cemex Materials LLC and CEMEX Finance LLC	Cemex, S.A.B. de C.V., Cemex España S.A., Cemex México, S.A. de C.V., Empresas Tolteca de México, S.A. de C.V., Cemex Concretos, S.A. de C.V., New Sunward Holding B.V., CEMEX Finance LLC and Cemex Corp., Cemex Inc., Cemex Research Group AG, Cemex Shipping B.V., Cemex Asia B.V., Cemex France Gestion (S.A.S.), Cemex UK, Cemex Egyptian Investments B.V., and Cemex Egyptian Investments II B.V.	February 14, 2017	Sharing in Transaction Security
2012 Facilities Agreement dated 17 September 2012 (as amended)	€ 677,585,844	\$869,368,545	Cemex, S.A.B. de C.V., Cemex España S.A., New Sunward Holding B.V., Cemex Materials LLC and CEMEX Finance LLC	Cemex, S.A.B. de C.V., Cemex España S.A., Cemex México, S.A. de C.V., Empresas Tolteca de México, S.A. de C.V., Cemex Concretos, S.A. de C.V., New Sunward Holding B.V., CEMEX Finance LLC and Cemex Corp., Cemex Inc., Cemex Research Group AG, Cemex Shipping B.V., Cemex Asia B.V., Cemex France Gestion (S.A.S.), Cemex UK, Cemex Egyptian Investments B.V., and Cemex Egyptian Investments II B.V.	February 14, 2017	Sharing in Transaction Security
2012 Facilities Agreement dated 17 September 2012 (as amended)	MXN 1,670,349,422	\$126,445,831	Cemex, S.A.B. de C.V., Cemex España S.A., New Sunward Holding B.V., Cemex Materials LLC and CEMEX Finance LLC	Cemex, S.A.B. de C.V., Cemex España S.A., Cemex México, S.A. de C.V., Empresas Tolteca de México, S.A. de C.V., Cemex Concretos, S.A. de C.V., New Sunward Holding B.V., CEMEX Finance LLC and Cemex Corp., Cemex Inc., Cemex Research Group AG, Cemex Shipping B.V., Cemex Asia B.V., Cemex France Gestion (S.A.S.), Cemex UK, Cemex Egyptian Investments B.V., and Cemex Egyptian Investments II B.V.	February 14, 2017	Sharing in Transaction Security
US\$149,897,000 Rinker 2025 Indenture, dated 1 April 2003 (as supplemented)	\$149,897,000	\$149,897,000	CEMEX Materials LLC	CEMEX Corp.	July 21, 2025	None
NSHFV \$900m Note Indenture dated 18 December 2006 (as supplemented) (C10)	\$289,134,000	\$289,134,000	New Sunward Holding Financial Ventures B.V.	CEMEX, S.A.B. de C.V.; CEMEX México, S.A. de C.V.; New Sunward Holding B.V.	Perpetual – callable on December 31, 2016, and at each interest payment date thereafter	Sharing in Transaction Security

<u>Obligation</u>	<u>Outstanding Principal Amounts</u>	<u>USD Amount</u>	<u>Obligor</u>	<u>Guarantor(s)</u>	<u>Maturity</u>	<u>Security</u>
NSHFV €730m Note Indenture dated 9 May 2007 (as supplemented) (C10-EUR)	€ 69,828,000	\$89,591,994	New Sunward Holding Financial Ventures B.V.	CEMEX, S.A.B. de C.V.; CEMEX México, S.A. de C.V.; New Sunward Holding B.V.	Perpetual - callable on June 30, 2017, and at each interest payment date thereafter	Sharing in Transaction Security
NSHFV US\$350m Note Indenture dated 18 December 2006 (as supplemented) (C5)	\$104,152,000	\$104,152,000	New Sunward Holding Financial Ventures B.V.	CEMEX, S.A.B. de C.V.; CEMEX México, S.A. de C.V.; New Sunward Holding B.V.	Perpetual callable on December 31, 2011, and at each interest payment date thereafter	Sharing in Transaction Security
NSHFV US\$750m Note Indenture dated 12 February 2007 (as supplemented) (C8)	\$220,985,000	\$220,985,000	New Sunward Holding Financial Ventures B.V.	CEMEX, S.A.B. de C.V.; CEMEX México, S.A. de C.V.; New Sunward Holding B.V.	Perpetual - callable on December 31, 2014, and at each interest payment date thereafter	Sharing in Transaction Security
Obligaciones Forzosamente Convertibles en Acciones CEMEX 09 MXN 4,126,538,400	MXN 4,126,538,400	\$312,379,894	CEMEX, S.A.B. de C.V.	CEMEX México, S.A. de C.V.; Empresas Tolteca de México, S.A. de C.V.	November 28, 2019	None
US\$1,192,996,000 9.25% Senior Secured Notes due 12 May 2020; Callable Commencing on the 5th Anniversary; dated 12 May 2010	\$230,697,000	\$230,697,000	CEMEX España, S.A., acting through its Luxembourg Branch	Cemex, S.A.B. de C.V., Cemex México, S.A. de C.V., Empresas Tolteca de México, S.A. de C.V., Cemex Concretos, S.A. de C.V., New Sunward Holding B.V., CEMEX Finance LLC, Cemex Corp., Cemex Research Group AG, Cemex Shipping B.V., Cemex Asia B.V., Cemex France Gestion (S.A.S.), Cemex UK, Cemex Egyptian Investments B.V., Cemex Egyptian Investments II B.V.	May 12, 2020	Sharing in Transaction Security
US\$1,650,000,000 9.00% Senior Secured Notes due 2018; Callable Commencing on the 4th Anniversary; dated 11 Jan 2011	\$574,633,000	\$574,633,000	CEMEX, S.A.B. de C.V.	Cemex España S.A., Cemex México, S.A. de C.V., Empresas Tolteca de México, S.A. de C.V., Cemex Concretos, S.A. de C.V., New Sunward Holding B.V., CEMEX Finance LLC and Cemex Corp., Cemex Research Group AG, Cemex Shipping B.V., Cemex Asia B.V., Cemex France Gestion (S.A.S.), Cemex UK, Cemex Egyptian Investments B.V., Cemex Egyptian Investments II B.V.	January 11, 2018	Sharing in Transaction Security

<u>Obligation</u>	<u>Outstanding Principal Amounts</u>	<u>USD Amount</u>	<u>Obligor</u>	<u>Guarantor(s)</u>	<u>Maturity</u>	<u>Security</u>
US\$800,000,000 Floating Rate Senior Secured Notes due 2015; dated 5 April 2011	\$794,500,000	\$794,500,000	CEMEX, S.A.B. de C.V.	Cemex España S.A., Cemex México, S.A. de C.V., Empresas Tolteca de México, S.A. de C.V., Cemex Concretos, S.A. de C.V., New Sunward Holding B.V., CEMEX Finance LLC and Cemex Corp., Cemex Research Group AG, Cemex Shipping B.V., Cemex Asia B.V., Cemex France Gestion (S.A.S.), Cemex UK, Cemex Egyptian Investments B.V., Cemex Egyptian Investments II B.V.	September 30, 2015	Sharing in Transaction Security
US\$703,861,000 9.875% Senior Secured Notes due 30 April 2019; dated 28 March 2012	\$703,861,000	\$703,861,000	CEMEX España, S.A., acting through its Luxembourg Branch	Cemex, S.A.B. de C.V., Cemex México, S.A. de C.V., Empresas Tolteca de México, S.A. de C.V., Cemex Concretos, S.A. de C.V., New Sunward Holding B.V., CEMEX Finance LLC and Cemex Corp., Cemex Research Group AG, Cemex Shipping B.V., Cemex Asia B.V., Cemex France Gestion (S.A.S.), Cemex UK, Cemex Egyptian Investments B.V., Cemex Egyptian Investments II B.V.	April 30, 2019	Sharing in Transaction Security
€179,219,000 9.875% Senior Secured Notes due 30 April 2019; dated 28 March 2012	€ 179,219,000	\$229,944,829	CEMEX España, S.A., acting through its Luxembourg Branch	Cemex, S.A.B. de C.V., Cemex México, S.A. de C.V., Empresas Tolteca de México, S.A. de C.V., Cemex Concretos, S.A. de C.V., New Sunward Holding B.V., CEMEX Finance LLC and Cemex Corp., Cemex Research Group AG, Cemex Shipping B.V., Cemex Asia B.V., Cemex France Gestion (S.A.S.), Cemex UK, Cemex Egyptian Investments B.V., Cemex Egyptian Investments II B.V.	April 30, 2019	Sharing in Transaction Security
US\$500,000,000 9.50% Senior Secured Notes due 2018; Callable Commencing on the 4th Anniversary; dated 15 June 2016	\$500,000,000	\$500,000,000	CEMEX, S.A.B. de C.V.	Cemex S.A.B. de C.V., Cemex México, S.A. de C.V., Empresas Tolteca de México, S.A. de C.V., Cemex Concretos, S.A. de C.V., New Sunward Holding B.V., CEMEX Finance LLC and Cemex Corp., Cemex Research Group AG, Cemex Shipping B.V., Cemex Asia B.V., Cemex France Gestion (S.A.S.), Cemex UK, Cemex Egyptian Investments B.V., Cemex Egyptian Investments II B.V.	June 15, 2018	Sharing in Transaction Security

US\$1,500,000,000 9.375% Senior Secured Notes due 2022; Callable Commencing on the 4th Anniversary; dated 12 October 2017	\$1,500,000,000	\$1,500,000,000	CEMEX Finance LLC	Cemex México, S.A. de C.V., Empresas Tolteca de México, S.A. de C.V., Cemex Concretos, S.A. de C.V., New Sunward Holding B.V., Cemex Corp., Cemex Research Group AG, Cemex Shipping B.V., Cemex Asia B.V., Cemex France Gestion (S.A.S.), Cemex UK, Cemex Egyptian Investments B.V., Cemex Egyptian Investments II B.V.	October 12, 2022	Sharing in Transaction Security
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<u>Obligation</u>	<u>Outstanding Principal Amounts</u>	<u>USD Amount</u>	<u>Obligor</u>	<u>Guarantor(s)</u>	<u>Maturity</u>	<u>Security</u>
US\$600,000,000 5.875% Senior Secured Notes due 2019; Callable Commencing on the 3rd Anniversary; dated 25 March 2016	\$600,000,000	\$600,000,000	CEMEX, S.A.B. de C.V.	Cemex México, S.A. de C.V., Empresas Tolteca de México, S.A. de C.V., Cemex Concretos, S.A. de C.V., New Sunward Holding B.V., Cemex Corp., Cemex Finance LLC, Cemex Research Group AG, Cemex Shipping B.V., Cemex Asia B.V., Cemex France Gestion (S.A.S.), Cemex UK, Cemex Egyptian Investments B.V., Cemex Egyptian Investments II B.V.	March 25, 2019	Sharing in Transaction Security
US\$1,000,000,000 6.50% Senior Secured Notes due 2019; Callable Commencing on the 4th Anniversary; dated 10 December 2017	\$1,000,000,000	\$1,000,000,000	CEMEX, S.A.B. de C.V.	Cemex España S.A., Cemex México, S.A. de C.V., Empresas Tolteca de México, S.A. de C.V., Cemex Concretos, S.A. de C.V., New Sunward Holding B.V., CEMEX Finance LLC, Cemex Corp., Cemex Research Group AG, Cemex Shipping B.V., Cemex Asia B.V., Cemex France Gestion (S.A.S.), Cemex UK, Cemex Egyptian Investments B.V., Cemex Egyptian Investments II B.V.	December 10, 2019	Sharing in Transaction Security
US\$1,000,000,000 7.25% Senior Secured Notes due 2021; Callable Commencing on the 5th Anniversary; dated 15 January 2018	\$1,000,000,000	\$1,000,000,000	CEMEX, S.A.B. de C.V.	Cemex España S.A., Cemex México, S.A. de C.V., Empresas Tolteca de México, S.A. de C.V., Cemex Concretos, S.A. de C.V., New Sunward Holding B.V., CEMEX Finance LLC, Cemex Corp., Cemex Research Group AG, Cemex Shipping B.V., Cemex Asia B.V., Cemex France Gestion (S.A.S.), Cemex UK, Cemex Egyptian Investments B.V., Cemex Egyptian Investments II B.V.	January 15, 2021	Sharing in Transaction Security
US\$500,000,000 Floating Rate Senior Secured Notes due 2018	\$500,000,000	\$500,000,000	CEMEX, S.A.B. de C.V.	Cemex España S.A., Cemex México, S.A. de C.V., Empresas Tolteca de México, S.A. de C.V., Cemex Concretos, S.A. de C.V., New Sunward Holding B.V., CEMEX Finance LLC, Cemex Corp., Cemex Research Group AG, Cemex Shipping B.V., Cemex Asia B.V., Cemex France Gestion (S.A.S.), Cemex UK, Cemex Egyptian Investments B.V., Cemex Egyptian Investments II B.V.	October 15, 2018	Sharing in Transaction Security

US\$1,000,000,000 6.00% Senior Secured Notes due 2024; Callable Commencing on the 5th Anniversary; dated 1 April 2019	\$1,000,000,000	\$1,000,000,000	CEMEX Finance LLC	Cemex S.A.B de C.V., Cemex España S.A., Cemex México, S.A. de C.V., Empresas Tolteca de México, S.A. de C.V., Cemex Concretos, S.A. de C.V., New Sunward Holding B.V., Cemex Corp., Cemex Research Group AG, Cemex Shipping B.V., Cemex Asia B.V., Cemex France Gestion (S.A.S.), Cemex UK, Cemex Egyptian Investments B.V., Cemex Egyptian Investments II B.V.	April 1, 2024	Sharing in Transaction Security
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<u>Obligation</u>	<u>Outstanding Principal Amounts</u>	<u>USD Amount</u>	<u>Obligor</u>	<u>Guarantor(s)</u>	<u>Maturity</u>	<u>Security</u>
€400,000,000 5.25% Senior Secured Notes due 2021; Callable Commencing on the 3rd Anniversary; dated 1 April 2017	€ 400,000,000	\$513,215,294	CEMEX Finance LLC	Cemex S.A.B de C.V., Cemex España S.A., Cemex México, S.A. de C.V., Empresas Tolteca de México, S.A. de C.V., Cemex Concretos, S.A. de C.V., New Sunward Holding B.V., Cemex Corp., Cemex Research Group AG, Cemex Shipping B.V., Cemex Asia B.V., Cemex France Gestion (S.A.S.), Cemex UK, Cemex Egyptian Investments B.V., Cemex Egyptian Investments II B.V.	April 1, 2021	Sharing in Transaction Security
Certificado Bursátil UDI 116.5308MM CEMEX 07-2U, dated 30 November 2007	UDI 116,530,800	\$45,593,527	CEMEX, S.A.B. de C.V.	CEMEX México, S.A. de C.V.; Empresas Tolteca de México, S.A. de C.V.	November 17, 2017	Sharing in Transaction Security
US\$250,000,000 Crédito Simple Bancomext, dated 14 October 2008 (as amended)	\$83,498,825	\$83,498,825	CEMEX, S.A.B. de C.V.	CEMEX México, S.A. de C.V.	February 14, 2017	Mortgage of cement plant in Ensenada, Baja California
US\$50,000,000 Working Capital Facility, Bank of America N.A., dated 12 March 2014		\$0	CEMEX, S.A.B. de C.V.	CEMEX México, S.A. de C.V.	Revolving	None
US\$75,000,000 Working Capital Facility, HSBC México S.A., Institución de Banca Múltiple, Grupo Financiero HSBC dated 14 April 2014		\$0	CEMEX, S.A.B. de C.V.	CEMEX México, S.A. de C.V.	Revolving	None
US\$30,000,000, Working Capital Facility, Banco Nacional de México S.A. Integrante del Grupo Financiero Banamex, dated 4 March 2014		\$0	CEMEX, S.A.B. de C.V.	CEMEX México, S.A. de C.V., CEMEX Corp.	Revolving	None
US\$30,000,000, Working Capital Facility, Banco Santander México S.A. Institución de Banca Múltiple, Grupo Financiero Santander México, dated 10 June 2014		\$0	CEMEX, S.A.B. de C.V.	CEMEX México, S.A. de C.V.	Revolving	None
US\$20,000,000, Working Capital Facility Banco Santander México S.A. Institución de Banca Múltiple, Grupo Financiero Santander México, dated 10 April 2014		\$0	CEMEX, S.A.B. de C.V.	CEMEX México, S.A. de C.V.	Revolving	None

<u>Obligation</u>	<u>Outstanding Principal Amounts</u>	<u>USD Amount</u>	<u>Obligor</u>	<u>Guarantor(s)</u>	<u>Maturity</u>	<u>Security</u>
US\$50,000,000 Working Capital Facility, JPMorgan Chase Bank, National Association, dated 15 May 2014		\$0	CEMEX, S.A.B. de C.V.	CEMEX México, S.A. de C.V., CEMEX Corp.	Revolving	None
US\$50,000,000 Working Capital Facility, Credit Agricole Corporate and Investment Bank, dated 16 April 2014		\$0	CEMEX, S.A.B. de C.V.	CEMEX México S.A. de C.V.	Revolving	None
€40,000,000 Working Capital Facility, ING Bank N.V., Dublin Branch, dated 11 April 2014		\$0	New Sunward Holding B.V.	CEMEX México S.A. de C.V., CEMEX S.A.B. de C.V.	Revolving	None
€400,000,000 4.750% Senior Secured Notes due 11 January 2022; dated 11 September 2014	€400,000,000	\$513,215,294	CEMEX, S.A.B. de C.V.	Cemex España S.A., Cemex México, S.A. de C.V., Empresas Tolteca de México, S.A. de C.V., Cemex Concretos, S.A. de C.V., New Sunward Holding B.V., CEMEX Finance LLC, Cemex Corp., Cemex Research Group AG, Cemex Shipping B.V., Cemex Asia B.V., Cemex France Gestion (S.A.S.), Cemex UK, Cemex Egyptian Investments B.V., Cemex Egyptian Investments II B.V.	January 11, 2022	Sharing in Transaction Security
US\$1,100,000,000 5.700% Senior Secured Notes due 11 January 2025; dated 11 September 2014	US\$1,100,000,000	\$1,100,000,000	CEMEX, S.A.B. de C.V.	Cemex, S.A.B. de C.V., Cemex México, S.A. de C.V., Empresas Tolteca de México, S.A. de C.V., Cemex Concretos, S.A. de C.V., New Sunward Holding B.V., CEMEX Finance LLC and Cemex Corp., Cemex Research Group AG, Cemex Shipping B.V., Cemex Asia B.V., Cemex France Gestion (S.A.S.), Cemex UK, Cemex Egyptian Investments B.V., Cemex Egyptian Investments II B.V.	January 11, 2025	Sharing in Transaction Security
<u>FX Rates (Sept 19, 2014)</u>						
	USD/Mex\$	13.21				
	UDI/Mex\$	5.168509				
	USD/EUR	1.2830				

**SCHEDULE 13
PERMITTED JOINT VENTURES**

<u>Name</u>	<u>Investment (U.S. Dollars)</u>	<u>Country</u>
Control Administrativo Mexicano, S.A. de C.V. (Cementos Chihuahua, S.A.B. de C.V., México)	\$ 334,643,000	México
Concrete Supply Co. LLC (North Carolina, U.S.A.)	\$ 51,914,624	USA

SCHEDULE 14
PROCEEDINGS PENDING OR THREATENED

Regulatory Matters and Legal Proceedings

A description of material regulatory matters and legal proceedings affecting us is provided below.

Antitrust Proceedings

Polish Antitrust Investigation. Between May 31, 2006 and June 2, 2006, officers of the Polish Competition and Consumer Protection Office (the “Protection Office”) conducted a search of the office in Warsaw, Poland, of CEMEX Polska, one of our indirect subsidiaries in Poland, and of the offices of other cement producers in Poland. These searches took place as a part of the exploratory investigation that the head of the Protection Office had started on April 26, 2006. On January 2, 2007, CEMEX Polska received a notification from the Protection Office informing it of the formal initiation of an antitrust proceeding against all cement producers in Poland, including CEMEX Polska and another of our indirect subsidiaries in Poland. The notification alleged that there was an agreement between all cement producers in Poland regarding prices and other sales conditions for cement, an agreed division of the market with respect to the sale and production of cement, and the exchange of confidential information, all of which limited competition in the Polish market with respect to the production and sale of cement. On December 9, 2009, the Protection Office delivered to CEMEX Polska its decision against Polish cement producers related to an investigation which covered a period from 1998 to 2006. The decision imposed fines on a number of Polish cement producers, including CEMEX Polska. The fine imposed on CEMEX Polska was approximately Polish Zloty 115.56 million (approximately U.S.\$36.16 million as of August 31, 2014, based on an exchange rate of Polish Zloty 3.1959 to U.S.\$1.00), which is approximately 10% of CEMEX Polska’s total revenue in 2008. CEMEX Polska disagreed with the decision, denied that it committed the practices alleged by the Protection Office and, therefore, on December 23, 2009, CEMEX Polska filed an appeal before the Polish Court of Competition and Consumer Protection in Warsaw (the “First Instance Court”). After a series of hearings, on December 13, 2013, the First Instance Court issued its judgment in regards with the appeals filed by CEMEX Polska and other cement producers, which were previously combined into a joint appeal. The First Instance Court reduced the penalty imposed on CEMEX Polska to approximately Polish Zloty 93.89 million (approximately U.S.\$29.38 million based on an exchange rate of Polish Zloty 3.1959 to U.S.\$1.00 as of August 31, 2014), which is equal to 8.125% of CEMEX Polska’s revenue in 2008. On May 8, 2014, CEMEX Polska filed an appeal against the First Instance Court judgment before the Appeals Court in Warsaw. The above-mentioned penalty is enforceable until the Appeals Court issues its final judgment. As of August 31, 2014, the accounting provision created in relation with this proceeding was approximately Polish Zloty 93.89 million (approximately U.S.\$29.38 million as of August 31, 2014, based on an exchange rate of Polish Zloty 3.1959 to U.S.\$1.00). As of August 31, 2014, we do not expect this matter would have a material adverse impact on our results of operations, liquidity and financial condition.

Antitrust Investigations in Europe by the European Commission. On November 4, 2008, officers of the European Commission, in conjunction with officials of the national competition enforcement authorities, conducted unannounced inspections at our offices in Thorpe, United Kingdom, and Ratingen, Germany. Further to these inspections, on September 22 and 23, 2009, our offices in Madrid, Spain, were also inspected by the European Commission.

In conducting these investigations, the European Commission alleged that we may have participated in anti-competitive agreements and/or concerted practices in breach of Article 101 of the Treaty on the Functioning of the European Union (formerly Article 81 of the EC Treaty) and Article 53 of the European Economic Area (“EEA”) Agreement in the form of restrictions of trade flows in the EEA, including restrictions on imports into the EEA from countries outside the EEA, market sharing, price coordination and connected anticompetitive practices in the cement and related products markets. During 2009 and 2010, we received requests for information and documentation from the European Commission, and we fully cooperated by providing the relevant information and documentation on time.

On December 8, 2010, the European Commission informed us that it decided to initiate formal proceedings with respect to the investigation of the aforementioned anticompetitive practices. These proceedings would affect Austria, Belgium, the Czech Republic, France, Germany, Italy, Luxembourg, the Netherlands, Spain and the United Kingdom. The European Commission indicated that we, as well as seven other companies, would be included in these proceedings. These proceedings may lead to an infringement decision, or if the objections raised by the European Commission are not substantiated, the case might be closed. This initiation of proceedings relieves the competition authorities of the Member States of the European Union of their competence to apply Article 101 of the Treaty on the Functioning of the European Union to the same case. We intend to defend our position vigorously in these proceedings and are fully cooperating and will continue to cooperate with the European Commission in connection with this matter.

On April 1, 2011, the European Commission notified CEMEX, S.A.B. de C.V. of a decision under Article 18(3) of Council Regulation (EC) No 1/2003 of December 16, 2002 on the implementation of the rules on competition set forth in Article 81 of the EC Treaty (current Articles 101 and 102 of the EC Treaty). The European Commission also requested that CEMEX, S.A.B. de C.V. deliver a substantial amount of information and documentation, which we effectively delivered on August 2, 2011, after requesting additional time.

On November 29, 2011, the European Commission notified CEMEX, S.A.B. de C.V. of its decision that if, by December 15, 2011, the European Commission did not receive a confirmation that CEMEX, S.A.B. de C.V.’s reply submitted on August 2, 2011 was complete, accurate and definitive, or if CEMEX, S.A.B. de C.V. did not submit a new reply with the necessary amendments and clarifications, the European Commission would impose a daily fine. On December 15, 2011, we complied with the terms of this decision and submitted a new reply with the amendments and clarifications identified in the revision and audit process performed since August 2, 2011.

On the grounds that the above described decision by the European Commission requesting information and documentation was contrary to several principles of European Union Law, CEMEX, S.A.B. de C.V. and several of its affiliates in Europe filed an appeal before the General Court of the European Union (the “General Court”) for the annulment of such request. In addition, on June 17, 2011, CEMEX, S.A.B. de C.V. and several of its affiliates in Europe requested interim measures to the General Court, asking for the suspension of the information and document request until the appeal was resolved. The President of the General Court rejected the proposal for a suspension without considering the arguments of the main appeal. On December 21, 2011, CEMEX, S.A.B. de C.V. and several of its affiliates in

Europe filed their reply to the European Commission's defense. The European Commission filed its rejoinder on March 27, 2012. A hearing with respect to the proceedings against CEMEX, S.A.B. de C.V. and several of its affiliates in Europe was held on February 6, 2013, and the hearings for all other companies being investigated were held during April 2013. On March 14, 2014, the General Court issued a judgment dismissing the appeal filed by CEMEX, S.A.B. de C.V. and several of its affiliates in Europe and confirming the lawfulness of the request for information sent by the European Commission in all of its aspects. On May 23, 2014, CEMEX, S.A.B. de C.V. and several of its affiliates in Europe filed an appeal against the General Court's judgment before the European Court of Justice (the "Court of Justice").

If the alleged infringements investigated by the European Commission are substantiated, significant penalties may be imposed on our subsidiaries operating in such markets. In that case, pursuant to European Union Regulation 1/2003, the European Commission may impose penalties of up to 10% of the total turnover of the relevant companies for the last year preceding the imposition of the fine for which the financial statements have been approved by the shareholders' meeting of the relevant companies. At this stage of the proceedings, as of August 31, 2014, the European Commission had not yet formulated a Statement of Objections against us and, as a result, the extent of the charges and the alleged infringements are unknown. Moreover, it is not clear which cement related products total turnover would be used as the basis for the determination of the possible penalties. As a consequence, we are not able to assess the likelihood of an adverse result or the amount of the potential fine, but if adversely resolved it may have a material adverse impact on our results of operations, liquidity and financial condition.

Antitrust Investigations in Spain by the CNC. On September 22, 2009, the Investigative Department (*Dirección de Investigación*) of the Spanish Competition Commission (*Comisión Nacional de la Competencia*), or CNC, applying exclusively national antitrust law, carried out an inspection, separate from the investigation conducted by the European Commission, in the context of possible anticompetitive practices in the production and distribution of mortar, ready-mix concrete and aggregates within the Chartered Community of Navarre ("Navarre"). On December 15, 2009, the CNC started a procedure against CEMEX España and four other companies with activities in Navarre for alleged practices prohibited under the Spanish competition law.

On January 12, 2012, the CNC Council notified CEMEX España of its final decision on this matter, imposing a fine of approximately €500,000 (approximately U.S.\$659,108.88 as of August 31, 2014, based on an exchange rate of €0.7586 to U.S.\$1.00) against CEMEX España for price-fixing and market sharing in the concrete market of Navarre from June 2008 through September 2009. CEMEX España denied any wrongdoing and on March 1, 2012, filed an appeal before the competent court (*Audiencia Nacional*), requesting the interim suspension of the decision until a final judgment was issued. To that effect, it requested the CNC Council to suspend the implementation of its decision until the *Audiencia Nacional* decided on the requested interim measure. On July 10, 2012, the *Audiencia Nacional* issued a resolution agreeing to the suspension of payment of the fine. On February 14, 2014, the *Audiencia Nacional* notified the judgment issued regarding this matter, accepting in part the appeal filed by CEMEX España. The *Audiencia Nacional* ordered the CNC to recalculate the penalty imposed on CEMEX España, which must be reduced substantially. As CEMEX España continues to believe it has not breached any laws, on March 27, 2014, CEMEX España filed an appeal before the Supreme Court (*Tribunal Supremo*) against the judgment of

the *Audiencia Nacional*. As of August 31, 2014, we do not expect that the decision to be issued by the CNC would have a material adverse impact on our results of operations, liquidity and financial condition.

Antitrust Cartel Litigation in Germany. On August 5, 2005, Cartel Damages Claims, SA (“CDC”), a Belgian company established by two lawyers in the aftermath of the German cement cartel investigation that took place from July 2002 to April 2003 by Germany’s Federal Cartel Office, with the express purpose of purchasing potential damages claims from cement consumers and pursuing those claims against the alleged cartel participants, filed a lawsuit in the District Court in Düsseldorf, Germany (“Düsseldorf District Court”) against CEMEX Deutschland AG and other German cement companies originally claiming €102 million (approximately U.S.\$134.46 million as of August 31, 2014, based on an exchange rate of €0.7586 to U.S.\$1.00), which later increased to €131 million (approximately U.S.\$172.69 million as of August 31, 2014, based on an exchange rate of €0.7586 to U.S.\$1.00), in damages related to alleged price and quota fixing by German cement companies between 1993 and 2002. On February 21, 2007, the Düsseldorf District Court allowed this lawsuit to proceed without going into the merits of this case by issuing an interlocutory judgment. All defendants appealed, but the appeal was dismissed on May 14, 2008.

On a hearing on the merits of this case that was held on March 1, 2012, the Düsseldorf District Court revealed several preliminary considerations on relevant legal questions and allowed the parties to submit their plea and reply on May 21, 2012. After several court hearings, on December 17, 2013 the Düsseldorf District Court issued a decision on closing the first instance. By this decision, all claims brought to court by CDC were dismissed. The court held that the manner in which CDC obtained the claims from 36 cement purchasers was illegal given the limited risk it faced for covering the litigation costs. The acquisition of the claims also breached rules that make the provision of legal advice subject to public authorization. On January 15, 2014, CDC filed an appeal to the Higher Regional Court in Düsseldorf, Germany, and thereafter submitted reasons for their appeal. A court hearing has been scheduled for November 12, 2014. As of August 31, 2014, we are unable to assess the likelihood of an adverse result and, because of the number of defendants, the potential damages that would be borne by us; however, if the final decision is adverse to us, it could have a material adverse impact on our results of operations, liquidity and financial condition.

As of August 31, 2014, we had accrued liabilities regarding this matter for an amount of approximately €20 million (approximately U.S.\$26.36 million as of August 31, 2014, based on an exchange rate of €0.7586 to U.S.\$1.00), plus an additional €10.1 million (approximately U.S.\$13.31 million as of August 31, 2014, based on an exchange rate of €0.7586 to U.S.\$1.00), as interest over the principal amount of the claim.

Antitrust Cases in Egypt. On July 29, 2009, an Egyptian contractor filed a lawsuit against four cement producers, including ACC, demanding compensation of 20 million Egyptian Pounds (approximately U.S.\$2.79 million as of August 31, 2014, based on an exchange rate of Egyptian Pounds 7.1610 to U.S.\$1.00) from the four cement producers, or approximately 5 million Egyptian Pounds (approximately U.S.\$698,226.50 as of August 31, 2014, based on an exchange rate of Egyptian Pounds 7.1610 to U.S.\$1.00).

On an April 24, 2010 hearing for the case, the court decided to refer the matter back to the prosecutor’s office for further investigation and for a report on the investigations that was presented at a hearing held on January 11, 2011. Thereafter, this case was dismissed and all

charges against ACC were dropped. The plaintiff subsequently filed its appeal to this ruling before the Court of Cassation. As of August 31, 2014, the Court of Cassation had not yet scheduled the first hearing of cassation for this case.

This case was one of the first of its kind in Egypt due to the enactment of the Law on Competition Protection and Prevention of Monopolistic Practices No. 3 in 2005. Even if we prevail, this claim could have an adverse impact on our results of operations, liquidity and financial condition if it were to become a precedent and create a risk of similar claims in the future.

Antitrust Case in Florida. On October 26, 2010, CEMEX, Inc. received an Antitrust Civil Investigative Demand from the Office of the Florida Attorney General, which seeks documents and information in connection with an antitrust investigation by the Florida Attorney General into the ready-mix concrete industry in Florida. As of August 31, 2014, CEMEX, Inc. has complied with the Office of the Florida Attorney General with respect to the documents and information requested by the civil investigative demand, and it is unclear, as of August 31, 2014, whether any formal proceeding will be initiated by the Office of the Florida Attorney General or, if such proceedings are initiated, if any adverse decision against us resulting from the investigations would be made or if such decision would have a material adverse impact on our results of operations, liquidity and financial condition.

Antitrust Investigation in Colombia. On September 5, 2013, CEMEX Colombia was notified of Resolution No. 49141 dated August 21, 2013, issued by the Colombian Superintendency of Industry and Commerce (*Superintendencia de Industria y Comercio*), or SIC, pursuant to which the SIC opened an investigation and issued a statement of objections (*pliego de cargos*) against five cement companies and fourteen directors of those companies, including CEMEX Colombia, for alleged anti-competitive practices. On October 7, 2013, CEMEX Colombia answered the statement of objections and submitted evidence.

The investigated parties are accused of allegedly breaching: (i) Article 1 of Law 155 of 1959, which prohibits any kind of practice, procedure or system designed to limit free competition and determining or maintaining unfair prices; (ii) paragraph 1 of Article 47 of Decree 2153 of 1992, which prohibits any agreements designed to directly or indirectly fix prices; and (iii) paragraph 3 of Article 47 of Decree 2153 of 1992, which prohibits any market sharing agreements between producers or between distributors. Additionally, the fourteen executives, including a former legal representative and the current President of CEMEX Colombia, are being investigated for allegedly breaching paragraph 16 of Article 4 of Decree 2153 of 1992, as amended by Article 26 of Law 1340 of 2009, which provides that the SIC may investigate and sanction any individual who collaborates, facilitates, authorizes, executes or tolerates behavior that violates free competition rules.

If the alleged infringements investigated by the SIC are substantiated, aside from any measures that could be ordered to stop the alleged anti-competitive practices, the following penalties may be imposed against CEMEX Colombia pursuant to Law 1340 of 2009: (i) up to 100,000 times the legal monthly minimum wage, which equals approximately 58,950 million Colombian Pesos (approximately U.S.\$30.73 million as of August 31, 2014, based on an exchange rate of 1,918.62 Colombian Pesos to U.S.\$1.00) for each violation and to each company being declared in breach of the competition rules, and (ii) up to 2,000 times the legal monthly minimum wage, which equals approximately 1,179 million Colombian Pesos (approximately U.S.\$614,504.17 as of August 31, 2014, based on an exchange rate of 1,918.62 Colombian Pesos to U.S.\$1.00) against those individuals found responsible of

collaborating, facilitating, authorizing, executing or tolerating behavior that violates free competition rules. At this stage of the investigations, as of August 31, 2014, we do not expect this matter to have a material adverse impact on our results of operations, liquidity and financial condition.

Environmental Matters

In the ordinary course of business, we are subject to a broad range of environmental laws and regulations in each of the jurisdictions in which we operate. These laws and regulations impose increasingly stringent environmental protection standards regarding, among other things, air emissions, wastewater discharges, the use and handling of hazardous waste or materials, waste disposal practices and the remediation of environmental damage or contamination. These laws and regulations expose us to the risk of substantial environmental costs and liabilities, including liabilities associated with divested assets and past activities and, in some cases, the acts and omissions of the previous owners or operators of a property or facility. Furthermore, in some jurisdictions, certain environmental laws and regulations impose liability, without regard to fault or the legality of the original activity at the time of the actions giving rise to liability.

To prevent, control and remediate environmental problems and maintain compliance with regulatory requirements, in line with our global initiatives on environmental management, we maintain an environmental policy designed to monitor and control environmental matters. Our environmental policies require that each of our subsidiaries respect and comply with local laws and meet our own internal standards to minimize the use of non-renewable resources and the generation of hazardous and other wastes. We use processes that are designed to reduce the impact of our operations on the environment throughout all the production stages in all our operations worldwide. In addition, during 2012 we started the implementation of a global Environmental Management System (EMS) at our operating sites that provides a framework to facilitate the consistent and systematic implementation of practical, risk-based environmental management at all sites. As of August 31, 2014, we expect to finish the implementation of the EMS at all of our operating sites by 2015. It will be used to support sites and businesses across CEMEX globally to document, maintain and continuously improve our environmental performance. We believe that, as of August 31, 2014, a substantial part of our operations already comply with all material environmental laws applicable to us, as all our cement plants already have some kind of EMS (most of which are ISO 14000 certified), with the remaining implementation efforts directed mainly on our aggregates and ready-mix plants.

We regularly incur capital expenditures that have an environmental component or that are impacted by environmental regulations. However, we do not keep separate accounts for such mixed capital and environmental expenditures. Environmental expenditures that extend the life, increase the capacity, improve the safety or efficiency of assets or are incurred to mitigate or prevent future environmental contamination may be capitalized. Other environmental costs are expensed when incurred. For the years ended December 31, 2011, 2012 and 2013, our sustainability capital expenditures (including our environmental expenditures and investments in alternative fuels and cementitious materials) were approximately U.S.\$95 million, approximately U.S.\$139 million and approximately U.S.\$95 million, respectively. Our environmental expenditures may materially increase in the future.

The following is a discussion of environmental regulations and related matters in our major markets.

Mexico. We were one of the first industrial groups in Mexico to sign an agreement with the Mexican Ministry of Environment and Natural Resources (*Secretaría del Medio Ambiente y Recursos Naturales*), or SEMARNAT, to carry out voluntary environmental audits in our 15 Mexican cement plants under a government-run program. In 2001, the Mexican Environmental Protection Agency (*Procuraduría Federal de Protección al Ambiente*), or PROFEPA, which is part of SEMARNAT, completed the audit of our cement plants and awarded each of them a Clean Industry Certificate (*Certificado de Industria Limpia*) certifying that our cement plants are in full compliance with applicable environmental laws. The Clean Industry Certificates are subject to renewal every two years. As of August 31, 2014, our operating cement plants had Clean Industry Certificates or were in the process of renewing them. We expect the renewal of all currently expired Clean Industry Certificates.

For over a decade, the technology for recycling used tires into an energy source has been employed in our plants located in Ensenada and Huichapan. By the end of 2006, all our cement plants in Mexico were using tires as an alternative fuel. Municipal collection centers in the cities of Tijuana, Mexicali, Ensenada, Mexico City, Reynosa, Nuevo Laredo and Guadalajara currently enable us to recycle an estimated 10,000 tons of tires per year. Overall, approximately 15.50% of the total fuel used in our operating cement plants in Mexico during 2013 was comprised of alternative fuels.

Between 1999 and August 31, 2014, our operations in Mexico have invested approximately U.S.\$98.92 million in the acquisition of environmental protection equipment and the implementation of the ISO 14001:2004 environmental management standards of the International Organization for Standardization ("ISO"). The audit to obtain the renewal of the ISO 14001:2004 certification took place during the first quarter of 2012 and our operating cement plants in Mexico obtained the renewal of the ISO 14001:2004 certification for environmental management systems which is valid for a three year period.

On June 6, 2012 the General Law on Climate Change (*Ley General de Cambio Climático*), or the Climate Change Law, was published in the Mexican Official Gazette. The Climate Change Law establishes a legal framework to regulate policies for climate change mitigation and adaptation. Many important provisions require the development of secondary legislation, and depend on the publication of subsequent implementing regulations, which were expected to take place within the twelve months following the publication of the Climate Change Law. Because secondary legislation has not yet been developed and corresponding regulations have not yet been implemented, at this stage, as of August 31, 2014, we do not have sufficient information to determine whether or not the measures that may be taken by the Mexican federal government in connection with the Climate Change Law will have a material impact on our business or operations. For instance, the Climate Change Law provides for the elaboration of a registry of the emissions that are generated by fixed sources. However, the detailed guidelines for reporting, including the scope and methodologies for calculation, will be developed by implementing regulations yet to be developed. Companies that are required to report their emissions and fail to do so or that report false information will be fined. We do not expect any negative impact from this development as we already report our direct and indirect carbon dioxide emissions to SEMARNAT under a voluntary scheme. The Climate Change Law also allows for the establishment of specific greenhouse gas reduction targets in accordance with the respective contribution of each economic sector to the national greenhouse gas emissions. We cannot estimate at this time the impact, if any, that

any measures related to this may have upon our operations in Mexico. Although the Climate Change Law does not establish a program for emissions trading, it does vest on the Mexican federal government the power to create, authorize and regulate such a scheme, which may be voluntary or binding. We are closely observing the development of implementing regulations and cannot estimate at this time the impact, if any, that any measures related to this may have upon our operations in Mexico. A Special Tax on Production and Services (*Impuesto Especial Sobre Producción y Servicios*) on the sale of fossil fuels was included in the recently approved tax reform. Starting January 1, 2014, petroleum coke, a primary fuel widely used in our kilns in Mexico has been taxed at a rate of Mexican Ps15.60 (approximately U.S.\$1.19 as of August 31, 2014, based on an exchange rate of Mexican Ps13.09 to U.S.\$1.00) per ton.

On August 12, 2014, a package of energy reform legislation became law in Mexico. The newly enacted energy reform legislation, which includes nine new laws, as well as amendments to existing laws, implements the December 2013 constitutional energy reform and establishes a new legal framework for Mexico's energy industry. One of the new laws that was enacted is the new Electric Industry Law (*Ley de la Industria Eléctrica*), or the Electric Industry Law, which establishes a legal framework for electricity-related activities in Mexico, which has the effect of structurally changing the national electric industry. Because the regulations to be proposed and implemented in regards to the Electric Industry Law have not yet been announced, at this stage, as of August 31, 2014, we do not have sufficient information to determine whether or not the energy reform legislation, and in particular the Electric Industry Law, will have a material impact on our business or operations. However, we expect that CEMEX's ongoing commitments to procure power from renewable projects operating under the "self-supply" framework of the previous energy laws in Mexico should mitigate any impact that the introduction of the Electric Industry Law may have upon our business or operations.

United States. Our operating subsidiaries in the United States are subject to a wide range of U.S. federal, state and local laws, regulations and ordinances dealing with the protection of human health and the environment that are strictly enforced and can lead to significant monetary penalties for noncompliance. These laws and regulations expose us to the risk of substantial environmental costs and liabilities, including liabilities associated with divested assets and past activities and, in some cases, the acts and omissions of the previous owners or operators of a property or facility. These laws regulate, among other things, water discharges, noise, and air emissions, including dust, as well as the handling, use and disposal of hazardous and non-hazardous waste materials. Certain laws also create a shared liability scheme under which parties are held responsible for the cost of cleaning up releases to the environment of designated hazardous substances. We therefore may have to conduct environmental remediation associated with the disposal or release of hazardous substances at our various operating facilities, or at sites in the United States to which we sent hazardous waste for disposal. We believe that our current procedures and practices for handling and managing materials are generally consistent with industry standards and legal and regulatory requirements, and that we take appropriate precautions to protect employees and others from harmful exposure to hazardous materials.

As of August 31, 2014, CEMEX, Inc. and its subsidiaries had accrued liabilities specifically relating to environmental matters in the aggregate amount of approximately U.S.\$22.19 million. The environmental matters relate to (i) the disposal of various materials, in accordance with past industry practice, that might be categorized as hazardous substances or wastes, and (ii) the cleanup of hazardous substances or wastes at sites used or operated by

CEMEX, Inc. and its subsidiaries including discontinued operations, either individually or jointly with other parties. Most of the proceedings are in the preliminary stages, and a final resolution might take several years. For purposes of recording the provision, CEMEX, Inc. and its subsidiaries consider that it is probable that a liability has been incurred and the amount of the liability is reasonably estimable, whether or not claims have been asserted, and without giving effect to any possible future recoveries. Based on information developed to date, CEMEX, Inc. does not believe it will be required to spend significant sums on these matters, in excess of the amounts previously recorded. The ultimate cost that might be incurred to resolve these environmental issues cannot be assured until all environmental studies, investigations, remediation work, and negotiations with, or litigation against, potential sources of recovery have been completed.

In 2007, the EPA launched a CAA enforcement initiative against the U.S. cement industry. The primary goal of the initiative is to assess the industry's historic compliance with the CAA's New Source Review program and to reduce emissions from the industry through the installation of add-on controls. CEMEX has actively engaged with the EPA on its investigations, which involve multiple CEMEX facilities, and has entered into three settlements involving a total of U.S.\$4.4 million in civil penalties and a commitment to incur certain capital expenditures for pollution control equipment at its Victorville, California, Fairborn, Ohio and Lyons, Colorado plants. Although some of these proceedings are still in the initial stages, based on our past experience with such matters and currently available information, as of August 31, 2014, we believe that such cases will not have a material adverse impact on our results of operations, liquidity and financial condition.

In 2002, CEMEX Construction Materials Florida, LLC (formerly Rinker Materials of Florida, Inc.) ("CEMEX Florida"), a subsidiary of CEMEX, Inc., was granted a federal quarry permit and was the beneficiary of another federal quarry permit for the Lake Belt area in South Florida. The permit held by CEMEX Florida covered CEMEX Florida's SCL and FEC quarries. CEMEX Florida's Kendall Krome quarry is operated under the permit of which it was a beneficiary. The FEC quarry is the largest of CEMEX Florida's quarries measured by volume of aggregates mined and sold. CEMEX Florida's Miami cement mill is located at the SCL quarry and is supplied by that quarry, while the FEC and Kendall Krome quarries have supplied aggregates to CEMEX and third-party users. In response to litigation brought by environmental groups concerning the manner in which the federal quarry permits were granted, in January 2009, the U.S. District Court for the Southern District of Florida ordered the withdrawal of the federal quarry permits for CEMEX Florida's SCL, FEC and Kendall Krome quarries. The judge ruled that there were deficiencies in the procedures and analysis undertaken by the Army Corps of Engineers ("Corps") in connection with the issuance of the permits. Upon appeal, on January 21, 2010, the Eleventh Circuit Court of Appeals affirmed the district court's ruling withdrawing the federal quarry permits for the three CEMEX Florida quarries as well as other third-party federal quarry permits subject to the litigation. On January 29, 2010, the Corps completed a multi-year review commenced as a result of this litigation and issued a Record of Decision (ROD) supporting the issuance of new federal quarry permits for the FEC and SCL quarries. Excavation of new aggregates was stopped at the FEC and SCL quarries from January 20, 2009 until new permits were issued. The FEC permit was issued on February 3, 2010, and the SCL permit on February 18, 2010. The ROD also indicated that a number of potential environmental impacts must be addressed at the wetlands located at the Kendall Krome site before a new federal quarry permit may be issued for mining at that quarry. It is unclear how long it will take to fully address the Corps' concerns regarding mining in the Kendall Krome wetlands. While no new aggregates will be

quarried from wetland areas at Kendall Krome pending the resolution of the potential environmental issues, the FEC and SCL quarries will continue to operate. If CEMEX Florida is unable to maintain the new Lake Belt permits, CEMEX Florida would need to source aggregates, to the extent available, from other locations in Florida or import aggregates. This would likely affect operating income from our Florida operations. Any adverse impacts on the Florida economy arising from the cessation or significant restriction of quarrying operations in the Lake Belt area could also have a material adverse impact on our results of operations, liquidity and financial condition.

In June 2010, EPA proposed regulating Coal Combustion Products (“CCPs”) generated by electric utilities and independent power producers as a hazardous or special waste under the Resource Conservation and Recovery Act. CEMEX uses CCPs as a raw material in the cement manufacturing process, as well as a supplemental cementitious material in some of our ready-mix concrete products. It is too early to predict how CCPs will ultimately be regulated, but if CCPs are regulated as a hazardous or special waste in the future, it may result in changes to the formulation of our products away from those formulations that employ CCPs as a raw or supplemental cementitious material. Based on current information, we believe that such matters will not have a material impact on us. EPA has entered into a Consent Decree obligating it to issue a final rule on the regulation of CCPs by December 19, 2014.

We are subject to a number of federal and state laws and regulations addressing climate change. On the federal side, EPA has promulgated a series of regulations pertaining to emissions of GHGs from industrial sources. EPA issued the Mandatory Reporting of GHGs Rule, effective December 29, 2009, which requires certain covered sectors, including cement manufacturing, with GHG emissions above an established threshold to inventory and report their GHG emissions annually on a facility-by-facility basis. In 2010, EPA issued a final rule that establishes GHG thresholds for the New Source Review Prevention of Significant Deterioration (“PSD”) and Title V Operating Permit programs. The rule “tailors” the requirements of these CAA permitting programs to limit which facilities will be required to obtain PSD and Title V permits for GHG emissions. Cement production facilities are included within the categories of facilities required to obtain permits, provided that their GHG emissions exceed the thresholds in the tailoring rule. The PSD program requires new major sources of regulated pollutants and major modifications at existing major sources to secure pre-construction permits, which establish, among other things, limits on pollutants based on Best Available Control Technology (“BACT”). According to EPA’s rules, stationary sources, such as cement manufacturing, which are already regulated under the PSD program for non-GHG pollutants, need to apply for a PSD permit for any GHG emissions increases above 75,000 tons/year of carbon dioxide equivalent (“CO₂E”). Therefore, new cement plants and existing plants undergoing modification which are major sources for non-GHG pollutants regulated under the CAA need to acquire a PSD permit for construction or modification activities that increase CO₂E by 75,000 or more tons/year, and would have to determine and install BACT controls for those emissions. Furthermore, any new source that emits 100,000 tons/year of CO₂E or any existing source that emits 100,000 tons/year of CO₂E and undergoes modifications that would emit 75,000 tons/year of CO₂E, must comply with PSD obligations. Complying with these PSD permitting requirements can involve significant costs and delay. The costs of future GHG-related regulation of our facilities through these efforts or others could have a material economic impact on our U.S. operations and the U.S. cement manufacturing industry.

With respect to state efforts to address climate change, in 2006, the State of California adopted the Global Warming Solutions Act (Assembly Bill 32 or “AB32”) setting into law a goal to reduce the State’s carbon dioxide emissions to 1990 levels by 2020. As part of the measures derived from AB32, the California Air Resources Board (“CARB”) developed a cap-and-trade program, enforced from 2013, that covers most industrial sources of greenhouse gas emissions in the State, including cement production facilities. The program involves allocating a number of allowances free of charge to covered installations, which must subsequently surrender back to the regulator a number of allowances or qualified offset credits matching their verified emissions during the compliance period. Based on the free allowances received as of August 31, 2014 for the first compliance period (2013-2014), we expect that our Victorville cement plant will have enough free allowances to meet all of its compliance obligations for the first compliance period (2013-2014) without a material impact on its operating costs. Furthermore, we are actively pursuing initiatives to substitute lower carbon fuels for fossil fuels, improve our energy efficiency and utilize renewable power in an effort to economically reduce our direct and indirect GHG emission intensities. However, even with these ongoing efforts and the expected distribution of free allowances, we cannot assure you that the overall costs of complying with a cap-and-trade program will not have a material impact on our operations in California.

In 2007, CARB approved a regulation that requires California equipment owners/operators to reduce diesel particulate and nitrogen oxide emissions from in-use off-road diesel equipment and to meet progressively more restrictive emission targets. In 2008, CARB approved a similar regulation for in-use on-road diesel equipment. The emission targets requires us to retrofit our California-based equipment with diesel emission control devices or replace equipment with new engine technology in accordance with certain deadlines. As of August 31, 2014, compliance with the CARB regulations has resulted in equipment related expenses or capital investments, including overhauling engines and purchases of new equipment directly related to the CARB regulations, in excess of U.S.\$29.9 million. We may continue to incur substantial expenditures to comply with these requirements.

Europe.

Permits and Emissions Trading

In the European Union, cement plants have been regulated by two directives which were transposed into domestic law by member states. The first was the Directive on Integrated Pollution Prevention and Control (2008/1/EC) (“IPPC Directive”), which adopted an integrated approach by taking into account the whole environmental performance of the plant. It required cement works to have a permit containing emission limit values and other conditions based on the application of best available techniques (“BAT”) with a view to preventing or, where this was not practicable, minimizing emissions of pollutants likely to be emitted in significant quantities in air, water or land. Permit conditions also had to address energy efficiency, waste minimization, prevention of accidental emissions and site restoration. To assist the permitting authorities and companies in determining the BAT, the European Commission organized an exchange of information between experts from the member states, industry and environmental organizations. This resulted in the adoption and publication by the European Commission of BAT Reference Documents (“BREFs”) for the industry sectors covered by the IPPC Directive. A key element of the BREFs were the conclusions on BAT (“BAT conclusions”) which were used as a reference for setting permit conditions.

The second Directive related to the Incineration of Waste (2000/76/EC) (“Incineration Directive”). Its aim was to prevent or limit, as far as practicable, negative effects on the environment, in particular pollution by emissions in air, soil, surface water and groundwater and the resulting risks to human health, from incineration and co-incineration plants, the latter including cement and lime kilns. The Incineration Directive sought to achieve its aim by setting and maintaining stringent operational conditions and technical requirements, as well as emission limit values for a range of pollutants including dust, nitrogen oxides, sulfur dioxide, hydrogen chloride, heavy metals and dioxins.

On January 6, 2011, the Industrial Emissions Directive (2010/75/EU) (“IED”) came into force. The IED recasts seven pieces of existing legislation into a single coherent legislative instrument, including the above-mentioned IPPC Directive and Incineration Directive, both of which it repeals. The IED has applied to new industrial installations since January 7, 2013 and to existing industrial installations (other than large combustion plants) since January 7, 2014. Under the IED, operators of industrial installations, including cement plants, are required to obtain an integrated permit from the relevant permitting authority in the member states. As with the IPPC Directive, permit conditions, including emission limit values, must be based on BAT and a total of 35 BREFs are being rewritten or revised for the IED. However, there is an important difference between the IPPC Directive and the IED. Under the IPPC Directive, the BREFs were considered as guidance only. This is not the case under the IED. Where BAT conclusions specify emission levels, permitting authorities are required to set emission limit values that do not exceed these levels. They may derogate from this requirement only where the costs associated with the achievement of the emission levels associated with the BAT disproportionately outweigh the environmental benefits due to the geographical location, the local environmental conditions or the technical characteristics of the installation concerned. The permitting authorities must document the reasons for the derogation from the emission limit values in the permit, including the result of the cost-benefit assessment. In April 2013, the European Commission published new BAT conclusions under the IED for Production of Cement, Lime and Magnesium Oxide, together with specific emission levels. While it is too early to assess what impact the IED will have on our operations, it is reasonable to assume that there will be an impact given the change in regulatory approach heralded by the legislation and the fact that it will be key to the permitting of the cement industry in the EU.

In 1997, as part of the United Nations Framework Convention on Climate Change, the Kyoto Protocol was adopted to limit and reduce GHG emissions. The Kyoto Protocol set legally binding emission reduction targets for 37 industrialized countries and the European Union. Under the Kyoto Protocol, industrialized countries agreed to reduce their collective GHG emissions by 5% against 1990 levels over the five year period 2008-2012 (“first commitment period”); future mandatory targets were expected to be established for commitment periods after 2012. To compensate for the sting of binding targets, the Kyoto Protocol allows three “flexibility” mechanisms to be used by parties in meeting their emission limitation commitments: the Clean Development Mechanism (“CDM”), Joint Implementation (“JI”) and International Emissions Trading.

In 2012, at the UN Climate Change Conference in Doha, Qatar, the Doha Amendment to the Kyoto Protocol was adopted. Certain parties, including the UK and the European Union, committed to reduce GHG emissions by at least 18% below 1990 levels in the eight year period from 2013 to 2020 (“second commitment period”).

Our operations in the United Kingdom, Spain, Germany, Latvia, Poland and Croatia (since 2013), are subject to binding caps on CO₂ emissions imposed pursuant to the European Union's emissions trading system ("ETS") that was established by Directive 2003/87/EC to implement the Kyoto Protocol. Under the ETS, a cap or limit is set on the total amount of CO₂ emissions that can be emitted by the power plants, energy-intensive installations (including cement plants) and commercial airlines that are covered by the system. The cap is reduced over time, so that the total amount of emissions will decrease. Within the cap, companies receive or buy emission allowances. These allowances are tradable so as to enable companies that manage to reduce their emissions to sell their excess allowances to companies that are not reaching their emissions objectives. After each year, a company must surrender enough carbon allowances to cover all its emissions. Failure to meet the emissions caps is subject to significant monetary penalties.

In addition to carbon allowances, the ETS also allows the use of Kyoto Protocol units: the Emission Reduction Unit, representing a metric ton of carbon saved by a project under the JI mechanism, and the Certified Emission Reduction unit under the CDM. The ETS recognizes these units as equivalent to its carbon allowances and allows them to be used by companies for compliance up to a certain limit to offset their carbon emissions in the EU. We have registered 12 CDM projects; in total, these projects have the potential to reduce almost 1.7 million metric tons of CO₂-E emissions per year.

The ETS consists of three trading phases: Phase I which lasted from January 1, 2005 to December 31, 2007, Phase II, which lasted from January 1, 2007 to December 31, 2012, and was intended to meet commitments under the Kyoto first commitment period, and Phase III which commenced on January 1, 2013 and will end on December 31, 2020. For Phase III of the ETS there is also a cap on nitrous oxide and perfluorocarbons (PFC) emissions. Prior to the commencement of each of ETS Phases I and II, each member state was responsible for publishing its National Allocation Plan ("NAP"), a document which sets out a national cap on the total amount of carbon emissions by all installations during each relevant trading phase and the methodology by which the cap would be allocated to the different sectors in the ETS and their respective installations. Each member state's cap contributed to an overall EU cap on emissions, where one carbon allowance must be surrendered to account for 1 metric ton of carbon emitted. The carbon allowances were mostly distributed for free by each member state to its ETS installations, although some member states also used a fraction of their material cap for auctioning, mainly to power generators. Under ETS Phase III, however, the system of NAPs has been replaced by a single EU-wide, top-down, cap on CO₂ emissions, with allocation for all installations made according to harmonized EU rules and set out in each member state's National Implementation Measures ("NIM"). Additional restrictions have been introduced on the extent to which Kyoto Protocol units can be used to offset EU carbon emissions, and auctioning, not free allocation, has become the default method for distributing allowances. For those allowances that are still given away free, as discussed below, harmonized rules apply based on EU-wide benchmarks of emissions performance.

EU policymakers see the free allocation of allowances as a principle way to reduce the risk of carbon leakage—that is, the risk that energy-intensive industries, facing higher costs because of the ETS, will move their facilities beyond the EU's borders to countries that do not have climate change controls, thus resulting in a leakage of CO₂ emissions without any environmental benefits. In 2009, a list of ETS sectors deemed to be at significant risk of carbon leakage was formally adopted by the European Commission, following agreement by member states and the European Parliament. The list which is valid from 2010 to 2014

included the cement production sector, on the basis that the additional costs imposed by the ETS would lead to a 30% or more increase in production costs as a proportion of the “gross value added.” A decision on the list of sectors deemed to be at significant risk of carbon leakage for the period 2015-2019 is expected to be adopted by the European Commission on July 2014. Sectors classified as deemed to be at significant risk of carbon leakage will continue to receive 100% of their benchmark allocation of allowances free of charge during Phase III, adjusted by a cross-sectoral correction factor that is being applied uniformly upon all participating facilities in Europe in order to reduce the amount of free allocation that each installation so that the total sum does not exceed the authorized EU-wide cap for free allocation. By contrast, sectors that are not considered at risk of carbon leakage received 80% of their benchmark allowances for free in 2013, declining to 30% by 2020.

On April 27, 2011, the European Commission adopted Decision 2011/278/EU that states the rules, including the benchmarks of greenhouse gas emissions performance, to be used by the Member States in calculating the number of allowances to be annually allocated for free to industrial sectors (such as cement) that are deemed to be exposed to the risk of “carbon leakage.” The number of allowances to be allocated to installations for free will be based on a combination of historic activity levels at that installation and an EU benchmark of carbon efficiency for the production of a particular product—for example, clinker. An installation’s historic activity level is calculated by taking the median of its annual production levels during the baseline period, either 2005 to 2008 or, where historic activity levels are higher, 2009/10. The product benchmark is based on the average carbon emissions of the top 10% most “carbon efficient” EU installations for a particular product during 2007/8, where carbon efficiency is measured by carbon intensity or carbon emission per metric ton of product. Preliminary allocation calculations based on the rules were carried out by each Member State and included in a NIM table which was sent for scrutiny to the European Commission. On September 5, 2013, the European Commission adopted Decision 2013/448/EU which approved the NIMs submitted by most Member States and by which the figures for the annual cross-sectoral correction factor were determined for the period 2013-2020. According to this Decision, the free allocation to each installation is to be adjusted by a cross-sectoral correction factor laid down in the Decision which will vary each year, as foreseen by the ETS legislation. This is to ensure that the total amount handed out for free does not exceed a maximum set in the ETS Directive. The application of this cross-sectoral correction factor results in an important decrease in the quantity of allowances that our ETS-participant operations expect to receive for free in the 2013-2020 period. On February 26, 2014, the European Commission adopted a Decision on national allocation allowances for the last group of Member States including Croatia, which was granted 5.56 million of free allowances. Thereafter, a regularly updated allocation table showing the number of allowances that have been allocated per Member State will be published on the European Commission’s website. Based on the European Commission approved NIMs that have been published in the first quarter of 2014, we expect that the aggregate amount of allowances that will be annually allocated for free to CEMEX in Phase III of the ETS will be sufficient to operate, assuming that the cement industry continues to be considered at significant risk of carbon leakage for the period 2015-2019 after a decision is adopted by the European Commission. A determination that the cement industry should no longer be regarded as at significant risk of carbon leakage could have a material impact on our operations and our results of operations, liquidity and financial condition.

An installation can only receive its full allocation of free allowances if it is deemed to have not partially ceased under the “partial cessation rule” of the ETS. Partial cessation applies

where a sub-installation which contributes at least 30% of the installation's final annual amount of emissions allocated, or contributes to more than 50,000 allowances, reduces its activity level by at least 50% of its historic activity levels. If activity levels are reduced to between 50% and 75% of the historic activity level, the amount of free carbon allowances the sub-installation will receive will reduce by half in the following year; if activity levels are reduced by 75% to 90% compared to historic activity levels, the amount of free carbon allowances the sub-installation will receive will reduce by 75% in the following year; and if activity levels are reduced by 90% or more compared to historic activity levels, no allowances shall be allocated free of charge the following year in respect of the sub-installation concerned. This represents a change from ETS Phase II, in which the rules for partial cessation were defined by each member state's NAP and often did not result in any reduction in the level of free allocation, but an installation was no longer entitled to a free allocation from the following year if it had permanently ceased operating. The new rules are therefore more stringent, and to the extent that they result in our plants foregoing free carbon allowances, they could represent a significant loss of revenue to us, since carbon allowances are also tradable.

After a favorable verdict in the case that the Republic of Latvia brought before the General Court against the European Commission's rejection of the initial version of the Latvian NAP for the period from 2008 to 2012, the Latvian Ministry of Environmental Protection and Regional Development issued the Decision No. 46 of April 18, 2012 increasing the allocation of allowances to our Broceni plant. The European Commission subsequently filed an appeal with the Court of Justice against the Judgment of the General Court. On October 3, 2013, the Court of Justice issued a judgment dismissing the European Commission's appeal; therefore our operations in Latvia obtained all the allowances they were entitled to pursuant to the initial version of the Latvian NAP.

Despite having sold a substantial amount of allowances during Phase II of the ETS, we believe that the aggregate amount of allowances that will be annually allocated for free to CEMEX in Phase III of the ETS (2013-2020) will be sufficient to operate. This assessment stems from various factors, notably our efforts to reduce emissions per unit of clinker produced, the stream of offset credits coming from our internal portfolio of CDM projects in Latin America and our expected long position in the initial years of Phase III of the ETS. We are taking measures intended to minimize our exposure to this market, while continuing to supply our products to our customers.

Landfills

In Great Britain, future expenditure on closed and current landfill sites has been assessed and quantified over the period in which the sites are considered to have the potential to cause environmental harm, generally consistent with the regulatory view of up to 60 years from the date of closure. The assessed expenditure relates to the costs of monitoring the sites and the installation, repair and renewal of environmental infrastructure. The costs have been quantified on a net present value basis in the amount of approximately £131.2 million (approximately U.S.\$217.65 million as of August 31, 2014, based on an exchange rate of £0.6028 to U.S.\$1.00) as of August 31, 2014, and we made an accounting provision for this amount at August 31, 2014.

Tax Matters

Mexico. Pursuant to amendments to the Mexican Income Tax Law (*Ley del Impuesto sobre la Renta*) that became effective on January 1, 2005 (the “2005 Tax Reform”), Mexican companies with direct or indirect investments in entities incorporated in foreign countries, whose income tax liability in those countries is less than 75% of the income tax that would be payable in Mexico, were required to pay taxes in Mexico on passive income, such as dividends, royalties, interest, capital gains and rental fees obtained by such foreign entities, except for income derived from entrepreneurial activities in such countries, which were not subject to tax under these amendments. We filed two motions in the Mexican federal courts challenging the constitutionality of the 2005 Tax Reform and obtained a favorable ruling from the lower Mexican federal court. However, on September 9, 2008, the Mexican Supreme Court, on appeal, ruled against our constitutional challenge of the controlled foreign corporation tax rules in effect in Mexico for tax years 2005 to 2007. Because the Mexican Supreme Court’s decision did not pertain to an amount of taxes due or other tax obligations, we had the right to self-assess any taxes due through the submission of amended tax returns. On March 1, 2012 and July 5, 2012, we self-assessed the taxes, filed the amended tax returns and paid 20% of the self-assessed amounts corresponding to the 2005 and 2006 tax years, respectively. The remaining 80% were to be paid in January 2013 and July 2013, respectively. No taxes were due in connection to the 2007 tax year. The tax authorities in Mexico agreed with our self-assessment and with the procedure to determine the taxes due for the 2005 and 2006 tax years and, as a result, the tax authorities in Mexico may not assess additional amounts of taxes past due for those years. On December 17, 2012, the Mexican authorities published the decree of the Federation Revenues Law for the 2013 tax year, which provides for a transitory amnesty provision (the “Amnesty Provision”) that grants tax amnesty of up to 80% of certain tax proceedings originated before the 2007 tax period and 100% of interest and penalties of tax proceedings originated in the 2007 tax period and thereafter. The amounts due in connection to the 2005 and 2006 tax years were settled based on the Amnesty Provision and, as of August 31, 2014, there are no tax liabilities in connection to this matter.

In November 2009, the Mexican Congress approved a general tax reform, effective as of January 1, 2010 (the “2010 Tax Reform”). Specifically, the 2010 Tax Reform included changes to the tax consolidation regime that required CEMEX, among others, to determine and retroactively pay taxes at a current rate on items in past years that were eliminated in consolidation or that reduced consolidated taxable income (“Additional Consolidated Taxes”). The 2010 Tax Reform required CEMEX to pay taxes on certain previously exempted intercompany dividends, certain other special tax items and operating losses generated by members of the consolidated tax group not recovered by the individual company generating such losses within the succeeding 10-year period. The 2010 Tax Reform also increased the statutory income tax rate from 28% to 30% for the years 2010 to 2012, then lowered it to 29% for 2013 and 28% for 2014 and future years. However, in December of 2012, the Federal Revenue Law (*Ley de Ingresos de la Federación*) applicable in 2013, established that the statutory income tax rate would remain at 30% in 2013, and thereafter lowered to 29% for 2014 and 28% for 2015 and future years. As per the tax reforms enacted for 2014, the statutory income tax will remain at 30%.

For the 2010 fiscal year, CEMEX was required to pay (at the new, 30% tax rate) 25% of the Additional Consolidated Taxes for the period between 1999 and 2004, with the remaining 75% payable as follows: 25% in 2011, 20% in 2012, 15% in 2013 and 15% in 2014.

Additional Consolidated Taxes arising after the 2004 tax year are taken into account in the sixth fiscal year after such year and are payable over the succeeding five years in the same proportions (25%, 25%, 20%, 15% and 15%). Applicable taxes payable as a result of this tax reform are increased by inflation adjustments as required by the Mexican Income Tax Law (*Ley del Impuesto Sobre la Renta*). In connection with these changes in the tax consolidation regime in Mexico, as of December 31, 2009, we recognized a liability of approximately Ps10.5 billion (approximately U.S.\$802.14 million as of August 31, 2014, based on an exchange rate of Ps13.09 to U.S.\$1.00), of which approximately Ps8.2 billion (approximately U.S.\$626.43 million as of August 31, 2014, based on an exchange rate of Mexican Ps13.09 to U.S.\$1.00) was recognized under "Other non-current assets" in connection with the net liability recognized under the new tax law and that we expect to realize in connection with the payment of this tax liability, and approximately Ps2.2 billion (approximately U.S.\$168.07 million as of August 31, 2014, based on an exchange rate of Ps13.09 to U.S.\$1.00) was recognized against "Retained earnings" upon adoption of IFRS according to the new law, related to: (a) the difference between the sum of the equity of the controlled entities for tax purposes and the equity for tax purposes of the consolidated entity, (b) dividends from the controlled entities for tax purposes to CEMEX, S.A.B. de C.V., and (c) other transactions among the companies included in the tax consolidation group that represented the transfer of resources within such group.

On February 15, 2010, we filed a constitutional challenge (*juicio de amparo*) against the 2010 Tax Reform. As of June 3, 2011, we were notified of a favorable verdict at the first stage of the trial; the Mexican tax authorities subsequently filed an appeal (*recurso de revisión*) before the Mexican Supreme Court, which, as of August 31, 2014, is pending. At this stage of the proceeding, it is probable that we will receive an adverse result to us on the appeal (*recurso de revisión*) filed by the Mexican tax authorities before the Mexican Supreme Court, however, even if adversely resolved, we do not foresee any material adverse impact on our results of operations, liquidity and financial condition, additional to those described herein.

On March 31, 2010, additional tax rules (*miscelánea fiscal*) were published in connection with the general tax reform approved by the Mexican Congress in November 2009. These new rules provided certain taxpayers with benefits arising from the years 1999 to 2004.

On June 30, 2010, CEMEX paid approximately Ps325 million (approximately U.S.\$24.83 million as of August 31, 2014, based on an exchange rate of Ps13.09 to U.S.\$1.00) of Additional Consolidated Taxes. This first payment represented 25% of the Additional Consolidated Taxes for the period that includes from 1999 to 2004. On March 31, 2011, CEMEX made a second payment of approximately Ps506 million (approximately U.S.\$38.66 million as of August 31, 2014, based on an exchange rate of Ps13.09 to U.S.\$1.00). This second payment, together with the first payment, represented 50% of the Additional Consolidated Taxes for the period that includes from 1999 to 2004, and also included the first payment of 25% of the Additional Consolidated Taxes for the period that corresponds to 2005. On March 30, 2012, CEMEX paid Ps698 million (approximately U.S.\$53.32 million as of August 31, 2014, based on an exchange rate of Ps13.09 to U.S.\$1.00). This third payment together with the first and second payments represented 70% of the Additional Consolidated Taxes for the period that includes from 1999 to 2004, 50% of the Additional Consolidated Taxes for the period that corresponds to 2005 and it also included the first payment of 25% of the Additional Consolidated Taxes for the period that corresponds to 2006. On March 27, 2013, CEMEX paid Ps2 billion (approximately U.S.\$152.79 million as of August 31, 2014, based on an exchange rate of Ps13.09 to

U.S.\$1.00). This fourth payment, together with the first, second and third payments represented 85% of the Additional Consolidated Taxes for the period that includes from 1999 to 2004, 70% of the Additional Consolidated Taxes for the period that corresponds to 2005, 50% of the Additional Consolidated Taxes for the period that corresponds to 2006 and 25% of the Additional Consolidated Taxes for the period that corresponds to 2007. On March 31, 2014, CEMEX paid Ps2 billion (approximately U.S.\$152.79 million as of August 31, 2014, based on an exchange rate of Ps13.09 to U.S.\$1.00). This fifth payment, together with the first, second, third and fourth payments represented 100% of the Additional Consolidated Taxes for the period that includes from 1999 to 2004, 85% of the Additional Consolidated Taxes for the period that corresponds to 2005, 70% of the Additional Consolidated Taxes for the period that corresponds to 2006 and 50% of the Additional Consolidated Taxes for the period that corresponds to 2007. As of August 31, 2014, we have paid an aggregate amount of approximately Ps5.5 billion (approximately U.S.\$420.17 million as of August 31, 2014, based on an exchange rate of Ps13.09 to U.S.\$1.00) of Additional Consolidated Taxes.

In December 2010, pursuant to certain additional rules, the tax authorities granted the option to defer the calculation and payment of certain items included in the law in connection with the taxable amount for the difference between the sum of the equity of controlled entities for tax purposes and the equity of the consolidated entity for tax purposes. As a result, CEMEX reduced its estimated tax payable by approximately Ps2.9 billion (approximately U.S.\$221.54 million as of August 31, 2014, based on an exchange rate of Ps13.09 to U.S.\$1.00) against a credit to the income statement when the new tax enactment took place. In addition, after accounting for the following that took place in 2010: (a) cash payments of Ps325 million (approximately U.S.\$24.83 million as of August 31, 2014, based on an exchange rate of Ps13.09 to U.S.\$1.00), (b) income tax from subsidiaries paid to the parent company of Ps2.4 billion (approximately U.S.\$183.35 million as of August 31, 2014, based on an exchange rate of Ps13.09 to U.S.\$1.00), and (c) other adjustments of Ps358 million (approximately U.S.\$27.35 million as of August 31, 2014, based on an exchange rate of Ps13.09 to U.S.\$1.00), the estimated tax payable for tax consolidation in Mexico amounted to approximately Ps10.1 billion (approximately U.S.\$771.58 million as of August 31, 2014, based on an exchange rate of Ps13.09 to U.S.\$1.00) as of December 31, 2010. Furthermore, after accounting for the following that took place in 2011: (a) cash payments in the amount of Ps506 million (approximately U.S.\$38.66 million as of August 31, 2014, based on an exchange rate of Ps13.09 to U.S.\$1.00), (b) income tax from subsidiaries paid to the parent company of Ps2.3 billion (approximately U.S.\$175.71 million as of August 31, 2014, based on an exchange rate of Ps13.09 to U.S.\$1.00), and (c) other adjustments of Ps485 million (approximately U.S.\$37.05 million as of August 31, 2014, based on an exchange rate of Ps13.09 to U.S.\$1.00), the estimated tax payable for tax consolidation in Mexico increased to approximately Ps12.4 billion (approximately U.S.\$947.29 million as of August 31, 2014, based on an exchange rate of Ps13.09 to U.S.\$1.00) as of December 31, 2011. Additionally, after accounting for the following that took place in 2012: (a) cash payments in the amount of Ps698 million (approximately U.S.\$53.32 million as of August 31, 2014, based on an exchange rate of Ps13.09 to U.S.\$1.00), (b) income tax from the subsidiaries paid to the parent company of Ps2.1 billion (approximately U.S.\$160.43 million as of August 31, 2014, based on an exchange rate of Ps13.09 to U.S.\$1.00), and (c) other adjustments of Ps745 million (approximately U.S.\$56.91 million as of August 31, 2014, based on an exchange rate of Ps13.09 to U.S.\$1.00), as of December 31, 2012, the estimated tax payable for tax consolidation in Mexico increased to approximately Ps14.5 billion (approximately U.S.\$1.11 billion as of August 31, 2014, based on an exchange rate of Ps13.09 to U.S.\$1.00). Furthermore, after accounting for the following that took place in 2013: (a) cash payments in

the amount of Ps2 billion (approximately U.S.\$152.79 million as of August 31, 2014, based on an exchange rate of Ps13.09 to U.S.\$1.00), (b) income tax from subsidiaries paid to the parent company of Ps1.8 billion (approximately U.S.\$137.51 million as of August 31, 2014, based on an exchange rate of Ps13.09 to U.S.\$1.00), and (c) other adjustments of Ps1.2 billion (approximately U.S.\$91.67 million as of August 31, 2014, based on an exchange rate of Ps13.09 to U.S.\$1.00), and (d) effects of tax deconsolidation of Ps9.3 billion (approximately U.S.\$710.47 million as of August 31, 2014, based on an exchange rate of Ps13.09 to U.S.\$1.00), as of December 31, 2013, the estimated tax payable for tax consolidation in Mexico increased to approximately Ps24.8 billion (approximately U.S.\$1.89 billion as of August 31, 2014, based on an exchange rate of Ps13.09 to U.S.\$1.00).

In addition, as a result of the enactment of the new Income Tax Law (*Ley del Impuesto Sobre la Renta*) in Mexico approved in December 2013 and effective beginning January 1, 2014 (the "2014 Tax Reform"), the statutory income tax rate for 2014 will remain at 30%, and the tax consolidation regime that was in effect up until December 31, 2013, was replaced prospectively by a new integration regime, to which CEMEX will not apply. In consequence, as of 2014, each company in Mexico will determine its income taxes based solely in its individual results, and a period of up to 10 years has been established for the settlement of the liability for income taxes related to the tax consolidation regime accrued until December 31, 2013 ("Deconsolidation Taxes").

On February 12, 2014, we filed a constitutional challenge (*juicio de amparo*) against the 2014 Tax Reform that abrogated the tax consolidation regime. The purpose of the challenge is to obtain certainty in the applicable statutory rules in order to assess and pay the tax liability derived from such reform according to Constitutional principles. As of August 31, 2014, we cannot assess the likelihood of an adverse result to the constitutional challenge we filed, but even if the constitutional challenge is adversely resolved, we do not foresee any material adverse impact on our results of operations, liquidity and financial condition, additional to those described above.

On April 30, 2014, CEMEX paid Ps987 million (approximately U.S.\$75.40 million as of August 31, 2014, based on an exchange rate of Ps13.09 to U.S.\$1.00) which represented 25% of the Deconsolidation Taxes for the period that corresponded to the 2008 tax year.

As of August 31, 2014, our estimated payment schedule of Deconsolidation Taxes (which includes the Additional Consolidated Taxes) is as follows: approximately Ps5 billion (approximately U.S.\$381.97 million as of August 31, 2014, based on an exchange rate of Ps13.09 to U.S.\$1.00) in 2015; approximately Ps4.1 billion (approximately U.S.\$313.22 million as of August 31, 2014, based on an exchange rate of Ps13.09 to U.S.\$1.00) in 2016; and approximately Ps1.4 billion (approximately U.S.\$70.89 million as of August 31, 2014, based on an exchange rate of Ps13.09 to U.S.\$1.00) in 2017 and thereafter.

United States. As of August 31, 2014, the Internal Revenue Service concluded its audit for the year 2012. The final findings did not materially alter the reserves CEMEX had set aside for these matters and, as such, the amounts are not considered material to our financial results. On April 25, 2014, the Internal Revenue Service commenced its audit of the 2013 and 2014 tax years under the Compliance Assurance Process. We have not identified any material audit issues and, as such, no reserves are recorded for the 2013 audit in our financial statements.

Colombia. On April 1, 2011, the Colombian Tax Authority notified CEMEX Colombia of a proceeding notice in which the Colombian Tax Authority rejected certain deductions taken by CEMEX Colombia in its 2009 year-end tax return. The Colombian Tax Authority assessed an increase in taxes to be paid by CEMEX Colombia in the amount of approximately 90 billion Colombian Pesos (approximately U.S.\$46.91 million as of August 31, 2014, based on an exchange rate of 1,918.62 Colombian Pesos to U.S.\$1.00) and imposed a penalty in the amount of approximately 144 billion Colombian Pesos (approximately U.S.\$75.05 million as of August 31, 2014, based on an exchange rate of 1,918.62 Colombian Pesos to U.S.\$1.00). The Colombian Tax Authority argues that certain expenses are not deductible for fiscal purposes because they are not linked to direct revenues recorded in the same fiscal year, without taking into consideration that future revenue will be taxed with income tax in Colombia. CEMEX Colombia responded to the proceeding notice on June 25, 2011. On December 15, 2011, the Colombian Tax Authority issued its final determination, which confirmed the information in the special proceeding. CEMEX Colombia appealed the final determination on February 15, 2012. On January 17, 2013, the Colombian Tax Authority notified CEMEX Colombia of the resolution confirming the official liquidation. CEMEX Colombia appealed the final determination on May 10, 2013 which was admitted on June 21, 2013. On July 3, 2013, the appeal was notified to the Colombian Tax Authority, and hearings took place on February 18, 2014 and March 11, 2014. An adverse resolution to the appeal was notified to CEMEX Colombia on July 14, 2014 and on July 22, 2014, CEMEX Colombia filed an appeal before the Colombian *Consejo de Estado* against such adverse resolution. At this stage of the proceeding, as of August 31, 2014, we are not able to assess the likelihood of an adverse result in this special proceeding, but if adversely resolved, they could have a material adverse impact on our results of operations, liquidity and financial condition.

Spain. On July 7, 2011, the tax authorities in Spain notified CEMEX España of a tax audit process in Spain covering the tax years from and including 2006 to 2009. The tax authorities in Spain have challenged part of the tax losses reported by CEMEX España for such years. CEMEX España has been formally notified of fines in the aggregate amount of approximately €456 million (approximately U.S.\$601.11 million as of August 31, 2014, based on an exchange rate of €0.7586 to U.S.\$1.00) resulting from the July 7, 2011 tax audit process in Spain. The laws of Spain provide a number of appeals that can be filed against such fines without CEMEX España having to make any payment until such appeals are finally resolved. On April 22, 2014, CEMEX España filed appeals against such fines. At this stage, as of August 31, 2014, we are not able to assess the likelihood of an adverse result regarding this matter, and the appeals that CEMEX España has filed could take an extended amount of time to be resolved, but if all appeals filed by CEMEX España are adversely resolved, it could have a material adverse impact on our results of operations, liquidity and financial condition.

Egypt. On February 9, 2014, ACC was notified of the decision of the Egyptian Ministry of Finance's Appeals Committee (the "Appeals Committee") pursuant to which ACC has been required to pay a development levy on clay applied to the Egyptian cement industry in the amount of: (i) approximately 322 million Egyptian Pounds (approximately U.S.\$44.97 million as of August 31, 2014, based on an exchange rate of Egyptian Pounds 7.1610 to U.S.\$1.00) for the period from May 5, 2008 to August 31, 2011; and (ii) approximately 50,235 Egyptian Pounds (approximately U.S.\$7,015.08 as of August 31, 2014, based on an exchange rate of Egyptian Pounds 7.1610 to U.S.\$1.00) for the period from September 1, 2011 to November 30, 2011. On March 10, 2014, ACC filed a claim before the North Cairo

Court requesting the nullification of the Appeals Committee's decision and requesting that the North Cairo Court rule that the Egyptian tax authority is not entitled to require payment of the aforementioned amounts. As of August 31, 2014, this matter is being reviewed by the North Cairo Court expert's office. At this stage, as of August 31, 2014, we are not able to assess the likelihood of an adverse result regarding this matter, but if ACC's claim before the North Cairo Court is adversely resolved, it should not have a material adverse impact on our results of operations, liquidity and financial condition.

Other Legal Proceedings

Colombian Construction Claims. On August 5, 2005, the Urban Development Institute (*Instituto de Desarrollo Urbano*), or UDI, and an individual filed a lawsuit in the Fourth Anti-Corruption Court of Bogotá (*Fiscalía Cuarta Anticorrupción de Bogotá*) against a subsidiary of CEMEX Colombia claiming that it was liable, along with the other members of the *Asociación Colombiana de Productores de Concreto*, or ASOCRETO, an association formed by the ready-mix concrete producers in Colombia, for the premature distress of the concrete slabs of the Autopista Norte trunk line of the TransMilenio bus rapid transit system of Bogotá in which ready-mix concrete and flowable fill supplied by CEMEX Colombia and other ASOCRETO members was used. The plaintiffs alleged that the base material supplied for the road construction failed to meet the quality standards offered by CEMEX Colombia and the other ASOCRETO members and/or that they provided insufficient or inaccurate information in connection with the product. The plaintiffs were seeking the repair of the concrete slabs in a manner which guarantees their service during the 20-year period for which they were originally designed, and estimate that the cost of such repair could have been approximately 100 billion Colombian Pesos (approximately U.S.\$52.12 million as of August 31, 2014, based on an exchange rate of 1,918.62 Colombian Pesos to U.S.\$1.00). The lawsuit was filed within the context of a criminal investigation against a former director and two officers of the UDI, the contractor, the inspector and two ASOCRETO officers. On January 21, 2008, a court issued an order, sequestering the El Tunjuelo quarry, as security for payment of a possible future money judgment against CEMEX Colombia. The court determined that in order to lift this attachment and prevent further attachments, CEMEX Colombia was required to deposit 337.8 billion Colombian Pesos (approximately U.S.\$176.06 million as of August 31, 2014, based on an exchange rate of 1,918.62 Colombian Pesos to U.S.\$1.00) in cash instead of posting an insurance policy to secure such recovery. CEMEX Colombia appealed this decision and the Superior Court of Bogotá (*Tribunal Superior de Bogotá*) allowed CEMEX to present an insurance policy in the amount of 20 billion Colombian Pesos (approximately U.S.\$10.42 million as of August 31, 2014, based on an exchange rate of 1,918.62 Colombian Pesos to U.S.\$1.00). CEMEX gave the aforementioned security and, on July 27, 2009, the court lifted the attachment on the quarry.

On October 10, 2012 the court issued a first instance judgment pursuant to which the accusation made against the ASOCRETO officers was nullified. The judgment also convicted a former UDI director, the contractor's legal representatives and the inspector to a prison term of 85 months and a fine of 32 million Colombian Pesos (approximately U.S.\$16,678.65 as of August 31, 2014, based on an exchange rate of 1,918.62 Colombian Pesos to U.S.\$1.00). As a consequence of the nullification, the judge ordered a restart of the proceeding against the ASOCRETO officers. The UDI and other parties to the legal proceeding appealed the first instance judgment and on August 30, 2013 the Superior Court of Bogotá resolved to reduce the prison term imposed to the former UDI director and the UDI officers to 60 months and imposed a fine equivalent to 8.8 million Colombian Pesos (approximately U.S.\$4,586.63 as

of August 31, 2014, based on an exchange rate of 1,918.62 Colombian Pesos to U.S.\$1.00). Additionally, the UDI officers were sentenced to severally pay the amount of 108,000 million Colombian Pesos (approximately U.S.\$56.29 million as of August 31, 2014, based on an exchange rate of 1,918.62 Colombian Pesos to U.S.\$1.00) for the purported damages in the concrete slabs of the TransMilenio bus rapid transit system. Additionally, the Superior Court of Bogotá overturned the penalty imposed to the contractor's legal representatives and inspector because the criminal action against them was time barred. Furthermore, the Superior Court of Bogotá revoked the annulment in favor of the ASOCRETO officers and ordered the first instance judge to render a judgment regarding the ASOCRETO officers' liability or lack thereof. On June 25, 2014, the Supreme Court of Colombia's Penal Cassation Chamber (*Sala de Casación Penal de la Corte Suprema de Justicia de Colombia*) dismissed the cassation claim filed by the former UDI director and the UDI officers against the Superior Court of Bogotá's judgment. Dismissal of the cassation claim has no effect on CEMEX Colombia's or the ASOCRETO officers' interests in these proceedings. At this stage of the proceedings, as of August 31, 2014, we are not able to assess the likelihood of an adverse result or, due to the number of defendants, the potential damages which could be borne by CEMEX Colombia.

In addition, six legal actions related to the premature distress of the concrete slabs of the *Autopista Norte* trunk line of the TransMilenio bus rapid transit system were brought against CEMEX Colombia. The Cundinamarca Administrative Court (*Tribunal Administrativo de Cundinamarca*) nullified five of these actions and currently, only one remains outstanding. In addition, the UDI filed another action alleging that CEMEX Colombia made misleading advertisements on the characteristics of the flowable fill used in the construction of the concrete slabs. CEMEX Colombia participated in this project solely and exclusively as supplier of the ready-mix concrete and flowable fill, which were delivered and received to the satisfaction of the contractor, complying with all the required technical specifications. CEMEX Colombia neither participated in nor had any responsibility on the design, sourcing of materials or their corresponding technical specifications or construction. At this stage of the proceedings, as of August 31, 2014, we are not able to assess the likelihood of an adverse result, but if adversely resolved, it could have a material adverse impact on our results of operations, liquidity and financial condition.

Croatian Concession Litigation. After an extended consultation period, in April 2006, the cities of Kaštela and Solin in Croatia published their respective Master (physical) Plans defining the development zones within their respective municipalities, adversely impacting the mining concession granted to Cemex Hrvatska d.d. ("CEMEX Croatia"), our subsidiary in Croatia, by the Government of Croatia in September 2005. During the consultation period, CEMEX Croatia submitted comments and suggestions to the Master Plans intended to protect and preserve the rights of CEMEX Croatia's mining concession, but these were not taken into account or incorporated into the Master Plans by Kaštela and Solin. Immediately after publication of the Master Plans, CEMEX Croatia filed a series of lawsuits and legal actions before the local and federal courts to protect its acquired rights under the mining concessions, including: (i) on May 17, 2006, a constitutional appeal before the constitutional court in Zagreb, seeking a declaration by the court concerning CEMEX Croatia's constitutional claim for decrease and obstruction of rights earned by investment and seeking prohibition of implementation of the Master Plans; and (ii) on May 17, 2006, an administrative proceeding before an administrative court seeking a declaration from the Government of Croatia confirming that CEMEX Croatia acquired rights under the mining concessions. The administrative court subsequently ruled in favor of CEMEX Croatia, validating the legality of

the mining concession granted to CEMEX Croatia by the Government of Croatia, in September 2005. On June 15, 2012, we were notified that the case had been transferred from the constitutional court to the administrative court as a result of a new law that places the administrative courts in charge of disputes relating to environmental planning. In February 2014, the administrative court requested CEMEX Croatia to declare if it is still interested in proceeding with the concession litigation and if so, to provide additional clarification and documentation to support such claims. On March 3, 2014, CEMEX Croatia submitted the clarification and required documentation and on April 4, 2014, CEMEX Croatia was notified that the administrative court rejected its claims and found that its acquired rights or interests under the mining concessions had not been violated as a result of any act or decision made by the cities of Solin or Kaštela or any other governmental body. On April 29, 2014, CEMEX Croatia filed two claims before the Constitutional Court of the Republic of Croatia alleging that CEMEX Croatia's constitutional rights to a fair trial and judicial protection had been violated. In order to alleviate the adverse impact of the Master Plans, as of August 31, 2014, we are in the process of negotiating a new revised mining concession. On August 1, 2014, CEMEX Croatia filed an application before the European Court of Human Rights alleging that CEMEX Croatia's constitutional rights to a fair trial, property rights, concession rights and investment had been violated due to irregularities in a general act. At this stage of the proceedings, as of August 31, 2014, we are not able to assess the likelihood of an adverse result to the claims filed before the Constitutional Court of the Republic of Croatia, but if adversely resolved, it should not have a material adverse impact on our results of operations, liquidity and financial condition.

Panamanian Height Restriction Litigation. On July 30, 2008, the Panamanian Authority of Civil Aeronautics (*Autoridad de Aeronáutica Civil*), or AAC, denied a request from our subsidiary Cemento Bayano to erect structures above the permitted height restriction applicable to certain areas surrounding the Calzada Larga Airport. This height restriction was set according to applicable legal regulations and reaches the construction area of our cement plant's second line. Cemento Bayano has formally requested the above-mentioned authority to reconsider its denial. On October 14, 2008, the AAC granted permission for the construction of the tallest building of the second line, under the following conditions: that (a) Cemento Bayano assumes any liability arising from any incident or accident caused by the construction of such building; and (b) there would be no further permission for additional structures. Cemento Bayano filed an appeal with respect to both conditions considering that the construction involved building 12 additional structures. On March 13, 2009, the AAC issued an explanatory note stating that (a) should an accident occur in the Calzada Larga Airport's perimeter, an investigation shall be conducted in order to determine the cause and further responsibility; and (b) there will be no further permission for additional structures of the same height as the tallest structure was already authorized. Therefore, additional permits may be obtained as long as the structures are lower than the tallest building, on a case-by-case analysis to be conducted by the authority. Cemento Bayano filed an authorization request for the construction of the project's 12 remaining structures. On June 11, 2009, the AAC issued a resolution authorizing 3 of the 12 remaining structures and denying permits for 9 additional structures above the permitted height restriction applicable to certain areas surrounding Calzada Larga Airport. On June 16, 2009, Cemento Bayano requested the above-mentioned authority to reconsider its denial. On May 20, 2010, the ACC issued a report stating that all vertical structures erected by Cemento Bayano complied with the applicable signaling and lighting requirements in order to receive the respective authorization, nonetheless, as of August 31, 2014, the AAC had not yet issued a ruling pursuant to our request for reconsideration for the 9 remaining structures and, therefore, we continue to

monitor our request. At this stage, we are not able to determine if the AAC will issue a favorable decision to our request for reconsideration or if such denial would have a material adverse impact on our results of operations, liquidity and financial condition. We are also not able to assess the likelihood of any incident or accident occurring as a result of the construction of the second line of our cement plant and the responsibility, if any, that would be allocated to Cemento Bayano, but if any major incident or accident were to occur and if Cemento Bayano were to be held liable, any responsibility that is formally allocated to Cemento Bayano could have a material adverse impact on our results of operations, liquidity and financial condition.

Colombian Water Use Litigation. On June 5, 2010, the District of Bogotá's Environmental Secretary (*Secretaría Distrital de Ambiente de Bogotá*), or the Environmental Secretary, issued a temporary injunction suspending all mining activities at CEMEX Colombia's El Tunjuelo quarry, located in Bogotá, Colombia. As part of the temporary injunction, Holcim Colombia and Fundación San Antonio (local aggregates producers which also have mining activities located in the same area as the El Tunjuelo quarry) were ordered to suspend mining activities in that area. The Environmental Secretary alleged that during the past 60 years, CEMEX Colombia and the other companies illegally changed the course of the Tunjuelo River, used the percolating waters without permission and improperly used the edge of the river for mining activities. In connection with the temporary injunction, on June 5, 2010, CEMEX Colombia received a formal notification from the Environmental Secretary informing it of the initiation of proceedings to impose fines against CEMEX Colombia. CEMEX Colombia has requested that the temporary injunction be revoked, arguing that its mining activities are supported by all authorizations required pursuant to the applicable environmental laws and that all the environmental impact statements submitted by CEMEX Colombia have been reviewed and authorized by the Ministry of Environment and Sustainable Development (*Ministerio de Ambiente y Desarrollo Sostenible*). On June 11, 2010, the local authorities in Bogotá, in compliance with the Environmental Secretary's decision, sealed off the mine to machinery and prohibited the extraction of our aggregates inventory. Although there is not an official quantification of the possible fine, the District of Bogotá's environmental secretary has publicly declared that the fine could be as much as 300 billion Colombian Pesos (approximately U.S.\$156.36 million as of August 31, 2014, based on an exchange rate of 1,918.62 Colombian Pesos to U.S.\$1.00). The temporary injunction does not currently compromise the production and supply of ready-mix concrete to any of our clients in Colombia. At this stage, as of August 31, 2014, we are not able to assess the likelihood of an adverse result, but if adversely resolved, it could have a material adverse impact on our results of operations, liquidity and financial condition.

Israeli Class Action Litigation. On June 21, 2012, one of our subsidiaries in Israel was notified about an application for the approval of a class action suit against it. The application was filed by a homeowner who built his house with concrete supplied by our Israeli subsidiary in October 2010. According to the application, the plaintiff claims that the concrete supplied to him did not meet with the "Israel Standard for Concrete Strength No. 118" and that, as a result, our Israeli subsidiary acted unlawfully toward all of its customers who requested a specific type of concrete but that received concrete that did not comply with the Israeli standard requirements. As per the application, the plaintiff claims that the supply of the alleged non-conforming concrete has caused financial and non-financial damages to those customers, including the plaintiff. We presume that the class action would represent the claim of all the clients who purchased the alleged non-conforming concrete from our Israeli subsidiary during the past 7 years, the limitation period according to

applicable laws in Israel. The damages that could be sought amount to approximately 276 million Israeli Shekels (approximately U.S.\$77.35 million as of August 31, 2014, based on an exchange rate of 3.568 Israeli Shekels to U.S.\$1.00). Our Israeli subsidiary submitted a formal response to the corresponding court. Both parties presented their preliminary arguments in a hearing held on November 4, 2013. The hearing scheduled for April 28, 2014 was rescheduled to September 17, 2014. As of August 31, 2014, our subsidiary in Israel is not able to assess the likelihood of the class action application being approved or, if approved, of an adverse result, such as an award for damages in the full amount that could be sought, but if adversely resolved, we do not believe the final resolutions would have a material adverse impact on our results of operations, liquidity and financial condition.

Egypt Share Purchase Agreement. On April 7, 2011 and March 6, 2012, lawsuits seeking, among other things, the annulment of the share purchase agreement entered into by and between CEMEX and state-owned Metallurgical Industries Company (the "Holding Company") in November 1999 pursuant to which CEMEX acquired a controlling interest in ACC (the "Share Purchase Agreement"), were filed by different plaintiffs, including 25 former employees of ACC, before the 7th and 8th Circuits of Cairo's State Council, respectively. Hearings in both cases were adjourned in order for the State Commissioner Authority ("SCA") to prepare the corresponding reports to be submitted for the consideration of the 7th and 8th Circuits of Cairo's State Council. As of August 31, 2014, new hearing dates for both cases will be scheduled upon submission of the SCA's reports. As of August 31, 2014, we are not able to assess the likelihood of an adverse resolution regarding these lawsuits, but if adversely resolved, we do not believe the resolution in this first instance would have an immediate material adverse impact on our results of operations, liquidity and financial condition as there are different legal recourses that we could take. However, if we exhaust all legal recourses available to us, a final adverse resolution of this matter could have a material adverse impact on our operations, liquidity and financial condition.

Regarding a different lawsuit submitted to a first instance court in Assiut, Egypt and notified to ACC on May 23, 2011, on September 13, 2012, the first instance court of Assiut, Egypt issued a judgment (the "First Instance Judgment") to (i) annul the Share Purchase Agreement; and (ii) reinstate former employees to their former jobs at ACC. The First Instance Judgment was notified to ACC on September 19, 2012. On October 18, 2012, ACC filed an appeal against the First Instance Judgment, which was followed by the Holding Company's appeal filed on October 20, 2012 before the Appeals Court in Assiut, Egypt (the "Appeals Court"). At a November 17, 2013 hearing, the Appeals Court decided to join the appeals filed by ACC and the Holding Company and adjourned the session to January 20, 2014 to render judgment. On January 20, 2014, the Appeals Court issued a judgment (the "Appeal Judgment") accepting the appeals, revoking the First Instance Judgment, ruling for non-qualitative jurisdiction of the first instance court to review the case and referred the matter to the administrative court in Assiut, Egypt (the "Administrative Court") for a hearing to be held on March 16, 2014. This hearing was subsequently rescheduled to May 17, 2014 and ultimately was not held because the case file had not been completed on time in order for it to be referred to the Administrative Court. The SCA submitted a report recommending the Administrative Court to declare itself incompetent to review this case and to refer it to the Assiut Administrative Judiciary Court (the "Assiut Administrative Judiciary Court"). As of August 31, 2014, a new hearing date has not been scheduled. On March 12, 2014, ACC filed an appeal before the Cassation Court against the part of the Appeal Judgment that refers to the referral of the case to the Administrative Court and payment of the appeal expenses and attorney fees, and requested a suspension of the Appeal Judgment execution in respect to

these matters until the Cassation Court renders its judgment. As of August 31, 2014, a hearing date before the Cassation Court has not been scheduled. As of August 31, 2014, we are not able to assess the likelihood of an adverse resolution regarding these lawsuits, but if adversely resolved, we do not believe the resolution would have an immediate material adverse impact on our results of operations, liquidity and financial condition as there are different recourses that we could take. However, if we exhaust all legal recourses available to us, a final adverse resolution of this matter could have a material adverse impact on our operations, liquidity and financial condition.

Also, on February 23, 2014, two plaintiffs filed a lawsuit before the Assiut Administrative Judiciary Court requesting the cancellation of the resolutions taken by the Holding Company's shareholders during the extraordinary general shareholders meeting pursuant to which it was agreed to sell ACC's shares and enter into the Share Purchase Agreement in 1999. A hearing held on May 17, 2014 was adjourned in order for the SCA to prepare a report to be submitted for the consideration of the Assiut Administrative Judiciary Court. A new hearing date will be scheduled upon submission of the SCA's report. As of August 31, 2014, we do not have sufficient information to assess the likelihood of the Assiut Administrative Judiciary Court cancelling the resolutions adopted by the Holding Company's shareholders, or, if such shareholders' resolutions are cancelled, how would such cancellation affect us, but if adversely resolved, we do not believe the resolution in this first instance would have an immediate material adverse impact on our results of operations, liquidity and financial condition as there are different legal recourses that we could take. However, if we exhaust all legal recourses available to us, a final adverse resolution of this matter could have a material adverse impact on our operations, liquidity and financial condition.

On April 22, 2014, the Presidential Decree on Law No. 32 of 2014 ("Law 32/2014"), which regulates legal actions to challenge agreements entered into by the Egyptian State (including its ministries, departments, special budget entities, local administrative units, authorities and state-participated companies) and third parties, was published in the Official Gazette, becoming effective as of April 23, 2014, but subject to its presentation, discussion and approval by the House of Representatives 15 days after it has been elected. As per the provisions of Law 32/2014, and considering certain exceptions, only the parties to these agreements have standing to challenge the validity of an agreement. As of August 31, 2014, several constitutional challenges have been filed against Law 32/2014 before the Constitutional Court, and the House of Representatives had not been yet elected. In consideration of the aforementioned, as of August 31, 2014, we are not able to assess if the Constitutional Court will dismiss Law 32/2014 or if Law 32/2014 will not be presented, discussed and ratified by the House of Representatives, but if the Constitutional Court dismisses Law 32/2014 or if Law 32/2014 is not presented, discussed and ratified by the House of Representatives, this could adversely impact the ongoing matters regarding the Share Purchase Agreement, which could have a material adverse impact on our operations, liquidity and financial condition.

South Louisiana Flood Protection Authority-East Claim

On July 24, 2013 a Petition for Damages and Injunctive Relief was filed by the South Louisiana Flood Protection Authority-East ("SLFPAE") in the Civil District Court for the Parish of Orleans, State of Louisiana, against approximately 100 defendants, including CEMEX, Inc. SLFPAE is seeking compensation for and the restoration of certain coastal lands near New Orleans alleged to have been damaged by activities related to oil and gas exploration and production since the early 1900's. CEMEX, Inc., which was previously

named Southdown, Inc., may have acquired liabilities, to the extent there may be any, in connection with oil and gas operations that were divested in the late 1980's. The matter was recently removed to the United States District Court for the Eastern District of Louisiana (the "Louisiana District Court") and a motion by the Plaintiffs to remand to State Court was denied. In addition, on June 6, 2014, Louisiana Senate Bill No. 469 was enacted into Act No. 544 ("Act 544") which prohibits certain state or local governmental entities such as the SLFPAE from initiating certain causes of action including the claims asserted in this matter. The effect of Act 544 on the pending matter has yet to be determined by the Louisiana District Court. As of August 31, 2014, we do not have sufficient information to assess the likelihood of an adverse result or, because of the number of defendants, the potential damages which could be borne by CEMEX, Inc., if any, or if such damages, if any, would have a material adverse impact on our results of operations, liquidity and financial condition.

As of August 31, 2014, we are involved in various legal proceedings involving, but not limited to, product warranty claims, environmental claims, indemnification claims relating to acquisitions and similar types of claims brought against us that have arisen in the ordinary course of business. We believe we have made adequate provisions to cover both current and contemplated general and specific litigation risks, and we believe these matters will be resolved without any significant effect on our operations, financial position and results of operations. We are sometimes able to make and disclose reasonable estimates of the expected loss or range of possible loss, as well as disclose any provision accrued for such loss. However, for a limited number of ongoing legal proceedings, we may not be able to make a reasonable estimate of the expected loss or range of possible loss or may be able to do so but believe that disclosure of such information on a case-by-case basis would seriously prejudice our position in the ongoing legal proceedings or in any related settlement discussions. Accordingly, in these cases, we have disclosed qualitative information with respect to the nature and characteristics of the contingency, but have not disclosed the estimate of the range of potential loss.

SCHEDULE 15
MATERIAL SUBSIDIARIES

As at 30 June 2014

Cemex S.A.B. de C.V.

Cemex España, S.A.

New Sunward Holding B.V.

Cemex México S.A. de C.V.

Cemex Concretos S.A. de C.V.

Cemex UK Operations Ltd.

Cemex Colombia, S.A.

Cemex Bogotá Investments B.V.

Cemex, Inc.

Assiut Cement Company

Cemex Materials LLC

Cemex Construction Materials Florida LLC

Cemex Construction Materials South LLC (USA)

Cementos Bayano, S.A.

Cemex Caribe II Investments B.V.

Cemex Operaciones México S.A. de C.V. (formerly Centro Distribuidor de Cemento, S.A. de C.V.)

Cemex Finance Europe B.V.

Cemex Corp.

Cemex Investments Africa and Middle East Aps

Cemex Central S.A. de C.V.

Cemex Trading LLC

Cemex Investments Limited

Cemex Egypt for Distribution S.A.E.

Sunbelt Investments, Inc.

**SCHEDULE 16
HEDGING PARAMETERS**

1. No Obligor will (and the Borrower will procure that no members of the Group will) engage in any Treasury Transaction, other than a Permitted Treasury Transaction in accordance with this Hedging Parameters Schedule. A “**Permitted Treasury Transaction**” means:
- (a) any Treasury Transaction that is an Excluded Position;
 - (b) any Treasury Transaction entered into, sold or purchased at arm’s length and in compliance with all applicable laws, rules and regulations, with respect to which all parties and credit support providers are members of the Group (each, a “**Permitted Intercompany Treasury Transaction**”);
 - (c) any Treasury Transaction entered into, sold or purchased at the prevailing market rates and not for speculative purposes that is solely an interest rate, currency or Commodity derivative (or a combination thereof) or that is a Permitted Non-Bank Commodity Contract or a Permitted Compensation Plan Hedging Transaction, in each case (i) for the purpose of managing a specific risk associated with an asset, liability, income or expense owned, incurred, earned or made or reasonably likely to be owned, incurred, earned or made by a member of the Group and (ii) in its ordinary course of business (each, a “**Permitted Exposure Hedge**”);
 - (d) any call option, call spread, capped call transaction, put option, put spread, capped put transaction or any combination of the foregoing and/or any other Treasury Transaction or transactions having a similar effect to any of the foregoing, in each case entered into, sold or purchased not for speculative purposes but for the purposes of managing specific risks or exposures associated with any issuance of Relevant Convertible/Exchangeable Obligations (each, a “**Permitted Put/Call Transaction**”); or
 - (e) any Treasury Transaction (other than any Caliza Offering Option) entered into, sold or purchased not for speculative purposes but for the purposes of managing specific risks or exposures in relation to any Caliza Transaction.

Where: “**Excluded Position**” means each of the positions set forth in Annex 1 hereto as in effect on the date of this Agreement and, with respect to the positions specified in paragraphs (a), (b) and (c) of Annex 1, any replacements, amendments or renewals thereof that are entered into on then prevailing market terms with the underlying amounts not greater than the original underlying amounts. “**Permitted Non-Bank Commodity Contract**” means any commodity contract or agreement with respect to which all parties and credit support providers are not financial institutions and any agreement incidental thereto. “**Commodity**” means raw materials and other inputs used in the Group’s operations, energy, water, electric power, electric power capacity, generation capacity, power, heat rate, congestion, diesel fuel, fuel oil, other petroleum-based liquids or fuels, coal, commodity transportation, urea, financial transmission rights, emissions and other environmental credits, allowances or offsets, renewable energy credits, Certified Emission Reductions, European Union Allowances, natural gas, nuclear fuel and waste products or by-products thereof or

other such tangible or intangible commodity of similar type or description. “**Permitted Compensation Plan Hedging Transaction**” means (a) an equity forward purchase transaction or an equity call option that hedges the Borrower or any Obligor’s obligations under an Executive Compensation Plan permitted by this Agreement, or (b) an agreement that requires a counterparty to make payments or deliveries that are otherwise required to be made by the Borrower or any Obligor under an Executive Compensation Plan permitted by this Agreement by exchange, repurchase or similar arrangements or a combination thereof.

2. The board of directors shall, from time to time, adopt policies governing the Group’s entry into Permitted Treasury Transactions. The board of directors shall approve any Permitted Treasury Transactions that are required to be approved by the board of directors in accordance with applicable company regulations and by-laws. Management shall approve all other Permitted Treasury Transactions in accordance with such board of director policies.
3. The total amount of collateral or margin posted as of the date of this Agreement in respect of each Excluded Position or Permitted Non-Bank Commodity Contract is Permitted Security or Quasi-Security (as the case may be) as described in Schedule 11 (*Existing Security and Quasi-Security*) to this Agreement. No Obligor will (and the Borrower will procure that no members of the Group will) post additional collateral or margin in respect of an Excluded Position or a Permitted Non-Bank Commodity Contract for which collateral or margin is already posted, or any collateral or margin in respect of any other Treasury Transaction, except as permitted under paragraphs (L) and (Q) of the definition of Permitted Security set out in Clause 23.5 (*Negative pledge*) of this Agreement. Notwithstanding the foregoing, members of the Group may replace collateral or margin posted as of the date of this Agreement in respect of an Excluded Position as described in Schedule 11 (*Existing Security and Quasi-Security*) with a Permitted Put/Call Transaction for the purpose of obtaining a Cash Collateral Release Amount, provided any amount of collateral or margin posted at any time in connection with such Excluded Position in excess of the amount described in Schedule 11 (*Existing Security and Quasi-Security*) in respect of such Excluded Position complies with paragraphs (K) and (P) of the definition of Permitted Security in Clause 23.5 (*Negative pledge*) of this Agreement.
4. No Obligor will (and the Borrower will procure that no members of the Group will) amend, modify or terminate a Permitted Treasury Transaction except in its ordinary course of business and not for speculative purposes.

ANNEX 1
EXCLUDED POSITIONS

The following are Excluded Positions:

- (a) the Axtel share forward transaction that is governed by a long form Confirmation dated 27 August 2013, as amended, modified or supplemented from time to time, between Credit Suisse International and Centro Distribuidor de Cemento S.A. de C.V. (References: External ID: 16059563R5 - Risk ID: 10008383);
- (b) the interest rate swap governed by a Swap Agreement dated 24 September 2007 between Banco Nacional de México, S.A., Integrante del Grupo Financiero Banamex, División Fiduciaria, not in its individual capacity but acting solely as trustee on behalf of the Trust Number 111014-2 under the Restated Trust Agreement dated as of 26 March 1999, as amended, modified or supplemented from time to time and CEMEX, S.A.B. de C.V.;
- (c) the Capped Call transactions that are governed by a long form Confirmation dated 24 March 2010, as amended, modified or supplemented from time to time, between Citibank, N.A. and CEMEX, S.A.B. de C.V. (Reference: Amended and Restated Confirmation dated 25 March 2011 documenting the capped call transactions with a Trade Date of 24 March 2010, the Amendment and Restatement Agreement dated 10 January 2014 and the Third Amendment and Restated Confirmation dated 7 July 2014);
- (d) the Capped Call transactions that are governed by a long form Confirmation dated 9 March 2011, as amended, modified or supplemented from time to time, between Citibank, N.A. and CEMEX, S.A.B. de C.V. (Reference: Amended and Restated Confirmation dated as of 11 March 2011 documenting the capped call transactions with a Trade Date of 9 March 2011);
- (e) the Capped Call transactions that are governed by a long form Confirmation dated 9 March 2011, as amended, modified or supplemented from time to time, between Bank of America, N.A. and CEMEX, S.A.B. de C.V. (Reference: Amended and Restated Confirmations dated as of 11 March 2011 documenting the capped call transactions with a Trade Date of 9 March 2011);
- (f) the Capped Call transactions that are governed by a long form Confirmation dated 9 March 2011, as amended, modified or supplemented from time to time, between BNP Paribas and CEMEX, S.A.B. de C.V. (Reference: Amended and Restated Confirmation dated as of 11 March 2011 documenting the capped call transactions with a Trade Date of 9 March 2011);
- (g) the Capped Call transactions that are governed by a long form Confirmation dated 9 March 2011, as amended, modified or supplemented from time to time, between HSBC Bank USA, National Association and CEMEX, S.A.B. de C.V. (Reference: Amended and Restated Confirmation dated as of 11 March 2011 documenting the capped call transactions with a Trade Date of 9 March 2011);
- (h) the Capped Call transactions that are governed by a long form Confirmation dated 9 March 2011, as amended, modified or supplemented from time to time, between

JPMorgan Chase Bank, National Association, London Branch and CEMEX, S.A.B. de C.V. (Reference: Amended and Restated Confirmation dated as of 11 March 2011 documenting the capped call transactions with a Trade Date of 9 March 2011);

- (i) the Capped Call transactions that are governed by a long form Confirmation dated 9 March 2011, as amended, modified or supplemented from time to time, between The Royal Bank of Scotland PLC and CEMEX, S.A.B. de C.V. (Reference: Amended and Restated Confirmation dated as of 11 March 2011 documenting the capped call transactions with a Trade Date of 9 March 2011); and
- (j) the Capped Call transactions that are governed by a long form Confirmation dated 9 March 2011, as amended, modified or supplemented from time to time, between Banco Santander, S.A. and CEMEX, S.A.B. de C.V. (Reference: Amended and Restated Confirmations dated as of 11 March 2011 documenting the capped call transactions with a Trade Date of 9 March 2011);

**SCHEDULE 17
TIMETABLES**

Delivery of a duly completed Utilisation Request (Clause 5.1 (<i>Delivery of a Utilisation Request</i>) or a Selection Notice (Clause 11.1 (<i>Selection of Interest Periods</i>)))	U-3 9.30am
Agent notifies the Lenders of the Loan in accordance with Clause 5.4 (<i>Lenders' participation</i>)	U-3 3.00pm
LIBOR is fixed	Quotation Day as of 11:00 a.m.
Delivery of funds corresponding to each Lender's participation in the Loan	U 9.00am

“U” = date of utilisation or, if applicable, in the case of a Loan that has already been borrowed, the first day of the relevant Interest Period for that Loan.

“U – X” = X Business Days prior to date of utilisation or, if applicable, in the case of a Loan that has already been borrowed, the first day of the relevant Interest Period for that Loan.

**SCHEDULE 18
FORM OF CONFIDENTIALITY UNDERTAKING**

CONFIDENTIALITY UNDERTAKING

[Letterhead of Potential Purchaser]

To: *[Insert name of Seller]*

From: *[Insert name of Potential Purchaser]*

Dated:

Dear Sirs

**CEMEX, S.A.B. de C.V. – Facilities Agreement
dated [X] September 2014 (the “Facilities Agreement”)**

We are considering acquiring an interest in the Facilities Agreement which, subject to the terms of the Facilities Agreement, may be by way of novation, assignment, the entering into, whether directly or indirectly, of a sub-participation or any other similar transaction under which payments are to be made or may be made by reference to one or more relevant Finance Documents and/or one or more relevant Obligors or by way of investing in or otherwise financing, directly or indirectly, any such novation, assignment, sub-participation or other similar transaction (each, an “**Acquisition**”). In consideration of you agreeing to make available to us certain information in relation to each Acquisition, by our signature of this letter we agree as follows (acknowledged and agreed by you by your signature of a copy of this letter):

1. Confidentiality Undertaking

We undertake in relation to each Acquisition whether completed or not, (a) to keep all Confidential Information confidential and not to disclose it to anyone, save to the extent permitted by paragraph 2 below and to ensure that all Confidential Information is protected with security measures and a degree of care that would apply to our own confidential information, (b) until that Acquisition is completed to use the Confidential Information only for the Permitted Purpose, (c) to keep confidential and not disclose to anyone except as provided for by paragraph 2 below the fact that the Confidential Information has been made available or that discussions or negotiations are taking place or have taken place between us in connection with the Facilities, and (d) to use all reasonable endeavours to ensure that any person to whom we pass any Confidential Information (unless disclosed under paragraph 2 below) acknowledges and complies with the provisions of this letter as if that person were also a party to it.

2. **Permitted Disclosure**

You agree that we may disclose:

- 2.1 to any of our Affiliates and any of our or their officers, directors, employees, professional advisers and auditors such Confidential Information as we shall consider appropriate if any person to whom the Confidential Information is to be given pursuant to this paragraph 2.1 is informed in writing of its confidential nature and that some or all of such Confidential Information may be price-sensitive information, except that there shall be no such requirement to so inform if the recipient is subject to professional obligations to maintain the confidentiality of the information or is otherwise bound by requirements of confidentiality in relation to the Confidential Information;
- 2.2 subject to the requirements of the Facilities Agreement, to any person:
- (a) to (or through) whom we assign or transfer (or may potentially assign or transfer) all or any of our rights and/or obligations which we may acquire under the Facilities Agreement such Confidential Information as we shall consider appropriate if the person to whom the Confidential Information is to be given pursuant to this sub-paragraph (a) of paragraph 2.2 has delivered a letter to you materially in equivalent form to this letter;
 - (b) with (or through) whom we enter into (or may potentially enter into) any sub-participation in relation to, or any other transaction under which payments are to be made or may be made by reference to the Facilities Agreement in relation to that Acquisition or any Obligor such Confidential Information as we shall consider appropriate if the person to whom the Confidential Information is to be given pursuant to this sub-paragraph (b) of paragraph 2.2 has delivered a letter to you in materially equivalent form to this letter;
 - (c) to whom information is required or requested to be disclosed by any governmental, banking, taxation or other regulatory authority or similar body, the rules of any recognised stock exchange or pursuant to any applicable law or regulation such Confidential Information as we shall consider appropriate; and
- 2.3 notwithstanding paragraphs 2.1 and 2.2 above, Confidential Information to such persons to whom, and on the same terms as, a Finance Party is permitted to disclose Confidential Information under the Facilities Agreement to which that Acquisition relates, as if such permissions were set out in full in this letter and as if references in those permissions to Finance Party were references to us for the purposes of that Acquisition.

3. **Notification of Disclosure**

We agree in relation to each Acquisition (whether completed or not), (to the extent permitted by law and regulation) to inform you:

- 3.1 of the circumstances of any disclosure of Confidential Information made pursuant to sub-paragraph (c) of paragraph 2.2 above, except where such disclosure is made to any of the persons referred to in that paragraph during the ordinary course of its supervisory or regulatory function; and
- 3.2 upon becoming aware that Confidential Information has been disclosed in breach of this letter.

4. **Return of Copies**

If we do not enter into or complete the Acquisition and you so request in writing, we shall return all Confidential Information supplied by you to us in relation to that Acquisition and destroy or permanently erase (to the extent technically practicable) all copies of Confidential Information made by us and use all reasonable endeavours to ensure that anyone to whom we have supplied any Confidential Information destroys or permanently erases (to the extent technically practicable) such Confidential Information and any copies made by them, in each case save to the extent that we or the recipients are required to retain any such Confidential Information by any applicable law, rule or regulation or by any competent judicial, governmental, supervisory or regulatory body or in accordance with internal policy, or where the Confidential Information has been disclosed under sub-paragraph (c) of paragraph 2.2 above.

5. **Continuing Obligations**

The obligations in this letter are continuing and, in particular, shall survive and remain binding on us in relation to each Acquisition (whether completed or not) until (a) if we become a party to the Facilities Agreement as a lender of record, the date on which we become such a party to the Facilities Agreement; (b) if we enter into the Acquisition but it does not result in us becoming a party to the Facilities Agreement as a lender of record, the date falling twelve months after the date on which all of our rights and obligations contained in the documentation entered into to implement the Acquisition have terminated; or (c) in any other case the date falling twelve months after the date at which we have returned all Confidential Information supplied by you to us and destroyed or permanently erased (to the extent technically practicable) all copies of Confidential Information made by us (other than any such Confidential Information or copies which have been disclosed under paragraph 2 above (other than paragraph 2(a)) or which, pursuant to paragraph 4 above, are not required to be returned or destroyed).

6. **No Representation; Consequences of Breach, etc**

We acknowledge and agree that:

- 6.1 neither you, nor any member of the Group nor any of your or their respective officers, employees or advisers (each a “**Relevant Person**”) (i) make any representation or warranty, express or implied, as to, or assume any responsibility for, the accuracy, reliability or completeness of any of the Confidential Information or any other information supplied by you in relation to the Acquisition or the assumptions on which it is based or (ii) shall be under any obligation to update or correct any inaccuracy in the Confidential Information or any other information supplied by you in relation to the Acquisition or be otherwise liable to us or any other person in respect of the Confidential Information or any such information; and
- 6.2 you or members of the Group may be irreparably harmed by the breach of the terms of this letter and damages may not be an adequate remedy; each Relevant Person may be granted an injunction or specific performance for any threatened or actual breach of the provisions of this letter by us.

7. **Entire Agreement: No Waiver; Amendments, etc**

- 7.1 This letter constitutes the entire agreement between us in relation to our obligations regarding Confidential Information and supersedes any previous agreement, whether express or implied, regarding Confidential Information.
- 7.2 No failure to exercise, nor any delay in exercising, any right or remedy under this letter will operate as a waiver of any such right or remedy or constitute an election to affirm this letter. No election to affirm this letter will be effective unless it is in writing. No single or partial exercise of any right or remedy will prevent any further or other exercise thereof or the exercise of any other right or remedy under this letter.
- 7.3 The terms of this letter and our obligations under this letter may only be amended or modified by written agreement between the parties and the Borrower.

8. **Inside Information**

We acknowledge that some or all of the Confidential Information is or may be price-sensitive information and that the use of such information may be regulated or prohibited by applicable legislation including securities laws relating to insider dealing and market abuse, and we undertake not to use any Confidential Information for any unlawful purpose.

9. **Nature of Undertakings**

The undertakings given by us under this letter are given to you and are also given for the benefit of the Borrower and each other member of the Group.

10. **Third Party Rights**

- 10.1 Subject to this paragraph 10 and to paragraphs 6 and 9, a person who is not a party to this letter has no right under the Contracts (Rights of Third Parties) Act 1999 (the “**Third Parties Act**”) to enforce or to enjoy the benefit of any term of this letter.
- 10.2 The Relevant Persons may enjoy the benefit of the terms of paragraphs 6 and 9 subject to and in accordance with this paragraph 10 and the provisions of the Third Parties Act.
- 10.3 Notwithstanding any provisions of this letter, the parties to this letter do not require the consent of any Relevant Person (other than the Borrower) to rescind or vary this letter at any time.

11. **Governing Law and Jurisdiction**

- 11.1 This letter (including the agreement constituted by your acknowledgement of its terms) (the “**Letter**”) and any non-contractual obligations arising out of or in connection with it (including any non-contractual obligations arising out of the negotiation of the transaction contemplated by this Letter) are governed by English law.
- 11.2 The courts of England have non-exclusive jurisdiction to settle any dispute arising out of or in connection with this Letter (including a dispute relating to any non-contractual obligation arising out of or in connection with either this Letter or the negotiation of the transaction contemplated by this Letter).

12. **Definitions**

In this letter (including the acknowledgement set out below) terms defined in the Facilities Agreement shall, unless the context otherwise requires, have the same meaning and:

“**Confidential Information**” means, in relation to each Acquisition, all information relating to the Borrower, any Obligor, the Group, the Finance Documents, the Facilities and/or the Acquisition which is provided to us in relation to the Finance Documents or the Facilities by you or any of your affiliates or advisers, in whatever form, and includes information given orally and any document, electronic file or any other way of representing or recording information which contains or is derived or copied from such information but excludes information that:

- (a) is or becomes public information other than as a direct or indirect result of any breach by us of this letter; or
- (b) is identified in writing at the time of delivery as non-confidential by you or your advisers; or
- (c) is known by us before the date the information is disclosed to us by you or any of your affiliates or advisers or is lawfully obtained by us after that date, from a source which is, as far as we are aware, unconnected with the Group and which, in either case, as far as we are aware, has not been obtained in breach of, and is not otherwise subject to, any obligation of confidentiality.

“**Group**” means the Borrower and each of its subsidiaries for the time being.

“**Permitted Purpose**” means considering and evaluating whether to enter into and complete the Acquisition.

Please acknowledge your agreement to the above by signing and returning the enclosed copy of this letter.

Yours faithfully

For and on behalf of

[Potential Purchaser]

To:*[Potential Purchaser]*

We acknowledge and agree to the above:

For and on behalf of

[Seller]

SCHEDULE 19
FORM OF ACCORDION CONFIRMATION

To: [X] as Agent, [X] as Security Agent for itself and each of the other parties to the Intercreditor Agreement referred to below, and CEMEX, S.A.B. de C.V. as the Borrower, for and on behalf of each Obligor

From: [the Increase Lender] (the “**Accordion Lender**”)

Dated:

CEMEX, S.A.B. de C.V. – Facilities Agreement
dated [X] September 2014 (the “Facilities Agreement”)

1. We refer to the Facilities Agreement and to the Intercreditor Agreement (as defined in the Facilities Agreement). This agreement (the “**Agreement**”) shall take effect as an Accordion Confirmation for the purpose of the Facilities Agreement and as a Creditor/Agent/Security Agent Accession Undertaking (as defined in the Intercreditor Agreement) for the purposes of the Intercreditor Agreement (and as defined in the Intercreditor Agreement). Terms defined in the Facilities Agreement have the same meaning in this Agreement unless given a different meaning in this Agreement.
2. We refer to Clause 2.2 (*Accordion*) of the Facilities Agreement.
3. The Accordion Lender agrees to assume and will assume all of the obligations corresponding to the Commitment specified in the Schedule (the “**Relevant Commitment**”) as if it was an Original Lender under the Facilities Agreement.
4. The proposed date on which the increase in relation to the Accordion Lender and the Relevant Commitment is to take effect (the “**Increase Date**”) is [X].
5. The Availability Period for the first Utilisation of the Relevant Commitment means the period from and including the Increase Date to the date falling 15 Business Days after the Increase Date.
6. On the Increase Date, the Accordion Lender becomes:
 - (a) party to the relevant Finance Documents (other than the Intercreditor Agreement) as a Lender; and
 - (b) party to the Intercreditor Agreement as a Refinancing Creditor (as defined in the Intercreditor Agreement).
7. The Facility Office and address, fax number and attention details for notices to the Lender for the purposes of Clause 35.2 (*Addresses*) are set out in the Schedule.
8. The Accordion Lender expressly acknowledges the limitations on the Lenders’ obligations referred to in paragraph (i) of Clause 2.2 (*Accordion*).

-
9. The Accordion Lender confirms, for the benefit of the Agent and without liability to any Obligor, that it is [a Qualifying Lender (other than a Treaty Lender)]/[a Treaty Lender]/[not a Qualifying Lender]*.
 10. We refer to clause 14.6 (*Creditor/Agent/Security Agent Accession Undertaking*) of the Intercreditor Agreement.
In consideration of the Accordion Lender being accepted as a Refinancing Creditor for the purposes of the Intercreditor Agreement (and as defined in the Intercreditor Agreement), the Accordion Lender confirms that, as from the Increase Date, it intends to be party to the Intercreditor Agreement as a Refinancing Creditor, and undertakes to perform all the obligations expressed in the Intercreditor Agreement to be assumed by a Refinancing Creditor and agrees that it shall be bound by all the provisions of the Intercreditor Agreement, as if it had been an original party to the Intercreditor Agreement.
 11. For the purposes of articles 1278 *et seq.* of the French Civil Code, it is expressly agreed that the Security created under the Security Documents governed by French law shall be preserved and maintained for the benefit of the Security Agent, the Accordion Lender and the remaining Finance Parties.
 12. The Accordion Lender may, in the case of an assignment of rights by the Existing Lender under this Transfer Certificate, if it considers it necessary to make the assignment effective against third parties, arrange for it to be notified to any Obligor established or domiciled in France in accordance with the provisions of article 1690 of the French Civil Code.
 13. This Agreement may be executed in any number of counterparts and this has the same effect as if the signatures on the counterparts were on a single copy of this Agreement.
 14. This Agreement and any non-contractual obligations arising out of or in connection with it are governed by English law.
 15. This Agreement has been entered into on the date stated at the beginning of this Agreement.

Note: The execution of this Accordion Confirmation may not be sufficient for the Accordion Lender to obtain the benefit of the Transaction Security in all jurisdictions. It is the responsibility of the Accordion Lender to ascertain whether any other documents or other formalities are required to obtain the benefit of the Transaction Security in any jurisdiction and, if so, to arrange for execution of those documents and completion of those formalities.

THE SCHEDULE

Relevant Commitment/rights and obligations to be assumed by the Accordion Lender

[insert relevant details]

Accordion Lender's Facility A Commitment

Accordion Lender's Facility B Commitment

[Facility Office address, fax number and attention details for notices and account details for payments]

[Accordion Lender]

By:

This Agreement is accepted as an Accordion Confirmation for the purposes of the Facilities Agreement by the Agent, and as a Creditor/Agent/Security Agent Accession Undertaking for the purposes of the Intercreditor Agreement by the Security Agent and the Increase Date is confirmed as .

For and on behalf of

Agent

By:

For and on behalf of

Security Agent

By:

NOTES:

* Delete as applicable - each Accordion Lender is required to confirm which of these three categories it falls within.

SIGNATURES

THE BORROWER

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By: /s/ Juliette Cohen
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For and on behalf of

HSBC BANK PLC, SUCURSAL EN ESPAÑA

By: /s/ Antonio Villa

Name: Antonio Villa

Title: Director

By: /s/ Patricia Roca

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Title: Director

For and on behalf of

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Title: Director

By: /s/ Maurice Kenny

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Title: Director

For and on behalf of

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Title: Executive Director

THE AGENT

For and on behalf of

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By: /s/ Raya Brody

Name: Raya Brody

Title: VP

THE SECURITY AGENT

For and on behalf of

WILMINGTON TRUST (LONDON) LIMITED

By: /s/ Sajada Afzal

Name: Sajada Afzal

Title: Relationship Manager

CEMEX, S.A.B. de C.V.,
THE NOTE GUARANTORS PARTY HERETO
AND
THE BANK OF NEW YORK MELLON,
AS TRUSTEE
5.700% SENIOR SECURED NOTES DUE 2025
INDENTURE
Dated as of September 11, 2014

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INDENTURE, dated as of September 11, 2014, among CEMEX, S.A.B. de C.V., a publicly traded stock corporation with variable capital (*sociedad anónima bursátil de capital variable*) organized under the laws of the United Mexican States (the “Issuer”), the guarantors listed on Schedule I hereto, as guarantors of the Issuer’s obligations under this Indenture and the Notes, and The Bank of New York Mellon, as trustee (the “Trustee”).

Each party agrees as follows for the benefit of the other parties and for the equal and ratable benefit of the Holders of the Issuer’s 5.700% Senior Secured Notes due 2025 issued hereunder.

ARTICLE I

DEFINITIONS AND INCORPORATION BY REFERENCE

Section 1.1 Definitions.

“2009 Financing Agreement” means the financing agreement, dated as of August 14, 2009, entered into among the Issuer and certain of its Subsidiaries, the financial institutions and noteholders party thereto, Citibank International PLC, as administrative agent, and Wilmington Trust (London) Limited, as security agent, as such agreement may be amended, modified or waived from time to time.

“Acquired Indebtedness” means Indebtedness of a Person or any of its Subsidiaries existing at the time such Person becomes a Restricted Subsidiary or at the time it merges or consolidates with the Issuer or any of its Restricted Subsidiaries or is assumed in connection with the acquisition of assets from such Person. Such Indebtedness will be deemed to have been Incurred at the time such Person becomes a Restricted Subsidiary or at the time it merges or consolidates with the Issuer or a Restricted Subsidiary or at the time such Indebtedness is assumed in connection with the acquisition of assets from such Person.

“Acquired Subsidiary” means any Subsidiary acquired by the Issuer or any other Subsidiary after the Issue Date in an Acquisition, and any Subsidiaries of such Acquired Subsidiary on the date of such Acquisition.

“Acquiring Subsidiary” means any Subsidiary formed by the Issuer or one of its Subsidiaries solely for the purpose of participating as the acquiring party in any Acquisition, and any Subsidiaries of such Acquiring Subsidiary acquired in such Acquisition.

“Acquisition” means any merger, consolidation, acquisition or lease of assets, acquisition of securities or business combination or acquisition, or any two or more of such transactions, if, upon the completion of such transaction or transactions, the Issuer or any Restricted Subsidiary thereof has acquired an interest in any Person who would be deemed to be a Restricted Subsidiary under this Indenture and was not a Restricted Subsidiary prior thereto.

“Additional Amounts” has the meaning assigned to it in Section 3.21(b).

“Additional Note Certificate” has the meaning assigned to it in Section 2.14(b).

“Additional Note Guarantors” means New Sunward Holding B.V., CEMEX Concretos, S.A. de C.V. and Empresas Tolteca de México, S.A. de C.V.

“Additional Note Supplemental Indenture” means a supplement to this Indenture duly executed and delivered by the Issuer, each Note Guarantor and the Trustee pursuant to Article IX providing for the issuance of Additional Notes.

“Additional Notes” has the meaning assigned to it in Section 2.14(a).

“Affiliate” means, with respect to any specified Person, any other Person who directly or indirectly through one or more intermediaries controls, or is controlled by, or is under common control with, such specified Person. The term “control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise. For purposes of this definition, the terms “controlling,” “controlled by” and “under common control with” have correlative meanings.

“Affiliate Transaction” has the meaning assigned to it in Section 3.18(a).

“Agent Members” has the meaning assigned to it in Section 2.7(b).

“Agents” means, collectively, the Registrar, any co-Registrar, the Paying Agents, the Transfer Agent and any other agent appointed by the Issuer hereunder.

“Applicable Procedures” means, with respect to any transfer or exchange of or for beneficial interests in a Global Note, the rules and procedures of DTC, Euroclear and Clearstream, as the case may be, that apply to such transfer or exchange, including the “Operating Procedures of the Euroclear System” and “Terms and Conditions Governing Use of Euroclear” of Euroclear and the “General Terms and Conditions of Clearstream Banking” and “Customer Handbook” of Clearstream.

“Asset Sale” means any direct or indirect sale, disposition, issuance, conveyance, transfer, lease (other than an operating lease entered into in the ordinary course of business), assignment or other transfer, including a Sale and Leaseback Transaction (each, a “disposition”) by the Issuer or any Restricted Subsidiary of:

- (a) any Capital Stock other than Capital Stock of the Issuer; or
- (b) any property or assets (other than cash, Cash Equivalents or Capital Stock) of the Issuer or any Restricted Subsidiary;

Notwithstanding the preceding, the following will not be deemed to be Asset Sales:

- (1) the disposition of all or substantially all of the assets of the Issuer and its Restricted Subsidiaries as permitted under Section 3.12;

-
- (2) any disposition of equipment that is not usable or is obsolete or worn out equipment in the ordinary course of business or any disposition of inventory or goods (or other assets) held for sale or no longer used in the ordinary course of business;
 - (3) dispositions of assets in any fiscal year with a Fair Market Value not to exceed U.S.\$25 million in the aggregate;
 - (4) for purposes of Section 3.12 only, the making or disposition of a Permitted Investment or Restricted Payment permitted under Section 3.11;
 - (5) a disposition to the Issuer or a Restricted Subsidiary, including a Person that is or will become a Restricted Subsidiary immediately after the disposition;
 - (6) the creation of a Lien permitted under this Indenture (other than a deemed Lien in connection with a Sale and Leaseback Transaction);
 - (7) (i) the disposition of Receivables Assets pursuant to a Qualified Receivables Transaction and (ii) the disposition of other accounts receivable in the ordinary course of business;
 - (8) the disposition of any asset constituted by a license of intellectual property in the ordinary course of business;
 - (9) the disposition of inventory pursuant to an Inventory Financing or similar arrangement that is otherwise permitted under this Indenture;
 - (10) the disposition of any asset compulsorily acquired by a governmental authority; and
 - (11) sales, transfers and other dispositions of Investments in joint ventures to the extent required by, or made pursuant to, customary buy/sell arrangements between the joint venture parties set forth in joint venture arrangements and similar binding arrangements.

“Asset Sale Offer” has the meaning assigned to it in Section 3.12(c).

“Asset Sale Offer Amount” has the meaning assigned to it in Section 3.12(c).

“Asset Sale Offer Notice” means notice of an Asset Sale Offer made pursuant to Section 3.12, which shall be mailed first class, postage prepaid, to each record Holder as shown on the Note Register within 20 days following the 365th day after the receipt of Net Cash Proceeds of any Asset Sale, with a copy to the Trustee, which notice shall govern the terms of the Asset Sale Offer, and shall state:

- (1) the circumstances of the Asset Sale or Sales, the Net Cash Proceeds of which are included in the Asset Sale Offer, that an Asset Sale Offer is being made pursuant to Section 3.12(c), and that all Notes that are timely tendered will be accepted for payment;

-
- (2) the Asset Sale Offer Amount and the Asset Sale Offer Payment Date, which date shall be a Business Day no earlier than 30 days nor later than 60 days from the date the Asset Sale Offer Notice is mailed (other than as may be required by law);
 - (3) that any Notes or portions thereof not tendered or accepted for payment will continue to accrue interest;
 - (4) that, unless the Issuer defaults in the payment of the Asset Sale Offer Amount with respect thereto, all Notes or portions thereof accepted for payment pursuant to the Asset Sale Offer shall cease to accrue interest from and after the Asset Sale Offer Payment Date;
 - (5) that any Holder electing to have any Notes or portions thereof purchased pursuant to the Asset Sale Offer will be required to surrender such Notes, with the form entitled "Option of Holder to Elect Purchase" on the reverse of such Notes completed, to the Paying Agent at the address specified in the notice prior to the close of business on the third Business Day preceding the Asset Sale Offer Payment Date;
 - (6) that any Holder shall be entitled to withdraw such election if the Paying Agent receives, not later than the close of business on the second Business Day preceding the Asset Sale Offer Payment Date, a facsimile transmission or letter, setting forth the name of the Holder, the principal amount of Notes delivered for purchase, and a statement that such Holder is withdrawing such Holder's election to have such Notes or portions thereof purchased pursuant to the Asset Sale Offer;
 - (7) that any Holder electing to have Notes purchased pursuant to the Asset Sale Offer must specify the principal amount that is being tendered for purchase, which principal amount must be U.S.\$200,000 and in integral multiples of U.S.\$1,000 in excess thereof;
 - (8) that any Holder of Certificated Notes whose Certificated Notes are being purchased only in part will be issued new Certificated Notes equal in principal amount to the unpurchased portion of the Certificated Note or Notes surrendered, which unpurchased portion will be equal in principal amount to U.S.\$200,000 and in integral multiples of U.S.\$1,000 in excess thereof;
 - (9) that the Trustee will return to the Holder of a Global Note that is being purchased in part, such Global Note with a notation on the schedule of increases or decreases thereof adjusting the principal amount thereof to be equal to the unpurchased portion of such Global Note; and
 - (10) any other information necessary to enable any Holder to tender Notes and to have such Notes purchased pursuant to Section 3.12.

“Asset Sale Offer Payment Date” has the meaning assigned to it in Section 3.12(f).

“Authenticating Agent” has the meaning assigned to it in Section 2.2(b).

“Authorized Agent” has the meaning assigned to it in Section 12.7(c).

“Axtel Share Forward Transaction” means the Axtel share forward transaction that is governed by a long form confirmation originally dated January 22, 2009, as replaced by long form confirmations dated September 28, 2010 and March 19, 2012, and as further replaced by a long form confirmation dated August 27, 2013, between Credit Suisse International and Cemex Operaciones México, S.A. de C.V. (formerly Centro Distribuidor de Cemento, S.A. de C.V.) (References: External ID: 16059563R5-Risk ID: 10008383) and any replacements, amendments or renewals thereof that are entered into on then prevailing market terms with the underlying amounts not greater than the original underlying amounts.

“Bancomext Facility” means the U.S.\$250,000,000 credit agreement (*Crédito Simple*), dated October 14, 2008, as amended from time to time (*provided*, that the principal amount thereof does not increase above the principal amount outstanding as of August 14, 2009 (except by the amount of any capitalized interest if so provided by such facility and on those terms as of August 14, 2009) less the amount of any repayments and prepayments made in respect of such facility), among the Issuer, as borrower, Banco Nacional de Comercio Exterior, S.N.C., as lender, and CEMEX México, as guarantor, and secured by the mortgage of a cement plant in Ensenada, Baja California, Mexico.

“Bankruptcy Event of Default” means:

- (1) the entry by a court of competent jurisdiction of: (i) a decree or order for relief in respect of any Bankruptcy Party in an involuntary case or proceeding under any Bankruptcy Law or (ii) a decree or order (A) adjudging any Bankruptcy Party a bankrupt or insolvent, in *concurso mercantil* or *quiebra*, (B) approving as properly filed a petition seeking reorganization, *concurso mercantil*, arrangement, adjustment or composition of, or in respect of, any Bankruptcy Party under any Bankruptcy Law, (C) appointing a Custodian of any Bankruptcy Party or of any substantial part of the property of any Bankruptcy Party, or (D) ordering the winding-up or liquidation of the affairs of any Bankruptcy Party, and in each case, the continuance of any such decree or order for relief or any such other decree or order unstayed and in effect for a period of 60 consecutive calendar days; or
- (2) (i) the commencement by any Bankruptcy Party of a voluntary case or proceeding under any Bankruptcy Law or of any other case or proceeding to be adjudicated a bankrupt or insolvent, in *concurso mercantil* or *quiebra*, (ii) the consent by any Bankruptcy Party to the entry of a decree

or order for relief in respect of such Bankruptcy Party in an involuntary case or proceeding under any Bankruptcy Law or to the commencement of any bankruptcy or insolvency case or proceeding against any Bankruptcy Party, (iii) the filing by any Bankruptcy Party of a petition or answer or consent seeking reorganization, *concurso mercantil*, or relief under any Bankruptcy Law, (iv) the consent by any Bankruptcy Party to the filing of such petition or to the appointment of or taking possession by a Custodian of any Bankruptcy Party or of any substantial part of the property of any Bankruptcy Party, (v) the making by any Bankruptcy Party of an assignment for the benefit of creditors, (vi) the admission by any Bankruptcy Party in writing of its inability to pay its debts generally as they become due, or (vii) the approval by stockholders of any Bankruptcy Party of any plan or proposal for the liquidation or dissolution of such Bankruptcy Party, or (viii) the taking of corporate action by any Bankruptcy Party in furtherance of any action referred to in clauses (i)–(vii) above.

“Bankruptcy Law” means Title 11, U.S. Code or any similar Federal, state or non-U.S. law for the relief of debtors, including the Mexican *Ley de Concursos Mercantiles* and Spanish Law 22/2003 of 9 July (*Ley 22/2003 de 9 de julio, Concursal*), as amended.

“Bankruptcy Party” means the Issuer and any Significant Subsidiary of the Issuer or group of Subsidiaries that, taken together would constitute a Significant Subsidiary of the Issuer.

“Banobras Facility” means a revolving loan agreement (*Contrato de Apertura de Crédito en Cuenta Corriente*), dated April 22, 2009, among CEMEX Concretos, S.A. de C.V., as borrower and Banco Nacional de Obras y Servicios Públicos, S.N.C., as lender, as in effect on the Issue Date and as amended from time to time, and secured by a mortgage of Planta Yaqui in Hermosillo, Sonora, Mexico.

“Board of Directors” means, as to any Person, the board of directors, management committee or similar governing body of such Person or any duly authorized committee thereof.

“Business Day” means any day that is not a Saturday, Sunday or other day on which commercial banks in New York City, Mexico City, Madrid, Amsterdam, London, Paris or Zurich are authorized or required by law, regulation or other governmental action to remain closed.

“Capital Stock” means:

- (1) with respect to any Person that is a corporation, any and all shares, interests, participations or other equivalents (however designated and whether or not voting) of corporate stock, including each class of Common Stock and Preferred Stock of such Person;
- (2) with respect to any Person that is not a corporation, any and all partnership or other equity or ownership interests of such Person; and
- (3) any warrants, rights or options to purchase any of the instruments or interests referred to in clause (1) or (2) above, but excluding any Indebtedness exchangeable into such equity interest in existence on the Issue Date or Incurred pursuant to Section 3.9.

“Capitalized Lease Obligations” means, as to any Person, the obligations of such Person under a lease that are required to be classified and accounted for as capital lease obligations under GAAP. For purposes of the definition, the amount of such obligations at any date will be the capitalized amount of such obligations at such date, determined in accordance with GAAP.

“Cash Equivalents” means:

- (1) marketable direct obligations issued by, or unconditionally guaranteed by, the United States government, the United Kingdom or any member nation of the European Union or issued by any agency thereof and backed by the full faith and credit of the United States, the United Kingdom, such member nation of the European Union or any European Union central bank, in each case maturing within one year from the date of acquisition thereof;
- (2) marketable direct obligations issued by the Mexican government, or issued by any agency thereof, including but not limited to, *Certificados de la Tesorería de la Federación (Cetes)* or *Bonos de Desarrollo del Gobierno Federal (Bondes)*, in each case, issued by the government of Mexico and maturing not later than one year after the acquisition thereof;
- (3) marketable direct obligations issued by any state of the United States of America or any political subdivision of any such state or any public instrumentality thereof maturing within one year from the date of acquisition thereof and, at the time of acquisition, having one of the two highest ratings obtainable from either S&P or Fitch or any successor thereto;
- (4) commercial paper or corporate debt obligations maturing no more than one year from the date of creation thereof and, at the time of acquisition, having a rating of at least A-1 or AAA from S&P, at least F-1 or AAA from Fitch or P-1 or Aaa from Moody’s;
- (5) demand deposits, certificates of deposit, time deposits or bankers’ acceptances or other short-term unsecured debt obligations (and any cash or deposits in transit in any of the foregoing) maturing within one year from the date of acquisition thereof issued by (a) any bank organized under the laws of the United States of America or any state thereof or the District of Columbia, the United Kingdom or any country of the European Union, (b) any U.S. branch of a non-U.S. bank having at the date of acquisition thereof combined capital and surplus of not less than U.S.\$500

million, or (c) in the case of Mexican peso deposits, any financial institution in good standing with Banco de México organized under the laws of Mexico;

- (6) repurchase obligations with a term of not more than seven days for underlying securities of the types described in clause (1) and (2) above entered into with any bank meeting the qualifications specified in clause (5) above;
- (7) investments in money market funds which invest substantially all of their assets in securities of the types described in clauses (1) through (6), (8) and (9);
- (8) certificates of deposit issued by any of Nacional Financiera, S.N.C., Banco Nacional de Comercio Exterior, S.N.C., Banco Nacional de Obras y Servicios Públicos, S.N.C. or any other development bank controlled by the Mexican government;
- (9) any other debt instrument rated “investment grade” (or the local equivalent thereof according to local criteria in a country in which the Issuer or a Restricted Subsidiary operates and in which local pensions are permitted by law to invest) with maturities of 12 months or less from the date of acquisition; and
- (10) Investments in mutual funds, managed by banks, with a local currency credit rating of at least MxAA by S&P or other equally reputable local rating agency, that invest principally in marketable direct obligations issued by the Mexican Government, or issued by any agency or instrumentality thereof.

In the case of Investments by any Restricted Subsidiary, Cash Equivalents will also include (a) investments of the type and maturity described in clauses (1) through (10) of any Restricted Subsidiary outside of Mexico in the country in which such Restricted Subsidiary operates, which Investments or obligors (or the parents of such obligors) have ratings described in such clauses or equivalents ratings from comparable foreign rating agencies, (b) local currencies and other short-term investments utilized by Restricted Subsidiaries in accordance with normal investment practices for cash management in investments analogous to the foregoing investments in clauses (1) through (10) and in this paragraph and (c) investments of the type described in clauses (1) through (9) maturing within one year of the Issue Date.

“Certificados Bursátiles” means debt securities issued by the Issuer guaranteed (por aval) by CEMEX México, S.A. de C.V. and Empresas Tolteca de México, S.A. de C.V., wholly owned subsidiaries of the Issuer, in the Mexican capital markets with the approval of the Mexican National Banking and Securities Commission (*Comisión Nacional Bancaria y de Valores*) and listed on the Mexican Stock Exchange (*Bolsa Mexicana de Valores, S.A.B. de C.V.*).

“Certificated Note” means any Note issued in fully registered form, other than a Global Note, which shall be substantially in the form of Exhibit A hereto, with appropriate legends as specified in Section 2.8 and Exhibit A.

“Change of Control” means the beneficial ownership (within the meaning of Rule 13d-3 promulgated by the Commission under the Exchange Act) of twenty percent (20%) or more in voting power of the outstanding Voting Stock of the Issuer is acquired by any Person.

“Change of Control Notice” means notice of a Change of Control Offer made pursuant to Section 3.8, which shall be mailed first-class, postage prepaid, to each record Holder as shown on the Note Register within 30 days following the date upon which a Change of Control occurred, with a copy to the Trustee, which notice shall govern the terms of the Change of Control Offer and shall state:

- (1) that a Change of Control has occurred, the circumstances or events causing such Change of Control and that a Change of Control Offer is being made pursuant to Section 3.8, and that all Notes that are timely tendered will be accepted for payment;
- (2) the Change of Control Payment, and the Change of Control Payment Date, which date shall be a Business Day no earlier than 30 calendar days nor later than 60 calendar days subsequent to the date such notice is mailed (other than as may be required by law);
- (3) that any Notes or portions thereof not tendered or accepted for payment will continue to accrue interest;
- (4) that, unless the Issuer defaults in the payment of the Change of Control Payment with respect thereto, all Notes or portions thereof accepted for payment pursuant to the Change of Control Offer shall cease to accrue interest from and after the Change of Control Payment Date;
- (5) that any Holder electing to have any Notes or portions thereof purchased pursuant to a Change of Control Offer will be required to tender such Notes, with the form entitled “Option of Holder to Elect Purchase” on the reverse of such Notes completed, to the Paying Agent at the address specified in the notice prior to the close of business on the third Business Day preceding the Change of Control Payment Date;
- (6) that any Holder shall be entitled to withdraw such election if the Paying Agent receives, not later than the close of business on the second Business Day preceding the Change of Control Payment Date, a facsimile transmission or letter, setting forth the name of the Holder, the principal amount of Notes delivered for purchase, and a statement that such Holder is withdrawing such Holder’s election to have such Notes or portions thereof purchased pursuant to the Change of Control Offer;

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- (7) that any Holder electing to have Notes purchased pursuant to the Change of Control Offer must specify the principal amount that is being tendered for purchase, which principal amount must be U.S.\$200,000 and in integral multiples of U.S.\$1,000 in excess thereof;
 - (8) that any Holder of Certificated Notes whose Certificated Notes are being purchased only in part will be issued new Certificated Notes equal in principal amount to the unpurchased portion of the Certificated Note or Notes surrendered, which unpurchased portion will be equal in principal amount to U.S.\$200,000 and in integral multiples of U.S.\$1,000 in excess thereof;
 - (9) that the Trustee will return to the Holder of a Global Note that is being purchased in part, such Global Note with a notation on Schedule A thereof adjusting the principal amount thereof to be equal to the unpurchased portion of such Global Note; and
 - (10) any other information necessary to enable any Holder to tender Notes and to have such Notes purchased pursuant to Section 3.8(b).

“Change of Control Offer” has the meaning assigned to it in Section 3.8(b).

“Change of Control Payment” has the meaning assigned to it in Section 3.8(a).

“Change of Control Payment Date” has the meaning assigned to it in Section 3.8(b).

“Clearstream” means Clearstream Banking, *société anonyme*, or the successor to its securities clearance and settlement operations.

“Code” means the Internal Revenue Code of 1986, as amended.

“Collateral” means “Transaction Security” as defined in the Intercreditor Agreement from time to time.

“Commission” means the U.S. Securities and Exchange Commission.

“Commodity Price Purchase Agreement” means, in respect of any Person, any forward contract, commodity swap agreement, commodity option agreement or other similar agreement or arrangement designed to protect such Person from fluctuations in commodity prices.

“Common Stock” of any Person means any and all shares, interests or other participations in, and other equivalents (however designated and whether voting or non-voting) of such Person’s common equity interests, whether outstanding on the Issue Date or issued after the Issue Date, and includes, without limitation, all series and classes of such common equity interests.

“Compensation Related Hedging Obligations” means (i) the obligations of any Person pursuant to any equity option contract, equity forward contract, equity swap, warrant, rights or other similar agreement designed to hedge risks or obligations relating to employee, director or consultant compensation, pension, benefits or similar activities of the Issuer and/or any of its Subsidiaries and (ii) the obligations of any Person pursuant to any agreement that requires another Person to make payments or deliveries that are otherwise required to be made by the first Person relating to employee, director or consultant compensation, pension, benefits or similar activities of the Issuer and/or any of its Subsidiaries, in each case in the ordinary course of business.

“Consolidated EBITDA” means, for any Person for any period, Consolidated Net Income for such Person for such period, plus the following, without duplication, to the extent deducted or added in calculating such Consolidated Net Income:

- (1) Consolidated Income Tax Expense for such Person for such period;
- (2) Consolidated Interest Expense for such Person for such period net of consolidated interest income for such period;
- (3) Consolidated Non-cash Charges for such Person for such period;
- (4) the amount of any nonrecurring restructuring charge or reserve deducted in such period in computing Consolidated Net Income;
- (5) the net effect on income or loss in respect of Hedging Obligations or other derivative instruments, which shall include, for the avoidance of doubt, all amounts not excluded from Consolidated Net Income pursuant to the proviso in clause (9) thereof; and
- (6) net income of such Person attributable to minority interests in Subsidiaries of such Person.

less (x) all non-cash credits and gains increasing Consolidated Net Income for such Person for such period and (y) all cash payments made by such Person and its Restricted Subsidiaries during such period relating to Consolidated Non-cash Charges that were added back in determining Consolidated EBITDA in any prior period.

“Consolidated Fixed Charge Coverage Ratio” means, for any Person as of any date of determination (the “Fixed Charge Calculation Date”), the ratio of the aggregate amount of Consolidated EBITDA of such Person for the four most recent full fiscal quarters for which financial statements are available ending prior to the date of such determination (the “Four Quarter Period”) to Consolidated Fixed Charges for such Person for such Four Quarter Period. For purposes of making the computation referred to above, Material Acquisitions and Material Dispositions (as determined in accordance with GAAP) that have been made by the Issuer or any of its Restricted Subsidiaries during the Four Quarter Period or subsequent to such Four Quarter Period and on or prior to or simultaneously with the Fixed Charge Calculation Date shall be calculated on a *pro forma* basis assuming that all such Material Acquisitions and Material Dispositions (and the change in any associated fixed charge obligations and the change in

Consolidated EBITDA resulting therefrom) had occurred on the first day of the Four Quarter Period. If since the beginning of such period any Person that subsequently became a Restricted Subsidiary or was merged with or into the Issuer or any of its Restricted Subsidiaries since the beginning of such period shall have made any Material Acquisition or Material Disposition that would have required adjustment pursuant to this definition, then the Consolidated Fixed Charge Coverage Ratio shall be calculated giving *pro forma* effect thereto.

For purposes of this definition, whenever *pro forma* effect is to be given to a Material Acquisition or Material Disposition and the amount of income or earnings relating thereto or with respect to other *pro forma* calculations under this definition, such *pro forma* calculations shall be made in good faith by a responsible financial or accounting officer of the Issuer. If any Indebtedness bears a floating rate of interest and is being given *pro forma* effect, the interest on such Indebtedness shall be calculated as if the rate in effect on the Fixed Charge Calculation Date had been the applicable rate for the entire period (taking into account any Hedging Obligations applicable to such Indebtedness). Interest on a Capitalized Lease Obligation shall be deemed to accrue at an interest rate reasonably determined by a responsible financial or accounting officer of the Issuer to be the rate of interest implicit in such Capitalized Lease Obligation in accordance with GAAP. For purposes of making the computation referred to above, interest on any Indebtedness under a revolving credit facility computed on a *pro forma* basis shall be computed based upon the average daily balance of such Indebtedness during the applicable period except as set forth in the first paragraph of this definition. Interest on Indebtedness that may optionally be determined at an interest rate based upon a factor of a prime or similar rate, a eurocurrency interbank offered rate, or other rate, shall be deemed to have been based upon the rate actually chosen, or, if none, then based upon such optional rate chosen as the Issuer may designate.

Furthermore, in calculating “Consolidated Fixed Charges” for purposes of determining the denominator (but not the numerator) of this “Consolidated Fixed Charge Coverage Ratio,”

- (a) interest on outstanding Indebtedness determined on a fluctuating basis as of the date of determination and which will continue to be so determined thereafter will be deemed to have accrued at a fixed rate per annum equal to the rate of interest on such Indebtedness in effect on such date of determination;
- (b) if interest on any Indebtedness actually Incurred on such date of determination may optionally be determined at an interest rate based upon a factor of a prime or similar rate, a eurocurrency interbank offered rate, or other rates, then the interest rate in effect on such date of determination will be deemed to have been in effect during the Four Quarter Period; and
- (c) notwithstanding clause (a) above, interest on Indebtedness determined on a fluctuating basis, to the extent such interest is covered by Hedging Obligations, will be deemed to accrue at the rate per annum resulting after giving effect to the operation of such agreements.

“Consolidated Fixed Charges” means, for any Person for any period, the sum, without duplication, of:

- (1) Consolidated Interest Expense for such Person for such period, plus
- (2) to the extent not included in (1) above, payments during such period in respect of the financing costs of financial derivatives in the form of equity swaps, plus
- (3) the product of:
 - (a) the amount of all cash and non-cash dividend payments on any series of Preferred Stock or Disqualified Capital Stock of such Person (other than dividends paid in Qualified Capital Stock) or any Subsidiary of such Person (Restricted Subsidiary in the case of the Issuer) paid, accrued or scheduled to be paid or accrued during such period, excluding dividend payments on Preferred Stock or Disqualified Capital Stock paid, accrued or scheduled to be paid to such Person or another Subsidiary (Restricted Subsidiary in the case of the Issuer), times
 - (b) a fraction, the numerator of which is one and the denominator of which is one minus the then current effective tax rate of such Person in its principal taxpaying jurisdiction (Mexico, in the case of the Issuer), expressed as a decimal.

“Consolidated Income Tax Expense” means, with respect to any Person for any period, the provision for federal, state and local income and asset taxes payable, including current and deferred taxes, by such Person and its Subsidiaries (Restricted Subsidiaries in the case of the Issuer) for such period as determined on a consolidated basis in accordance with GAAP.

“Consolidated Interest Expense” means, for any Person for any period, the sum of, without duplication determined on a consolidated basis in accordance with GAAP:

- (1) the aggregate of cash and non-cash interest expense of such Person and its Subsidiaries (Restricted Subsidiaries in the case of the Issuer) for such period determined on a consolidated basis in accordance with GAAP, including, without limitation the following for such Person and its Subsidiaries (Restricted Subsidiaries in the case of the Issuer) whether or not interest expense in accordance with GAAP:
 - (a) any amortization or accretion of debt discount or any interest paid on Indebtedness of such Person and its Subsidiaries (Restricted Subsidiaries in the case of the Issuer) in the form of additional Indebtedness,

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- (b) any amortization of deferred financing costs; *provided*, that any such amortization resulting from costs incurred prior to the Issue Date shall be excluded for the calculation of Consolidated Interest Expense,
 - (c) the net costs under Hedging Obligations relating to Indebtedness (including amortization of fees but excluding foreign exchange adjustments on the notional amounts of the Hedging Obligations),
 - (d) all capitalized interest,
 - (e) the interest portion of any deferred payment obligation,
 - (f) commissions, discounts and other fees and charges Incurred in respect of letters of credit or bankers' acceptances or in connection with sales or other dispositions of accounts receivable and related assets,
 - (g) any interest expense on Indebtedness of another Person that is Guaranteed by such Person or one of its Subsidiaries (Restricted Subsidiary in the case of the Issuer) or secured by a Lien on the assets of such Person or one of its Subsidiaries (Restricted Subsidiaries in the case of the Issuer), whether or not such Guarantee or Lien is called upon, and
 - (h) any interest accrued in respect of Indebtedness without a maturity date; and
- (2) the interest component of Capitalized Lease Obligations paid, accrued and/or scheduled to be paid or accrued by such Person and its Subsidiaries (Restricted Subsidiaries in the case of the Issuer) during such period.

“Consolidated Net Income” means, with respect to any Person for any period, the aggregate net income (or loss) of such Person and its Subsidiaries for such period on a consolidated basis (after deducting (i) the portion of such net income attributable to minority interests in Subsidiaries of such Person and (ii) any interest paid or accrued in respect of Indebtedness without a maturity date), determined in accordance with GAAP; *provided*, that there shall be excluded therefrom:

- (1) net after-tax gains and losses from Asset Sale transactions or abandonments or reserves relating thereto;
- (2) net after-tax items classified as extraordinary gains or losses;
- (3) the net income (but not loss) of any Subsidiary of such Person (non-Note Guarantor in the case of the Issuer) to the extent that a corresponding amount could not be distributed to such Person at the date of determination as a result of any restriction pursuant to the constituent

documents of such Subsidiary (non-Note Guarantor in the case of the Issuer) or any law, regulation, agreement or judgment applicable to any such distribution;

- (4) any net income (loss) of any Person (other than the Issuer) if such Person is not a Restricted Subsidiary, except that the Issuer's equity in the net income of any such Person for such period shall be included in such Consolidated Net Income up to the aggregate amount of cash distributed by such Person during such period to the Issuer or a Restricted Subsidiary as a dividend or other distribution (subject, in the case of a dividend or other distribution to a Restricted Subsidiary, to the limitations contained in this clause);
- (5) [Reserved];
- (6) any restoration to income of any contingency reserve, except to the extent that provision for such reserve was made out of Consolidated Net Income accrued at any time following the Issue Date;
- (7) any gain (or loss) from foreign exchange translation or change in net monetary position;
- (8) any gain (or loss) from the cumulative effect of changes in accounting principles; and
- (9) any net gain or loss (after any offset) resulting in such period from Hedging Obligations or other derivative instruments; provided, that the net effect on income or loss (including in any prior periods) shall be included upon any termination or early extinguishment of such Hedging Obligations or other derivative instrument, other than any Hedging Obligations with respect to Indebtedness (that is not itself a Hedging Obligation) and that are extinguished concurrently with the termination or other prepayment of such Indebtedness.

“Consolidated Non-cash Charges” means, for any Person for any period, the aggregate depreciation, amortization (including amortization of goodwill and other Intangible Assets) and other non-cash expenses or losses of such Person and its Subsidiaries (Restricted Subsidiaries in the case of the Issuer) for such period, determined on a consolidated basis in accordance with GAAP (excluding any such charge which constitutes an accrual of or a reserve for cash charges for any future period or the amortization of a prepaid cash expense paid in a prior period).

“Consolidated Tangible Assets” means, for any Person at any time, the total consolidated assets of such Person and its Subsidiaries (Restricted Subsidiaries in the case of the Issuer) as set forth on the balance sheet as of the most recent fiscal quarter of such Person, prepared in accordance with GAAP, less Intangible Assets.

“Corporate Trust Office” means the principal office of the Trustee at which at any time its corporate trust business shall be administered, which office at the date hereof is located at 101 Barclay Street, 7E, New York, New York 10286, Attention: International Corporate Trust, or such other address as the Trustee may designate from time to time by notice to the Holders and the Issuer.

“Covenant Defeasance” has the meaning assigned to it in Section 8.1(c).

“Covenant Suspension Event” has the meaning assigned to it in Section 3.22(b).

“Currency Agreement” means, in respect of any Person, any foreign exchange contract, currency swap agreement or other similar agreement as to which such Person is a party designed to hedge foreign currency risk of such Person.

“Custodian” means any receiver, trustee, *conciliador*, assignee, liquidator, sequestrator or similar official under any Bankruptcy Law.

“Default” means an event or condition the occurrence of which is, or with the lapse of time or the giving of notice or both would be, an Event of Default.

“Defaulted Interest” has the meaning assigned to it in Section 2.13 and Section 1, paragraph 2 of the Form of Reverse Side of Note contained in Exhibit A hereto.

“Designated Non-cash Consideration” means the Fair Market Value of non-cash consideration received by the Issuer or a Restricted Subsidiary in connection with an Asset Sale that is so designated as Designated Non-cash Consideration pursuant to an Officer’s Certificate setting forth the basis of such valuation.

“Designation” has the meaning assigned to it in Section 3.14(a).

“Designation Amount” has the meaning assigned to it in clause (iii) of Section 3.14(a).

“Disposition” means, with respect to any property, any sale, lease, Sale and Leaseback Transaction, assignment, conveyance, transfer or other disposition thereof.

“Disqualified Capital Stock” means that portion of any Capital Stock which, by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable at the option of the Holder thereof), or upon the happening of any event, matures or is mandatorily redeemable, pursuant to a sinking fund obligation or otherwise, or is redeemable at the sole option of the Holder thereof, in any case, on or prior to the 91st day after the final maturity date of the Notes, but excluding with respect to Mexican companies, any shares of such Mexican company that are part of the variable portion of its Capital Stock and that are redeemable under the Mexican General Law of Business Corporations (*Ley General de Sociedades Mercantiles*).

“Distribution Compliance Period” means, in respect of any Regulation S Global Note (or Certificated Note issued in respect thereof pursuant to Section 2.7(c)), the 40

consecutive days beginning on and including the later of (a) the day on which any Notes represented thereby are offered to persons other than distributors (as defined in Regulation S) pursuant to Regulation S or (b) the issue date for such Notes.

“DTC” means The Depository Trust Company, its nominees and their respective successors and assigns, or such other depository institution hereinafter appointed by the Issuer that is a clearing agency registered under the Exchange Act.

“Equity Offering” has the meaning assigned to it in Section 5 of the Form of Reverse Side of Note contained in Exhibit A hereto.

“Euroclear” means Euroclear Bank S.A./N.V., as operator of the Euroclear System, N.V., or its successor in such capacity.

“Event of Default” has the meaning assigned to it in Section 6.1.

“Exchange Act” means the Securities Exchange Act of 1934, as amended, or any successor statute or statutes thereto.

“Existing Senior Notes” means the U.S. Dollar-denominated 9.250% Senior Secured Notes due 2020 guaranteed by the Issuer, the U.S. Dollar-denominated 9.000% Senior Secured Notes due 2018 issued by the Issuer, the U.S. Dollar-denominated Floating Rate Senior Secured Notes due 2015 issued by the Issuer, the U.S. Dollar-denominated 9.875% Senior Secured Notes due 2019 guaranteed by the Issuer, the Euro-denominated 9.875% Senior Secured Notes due 2019 guaranteed by the Issuer, the U.S. Dollar-denominated 9.500% Senior Secured Notes due 2018 issued by the Issuer, the U.S. Dollar-denominated 9.375% Senior Secured Notes due 2022 guaranteed by the Issuer, the U.S. Dollar-denominated 5.875% Senior Secured Notes due 2019 issued by the Issuer, the U.S. Dollar-denominated 6.500% Senior Secured Notes due 2019 issued by the Issuer, the U.S. Dollar-denominated 7.250% Senior Secured Notes due 2021 issued by the Issuer, the U.S. Dollar-denominated Floating Rate Senior Secured Notes due 2018 issued by the Issuer, the U.S. Dollar-denominated 6.000% Senior Secured Notes due 2024 guaranteed by the Issuer, the Euro-denominated 5.250% Senior Secured Notes due 2021 guaranteed by the Issuer and the Other Notes.

“Facilities Agreement” means the facilities agreement, dated as of September 17, 2012, entered into among the Issuer and certain of its Subsidiaries, the financial institutions and noteholders party thereto, Citibank International PLC, as new administrative agent, and the Security Agent, as such agreement may be amended, modified or waived from time to time.

“Facilities Agreement Indebtedness” means the Indebtedness that is subject to and outstanding under the Facilities Agreement.

“Fair Market Value” means, with respect to any asset, the price (after taking into account any liabilities relating to such assets) which could be negotiated in an arm’s-length free market transaction, for cash, between a willing seller and a willing and able buyer, neither of which is under any compulsion to complete the transaction. Fair Market Value shall be determined, except as otherwise provided, by the Issuer in good faith.

“Fitch” means Fitch Ratings and any successor to its rating agency business.

“Four Quarter Period” has the meaning assigned to it in the definition of “Consolidated Fixed Charge Coverage Ratio” above.

“Free Reserves Available for Distribution” has the meaning assigned to it in Section 10.6(c).

“French Note Guarantor” has the meaning assigned to it in Section 10.5(a).

“GAAP” means IFRS as in effect on the Issue Date. At any time, and from time to time, after the Issue Date, the Issuer may elect to apply IFRS as in effect at such time in lieu of GAAP and, upon any such election, references herein to GAAP shall thereafter be construed to mean IFRS as in effect on the date of such election; *provided*, that any such election, once made, shall be irrevocable. The Issuer shall give notice of any such election to the Trustee.

“Global Note” means any Note issued in fully registered form to DTC (or its nominee), as depository for the beneficial owners thereof, which shall be substantially in the form of Exhibit A, with appropriate legends as specified in Section 2.8 and Exhibit A hereto.

“Guarantee” means any obligation, contingent or otherwise, of any Person directly or indirectly guaranteeing any Indebtedness of any other Person:

- (1) to purchase or pay, or advance or supply funds for the purchase or payment of, such Indebtedness of such other Person, whether arising by virtue of partnership arrangements, or by agreement to keep-well, to purchase assets, goods, securities or services, to take-or-pay, or to maintain financial statement conditions or otherwise, or
- (2) entered into for purposes of assuring in any other manner the obligee of such Indebtedness of the payment thereof or to protect such obligee against loss in respect thereof, in whole or in part,

provided, that “Guarantee” will not include endorsements for collection or deposit in the ordinary course of business. “Guarantee” used as a verb has a corresponding meaning.

“Guaranteed Obligations” has the meaning assigned to it in Section 10.1(a).

“Hedging Obligations” means the obligations of any Person pursuant to any Interest Rate Agreement, Currency Agreement, Commodity Price Purchase Agreement or any Transportation Agreement, in each case, not entered into for speculative purposes.

“Holder” means the Person in whose name a Note is registered in the Note Register.

“IFRS” means the International Financial Reporting Standards as issued by the International Accounting Standards Board.

“Incur” means, with respect to any Indebtedness or other obligation of any Person, to create, issue, incur (including by conversion, exchange or otherwise), assume,

Guarantee or otherwise become liable in respect of such Indebtedness or other obligation on the balance sheet of such Person (and “Incurrence,” “Incurred” and “Incurring” will have meanings correlative to the preceding).

“Indebtedness” means with respect to any Person, without duplication:

- (1) the principal amount (or, if less, the accreted value) of all obligations of such Person for borrowed money;
- (2) the principal amount (or, if less, the accreted value) of all obligations of such Person evidenced by bonds, debentures, notes or other similar instruments, including any perpetual bonds, debenture notes or similar instruments without regard to maturity date;
- (3) all Capitalized Lease Obligations of such Person;
- (4) all obligations of such Person issued or assumed as the deferred purchase price of property, all conditional sale obligations and all payment obligations under any title retention agreement (but excluding trade accounts payable and other accrued liabilities accounted for as current liabilities (in accordance with GAAP) arising in the ordinary course of business) to the extent of any reimbursement obligations in respect thereof;
- (5) reimbursement obligations with respect to letters of credit, banker’s acceptances or similar credit transactions;
- (6) Guarantees and other contingent obligations of such Person in respect of Indebtedness referred to in clauses (1) through (5) above and clauses (8) through (10) below;
- (7) all Indebtedness of any other Person of the type referred to in clauses (1) through (6) which is secured by any Lien on any property or asset of the first Person, the amount of such Indebtedness being deemed to be the lesser of the Fair Market Value of such property or asset or the amount of the Indebtedness so secured;
- (8) all obligations under Hedging Obligations or other derivatives of such Person;
- (9) all liabilities (contingent or otherwise) of such Person in connection with a sale or other disposition of accounts receivable and related assets (not including Qualified Receivables Transactions), irrespective of their treatment under GAAP or IFRS; and

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- (10) all Disqualified Capital Stock issued by such Person with the amount of Indebtedness represented by such Disqualified Capital Stock being equal to the greater of its voluntary or involuntary liquidation preference and its maximum fixed repurchase price, but excluding accrued dividends, if any; *provided*, that:
- (a) if the Disqualified Capital Stock does not have a fixed repurchase price, such maximum fixed repurchase price will be calculated in accordance with the terms of the Disqualified Capital Stock as if the Disqualified Capital Stock were purchased on any date on which Indebtedness will be required to be determined pursuant to this Indenture, and
 - (b) if the maximum fixed repurchase price is based upon, or measured by, the fair market value of the Disqualified Capital Stock, the fair market value will be the Fair Market Value thereof.

“Indenture” means this Indenture as amended or supplemented from time to time, including the Schedule and Exhibits hereto.

“Intangible Assets” means with respect to any Person all unamortized debt discount and expense, unamortized deferred charges, goodwill, patents, trademarks, service marks, trade names, copyrights and all other items which would be treated as intangibles on the consolidated balance sheet of such Person prepared in accordance with GAAP.

“Intercreditor Agreement” means the intercreditor agreement, dated as of September 17, 2012, entered into among the Issuer and certain of its Subsidiaries, the financial institutions and noteholders party thereto, Citibank International PLC, as facility agent, and the Security Agent, as such agreement may be amended from time to time.

“Interest Payment Date” means the stated due date of an installment of interest on the Notes as specified in the Form of Face of Note contained in Exhibit A hereto.

“Interest Rate Agreement” of any Person means any interest rate protection agreement (including, without limitation, interest rate swaps, caps, floors, collars, derivative instruments and similar agreements) and/or other types of hedging agreements designed to hedge interest rate risk of such Person.

“Inventory Financing” means a financing arrangement pursuant to which the Issuer or any of its Restricted Subsidiaries sells inventory to a bank or other institution (or a special purpose vehicle or partnership incorporated or established by or on behalf of such bank or other institution or an Affiliate of such bank or other institution) and has an obligation to repurchase such inventory to the extent that it is not sold to a third party within a specified period.

“Investment” means, with respect to any Person, any (1) direct or indirect loan, advance or other extension of credit (including, without limitation, a Guarantee) to any other Person, (2) capital contribution (by means of any transfer of cash or other property to others or any payment for property or services for the account or use of others) to any other Person, or (3) purchase or acquisition by such Person of any Capital Stock, bonds, notes, debentures or other securities or evidences of Indebtedness issued by any other Person. “Investment” will exclude

accounts receivable, extensions of credit in connection with supplier or customer financings consistent with industry or past practice, advance payment of capital expenditures arising in the ordinary course of business, deposits arising in the ordinary course of business and transactions (other than (i) any sale, lease, license, transfer or other disposal and (ii) the granting or creation of a Lien or the incurring or permitting to subsist of Indebtedness) conducted in the ordinary course of business on arm's-length terms.

For purposes of Section 3.11, the Issuer will be deemed to have made an "Investment" in an Unrestricted Subsidiary at the time of its Designation, which will be valued at the Fair Market Value of the sum of the net assets of such Unrestricted Subsidiary multiplied by the percentage equity ownership of the Issuer and its Restricted Subsidiaries in such designated Unrestricted Subsidiary at the time of its Designation and the amount of any Indebtedness of such Unrestricted Subsidiary or owed to the Issuer or any Restricted Subsidiary immediately following such Designation. Any property transferred to or from an Unrestricted Subsidiary will be valued at its Fair Market Value at the time of such transfer. If the Issuer or any Restricted Subsidiary sells or otherwise disposes of any Capital Stock of a Restricted Subsidiary (including any issuance and sale of Capital Stock by a Restricted Subsidiary) such that, after giving effect to any such sale or disposition, such Restricted Subsidiary would cease to be a Subsidiary of the Issuer, the Issuer will be deemed to have made an Investment on the date of any such sale or disposition equal to sum of the Fair Market Value of the Capital Stock of such former Restricted Subsidiary held by the Issuer or any Restricted Subsidiary immediately following such sale or other disposition and the amount of any Indebtedness of such former Restricted Subsidiary Guaranteed by the Issuer or any Restricted Subsidiary or owed to the Issuer or any other Restricted Subsidiary immediately following such sale or other disposition. The acquisition by the Issuer or any Restricted Subsidiary of the Issuer of a Person that holds an Investment in a third Person will be deemed to be an Investment by the Issuer or such Restricted Subsidiary in such third Person in an amount equal to the Fair Market Value of the Investments held by the acquired Person in such third Person. Except as otherwise provided in this Indenture, the amount of an Investment will be determined at the time the Investment is made without giving effect to subsequent changes in value.

"Investment Grade Rating" means a rating equal to or higher than BBB- (or the equivalent) by Fitch, Baa3 (or the equivalent) by Moody's and BBB- (or the equivalent) by S&P.

"Investment Return" means, in respect of any Investment (other than a Permitted Investment) made after the Issue Date by the Issuer or any Restricted Subsidiary:

- (1) the cash proceeds received by the Issuer upon the sale, liquidation or repayment of such Investment or, in the case of a Guarantee, the amount of the Guarantee upon the unconditional release of the Issuer and its Restricted Subsidiaries in full, less any payments previously made by the Issuer or any Restricted Subsidiary in respect of such Guarantee;

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- (2) in the case of the Revocation of the Designation of an Unrestricted Subsidiary, an amount equal to the lesser of:
 - (a) the Issuer's Investment in such Unrestricted Subsidiary at the time of such Revocation;
 - (b) that portion of the Fair Market Value of the net assets of such Unrestricted Subsidiary at the time of Revocation that is proportionate to the Issuer's equity interest in such Unrestricted Subsidiary at the time of Revocation; and
 - (c) the Designation Amount with respect to such Unrestricted Subsidiary upon its Designation which was treated as a Restricted Payment;
 - (3) in the event the Issuer or any Restricted Subsidiary makes any Investment in a Person that, as a result of or in connection with such Investment, becomes a Restricted Subsidiary, the existing Investment of the Issuer and its Restricted Subsidiaries in such Person,

in the case of each of (1), (2) and (3), up to the amount of such Investment that was treated as a Restricted Payment under Section 3.11 less the amount of any previous Investment Return in respect of such Investment.

"Issue Date" means the first date of issuance of the Notes under this Indenture and following a Partial Covenant Suspension Event or a Covenant Suspension Event, except under "*Optional Redemption for Changes in Withholding Taxes*" under clause (5) in Exhibit A hereto, Section 3.22 and the definition of "Permitted Liens," the most recent Partial Covenant Reversion Date or Reversion Date, as applicable.

"Issue Date Notes" means the U.S.\$1,100,000,000 aggregate principal amount of Notes originally issued on the Issue Date, and any replacement Notes issued therefor in accordance with this Indenture.

"Issuer" means the party named as such in the introductory paragraph to this Indenture and its successors and assigns.

"Issuer Order" has the meaning assigned to it in Section 2.2(c).

"Legal Defeasance" has the meaning assigned to it in Section 8.1(b).

"Legal Holiday" has the meaning assigned to it in Section 12.6.

"Lien" means, with respect to any asset, any mortgage, lien, pledge, charge, security interest or encumbrance of any kind in respect of such asset. The Issuer or any Restricted Subsidiary shall be deemed to own, subject to a Lien, any asset that it has acquired or holds subject to the interest of a vendor or lessor under any conditional sale agreement, Capitalized Lease Obligations or other title retention lease relating to such asset, or any account receivable transferred by it with recourse (including any such transfer subject to a holdback or similar arrangement that effectively imposes the risk of collectability on the transferor).

“Material Acquisition” means:

- (1) an Investment by the Issuer or any Restricted Subsidiary in any other Person pursuant to which such Person will become a Restricted Subsidiary, or will be merged with or into the Issuer or any Restricted Subsidiary;
- (2) the acquisition by the Issuer or any Restricted Subsidiary of the assets of any Person (other than a Subsidiary of the Issuer) which constitute all or substantially all of the assets of such Person or comprises any division or line of business of such Person or any other properties or assets of such Person other than in the ordinary course of business; or
- (3) any Revocation with respect to an Unrestricted Subsidiary;

in each case which involves an Investment, Designation or payment of consideration in excess of U.S.\$25,000,000 (or the equivalent in other currencies).

“Material Disposition” means any Asset Sale and, whether or not constituting an Asset Sale, (1) any sale or other disposition of Capital Stock, (2) any Designation with respect to an Unrestricted Subsidiary and (3) any sale or other disposition of property or assets excluded from the definition of Asset Sale by clause (4) of that definition, in each case which involves an Investment, Designation or payment of consideration in excess of U.S.\$25,000,000 (or the equivalent in other currencies).

“Maturity Date” means January 11, 2025.

“Moody’s” means Moody’s Investors Service, Inc. and any successor to its rating agency business.

“Net Cash Proceeds” means, with respect to any Asset Sale, the proceeds in the form of cash or Cash Equivalents, including payments in respect of deferred payment obligations when received in the form of cash or Cash Equivalents received by the Issuer or any of its Restricted Subsidiaries from such Asset Sale, net of:

- (1) reasonable out-of-pocket expenses and fees relating to such Asset Sale (including, without limitation, legal, accounting and investment banking fees and sales commissions);
- (2) taxes paid or payable in respect of such Asset Sale after taking into account any reduction in consolidated tax liability due to available tax credits or deductions and any tax sharing arrangements;

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- (3) repayment of Indebtedness secured by a Lien permitted under this Indenture that is required to be repaid in connection with such Asset Sale; and
 - (4) appropriate amounts to be provided by the Issuer or any Restricted Subsidiary, as the case may be, as a reserve, in accordance with GAAP, against any liabilities associated with such Asset Sale and retained by the Issuer or any Restricted Subsidiary, as the case may be, after such Asset Sale, including, without limitation, pension and other post-employment benefit liabilities, liabilities related to environmental matters and liabilities under any indemnification obligations associated with such Asset Sale, but excluding any reserves with respect to Indebtedness.

“Non-U.S. Person” means a person who is not a U.S. person, as defined in Regulation S.

“Note Custodian” means the custodian with respect to any Global Note appointed by DTC, or any successor Person thereto, and shall initially be the Trustee.

“Note Guarantee” means any guarantee of the Issuer’s Obligations under this Indenture and the Notes by any Note Guarantor pursuant to Article X.

“Note Guarantors” means (i) each of the Issuer’s Restricted Subsidiaries that executes this Indenture as a Note Guarantor or an Additional Note Guarantor and (ii) each of the Issuer’s Restricted Subsidiaries that in the future executes a supplemental indenture in which such Restricted Subsidiary agrees to be bound by the terms of this Indenture as a Note Guarantor, and their respective successors and assigns; provided, that any Person constituting a Note Guarantor as described above shall cease to constitute a Note Guarantor when its respective Note Guarantee is released in accordance with the terms of this Indenture.

“Note Register” has the meaning assigned to it in Section 2.3(a).

“Notes” means any of the Issuer’s 5.700% Senior Secured Notes due 2025 issued and authenticated pursuant to this Indenture.

“Obligations” means, with respect to any Indebtedness, any principal, interest (including, without limitation, Post-Petition Interest), penalties, fees, indemnifications, reimbursements, damages, and other liabilities payable under the documentation governing such Indebtedness, including, in the case of the Notes and the Note Guarantees, this Indenture.

“Officer” means, when used in connection with any action to be taken by the Issuer or a Note Guarantor, as the case may be, the Chairman of the Board, the Chief Executive Officer, the President, the Chief Financial Officer, any Vice President, the Treasurer, the Controller, the Secretary or an attorney-in-fact of the Issuer or such Note Guarantor, as the case may be.

“Officer’s Certificate” means a certificate signed on behalf of a Person by an Officer of such Person, who must be the principal executive officer, the principal financial officer, the treasurer, the Vice President – Corporate Finance, the principal accounting officer or an attorney-in-fact of such Person, that meets the requirements set forth in this Indenture.

“Opinion of Counsel” means a written opinion of counsel, who, unless otherwise indicated in this Indenture, may be an employee of or counsel for the Issuer or any Note Guarantor, and who shall be reasonably acceptable to the Trustee.

“Other Notes” means the €400,000,000 million aggregate principal amount of 4.750% Senior Secured Notes due 2022 of the Issuer issued on the Issue Date.

“Outstanding” means, as of the date of determination, all Notes theretofore authenticated and delivered under this Indenture, *except*:

- (1) Notes theretofore canceled by the Trustee or delivered to the Trustee for cancellation;
- (2) Notes, or portions thereof, for the payment, redemption or, in the case of an Asset Sale Offer or Change of Control Offer, purchase of which, money in the necessary amount has been theretofore deposited with the Trustee or any Paying Agent (other than the Issuer or an Affiliate of the Issuer) in trust or set aside and segregated in trust by the Issuer or an Affiliate of the Issuer (if the Issuer or such Affiliate is acting as the Paying Agent) for the Holders of such Notes; *provided*, that if Notes (or portions thereof) are to be redeemed or purchased, notice of such redemption or purchase has been duly given pursuant to this Indenture or provision therefor satisfactory to the Trustee has been made;
- (3) Notes which have been surrendered pursuant to Section 2.9 or Notes in exchange for which or in lieu of which other Notes have been authenticated and delivered pursuant to this Indenture, other than any such Notes in respect of which there shall have been presented to the Trustee proof satisfactory to it that such Notes are held by a protected purchaser in whose hands such Notes are valid obligations of the Issuer; and
- (4) solely to the extent provided in Article VIII, Notes which are subject to Legal Defeasance or Covenant Defeasance as provided in Article VIII;

provided, however, that in determining whether the Holders of the requisite aggregate principal amount of the Outstanding Notes have given any request, demand, authorization, direction, notice, consent or waiver hereunder, Notes owned by the Issuer, a Note Guarantor or any other obligor upon the Notes or any Affiliate of the Issuer or of such other obligor shall be disregarded and deemed not to be Outstanding, except that, in determining whether the Trustee shall be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Notes which a Trust Officer of the Trustee actually knows to be so owned shall be so disregarded. Notes so owned which have been pledged in good faith may be regarded as Outstanding if the pledgee establishes to the satisfaction of the Trustee the pledgee’s right so to act with respect to such Notes and that the pledgee is not the Issuer or any other obligor upon the Notes or any Affiliate of the Issuer or of such other obligor.

“Partial Covenant Reversion Date” has the meaning set forth under Section 3.22(e).

“Partial Covenant Suspension Date” has the meaning set forth under Section 3.22(c).

“Partial Covenant Suspension Event” has the meaning set forth under Section 3.22(a).

“Partial Suspended Covenants” has the meaning set forth under Section 3.22(a).

“Partial Suspension Period” has the meaning set forth under Section 3.22(e).

“Paying Agent” has the meaning assigned to it in Section 2.3(a).

“Permitted Asset Swap Transaction” means a transaction consisting substantially of the concurrent (i) disposition by the Issuer or any of its Restricted Subsidiaries of any asset, property or cash consideration (other than a Restricted Subsidiary) in exchange for assets, property or cash consideration transferred to the Issuer or a Restricted Subsidiary, to be used in a Permitted Business or (ii) disposition by the Issuer or any of its Restricted Subsidiaries of Capital Stock of a Restricted Subsidiary in exchange for Capital Stock of another Restricted Subsidiary or of Capital Stock of any Person that becomes a Restricted Subsidiary after giving effect to such transaction; *provided*, that any cash or Cash Equivalents received in such a transaction shall constitute Net Cash Proceeds to be applied in accordance with Section 3.12.

“Permitted Business” means the business or businesses conducted by the Issuer and its Restricted Subsidiaries as of the Issue Date and any business ancillary, complementary or related thereto or any other business that would not constitute a substantial change to the general nature of its business from that carried on as of the Issue Date.

“Permitted Indebtedness” has the meaning set forth in Section 3.9(b).

“Permitted Investments” means:

- (1) Investments by the Issuer or any Restricted Subsidiary in any Person that is, or that result in any Person becoming, immediately after such Investment, a Restricted Subsidiary or constituting a merger or consolidation of such Person into the Issuer or with or into a Restricted Subsidiary;
- (2) any Investment in the Issuer;
- (3) Investments in cash and Cash Equivalents;
- (4) any extension, modification or renewal of any Investments existing as of the Issue Date (but not Investments involving additional advances, contributions or other investments of cash or property or other increases thereof, other than as a result of the accrual or accretion of interest or original issue discount or payment-in-kind pursuant to the terms of such Investment as of the Issue Date);

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- (5) Investments permitted pursuant to clause (ii), (vi) or (vii) of Section 3.18(b);
 - (6) Investments received as a result of the bankruptcy or reorganization of any Person or taken in settlement of or other resolution of claims or disputes, and, in each case, extensions, modifications and renewals thereof;
 - (7) Investments made by the Issuer or its Restricted Subsidiaries as a result of non-cash consideration permitted to be received in connection with an Asset Sale made in compliance with Section 3.12;
 - (8) Investments in the form of Hedging Obligations or Compensation Related Hedging Obligations permitted under clause (iv) of Section 3.9(b);
 - (9) Investments in existence on the Issue Date or made pursuant to binding commitments in effect on the Issue Date or any Investment consisting of any extension, modification or renewal of any Investment existing on the Issue Date; *provided*, that the amount of any such Investment may be increased (a) as required by the terms of such Investment as in existence on the Issue Date or (b) as otherwise permitted by this Indenture;
 - (10) Investments by the Issuer or any Restricted Subsidiary in a Receivables Entity in connection with a Qualified Receivables Transaction which does not constitute an Asset Sale by virtue of clause (7) of the definition thereof; *provided, however*, that any such Investments are made only in the form of Receivables Assets;
 - (11) Investments in marketable securities or instruments, to fund the Issuer's or a Restricted Subsidiary's pension and other employee-related obligations in the ordinary course of business pursuant to compensation arrangements approved by the Board of Directors or senior management of the Issuer;
 - (12) any Investment that:
 - (a) when taken together with all other Investments made pursuant to this clause (12) that are at the time outstanding (net of cash benefits to the Issuer or a Restricted Subsidiary from Investments pursuant to this clause (12)), does not exceed the greater of U.S.\$250 million and 3% of Consolidated Tangible Assets; or
 - (b) when taken together with all other Investments made pursuant to this clause (12) in any fiscal year that are at the time outstanding, does not exceed U.S.\$100 million in any fiscal year;

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- (13) Investments in the Capital Stock of any Person other than a Restricted Subsidiary that are required to be held pursuant to an involuntary governmental order of condemnation, nationalization, seizure or expropriation or other similar order with respect to Capital Stock of such Person (prior to which order such Person was a Restricted Subsidiary); *provided*, that such Person contests such order in good faith in appropriate proceedings;
 - (14) repurchases of Existing Senior Notes or the Notes;
 - (15) Investments in the SPV Perpetuals or the notes related thereto; *provided*, that any payment or other contribution to one of the special purpose vehicles issuing the SPV Perpetuals in connection with such Investment is promptly paid or contributed to the Issuer or a Restricted Subsidiary following receipt thereof;
 - (16) any Investment that constitutes Indebtedness permitted under clause (vii)(E) of Section 3.9(b); and
 - (17) (a) Investments to which the Issuer or any of its Restricted Subsidiaries is contractually committed as of the Issue Date in any Person other than a Subsidiary in which the Issuer or any of its Restricted Subsidiaries maintains an Investment in equity securities and
(b) Investments in any Person other than a Subsidiary in which the Issuer or any of its Restricted Subsidiaries maintains an Investment in equity securities up to U.S.\$100 million in any calendar year minus the amount of any guarantees under clause (xviii) of Section 3.9(b).

“Permitted Liens” means any of the following:

- (1) statutory Liens of landlords and Liens of carriers, warehousemen, mechanics and materialmen incurred in the ordinary course of business for sums not yet due or the payment of which is being contested in good faith by appropriate proceedings promptly initiated and diligently conducted and for which such reserves or other appropriate provision, if any, as shall be required by GAAP, shall have been made and any other Liens created by operation of law;
- (2) Liens Incurred or deposits made in the ordinary course of business in connection with (i) workers’ compensation, unemployment insurance and other types of social security or (ii) other insurance maintained by the Issuer and its Subsidiaries in compliance with the Facilities Agreement (or any refinancing thereof);
- (3) Liens for taxes, assessments and other governmental charges the payment of which is being contested in good faith by appropriate proceedings promptly initiated and diligently conducted and for which such reserves or other appropriate provision, if any, as shall be required by GAAP shall have been made;

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- (4) any attachment or judgment Lien, unless the judgment it secures shall not, within 60 days after the entry thereof, have been discharged or execution thereof stayed pending appeal, or shall not have been discharged within 60 days after the expiration of any such stay;
- (5) (i) Liens existing on the Issue Date other than in respect of the Collateral and (ii) Liens in respect of the Collateral to the extent equally and ratably securing the Notes and the Permitted Secured Obligations;
- (6) any Lien on property acquired by the Issuer or its Restricted Subsidiaries after the Issue Date that was existing on the date of acquisition of such property; *provided*, that such Lien was not incurred in anticipation of such acquisition, and any Lien created to secure all or any part of the purchase price, or to secure Indebtedness incurred or assumed to pay all or any part of the purchase price, of property acquired by the Issuer or any of its Restricted Subsidiaries after the Issue Date; *provided further*, that (A) any such Lien permitted pursuant to this clause (6) shall be confined solely to the item or items of property so acquired (including, in the case of any Acquisition of a corporation through the acquisition of 51% or more of the Voting Stock of such corporation, the stock and assets of any Acquired Subsidiary or Acquiring Subsidiary) and, if required by the terms of the instrument originally creating such Lien, other property which is an improvement to, or is acquired for specific use with, such acquired property; and (B) if applicable, any such Lien shall be created within nine months after, in the case of property, its acquisition, or, in the case of improvements, their completion;
- (7) any Liens renewing, extending or refunding any Lien permitted by clause (5)(i) above; *provided*, that such Lien is not extended to other property (or, instead, is only extended to equivalent property) and the principal amount of Indebtedness secured by such Lien immediately prior thereto is not increased or the maturity thereof reduced, except that the principal amount secured by any such Lien in respect of:
- (a) hedging obligations or other derivatives where there are fluctuations in mark-to-market exposures of those hedging obligations or other derivatives,
 - (b) Indebtedness consisting of any “*Certificados Bursátiles de Largo Plazo*” or the Bancomext Facility, or any Refinancing thereof, where principal may increase by virtue of capitalization of interest, and
 - (c) the Banobras Facility to the extent additional amounts are drawn thereunder,

may be increased by the amount of such fluctuations, capitalizations or drawings, as the case may be;

- (8) Liens on Receivables Assets or Capital Stock of a Receivables Subsidiary, in each case granted in connection with a Qualified Receivables Transaction;
- (9) Liens granted pursuant to or in connection with any netting or set-off arrangements entered into in the ordinary course of business;
- (10) any Lien permitted by the Trustee, acting pursuant to the instructions of at least 50% of the Holders;
- (11) any Lien granted by the Issuer or any of its Restricted Subsidiaries to secure Indebtedness under a Permitted Liquidity Facility; *provided*, that: (i) such Lien is not granted in respect of the Collateral, and (ii) the maximum amount of such Indebtedness secured by such Lien does not exceed U.S.\$500 million at any time; or
- (12) in addition to the Liens permitted by the foregoing clauses (1) through (11), Liens securing obligations of the Issuer and its Restricted Subsidiaries that in the aggregate secure obligations in an amount not in excess of the greater of (i) 5% of Consolidated Tangible Assets and (ii) U.S.\$700 million.

“Permitted Liquidity Facility” means a loan facility or facilities made available to the Issuer or any Restricted Subsidiary; *provided*, that the aggregate principal amount of utilized and unutilized commitments under such facilities must not exceed U.S.\$1 billion (or its equivalent in another currency) at any time.

“Permitted Merger Jurisdiction” has the meaning set forth in Section 4.1(a).

“Permitted Secured Obligations” means (i) the Facilities Agreement Indebtedness and any refinancing thereof made in accordance with the Facilities Agreement that is secured by the Collateral, (ii) notes (or similar instruments, including *Certificados Bursátiles*) outstanding on the date of the Facilities Agreement required to be secured by the Collateral pursuant to their terms, or any refinancing thereof permitted by the Facilities Agreement, (iii) future Indebtedness secured by the Collateral to the extent permitted by the Facilities Agreement and (iv) the Existing Senior Notes.

“Person” means an individual, partnership, limited partnership, corporation, company, limited liability company, unincorporated organization, trust or joint venture, or a governmental agency or political subdivision thereof.

“Post-Petition Interest” means all interest accrued or accruing after the commencement of any insolvency or liquidation proceeding (and interest that would accrue but for the commencement of any insolvency or liquidation proceeding) in accordance with and at the contract rate (including, without limitation, any rate applicable upon default) specified in the agreement or instrument creating, evidencing or governing any Indebtedness, whether or not, pursuant to applicable law or otherwise, the claim for such interest is allowed as a claim in such insolvency or liquidation proceeding.

“Preferred Stock” of any Person means any Capital Stock of such Person that has preferential rights over any other Capital Stock of such Person with respect to dividends, distributions or redemptions or upon liquidation.

“Private Placement Legend” has the meaning assigned to it in Section 2.8(b).

“Purchase Money Indebtedness” means Indebtedness Incurred for the purpose of financing all or any part of the purchase price or cost of construction of any property other than Capital Stock; *provided*, that the aggregate principal amount of such Indebtedness does not exceed the lesser of the Fair Market Value of such property or such purchase price or cost, including any Refinancing of such Indebtedness that does not increase the aggregate principal amount (or accreted amount, if less) thereof as of the date of Refinancing.

“QIB” means a “qualified institutional buyer” as defined in Rule 144A.

“Qualified Capital Stock” means any Capital Stock that is not Disqualified Capital Stock and any warrants, rights or options to purchase or acquire Capital Stock that is not Disqualified Capital Stock that are not convertible into or exchangeable into Disqualified Capital Stock.

“Qualified Receivables Transaction” means any transaction or series of transactions that may be entered into by the Issuer or any Restricted Subsidiary pursuant to which the Issuer or any Restricted Subsidiary may sell, convey, assign or otherwise transfer to a Receivables Entity any Receivables Assets to obtain funding for the operations of the Issuer and its Restricted Subsidiaries:

- (1) for which no term of any portion of the Indebtedness or any other obligations (contingent or otherwise) or securities Incurred or issued by any Person in connection therewith:
 - (a) directly or indirectly provides for recourse to, or any obligation of, the Issuer or any Restricted Subsidiary in any way, whether pursuant to a Guarantee or otherwise, except for Standard Undertakings,
 - (b) directly or indirectly subjects any property or asset of the Issuer or any Restricted Subsidiary (other than Capital Stock of a Receivables Subsidiary) to the satisfaction thereof, except for Standard Undertakings, or
 - (c) results in such Indebtedness, other obligations or securities constituting Indebtedness of the Issuer or a Restricted Subsidiary, including following a default thereunder, and

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- (2) for which the terms of any Affiliate Transaction between the Issuer or any Restricted Subsidiary, on the one hand, and any Receivables Entity, on the other, other than Standard Undertakings and Permitted Investments, are no less favorable than those that could reasonably be expected to be obtained in a comparable transaction at such time on an arm's length basis from a Person that is not an Affiliate of the Issuer, and
 - (3) in connection with which, neither the Issuer nor any Restricted Subsidiary has any obligation to maintain or preserve a Receivable Entity's financial condition, cause a Receivables Entity to achieve certain levels of operating results, fund losses of a Receivables Entity, or except in connection with Standard Undertakings, purchase assets of a Receivables Entity.

“Rating Agencies” mean Fitch, Moody's and S&P. In the event that Fitch, Moody's or S&P is no longer in existence or issuing ratings, such organization may be replaced by a nationally recognized statistical rating organization (as defined in Rule 15c3-1(c)(2)(vi)(F) of the Exchange Act or any successor provision) designated by the Issuer with notice to the Trustee.

“Receivables Assets” means:

- (1) accounts receivable, leases, conditional sale agreements, instruments, chattel paper, installment sale contracts, obligations, general intangibles, and other similar assets, in each case relating to goods, inventory or services of the Issuer and its Subsidiaries,
- (2) equipment and equipment residuals relating to any of the foregoing,
- (3) contractual rights, Guarantees, letters of credit, Liens, insurance proceeds, collections and other similar assets, in each case related to the foregoing, and
- (4) proceeds of all of the foregoing.

“Receivables Entity” means a Receivables Subsidiary or any other Person not an Affiliate of the Issuer, in each case whose sole business activity is to engage in Qualified Receivables Transactions, including to issue securities or other interests in connection with a Qualified Receivables Transaction.

“Receivables Subsidiary” means an Unrestricted Subsidiary of the Issuer that engages in no activities other than Qualified Receivables Transactions and activities related thereto and that is designated by the Issuer as a Receivables Subsidiary. Any such designation by the Issuer will be evidenced to the Trustee by filing with the Trustee an Officer's Certificate of the Issuer.

“Record Date” has the meaning assigned to it in the Form of Face of Note contained in Exhibit A hereto.

“Redemption Date” means, with respect to any redemption of the Notes, the date fixed for such redemption pursuant to this Indenture and the Notes.

“Refinance” means, in respect of any Indebtedness, to issue any Indebtedness in exchange for or to refinance, repay, redeem, replace, defease or refund such Indebtedness in whole or in part. “Refinanced” and “Refinancing” will have correlative meanings.

“Refinancing Indebtedness” means Indebtedness of the Issuer or any Restricted Subsidiary issued to Refinance any other Indebtedness of the Issuer or a Restricted Subsidiary so long as:

- (1) the aggregate principal amount (or initial accreted value, if applicable) of such new Indebtedness as of the date of such proposed Refinancing does not exceed the aggregate principal amount (or accreted value as of such date, if applicable) of the Indebtedness being Refinanced (plus the amount of any premium required to be paid under the terms of the instrument governing such Indebtedness and the amount of reasonable expenses incurred by the Issuer in connection with such Refinancing);
- (2) such new Indebtedness has:
 - (a) a Weighted Average Life to Maturity that is equal to or greater than the Weighted Average Life to Maturity of the Indebtedness being Refinanced, and
 - (b) a final maturity that is equal to or later than the final maturity of the Indebtedness being Refinanced or, in the case of Indebtedness without a stated maturity, December 14, 2017; and
- (3) if the Indebtedness being Refinanced is:
 - (a) Indebtedness of the Issuer, then such Refinancing Indebtedness will be Indebtedness of the Issuer and/or any Note Guarantor,
 - (b) Indebtedness of a Note Guarantor, then such Refinancing Indebtedness will be Indebtedness of the Issuer and/or any Note Guarantor,
 - (c) Indebtedness of any of the Restricted Subsidiaries, then such Refinancing Indebtedness will be Indebtedness of such Restricted Subsidiary, the Issuer and/or any Note Guarantor, and
 - (d) Subordinated Indebtedness, then such Refinancing Indebtedness shall be subordinate to the Notes or the relevant Note Guarantee, if applicable, at least to the same extent and in the same manner as the Indebtedness being Refinanced.

Notwithstanding the foregoing, with respect to any hedging obligations or derivatives outstanding on the Issue Date in respect of the Axtel Share Forward Transaction, “Refinancing Indebtedness” shall mean any replacements, amendments or renewals thereof that are entered into on then prevailing market terms with the underlying amounts not greater than the original underlying amounts.

“Registrar” has the meaning assigned to it in Section 2.3(a).

“Regulation S” means Regulation S under the Securities Act or any successor regulation.

“Regulation S Global Note” has the meaning assigned to it in Section 2.1(e).

“Resale Restriction Termination Date” means for any Restricted Note (or beneficial interest therein), that is (a) not a Regulation S Global Note, the date on which the Issuer instructs the Trustee in writing to remove the Private Placement Legend from the Restricted Notes in accordance with the procedures described in Section 2.9(h) (which instruction is expected to be given on or about the one year anniversary of the issuance of the Restricted Notes) or (b) a Regulation S Global Note (or Certificated Note issued in respect thereof pursuant to Section 2.7(c)), the date on which the Distribution Compliance Period therefor terminates.

“Restricted Note” means any Issue Date Note (or beneficial interest therein) or any Additional Note (or beneficial interest therein) not originally issued and sold pursuant to an effective registration statement under the Securities Act until such time as:

- (i) the Resale Restriction Termination Date therefor has passed; or
- (ii) the Private Placement Legend therefor has otherwise been removed pursuant to Section 2.9 or, in the case of a beneficial interest in a Global Note, such beneficial interest has been exchanged for an interest in a Global Note not bearing a Private Placement Legend.

“Restricted Obligations” has the meaning assigned to it in Section 10.6(b).

“Restricted Payment” has the meaning set forth in Section 3.11(a).

“Restricted Subsidiary” means any Subsidiary of the Issuer, which at the time of determination is not an Unrestricted Subsidiary.

“Reversion Date” has the meaning assigned to in Section 3.22(e).

“Revocation” has the meaning set forth in Section 3.14(c).

“Rule 144” means Rule 144 under the Securities Act (or any successor rule).

“Rule 144A” means Rule 144A under the Securities Act (or any successor rule).

“Rule 144A Global Note” has the meaning assigned to it in Section 2.1(d).

“S&P” means Standard & Poor’s Ratings Group and any successor to its rating agency business.

“Sale and Leaseback Transaction” means any direct or indirect arrangement with any Person or to which any such Person is a party providing for the leasing to the Issuer or a Restricted Subsidiary of any property, whether owned by the Issuer or any Restricted Subsidiary at the Issue Date or later acquired, which has been or is to be sold or transferred by the Issuer or such Restricted Subsidiary to such Person or to any other Person by whom funds have been or are to be advanced on the security of such Property.

“Securities Act” means the Securities Act of 1933, as amended.

“Security Agent” means Wilmington Trust (London) Limited, as security agent under the Intercreditor Agreement.

“Security Documents” has the meaning assigned to it in Section 7.13.

“Senior Indebtedness” means (i) the Notes and any other Indebtedness of the Issuer or any Note Guarantor that ranks equal in right of payment with the Notes or the relevant Note Guarantee, as the case may be or (ii) Indebtedness for borrowed money or constituting Capitalized Lease Obligations of any Restricted Subsidiary other than a Note Guarantor.

“Significant Subsidiary” means a Subsidiary of the Issuer constituting a “Significant Subsidiary” of the Issuer in accordance with Rule 1-02(w) of Regulation S-X under the Securities Act in effect on the date hereof.

“Similar Business” means (1) any business engaged in by the Issuer or any Restricted Subsidiary on the Issue Date, and (2) any business or other activities, including non-profit or charitable activities, that are reasonably similar, ancillary, complementary or related to, or a reasonable extension, development or expansion of, the businesses and activities in which the Issuer or any Restricted Subsidiary is engaged on the Issue Date, including, but not limited to, infrastructure projects, public works programs and consumer or supplier financing.

“Special Record Date” has the meaning assigned to it in Section 2.13(a).

“SPV Perpetuals” means the perpetual debentures issued by special purpose vehicles in December 2006, February 2007 and March 2007, as amended or supplemented from time to time.

“Standard Undertakings” means representations, warranties, covenants, indemnities and similar obligations, including servicing obligations, entered into by the Issuer or any Subsidiary of the Issuer in connection with a Qualified Receivables Transaction, which are customary in similar non-recourse receivables securitization, purchase or financing transactions.

“Subordinated Indebtedness” means, with respect to the Issuer or any Note Guarantor, any Indebtedness of the Issuer or such Note Guarantor, as the case may be, which is expressly subordinated in right of payment to the Notes or the relevant Note Guarantee, as the case may be.

“Subsidiary” means with respect to any Person, any corporation, partnership, joint venture, limited liability company, trust, estate or other entity of which (or in which) more than fifty percent (50%) of (a) in the case of a corporation, the issued and outstanding Capital Stock having ordinary voting power to elect a majority of the board of directors of such corporation (irrespective of whether at the time Capital Stock of any other class or classes of such corporation shall or might have voting power upon the occurrence of any contingency that has not occurred and is not in the control of such Person), (b) in the case of a limited liability company, partnership or joint venture, the voting or other power to control the actions of such limited liability company, partnership or joint venture or (c) in the case of a trust or estate, the voting or other power to control the actions of such trust or estate, is at the time directly or indirectly owned or controlled by (X) such Person, (Y) such Person and one or more of its other Subsidiaries or (Z) one or more of such Person’s other Subsidiaries. Unless the context otherwise requires, all references herein to a “Subsidiary” shall refer to a Subsidiary of the Issuer.

“Successor Issuer” has the meaning assigned to it in Section 4.1(a).

“Successor Note Guarantor” has the meaning assigned to it in Section 4.1(b).

“Suspended Covenants” has the meaning assigned to it in Section 3.22(b).

“Suspension Date” has the meaning assigned to it in Section 3.22(c).

“Suspension Period” has the meaning assigned to it in Section 3.22(e).

“Swiss Note Guarantor” has the meaning assigned to it in Section 10.6(a).

“Taxes” has the meaning assigned to it in Section 3.21(a).

“Taxing Jurisdiction” has the meaning assigned to it in Section 3.21(a).

“Transfer Agent” has the meaning assigned to it in Section 2.3(a).

“Transportation Agreements” means, in respect of any Person, any agreement or arrangement designed to protect such Person from fluctuations in prices related to transportation.

“Trust Officer” means, when used with respect to the Trustee, any officer within the corporate trust department of the Trustee, having direct responsibility for the administration of this Indenture, or any other officer of the Trustee to whom any corporate trust matter is referred because of such person’s knowledge of and familiarity with the particular subject.

“Trustee” means the party named as such in the introductory paragraph to this Indenture until a successor replaces it in accordance with the terms of this Indenture and, thereafter, means the successor.

“Undervalued Asset” has the meaning assigned to it in Section 10.6(g).

“USA PATRIOT Act” has the meaning assigned to it in Section 12.16.

“U.S. Government Obligations” means direct obligations (or certificates representing an ownership interest in such obligations) of, or guaranteed by, the United States of America (including any agency or instrumentality thereof) for the payment of which the full faith and credit of the United States of America is pledged and which are not callable or redeemable at the issuer’s option.

“U.S. Legal Tender” means such coin or currency of the United States of America, as at the time of payment shall be legal tender for the payment of public and private debts.

“U.S. Person” means a “U.S. person” as defined in Regulation S.

“Uniform Commercial Code” means the Uniform Commercial Code as in effect from time to time in the State of New York.

“Unrestricted Subsidiary” means any Subsidiary of the Issuer designated as such pursuant to Section 3.14. Any such Designation may be revoked by the Issuer, subject to the provisions of such covenant.

“Voting Stock” with respect to any Person, means securities of any class of Capital Stock of such Person entitling the holders thereof (whether at all times or only so long as no senior class of stock has voting power by reason of any contingency) to vote in the election of members of the Board of Directors (or equivalent governing body) of such Person.

“Weighted Average Life to Maturity” means, when applied to any Indebtedness at any date, the number of years (calculated to the nearest one-twelfth) obtained by dividing:

- (1) the sum of the products obtained by multiplying:
 - (a) the amount of each then remaining installment, sinking fund, serial maturity or other required payment of principal or liquidation preference, as the case may be, including payment at final maturity, in respect thereof, by
 - (b) the number of years (calculated to the nearest one-twelfth) which will elapse between such date and the making of such payment; by
- (2) the then outstanding aggregate principal amount or liquidation preference, as the case may be, of such Indebtedness.

“Wholly Owned Subsidiary” means, for any Person, any Subsidiary (Restricted Subsidiary in the case of the Issuer) of which at least 99.5% of the outstanding Capital Stock (other than, in the case of a Subsidiary not organized in the United States, directors’ qualifying shares or an immaterial amount of shares required to be owned by other Persons pursuant to applicable law) is owned by such Person or any other Person that satisfies this definition in respect of such Person.

Section 1.2 [Reserved].

Section 1.3 Rules of Construction. Unless the context otherwise requires:

- (1) a term has the meaning assigned to it;
- (2) an accounting term not otherwise defined has the meaning assigned to it in accordance with GAAP;
- (3) “or” is not exclusive;
- (4) “including” means including without limitation;
- (5) words in the singular include the plural and words in the plural include the singular; and
- (6) references to the payment of principal of the Notes shall include applicable premium, if any.

ARTICLE II

THE NOTES

Section 2.1 Form and Dating.

(a) The Issue Date Notes are being originally offered and sold by the Issuer pursuant to a Purchase Agreement, dated as of September 4, 2014, among the Issuer, the Note Guarantors party thereto, and Banco Bilbao Vizcaya Argentaria, S.A., BNP Paribas Securities Corp., Citigroup Global Markets Inc., Credit Agricole Securities (USA) Inc., HSBC Securities (USA) Inc., ING Financial Markets LLC, J.P. Morgan Securities LLC, Merrill Lynch, Pierce, Fenner & Smith Incorporated and Santander Investment Securities Inc., as Initial Purchasers with respect to the Notes. The Notes will be issued as one or more Global Notes in fully registered form without interest coupons, and only in denominations of U.S.\$200,000 and in integral multiples of U.S.\$1,000 in excess thereof. Each such Global Note shall constitute a single Note for all purposes under this Indenture. Certificated Notes, if issued pursuant to the terms hereof, will be issued in fully registered certificated form without coupons. The Notes may only be issued in definitive fully registered form without coupons and only in denominations of U.S.\$200,000 and in integral multiples of U.S.\$1,000 in excess thereof. The Notes and the Trustee's certificate of authentication shall be substantially in the form of Exhibit A hereto.

(b) The terms and provisions of the Notes, the form of which is in Exhibit A hereto, shall constitute, and are hereby expressly made, a part of this Indenture, and, to the extent applicable, the Issuer, the Note Guarantors and the Trustee, by their execution and delivery of this Indenture, expressly agree to such terms and provisions and to be bound thereby. Except as otherwise expressly permitted in this Indenture, all Notes (including Additional Notes) shall be identical in all respects. Notwithstanding any differences among them, all Notes issued under this Indenture shall vote and consent together on all matters as one class and are otherwise treated as a single issue of securities.

(c) The Notes may have notations, legends or endorsements as specified in Section 2.8 or as otherwise required by law, stock exchange rule or DTC, Euroclear or Clearstream rule or usage. The Issuer and the Trustee shall approve any changes to the form of the Notes attached to this Indenture and any additional notation, legend or endorsement required to be inserted on them. Each Note shall be dated the date of its authentication.

(d) Notes originally offered and sold to QIBs in reliance on Rule 144A will be issued in the form of one or more permanent Global Notes (each, a "Rule 144A Global Note"). Each Rule 144A Global Note shall be deposited on behalf of the purchasers of the Notes represented thereby with the Note Custodian and registered in the name of DTC or its nominee, for credit to the accounts maintained at DTC. In no event shall any Person hold an interest in a Rule 144A Global Note other than in or through accounts maintained at DTC.

(e) Notes originally offered and sold outside the United States in reliance on Regulation S will be issued in the form of one or more permanent Global Notes (each, a "Regulation S Global Note"). Each Regulation S Global Note shall be deposited on behalf of the purchasers of the Notes represented thereby with the Note Custodian and registered in the name

of DTC or its nominee, for credit to the accounts maintained at DTC by or on behalf of Euroclear or Clearstream. In no event shall any Person hold an interest in a Regulation S Global Note other than in or through accounts maintained at DTC by or on behalf of Euroclear or Clearstream.

Section 2.2 Execution and Authentication.

(a) Any Officer of the Issuer may sign the Notes for the Issuer by manual or facsimile signature. If an Officer whose signature is on a Note no longer holds that office at the time the Trustee authenticates the Note, the Note shall be valid nevertheless.

(b) A Note shall not be valid until manually authenticated by an authorized signatory of the Trustee or an agent appointed by the Trustee (and reasonably acceptable to the Issuer) for such purpose (an “Authenticating Agent”). The signature of an authorized signatory of the Trustee or an Authenticating Agent on a Note shall be conclusive evidence that such Note has been duly and validly authenticated and issued under this Indenture. Unless limited by the terms of its appointment, an Authenticating Agent may authenticate Notes whenever the Trustee may do so. Each reference in this Indenture to authentication by the Trustee includes authentication by an Authenticating Agent.

(c) At any time and from time to time after the execution and delivery of this Indenture, the Trustee shall authenticate and make available for delivery Notes upon a written order of the Issuer signed by an Officer of the Issuer (the “Issuer Order”). An Issuer Order shall specify the amount of the Notes to be authenticated and the date on which the original issue of Notes is to be authenticated.

(d) In case a Successor Issuer has executed an indenture supplemental hereto with the Trustee pursuant to Article IV, any of the Notes authenticated or delivered prior to such transaction may, from time to time, at the request of the Successor Issuer be exchanged for other Notes executed in the name of the Successor Issuer with such changes in phraseology and form as may be appropriate, but otherwise identical to the Notes surrendered for such exchange and of like principal amount; and the Trustee, upon Issuer Order of the Successor Issuer, shall authenticate and deliver Notes as specified in such order for the purpose of such exchange. If Notes shall at any time be authenticated and delivered in any new name of a Successor Issuer pursuant to this Section 2.2 in exchange or substitution for or upon registration of transfer of any Notes, such Successor Issuer, at the option of the Holders but without expense to them, shall provide for the exchange of all Notes at the time Outstanding for Notes authenticated and delivered in such new name.

Section 2.3 Registrar, Paying Agent and Transfer Agent.

(a) The Issuer shall maintain an office or agency in the Borough of Manhattan, City of New York, that shall keep a register of the Notes (the “Note Register”) and of their transfer and exchange (the “Registrar”), where Notes may be presented or surrendered for registration of transfer or for exchange (the “Transfer Agent”), where Notes may be presented for payment (the “Paying Agent”) and for the service of notices and demands to or upon the Issuer in respect of the Notes and this Indenture. The Issuer may have one or more co-Registrars

and one or more additional paying agents. The term “Paying Agent” includes any additional paying agent. In addition, the Issuer shall maintain a Paying Agent in a member state of the European Union as required by Section 3.21(g).

(b) The Issuer shall enter into an appropriate agency agreement with any Registrar, Paying Agent or co-Registrar not a party to this Indenture. The agreement shall implement the provisions of this Indenture that relate to such agent. The Issuer shall notify the Trustee of the name and address of each such agent. If the Issuer fails to maintain a Registrar or Paying Agent, the Trustee shall act as such and shall be entitled to appropriate compensation therefor pursuant to Section 7.7. The Issuer or any Affiliate of the Issuer may act as Paying Agent, Registrar or co-Registrar, or transfer agent.

(c) The Issuer initially designates the Corporate Trust Office of the Trustee as such office or agency of the Issuer as required by Section 2.3(a) and appoints the Trustee as Registrar, Paying Agent, Transfer Agent and agent for service of demands and notices in connection with the Notes and this Indenture, until such time as another Person is appointed as such.

Section 2.4 Paying Agent to Hold Money in Trust.

The Issuer shall require each Paying Agent (other than the Trustee) to agree in writing that such Paying Agent shall hold in trust for the benefit of Holders or the Trustee all money held by such Paying Agent for the payment of principal of or interest on the Notes and shall notify the Trustee in writing of any Default by the Issuer or any Note Guarantor in making any such payment. If the Issuer or an Affiliate of the Issuer acts as Paying Agent, it shall segregate the money held by it as Paying Agent and hold it as a separate trust fund. The Issuer at any time may require a Paying Agent (other than the Trustee) to pay all money held by it to the Trustee and to account for any funds disbursed by such Paying Agent. Upon complying with this Section 2.4, the Paying Agent (if other than the Issuer or any Affiliate of the Issuer) shall have no further liability for the money delivered to the Trustee. Upon any proceeding under any Bankruptcy Law with respect to the Issuer or any Affiliate of the Issuer, if the Issuer or such Affiliate is then acting as Paying Agent, the Trustee shall replace the Issuer or such Affiliate as Paying Agent.

Section 2.5 Holder Lists. The Trustee shall preserve in as current a form as is reasonably practicable the most recent list available to it of the names and addresses of Holders. At any time that the Trustee is not the Registrar the Issuer shall furnish to the Trustee, in writing at least seven Business Days before each Interest Payment Date and at such other times as the Trustee may request in writing, a list in such form and as of such date as the Trustee may reasonably require of the names and addresses of Holders.

Section 2.6 CUSIP Numbers.

The Issuer in issuing Notes may use “CUSIP” numbers, as applicable (if then generally in use), and, if so, the Trustee shall use for the Securities “CUSIP” number in notices to the Holders as a convenience to such Holders; *provided*, that any such notice may state that no representation is made as to the correctness of such numbers either as printed on the Notes or as

contained in any notice and that reliance may be placed only on the other identification numbers printed on the Notes, and any such notice shall not be affected by any defect in or omission of such numbers. The Issuer will promptly notify the Trustee in writing of any changes in the “CUSIP” numbers.

Section 2.7 Global Note Provisions.

(a) Each Global Note initially shall: (i) be registered in the name of DTC or the nominee of DTC, (ii) be delivered to the Note Custodian and (iii) bear the appropriate legends as set forth in Section 2.8 and Exhibit A hereto. Any Global Note may be represented by one or more certificates. The aggregate principal amount of each Global Note may from time to time be increased or decreased by adjustments made on the records of the Note Custodian, as provided in this Indenture.

(b) Except as provided in clause (iii) of Section 2.7(c), members of, or participants in, DTC (“Agent Members”) shall have no rights under this Indenture with respect to any Global Note held on their behalf by DTC or by the Note Custodian, and DTC may be treated by the Issuer, any Note Guarantor, the Trustee, the Paying Agent, the Transfer Agent, the Note Custodian, the Registrar and any of their respective agents as the absolute owner of such Global Note for all purposes whatsoever. Notwithstanding the foregoing, nothing herein shall (i) prevent the Issuer, the Trustee, the Paying Agent, the Transfer Agent, the Note Custodian, the Registrar or any of their respective agents from giving effect to any written certification, proxy or other authorization furnished by DTC or (ii) impair, as between DTC and its Agent Members, the operation of customary practices of DTC governing the exercise of the rights of an owner of a beneficial interest in any Global Note. The registered Holder of a Global Note may grant proxies and otherwise authorize any person, including DTC, or its nominee, Agent Members and persons that may hold interests through Agent Members, to take any action that a Holder is entitled to take under this Indenture or the Notes.

(c) Except as provided in this Section 2.7(c), owners of beneficial interests in Global Notes will not be entitled to receive Certificated Notes in exchange for such beneficial interests.

- (i) Certificated Notes shall be issued to all owners of beneficial interests in a Global Note in exchange for such beneficial interests if (A) DTC notifies the Issuer that it is unwilling or unable to continue as depository for such Global Note or (B) DTC ceases to be a clearing agency registered under the Exchange Act, at a time when DTC is required to be so registered in order to act as depository, and in each case a successor depository is not appointed by the Issuer within 90 days of such notice. In connection with the exchange of an entire Global Note for Certificated Notes pursuant to this clause (i) of this Section 2.7(c), such Global Note shall be deemed to be surrendered to the Trustee for cancellation, and the Issuer shall execute, and upon Issuer Order, the Trustee shall authenticate and deliver to each beneficial owner identified by DTC in exchange for its beneficial interest in such Global Note, an equal aggregate principal amount of Certificated Notes of authorized denominations, and the Registrar shall register such exchanges in the Note Register.

- (ii) The owner of a beneficial interest in a Global Note will be entitled to receive Certificated Notes in exchange for such interest if an Event of Default has occurred and is continuing. If an Event of Default has occurred and is continuing, upon receipt by the Registrar of instructions from Agent Members through DTC on behalf of the owner of a beneficial interest in a Global Note directing the Registrar to exchange such beneficial owner's beneficial interest in such Global Note for Certificated Notes, subject to and in accordance with the Applicable Procedures, the Issuer shall promptly execute, and upon Issuer Order, the Trustee shall authenticate and make available for delivery to such beneficial owner, Certificated Notes in a principal amount equal to such beneficial interest in such Global Note.
- (iii) If (A) an event described in clause (i) of Section 2.7(c) occurs and Certificated Notes are not issued promptly to all beneficial owners or (B) the Registrar receives from a beneficial owner the instructions described in clause (ii) of Section 2.7(c) and Certificated Notes are not issued promptly to any such beneficial owner, the Issuer expressly acknowledges, with respect to the right of any Holder to pursue a remedy pursuant to Section 6.6 hereof, the right of any beneficial owner of Notes to pursue such remedy with respect to the portion of the Global Note that represents such beneficial owner's Notes as if such Certificated Notes had been issued.

Section 2.8 Legends.

(a) Each Global Note shall bear the legend specified therefor in Exhibit A hereto on the face thereof.

(b) Each Restricted Note shall bear the private placement legend specified therefor in Exhibit A hereto on the face thereof (the "Private Placement Legend").

(c) Each Note shall bear the Mexican law legend specified therefor in Exhibit A hereto on the face thereof.

Section 2.9 Transfer and Exchange.

(a) Transfers of Beneficial Interests in a Rule 144A Global Note. If the owner of a beneficial interest in a Rule 144A Global Note that is a Restricted Note wishes to transfer such interest (or portion thereof) pursuant to Rule 144 (if available) or to a Non-U.S. Person pursuant to Regulation S:

- (i) upon receipt by the Registrar of:
 - (A) instructions from an Agent Member given to DTC in accordance with the Applicable Procedures directing DTC to credit or cause to be credited a beneficial interest in the Regulation S Global Note in a principal amount equal to the principal amount of the beneficial interest to be transferred,

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- (B) instructions given in accordance with the Applicable Procedures containing information regarding the account to be credited with such increase, and
 - (C) a certificate in the form of Exhibit B or Exhibit C hereto, as applicable, duly executed by the transferor;
- (ii) the Note Custodian shall increase the Regulation S Global Note and decrease the Rule 144A Global Note in accordance with the foregoing, and the Registrar shall register the transfer in the Note Register.

(b) Transfers of Beneficial Interests in a Regulation S Global Note. Subject to the Applicable Procedures, the following provisions shall apply with respect to any proposed transfer of an interest in a Regulation S Global Note that is a Restricted Note:

If the owner of a beneficial interest in a Regulation S Global Note that is a Restricted Note wishes to transfer such interest (or a portion thereof) to a QIB pursuant to Rule 144A:

- (A) upon receipt by the Registrar of:
 - (1) instructions from an Agent Member given to DTC in accordance with the Applicable Procedures directing DTC to credit or cause to be credited a beneficial interest in the Rule 144A Global Note in a principal amount equal to the principal amount of the beneficial interest to be transferred,
 - (2) instructions given in accordance with the Applicable Procedures containing information regarding the account to be credited with such increase, and
 - (3) a certificate in the form of Exhibit D hereto, duly executed by the transferor;
- (B) the Note Custodian shall increase the Rule 144A Global Note and decrease the Regulation S Global Note in accordance with the foregoing, and the Registrar shall register the transfer in the Note Register.

(c) Other Transfers. Any registration of transfer of Restricted Notes (including Certificated Notes) not described above (other than a transfer of a beneficial interest in a Global Note that does not involve an exchange of such interest for a Certificated Note or a

beneficial interest in another Global Note, which must be effected in accordance with applicable law and the Applicable Procedures, but is not subject to any procedure required by this Indenture) shall be made only upon receipt by the Registrar of such Opinions of Counsel, certificates and such other evidence reasonably required by and satisfactory to it in order to ensure compliance with the Securities Act or in accordance with Section 2.9(d).

(d) Use and Removal of Private Placement Legends. Upon the registration of transfer, exchange or replacement of Notes (or beneficial interests in a Global Note) not bearing (or not required to bear upon such transfer, exchange or replacement) a Private Placement Legend, the Note Custodian and Registrar shall exchange such Notes (or beneficial interests) for beneficial interests in a Global Note or Certificated Notes if they have been issued pursuant to Section 2.7(c) that does not bear a Private Placement Legend. Upon the registration of transfer, exchange or replacement of Notes (or beneficial interests in a Global Note) bearing a Private Placement Legend, the Note Custodian and Registrar shall deliver only Notes (or beneficial interests in a Global Note) that bear a Private Placement Legend unless:

- (i) such Notes (or beneficial interests) are transferred pursuant to Rule 144 upon delivery to the Registrar of a certificate of the transferor in the form of Exhibit C hereto, and an Opinion of Counsel reasonably satisfactory to the Registrar;
- (ii) such Notes (or beneficial interests) are transferred, replaced or exchanged after the Resale Restriction Termination Date therefor and, in the case of any such Restricted Notes, the Issuer has complied with the applicable procedures for delegending in accordance with Section 2.9(h); or
- (iii) in connection with such registration of transfer, exchange or replacement the Registrar shall have received an Opinion of Counsel, certificates and such other evidence reasonably satisfactory to the Issuer and the Registrar to the effect that neither such Private Placement Legend nor the related restrictions on transfer are required in order to maintain compliance with the provisions of the Securities Act.

The Holder of a Global Note bearing a Private Placement Legend may exchange an interest therein for an equivalent interest in a Global Note not bearing a Private Placement Legend upon transfer of such interest pursuant to this Section 2.9(d).

(e) Consolidation of Global Notes and Exchange of Certificated Notes for Beneficial Interests in Global Notes. If a Global Note not bearing a Private Placement Legend is Outstanding at the time of a removal of legends pursuant to Section 2.9(h), any interests in a Global Note delegendated pursuant to Section 2.9(h) shall be exchanged for interests in such Outstanding Global Note, subject to the proviso at the end of Section 2.14(a).

(f) Retention of Documents. The Registrar and the Trustee shall retain copies of all letters, notices and other written communications received pursuant to this Article II and in

accordance with the Trustee's, or if different, the Registrar's, record retention procedures. The Issuer shall have the right to inspect and make copies of all such letters, notices or other written communications at any reasonable time upon the giving of reasonable written notice to the Registrar or the Trustee, as the case may be.

(g) General Provisions Relating to Transfers and Exchanges.

- (i) Subject to the other provisions of this Section 2.9, when Notes are presented to the Registrar or a co-Registrar with a request to register the transfer of such Notes or to exchange such Notes for an equal principal amount of Notes of other authorized denominations, the Registrar or co-Registrar shall register the transfer or make the exchange as requested if its requirements for such transaction are met; *provided*, that any Notes presented or surrendered for registration of transfer or exchange shall be duly endorsed or accompanied by a written instrument of transfer in form satisfactory to the Registrar or co-Registrar, duly executed by the Holder thereof or his attorney duly authorized in writing.
- (ii) To permit registrations of transfers and exchanges and subject to the other terms and conditions of this Article II, the Issuer will execute, and upon Issuer Order, the Trustee will authenticate and make available for delivery, Certificated Notes and Global Notes, as applicable, at the Registrar's or co-Registrar's request.
- (iii) No service charge shall be made to a Holder for any registration of transfer or exchange, but the Issuer and the Trustee may require payment of a sum sufficient to cover any transfer tax, assessments, or similar governmental charge payable in connection therewith (other than any such transfer taxes, assessments or similar governmental charges payable upon exchange or transfer pursuant to Section 3.8, Section 3.9, Section 5.1 or Section 9.5).
- (iv) The Registrar or co-Registrar shall not be required to register the transfer of or exchange of (x) any Note for a period beginning (1) 15 days before the mailing of a notice of an offer to repurchase or redeem Notes and ending at the close of business on the day of such mailing or (2) 15 days before an Interest Payment Date and ending on such Interest Payment Date and (y) any Note selected for repurchase or redemption, except the unrepurchased or unredeemed portion thereof, if any.
- (v) Prior to the due presentation for registration of transfer of any Note, the Issuer, the Trustee, the Paying Agent, the Transfer Agent, the Registrar or any co-Registrar may deem and treat the Person in whose name a Note is registered as the absolute owner of such Note for the purpose of receiving payment of principal of and interest on such Note

and for all other purposes whatsoever, whether or not such Note is overdue, and none of the Issuer, the Trustee, the Paying Agent, the Transfer Agent, the Registrar or any co-Registrar or the Note Custodian shall be affected by notice to the contrary.

- (vi) All Notes issued upon any transfer or exchange pursuant to the terms of this Indenture shall evidence the same debt and shall be entitled to the same benefits under this Indenture as the Notes surrendered upon such transfer or exchange.
- (vii) Subject to [Section 2.7](#) and this [Section 2.9](#), in connection with the exchange of a portion of a Certificated Note for a beneficial interest in a Global Note, the Trustee shall cancel such Certificated Note, and the Issuer shall execute, and upon Issuer Order, the Trustee shall authenticate and make available for delivery to the exchanging Holder, a new Certificated Note representing the principal amount not so exchanged.

(h) Applicable Procedures for Delegending.

- (i) Promptly after one year has elapsed following (A) the Issue Date or (B) if the Issuer has issued Additional Notes with the same terms and the same CUSIP number as the Issue Date Notes pursuant to this Indenture within one year following the Issue Date, the date of original issuances of such Additional Notes, if the relevant Notes are freely tradable pursuant to Rule 144 under the Securities Act by Holders who are not Affiliates of the Issuer where no conditions of Rule 144 are then applicable (other than the holding period requirement in paragraph (d)(1)(ii) of Rule 144 so long as such holding period requirement is satisfied), the Issuer shall:
 - (1) instruct the Trustee in writing to remove the Private Placement Legend from such Notes, and upon receipt of such instruction, the Private Placement Legend shall be deemed removed from any Global Notes representing such Notes without further action on the part of Holders;
 - (2) notify Holders of such Notes that the Private Placement Legend has been removed or deemed removed; and
 - (3) instruct DTC to change the CUSIP number for such Notes to the unrestricted CUSIP number for the Notes.

In no event will the failure of the Issuer to provide any notice set forth in this paragraph or of the Trustee to remove the Private Placement Legend constitute a failure by the Issuer to comply with any of its covenants or agreements set forth in [Section 6.1](#) or otherwise. Any Restricted Note (or security issued in exchange or substitution

therefor) as to which such restrictions on transfer shall have expired in accordance with their terms may, upon surrender of such Restricted Note for exchange to the Registrar in accordance with the provisions of Article II of this Indenture, be exchanged for a new Note or Notes, of like tenor and aggregate principal amount, which shall not bear the Private Placement Legend. The Issuer shall notify the Trustee in writing upon occurrence of the Resale Restriction Termination Date for any Note.

- (ii) In the case of a Regulation S Global Note, after the Resale Restriction Termination Date of any such Regulation S Global Note, the Issuer may, at its sole option:
 - (1) instruct the Trustee in writing to remove the Private Placement Legend from such Regulation S Global Note (including setting forth the basis for such removal), and upon receipt of such instruction, the Private Placement Legend shall be deemed removed from such Regulation S Global Note without further action on the part of Holders; and
 - (2) instruct DTC to change the CUSIP number for such Notes to the unrestricted CUSIP number for the Notes.
- (iii) Notwithstanding any provision herein to the contrary, in the event that Rule 144 as promulgated under the Securities Act (or any successor rule) is amended to change the one-year holding period thereunder (or the corresponding period under any successor rule), (A) each reference in this Section 2.9(h) to “one year” and in the Private Placement Legend described in Section 2.8(b) and Exhibit A hereto to “ONE YEAR” shall be deemed for all purposes hereof to be references to such changed period, and (B) all corresponding references in this Indenture (including the definition of Resale Restriction Termination Date), the Notes and the Private Placement Legends thereon shall be deemed for all purposes hereof to be references to such changed period; *provided*, that such changes shall not become effective if they are otherwise prohibited by, or would otherwise cause a violation of, the then-applicable federal securities laws; *provided further* that if such change does not apply to existing Notes, all references to “one year” in this Indenture shall not be deemed for all purposes hereof to be references to such changed period. This Section 2.9(h) shall apply to successive amendments to Rule 144 (or any successor rule) changing the holding period thereunder.

(i) No Obligation of the Trustee.

- (i) The Trustee shall have no responsibility or obligation to any beneficial owner of an interest in a Global Note, Agent Members or any other

Persons with respect to the accuracy of the records of DTC or its nominee or of Agent Members, with respect to any ownership interest in the Notes or with respect to the delivery to any Agent Member, beneficial owner or other Person (other than DTC) of any notice (including any notice of redemption) or the payment of any amount or delivery of any Notes (or other security or property) under or with respect to such Notes. All notices and communications to be given to the Holders and all payments to be made to Holders in respect of the Notes shall be given or made only to or upon the order of the registered Holders (which shall be DTC or its nominee in the case of a Global Note). The rights of beneficial owners in any Global Note shall be exercised only through DTC, subject to the applicable rules and procedures of DTC. The Trustee may rely and shall be fully protected in relying upon information furnished by DTC with respect to its Agent Members and any beneficial owners.

- (ii) The Trustee shall have no obligation or duty to monitor, determine or inquire as to compliance with any restrictions on transfer imposed under this Indenture or under applicable law with respect to any transfer of any interest in any Note (including any transfers between or among Agent Members or beneficial owners in any Global Note) other than to require delivery of such certificates and other documentation or evidence as are expressly required by, and to do so if and when expressly required by, the terms of this Indenture, and to examine the same to determine substantial compliance as to form with the express requirements hereof.

Section 2.10 Mutilated, Destroyed, Lost or Stolen Notes.

(a) If a mutilated Note is surrendered to the Registrar or if the Holder of a Note claims that the Note has been lost, destroyed or wrongfully taken, the Issuer shall execute, and upon Issuer Order, the Trustee shall authenticate and make available for delivery, a replacement Note for such mutilated, lost or stolen Note, of like tenor and principal amount, bearing a number not contemporaneously Outstanding if:

- (i) the requirements of Section 8-405 of the Uniform Commercial Code are met,
- (ii) the Holder satisfies any other reasonable requirements of the Trustee, and
- (iii) neither the Issuer nor the Trustee has received notice that such Note has been acquired by a protected purchaser (as defined in Section 8-303 of the Uniform Commercial Code).

If required by the Trustee or the Issuer, such Holder shall furnish an affidavit of loss and indemnity bond sufficient in the judgment of the Issuer and the Trustee to protect the Issuer, the Trustee, the Paying Agent, the Transfer Agent, the Registrar or any co-Registrar and the Note Custodian from any loss that any of them may suffer if a Note is replaced.

(b) Upon the issuance of any new Note under this Section 2.10, the Issuer may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses (including the fees and expenses of the Trustee) in connection therewith.

(c) Every new Note issued pursuant to this Section 2.10 in exchange for any mutilated Note, or in lieu of any destroyed, lost or stolen Note, shall constitute an original additional contractual obligation of the Issuer, any Note Guarantor and any other obligor upon the Notes, whether or not the mutilated, destroyed, lost or stolen Note shall be at any time enforceable by anyone, and shall be entitled to all benefits of this Indenture equally and proportionately with any and all other Notes duly issued hereunder.

Section 2.11 Temporary Notes.

Until definitive Notes are ready for delivery, the Issuer may execute, and upon Issuer Order, the Trustee will authenticate and make available for delivery, temporary Notes. Temporary Notes will be substantially in the form of definitive Notes but may have variations that the Issuer considers appropriate for temporary Notes. Without unreasonable delay, the Issuer will prepare and execute, and upon Issuer Order, the Trustee will authenticate and make available for delivery, definitive Notes. After the preparation of definitive Notes, the temporary Notes will be exchangeable for definitive Notes upon surrender of the temporary Notes at the office or agency maintained by the Issuer pursuant to Section 2.3 for that purpose and such exchange shall be without charge to the Holder. Upon surrender for cancellation of any one or more temporary Notes, the Issuer will execute, and upon Issuer Order, the Trustee will authenticate and make available for delivery in exchange therefor, one or more definitive Notes representing an equal principal amount of Notes. Until so exchanged, the Holder of temporary Notes shall in all respects be entitled to the same benefits under this Indenture as a Holder of definitive Notes.

Section 2.12 Cancellation.

The Issuer at any time may deliver Notes to the Trustee for cancellation. The Registrar, the Paying Agent and the Transfer Agent shall forward to the Trustee any Notes surrendered to them for registration of transfer, exchange or payment. The Trustee and no one else shall cancel and dispose of cancelled Notes in accordance with its policy of disposal or upon written request of the Issuer, return to the Issuer all Notes surrendered for registration of transfer, exchange, payment or cancellation. The Issuer may not issue new Notes to replace Notes it has paid or delivered to the Trustee for cancellation for any reason other than in connection with a registration of transfer or exchange upon Issuer Order.

Section 2.13 Defaulted Interest.

When any installment of interest becomes overdue (a “Defaulted Interest”), such installment shall forthwith cease to be payable to the Holders in whose names the Notes were registered on the Record Date applicable to such installment of interest. Defaulted Interest (including any interest on such Defaulted Interest) shall be paid by the Issuer, at its election, as provided in clause (a) or clause (b) below.

(a) The Issuer may elect to make payment of any Defaulted Interest (including any interest payable on such Defaulted Interest) to the Holders in whose names the Notes are registered at the close of business on a special record date for the payment of such Defaulted Interest (a “Special Record Date”), which shall be fixed in the following manner. The Issuer shall notify the Trustee in writing of the amount of Defaulted Interest proposed to be paid and the date of the proposed payment, and at the same time the Issuer shall deposit with the Trustee an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Trustee for such deposit prior to the date of the proposed payment, such money when deposited to be held in trust for the benefit of the Holders entitled to such Defaulted Interest as provided in this Section 2.13(a). Thereupon the Trustee shall fix a Special Record Date for the payment of such Defaulted Interest, which shall be not more than fifteen (15) calendar days and not less than ten (10) calendar days prior to the date of the proposed payment and not less than ten (10) calendar days after the receipt by the Trustee of the notice of the proposed payment. The Trustee shall promptly notify the Issuer of such Special Record Date and, in the name and at the expense of the Issuer, shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be sent, first-class mail, postage prepaid, to each Holder at such Holder’s address as it appears in the Note Register, not less than ten (10) calendar days prior to such Special Record Date. Notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor having been mailed as aforesaid, such Defaulted Interest shall be paid to the Holders in whose names the Notes are registered at the close of business on such Special Record Date and shall no longer be payable pursuant to clause (b) below; or

(b) The Issuer may make payment of any Defaulted Interest (including any interest on such Defaulted Interest) in any other lawful manner not inconsistent with the requirements of any securities exchange on which the Notes may be listed, and upon such notice as may be required by such exchange, if, after notice given by the Issuer to the Trustee of the proposed payment pursuant to this Section 2.13(b), such manner of payment shall be deemed practicable by the Trustee. The Trustee shall in the name and at the expense of the Issuer cause prompt notice of the proposed payment and the date thereof to be sent, first-class mail, postage prepaid, to each Holder at such Holder’s address as it appears in the Note Register.

Section 2.14 Additional Notes.

(a) The Issuer may, from time to time, subject to compliance with any other applicable provisions of this Indenture, without the consent of the Holders, create and issue pursuant to this Indenture additional notes (“Additional Notes”) that shall have terms and conditions identical to those of the other Outstanding Notes, except with respect to:

- (i) the Issue Date;
- (ii) the amount of interest payable on the first Interest Payment Date therefor;

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- (iii) the issue price; and
 - (iv) any adjustments necessary in order to conform to and ensure compliance with the Securities Act (or other applicable securities laws) and any agreement applicable to such Additional Notes, which are not adverse in any material respect to the Holder of any Outstanding Notes (other than such Additional Notes).

The Notes issued on the Issue Date and any Additional Notes shall be treated as a single series for all purposes under this Indenture; *provided*, that the Issuer may use different CUSIP or other similar numbers among Issue Date Notes and among Additional Notes to the extent required to comply with securities or tax law requirements, including to permit delegending pursuant to Section 2.9(h).

(b) With respect to any Additional Notes, the Issuer will set forth in an Officer's Certificate of the Issuer (the "Additional Note Certificate"), copies of which will be delivered to the Trustee, the following information:

- (i) the aggregate principal amount of such Additional Notes to be authenticated and delivered pursuant to this Indenture;
- (ii) the Issue Date and the issue price of such Additional Notes; *provided*, that no Additional Notes may be issued at a price that would cause such Additional Notes to have "original issue discount" within the meaning of Section 1273 of the Code, unless such Additional Notes have a separate CUSIP or other similar number from other Notes; and
- (iii) whether such Additional Notes will be subject to transfer restrictions under the Securities Act (or other applicable securities laws).

ARTICLE III

COVENANTS

Section 3.1 Payment of Notes.

(a) The Issuer shall pay the principal of and interest (including Defaulted Interest) on the Notes in U.S. Legal Tender on the dates and in the manner provided in the Notes and in this Indenture. Prior to 10:00 a.m. New York City time, on the Business Day prior to each Interest Payment Date and the Maturity Date, the Issuer shall deposit with the Paying Agent in immediately available funds U.S. Legal Tender sufficient to make cash payments due on such Interest Payment Date or Maturity Date, as the case may be. If the Issuer or an Affiliate of the Issuer is acting as Paying Agent, the Issuer or such Affiliate shall, prior to 10:00 a.m. New York City time on the Business Day prior to each Interest Payment Date and the Maturity Date, segregate and hold in trust U.S. Legal Tender, sufficient to make cash payments due on such Interest Payment Date or Maturity Date, as the case may be. Principal and interest shall be considered paid on the date due if on such date the Trustee or the Paying Agent (other than the Issuer or an Affiliate of the Issuer) holds in accordance with this Indenture U.S. Legal Tender

designated for and sufficient to pay all principal and interest then due and the Trustee or the Paying Agent, as the case may be, is not prohibited from paying such money to the Holders on that date pursuant to the terms of this Indenture.

(b) Notwithstanding anything to the contrary contained in this Indenture, the Issuer may, to the extent it is required to do so by law, deduct or withhold income or other similar taxes imposed by the United States of America from principal or interest.

(c) In order to comply with applicable tax laws (inclusive of rules, regulations and interpretations promulgated by competent authorities) related to the Indenture in effect from time to time ("Applicable Tax Law") that a foreign financial institution, issuer, trustee, paying agent or other party is or has agreed to be subject to, the Issuer agrees (i) to provide to the Trustee and the Paying Agent sufficient information about the parties and/or transactions (including any modification to the terms of such transactions) so the Trustee and Paying Agent can determine whether it has tax related obligations under Applicable Tax Law, (ii) that the Trustee and the Paying Agent shall be entitled to make any withholding or deduction from payments to the extent necessary to comply with Applicable Tax Law for which the Trustee and the Paying Agent shall not have any liability and (iii) to hold harmless the Trustee and the Paying Agent for any losses it may suffer due to the actions it takes to comply with Applicable Tax Law. The terms of this section shall survive the termination of this Indenture.

(d) The Issuer hereby instructs the Trustee to establish an "Issue Date Note Account" for reception of the interest and principal payments for the Issue Date Notes.

Section 3.2 Maintenance of Office or Agency.

(a) The Issuer shall maintain each office or agency required under Section 2.3. The Issuer will give prompt written notice to the Trustee of any change in the location of any such office or agency. If at any time the Issuer shall fail to maintain any such required office or agency or shall fail to furnish the Trustee with the address thereof, such presentations, surrenders, notices and demands may be made or served at the Corporate Trust Office of the Trustee, and the Issuer hereby appoints the Trustee as its agent to receive all such presentations, surrenders, notices and demands.

(b) The Issuer may also from time to time designate one or more other offices or agencies (in or outside of the City of New York) where the Notes may be presented or surrendered for registration of transfer or for exchange and may from time to time rescind any such designation; *provided, however*, that no such designation or rescission shall in any manner relieve the Issuer of its obligation to maintain an office or agency in the City of New York for such purposes. The Issuer will give prompt written notice to the Trustee of any such designation or rescission and any change in the location of any such other office or agency.

Section 3.3 Corporate Existence. Subject to Article IV, the Issuer will do or cause to be done all things necessary to preserve and keep in full force and effect its corporate existence.

Section 3.4 Payment of Taxes and Other Claims. The Issuer will pay or discharge or cause to be paid or discharged, before the same shall become delinquent, (i) all taxes, assessments and governmental charges levied or imposed upon the Issuer or any Restricted

Subsidiary or for which it or any of them are otherwise liable, or upon the income, profits or property of the Issuer or any Restricted Subsidiary and (ii) all lawful claims for labor, materials and supplies, which, if unpaid, might by law become a liability or Lien upon the property of the Issuer or any Restricted Subsidiary; *provided, however*, that the Issuer shall not be required to pay or discharge or cause to be paid or discharged any such tax, assessment, charge or claim whose amount, applicability or validity is being contested in good faith by appropriate proceedings and for which appropriate reserves, if necessary (in the good faith judgment of the Issuer), are being maintained in accordance with GAAP or where the failure to effect such payment will not be disadvantageous to the Holders.

Section 3.5 Compliance Certificate. The Issuer and each Note Guarantor shall deliver to the Trustee within 105 days after the end of each fiscal year of the Issuer (which fiscal year ends on December 31 of each year, subject to any change in fiscal year following the Issue Date) an Officer's Certificate stating that in the course of the performance by the signers of their duties as Officers of the Issuer or such Note Guarantor, as the case may be, they would normally have knowledge of any Default or Event of Default and whether or not the signers know of any Default or Event of Default that occurred during the previous fiscal year. If they do, the certificate shall describe the Default or Event of Default, its status and what action the Issuer or such Note Guarantor is taking or proposes to take with respect thereto.

Section 3.6 Further Instruments and Acts.

(a) The Issuer and each Note Guarantor will execute and deliver such further instruments and do such further acts as may be reasonably necessary or proper or as the Trustee may reasonably request to carry out more effectively the purpose of this Indenture.

(b) The Issuer and the Note Guarantors shall take, and shall cause their Subsidiaries party thereto to take, any and all actions required under the Intercreditor Agreement and the Security Documents to cause the Intercreditor Agreement and the Security Documents to create and maintain, as security for the Obligations of the Issuer and the Note Guarantors hereunder, a valid and enforceable perfected security interest on all the Collateral, in favor of the Security Agent for the equal and ratable benefit of the Holders of the Notes, and the other Permitted Secured Obligations, first in priority to any and all security interests at any time granted upon the Collateral, subject in all respects to Liens imposed by law and Liens for judgments, taxes, assessments or governmental charges.

Section 3.7 Waiver of Stay, Extension or Usury Laws. The Issuer and each Note Guarantor covenant (to the fullest extent permitted by applicable law) that they will not at any time insist upon, plead, or in any manner whatsoever claim or take the benefit or advantage of, any stay or extension law or any usury law or other law that would prohibit or forgive the Issuer or such Note Guarantor from paying all or any portion of the principal of or interest on the Notes as contemplated herein, wherever enacted, now or at any time hereafter in force, or which may affect the covenants or the performance of this Indenture. The Issuer and each Note Guarantor hereby expressly waives (to the fullest extent permitted by applicable law) all benefit or advantage of any such law, and covenants that it will not hinder, delay or impede the execution of any power herein granted to the Trustee, but will suffer and permit the execution of every such power as though no such law had been enacted.

Section 3.8 Change of Control.

(a) Upon the occurrence of a Change of Control, each Holder will have the right to require that the Issuer purchase all or a portion (in integral multiples of U.S.\$1,000) of the Holder's Notes at a purchase price equal to 101% of the principal amount thereof, plus accrued and unpaid interest thereon through the date of purchase (the "Change of Control Payment").

(b) Within 30 days following the date upon which the Change of Control occurred, the Issuer must send, by first-class mail, a notice to each Holder, with a copy to the Trustee, offering to purchase the Notes as described above (a "Change of Control Offer"). The Change of Control Offer shall state, among other things, the purchase date, which must be no earlier than 30 days nor later than 60 days from the date the notice is mailed, other than as may be required by law (the "Change of Control Payment Date").

(c) On the Change of Control Payment Date, the Issuer will, to the extent lawful:

- (i) accept for payment all Notes or portions thereof properly tendered and not withdrawn pursuant to the Change of Control Offer;
- (ii) deposit with the Paying Agent funds in an amount equal to the Change of Control Payment in respect of all Notes or portions thereof so tendered; and
- (iii) deliver or cause to be delivered to the Trustee the Notes so accepted together with an Officer's Certificate stating the aggregate principal amount of Notes or portions thereof being purchased by the Issuer.

(d) If only a portion of a Note is purchased pursuant to a Change of Control Offer, a new Note in a principal amount equal to the portion thereof not purchased will be issued in the name of the Holder thereof upon cancellation of the original Note (or appropriate adjustments to the amount and beneficial interests in a Global Note will be made, as appropriate); *provided*, that each new Note shall be in a minimum principal amount of U.S.\$200,000 and in integral multiples of U.S.\$1,000 in excess thereof. Notes (or portions thereof) purchased pursuant to a Change of Control Offer will be cancelled and cannot be reissued.

(e) The Issuer will not be required to make a Change of Control Offer upon a Change of Control if:

- (i) a third party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth in this Indenture applicable to a Change of Control Offer made by the Issuer and purchases all Notes properly tendered and not withdrawn under the Change of Control Offer, or
- (ii) notice of redemption has been given pursuant to this Indenture as described under Section 5.4 unless and until there is a default in payment of the applicable redemption price.

(f) The Issuer will comply with the requirements of Rule 14e-1 under the Exchange Act and any other applicable securities laws and regulations in connection with the purchase of Notes in connection with a Change of Control Offer. To the extent that the provisions of any securities laws or regulations conflict with the “Change of Control” provisions of this Indenture, the Issuer will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under this Indenture by doing so.

Section 3.9 Limitation on Incurrence of Additional Indebtedness.

(a) The Issuer will not, and will not cause or permit any of its Restricted Subsidiaries to, directly or indirectly, Incur any Indebtedness, including Acquired Indebtedness, except that the Issuer and/or any of the Note Guarantors may Incur Indebtedness, including Acquired Indebtedness, if, at the time of and immediately after giving *pro forma* effect to the Incurrence thereof and the application of the proceeds therefrom, the Consolidated Fixed Charge Coverage Ratio of the Issuer is greater than or equal to 2.0 to 1.0.

(b) Notwithstanding clause (a) above, the Issuer and/or any of its Restricted Subsidiaries, as applicable, may Incur the following Indebtedness (“Permitted Indebtedness”):

- (i) Indebtedness consisting of the Notes, excluding Additional Notes, and Indebtedness consisting of the Other Notes;
- (ii) Guarantees by (A) any Note Guarantor of Indebtedness of the Issuer or another Note Guarantor permitted under this Indenture and (B) the Issuer of Indebtedness of any Note Guarantor; *provided*, that if any such Guarantee is of Subordinated Indebtedness, then the obligations of the Issuer under the Notes and this Indenture or the Note Guarantee of such Note Guarantor, as applicable, will be senior to the Guarantee of such Subordinated Indebtedness;
- (iii) Indebtedness of the Issuer and/or any of its Restricted Subsidiaries outstanding on the Issue Date (excluding Indebtedness permitted under clauses (v), (vi), (vii) or (x) of this definition of Permitted Indebtedness);
- (iv) Hedging Obligations, Compensation Related Hedging Obligations and any Guarantees thereof and any reimbursement obligations with respect to letters of credit related thereto, in each case entered into by the Issuer and/or any of its Restricted Subsidiaries; *provided*, that upon the drawing of such letters of credit, such obligations are reimbursed within 30 days following such drawing;
- (v) intercompany Indebtedness between the Issuer and any Restricted Subsidiary or between any Restricted Subsidiaries; *provided*, that in

the event that at any time any such Indebtedness ceases to be held by the Issuer or a Restricted Subsidiary, such Indebtedness shall be deemed to be Incurred and not permitted by this clause (v) at the time such event occurs;

- (vi) Indebtedness of the Issuer and/or any of its Restricted Subsidiaries arising from (A) the honoring by a bank or other financial institution of a check, draft or similar instrument inadvertently drawn against insufficient funds in the ordinary course of business; *provided*, that such Indebtedness is extinguished within five Business Days of Incurrence; or (B) any cash pooling or other cash management agreements in place with a bank or financial institution but only to the extent of offsetting credit balances of the Issuer and/or its Restricted Subsidiaries pursuant to such cash pooling or other cash management agreement;
- (vii) Indebtedness of the Issuer and/or any of its Restricted Subsidiaries represented by (A) endorsements of negotiable instruments in the ordinary course of business (excluding an *aval*), (B) documentary credits (including all forms of letter of credit), performance bonds or guarantees, advance payments, bank guarantees, bankers' acceptances, surety or appeal bonds or similar instruments for the account of, or guaranteeing performance by, the Issuer and/or any Restricted Subsidiary in the ordinary course of business, (C) reimbursement obligations with respect to letters of credit in the ordinary course of business, (D) reimbursement obligations with respect to letters of credit and performance Guarantees in the ordinary course of business to the extent required pursuant to the terms of any Investment made pursuant to clause (12) of the definition of "Permitted Investment" and (E) other Guarantees by the Issuer and/or any Restricted Subsidiary in favor of a bank or financial institution in respect of obligations of that bank or financial institution to a third party in an amount not to exceed U.S.\$500 million at any one time outstanding; *provided*, that in the case of clauses (B), (C) and (D), upon the drawing of such letters of credit or the Incurrence of such Indebtedness, such obligations are reimbursed within 30 days following such drawing or Incurrence;
- (viii) Refinancing Indebtedness in respect of:
 - (A) Indebtedness (other than Indebtedness owed to the Issuer or any Subsidiary of the Issuer) Incurred pursuant to clause (a) above (it being understood that no Indebtedness outstanding on the Issue Date is Incurred pursuant to such clause (a) above), or
 - (B) Indebtedness Incurred pursuant to clause (i), (ii) or (iii) above or this clause (viii);

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- (ix) Capitalized Lease Obligations, Sale and Leaseback Transactions, export credit facilities with a maturity of at least one year and Purchase Money Indebtedness of, including Guarantees of any of the foregoing by, the Issuer and/or any Restricted Subsidiary, in an aggregate principal amount at any one time outstanding not to exceed U.S.\$1 billion;
 - (x) Indebtedness arising from agreements entered into by the Issuer and/or a Restricted Subsidiary providing for bona fide indemnification, adjustment of purchase price or similar obligations not for financing purposes, in each case, Incurred or assumed in connection with the acquisition or disposition of any business, assets or Capital Stock of a Restricted Subsidiary (including minority interests); *provided*, that in the case of a disposition, the maximum aggregate liability in respect of such Indebtedness shall at no time exceed the gross proceeds actually received by the Issuer and its Restricted Subsidiaries in connection with such disposition;
 - (xi) Indebtedness of the Issuer and/or any of its Restricted Subsidiaries in an aggregate amount not to exceed U.S.\$1 billion at any one time outstanding; *provided*, that no more than U.S.\$250 million of such Indebtedness at any one time outstanding (excluding any Indebtedness under a Permitted Liquidity Facility) may be Incurred by Restricted Subsidiaries that are not Note Guarantors, which amount shall be increased by the corresponding amount of other Indebtedness of Restricted Subsidiaries other than the Note Guarantors outstanding on the Issue Date and subsequently repaid from time to time but in any event not to exceed U.S.\$500 million at any one time outstanding; *provided, further, however*, that (A) the Issuer and/or any of its Restricted Subsidiaries may Incur Indebtedness under a Permitted Liquidity Facility and (B) in the event that the Issuer and/or any of its Restricted Subsidiaries shall have Incurred Indebtedness under a Permitted Liquidity Facility that increases the amount outstanding at such time pursuant to this clause (xi) in excess of U.S.\$ 1 billion, then up to U.S.\$1.2 billion may be Incurred pursuant to this clause (xi) at any one time outstanding;
 - (xii) (A) Indebtedness of the Issuer and/or any of its Restricted Subsidiaries in respect of factoring arrangements or Inventory Financing arrangements or (B) other Indebtedness of the Issuer and/or any of its Restricted Subsidiaries with a maturity of 12 months or less for working capital purposes, not to exceed in the aggregate at any one time (calculated as of the end of the most recent fiscal quarter for which consolidated financial information of the Issuer is available) the greater of:
 - (1) The sum of:
 - (x) 20% of the net book value of the inventory of the Issuer and its Restricted Subsidiaries and
 - (y) 20% of the net book value of the accounts receivable of the Issuer and its Restricted Subsidiaries (excluding accounts receivable pledged to secure Indebtedness or subject to a Qualified Receivables Transaction),

less, in each case, the amount of any permanent repayments or reductions of commitments in respect of such Indebtedness made with the Net Cash Proceeds of an Asset Sale in order to comply with Section 3.12; or

- (2) U.S.\$350 million;
- (xiii) [Reserved];
- (xiv) Indebtedness of the Issuer and/or any of its Restricted Subsidiaries for taxes levied, assessments due and other governmental charges required to be paid as a matter of law or regulation in the ordinary course of business; *provided*, that such Indebtedness shall be permitted to be Incurred only at such time that the Facilities Agreement (or any refinancing thereof) shall contain an exception to allow the Incurrence of Indebtedness to pay taxes;
- (xv) Indebtedness Incurred pursuant to the Banobras Facility;
- (xvi) Indebtedness of the Issuer and/or any of its Restricted Subsidiaries Incurred and/or issued to refinance Qualified Receivables Transactions in existence on the Issue Date;
- (xvii) Acquired Indebtedness in an aggregate amount at any one time outstanding under this clause (xvii) not to exceed U.S.\$100 million; and
- (xviii) (A) any Indebtedness that constitutes an Investment that the Issuer and/or any of its Restricted Subsidiaries is contractually committed to Incur as of the Issue Date in any Person (other than a Subsidiary) in which the Issuer or any of its Restricted Subsidiaries maintains an Investment in equity securities; and (B) Guarantees up to U.S.\$100 million in any calendar year by the Issuer and/or any Restricted Subsidiary of Indebtedness of any Person in which the Issuer or any of its Restricted Subsidiaries maintains an equity Investment minus any Investment other than such guarantees in such Person during such calendar year pursuant to clause (17)(b) of the definition of "Permitted Investments."

(c) Notwithstanding anything to the contrary contained in this Section 3.9,

- (i) The Issuer shall not, and shall not permit any Note Guarantor to, Incur any Permitted Indebtedness pursuant to Section 3.9(b) if the proceeds thereof are used, directly or indirectly, to Refinance any Subordinated Indebtedness unless such Indebtedness shall be subordinated to the Notes or the applicable Note Guarantee, as the case may be, to at least the same extent as such Subordinated Indebtedness.
- (ii) For purposes of determining compliance with, and the outstanding principal amount of, any particular Indebtedness Incurred pursuant to and in compliance with this Section 3.9, the amount of Indebtedness issued at a price that is less than the principal amount thereof will be equal to the amount of the liability in respect thereof determined in accordance with GAAP. Accrual of interest, the accretion or amortization of original issue discount, the payment of regularly scheduled interest in the form of additional Indebtedness of the same instrument or the payment of regularly scheduled dividends on Disqualified Capital Stock in the form of additional Disqualified Capital Stock with the same terms will not be deemed to be an Incurrence of Indebtedness for purposes of this Section 3.9. For purposes of determining compliance with this Section 3.9, mark-to-market fluctuations of hedging obligations or derivatives outstanding on the Issue Date shall not constitute Incurrence of Indebtedness.
- (iii) For purposes of determining compliance with this Section 3.9, the principal amount of Indebtedness denominated in foreign currency shall be calculated based on the relevant currency exchange rate in effect on the date such Indebtedness was Incurred, in the case of term Indebtedness, or first committed, in the case of revolving credit Indebtedness; *provided*, that if such Indebtedness is Incurred to refinance other Indebtedness denominated in foreign currency, and such refinancing would cause the applicable restriction to be exceeded if calculated at the relevant currency exchange rate in effect on the date of such refinancing, such restriction shall be deemed not to have been exceeded so long as the principal amount of such Refinancing Indebtedness does not exceed the principal amount of such Indebtedness being refinanced. Notwithstanding any other provision of this Section 3.9, the maximum amount of Indebtedness Incurred to refinance other Indebtedness, if Incurred in a different currency from the Indebtedness being refinanced, shall be calculated based on the currency exchange rate applicable to the currencies in which such Refinancing Indebtedness is denominated that is in effect on the date of such refinancing.
- (iv) For purposes of determining compliance with this Section 3.9:
 - (A) in the event that an item of Indebtedness meets the criteria of more than one of the types of Indebtedness described above, including,

without limitation, in Section 3.9(a), the Issuer, in its sole discretion, will classify such item of Indebtedness at the time of Incurrence and only be required to include the amount and type of such Indebtedness in one of the above clauses and may later reclassify all or a portion of such item of Indebtedness as having been Incurred pursuant to any other clause to the extent such Indebtedness could be Incurred pursuant to such clause at the time of such reclassification; and

- (B) the Issuer will be entitled to divide and classify an item of Indebtedness in more than one of the types of Indebtedness described above, including, without limitation, Section 3.9(a).

Section 3.10 [Reserved].

Section 3.11 Limitation on Restricted Payments.

(a) The Issuer will not, and will not cause or permit any of its Restricted Subsidiaries to, directly or indirectly, take any of the following actions (each, a "Restricted Payment"):

- (i) declare or pay any dividend or return of capital or make any distribution on or in respect of shares of Capital Stock of the Issuer or any Restricted Subsidiary to holders of such Capital Stock, other than:
 - (A) dividends, distributions or returns on capital payable in Qualified Capital Stock of the Issuer,
 - (B) dividends, distributions or returns on capital payable to the Issuer and/or a Restricted Subsidiary,
 - (C) dividends, distributions or returns of capital made on a *pro rata* basis to the Issuer and its Restricted Subsidiaries, on the one hand, and minority holders of Capital Stock of a Restricted Subsidiary, on the other hand (or on less than a *pro rata* basis to any minority holder);
- (ii) purchase, redeem or otherwise acquire or retire for value:
 - (A) any Capital Stock of the Issuer, or
 - (B) any Capital Stock of any Restricted Subsidiary held by an Affiliate of the Issuer or any Preferred Stock of a Restricted Subsidiary, except for:
 - (1) Capital Stock held by the Issuer or a Restricted Subsidiary, or

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- (2) purchases, redemptions, acquisitions or retirements for value of Capital Stock on a *pro rata* basis from the Issuer and/or any Restricted Subsidiaries, on the one hand, and minority holders of Capital Stock of a Restricted Subsidiary, on the other hand, according to their respective percentage ownership of the Capital Stock of such Restricted Subsidiary;
 - (iii) make any principal payment on, purchase, defease, redeem, prepay, decrease or otherwise acquire or retire for value, prior to any scheduled final maturity, scheduled repayment or scheduled sinking fund payment, as the case may be, any Subordinated Indebtedness; or
 - (iv) make any Investment (other than Permitted Investments);

if at the time of the Restricted Payment immediately after giving effect thereto:

- (A) a Default or an Event of Default shall have occurred and be continuing;
- (B) the Issuer is not able to Incur at least U.S.\$1.00 of additional Indebtedness pursuant to Section 3.9(a); or
- (C) the aggregate amount (the amount expended for these purposes, if other than in cash, being the Fair Market Value of the relevant property at the time of the making thereof) of the proposed Restricted Payment and all other Restricted Payments made subsequent to the Issue Date up to the date thereof, less any Investment Return calculated as of the date thereof, shall exceed the sum of:
 - (1) 50% of cumulative Consolidated Net Income of the Issuer or, if cumulative Consolidated Net Income of the Issuer is a loss, minus (i) 100% of the loss, accrued during the period, treated as one accounting period, beginning on the first full fiscal quarter after the Issue Date to the end of the most recent fiscal quarter for which consolidated financial information of the Issuer is available and (ii) the amount of cash benefits to the Issuer or a Restricted Subsidiary that is netted against Investments in Similar Businesses pursuant to clause (12) of the definition of "Permitted Investments"; plus
 - (2) 100% of the aggregate net cash proceeds received by the Issuer from any Person from any:
 - (x) contribution to the equity capital of the Issuer (not representing an interest in Disqualified Capital Stock) or issuance and sale of Qualified Capital Stock of the Issuer, in each case, subsequent to the Issue Date, or

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- (y) issuance and sale subsequent to the Issue Date (and, in the case of Indebtedness of a Restricted Subsidiary, at such time as it was a Restricted Subsidiary) of any Indebtedness for borrowed money of the Issuer or any Restricted Subsidiary that has been converted into or exchanged for Qualified Capital Stock of the Issuer, excluding, in each case, any net cash proceeds:
 - (aa) received from a Subsidiary of the Issuer;
 - (bb) used to redeem Notes under Article V;
 - (cc) used to acquire Capital Stock or other assets from an Affiliate of the Issuer; or
 - (dd) applied in accordance with clause (ii)(B) or (iii)(A) of Section 3.11(b) below.

(b) Notwithstanding Section 3.11(a), this Section 3.11 does not prohibit:

- (i) the payment of any dividend within 60 days after the date of declaration of such dividend if the dividend would have been permitted on the date of declaration pursuant to Section 3.11(a);
- (ii) if no Default or Event of Default shall have occurred and be continuing, the acquisition of any shares of Capital Stock of the Issuer,
 - (A) in exchange for Qualified Capital Stock of the Issuer, or
 - (B) through the application of the net cash proceeds received by the Issuer from a substantially concurrent sale of Qualified Capital Stock of the Issuer or a contribution to the equity capital of the Issuer not representing an interest in Disqualified Capital Stock, in each case not received from a Subsidiary of the Issuer;
provided, that the value of any such Qualified Capital Stock issued in exchange for such acquired Capital Stock and any such net cash proceeds shall be excluded from Section 3.11(a)(iv)(C)(2) (and were not included therein at any time);
- (iii) if no Default or Event of Default shall have occurred and be continuing, the voluntary prepayment, purchase, defeasance, redemption or other acquisition or retirement for value of any Subordinated Indebtedness:
 - (A) solely in exchange for, or through the application of net cash proceeds of a substantially concurrent sale, other than to a Subsidiary of the Issuer, of Qualified Capital Stock of the Issuer, or

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- (B) solely in exchange for Refinancing Indebtedness for such Subordinated Indebtedness, *provided*, that the value of any Qualified Capital Stock issued in exchange for Subordinated Indebtedness and any net cash proceeds referred to above shall be excluded from Section 3.11(a)(iv)(C)(2) (and were not included therein at any time);
- (iv) repurchases by the Issuer of Common Stock of the Issuer or options, warrants or other securities exercisable or convertible into Common Stock of the Issuer from employees or directors of the Issuer or any of its Subsidiaries or their authorized representatives upon the death, disability or termination of employment or directorship of the employees or directors, in an amount not to exceed U.S.\$5 million in any calendar year and any repurchases other than in connection with compensation of Common Stock of the Issuer pursuant to binding written agreements in effect on the Issue Date;
- (v) payments of dividends on Disqualified Capital Stock issued pursuant to the covenant described under Section 3.9; *provided, however*, that such dividends shall be excluded in the calculation of the amount of Restricted Payments;
- (vi) non-cash repurchases of Capital Stock deemed to occur upon exercise of stock options, warrants or other similar rights if such Capital Stock represents a portion of the exercise price of such options, warrants or other similar rights;
- (vii) cash payments in lieu of the issuance of fractional shares in connection with the exercise of warrants, options or other securities convertible into or exchangeable for Capital Stock of the Issuer;
- (viii) purchases of any Subordinated Indebtedness of the Issuer (A) at a purchase price not greater than 101% of the principal amount thereof (together with accrued and unpaid interest) in the event of the occurrence of a Change of Control or (B) at a purchase price not greater than 100% of the principal amount thereof (together with accrued and unpaid interest) in the event of an Asset Sale in accordance with provisions similar to those set forth under Section 3.12; *provided, however*, that prior to such purchase of any such Subordinated Indebtedness, the Issuer has made the Change of Control Offer or Asset Sale Offer as provided under Section 3.8 or Section 3.12, respectively, and has purchased all Notes validly tendered and not properly withdrawn pursuant thereto;

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- (ix) recapitalization of earnings on or in respect of the Qualified Capital Stock of the Issuer pursuant to which additional Qualified Capital Stock of the Issuer or the right to subscribe for additional Capital Stock of the Issuer is issued to the existing shareholders of the Issuer on a *pro rata* basis (which, for the avoidance of doubt, shall not allow any payment in cash to be made in respect of Qualified Capital Stock of the Issuer pursuant to this clause (ix)); and
 - (x) so long as (A) no Default or Event of Default shall have occurred and be continuing (or result therefrom) and (B) the Issuer could Incur at least U.S.\$1.00 of additional Debt pursuant to Section 3.9(a), payment of any dividends on Capital Stock (other than Disqualified Capital Stock) of the Issuer in an aggregate amount which, when taken together with all dividends paid pursuant to this clause (x), does not exceed U.S.\$50 million in any calendar year; *provided*, that such dividends shall be included in the calculation of the amount of Restricted Payments.
 - (xi) [Reserved]

In determining the aggregate amount of Restricted Payments made subsequent to the Issue Date, amounts expended pursuant to clauses (i) (without duplication for the declaration of the relevant dividend), (iv), (viii) and (x) above shall be included in such calculation and amounts expended pursuant to clauses (ii), (iii), (v), (vi), (vii) and (ix) above shall not be included in such calculation.

Section 3.12 Limitation on Asset Sales.

(a) The Issuer will not, and will not permit any of its Restricted Subsidiaries to, consummate an Asset Sale unless:

- (i) the Issuer or the applicable Restricted Subsidiary, as the case may be, receives consideration at the time of the Asset Sale at least equal to the Fair Market Value (to be determined as of the date on which such sale is contracted) of the assets sold or otherwise disposed of, and
- (ii) other than in respect of Permitted Asset Swap Transactions, at least 80% of the consideration received for the assets sold by the Issuer or the Restricted Subsidiary, as the case may be, in the Asset Sale shall be in the form of cash or Cash Equivalents received at the time of such Asset Sale; *provided, however*, for the purposes of this clause (ii), the following are also deemed to be cash or Cash Equivalents:
 - (A) the assumption of Indebtedness (other than Subordinated Indebtedness) of the Issuer or any Restricted Subsidiary and the release of the Issuer or such Restricted Subsidiary from all liability on such Indebtedness in connection with such Asset Sale;

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- (B) any securities, notes or obligation received by the Issuer or any Restricted Subsidiary from the transferee that are, within 180 days after the Asset Sale, converted by the Issuer or such Restricted Subsidiary into cash, to the extent of cash received in that conversion;
 - (C) Capital Stock of a Person who is or who, after giving effect to such Asset Sale, becomes, a Restricted Subsidiary; and
 - (D) any Designated Non-cash Consideration received by the Issuer or such Restricted Subsidiary in connection with such Asset Sale having an aggregate Fair Market Value which, when taken together with the Fair Market Value of all other Designated Non-cash Consideration received pursuant to this clause (D) since the Issue Date, does not exceed the sum of (1) 3.0% of Consolidated Tangible Assets of the Issuer calculated as of the end of the most recent fiscal quarter for which consolidated financial information is available (with the Fair Market Value of each item of Designated Non-cash Consideration being measured as of the date it was received and without giving effect to subsequent changes in value of any such item of Designated Non-cash Consideration) and (2) the amount of cash or Cash Equivalents received in connection with a subsequent sale of such Designated Non-cash Consideration.

(b) The Issuer or any Restricted Subsidiary may apply the Net Cash Proceeds of any such Asset Sale within 365 days thereof to:

- (i) repay any Senior Indebtedness for borrowed money or constituting a Capitalized Lease Obligation and permanently reduce the commitments with respect thereto, or
- (ii) purchase:
 - (A) assets (except for current assets as determined in accordance with GAAP or Capital Stock) to be used by the Issuer or any Restricted Subsidiary in a Permitted Business, or
 - (B) substantially all of the assets of a Permitted Business or Capital Stock of a Person engaged in a Permitted Business that will become, upon purchase, a Restricted Subsidiary from a Person other than the Issuer and its Restricted Subsidiaries.

(c) To the extent all or a portion of the Net Cash Proceeds of any Asset Sale are not applied within the 365 days of the Asset Sale as described in clause (i) or (ii) of Section 3.12(b), the Issuer will make an offer to purchase Notes (the "Asset Sale Offer"), at a purchase price equal to 100% of the principal amount of the Notes to be purchased, plus accrued and unpaid interest thereon, to the date of purchase (the "Asset Sale Offer Amount"). The Issuer will

purchase pursuant to an Asset Sale Offer from all tendering Holders on a *pro rata* basis, and, at the Issuer's option, on a *pro rata* basis with the holders of any other Senior Indebtedness with similar provisions requiring the Issuer to offer to purchase the other Senior Indebtedness with the proceeds of Asset Sales, that principal amount (or accreted value in the case of Indebtedness issued with original issue discount) of Notes and the other Senior Indebtedness to be purchased equal to such unapplied Net Cash Proceeds. The Issuer may satisfy its obligations under this Section 3.12 with respect to the Net Cash Proceeds of an Asset Sale by making an Asset Sale Offer prior to the expiration of the relevant 365-day period.

(d) Pending the final application of any Net Cash Proceeds pursuant to this Section 3.12, the holder of such Net Cash Proceeds may apply such Net Cash Proceeds temporarily to reduce Indebtedness outstanding under a revolving credit facility or otherwise invest such Net Cash Proceeds in any manner not prohibited by this Indenture.

(e) The purchase of Notes pursuant to an Asset Sale Offer shall occur not less than 20 Business Days following the date thereof, or any longer period as may be required by law, nor more than 45 days following the 365th day following the Asset Sale. The Issuer may, however, defer an Asset Sale Offer until there is an aggregate amount of unapplied Net Cash Proceeds from one or more Asset Sales equal to or in excess of U.S.\$100 million. At that time, the entire amount of unapplied Net Cash Proceeds, and not just the amount in excess of U.S.\$100 million, shall be applied as required pursuant to this Section 3.12.

(f) Each Asset Sale Offer Notice shall be mailed first class, postage prepaid, to the record Holders as shown on the Note Register within 20 days following such 365th day (or such earlier date as the Issuer shall have elected to make such Asset Sale Offer), with a copy to the Trustee offering to purchase the Notes as described above. Each notice of an Asset Sale Offer shall state, among other things, the purchase date, which must be no earlier than 30 days nor later than 60 days from the date the notice is mailed, other than as may be required by law (the "Asset Sale Offer Payment Date"). Upon receiving notice of an Asset Sale Offer, Holders may elect to tender their Notes in whole or in part, in minimum denominations of U.S.\$200,000 and in any integral multiples of U.S.\$1,000 in excess thereof in exchange for cash.

(g) On the Asset Sale Offer Payment Date, the Issuer shall, to the extent lawful:

- (i) accept for payment all Notes or portions thereof properly tendered pursuant to the Asset Sale Offer;
- (ii) deposit with the Paying Agent funds in an amount equal to the Asset Sale Offer Amount in respect of all Notes or portions thereof so tendered; and
- (iii) deliver or cause to be delivered to the Trustee the Notes so accepted together with an Officer's Certificate stating the aggregate principal amount of Notes or portions thereof being purchased by the Issuer.

(h) To the extent Holders of Notes and holders of other Senior Indebtedness, if any, which are the subject of an Asset Sale Offer properly tender and do not withdraw Notes or

the other Senior Indebtedness in an aggregate amount exceeding the amount of unapplied Net Cash Proceeds, the Issuer shall purchase the Notes and the other Senior Indebtedness on a *pro rata* basis (based on amounts tendered). If only a portion of a Note is purchased pursuant to an Asset Sale Offer, a new Note in a principal amount equal to the portion thereof not purchased shall be issued in the name of the holder thereof upon cancellation of the original Note (or appropriate adjustments to the amount and beneficial interests in a global note shall be made, as appropriate). Notes (or portions thereof) purchased pursuant to an Asset Sale Offer shall be cancelled and cannot be reissued.

(i) The Issuer shall comply with the requirements of Rule 14e-1 under the Exchange Act and any other applicable securities laws in connection with the purchase of Notes pursuant to an Asset Sale Offer. To the extent that the provisions of any applicable securities laws or regulations conflict with this Section 3.12, the Issuer shall comply with these laws and regulations and shall not be deemed to have breached its obligations under the “Asset Sale” provisions of this Indenture by doing so.

(j) Upon completion of an Asset Sale Offer, the amount of Net Cash Proceeds shall be reset at zero. Accordingly, to the extent that the aggregate amount of Notes and other Indebtedness tendered pursuant to an Asset Sale Offer is less than the aggregate amount of unapplied Net Cash Proceeds, the Issuer may use any remaining Net Cash Proceeds for general corporate purposes of the Issuer and its Restricted Subsidiaries.

(k) In the event of the transfer of substantially all (but not all) of the property and assets of the Issuer and its Restricted Subsidiaries as an entirety to a Person in a transaction permitted under Article IV, the Successor Issuer shall be deemed to have sold the properties and assets of the Issuer and its Restricted Subsidiaries not so transferred for purposes of this Section 3.12, and shall comply with the provisions of this Section 3.12 with respect to the deemed sale as if it were an Asset Sale. In addition, the Fair Market Value of properties and assets of the Issuer or its Restricted Subsidiaries so deemed to be sold shall be deemed to be Net Cash Proceeds for purposes of this Section 3.12.

(l) If at any time any non-cash consideration received by the Issuer or any Restricted Subsidiary, as the case may be, in connection with any Asset Sale, is converted into or sold or otherwise disposed of for cash (other than interest received with respect to any non-cash consideration), the conversion or disposition shall be deemed to constitute an Asset Sale hereunder and the Net Cash Proceeds thereof shall be applied in accordance with this Section 3.12 within 365 days of conversion or disposition.

Section 3.13 Limitation on the Ownership of Capital Stock of Restricted Subsidiaries. The Issuer shall not permit any Person other than the Issuer or another Restricted Subsidiary to, directly or indirectly, own or control any Capital Stock of any Restricted Subsidiary, except for:

- (i) Capital Stock owned by such Person on the Issue Date;
- (ii) directors’ qualifying shares;
- (iii) the sale or Disposition of 100% of the shares of the Capital Stock of any Restricted Subsidiary held by the Issuer and its Restricted

Subsidiaries to any Person other than the Issuer or another Restricted Subsidiary effected in accordance with, as applicable, Section 3.12 and Article IV;

- (iv) in the case of a Restricted Subsidiary other than a Restricted Subsidiary that is a Wholly Owned Subsidiary,
 - (A) the issuance by that Restricted Subsidiary of Capital Stock on a *pro rata* basis to the Issuer and its Restricted Subsidiaries, on the one hand, and minority holders of Capital Stock of such Restricted Subsidiary, on the other hand (or on less than a *pro rata* basis to any minority holder); or
 - (B) sales, transfers and other dispositions of Capital Stock in a Restricted Subsidiary to the extent required by, or made pursuant to, buy/sell, put/call or similar shareholder arrangements set forth in binding agreements in effect on the Issue Date; and
- (v) the sale of Capital Stock of a Restricted Subsidiary by the Issuer or another Restricted Subsidiary or the sale or issuance by a Restricted Subsidiary of its newly-issued Capital Stock if such sale or issuance is made in compliance with Section 3.12 and either:
 - (A) such Restricted Subsidiary is no longer a Subsidiary, and the continuing Investment of the Issuer and its Restricted Subsidiaries in such former Restricted Subsidiary is in compliance with Section 3.11, or
 - (B) such Restricted Subsidiary continues to be a Restricted Subsidiary.

Section 3.14 Limitation on Designation of Unrestricted Subsidiaries.

(a) The Issuer may designate after the Issue Date any Subsidiary of the Issuer other than a Note Guarantor as an Unrestricted Subsidiary under this Indenture (a "Designation") only if:

- (i) no Default or Event of Default shall have occurred and be continuing at the time of or after giving effect to such Designation and any transactions between the Issuer or any of its Restricted Subsidiaries and such Unrestricted Subsidiary are in compliance with Section 3.18;
- (ii) at the time of and after giving effect to such Designation, the Issuer could Incur U.S.\$1.00 of additional Indebtedness pursuant to Section 3.9(a);
- (iii) the Issuer would be permitted to make an Investment at the time of Designation (assuming the effectiveness of such Designation and treating such Designation as an Investment at the time of Designation)

as a Restricted Payment pursuant to Section 3.11(a) in an amount (the "Designation Amount") equal to the amount of the Issuer's Investment in such Subsidiary on such date; and

- (iv) the terms of any Affiliate Transaction existing on the date of such Designation between the Subsidiary being designated (and its Subsidiaries) and the Issuer or any Restricted Subsidiary would be permitted under Section 3.18 if entered into immediately following such Designation.

(b) Neither the Issuer nor any Restricted Subsidiary shall at any time:

- (i) provide credit support for, subject any of its property or assets (other than the Capital Stock of any Unrestricted Subsidiary) to the satisfaction of, or Guarantee, any Indebtedness of any Unrestricted Subsidiary (including any undertaking, agreement or instrument evidencing such Indebtedness);
- (ii) be directly or indirectly liable for any Indebtedness of any Unrestricted Subsidiary; or
- (iii) be directly or indirectly liable for any Indebtedness which provides that the Holder thereof may (upon notice, lapse of time or both) declare a default thereon or cause the payment thereof to be accelerated or payable prior to its final scheduled maturity upon the occurrence of a default with respect to any Indebtedness of any Unrestricted Subsidiary.

(c) The Issuer may revoke any Designation of a Subsidiary as an Unrestricted Subsidiary (a "Revocation") only if:

- (i) no Default or Event of Default shall have occurred and be continuing at the time of and after giving effect to such Revocation; and
- (ii) all Liens and Indebtedness of such Unrestricted Subsidiary outstanding immediately following such Revocation, if Incurred at such time, would have been permitted to be Incurred for all purposes of this Indenture.

(d) The Designation of a Subsidiary of the Issuer as an Unrestricted Subsidiary shall be deemed to include the Designation of all of the Subsidiaries of such Subsidiary as Unrestricted Subsidiaries. All Designations and Revocations must be evidenced by an Officer's Certificate of the Issuer, delivered to the Trustee certifying compliance with the preceding provisions.

Section 3.15 Limitation on Dividends and Other Payment Restrictions Affecting Restricted Subsidiaries.

(a) Except as provided in clause (b) below, the Issuer shall not, and shall not cause or permit any of its Restricted Subsidiaries to, directly or indirectly, create or otherwise cause or permit to exist or become effective any consensual encumbrance or restriction on the ability of any Restricted Subsidiary to:

- (i) pay dividends or make any other distributions on or in respect of its Capital Stock to the Issuer or any other Restricted Subsidiary or pay any Indebtedness owed to the Issuer or any other Restricted Subsidiary;
- (ii) make loans or advances to, or make any Investment in, the Issuer or any other Restricted Subsidiary; or
- (iii) transfer any of its property or assets to the Issuer or any other Restricted Subsidiary.

(b) Section 3.15(a) shall not apply to encumbrances or restrictions existing under or by reason of:

- (i) applicable law, rule, regulation or order;
- (ii) this Indenture or the indenture governing the Other Notes;
- (iii) any encumbrance or restriction pursuant to an agreement in effect at or entered into on the Issue Date, and any amendments, restatements, renewals, replacements or refinancings thereof; *provided*, that any amendment, restatement, renewal, replacement or refinancing is not materially more restrictive with respect to such encumbrances or restrictions than those in existence on the Issue Date as determined in good faith by the Issuer's senior management;
- (iv) customary non-assignment provisions of any contract and customary provisions restricting assignment or subletting in any lease governing a leasehold interest of any Restricted Subsidiary, or any customary restriction on the ability of a Restricted Subsidiary to dividend, distribute or otherwise transfer any asset which secures Indebtedness secured by a Lien, in each case permitted to be Incurred under this Indenture;
- (v) any instrument governing Acquired Indebtedness not Incurred in connection with, or in anticipation or contemplation of, the relevant acquisition, merger or consolidation, which encumbrance or restriction is not applicable to any Person, or the properties or assets of any Person, other than the Person or the properties or assets of the Person so acquired;
- (vi) restrictions with respect to a Restricted Subsidiary of the Issuer imposed pursuant to a binding agreement which has been entered into

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- for the sale or disposition of Capital Stock or assets of such Restricted Subsidiary; *provided*, that such restrictions apply solely to the Capital Stock or assets of such Restricted Subsidiary being sold (and in the case of Capital Stock, its Subsidiaries);
- (vii) customary restrictions imposed on the transfer of copyrighted or patented materials;
 - (viii) an agreement governing Indebtedness Incurred to Refinance the Indebtedness issued, assumed or Incurred pursuant to an agreement referred to in clause (iii) or (v) of this Section 3.15(b); *provided*, that such Refinancing agreement is not materially more restrictive with respect to such encumbrances or restrictions than those contained in the agreement referred to in such clause (iii) or (v) as determined in good faith by the Issuer's senior management;
 - (ix) Liens permitted to be Incurred pursuant to the provisions of the covenant described under Section 3.17 that limit the right of any person to transfer the assets subject to such Liens;
 - (x) Purchase Money Indebtedness for property acquired in the ordinary course of business and Capitalized Lease Obligations that impose restrictions of the nature discussed in clause (iii) of Section 3.15(a) above on the property so acquired;
 - (xi) restrictions on cash or other deposits imposed by customers under contracts or other arrangements entered into or agreed to in the ordinary course of business not materially more restrictive than those existing on the Issue Date as determined in good faith by the Issuer's senior management;
 - (xii) customary provisions in joint venture agreements relating to dividends or other distributions in respect of such joint venture or the securities, assets or revenues of such joint venture;
 - (xiii) restrictions in Indebtedness Incurred by a Restricted Subsidiary in compliance with the covenant described under Section 3.9; *provided*, that such restrictions (A) are not materially more restrictive with respect to such encumbrances and restrictions than those such Restricted Subsidiary was subject to in agreements related to obligations referenced in clause (iii) above as determined in good faith by the Issuer's senior management or (B) constitute financial covenants or similar restrictions that limit the ability to pay dividends or make distributions upon the occurrence or continuance of a default or event of default or that would result in a default or event of default under such Indebtedness upon the declaration or payment of dividends or other distributions; and
 - (xiv) net worth provisions in leases entered into by the Issuer or any Restricted Subsidiary in the ordinary course of business not materially more restrictive than those existing on the Issue Date as determined in good faith by the Issuer's senior management.

Section 3.16 Limitation on Layered Indebtedness. The Issuer shall not, and shall not permit any Note Guarantor to, directly or indirectly, Incur any Indebtedness that is subordinate in right of payment to any other Indebtedness, unless such Indebtedness is expressly subordinate in right of payment to the Notes or, in the case of a Note Guarantor, its Note Guarantee, to the same extent, on the same terms and for so long (except as a result of the provisions of the Intercreditor Agreement applicable to Facilities Agreement Indebtedness and any refinancing thereof) as such Indebtedness is subordinate to such other Indebtedness.

Section 3.17 Limitation on Liens. The Issuer shall not, and shall not cause or permit any of its Restricted Subsidiaries to, directly or indirectly, incur, grant, assume or suffer to exist any Liens of any kind (except for Permitted Liens) (a) against or upon any of their respective properties or assets, whether owned on the Issue Date or acquired after the Issue Date, or any proceeds therefrom, to secure any Indebtedness or trade payables or (b) deemed to exist in respect of Capitalized Lease Obligations (including any Capitalized Lease Obligations in respect of Sale and Leaseback Transactions), in each case, unless contemporaneously therewith effective provision is made:

- (i) in the case of the Issuer or any Restricted Subsidiary that is not a Note Guarantor, to secure the Notes and all other amounts due under this Indenture; and
- (ii) in the case of a Note Guarantor, to secure such Note Guarantor's Note Guarantee of the Notes and all other amounts due under this Indenture,

in each case, equally and ratably with such Indebtedness or other obligation (or, in the event that such Indebtedness is subordinated in right of payment to the Notes or such Note Guarantee, as the case may be, prior to such Indebtedness or other obligation) with a Lien on the same properties and assets securing such Indebtedness or other obligation for so long as such Indebtedness or other obligation is secured by such Lien.

Section 3.18 Limitation on Transactions with Affiliates.

(a) The Issuer shall not, and shall not permit any of its Restricted Subsidiaries to, directly or indirectly, enter into any transaction or series of related transactions (including, without limitation, the purchase, sale, lease or exchange of any property or the rendering of any service) with, or for the benefit of, any Affiliate of the Issuer (each an "Affiliate Transaction"), unless the terms of such Affiliate Transaction are no less favorable than those that could reasonably be expected to be obtained in a comparable transaction at such time on an arm's-length basis from a Person that is not an Affiliate of the Issuer;

(b) The provisions of Section 3.18(a) above shall not apply to:

- (i) Affiliate Transactions with or among the Issuer and any Restricted Subsidiary or between or among Restricted Subsidiaries;
- (ii) reasonable fees and compensation paid to, and any indemnity provided on behalf of, officers, directors, employees, consultants or agents of the Issuer or any Restricted Subsidiary as determined in good faith by the Issuer's Board of Directors or, to the extent consistent with past practice, senior management;
- (iii) Affiliate Transactions undertaken pursuant to any contractual obligations or rights in existence on the Issue Date (as in effect on the Issue Date with modifications, extensions and replacements thereof not materially adverse to the Issuer and its Restricted Subsidiaries) as determined in good faith by the Issuer's senior management;
- (iv) any Restricted Payments in compliance with Section 3.11;
- (v) payments and issuances of Qualified Capital Stock to any officers, directors and employees of the Issuer or any Restricted Subsidiary pursuant to any management equity plan or stock option plan or any other stock subscription or shareholder agreement, and any employment agreements, stock option plans or other compensatory arrangements (and any successor plans thereto) and any supplemental executive retirement benefit plans or arrangements with any such officers, directors or employees that are, in each case, approved in good faith by the Board of Directors or, to the extent consistent with past practice, senior management of the Issuer;
- (vi) loans and advances to officers, directors and employees of the Issuer or any Restricted Subsidiary for travel, entertainment, moving and other relocation expenses, in each case made in the ordinary course of business in amounts consistent with the past practice of the Issuer or such Restricted Subsidiary; and
- (vii) loans made by the Issuer or any Restricted Subsidiary to employees or directors in an aggregate amount not to exceed U.S.\$15 million (or its equivalent in another currency) at any time outstanding.

Section 3.19 Conduct of Business. The Issuer and its Restricted Subsidiaries shall not engage in any business other than a Permitted Business.

Section 3.20 Reports to Holders.

(a) Notwithstanding that the Issuer may not be subject to the reporting requirements of Section 13 or 15(d) of the Exchange Act, so long as any Notes remain outstanding, the Issuer shall:

- (i) provide the Trustee and the Holders with:
 - (A) annual reports on Form 20-F (or any successor form) containing the information required to be contained therein (or such successor form) within the time period required under the rules of the Commission for the filing of Form 20-F (or any successor form) by "foreign private issuers" (as defined in Rule 3b-4 of the Exchange Act (or any successor rule));

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- (B) reports on Form 6-K (or any successor form) including, whether or not required, unaudited quarterly financial statements (which shall include at least a balance sheet, income statement and cash flow statement) including a discussion of financial condition and results of operations of the Issuer in accordance with past practice, within 45 days after the end of each of the first three fiscal quarters of each fiscal year;
 - (C) such other reports on Form 6-K (or any successor form) promptly from time to time after the occurrence of an event that would be required to be reported on a Form 6-K (or any successor form); and
- (ii) file with the Commission, to the extent permitted, the information, documents and reports referred to in clause (i) within the periods specified for such filings under the Exchange Act (whether or not applicable to the Issuer).

(b) In addition, at any time when the Issuer is not subject to or is not current in its reporting obligations under clause (ii) of Section 3.20(a), the Issuer shall make available, upon request, to any Holder and any prospective purchaser of Notes the information required pursuant to Rule 144A(d)(4) under the Securities Act.

(c) Notwithstanding anything in this Indenture to the contrary, the Issuer shall not be deemed to have failed to comply with any of its obligations hereunder for purposes of clause (iv) of Section 6.1(a) or for any other purpose hereunder until 75 days after the date any report hereunder is due.

(d) Delivery of such reports, information and documents to the Trustee is for informational purposes only and the Trustee's receipt of such reports shall not constitute actual or constructive notice of any information contained therein or determinable from information contained therein, including the Issuer's compliance with any of its covenants hereunder (as to which the Trustee is entitled to rely exclusively on Officer's Certificates).

Section 3.21 Payment of Additional Amounts.

(a) All payments made by the Issuer or the Note Guarantors under, or with respect to, the Notes shall be made free and clear of, and without withholding or deduction for or on account of any present or future tax, duty, levy, impost, assessment or other governmental charge (including penalties, interest and other liabilities related thereto) (collectively, "Taxes") imposed or levied by or on behalf of the United States, Mexico, Spain, the Netherlands, France, the United Kingdom, Switzerland or, in the event that the Issuer appoints additional paying

agents, by the jurisdictions of such additional paying agents (a “Taxing Jurisdiction”), unless the Issuer or such Note Guarantor, as the case may be, is required to withhold or deduct Taxes by law or by the official interpretation or administration thereof.

(b) If the Issuer or any Note Guarantor is so required to withhold or deduct any amount for, or on account of, such Taxes from any payment made under or with respect to the Notes, the Issuer or such Note Guarantor, as the case may be, shall pay such additional amounts (“Additional Amounts”) as may be necessary so that the net amount received by each Holder (including Additional Amounts) after such withholding or deduction shall not be less than the amount such Holder would have received if such Taxes had not been required to be withheld or deducted; *provided, however*, that the foregoing obligation to pay Additional Amounts does not apply to:

- (i) any Taxes imposed solely because at any time there is or was a connection between the Holder and a Taxing Jurisdiction (other than the mere purchase of the Notes, or receipt of a payment or the ownership or holding of a Note),
- (ii) any estate, inheritance, gift, sales, transfer, personal property or similar Tax imposed with respect to the Notes,
- (iii) any Taxes imposed solely because the Holder or any other person fails to comply with any certification, identification or other reporting requirement concerning the nationality, residence, identity or connection with a Taxing Jurisdiction of the Holder or any beneficial owner of the Note if compliance is required by the applicable law of the Taxing Jurisdiction as a precondition to exemption from, or reduction in the rate of, the tax, assessment or other governmental charge, and the Issuer has given the Holders at least 30 days’ notice that Holders shall be required to provide such information and identification,
- (iv) any Taxes payable otherwise than by deduction or withholding from payments on the Notes,
- (v) any Taxes imposed on a payment to or for the benefit of an individual pursuant to European Council Directive 2003/48/EC (as amended from time to time) or any law implementing or complying with, or introduced in order to conform to, such Directive,
- (vi) any Taxes that would have been avoided by presenting for payment (where presentation is required) the relevant Note to another Paying Agent,
- (vii) any Taxes with respect to such Note presented for payment more than 30 days after the date on which the payment became due and payable or the date on which payment thereof is duly provided for and notice thereof given to Holders, whichever occurs later, except to the extent

that the Holders of such Note would have been entitled to such Additional Amounts on presenting such Note for payment on any date during such 30 day period, or

- (viii) any payment on the Note to a Holder that is a fiduciary or partnership or a person other than the sole beneficial owner of any such payment, to the extent that a beneficiary or settlor with respect to such fiduciary, a member of such a partnership or the beneficial owner of the payment would not have been entitled to the Additional Amounts had the beneficiary, settlor, member or beneficial owner been the Holder of the Note.

(c) The obligations in Section 3.21(a) and Section 3.21(b) shall survive any termination or discharge of this Indenture and shall apply mutatis mutandis to any Taxing Jurisdiction with respect to any successor to the Issuer or any Note Guarantor, as the case may be. The Issuer or such Note Guarantor, as applicable, shall (i) make such withholding or deduction and (ii) remit the full amount deducted or withheld to the relevant Taxing Jurisdiction in accordance with applicable law. The Issuer or such Note Guarantor, as applicable, shall use all reasonable efforts to obtain certified copies of tax receipts evidencing the payment of any Taxes so deducted or withheld from each Taxing Jurisdiction imposing such Taxes and shall furnish such certified copies to the Trustee within 30 days after the date the payment of any Taxes so deducted or so withheld is due pursuant to applicable law or, if such tax receipts are not reasonably available to the Issuer or such Note Guarantor, as applicable, furnish such other documentation that provides reasonable evidence of such payment by the Issuer or such Note Guarantor, as applicable.

(d) The exception to the Issuer's obligations to pay Additional Amounts pursuant to clause (iii) of Section 3.21(b) will not apply if (i) the provision of information, documentation or other evidence described in such clause would be materially more onerous, in form, in procedure or in the substance of information disclosed, to a Holder or beneficial owner of a Note than comparable information or other reporting requirements imposed under U.S. tax law, regulation (including proposed regulations) and administrative practice, or (ii) Article 166, Section II, paragraph (a), of the Mexican Income Tax Law (*Ley del Impuesto Sobre la Renta*) (or a substitute or equivalent provision) is in effect, unless (A) the provision of the information, documentation or other evidence described in clause (iii) of Section 3.21(b) is expressly required by the applicable Mexican laws and regulations in order to apply Article 166, Section II, paragraph (a), of the Mexican Income Tax Law (or substitute or equivalent provision), (B) the Issuer or any Note Guarantor cannot obtain the information, documentation or other evidence necessary to comply with the applicable Mexican laws and regulations on its own through reasonable diligence and (C) the Issuer or any Note Guarantor would not otherwise meet the requirements for application of the applicable Mexican laws and regulations.

(e) Clause (iii) of Section 3.21(b) does not require, and shall not be construed to require, that any holder, including any non-Mexican pension fund, retirement fund, tax-exempt organization or financial institution, register with the Tax Management Service (*Servicio de Administración Tributaria*) or the Mexican Ministry of Finance and Public Credit (*Secretaría de Hacienda y Crédito Público*) to establish eligibility for an exemption from, or a reduction of, Mexican withholding taxes.

(f) Any reference in this Indenture, any supplemental indenture or the Notes to principal, premium, interest or any other amount payable in respect of the Notes by the Issuer shall be deemed also to refer to any Additional Amount that may be payable with respect to that amount under the obligations referred to in this subsection. Payment of any Additional Amounts with respect to interest shall be considered as an interest payment under, or with respect to, the Notes.

(g) The Issuer will ensure that it maintains a paying agent, in a European Union Member State, that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC (as amended from time to time) or any law implementing or complying with, or introduced in order to conform to, such Directive.

(h) In the event that Additional Amounts actually paid with respect to the Notes pursuant to this Section 3.21 are based on rates of deduction or withholding of withholding taxes in excess of the appropriate rate applicable to the Holder of such Notes, and as a result thereof such Holder is entitled to make a claim for a refund or credit of such excess from the authority imposing such withholding tax, then such Holder shall, by accepting such Notes, and without any further action, be deemed to have assigned and transferred all right, title and interest to any such claim for a refund or credit of such excess to the Issuer. However, by making such assignment, the Holder makes no representation or warranty that the Issuer shall be entitled to receive such claim for a refund or credit and incurs no other obligation with respect thereto.

Section 3.22 Suspension of Covenants.

(a) During any period of time that the Notes do not have Investment Grade Ratings from two of the Rating Agencies and (i) the Consolidated Leverage Ratio of the Issuer is less than 3.5:1 and (ii) no Default or Event of Default has occurred and is continuing (the occurrence of the events described in the foregoing clauses (i) and (ii) being collectively referred to as a “Partial Covenant Suspension Event”), the Issuer and its Restricted Subsidiaries shall not be subject to the provisions of this Indenture described under Sections 3.12, 3.13, 3.14(b), 3.15, 3.18, 3.19 and 4.1(a)(i) (collectively, the “Partial Suspended Covenants”).

(b) During any period of time that (i) the Notes have Investment Grade Ratings from two of the Rating Agencies and (ii) no Default or Event of Default has occurred and is continuing (the occurrence of the events described in the foregoing clauses (i) and (ii) being collectively referred to as a “Covenant Suspension Event”), the Issuer and its Restricted Subsidiaries shall not be subject to the provisions of this Indenture described under Sections 3.9, 3.11, 3.12, 3.13, 3.14(b), 3.15, 3.16, 3.18, 3.19 and 4.1(a)(ii) (collectively, the “Suspended Covenants”).

(c) In addition, (x) no Subsidiary that is a Restricted Subsidiary on the date of the occurrence of a Partial Covenant Suspension Event (the “Partial Covenant Suspension Date”) or a Covenant Suspension Event (the “Suspension Date”) may be redesignated as an Unrestricted

Subsidiary during the Partial Suspension Period or the Suspension Period, as applicable and (y) each Additional Note Guarantor shall be released from its obligation to guarantee the Notes on the date of a Partial Covenant Suspension Event or a Covenant Suspension Event, as the case may be.

(d) The Additional Note Guarantors shall be released from their obligation to guarantee the Notes upon the occurrence of a Partial Covenant Suspension Event or a Covenant Suspension Event; *provided*, that upon the occurrence of a Partial Covenant Reversion Date or a Reversion Date, as applicable, the guarantee of the Notes by the Additional Note Guarantors shall be reinstated in accordance with and subject to the conditions in Section 3.22(e).

(e) In the event that the Issuer and its Restricted Subsidiaries are not subject to the Partial Suspended Covenants or the Suspended Covenants, as the case may be, for any period of time as a result of the foregoing, and on any subsequent date (in the case of Partial Suspended Covenants, such subsequent date being the “Partial Covenant Reversion Date” and, in the case of Suspended Covenants, such subsequent date being the “Reversion Date”) (i) the Consolidated Leverage Ratio of the Issuer is not less than 3.5:1 during the applicable Partial Suspension Period or (ii) the Notes do not have Investment Grade Ratings from at least two of the Rating Agencies during the applicable Suspension Period, then in each case in clauses (i) and (ii), the Issuer and its Restricted Subsidiaries will thereafter again be subject to the Partial Suspended Covenants or the Suspended Covenants, as applicable, and the Notes will again be guaranteed by the Additional Note Guarantors (unless, solely with respect to any Additional Note Guarantor, the conditions for release as described under Section 10.2 are otherwise satisfied during the Partial Suspension Period or the Suspension Period, as applicable). The Issuer shall cause such Additional Note Guarantor to promptly execute and deliver to the Trustee a supplemental indenture hereto in form and substance reasonably satisfactory to the Trustee in accordance with the provisions of Article IX, evidencing that such Additional Note Guarantor’s guarantee on substantially the terms set forth in Article X. The period of time between the Partial Covenant Suspension Date and the Partial Covenant Reversion Date is referred to as the “Partial Suspension Period” and the period of time between the Suspension Date and the Reversion Date is referred to as the “Suspension Period.” Notwithstanding that the Partial Suspended Covenants, the Suspended Covenants and the guarantees by the Additional Note Guarantors may be reinstated, no Default or Event of Default will be deemed to have occurred as a result of a failure to comply with the Partial Suspended Covenants during the Partial Suspension Period or the Suspended Covenants during the Suspension Period, as the case may be (or upon termination of the applicable Partial Suspension Period or the Suspension Period or after that time based solely on events that occurred during the applicable Partial Suspension Period or the Suspension Period, as the case may be).

(f) On the Reversion Date, all Indebtedness Incurred during the Suspension Period shall be classified to have been Incurred pursuant to Section 3.9(a) or Section 3.9(b) (to the extent such Indebtedness would be permitted to be Incurred thereunder as of the Reversion Date and after giving effect to Indebtedness Incurred prior to the Suspension Period and outstanding on the Reversion Date). To the extent such Indebtedness would not be so permitted to be Incurred pursuant to Section 3.9(a) or 3.9(b), such Indebtedness shall be deemed to have been outstanding on the Issue Date, so that it is classified as permitted under clause (iii) of Section 3.9(b). Calculations made after the Reversion Date of the amount available to be made

as Restricted Payments under Section 3.11 shall be made as though Section 3.11 had been in effect since the Issue Date and throughout the Suspension Period. The Issuer will give the Trustee written notice of any occurrence of a Reversion Date not later than five (5) Business Days after such Reversion Date. After any such notice of the occurrence of a Reversion Date, the Trustee shall assume the Suspended Covenants apply and are in full force and effect. Accordingly, Restricted Payments made during the Suspension Period will reduce the amount available to be made as Restricted Payments under Section 3.11(a).

(g) The Issuer will give the Trustee written notice of any Partial Covenant Suspension Event or any Covenant Suspension Event and in any case no later than five (5) Business Days after such Partial Covenant Suspension Event or Covenant Suspension Event has occurred. In the absence of such notice, the Trustee shall assume that the Partial Suspended Covenants or the Suspended Covenants, as applicable, apply and are in full force and effect.

(h) For purposes of this Section 3.22 only, “Consolidated Leverage Ratio” and all associated definitions shall have the meaning set forth in Exhibit E hereto.

ARTICLE IV

SUCCESSOR ISSUER

Section 4.1 Merger, Consolidation and Sale of Assets.

(a) The Issuer shall not, in a single transaction or series of related transactions, consolidate or merge with or into any Person (whether or not the Issuer is the surviving or continuing Person), or sell, assign, transfer, lease, convey or otherwise dispose of all or substantially all of the Issuer’s properties and assets (determined on a consolidated basis for the Issuer and its Restricted Subsidiaries), to any Person unless:

- (i) either:
 - (A) the Issuer shall be the surviving or continuing corporation, or
 - (B) the Person (if other than the Issuer) formed by such consolidation or into which the Issuer is merged or the Person which acquires by sale, assignment, transfer, lease, conveyance or other disposition the properties and assets of the Issuer (determined on a consolidated basis for the Issuer and its Restricted Subsidiaries) substantially as an entirety (the “Successor Issuer”):
 - (1) shall be a Person organized and validly existing under the laws of Mexico, the United States of America, any State thereof or the District of Columbia, Canada, France, Belgium, Germany, Italy, Luxembourg, the Netherlands, Portugal, Spain, Switzerland or the United Kingdom, or any political subdivision thereof (the “Permitted Merger Jurisdictions”); and

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- (2) shall expressly assume, by a supplemental indenture (in form and substance satisfactory to the Trustee), executed and delivered to the Trustee, the due and punctual payment of the principal of, and premium, if any, and interest on all of the Notes and the performance and observance of every covenant of the Notes and this Indenture on the part of the Issuer to be performed or observed and provide the Trustee with an Officer's Certificate and Opinion of Counsel, and such transaction is otherwise in compliance with this Indenture;
- (ii) immediately after giving effect to such transaction and the assumption contemplated by clause (i)(B)(2) of this Section 4.1(a) (including giving effect on a pro forma basis to any Indebtedness, including any Acquired Indebtedness, Incurred or anticipated to be Incurred or discharged in connection with or in respect of such transaction), the Issuer or such Successor Issuer, as the case may be:
- (A) shall have a Consolidated Fixed Charge Coverage Ratio that shall be not less than the Consolidated Fixed Charge Coverage Ratio of the Issuer immediately prior to such transaction; or
- (B) shall be able to Incur at least U.S.\$1.00 of additional Indebtedness pursuant to Section 3.9(a);
- (iii) immediately before and immediately after giving effect to such transaction and the assumption contemplated by clause (i)(B)(2) of this Section 4.1(a) (including, without limitation, giving effect on a pro forma basis to any Indebtedness, including any Acquired Indebtedness, Incurred or anticipated to be Incurred or discharged and any Lien granted in connection with or in respect of the transaction), no Default or Event of Default shall have occurred or be continuing;
- (iv) in the case of a transaction resulting in a Successor Issuer, each Note Guarantor has confirmed by supplemental indenture that its Note Guarantee shall apply for Obligations of the Successor Issuer in respect of this Indenture and the Notes; and
- (v) if the Issuer merges with a Person, or the Successor Issuer is, organized under the laws of any of the Permitted Merger Jurisdictions, the Issuer or the Successor Issuer shall have delivered to the Trustee an Opinion of Counsel stating that, as applicable:
- (A) the Holders of the Notes shall not recognize income, gain or loss for the purposes of the income tax laws of the United States or the applicable Permitted Merger Jurisdiction as a result of the transaction and shall be taxed in the Holder's home jurisdiction in the same manner and on the same amounts (assuming solely for

this purpose that no Additional Amounts are required to be paid on the Notes) and at the same times as would have been the case if the transaction had not occurred;

- (B) any payment of interest or principal under or relating to the Notes or any Guarantees shall be paid in compliance with any requirements under Section 3.21; and
- (C) no other taxes on income, including capital gains, shall be payable by Holders of the Notes under the laws of the United States or the applicable Permitted Merger Jurisdiction relating to the acquisition, ownership or disposition of the Notes, including the receipt of interest or principal thereon; *provided*, that the Holder does not use or hold, and is not deemed to use or hold the Notes in carrying on a business in the United States or the applicable Permitted Merger Jurisdiction.

The provisions of clauses (ii) and (iii) of this Section 4.1(a) will not apply to:

- (x) any transfer of the properties or assets of a Restricted Subsidiary to the Issuer;
- (y) any merger of a Restricted Subsidiary into the Issuer; or
- (z) any merger of the Issuer into a Note Guarantor or a Wholly Owned Subsidiary of the Issuer.

For purposes of this Section 4.1, the transfer (by lease, assignment, sale or otherwise, in a single transaction or series of transactions) of all or substantially all of the properties or assets of one or more Restricted Subsidiaries of the Issuer, the Capital Stock of which constitutes all or substantially all of the properties and assets of the Issuer (determined on a consolidated basis for the Issuer and its Restricted Subsidiaries), shall be deemed to be the transfer of all or substantially all of the properties and assets of the Issuer.

The Successor Issuer will succeed to, and be substituted for, such Issuer under this Indenture and the Notes, as applicable. For the avoidance of doubt, compliance with this Section 4.1 will not affect the obligations of the Issuer (including a Successor Issuer, if applicable) under Section 3.8 if applicable.

(b) Each Note Guarantor shall not, and the Issuer shall not cause or permit any such Note Guarantor to, consolidate with or merge into, or sell or dispose of all or substantially all of its assets to, any Person (other than the Issuer) that is not a Note Guarantor unless:

- (i) such Person (if such Person is the surviving entity) (the "Successor Note Guarantor") assumes all of the obligations of such Note Guarantor in respect of its Note Guarantee by executing a supplemental indenture and providing the Trustee with an Officer's Certificate and Opinion of Counsel, and such transaction is otherwise in compliance with this Indenture;

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- (ii) such Note Guarantee is to be released as provided under Section 10.2(b); or
 - (iii) such sale or other disposition of substantially all of such Note Guarantor's assets is made in accordance with Section 3.12.

Subject to certain limitations described in this Indenture, the Successor Note Guarantor will succeed to, and be substituted for, such Note Guarantor under this Indenture and such Note Guarantor's Note Guarantee. The provisions of clauses (i), (ii) and (iii) of this Section 4.1(b) will not apply to:

- (x) any transfer of the properties or assets of a Note Guarantor to the Issuer or another Note Guarantor;
- (y) any merger of a Note Guarantor into the Issuer or another Note Guarantor; or
- (z) any merger of a Note Guarantor into a Wholly Owned Subsidiary of the Issuer.

ARTICLE V

OPTIONAL REDEMPTION OF NOTES

Section 5.1 Optional Redemption. The Issuer may redeem the Notes, at its option, in whole at any time or in part from time to time, subject to the conditions and at the redemption prices specified in the Form of Note in Exhibit A hereto.

Section 5.2 [Reserved].

Section 5.3 Notices to Trustee. If the Issuer elects to redeem the Notes pursuant to the optional redemption provisions of Section 5.1 hereof, it shall furnish to the Trustee, at least 45 days but not more than 60 days before the Redemption Date, an Officer's Certificate setting forth: (a) the Redemption Date, (b) the principal amount of Notes to be redeemed, (c) the CUSIP numbers of the Notes, (d) the redemption price and (e) the amount of interest to be paid with respect to each multiple of U.S.\$1,000 principal amount of Notes to be redeemed.

Section 5.4 Notice of Redemption.

(a) The Issuer shall prepare and mail or cause to be mailed a notice of redemption, in the manner provided for in Section 12.1, not less than 30 nor more than 60 days prior to the Redemption Date, to each Holder of Notes to be redeemed.

(b) All notices of redemption shall state:

- (i) the Redemption Date,
- (ii) the redemption price and the amount of any accrued interest payable as provided in Section 5.7,
- (iii) whether or not the Issuer is redeeming all Outstanding Notes,
- (iv) if the Issuer is not redeeming all Outstanding Notes, the aggregate principal amount of Notes that the Issuer is redeeming and the aggregate principal amount of Notes that will be Outstanding after the partial redemption, as well as the identification of the particular Notes, or portions of the particular Notes, that the Issuer is redeeming,
- (v) if the Issuer is redeeming only part of a Note, the notice that relates to that Note shall state that on and after the Redemption Date, upon surrender of that Note, the Holder will receive, without charge, a new Note or Notes of authorized denominations for the principal amount of the Note remaining unredeemed,
- (vi) that on the Redemption Date the redemption price and any accrued interest payable to the Redemption Date as provided in Section 5.7 will become due and payable in respect of each Note, or the portion of each Note, to be redeemed, and, unless the Issuer defaults in making the redemption payment, that interest on each Note, or the portion of each Note, to be redeemed, will cease to accrue on and after the Redemption Date,
- (vii) the place or places where a Holder must surrender Notes for payment of the redemption price and any accrued interest payable on the Redemption Date, and
- (viii) the CUSIP number, if any, listed in the notice or printed on the Notes, and that no representation is made as to the accuracy or correctness of such CUSIP number.

(c) At the Issuer's request, the Trustee shall give the notice of redemption in the Issuer's names and at its expense; provided, however, that the Issuer shall have delivered to the Trustee, at least 45 days prior to the Redemption Date, an Officer's Certificate requesting that the Trustee give such notice and setting forth the information to be stated in such notice as provided in the preceding Section 5.4(b).

Section 5.5 Selection of Notes to Be Redeemed in Part.

(a) If the Issuer is not redeeming all Outstanding Notes, the Trustee shall select the Notes to be redeemed in compliance with the requirements of the principal national securities exchange, if any, on which the Notes are listed or, if the Notes are not then listed on a national securities exchange, on a pro rata basis, by lot or by any other method as the Trustee shall deem fair and appropriate; provided, however, that if a partial redemption is made with the

proceeds of an Equity Offering, selection of the Notes, or portions of the Notes, for redemption shall be made by the Trustee only on a pro rata basis, or on as nearly a pro rata basis as is practicable (subject to the procedures of DTC), unless the method is otherwise prohibited. The Trustee shall make the selection from the then Outstanding Notes not previously called for redemption. The Trustee shall promptly notify the Issuer in writing of the Notes selected for redemption and, in the case of any Notes selected for partial redemption, the principal amount of the Notes to be redeemed. In the event of a partial redemption by lot, the Trustee shall select the particular Notes to be redeemed not less than 30 nor more than 60 days prior to the relevant Redemption Date from the then Outstanding Notes not previously called-for redemption. No Notes of U.S.\$200,000 principal amount or less shall be redeemed in part. The Trustee may select for redemption portions with minimum denominations of U.S.\$200,000 and in integral multiples of U.S.\$1,000 in excess thereof.

(b) For all purposes of this Indenture, unless the context otherwise requires, all provisions relating to redemption of Notes shall relate, in the case of any Note redeemed or to be redeemed only in part, to the portion of the principal amount of that Note which has been or is to be redeemed.

Section 5.6 Deposit of Redemption Price. On or prior to 10:00 a.m. New York City time, on the Business Day prior to the Redemption Date, the Issuer shall deposit with the Trustee or with a Paying Agent (or, if the Issuer or a Note Guarantor is acting as the Paying Agent, segregate and hold in trust as provided in Section 2.4) an amount of money in immediately available funds sufficient to pay the redemption price of, and accrued interest on, all the Notes that the Issuer is redeeming on that date.

Section 5.7 Notes Payable on Redemption Date. If the Issuer, or the Trustee on behalf of the Issuer, gives notice of redemption in accordance with this Article V, the Notes, or the portions of Notes, called-for redemption, shall, on the Redemption Date, become due and payable at the redemption price specified in the notice (together with accrued interest, if any, to the Redemption Date), and from and after the Redemption Date (unless the Issuer shall default in the payment of the redemption price and accrued interest) the Notes or the portions of Notes shall cease to bear interest. Upon surrender of any Note for redemption in accordance with the notice, the Issuer shall pay the Notes at the redemption price, together with accrued interest, if any, to the Redemption Date (subject to the rights of Holders of record on the relevant record date to receive interest due on the relevant Interest Payment Date). If the Issuer shall fail to pay any Note called-for redemption upon its surrender for redemption, the principal shall, until paid, bear interest from the Redemption Date at the rate borne by the Notes.

Section 5.8 Unredeemed Portions of Partially Redeemed Note. Upon surrender of a Note that is to be redeemed in part, the Issuer shall execute, and the Trustee shall authenticate and make available for delivery to the Holder of the Note, at the expense of the Issuer, a new Note or Notes, of any authorized denomination as requested by the Holder, in an aggregate principal amount equal to, and in exchange for, the unredeemed portion of the principal of the Note surrendered, *provided*, that each new Note will be in a principal amount of U.S.\$200,000 and in integral multiples of U.S.\$1,000 in excess thereof.

ARTICLE VI

DEFAULTS AND REMEDIES

Section 6.1 Events of Default.

(a) Each of the following is an “Event of Default”:

- (i) default in the payment when due of the principal of or premium, if any, on any Notes, including the failure to make a required payment to purchase Notes tendered pursuant to an optional redemption, a Change of Control Offer or an Asset Sale Offer;
- (ii) default for 30 days or more in the payment when due of interest or Additional Amounts on any Notes;
- (iii) the failure to perform or comply with any of the provisions described under Article IV;
- (iv) the failure by the Issuer or any Restricted Subsidiary to comply with, or in the case of non-guarantor Restricted Subsidiaries, to perform according to, any other covenant or agreement contained in this Indenture or in the Notes for 45 days or more after written notice to the Issuer from the Trustee or the Holders of at least 25% in aggregate principal amount of the then Outstanding Notes;
- (v) default by the Issuer or any Restricted Subsidiary under any Indebtedness which:
 - (A) is caused by a failure to pay principal of, or premium, if any, when due or interest on such Indebtedness prior to the later of the expiration of any applicable grace period provided in such Indebtedness on the date of such default or five (5) days past when due; or
 - (B) results in the acceleration of such Indebtedness prior to its stated maturity;
and the principal or accreted amount of Indebtedness covered by clauses (v)(A) or (v)(B) of this Section 6.1(a) at the relevant time, aggregates U.S.\$50 million or more;
- (vi) failure by the Issuer or any of its Restricted Subsidiaries to pay one or more final judgments against any of them, aggregating U.S.\$100 million or more, which judgment(s) are not paid, discharged or stayed for a period of 60 days or more;
- (vii) a Bankruptcy Event of Default; or

-
- (viii) except as permitted herein, any Note Guarantee is held to be unenforceable or invalid in a judicial proceeding or ceases for any reason to be in full force and effect or any Note Guarantor, or any Person acting on behalf of any Note Guarantor, denies or disaffirms such Note Guarantor's obligations under its Note Guarantee.

The foregoing will constitute Events of Default whatever the reason for any such Event of Default and whether it is voluntary or involuntary or is effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body.

(b) The Issuer shall deliver within 30 days to the Trustee written notice of any event which would constitute a Default or Event of Default, their status and what action the Issuer is taking or proposes to take in respect thereof.

Section 6.2 Acceleration.

(a) If an Event of Default (other than an Event of Default specified in clause (vii) of Section 6.1(a) above with respect to the Issuer) shall occur and be continuing, the Trustee or the Holders of at least 25% in principal amount of then Outstanding Notes may declare the unpaid principal of (and premium, if any) and accrued and unpaid interest on all the Notes to be immediately due and payable by notice in writing to the Issuer and the Trustee specifying the Event of Default and that it is a "notice of acceleration." If an Event of Default specified in clause (vii) of Section 6.1(a) above occurs with respect to the Issuer, then the unpaid principal of (and premium, if any) and accrued and unpaid interest on all the Notes will become immediately due and payable without any declaration or other act on the part of the Trustee or any Holder.

(b) At any time after a declaration of acceleration with respect to the Notes as described in the preceding paragraph, the Holders of a majority in principal amount of the Notes may rescind and cancel such declaration and its consequences:

- (i) if the rescission would not conflict with any judgment or decree;
- (ii) if all existing Events of Default have been cured or waived, except nonpayment of principal or interest that has become due solely because of the acceleration;
- (iii) to the extent the payment of such interest is lawful, interest on overdue installments of interest and overdue principal, which has become due otherwise than by such declaration of acceleration, has been paid; and
- (iv) if the Issuer has paid the Trustee its reasonable compensation and reimbursed the Trustee for its reasonable expenses, disbursements and advances.

Section 6.3 Other Remedies.

(a) If an Event of Default occurs and is continuing, the Trustee may pursue any available remedy to collect the payment of principal of and interest on the Notes or to enforce the performance of any provision of the Notes or this Indenture.

(b) The Trustee may maintain a proceeding even if it does not possess any of the Notes or does not produce any of them in the proceeding. A delay or omission by the Trustee or any Holder in exercising any right or remedy accruing upon an Event of Default shall not impair the right or remedy or constitute a waiver of or acquiescence in the Event of Default. No remedy is exclusive of any other remedy. All available remedies are cumulative to the extent permitted by law.

Section 6.4 Waiver of Past Defaults. Subject to Section 6.2, the Holders of a majority in principal amount of the then Outstanding Notes may waive any existing Default or Event of Default, and its consequences, except a default in the payment of the principal of, premium, if any, or interest on any Notes.

Section 6.5 Control by Majority. The Holders of a majority in principal amount of the then Outstanding Notes may direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or of exercising any trust or power conferred on the Trustee. Subject to Section 7.1 and Section 7.2, however, the Trustee may refuse to follow any direction that conflicts with law or this Indenture; *provided, however*, that the Trustee may take any other action deemed proper by the Trustee that is not inconsistent with such direction.

Section 6.6 Limitation on Suits.

(a) No Holder of any Notes shall have any right to institute any proceeding with respect hereto or for any remedy hereunder, unless:

- (i) such Holder gives to the Trustee written notice of a continuing Event of Default;
- (ii) Holders of at least 25% in principal amount of the then Outstanding Notes make a written request to pursue the remedy;
- (iii) such Holders of the Notes provide to the Trustee indemnity satisfactory to it;
- (iv) the Trustee does not comply within 60 days; and
- (v) during such 60 day period the Holders of a majority in principal amount of the then Outstanding Notes do not give the Trustee a written direction which, in the opinion of the Trustee, is inconsistent with the request;

provided, that a Holder of a Note may institute suit for enforcement of payment of the principal of and premium, if any, or interest on such Note on or after the respective due dates expressed in such Note.

Section 6.7 Rights of Holders to Receive Payment. Notwithstanding any other provision of this Indenture (including, without limitation, Section 6.6), the right of any Holder to receive payment of principal or interest on the Notes held by such Holder, on or after the respective due dates, Redemption Dates or repurchase date expressed in this Indenture or the Notes, or to bring suit for the enforcement of any such payment on or after such respective dates, shall not be impaired or affected without the consent of such Holder.

Section 6.8 Collection Suit by Trustee. If an Event of Default specified in clause (i) and (ii) of Section 6.1(a) occurs and is continuing, the Trustee may recover judgment in its own name and as trustee of an express trust against the Issuer and each Note Guarantor for the whole amount then due and owing (together with applicable interest on any overdue principal and, to the extent lawful, interest on overdue interest) and the amounts provided for in Section 7.7.

Section 6.9 Trustee May File Proofs of Claim, etc.

- (a) The Trustee may (irrespective of whether the principal of the Notes is then due):
- (i) file such proofs of claim and other papers or documents as may be necessary or advisable in order to have the claims of the Trustee and the Holders under this Indenture and the Notes allowed in any bankruptcy, insolvency, liquidation or other judicial proceedings relative to the Issuer, any Note Guarantor or any Subsidiary of the Issuer or their respective creditors or properties; and
 - (ii) collect and receive any monies or other property payable or deliverable in respect of any such claims and distribute them in accordance with this Indenture.

Any receiver, trustee, liquidator, sequestrator (or other similar official) in any such proceeding is hereby authorized by each Holder to make such payments to the Trustee and, in the event that the Trustee shall consent to the making of such payments directly to the Holders, to pay to the Trustee any amount due to it for the reasonable compensation, expenses, taxes, disbursements and advances of the Trustee, its agent and counsel, and any other amounts due to the Trustee pursuant to Section 7.7.

(b) Nothing in this Indenture shall be deemed to authorize the Trustee to authorize or consent to or accept or adopt on behalf of any Holder any plan of reorganization, arrangement, adjustment or composition affecting the Notes or the rights of any Holder thereof, or to authorize the Trustee to vote in respect of the claim of any Holder in any such proceeding.

Section 6.10 Priorities. If the Trustee collects any money or property pursuant to this Article VI, it shall pay out the money or property in the following order:

FIRST: to the Trustee for amounts due under Section 7.7;

SECOND: if the Holders proceed against the Issuer directly without the Trustee in accordance with this Indenture, to Holders for their collection costs;

THIRD: to Holders for amounts due and unpaid on the Notes for principal and interest, ratably, without preference or priority of any kind, according to the amounts due and payable on the Notes for principal and interest, respectively; and

FOURTH: to the Issuer or, to the extent the Trustee collects any amount pursuant to Article X hereof from any Note Guarantor, to such Note Guarantor, or to such party as a court of competent jurisdiction shall direct.

The Trustee may, upon notice to the Issuer, fix a record date and payment date for any payment to Holders pursuant to this Section 6.10.

Section 6.11 Undertaking for Costs. In any suit for the enforcement of any right or remedy under this Indenture or in any suit against the Trustee for any action taken or omitted by it as Trustee, a court in its discretion may require the filing by any party litigant in the suit of an undertaking to pay the costs of the suit, and the court in its discretion may assess reasonable costs, including reasonable attorneys' fees, against any party litigant in the suit, having due regard to the merits and good faith of the claims or defenses made by the party litigant. This Section 6.11 does not apply to a suit by the Trustee, a suit by the Issuer, a suit by a Holder pursuant to Section 6.7 or a suit by Holders of more than 10% in principal amount of Outstanding Notes.

ARTICLE VII

TRUSTEE

Section 7.1 Duties of Trustee.

(a) If a Default or an Event of Default has occurred and is continuing, the Trustee shall exercise the rights and powers vested in it by this Indenture and use the same degree of care and skill in their exercise as a prudent man would exercise or use under the circumstances in the conduct of his own affairs.

(b) Except during the continuance of a Default or an Event of Default:

- (i) the Trustee undertakes to perform such duties and only such duties as are specifically set forth in this Indenture and no implied covenants or obligations shall be read into this Indenture against the Trustee; and
- (ii) in the absence of bad faith on its part, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Trustee and conforming to the requirements of this Indenture. However, in the case of any such certificates or opinions that by any provisions hereof are specifically required to be furnished to the Trustee, the Trustee shall examine such certificates and opinions to determine whether or not they conform to the requirements of this Indenture.

(c) The Trustee may not be relieved from liability for its own negligent action, its own negligent failure to act or its own willful misconduct, except that:

- (i) this clause (c) does not limit the effect of clause (b) of this Section 7.1;
- (ii) the Trustee shall not be liable for any error of judgment made in good faith by a Trust Officer unless it is proved that the Trustee was negligent in ascertaining the pertinent facts; and
- (iii) the Trustee shall not be liable with respect to any action it takes or omits to take in good faith in accordance with a direction received by it pursuant to Section 6.2, 6.4 or 6.5.

(d) The Trustee shall not be liable for interest on any money received by it except as the Trustee may agree in writing with the Issuer.

(e) Money held in trust by the Trustee need not be segregated from other funds except to the extent required by law.

(f) No provision of this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur financial liability in the performance of any of its duties hereunder or in the exercise of any of its rights or powers, if it shall have reasonable grounds to believe that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

(g) Every provision of this Indenture relating to the conduct or affecting the liability of or affording protection to the Trustee shall be subject to the provisions of this Article VII.

(h) Unless otherwise specifically provided in this Indenture, any demand, request, direction or notice from the Issuer shall be sufficient if signed by an Officer of the Issuer.

(i) The Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request or direction of any of the Holders unless such Holders shall have offered to the Trustee reasonable security or indemnity against the costs, expenses (including reasonable attorneys' fees and expenses) and liabilities that might be incurred by it in compliance with such request or direction.

Section 7.2 Rights of Trustee.

Subject to Section 7.1:

(a) The Trustee may rely on any document reasonably believed by it to be genuine and to have been signed or presented by the proper person. The Trustee need not investigate any fact or matter stated in the document.

(b) Before the Trustee acts or refrains from acting at the direction of the Issuer or any Note Guarantor, it may require an Officer's Certificate or an Opinion of Counsel. The Trustee shall not be liable for any action it takes or omits to take in good faith in reliance on an Officer's Certificate or Opinion of Counsel.

(c) The Trustee may act through its attorneys and agents and shall not be responsible for the misconduct or negligence of any agent appointed with due care.

(d) The Trustee shall not be liable for any action it takes or omits to take in good faith which it believes to be authorized or within its rights or powers; provided, however, that the Trustee's conduct does not constitute willful misconduct or negligence.

(e) The Trustee may consult with counsel of its selection, and the advice or opinion of counsel with respect to legal matters relating to this Indenture and the Notes shall be full and complete authorization and protection from liability in respect to any action taken, omitted or suffered by it hereunder in good faith and in accordance with the advice or opinion of such counsel.

(f) If the Trustee shall determine, it shall be entitled to examine the books, records and premises of the Issuer, personally or by agent or attorney.

(g) The Trustee shall not be deemed to have notice of any Default or Event of Default unless a Trust Officer of the Trustee has received written notice at the Corporate Trust Office of any event which is in fact such a default, and such notice references the Notes and this Indenture.

(h) The rights, privileges, protections, immunities and benefits given to the Trustee, including, without limitation, its right to be indemnified, are extended to, and shall be enforceable by, the Trustee in each of its capacities hereunder, and to each agent, custodian and other Person employed to act hereunder.

(i) The Trustee may request that the Issuer deliver an Officer's Certificate setting forth the names of individuals and/or titles of officers authorized at such time to take specified actions pursuant to this Indenture, which Officer's Certificate may be signed by any Person authorized to sign an Officer's Certificate, including any Person specified as so authorized in any such certificate previously delivered and not superseded.

(j) The permissive rights of the Trustee enumerated herein shall not be construed as duties.

(k) In no event shall the Trustee be liable, directly or indirectly, for any special, indirect, punitive or consequential damages, even if the Trustee has been advised of the possibility of such damages.

(l) The Trustee shall not be responsible or liable for any failure or delay in the performance of its obligations under this Indenture arising out of or caused, directly or indirectly, by circumstances beyond its reasonable control, including without limitation, acts of God; earthquakes; fires; floods; wars; civil or military disturbances; sabotage; epidemics; riots,

interruptions, loss or malfunctions of utilities, computer (hardware or software) or communications service; accidents; labor disputes; acts of civil or military authority or governmental actions; it being understood that the Trustee shall use its best efforts to resume performance as soon as practicable under the circumstances.

(m) The Trustee shall at no time have any responsibility or liability for or in respect to the legality, validity or enforceability of any Collateral or any arrangement or agreement between the Issuer and any other Person with respect thereto, or the perfection or priority of any security interest created in any of the Collateral or maintenance of any perfection and priority, or for or with respect to the sufficiency of the Collateral following an Event of Default.

Section 7.3 Individual Rights of Trustee. The Trustee in its individual or any other capacity may become the owner or pledgee of Notes and may otherwise deal with the Issuer, the Note Guarantors or any Affiliate of the Issuer with the same rights it would have if it were not Trustee. Any Paying Agent, Transfer Agent, Registrar or co-Registrar may do the same with like rights. However, the Trustee must comply with Section 7.10.

Section 7.4 Trustee's Disclaimer. The Trustee shall not be responsible for and makes no representation as to the validity or adequacy of this Indenture or the Notes, it shall not be accountable for the Issuer's use of the proceeds from the Notes, and it shall not be responsible for any statement of the Issuer in this Indenture or in any document issued in connection with the sale of the Notes or in the Notes other than the Trustee's certificate of authentication.

Section 7.5 Notice of Defaults. If a Default or Event of Default occurs and is continuing and if a Trust Officer has actual knowledge thereof, the Trustee shall mail to each Holder notice of the Default or Event of Default within 90 days after the occurrence thereof. Except in the case of a Default or Event of Default in payment of principal or interest on any Note (including payments pursuant to the optional redemption or required repurchase provisions of such Note, if any), the Trustee may withhold the notice if and so long as a committee of its Trust Officers in good faith determines that withholding the notice is in the interests of the Holders.

Section 7.6 [Reserved].

Section 7.7 Compensation and Indemnity.

(a) The Issuer shall pay to the Trustee from time to time reasonable compensation for its acceptance of this Indenture and services hereunder as the Issuer and the Trustee shall from time to time agree in writing. The Trustee's compensation shall not be limited by any law on compensation of a trustee of an express trust. The Issuer shall reimburse the Trustee upon request for all reasonable out-of-pocket expenses incurred or made by it, including costs of collection, costs of preparing and reviewing reports, certificates and other documents, costs of preparation and mailing of notices to Holders and reasonable costs of counsel retained by the Trustee in connection with the review, negotiation, execution and delivery of this Indenture or otherwise, in addition to the compensation for its services. Such expenses shall include the reasonable compensation and expenses, disbursements and advances of the Trustee's agents, counsel, accountants and experts.

(b) The Issuer and each Note Guarantor shall jointly and severally indemnify the Trustee against any and all loss, liability or expense (including reasonable attorneys' fees and expenses) incurred by it without negligence, willful misconduct or bad faith on its part in connection with the acceptance and administration of this trust and the performance of its duties hereunder, including the costs and expenses of enforcing this Indenture (including this [Section 7.7](#)) and of defending itself against any claims (whether asserted by any Holder, the Issuer, any Note Guarantor or otherwise). The Trustee shall notify the Issuer and each Note Guarantor promptly of any claim for which it may seek indemnity. Failure by the Trustee to so notify the Issuer or any Note Guarantor shall not relieve the Issuer or any Note Guarantor of its obligations hereunder. The Issuer shall defend the claim and the Trustee may have separate counsel and the Issuer shall pay the fees and expenses of such counsel; *provided*, that the Issuer shall not be required to pay such fees and expenses if it assumes the Trustee's defense, and, in the reasonable judgment of outside counsel to the Trustee, there is no conflict of interest between the Issuer and the Trustee in connection with such defense. The Issuer need not reimburse any expense or indemnify against any loss, liability or expense incurred by the Trustee through the Trustee's own willful misconduct, negligence or bad faith.

(c) To secure the Issuer's payment obligations in this [Section 7.7](#), the Trustee shall have a lien prior to the Notes on all money or property held or collected by the Trustee other than money or property held in trust to pay principal of and interest on particular Notes. The Trustee's right to receive payment of any amounts due under this [Section 7.7](#) shall not be subordinate to any other liability or Indebtedness of the Issuer.

(d) The Issuer's obligations pursuant to this [Section 7.7](#) shall survive the discharge of this Indenture and the resignation or removal of the Trustee. When the Trustee incurs expenses after the occurrence of a Bankruptcy Event of Default, the expenses are intended to constitute expenses of administration under any Bankruptcy Law; *provided, however*, that this shall not affect the Trustee's rights as set forth in this [Section 7.7](#) or [Section 6.10](#).

Section 7.8 [Replacement of Trustee](#).

(a) The Trustee may resign at any time by so notifying the Issuer. The Holders of a majority in principal amount of the then Outstanding Notes may remove the Trustee by so notifying the Trustee and may appoint a successor Trustee reasonably acceptable to the Issuer. The Issuer shall remove the Trustee if:

- (i) the Trustee fails to comply with [Section 7.10](#);
- (ii) the Trustee is adjudged bankrupt or insolvent;
- (iii) a receiver or other public officer takes charge of the Trustee or its property; or
- (iv) the Trustee otherwise becomes incapable of acting.

(b) If the Trustee resigns or is removed by the Issuer or by the Holders of a majority in principal amount of the then Outstanding Notes and such Holders do not reasonably promptly appoint a successor Trustee, or if a vacancy exists in the office of the Trustee for any reason (the Trustee in such event being referred to herein as the retiring Trustee), the Issuer shall promptly appoint a successor Trustee.

(c) A successor Trustee shall deliver a written acceptance of its appointment to the retiring Trustee and to the Issuer. Thereupon the resignation or removal of the retiring Trustee shall become effective, and the successor Trustee shall have all the rights, powers and duties of the Trustee under this Indenture. The successor Trustee shall mail a notice of its succession to Holders. The retiring Trustee shall promptly transfer all property held by it as Trustee to the successor Trustee, subject to the lien provided for in Section 7.7(c).

(d) If a successor Trustee does not take office within 30 days after the retiring Trustee resigns or is removed, the retiring Trustee or the Holders of 10% in principal amount of the then Outstanding Notes may petition, at the Issuer's expense, any court of competent jurisdiction for the appointment of a successor Trustee.

(e) If the Trustee fails to comply with Section 7.10, any Holder may petition any court of competent jurisdiction for the removal of the Trustee and the appointment of a successor Trustee.

(f) Notwithstanding the replacement of the Trustee pursuant to this Section 7.8, the Issuer's obligations under Section 7.7 shall continue for the benefit of the retiring Trustee.

Section 7.9 Successor Trustee by Merger.

(a) If the Trustee consolidates with, merges or converts into, or transfers all or substantially all its corporate trust business or assets to, another Person, the resulting, surviving or transferee Person without any further act shall be the successor Trustee.

(b) In case at the time such successor or successors to the Trustee shall succeed to the trusts created by this Indenture, any of the Notes shall have been authenticated but not delivered, any such successor to the Trustee may adopt the certificate of authentication of any predecessor trustee, and deliver such Notes so authenticated; and in case at that time any of the Notes shall not have been authenticated, any successor to the Trustee may authenticate such Notes either in the name of any predecessor hereunder or in the name of the successor to the Trustee; and in all such cases such certificates of authentication and such delivery shall be valid for purposes of this Indenture.

Section 7.10 Eligibility: Disqualification. The Trustee shall at all times be a Trustee hereunder that is a Person organized and doing business under the laws of the United States or of any state thereof that is authorized under such laws to exercise corporate trustee power, that is subject to supervision or examination by federal or state authorities and that has, together with its parent, a combined capital and surplus of at least U.S.\$50,000,000 as set forth in its most recent published annual report of condition.

Section 7.11 [Reserved].

Section 7.12 [Reserved].

Section 7.13 Authorization and Instruction of the Trustee With Respect to the Collateral. Each Holder and the Issuer authorize and instruct the Trustee (a) to enter into (or cause an agent or grant such powers of attorney to enter into), on its own behalf and on behalf of the Holders of Notes, such documents (the “Security Documents”) as are necessary or desirable (which shall be evidenced by a written instruction from the Issuer to the Trustee) in order to create and maintain the security interest of the Trustee and the Holders of Notes in the Collateral as may from time to time be provided to equally and ratably secure the Notes, (b) to grant such powers of attorney and to do or cause to be done all such acts and things, on its own behalf and in the name and on behalf of the Holders of Notes, as are necessary or desirable (which shall be evidenced by a written instruction from the Issuer to the Trustee) to create and maintain the security interest of the Trustee and the Holders of Notes in such Collateral, (c) to appoint the Security Agent to serve as direct representative of the Trustee and the Holders of Notes in connection with the creation and maintenance of the security interest of the Trustee and the Holders of Notes in such Collateral, (d) to accept the security interest in the Collateral on behalf of each Holder, and (e) to grant powers in favor of an attorney to execute an accession public deed before a Spanish notary public accepting the security interest in the Collateral on behalf of the Holders of Notes. It is understood and acknowledged that, in certain circumstances, the Security Documents may be amended, modified or waived without the consent of the Trustee or the Holders of Notes. It is understood and acknowledged that the Security Agent, in addition to being appointed by and acting on behalf of the Trustee and the Holders of Notes, has also been appointed by and is acting on behalf of (and may in the future be appointed by and act on behalf of) other creditors of the Issuer and its Subsidiaries. The Trustee will not have the right to cause the Security Agent to foreclose on the Collateral upon the occurrence of an Event of Default in respect of the Notes. The Trustee shall at no time have any responsibility or liability for or in respect to the legality, validity or enforceability of any Collateral or any arrangement or agreement between the Issuer and any other Person with respect thereto, or the perfection or priority of any security interest created in any of the Collateral or maintenance of any perfection and priority, or for or with respect to the sufficiency of the Collateral following an Event of Default.

ARTICLE VIII

DEFEASANCE; DISCHARGE OF INDENTURE

Section 8.1 Legal Defeasance and Covenant Defeasance.

(a) The Issuer may, at its option, at any time, elect to have either Section 8.1(b) or (c) be applied to all Outstanding Notes upon compliance with the conditions set forth in Section 8.2.

(b) Upon the Issuer’s exercise under Section 8.1(a) of the option applicable to this clause (b), the Issuer shall, subject to the satisfaction of the conditions set forth in Section 8.2, be deemed to have been discharged from its obligations with respect to all Outstanding

Notes on the date all of the conditions set forth in Section 8.2 are satisfied (hereinafter, “Legal Defeasance”). For this purpose, Legal Defeasance means that the Issuer shall be deemed to have paid and discharged the entire Indebtedness represented by the then Outstanding Notes, which shall thereafter be deemed to be Outstanding only for the purposes of Section 8.3 hereof and the other sections of this Indenture referred to in subclause (i) or (ii) of this clause (b), and to have satisfied all its other obligations under such Notes and this Indenture (and the Trustee, on demand of and at the expense of the Issuer, shall execute proper instruments acknowledging the same), except for the following provisions, which shall survive until otherwise terminated or discharged hereunder:

- (i) the rights of Holders of Outstanding Notes to receive solely from the trust fund described in Section 8.3, and as more fully set forth in Section 2.4 payments in respect of the principal of, premium, if any, and interest on such Notes when such payments are due,
- (ii) the Issuer’s obligations with respect to such Notes under Article II and Section 3.2 hereof,
- (iii) the rights, powers, trusts, duties and immunities of the Trustee hereunder and the Issuer’s obligations in connection therewith, and
- (iv) this Article VIII.

Subject to compliance with this Article VIII, the Issuer may exercise its option under this clause (b) notwithstanding the prior exercise of its option under Section 8.1(c) hereof.

(c) Upon the Issuer’s exercise under Section 8.1(a) hereof of the option applicable to this clause (c), the Issuer shall, subject to the satisfaction of the applicable conditions set forth in Section 8.2, be released from its obligations under Sections 3.4, 3.5, 3.8, 3.9, 3.11, 3.12, 3.13, 3.14, 3.15, 3.16, 3.17, 3.18, 3.19, 3.20, 3.21, 3.22, 4.1(a) and 4.1(b) hereof with respect to the then Outstanding Notes on and after the date the conditions set forth below are satisfied (hereinafter, “Covenant Defeasance”), and the Notes shall thereafter be deemed not Outstanding for the purposes of any direction, waiver, consent or declaration or act of Holders (and the consequences of any thereof) in connection with such covenants, but shall continue to be Outstanding for all other purposes hereunder (it being understood that such Notes shall not be deemed Outstanding for accounting purposes). For this purpose, such Covenant Defeasance means that, with respect to the then Outstanding Notes, the Issuer may omit to comply with and shall have no liability in respect of any term, condition or limitation set forth in any such covenant, whether directly or indirectly, by reason of any reference elsewhere herein to any such covenant or by reason of any reference in any such covenant to any other provision herein or in any other document and such omission to comply shall not constitute a Default or an Event or Default under clause (iii) of Section 6.1(a) (solely with respect to any failure to perform under or comply with clause (ii) or (iii) of Section 4.1(a)), clause (iv) of Section 6.1(a) or clause (v) of Section 6.1(a) hereof, but, except as specified above, the remainder of this Indenture and such Notes shall be unaffected thereby.

Section 8.2 Conditions to Defeasance. The Issuer may exercise its Legal Defeasance option or its Covenant Defeasance option only if:

(a) the Issuer has irrevocably deposited with the Trustee, in trust, for the benefit of the Holders cash in U.S. Legal Tender or U.S. Government Obligations, in such amounts as will be sufficient without reinvestment, in the opinion of a nationally recognized firm of independent public accountants, to pay the principal of, premium, if any, and interest (including Additional Amounts) on the Notes on the stated date for payment thereof or on the applicable Redemption Date, as the case may be;

(b) in the case of Legal Defeasance, the Issuer has delivered to the Trustee an Opinion of Counsel reasonably acceptable to the Trustee (subject to customary exceptions and exclusions) and independent of the Issuer to the effect that:

- (i) the Issuer has received from, or there has been published by, the Internal Revenue Service a ruling; or
- (ii) since the Issue Date, there has been a change in the applicable U.S. federal income tax law,

in either case to the effect that, and based thereon such Opinion of Counsel shall state that, the Holders will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such Legal Defeasance and will be subject to U.S. federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Legal Defeasance had not occurred;

(c) in the case of Covenant Defeasance, the Issuer has delivered to the Trustee an Opinion of Counsel reasonably acceptable to the Trustee (subject to customary exceptions and exclusions) to the effect that the Holders will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such Covenant Defeasance and will be subject to U.S. federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Covenant Defeasance had not occurred;

(d) no Default or Event of Default shall have occurred and be continuing on the date of the deposit pursuant to Section 8.2(a) (except any Default or Event of Default resulting from the failure to comply with Section 3.9 as a result of the borrowing of the funds required to effect such deposit);

(e) the Trustee has received an Officer's Certificate stating that such Legal Defeasance or Covenant Defeasance shall not result in a breach or violation of, or constitute a default under this Indenture or any other material agreement or instrument to which the Issuer or any of its Subsidiaries is a party or by which the Issuer or any of its Subsidiaries is bound;

(f) the Issuer has delivered to the Trustee an Officer's Certificate stating that the deposit was not made by the Issuer with the intent of preferring the Holders over any other creditors of the Issuer or any Subsidiary of the Issuer or with the intent of defeating, hindering, delaying or defrauding any other creditors of the Issuer or others;

(g) the Issuer has delivered to the Trustee an Officer's Certificate and an Opinion of Counsel from counsel reasonably acceptable to the Trustee (subject to customary exceptions and exclusions) and independent of the Issuer, each stating that all conditions precedent provided for or relating to the Legal Defeasance or the Covenant Defeasance have been complied with; and

(h) the Issuer has delivered to the Trustee an Opinion of Counsel from counsel reasonably acceptable to the Trustee and independent of the Issuer to the effect that the trust resulting from the deposit does not constitute, or is qualified as, a regulated investment company under the Investment Company Act of 1940.

Section 8.3 Application of Trust Money. The Trustee shall hold in trust U.S. Legal Tender or U.S. Government Obligations deposited with it pursuant to this Article VIII. It shall apply the deposited U.S. Legal Tender or U.S. Government Obligations through the Paying Agent and in accordance with this Indenture to the payment of principal of and interest on the Notes.

Section 8.4 Repayment to Issuer.

(a) The Trustee and the Paying Agent shall promptly turn over to the Issuer upon request any excess money or securities held by them upon payment of all the obligations under this Indenture.

(b) Subject to any applicable abandoned property law, the Trustee and the Paying Agent shall pay to the Issuer upon request any money held by them for the payment of principal of, premium or interest on the Notes that remains unclaimed for two years, and, thereafter, Holders entitled to the money must look to the Issuer for payment as general creditors.

Section 8.5 Indemnity for U.S. Government Obligations. The Issuer shall pay and shall indemnify the Trustee against any tax, fee or other charge imposed on or assessed against deposited U.S. Government Obligations or the principal and interest received on such U.S. Government Obligations.

Section 8.6 Reinstatement. If the Trustee or Paying Agent is unable to apply any U.S. Legal Tender or U.S. Government Obligations in accordance with this Article VIII by reason of any legal proceeding or by reason of any order or judgment of any court or governmental authority enjoining, restraining or otherwise prohibiting such application, the obligations of the Issuer under this Indenture and the Notes shall be revived and reinstated as though no deposit had occurred pursuant to this Article VIII until such time as the Trustee or Paying Agent is permitted to apply all such U.S. Legal Tender or U.S. Government Obligations in accordance with this Article VIII; *provided, however*, that, if the Issuer has made any payment of principal of, premium or interest on any Notes because of the reinstatement of its obligations, the Issuer shall be subrogated to the rights of the Holders of such Notes to receive such payment from U.S. Legal Tender or U.S. Government Obligations held by the Trustee or Paying Agent.

Section 8.7 Satisfaction and Discharge. This Indenture will be discharged and will cease to be of further effect (except as to surviving rights of registration of transfer or exchange of the Notes, as expressly provided for in this Indenture) as to all Outstanding Notes when:

(a) either:

- (i) all the Notes theretofore authenticated and delivered (except lost, stolen or destroyed Notes which have been replaced or paid and Notes for whose payment money has theretofore been deposited in trust or segregated and held in trust by the Issuer and thereafter repaid to the Issuer or discharged from such trust) have been delivered to the Trustee for cancellation; or
- (ii) all Notes not theretofore delivered to the Trustee for cancellation have become due and payable, and the Issuer has irrevocably deposited or caused to be deposited with the Trustee U.S. Legal Tender or U.S. Government Obligations sufficient without reinvestment to pay and discharge the entire Indebtedness on the Notes not theretofore delivered to the Trustee for cancellation, for principal of, premium, if any, and interest on the Notes to the date of deposit, together with irrevocable instructions from the Issuer directing the Trustee to apply such funds to the payment;

(b) the Issuer has paid all other sums payable under this Indenture and the Notes by it; and

(c) the Issuer has delivered to the Trustee an Officer's Certificate and an Opinion of Counsel stating that all conditions precedent under this Indenture relating to the satisfaction and discharge of this Indenture have been complied with.

ARTICLE IX

AMENDMENTS

Section 9.1 Without Consent of Holders.

(a) The Issuer, the Note Guarantors and the Trustee may amend or supplement this Indenture, the Notes or the Note Guarantees without notice to or consent of any Holder:

- (i) to cure any ambiguity, omission, defect or inconsistency;
- (ii) to comply with Article IV in respect of the assumption by a Successor Issuer of the obligations of the Issuer under the Notes and this Indenture;
- (iii) to provide for uncertificated Notes in addition to or in place of Certificated Notes; provided, however, that the uncertificated Notes are issued in registered form for purposes of Section 163(f) of the Code;
- (iv) to add guarantees with respect to the Notes or to secure the Notes;

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- (v) to add to the covenants of the Issuer or the Note Guarantors for the benefit of the Holders or to surrender any right or power herein conferred upon the Issuer or the Note Guarantors;
 - (vi) to make any change that does not, in the opinion of the Issuer, as conclusively evidenced by an Officer's Certificate to such effect, adversely affect the rights of any Holder in any material respect;
 - (vii) to conform the text of this Indenture, the Note Guarantees or the Notes to any provision of the section "Description of Notes" in the Offering Memorandum to the extent that such provision in such "Description of Notes" was intended to be a verbatim recitation of a provision of this Indenture or the Notes or Note Guarantees;
 - (viii) to comply with the requirements of any applicable securities depository;
 - (ix) to provide for the issuance of Additional Notes as permitted by Section 2.2(c) and Section 2.14, which will have terms substantially identical to the other Outstanding Notes except as specified in Section 2.13, or Section 2.14, and which will be treated, together with any other Outstanding Notes, as a single issue of securities; or
 - (x) in order to effect and maintain the listing of the Notes on the Global Exchange Market of the Irish Stock Exchange.

(b) After an amendment or supplement under this Section 9.1 becomes effective, the Issuer shall mail to Holders a notice briefly describing such amendment. The failure to give such notice to all Holders, or any defect therein, shall not impair or affect the validity of an amendment under this Section 9.1.

Section 9.2 With Consent of Holders.

(a) The Issuer, the Note Guarantors and the Trustee may amend or supplement this Indenture or the Notes without notice to any Holder but with the written consent of the Holders of at least a majority in principal amount of the then Outstanding Notes (including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, Notes). Subject to Section 6.4, the Holder or Holders of a majority in aggregate principal amount of the then Outstanding Notes may waive compliance by the Issuer and the Note Guarantors with any provision of this Indenture or the Notes. However, without the consent of each Holder affected, an amendment, supplement or waiver may not:

- (i) reduce the amount of Notes whose Holders must consent to an amendment, supplement or waiver;
- (ii) reduce the rate of or change or have the effect of changing the time for payment of interest, including Defaulted Interest, on any Notes;

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- (iii) reduce the principal of or change or have the effect of changing the fixed maturity of any Notes, or change the date on which any Notes may be subject to redemption, or reduce the redemption price therefor;
 - (iv) make any Notes payable in money other than that stated in the Notes;
 - (v) make any change in the provisions of this Indenture entitling each Holder to receive payment of principal of, premium, if any, and interest on such Notes on or after the due date thereof or to bring suit to enforce such payment, or permitting Holders of a majority in principal amount of the then Outstanding Notes to waive Defaults or Events of Default;
 - (vi) amend, change or modify in any material respect any obligations of the Issuer to make and consummate a Change of Control Offer in respect of a Change of Control that has occurred or make and consummate an Asset Sale Offer with respect to any Asset Sale that has been consummated;
 - (vii) make any change in the provisions of this Indenture described under Section 3.21 that adversely affects the rights of any Holder or amend the terms of the Notes in a way that would result in a loss of exemption from Taxes; or
 - (viii) make any change to the provisions of this Indenture or the Notes that adversely affect the ranking of the Notes.

(b) It shall not be necessary for the consent of the Holders under this Section 9.2 to approve the particular form of any proposed amendment, supplement or waiver but it shall be sufficient if such consent approves the substance thereof.

(c) After an amendment, supplement or waiver under this Section 9.2 becomes effective, the Issuer shall mail to Holders a notice briefly describing such amendment, supplement or waiver. The failure to give such notice to all Holders, or any defect therein, shall not impair or affect the validity of an amendment, supplement or waiver under this Section 9.2.

(d) The Notes issued on the Issue Date, and any Additional Notes part of the same series, will be treated as a single series for all purposes under this Indenture, including with respect to waivers and amendments. For the purposes of calculating the aggregate principal amount of Notes that have consented to or voted in favor of any amendment, waiver, consent, modifications or other similar action, the Issuer (acting reasonably and in good faith) shall be entitled to select a record date as of which the principal amount of any Notes shall be calculated in such consent or voting process.

Section 9.3 [Reserved].

Section 9.4 Revocation and Effect of Consents and Waivers.

(a) A consent to an amendment, supplement or waiver by a Holder of a Note shall bind the Holder and every subsequent Holder of that Note or portion of the Note that evidences the same debt as the consenting Holder's Note, even if notation of the consent or waiver is not made on the Note. However, any such Holder or subsequent Holder may revoke the consent or waiver as to such Holder's Note or portion of the Note if the Trustee receives the notice of revocation before the date the amendment, supplement or waiver becomes effective. After an amendment, supplement or waiver becomes effective, it shall bind every Holder, except as otherwise provided in this Article IX. An amendment, supplement or waiver shall become effective upon receipt by the Trustee of the requisite number of written consents under Section 9.2.

(b) The Issuer may, but shall not be obligated to, fix a record date for the purpose of determining the Holders entitled to give their consent or take any other action described above or required or permitted to be taken pursuant to this Indenture. If a record date is fixed, then notwithstanding the immediately preceding paragraph, those Persons who were Holders at such record date (or their duly designated proxies), and only those Persons, shall be entitled to give such consent or to revoke any consent previously given or to take any such action, whether or not such Persons continue to be Holders after such record date. No such consent shall be valid or effective for more than 90 days after such record date.

Section 9.5 Notation on or Exchange of Notes. If an amendment or supplement changes the terms of a Note, the Trustee may require the Holder of the Note to deliver it to the Trustee. The Trustee may place an appropriate notation on the Note regarding the changed terms and return it to the Holder. Alternatively, if the Issuer or the Trustee so determines, the Issuer, in exchange for the Note, will execute and upon Issuer Order, the Trustee will authenticate and make available for delivery a new Note that reflects the changed terms. Failure to make the appropriate notation or to issue a new Note shall not affect the validity of such amendment or supplement.

Section 9.6 Trustee to Sign Amendments and Supplements. The Trustee shall sign any amendment, supplement or waiver authorized pursuant to this Article IX if the amendment or supplement does not adversely affect the rights, duties, liabilities or immunities of the Trustee. If it does, the Trustee may but need not sign it. In signing such amendment, supplement or waiver, the Trustee shall be entitled to receive indemnity reasonably satisfactory to it and to receive, and (subject to Section 7.1 and Section 7.2) shall be fully protected in relying upon, in addition to the documents required by Section 12.4, an Opinion of Counsel and an Officer's Certificate each stating that such amendment, supplement or waiver is authorized or permitted by this Indenture and that all conditions precedent to the execution of such amendment, supplement or waiver have been complied with.

ARTICLE X

NOTE GUARANTEES

Section 10.1 Note Guarantees.

(a) Each Note Guarantor hereby fully and unconditionally guarantees, as primary obligor and not merely as surety, jointly and severally with each other Note Guarantor, to each Holder and the Trustee, the full and punctual payment when due, whether at maturity, by acceleration, by redemption or otherwise, of the Obligations (such guaranteed Obligations, the “Guaranteed Obligations”). Each Note Guarantor further agrees that its Note Guarantee herein constitutes a guarantee of payment when due (and not a guarantee of collection) and agrees to pay, in addition to the amounts stated in Section 10.1(f), any and all expenses (including reasonable counsel fees and expenses) incurred by the Trustee or the Holders in enforcing or exercising any rights under any Note Guarantee.

(b) In no event shall the Trustee or the Holders be obligated to take any action, obtain any judgment or file any claim prior to enforcing or exercising any rights under any Note Guarantee.

(c) Each Note Guarantor further agrees that its Note Guarantee constitutes an absolute and unconditional and continuing guarantee. Each Note Guarantor hereby waives, to the extent permitted by law:

- (i) any claim as to the legality, validity, regularity or enforceability of this Indenture, the Notes or any other agreement;
- (ii) any claim as to the lack of authority of the Issuer to execute or deliver this Indenture, the Notes or any other agreement;
- (iii) diligence, presentation to, demand of payment from and protest to the Issuer of any of the Obligations and notice of protest for nonpayment;
- (iv) the occurrence of any Default or Event of Default under this Indenture, the Notes or any other agreement;
- (v) notice of any Default or Event of Default under this Indenture, the Notes or any other agreement;
- (vi) the failure of the Trustee or any Holder to assert any claim or demand or to enforce any right or remedy against the Issuer or any other Person under this Indenture, the Notes or any other agreement;
- (vii) any extension or renewal of the Obligations, this Indenture, the Notes or any other agreement;
- (viii) any rescission, waiver, amendment or modification of any of the terms or provisions of this Indenture, the Notes or any other agreement;
- (ix) the existence of any bankruptcy, insolvency, reorganization or similar proceedings involving the Issuer;

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- (x) any setoff, counterclaim, recoupment, termination or defense of any kind or nature which may be available to or asserted by any Note Guarantor or the Issuer against the Holders or the Trustee;
 - (xi) any impairment, taking, furnishing, exchange or release of, or failure to perfect or obtain protection of any security interest in, any collateral securing this Indenture and the Notes and any right to require that any resort be had by the Trustee or any Holder to any such collateral;
 - (xii) the failure of the Trustee or any Holder to exercise any right or remedy against any other Note Guarantor;
 - (xiii) any change in the ownership of the Issuer;
 - (xiv) any change in the laws, rules or regulations of any jurisdiction;
 - (xv) any present or future action of any governmental authority or court amending, varying, reducing or otherwise affecting, or purporting to amend, vary, reduce or otherwise affect, any of the obligations of the Issuer under this Indenture or the Notes or of any Note Guarantor under its Note Guarantee; and
 - (xvi) any other act or thing or omission or delay to do any other act or thing which may or might in any manner or to any extent vary the risk of each Note Guarantor or would otherwise operate as a discharge of such Note Guarantor as a matter of law or equity.

(d) Each of the Note Guarantors further expressly waives irrevocably and unconditionally:

- (i) Any right it may have to first require any Holder to proceed against, initiate any actions before a court of law or any other judge or authority, or enforce any other rights or security or claim payment from the Issuer or any other Person (including any Note Guarantor or any other guarantor of the Notes) before claiming from it under this Indenture;
- (ii) Any right to which it may be entitled to have the assets of the Issuer or any other Person (including any Note Guarantor or any other guarantor of the Notes) first be used, applied or depleted as payment of the Issuer's or the Note Guarantors' obligations hereunder, prior to any amount being claimed from or paid by any of the Note Guarantors hereunder;
- (iii) Any right to which it may be entitled to have claims hereunder divided between the Note Guarantors;
- (iv) To the extent applicable, the benefits of *orden*, *excusión*, *división*, *quita* and *espera* and any right specified in articles 2814, 2815, 2817, 2818, 2819, 2820, 2821, 2822, 2823, 2826, 2837, 2838, 2839, 2840, 2845, 2846, 2847 and any other related or applicable articles that are not explicitly set forth herein because of Note Guarantor's knowledge thereof of the *Código Civil Federal* of Mexico, and the *Código Civil* of each State of the Mexican Republic and the Federal District of Mexico.

(e) The obligations assumed by each Note Guarantor hereunder shall not be affected by the absence of judicial request of payment by a Holder to the Issuer or by whether any such person takes timely action pursuant to articles 2848 and 2849 of the Código Civil Federal of Mexico and the Código Civil of each State of the Mexican Republic and the Federal District of Mexico and each Note Guarantor hereby expressly waives the provisions of such articles.

(f) The obligations of each Note Guarantor hereunder shall not be subject to any reduction, limitation, impairment or termination for any reason (other than payment of the Obligations in full), including any claim of waiver, release, surrender, alteration or compromise, and shall not be subject to any defense of setoff, counterclaim, recoupment or termination whatsoever or by reason of the invalidity, illegality or unenforceability of the Obligations or otherwise. Without limiting the generality of the foregoing, the obligations of each Note Guarantor herein shall not be discharged or impaired or otherwise affected by the failure of any Holder to assert any claim or demand or to enforce any remedy under this Indenture, the Notes or any other agreement, by any waiver or modification of any thereof, by any default, failure or delay, willful or otherwise, in the performance of the Obligations, or by any other act or thing or omission or delay to do any other act or thing which may or might in any manner or to any extent vary the risk of such Note Guarantor or would otherwise operate as a discharge of such Note Guarantor as a matter of law or equity.

(g) Except as provided in Section 10.2, the obligations of each Note Guarantor hereunder shall not be subject to any reduction, limitation, impairment or termination for any reason other than payment of the Obligations in full.

(h) Each Note Guarantor further agrees that its Note Guarantee herein shall continue to be effective or be reinstated, as the case may be, if at any time payment, or any part thereof, of principal of or interest on any of the Obligations is rescinded or must otherwise be restored by any Holder upon the bankruptcy or reorganization of the Issuer or otherwise.

(i) In furtherance of the foregoing and not in limitation of any other right which the Trustee or any Holder has at law or in equity against each Note Guarantor by virtue hereof, upon the failure of the Issuer to pay any of the Obligations when and as the same shall become due, whether at maturity, by acceleration, by redemption or otherwise, each Note Guarantor hereby promises to and will, upon receipt of written demand by the Trustee, forthwith pay, or cause to be paid, in cash, to the Holders an amount equal to the sum of:

- (i) the unpaid amount of such Obligations then due and owing; and
- (ii) accrued and unpaid interest on such Obligations then due and owing (but only to the extent not prohibited by law);

provided, that any delay by the Trustee in giving such written demand shall in no event affect any Note Guarantor's obligations under its Note Guarantee.

(j) Each Note Guarantor further agrees that, as between such Note Guarantor, on the one hand, and the Holders, on the other hand:

- (i) the maturity of the Obligations guaranteed hereby may be accelerated as provided in this Indenture for the purposes of its Note Guarantee herein, notwithstanding any stay, injunction or other prohibition preventing such acceleration in respect of the Obligations guaranteed hereby; and
- (ii) in the event of any such declaration of acceleration of such Obligations, such Obligations (whether or not due and payable) shall forthwith become due and payable by the Note Guarantor for the purposes of this Note Guarantee.

Section 10.2 Limitation on Liability; Termination, Release and Discharge.

(a) Subject to the limitations set out in Section 10.5 and Section 10.6, the obligations of each Note Guarantor hereunder will be limited to the maximum amount as will, after giving effect to all other contingent and fixed liabilities of such Note Guarantor and after giving effect to any collections from or payments made by or on behalf of any other Note Guarantor in respect of the obligations of such other Note Guarantor under its Note Guarantee or pursuant to its contribution obligations under this Indenture, result in the obligations of such Note Guarantor under its Note Guarantee not constituting a fraudulent conveyance or fraudulent transfer under federal or state law.

(b) A Note Guarantor will be released and relieved of its obligations under its Note Guarantee in the event that:

- (i) there is a Legal Defeasance of the Notes pursuant to Article VIII;
- (ii) there is a sale or other disposition of Capital Stock of such Note Guarantor following which such Note Guarantor is no longer a direct or indirect Subsidiary of the Issuer;
- (iii) such Note Guarantor is designated as an Unrestricted Subsidiary in accordance with Section 3.14;
- (iv) solely with respect to an Additional Note Guarantor, either (A) the Facilities Agreement Indebtedness has been repaid in full and such Additional Note Guarantor is not a guarantor of the Indebtedness Incurred to refinance such Facilities Agreement Indebtedness or (B) at least 85% of the outstanding Indebtedness of the Issuer and its Restricted Subsidiaries is not guaranteed by such Additional Note Guarantor; or
- (v) solely with respect to an Additional Note Guarantor, upon the occurrence of a Partial Covenant Suspension Event or Covenant Suspension Event until the occurrence of a Partial Covenant Reversion Date or a Reversion Date, as applicable, at which time the guarantee of the Notes by such Additional Note Guarantor shall be reinstated unless such Additional Note Guarantor would have been released at any time during the Partial Suspension Period or the Suspension Period, as applicable, pursuant to clause (i), (ii), (iii) or (iv) of this Section 10.2(b).

Section 10.3 Right of Contribution. Each Note Guarantor that makes a payment or distribution under a Note Guarantee will be entitled to a contribution from each other Note Guarantor in a *pro rata* amount, based on the net assets of each Note Guarantor determined in accordance with GAAP. The provisions of this Section 10.3 shall in no respect limit the obligations and liabilities of each Note Guarantor to the Trustee and the Holders and each Note Guarantor shall remain liable to the Trustee and the Holders for the full amount guaranteed by such Note Guarantor hereunder.

Section 10.4 No Subrogation. Each Note Guarantor agrees that it shall not be entitled to any right of subrogation in respect of any Guaranteed Obligations until payment in full in cash or Cash Equivalents of all Obligations. If any amount shall be paid to any Note Guarantor on account of such subrogation rights at any time when all of the Obligations shall not have been paid in full in cash or Cash Equivalents, such amount shall be held by such Note Guarantor in trust for the Trustee and the Holders, segregated from other funds of such Note Guarantor, and shall, forthwith upon receipt by such Note Guarantor, be turned over to the Trustee in the exact form received by such Note Guarantor (duly endorsed by such Note Guarantor to the Trustee, if required), to be applied against the Obligations.

Section 10.5 French Guarantee Limitation.

(a) The obligations of any Note Guarantor incorporated in France (a "French Note Guarantor") are subject to the limitations set out in this Section 10.5.

(b) The obligations and liabilities of any French Note Guarantor under the Indenture and the Notes, and in particular under this Article X, shall not include any obligation or liability which, if incurred, would constitute the provision of financial assistance within the meaning of article L.225-216 of the French Commercial Code and/or would constitute a misuse of corporate assets within the meaning of article(s) L. 241-3 or L. 242-6 of the French Commercial Code or any other law or regulations having the same effect, as interpreted by French courts.

(c) The obligations and liabilities of any French Note Guarantor under this Article X for the Issuer's obligations under the Indenture and the Notes shall be limited, at any time, to an amount equal to the aggregate of all amounts made available under the Notes and the

Indenture to the Issuer to the extent directly or indirectly on-lent to such French Note Guarantor and/or its direct and indirect Subsidiaries under intercompany loan agreements (excluding, for the avoidance of doubt, any cash-pooling arrangements or other cash management agreements, *provided*, that the proceeds of the Notes shall not be used, in whole or in part, to finance, directly or indirectly, such cash pooling arrangements or other cash management agreements) and outstanding at the date a payment is to be made by such French Note Guarantor under this Article X, it being specified that any payment made by a French Note Guarantor under this Article X in respect of the obligations of the Issuer shall reduce *pro tanto* the outstanding amount of the intercompany loans due by such French Note Guarantor or its relevant direct or indirect Subsidiary under the intercompany loan agreements referred to above and that any repayment of the intercompany loans by the French Note Guarantor or its relevant direct or indirect Subsidiary shall reduce *pro tanto* the amount payable by the French Note Guarantor under this Article X.

(d) It is acknowledged that no French Note Guarantor is acting jointly and severally with the other Note Guarantors and no French Note Guarantor shall therefore be considered as “*co-débiteur solidaire*” as to its obligations pursuant to the guarantee given pursuant to this Article X.

Section 10.6 Swiss Guarantee Limitation.

(a) The obligations of any Note Guarantor incorporated in Switzerland (a “Swiss Note Guarantor”) are subject to the limitations set out in this Section 10.6.

(b) The obligations and liabilities of a Swiss Note Guarantor under the Indenture, the Notes or any other agreement, and in particular under this Article X, in relation to the obligations, undertakings, indemnities or liabilities of a Note Guarantor other than that Swiss Note Guarantor or any of its fully owned and controlled subsidiaries (the “Restricted Obligations”) shall not include any obligation or liability which, if incurred, would constitute the provision of financial assistance not permitted under the laws of Switzerland then in force and/or would constitute a misuse of corporate assets under Swiss law as interpreted by Swiss courts and shall be limited to the amount of that Swiss Note Guarantor’s Free Reserves Available for Distribution (as defined below) at the time payment is requested, *provided*, that such limitation is a requirement under applicable law (including any case law) at that point in time and that such limitation shall not free the Swiss Note Guarantor from its obligations in excess thereof, but merely postpone the performance date until such time as performance is permitted notwithstanding such limitation.

(c) For the purpose of this clause, “Free Reserves Available for Distribution” means an amount equal to the maximal amount in which the relevant Swiss Note Guarantor can make a dividend payment to its shareholder(s) (being the balance sheet profit and any freely disposable reserves available for this purpose, in each case in accordance with applicable Swiss law).

(d) As soon as possible after having been requested to discharge a Restricted Obligation, the Swiss Note Guarantor shall, if it cannot discharge the full amount of the Restricted Obligations, provide the Trustee with an interim statutory balance sheet audited by the statutory auditors of the Swiss Note Guarantor setting out the Free Reserves Available for Distribution and, immediately thereafter, pay the amount corresponding to the Free Reserves Available for Distribution to the Trustee (save to the extent provided below).

(e) In respect of the Restricted Obligations, the Swiss Note Guarantor shall:

- (i) if and to the extent required by applicable law in force at the relevant time:
 - (A) subject to any applicable double taxation treaties, deduct Swiss withholding tax at the rate of 35 percent (or such other rate as is in force at that time) from any payment made by it;
 - (B) pay any such deduction to the Swiss Federal Tax Administration; and
 - (C) notify and provide evidence to the Trustee that the Swiss withholding tax has been paid to the Swiss Federal Tax Administration;
- (ii) to the extent such deduction is made, not be required to make a gross-up, indemnify or otherwise hold harmless the Trustee or the Holders for the deduction of the Swiss withholding tax notwithstanding anything to the contrary contained in the Indenture, the Notes or any other agreement, unless grossing up is permitted under the laws of Switzerland then in force and *provided*, that this should not in any way limit any obligations of any non-Swiss Note Guarantors under the Indenture, the Notes or any other agreement to indemnify the Trustee or the Holders in respect of the deduction of the Swiss withholding tax. The Swiss Note Guarantor shall use all reasonable efforts to procure that any person which is entitled to a full or partial refund of any Swiss withholding tax paid pursuant to paragraph (a) above will, as soon as possible after the deduction of the Swiss withholding tax: (y) request a refund of the Swiss withholding tax under any applicable law (including double taxation treaties) and (z) pay to the Trustee upon receipt any amount so refunded.

(f) The Swiss Note Guarantor will take, and cause to be taken, all and any other action, including, without limitation, the passing of any shareholders' resolutions to approve any payment or other performance under the Indenture and the Notes and the receipt of any confirmations from the Swiss Note Guarantor's auditors, whether following a request to discharge a Restricted Obligation or which may be required as a matter of mandatory Swiss law in force at the time it is required to make a payment or perform other obligations under the Indenture, the Notes or any other agreement in order to allow a prompt payment or performance of other obligations under the Indenture or the Notes.

(g) If the enforcement of the Restricted Obligations would be limited due to the effects referred to in this [Section 10.6](#) and if any asset of the Swiss Note Guarantor has a book value that is less than its market value (an "Undervalued Asset"), the Swiss Note Guarantor

shall, to the extent permitted by applicable law and its accounting standards (i) write up the book value of such Undervalued Asset such that its balance sheet reflects a book value that is equal to the market value of such Undervalued Asset, and (ii) make reasonable efforts to realize the Undervalued Asset for a sum which is at least equal to the market value of such asset. Without prejudice to the rights of the Trustee and the Holders under the Indenture, the Notes or any other agreement, the Swiss Note Guarantor will only be required to realize an Undervalued Asset if such asset is not necessary for the Swiss Note Guarantor's business (*nicht betriebsnotwendig*).

ARTICLE XI

COLLATERAL

Section 11.1 The Collateral. Subject to Section 11.2, the Issuer and the Note Guarantors agree that the Notes will be at all times secured by a first-priority security interest in the Collateral on at least an equal and ratable basis with the Permitted Secured Obligations.

Section 11.2 Release of the Collateral.

(a) The Notes will cease to be secured by a security interest in the Collateral in accordance with the provisions of the Intercreditor Agreement.

(b) In addition to the Collateral release provisions set forth in the Intercreditor Agreement, the Notes will cease to be secured by a security interest on the Collateral upon:

- (i) (A) payment in full of the principal of, any accrued and unpaid interest on, the Notes and all other amounts or Obligations that are due and payable at or prior to the time such principal, accrued and unpaid interest, if any, are paid, (B) a satisfaction and discharge of this Indenture or (C) a Legal Defeasance or Covenant Defeasance pursuant to Article VIII; or
- (ii) a refinancing of the Facilities Agreement Indebtedness in full as a result of which the Collateral does not secure Indebtedness Incurred to refinance such Facilities Agreement Indebtedness.

ARTICLE XII

MISCELLANEOUS

Section 12.1 Notices.

(a) Any notice or communication shall be in writing and delivered in person or mailed by first-class mail, postage prepaid, addressed as follows:
if to the Issuer and the Note Guarantors:

c/o CEMEX, S.A.B. de C.V.
Av. Ricardo Margáin Zozaya #325
Colonia Valle del Campestre
Garza García, Nuevo León
México 66265
Attention: Chief Financial Officer
Fax: +1 52 81 8888 4417

if to the Trustee:

The Bank of New York Mellon
101 Barclay Street – 7E
New York, NY 10286
Attention: International Corporate Trust
Fax: 724-540-6330

The Issuer or the Trustee by notice to the other may designate additional or different addresses for subsequent notices or communications.

(b) All notices to Holders of Notes will be validly given if mailed to them at their respective addresses in the register of the Holders of such Notes, if any, maintained by the Registrar. For so long as any Notes are represented by Global Notes, all notices to Holders of the Notes will be delivered to DTC, delivery of which shall be deemed to satisfy the requirements of this paragraph.

(c) Each such notice shall be deemed to have been given on the date of delivery or mailing. Any notice or communication mailed to a Holder shall be mailed to such Person by first-class mail or other equivalent means and shall be sufficiently given to them if so mailed within the time prescribed. Failure to mail a notice or communication to a Holder or any defect in it shall not affect its sufficiency with respect to other Holders. If a notice or communication is mailed in the manner provided above, it is duly given, whether or not the addressee receives it.

(d) Subject to Section 7.1(c) and Section 7.2(a), the Trustee shall accept electronic transmissions; *provided*, that (i) the Trustee shall not have any duty or obligation to verify or confirm that the Person sending instructions, directions, reports, notices or other communications or information by electronic transmission is, in fact, a Person authorized to give such instructions, directions, reports, notices or other communications or information on behalf of the party purporting to send such electronic transmission; and the Trustee shall not have any liability for any losses, liabilities, costs or expenses incurred or sustained by any party as a result of such reliance upon or compliance with such instructions, directions, reports, notices or other communications or information and (ii) each other party agrees to assume all risks arising out of the use of electronic methods to submit instructions, directions, reports, notices or other communications or information to the Trustee, including without limitation the risk of the Trustee acting on unauthorized instructions, notices, reports or other communications or information, and the risk of interception and misuse by third parties.

(e) Any notice or communication mailed to a registered Holder shall be mailed to the Holder at the Holder's address as it appears on the Note Register and shall be sufficiently given if so mailed within the time prescribed.

(f) Failure to mail a notice or communication to a Holder or any defect in it shall not affect its sufficiency with respect to other Holders. If a notice or communication is mailed in the manner provided above, it is duly given, whether or not the addressee receives it.

(g) Any notice or communication delivered to the Issuer under the provisions herein shall constitute notice to the Note Guarantors.

Section 12.2 Communication by Holders with Other Holders. Holders may communicate with other Holders with respect to their rights under this Indenture (including the Note Guarantees) or the Notes.

Section 12.3 Certificate and Opinion as to Conditions Precedent. Upon any request or application by the Issuer to the Trustee to take or refrain from taking any action under this Indenture, the Issuer shall furnish to the Trustee:

(a) an Officer's Certificate in form and substance reasonably satisfactory to the Trustee stating that, in the opinion of the signers, all conditions precedent, if any, provided for in this Indenture relating to the proposed action have been complied with; and

(b) an Opinion of Counsel in form and substance reasonably satisfactory to the Trustee stating that, in the opinion of such counsel, all such conditions precedent have been complied with.

Section 12.4 Statements Required in Certificate or Opinion. Each certificate or opinion, including an Opinion of Counsel or Officer's Certificate, with respect to compliance with a covenant or condition provided for in this Indenture shall include:

(a) a statement that the individual making such certificate or opinion has read such covenant or condition;

(b) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based;

(c) a statement that, in the opinion of such individual, he has made such examination or investigation as is necessary to enable him to express an informed opinion as to whether or not such covenant or condition has been complied with; and

(d) a statement as to whether or not, in the opinion of such individual, such covenant or condition has been complied with.

In giving an Opinion of Counsel, counsel may rely as to factual matters on an Officer's Certificate or on certificates of public officials.

Section 12.5 Rules by Trustee, Paying Agent, Transfer Agent and Registrar. The Trustee may make reasonable rules for action by, or a meeting of, Holders. The Paying Agent, Transfer Agent and the Registrar may make reasonable rules for their functions.

Section 12.6 Legal Holidays. A "Legal Holiday" is (i) a Saturday, a Sunday or other day on which commercial banking institutions are authorized or required to be closed in New York City, Mexico, Madrid, Amsterdam, London, Paris or Zurich and (ii) any day on which the Trans-European Automated Real-time Gross Settlement Express Transfer System (TARGET2) is closed for settlement of payments. If a payment date is a Legal Holiday, payment shall be made on the next succeeding day that is not a Legal Holiday, and no interest shall accrue for the intervening period. If a regular record date is a Legal Holiday, the record date shall not be affected.

Section 12.7 Governing Law, etc.

(a) THIS INDENTURE (INCLUDING EACH NOTE GUARANTEE) AND THE NOTES SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK. THE PARTIES HERETO EACH HEREBY WAIVE ANY RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THIS INDENTURE, THE NOTES OR EACH NOTE GUARANTEE OR ANY TRANSACTION RELATED HERETO OR THERETO TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW.

(b) Each of the parties hereto hereby:

- (i) agrees that any suit, action or proceeding against it arising out of or relating to this Indenture (including the Note Guarantees) or the Notes, as the case may be, may be instituted in any Federal or state court sitting in the City of New York and County of New York and in the courts of its own corporate domicile, in respect of actions brought against it as a defendant,
- (ii) waives to the fullest extent permitted by applicable law, any objection which it may now or hereafter have to the laying of venue of any such suit, action or proceeding, any claim that any suit, action or proceeding in such a court has been brought in an inconvenient forum, and any right to which it may be entitled, on account of place of residence or domicile,
- (iii) irrevocably submits to the jurisdiction of such courts in any suit, action or proceeding,
- (iv) agrees that final judgment in any such suit, action or proceeding brought in such a court shall be conclusive and binding may be enforced in the courts of the jurisdiction of which it is subject by a suit upon judgment, and
- (v) agrees that service of process by mail to the addresses specified herein shall constitute personal service of such process on it in any such suit, action or proceeding.

(c) The Issuer and the Note Guarantors (other than CEMEX Corp. and CEMEX Finance LLC) have appointed CEMEX NY Corporation, 590 Madison Avenue, 41st Floor, New York, NY 10022, as its authorized agent (the “Authorized Agent”) upon whom all writs, process and summonses may be served in any suit, action or proceeding arising out of or based upon this Indenture or the Notes which may be instituted in any state or federal court in the City of New York and County of New York. The Issuer and the Note Guarantors (other than CEMEX Corp. and CEMEX Finance LLC) hereby represent and warrant that the Authorized Agent has accepted such appointment and has agreed to act as said agent for service of process, and the Issuer and the Note Guarantors (other than CEMEX Corp. and CEMEX Finance LLC) agree to take any and all action, including the filing of any and all documents, that may be necessary to continue each such appointment in full force and effect as aforesaid so long as the Notes remain outstanding. The Issuer and the Note Guarantors (other than CEMEX Corp. and CEMEX Finance LLC) agree that the appointment of the Authorized Agent shall be irrevocable so long as any of the Notes remain outstanding or until the irrevocable appointment by the Issuer and the Note Guarantors (other than CEMEX Corp. and CEMEX Finance LLC) of a successor agent in the City of New York, New York as each of their authorized agent for such purpose and the acceptance of such appointment by such successor. Service of process upon the Authorized Agent shall be deemed, in every respect, effective service of process upon the Issuer and the Note Guarantors (other than CEMEX Corp. and CEMEX Finance LLC).

(d) To the extent that any of the Issuer and the Note Guarantors have or hereafter may acquire any immunity (sovereign or otherwise) from any legal action, suit or proceeding, from jurisdiction of any court or from set-off or any legal process (whether service or notice, attachment in aid or otherwise) with respect to itself or any of its property, the Issuer and the Note Guarantors hereby irrevocably waive and agree not to plead or claim such immunity in respect of their obligations under this Indenture or the Notes.

(e) Nothing in this Section 12.7 shall affect the right of the Trustee or any Holder of the Notes to serve process in any other manner permitted by law.

Section 12.8 [Reserved].

Section 12.9 No Recourse Against Others. An incorporator, director, officer, employee, stockholder or controlling person, as such, of the Issuer or any Note Guarantor shall not have any liability for any obligations of the Issuer or any Note Guarantor under the Notes or this Indenture or for any claims based on, in respect of or by reason of such obligations or their creation. By accepting a Note, each Holder shall waive and release all such liability.

Section 12.10 Successors. All agreements of the Issuer and any Note Guarantor in this Indenture and the Notes shall bind their respective successors. All agreements of the Trustee in this Indenture shall bind its successors.

Section 12.11 Duplicate and Counterpart Originals. The parties may sign any number of copies of this Indenture. One signed copy is enough to prove this Indenture. This Indenture may be executed in any number of counterparts, each of which so executed shall be an original, but all of them together represent the same agreement. Signatures of the parties hereto transmitted by facsimile or pdf shall be deemed to be their original signatures for all purposes.

Section 12.12 Severability. In case any provision in this Indenture or in the Notes shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

Section 12.13 [Reserved].

Section 12.14 Currency Indemnity.

(a) U.S. Legal Tender is the sole currency of account and payment for all sums payable by the Issuer and any Note Guarantor under or in connection with the Notes or this Indenture, including damages. Any amount received or recovered in currency other than U.S. Legal Tender in respect of the Notes (whether as a result of, or of the enforcement of, a judgment or order of a court of any jurisdiction, in the winding-up or dissolution of the Issuer, a Note Guarantor or any Subsidiary of the Issuer or otherwise) by any Holder of the Notes in respect of any sum expressed to be due to it from the Issuer or any Note Guarantor shall only constitute a discharge of them under the Notes and this Indenture only to the extent of the U.S. Legal Tender amount which the recipient is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so). If that U.S. Legal Tender amount is less than the U.S. Legal Tender amount expressed to be due to the recipient under the Notes or this Indenture, the Issuer and the Note Guarantors shall jointly and severally indemnify and hold harmless the recipient, to the greatest extent permitted by law, against any loss or cost sustained by it in making any such purchase. For the purposes of this Section 12.14, it will be sufficient for the Holder of a Note to certify that it would have suffered a loss had an actual purchase of U.S. Legal Tender been made with the amount so received in that other currency on the date of receipt or recovery (or, if a purchase of U.S. Legal Tender on such date had not been practicable, on the first date on which it would have been practicable).

(b) The indemnities of the Issuer and the Note Guarantors contained in this Section 12.14, to the extent permitted by law: (i) constitute a separate and independent obligation from the other obligations of the Issuer and the Note Guarantors under this Indenture and the Notes; (ii) shall give rise to a separate and independent cause of action against the Issuer and the Note Guarantors; (iii) shall apply irrespective of any waiver granted by any Holder of the Notes or the Trustee from time to time; and (iv) shall continue in full force and effect notwithstanding any other judgment, order, claim or proof of claim for a liquidated amount in respect of any sum due under the Notes or this Indenture or any other judgment or order.

Section 12.15 Table of Contents: Headings. The table of contents and headings of the Articles and Sections of this Indenture have been inserted for convenience of reference only, are not intended to be considered a part hereof and shall not modify or restrict any of the terms or provisions hereof.

Section 12.16 USA PATRIOT Act. The parties hereto acknowledge that, in accordance with Section 326 of the USA PATRIOT Act (Title III of Pub. L. 107-56 (signed into law on October 26, 2001)) (as amended, modified or supplemented from time to time, the “USA PATRIOT Act”), the Trustee, like all financial institutions, is required to obtain, verify, and record information that identifies each person or legal entity that opens an account. The parties to this Agreement agree that they will provide the Trustee with such information as the Trustee may request in order for the Trustee to satisfy the requirements of the USA PATRIOT Act.

[Signature page follows]

IN WITNESS WHEREOF, the parties have caused this Indenture to be duly executed as of the date first written above.

CEMEX, S.A.B. de C.V.,
as Issuer

By: /s/ Fernando J Reiter
Name: Fernando J Reiter
Title: Attorney in fact

EACH OF THE NOTE GUARANTORS LISTED BELOW

CEMEX Finance LLC

By: /s/ Fernando J Reiter
Name: Fernando J Reiter
Title: Attorney in fact

CEMEX México, S.A. de C.V.

By: /s/ Francisco Javier García Ruiz
Name: Francisco Javier García Ruiz
Title: Attorney in fact

CEMEX Concretos, S.A. de C.V.

By: /s/ Francisco Javier García Ruiz
Name: Francisco Javier García Ruiz
Title: Attorney in fact

Empresas Tolteca de México, S.A. de C.V.

By: /s/ Francisco Javier García Ruiz
Name: Francisco Javier García Ruiz
Title: Attorney in fact

New Sunward Holding B.V.

By: /s/ Fernando J Reiter
Name: Fernando J Reiter
Title: Attorney in fact

CEMEX España, S.A.

By: /s/ Fernando J Reiter
Name: Fernando J Reiter
Title: Attorney in fact

Cemex Asia B.V.

By: /s/ Fernando J Reiter
Name: Fernando J Reiter
Title: Attorney in fact

CEMEX Corp.

By: /s/ Fernando J Reiter
Name: Fernando J Reiter
Title: Attorney in fact

Cemex Egyptian Investments B.V.

By: /s/ Fernando J Reiter
Name: Fernando J Reiter
Title: Attorney in fact

Cemex Egyptian Investments II B.V.

By: /s/ Fernando J Reiter
Name: Fernando J Reiter
Title: Attorney in fact

CEMEX France Gestion (S.A.S.)

By: /s/ Fernando J. Reiter
Name: Fernando J. Reiter
Title: Attorney in fact

Cemex Research Group AG

By: /s/ Fernando J. Reiter
Name: Fernando J. Reiter
Title: Attorney in fact

Cemex Shipping B.V.

By: /s/ Fernando J. Reiter
Name: Fernando J. Reiter
Title: Attorney in fact

CEMEX UK

By: /s/ Fernando J. Reiter
Name: Fernando J. Reiter
Title: Attorney in fact

THE BANK OF NEW YORK MELLON,
as Trustee

By: /s/ Catherine F. Donohue

Name: Catherine F. Donohue

Title: Vice President

NOTE GUARANTORS

1. CEMEX México, S.A. de C.V. (Mexico)
2. CEMEX Concretos, S.A. de C.V. (Mexico)
3. Empresas Tolteca de México, S.A. de C.V. (Mexico)
4. New Sunward Holding B.V. (the Netherlands)
5. CEMEX España, S.A. (Spain)
6. Cemex Asia B.V. (the Netherlands)
7. CEMEX Corp. (Delaware)
8. CEMEX Finance LLC (Delaware)
9. Cemex Egyptian Investments B.V. (the Netherlands)
10. Cemex Egyptian Investments II B.V. (the Netherlands)
11. CEMEX France Gestion (S.A.S.) (France)
12. Cemex Research Group AG (Switzerland)
13. Cemex Shipping B.V. (the Netherlands)
14. CEMEX UK (United Kingdom)

FORM OF NOTE

[Include the following legend for Global Notes only:

“THIS IS A GLOBAL NOTE WITHIN THE MEANING OF THE INDENTURE REFERRED TO HEREINAFTER.

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION (“DTC”), NEW YORK, NEW YORK, TO THE ISSUER OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

TRANSFERS OF THIS GLOBAL SECURITY SHALL BE LIMITED TO TRANSFERS IN WHOLE, BUT NOT IN PART, TO NOMINEES OF DTC OR TO A SUCCESSOR THEREOF OR SUCH SUCCESSOR’S NOMINEE AND TRANSFERS OF PORTIONS OF THIS GLOBAL SECURITY SHALL BE LIMITED TO TRANSFERS MADE IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN THE INDENTURE REFERRED TO ON THE REVERSE HEREOF.”]

[Include the following legend on all Notes that are Restricted Notes:

“THE NOTES EVIDENCED HEREBY HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), AND *[Include the following on all Regulation S Notes that are Restricted Notes:*, PRIOR TO THE EXPIRATION OF THE 40-DAY DISTRIBUTION COMPLIANCE PERIOD (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT),] MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (A) (1) TO CEMEX, S.A.B. DE C.V., (2) TO A PERSON WHO THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A AND TO WHOM NOTICE IS GIVEN THAT THE TRANSFER IS MADE IN RELIANCE ON RULE 144A, (3) IN AN OFFSHORE TRANSACTION COMPLYING WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT, (4) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT (IF AVAILABLE), OR

(5) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT AND (B) IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES. THIS LEGEND CAN ONLY BE REMOVED AT THE OPTION OF THE ISSUER.”]

[*Include the following on all Regulation S Notes that are Restricted Notes:* PRIOR TO THE EXPIRATION OF THE 40-DAY DISTRIBUTION COMPLIANCE PERIOD (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT),] EACH PERSON ACQUIRING AN OWNERSHIP INTEREST IN THE NOTES (1) SHALL BE DEEMED TO REPRESENT AND WARRANT THAT IT EITHER (A) IS A “QUALIFIED INSTITUTIONAL BUYER” (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT), (B) IS NOT A U.S. PERSON (AS DEFINED IN REGULATION S) AND IS OUTSIDE THE UNITED STATES OR (C) IS ACQUIRING SUCH OWNERSHIP INTEREST PURSUANT TO A VALID REGISTRATION STATEMENT OR IN ANOTHER TRANSACTION EXEMPT FROM SUCH REGISTRATION; (2) AGREES THAT [*Include the following on all Regulation S Notes that are Restricted Notes:* PRIOR TO THE EXPIRATION OF THE 40-DAY DISTRIBUTION COMPLIANCE PERIOD (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT),] (X) IT WILL NOT RESELL OR OTHERWISE TRANSFER THIS NOTE EXCEPT IN ACCORDANCE WITH THE FOREGOING RESTRICTIONS, AND IN ANY CASE IN COMPLIANCE WITH ALL APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES AND ANY OTHER APPLICABLE JURISDICTION; (Y) PRIOR TO SUCH TRANSFER, IT WILL FURNISH TO THE BANK OF NEW YORK MELLON, AS TRUSTEE (OR A SUCCESSOR TRUSTEE, AS APPLICABLE), SUCH CERTIFICATIONS, LEGAL OPINIONS OR OTHER INFORMATION AS THE TRUSTEE MAY REASONABLY REQUIRE TO CONFIRM THAT SUCH TRANSFER IS BEING MADE PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND (Z) IT WILL DELIVER TO EACH PERSON TO WHOM THIS SECURITY IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND. AS USED HEREIN, THE TERMS “UNITED STATES”, “U.S. PERSON” AND “OFFSHORE TRANSACTION” HAVE THE MEANINGS GIVEN TO THEM BY REGULATION S UNDER THE SECURITIES ACT.”]

[*Include the following legend on all Notes as the Mexican law legend:*

“THE NOTES EVIDENCED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED WITH THE NATIONAL SECURITIES REGISTRY (REGISTRO NACIONAL DE VALORES) MAINTAINED BY THE MEXICAN NATIONAL BANKING AND SECURITIES COMMISSION (COMISIÓN NACIONAL BANCARIA Y DE VALORES), AND MAY NOT BE OFFERED OR SOLD PUBLICLY, OR OTHERWISE BE SUBJECT TO BROKERAGE ACTIVITIES, IN MEXICO, EXCEPT THAT THE NOTES MAY BE OFFERED IN MEXICO TO QUALIFIED OR INSTITUTIONAL INVESTORS PURSUANT TO THE PRIVATE PLACEMENT EXEMPTION SET FORTH UNDER ARTICLE 8 OF THE MEXICAN SECURITIES MARKET LAW (LEY DEL MERCADO DE VALORES).]

FORM OF FACE OF NOTE

5.700% Senior Secured Notes due 2025

No. Principal Amount U.S.\$

*[If the Note is a Global Note include the following two lines:
as revised by the Schedule of Increases and
Decreases in Global Note attached hereto]*

CUSIP NO. 1

ISIN NO. 2

CEMEX, S.A.B. de C.V., a publicly traded stock corporation with variable capital (*sociedad anónima bursátil de capital variable*) organized under the laws of the United Mexican States (together with its successors and assigns, the “Issuer”), promises to pay to Cede & Co., or registered assigns, the principal sum of U.S. Dollars *[If the Note is a Global Note, add the following, as revised by the Schedule of Increases and Decreases in Global Note attached hereto]*, on January 11, 2025.

Interest Payment Dates: January 11 and July 11 of each year, commencing on January 11, 2015

Record Dates: December 27 and June 26

¹ CUSIP No. for Rule 144A Note: 151290BM4 CUSIP No. for Regulation S Note: P2253TJE0

² ISIN No. for Rule 144A Note: US151290BM45 ISIN No. for Regulation S Note: USP2253TJE03

Additional provisions of this Note are set forth on the other side of this Note.

CEMEX, S.A.B. de C.V.

By: _____
Name:
Title:

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

THE BANK OF NEW YORK MELLON
as Trustee, certifies that this is one of the Notes referred to in
the Indenture.

By: _____
Authorized Signatory

Date: _____

FORM OF REVERSE SIDE OF NOTE

5.700% Senior Secured Notes due 2025

Capitalized terms used but not defined herein shall have the meanings assigned to them in the Indenture referred to below unless otherwise indicated.

1. Interest

CEMEX, S.A.B. de C.V., a publicly traded stock corporation with variable capital (*sociedad anónima bursátil de capital variable*) organized under the laws of the United Mexican States (together with its successors and assigns, the "Issuer"), promises to pay interest on the principal amount of this Note at the rate per annum shown above.

The Issuer will pay interest semiannually in arrears on each Interest Payment Date of each year commencing January 11, 2015; *provided*, that if any such Interest Payment Date is not a Business Day, then such payment shall be made on the next succeeding Business Day. Interest on the Notes will accrue from the most recent date to which interest has been paid on the Notes or, if no interest has been paid, from September 11, 2014; *provided*, that if there is no existing Default or Event of Default on the payment of interest, and if this Note is authenticated between a Record Date referred to on the face hereof and the next succeeding Interest Payment Date (but after September 11, 2014), interest shall accrue from such next succeeding Interest Payment Date, except in the case of the original issuance of Notes, in which case interest shall accrue from September 11, 2014. The Issuer shall pay interest (including post-petition interest in any proceeding under any Bankruptcy Law) on overdue principal at the then applicable interest rate on the Notes to the extent lawful; it shall pay interest (including post-petition interest in any proceeding under any Bankruptcy Law) on overdue installments of interest ("Defaulted Interest"), without regard to any applicable grace period, at the same rate to the extent lawful. Interest will be computed on the basis of a 360-day year of twelve 30-day months. Each interest period shall end on (but not include) the relevant interest payment date.

All payments made by the Issuer in respect of the Notes will be made free and clear of and without deduction or withholding for or on account of any Taxes imposed or levied by or on behalf of any Taxing Jurisdiction, unless such withholding or deduction is required by law or by the interpretation or administration thereof. In that event, the Issuer will pay to each Holder of the Notes Additional Amounts as provided in the Indenture subject to the limitations set forth in the Indenture.

2. Method of Payment

By at least 10:00 a.m. (New York City time) on the Business Day prior to the date on which any principal of or interest on any Note is due and payable, the Issuer shall irrevocably deposit with the Trustee or the Paying Agent money sufficient to pay such principal and/or interest. The Issuer will pay interest (except Defaulted Interest) on the applicable Interest Payment Date to the Persons who are registered Holders of Notes at the close of business on the Record Date preceding the Interest Payment Date even if Notes are canceled, repurchased or redeemed after the Record Date and on or before the relevant Interest Payment Date, except as provided in Section 2.13 of the Indenture with respect to Defaulted Interest. Holders must surrender Notes to a Paying Agent to collect principal payments. The Issuer will pay principal and interest in U.S. Legal Tender.

Payments in respect of Notes represented by a Global Note (including principal and interest) will be made by the transfer of immediately available funds to the accounts specified by the DTC. The Issuer will make all payments in respect of a Certificated Note (including principal and interest) by mailing a check to the registered address of each registered Holder thereof as set forth in the Note Register; *provided, however*, that payments on the Notes may also be made, in the case of a Holder of at least U.S.\$10,000,000 aggregate principal amount of Notes, by wire transfer to a U.S. dollar account maintained by the payee with a bank in the United States if such Holder elects payment by wire transfer by giving written notice to the Trustee or the Paying Agent to such effect designating such account no later than 10 days immediately preceding the relevant due date for payment (or such other date as the Trustee may accept in its discretion).

3. Paying Agent and Registrar

Initially, The Bank of New York Mellon, the Trustee under the Indenture, will act as Trustee, Paying Agent and Registrar. The Issuer may appoint and change any Paying Agent, Registrar or co-Registrar without notice to any Holder. The Issuer, any Note Guarantor or any of their respective Affiliates may act as Paying Agent, Registrar or co-Registrar.

4. Indenture

The Issuer issued the Notes under an Indenture, dated as of September 11, 2014 (as it may be amended or supplemented from time to time in accordance with the terms thereof, the "Indenture"), among the Issuer, the Note Guarantors and the Trustee. The terms of the Notes include those stated in the Indenture. The Notes are subject to all such terms, and Holders are referred to the Indenture for a statement of those terms. Each Holder, by accepting a Note, agrees to be bound by all of the terms and provisions of the Indenture, as amended or supplemented from time to time.

The Notes are general senior obligations, which are secured by a first priority security interest in the Collateral on an equal and ratable basis with the other Permitted Secured Obligations, subject to the Collateral release provisions set forth in the Intercreditor Agreement. U.S.\$1,100,000,000 in aggregate principal amount of Notes will be issued on the Issue Date. Subject to the conditions set forth in the Indenture and without the consent of the Holders, the Issuer may issue Additional Notes. All Notes will be treated as a single series of securities under the Indenture. The Indenture imposes certain limitations on, among other things, the ability of the Issuer and its Restricted Subsidiaries to: Incur Indebtedness, make Restricted Payments, incur Liens, designate Unrestricted Subsidiaries, make Asset Sales, enter into transactions with Affiliates, or consolidate or merge or transfer or convey all or substantially all of the Issuer's assets.

To guarantee the due and punctual payment of the principal of (and premium, if any) and interest on the Notes and all other amounts payable by the Issuer under the Indenture and the Notes when and as the same shall be due and payable, whether at maturity, by

acceleration or otherwise, according to the terms of the Notes and the Indenture, the Note Guarantors have unconditionally guaranteed, jointly and severally, such obligations pursuant to the terms of the Indenture. Each Note Guarantee will be subject to release as provided in the Indenture.

The obligations of each Note Guarantor in respect of its Note Guarantee will be limited to the maximum amount as will, after giving effect to all other contingent and fixed liabilities of such Note Guarantor and after giving effect to any collections from or payments made by or on behalf of any other Note Guarantor in respect of the obligations of such other Note Guarantor under its Note Guarantee or pursuant to its contribution obligations under the Indenture, result in the obligations of such Note Guarantor under its Note Guarantee not constituting a fraudulent conveyance, fraudulent transfer, or similar illegal transfer under federal or state law or the law of the jurisdiction of formation and incorporation of such Note Guarantors.

5. Optional Redemption

Except as stated below, the Issuer may not redeem the Notes. The Issuer may redeem the Notes, at its option, in whole at any time or in part from time to time, on and after January 11, 2020, at the following redemption prices, expressed as percentages of the principal amount thereof, if redeemed during the twelve-month period commencing on January 11 of any year set forth below, plus any accrued and unpaid interest on the principal amount of the Notes, if any, to the date of redemption:

<u>Year</u>	<u>Percentage</u>
January 11, 2020	102.850%
January 11, 2021	101.900%
January 11, 2022	100.950%
January 11, 2023 and thereafter	100.000%

provided, however, that the Issuer shall not have the right to exercise any such optional redemption at any time when the Issuer is prohibited from having such an option under the Facilities Agreement.

Prior to January 11, 2020, the Issuer will have the right, at its option, to redeem any of the Notes, in whole or in part, at any time or from time to time prior to their maturity at a redemption price equal to the greater of (1) 100% of the principal amount of such Notes and (2) the sum of the present value of the redemption price of the Notes to be redeemed at January 11, 2020 (such redemption price being set forth in the table appearing above) plus each remaining scheduled payment of interest thereon during the period between the redemption date and January 11, 2020 (exclusive of interest accrued to the date of redemption), in each case, discounted to the Redemption Date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate (as defined below) plus 50 basis points, plus, in each case any accrued and unpaid interest on the principal amount of the Notes, if any, to the date of redemption, *provided, however*, that the Issuer shall not have the right to exercise any such optional redemption at any time when the Issuer is prohibited from having such an option under the Facilities Agreement.

“Treasury Rate” means, with respect to any Redemption Date, the rate per annum equal to the semi-annual equivalent yield to maturity or interpolated maturity (on a day count basis) of the Comparable Treasury Issue (as defined below), assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price (as defined below) for such Redemption Date.

“Comparable Treasury Issue” means the United States Treasury security or securities selected by an Independent Investment Banker (as defined below) as having an actual or interpolated maturity most nearly equal to January 11, 2020 that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities having a maturity most nearly equal to January 11, 2020.

“Independent Investment Banker” means one of the Reference Treasury Dealers (as defined below) appointed by the Issuer.

“Comparable Treasury Price” means, with respect to any Redemption Date (1) the average of the Reference Treasury Dealer Quotations (as defined below) for such Redemption Date, after excluding the highest and lowest such Reference Treasury Dealer Quotation or (2) if the Independent Investment Banker or Issuer obtains fewer than four such Reference Treasury Dealer Quotations, the average of all such quotations.

“Reference Treasury Dealer” means any one of Citigroup Global Markets Inc., J.P. Morgan Securities LLC or Merrill Lynch, Pierce, Fenner & Smith Incorporated or their respective affiliates which are primary United States government securities dealers and not less than two other leading primary United States government securities dealers in New York City reasonably designated by the Issuer; *provided, however*, that if any of the foregoing shall cease to be a primary United States government securities dealer in New York City (a “Primary Treasury Dealer”), the Issuer will substitute therefore another Primary Treasury Dealer.

“Reference Treasury Dealer Quotation” means, with respect to each Reference Treasury Dealer and any Redemption Date, the average, as determined by the Independent Investment Banker or Issuer, of the bid and asked price for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Independent Investment Banker or Issuer by such Reference Treasury Dealer at 3:30 p.m. New York time on the third business day preceding such Redemption Date.

Optional Redemption upon Equity Offerings. At any time, or from time to time, on or prior to January 11, 2020, the Issuer may, at its option, use the net cash proceeds of one or more Equity Offerings to redeem in the aggregate up to 35% of the aggregate principal amount of the Notes issued pursuant to the Indenture at a redemption price equal to 105.700% of the principal amount thereof plus any accrued and unpaid interest on the principal amount of the Notes, if any, to the date of redemption; *provided*, that:

(a) after giving effect to any such redemption at least 65% of the aggregate principal amount of the Notes issued under the Indenture remains outstanding; and

(b) the Issuer shall make such redemption not more than 90 days after the consummation of such Equity Offering;

provided, however, that the Issuer shall not have the right to exercise any such optional redemption at any time when the Issuer is prohibited from exercising such an option under the Facilities Agreement.

“Equity Offering” means any public or private sale of Qualified Capital Stock after the Issue Date for cash other than issuances to any Subsidiary of the Issuer.

Optional Redemption for Changes in Withholding Taxes. If, as a result of any amendment to, or change in, the laws (or any rules or regulations thereunder) of a Taxing Jurisdiction affecting taxation, or any amendment to or change in an official interpretation or application of such laws, rules or regulations that has a general effect, which amendment to or change of such laws, rules or regulations becomes effective on or after the Issue Date (which, in the case of a merger, consolidation or other transaction permitted and described under Article IV shall be treated for this purpose as the date of such transaction), the Issuer or any Note Guarantors would be obligated, after taking all reasonable measures to avoid this requirement, to pay Additional Amounts in excess of those attributable to a withholding tax rate of 10% with respect to the Notes (see “Additional Amounts”), then, at the Issuer’s option, all, but not less than all, of the Notes may be redeemed at any time on giving not less than 30 nor more than 60 days’ notice, at a redemption price equal to 100% of the outstanding principal amount, plus any accrued and unpaid interest on the principal amount of the Notes, if any, to the date of redemption; *provided, however*, that (1) no notice of redemption for tax reasons may be given earlier than 90 days prior to the earliest date on which the Issuer or any Note Guarantors would be obligated to pay these Additional Amounts if a payment on the Notes were then due, and (2) at the time such notice of redemption is given such obligation to pay such Additional Amounts remains in effect; *provided, further, however*, that the Issuer shall not have the right to exercise any such optional redemption at any time when the Issuer is prohibited from having such an option under the Facilities Agreement.

Prior to the publication of any notice of redemption pursuant to this provision, the Issuer will deliver to the Trustee:

(a) an Officer’s Certificate stating that the Issuer is entitled to effect the redemption and setting forth a statement of facts showing that the conditions precedent to the Issuer’s right to redeem have occurred, and

(b) an opinion of outside legal counsel of recognized standing in the affected Taxing Jurisdiction to the effect that the Issuer has or will become obligated to pay such Additional Amounts as a result of such change or amendment.

This notice, once delivered by the Issuer to the Trustee, will be irrevocable.

In the case of any partial redemption, selection of the Notes for redemption will be made in accordance with Article V of the Indenture. On and after the Redemption Date, interest will cease to accrue on Notes or portions thereof called-for redemption as long as the Issuer has deposited with the Paying Agent funds in satisfaction of the applicable redemption price pursuant to the Indenture.

6. Mandatory Repurchase Provisions

Change Of Control Offer. Upon the occurrence of a Change of Control, each Holder of Notes will have the right to require that the Issuer purchase all or a portion (in integral multiples of U.S.\$1,000) of the Holder's Notes at a purchase price equal to 101% of the principal amount thereof, plus accrued and unpaid interest through the date of purchase. Within 30 days following the date upon which the Change of Control occurred, the Issuer must make a Change of Control Offer pursuant to a Change of Control Notice. As more fully described in the Indenture, the Change of Control Notice shall state, among other things, the Change of Control Payment Date, which must be no earlier than 30 days nor later than 60 days from the date the notice is mailed, other than as may be required by applicable law.

Asset Sale Offer. The Indenture imposes certain limitations on the ability of the Issuer and its Restricted Subsidiaries to make Asset Sales. In the event the proceeds from a permitted Asset Sale exceed certain amounts and are not applied as specified in the Indenture, the Issuer will be required to make an Asset Sale Offer to purchase to the extent of such remaining proceeds each Holder's Notes together with holders of certain other Indebtedness at 100% of the principal amount thereof, plus accrued interest (if any) to the Asset Sale Offer Payment Date, as more fully set forth in the Indenture.

7. Denominations; Transfer; Exchange

The Notes are in fully registered form without coupons, and only in denominations of principal amount of U.S.\$200,000 and in integral multiples of U.S.\$1,000 in excess thereof. A Holder may transfer or exchange Notes in accordance with the Indenture. The Registrar may require a Holder, among other things, to furnish appropriate endorsements or transfer documents and to pay any taxes and fees required by law or permitted by the Indenture. The Registrar shall not be required to register the transfer or exchange of (x) any Note for a period beginning: (1) 15 days before the mailing of a notice of an offer to repurchase or redeem Notes and ending at the close of business on the day of such mailing or (2) 15 days before an Interest Payment Date and ending on such Interest Payment Date and (y) any Note selected for repurchase or redemption, except the unredeemed portion thereof, if any.

8. Persons Deemed Owners

The registered holder of this Note may be treated as the owner of it for all purposes.

9. Unclaimed Money

If money for the payment of principal or interest remains unclaimed for two years, the Trustee or Paying Agent shall pay the money back to the Issuer at its request unless an abandoned property law designates another Person. After any such payment, Holders entitled to the money must look only to the Issuer and not to the Trustee for payment.

10. Discharge Prior to Redemption or Maturity

Subject to certain conditions set forth in the Indenture, the Issuer at any time may terminate some or all of its obligations under the Notes and the Indenture if the Issuer deposits with the Trustee U.S. Legal Tender or U.S. Government Obligations for the payment of principal of and interest on the Notes to redemption or maturity, as the case may be.

11. Amendment, Waiver

Subject to certain exceptions set forth in the Indenture, (i) the Indenture or the Notes may be amended or supplemented with the written consent of the Holders of at least a majority in principal amount of the then Outstanding Notes and (ii) any default (other than with respect to nonpayment or in respect of a provision that cannot be amended or supplemented without the written consent of each Holder affected) or noncompliance with any provision may be waived with the written consent of the Holders of a majority in aggregate principal amount of the then Outstanding Notes. Subject to certain exceptions set forth in the Indenture, without the consent of any Holder, the Issuer and the Trustee may amend or supplement the Indenture or the Notes to, among other things, cure any ambiguity, omission, defect or inconsistency, or to comply with Article IV of the Indenture, or to provide for uncertificated Notes in addition to or in place of certificated Notes, or to add guarantees with respect to the Notes or to secure the Notes, or to add additional covenants or surrender rights and powers conferred on the Issuer or the Note Guarantors, or to make any change that does not adversely affect the rights of any Holder, or to provide for the issuance of Additional Notes.

12. Defaults and Remedies

If an Event of Default occurs and is continuing, the Trustee or the Holders of at least 25% in principal amount of the Outstanding Notes may declare all the Notes to be due and payable immediately. A Bankruptcy Event of Default will result in the Notes being due and payable immediately upon the occurrence of such Bankruptcy Event of Default.

Holdings may not enforce the Indenture or the Notes except as provided in the Indenture. The Trustee may refuse to enforce the Indenture or the Notes unless it receives reasonable indemnity or security. Subject to certain limitations, Holders of a majority in principal amount of the Outstanding Notes may direct the Trustee in its exercise of any trust or power. The Trustee may withhold from Holders notice of any continuing Default or Event of Default (except a Default or Event of Default in payment of principal or interest) if it determines that withholding notice is in their interest.

13. Trustee Dealings with the Issuer and the Note Guarantors

Subject to certain limitations set forth in the Indenture, the Trustee under the Indenture, in its individual or any other capacity, may become the owner or pledgee of Notes and may otherwise deal with and collect obligations owed to it by the Issuer, any Note Guarantor or its Affiliates and may otherwise deal with the Issuer, any Note Guarantor or its Affiliates with the same rights it would have if it were not Trustee.

14. No Recourse Against Others

An incorporator, director, officer, employee, stockholder or controlling person, as such, of the Issuer or any Note Guarantor shall not have any liability for any obligations of the Issuer or any Note Guarantor under the Notes or the Indenture or for any claims based on, in respect of or by reason of such obligations or their creation. By accepting a Note, each holder waives and releases all such liability.

15. Authentication

Any Officer of the Issuer may sign the Notes for the Issuer by manual or facsimile signature. This Note shall not be valid until an authorized signatory of the Trustee (or an Authenticating Agent) manually signs the certificate of authentication on the other side of this Note.

16. Abbreviations

Customary abbreviations may be used in the name of a Holder or an assignee, such as TEN COM (= tenants in common), TEN ENT (= tenants by the entirety), JT TEN (= joint tenants with rights of survivorship and not as tenants in common), CUST (=custodian) and U/G/M/A (= Uniform Gift to Minors Act).

17. CUSIP Numbers

Pursuant to a recommendation promulgated by the Committee on Uniform Security Identification Procedures the Issuer has caused CUSIP or other similar numbers to be printed on the Notes and has directed the Trustee to use CUSIP numbers in notices of redemption as a convenience to Holders. No representation is made as to the accuracy of such numbers either as printed on the Notes or as contained in any notice of redemption and reliance may be placed only on the other identification numbers placed thereon.

18. Governing Law

This Note shall be governed by, and construed in accordance with, the laws of the State of New York.

19. Currency of Account; Conversion of Currency.

U.S. Legal Tender is the sole currency of account and payment for all sums payable by the Issuer and the Note Guarantors under or in connection with the Notes or the Indenture, including damages. The Issuer and the Note Guarantors will indemnify the Holders as provided in respect of the conversion of currency relating to the Notes and the Indenture.

20. Agent for Service; Submission to Jurisdiction; Waiver of Immunities.

The Issuer and the Note Guarantors have agreed that any suit, action or proceeding against the Issuer or any Note Guarantor brought by any Holder or the Trustee arising out of or based upon the Indenture or the Notes may be instituted in any state or federal

court in the City of New York and County of New York and in the courts of their respective corporate domiciles, in respect of actions brought against them as defendants. The Issuer and the Note Guarantors have irrevocably submitted to the jurisdiction of such courts for such purpose and waived, to the fullest extent permitted by law, trial by jury and any objection it may now or hereafter have to the laying of venue of any such proceeding, and any claim it may now or hereafter have that any proceeding in any such court is brought in an inconvenient forum. The Issuer and the Note Guarantors (other than CEMEX Corp. and CEMEX Finance LLC) have appointed CEMEX NY Corporation, 590 Madison Avenue, 41st Floor, New York, NY 10022, as each of their authorized agent upon whom all writs, process and summonses may be served in any suit, action or proceeding arising out of or based upon the Indenture or the Notes which may be instituted in any state or federal court in the City of New York and County of New York. To the extent that any of the Issuer and the Note Guarantors have or hereafter may acquire any immunity (sovereign or otherwise) from any legal action, suit or proceeding, from jurisdiction of any court or from set-off or any legal process (whether service or notice, attachment in aid or otherwise) with respect to itself or any of its property, the Issuer and the Note Guarantors have irrevocably waived and agreed not to plead or claim such immunity in respect of its obligations under the Indenture or the Notes.

The Issuer will furnish to any Holder upon written request and without charge to the Holder a copy of the Indenture which has in it the text of this Note in larger type. Requests may be made to:

CEMEX, S.A.B. de C.V.
Av. Ricardo Margáin Zozaya # 325
Colonia Valle del Campestre
Garza García, Nuevo León, México 66265
Tel: +5281-8888-8888

ASSIGNMENT FORM

To assign this Note, fill in the form below:

I or we assign and transfer this Note to

(Print or type assignee's name, address and zip code)

(Insert assignee's soc. sec. or tax I.D. No.)

and irrevocably appoint

as agent to transfer this Note on the books of the Issuer. The agent may substitute another to act for him.

Date: _____

Your Signature: _____

Signature Guarantee: _____
(Signature must be guaranteed)

Sign exactly as your name appears on the other side of this Note.

The signature(s) should be guaranteed by an eligible guarantor institution (banks, stockbrokers, savings and loan associations and credit unions with membership in an approved signature guarantee medallion program), pursuant to Exchange Act Rule 17Ad-15.

To be attached to Global Notes only:

SCHEDULE OF INCREASES OR DECREASES IN GLOBAL NOTE

The following increases or decreases in this Global Note have been made:

<u>Date of Exchange</u>	<u>Amount of decrease in Principal Amount of this Global Note</u>	<u>Amount of increase in Principal Amount of this Global Note</u>	<u>Principal Amount of this Global Note following such decrease or increase</u>	<u>Signature of authorized signatory of Trustee or Note Custodian</u>

OPTION OF HOLDER TO ELECT PURCHASE

If you want to elect to have this Note purchased by the Issuer pursuant to Section 3.8 or Section 3.12 of the Indenture, check either box:

Section 3.8

Section 3.12

If you want to elect to have only part of this Note purchased by the Issuer pursuant to Section 3.12 of the Indenture, state the principal amount (which must be in minimum denominations of U.S.\$200,000 and in an integral multiple of U.S.\$1,000): U.S.\$

Date: _____

Your Signature _____
(Sign exactly as your name appears on the other side of the Note)

Signature Guarantee: _____
(Signature must be guaranteed)

The signature(s) should be guaranteed by an eligible guarantor institution (banks, stockbrokers, savings and loan associations and credit unions with membership in an approved signature guarantee medallion program), pursuant to Exchange Act Rule 17Ad-15.

FORM OF CERTIFICATION FOR TRANSFER PURSUANT TO REGULATION S

[Date]

The Bank of New York Mellon
101 Barclay Street – 7E
New York, NY 10286
Attention: International Corporate Trust

Re: 5.700% Senior Secured Notes due 2025 (the “Notes”) of
CEMEX, S.A.B. de C.V. (the “Issuer”)

Ladies and Gentlemen:

Reference is hereby made to the Indenture, dated as of September 11, 2014 (as amended and supplemented from time to time, the “Indenture”), among the Issuer, the Note Guarantors named therein and The Bank of New York Mellon, as Trustee. Capitalized terms used but not defined herein shall have the meanings given them in the Indenture or Regulation S under the Securities Act of 1933, as amended (the “Securities Act”), as the case may be.

In connection with our proposed transfer of U.S.\$ aggregate principal amount of the Notes, which represent an interest in a Rule 144A Global Note beneficially owned by the undersigned (“Transferor”), we confirm that such transfer has been effected pursuant to and in accordance with Regulation S and, accordingly, we represent that:

(a) the offer of the Notes was not made to a person in the United States;

(b) either (i) at the time the buy order was originated, the transferee was outside the United States or we and any person acting on our behalf reasonably believed that the transferee was outside the United States or (ii) the transaction was executed in, on or through the facilities of a designated off-shore securities market and neither we nor any person acting on our behalf knows that the transaction has been pre-arranged with a buyer in the United States;

(c) no directed selling efforts have been made in the United States in contravention of the requirements of Rule 903(b) or Rule 904(b) of Regulation S, as applicable;

(d) the transaction is not part of a plan or scheme to evade the registration requirements of the Securities Act; and

(e) we are the beneficial owner of the principal amount of Notes being transferred.

In addition, if the transfer is made during a Distribution Compliance Period and the provisions of Rule 904(b)(1) or Rule 904(b)(2) of Regulation S are applicable thereto, we confirm that such transfer has been made in accordance with the applicable provisions of Rule 904(b)(1) or Rule 904(b)(2), as the case may be.

You, the Issuer and the Note Guarantors are entitled to rely upon this letter and are irrevocably authorized to produce this letter or a copy hereof to any interested party in any administrative or legal proceedings or official inquiry with respect to the matters covered hereby.

Very truly yours,

[Name of Transferor]

By: _____

Authorized Signature]

Signature Guarantee: _____
(Signature must be guaranteed)

The signature(s) should be guaranteed by an eligible guarantor institution (banks, stockbrokers, savings and loan associations and credit unions with membership in an approved signature guarantee medallion program), pursuant to Exchange Act Rule 17Ad-15.

FORM OF CERTIFICATION FOR TRANSFER PURSUANT TO RULE 144

[Date]

The Bank of New York Mellon
101 Barclay Street – 7E
New York, NY 10286
Attention: International Corporate Trust

Re: 5.700% Senior Secured Notes due 2025 (the “Notes”) of
CEMEX, S.A.B. de C.V. (the “Issuer”)

Ladies and Gentlemen:

Reference is hereby made to the Indenture, dated as of September 11, 2014 (as amended and supplemented from time to time, the “Indenture”), among the Issuer, the Note Guarantors named therein and The Bank of New York Mellon, as Trustee. Capitalized terms used but not defined herein shall have the meanings given them in the Indenture.

In connection with our proposed transfer of U.S.\$ _____ aggregate principal amount of the Notes, which represent an interest in a 144A Global Note beneficially owned by the undersigned (“Transferor”), we confirm that such transfer has been effected pursuant to and in accordance with Rule 144 under the Securities Act.

You, the Issuer and the Note Guarantors are entitled to rely upon this letter and are irrevocably authorized to produce this letter or a copy hereof to any interested party in any administrative or legal proceedings or official inquiry with respect to the matters covered hereby.

Very truly yours,

[Name of Transferor]

By: _____

Authorized Signature

Signature Guarantee: _____
(Signature must be guaranteed)

The signature(s) should be guaranteed by an eligible guarantor institution (banks, stockbrokers, savings and loan associations and credit unions with membership in an approved signature guarantee medallion program), pursuant to Exchange Act Rule 17Ad-15.

FORM OF CERTIFICATION FOR TRANSFER PURSUANT TO RULE 144A

[Date]

The Bank of New York Mellon
101 Barclay Street – 7E
New York, NY 10286
Attention: International Corporate Trust

Re: 5.700% Senior Secured Notes due 2025 (the “Notes”) of
CEMEX, S.A.B. de C.V. (the “Issuer”)

Ladies and Gentlemen:

Reference is hereby made to the Indenture, dated as of September 11, 2014 (as amended and supplemented from time to time, the “Indenture”), among the Issuer, the Note Guarantors named therein and The Bank of New York Mellon, as Trustee. Capitalized terms used but not defined herein shall have the meanings given them in the Indenture.

In connection with our proposed transfer of U.S.\$ _____ aggregate principal amount of the Notes, which represent an interest in a Regulation S Global Note beneficially owned by the undersigned (“Transferor”), we confirm that such transfer has been effected pursuant to and in accordance with Rule 144A under the Securities Act of 1933, as amended, and, accordingly, we represent that the beneficial interest will be transferred to a Person that we reasonably believe is purchasing the beneficial interest for its own account, or for one or more accounts with respect to which such Person exercises sole investment discretion, and such Person and each such account is a “qualified institutional buyer” within the meaning of Rule 144A in a transaction meeting the requirements of Rule 144A and such transfer is in compliance with any applicable blue sky securities laws of any state of the United States.

You, the Issuer and the Note Guarantors are entitled to rely upon this letter and are irrevocably authorized to produce this letter or a copy hereof to any interested party in any administrative or legal proceedings or official inquiry with respect to the matters covered hereby.

Very truly yours,

[Name of Transferor]

By: _____

Authorized Signature]

Signature Guarantee: _____
(Signature must be guaranteed)

The signature(s) should be guaranteed by an eligible guarantor institution (banks, stockbrokers, savings and loan associations and credit unions with membership in an approved signature guarantee medallion program), pursuant to Exchange Act Rule 17Ad-15.

“CONSOLIDATED LEVERAGE RATIO” AND RELATED DEFINITIONS

The definition of “Consolidated Leverage Ratio” comes from the 2009 Financing Agreement, as in effect immediately prior to giving effect to the amendment and restatement thereof on September 17, 2012, and is to be used solely for purposes of calculating the Consolidated Leverage Ratio in the context of determining whether a Partial Covenant Suspension Event has occurred.

“**2012 CB Amount**” means an aggregate amount equal to the Relevant Existing Financial Indebtedness maturing on or prior to the 2012 CB Maturity Date.

“**2012 CB Maturity Date**” means the final maturity date of the Relevant Existing Financial Indebtedness maturing in September, 2012 (being 21 September, 2012).

“**Acceptable Bank**” means:

- (a) a bank or financial institution which has a rating for its long-term unsecured and non credit-enhanced debt obligations of A- or higher by S&P or A- or higher by Fitch or A3 or higher by Moody’s or a comparable rating from an internationally recognised credit rating agency;
- (b) any other bank or financial institution in a jurisdiction in which a member of the Group conducts commercial operations where such member of the Group, in the ordinary course of trading, subscribes for certificates of deposit issued by such bank or financial institution; or
- (c) any other bank or financial institution approved by the Administrative Agent.

“**Accession Letter**” means a document substantially in the form set out in Schedule 4 (*Form of Accession Letter*) of the 2009 Financing Agreement.

“**Additional Guarantor**” means a company that becomes an Additional Guarantor in accordance with Clause 28 (*Changes to the Obligors*) of the 2009 Financing Agreement.

“**Additional Security Provider**” means a company that becomes an Additional Security Provider in accordance with Clause 28 (*Changes to the Obligors*) of the 2009 Financing Agreement.

“**Administrative Agent**” means Citibank International PLC, as administrative agent of the Finance Parties (other than itself) under the 2009 Financing Agreement.

“**Affiliate**” means, in relation to any person, a Subsidiary of that person or a Holding Company of that person or any other Subsidiary of that Holding Company.

“**Applicable GAAP**” means:

- (a) in the case of the Issuer, Mexican FRS or, if adopted by the Issuer in accordance with Clause 22.3 (*Requirements as to financial statements*) of the 2009 Financing Agreement, IFRS;
- (b) in the case of CEMEX España, Spanish GAAP or, if adopted by CEMEX España in accordance with Clause 22.3 (*Requirements as to financial statements*) of the 2009 Financing Agreement, IFRS; and
- (c) in the case of any other Obligor, the generally accepted accounting principles applying to it in the country of its incorporation or in a jurisdiction agreed to by the Administrative Agent or, if adopted by the relevant Obligor, IFRS.

“**Authorised Signatory**” means, in relation to any Obligor, any person who is duly authorised and in respect of whom the Administrative Agent has received a certificate signed by a director or another Authorised Signatory of such Obligor setting out the name and signature of such person and confirming such person’s authority to act.

“**Banobras Facility**” means a revolving loan agreement (*Contrato de Apertura de Crédito en Cuenta Corriente*) between CEMEX CONCRETOS, S.A. de C.V., as borrower and Banco Nacional de Obras y Servicios Públicos, Sociedad Nacional de Crédito, Institución de Banca de Desarrollo, as lender (“**Banobras**”), in an aggregate principal amount equal to Mex\$5,000,000,000.00 (five billion pesos), dated April 22, 2009, which was formalized by means of public deeds number 116,380 and 116,381 dated April 22, 2009, granted before Mr. José Angel Villalobos Magaña, notary public number 9 for Mexico, Federal District, as such facility may be amended from time to time.

“**Base Currency**” means US dollars.

“**Base Currency Amount**” means on any date:

- (a) in relation to an amount or Exposure denominated in the Base Currency, that amount or the amount of that Exposure; and
- (b) in relation to an amount or Exposure denominated in a currency other than the Base Currency, that amount or the amount of that Exposure converted into the Base Currency at:
 - (i) for the purposes of determining the Majority Participating Creditors, the exchange rate displayed on the appropriate Reuters screen at or about 11:00 a.m. on the date on which such determination is made (or if the agreed page is replaced or services cease to be available, the Administrative Agent may specify another page or service displaying the appropriate rate after consultation with the Issuer and the Participating Creditors); and
 - (ii) for all other purposes, the exchange rate displayed on the appropriate Reuters screen at or about 11:00 a.m. on the date which is five Business Days before that date (or if the agreed page is replaced or services cease to be available, the Administrative Agent may specify another page or service displaying the appropriate rate after consultation with the Issuer and the Participating Creditors).

“**Bilateral Bank Facilities**” means the facilities described in Part IB of Part II of Schedule 1 (*The Original Participating Creditors*) of the 2009 Financing Agreement.

“**Borrower**” means an Original Borrower unless it has ceased to be a Borrower in accordance with Clause 28.2 (*Resignation of a Borrower*) of the 2009 Financing Agreement.

“**Business Day**” means a day (other than a Saturday or Sunday) on which banks are open for general business in London, Madrid, New York, Amsterdam and Mexico City (in the case of Mexico City, if applicable, as specified by a governmental authority), and:

- (a) (in relation to any date for payment or lending or purchase of, or the determination of an interest rate or rate of exchange in relation to, a currency other than euro) the principal financial centre of the country of that currency; or
- (b) (in relation to any date for payment or lending or purchase of, or the determination of an interest rate or rate of exchange in relation to, euro) any TARGET Day.

“**Business Plan**” means the five year business plan of the Group delivered in conjunction with the 2009 Financing Agreement.

“**Capital Expenditure**” means any expenditure or obligation in respect of expenditure which, in accordance with Applicable GAAP of the Issuer, is treated as capital expenditure (and including the capital element of any expenditure or obligation incurred in connection with a Capital Lease) (and, solely for the purposes of paragraph (c) of Clause 23.2 (*Financial condition*) of the 2009 Financing Agreement, the maximum amount of Capital Expenditure of the Group permitted in the Financial Year ending on or about 31 December 2009 will be increased by an amount not exceeding \$50,000,000 in aggregate to the extent necessary to take into account currency fluctuations or additional costs and expenses contemplated by (or that have occurred since the date of) the Business Plan).

“**Capital Lease**” means, as to any person, the obligations of such person to pay rent or other amounts under any lease of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, which obligations are required to be classified and accounted for as capital leases on a balance sheet of the Issuer under Applicable GAAP and the amount of such obligations at any time shall be the capitalized amount thereof at such time determined in accordance with Applicable GAAP of the Issuer.

“**Capital Stock**” means any and all shares, interests, participations or other equivalents (however designed) of capital stock of a corporation, any and all equivalent ownership interests in a person (other than a corporation) and any and all warrants, rights or options to purchase any of the foregoing.

“**Cash Equivalent Investments**” means at any time:

- (a) certificates of deposit maturing within one year after the relevant date of calculation and issued by an Acceptable Bank;
- (b) any investment in marketable debt obligations issued or expressly guaranteed by the government of Mexico, the United States of America (or any state thereof (including any political subdivision of such state)), the United Kingdom, any member state of the European Economic Area or any Participating Member State or any member state of NAFTA (or any other jurisdiction in which a member of the Group conducts commercial operations if that member of the Group makes investments in such debt obligations in the ordinary course of its trading) or by an instrumentality or agency of any of them having an equivalent credit rating, maturing within one year after the relevant date of calculation and not convertible or exchangeable to any other security;
- (c) commercial paper not convertible into or exchangeable for any other security:
 - (i) for which a recognised trading market exists;
 - (ii) issued by an issuer incorporated in Mexico, the United States of America (or any state thereof (including any political subdivision of such state)), the United Kingdom, any member state of the European Economic Area or any Participating Member State or any member state of NAFTA (or any other jurisdiction in which a member of the Group makes investments in such debt obligations in the ordinary course of trading);
 - (iii) which matures within one year after the relevant date of calculation; and
 - (iv) which has a credit rating of either A-1 or higher by S&P or F 1 or higher by Fitch or P-1 or higher by Moody’s, or, if no rating is available in respect of the commercial paper, the issuer of which has, in respect of its long-term unsecured and non-credit enhanced debt obligations, an equivalent rating;

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- (d) sterling bills of exchange eligible for rediscount at the Bank of England and accepted by an Acceptable Bank (or their dematerialised equivalent);
 - (e) any investment in money market funds which (i) have a credit rating of either A-1 or higher by S&P or F1 or higher by Fitch or P-1 or higher by Moody's, (ii) which invest substantially all their assets in securities of the types described in paragraphs (a) to (d) above and (f) and (g) below and (iii) can be turned into cash on not more than 30 days' notice; or
 - (f) any deposit issued by any of Nacional Financiera, S.N.C., Banco Nacional de Comercio Exterior, S.N.C., Banco Nacional de Obras y Servicios Públicos, S.N.C. or any other development bank controlled by the Mexican government;
 - (g) any other debt instrument rated "investment grade" (or the local equivalent thereof according to local criteria in a country in which any member of the Group conducts commercial operations and in which local pensions are permitted by law to invest) with maturities of 12 months or less from the date of acquiring such investment;
 - (h) investments in mutual funds, managed by banks or financial institutions, with a local currency credit rating of at least MxAA by S&P or equivalent by any other reputable local rating agency, that invest principally in marketable direct obligations issued by the Mexican government, or issued by any agency or instrumentality thereof; and
 - (i) any other debt security, certificate of deposit, commercial paper, bill of exchange, investment in money market funds or material funds approved by the Majority Participating Creditors, in each case, to which any member of the Group is alone (or together with other members of the Group) beneficially entitled at that time and which is not issued or guaranteed by any member of the Group or subject to any Security (other than Security arising under the Transaction Security Documents).

"CB Cash Replenishment Amount" means, for a particular Relevant Prepayment Period, the amount of cash in hand of the Issuer on a consolidated basis to be applied by the Issuer to the CB Reserve pursuant to paragraph (b) of Clause 13.3 (*Mandatory prepayments: Certificados Bursátiles Reserve*) of the 2009 Financing Agreement at any time during that Relevant Prepayment Period **provided that** such amount, together with the CB Disposal Proceeds Replenishment Amount applicable to that Relevant Prepayment Period, may not exceed the CB Reserve Shortfall at that time.

"CB Disposal Proceeds Replenishment Amount" means for a particular Relevant Prepayment Period, the amount of any Disposal Proceeds received by any member of the Group during that Relevant Prepayment Period to be applied by the Issuer to the CB Reserve pursuant to paragraph (b) of Clause 13.3 (*Mandatory prepayments: Certificados Bursátiles Reserve*) of the 2009 Financing Agreement **provided that** such amount, together with the CB Cash Replenishment Amount applicable to that Relevant Prepayment Period, may not exceed the CB Reserve Shortfall at that time.

"CB Reserve" means the reserve created by the Issuer or any of its Subsidiaries for the purposes of holding the proceeds of any Permitted Fundraising that, as set out in the relevant CB Reserve Certificate, are to be applied in accordance with Clause 13.3 (*Mandatory prepayments: Certificados Bursátiles Reserve*) of the 2009 Financing Agreement.

“**CB Reserve Certificate**” means a certificate signed by a Responsible Officer of the Issuer setting out, with respect to a Permitted Fundraising the net cash proceeds of which are to be applied in accordance with Clause 13.3 (*Mandatory prepayments: Certificados Bursátiles Reserve*) of the 2009 Financing Agreement:

- (i) the amount of proceeds from the relevant Permitted Fundraising that the Issuer wishes to be applied to the CB Reserve (such amount to not exceed the aggregate amount of the Relevant Existing Financial Indebtedness that is due to mature within the Relevant Prepayment Period to which it applies); and
- (ii) specific details of the Relevant Existing Financial Indebtedness to which any amounts are designated by the Issuer to be applied including the total aggregate amount of such Relevant Existing Financial Indebtedness and the date on which such Relevant Existing Financial Indebtedness matures.

“**CB Reserve Shortfall**” means at any time, for a particular Relevant Prepayment Period, an amount equal to the lower of:

- (i) the aggregate amount of (A) any voluntary prepayments made to Participating Creditors pursuant to Clause 12.2 (*Voluntary prepayment of Exposures*) of the 2009 Financing Agreement from proceeds standing to the credit of the CB Reserve in that Relevant Prepayment Period and (B) the 2012 CB Amount; and
- (ii) the principal amount of any Relevant Existing Financial Indebtedness then outstanding in that Relevant Prepayment Period.

“**Change of Control**” means that the beneficial ownership (within the meaning of Rule 13d-3 promulgated by the SEC under the Securities Exchange Act of 1934, as amended) of 20 per cent. or more in voting power of the outstanding voting stock of the Issuer is acquired by any person, **provided that** the acquisition of beneficial ownership of capital stock of the Issuer by Lorenzo H. Zambrano or any member of his immediate family shall not constitute a Change of Control.

“**Charged Property**” means all of the assets of the Security Providers which from time to time are, or are expressed to be, the subject of the Transaction Security.

“**Compliance Certificate**” means a certificate substantially in the form set out in Schedule 5 (*Form of Compliance Certificate*) of the 2009 Financing Agreement.

“**Consolidated Coverage Ratio**” means, on any date of determination, the ratio of (a) EBITDA for the one (1) year period ending on such date to (b) Consolidated Interest Expense for the one (1) year period ending on such date.

“**Consolidated Debt**” means, at any date, the sum (without duplication) of (a) the aggregate amount of all Debt of the Issuer and its Subsidiaries at such date, which shall include the amount of any recourse in respect of Inventory Financing permitted under paragraph (e) of the definition of Permitted Financial Indebtedness, *plus* (b) to the extent not included in Debt, the aggregate net mark-to-market amount of all derivative financing in the form of equity swaps outstanding at such date (except to the extent such exposure is cash collateralized to the extent permitted under the Finance Documents).

“**Consolidated Funded Debt**” means, for any period, Consolidated Debt less the sum (without duplication) of (i) all obligations of such person to pay the deferred purchase price of property or services, (ii) all obligations of such person as lessee under Capital Leases, and (iii) all obligations of such person with respect to product invoices incurred in connection with export financing.

“**Consolidated Interest Expense**” means, for any period, the sum of the (1) total gross cash and non cash interest expense of the Issuer and its consolidated Subsidiaries relating to Consolidated Funded Debt of such persons, (2) any amortization or accretion of debt discount or any interest paid on Consolidated Funded Debt of such person and its Subsidiaries in the form of additional Financial Indebtedness (but excluding any amortization of deferred financing and debt issuance costs), (3) the net costs under Treasury Transactions in respect of interest rates (but excluding amortization of fees), (4) any amounts paid in cash on preferred stock, and (5) any interest paid or accrued in respect of Consolidated Funded Debt without a maturity date, regardless of whether considered interest expense under Applicable GAAP of the Issuer. For purposes of calculating Consolidated Interest Expense for the Reference Period ending 30 June 2010, \$131,406,696.17 shall be deducted, constituting the amount of interest paid in respect of perpetual debentures on 1 July 2009 for the period ending 30 June 2009.

“**Consolidated Leverage Ratio**” means, on any date of determination, the ratio of (a) Consolidated Funded Debt on such date to (b) EBITDA for the one (1) year period ending on such date.

“**Core Bank Facilities**” means the Syndicated Bank Facilities, the Bilateral Bank Facilities and the Promissory Notes.

“**Creditor’s Representative**” means:

- (a) with respect to each of the Syndicated Bank Facilities, the person appointed as the agent of the creditors in relation to such Facility under the Existing Finance Documents relating to such Facility;
- (b) with respect to each other Core Bank Facility, the Participating Creditor with an Exposure under that Facility; and
- (c) with respect to each USPP Note, the Participating Creditor with an Exposure under that USPP Note.

“**Debt**” of any person means, without duplication, (i) all obligations of such person for borrowed money, (ii) all obligations of such person evidenced by bonds, debentures, notes or other similar instruments, including the perpetual bonds, (iii) the aggregate net mark-to-market of Treasury Transactions (except to the extent such exposure is cash collateralized to the extent permitted under the Finance Documents) of such person but excluding Treasury Transactions relating to the rate or price of energy or any commodity, (iv) all obligations of such person to pay the deferred purchase price of property or services, except trade accounts payable arising in the ordinary course of trading, (v) all obligations of such person as lessee under Capital Leases, (vi) all Debt of others secured by Security on any asset of such person, up to the value of such asset, (vii) all obligations of such person with respect to product invoices incurred in connection with export financing, (viii) all obligations of such person under repurchase agreements for the stock issued by such person or another person, (ix) all obligations of such person in respect of Inventory Financing permitted under paragraph (e) of the definition of Permitted Financial Indebtedness and (x) all guarantees of such person in respect of any of the foregoing **provided, however**, that for the purposes of calculating the Consolidated Funded Debt element of the Consolidated Leverage Ratio, Relevant Convertible/Exchangeable Obligations shall be excluded from each of the foregoing paragraphs (i) to (x) inclusive (**provided that**, in the case of outstanding Financial Indebtedness under any Relevant Convertible/Exchangeable Obligations (1) only the principal amount thereof shall be excluded and (2) such exclusion shall apply only for so long as such amounts remain subordinated in accordance with the terms of that definition) and (b) amounts falling within paragraph (v) of the definition of Excluded Fundraising Proceeds, for the period in which they are held by the Issuer or any member of the Group pending application in accordance with the terms of the 2009 Financing

Agreement, shall be deducted from the aggregate Debt calculation resulting from this definition. For the avoidance of doubt, all letters of credit, banker's acceptances or similar credit transactions, including reimbursement obligations in respect thereof are not Debt until they are required to be funded.

"Debt Documents" means the Finance Documents, the "Refinancing Documents" (as defined in the Intercreditor Agreement) and the "Noteholder Documents" (as defined in the Intercreditor Agreement).

"Debt Reduction Satisfaction Date" means the first date following 30 September 2010 on which:

- (a) the Base Currency Amount of the Exposures of Participating Creditors under the Facilities (calculated as at the date that any reduction of Exposures occurs and in accordance with the 2009 Financing Agreement) has been reduced by an aggregate amount equal to at least U.S.\$1,000,000,000 compared to the Exposures of Participating Creditors under the Facilities as at 30 September 2010; and
- (b) the amount of Consolidated Funded Debt is at least U.S.\$1,000,000,000 (or its equivalent in any other currency) lower than the level of Consolidated Funded Debt as at 30 September 2010 (for the avoidance of doubt, when used in this sub-paragraph, Consolidated Funded Debt shall not include any Relevant Convertible/Exchangeable Obligations),

with notification of the occurrence of such date being provided by the Parent delivering a certificate to the Administrative Agent signed by an Authorised Signatory confirming that (a) and (b) above have been met.

"Delegate" means any delegate, agent, attorney or co-trustee appointed by the Security Agent.

"Discontinued EBITDA" means, for any period, the sum for Discontinued Operations of (a) operating income (*utilidad de operación*), and (b) depreciation and amortization expense, in each case determined in accordance with Applicable GAAP of the Issuer consistently applied for such period.

"Discontinued Operations" means operations that are accounted for as discontinued operations pursuant to Applicable GAAP of the Issuer for which the Disposal of such assets has not yet occurred.

"Disposal" means a sale, lease, license, transfer, loan or other disposal by a person of any asset (including shares in any Subsidiary or other company), undertaking or business (whether by a voluntary or involuntary single transaction or series of transactions).

"Disposal Proceeds" means:

- (i) the cash consideration received by any member of Group (including any amount received from a person who is not a member of the Group in repayment of intercompany debt save to the extent that the creditor in respect of the intercompany debt is obliged to repay that amount to the purchaser at or about completion of the Disposal) for any Disposal;
- (ii) any proceeds of any Disposal received in the form of Marketable Securities that are required to be disposed of for cash (after deducting reasonable expenses incurred by the party disposing of those Marketable Securities to persons other than members of the Group) pursuant to the criteria set out at paragraph (h) of the definition of Permitted Disposal; and
- (iii) any proceeds of any Disposal received in any other form to the extent disposed of or otherwise converted into cash within 90 days of receipt; and
- (iv) any consideration falling within paragraphs (i) to (iii) above that is received by any member of the Group from the Disposal of assets of the Group in Venezuela prior to the date of the 2009 Financing Agreement,

but excluding any Excluded Disposal Proceeds and, in every case, after deducting:

- (1) any reasonable expenses which are incurred by the disposing party of such assets with respect to that Disposal to persons who are not members of the Group;
- (2) any Tax incurred and required to be paid by the disposing party in connection with that Disposal (as reasonably determined by the disposing party on the basis of rates existing at the time of the disposal and taking account of any available credit, deduction or allowance);

“**EBITDA**” means, for any period, the sum for the Issuer and its Subsidiaries, determined on a consolidated basis of (a) operating income (*utilidad de operacion*), and (b) depreciation and amortization expense, in each case determined in accordance with Applicable GAAP of the Issuer, subject to the adjustments herein, consistently applied for such period and adjusted for Discontinued EBITDA as follows: if the amount of Discontinued EBITDA is a positive amount, then EBITDA shall increase by such amount, and if the amount of Discontinued EBITDA is a negative amount, then EBITDA shall decrease by the absolute value of such amount. For the purposes of calculating EBITDA for any applicable period pursuant to any determination of the Consolidated Leverage Ratio (but not the Consolidated Coverage Ratio): (A) (i) if at any time during such applicable period the Borrower or any of its Subsidiaries shall have made any Material Disposal, the EBITDA for such applicable period shall be reduced by an amount equal to the EBITDA (if positive) attributable to the property that is the subject of such Material Disposal for such applicable period (but when the Material Disposal is by way of lease, income received by the Issuer or any of its Subsidiaries under such lease shall be included in EBITDA) and (ii) if at any time during such applicable period the Issuer or any of its Subsidiaries shall have made any Material Acquisition, EBITDA for such applicable period shall be calculated after giving *pro forma* effect thereto as if such Material Acquisition had occurred on the first day of such applicable period. Additionally, if since the beginning of such applicable period any person that subsequently shall have become a Subsidiary or was merged or consolidated with the Issuer or any of its Subsidiaries as a result of a Material Acquisition occurring during such applicable period shall have made any Material Disposal or Material Acquisition of property that would have required an adjustment pursuant to clause (i) or (ii) above if made by the Issuer or any of its Subsidiaries during such applicable period, EBITDA for such period shall be calculated after giving *pro forma* effect thereto as if such Material Disposal or Material Acquisition had occurred on the first day of such applicable period; and (B) EBITDA will be recalculated by multiplying each month’s EBITDA by the Ending Exchange Rate and dividing the amount obtained thereto by the exchange rate used by the Issuer in preparation of its monthly financial statements in accordance with Applicable GAAP of the Issuer to convert \$ into Mexican pesos (such recalculated EBITDA being the “**Recalculated EBITDA**”).

“**Ending Exchange Rate**” means the exchange rate at the end of a Reference Period for converting \$ into Mexican pesos as used by the Issuer and its auditors in preparation of the Issuer’s financial statements in accordance with Applicable GAAP of the Issuer.

“**Excluded Disposal Proceeds**” means any CB Disposal Proceeds Replenishment Amount and the proceeds of any Disposal of:

- (i) inventory or trade receivables in the ordinary course of trading of the disposing entity;

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- (ii) assets pursuant to a Permitted Securitisation programme existing as at the date of the 2009 Financing Agreement (or any rollover or extension of such a Permitted Securitisation);
 - (iii) any asset from any member of the Group to another member of the Group on arm's length terms and for fair market or book value;
 - (iv) any assets the consideration for which (when aggregated with the consideration for any related Disposals) is less than \$5,000,000 (or its equivalent in any other currency);
 - (v) assets leased or licensed to any director, officer or employee of any member of the Group in connection with and as part of the ordinary course of the service or employment arrangements of the Group;
 - (vi) Marketable Securities (other than Marketable Securities received as consideration for a Disposal as envisaged in paragraphs (ii) and (iii) of the definition of Disposal Proceeds); and
 - (vii) any cash or other assets arising out of or in connection with any Permitted Put/Call Transaction, including, but not limited to any settlement, disposal, transfer, assignment, closeout or other termination of such Permitted Put/Call Transaction.

"Excluded Fundraising Proceeds" means the proceeds of:

- (i) a Permitted Fundraising falling within paragraph (f)(i) of the definition of Permitted Financial Indebtedness entered into for the purpose of refinancing or extending the maturity of Existing Financial Indebtedness falling within paragraph (a) of the definition thereof (or paragraph (b) of the definition thereof, to the extent that it relates to Short Term Certificados Bursatiles) (and, in the case of a refinancing, where the proceeds that would, but for this paragraph (i), constitute "Permitted Fundraising Proceeds," are actually applied for such purpose as soon as reasonably practicable (and in any event within 90 days) following receipt of those proceeds by any member of the Group);
- (ii) a Permitted Fundraising falling within paragraph (f)(ii) of the definition of Permitted Financial Indebtedness entered into for the purpose of refinancing or extending the maturity of Existing Financial Indebtedness falling within paragraphs (a) to (e) of the definition thereof (and, in the case of a refinancing, where the proceeds that would, but for this paragraph (ii), constitute "Permitted Fundraising Proceeds," are actually applied for such purpose as soon as reasonably practicable (and in any event within 90 days) following receipt of those proceeds by any member of the Group).
- (iii) any transaction between members of the Group;
- (iv) Permitted Securitisations;
- (v) prior to the Debt Reduction Satisfaction Date, a Permitted Fundraising falling within paragraph (c) of that definition or, after the Debt Reduction Satisfaction Date, a Permitted Fundraising falling within paragraphs (a), (b) or (c) of that definition **provided that** any Relevant Existing Financial Indebtedness due to

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- mature within the particular Relevant Prepayment Period and the proceeds of such Permitted Fundraising are to be applied in accordance with Clause 13.3 (*Mandatory prepayments: Certificados Bursátiles Reserve*) of the 2009 Financing Agreement;
- (vi) subject to Clause 13.4(ii) of the 2009 Financing Agreement, a Permitted Fundraising falling within paragraph (c) of that definition and applied or to be applied in accordance with Clause 13.4 (*Mandatory prepayments: Relevant Convertible/Exchangeable Obligations*) of the 2009 Financing Agreement; and
 - (vii) a Permitted Fundraising arising out of or in connection with any Permitted Put/Call Transaction, including, but not limited to, any settlement, disposal, transfer, assignment, close-out or other termination of such Permitted Put/Call Transaction.

“**Executive Compensation Plan**” means any stock option plan, restricted stock plan or retirement plan which the Issuer or any other Obligor customarily provides to its employees, consultants and directors.

“**Existing Facility Agreements**” means the facility agreements and other documents described in Part II, Schedule 1 (*The Original Participating Creditors*) of the 2009 Financing Agreement.

“**Existing Finance Documents**” means each Existing Facility Agreement, the USPP Note Guarantee, the “Finance Documents” as defined in any Existing Facility Agreement and the “Facility Transaction Documents” as defined in Exhibit H to the NY Law Amendment Agreement (but in each case excluding any document that is designated a “**Finance Document**” or “**Facility Transaction Document**” by an Obligor and the relevant Creditor’s Representative under an Existing Facility Agreement after the date of the 2009 Financing Agreement).

“**Existing Financial Indebtedness**” means:

- (a) the Financial Indebtedness described in Part I of Schedule 10 (*Existing Financial Indebtedness*) of the 2009 Financing Agreement **provided that** the principal amount of such Financial Indebtedness does not increase above the principal amount outstanding as at the date of the 2009 Financing Agreement (except by the amount of any capitalised interest under any facility or instrument that provided for capitalisation of interest on those terms as at the date of the 2009 Financing Agreement) less the amount of any repayments and prepayments made in respect of such Financial Indebtedness;
- (b) the Financial Indebtedness described in Part II of Schedule 10 (*Existing Financial Indebtedness*) of the 2009 Financing Agreement and any Short-Term Certificados Bursátiles, working capital or other operating facilities that replace or refinance such Financial Indebtedness;
- (c) the Financial Indebtedness described in Part III of Schedule 10 (*Existing Financial Indebtedness*) of the 2009 Financing Agreement and any Capital Leases that replace (and relate to the same or similar assets as) such Financial Indebtedness;
- (d) the Financial Indebtedness described in Part IV of Schedule 10 (*Existing Financial Indebtedness*) of the 2009 Financing Agreement and any Inventory Financing or factoring arrangements that replace (and relate to the same or similar assets as) such Financial Indebtedness; and
- (e) the Banobras Facility and any other facility that replaces or refinances such facility **provided that** any such replacement or refinancing facility is (i) with a development bank controlled by the Mexican Government or (ii) with any other financial institution to finance public works or infrastructure assets,

provided that (i) the aggregate principal amount of such Existing Financial Indebtedness falling under each of paragraphs (b) to (e) of this definition shall not be increased above the principal amount of Financial Indebtedness committed or capable of being drawn down under the Financial Indebtedness referred to in that paragraph of this definition as at the date of the 2009 Financing Agreement (except by the amount of any capitalised interest under any facility or instrument that provided for capitalisation of interest on those terms as at the date of the 2009 Financing Agreement) and (ii), for the avoidance of doubt, any refinancing or replacement of Existing Financial Indebtedness falling within paragraphs (b) to (d) above need not satisfy the requirements of paragraph (f) of the definition of Permitted Financial Indebtedness.

“Exposure” means, at any time:

- (a) in relation to a Participating Creditor and a Syndicated Bank Facility or Bilateral Bank Facility, that Participating Creditor’s participation in Loans made under the relevant Facility at that time;
- (b) in relation to Participating Creditor and a Promissory Note, the principal amount owed to that Participating Creditor under that Promissory Note at that time; and
- (c) in relation to a Participating Creditor and a USPP Note, the principal amount owed to that Participating Creditor under that USPP Note at that time.

“Facility” means a Core Bank Facility and each USPP Note.

“Fee Letter” means any letter or agreement between the Administrative Agent or Security Agent and the Issuer setting out (i) the upfront fee and (ii) the level of fees payable in respect of the services and obligations performed by those agents under the relevant New Finance Documents.

“Finance Document” means each New Finance Document and each Existing Finance Document.

“Finance Party” means the Administrative Agent, the Security Agent, each Creditor’s Representative or a Participating Creditor.

“Financial Indebtedness” means any indebtedness for or in respect of:

- (a) moneys borrowed and debit balances at banks or other financial institutions;
- (b) any acceptance under any acceptance credit or bill discounting facility (or dematerialised equivalent);
- (c) any amount raised pursuant to a note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument (including, without limitation, any perpetual bonds);
- (d) the amount of any liability in respect of any lease or hire purchase contract which would (in accordance with Applicable GAAP of the Issuer) be treated as a finance or capital lease;

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- (e) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis and meet any requirement for de-recognition under Applicable GAAP of the Issuer);
 - (f) any Treasury Transaction (and, when calculating the value of that Treasury Transaction, only the mark-to-market value (or, if any actual amount is due as a result of the termination or close-out of that Treasury Transaction, that amount) shall be taken into account);
 - (g) any counter-indemnity obligation in respect of a guarantee, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution;
 - (h) any amount raised by the issue of redeemable shares which are redeemable (other than at the option of the issuer) before the Termination Date or are otherwise classified as borrowings under Applicable GAAP of the Issuer;
 - (i) any amount of any liability under an advance or deferred purchase agreement if (i) one of the primary reasons behind entering into the agreement is to raise finance or to finance the acquisition or construction of the asset or service in question or (ii) the agreement is in respect of the supply of assets or services and payment is due more than 60 days after the date of supply;
 - (j) any arrangement pursuant to which an asset sold or otherwise disposed of by that person may be re-acquired by a member of the Group (whether following the exercise of an option or otherwise) and any Inventory Financing;
 - (k) any amount raised under any other transaction (including any forward sale or purchase, sale and sale back or sale and leaseback agreement) having the commercial effect of a borrowing or otherwise classified as borrowings under Applicable GAAP of the Issuer; and
 - (l) the amount of any liability in respect of any guarantee for any of the items referred to in paragraphs (a) to (k) above.

“**Financial Quarter**” means the period commencing on the day after one Quarter Date and ending on the next Quarter Date.

“**Financial Year**” means the annual accounting period of the Issuer ending on or about 31 December in each year.

“**Fitch**” means Fitch Ratings Limited or any successor thereto from time to time.

“**Group**” means the Issuer and each of its Subsidiaries for the time being.

“**Guarantors**” means the Original Guarantors and any Additional Guarantor other than any Original Guarantor or Additional Guarantor which has ceased to be a Guarantor pursuant to Clause 28.4 (*Resignation of Guarantor*) of the 2009 Financing Agreement and has not subsequently become an Additional Guarantor pursuant to Clause 28.3 (*Additional Guarantors and Additional Security Providers*) of the 2009 Financing Agreement and “**Guarantor**” means any of them.

“**Holding Company**” means, in relation to a company or corporation, any other company or corporation in respect of which it is a Subsidiary.

“**IFRS**” means international accounting standards within the meaning of IAS Regulation 1606/2002 to the extent applicable to the relevant financial statements.

“**Intellectual Property**” means:

- (a) any patents, trademarks, service marks, designs, business names, copyrights, design rights, data-base rights, inventions, knowhow and other intellectual property rights and interests, whether registered or unregistered; and
- (b) the benefit of all applications and rights to use such assets of each member of the Group.

“**Intercreditor Agreement**” means the intercreditor agreement dated on or about the date of the 2009 Financing Agreement and made between, among others, the Issuer, Wilmington Trust (London) Limited as Security Agent, Citibank International PLC as Administrative Agent, the Participating Creditors and any other creditors of the Group that may accede to it from time to time in accordance with its terms, as such agreement may be amended from time to time.

“**Inventory Financing**” means a financing arrangement pursuant to which a member of the Group sells inventory to a bank or other institution (or a special purpose vehicle or partnership incorporated or established by or on behalf of such bank or other institution or an Affiliate of such bank or other institution) and has an obligation to repurchase such inventory to the extent that it is not sold to a third party within a specified period.

“**Joint Venture**” means any joint venture entity, whether a company, unincorporated firm, undertaking, association, joint venture or partnership or any other entity.

“**Joint Venture Investment**” has the meaning given to such term in sub-paragraph (b) (ii) of the definition of Permitted Joint Venture.

“**Loan**” means:

- (a) in relation to a Syndicated Bank Facility or Bilateral Bank Facility, a loan made or to be made under such Facility or the principal amount outstanding for the time being of that loan; and
- (b) in relation to a Promissory Note, the Exposure of the Participating Creditors for the time being under that Promissory Note.

“**Majority Participating Creditors**” means, at any time, a Participating Creditor or Participating Creditors the Base Currency Amount of whose Exposures under the Facilities at that time aggregate 66.67 per cent. or more of the Base Currency Amount of all the Exposures of the Participating Creditors under all of the Facilities at that time.

“**Marketable Securities**” means securities (whether equity, debt or other securities) which are listed on a stock exchange or for which a trading market exists (whether on market or over the counter) but excluding: (A) shares in any member of the Group, and (B) any shares in Axtel, S.A.B. de C.V.

“**Material Acquisition**” means any (a) acquisition of property or series of related acquisitions of property that constitutes assets comprising all or substantially all of an operating unit, division or line of business or (b) acquisition of or other investment in the Capital Stock of any Subsidiary or any person which becomes a Subsidiary or is merged or consolidated with the Borrower or any of its Subsidiaries, in each case, which involves the payment of consideration by the Borrower and its Subsidiaries in excess of \$100,000,000 (or the equivalent in other currencies).

“**Material Disposal**” means any Disposal of property or series of related Disposals of property that yields gross proceeds to the Issuer or any of its Subsidiaries in excess of \$100,000,000 (or the equivalent in other currencies).

“**Mexican FRS**” means Mexican Financial Reporting Standards (*Normas de Información Financiera*) as in effect from time to time and consistent with those used in the preparation of the most recent audited financial statements referred to in Clause 22.1 (Financial Statements).

“**Mexican pesos**,” “**Mex\$**,” “**MXN**” and “**pesos**” means the lawful currency of Mexico.

“**Mexico**” means the United Mexican States.

“**Moody’s**” means Moody’s Investor Services Limited or any successor to its ratings business.

“**NAFTA**” means the North American Free Trade Agreement.

“**New Finance Document**” means the 2009 Financing Agreement, the NY Law Amendment Agreement, the Intercreditor Agreement, each Transaction Security Document, any Accession Letter, any Fee Letter, any Resignation Letter and any other document designated as a “**New Finance Document**” by the Administrative Agent and the Issuer.

“**New Equity Securities**” means

- (i) The U.S.\$977.5 million aggregate principal amount of 3.25% convertible subordinated notes due 2016, including U.S.\$177.5 million notes issued pursuant to an over-allotment option in connection with those subordinated notes due 2016; and
- (ii) U.S. \$690 million aggregate principal amount of 3.75% convertible subordinated notes due 2018, including U.S.\$90 million notes issued pursuant to an over-allotment option in connection with those subordinated notes due 2018.

in each case, issued on 15 March 2011 by the Issuer.

“**NY Law Amendment Agreement**” means the omnibus amendment agreement dated on or about the date of the 2009 Financing Agreement between, among others, the Issuer and the Participating Creditors with Exposures under those Existing Facility Agreements (other than the USPP Note Agreement) that are governed by the laws of the State of New York, as such agreement may be amended from time to time.

“**Obligors**” means the Borrowers, the Guarantors and the Security Providers and “**Obligor**” means any of them.

“**Original Borrowers**” means, together with the Issuer, the Subsidiaries of the Issuer listed in Part I of Schedule 1 (*The Original Parties*) of the 2009 Financing Agreement as borrowers or issuers.

“**Original Financial Statements**” means (a) in relation to the Issuer, its audited unconsolidated and consolidated financial statements for its Financial Year ended 31 December 2008 accompanied by an audit opinion of KPMG Cardenas Dosal, S.C.; (b) in relation to CEMEX España, its audited consolidated financial statements for its financial year ended 31 December 2008; and (c) in relation to any other borrower or guarantor under the 2009 Financing Agreement, its most recent annual financial statements (audited, if available).

“**Original Guarantors**” means the Subsidiaries of the Issuer listed in Part I of Schedule 1 (*The Original Parties*) of the 2009 Financing Agreement as guarantors, together with the Issuer.

“**Original Participating Creditors**” means the financial institutions and noteholders listed in Part II of Schedule 1 (*The Original Participating Creditors*) of the 2009 Financing Agreement as creditors.

“**Original Security Providers**” means the Subsidiaries of the Issuer listed in Part I of Schedule 1 (*The Original Parties*) of the 2009 Financing Agreement as security providers.

“**Participating Creditor**” means:

- (a) any Original Participating Creditor; and
- (b) any person which has become a Party in accordance with Clause 27 (*Changes to the Participating Creditors*), of the 2009 Financing Agreement,

which in each case has not ceased to be a Party in accordance with the terms of the 2009 Financing Agreement.

“**Participating Member State**” means any member state of the European Union that adopts or has adopted the euro as its lawful currency in accordance with legislation of the European Union relating to Economic and Monetary Union.

“**Party**” means a party to the 2009 Financing Agreement.

“**Permitted Acquisition**” means:

- (a) an acquisition by a member of the Group of an asset sold, leased, transferred or otherwise disposed of by another member of the Group in circumstances constituting a Permitted Disposal;
- (b) an acquisition of shares or securities pursuant to a Permitted Share Issue;
- (c) an acquisition of cash or securities which are Cash Equivalent Investments;
- (d) an acquisition to which a member of the Group is contractually committed as at the date of the 2009 Financing Agreement, with the material terms of those acquisitions requiring consideration payable in excess of \$10,000,000 described in the list delivered to the Administrative Agent under paragraph 4(f) of Part I (Initial Conditions Precedent) of Schedule 2 of the 2009 Financing Agreement (**provided that** there has been or is no material change to the terms of such acquisition subsequent to the date of the 2009 Financing Agreement);
- (e) the incorporation of a company which on incorporation becomes a member of the Group or which is a special purpose vehicle, whether a member of the Group or not;
- (f) an acquisition that constitutes a Permitted Joint Venture;
- (g) an acquisition of assets and, if applicable, cash, in exchange for other assets and, if applicable, cash, of equal or higher value **provided that:** (i) the cash element of any such acquisition must not be more than 20 per cent. of the aggregate consideration for the acquisition; and (ii) the maximum aggregate market value of the assets acquired pursuant to all such transactions must not be more than \$100,000,000 (or its equivalent in any other currency) in any Financial Year;
- (h) any acquisition of shares of the Issuer pursuant to an obligation in respect of any Executive Compensation Plan;

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- (i) any other acquisition consented to by the Administrative Agent acting on the instructions of the Majority Participating Creditors;
 - (j) an acquisition of shares in the Issuer to the extent that a member of the Group has an obligation to deliver such shares to any holder(s) of convertible securities falling within paragraph (f)(i) of the definition of Permitted Financial Indebtedness pursuant to the terms of such convertible securities; and
 - (k) any other acquisition of a company, of shares, securities or a business or undertaking (or, in each case, any interest in any of them) **provided that** the aggregate amount of the consideration for such acquisitions (when aggregated with the aggregate amount of Joint Venture Investment falling within paragraph (b)(iii)(1) of the definition of Permitted Joint Venture in that Financial Year) does not exceed \$100,000,000 (or its equivalent in any other currencies) in any Financial Year.

“Permitted Disposal” means any sale, lease, licence, transfer or other disposal which, except in the case of Disposals as between members of the Group, is on arm’s length terms:

- (a) of trading stock or cash made by any member of the Group in the ordinary course of trading of the disposing entity;
- (b) of any asset by a member of the Group (the **“Disposing Company”**) to another member of the Group (the **“Acquiring Company”**), but if:
 - (i) the Disposing Company is an Obligor, the Acquiring Company must also be an Obligor;
 - (ii) the Disposing Company had given Transaction Security over the asset, the Acquiring Company must give equivalent Transaction Security over that asset; and
 - (iii) the Disposing Company is a Guarantor, the Acquiring Company must be a Guarantor guaranteeing at all times an amount no less than that guaranteed by the Disposing Company,

provided that the conditions set out in paragraphs (i), (ii) and (iii) above shall only apply if the applicable assets are shares or if all or substantially all of the assets of the Disposing Company are being disposed of;

- (c) of obsolete or redundant vehicles, machinery, parts and equipment in the ordinary course of trading;
- (d) of cash or Cash Equivalent Investments for cash or in exchange for other Cash Equivalent Investments;
- (e) constituted by a licence of Intellectual Property in the ordinary course of trading;
- (f) to a Joint Venture, to the extent permitted by Clause 24.17 (*Joint ventures*) of the 2009 Financing Agreement;
- (g) arising as a result of any Permitted Security;

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- (h) of any shares in a member of the Group (**provided that** all such shares in that entity owned by a member of the Group are the subject of the Disposal) or of any other asset, in each case on arm's length terms and for full market value where:
- (i) no less than 85 per cent. of the consideration for the Disposal is payable to the Group in cash or Marketable Securities paid or received by a member of the Group at completion of the Disposal (**provided that** where a portion of that 85 per cent. is comprised of Marketable Securities, those Marketable Securities must be disposed of for cash to a person that is not a member of the Group within 90 days of completion);
 - (ii) if the aggregate consideration for the Disposal (when aggregated with the consideration for any related Disposals) is equal to 5 per cent. or more of the value of consolidated assets of the Group, the Issuer has delivered to the Administrative Agent a certificate signed by an Authorised Signatory confirming that, on a *pro forma* basis, assuming that the Disposal had been completed and the proceeds had been applied in accordance with Clause 13 (*Mandatory Prepayment*) of the 2009 Financing Agreement immediately prior to the first day of the most recent Reference Period for which a Compliance Certificate has been or is required to have been delivered under the 2009 Financing Agreement, the Issuer would have been in compliance with the financial covenants in paragraphs (a) and (b) of Clause 23.2 (*Financial condition*) of the 2009 Financing Agreement as at the last day of the most recent Reference Period for which a Compliance Certificate has been or is required to have been delivered under the 2009 Financing Agreement; and
 - (iii) the Disposal Proceeds received by members of the Group are applied (to the extent required) in accordance with Clause 13 (*Mandatory prepayment*) of the 2009 Financing Agreement;
- (i) of any asset compulsorily acquired by a governmental authority **provided that** the Disposal Proceeds received by members of the Group are applied (to the extent required) in accordance with Clause 13 (*Mandatory prepayment*) of the 2009 Financing Agreement;
- (j) of any receivables disposed of pursuant to a factoring or similar receivables financing arrangement that is otherwise permitted under the 2009 Financing Agreement (including, for the avoidance of doubt, the Banobras Facility);
- (k) of any inventory disposed of pursuant to an Inventory Financing or similar arrangement that is otherwise permitted under the 2009 Financing Agreement;
- (l) of any plant or equipment disposed of pursuant to a sale and lease-back arrangement that is otherwise permitted under the 2009 Financing Agreement;
- (m) of any asset to which a member of the Group was contractually committed as at the date of the 2009 Financing Agreement, with all material terms of those disposals which relate to the disposal of assets with a value of at least \$10,000,000 being described in Schedule 14 (*Disposals*) of the 2009 Financing Agreement (**provided that** there has been or is no material change to the terms of such Disposal subsequent to the date of the 2009 Financing Agreement);

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- (n) of receivables disposed of pursuant to a Permitted Securitisation;
 - (o) of land or buildings arising as a result of lease or licence in the ordinary course of its trading;
 - (p) of any shares of the Issuer pursuant to an obligation in respect of any Executive Compensation Plan;
 - (q) of shares, common equity securities in the Issuer or reference property in connection with the same to the extent that a member of the Group has an obligation to deliver such shares, common equity securities or reference property to any holder(s) of convertible or exchangeable securities falling within paragraph (f)(i) of the definition of Permitted Financial Indebtedness pursuant to the terms of such convertible or exchangeable securities or to any counterparty pursuant to the terms of any Permitted Put/Call Transaction;
 - (r) of assets and, if applicable, cash in exchange for other assets and, if applicable, cash, of equal or higher value **provided that:** (i) the cash element of any such Disposal must not be more than 20 per cent. of the aggregate consideration for the Disposal; and (ii) the maximum aggregate market value of all assets disposed of in such transactions must not be more than \$100,000,000 (or its equivalent in any other currencies) in any Financial Year; or
 - (s) otherwise approved by the Administrative Agent acting on the instructions of the Majority Participating Creditors.

“Permitted Financial Indebtedness” means Financial Indebtedness:

- (a) incurred or arising under the Finance Documents;
- (b) that is Existing Financial Indebtedness;
- (c) owed to a member of the Group;
- (d) that constitutes a Permitted Securitisation;
- (e) arising under Capital Leases, factoring arrangements, Inventory Financing arrangements or export credit facilities for the purchase of equipment (**provided that** any Security granted in relation to any such facility relates solely to equipment, the purchase of which was financed under such Facility) or pursuant to sale and lease-back transactions **provided that** the maximum aggregate Financial Indebtedness of members of the Group under such transactions (excluding any Existing Financial Indebtedness) does not exceed \$350,000,000 at any time;

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- (f) arising:
- (i) pursuant to an issuance of bonds, notes or other debt securities, or of convertible or exchangeable securities by:
 - (A) in the case of bonds, notes or other debt securities or convertible or exchangeable securities issued to refinance or replace Existing Financial Indebtedness falling within Part I of Schedule 10 (Existing Financial Indebtedness) of the 2009 Financing Agreement, one or more Obligor (other than CEMEX Materials LLC and CEMEX, Inc.) or the same member of the Group (including, where applicable, CEMEX Materials LLC and CEMEX, Inc.) that issued the relevant Existing Financial Indebtedness that is being refinanced or replaced (whether acting as co-issuers or otherwise but, for the avoidance of doubt, with several liability only); or
 - (B) in the case of bonds, notes or other debt securities or convertible or exchangeable securities issued so as to be applied in repayment or prepayment of the Exposures of the Participating Creditors under the Facilities, one or more Obligor (other than CEMEX Materials LLC and CEMEX, Inc.) whether acting as co-issuers or otherwise, (and, for the avoidance of doubt, such securities may be issued with an original issue discount) on the capital markets in each case subscribed or paid for in full in cash on issue (unless such securities are exchanged on issue for other securities that constitute Existing Financial Indebtedness falling within paragraph (a) of the definition thereof on issue) **provided that** (other than any conversion into common equity securities of the Issuer) no principal repayments are scheduled (and no call options can be exercised) in respect thereof until after the Termination Date;
 - (ii) under a loan facility in respect of which the only borrowers are:
 - (A) in the case of loan facilities entered into to refinance or replace Existing Financial Indebtedness falling within Part I of Schedule 10 (*Existing Financial Indebtedness*) of the 2009 Financing Agreement one or more Obligor (other than CEMEX Materials LLC and CEMEX, Inc.) or the same member of the Group (including, where applicable, CEMEX Materials LLC and CEMEX, Inc.) that borrowed the relevant Existing Financial Indebtedness that is being refinanced or replaced, (whether acting as joint or multiple borrowers but for the avoidance of doubt, with several liability only); or
 - (B) in the case of loan facilities entered into so as to refinance or replace the Exposures of the Participating Creditors under the Facilities, one or more Obligor (other than CEMEX Materials LLC and CEMEX, Inc.) whether acting as joint or multiple borrowers,
provided that no principal repayments are scheduled (and no mandatory prepayment obligations arise save as a result of unlawfulness affecting a creditor in respect of such loan facility) in respect thereof until after the Termination Date,

and further **provided that** (1) the terms applicable to such issuance under paragraph (f)(i) (excluding pricing, but including, without limitation, as to prepayments, representations,

covenants, events of default, guarantees and security) taken as a whole are no more restrictive or onerous than the terms applicable to the Facilities, and the terms applicable to such incurrence under paragraph (f)(ii) (excluding pricing, but including, without limitation, as to prepayments, representations, covenants, events of default, guarantees and security) are no more restrictive or onerous than the terms applicable to the Facilities; (2) the proceeds of such issuance or incurrence are applied (to the extent required) in accordance with Clause 13 (*Mandatory prepayment*) of the 2009 Financing Agreement; (3) if proceeds of such issuance or incurrence are, to the extent required under the 2009 Financing Agreement, being used to replace or refinance (x) Financial Indebtedness which shares in the Transaction Security or (y) the CEMEX España Euro Notes, such Financial Indebtedness issued or incurred shall be entitled to share in the Transaction Security in accordance with (and on the terms of) the Intercreditor Agreement, **provided that** in the case of Financial Indebtedness issued or incurred to replace or refinance the CEMEX España Euro Notes, such Financial Indebtedness shall only be entitled to share in the Transaction Security if, prior to the first replacement or refinancing of the CEMEX España Euro Notes, the Debt Reduction Satisfaction Date has occurred; and (4) for the avoidance of doubt, any refinancing or replacement of Existing Financial Indebtedness falling within paragraphs (b) to (d) of the definition of Existing Financial Indebtedness need not satisfy the requirements of this paragraph (f);

- (g) that constitutes a Permitted Liquidity Facility;
- (h) that becomes Financial Indebtedness solely as a result of any change in Applicable GAAP of the Issuer after the date of the 2009 Financing Agreement and that existed prior to the date of such change in Applicable GAAP of the Issuer (or that replaces, and is on substantially the same terms as, such Financial Indebtedness);
- (i) of any person acquired by a member of the Group pursuant to an acquisition falling within paragraphs (d) or (f) of the definition of Permitted Acquisition **provided that:** (i) such Financial Indebtedness existed prior to the date of the acquisition and was not incurred, increased or extended in contemplation of, or since, the acquisition; and (ii) the aggregate amount of any such Financial Indebtedness of members of the Group does not exceed \$100,000,000 at any time;
- (j) under Treasury Transactions entered into in accordance with Clause 24.26 (*Treasury Transactions*) of the 2009 Financing Agreement;
- (k) incurred pursuant to or in connection with any cash pooling or other cash management agreements in place with a bank or financial institution, but only to the extent of offsetting credit balances of the Issuer or its Subsidiaries pursuant to such cash pooling or other cash management arrangement;
- (l) constituting Financial Indebtedness for taxes levied, assessments due and other governmental charges required to be paid as a matter of law or regulation in the ordinary course of trading;
- (m) that constitutes a Permitted Joint Venture;
- (n) approved by the Administrative Agent acting on the instructions of the Majority Participating Creditors; and
- (o) that, when aggregated with the principal amount of any other Financial Indebtedness not falling within paragraphs (a) to (n) above, does not exceed \$200,000,000 (or its equivalent in other currencies) in aggregate at any time.

“Permitted Fundraising” means:

- (a) any issuance of equity securities by the Issuer paid for in full in cash on issue (and, for the avoidance of doubt, such securities may be issued with an original issue discount) and not redeemable on or prior to the Termination Date and where such issue does not lead to a Change of Control;
- (b) any issuance of equity-linked securities issued by any member of the Group that are linked solely to, and result only in the issuance of, equity securities of the Issuer otherwise entitled to be issued under this definition (and that do not, for the avoidance of doubt, result in the issuance of any equity securities by such member of the Group) and that are paid for in full in cash on issue (and, for the avoidance of doubt, such securities may be issued with an original issue discount) and where such issue does not lead to a Change of Control (**provided that** such securities do not provide for the payment of interest in cash and are not redeemable on or prior to the Termination Date); and
- (c) any incurrence of Financial Indebtedness falling within paragraph (f) of the definition of Permitted Financial Indebtedness.

“Permitted Fundraising Proceeds” means the cash proceeds received by any member of the Group from a Permitted Fundraising other than Excluded Fundraising Proceeds after deducting:

- (i) any reasonable expenses which are incurred by the relevant member(s) of the Group with respect to that Permitted Fundraising owing to persons who are not members of the Group; and
- (ii) any Tax incurred and required to be paid by the relevant member(s) of the Group with respect to that Permitted Fundraising (as reasonably determined by the relevant member(s) of the Group on the basis of rates existing at the time and taking account of any available credit, deduction or allowance).

“Permitted Joint Venture” means any investment in any Joint Venture where:

- (a) such investment exists or a member of the Group is contractually committed to such investment at the date of the 2009 Financing Agreement and, if the value of the Group’s investment in such Joint Venture is \$50,000,000 or greater (as shown in the Original Financial Statements of the Issuer) is detailed in Schedule 12 (Permitted Joint Ventures) of the 2009 Financing Agreement; or
- (b) such investment is made after the date of the 2009 Financing Agreement and:
 - (i) either the investment has been consented to by the Administrative Agent acting on the instructions of the Majority Participating Creditors or the Joint Venture is engaged in a business substantially the same as that carried on by the Group; and

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- (ii) in any Financial Year of the Issuer, the aggregate of:
- (1) all amounts subscribed for shares in, lent to, or invested in all such Joint Ventures by any member of the Group;
 - (2) the contingent liabilities of any member of the Group under any guarantee given in respect of the liabilities of any such Joint Venture; and
 - (3) the market value of any assets transferred by any member of the Group to any such Joint Venture, minus
 - (4) from and including 1 January 2010, an amount up to, but not exceeding, \$100,000,000 (or its equivalent in other currencies) in any Financial Year that represents all cash amounts received by any member of the Group (i) relating to dividends, repayment of loans or distributions of any other nature in respect of any such Joint Ventures in that Financial Year and (ii) as a result of or in relation to any disposals of shares, interests or participations, divestments, capital reductions or any similar decreases of interest in any such Joint Ventures in that Financial Year, does not exceed \$100,000,000 (or its equivalent in other currencies) or such greater amount as the Administrative Agent (acting on the instructions of the Majority Participating Creditors) may agree (such amount being the “Joint Venture Investment”); and
- (iii) the Issuer has (by written notice to the Administrative Agent prior to the end of the Financial Year in which the investment is made) designated the Joint Venture Investment as counting against:
- (1) paragraph (k) of the definition of Permitted Acquisition; or
 - (2) the maximum amount of Capital Expenditure permitted in that Financial Year under paragraph (c) of Clause 23.2 (*Financial condition*) of the 2009 Financing Agreement.

“**Permitted Liquidity Facilities**” means a loan facility or facilities made available to one or more members of the Group by one or more Participating Creditors (or their respective Affiliates) **provided that** the aggregate principal amount of utilised and unutilised commitments under such facilities must not exceed \$1,000,000,000 (or its equivalent in any other currency) at any time.

“**Permitted Put/Call Transaction**” means any call option, call spread, capped call transaction, put option, put spread, capped put transaction or any combination of the foregoing and/or any other Treasury Transaction or transactions having a similar effect to any of the foregoing, in each case entered into, sold or purchased not for speculative purposes but for the purposes of managing specific risks or exposures associated with any issuance of Relevant Convertible Securities/Exchangeable Obligations.

“**Permitted Securitisations**” means a transaction or series of related transactions providing for the securitisation of receivables and related assets by the Issuer or its Subsidiaries, including a sale at a discount, **provided that** (i) such receivables have been transferred, directly or indirectly, by the originator thereof to a person that is not a member of the Group in a manner that satisfies the requirements for an absolute conveyance (or, where the originator is organised in Mexico, a true sale), and not merely a

pledge, under the laws and regulations of the jurisdiction in which such originator is organised; and (ii) except for customary representations, warranties, covenants and indemnities, such sale, transfer or other securitisation is carried out on a non-recourse basis or on a basis where recovery is limited solely to the collection of the relevant receivables.

“Permitted Security” means:

- (A) Security for taxes, assessments and other governmental charges the payment of which is being contested in good faith by appropriate proceedings promptly initiated and diligently conducted and for which such reserves or other appropriate provision, if any, as shall be required by Applicable GAAP of the Issuer shall have been made;
- (B) Security granted pursuant to or in connection with any netting or set-off arrangements entered into in the ordinary course of trading (including, for the avoidance of doubt, any cash pooling or cash management arrangements in place with a bank or financial institution falling within paragraph (k) of the definition of Permitted Financial Indebtedness);
- (C) statutory liens of landlords and liens of carriers, warehousemen, mechanics and materialmen incurred in the ordinary course of business for sums not yet due or the payment of which is being contested in good faith by appropriate proceedings promptly initiated and diligently conducted and for which such reserves or other appropriate provision, if any, as shall be required by Applicable GAAP of the Issuer shall have been made;
- (D) liens incurred or deposits made in the ordinary course of business in connection with (1) workers’ compensation, unemployment insurance and other types of social security, or (2) other insurance maintained by the Group in accordance with Clause 24.9 (*Insurance*) of the 2009 Financing Agreement;
- (E) any attachment or judgment lien, unless the judgment it secures shall not, within 60 days after the entry thereof, have been discharged or execution thereof stayed pending appeal, or shall not have been discharged within 60 days after the expiration of any such stay;
- (F) Security and Quasi-Security existing on the date of the 2009 Financing Agreement as described in Schedule 6 (*Existing Security and Quasi-Security*) of the 2009 Financing Agreement (or any replacement of Security or Quasi-Security in accordance with paragraph 3 of Schedule 15 (*Hedging Parameters*) of the 2009 Financing Agreement or any equivalent Security or Quasi-Security for Existing Financial Indebtedness that is a refinancing or replacement of Existing Financial Indebtedness) **provided that** the principal amount secured thereby is not increased (save that principal amounts secured by Security or Quasi-Security in respect of:
 - (1) Treasury Transactions where there are fluctuations in the mark-to-market exposures of those Treasury Transactions;
 - (2) Existing Financial Indebtedness under paragraph (a) of the definition where principal may increase by virtue of capitalisation of interest; and,
 - (3) the Banobras Facility, where further drawings may be made **provided that** the maximum amount outstanding under such facility does not exceed Mex\$5,000,000,000 at any time,

may be increased by the amount of such fluctuations or capitalisations, as the case may be);

- (G) any Security or Quasi-Security permitted by the Administrative Agent, acting on the instructions of the Majority Participating Creditors;
- (H) any Security created or deemed created pursuant to a Permitted Securitisation;
- (I) any Security granted by any member of the Group to secure Financial Indebtedness under a Permitted Liquidity Facility **provided that**: (1) such Security is not granted in respect of assets that are the subject of the Transaction Security; and (2) the maximum aggregate amount of the Financial Indebtedness secured by such Security does not exceed \$500,000,000 at any time;
- (J) any Security granted by the Issuer or any member of the Group incorporated in Mexico in favour of a Mexican development bank (*sociedad nacional de crédito*) controlled by the government of Mexico (including Banco Nacional de Comercio Exterior, S.N.C., and Banco Nacional de Obras y Servicios Públicos, S.N.C.) securing indebtedness of the members of the Group in an aggregate additional amount of such indebtedness not exceeding \$250,000,000 (or its equivalent in any other currency);
- (K) any Security or Quasi-Security granted in connection with any Treasury Transaction, excluding any Treasury Transaction described in Schedule 6 (*Existing Security and Quasi-Security*) of the 2009 Financing Agreement, that constitutes Permitted Financial Indebtedness **provided that** the aggregate value of the assets that are the subject of such Security or Quasi-Security does not exceed \$200,000,000 (or its equivalent in other currencies) at any time;
- (L) Security or Quasi-Security granted or arising over receivables, inventory, plant or equipment that are the subject of an arrangement falling within paragraph (e) of the definition of Permitted Financial Indebtedness;
- (M) the Transaction Security including, for the avoidance of doubt, any sharing in the Transaction Security referred to in paragraph (f) of the definition of Permitted Financial Indebtedness;
- (N) any Quasi-Security that is created or deemed created on shares of the Issuer under paragraph (q) of the definition of Permitted Disposals by virtue of such shares being held on trust for the holders of the convertible securities pending exercise of any conversion option, where such Quasi-Security is customary for such transaction;
- (O) in addition to the Security and Quasi-Security permitted by the foregoing paragraphs (A) to (N), Security or Quasi-Security securing indebtedness of the Issuer and its Subsidiaries (taken as a whole) not in excess of \$500,000,000.

“Permitted Share Issue” means:

- (a) a Permitted Fundraising falling within paragraphs (a) or (b) of the definition thereof;
- (b) an issue of shares by a member of the Group which is a Subsidiary of the Issuer to another member of the Group or the Issuer (and, where the member of the Group has a minority shareholder, to that minority shareholder on a pro rata basis) where (if the existing shares of the Subsidiary are the subject of the Transaction Security) the newly-issued shares also become subject to the Transaction Security on the same terms;
- (c) an issue of shares by the Issuer to comply with an obligation in respect of any Executive Compensation Plan; or
- (d) an issue of common equity securities of the Issuer either (i) by the Issuer or (ii) to any member of the Group where the Issuer or that member of the Group has an obligation to deliver such shares to a counterparty pursuant to the terms of a Permitted Put/Call Transaction or an obligation to deliver such shares to the holder(s) of convertible or exchangeable securities falling within paragraph (f)(i) of the definition of Permitted Financial Indebtedness pursuant to the terms of such convertible or exchangeable securities.

“Promissory Notes” means the promissory notes described in Part II of Schedule 1 (*The Original Participating Creditors*) of the 2009 Financing Agreement.

“Quarter Date” means each of 31 March, 30 June, 30 September and 31 December.

“Quasi Security” means an arrangement or transaction in which the Issuer or any Subsidiary:

- (i) sells, transfers or otherwise disposes of any of its assets on terms whereby they are or may be leased to or re-acquired by an Obligor or any other member of the Group;
- (ii) sells, transfers or otherwise disposes of any of its receivables on recourse terms;
- (iii) enters into any arrangement under which money or the benefit of a bank or other account may be applied, set-off or made subject to a combination of accounts; or
- (iv) enters into any other preferential arrangement having a similar effect,
in circumstances where the arrangement or transaction is entered into primarily as a method of raising Financial Indebtedness or of financing the acquisition of an asset.

“Receiver” means a receiver or receiver and manager or administrative receiver of the whole or any part of the Charged Properties.

“Reference Period” means a period of four consecutive Financial Quarters.

“Relevant Convertible/Exchangeable Obligations” means: (a) any Financial Indebtedness incurred by any person the terms of which provide that satisfaction of the principal amount owing under such Financial Indebtedness (whether on or prior to its maturity and whether as a result of bankruptcy, liquidation or other default by such person or otherwise) shall occur solely by delivery of shares or common equity securities in the Issuer; and (b) any Financial Indebtedness under any Subordinated Optional Convertible Securities.

“**Relevant Existing Financial Indebtedness**” means any Existing Financial Indebtedness set out in:

- (i) paragraph (a) of the definition of Existing Financial Indebtedness to the extent that it relates to Part I.C (*Mexican Public Debt Instruments*) of Schedule 10 (*Existing Financial Indebtedness*) of the 2009 Financing Agreement; and/or
- (ii) paragraph (b) of the definition of Existing Financial Indebtedness to the extent it relates to Part II.A (*Short Term Certificados Bursátiles*) of Schedule 10 (*Existing Financial Indebtedness*) of the 2009 Financing Agreement and any Short-Term Certificados Bursátiles that replace or refinance such Existing Financial Indebtedness.

“**Relevant Prepayment Period**” means the period commencing on the date of receipt of the proceeds of a Permitted Fundraising by a member of the Group and ending on the later of:

- (a) the date falling 364 days thereafter; and
- (b) the 2012 CB Maturity Date.

“**Resignation Letter**” means a document substantially in the form set out in Part I of Schedule 11 (*Form of Resignation Letter*) of the 2009 Financing Agreement.

“**Responsible Officer**” means the Chief Financial Officer and/or Chief Controlling Officer of the Issuer or a person holding equivalent status (or higher).

“**S&P**” means Standard & Poor’s Rating Services, a division of The McGraw-Hill Companies, Inc., or any successor thereto from time to time.

“**SEC**” means the U.S. Securities Exchange Commission and any successor thereto.

“**Secured Parties**” means each Finance Party from time to time to the 2009 Financing Agreement and any Receiver or Delegate.

“**Security**” means a mortgage, charge, pledge, lien, security trust or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect.

“**Security Agent**” means Wilmington Trust (London) Limited as security agent of the Secured Parties.

“**Security Providers**” means the Original Security Providers and any Additional Security Provider other than any Original Security Provider or Additional Security Provider which has ceased to be a Security Provider pursuant to Clause 28.6 (*Resignation of a Security Provider*) of the 2009 Financing Agreement and has not subsequently become an Additional Security Provider pursuant to Clause 28.3 (*Additional Guarantors and Additional Security Providers*) of the 2009 Financing Agreement, and “**Security Provider**” means any of them.

“**Short-Term Certificados Bursátiles**” means any securities with a term of not more than 12 months issued by the Issuer in the Mexican capital markets with the approval of the Mexican National Banking and Securities Banking and Securities Commission and listed on the Mexican Stock Exchange.

“**Spanish GAAP**” means the Spanish General Accounting Plan (*Plan general Contable*) approved by Royal Decree 1514/2007 as in effect from time to time and consistent with those used in the preparation of the most recent audited financial statements referred to in Clause 22.1 (*Financial Statements*) of the 2009 Financing Agreement.

“**Subordinated Optional Convertible Securities**” means any Financial Indebtedness incurred by any member of the Group meeting the requirements of paragraph (f)(i) of the definition of Permitted Financial Indebtedness (including that no principal repayments are scheduled (and no call options can be exercised) until after the Termination Date) (which may, for the avoidance of doubt, include a fundraising the proceeds of which are applied in accordance with Clause 13.4 (*Mandatory prepayments: Relevant Convertible/Exchangeable Obligations*) of the 2009 Financing Agreement)) the terms of which provide that such indebtedness is capable of optional conversion into equity securities of the Issuer and that repayment of principal and accrued but unpaid interest thereon is subordinated (under terms customary for an issuance of such Financial Indebtedness) to all senior Financial Indebtedness of the Issuer (including, but not limited to, all Exposures of Participating Creditors) except for: (i) indebtedness that states, or is issued under a deed, indenture, agreement or other instrument that states, that it is subordinated to or ranks equally with any Subordinated Optional Convertible Securities and (ii) indebtedness between or among members of the Group.

“**Subsidiary**” means in relation to any company or corporation, a company or corporation:

- (a) which is controlled, directly or indirectly, by the first mentioned company or corporation;
- (b) more than half the issued share capital of which is beneficially owned, directly or indirectly by the first mentioned company or corporation; or
- (c) which is a Subsidiary of another Subsidiary of the first mentioned company or corporation,

and for this purpose, a company or corporation shall be treated as being controlled by another if that other company or corporation is able to direct its affairs and/or to control the composition of its board of directors or equivalent body.

“**Syndicated Bank Facilities**” means the facilities described in Part IA of Part II of Schedule 1 (*The Original Participating Creditors*) of the 2009 Financing Agreement.

“**TARGET2**” means the Trans-European Automated Real-time Gross Settlement Express Transfer payment system, which utilizes a single shared platform and which was launched on 19 November 2007.

“**TARGET Day**” means any day on which TARGET2 is open for the settlement of payments in euro.

“**Tax**” means any tax, levy, impost, duty or other charge, deduction or withholding of a similar nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same).

“**Termination Date**” means 14 February 2014.

“**Transaction Security**” means the Security created or expressed to be created in favour of the Security Agent pursuant to the Transaction Security Documents.

“**Transaction Security Documents**” means each of the documents listed as being a Transaction Security Document in paragraph 2(e) of Part I of Schedule 2 (*Conditions Precedent*) of the 2009 Financing Agreement and any document required to be delivered to the Administrative Agent under paragraph 3(d) of Part II of Schedule 2 (*Conditions Precedent*) of the 2009 Financing Agreement together with any other document entered into by any Obligor creating or expressed to create any Security over all or any part of its assets in respect of the obligations of any of the Obligors under any of the Finance Documents (and any other Debt Documents).

“**Treasury Transactions**” means any derivatives transaction (i) that is a rate swap transaction, swap option, basis swap, forward rate transaction, commodity swap, commodity option, equity or equity index

swap, equity or equity index option, bond option, interest rate option, foreign exchange transaction, cap transaction, floor transaction, collar transaction, currency swap transaction, cross-currency rate swap transaction, currency option, credit protection transaction, credit swap, credit default swap, credit default option, total return swap, credit spread transaction, repurchase transaction, reverse repurchase transaction, buy/sell-back transaction, securities lending transaction, weather index transaction or forward purchase or sale of a security, commodity or other financial instrument or interest (including any option with respect to any of these transactions), (ii) that is a type of transaction that is similar to any transaction referred to in clause (i) above that is currently, or in the future becomes, recurrently entered into in the financial markets and that is a forward, swap, future, option or other derivative (including one or more spot transactions that are equivalent to any of the foregoing) on one or more rates, currencies, commodities, equity securities or other equity instruments, debt securities or other debt instruments, economic indices or measures of economic risk or value, or other benchmarks against which payments or deliveries are to be made or (iii) that is a combination of these transactions, it being understood that any Executive Compensation Plan permitted by the 2009 Financing Agreement is not a Treasury Transaction.

“**USPP Note**” means a note issued under the USPP Note Agreement.

“**USPP Note Agreement**” means the consolidated, amended and restated note purchase agreement described in Part II of Schedule 1 (*Original Participating Creditors*) of the 2009 Financing Agreement.

“**USPP Note Guarantee**” means the consolidated, amended and restated note guarantee granted in favour of the USPP Noteholders.

“**USPP Noteholders**” means the holders from time to time of the notes issued pursuant to the USPP Note Agreement.



Notary Public
C/ Monte Esquinza, 6
28010 MADRID
Tel.: 91 418 32 80 Fax: 91 319 90 46

SIMPLE COPY

ADHERENCE DEED FOR THE SHARE PLEDGE POLICY OF
CEMEX ESPAÑA, S.A. GRANTED BY THE ENTITIES "THE
BANK OF NEW YORK MELLON" and "CEMEX ESPAÑA, S.A."

NUMBER ONE THOUSAND FIVE HUNDRED AND TWO

In Madrid, at my office on the eleventh day of
September of two thousand and fourteen._____

Before me, **RAFAEL MONJO CARRIO**, Notary Public of
Madrid and its Bar Association,_____

_____ **APPEAR:** _____

MRS. ANA MARÍA ARIAS SOMALO, of legal age, of
Spanish nationality, domiciled for these purposes
at calle José Abascal, number 45, 28010 Madrid;
with National Identification Card number 000410487-
Y._____

MRS. MÓNICA BASELGA LORING, of legal age, of
Spanish nationality, domiciled for these purposes
at calle Hernández de Tejada, number 1, 28027
Madrid; with National Identification Card number
51066340-S._____

_____ **ACTING:** _____

The first, in the name and representation of **THE BANK OF NEW YORK MELLON** (hereinafter, the "**Bank**"), entity constituted in accordance with the laws of the State of New York (United States of America), with its corporate domicile at One Wall Street, New York, N.Y. 10286, United States of America, which in turn acts in representation and to the benefit of the holders of Senior Secured Notes for an added principal maximum amount of 1.100 million dollars, **at an interest rate of 5,700%, with maturity in 2025**, notwithstanding the cases of early repayment that have been foreseen, issued under the bond issuance agreement (Indenture) governed by the laws of the State of New York (United States of America), signed on **September 11, 2014** by, among others, **CEMEX, S.A.B. de C.V.** a corporation constituted under the laws of Mexico, as issuer, and **THE BANK OF NEW YORK MELLON**, as Trustee (hereinafter, together with its subsequent modifications or novations, the "**Bonds Issuance**").—

She makes use of the power of attorney in effect, as affirmed, in her favor, conferred through the document granted before the Notary Public of New York, Mr. Danny Lee, on the eleventh

day of September of two thousand and fourteen, a photocopy of which has been shown to me and the original, duly stamped according to the La Hague Convention of October 5, 1961, I will attach hereto, by means of written substantiation, when it is submitted to me._____

The second party, in name and representation of the entity **CEMEX ESPAÑA, S.A.**, entity governed under the laws of Spain (formerly Compañía Valenciana de Cementos Portland, S.A.), and with its corporate domicile in Madrid, calle Hernández de Tejada, number 1, the purpose of which, among others, is "the manufacture, production, marketing and distribution of all kinds of sacks and containers or similar articles, of paper or any other material, for the packaging of cement, etc".-

It was constituted for an indefinite duration in the document authorized by the Notary Public at the time in Valencia, Mr. Juan Bautista Roch Contelles, on April 30, 1917, adapted to current legislation

through the document authorized by the Notary Public of Valencia, Mr. Antonio Soto Bisquert on July 13, 1990; with said constitution REGISTERED in the Commercial Registry of Valencia, under volume 122, book 28 of companies, section 3 of corporations, page 354, registry 1. The adaptation is registered in the aforementioned Registry, under volume 2854, book 10, general section, page V2533, registry 165. The bylaws of the company were also amended through another public document authorized by the Notary Public of Madrid, Mr. Antonio Francés y de Mateo on August 12, 1993, with number 6796 of his notarial records, under record 200.-----

The above indicated current domicile was moved, through document authorized by the Notary Public of Valencia, Mr. Antonio Soto Bisquert, on June 29, 1995, with number 1489 of his notarial records, and registered in the Commercial Registry of Madrid, under volume 9743 and 9744, section 8, of the Book of Companies, folio 1 and 166, page number M-156542 records 1 and 2.-----

Its name was changed to its current name through the agreement taken by the General Shareholders Meeting of the Company, in its meeting held on the

twenty-fourth of June of two thousand and two, recorded as a document of public record, before me on the same day, under number 662 of my records, registry number 122.-----

Its Tax Identification number is: A-46.004.214.-

She makes use of the powers in effect, as affirmed, in his power, conferred by agreement taken by the Administrative Board of the Company, at its meeting held on the twenty-sixth of February of two thousand and fourteen, recorded as a document of public record, before me, on the twenty-seventh of March of two thousand and fourteen, under number 487 of my records, as accredited to me with an authorized copy of said document which I have before me.-----

For the purposes established in article 98 of Law 24/2001 and in accordance with the Resolution of the General Directorate for Registries and Notary Affairs of April 12, 2002, I certify that, in my opinion, I consider that the representative

powers accredited are sufficient for the execution of this document under the terms indicated below.—

BENEFICIAL OWNERSHIP.— I, the Notary Public, expressly confirm that I have complied with the obligation of identifying the beneficial owner as imposed by Law 10/2010 of April 28, the result of which is recorded in a document authorized before me, on the eleventh of November of two thousand and ten, under number 2387 of my records, which has been modified since then as attested by the representative of the Company.—————

The parties appearing before me have, in my opinion, as they appear, the legal capacity and legitimate interest necessary to grant this **ADHERENCE DEED FOR THE SHARE PLEDGE POLICY OF CEMEX ESPAÑA, S.A.** and, for such purpose, in their capacity and for all applicable legal purposes,——

—————**THEY HEREBY DECLARE**—————

I. That, by virtue of the policy agreement granted before Mr. Rafael Monjo Carrio on November 8, 2012, registered with number 3530 in Section A of the Registry Book (hereinafter the "**Pledge Policy**"), CEMEX, S.A.B. de C.V. and New Sunward Holding B.V. constituted certain real pledge rights

(hereinafter the "**Pledges**") over the shares of the company CEMEX España, S.A. in its name._____

II. That, in accordance with the Creditors Relation Agreement (as this is defined in the Pledge Policy), the creditors of the CEMEX group, in virtue of the issuance of bonds such as the Bonds Issuance will have the consideration of Additional Notes Creditors and, therefore, of Secured Parties according to the terms established in the Creditors Relation Agreement and in the Pledge Policy, and may obtain the benefit of the Pledges through their adhesion to the Pledge Policy according to the provisions of Clause 16 of the same._____

III. That, in accordance with the provisions of Clause 16 of the Pledge Policy, the Secured Parties in whose benefit the Relationship Manager acted, among which include the Bank, as trustee of the holders of bonds of the Bonds Issuance, may adhere to the Pledge Policy and ratify the content of the

same, accepting the Pledges constituted in their favor as guarantee of the corresponding Secured Obligations, through appearance before Mr. Monjo, the substituting Notary Public._____

Said adhesions will be carried out through the granting of the corresponding adhesion deed or policy, all without the need for a new consent from the pledgors, for having provided said consent previously in the Creditor Relation Agreement and in the Pledge Policy itself._____

IV. That the Bank expressly declares that the adhesion referred to in the Stipulations of this Document is formalized as a mere instrument of execution of the rights attributed to the Bank in the Pledge Policy, from which it is derived, so that the payment obligations resulting from the Bonds Issuance are guaranteed with a real first ranking pledge right over the Shares (as defined in the Pledge Policy), concurrent with the remaining Pledges. _____

V. That by virtue of the foregoing, the Bank wishes to grant this Adhesion Deed (hereinafter the "**Deed**") in accordance with the following

_____ **STIPULATIONS** _____

ONE.- ADHESION TO THE PLEDGE POLICY._____

The Bank, through this Deed, adheres to, ratifies and approves the Pledge Policy to the fullest extent, the entire content of which it declares to know, therefore giving such granting full value and legal efficacy and accepting that the payment obligations resulting from the Bonds Issuance are guaranteed with a real first ranking pledge right over the Shares (as defined in the Pledge Policy), concurrent with the remaining Pledges._____

The Bank REQUIRES from me, the Notary Public, to **NOTIFY** this adhesion to **WILMINGTON TRUST (LONDON) LIMITED**, domiciled for these purposes on the Third Floor, 1 King's Arms Yard, London, United Kingdom, EC2R 7AF (attention Sajada Afzal), in her capacity as Relationship Manager and I, the Notary Public, accept said requirement._____

CEMEX España, S.A., appears herein for the purposes of acknowledging itself as notified of

this adhesion._____

TWO.- APPLICABLE LAW AND JURISDICTION._____

2.1 This Deed is subject to Spanish common law.-

2.2 The Parties submit themselves expressly to the jurisdiction and competence of the Courts and Tribunals of Madrid for all matters that may result from the validity, interpretation, fulfillment and execution of this Deed._____

HANDLING OF DATA.- The appearing parties accept the incorporation of their data and the copy of identification documents in the files of the Notary Public in order to carry out the functions inherent to the notarial activity and for the communication of data established in the Public Administration Law and, as applicable, for the Notary Public who follows the current one. They may exercise their rights to access, rectify, cancel and oppose at the authorizing Notary's office._____

It is thus stated and executed._____

And I, the Notary Public, ATTEST:_____

a.- To have identified the appearing parties through their identification documents, indicated in the appearance clause, which have been shown to me._____

b.- That the appearing parties, in my opinion, have the capacity and legal standing for the granting hereof._____

c.- That the granting hereof by the appearing parties is legal, duly informed and made willingly.

d.- That I have read this public instrument to the grantors thereof, having previously advised them of their right to read it for themselves, which they have done, and they have stated that they have been duly made aware of the entire content of the same, and they provide their consent, all in accordance with article 193 of the Notarial Regulations._____

e.- That this public instrument is executed in six notarized pages, series BX numbers: 6413993 and the following five numbers in correlated order and I, the Notary Public, attest.- The signatures of the appearing parties follow.- Signed RAFAEL MONJO CARRIÓ. Signed. Notary Seal._____

CERTIFICATE.- I, RAFAEL MONJO CARRIÓ , Notary

Public of Madrid and its Bar Association, issue this certificate to record that on today's date, the fifteenth day of September of two thousand and fourteen, I have received a copy of the power of attorney granted by the entity THE BANK OF NEW YORK MELLON, before the Notary Public of New York, Mr. Danny Lee, on the eleventh day of September of two thousand and fourteen, duly legalized with the La Hague apostille, and I, the Notary Public, consider that the representative of the entity has sufficient powers to formalize the deed which is the object hereof. I leave a copy of said power incorporated hereto, forming an integral part of the same.-

And with nothing further to record, I issue this document over this sole sheet of notarized paper and I, the Notary Public, attest. Signed. ANTONIO PÉREZ-COCA CRESPO. Signed. Notary Seal.-----

CERTIFICATE.- To record that I, RAFAEL MONJO CARRIÓ, on the fifteenth day of September of two thousand and fourteen, left filed at the Post Office Branch, located at office 2825494, E.O MINISTRY OF PUBLIC ADMINISTRATIONS, as a Certificate and notification of receipt, the non-

certified copy of this deed, and that the official in charge of the service has given to me the receipt which bears the sending number RR268042035ES._____

All of which I attest and that this certificate is issued after the deed on which it is based, on this sheet of notarized paper, of the BZ series, number 5942762. In Madrid on the fifteenth day of September of two thousand and fourteen.- Signed. RAFAEL MONJO CARRIÓ. Signed. Notary Seal.

CERTIFICATE.- To record that I, RAFAEL MONJO CARRIÓ, Notary Public of Madrid, as of the twenty sixth day of September two thousand and fourteen, the Post and Telegraph Service, has not sent a confirmation of receipt of the notice, therefore, in order to know the status of the notice, I connect using one of the computers in my office to the Internet, page www.correos.es, and conform that such notice has been delivered to its destination, the nineteenth day of September two thousand and

fourteen, leaving incorporated herein a printout of such consultation.

All of which I attest and that this certificate is issued after the deed on which it is based, on this sheet of notarized paper, of the BZ series, number 5942762. In Madrid on the fifteenth day of September of two thousand and fourteen.- Signed. RAFAEL MONJO CARRIÓ. Signed. Notary Seal.

CEMEX, S.A.B. de C.V.,
THE NOTE GUARANTORS PARTY HERETO,
THE BANK OF NEW YORK MELLON,
AS TRUSTEE
AND
THE BANK OF NEW YORK MELLON, LONDON BRANCH,
AS PAYING AGENT AND TRANSFER AGENT
4.750% SENIOR SECURED NOTES DUE 2022
INDENTURE
(€ Denominated Notes)
Dated as of September 11, 2014

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INDENTURE, dated as of September 11, 2014, among CEMEX, S.A.B. de C.V., a publicly traded stock corporation with variable capital (*sociedad anónima bursátil de capital variable*) organized under the laws of the United Mexican States (the “Issuer”), the guarantors listed on Schedule I hereto, as guarantors of the Issuer’s obligations under this Indenture and the Notes, The Bank of New York Mellon, as trustee (the “Trustee”) and The Bank of New York Mellon, London Branch, as paying agent (the “Paying Agent”) and transfer agent (the “Transfer Agent”).

Each party agrees as follows for the benefit of the other parties and for the equal and ratable benefit of the Holders of the Issuer’s 4.750% Senior Secured Notes due 2022 issued hereunder.

ARTICLE I

DEFINITIONS AND INCORPORATION BY REFERENCE

Section 1.1 Definitions.

“2009 Financing Agreement” means the financing agreement, dated as of August 14, 2009, entered into among the Issuer and certain of its Subsidiaries, the financial institutions and noteholders party thereto, Citibank International PLC, as administrative agent, and Wilmington Trust (London) Limited, as security agent, as such agreement may be amended, modified or waived from time to time.

“Acquired Indebtedness” means Indebtedness of a Person or any of its Subsidiaries existing at the time such Person becomes a Restricted Subsidiary or at the time it merges or consolidates with the Issuer or any of its Restricted Subsidiaries or is assumed in connection with the acquisition of assets from such Person. Such Indebtedness will be deemed to have been Incurred at the time such Person becomes a Restricted Subsidiary or at the time it merges or consolidates with the Issuer or a Restricted Subsidiary or at the time such Indebtedness is assumed in connection with the acquisition of assets from such Person.

“Acquired Subsidiary” means any Subsidiary acquired by the Issuer or any other Subsidiary after the Issue Date in an Acquisition, and any Subsidiaries of such Acquired Subsidiary on the date of such Acquisition.

“Acquiring Subsidiary” means any Subsidiary formed by the Issuer or one of its Subsidiaries solely for the purpose of participating as the acquiring party in any Acquisition, and any Subsidiaries of such Acquiring Subsidiary acquired in such Acquisition.

“Acquisition” means any merger, consolidation, acquisition or lease of assets, acquisition of securities or business combination or acquisition, or any two or more of such transactions, if, upon the completion of such transaction or transactions, the Issuer or any Restricted Subsidiary thereof has acquired an interest in any Person who would be deemed to be a Restricted Subsidiary under this Indenture and was not a Restricted Subsidiary prior thereto.

“Additional Amounts” has the meaning assigned to it in Section 3.21(b).

“Additional Note Certificate” has the meaning assigned to it in Section 2.14(b).

“Additional Note Guarantors” means New Sunward Holding B.V., CEMEX Concretos, S.A. de C.V. and Empresas Tolteca de México, S.A. de C.V.

“Additional Note Supplemental Indenture” means a supplement to this Indenture duly executed and delivered by the Issuer, each Note Guarantor and the Trustee pursuant to Article IX providing for the issuance of Additional Notes.

“Additional Notes” has the meaning assigned to it in Section 2.14(a).

“Affiliate” means, with respect to any specified Person, any other Person who directly or indirectly through one or more intermediaries controls, or is controlled by, or is under common control with, such specified Person. The term “control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise. For purposes of this definition, the terms “controlling,” “controlled by” and “under common control with” have correlative meanings.

“Affiliate Transaction” has the meaning assigned to it in Section 3.18(a).

“Agent Members” has the meaning assigned to it in Section 2.7(b).

“Agents” means, collectively, the Registrar, any co-Registrar, the Paying Agents, the Transfer Agent and any other agent appointed by the Issuer hereunder.

“Applicable Procedures” means, with respect to any transfer or exchange of or for beneficial interests in a Global Note, the rules and procedures of Euroclear and Clearstream, as the case may be, that apply to such transfer or exchange, including the “Operating Procedures of the Euroclear System” and “Terms and Conditions Governing Use of Euroclear” of Euroclear and the “General Terms and Conditions of Clearstream Banking” and “Customer Handbook” of Clearstream.

“Asset Sale” means any direct or indirect sale, disposition, issuance, conveyance, transfer, lease (other than an operating lease entered into in the ordinary course of business), assignment or other transfer, including a Sale and Leaseback Transaction (each, a “disposition”) by the Issuer or any Restricted Subsidiary of:

- (a) any Capital Stock other than Capital Stock of the Issuer; or
- (b) any property or assets (other than cash, Cash Equivalents or Capital Stock) of the Issuer or any Restricted Subsidiary;

Notwithstanding the preceding, the following will not be deemed to be Asset Sales:

- (1) the disposition of all or substantially all of the assets of the Issuer and its Restricted Subsidiaries as permitted under Section 3.12;

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- (2) any disposition of equipment that is not usable or is obsolete or worn out equipment in the ordinary course of business or any disposition of inventory or goods (or other assets) held for sale or no longer used in the ordinary course of business;
 - (3) dispositions of assets in any fiscal year with a Fair Market Value not to exceed U.S.\$25 million in the aggregate;
 - (4) for purposes of Section 3.12 only, the making or disposition of a Permitted Investment or Restricted Payment permitted under Section 3.11;
 - (5) a disposition to the Issuer or a Restricted Subsidiary, including a Person that is or will become a Restricted Subsidiary immediately after the disposition;
 - (6) the creation of a Lien permitted under this Indenture (other than a deemed Lien in connection with a Sale and Leaseback Transaction);
 - (7) (i) the disposition of Receivables Assets pursuant to a Qualified Receivables Transaction and (ii) the disposition of other accounts receivable in the ordinary course of business;
 - (8) the disposition of any asset constituted by a license of intellectual property in the ordinary course of business;
 - (9) the disposition of inventory pursuant to an Inventory Financing or similar arrangement that is otherwise permitted under this Indenture;
 - (10) the disposition of any asset compulsorily acquired by a governmental authority; and
 - (11) sales, transfers and other dispositions of Investments in joint ventures to the extent required by, or made pursuant to, customary buy/sell arrangements between the joint venture parties set forth in joint venture arrangements and similar binding arrangements.

“Asset Sale Offer” has the meaning assigned to it in Section 3.12(c).

“Asset Sale Offer Amount” has the meaning assigned to it in Section 3.12(c).

“Asset Sale Offer Notice” means notice of an Asset Sale Offer made pursuant to Section 3.12, which shall be mailed first class, postage prepaid, to each record Holder as shown on the Note Register within 20 days following the 365th day after the receipt of Net Cash Proceeds of any Asset Sale, with a copy to the Trustee, which notice shall govern the terms of the Asset Sale Offer, and shall state:

- (1) the circumstances of the Asset Sale or Sales, the Net Cash Proceeds of which are included in the Asset Sale Offer, that an Asset Sale Offer is being made pursuant to Section 3.12(c), and that all Notes that are timely tendered will be accepted for payment;

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- (2) the Asset Sale Offer Amount and the Asset Sale Offer Payment Date, which date shall be a Business Day no earlier than 30 days nor later than 60 days from the date the Asset Sale Offer Notice is mailed (other than as may be required by law);
 - (3) that any Notes or portions thereof not tendered or accepted for payment will continue to accrue interest;
 - (4) that, unless the Issuer defaults in the payment of the Asset Sale Offer Amount with respect thereto, all Notes or portions thereof accepted for payment pursuant to the Asset Sale Offer shall cease to accrue interest from and after the Asset Sale Offer Payment Date;
 - (5) that any Holder electing to have any Notes or portions thereof purchased pursuant to the Asset Sale Offer will be required to surrender such Notes, with the form entitled "Option of Holder to Elect Purchase" on the reverse of such Notes completed, to the Paying Agent at the address specified in the notice prior to the close of business on the third Business Day preceding the Asset Sale Offer Payment Date;
 - (6) that any Holder shall be entitled to withdraw such election if the Paying Agent receives, not later than the close of business on the second Business Day preceding the Asset Sale Offer Payment Date, a facsimile transmission or letter, setting forth the name of the Holder, the principal amount of Notes delivered for purchase, and a statement that such Holder is withdrawing such Holder's election to have such Notes or portions thereof purchased pursuant to the Asset Sale Offer;
 - (7) that any Holder electing to have Notes purchased pursuant to the Asset Sale Offer must specify the principal amount that is being tendered for purchase, which principal amount must be €100,000 and in integral multiples of €1,000 in excess thereof;
 - (8) that any Holder of Certificated Notes whose Certificated Notes are being purchased only in part will be issued new Certificated Notes equal in principal amount to the unpurchased portion of the Certificated Note or Notes surrendered, which unpurchased portion will be equal in principal amount to €100,000 and in integral multiples of €1,000 in excess thereof;
 - (9) that the Trustee will return to the Holder of a Global Note that is being purchased in part, such Global Note with a notation on the schedule of increases or decreases thereof adjusting the principal amount thereof to be equal to the unpurchased portion of such Global Note; and
 - (10) any other information necessary to enable any Holder to tender Notes and to have such Notes purchased pursuant to Section 3.12.

“Asset Sale Offer Payment Date” has the meaning assigned to it in Section 3.12(f).

“Authenticating Agent” has the meaning assigned to it in Section 2.2(b).

“Authorized Agent” has the meaning assigned to it in Section 12.7(c).

“Axtel Share Forward Transaction” means the Axtel share forward transaction that is governed by a long form confirmation originally dated January 22, 2009, as replaced by long form confirmations dated September 28, 2010 and March 19, 2012, and as further replaced by a long form confirmation dated August 27, 2013, between Credit Suisse International and Cemex Operaciones México, S.A. de C.V. (formerly Centro Distribuidor de Cemento, S.A. de C.V.) (References: External ID: 16059563R5-Risk ID: 10008383) and any replacements, amendments or renewals thereof that are entered into on then prevailing market terms with the underlying amounts not greater than the original underlying amounts.

“Bancomext Facility” means the U.S.\$250,000,000 credit agreement (*Crédito Simple*), dated October 14, 2008, as amended from time to time (*provided*, that the principal amount thereof does not increase above the principal amount outstanding as of August 14, 2009 (except by the amount of any capitalized interest if so provided by such facility and on those terms as of August 14, 2009) less the amount of any repayments and prepayments made in respect of such facility), among the Issuer, as borrower, Banco Nacional de Comercio Exterior, S.N.C., as lender, and CEMEX México, as guarantor, and secured by the mortgage of a cement plant in Ensenada, Baja California, Mexico.

“Bankruptcy Event of Default” means:

- (1) the entry by a court of competent jurisdiction of: (i) a decree or order for relief in respect of any Bankruptcy Party in an involuntary case or proceeding under any Bankruptcy Law or (ii) a decree or order (A) adjudging any Bankruptcy Party a bankrupt or insolvent, in *concurso mercantil* or *quiebra*, (B) approving as properly filed a petition seeking reorganization, *concurso mercantil*, arrangement, adjustment or composition of, or in respect of, any Bankruptcy Party under any Bankruptcy Law, (C) appointing a Custodian of any Bankruptcy Party or of any substantial part of the property of any Bankruptcy Party, or (D) ordering the winding-up or liquidation of the affairs of any Bankruptcy Party, and in each case, the continuance of any such decree or order for relief or any such other decree or order unstayed and in effect for a period of 60 consecutive calendar days; or
- (2) (i) the commencement by any Bankruptcy Party of a voluntary case or proceeding under any Bankruptcy Law or of any other case or proceeding to be adjudicated a bankrupt or insolvent, in *concurso mercantil* or *quiebra*, (ii) the consent by any Bankruptcy Party to the entry of a decree

or order for relief in respect of such Bankruptcy Party in an involuntary case or proceeding under any Bankruptcy Law or to the commencement of any bankruptcy or insolvency case or proceeding against any Bankruptcy Party, (iii) the filing by any Bankruptcy Party of a petition or answer or consent seeking reorganization, *concurso mercantil*, or relief under any Bankruptcy Law, (iv) the consent by any Bankruptcy Party to the filing of such petition or to the appointment of or taking possession by a Custodian of any Bankruptcy Party or of any substantial part of the property of any Bankruptcy Party, (v) the making by any Bankruptcy Party of an assignment for the benefit of creditors, (vi) the admission by any Bankruptcy Party in writing of its inability to pay its debts generally as they become due, or (vii) the approval by stockholders of any Bankruptcy Party of any plan or proposal for the liquidation or dissolution of such Bankruptcy Party, or (viii) the taking of corporate action by any Bankruptcy Party in furtherance of any action referred to in clauses (i)–(vii) above.

“Bankruptcy Law” means Title 11, U.S. Code or any similar Federal, state or non-U.S. law for the relief of debtors, including the Mexican *Ley de Concursos Mercantiles* and Spanish Law 22/2003 of 9 July (*Ley 22/2003 de 9 de julio, Concursal*), as amended.

“Bankruptcy Party” means the Issuer and any Significant Subsidiary of the Issuer or group of Subsidiaries that, taken together would constitute a Significant Subsidiary of the Issuer.

“Banobras Facility” means a revolving loan agreement (*Contrato de Apertura de Crédito en Cuenta Corriente*), dated April 22, 2009, among CEMEX Concretos, S.A. de C.V., as borrower and Banco Nacional de Obras y Servicios Públicos, S.N.C., as lender, as in effect on the Issue Date and as amended from time to time, and secured by a mortgage of Planta Yaqui in Hermosillo, Sonora, Mexico.

“Board of Directors” means, as to any Person, the board of directors, management committee or similar governing body of such Person or any duly authorized committee thereof.

“Business Day” means any day that is not a Saturday, Sunday or other day on which commercial banks in New York City, Mexico City, Madrid, Amsterdam, London, Paris or Zurich are authorized or required by law, regulation or other governmental action to remain closed; *provided that*, for purposes of payments to be made hereunder, a “Business Day” must also be a day on which the Trans-European Automated Real-time Gross Settlement Express Transfer system (TARGET2) is open for the settlement of payments.

“Capital Stock” means:

- (1) with respect to any Person that is a corporation, any and all shares, interests, participations or other equivalents (however designated and whether or not voting) of corporate stock, including each class of Common Stock and Preferred Stock of such Person;

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- (2) with respect to any Person that is not a corporation, any and all partnership or other equity or ownership interests of such Person; and
 - (3) any warrants, rights or options to purchase any of the instruments or interests referred to in clause (1) or (2) above, but excluding any Indebtedness exchangeable into such equity interest in existence on the Issue Date or Incurred pursuant to Section 3.9.

“Capitalized Lease Obligations” means, as to any Person, the obligations of such Person under a lease that are required to be classified and accounted for as capital lease obligations under GAAP. For purposes of the definition, the amount of such obligations at any date will be the capitalized amount of such obligations at such date, determined in accordance with GAAP.

“Cash Equivalents” means:

- (1) marketable direct obligations issued by, or unconditionally guaranteed by, the United States government, the United Kingdom or any member nation of the European Union or issued by any agency thereof and backed by the full faith and credit of the United States, the United Kingdom, such member nation of the European Union or any European Union central bank, in each case maturing within one year from the date of acquisition thereof;
- (2) marketable direct obligations issued by the Mexican government, or issued by any agency thereof, including but not limited to, *Certificados de la Tesorería de la Federación (Cetes)* or *Bonos de Desarrollo del Gobierno Federal (Bondes)*, in each case, issued by the government of Mexico and maturing not later than one year after the acquisition thereof;
- (3) marketable direct obligations issued by any state of the United States of America or any political subdivision of any such state or any public instrumentality thereof maturing within one year from the date of acquisition thereof and, at the time of acquisition, having one of the two highest ratings obtainable from either S&P or Fitch or any successor thereto;
- (4) commercial paper or corporate debt obligations maturing no more than one year from the date of creation thereof and, at the time of acquisition, having a rating of at least A-1 or AAA from S&P, at least F-1 or AAA from Fitch or P-1 or Aaa from Moody’s;
- (5) demand deposits, certificates of deposit, time deposits or bankers’ acceptances or other short-term unsecured debt obligations (and any cash or deposits in transit in any of the foregoing) maturing within one year from the date of acquisition thereof issued by (a) any bank organized under the laws of the United States of America or any state thereof or the District of Columbia, the United Kingdom or any country of the European

Union, (b) any U.S. branch of a non-U.S. bank having at the date of acquisition thereof combined capital and surplus of not less than U.S.\$500 million, or (c) in the case of Mexican peso deposits, any financial institution in good standing with Banco de México organized under the laws of Mexico;

- (6) repurchase obligations with a term of not more than seven days for underlying securities of the types described in clause (1) and (2) above entered into with any bank meeting the qualifications specified in clause (5) above;
- (7) investments in money market funds which invest substantially all of their assets in securities of the types described in clauses (1) through (6), (8) and (9);
- (8) certificates of deposit issued by any of Nacional Financiera, S.N.C., Banco Nacional de Comercio Exterior, S.N.C., Banco Nacional de Obras y Servicios Públicos, S.N.C. or any other development bank controlled by the Mexican government;
- (9) any other debt instrument rated “investment grade” (or the local equivalent thereof according to local criteria in a country in which the Issuer or a Restricted Subsidiary operates and in which local pensions are permitted by law to invest) with maturities of 12 months or less from the date of acquisition; and
- (10) Investments in mutual funds, managed by banks, with a local currency credit rating of at least MxAA by S&P or other equally reputable local rating agency, that invest principally in marketable direct obligations issued by the Mexican Government, or issued by any agency or instrumentality thereof.

In the case of Investments by any Restricted Subsidiary, Cash Equivalents will also include (a) investments of the type and maturity described in clauses (1) through (10) of any Restricted Subsidiary outside of Mexico in the country in which such Restricted Subsidiary operates, which Investments or obligors (or the parents of such obligors) have ratings described in such clauses or equivalents ratings from comparable foreign rating agencies, (b) local currencies and other short-term investments utilized by Restricted Subsidiaries in accordance with normal investment practices for cash management in investments analogous to the foregoing investments in clauses (1) through (10) and in this paragraph and (c) investments of the type described in clauses (1) through (9) maturing within one year of the Issue Date.

“Certificados Bursátiles” means debt securities issued by the Issuer guaranteed (por aval) by CEMEX México, S.A. de C.V. and Empresas Tolteca de México, S.A. de C.V., wholly owned subsidiaries of the Issuer, in the Mexican capital markets with the approval of the Mexican National Banking and Securities Commission (*Comisión Nacional Bancaria y de Valores*) and listed on the Mexican Stock Exchange (*Bolsa Mexicana de Valores, S.A.B. de C.V.*).

“Certificated Note” means any Note issued in fully registered form, other than a Global Note, which shall be substantially in the form of Exhibit A hereto, with appropriate legends as specified in Section 2.8 and Exhibit A.

“Change of Control” means the beneficial ownership (within the meaning of Rule 13d-3 promulgated by the Commission under the Exchange Act) of twenty percent (20%) or more in voting power of the outstanding Voting Stock of the Issuer is acquired by any Person.

“Change of Control Notice” means notice of a Change of Control Offer made pursuant to Section 3.8, which shall be mailed first-class, postage prepaid, to each record Holder as shown on the Note Register within 30 days following the date upon which a Change of Control occurred, with a copy to the Trustee, which notice shall govern the terms of the Change of Control Offer and shall state:

- (1) that a Change of Control has occurred, the circumstances or events causing such Change of Control and that a Change of Control Offer is being made pursuant to Section 3.8, and that all Notes that are timely tendered will be accepted for payment;
- (2) the Change of Control Payment, and the Change of Control Payment Date, which date shall be a Business Day no earlier than 30 calendar days nor later than 60 calendar days subsequent to the date such notice is mailed (other than as may be required by law);
- (3) that any Notes or portions thereof not tendered or accepted for payment will continue to accrue interest;
- (4) that, unless the Issuer defaults in the payment of the Change of Control Payment with respect thereto, all Notes or portions thereof accepted for payment pursuant to the Change of Control Offer shall cease to accrue interest from and after the Change of Control Payment Date;
- (5) that any Holder electing to have any Notes or portions thereof purchased pursuant to a Change of Control Offer will be required to tender such Notes, with the form entitled “Option of Holder to Elect Purchase” on the reverse of such Notes completed, to the Paying Agent at the address specified in the notice prior to the close of business on the third Business Day preceding the Change of Control Payment Date;
- (6) that any Holder shall be entitled to withdraw such election if the Paying Agent receives, not later than the close of business on the second Business Day preceding the Change of Control Payment Date, a facsimile transmission or letter, setting forth the name of the Holder, the principal amount of Notes delivered for purchase, and a statement that such Holder is withdrawing such Holder’s election to have such Notes or portions thereof purchased pursuant to the Change of Control Offer;

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- (7) that any Holder electing to have Notes purchased pursuant to the Change of Control Offer must specify the principal amount that is being tendered for purchase, which principal amount must be €100,000 and in integral multiples of €1,000 in excess thereof;
 - (8) that any Holder of Certificated Notes whose Certificated Notes are being purchased only in part will be issued new Certificated Notes equal in principal amount to the unpurchased portion of the Certificated Note or Notes surrendered, which unpurchased portion will be equal in principal amount to €100,000 and in integral multiples of €1,000 in excess thereof;
 - (9) that the Trustee will return to the Holder of a Global Note that is being purchased in part, such Global Note with a notation on Schedule A thereof adjusting the principal amount thereof to be equal to the unpurchased portion of such Global Note; and
 - (10) any other information necessary to enable any Holder to tender Notes and to have such Notes purchased pursuant to Section 3.8(b).

“Change of Control Offer” has the meaning assigned to it in Section 3.8(b).

“Change of Control Payment” has the meaning assigned to it in Section 3.8(a).

“Change of Control Payment Date” has the meaning assigned to it in Section 3.8(b).

“Clearstream” means Clearstream Banking, *société anonyme*, or the successor to its securities clearance and settlement operations.

“Code” means the Internal Revenue Code of 1986, as amended.

“Collateral” means “Transaction Security” as defined in the Intercreditor Agreement from time to time.

“Commission” means the U.S. Securities and Exchange Commission.

“Commodity Price Purchase Agreement” means, in respect of any Person, any forward contract, commodity swap agreement, commodity option agreement or other similar agreement or arrangement designed to protect such Person from fluctuations in commodity prices.

“Common Depositary” means The Bank of New York Mellon, London Branch, as common depositary for Euroclear and Clearstream.

“Common Stock” of any Person means any and all shares, interests or other participations in, and other equivalents (however designated and whether voting or non-voting) of such Person’s common equity interests, whether outstanding on the Issue Date or issued after the Issue Date, and includes, without limitation, all series and classes of such common equity interests.

“Compensation Related Hedging Obligations” means (i) the obligations of any Person pursuant to any equity option contract, equity forward contract, equity swap, warrant, rights or other similar agreement designed to hedge risks or obligations relating to employee, director or consultant compensation, pension, benefits or similar activities of the Issuer and/or any of its Subsidiaries and (ii) the obligations of any Person pursuant to any agreement that requires another Person to make payments or deliveries that are otherwise required to be made by the first Person relating to employee, director or consultant compensation, pension, benefits or similar activities of the Issuer and/or any of its Subsidiaries, in each case in the ordinary course of business.

“Consolidated EBITDA” means, for any Person for any period, Consolidated Net Income for such Person for such period, plus the following, without duplication, to the extent deducted or added in calculating such Consolidated Net Income:

- (1) Consolidated Income Tax Expense for such Person for such period;
- (2) Consolidated Interest Expense for such Person for such period net of consolidated interest income for such period;
- (3) Consolidated Non-cash Charges for such Person for such period;
- (4) the amount of any nonrecurring restructuring charge or reserve deducted in such period in computing Consolidated Net Income;
- (5) the net effect on income or loss in respect of Hedging Obligations or other derivative instruments, which shall include, for the avoidance of doubt, all amounts not excluded from Consolidated Net Income pursuant to the proviso in clause (9) thereof; and
- (6) net income of such Person attributable to minority interests in Subsidiaries of such Person.

less (x) all non-cash credits and gains increasing Consolidated Net Income for such Person for such period and (y) all cash payments made by such Person and its Restricted Subsidiaries during such period relating to Consolidated Non-cash Charges that were added back in determining Consolidated EBITDA in any prior period.

“Consolidated Fixed Charge Coverage Ratio” means, for any Person as of any date of determination (the “Fixed Charge Calculation Date”), the ratio of the aggregate amount of Consolidated EBITDA of such Person for the four most recent full fiscal quarters for which financial statements are available ending prior to the date of such determination (the “Four Quarter Period”) to Consolidated Fixed Charges for such Person for such Four Quarter Period.

For purposes of making the computation referred to above, Material Acquisitions and Material Dispositions (as determined in accordance with GAAP) that have been made by the Issuer or any of its Restricted Subsidiaries during the Four Quarter Period or subsequent to such Four Quarter Period and on or prior to or simultaneously with the Fixed Charge Calculation Date shall be calculated on a *pro forma* basis assuming that all such Material Acquisitions and Material Dispositions (and the change in any associated fixed charge obligations and the change in Consolidated EBITDA resulting therefrom) had occurred on the first day of the Four Quarter Period. If since the beginning of such period any Person that subsequently became a Restricted Subsidiary or was merged with or into the Issuer or any of its Restricted Subsidiaries since the beginning of such period shall have made any Material Acquisition or Material Disposition that would have required adjustment pursuant to this definition, then the Consolidated Fixed Charge Coverage Ratio shall be calculated giving *pro forma* effect thereto.

For purposes of this definition, whenever *pro forma* effect is to be given to a Material Acquisition or Material Disposition and the amount of income or earnings relating thereto or with respect to other *pro forma* calculations under this definition, such *pro forma* calculations shall be made in good faith by a responsible financial or accounting officer of the Issuer. If any Indebtedness bears a floating rate of interest and is being given *pro forma* effect, the interest on such Indebtedness shall be calculated as if the rate in effect on the Fixed Charge Calculation Date had been the applicable rate for the entire period (taking into account any Hedging Obligations applicable to such Indebtedness). Interest on a Capitalized Lease Obligation shall be deemed to accrue at an interest rate reasonably determined by a responsible financial or accounting officer of the Issuer to be the rate of interest implicit in such Capitalized Lease Obligation in accordance with GAAP. For purposes of making the computation referred to above, interest on any Indebtedness under a revolving credit facility computed on a *pro forma* basis shall be computed based upon the average daily balance of such Indebtedness during the applicable period except as set forth in the first paragraph of this definition. Interest on Indebtedness that may optionally be determined at an interest rate based upon a factor of a prime or similar rate, a eurocurrency interbank offered rate, or other rate, shall be deemed to have been based upon the rate actually chosen, or, if none, then based upon such optional rate chosen as the Issuer may designate.

Furthermore, in calculating “Consolidated Fixed Charges” for purposes of determining the denominator (but not the numerator) of this “Consolidated Fixed Charge Coverage Ratio,”

- (a) interest on outstanding Indebtedness determined on a fluctuating basis as of the date of determination and which will continue to be so determined thereafter will be deemed to have accrued at a fixed rate per annum equal to the rate of interest on such Indebtedness in effect on such date of determination;
- (b) if interest on any Indebtedness actually Incurred on such date of determination may optionally be determined at an interest rate based upon a factor of a prime or similar rate, a eurocurrency interbank offered rate, or other rates, then the interest rate in effect on such date of determination will be deemed to have been in effect during the Four Quarter Period; and
- (c) notwithstanding clause (a) above, interest on Indebtedness determined on a fluctuating basis, to the extent such interest is covered by Hedging Obligations, will be deemed to accrue at the rate per annum resulting after giving effect to the operation of such agreements.

“Consolidated Fixed Charges” means, for any Person for any period, the sum, without duplication, of:

- (1) Consolidated Interest Expense for such Person for such period, plus
- (2) to the extent not included in (1) above, payments during such period in respect of the financing costs of financial derivatives in the form of equity swaps, plus
- (3) the product of:
 - (a) the amount of all cash and non-cash dividend payments on any series of Preferred Stock or Disqualified Capital Stock of such Person (other than dividends paid in Qualified Capital Stock) or any Subsidiary of such Person (Restricted Subsidiary in the case of the Issuer) paid, accrued or scheduled to be paid or accrued during such period, excluding dividend payments on Preferred Stock or Disqualified Capital Stock paid, accrued or scheduled to be paid to such Person or another Subsidiary (Restricted Subsidiary in the case of the Issuer), times
 - (b) a fraction, the numerator of which is one and the denominator of which is one minus the then current effective tax rate of such Person in its principal taxpaying jurisdiction (Mexico, in the case of the Issuer), expressed as a decimal.

“Consolidated Income Tax Expense” means, with respect to any Person for any period, the provision for federal, state and local income and asset taxes payable, including current and deferred taxes, by such Person and its Subsidiaries (Restricted Subsidiaries in the case of the Issuer) for such period as determined on a consolidated basis in accordance with GAAP.

“Consolidated Interest Expense” means, for any Person for any period, the sum of, without duplication determined on a consolidated basis in accordance with GAAP:

- (1) the aggregate of cash and non-cash interest expense of such Person and its Subsidiaries (Restricted Subsidiaries in the case of the Issuer) for such period determined on a consolidated basis in accordance with GAAP, including, without limitation the following for such Person and its Subsidiaries (Restricted Subsidiaries in the case of the Issuer) whether or not interest expense in accordance with GAAP:
 - (a) any amortization or accretion of debt discount or any interest paid on Indebtedness of such Person and its Subsidiaries (Restricted Subsidiaries in the case of the Issuer) in the form of additional Indebtedness,

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- (b) any amortization of deferred financing costs; *provided*, that any such amortization resulting from costs incurred prior to the Issue Date shall be excluded for the calculation of Consolidated Interest Expense,
 - (c) the net costs under Hedging Obligations relating to Indebtedness (including amortization of fees but excluding foreign exchange adjustments on the notional amounts of the Hedging Obligations),
 - (d) all capitalized interest,
 - (e) the interest portion of any deferred payment obligation,
 - (f) commissions, discounts and other fees and charges Incurred in respect of letters of credit or bankers' acceptances or in connection with sales or other dispositions of accounts receivable and related assets,
 - (g) any interest expense on Indebtedness of another Person that is Guaranteed by such Person or one of its Subsidiaries (Restricted Subsidiary in the case of the Issuer) or secured by a Lien on the assets of such Person or one of its Subsidiaries (Restricted Subsidiaries in the case of the Issuer), whether or not such Guarantee or Lien is called upon, and
 - (h) any interest accrued in respect of Indebtedness without a maturity date; and
- (2) the interest component of Capitalized Lease Obligations paid, accrued and/or scheduled to be paid or accrued by such Person and its Subsidiaries (Restricted Subsidiaries in the case of the Issuer) during such period.

“Consolidated Net Income” means, with respect to any Person for any period, the aggregate net income (or loss) of such Person and its Subsidiaries for such period on a consolidated basis (after deducting (i) the portion of such net income attributable to minority interests in Subsidiaries of such Person and (ii) any interest paid or accrued in respect of Indebtedness without a maturity date), determined in accordance with GAAP; *provided*, that there shall be excluded therefrom:

- (1) net after-tax gains and losses from Asset Sale transactions or abandonments or reserves relating thereto;
- (2) net after-tax items classified as extraordinary gains or losses;

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- (3) the net income (but not loss) of any Subsidiary of such Person (non-Note Guarantor in the case of the Issuer) to the extent that a corresponding amount could not be distributed to such Person at the date of determination as a result of any restriction pursuant to the constituent documents of such Subsidiary (non-Note Guarantor in the case of the Issuer) or any law, regulation, agreement or judgment applicable to any such distribution;
 - (4) any net income (loss) of any Person (other than the Issuer) if such Person is not a Restricted Subsidiary, except that the Issuer's equity in the net income of any such Person for such period shall be included in such Consolidated Net Income up to the aggregate amount of cash distributed by such Person during such period to the Issuer or a Restricted Subsidiary as a dividend or other distribution (subject, in the case of a dividend or other distribution to a Restricted Subsidiary, to the limitations contained in this clause);
 - (5) [Reserved];
 - (6) any restoration to income of any contingency reserve, except to the extent that provision for such reserve was made out of Consolidated Net Income accrued at any time following the Issue Date;
 - (7) any gain (or loss) from foreign exchange translation or change in net monetary position;
 - (8) any gain (or loss) from the cumulative effect of changes in accounting principles; and
 - (9) any net gain or loss (after any offset) resulting in such period from Hedging Obligations or other derivative instruments; *provided*, that the net effect on income or loss (including in any prior periods) shall be included upon any termination or early extinguishment of such Hedging Obligations or other derivative instrument, other than any Hedging Obligations with respect to Indebtedness (that is not itself a Hedging Obligation) and that are extinguished concurrently with the termination or other prepayment of such Indebtedness.

“Consolidated Non-cash Charges” means, for any Person for any period, the aggregate depreciation, amortization (including amortization of goodwill and other Intangible Assets) and other non-cash expenses or losses of such Person and its Subsidiaries (Restricted Subsidiaries in the case of the Issuer) for such period, determined on a consolidated basis in accordance with GAAP (excluding any such charge which constitutes an accrual of or a reserve for cash charges for any future period or the amortization of a prepaid cash expense paid in a prior period).

“Consolidated Tangible Assets” means, for any Person at any time, the total consolidated assets of such Person and its Subsidiaries (Restricted Subsidiaries in the case of the Issuer) as set forth on the balance sheet as of the most recent fiscal quarter of such Person, prepared in accordance with GAAP, less Intangible Assets.

“Corporate Trust Office” means the principal office of the Trustee at which at any time its corporate trust business shall be administered, which office at the date hereof is located at 101 Barclay Street, 7E, New York, New York 10286, Attention: International Corporate Trust, or such other address as the Trustee may designate from time to time by notice to the Holders and the Issuer.

“Covenant Defeasance” has the meaning assigned to it in Section 8.1(c).

“Covenant Suspension Event” has the meaning assigned to it in Section 3.22(b).

“Currency Agreement” means, in respect of any Person, any foreign exchange contract, currency swap agreement or other similar agreement as to which such Person is a party designed to hedge foreign currency risk of such Person.

“Custodian” means any receiver, trustee, *conciliador*, assignee, liquidator, sequestrator or similar official under any Bankruptcy Law.

“Default” means an event or condition the occurrence of which is, or with the lapse of time or the giving of notice or both would be, an Event of Default.

“Defaulted Interest” has the meaning assigned to it in Section 2.13 and Section 1, paragraph 2 of the Form of Reverse Side of Note contained in Exhibit A hereto.

“Designated Non-cash Consideration” means the Fair Market Value of non-cash consideration received by the Issuer or a Restricted Subsidiary in connection with an Asset Sale that is so designated as Designated Non-cash Consideration pursuant to an Officer’s Certificate setting forth the basis of such valuation.

“Designation” has the meaning assigned to it in Section 3.14(a).

“Designation Amount” has the meaning assigned to it in clause (iii) of Section 3.14(a).

“Disposition” means, with respect to any property, any sale, lease, Sale and Leaseback Transaction, assignment, conveyance, transfer or other disposition thereof.

“Disqualified Capital Stock” means that portion of any Capital Stock which, by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable at the option of the Holder thereof), or upon the happening of any event, matures or is mandatorily redeemable, pursuant to a sinking fund obligation or otherwise, or is redeemable at the sole option of the Holder thereof, in any case, on or prior to the 91st day after the final maturity date of the Notes, but excluding with respect to Mexican companies, any shares of such Mexican company that are part of the variable portion of its Capital Stock and that are redeemable under the Mexican General Law of Business Corporations (*Ley General de Sociedades Mercantiles*).

“Distribution Compliance Period” means, in respect of any Regulation S Global Note (or Certificated Note issued in respect thereof pursuant to Section 2.7(c)), the 40 consecutive days beginning on and including the later of (a) the day on which any Notes represented thereby are offered to persons other than distributors (as defined in Regulation S) pursuant to Regulation S or (b) the issue date for such Notes.

“Equity Offering” has the meaning assigned to it in Section 5 of the Form of Reverse Side of Note contained in Exhibit A hereto.

“euro” means the single currency of participating member states of the EMU.

“Euroclear” means Euroclear Bank S.A./N.V., as operator of the Euroclear System, N.V., or its successor in such capacity.

“European Government Obligations” means direct non-callable and non-redeemable obligations denominated in euros (in each case, with respect to the issuer thereof) of any member state of the European Union that is a member of the European Union as of the date of this Indenture.

“Event of Default” has the meaning assigned to it in Section 6.1.

“Exchange Act” means the Securities Exchange Act of 1934, as amended, or any successor statute or statutes thereto.

“Existing Senior Notes” means the U.S. Dollar-denominated 9.250% Senior Secured Notes due 2020 guaranteed by the Issuer, the U.S. Dollar-denominated 9.000% Senior Secured Notes due 2018 issued by the Issuer, the U.S. Dollar-denominated Floating Rate Senior Secured Notes due 2015 issued by the Issuer, the U.S. Dollar-denominated 9.875% Senior Secured Notes due 2019 guaranteed by the Issuer, the Euro-denominated 9.875% Senior Secured Notes due 2019 guaranteed by the Issuer, the U.S. Dollar-denominated 9.500% Senior Secured Notes due 2018 issued by the Issuer, the U.S. Dollar-denominated 9.375% Senior Secured Notes due 2022 guaranteed by the Issuer, the U.S. Dollar-denominated 5.875% Senior Secured Notes due 2019 issued by the Issuer, the U.S. Dollar-denominated 6.500% Senior Secured Notes due 2019 issued by the Issuer, the U.S. Dollar-denominated 7.250% Senior Secured Notes due 2021 issued by the Issuer, the U.S. Dollar-denominated Floating Rate Senior Secured Notes due 2018 issued by the Issuer, the U.S. Dollar-denominated 6.000% Senior Secured Notes due 2024 guaranteed by the Issuer, the Euro-denominated 5.250% Senior Secured Notes due 2021 guaranteed by the Issuer and the Other Notes.

“Facilities Agreement” means the facilities agreement, dated as of September 17, 2012, entered into among the Issuer and certain of its Subsidiaries, the financial institutions and noteholders party thereto, Citibank International PLC, as new administrative agent, and the Security Agent, as such agreement may be amended, modified or waived from time to time.

“Facilities Agreement Indebtedness” means the Indebtedness that is subject to and outstanding under the Facilities Agreement.

“Fair Market Value” means, with respect to any asset, the price (after taking into account any liabilities relating to such assets) which could be negotiated in an arm’s-length free market transaction, for cash, between a willing seller and a willing and able buyer, neither of which is under any compulsion to complete the transaction. Fair Market Value shall be determined, except as otherwise provided, by the Issuer in good faith.

“Fitch” means Fitch Ratings and any successor to its rating agency business.

“Four Quarter Period” has the meaning assigned to it in the definition of “Consolidated Fixed Charge Coverage Ratio” above.

“Free Reserves Available for Distribution” has the meaning assigned to it in Section 10.6(c).

“French Note Guarantor” has the meaning assigned to it in Section 10.5(a).

“GAAP” means IFRS as in effect on the Issue Date. At any time, and from time to time, after the Issue Date, the Issuer may elect to apply IFRS as in effect at such time in lieu of GAAP and, upon any such election, references herein to GAAP shall thereafter be construed to mean IFRS as in effect on the date of such election; *provided*, that any such election, once made, shall be irrevocable. The Issuer shall give notice of any such election to the Trustee.

“Global Note” means any Note issued in fully registered form to Euroclear or Clearstream (or its nominee), as depositary for the beneficial owners thereof, which shall be substantially in the form of Exhibit A, with appropriate legends as specified in Section 2.8 and Exhibit A hereto.

“Guarantee” means any obligation, contingent or otherwise, of any Person directly or indirectly guaranteeing any Indebtedness of any other Person:

- (1) to purchase or pay, or advance or supply funds for the purchase or payment of, such Indebtedness of such other Person, whether arising by virtue of partnership arrangements, or by agreement to keep-well, to purchase assets, goods, securities or services, to take-or-pay, or to maintain financial statement conditions or otherwise, or
- (2) entered into for purposes of assuring in any other manner the obligee of such Indebtedness of the payment thereof or to protect such obligee against loss in respect thereof, in whole or in part,

provided, that “Guarantee” will not include endorsements for collection or deposit in the ordinary course of business. “Guarantee” used as a verb has a corresponding meaning.

“Guaranteed Obligations” has the meaning assigned to it in Section 10.1(a).

“Hedging Obligations” means the obligations of any Person pursuant to any Interest Rate Agreement, Currency Agreement, Commodity Price Purchase Agreement or any Transportation Agreement, in each case, not entered into for speculative purposes.

“Holder” means the Person in whose name a Note is registered in the Note Register.

“IFRS” means the International Financial Reporting Standards as issued by the International Accounting Standards Board.

“Incur” means, with respect to any Indebtedness or other obligation of any Person, to create, issue, incur (including by conversion, exchange or otherwise), assume, Guarantee or otherwise become liable in respect of such Indebtedness or other obligation on the balance sheet of such Person (and “Incurrence,” “Incurred” and “Incurring” will have meanings correlative to the preceding).

“Indebtedness” means with respect to any Person, without duplication:

- (1) the principal amount (or, if less, the accreted value) of all obligations of such Person for borrowed money;
- (2) the principal amount (or, if less, the accreted value) of all obligations of such Person evidenced by bonds, debentures, notes or other similar instruments, including any perpetual bonds, debenture notes or similar instruments without regard to maturity date;
- (3) all Capitalized Lease Obligations of such Person;
- (4) all obligations of such Person issued or assumed as the deferred purchase price of property, all conditional sale obligations and all payment obligations under any title retention agreement (but excluding trade accounts payable and other accrued liabilities accounted for as current liabilities (in accordance with GAAP) arising in the ordinary course of business) to the extent of any reimbursement obligations in respect thereof;
- (5) reimbursement obligations with respect to letters of credit, banker’s acceptances or similar credit transactions;
- (6) Guarantees and other contingent obligations of such Person in respect of Indebtedness referred to in clauses (1) through (5) above and clauses (8) through (10) below;
- (7) all Indebtedness of any other Person of the type referred to in clauses (1) through (6) which is secured by any Lien on any property or asset of the first Person, the amount of such Indebtedness being deemed to be the lesser of the Fair Market Value of such property or asset or the amount of the Indebtedness so secured;
- (8) all obligations under Hedging Obligations or other derivatives of such Person;

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- (9) all liabilities (contingent or otherwise) of such Person in connection with a sale or other disposition of accounts receivable and related assets (not including Qualified Receivables Transactions), irrespective of their treatment under GAAP or IFRS; and
 - (10) all Disqualified Capital Stock issued by such Person with the amount of Indebtedness represented by such Disqualified Capital Stock being equal to the greater of its voluntary or involuntary liquidation preference and its maximum fixed repurchase price, but excluding accrued dividends, if any; *provided*, that:
 - (a) if the Disqualified Capital Stock does not have a fixed repurchase price, such maximum fixed repurchase price will be calculated in accordance with the terms of the Disqualified Capital Stock as if the Disqualified Capital Stock were purchased on any date on which Indebtedness will be required to be determined pursuant to this Indenture, and
 - (b) if the maximum fixed repurchase price is based upon, or measured by, the fair market value of the Disqualified Capital Stock, the fair market value will be the Fair Market Value thereof.

“Indenture” means this Indenture as amended or supplemented from time to time, including the Schedule and Exhibits hereto.

“Intangible Assets” means with respect to any Person all unamortized debt discount and expense, unamortized deferred charges, goodwill, patents, trademarks, service marks, trade names, copyrights and all other items which would be treated as intangibles on the consolidated balance sheet of such Person prepared in accordance with GAAP.

“Intercreditor Agreement” means the intercreditor agreement, dated as of September 17, 2012, entered into among the Issuer and certain of its Subsidiaries, the financial institutions and noteholders party thereto, Citibank International PLC, as facility agent, and the Security Agent, as such agreement may be amended from time to time.

“Interest Payment Date” means the stated due date of an installment of interest on the Notes as specified in the Form of Face of Note contained in Exhibit A hereto.

“Interest Rate Agreement” of any Person means any interest rate protection agreement (including, without limitation, interest rate swaps, caps, floors, collars, derivative instruments and similar agreements) and/or other types of hedging agreements designed to hedge interest rate risk of such Person.

“Inventory Financing” means a financing arrangement pursuant to which the Issuer or any of its Restricted Subsidiaries sells inventory to a bank or other institution (or a special purpose vehicle or partnership incorporated or established by or on behalf of such bank or other institution or an Affiliate of such bank or other institution) and has an obligation to repurchase such inventory to the extent that it is not sold to a third party within a specified period.

“Investment” means, with respect to any Person, any (1) direct or indirect loan, advance or other extension of credit (including, without limitation, a Guarantee) to any other Person, (2) capital contribution (by means of any transfer of cash or other property to others or any payment for property or services for the account or use of others) to any other Person, or (3) purchase or acquisition by such Person of any Capital Stock, bonds, notes, debentures or other securities or evidences of Indebtedness issued by any other Person. “Investment” will exclude accounts receivable, extensions of credit in connection with supplier or customer financings consistent with industry or past practice, advance payment of capital expenditures arising in the ordinary course of business, deposits arising in the ordinary course of business and transactions (other than (i) any sale, lease, license, transfer or other disposal and (ii) the granting or creation of a Lien or the incurring or permitting to subsist of Indebtedness) conducted in the ordinary course of business on arm’s-length terms.

For purposes of Section 3.11, the Issuer will be deemed to have made an “Investment” in an Unrestricted Subsidiary at the time of its Designation, which will be valued at the Fair Market Value of the sum of the net assets of such Unrestricted Subsidiary multiplied by the percentage equity ownership of the Issuer and its Restricted Subsidiaries in such designated Unrestricted Subsidiary at the time of its Designation and the amount of any Indebtedness of such Unrestricted Subsidiary or owed to the Issuer or any Restricted Subsidiary immediately following such Designation. Any property transferred to or from an Unrestricted Subsidiary will be valued at its Fair Market Value at the time of such transfer. If the Issuer or any Restricted Subsidiary sells or otherwise disposes of any Capital Stock of a Restricted Subsidiary (including any issuance and sale of Capital Stock by a Restricted Subsidiary) such that, after giving effect to any such sale or disposition, such Restricted Subsidiary would cease to be a Subsidiary of the Issuer, the Issuer will be deemed to have made an Investment on the date of any such sale or disposition equal to sum of the Fair Market Value of the Capital Stock of such former Restricted Subsidiary held by the Issuer or any Restricted Subsidiary immediately following such sale or other disposition and the amount of any Indebtedness of such former Restricted Subsidiary Guaranteed by the Issuer or any Restricted Subsidiary or owed to the Issuer or any other Restricted Subsidiary immediately following such sale or other disposition. The acquisition by the Issuer or any Restricted Subsidiary of the Issuer of a Person that holds an Investment in a third Person will be deemed to be an Investment by the Issuer or such Restricted Subsidiary in such third Person in an amount equal to the Fair Market Value of the Investments held by the acquired Person in such third Person. Except as otherwise provided in this Indenture, the amount of an Investment will be determined at the time the Investment is made without giving effect to subsequent changes in value.

“Investment Grade Rating” means a rating equal to or higher than BBB- (or the equivalent) by Fitch, Baa3 (or the equivalent) by Moody’s and BBB- (or the equivalent) by S&P.

“Investment Return” means, in respect of any Investment (other than a Permitted Investment) made after the Issue Date by the Issuer or any Restricted Subsidiary:

- (1) the cash proceeds received by the Issuer upon the sale, liquidation or repayment of such Investment or, in the case of a Guarantee, the amount of the Guarantee upon the unconditional release of the Issuer and its Restricted Subsidiaries in full, less any payments previously made by the Issuer or any Restricted Subsidiary in respect of such Guarantee;
- (2) in the case of the Revocation of the Designation of an Unrestricted Subsidiary, an amount equal to the lesser of:
 - (a) the Issuer’s Investment in such Unrestricted Subsidiary at the time of such Revocation;
 - (b) that portion of the Fair Market Value of the net assets of such Unrestricted Subsidiary at the time of Revocation that is proportionate to the Issuer’s equity interest in such Unrestricted Subsidiary at the time of Revocation; and
 - (c) the Designation Amount with respect to such Unrestricted Subsidiary upon its Designation which was treated as a Restricted Payment;
- (3) in the event the Issuer or any Restricted Subsidiary makes any Investment in a Person that, as a result of or in connection with such Investment, becomes a Restricted Subsidiary, the existing Investment of the Issuer and its Restricted Subsidiaries in such Person,

in the case of each of (1), (2) and (3), up to the amount of such Investment that was treated as a Restricted Payment under Section 3.11 less the amount of any previous Investment Return in respect of such Investment.

“Issue Date” means the first date of issuance of the Notes under this Indenture and following a Partial Covenant Suspension Event or a Covenant Suspension Event, except under “*Optional Redemption for Changes in Withholding Taxes*” under clause (5) in Exhibit A hereto, Section 3.22 and the definition of “Permitted Liens,” the most recent Partial Covenant Reversion Date or Reversion Date, as applicable.

“Issue Date Notes” means the €400,000,000 aggregate principal amount of Notes originally issued on the Issue Date, and any replacement Notes issued therefor in accordance with this Indenture.

“Issuer” means the party named as such in the introductory paragraph to this Indenture and its successors and assigns.

“Issuer Order” has the meaning assigned to it in Section 2.2(c).

“Legal Defeasance” has the meaning assigned to it in Section 8.1(b).

“Legal Holiday” has the meaning assigned to it in Section 12.6.

“Lien” means, with respect to any asset, any mortgage, lien, pledge, charge, security interest or encumbrance of any kind in respect of such asset. The Issuer or any Restricted Subsidiary shall be deemed to own, subject to a Lien, any asset that it has acquired or holds subject to the interest of a vendor or lessor under any conditional sale agreement, Capitalized Lease Obligations or other title retention lease relating to such asset, or any account receivable transferred by it with recourse (including any such transfer subject to a holdback or similar arrangement that effectively imposes the risk of collectability on the transferor).

“Material Acquisition” means:

- (1) an Investment by the Issuer or any Restricted Subsidiary in any other Person pursuant to which such Person will become a Restricted Subsidiary, or will be merged with or into the Issuer or any Restricted Subsidiary;
- (2) the acquisition by the Issuer or any Restricted Subsidiary of the assets of any Person (other than a Subsidiary of the Issuer) which constitute all or substantially all of the assets of such Person or comprises any division or line of business of such Person or any other properties or assets of such Person other than in the ordinary course of business; or
- (3) any Revocation with respect to an Unrestricted Subsidiary;

in each case which involves an Investment, Designation or payment of consideration in excess of U.S.\$25,000,000 (or the equivalent in other currencies).

“Material Disposition” means any Asset Sale and, whether or not constituting an Asset Sale, (1) any sale or other disposition of Capital Stock, (2) any Designation with respect to an Unrestricted Subsidiary and (3) any sale or other disposition of property or assets excluded from the definition of Asset Sale by clause (4) of that definition, in each case which involves an Investment, Designation or payment of consideration in excess of U.S.\$25,000,000 (or the equivalent in other currencies).

“Maturity Date” means January 11, 2022.

“Moody’s” means Moody’s Investors Service, Inc. and any successor to its rating agency business.

“Net Cash Proceeds” means, with respect to any Asset Sale, the proceeds in the form of cash or Cash Equivalents, including payments in respect of deferred payment obligations when received in the form of cash or Cash Equivalents received by the Issuer or any of its Restricted Subsidiaries from such Asset Sale, net of:

- (1) reasonable out-of-pocket expenses and fees relating to such Asset Sale (including, without limitation, legal, accounting and investment banking fees and sales commissions);

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- (2) taxes paid or payable in respect of such Asset Sale after taking into account any reduction in consolidated tax liability due to available tax credits or deductions and any tax sharing arrangements;
 - (3) repayment of Indebtedness secured by a Lien permitted under this Indenture that is required to be repaid in connection with such Asset Sale; and
 - (4) appropriate amounts to be provided by the Issuer or any Restricted Subsidiary, as the case may be, as a reserve, in accordance with GAAP, against any liabilities associated with such Asset Sale and retained by the Issuer or any Restricted Subsidiary, as the case may be, after such Asset Sale, including, without limitation, pension and other post-employment benefit liabilities, liabilities related to environmental matters and liabilities under any indemnification obligations associated with such Asset Sale, but excluding any reserves with respect to Indebtedness.

“Non-U.S. Person” means a person who is not a U.S. person, as defined in Regulation S.

“Note Custodian” means the custodian with respect to any Global Note appointed by Euroclear or Clearstream, or any successor Person thereto, and shall initially be the Common Depository.

“Note Guarantee” means any guarantee of the Issuer’s Obligations under this Indenture and the Notes by any Note Guarantor pursuant to Article X.

“Note Guarantors” means (i) each of the Issuer’s Restricted Subsidiaries that executes this Indenture as a Note Guarantor or an Additional Note Guarantor and (ii) each of the Issuer’s Restricted Subsidiaries that in the future executes a supplemental indenture in which such Restricted Subsidiary agrees to be bound by the terms of this Indenture as a Note Guarantor, and their respective successors and assigns; provided, that any Person constituting a Note Guarantor as described above shall cease to constitute a Note Guarantor when its respective Note Guarantee is released in accordance with the terms of this Indenture.

“Note Register” has the meaning assigned to it in Section 2.3(a).

“Notes” means any of the Issuer’s 4.750% Senior Secured Notes due 2022 issued and authenticated pursuant to this Indenture.

“Obligations” means, with respect to any Indebtedness, any principal, interest (including, without limitation, Post-Petition Interest), penalties, fees, indemnifications, reimbursements, damages, and other liabilities payable under the documentation governing such Indebtedness, including, in the case of the Notes and the Note Guarantees, this Indenture.

“Office of the Paying Agent” means the principal office of the Paying Agent at which at any time its corporate trust business shall be administered, which office at the date hereof is located at One Canada Square, London E14 5AL, United Kingdom, or such other address as the Paying Agent may designate from time to time by notice to the Trustee and the Issuer.

“Officer” means, when used in connection with any action to be taken by the Issuer or a Note Guarantor, as the case may be, the Chairman of the Board, the Chief Executive Officer, the President, the Chief Financial Officer, any Vice President, the Treasurer, the Controller, the Secretary or an attorney-in-fact of the Issuer or such Note Guarantor, as the case may be.

“Officer’s Certificate” means a certificate signed on behalf of a Person by an Officer of such Person, who must be the principal executive officer, the principal financial officer, the treasurer, the Vice President – Corporate Finance, the principal accounting officer or an attorney-in-fact of such Person, that meets the requirements set forth in this Indenture.

“Opinion of Counsel” means a written opinion of counsel, who, unless otherwise indicated in this Indenture, may be an employee of or counsel for the Issuer or any Note Guarantor, and who shall be reasonably acceptable to the Trustee.

“Other Notes” means the U.S.\$ 1,100,000,000 million aggregate principal amount of 5.700% Senior Secured Notes due 2025 of the Issuer issued on the Issue Date.

“Outstanding” means, as of the date of determination, all Notes theretofore authenticated and delivered under this Indenture, *except*:

- (1) Notes theretofore canceled by the Trustee or delivered to the Trustee for cancellation;
- (2) Notes, or portions thereof, for the payment, redemption or, in the case of an Asset Sale Offer or Change of Control Offer, purchase of which, money in the necessary amount has been theretofore deposited with the Trustee or any Paying Agent (other than the Issuer or an Affiliate of the Issuer) in trust or set aside and segregated in trust by the Issuer or an Affiliate of the Issuer (if the Issuer or such Affiliate is acting as the Paying Agent) for the Holders of such Notes; *provided*, that if Notes (or portions thereof) are to be redeemed or purchased, notice of such redemption or purchase has been duly given pursuant to this Indenture or provision therefor satisfactory to the Trustee has been made;
- (3) Notes which have been surrendered pursuant to Section 2.9 or Notes in exchange for which or in lieu of which other Notes have been authenticated and delivered pursuant to this Indenture, other than any such Notes in respect of which there shall have been presented to the Trustee proof satisfactory to it that such Notes are held by a protected purchaser in whose hands such Notes are valid obligations of the Issuer; and
- (4) solely to the extent provided in Article VIII, Notes which are subject to Legal Defeasance or Covenant Defeasance as provided in Article VIII;

provided, however, that in determining whether the Holders of the requisite aggregate principal amount of the Outstanding Notes have given any request, demand, authorization, direction, notice, consent or waiver hereunder, Notes owned by the Issuer, a Note Guarantor or any other obligor upon the Notes or any Affiliate of the Issuer or of such other obligor shall be disregarded and deemed not to be Outstanding, except that, in determining whether the Trustee shall be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Notes which a Trust Officer of the Trustee actually knows to be so owned shall be so disregarded. Notes so owned which have been pledged in good faith may be regarded as Outstanding if the pledgee establishes to the satisfaction of the Trustee the pledgee's right so to act with respect to such Notes and that the pledgee is not the Issuer or any other obligor upon the Notes or any Affiliate of the Issuer or of such other obligor.

“Partial Covenant Reversion Date” has the meaning set forth under Section 3.22(e).

“Partial Covenant Suspension Date” has the meaning set forth under Section 3.22(c).

“Partial Covenant Suspension Event” has the meaning set forth under Section 3.22(a).

“Partial Suspended Covenants” has the meaning set forth under Section 3.22(a).

“Partial Suspension Period” has the meaning set forth under Section 3.22(e).

“Paying Agent” means the party named as such in the introductory paragraph to this Indenture until a successor replaces it in accordance with the terms of this Indenture and, thereafter, means the successor.

“Permitted Asset Swap Transaction” means a transaction consisting substantially of the concurrent (i) disposition by the Issuer or any of its Restricted Subsidiaries of any asset, property or cash consideration (other than a Restricted Subsidiary) in exchange for assets, property or cash consideration transferred to the Issuer or a Restricted Subsidiary, to be used in a Permitted Business or (ii) disposition by the Issuer or any of its Restricted Subsidiaries of Capital Stock of a Restricted Subsidiary in exchange for Capital Stock of another Restricted Subsidiary or of Capital Stock of any Person that becomes a Restricted Subsidiary after giving effect to such transaction; *provided*, that any cash or Cash Equivalents received in such a transaction shall constitute Net Cash Proceeds to be applied in accordance with Section 3.12.

“Permitted Business” means the business or businesses conducted by the Issuer and its Restricted Subsidiaries as of the Issue Date and any business ancillary, complementary or related thereto or any other business that would not constitute a substantial change to the general nature of its business from that carried on as of the Issue Date.

“Permitted Indebtedness” has the meaning set forth in Section 3.9(b).

“Permitted Investments” means:

- (1) Investments by the Issuer or any Restricted Subsidiary in any Person that is, or that result in any Person becoming, immediately after such Investment, a Restricted Subsidiary or constituting a merger or consolidation of such Person into the Issuer or with or into a Restricted Subsidiary;
- (2) any Investment in the Issuer;
- (3) Investments in cash and Cash Equivalents;
- (4) any extension, modification or renewal of any Investments existing as of the Issue Date (but not Investments involving additional advances, contributions or other investments of cash or property or other increases thereof, other than as a result of the accrual or accretion of interest or original issue discount or payment-in-kind pursuant to the terms of such Investment as of the Issue Date);
- (5) Investments permitted pursuant to clause (ii), (vi) or (vii) of Section 3.18(b);
- (6) Investments received as a result of the bankruptcy or reorganization of any Person or taken in settlement of or other resolution of claims or disputes, and, in each case, extensions, modifications and renewals thereof;
- (7) Investments made by the Issuer or its Restricted Subsidiaries as a result of non-cash consideration permitted to be received in connection with an Asset Sale made in compliance with Section 3.12;
- (8) Investments in the form of Hedging Obligations or Compensation Related Hedging Obligations permitted under clause (iv) of Section 3.9(b);
- (9) Investments in existence on the Issue Date or made pursuant to binding commitments in effect on the Issue Date or any Investment consisting of any extension, modification or renewal of any Investment existing on the Issue Date; *provided*, that the amount of any such Investment may be increased (a) as required by the terms of such Investment as in existence on the Issue Date or (b) as otherwise permitted by this Indenture;
- (10) Investments by the Issuer or any Restricted Subsidiary in a Receivables Entity in connection with a Qualified Receivables Transaction which does not constitute an Asset Sale by virtue of clause (7) of the definition thereof; *provided, however*, that any such Investments are made only in the form of Receivables Assets;
- (11) Investments in marketable securities or instruments, to fund the Issuer’s or a Restricted Subsidiary’s pension and other employee-related obligations in the ordinary course of business pursuant to compensation arrangements approved by the Board of Directors or senior management of the Issuer;

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- (12) any Investment that:
- (a) when taken together with all other Investments made pursuant to this clause (12) that are at the time outstanding (net of cash benefits to the Issuer or a Restricted Subsidiary from Investments pursuant to this clause (12)), does not exceed the greater of U.S.\$250 million and 3% of Consolidated Tangible Assets; or
 - (b) when taken together with all other Investments made pursuant to this clause (12) in any fiscal year that are at the time outstanding, does not exceed U.S.\$100 million in any fiscal year;
- (13) Investments in the Capital Stock of any Person other than a Restricted Subsidiary that are required to be held pursuant to an involuntary governmental order of condemnation, nationalization, seizure or expropriation or other similar order with respect to Capital Stock of such Person (prior to which order such Person was a Restricted Subsidiary); *provided*, that such Person contests such order in good faith in appropriate proceedings;
- (14) repurchases of Existing Senior Notes or the Notes;
- (15) Investments in the SPV Perpetuals or the notes related thereto; *provided*, that any payment or other contribution to one of the special purpose vehicles issuing the SPV Perpetuals in connection with such Investment is promptly paid or contributed to the Issuer or a Restricted Subsidiary following receipt thereof;
- (16) any Investment that constitutes Indebtedness permitted under clause (vii)(E) of Section 3.9(b); and
- (17) (a) Investments to which the Issuer or any of its Restricted Subsidiaries is contractually committed as of the Issue Date in any Person other than a Subsidiary in which the Issuer or any of its Restricted Subsidiaries maintains an Investment in equity securities and
(b) Investments in any Person other than a Subsidiary in which the Issuer or any of its Restricted Subsidiaries maintains an Investment in equity securities up to U.S.\$100 million in any calendar year minus the amount of any guarantees under clause (xviii) of Section 3.9(b).

“Permitted Liens” means any of the following:

- (1) statutory Liens of landlords and Liens of carriers, warehousemen, mechanics and materialmen incurred in the ordinary course of business for sums not yet due or the payment of which is being contested in good faith

by appropriate proceedings promptly initiated and diligently conducted and for which such reserves or other appropriate provision, if any, as shall be required by GAAP, shall have been made and any other Liens created by operation of law;

- (2) Liens Incurred or deposits made in the ordinary course of business in connection with (i) workers' compensation, unemployment insurance and other types of social security or (ii) other insurance maintained by the Issuer and its Subsidiaries in compliance with the Facilities Agreement (or any refinancing thereof);
- (3) Liens for taxes, assessments and other governmental charges the payment of which is being contested in good faith by appropriate proceedings promptly initiated and diligently conducted and for which such reserves or other appropriate provision, if any, as shall be required by GAAP shall have been made;
- (4) any attachment or judgment Lien, unless the judgment it secures shall not, within 60 days after the entry thereof, have been discharged or execution thereof stayed pending appeal, or shall not have been discharged within 60 days after the expiration of any such stay;
- (5) (i) Liens existing on the Issue Date other than in respect of the Collateral and (ii) Liens in respect of the Collateral to the extent equally and ratably securing the Notes and the Permitted Secured Obligations;
- (6) any Lien on property acquired by the Issuer or its Restricted Subsidiaries after the Issue Date that was existing on the date of acquisition of such property; *provided*, that such Lien was not incurred in anticipation of such acquisition, and any Lien created to secure all or any part of the purchase price, or to secure Indebtedness incurred or assumed to pay all or any part of the purchase price, of property acquired by the Issuer or any of its Restricted Subsidiaries after the Issue Date; *provided further*, that (A) any such Lien permitted pursuant to this clause (6) shall be confined solely to the item or items of property so acquired (including, in the case of any Acquisition of a corporation through the acquisition of 51% or more of the Voting Stock of such corporation, the stock and assets of any Acquired Subsidiary or Acquiring Subsidiary) and, if required by the terms of the instrument originally creating such Lien, other property which is an improvement to, or is acquired for specific use with, such acquired property; and (B) if applicable, any such Lien shall be created within nine months after, in the case of property, its acquisition, or, in the case of improvements, their completion;
- (7) any Liens renewing, extending or refunding any Lien permitted by clause (5)(i) above; *provided*, that such Lien is not extended to other property (or, instead, is only extended to equivalent property) and the

principal amount of Indebtedness secured by such Lien immediately prior thereto is not increased or the maturity thereof reduced, except that the principal amount secured by any such Lien in respect of:

- (a) hedging obligations or other derivatives where there are fluctuations in mark-to-market exposures of those hedging obligations or other derivatives,
 - (b) Indebtedness consisting of any “*Certificados Bursátiles de Largo Plazo*” or the Bancomext Facility, or any Refinancing thereof, where principal may increase by virtue of capitalization of interest, and
 - (c) the Banobras Facility to the extent additional amounts are drawn thereunder,
- may be increased by the amount of such fluctuations, capitalizations or drawings, as the case may be;
- (8) Liens on Receivables Assets or Capital Stock of a Receivables Subsidiary, in each case granted in connection with a Qualified Receivables Transaction;
 - (9) Liens granted pursuant to or in connection with any netting or set-off arrangements entered into in the ordinary course of business;
 - (10) any Lien permitted by the Trustee, acting pursuant to the instructions of at least 50% of the Holders;
 - (11) any Lien granted by the Issuer or any of its Restricted Subsidiaries to secure Indebtedness under a Permitted Liquidity Facility; *provided*, that: (i) such Lien is not granted in respect of the Collateral, and (ii) the maximum amount of such Indebtedness secured by such Lien does not exceed U.S.\$500 million at any time; or
 - (12) in addition to the Liens permitted by the foregoing clauses (1) through (11), Liens securing obligations of the Issuer and its Restricted Subsidiaries that in the aggregate secure obligations in an amount not in excess of the greater of (i) 5% of Consolidated Tangible Assets and (ii) U.S.\$700 million.

“Permitted Liquidity Facility” means a loan facility or facilities made available to the Issuer or any Restricted Subsidiary; *provided*, that the aggregate principal amount of utilized and unutilized commitments under such facilities must not exceed U.S.\$1 billion (or its equivalent in another currency) at any time.

“Permitted Merger Jurisdiction” has the meaning set forth in Section 4.1(a).

“Permitted Secured Obligations” means (i) the Facilities Agreement Indebtedness and any refinancing thereof made in accordance with the Facilities Agreement that is secured by the Collateral, (ii) notes (or similar instruments, including *Certificados Bursátiles*) outstanding on the date of the Facilities Agreement required to be secured by the Collateral pursuant to their terms, or any refinancing thereof permitted by the Facilities Agreement, (iii) future Indebtedness secured by the Collateral to the extent permitted by the Facilities Agreement and (iv) the Existing Senior Notes.

“Person” means an individual, partnership, limited partnership, corporation, company, limited liability company, unincorporated organization, trust or joint venture, or a governmental agency or political subdivision thereof.

“Post-Petition Interest” means all interest accrued or accruing after the commencement of any insolvency or liquidation proceeding (and interest that would accrue but for the commencement of any insolvency or liquidation proceeding) in accordance with and at the contract rate (including, without limitation, any rate applicable upon default) specified in the agreement or instrument creating, evidencing or governing any Indebtedness, whether or not, pursuant to applicable law or otherwise, the claim for such interest is allowed as a claim in such insolvency or liquidation proceeding.

“Preferred Stock” of any Person means any Capital Stock of such Person that has preferential rights over any other Capital Stock of such Person with respect to dividends, distributions or redemptions or upon liquidation.

“Private Placement Legend” has the meaning assigned to it in Section 2.8(b).

“Purchase Money Indebtedness” means Indebtedness Incurred for the purpose of financing all or any part of the purchase price or cost of construction of any property other than Capital Stock; *provided*, that the aggregate principal amount of such Indebtedness does not exceed the lesser of the Fair Market Value of such property or such purchase price or cost, including any Refinancing of such Indebtedness that does not increase the aggregate principal amount (or accreted amount, if less) thereof as of the date of Refinancing.

“QIB” means a “qualified institutional buyer” as defined in Rule 144A.

“Qualified Capital Stock” means any Capital Stock that is not Disqualified Capital Stock and any warrants, rights or options to purchase or acquire Capital Stock that is not Disqualified Capital Stock that are not convertible into or exchangeable into Disqualified Capital Stock.

“Qualified Receivables Transaction” means any transaction or series of transactions that may be entered into by the Issuer or any Restricted Subsidiary pursuant to which the Issuer or any Restricted Subsidiary may sell, convey, assign or otherwise transfer to a Receivables Entity any Receivables Assets to obtain funding for the operations of the Issuer and its Restricted Subsidiaries:

- (1) for which no term of any portion of the Indebtedness or any other obligations (contingent or otherwise) or securities Incurred or issued by any Person in connection therewith:
 - (a) directly or indirectly provides for recourse to, or any obligation of, the Issuer or any Restricted Subsidiary in any way, whether pursuant to a Guarantee or otherwise, except for Standard Undertakings,
 - (b) directly or indirectly subjects any property or asset of the Issuer or any Restricted Subsidiary (other than Capital Stock of a Receivables Subsidiary) to the satisfaction thereof, except for Standard Undertakings, or
 - (c) results in such Indebtedness, other obligations or securities constituting Indebtedness of the Issuer or a Restricted Subsidiary, including following a default thereunder, and
- (2) for which the terms of any Affiliate Transaction between the Issuer or any Restricted Subsidiary, on the one hand, and any Receivables Entity, on the other, other than Standard Undertakings and Permitted Investments, are no less favorable than those that could reasonably be expected to be obtained in a comparable transaction at such time on an arm’s length basis from a Person that is not an Affiliate of the Issuer, and
- (3) in connection with which, neither the Issuer nor any Restricted Subsidiary has any obligation to maintain or preserve a Receivable Entity’s financial condition, cause a Receivables Entity to achieve certain levels of operating results, fund losses of a Receivables Entity, or except in connection with Standard Undertakings, purchase assets of a Receivables Entity.

“Rating Agencies” mean Fitch, Moody’s and S&P. In the event that Fitch, Moody’s or S&P is no longer in existence or issuing ratings, such organization may be replaced by a nationally recognized statistical rating organization (as defined in Rule 15c3-1(c)(2)(vi)(F) of the Exchange Act or any successor provision) designated by the Issuer with notice to the Trustee.

“Receivables Assets” means:

- (1) accounts receivable, leases, conditional sale agreements, instruments, chattel paper, installment sale contracts, obligations, general intangibles, and other similar assets, in each case relating to goods, inventory or services of the Issuer and its Subsidiaries,
- (2) equipment and equipment residuals relating to any of the foregoing,

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- (3) contractual rights, Guarantees, letters of credit, Liens, insurance proceeds, collections and other similar assets, in each case related to the foregoing, and
 - (4) proceeds of all of the foregoing.

“Receivables Entity” means a Receivables Subsidiary or any other Person not an Affiliate of the Issuer, in each case whose sole business activity is to engage in Qualified Receivables Transactions, including to issue securities or other interests in connection with a Qualified Receivables Transaction.

“Receivables Subsidiary” means an Unrestricted Subsidiary of the Issuer that engages in no activities other than Qualified Receivables Transactions and activities related thereto and that is designated by the Issuer as a Receivables Subsidiary. Any such designation by the Issuer will be evidenced to the Trustee by filing with the Trustee an Officer’s Certificate of the Issuer.

“Record Date” has the meaning assigned to it in the Form of Face of Note contained in Exhibit A hereto.

“Redemption Date” means, with respect to any redemption of the Notes, the date fixed for such redemption pursuant to this Indenture and the Notes.

“Refinance” means, in respect of any Indebtedness, to issue any Indebtedness in exchange for or to refinance, repay, redeem, replace, defease or refund such Indebtedness in whole or in part. “Refinanced” and “Refinancing” will have correlative meanings.

“Refinancing Indebtedness” means Indebtedness of the Issuer or any Restricted Subsidiary issued to Refinance any other Indebtedness of the Issuer or a Restricted Subsidiary so long as:

- (1) the aggregate principal amount (or initial accreted value, if applicable) of such new Indebtedness as of the date of such proposed Refinancing does not exceed the aggregate principal amount (or accreted value as of such date, if applicable) of the Indebtedness being Refinanced (plus the amount of any premium required to be paid under the terms of the instrument governing such Indebtedness and the amount of reasonable expenses incurred by the Issuer in connection with such Refinancing);
- (2) such new Indebtedness has:
 - (a) a Weighted Average Life to Maturity that is equal to or greater than the Weighted Average Life to Maturity of the Indebtedness being Refinanced, and
 - (b) a final maturity that is equal to or later than the final maturity of the Indebtedness being Refinanced or, in the case of Indebtedness without a stated maturity, December 14, 2017; and

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- (3) if the Indebtedness being Refinanced is:
- (a) Indebtedness of the Issuer, then such Refinancing Indebtedness will be Indebtedness of the Issuer and/or any Note Guarantor,
 - (b) Indebtedness of a Note Guarantor, then such Refinancing Indebtedness will be Indebtedness of the Issuer and/or any Note Guarantor,
 - (c) Indebtedness of any of the Restricted Subsidiaries, then such Refinancing Indebtedness will be Indebtedness of such Restricted Subsidiary, the Issuer and/or any Note Guarantor, and
 - (d) Subordinated Indebtedness, then such Refinancing Indebtedness shall be subordinate to the Notes or the relevant Note Guarantee, if applicable, at least to the same extent and in the same manner as the Indebtedness being Refinanced.

Notwithstanding the foregoing, with respect to any hedging obligations or derivatives outstanding on the Issue Date in respect of the Axtel Share Forward Transaction, “Refinancing Indebtedness” shall mean any replacements, amendments or renewals thereof that are entered into on then prevailing market terms with the underlying amounts not greater than the original underlying amounts.

“Registrar” has the meaning assigned to it in Section 2.3(a).

“Regulation S” means Regulation S under the Securities Act or any successor regulation.

“Regulation S Global Note” has the meaning assigned to it in Section 2.1(e).

“Resale Restriction Termination Date” means for any Restricted Note (or beneficial interest therein), that is (a) not a Regulation S Global Note, the date on which the Issuer instructs the Trustee in writing to remove the Private Placement Legend from the Restricted Notes in accordance with the procedures described in Section 2.9(h) (which instruction is expected to be given on or about the one year anniversary of the issuance of the Restricted Notes) or (b) a Regulation S Global Note (or Certificated Note issued in respect thereof pursuant to Section 2.7(c)), the date on which the Distribution Compliance Period therefor terminates.

“Restricted Note” means any Issue Date Note (or beneficial interest therein) or any Additional Note (or beneficial interest therein) not originally issued and sold pursuant to an effective registration statement under the Securities Act until such time as:

- (i) the Resale Restriction Termination Date therefor has passed; or
- (ii) the Private Placement Legend therefor has otherwise been removed pursuant to Section 2.9 or, in the case of a beneficial interest in a Global Note, such beneficial interest has been exchanged for an interest in a Global Note not bearing a Private Placement Legend.

“Restricted Obligations” has the meaning assigned to it in Section 10.6(b).

“Restricted Payment” has the meaning set forth in Section 3.11(a).

“Restricted Subsidiary” means any Subsidiary of the Issuer, which at the time of determination is not an Unrestricted Subsidiary.

“Reversion Date” has the meaning assigned to in Section 3.22(e).

“Revocation” has the meaning set forth in Section 3.14(c).

“Rule 144” means Rule 144 under the Securities Act (or any successor rule).

“Rule 144A” means Rule 144A under the Securities Act (or any successor rule).

“Rule 144A Global Note” has the meaning assigned to it in Section 2.1(d).

“S&P” means Standard & Poor’s Ratings Group and any successor to its rating agency business.

“Sale and Leaseback Transaction” means any direct or indirect arrangement with any Person or to which any such Person is a party providing for the leasing to the Issuer or a Restricted Subsidiary of any property, whether owned by the Issuer or any Restricted Subsidiary at the Issue Date or later acquired, which has been or is to be sold or transferred by the Issuer or such Restricted Subsidiary to such Person or to any other Person by whom funds have been or are to be advanced on the security of such Property.

“Securities Act” means the Securities Act of 1933, as amended.

“Security Agent” means Wilmington Trust (London) Limited, as security agent under the Intercreditor Agreement.

“Security Documents” has the meaning assigned to it in Section 7.13.

“Senior Indebtedness” means (i) the Notes and any other Indebtedness of the Issuer or any Note Guarantor that ranks equal in right of payment with the Notes or the relevant Note Guarantee, as the case may be or (ii) Indebtedness for borrowed money or constituting Capitalized Lease Obligations of any Restricted Subsidiary other than a Note Guarantor.

“Significant Subsidiary” means a Subsidiary of the Issuer constituting a “Significant Subsidiary” of the Issuer in accordance with Rule 1-02(w) of Regulation S-X under the Securities Act in effect on the date hereof.

“Similar Business” means (1) any business engaged in by the Issuer or any Restricted Subsidiary on the Issue Date, and (2) any business or other activities, including non-profit or charitable activities, that are reasonably similar, ancillary, complementary or related to,

or a reasonable extension, development or expansion of, the businesses and activities in which the Issuer or any Restricted Subsidiary is engaged on the Issue Date, including, but not limited to, infrastructure projects, public works programs and consumer or supplier financing.

“Special Record Date” has the meaning assigned to it in Section 2.13(a).

“SPV Perpetuals” means the perpetual debentures issued by special purpose vehicles in December 2006, February 2007 and March 2007, as amended or supplemented from time to time.

“Standard Undertakings” means representations, warranties, covenants, indemnities and similar obligations, including servicing obligations, entered into by the Issuer or any Subsidiary of the Issuer in connection with a Qualified Receivables Transaction, which are customary in similar non-recourse receivables securitization, purchase or financing transactions.

“Subordinated Indebtedness” means, with respect to the Issuer or any Note Guarantor, any Indebtedness of the Issuer or such Note Guarantor, as the case may be, which is expressly subordinated in right of payment to the Notes or the relevant Note Guarantee, as the case may be.

“Subsidiary” means with respect to any Person, any corporation, partnership, joint venture, limited liability company, trust, estate or other entity of which (or in which) more than fifty percent (50%) of (a) in the case of a corporation, the issued and outstanding Capital Stock having ordinary voting power to elect a majority of the board of directors of such corporation (irrespective of whether at the time Capital Stock of any other class or classes of such corporation shall or might have voting power upon the occurrence of any contingency that has not occurred and is not in the control of such Person), (b) in the case of a limited liability company, partnership or joint venture, the voting or other power to control the actions of such limited liability company, partnership or joint venture or (c) in the case of a trust or estate, the voting or other power to control the actions of such trust or estate, is at the time directly or indirectly owned or controlled by (X) such Person, (Y) such Person and one or more of its other Subsidiaries or (Z) one or more of such Person’s other Subsidiaries. Unless the context otherwise requires, all references herein to a “Subsidiary” shall refer to a Subsidiary of the Issuer.

“Successor Issuer” has the meaning assigned to it in Section 4.1(a).

“Successor Note Guarantor” has the meaning assigned to it in Section 4.1(b).

“Suspended Covenants” has the meaning assigned to it in Section 3.22(b).

“Suspension Date” has the meaning assigned to it in Section 3.22(e).

“Suspension Period” has the meaning assigned to it in Section 3.22(e).

“Swiss Note Guarantor” has the meaning assigned to it in Section 10.6(a).

“Taxes” has the meaning assigned to it in Section 3.21(a).

“Taxing Jurisdiction” has the meaning assigned to it in Section 3.21(a).

“Transfer Agent” means the party named as such in the introductory paragraph to this Indenture until a successor replaces it in accordance with the terms of this Indenture and, thereafter, means the successor.

“Transportation Agreements” means, in respect of any Person, any agreement or arrangement designed to protect such Person from fluctuations in prices related to transportation.

“Trust Officer” means, when used with respect to the Trustee, any officer within the corporate trust department of the Trustee, having direct responsibility for the administration of this Indenture, or any other officer of the Trustee to whom any corporate trust matter is referred because of such person’s knowledge of and familiarity with the particular subject.

“Trustee” means the party named as such in the introductory paragraph to this Indenture until a successor replaces it in accordance with the terms of this Indenture and, thereafter, means the successor.

“Undervalued Asset” has the meaning assigned to it in Section 10.6(g).

“USA PATRIOT Act” has the meaning assigned to it in Section 12.16.

“U.S. Person” means a “U.S. person” as defined in Regulation S.

“Uniform Commercial Code” means the Uniform Commercial Code as in effect from time to time in the State of New York.

“Unrestricted Subsidiary” means any Subsidiary of the Issuer designated as such pursuant to Section 3.14. Any such Designation may be revoked by the Issuer, subject to the provisions of such covenant.

“Voting Stock” with respect to any Person, means securities of any class of Capital Stock of such Person entitling the holders thereof (whether at all times or only so long as no senior class of stock has voting power by reason of any contingency) to vote in the election of members of the Board of Directors (or equivalent governing body) of such Person.

“Weighted Average Life to Maturity” means, when applied to any Indebtedness at any date, the number of years (calculated to the nearest one-twelfth) obtained by dividing:

- (1) the sum of the products obtained by multiplying:
 - (a) the amount of each then remaining installment, sinking fund, serial maturity or other required payment of principal or liquidation preference, as the case may be, including payment at final maturity, in respect thereof, by
 - (b) the number of years (calculated to the nearest one-twelfth) which will elapse between such date and the making of such payment; by
- (2) the then outstanding aggregate principal amount or liquidation preference, as the case may be, of such Indebtedness.

“Wholly Owned Subsidiary” means, for any Person, any Subsidiary (Restricted Subsidiary in the case of the Issuer) of which at least 99.5% of the outstanding Capital Stock (other than, in the case of a Subsidiary not organized in the United States, directors’ qualifying shares or an immaterial amount of shares required to be owned by other Persons pursuant to applicable law) is owned by such Person or any other Person that satisfies this definition in respect of such Person.

Section 1.2 [Reserved].

Section 1.3 Rules of Construction. Unless the context otherwise requires:

- (1) a term has the meaning assigned to it;
- (2) an accounting term not otherwise defined has the meaning assigned to it in accordance with GAAP;
- (3) “or” is not exclusive;
- (4) “including” means including without limitation;
- (5) words in the singular include the plural and words in the plural include the singular; and
- (6) references to the payment of principal of the Notes shall include applicable premium, if any.

ARTICLE II

THE NOTES

Section 2.1 Form and Dating.

(a) The Issue Date Notes are being originally offered and sold by the Issuer pursuant to a Purchase Agreement, dated as of September 4, 2014, among the Issuer, the Note Guarantors party thereto, and Banco Bilbao Vizcaya Argentaria, S.A., Banco Santander, S.A., BNP Paribas, Citigroup Global Markets Limited, Crédit Agricole Corporate and Investment Bank, HSBC Bank plc, ING Bank N.V., London Branch, J.P. Morgan Securities plc and Merrill Lynch International, as Initial Purchasers with respect to the Notes. The Notes will be issued as one or more Global Notes in fully registered form without interest coupons, and only in denominations of €100,000 and in integral multiples of €1,000 in excess thereof. Each such Global Note shall constitute a single Note for all purposes under this Indenture. Certificated Notes, if issued pursuant to the terms hereof, will be issued in fully registered certificated form without coupons. The Notes may only be issued in definitive fully registered form without coupons and only in denominations of €100,000 and in integral multiples of €1,000 in excess thereof. The Notes and the Trustee’s certificate of authentication shall be substantially in the form of Exhibit A hereto.

(b) The terms and provisions of the Notes, the form of which is in Exhibit A hereto, shall constitute, and are hereby expressly made, a part of this Indenture, and, to the extent applicable, the Issuer, the Note Guarantors and the Trustee, by their execution and delivery of this Indenture, expressly agree to such terms and provisions and to be bound thereby. Except as otherwise expressly permitted in this Indenture, all Notes (including Additional Notes) shall be identical in all respects. Notwithstanding any differences among them, all Notes issued under this Indenture shall vote and consent together on all matters as one class and are otherwise treated as a single issue of securities.

(c) The Notes may have notations, legends or endorsements as specified in Section 2.8 or as otherwise required by law, stock exchange rule or Euroclear or Clearstream rule or usage. The Issuer and the Trustee shall approve any changes to the form of the Notes attached to this Indenture and any additional notation, legend or endorsement required to be inserted on them. Each Note shall be dated the date of its authentication.

(d) Notes originally offered and sold to QIBs in reliance on Rule 144A will be issued in the form of one or more permanent Global Notes (each, a "Rule 144A Global Note").

(e) Notes originally offered and sold outside the United States in reliance on Regulation S will be issued in the form of one or more permanent Global Notes (each, a "Regulation S Global Note").

(f) Each Global Note shall be deposited on behalf of the purchasers of the Notes represented thereby with the Note Custodian or its nominee, for credit to Euroclear or Clearstream. In no event shall any Person hold an interest in a Regulation S Global Note other than in or through accounts maintained by Euroclear or Clearstream.

Section 2.2 Execution and Authentication.

(a) Any Officer of the Issuer may sign the Notes for the Issuer by manual or facsimile signature. If an Officer whose signature is on a Note no longer holds that office at the time the Trustee authenticates the Note, the Note shall be valid nevertheless.

(b) A Note shall not be valid until manually authenticated by an authorized signatory of the Trustee or an agent appointed by the Trustee (and reasonably acceptable to the Issuer) for such purpose (an "Authenticating Agent"). The signature of an authorized signatory of the Trustee or an Authenticating Agent on a Note shall be conclusive evidence that such Note has been duly and validly authenticated and issued under this Indenture. Unless limited by the terms of its appointment, an Authenticating Agent may authenticate Notes whenever the Trustee may do so. Each reference in this Indenture to authentication by the Trustee includes authentication by an Authenticating Agent.

(c) At any time and from time to time after the execution and delivery of this Indenture, the Trustee shall authenticate and make available for delivery Notes upon a written order of the Issuer signed by an Officer of the Issuer (the "Issuer Order"). An Issuer Order shall specify the amount of the Notes to be authenticated and the date on which the original issue of Notes is to be authenticated.

(d) In case a Successor Issuer has executed an indenture supplemental hereto with the Trustee pursuant to Article IV, any of the Notes authenticated or delivered prior to such transaction may, from time to time, at the request of the Successor Issuer be exchanged for other Notes executed in the name of the Successor Issuer with such changes in phraseology and form as may be appropriate, but otherwise identical to the Notes surrendered for such exchange and of like principal amount; and the Trustee, upon Issuer Order of the Successor Issuer, shall authenticate and deliver Notes as specified in such order for the purpose of such exchange. If Notes shall at any time be authenticated and delivered in any new name of a Successor Issuer pursuant to this Section 2.2 in exchange or substitution for or upon registration of transfer of any Notes, such Successor Issuer, at the option of the Holders but without expense to them, shall provide for the exchange of all Notes at the time Outstanding for Notes authenticated and delivered in such new name.

Section 2.3 Registrar, Paying Agent and Transfer Agent.

(a) The Issuer shall maintain an office or agency in the Borough of Manhattan, City of New York, that shall keep a register of the Notes (the “Note Register”) and of their transfer and exchange (the “Registrar”), and for the service of notices and demands to or upon the Issuer in respect of the Notes and this Indenture. The Issuer shall maintain an office or agency in London, England where Notes may be presented for payment and where Notes may be presented or surrendered for registration of transfer or for exchange. The Issuer may have one or more co-Registrars and one or more additional paying agents. The term “Paying Agent” includes any additional paying agent. In addition, the Issuer shall maintain a Paying Agent in a member state of the European Union as required by Section 3.21(g).

(b) The Issuer shall enter into an appropriate agency agreement with any Registrar, Paying Agent or co-Registrar not a party to this Indenture. The agreement shall implement the provisions of this Indenture that relate to such agent. The Issuer shall notify the Trustee of the name and address of each such agent. If the Issuer fails to maintain a Registrar or Paying Agent, the Trustee shall act as such and shall be entitled to appropriate compensation therefor pursuant to Section 7.7. The Issuer or any Affiliate of the Issuer may act as Paying Agent, Registrar or co-Registrar, or transfer agent.

(c) The Issuer initially designates (i) the Corporate Trust Office of the Trustee as such office or agency of the Issuer as required by Section 2.3(a) and appoints the Trustee as Registrar and agent for service of demands and notices, and (ii) the Office of the Paying Agent as such office or agency of the Issuer as required by Section 2.3(a) and appoints the The Bank of New York Mellon, London Branch, as Paying Agent and Transfer Agent, in connection with the Notes and this Indenture, in each case until such time as another Person is appointed as such.

Section 2.4 Paying Agent to Hold Money in Trust.

The Issuer shall require each Paying Agent (other than the Trustee or the Paying Agent) to agree in writing that such Paying Agent shall hold in trust for the benefit of Holders or

the Trustee all money held by such Paying Agent for the payment of principal of or interest on the Notes and shall notify the Trustee in writing of any Default by the Issuer or any Note Guarantor in making any such payment. If the Issuer or an Affiliate of the Issuer acts as Paying Agent, it shall segregate the money held by it as Paying Agent and hold it as a separate trust fund. The Issuer at any time may require a Paying Agent (other than the Trustee) to pay all money held by it to the Trustee and to account for any funds disbursed by such Paying Agent. Upon complying with this Section 2.4, the Paying Agent (if other than the Issuer or any Affiliate of the Issuer) shall have no further liability for the money delivered to the Trustee. Upon any proceeding under any Bankruptcy Law with respect to the Issuer or any Affiliate of the Issuer, if the Issuer or such Affiliate is then acting as Paying Agent, the Trustee shall replace the Issuer or such Affiliate as Paying Agent.

Section 2.5 Holder Lists. The Trustee shall preserve in as current a form as is reasonably practicable the most recent list available to it of the names and addresses of Holders. At any time that the Trustee is not the Registrar the Issuer shall furnish to the Trustee, in writing at least seven Business Days before each Interest Payment Date and at such other times as the Trustee may request in writing, a list in such form and as of such date as the Trustee may reasonably require of the names and addresses of Holders.

Section 2.6 ISIN Numbers.

The Issuer in issuing Notes may use "ISIN" numbers, as applicable (if then generally in use), and, if so, the Trustee shall use for the Securities "ISIN" number in notices to the Holders as a convenience to such Holders; *provided*, that any such notice may state that no representation is made as to the correctness of such numbers either as printed on the Notes or as contained in any notice and that reliance may be placed only on the other identification numbers printed on the Notes, and any such notice shall not be affected by any defect in or omission of such numbers. The Issuer will promptly notify the Trustee in writing of any changes in the "ISIN" numbers.

Section 2.7 Global Note Provisions.

(a) Each Global Note initially shall: (i) be registered in the name of the Common Depository as nominee for Euroclear or Clearstream, (ii) be delivered to the Note Custodian and (iii) bear the appropriate legends as set forth in Section 2.8 and Exhibit A hereto. Any Global Note may be represented by one or more certificates. The aggregate principal amount of each Global Note may from time to time be increased or decreased by adjustments made on the records of the Note Custodian, as provided in this Indenture.

(b) Except as provided in clause (iii) of Section 2.7(c), members of, or participants in, Euroclear or Clearstream ("Agent Members") shall have no rights under this Indenture with respect to any Global Note held on their behalf by Euroclear or Clearstream or by the Note Custodian, and Euroclear or Clearstream may be treated by the Issuer, any Note Guarantor, the Trustee, the Paying Agent, the Transfer Agent, the Note Custodian, the Registrar and any of their respective agents as the absolute owner of such Global Note for all purposes whatsoever. Notwithstanding the foregoing, nothing herein shall (i) prevent the Issuer, the Trustee, the Paying Agent, the Transfer Agent, the Note Custodian, the Registrar or any of their

respective agents from giving effect to any written certification, proxy or other authorization furnished by Euroclear or Clearstream or (ii) impair, as between Euroclear or Clearstream and its Agent Members, the operation of customary practices of Euroclear or Clearstream governing the exercise of the rights of an owner of a beneficial interest in any Global Note. The registered Holder of a Global Note may grant proxies and otherwise authorize any person, including Euroclear or Clearstream, or its nominee, Agent Members and persons that may hold interests through Agent Members, to take any action that a Holder is entitled to take under this Indenture or the Notes.

(c) Except as provided in this Section 2.7(c), owners of beneficial interests in Global Notes will not be entitled to receive Certificated Notes in exchange for such beneficial interests.

- (i) Certificated Notes shall be issued to all owners of beneficial interests in a Global Note in exchange for such beneficial interests if (A) Euroclear or Clearstream notifies the Issuer that it is unwilling or unable to continue as depositary for such Global Note or (B) Euroclear or Clearstream ceases to be a clearing agency registered under the Exchange Act, at a time when Euroclear or Clearstream is required to be so registered in order to act as depositary, and in each case a successor depositary is not appointed by the Issuer within 90 days of such notice. In connection with the exchange of an entire Global Note for Certificated Notes pursuant to this clause (i) of this Section 2.7(c), such Global Note shall be deemed to be surrendered to the Trustee for cancellation, and the Issuer shall execute, and upon Issuer Order, the Trustee shall authenticate and deliver to each beneficial owner identified by Euroclear or Clearstream in exchange for its beneficial interest in such Global Note, an equal aggregate principal amount of Certificated Notes of authorized denominations, and the Registrar shall register such exchanges in the Note Register.
- (ii) The owner of a beneficial interest in a Global Note will be entitled to receive Certificated Notes in exchange for such interest if an Event of Default has occurred and is continuing. If an Event of Default has occurred and is continuing, upon receipt by the Registrar of instructions from Agent Members on behalf of the owner of a beneficial interest in a Global Note directing the Registrar to exchange such beneficial owner's beneficial interest in such Global Note for Certificated Notes, subject to and in accordance with the Applicable Procedures, the Issuer shall promptly execute, and upon Issuer Order, the Trustee shall authenticate and make available for delivery to such beneficial owner, Certificated Notes in a principal amount equal to such beneficial interest in such Global Note.
- (iii) If (A) an event described in clause (i) of Section 2.7(c) occurs and Certificated Notes are not issued promptly to all beneficial owners or (B) the Registrar receives from a beneficial owner the instructions

described in clause (ii) of Section 2.7(c) and Certificated Notes are not issued promptly to any such beneficial owner, the Issuer expressly acknowledges, with respect to the right of any Holder to pursue a remedy pursuant to Section 6.6 hereof, the right of any beneficial owner of Notes to pursue such remedy with respect to the portion of the Global Note that represents such beneficial owner's Notes as if such Certificated Notes had been issued.

Section 2.8 Legends.

(a) Each Global Note shall bear the legend specified therefor in Exhibit A hereto on the face thereof.

(b) Each Restricted Note shall bear the private placement legend specified therefor in Exhibit A hereto on the face thereof (the "Private Placement Legend").

(c) Each Note shall bear the Mexican law legend specified therefor in Exhibit A hereto on the face thereof.

Section 2.9 Transfer and Exchange.

(a) Transfers of Beneficial Interests in a Rule 144A Global Note. If the owner of a beneficial interest in a Rule 144A Global Note that is a Restricted Note wishes to transfer such interest (or portion thereof) pursuant to Rule 144 (if available) or to a Non-U.S. Person pursuant to Regulation S:

- (i) upon receipt by the Registrar of:
 - (A) instructions from an Agent Member given to Euroclear or Clearstream in accordance with the Applicable Procedures directing Euroclear or Clearstream to credit or cause to be credited a beneficial interest in the Regulation S Global Note in a principal amount equal to the principal amount of the beneficial interest to be transferred,
 - (B) instructions given in accordance with the Applicable Procedures containing information regarding the account to be credited with such increase, and
 - (C) a certificate in the form of Exhibit B or Exhibit C hereto, as applicable, duly executed by the transferor;
- (ii) the Note Custodian shall increase the Regulation S Global Note and decrease the Rule 144A Global Note in accordance with the foregoing, and the Registrar shall register the transfer in the Note Register.

(b) Transfers of Beneficial Interests in a Regulation S Global Note. Subject to the Applicable Procedures, the following provisions shall apply with respect to any proposed transfer of an interest in a Regulation S Global Note that is a Restricted Note:

If the owner of a beneficial interest in a Regulation S Global Note that is a Restricted Note wishes to transfer such interest (or a portion thereof) to a QIB pursuant to Rule 144A:

- (A) upon receipt by the Registrar of:
 - (1) instructions from an Agent Member given to Euroclear or Clearstream in accordance with the Applicable Procedures directing Euroclear or Clearstream to credit or cause to be credited a beneficial interest in the Rule 144A Global Note in a principal amount equal to the principal amount of the beneficial interest to be transferred,
 - (2) instructions given in accordance with the Applicable Procedures containing information regarding the account to be credited with such increase, and
 - (3) a certificate in the form of Exhibit D hereto, duly executed by the transferor;
- (B) the Note Custodian shall increase the Rule 144A Global Note and decrease the Regulation S Global Note in accordance with the foregoing, and the Registrar shall register the transfer in the Note Register.

(c) Other Transfers. Any registration of transfer of Restricted Notes (including Certificated Notes) not described above (other than a transfer of a beneficial interest in a Global Note that does not involve an exchange of such interest for a Certificated Note or a beneficial interest in another Global Note, which must be effected in accordance with applicable law and the Applicable Procedures, but is not subject to any procedure required by this Indenture) shall be made only upon receipt by the Registrar of such Opinions of Counsel, certificates and such other evidence reasonably required by and satisfactory to it in order to ensure compliance with the Securities Act or in accordance with Section 2.9(d).

(d) Use and Removal of Private Placement Legends. Upon the registration of transfer, exchange or replacement of Notes (or beneficial interests in a Global Note) not bearing (or not required to bear upon such transfer, exchange or replacement) a Private Placement Legend, the Note Custodian and Registrar shall exchange such Notes (or beneficial interests) for beneficial interests in a Global Note or Certificated Notes if they have been issued pursuant to Section 2.7(c) that does not bear a Private Placement Legend. Upon the registration of transfer, exchange or replacement of Notes (or beneficial interests in a Global Note) bearing a Private Placement Legend, the Note Custodian and Registrar shall deliver only Notes (or beneficial interests in a Global Note) that bear a Private Placement Legend unless:

- (i) such Notes (or beneficial interests) are transferred pursuant to Rule 144 upon delivery to the Registrar of a certificate of the transferor in the form of Exhibit C hereto, and an Opinion of Counsel reasonably satisfactory to the Registrar;

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- (ii) such Notes (or beneficial interests) are transferred, replaced or exchanged after the Resale Restriction Termination Date therefor and, in the case of any such Restricted Notes, the Issuer has complied with the applicable procedures for delegending in accordance with Section 2.9(h); or
 - (iii) in connection with such registration of transfer, exchange or replacement the Registrar shall have received an Opinion of Counsel, certificates and such other evidence reasonably satisfactory to the Issuer and the Registrar to the effect that neither such Private Placement Legend nor the related restrictions on transfer are required in order to maintain compliance with the provisions of the Securities Act.

The Holder of a Global Note bearing a Private Placement Legend may exchange an interest therein for an equivalent interest in a Global Note not bearing a Private Placement Legend upon transfer of such interest pursuant to this Section 2.9(d).

(e) Consolidation of Global Notes and Exchange of Certificated Notes for Beneficial Interests in Global Notes. If a Global Note not bearing a Private Placement Legend is Outstanding at the time of a removal of legends pursuant to Section 2.9(h), any interests in a Global Note delegendated pursuant to Section 2.9(h) shall be exchanged for interests in such Outstanding Global Note, subject to the proviso at the end of Section 2.14(a).

(f) Retention of Documents. The Registrar and the Trustee shall retain copies of all letters, notices and other written communications received pursuant to this Article II and in accordance with the Trustee's, or if different, the Registrar's, record retention procedures. The Issuer shall have the right to inspect and make copies of all such letters, notices or other written communications at any reasonable time upon the giving of reasonable written notice to the Registrar or the Trustee, as the case may be.

(g) General Provisions Relating to Transfers and Exchanges.

- (i) Subject to the other provisions of this Section 2.9, when Notes are presented to the Registrar or a co-Registrar with a request to register the transfer of such Notes or to exchange such Notes for an equal principal amount of Notes of other authorized denominations, the Registrar or co-Registrar shall register the transfer or make the exchange as requested if its requirements for such transaction are met; *provided*, that any Notes presented or surrendered for registration of transfer or exchange shall be duly endorsed or accompanied by a written instrument of transfer in form satisfactory to the Registrar or co-Registrar, duly executed by the Holder thereof or his attorney duly authorized in writing.

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- (ii) To permit registrations of transfers and exchanges and subject to the other terms and conditions of this Article II, the Issuer will execute, and upon Issuer Order, the Trustee will authenticate and make available for delivery, Certificated Notes and Global Notes, as applicable, at the Registrar's or co-Registrar's request.
 - (iii) No service charge shall be made to a Holder for any registration of transfer or exchange, but the Issuer and the Trustee may require payment of a sum sufficient to cover any transfer tax, assessments, or similar governmental charge payable in connection therewith (other than any such transfer taxes, assessments or similar governmental charges payable upon exchange or transfer pursuant to Section 3.8, Section 3.9, Section 5.1 or Section 9.5).
 - (iv) The Registrar or co-Registrar shall not be required to register the transfer of or exchange of (x) any Note for a period beginning (1) 15 days before the mailing of a notice of an offer to repurchase or redeem Notes and ending at the close of business on the day of such mailing or (2) 15 days before an Interest Payment Date and ending on such Interest Payment Date and (y) any Note selected for repurchase or redemption, except the unrepurchased or unredeemed portion thereof, if any.
 - (v) Prior to the due presentation for registration of transfer of any Note, the Issuer, the Trustee, the Paying Agent, the Transfer Agent, the Registrar or any co-Registrar may deem and treat the Person in whose name a Note is registered as the absolute owner of such Note for the purpose of receiving payment of principal of and interest on such Note and for all other purposes whatsoever, whether or not such Note is overdue, and none of the Issuer, the Trustee, the Paying Agent, the Transfer Agent, the Registrar or any co-Registrar or the Note Custodian shall be affected by notice to the contrary.
 - (vi) All Notes issued upon any transfer or exchange pursuant to the terms of this Indenture shall evidence the same debt and shall be entitled to the same benefits under this Indenture as the Notes surrendered upon such transfer or exchange.
 - (vii) Subject to Section 2.7 and this Section 2.9, in connection with the exchange of a portion of a Certificated Note for a beneficial interest in a Global Note, the Trustee shall cancel such Certificated Note, and the Issuer shall execute, and upon Issuer Order, the Trustee shall authenticate and make available for delivery to the exchanging Holder, a new Certificated Note representing the principal amount not so exchanged.

(h) Applicable Procedures for Delegending.

(i) Promptly after one year has elapsed following (A) the Issue Date or (B) if the Issuer has issued Additional Notes with the same terms and the same ISIN number as the Issue Date Notes pursuant to this Indenture within one year following the Issue Date, the date of original issuances of such Additional Notes, if the relevant Notes are freely tradable pursuant to Rule 144 under the Securities Act by Holders who are not Affiliates of the Issuer where no conditions of Rule 144 are then applicable (other than the holding period requirement in paragraph (d)(1)(ii) of Rule 144 so long as such holding period requirement is satisfied), the Issuer shall:

- (1) instruct the Trustee in writing to remove the Private Placement Legend from such Notes, and upon receipt of such instruction, the Private Placement Legend shall be deemed removed from any Global Notes representing such Notes without further action on the part of Holders;
- (2) notify Holders of such Notes that the Private Placement Legend has been removed or deemed removed; and
- (3) instruct Euroclear or Clearstream to change the ISIN number for such Notes to the unrestricted ISIN number for the Notes.

In no event will the failure of the Issuer to provide any notice set forth in this paragraph or of the Trustee to remove the Private Placement Legend constitute a failure by the Issuer to comply with any of its covenants or agreements set forth in Section 6.1 or otherwise. Any Restricted Note (or security issued in exchange or substitution therefor) as to which such restrictions on transfer shall have expired in accordance with their terms may, upon surrender of such Restricted Note for exchange to the Registrar in accordance with the provisions of Article II of this Indenture, be exchanged for a new Note or Notes, of like tenor and aggregate principal amount, which shall not bear the Private Placement Legend. The Issuer shall notify the Trustee in writing upon occurrence of the Resale Restriction Termination Date for any Note.

(ii) In the case of a Regulation S Global Note, after the Resale Restriction Termination Date of any such Regulation S Global Note, the Issuer may, at its sole option:

- (1) instruct the Trustee in writing to remove the Private Placement Legend from such Regulation S Global Note (including setting

forth the basis for such removal), and upon receipt of such instruction, the Private Placement Legend shall be deemed removed from such Regulation S Global Note without further action on the part of Holders; and

- (2) instruct Euroclear or Clearstream to change the ISIN number for such Notes to the unrestricted ISIN number for the Notes.
 - (iii) Notwithstanding any provision herein to the contrary, in the event that Rule 144 as promulgated under the Securities Act (or any successor rule) is amended to change the one-year holding period thereunder (or the corresponding period under any successor rule), (A) each reference in this Section 2.9(h) to “one year” and in the Private Placement Legend described in Section 2.8(b) and Exhibit A hereto to “ONE YEAR” shall be deemed for all purposes hereof to be references to such changed period, and (B) all corresponding references in this Indenture (including the definition of Resale Restriction Termination Date), the Notes and the Private Placement Legends thereon shall be deemed for all purposes hereof to be references to such changed period; *provided*, that such changes shall not become effective if they are otherwise prohibited by, or would otherwise cause a violation of, the then-applicable federal securities laws; *provided further* that if such change does not apply to existing Notes, all references to “one year” in this Indenture shall not be deemed for all purposes hereof to be references to such changed period. This Section 2.9(h) shall apply to successive amendments to Rule 144 (or any successor rule) changing the holding period thereunder.
- (i) No Obligation of the Trustee.
- (i) The Trustee shall have no responsibility or obligation to any beneficial owner of an interest in a Global Note, Agent Members or any other Persons with respect to the accuracy of the records of Euroclear or Clearstream or its nominee or of Agent Members, with respect to any ownership interest in the Notes or with respect to the delivery to any Agent Member, beneficial owner or other Person (other than Euroclear or Clearstream) of any notice (including any notice of redemption) or the payment of any amount or delivery of any Notes (or other security or property) under or with respect to such Notes. All notices and communications to be given to the Holders and all payments to be made to Holders in respect of the Notes shall be given or made only to or upon the order of the registered Holders (which shall be Euroclear or Clearstream or its nominee in the case of a Global Note). The rights of beneficial owners in any Global Note shall be exercised only through Euroclear or Clearstream, subject to the applicable rules and procedures of Euroclear or Clearstream. The Trustee may rely and shall be fully protected in relying upon information furnished by Euroclear or Clearstream with respect to its Agent Members and any beneficial owners.

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- (ii) The Trustee shall have no obligation or duty to monitor, determine or inquire as to compliance with any restrictions on transfer imposed under this Indenture or under applicable law with respect to any transfer of any interest in any Note (including any transfers between or among Agent Members or beneficial owners in any Global Note) other than to require delivery of such certificates and other documentation or evidence as are expressly required by, and to do so if and when expressly required by, the terms of this Indenture, and to examine the same to determine substantial compliance as to form with the express requirements hereof.

Section 2.10 Mutilated, Destroyed, Lost or Stolen Notes.

(a) If a mutilated Note is surrendered to the Registrar or if the Holder of a Note claims that the Note has been lost, destroyed or wrongfully taken, the Issuer shall execute, and upon Issuer Order, the Trustee shall authenticate and make available for delivery, a replacement Note for such mutilated, lost or stolen Note, of like tenor and principal amount, bearing a number not contemporaneously Outstanding if:

- (i) the requirements of Section 8-405 of the Uniform Commercial Code are met,
- (ii) the Holder satisfies any other reasonable requirements of the Trustee, and
- (iii) neither the Issuer nor the Trustee has received notice that such Note has been acquired by a protected purchaser (as defined in Section 8-303 of the Uniform Commercial Code).

If required by the Trustee or the Issuer, such Holder shall furnish an affidavit of loss and indemnity bond sufficient in the judgment of the Issuer and the Trustee to protect the Issuer, the Trustee, the Paying Agent, the Transfer Agent, the Registrar or any co-Registrar and the Note Custodian from any loss that any of them may suffer if a Note is replaced.

(b) Upon the issuance of any new Note under this Section 2.10, the Issuer may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses (including the fees and expenses of the Trustee) in connection therewith.

(c) Every new Note issued pursuant to this Section 2.10 in exchange for any mutilated Note, or in lieu of any destroyed, lost or stolen Note, shall constitute an original additional contractual obligation of the Issuer, any Note Guarantor and any other obligor upon the Notes, whether or not the mutilated, destroyed, lost or stolen Note shall be at any time enforceable by anyone, and shall be entitled to all benefits of this Indenture equally and proportionately with any and all other Notes duly issued hereunder.

Section 2.11 Temporary Notes.

Until definitive Notes are ready for delivery, the Issuer may execute, and upon Issuer Order, the Trustee will authenticate and make available for delivery, temporary Notes. Temporary Notes will be substantially in the form of definitive Notes but may have variations that the Issuer considers appropriate for temporary Notes. Without unreasonable delay, the Issuer will prepare and execute, and upon Issuer Order, the Trustee will authenticate and make available for delivery, definitive Notes. After the preparation of definitive Notes, the temporary Notes will be exchangeable for definitive Notes upon surrender of the temporary Notes at the office or agency maintained by the Issuer pursuant to Section 2.3 for that purpose and such exchange shall be without charge to the Holder. Upon surrender for cancellation of any one or more temporary Notes, the Issuer will execute, and upon Issuer Order, the Trustee will authenticate and make available for delivery in exchange therefor, one or more definitive Notes representing an equal principal amount of Notes. Until so exchanged, the Holder of temporary Notes shall in all respects be entitled to the same benefits under this Indenture as a Holder of definitive Notes.

Section 2.12 Cancellation.

The Issuer at any time may deliver Notes to the Trustee for cancellation. The Registrar, the Paying Agent and the Transfer Agent shall forward to the Trustee any Notes surrendered to them for registration of transfer, exchange or payment. The Trustee and no one else shall cancel and dispose of cancelled Notes in accordance with its policy of disposal or upon written request of the Issuer, return to the Issuer all Notes surrendered for registration of transfer, exchange, payment or cancellation. The Issuer may not issue new Notes to replace Notes it has paid or delivered to the Trustee for cancellation for any reason other than in connection with a registration of transfer or exchange upon Issuer Order.

Section 2.13 Defaulted Interest.

When any installment of interest becomes overdue (a "Defaulted Interest"), such installment shall forthwith cease to be payable to the Holders in whose names the Notes were registered on the Record Date applicable to such installment of interest. Defaulted Interest (including any interest on such Defaulted Interest) shall be paid by the Issuer, at its election, as provided in clause (a) or clause (b) below.

(a) The Issuer may elect to make payment of any Defaulted Interest (including any interest payable on such Defaulted Interest) to the Holders in whose names the Notes are registered at the close of business on a special record date for the payment of such Defaulted Interest (a "Special Record Date"), which shall be fixed in the following manner. The Issuer shall notify the Trustee in writing of the amount of Defaulted Interest proposed to be paid and the date of the proposed payment, and at the same time the Issuer shall deposit with the Trustee an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Trustee for such deposit prior to the date of the proposed payment, such money when deposited to be held in trust for the benefit of the Holders entitled to such Defaulted Interest as provided in this Section 2.13(a). Thereupon the Trustee shall fix a Special Record Date for the payment of such Defaulted

Interest, which shall be not more than fifteen (15) calendar days and not less than ten (10) calendar days prior to the date of the proposed payment and not less than ten (10) calendar days after the receipt by the Trustee of the notice of the proposed payment. The Trustee shall promptly notify the Issuer of such Special Record Date and, in the name and at the expense of the Issuer, shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be sent, first-class mail, postage prepaid, to each Holder at such Holder's address as it appears in the Note Register, not less than ten (10) calendar days prior to such Special Record Date. Notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor having been mailed as aforesaid, such Defaulted Interest shall be paid to the Holders in whose names the Notes are registered at the close of business on such Special Record Date and shall no longer be payable pursuant to clause (b) below; or

(b) The Issuer may make payment of any Defaulted Interest (including any interest on such Defaulted Interest) in any other lawful manner not inconsistent with the requirements of any securities exchange on which the Notes may be listed, and upon such notice as may be required by such exchange, if, after notice given by the Issuer to the Trustee of the proposed payment pursuant to this Section 2.13(b), such manner of payment shall be deemed practicable by the Trustee. The Trustee shall in the name and at the expense of the Issuer cause prompt notice of the proposed payment and the date thereof to be sent, first-class mail, postage prepaid, to each Holder at such Holder's address as it appears in the Note Register.

Section 2.14 Additional Notes.

(a) The Issuer may, from time to time, subject to compliance with any other applicable provisions of this Indenture, without the consent of the Holders, create and issue pursuant to this Indenture additional notes ("Additional Notes") that shall have terms and conditions identical to those of the other Outstanding Notes, except with respect to:

- (i) the Issue Date;
- (ii) the amount of interest payable on the first Interest Payment Date therefor;
- (iii) the issue price; and
- (iv) any adjustments necessary in order to conform to and ensure compliance with the Securities Act (or other applicable securities laws) and any agreement applicable to such Additional Notes, which are not adverse in any material respect to the Holder of any Outstanding Notes (other than such Additional Notes).

The Notes issued on the Issue Date and any Additional Notes shall be treated as a single series for all purposes under this Indenture; *provided*, that the Issuer may use different ISIN or other similar numbers among Issue Date Notes and among Additional Notes to the extent required to comply with securities or tax law requirements, including to permit delegending pursuant to Section 2.9(h).

(b) With respect to any Additional Notes, the Issuer will set forth in an Officer's Certificate of the Issuer (the "Additional Note Certificate"), copies of which will be delivered to the Trustee, the following information:

- (i) the aggregate principal amount of such Additional Notes to be authenticated and delivered pursuant to this Indenture;
- (ii) the Issue Date and the issue price of such Additional Notes; *provided*, that no Additional Notes may be issued at a price that would cause such Additional Notes to have "original issue discount" within the meaning of Section 1273 of the Code, unless such Additional Notes have a separate ISIN or other similar number from other Notes; and
- (iii) whether such Additional Notes will be subject to transfer restrictions under the Securities Act (or other applicable securities laws).

ARTICLE III

COVENANTS

Section 3.1 Payment of Notes.

(a) The Issuer shall pay the principal of and interest (including Defaulted Interest) on the Notes in euros on the dates and in the manner provided in the Notes and in this Indenture. Prior to 1:00 p.m. London time, on the Business Day prior to each Interest Payment Date and the Maturity Date, the Issuer shall deposit with the Paying Agent in immediately available funds euros sufficient to make cash payments due on such Interest Payment Date or Maturity Date, as the case may be. If the Issuer or an Affiliate of the Issuer is acting as Paying Agent, the Issuer or such Affiliate shall, prior to 3:00 p.m. London time on the Business Day prior to each Interest Payment Date and the Maturity Date, segregate and hold in trust euros, sufficient to make cash payments due on such Interest Payment Date or Maturity Date, as the case may be. Principal and interest shall be considered paid on the date due if on such date the Trustee or the Paying Agent (other than the Issuer or an Affiliate of the Issuer) holds in accordance with this Indenture euros designated for and sufficient to pay all principal and interest then due and the Trustee or the Paying Agent, as the case may be, is not prohibited from paying such money to the Holders on that date pursuant to the terms of this Indenture.

(b) Notwithstanding anything to the contrary contained in this Indenture, the Issuer may, to the extent it is required to do so by law, deduct or withhold income or other similar taxes imposed by the United States of America from principal or interest.

(c) In order to comply with applicable tax laws (inclusive of rules, regulations and interpretations promulgated by competent authorities) related to the Indenture in effect from time to time ("Applicable Tax Law") that a foreign financial institution, issuer, trustee, paying agent or other party is or has agreed to be subject to, the Issuer agrees (i) to provide to the Trustee and the Paying Agent sufficient information about the parties and/or transactions (including any modification to the terms of such transactions) so the Trustee and the Paying Agent can determine whether it has tax related obligations under Applicable Tax Law, (ii) that

the Trustee and the Paying Agent shall be entitled to make any withholding or deduction from payments to the extent necessary to comply with Applicable Tax Law for which the Trustee and the Paying Agent shall not have any liability and (iii) to hold harmless the Trustee and the Paying Agent for any losses it may suffer due to the actions it takes to comply with Applicable Tax Law. The terms of this section shall survive the termination of this Indenture.

(d) The Issuer hereby instructs the Trustee to establish an “Issue Date Note Account” for reception of the interest and principal payments for the Issue Date Notes.

Section 3.2 Maintenance of Office or Agency.

(a) The Issuer shall maintain each office or agency required under Section 2.3. The Issuer will give prompt written notice to the Trustee of any change in the location of any such office or agency. If at any time the Issuer shall fail to maintain any such required office or agency or shall fail to furnish the Trustee with the address thereof, such presentations, surrenders, notices and demands may be made or served at the Corporate Trust Office of the Trustee, and the Issuer hereby appoints the Trustee as its agent to receive all such presentations, surrenders, notices and demands.

(b) The Issuer may also from time to time designate one or more other offices or agencies (in or outside of the City of New York) where the Notes may be presented or surrendered for registration of transfer or for exchange and may from time to time rescind any such designation; *provided, however*, that no such designation or rescission shall in any manner relieve the Issuer of its obligation to maintain an office or agency in the City of New York and in any city selected by the Issuer within the European Union for such purposes. The Issuer will give prompt written notice to the Trustee of any such designation or rescission and any change in the location of any such other office or agency.

Section 3.3 Corporate Existence. Subject to Article IV, the Issuer will do or cause to be done all things necessary to preserve and keep in full force and effect its corporate existence.

Section 3.4 Payment of Taxes and Other Claims. The Issuer will pay or discharge or cause to be paid or discharged, before the same shall become delinquent, (i) all taxes, assessments and governmental charges levied or imposed upon the Issuer or any Restricted Subsidiary or for which it or any of them are otherwise liable, or upon the income, profits or property of the Issuer or any Restricted Subsidiary and (ii) all lawful claims for labor, materials and supplies, which, if unpaid, might by law become a liability or Lien upon the property of the Issuer or any Restricted Subsidiary; *provided, however*, that the Issuer shall not be required to pay or discharge or cause to be paid or discharged any such tax, assessment, charge or claim whose amount, applicability or validity is being contested in good faith by appropriate proceedings and for which appropriate reserves, if necessary (in the good faith judgment of the Issuer), are being maintained in accordance with GAAP or where the failure to effect such payment will not be disadvantageous to the Holders.

Section 3.5 Compliance Certificate. The Issuer and each Note Guarantor shall deliver to the Trustee within 105 days after the end of each fiscal year of the Issuer (which fiscal year ends on December 31 of each year, subject to any change in fiscal year following the Issue Date)

an Officer's Certificate stating that in the course of the performance by the signers of their duties as Officers of the Issuer or such Note Guarantor, as the case may be, they would normally have knowledge of any Default or Event of Default and whether or not the signers know of any Default or Event of Default that occurred during the previous fiscal year. If they do, the certificate shall describe the Default or Event of Default, its status and what action the Issuer or such Note Guarantor is taking or proposes to take with respect thereto.

Section 3.6 Further Instruments and Acts.

(a) The Issuer and each Note Guarantor will execute and deliver such further instruments and do such further acts as may be reasonably necessary or proper or as the Trustee may reasonably request to carry out more effectively the purpose of this Indenture.

(b) The Issuer and the Note Guarantors shall take, and shall cause their Subsidiaries party thereto to take, any and all actions required under the Intercreditor Agreement and the Security Documents to cause the Intercreditor Agreement and the Security Documents to create and maintain, as security for the Obligations of the Issuer and the Note Guarantors hereunder, a valid and enforceable perfected security interest on all the Collateral, in favor of the Security Agent for the equal and ratable benefit of the Holders of the Notes, and the other Permitted Secured Obligations, first in priority to any and all security interests at any time granted upon the Collateral, subject in all respects to Liens imposed by law and Liens for judgments, taxes, assessments or governmental charges.

Section 3.7 Waiver of Stay, Extension or Usury Laws. The Issuer and each Note Guarantor covenant (to the fullest extent permitted by applicable law) that they will not at any time insist upon, plead, or in any manner whatsoever claim or take the benefit or advantage of, any stay or extension law or any usury law or other law that would prohibit or forgive the Issuer or such Note Guarantor from paying all or any portion of the principal of or interest on the Notes as contemplated herein, wherever enacted, now or at any time hereafter in force, or which may affect the covenants or the performance of this Indenture. The Issuer and each Note Guarantor hereby expressly waives (to the fullest extent permitted by applicable law) all benefit or advantage of any such law, and covenants that it will not hinder, delay or impede the execution of any power herein granted to the Trustee, but will suffer and permit the execution of every such power as though no such law had been enacted.

Section 3.8 Change of Control.

(a) Upon the occurrence of a Change of Control, each Holder will have the right to require that the Issuer purchase all or a portion (in integral multiples of €1,000) of the Holder's Notes at a purchase price equal to 101% of the principal amount thereof, plus accrued and unpaid interest thereon through the date of purchase (the "Change of Control Payment").

(b) Within 30 days following the date upon which the Change of Control occurred, the Issuer must send, by first-class mail, a notice to each Holder, with a copy to the Trustee, offering to purchase the Notes as described above (a "Change of Control Offer"). The Change of Control Offer shall state, among other things, the purchase date, which must be no earlier than 30 days nor later than 60 days from the date the notice is mailed, other than as may be required by law (the "Change of Control Payment Date").

(c) On the Change of Control Payment Date, the Issuer will, to the extent lawful:

- (i) accept for payment all Notes or portions thereof properly tendered and not withdrawn pursuant to the Change of Control Offer;
- (ii) deposit with the Paying Agent funds in an amount equal to the Change of Control Payment in respect of all Notes or portions thereof so tendered; and
- (iii) deliver or cause to be delivered to the Trustee the Notes so accepted together with an Officer's Certificate stating the aggregate principal amount of Notes or portions thereof being purchased by the Issuer.

(d) If only a portion of a Note is purchased pursuant to a Change of Control Offer, a new Note in a principal amount equal to the portion thereof not purchased will be issued in the name of the Holder thereof upon cancellation of the original Note (or appropriate adjustments to the amount and beneficial interests in a Global Note will be made, as appropriate); *provided*, that each new Note shall be in a minimum principal amount of €100,000 and in integral multiples of €1,000 in excess thereof. Notes (or portions thereof) purchased pursuant to a Change of Control Offer will be cancelled and cannot be reissued.

(e) The Issuer will not be required to make a Change of Control Offer upon a Change of Control if:

- (i) a third party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth in this Indenture applicable to a Change of Control Offer made by the Issuer and purchases all Notes properly tendered and not withdrawn under the Change of Control Offer, or
- (ii) notice of redemption has been given pursuant to this Indenture as described under Section 5.4 unless and until there is a default in payment of the applicable redemption price.

(f) The Issuer will comply with the requirements of Rule 14e-1 under the Exchange Act and any other applicable securities laws and regulations in connection with the purchase of Notes in connection with a Change of Control Offer. To the extent that the provisions of any securities laws or regulations conflict with the "Change of Control" provisions of this Indenture, the Issuer will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under this Indenture by doing so.

Section 3.9 Limitation on Incurrence of Additional Indebtedness.

(a) The Issuer will not, and will not cause or permit any of its Restricted Subsidiaries to, directly or indirectly, Incur any Indebtedness, including Acquired Indebtedness, except that the Issuer and/or any of the Note Guarantors may Incur Indebtedness, including Acquired Indebtedness, if, at the time of and immediately after giving *pro forma* effect to the Incurrence thereof and the application of the proceeds therefrom, the Consolidated Fixed Charge Coverage Ratio of the Issuer is greater than or equal to 2.0 to 1.0.

(b) Notwithstanding clause (a) above, the Issuer and/or any of its Restricted Subsidiaries, as applicable, may Incur the following Indebtedness (“Permitted Indebtedness”):

- (i) Indebtedness consisting of the Notes, excluding Additional Notes, and Indebtedness consisting of the Other Notes;
- (ii) Guarantees by (A) any Note Guarantor of Indebtedness of the Issuer or another Note Guarantor permitted under this Indenture and (B) the Issuer of Indebtedness of any Note Guarantor; *provided*, that if any such Guarantee is of Subordinated Indebtedness, then the obligations of the Issuer under the Notes and this Indenture or the Note Guarantee of such Note Guarantor, as applicable, will be senior to the Guarantee of such Subordinated Indebtedness;
- (iii) Indebtedness of the Issuer and/or any of its Restricted Subsidiaries outstanding on the Issue Date (excluding Indebtedness permitted under clauses (v), (vi), (vii) or (x) of this definition of Permitted Indebtedness);
- (iv) Hedging Obligations, Compensation Related Hedging Obligations and any Guarantees thereof and any reimbursement obligations with respect to letters of credit related thereto, in each case entered into by the Issuer and/or any of its Restricted Subsidiaries; *provided*, that upon the drawing of such letters of credit, such obligations are reimbursed within 30 days following such drawing;
- (v) intercompany Indebtedness between the Issuer and any Restricted Subsidiary or between any Restricted Subsidiaries; *provided*, that in the event that at any time any such Indebtedness ceases to be held by the Issuer or a Restricted Subsidiary, such Indebtedness shall be deemed to be Incurred and not permitted by this clause (v) at the time such event occurs;
- (vi) Indebtedness of the Issuer and/or any of its Restricted Subsidiaries arising from (A) the honoring by a bank or other financial institution of a check, draft or similar instrument inadvertently drawn against insufficient funds in the ordinary course of business; *provided*, that such Indebtedness is extinguished within five Business Days of Incurrence; or (B) any cash pooling or other cash management

agreements in place with a bank or financial institution but only to the extent of offsetting credit balances of the Issuer and/or its Restricted Subsidiaries pursuant to such cash pooling or other cash management agreement;

- (vii) Indebtedness of the Issuer and/or any of its Restricted Subsidiaries represented by (A) endorsements of negotiable instruments in the ordinary course of business (excluding an *aval*), (B) documentary credits (including all forms of letter of credit), performance bonds or guarantees, advance payments, bank guarantees, bankers' acceptances, surety or appeal bonds or similar instruments for the account of, or guaranteeing performance by, the Issuer and/or any Restricted Subsidiary in the ordinary course of business, (C) reimbursement obligations with respect to letters of credit in the ordinary course of business, (D) reimbursement obligations with respect to letters of credit and performance Guarantees in the ordinary course of business to the extent required pursuant to the terms of any Investment made pursuant to clause (12) of the definition of "Permitted Investment" and (E) other Guarantees by the Issuer and/or any Restricted Subsidiary in favor of a bank or financial institution in respect of obligations of that bank or financial institution to a third party in an amount not to exceed U.S.\$500 million at any one time outstanding; *provided*, that in the case of clauses (B), (C) and (D), upon the drawing of such letters of credit or the Incurrence of such Indebtedness, such obligations are reimbursed within 30 days following such drawing or Incurrence;
- (viii) Refinancing Indebtedness in respect of:
 - (A) Indebtedness (other than Indebtedness owed to the Issuer or any Subsidiary of the Issuer) Incurred pursuant to clause (a) above (it being understood that no Indebtedness outstanding on the Issue Date is Incurred pursuant to such clause (a) above), or
 - (B) Indebtedness Incurred pursuant to clause (i), (ii) or (iii) above or this clause (viii);
- (ix) Capitalized Lease Obligations, Sale and Leaseback Transactions, export credit facilities with a maturity of at least one year and Purchase Money Indebtedness of, including Guarantees of any of the foregoing by, the Issuer and/or any Restricted Subsidiary, in an aggregate principal amount at any one time outstanding not to exceed U.S.\$1 billion;
- (x) Indebtedness arising from agreements entered into by the Issuer and/or a Restricted Subsidiary providing for bona fide indemnification, adjustment of purchase price or similar obligations not for financing purposes, in each case, Incurred or assumed in connection with the

acquisition or disposition of any business, assets or Capital Stock of a Restricted Subsidiary (including minority interests); *provided*, that in the case of a disposition, the maximum aggregate liability in respect of such Indebtedness shall at no time exceed the gross proceeds actually received by the Issuer and its Restricted Subsidiaries in connection with such disposition;

- (xi) Indebtedness of the Issuer and/or any of its Restricted Subsidiaries in an aggregate amount not to exceed U.S.\$1 billion at any one time outstanding; *provided*, that no more than U.S.\$250 million of such Indebtedness at any one time outstanding (excluding any Indebtedness under a Permitted Liquidity Facility) may be Incurred by Restricted Subsidiaries that are not Note Guarantors, which amount shall be increased by the corresponding amount of other Indebtedness of Restricted Subsidiaries other than the Note Guarantors outstanding on the Issue Date and subsequently repaid from time to time but in any event not to exceed U.S.\$500 million at any one time outstanding; *provided, further, however*, that (A) the Issuer and/or any of its Restricted Subsidiaries may Incur Indebtedness under a Permitted Liquidity Facility and (B) in the event that the Issuer and/or any of its Restricted Subsidiaries shall have Incurred Indebtedness under a Permitted Liquidity Facility that increases the amount outstanding at such time pursuant to this clause (xi) in excess of U.S.\$ 1 billion, then up to U.S.\$1.2 billion may be Incurred pursuant to this clause (xi) at any one time outstanding;
- (xii) (A) Indebtedness of the Issuer and/or any of its Restricted Subsidiaries in respect of factoring arrangements or Inventory Financing arrangements or (B) other Indebtedness of the Issuer and/or any of its Restricted Subsidiaries with a maturity of 12 months or less for working capital purposes, not to exceed in the aggregate at any one time (calculated as of the end of the most recent fiscal quarter for which consolidated financial information of the Issuer is available) the greater of:
- (1) The sum of:
- (x) 20% of the net book value of the inventory of the Issuer and its Restricted Subsidiaries and
- (y) 20% of the net book value of the accounts receivable of the Issuer and its Restricted Subsidiaries (excluding accounts receivable pledged to secure Indebtedness or subject to a Qualified Receivables Transaction),
- less, in each case, the amount of any permanent repayments or reductions of commitments in respect of such Indebtedness made with the Net Cash Proceeds of an Asset Sale in order to comply with Section 3.12; or
- (2) U.S.\$350 million;

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- (xiii) [Reserved];
 - (xiv) Indebtedness of the Issuer and/or any of its Restricted Subsidiaries for taxes levied, assessments due and other governmental charges required to be paid as a matter of law or regulation in the ordinary course of business; *provided*, that such Indebtedness shall be permitted to be Incurred only at such time that the Facilities Agreement (or any refinancing thereof) shall contain an exception to allow the Incurrence of Indebtedness to pay taxes;
 - (xv) Indebtedness Incurred pursuant to the Banobras Facility;
 - (xvi) Indebtedness of the Issuer and/or any of its Restricted Subsidiaries Incurred and/or issued to refinance Qualified Receivables Transactions in existence on the Issue Date;
 - (xvii) Acquired Indebtedness in an aggregate amount at any one time outstanding under this clause (xvii) not to exceed U.S.\$100 million; and
 - (xviii) (A) any Indebtedness that constitutes an Investment that the Issuer and/or any of its Restricted Subsidiaries is contractually committed to Incur as of the Issue Date in any Person (other than a Subsidiary) in which the Issuer or any of its Restricted Subsidiaries maintains an Investment in equity securities; and (B) Guarantees up to U.S.\$100 million in any calendar year by the Issuer and/or any Restricted Subsidiary of Indebtedness of any Person in which the Issuer or any of its Restricted Subsidiaries maintains an equity Investment minus any Investment other than such guarantees in such Person during such calendar year pursuant to clause (17)(b) of the definition of "Permitted Investments."

(c) Notwithstanding anything to the contrary contained in this Section 3.9,

- (i) The Issuer shall not, and shall not permit any Note Guarantor to, Incur any Permitted Indebtedness pursuant to Section 3.9(b) if the proceeds thereof are used, directly or indirectly, to Refinance any Subordinated Indebtedness unless such Indebtedness shall be subordinated to the Notes or the applicable Note Guarantee, as the case may be, to at least the same extent as such Subordinated Indebtedness.
- (ii) For purposes of determining compliance with, and the outstanding principal amount of, any particular Indebtedness Incurred pursuant to

and in compliance with this Section 3.9, the amount of Indebtedness issued at a price that is less than the principal amount thereof will be equal to the amount of the liability in respect thereof determined in accordance with GAAP. Accrual of interest, the accretion or amortization of original issue discount, the payment of regularly scheduled interest in the form of additional Indebtedness of the same instrument or the payment of regularly scheduled dividends on Disqualified Capital Stock in the form of additional Disqualified Capital Stock with the same terms will not be deemed to be an Incurrence of Indebtedness for purposes of this Section 3.9. For purposes of determining compliance with this Section 3.9, mark-to-market fluctuations of hedging obligations or derivatives outstanding on the Issue Date shall not constitute Incurrence of Indebtedness.

- (iii) For purposes of determining compliance with this Section 3.9, the principal amount of Indebtedness denominated in foreign currency shall be calculated based on the relevant currency exchange rate in effect on the date such Indebtedness was Incurred, in the case of term Indebtedness, or first committed, in the case of revolving credit Indebtedness; *provided*, that if such Indebtedness is Incurred to refinance other Indebtedness denominated in foreign currency, and such refinancing would cause the applicable restriction to be exceeded if calculated at the relevant currency exchange rate in effect on the date of such refinancing, such restriction shall be deemed not to have been exceeded so long as the principal amount of such Refinancing Indebtedness does not exceed the principal amount of such Indebtedness being refinanced. Notwithstanding any other provision of this Section 3.9, the maximum amount of Indebtedness Incurred to refinance other Indebtedness, if Incurred in a different currency from the Indebtedness being refinanced, shall be calculated based on the currency exchange rate applicable to the currencies in which such Refinancing Indebtedness is denominated that is in effect on the date of such refinancing.
- (iv) For purposes of determining compliance with this Section 3.9:
 - (A) in the event that an item of Indebtedness meets the criteria of more than one of the types of Indebtedness described above, including, without limitation, in Section 3.9(a), the Issuer, in its sole discretion, will classify such item of Indebtedness at the time of Incurrence and only be required to include the amount and type of such Indebtedness in one of the above clauses and may later reclassify all or a portion of such item of Indebtedness as having been Incurred pursuant to any other clause to the extent such Indebtedness could be Incurred pursuant to such clause at the time of such reclassification; and
 - (B) the Issuer will be entitled to divide and classify an item of Indebtedness in more than one of the types of Indebtedness described above, including, without limitation, Section 3.9(a).

Section 3.10 [Reserved].

Section 3.11 Limitation on Restricted Payments.

(a) The Issuer will not, and will not cause or permit any of its Restricted Subsidiaries to, directly or indirectly, take any of the following actions (each, a “Restricted Payment”):

- (i) declare or pay any dividend or return of capital or make any distribution on or in respect of shares of Capital Stock of the Issuer or any Restricted Subsidiary to holders of such Capital Stock, other than:
 - (A) dividends, distributions or returns on capital payable in Qualified Capital Stock of the Issuer,
 - (B) dividends, distributions or returns on capital payable to the Issuer and/or a Restricted Subsidiary,
 - (C) dividends, distributions or returns of capital made on a *pro rata* basis to the Issuer and its Restricted Subsidiaries, on the one hand, and minority holders of Capital Stock of a Restricted Subsidiary, on the other hand (or on less than a *pro rata* basis to any minority holder);
- (ii) purchase, redeem or otherwise acquire or retire for value:
 - (A) any Capital Stock of the Issuer, or
 - (B) any Capital Stock of any Restricted Subsidiary held by an Affiliate of the Issuer or any Preferred Stock of a Restricted Subsidiary, except for:
 - (1) Capital Stock held by the Issuer or a Restricted Subsidiary, or
 - (2) purchases, redemptions, acquisitions or retirements for value of Capital Stock on a *pro rata* basis from the Issuer and/or any Restricted Subsidiaries, on the one hand, and minority holders of Capital Stock of a Restricted Subsidiary, on the other hand, according to their respective percentage ownership of the Capital Stock of such Restricted Subsidiary;
- (iii) make any principal payment on, purchase, defease, redeem, prepay, decrease or otherwise acquire or retire for value, prior to any scheduled final maturity, scheduled repayment or scheduled sinking fund payment, as the case may be, any Subordinated Indebtedness; or
- (iv) make any Investment (other than Permitted Investments);

if at the time of the Restricted Payment immediately after giving effect thereto:

- (A) a Default or an Event of Default shall have occurred and be continuing;
- (B) the Issuer is not able to Incur at least U.S.\$1.00 of additional Indebtedness pursuant to Section 3.9(a); or
- (C) the aggregate amount (the amount expended for these purposes, if other than in cash, being the Fair Market Value of the relevant property at the time of the making thereof) of the proposed Restricted Payment and all other Restricted Payments made subsequent to the Issue Date up to the date thereof, less any Investment Return calculated as of the date thereof, shall exceed the sum of:
 - (1) 50% of cumulative Consolidated Net Income of the Issuer or, if cumulative Consolidated Net Income of the Issuer is a loss, minus (i) 100% of the loss, accrued during the period, treated as one accounting period, beginning on the first full fiscal quarter after the Issue Date to the end of the most recent fiscal quarter for which consolidated financial information of the Issuer is available and (ii) the amount of cash benefits to the Issuer or a Restricted Subsidiary that is netted against Investments in Similar Businesses pursuant to clause (12) of the definition of "Permitted Investments"; plus
 - (2) 100% of the aggregate net cash proceeds received by the Issuer from any Person from any:
 - (x) contribution to the equity capital of the Issuer (not representing an interest in Disqualified Capital Stock) or issuance and sale of Qualified Capital Stock of the Issuer, in each case, subsequent to the Issue Date, or
 - (y) issuance and sale subsequent to the Issue Date (and, in the case of Indebtedness of a Restricted Subsidiary, at such time as it was a Restricted Subsidiary) of any Indebtedness for borrowed money of the Issuer or any Restricted Subsidiary that has been converted into or exchanged for Qualified Capital Stock of the Issuer,

excluding, in each case, any net cash proceeds:

- (aa) received from a Subsidiary of the Issuer;
- (bb) used to redeem Notes under Article V;
- (cc) used to acquire Capital Stock or other assets from an Affiliate of the Issuer; or
- (dd) applied in accordance with clause (ii)(B) or (iii)(A) of Section 3.11(b) below.

(b) Notwithstanding Section 3.11(a), this Section 3.11 does not prohibit:

- (i) the payment of any dividend within 60 days after the date of declaration of such dividend if the dividend would have been permitted on the date of declaration pursuant to Section 3.11(a);
- (ii) if no Default or Event of Default shall have occurred and be continuing, the acquisition of any shares of Capital Stock of the Issuer,
 - (A) in exchange for Qualified Capital Stock of the Issuer, or
 - (B) through the application of the net cash proceeds received by the Issuer from a substantially concurrent sale of Qualified Capital Stock of the Issuer or a contribution to the equity capital of the Issuer not representing an interest in Disqualified Capital Stock, in each case not received from a Subsidiary of the Issuer;

provided, that the value of any such Qualified Capital Stock issued in exchange for such acquired Capital Stock and any such net cash proceeds shall be excluded from Section 3.11(a)(iv)(C)(2) (and were not included therein at any time);

- (iii) if no Default or Event of Default shall have occurred and be continuing, the voluntary prepayment, purchase, defeasance, redemption or other acquisition or retirement for value of any Subordinated Indebtedness:
 - (A) solely in exchange for, or through the application of net cash proceeds of a substantially concurrent sale, other than to a Subsidiary of the Issuer, of Qualified Capital Stock of the Issuer, or
 - (B) solely in exchange for Refinancing Indebtedness for such Subordinated Indebtedness,

provided, that the value of any Qualified Capital Stock issued in exchange for Subordinated Indebtedness and any net cash proceeds referred to above shall be excluded from Section 3.11(a)(iv)(C)(2) (and were not included therein at any time);

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- (iv) repurchases by the Issuer of Common Stock of the Issuer or options, warrants or other securities exercisable or convertible into Common Stock of the Issuer from employees or directors of the Issuer or any of its Subsidiaries or their authorized representatives upon the death, disability or termination of employment or directorship of the employees or directors, in an amount not to exceed U.S.\$5 million in any calendar year and any repurchases other than in connection with compensation of Common Stock of the Issuer pursuant to binding written agreements in effect on the Issue Date;
 - (v) payments of dividends on Disqualified Capital Stock issued pursuant to the covenant described under Section 3.9; *provided, however*, that such dividends shall be excluded in the calculation of the amount of Restricted Payments;
 - (vi) non-cash repurchases of Capital Stock deemed to occur upon exercise of stock options, warrants or other similar rights if such Capital Stock represents a portion of the exercise price of such options, warrants or other similar rights;
 - (vii) cash payments in lieu of the issuance of fractional shares in connection with the exercise of warrants, options or other securities convertible into or exchangeable for Capital Stock of the Issuer;
 - (viii) purchases of any Subordinated Indebtedness of the Issuer (A) at a purchase price not greater than 101% of the principal amount thereof (together with accrued and unpaid interest) in the event of the occurrence of a Change of Control or (B) at a purchase price not greater than 100% of the principal amount thereof (together with accrued and unpaid interest) in the event of an Asset Sale in accordance with provisions similar to those set forth under Section 3.12; *provided, however*, that prior to such purchase of any such Subordinated Indebtedness, the Issuer has made the Change of Control Offer or Asset Sale Offer as provided under Section 3.8 or Section 3.12, respectively, and has purchased all Notes validly tendered and not properly withdrawn pursuant thereto;
 - (ix) recapitalization of earnings on or in respect of the Qualified Capital Stock of the Issuer pursuant to which additional Qualified Capital Stock of the Issuer or the right to subscribe for additional Capital Stock of the Issuer is issued to the existing shareholders of the Issuer on a *pro rata* basis (which, for the avoidance of doubt, shall not allow any payment in cash to be made in respect of Qualified Capital Stock of the Issuer pursuant to this clause (ix)); and

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- (x) so long as (A) no Default or Event of Default shall have occurred and be continuing (or result therefrom) and (B) the Issuer could incur at least U.S.\$1.00 of additional Debt pursuant to Section 3.9(a), payment of any dividends on Capital Stock (other than Disqualified Capital Stock) of the Issuer in an aggregate amount which, when taken together with all dividends paid pursuant to this clause (x), does not exceed U.S.\$50 million in any calendar year; *provided*, that such dividends shall be included in the calculation of the amount of Restricted Payments.
 - (xi) [Reserved]

In determining the aggregate amount of Restricted Payments made subsequent to the Issue Date, amounts expended pursuant to clauses (i) (without duplication for the declaration of the relevant dividend), (iv), (viii) and (x) above shall be included in such calculation and amounts expended pursuant to clauses (ii), (iii), (v), (vi), (vii) and (ix) above shall not be included in such calculation.

Section 3.12 Limitation on Asset Sales.

(a) The Issuer will not, and will not permit any of its Restricted Subsidiaries to, consummate an Asset Sale unless:

- (i) the Issuer or the applicable Restricted Subsidiary, as the case may be, receives consideration at the time of the Asset Sale at least equal to the Fair Market Value (to be determined as of the date on which such sale is contracted) of the assets sold or otherwise disposed of, and
- (ii) other than in respect of Permitted Asset Swap Transactions, at least 80% of the consideration received for the assets sold by the Issuer or the Restricted Subsidiary, as the case may be, in the Asset Sale shall be in the form of cash or Cash Equivalents received at the time of such Asset Sale; *provided, however*, for the purposes of this clause (ii), the following are also deemed to be cash or Cash Equivalents:
 - (A) the assumption of Indebtedness (other than Subordinated Indebtedness) of the Issuer or any Restricted Subsidiary and the release of the Issuer or such Restricted Subsidiary from all liability on such Indebtedness in connection with such Asset Sale;
 - (B) any securities, notes or obligation received by the Issuer or any Restricted Subsidiary from the transferee that are, within 180 days after the Asset Sale, converted by the Issuer or such Restricted Subsidiary into cash, to the extent of cash received in that conversion;
 - (C) Capital Stock of a Person who is or who, after giving effect to such Asset Sale, becomes, a Restricted Subsidiary; and

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- (D) any Designated Non-cash Consideration received by the Issuer or such Restricted Subsidiary in connection with such Asset Sale having an aggregate Fair Market Value which, when taken together with the Fair Market Value of all other Designated Non-cash Consideration received pursuant to this clause (D) since the Issue Date, does not exceed the sum of (1) 3.0% of Consolidated Tangible Assets of the Issuer calculated as of the end of the most recent fiscal quarter for which consolidated financial information is available (with the Fair Market Value of each item of Designated Non-cash Consideration being measured as of the date it was received and without giving effect to subsequent changes in value of any such item of Designated Non-cash Consideration) and (2) the amount of cash or Cash Equivalents received in connection with a subsequent sale of such Designated Non-cash Consideration.

(b) The Issuer or any Restricted Subsidiary may apply the Net Cash Proceeds of any such Asset Sale within 365 days thereof to:

- (i) repay any Senior Indebtedness for borrowed money or constituting a Capitalized Lease Obligation and permanently reduce the commitments with respect thereto, or
- (ii) purchase:
 - (A) assets (except for current assets as determined in accordance with GAAP or Capital Stock) to be used by the Issuer or any Restricted Subsidiary in a Permitted Business, or
 - (B) substantially all of the assets of a Permitted Business or Capital Stock of a Person engaged in a Permitted Business that will become, upon purchase, a Restricted Subsidiary from a Person other than the Issuer and its Restricted Subsidiaries.

(c) To the extent all or a portion of the Net Cash Proceeds of any Asset Sale are not applied within the 365 days of the Asset Sale as described in clause (i) or (ii) of [Section 3.12\(b\)](#), the Issuer will make an offer to purchase Notes (the "[Asset Sale Offer](#)"), at a purchase price equal to 100% of the principal amount of the Notes to be purchased, plus accrued and unpaid interest thereon, to the date of purchase (the "[Asset Sale Offer Amount](#)"). The Issuer will purchase pursuant to an Asset Sale Offer from all tendering Holders on a *pro rata* basis, and, at the Issuer's option, on a *pro rata* basis with the holders of any other Senior Indebtedness with similar provisions requiring the Issuer to offer to purchase the other Senior Indebtedness with the proceeds of Asset Sales, that principal amount (or accreted value in the case of Indebtedness issued with original issue discount) of Notes and the other Senior Indebtedness to be purchased equal to such unapplied Net Cash Proceeds. The Issuer may satisfy its obligations under this [Section 3.12](#) with respect to the Net Cash Proceeds of an Asset Sale by making an Asset Sale Offer prior to the expiration of the relevant 365-day period.

(d) Pending the final application of any Net Cash Proceeds pursuant to this Section 3.12, the holder of such Net Cash Proceeds may apply such Net Cash Proceeds temporarily to reduce Indebtedness outstanding under a revolving credit facility or otherwise invest such Net Cash Proceeds in any manner not prohibited by this Indenture.

(e) The purchase of Notes pursuant to an Asset Sale Offer shall occur not less than 20 Business Days following the date thereof, or any longer period as may be required by law, nor more than 45 days following the 365th day following the Asset Sale. The Issuer may, however, defer an Asset Sale Offer until there is an aggregate amount of unapplied Net Cash Proceeds from one or more Asset Sales equal to or in excess of U.S.\$100 million. At that time, the entire amount of unapplied Net Cash Proceeds, and not just the amount in excess of U.S.\$100 million, shall be applied as required pursuant to this Section 3.12.

(f) Each Asset Sale Offer Notice shall be mailed first class, postage prepaid, to the record Holders as shown on the Note Register within 20 days following such 365th day (or such earlier date as the Issuer shall have elected to make such Asset Sale Offer), with a copy to the Trustee offering to purchase the Notes as described above. Each notice of an Asset Sale Offer shall state, among other things, the purchase date, which must be no earlier than 30 days nor later than 60 days from the date the notice is mailed, other than as may be required by law (the "Asset Sale Offer Payment Date"). Upon receiving notice of an Asset Sale Offer, Holders may elect to tender their Notes in whole or in part, in minimum denominations of €100,000 and any integral multiples of €1,000 in excess thereof in exchange for cash.

(g) On the Asset Sale Offer Payment Date, the Issuer shall, to the extent lawful:

- (i) accept for payment all Notes or portions thereof properly tendered pursuant to the Asset Sale Offer;
- (ii) deposit with the Paying Agent funds in an amount equal to the Asset Sale Offer Amount in respect of all Notes or portions thereof so tendered; and
- (iii) deliver or cause to be delivered to the Trustee the Notes so accepted together with an Officer's Certificate stating the aggregate principal amount of Notes or portions thereof being purchased by the Issuer.

(h) To the extent Holders of Notes and holders of other Senior Indebtedness, if any, which are the subject of an Asset Sale Offer properly tender and do not withdraw Notes or the other Senior Indebtedness in an aggregate amount exceeding the amount of unapplied Net Cash Proceeds, the Issuer shall purchase the Notes and the other Senior Indebtedness on a *pro rata* basis (based on amounts tendered). If only a portion of a Note is purchased pursuant to an Asset Sale Offer, a new Note in a principal amount equal to the portion thereof not purchased shall be issued in the name of the holder thereof upon cancellation of the original Note (or appropriate adjustments to the amount and beneficial interests in a global note shall be made, as appropriate). Notes (or portions thereof) purchased pursuant to an Asset Sale Offer shall be cancelled and cannot be reissued.

(i) The Issuer shall comply with the requirements of Rule 14e-1 under the Exchange Act and any other applicable securities laws in connection with the purchase of Notes pursuant to an Asset Sale Offer. To the extent that the provisions of any applicable securities laws or regulations conflict with this Section 3.12, the Issuer shall comply with these laws and regulations and shall not be deemed to have breached its obligations under the “Asset Sale” provisions of this Indenture by doing so.

(j) Upon completion of an Asset Sale Offer, the amount of Net Cash Proceeds shall be reset at zero. Accordingly, to the extent that the aggregate amount of Notes and other Indebtedness tendered pursuant to an Asset Sale Offer is less than the aggregate amount of unapplied Net Cash Proceeds, the Issuer may use any remaining Net Cash Proceeds for general corporate purposes of the Issuer and its Restricted Subsidiaries.

(k) In the event of the transfer of substantially all (but not all) of the property and assets of the Issuer and its Restricted Subsidiaries as an entirety to a Person in a transaction permitted under Article IV, the Successor Issuer shall be deemed to have sold the properties and assets of the Issuer and its Restricted Subsidiaries not so transferred for purposes of this Section 3.12, and shall comply with the provisions of this Section 3.12 with respect to the deemed sale as if it were an Asset Sale. In addition, the Fair Market Value of properties and assets of the Issuer or its Restricted Subsidiaries so deemed to be sold shall be deemed to be Net Cash Proceeds for purposes of this Section 3.12.

(l) If at any time any non-cash consideration received by the Issuer or any Restricted Subsidiary, as the case may be, in connection with any Asset Sale, is converted into or sold or otherwise disposed of for cash (other than interest received with respect to any non-cash consideration), the conversion or disposition shall be deemed to constitute an Asset Sale hereunder and the Net Cash Proceeds thereof shall be applied in accordance with this Section 3.12 within 365 days of conversion or disposition.

Section 3.13 Limitation on the Ownership of Capital Stock of Restricted Subsidiaries. The Issuer shall not permit any Person other than the Issuer or another Restricted Subsidiary to, directly or indirectly, own or control any Capital Stock of any Restricted Subsidiary, except for:

- (i) Capital Stock owned by such Person on the Issue Date;
- (ii) directors’ qualifying shares;
- (iii) the sale or Disposition of 100% of the shares of the Capital Stock of any Restricted Subsidiary held by the Issuer and its Restricted Subsidiaries to any Person other than the Issuer or another Restricted Subsidiary effected in accordance with, as applicable, Section 3.12 and Article IV;
- (iv) in the case of a Restricted Subsidiary other than a Restricted Subsidiary that is a Wholly Owned Subsidiary,
 - (A) the issuance by that Restricted Subsidiary of Capital Stock on a *pro rata* basis to the Issuer and its Restricted Subsidiaries, on the

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- one hand, and minority holders of Capital Stock of such Restricted Subsidiary, on the other hand (or on less than a *pro rata* basis to any minority holder); or
- (B) sales, transfers and other dispositions of Capital Stock in a Restricted Subsidiary to the extent required by, or made pursuant to, buy/sell, put/call or similar shareholder arrangements set forth in binding agreements in effect on the Issue Date; and
 - (v) the sale of Capital Stock of a Restricted Subsidiary by the Issuer or another Restricted Subsidiary or the sale or issuance by a Restricted Subsidiary of its newly-issued Capital Stock if such sale or issuance is made in compliance with Section 3.12 and either:
 - (A) such Restricted Subsidiary is no longer a Subsidiary, and the continuing Investment of the Issuer and its Restricted Subsidiaries in such former Restricted Subsidiary is in compliance with Section 3.11, or
 - (B) such Restricted Subsidiary continues to be a Restricted Subsidiary.

Section 3.14 Limitation on Designation of Unrestricted Subsidiaries.

(a) The Issuer may designate after the Issue Date any Subsidiary of the Issuer other than a Note Guarantor as an Unrestricted Subsidiary under this Indenture (a "Designation") only if:

- (i) no Default or Event of Default shall have occurred and be continuing at the time of or after giving effect to such Designation and any transactions between the Issuer or any of its Restricted Subsidiaries and such Unrestricted Subsidiary are in compliance with Section 3.18;
- (ii) at the time of and after giving effect to such Designation, the Issuer could Incur U.S.\$1.00 of additional Indebtedness pursuant to Section 3.9(a);
- (iii) the Issuer would be permitted to make an Investment at the time of Designation (assuming the effectiveness of such Designation and treating such Designation as an Investment at the time of Designation) as a Restricted Payment pursuant to Section 3.11(a) in an amount (the "Designation Amount") equal to the amount of the Issuer's Investment in such Subsidiary on such date; and
- (iv) the terms of any Affiliate Transaction existing on the date of such Designation between the Subsidiary being designated (and its Subsidiaries) and the Issuer or any Restricted Subsidiary would be permitted under Section 3.18 if entered into immediately following such Designation.

(b) Neither the Issuer nor any Restricted Subsidiary shall at any time:

- (i) provide credit support for, subject any of its property or assets (other than the Capital Stock of any Unrestricted Subsidiary) to the satisfaction of, or Guarantee, any Indebtedness of any Unrestricted Subsidiary (including any undertaking, agreement or instrument evidencing such Indebtedness);
- (ii) be directly or indirectly liable for any Indebtedness of any Unrestricted Subsidiary; or
- (iii) be directly or indirectly liable for any Indebtedness which provides that the Holder thereof may (upon notice, lapse of time or both) declare a default thereon or cause the payment thereof to be accelerated or payable prior to its final scheduled maturity upon the occurrence of a default with respect to any Indebtedness of any Unrestricted Subsidiary.

(c) The Issuer may revoke any Designation of a Subsidiary as an Unrestricted Subsidiary (a “Revocation”) only if:

- (i) no Default or Event of Default shall have occurred and be continuing at the time of and after giving effect to such Revocation; and
- (ii) all Liens and Indebtedness of such Unrestricted Subsidiary outstanding immediately following such Revocation, if Incurred at such time, would have been permitted to be Incurred for all purposes of this Indenture.

(d) The Designation of a Subsidiary of the Issuer as an Unrestricted Subsidiary shall be deemed to include the Designation of all of the Subsidiaries of such Subsidiary as Unrestricted Subsidiaries. All Designations and Revocations must be evidenced by an Officer’s Certificate of the Issuer, delivered to the Trustee certifying compliance with the preceding provisions.

Section 3.15 Limitation on Dividends and Other Payment Restrictions Affecting Restricted Subsidiaries.

(a) Except as provided in clause (b) below, the Issuer shall not, and shall not cause or permit any of its Restricted Subsidiaries to, directly or indirectly, create or otherwise cause or permit to exist or become effective any consensual encumbrance or restriction on the ability of any Restricted Subsidiary to:

- (i) pay dividends or make any other distributions on or in respect of its Capital Stock to the Issuer or any other Restricted Subsidiary or pay any Indebtedness owed to the Issuer or any other Restricted Subsidiary;

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- (ii) make loans or advances to, or make any Investment in, the Issuer or any other Restricted Subsidiary; or
 - (iii) transfer any of its property or assets to the Issuer or any other Restricted Subsidiary.

(b) Section 3.15(a) shall not apply to encumbrances or restrictions existing under or by reason of:

- (i) applicable law, rule, regulation or order;
- (ii) this Indenture or the indenture governing the Other Notes;
- (iii) any encumbrance or restriction pursuant to an agreement in effect at or entered into on the Issue Date, and any amendments, restatements, renewals, replacements or refinancings thereof; *provided*, that any amendment, restatement, renewal, replacement or refinancing is not materially more restrictive with respect to such encumbrances or restrictions than those in existence on the Issue Date as determined in good faith by the Issuer's senior management;
- (iv) customary non-assignment provisions of any contract and customary provisions restricting assignment or subletting in any lease governing a leasehold interest of any Restricted Subsidiary, or any customary restriction on the ability of a Restricted Subsidiary to dividend, distribute or otherwise transfer any asset which secures Indebtedness secured by a Lien, in each case permitted to be Incurred under this Indenture;
- (v) any instrument governing Acquired Indebtedness not Incurred in connection with, or in anticipation or contemplation of, the relevant acquisition, merger or consolidation, which encumbrance or restriction is not applicable to any Person, or the properties or assets of any Person, other than the Person or the properties or assets of the Person so acquired;
- (vi) restrictions with respect to a Restricted Subsidiary of the Issuer imposed pursuant to a binding agreement which has been entered into for the sale or disposition of Capital Stock or assets of such Restricted Subsidiary; *provided*, that such restrictions apply solely to the Capital Stock or assets of such Restricted Subsidiary being sold (and in the case of Capital Stock, its Subsidiaries);
- (vii) customary restrictions imposed on the transfer of copyrighted or patented materials;
- (viii) an agreement governing Indebtedness Incurred to Refinance the Indebtedness issued, assumed or Incurred pursuant to an agreement

referred to in clause (iii) or (v) of this Section 3.15(b); *provided*, that such Refinancing agreement is not materially more restrictive with respect to such encumbrances or restrictions than those contained in the agreement referred to in such clause (iii) or (v) as determined in good faith by the Issuer's senior management;

- (ix) Liens permitted to be Incurred pursuant to the provisions of the covenant described under Section 3.17 that limit the right of any person to transfer the assets subject to such Liens;
- (x) Purchase Money Indebtedness for property acquired in the ordinary course of business and Capitalized Lease Obligations that impose restrictions of the nature discussed in clause (iii) of Section 3.15(a) above on the property so acquired;
- (xi) restrictions on cash or other deposits imposed by customers under contracts or other arrangements entered into or agreed to in the ordinary course of business not materially more restrictive than those existing on the Issue Date as determined in good faith by the Issuer's senior management;
- (xii) customary provisions in joint venture agreements relating to dividends or other distributions in respect of such joint venture or the securities, assets or revenues of such joint venture;
- (xiii) restrictions in Indebtedness Incurred by a Restricted Subsidiary in compliance with the covenant described under Section 3.9; *provided*, that such restrictions (A) are not materially more restrictive with respect to such encumbrances and restrictions than those such Restricted Subsidiary was subject to in agreements related to obligations referenced in clause (iii) above as determined in good faith by the Issuer's senior management or (B) constitute financial covenants or similar restrictions that limit the ability to pay dividends or make distributions upon the occurrence or continuance of a default or event of default or that would result in a default or event of default under such Indebtedness upon the declaration or payment of dividends or other distributions; and
- (xiv) net worth provisions in leases entered into by the Issuer or any Restricted Subsidiary in the ordinary course of business not materially more restrictive than those existing on the Issue Date as determined in good faith by the Issuer's senior management.

Section 3.16 Limitation on Layered Indebtedness. The Issuer shall not, and shall not permit any Note Guarantor to, directly or indirectly, Incur any Indebtedness that is subordinate in right of payment to any other Indebtedness, unless such Indebtedness is expressly subordinate in right of payment to the Notes or, in the case of a Note Guarantor, its Note Guarantee, to the same

extent, on the same terms and for so long (except as a result of the provisions of the Intercreditor Agreement applicable to Facilities Agreement Indebtedness and any refinancing thereof) as such Indebtedness is subordinate to such other Indebtedness.

Section 3.17 Limitation on Liens. The Issuer shall not, and shall not cause or permit any of its Restricted Subsidiaries to, directly or indirectly, incur, grant, assume or suffer to exist any Liens of any kind (except for Permitted Liens) (a) against or upon any of their respective properties or assets, whether owned on the Issue Date or acquired after the Issue Date, or any proceeds therefrom, to secure any Indebtedness or trade payables or (b) deemed to exist in respect of Capitalized Lease Obligations (including any Capitalized Lease Obligations in respect of Sale and Leaseback Transactions), in each case, unless contemporaneously therewith effective provision is made:

- (i) in the case of the Issuer or any Restricted Subsidiary that is not a Note Guarantor, to secure the Notes and all other amounts due under this Indenture; and
- (ii) in the case of a Note Guarantor, to secure such Note Guarantor's Note Guarantee of the Notes and all other amounts due under this Indenture,

in each case, equally and ratably with such Indebtedness or other obligation (or, in the event that such Indebtedness is subordinated in right of payment to the Notes or such Note Guarantee, as the case may be, prior to such Indebtedness or other obligation) with a Lien on the same properties and assets securing such Indebtedness or other obligation for so long as such Indebtedness or other obligation is secured by such Lien.

Section 3.18 Limitation on Transactions with Affiliates.

(a) The Issuer shall not, and shall not permit any of its Restricted Subsidiaries to, directly or indirectly, enter into any transaction or series of related transactions (including, without limitation, the purchase, sale, lease or exchange of any property or the rendering of any service) with, or for the benefit of, any Affiliate of the Issuer (each an "Affiliate Transaction"), unless the terms of such Affiliate Transaction are no less favorable than those that could reasonably be expected to be obtained in a comparable transaction at such time on an arm's-length basis from a Person that is not an Affiliate of the Issuer;

(b) The provisions of Section 3.18(a) above shall not apply to:

- (i) Affiliate Transactions with or among the Issuer and any Restricted Subsidiary or between or among Restricted Subsidiaries;
- (ii) reasonable fees and compensation paid to, and any indemnity provided on behalf of, officers, directors, employees, consultants or agents of the Issuer or any Restricted Subsidiary as determined in good faith by the Issuer's Board of Directors or, to the extent consistent with past practice, senior management;

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- (iii) Affiliate Transactions undertaken pursuant to any contractual obligations or rights in existence on the Issue Date (as in effect on the Issue Date with modifications, extensions and replacements thereof not materially adverse to the Issuer and its Restricted Subsidiaries) as determined in good faith by the Issuer's senior management;
 - (iv) any Restricted Payments in compliance with Section 3.11;
 - (v) payments and issuances of Qualified Capital Stock to any officers, directors and employees of the Issuer or any Restricted Subsidiary pursuant to any management equity plan or stock option plan or any other stock subscription or shareholder agreement, and any employment agreements, stock option plans or other compensatory arrangements (and any successor plans thereto) and any supplemental executive retirement benefit plans or arrangements with any such officers, directors or employees that are, in each case, approved in good faith by the Board of Directors or, to the extent consistent with past practice, senior management of the Issuer;
 - (vi) loans and advances to officers, directors and employees of the Issuer or any Restricted Subsidiary for travel, entertainment, moving and other relocation expenses, in each case made in the ordinary course of business in amounts consistent with the past practice of the Issuer or such Restricted Subsidiary; and
 - (vii) loans made by the Issuer or any Restricted Subsidiary to employees or directors in an aggregate amount not to exceed U.S.\$15 million (or its equivalent in another currency) at any time outstanding.

Section 3.19 Conduct of Business. The Issuer and its Restricted Subsidiaries shall not engage in any business other than a Permitted Business.

Section 3.20 Reports to Holders.

(a) Notwithstanding that the Issuer may not be subject to the reporting requirements of Section 13 or 15(d) of the Exchange Act, so long as any Notes remain outstanding, the Issuer shall:

- (i) provide the Trustee and the Holders with:
 - (A) annual reports on Form 20-F (or any successor form) containing the information required to be contained therein (or such successor form) within the time period required under the rules of the Commission for the filing of Form 20-F (or any successor form) by "foreign private issuers" (as defined in Rule 3b-4 of the Exchange Act (or any successor rule));

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- (B) reports on Form 6-K (or any successor form) including, whether or not required, unaudited quarterly financial statements (which shall include at least a balance sheet, income statement and cash flow statement) including a discussion of financial condition and results of operations of the Issuer in accordance with past practice, within 45 days after the end of each of the first three fiscal quarters of each fiscal year;
 - (C) such other reports on Form 6-K (or any successor form) promptly from time to time after the occurrence of an event that would be required to be reported on a Form 6-K (or any successor form); and
- (ii) file with the Commission, to the extent permitted, the information, documents and reports referred to in clause (i) within the periods specified for such filings under the Exchange Act (whether or not applicable to the Issuer).

(b) In addition, at any time when the Issuer is not subject to or is not current in its reporting obligations under clause (ii) of Section 3.20(a), the Issuer shall make available, upon request, to any Holder and any prospective purchaser of Notes the information required pursuant to Rule 144A(d)(4) under the Securities Act.

(c) Notwithstanding anything in this Indenture to the contrary, the Issuer shall not be deemed to have failed to comply with any of its obligations hereunder for purposes of clause (iv) of Section 6.1(a) or for any other purpose hereunder until 75 days after the date any report hereunder is due.

(d) Delivery of such reports, information and documents to the Trustee is for informational purposes only and the Trustee's receipt of such reports shall not constitute actual or constructive notice of any information contained therein or determinable from information contained therein, including the Issuer's compliance with any of its covenants hereunder (as to which the Trustee is entitled to rely exclusively on Officer's Certificates).

Section 3.21 Payment of Additional Amounts.

(a) All payments made by the Issuer or the Note Guarantors under, or with respect to, the Notes shall be made free and clear of, and without withholding or deduction for or on account of any present or future tax, duty, levy, impost, assessment or other governmental charge (including penalties, interest and other liabilities related thereto) (collectively, "Taxes") imposed or levied by or on behalf of the United States, Mexico, Spain, the Netherlands, France, the United Kingdom, Switzerland or, in the event that the Issuer appoints additional paying agents, by the jurisdictions of such additional paying agents (a "Taxing Jurisdiction"), unless the Issuer or such Note Guarantor, as the case may be, is required to withhold or deduct Taxes by law or by the official interpretation or administration thereof.

(b) If the Issuer or any Note Guarantor is so required to withhold or deduct any amount for, or on account of, such Taxes from any payment made under or with respect to the Notes, the Issuer or such Note Guarantor, as the case may be, shall pay such additional

amounts (“Additional Amounts”) as may be necessary so that the net amount received by each Holder (including Additional Amounts) after such withholding or deduction shall not be less than the amount such Holder would have received if such Taxes had not been required to be withheld or deducted; *provided, however*, that the foregoing obligation to pay Additional Amounts does not apply to:

- (i) any Taxes imposed solely because at any time there is or was a connection between the Holder and a Taxing Jurisdiction (other than the mere purchase of the Notes, or receipt of a payment or the ownership or holding of a Note),
- (ii) any estate, inheritance, gift, sales, transfer, personal property or similar Tax imposed with respect to the Notes,
- (iii) any Taxes imposed solely because the Holder or any other person fails to comply with any certification, identification or other reporting requirement concerning the nationality, residence, identity or connection with a Taxing Jurisdiction of the Holder or any beneficial owner of the Note if compliance is required by the applicable law of the Taxing Jurisdiction as a precondition to exemption from, or reduction in the rate of, the tax, assessment or other governmental charge, and the Issuer has given the Holders at least 30 days’ notice that Holders shall be required to provide such information and identification,
- (iv) any Taxes payable otherwise than by deduction or withholding from payments on the Notes,
- (v) any Taxes imposed on a payment to or for the benefit of an individual pursuant to European Council Directive 2003/48/EC (as amended from time to time) or any law implementing or complying with, or introduced in order to conform to, such Directive,
- (vi) any Taxes that would have been avoided by presenting for payment (where presentation is required) the relevant Note to another Paying Agent,
- (vii) any Taxes with respect to such Note presented for payment more than 30 days after the date on which the payment became due and payable or the date on which payment thereof is duly provided for and notice thereof given to Holders, whichever occurs later, except to the extent that the Holders of such Note would have been entitled to such Additional Amounts on presenting such Note for payment on any date during such 30 day period, or
- (viii) any payment on the Note to a Holder that is a fiduciary or partnership or a person other than the sole beneficial owner of any such payment, to the extent that a beneficiary or settlor with respect to such fiduciary,

a member of such a partnership or the beneficial owner of the payment would not have been entitled to the Additional Amounts had the beneficiary, settlor, member or beneficial owner been the Holder of the Note.

(c) The obligations in Section 3.21(a) and Section 3.21(b) shall survive any termination or discharge of this Indenture and shall apply mutatis mutandis to any Taxing Jurisdiction with respect to any successor to the Issuer or any Note Guarantor, as the case may be. The Issuer or such Note Guarantor, as applicable, shall (i) make such withholding or deduction and (ii) remit the full amount deducted or withheld to the relevant Taxing Jurisdiction in accordance with applicable law. The Issuer or such Note Guarantor, as applicable, shall use all reasonable efforts to obtain certified copies of tax receipts evidencing the payment of any Taxes so deducted or withheld from each Taxing Jurisdiction imposing such Taxes and shall furnish such certified copies to the Trustee within 30 days after the date the payment of any Taxes so deducted or so withheld is due pursuant to applicable law or, if such tax receipts are not reasonably available to the Issuer or such Note Guarantor, as applicable, furnish such other documentation that provides reasonable evidence of such payment by the Issuer or such Note Guarantor, as applicable.

(d) The exception to the Issuer's obligations to pay Additional Amounts pursuant to clause (iii) of Section 3.21(b) will not apply if (i) the provision of information, documentation or other evidence described in such clause would be materially more onerous, in form, in procedure or in the substance of information disclosed, to a Holder or beneficial owner of a Note than comparable information or other reporting requirements imposed under U.S. tax law, regulation (including proposed regulations) and administrative practice, or (ii) Article 166, Section II, paragraph (a), of the Mexican Income Tax Law (*Ley del Impuesto Sobre la Renta*) (or a substitute or equivalent provision) is in effect, unless (A) the provision of the information, documentation or other evidence described in clause (iii) of Section 3.21(b) is expressly required by the applicable Mexican laws and regulations in order to apply Article 166, Section II, paragraph (a), of the Mexican Income Tax Law (or substitute or equivalent provision), (B) the Issuer or any Note Guarantor cannot obtain the information, documentation or other evidence necessary to comply with the applicable Mexican laws and regulations on its own through reasonable diligence and (C) the Issuer or any Note Guarantor would not otherwise meet the requirements for application of the applicable Mexican laws and regulations.

(e) Clause (iii) of Section 3.21(b) does not require, and shall not be construed to require, that any holder, including any non-Mexican pension fund, retirement fund, tax-exempt organization or financial institution, register with the Tax Management Service (*Servicio de Administración Tributaria*) or the Mexican Ministry of Finance and Public Credit (*Secretaría de Hacienda y Crédito Público*) to establish eligibility for an exemption from, or a reduction of, Mexican withholding taxes.

(f) Any reference in this Indenture, any supplemental indenture or the Notes to principal, premium, interest or any other amount payable in respect of the Notes by the Issuer shall be deemed also to refer to any Additional Amount that may be payable with respect to that amount under the obligations referred to in this subsection. Payment of any Additional Amounts with respect to interest shall be considered as an interest payment under, or with respect to, the Notes.

(g) The Issuer will ensure that it maintains a paying agent, in a European Union Member State, that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC (as amended from time to time) or any law implementing or complying with, or introduced in order to conform to, such Directive.

(h) In the event that Additional Amounts actually paid with respect to the Notes pursuant to this Section 3.21 are based on rates of deduction or withholding of withholding taxes in excess of the appropriate rate applicable to the Holder of such Notes, and as a result thereof such Holder is entitled to make a claim for a refund or credit of such excess from the authority imposing such withholding tax, then such Holder shall, by accepting such Notes, and without any further action, be deemed to have assigned and transferred all right, title and interest to any such claim for a refund or credit of such excess to the Issuer. However, by making such assignment, the Holder makes no representation or warranty that the Issuer shall be entitled to receive such claim for a refund or credit and incurs no other obligation with respect thereto.

Section 3.22 Suspension of Covenants.

(a) During any period of time that the Notes do not have Investment Grade Ratings from two of the Rating Agencies and (i) the Consolidated Leverage Ratio of the Issuer is less than 3.5:1 and (ii) no Default or Event of Default has occurred and is continuing (the occurrence of the events described in the foregoing clauses (i) and (ii) being collectively referred to as a “Partial Covenant Suspension Event”), the Issuer and its Restricted Subsidiaries shall not be subject to the provisions of this Indenture described under Sections 3.12, 3.13, 3.14(b), 3.15, 3.18, 3.19 and 4.1(a)(ii) (collectively, the “Partial Suspended Covenants”).

(b) During any period of time that (i) the Notes have Investment Grade Ratings from two of the Rating Agencies and (ii) no Default or Event of Default has occurred and is continuing (the occurrence of the events described in the foregoing clauses (i) and (ii) being collectively referred to as a “Covenant Suspension Event”), the Issuer and its Restricted Subsidiaries shall not be subject to the provisions of this Indenture described under Sections 3.9, 3.11, 3.12, 3.13, 3.14(b), 3.15, 3.16, 3.18, 3.19 and 4.1(a)(ii) (collectively, the “Suspended Covenants”).

(c) In addition, (x) no Subsidiary that is a Restricted Subsidiary on the date of the occurrence of a Partial Covenant Suspension Event (the “Partial Covenant Suspension Date”) or a Covenant Suspension Event (the “Suspension Date”) may be redesignated as an Unrestricted Subsidiary during the Partial Suspension Period or the Suspension Period, as applicable and (y) each Additional Note Guarantor shall be released from its obligation to guarantee the Notes on the date of a Partial Covenant Suspension Event or a Covenant Suspension Event, as the case may be.

(d) The Additional Note Guarantors shall be released from their obligation to guarantee the Notes upon the occurrence of a Partial Covenant Suspension Event or a Covenant Suspension Event; *provided*, that upon the occurrence of a Partial Covenant Reversion Date or a Reversion Date, as applicable, the guarantee of the Notes by the Additional Note Guarantors shall be reinstated in accordance with and subject to the conditions in Section 3.22(e).

(e) In the event that the Issuer and its Restricted Subsidiaries are not subject to the Partial Suspended Covenants or the Suspended Covenants, as the case may be, for any period of time as a result of the foregoing, and on any subsequent date (in the case of Partial Suspended Covenants, such subsequent date being the “Partial Covenant Reversion Date” and, in the case of Suspended Covenants, such subsequent date being the “Reversion Date”) (i) the Consolidated Leverage Ratio of the Issuer is not less than 3.5:1 during the applicable Partial Suspension Period or (ii) the Notes do not have Investment Grade Ratings from at least two of the Rating Agencies during the applicable Suspension Period, then in each case in clauses (i) and (ii), the Issuer and its Restricted Subsidiaries will thereafter again be subject to the Partial Suspended Covenants or the Suspended Covenants, as applicable, and the Notes will again be guaranteed by the Additional Note Guarantors (unless, solely with respect to any Additional Note Guarantor, the conditions for release as described under Section 10.2 are otherwise satisfied during the Partial Suspension Period or the Suspension Period, as applicable). The Issuer shall cause such Additional Note Guarantor to promptly execute and deliver to the Trustee a supplemental indenture hereto in form and substance reasonably satisfactory to the Trustee in accordance with the provisions of Article IX, evidencing that such Additional Note Guarantor’s guarantee on substantially the terms set forth in Article X. The period of time between the Partial Covenant Suspension Date and the Partial Covenant Reversion Date is referred to as the “Partial Suspension Period” and the period of time between the Suspension Date and the Reversion Date is referred to as the “Suspension Period.” Notwithstanding that the Partial Suspended Covenants, the Suspended Covenants and the guarantees by the Additional Note Guarantors may be reinstated, no Default or Event of Default will be deemed to have occurred as a result of a failure to comply with the Partial Suspended Covenants during the Partial Suspension Period or the Suspended Covenants during the Suspension Period, as the case may be (or upon termination of the applicable Partial Suspension Period or the Suspension Period or after that time based solely on events that occurred during the applicable Partial Suspension Period or the Suspension Period, as the case may be).

(f) On the Reversion Date, all Indebtedness Incurred during the Suspension Period shall be classified to have been Incurred pursuant to Section 3.9(a) or Section 3.9(b) (to the extent such Indebtedness would be permitted to be Incurred thereunder as of the Reversion Date and after giving effect to Indebtedness Incurred prior to the Suspension Period and outstanding on the Reversion Date). To the extent such Indebtedness would not be so permitted to be Incurred pursuant to Section 3.9(a) or 3.9(b), such Indebtedness shall be deemed to have been outstanding on the Issue Date, so that it is classified as permitted under clause (iii) of Section 3.9(b). Calculations made after the Reversion Date of the amount available to be made as Restricted Payments under Section 3.11 shall be made as though Section 3.11 had been in effect since the Issue Date and throughout the Suspension Period. The Issuer will give the Trustee written notice of any occurrence of a Reversion Date not later than five (5) Business Days after such Reversion Date. After any such notice of the occurrence of a Reversion Date, the Trustee shall assume the Suspended Covenants apply and are in full force and effect. Accordingly, Restricted Payments made during the Suspension Period will reduce the amount available to be made as Restricted Payments under Section 3.11(a).

(g) The Issuer will give the Trustee written notice of any Partial Covenant Suspension Event or any Covenant Suspension Event and in any case no later than five (5) Business Days after such Partial Covenant Suspension Event or Covenant Suspension Event has occurred. In the absence of such notice, the Trustee shall assume that the Partial Suspended Covenants or the Suspended Covenants, as applicable, apply and are in full force and effect.

(h) For purposes of this Section 3.22 only, “Consolidated Leverage Ratio” and all associated definitions shall have the meaning set forth in Exhibit E hereto.

ARTICLE IV

SUCCESSOR ISSUER

Section 4.1 Merger, Consolidation and Sale of Assets.

(a) The Issuer shall not, in a single transaction or series of related transactions, consolidate or merge with or into any Person (whether or not the Issuer is the surviving or continuing Person), or sell, assign, transfer, lease, convey or otherwise dispose of all or substantially all of the Issuer’s properties and assets (determined on a consolidated basis for the Issuer and its Restricted Subsidiaries), to any Person unless:

- (i) either:
 - (A) the Issuer shall be the surviving or continuing corporation, or
 - (B) the Person (if other than the Issuer) formed by such consolidation or into which the Issuer is merged or the Person which acquires by sale, assignment, transfer, lease, conveyance or other disposition the properties and assets of the Issuer (determined on a consolidated basis for the Issuer and its Restricted Subsidiaries) substantially as an entirety (the “Successor Issuer”):
 - (1) shall be a Person organized and validly existing under the laws of Mexico, the United States of America, any State thereof or the District of Columbia, Canada, France, Belgium, Germany, Italy, Luxembourg, the Netherlands, Portugal, Spain, Switzerland or the United Kingdom, or any political subdivision thereof (the “Permitted Merger Jurisdictions”); and
 - (2) shall expressly assume, by a supplemental indenture (in form and substance satisfactory to the Trustee), executed and delivered to the Trustee, the due and punctual payment of the principal of, and premium, if any, and interest on all of the Notes and the performance and observance of every covenant of the Notes and this Indenture on the part of the Issuer to be performed or observed and provide the Trustee with an Officer’s Certificate and Opinion of Counsel, and such transaction is otherwise in compliance with this Indenture;

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- (ii) immediately after giving effect to such transaction and the assumption contemplated by clause (i)(B)(2) of this Section 4.1(a) (including giving effect on a pro forma basis to any Indebtedness, including any Acquired Indebtedness, Incurred or anticipated to be Incurred or discharged in connection with or in respect of such transaction), the Issuer or such Successor Issuer, as the case may be:
- (A) shall have a Consolidated Fixed Charge Coverage Ratio that shall be not less than the Consolidated Fixed Charge Coverage Ratio of the Issuer immediately prior to such transaction; or
 - (B) shall be able to Incur at least U.S.\$1.00 of additional Indebtedness pursuant to Section 3.9(a);
- (iii) immediately before and immediately after giving effect to such transaction and the assumption contemplated by clause (i)(B)(2) of this Section 4.1(a) (including, without limitation, giving effect on a pro forma basis to any Indebtedness, including any Acquired Indebtedness, Incurred or anticipated to be Incurred or discharged and any Lien granted in connection with or in respect of the transaction), no Default or Event of Default shall have occurred or be continuing;
- (iv) in the case of a transaction resulting in a Successor Issuer, each Note Guarantor has confirmed by supplemental indenture that its Note Guarantee shall apply for Obligations of the Successor Issuer in respect of this Indenture and the Notes; and
- (v) if the Issuer merges with a Person, or the Successor Issuer is, organized under the laws of any of the Permitted Merger Jurisdictions, the Issuer or the Successor Issuer shall have delivered to the Trustee an Opinion of Counsel stating that, as applicable:
- (A) the Holders of the Notes shall not recognize income, gain or loss for the purposes of the income tax laws of the United States or the applicable Permitted Merger Jurisdiction as a result of the transaction and shall be taxed in the Holder's home jurisdiction in the same manner and on the same amounts (assuming solely for this purpose that no Additional Amounts are required to be paid on the Notes) and at the same times as would have been the case if the transaction had not occurred;
 - (B) any payment of interest or principal under or relating to the Notes or any Guarantees shall be paid in compliance with any requirements under Section 3.21; and
 - (C) no other taxes on income, including capital gains, shall be payable by Holders of the Notes under the laws of the United States or the applicable Permitted Merger Jurisdiction relating to the

acquisition, ownership or disposition of the Notes, including the receipt of interest or principal thereon; *provided*, that the Holder does not use or hold, and is not deemed to use or hold the Notes in carrying on a business in the United States or the applicable Permitted Merger Jurisdiction.

The provisions of clauses (ii) and (iii) of this Section 4.1(a) will not apply to:

- (x) any transfer of the properties or assets of a Restricted Subsidiary to the Issuer;
- (y) any merger of a Restricted Subsidiary into the Issuer; or
- (z) any merger of the Issuer into a Note Guarantor or a Wholly Owned Subsidiary of the Issuer.

For purposes of this Section 4.1, the transfer (by lease, assignment, sale or otherwise, in a single transaction or series of transactions) of all or substantially all of the properties or assets of one or more Restricted Subsidiaries of the Issuer, the Capital Stock of which constitutes all or substantially all of the properties and assets of the Issuer (determined on a consolidated basis for the Issuer and its Restricted Subsidiaries), shall be deemed to be the transfer of all or substantially all of the properties and assets of the Issuer.

The Successor Issuer will succeed to, and be substituted for, such Issuer under this Indenture and the Notes, as applicable. For the avoidance of doubt, compliance with this Section 4.1 will not affect the obligations of the Issuer (including a Successor Issuer, if applicable) under Section 3.8 if applicable.

(b) Each Note Guarantor shall not, and the Issuer shall not cause or permit any such Note Guarantor to, consolidate with or merge into, or sell or dispose of all or substantially all of its assets to, any Person (other than the Issuer) that is not a Note Guarantor unless:

- (i) such Person (if such Person is the surviving entity) (the "Successor Note Guarantor") assumes all of the obligations of such Note Guarantor in respect of its Note Guarantee by executing a supplemental indenture and providing the Trustee with an Officer's Certificate and Opinion of Counsel, and such transaction is otherwise in compliance with this Indenture;
- (ii) such Note Guarantee is to be released as provided under Section 10.2(b); or
- (iii) such sale or other disposition of substantially all of such Note Guarantor's assets is made in accordance with Section 3.12.

Subject to certain limitations described in this Indenture, the Successor Note Guarantor will succeed to, and be substituted for, such Note Guarantor under this Indenture and such Note Guarantor's Note Guarantee. The provisions of clauses (i), (ii) and (iii) of this Section 4.1(b) will not apply to:

- (x) any transfer of the properties or assets of a Note Guarantor to the Issuer or another Note Guarantor;
- (y) any merger of a Note Guarantor into the Issuer or another Note Guarantor; or
- (z) any merger of a Note Guarantor into a Wholly Owned Subsidiary of the Issuer.

ARTICLE V

OPTIONAL REDEMPTION OF NOTES

Section 5.1 Optional Redemption. The Issuer may redeem the Notes, at its option, in whole at any time or in part from time to time, subject to the conditions and at the redemption prices specified in the Form of Note in Exhibit A hereto.

Section 5.2 [Reserved].

Section 5.3 Notices to Trustee. If the Issuer elects to redeem the Notes pursuant to the optional redemption provisions of Section 5.1 hereof, it shall furnish to the Trustee, at least 45 days but not more than 60 days before the Redemption Date, an Officer's Certificate setting forth: (a) the Redemption Date, (b) the principal amount of Notes to be redeemed, (c) the ISIN numbers of the Notes, (d) the redemption price and (e) the amount of interest to be paid with respect to each multiple of €1,000 principal amount of Notes to be redeemed.

Section 5.4 Notice of Redemption.

(a) The Issuer shall prepare and mail or cause to be mailed a notice of redemption, in the manner provided for in Section 12.1, not less than 30 nor more than 60 days prior to the Redemption Date, to each Holder of Notes to be redeemed.

(b) All notices of redemption shall state:

- (i) the Redemption Date,
- (ii) the redemption price and the amount of any accrued interest payable as provided in Section 5.7,
- (iii) whether or not the Issuer is redeeming all Outstanding Notes,
- (iv) if the Issuer is not redeeming all Outstanding Notes, the aggregate principal amount of Notes that the Issuer is redeeming and the aggregate principal amount of Notes that will be Outstanding after the partial redemption, as well as the identification of the particular Notes, or portions of the particular Notes, that the Issuer is redeeming,

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- (v) if the Issuer is redeeming only part of a Note, the notice that relates to that Note shall state that on and after the Redemption Date, upon surrender of that Note, the Holder will receive, without charge, a new Note or Notes of authorized denominations for the principal amount of the Note remaining unredeemed,
 - (vi) that on the Redemption Date the redemption price and any accrued interest payable to the Redemption Date as provided in Section 5.7 will become due and payable in respect of each Note, or the portion of each Note, to be redeemed, and, unless the Issuer defaults in making the redemption payment, that interest on each Note, or the portion of each Note, to be redeemed, will cease to accrue on and after the Redemption Date,
 - (vii) the place or places where a Holder must surrender Notes for payment of the redemption price and any accrued interest payable on the Redemption Date, and
 - (viii) the ISIN number, if any, listed in the notice or printed on the Notes, and that no representation is made as to the accuracy or correctness of such ISIN number.

(c) At the Issuer's request, the Trustee shall give the notice of redemption in the Issuer's names and at its expense; provided, however, that the Issuer shall have delivered to the Trustee, at least 45 days prior to the Redemption Date, an Officer's Certificate requesting that the Trustee give such notice and setting forth the information to be stated in such notice as provided in the preceding Section 5.4(b).

Section 5.5 Selection of Notes to Be Redeemed in Part.

(a) If the Issuer is not redeeming all Outstanding Notes, the Trustee shall select the Notes to be redeemed in compliance with the requirements of the principal national securities exchange, if any, on which the Notes are listed or, if the Notes are not then listed on a national securities exchange, on a pro rata basis, by lot or by any other method as the Trustee shall deem fair and appropriate; provided, however, that if a partial redemption is made with the proceeds of an Equity Offering, selection of the Notes, or portions of the Notes, for redemption shall be made by the Trustee only on a pro rata basis, or on as nearly a pro rata basis as is practicable (subject to the procedures of Euroclear or Clearstream), unless the method is otherwise prohibited. The Trustee shall make the selection from the then Outstanding Notes not previously called for redemption. The Trustee shall promptly notify the Issuer in writing of the Notes selected for redemption and, in the case of any Notes selected for partial redemption, the principal amount of the Notes to be redeemed. In the event of a partial redemption by lot, the Trustee shall select the particular Notes to be redeemed not less than 30 nor more than 60 days prior to the relevant Redemption Date from the then Outstanding Notes not previously called-for

redemption. No Notes of €100,000 principal amount or less shall be redeemed in part. The Trustee may select for redemption portions with minimum denominations of €100,000 and in integral multiples of €1,000 in excess thereof.

(b) For all purposes of this Indenture, unless the context otherwise requires, all provisions relating to redemption of Notes shall relate, in the case of any Note redeemed or to be redeemed only in part, to the portion of the principal amount of that Note which has been or is to be redeemed.

Section 5.6 Deposit of Redemption Price. On or prior to 10:00 a.m. London time, on the Business Day prior to the Redemption Date, the Issuer shall deposit with the Trustee or with a Paying Agent (or, if the Issuer or a Note Guarantor is acting as the Paying Agent, segregate and hold in trust as provided in Section 2.4) an amount of money in immediately available funds sufficient to pay the redemption price of, and accrued interest on, all the Notes that the Issuer is redeeming on that date.

Section 5.7 Notes Payable on Redemption Date. If the Issuer, or the Trustee on behalf of the Issuer, gives notice of redemption in accordance with this Article V, the Notes, or the portions of Notes, called-for redemption, shall, on the Redemption Date, become due and payable at the redemption price specified in the notice (together with accrued interest, if any, to the Redemption Date), and from and after the Redemption Date (unless the Issuer shall default in the payment of the redemption price and accrued interest) the Notes or the portions of Notes shall cease to bear interest. Upon surrender of any Note for redemption in accordance with the notice, the Issuer shall pay the Notes at the redemption price, together with accrued interest, if any, to the Redemption Date (subject to the rights of Holders of record on the relevant record date to receive interest due on the relevant Interest Payment Date). If the Issuer shall fail to pay any Note called-for redemption upon its surrender for redemption, the principal shall, until paid, bear interest from the Redemption Date at the rate borne by the Notes.

Section 5.8 Unredeemed Portions of Partially Redeemed Note. Upon surrender of a Note that is to be redeemed in part, the Issuer shall execute, and the Trustee shall authenticate and make available for delivery to the Holder of the Note, at the expense of the Issuer, a new Note or Notes, of any authorized denomination as requested by the Holder, in an aggregate principal amount equal to, and in exchange for, the unredeemed portion of the principal of the Note surrendered, *provided*, that each new Note will be in a principal amount of €100,000 and in integral multiples of €1,000 in excess thereof.

ARTICLE VI

DEFAULTS AND REMEDIES

Section 6.1 Events of Default.

(a) Each of the following is an “Event of Default”:

- (i) default in the payment when due of the principal of or premium, if any, on any Notes, including the failure to make a required payment to purchase Notes tendered pursuant to an optional redemption, a Change of Control Offer or an Asset Sale Offer;

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- (ii) default for 30 days or more in the payment when due of interest or Additional Amounts on any Notes;
 - (iii) the failure to perform or comply with any of the provisions described under Article IV;
 - (iv) the failure by the Issuer or any Restricted Subsidiary to comply with, or in the case of non-guarantor Restricted Subsidiaries, to perform according to, any other covenant or agreement contained in this Indenture or in the Notes for 45 days or more after written notice to the Issuer from the Trustee or the Holders of at least 25% in aggregate principal amount of the then Outstanding Notes;
 - (v) default by the Issuer or any Restricted Subsidiary under any Indebtedness which:
 - (A) is caused by a failure to pay principal of, or premium, if any, when due or interest on such Indebtedness prior to the later of the expiration of any applicable grace period provided in such Indebtedness on the date of such default or five (5) days past when due; or
 - (B) results in the acceleration of such Indebtedness prior to its stated maturity;and the principal or accreted amount of Indebtedness covered by clauses (v)(A) or (v)(B) of this Section 6.1(a) at the relevant time, aggregates U.S.\$50 million or more;
 - (vi) failure by the Issuer or any of its Restricted Subsidiaries to pay one or more final judgments against any of them, aggregating U.S.\$100 million or more, which judgment(s) are not paid, discharged or stayed for a period of 60 days or more;
 - (vii) a Bankruptcy Event of Default; or
 - (viii) except as permitted herein, any Note Guarantee is held to be unenforceable or invalid in a judicial proceeding or ceases for any reason to be in full force and effect or any Note Guarantor, or any Person acting on behalf of any Note Guarantor, denies or disaffirms such Note Guarantor's obligations under its Note Guarantee.

The foregoing will constitute Events of Default whatever the reason for any such Event of Default and whether it is voluntary or involuntary or is effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body.

(b) The Issuer shall deliver within 30 days to the Trustee written notice of any event which would constitute a Default or Event of Default, their status and what action the Issuer is taking or proposes to take in respect thereof.

Section 6.2 Acceleration.

(a) If an Event of Default (other than an Event of Default specified in clause (vii) of Section 6.1(a) above with respect to the Issuer) shall occur and be continuing, the Trustee or the Holders of at least 25% in principal amount of then Outstanding Notes may declare the unpaid principal of (and premium, if any) and accrued and unpaid interest on all the Notes to be immediately due and payable by notice in writing to the Issuer and the Trustee specifying the Event of Default and that it is a "notice of acceleration." If an Event of Default specified in clause (vii) of Section 6.1(a) above occurs with respect to the Issuer, then the unpaid principal of (and premium, if any) and accrued and unpaid interest on all the Notes will become immediately due and payable without any declaration or other act on the part of the Trustee or any Holder.

(b) At any time after a declaration of acceleration with respect to the Notes as described in the preceding paragraph, the Holders of a majority in principal amount of the Notes may rescind and cancel such declaration and its consequences:

- (i) if the rescission would not conflict with any judgment or decree;
- (ii) if all existing Events of Default have been cured or waived, except nonpayment of principal or interest that has become due solely because of the acceleration;
- (iii) to the extent the payment of such interest is lawful, interest on overdue installments of interest and overdue principal, which has become due otherwise than by such declaration of acceleration, has been paid; and
- (iv) if the Issuer has paid the Trustee its reasonable compensation and reimbursed the Trustee for its reasonable expenses, disbursements and advances.

Section 6.3 Other Remedies.

(a) If an Event of Default occurs and is continuing, the Trustee may pursue any available remedy to collect the payment of principal of and interest on the Notes or to enforce the performance of any provision of the Notes or this Indenture.

(b) The Trustee may maintain a proceeding even if it does not possess any of the Notes or does not produce any of them in the proceeding. A delay or omission by the Trustee or any Holder in exercising any right or remedy accruing upon an Event of Default shall not impair the right or remedy or constitute a waiver of or acquiescence in the Event of Default. No remedy is exclusive of any other remedy. All available remedies are cumulative to the extent permitted by law.

Section 6.4 Waiver of Past Defaults. Subject to Section 6.2, the Holders of a majority in principal amount of the then Outstanding Notes may waive any existing Default or Event of Default, and its consequences, except a default in the payment of the principal of, premium, if any, or interest on any Notes.

Section 6.5 Control by Majority. The Holders of a majority in principal amount of the then Outstanding Notes may direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or of exercising any trust or power conferred on the Trustee. Subject to Section 7.1 and Section 7.2, however, the Trustee may refuse to follow any direction that conflicts with law or this Indenture; *provided, however*, that the Trustee may take any other action deemed proper by the Trustee that is not inconsistent with such direction.

Section 6.6 Limitation on Suits.

(a) No Holder of any Notes shall have any right to institute any proceeding with respect hereto or for any remedy hereunder, unless:

- (i) such Holder gives to the Trustee written notice of a continuing Event of Default;
- (ii) Holders of at least 25% in principal amount of the then Outstanding Notes make a written request to pursue the remedy;
- (iii) such Holders of the Notes provide to the Trustee indemnity satisfactory to it;
- (iv) the Trustee does not comply within 60 days; and
- (v) during such 60 day period the Holders of a majority in principal amount of the then Outstanding Notes do not give the Trustee a written direction which, in the opinion of the Trustee, is inconsistent with the request;

provided, that a Holder of a Note may institute suit for enforcement of payment of the principal of and premium, if any, or interest on such Note on or after the respective due dates expressed in such Note.

Section 6.7 Rights of Holders to Receive Payment. Notwithstanding any other provision of this Indenture (including, without limitation, Section 6.6), the right of any Holder to receive payment of principal or interest on the Notes held by such Holder, on or after the respective due dates, Redemption Dates or repurchase date expressed in this Indenture or the Notes, or to bring suit for the enforcement of any such payment on or after such respective dates, shall not be impaired or affected without the consent of such Holder.

Section 6.8 Collection Suit by Trustee. If an Event of Default specified in clause (i) and (ii) of Section 6.1(a) occurs and is continuing, the Trustee may recover judgment in its own name and as trustee of an express trust against the Issuer and each Note Guarantor for the whole amount then due and owing (together with applicable interest on any overdue principal and, to the extent lawful, interest on overdue interest) and the amounts provided for in Section 7.7.

Section 6.9 Trustee May File Proofs of Claim, etc.

- (a) The Trustee may (irrespective of whether the principal of the Notes is then due):
- (i) file such proofs of claim and other papers or documents as may be necessary or advisable in order to have the claims of the Trustee and the Holders under this Indenture and the Notes allowed in any bankruptcy, insolvency, liquidation or other judicial proceedings relative to the Issuer, any Note Guarantor or any Subsidiary of the Issuer or their respective creditors or properties; and
 - (ii) collect and receive any monies or other property payable or deliverable in respect of any such claims and distribute them in accordance with this Indenture.

Any receiver, trustee, liquidator, sequestrator (or other similar official) in any such proceeding is hereby authorized by each Holder to make such payments to the Trustee and, in the event that the Trustee shall consent to the making of such payments directly to the Holders, to pay to the Trustee any amount due to it for the reasonable compensation, expenses, taxes, disbursements and advances of the Trustee, its agent and counsel, and any other amounts due to the Trustee pursuant to Section 7.7.

(b) Nothing in this Indenture shall be deemed to authorize the Trustee to authorize or consent to or accept or adopt on behalf of any Holder any plan of reorganization, arrangement, adjustment or composition affecting the Notes or the rights of any Holder thereof, or to authorize the Trustee to vote in respect of the claim of any Holder in any such proceeding.

Section 6.10 Priorities. If the Trustee collects any money or property pursuant to this Article VI, it shall pay out the money or property in the following order:

FIRST: to the Trustee for amounts due under Section 7.7;

SECOND: if the Holders proceed against the Issuer directly without the Trustee in accordance with this Indenture, to Holders for their collection costs;

THIRD: to Holders for amounts due and unpaid on the Notes for principal and interest, ratably, without preference or priority of any kind, according to the amounts due and payable on the Notes for principal and interest, respectively; and

FOURTH: to the Issuer or, to the extent the Trustee collects any amount pursuant to Article X hereof from any Note Guarantor, to such Note Guarantor, or to such party as a court of competent jurisdiction shall direct.

The Trustee may, upon notice to the Issuer, fix a record date and payment date for any payment to Holders pursuant to this Section 6.10.

Section 6.11 Undertaking for Costs. In any suit for the enforcement of any right or remedy under this Indenture or in any suit against the Trustee for any action taken or omitted by it as Trustee, a court in its discretion may require the filing by any party litigant in the suit of an undertaking to pay the costs of the suit, and the court in its discretion may assess reasonable costs, including reasonable attorneys' fees, against any party litigant in the suit, having due regard to the merits and good faith of the claims or defenses made by the party litigant. This Section 6.11 does not apply to a suit by the Trustee, a suit by the Issuer, a suit by a Holder pursuant to Section 6.7 or a suit by Holders of more than 10% in principal amount of Outstanding Notes.

ARTICLE VII

TRUSTEE

Section 7.1 Duties of Trustee.

(a) If a Default or an Event of Default has occurred and is continuing, the Trustee shall exercise the rights and powers vested in it by this Indenture and use the same degree of care and skill in their exercise as a prudent man would exercise or use under the circumstances in the conduct of his own affairs.

(b) Except during the continuance of a Default or an Event of Default:

- (i) the Trustee undertakes to perform such duties and only such duties as are specifically set forth in this Indenture and no implied covenants or obligations shall be read into this Indenture against the Trustee; and
- (ii) in the absence of bad faith on its part, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Trustee and conforming to the requirements of this Indenture. However, in the case of any such certificates or opinions that by any provisions hereof are specifically required to be furnished to the Trustee, the Trustee shall examine such certificates and opinions to determine whether or not they conform to the requirements of this Indenture.

(c) The Trustee may not be relieved from liability for its own negligent action, its own negligent failure to act or its own willful misconduct, except that:

- (i) this clause (c) does not limit the effect of clause (b) of this Section 7.1;

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- (ii) the Trustee shall not be liable for any error of judgment made in good faith by a Trust Officer unless it is proved that the Trustee was negligent in ascertaining the pertinent facts; and
 - (iii) the Trustee shall not be liable with respect to any action it takes or omits to take in good faith in accordance with a direction received by it pursuant to Section 6.2, 6.4 or 6.5.

(d) The Trustee shall not be liable for interest on any money received by it except as the Trustee may agree in writing with the Issuer.

(e) Money held in trust by the Trustee need not be segregated from other funds except to the extent required by law.

(f) No provision of this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur financial liability in the performance of any of its duties hereunder or in the exercise of any of its rights or powers, if it shall have reasonable grounds to believe that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

(g) Every provision of this Indenture relating to the conduct or affecting the liability of or affording protection to the Trustee shall be subject to the provisions of this Article VII.

(h) Unless otherwise specifically provided in this Indenture, any demand, request, direction or notice from the Issuer shall be sufficient if signed by an Officer of the Issuer.

(i) The Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request or direction of any of the Holders unless such Holders shall have offered to the Trustee reasonable security or indemnity against the costs, expenses (including reasonable attorneys' fees and expenses) and liabilities that might be incurred by it in compliance with such request or direction.

Section 7.2 Rights of Trustee.

Subject to Section 7.1:

- (a) The Trustee may rely on any document reasonably believed by it to be genuine and to have been signed or presented by the proper person. The Trustee need not investigate any fact or matter stated in the document.
- (b) Before the Trustee acts or refrains from acting at the direction of the Issuer or any Note Guarantor, it may require an Officer's Certificate or an Opinion of Counsel. The Trustee shall not be liable for any action it takes or omits to take in good faith in reliance on an Officer's Certificate or Opinion of Counsel.
- (c) The Trustee may act through its attorneys and agents and shall not be responsible for the misconduct or negligence of any agent appointed with due care.
- (d) The Trustee shall not be liable for any action it takes or omits to take in good faith which it believes to be authorized or within its rights or powers; provided, however, that the Trustee's conduct does not constitute willful misconduct or negligence.
- (e) The Trustee may consult with counsel of its selection, and the advice or opinion of counsel with respect to legal matters relating to this Indenture and the Notes shall be full and complete authorization and protection from liability in respect to any action taken, omitted or suffered by it hereunder in good faith and in accordance with the advice or opinion of such counsel.
- (f) If the Trustee shall determine, it shall be entitled to examine the books, records and premises of the Issuer, personally or by agent or attorney.
- (g) The Trustee shall not be deemed to have notice of any Default or Event of Default unless a Trust Officer of the Trustee has received written notice at the Corporate Trust Office of any event which is in fact such a default, and such notice references the Notes and this Indenture.
- (h) The rights, privileges, protections, immunities and benefits given to the Trustee, including, without limitation, its right to be indemnified, are extended to, and shall be enforceable by, the Trustee in each of its capacities hereunder, and to each agent, custodian and other Person employed to act hereunder.
- (i) The Trustee may request that the Issuer deliver an Officer's Certificate setting forth the names of individuals and/or titles of officers authorized at such time to take specified actions pursuant to this Indenture, which Officer's Certificate may be signed by any Person authorized to sign an Officer's Certificate, including any Person specified as so authorized in any such certificate previously delivered and not superseded.
- (j) The permissive rights of the Trustee enumerated herein shall not be construed as duties.

(k) In no event shall the Trustee be liable, directly or indirectly, for any special, indirect, punitive or consequential damages, even if the Trustee has been advised of the possibility of such damages.

(l) The Trustee shall not be responsible or liable for any failure or delay in the performance of its obligations under this Indenture arising out of or caused, directly or indirectly, by circumstances beyond its reasonable control, including without limitation, acts of God; earthquakes; fires; floods; wars; civil or military disturbances; sabotage; epidemics; riots, interruptions, loss or malfunctions of utilities, computer (hardware or software) or communications service; accidents; labor disputes; acts of civil or military authority or governmental actions; it being understood that the Trustee shall use its best efforts to resume performance as soon as practicable under the circumstances.

(m) The Trustee shall at no time have any responsibility or liability for or in respect to the legality, validity or enforceability of any Collateral or any arrangement or agreement between the Issuer and any other Person with respect thereto, or the perfection or priority of any security interest created in any of the Collateral or maintenance of any perfection and priority, or for or with respect to the sufficiency of the Collateral following an Event of Default.

Section 7.3 Individual Rights of Trustee. The Trustee in its individual or any other capacity may become the owner or pledgee of Notes and may otherwise deal with the Issuer, the Note Guarantors or any Affiliate of the Issuer with the same rights it would have if it were not Trustee. Any Paying Agent, Transfer Agent, Registrar or co-Registrar may do the same with like rights. However, the Trustee must comply with Section 7.10.

Section 7.4 Trustee's Disclaimer. The Trustee shall not be responsible for and makes no representation as to the validity or adequacy of this Indenture or the Notes, it shall not be accountable for the Issuer's use of the proceeds from the Notes, and it shall not be responsible for any statement of the Issuer in this Indenture or in any document issued in connection with the sale of the Notes or in the Notes other than the Trustee's certificate of authentication.

Section 7.5 Notice of Defaults. If a Default or Event of Default occurs and is continuing and if a Trust Officer has actual knowledge thereof, the Trustee shall mail to each Holder notice of the Default or Event of Default within 90 days after the occurrence thereof. Except in the case of a Default or Event of Default in payment of principal or interest on any Note (including payments pursuant to the optional redemption or required repurchase provisions of such Note, if any), the Trustee may withhold the notice if and so long as a committee of its Trust Officers in good faith determines that withholding the notice is in the interests of the Holders.

Section 7.6 [Reserved].

Section 7.7 Compensation and Indemnity.

(a) The Issuer shall pay to the Trustee from time to time reasonable compensation for its acceptance of this Indenture and services hereunder as the Issuer and the Trustee shall from time to time agree in writing. The Trustee's compensation shall not be

limited by any law on compensation of a trustee of an express trust. The Issuer shall reimburse the Trustee upon request for all reasonable out-of-pocket expenses incurred or made by it, including costs of collection, costs of preparing and reviewing reports, certificates and other documents, costs of preparation and mailing of notices to Holders and reasonable costs of counsel retained by the Trustee in connection with the review, negotiation, execution and delivery of this Indenture or otherwise, in addition to the compensation for its services. Such expenses shall include the reasonable compensation and expenses, disbursements and advances of the Trustee's agents, counsel, accountants and experts.

(b) The Issuer and each Note Guarantor shall jointly and severally indemnify the Trustee against any and all loss, liability or expense (including reasonable attorneys' fees and expenses) incurred by it without negligence, willful misconduct or bad faith on its part in connection with the acceptance and administration of this trust and the performance of its duties hereunder, including the costs and expenses of enforcing this Indenture (including this [Section 7.7](#)) and of defending itself against any claims (whether asserted by any Holder, the Issuer, any Note Guarantor or otherwise). The Trustee shall notify the Issuer and each Note Guarantor promptly of any claim for which it may seek indemnity. Failure by the Trustee to so notify the Issuer or any Note Guarantor shall not relieve the Issuer or any Note Guarantor of its obligations hereunder. The Issuer shall defend the claim and the Trustee may have separate counsel and the Issuer shall pay the fees and expenses of such counsel; *provided*, that the Issuer shall not be required to pay such fees and expenses if it assumes the Trustee's defense, and, in the reasonable judgment of outside counsel to the Trustee, there is no conflict of interest between the Issuer and the Trustee in connection with such defense. The Issuer need not reimburse any expense or indemnify against any loss, liability or expense incurred by the Trustee through the Trustee's own willful misconduct, negligence or bad faith.

(c) To secure the Issuer's payment obligations in this [Section 7.7](#), the Trustee shall have a lien prior to the Notes on all money or property held or collected by the Trustee other than money or property held in trust to pay principal of and interest on particular Notes. The Trustee's right to receive payment of any amounts due under this [Section 7.7](#) shall not be subordinate to any other liability or Indebtedness of the Issuer.

(d) The Issuer's obligations pursuant to this [Section 7.7](#) shall survive the discharge of this Indenture and the resignation or removal of the Trustee. When the Trustee incurs expenses after the occurrence of a Bankruptcy Event of Default, the expenses are intended to constitute expenses of administration under any Bankruptcy Law; *provided, however*, that this shall not affect the Trustee's rights as set forth in this [Section 7.7](#) or [Section 6.10](#).

Section 7.8 [Replacement of Trustee](#).

(a) The Trustee may resign at any time by so notifying the Issuer. The Holders of a majority in principal amount of the then Outstanding Notes may remove the Trustee by so notifying the Trustee and may appoint a successor Trustee reasonably acceptable to the Issuer. The Issuer shall remove the Trustee if:

- (i) the Trustee fails to comply with [Section 7.10](#);

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- (ii) the Trustee is adjudged bankrupt or insolvent;
 - (iii) a receiver or other public officer takes charge of the Trustee or its property; or
 - (iv) the Trustee otherwise becomes incapable of acting.

(b) If the Trustee resigns or is removed by the Issuer or by the Holders of a majority in principal amount of the then Outstanding Notes and such Holders do not reasonably promptly appoint a successor Trustee, or if a vacancy exists in the office of the Trustee for any reason (the Trustee in such event being referred to herein as the retiring Trustee), the Issuer shall promptly appoint a successor Trustee.

(c) A successor Trustee shall deliver a written acceptance of its appointment to the retiring Trustee and to the Issuer. Thereupon the resignation or removal of the retiring Trustee shall become effective, and the successor Trustee shall have all the rights, powers and duties of the Trustee under this Indenture. The successor Trustee shall mail a notice of its succession to Holders. The retiring Trustee shall promptly transfer all property held by it as Trustee to the successor Trustee, subject to the lien provided for in Section 7.7(c).

(d) If a successor Trustee does not take office within 30 days after the retiring Trustee resigns or is removed, the retiring Trustee or the Holders of 10% in principal amount of the then Outstanding Notes may petition, at the Issuer's expense, any court of competent jurisdiction for the appointment of a successor Trustee.

(e) If the Trustee fails to comply with Section 7.10, any Holder may petition any court of competent jurisdiction for the removal of the Trustee and the appointment of a successor Trustee.

(f) Notwithstanding the replacement of the Trustee pursuant to this Section 7.8, the Issuer's obligations under Section 7.7 shall continue for the benefit of the retiring Trustee.

Section 7.9 Successor Trustee by Merger.

(a) If the Trustee consolidates with, merges or converts into, or transfers all or substantially all its corporate trust business or assets to, another Person, the resulting, surviving or transferee Person without any further act shall be the successor Trustee.

(b) In case at the time such successor or successors to the Trustee shall succeed to the trusts created by this Indenture, any of the Notes shall have been authenticated but not delivered, any such successor to the Trustee may adopt the certificate of authentication of any predecessor trustee, and deliver such Notes so authenticated; and in case at that time any of the Notes shall not have been authenticated, any successor to the Trustee may authenticate such Notes either in the name of any predecessor hereunder or in the name of the successor to the Trustee; and in all such cases such certificates of authentication and such delivery shall be valid for purposes of this Indenture.

Section 7.10 Eligibility; Disqualification. The Trustee shall at all times be a Trustee hereunder that is a Person organized and doing business under the laws of the United States or of any state thereof that is authorized under such laws to exercise corporate trustee power, that is subject to supervision or examination by federal or state authorities and that has, together with its parent, a combined capital and surplus of at least U.S.\$50,000,000 as set forth in its most recent published annual report of condition.

Section 7.11 [Reserved].

Section 7.12 [Reserved].

Section 7.13 Authorization and Instruction of the Trustee With Respect to the Collateral. Each Holder and the Issuer authorize and instruct the Trustee (a) to enter into (or cause an agent or grant such powers of attorney to enter into), on its own behalf and on behalf of the Holders of Notes, such documents (the "Security Documents") as are necessary or desirable (which shall be evidenced by a written instruction from the Issuer to the Trustee) in order to create and maintain the security interest of the Trustee and the Holders of Notes in the Collateral as may from time to time be provided to equally and ratably secure the Notes, (b) to grant such powers of attorney and to do or cause to be done all such acts and things, on its own behalf and in the name and on behalf of the Holders of Notes, as are necessary or desirable (which shall be evidenced by a written instruction from the Issuer to the Trustee) to create and maintain the security interest of the Trustee and the Holders of Notes in such Collateral, (c) to appoint the Security Agent to serve as direct representative of the Trustee and the Holders of Notes in connection with the creation and maintenance of the security interest of the Trustee and the Holders of Notes in such Collateral, (d) to accept the security interest in the Collateral on behalf of each Holder, and (e) to grant powers in favor of an attorney to execute an accession public deed before a Spanish notary public accepting the security interest in the Collateral on behalf of the Holders of Notes. It is understood and acknowledged that, in certain circumstances, the Security Documents may be amended, modified or waived without the consent of the Trustee or the Holders of Notes. It is understood and acknowledged that the Security Agent, in addition to being appointed by and acting on behalf of the Trustee and the Holders of Notes, has also been appointed by and is acting on behalf of (and may in the future be appointed by and act on behalf of) other creditors of the Issuer and its Subsidiaries. The Trustee will not have the right to cause the Security Agent to foreclose on the Collateral upon the occurrence of an Event of Default in respect of the Notes. The Trustee shall at no time have any responsibility or liability for or in respect to the legality, validity or enforceability of any Collateral or any arrangement or agreement between the Issuer and any other Person with respect thereto, or the perfection or priority of any security interest created in any of the Collateral or maintenance of any perfection and priority, or for or with respect to the sufficiency of the Collateral following an Event of Default.

ARTICLE VIII

DEFEASANCE; DISCHARGE OF INDENTURE

Section 8.1 Legal Defeasance and Covenant Defeasance.

(a) The Issuer may, at its option, at any time, elect to have either Section 8.1(b) or (c) be applied to all Outstanding Notes upon compliance with the conditions set forth in Section 8.2.

(b) Upon the Issuer's exercise under Section 8.1(a) of the option applicable to this clause (b), the Issuer shall, subject to the satisfaction of the conditions set forth in Section 8.2, be deemed to have been discharged from its obligations with respect to all Outstanding Notes on the date all of the conditions set forth in Section 8.2 are satisfied (hereinafter, "Legal Defeasance"). For this purpose, Legal Defeasance means that the Issuer shall be deemed to have paid and discharged the entire Indebtedness represented by the then Outstanding Notes, which shall thereafter be deemed to be Outstanding only for the purposes of Section 8.3 hereof and the other sections of this Indenture referred to in subclause (i) or (ii) of this clause (b), and to have satisfied all its other obligations under such Notes and this Indenture (and the Trustee, on demand of and at the expense of the Issuer, shall execute proper instruments acknowledging the same), except for the following provisions, which shall survive until otherwise terminated or discharged hereunder:

- (i) the rights of Holders of Outstanding Notes to receive solely from the trust fund described in Section 8.3, and as more fully set forth in Section 2.4 payments in respect of the principal of, premium, if any, and interest on such Notes when such payments are due,
- (ii) the Issuer's obligations with respect to such Notes under Article II and Section 3.2 hereof,
- (iii) the rights, powers, trusts, duties and immunities of the Trustee hereunder and the Issuer's obligations in connection therewith, and
- (iv) this Article VIII.

Subject to compliance with this Article VIII, the Issuer may exercise its option under this clause (b) notwithstanding the prior exercise of its option under Section 8.1(c) hereof.

(c) Upon the Issuer's exercise under Section 8.1(a) hereof of the option applicable to this clause (c), the Issuer shall, subject to the satisfaction of the applicable conditions set forth in Section 8.2, be released from its obligations under Sections 3.4, 3.5, 3.8, 3.9, 3.11, 3.12, 3.13, 3.14, 3.15, 3.16, 3.17, 3.18, 3.19, 3.20, 3.21, 3.22, 4.1(a) and 4.1(b) hereof with respect to the then Outstanding Notes on and after the date the conditions set forth below are satisfied (hereinafter, "Covenant Defeasance"), and the Notes shall thereafter be deemed not Outstanding for the purposes of any direction, waiver, consent or declaration or act of Holders (and the consequences of any thereof) in connection with such covenants, but shall continue to be Outstanding for all other purposes hereunder (it being understood that such Notes shall not be

deemed Outstanding for accounting purposes). For this purpose, such Covenant Defeasance means that, with respect to the then Outstanding Notes, the Issuer may omit to comply with and shall have no liability in respect of any term, condition or limitation set forth in any such covenant, whether directly or indirectly, by reason of any reference elsewhere herein to any such covenant or by reason of any reference in any such covenant to any other provision herein or in any other document and such omission to comply shall not constitute a Default or an Event of Default under clause (iii) of Section 6.1(a) (solely with respect to any failure to perform under or comply with clause (ii) or (iii) of Section 4.1(a)), clause (iv) of Section 6.1(a) or clause (v) of Section 6.1(a) hereof, but, except as specified above, the remainder of this Indenture and such Notes shall be unaffected thereby.

Section 8.2 Conditions to Defeasance. The Issuer may exercise its Legal Defeasance option or its Covenant Defeasance option only if:

(a) the Issuer has irrevocably deposited with the Trustee, in trust, for the benefit of the Holders cash in euros or European Government Obligations, in such amounts as will be sufficient without reinvestment, in the opinion of a nationally recognized firm of independent public accountants, to pay the principal of, premium, if any, and interest (including Additional Amounts) on the Notes on the stated date for payment thereof or on the applicable Redemption Date, as the case may be;

(b) in the case of Legal Defeasance, the Issuer has delivered to the Trustee an Opinion of Counsel reasonably acceptable to the Trustee (subject to customary exceptions and exclusions) and independent of the Issuer to the effect that:

- (i) the Issuer has received from, or there has been published by, the Internal Revenue Service a ruling; or
- (ii) since the Issue Date, there has been a change in the applicable U.S. federal income tax law,

in either case to the effect that, and based thereon such Opinion of Counsel shall state that, the Holders will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such Legal Defeasance and will be subject to U.S. federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Legal Defeasance had not occurred;

(c) in the case of Covenant Defeasance, the Issuer has delivered to the Trustee an Opinion of Counsel reasonably acceptable to the Trustee (subject to customary exceptions and exclusions) to the effect that the Holders will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such Covenant Defeasance and will be subject to U.S. federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Covenant Defeasance had not occurred;

(d) no Default or Event of Default shall have occurred and be continuing on the date of the deposit pursuant to Section 8.2(a) (except any Default or Event of Default resulting from the failure to comply with Section 3.9 as a result of the borrowing of the funds required to effect such deposit);

(e) the Trustee has received an Officer's Certificate stating that such Legal Defeasance or Covenant Defeasance shall not result in a breach or violation of, or constitute a default under this Indenture or any other material agreement or instrument to which the Issuer or any of its Subsidiaries is a party or by which the Issuer or any of its Subsidiaries is bound;

(f) the Issuer has delivered to the Trustee an Officer's Certificate stating that the deposit was not made by the Issuer with the intent of preferring the Holders over any other creditors of the Issuer or any Subsidiary of the Issuer or with the intent of defeating, hindering, delaying or defrauding any other creditors of the Issuer or others;

(g) the Issuer has delivered to the Trustee an Officer's Certificate and an Opinion of Counsel from counsel reasonably acceptable to the Trustee (subject to customary exceptions and exclusions) and independent of the Issuer, each stating that all conditions precedent provided for or relating to the Legal Defeasance or the Covenant Defeasance have been complied with; and

(h) the Issuer has delivered to the Trustee an Opinion of Counsel from counsel reasonably acceptable to the Trustee and independent of the Issuer to the effect that the trust resulting from the deposit does not constitute, or is qualified as, a regulated investment company under the Investment Company Act of 1940.

Section 8.3 Application of Trust Money. The Trustee shall hold in trust euros or European Government Obligations deposited with it pursuant to this Article VIII. It shall apply the deposited euros or European Government Obligations through the Paying Agent and in accordance with this Indenture to the payment of principal of and interest on the Notes.

Section 8.4 Repayment to Issuer.

(a) The Trustee and the Paying Agent shall promptly turn over to the Issuer upon request any excess money or securities held by them upon payment of all the obligations under this Indenture.

(b) Subject to any applicable abandoned property law, the Trustee and the Paying Agent shall pay to the Issuer upon request any money held by them for the payment of principal of, premium or interest on the Notes that remains unclaimed for two years, and, thereafter, Holders entitled to the money must look to the Issuer for payment as general creditors.

Section 8.5 Indemnity for European Government Obligations. The Issuer shall pay and shall indemnify the Trustee against any tax, fee or other charge imposed on or assessed against deposited European Government Obligations or the principal and interest received on such European Government Obligations.

Section 8.6 Reinstatement. If the Trustee or Paying Agent is unable to apply any euros or European Government Obligations in accordance with this Article VIII by reason of any legal proceeding or by reason of any order or judgment of any court or governmental authority enjoining, restraining or otherwise prohibiting such application, the obligations of the Issuer under this Indenture and the Notes shall be revived and reinstated as though no deposit had occurred pursuant to this Article VIII until such time as the Trustee or Paying Agent is permitted

to apply all such euros or European Government Obligations in accordance with this Article VIII; *provided, however*, that, if the Issuer has made any payment of principal of, premium or interest on any Notes because of the reinstatement of its obligations, the Issuer shall be subrogated to the rights of the Holders of such Notes to receive such payment from euros or European Government Obligations held by the Trustee or Paying Agent.

Section 8.7 Satisfaction and Discharge. This Indenture will be discharged and will cease to be of further effect (except as to surviving rights of registration of transfer or exchange of the Notes, as expressly provided for in this Indenture) as to all Outstanding Notes when:

(a) either:

- (i) all the Notes theretofore authenticated and delivered (except lost, stolen or destroyed Notes which have been replaced or paid and Notes for whose payment money has theretofore been deposited in trust or segregated and held in trust by the Issuer and thereafter repaid to the Issuer or discharged from such trust) have been delivered to the Trustee for cancellation; or
- (ii) all Notes not theretofore delivered to the Trustee for cancellation have become due and payable, and the Issuer has irrevocably deposited or caused to be deposited with the Trustee euros or European Government Obligations sufficient without reinvestment to pay and discharge the entire Indebtedness on the Notes not theretofore delivered to the Trustee for cancellation, for principal of, premium, if any, and interest on the Notes to the date of deposit, together with irrevocable instructions from the Issuer directing the Trustee to apply such funds to the payment;

(b) the Issuer has paid all other sums payable under this Indenture and the Notes by it; and

(c) the Issuer has delivered to the Trustee an Officer's Certificate and an Opinion of Counsel stating that all conditions precedent under this Indenture relating to the satisfaction and discharge of this Indenture have been complied with.

ARTICLE IX

AMENDMENTS

Section 9.1 Without Consent of Holders.

(a) The Issuer, the Note Guarantors and the Trustee may amend or supplement this Indenture, the Notes or the Note Guarantees without notice to or consent of any Holder:

- (i) to cure any ambiguity, omission, defect or inconsistency;

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- (ii) to comply with Article IV in respect of the assumption by a Successor Issuer of the obligations of the Issuer under the Notes and this Indenture;
 - (iii) to provide for uncertificated Notes in addition to or in place of Certificated Notes; provided, however, that the uncertificated Notes are issued in registered form for purposes of Section 163(f) of the Code;
 - (iv) to add guarantees with respect to the Notes or to secure the Notes;
 - (v) to add to the covenants of the Issuer or the Note Guarantors for the benefit of the Holders or to surrender any right or power herein conferred upon the Issuer or the Note Guarantors;
 - (vi) to make any change that does not, in the opinion of the Issuer, as conclusively evidenced by an Officer's Certificate to such effect, adversely affect the rights of any Holder in any material respect;
 - (vii) to conform the text of this Indenture, the Note Guarantees or the Notes to any provision of the section "Description of Notes" in the Offering Memorandum to the extent that such provision in such "Description of Notes" was intended to be a verbatim recitation of a provision of this Indenture or the Notes or Note Guarantees;
 - (viii) to comply with the requirements of any applicable securities depository;
 - (ix) to provide for the issuance of Additional Notes as permitted by Section 2.2(c) and Section 2.14, which will have terms substantially identical to the other Outstanding Notes except as specified in Section 2.13, or Section 2.14, and which will be treated, together with any other Outstanding Notes, as a single issue of securities; or
 - (x) in order to effect and maintain the listing of the Notes on the Global Exchange Market of the Irish Stock Exchange.

(b) After an amendment or supplement under this Section 9.1 becomes effective, the Issuer shall mail to Holders a notice briefly describing such amendment. The failure to give such notice to all Holders, or any defect therein, shall not impair or affect the validity of an amendment under this Section 9.1.

Section 9.2 With Consent of Holders.

(a) The Issuer, the Note Guarantors and the Trustee may amend or supplement this Indenture or the Notes without notice to any Holder but with the written consent of the Holders of at least a majority in principal amount of the then Outstanding Notes (including, without limitation, consents obtained in connection with a purchase of, or tender offer

or exchange offer for, Notes). Subject to Section 6.4, the Holder or Holders of a majority in aggregate principal amount of the then Outstanding Notes may waive compliance by the Issuer and the Note Guarantors with any provision of this Indenture or the Notes. However, without the consent of each Holder affected, an amendment, supplement or waiver may not:

- (i) reduce the amount of Notes whose Holders must consent to an amendment, supplement or waiver;
- (ii) reduce the rate of or change or have the effect of changing the time for payment of interest, including Defaulted Interest, on any Notes;
- (iii) reduce the principal of or change or have the effect of changing the fixed maturity of any Notes, or change the date on which any Notes may be subject to redemption, or reduce the redemption price therefor;
- (iv) make any Notes payable in money other than that stated in the Notes;
- (v) make any change in the provisions of this Indenture entitling each Holder to receive payment of principal of, premium, if any, and interest on such Notes on or after the due date thereof or to bring suit to enforce such payment, or permitting Holders of a majority in principal amount of the then Outstanding Notes to waive Defaults or Events of Default;
- (vi) amend, change or modify in any material respect any obligations of the Issuer to make and consummate a Change of Control Offer in respect of a Change of Control that has occurred or make and consummate an Asset Sale Offer with respect to any Asset Sale that has been consummated;
- (vii) make any change in the provisions of this Indenture described under Section 3.21 that adversely affects the rights of any Holder or amend the terms of the Notes in a way that would result in a loss of exemption from Taxes; or
- (viii) make any change to the provisions of this Indenture or the Notes that adversely affect the ranking of the Notes.

(b) It shall not be necessary for the consent of the Holders under this Section 9.2 to approve the particular form of any proposed amendment, supplement or waiver but it shall be sufficient if such consent approves the substance thereof.

(c) After an amendment, supplement or waiver under this Section 9.2 becomes effective, the Issuer shall mail to Holders a notice briefly describing such amendment, supplement or waiver. The failure to give such notice to all Holders, or any defect therein, shall not impair or affect the validity of an amendment, supplement or waiver under this Section 9.2.

(d) The Notes issued on the Issue Date, and any Additional Notes part of the same series, will be treated as a single series for all purposes under this Indenture, including with respect to waivers and amendments. For the purposes of calculating the aggregate principal amount of Notes that have consented to or voted in favor of any amendment, waiver, consent, modifications or other similar action, the Issuer (acting reasonably and in good faith) shall be entitled to select a record date as of which the principal amount of any Notes shall be calculated in such consent or voting process.

Section 9.3 [Reserved].

Section 9.4 Revocation and Effect of Consents and Waivers.

(a) A consent to an amendment, supplement or waiver by a Holder of a Note shall bind the Holder and every subsequent Holder of that Note or portion of the Note that evidences the same debt as the consenting Holder's Note, even if notation of the consent or waiver is not made on the Note. However, any such Holder or subsequent Holder may revoke the consent or waiver as to such Holder's Note or portion of the Note if the Trustee receives the notice of revocation before the date the amendment, supplement or waiver becomes effective. After an amendment, supplement or waiver becomes effective, it shall bind every Holder, except as otherwise provided in this Article IX. An amendment, supplement or waiver shall become effective upon receipt by the Trustee of the requisite number of written consents under Section 9.2.

(b) The Issuer may, but shall not be obligated to, fix a record date for the purpose of determining the Holders entitled to give their consent or take any other action described above or required or permitted to be taken pursuant to this Indenture. If a record date is fixed, then notwithstanding the immediately preceding paragraph, those Persons who were Holders at such record date (or their duly designated proxies), and only those Persons, shall be entitled to give such consent or to revoke any consent previously given or to take any such action, whether or not such Persons continue to be Holders after such record date. No such consent shall be valid or effective for more than 90 days after such record date.

Section 9.5 Notation on or Exchange of Notes. If an amendment or supplement changes the terms of a Note, the Trustee may require the Holder of the Note to deliver it to the Trustee. The Trustee may place an appropriate notation on the Note regarding the changed terms and return it to the Holder. Alternatively, if the Issuer or the Trustee so determines, the Issuer, in exchange for the Note, will execute and upon Issuer Order, the Trustee will authenticate and make available for delivery a new Note that reflects the changed terms. Failure to make the appropriate notation or to issue a new Note shall not affect the validity of such amendment or supplement.

Section 9.6 Trustee to Sign Amendments and Supplements. The Trustee shall sign any amendment, supplement or waiver authorized pursuant to this Article IX if the amendment or supplement does not adversely affect the rights, duties, liabilities or immunities of the Trustee. If it does, the Trustee may but need not sign it. In signing such amendment, supplement or waiver, the Trustee shall be entitled to receive indemnity reasonably satisfactory to it and to receive, and (subject to Section 7.1 and Section 7.2) shall be fully protected in relying upon, in

addition to the documents required by Section 12.4, an Opinion of Counsel and an Officer's Certificate each stating that such amendment, supplement or waiver is authorized or permitted by this Indenture and that all conditions precedent to the execution of such amendment, supplement or waiver have been complied with.

ARTICLE X

NOTE GUARANTEES

Section 10.1 Note Guarantees.

(a) Each Note Guarantor hereby fully and unconditionally guarantees, as primary obligor and not merely as surety, jointly and severally with each other Note Guarantor, to each Holder and the Trustee, the full and punctual payment when due, whether at maturity, by acceleration, by redemption or otherwise, of the Obligations (such guaranteed Obligations, the "Guaranteed Obligations"). Each Note Guarantor further agrees that its Note Guarantee herein constitutes a guarantee of payment when due (and not a guarantee of collection) and agrees to pay, in addition to the amounts stated in Section 10.1(f), any and all expenses (including reasonable counsel fees and expenses) incurred by the Trustee or the Holders in enforcing or exercising any rights under any Note Guarantee.

(b) In no event shall the Trustee or the Holders be obligated to take any action, obtain any judgment or file any claim prior to enforcing or exercising any rights under any Note Guarantee.

(c) Each Note Guarantor further agrees that its Note Guarantee constitutes an absolute and unconditional and continuing guarantee. Each Note Guarantor hereby waives, to the extent permitted by law:

- (i) any claim as to the legality, validity, regularity or enforceability of this Indenture, the Notes or any other agreement;
- (ii) any claim as to the lack of authority of the Issuer to execute or deliver this Indenture, the Notes or any other agreement;
- (iii) diligence, presentation to, demand of payment from and protest to the Issuer of any of the Obligations and notice of protest for nonpayment;
- (iv) the occurrence of any Default or Event of Default under this Indenture, the Notes or any other agreement;
- (v) notice of any Default or Event of Default under this Indenture, the Notes or any other agreement;
- (vi) the failure of the Trustee or any Holder to assert any claim or demand or to enforce any right or remedy against the Issuer or any other Person under this Indenture, the Notes or any other agreement;

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- (vii) any extension or renewal of the Obligations, this Indenture, the Notes or any other agreement;
 - (viii) any rescission, waiver, amendment or modification of any of the terms or provisions of this Indenture, the Notes or any other agreement;
 - (ix) the existence of any bankruptcy, insolvency, reorganization or similar proceedings involving the Issuer;
 - (x) any setoff, counterclaim, recoupment, termination or defense of any kind or nature which may be available to or asserted by any Note Guarantor or the Issuer against the Holders or the Trustee;
 - (xi) any impairment, taking, furnishing, exchange or release of, or failure to perfect or obtain protection of any security interest in, any collateral securing this Indenture and the Notes and any right to require that any resort be had by the Trustee or any Holder to any such collateral;
 - (xii) the failure of the Trustee or any Holder to exercise any right or remedy against any other Note Guarantor;
 - (xiii) any change in the ownership of the Issuer;
 - (xiv) any change in the laws, rules or regulations of any jurisdiction;
 - (xv) any present or future action of any governmental authority or court amending, varying, reducing or otherwise affecting, or purporting to amend, vary, reduce or otherwise affect, any of the obligations of the Issuer under this Indenture or the Notes or of any Note Guarantor under its Note Guarantee; and
 - (xvi) any other act or thing or omission or delay to do any other act or thing which may or might in any manner or to any extent vary the risk of each Note Guarantor or would otherwise operate as a discharge of such Note Guarantor as a matter of law or equity.

(d) Each of the Note Guarantors further expressly waives irrevocably and unconditionally:

- (i) Any right it may have to first require any Holder to proceed against, initiate any actions before a court of law or any other judge or authority, or enforce any other rights or security or claim payment from the Issuer or any other Person (including any Note Guarantor or any other guarantor of the Notes) before claiming from it under this Indenture;
- (ii) Any right to which it may be entitled to have the assets of the Issuer or any other Person (including any Note Guarantor or any other guarantor

of the Notes) first be used, applied or depleted as payment of the Issuer's or the Note Guarantors' obligations hereunder, prior to any amount being claimed from or paid by any of the Note Guarantors hereunder;

- (iii) Any right to which it may be entitled to have claims hereunder divided between the Note Guarantors;
- (iv) To the extent applicable, the benefits of *orden*, *excusión*, *división*, *quita* and *espera* and any right specified in articles 2814, 2815, 2817, 2818, 2819, 2820, 2821, 2822, 2823, 2826, 2837, 2838, 2839, 2840, 2845, 2846, 2847 and any other related or applicable articles that are not explicitly set forth herein because of Note Guarantor's knowledge thereof of the *Código Civil Federal* of Mexico, and the *Código Civil* of each State of the Mexican Republic and the Federal District of Mexico.

(e) The obligations assumed by each Note Guarantor hereunder shall not be affected by the absence of judicial request of payment by a Holder to the Issuer or by whether any such person takes timely action pursuant to articles 2848 and 2849 of the *Código Civil Federal* of Mexico and the *Código Civil* of each State of the Mexican Republic and the Federal District of Mexico and each Note Guarantor hereby expressly waives the provisions of such articles.

(f) The obligations of each Note Guarantor hereunder shall not be subject to any reduction, limitation, impairment or termination for any reason (other than payment of the Obligations in full), including any claim of waiver, release, surrender, alteration or compromise, and shall not be subject to any defense of setoff, counterclaim, recoupment or termination whatsoever or by reason of the invalidity, illegality or unenforceability of the Obligations or otherwise. Without limiting the generality of the foregoing, the obligations of each Note Guarantor herein shall not be discharged or impaired or otherwise affected by the failure of any Holder to assert any claim or demand or to enforce any remedy under this Indenture, the Notes or any other agreement, by any waiver or modification of any thereof, by any default, failure or delay, willful or otherwise, in the performance of the Obligations, or by any other act or thing or omission or delay to do any other act or thing which may or might in any manner or to any extent vary the risk of such Note Guarantor or would otherwise operate as a discharge of such Note Guarantor as a matter of law or equity.

(g) Except as provided in Section 10.2, the obligations of each Note Guarantor hereunder shall not be subject to any reduction, limitation, impairment or termination for any reason other than payment of the Obligations in full.

(h) Each Note Guarantor further agrees that its Note Guarantee herein shall continue to be effective or be reinstated, as the case may be, if at any time payment, or any part thereof, of principal of or interest on any of the Obligations is rescinded or must otherwise be restored by any Holder upon the bankruptcy or reorganization of the Issuer or otherwise.

(i) In furtherance of the foregoing and not in limitation of any other right which the Trustee or any Holder has at law or in equity against each Note Guarantor by virtue hereof, upon the failure of the Issuer to pay any of the Obligations when and as the same shall become due, whether at maturity, by acceleration, by redemption or otherwise, each Note Guarantor hereby promises to and will, upon receipt of written demand by the Trustee, forthwith pay, or cause to be paid, in cash, to the Holders an amount equal to the sum of:

- (i) the unpaid amount of such Obligations then due and owing; and
- (ii) accrued and unpaid interest on such Obligations then due and owing (but only to the extent not prohibited by law);

provided, that any delay by the Trustee in giving such written demand shall in no event affect any Note Guarantor's obligations under its Note Guarantee.

(j) Each Note Guarantor further agrees that, as between such Note Guarantor, on the one hand, and the Holders, on the other hand:

- (i) the maturity of the Obligations guaranteed hereby may be accelerated as provided in this Indenture for the purposes of its Note Guarantee herein, notwithstanding any stay, injunction or other prohibition preventing such acceleration in respect of the Obligations guaranteed hereby; and
- (ii) in the event of any such declaration of acceleration of such Obligations, such Obligations (whether or not due and payable) shall forthwith become due and payable by the Note Guarantor for the purposes of this Note Guarantee.

Section 10.2 Limitation on Liability; Termination, Release and Discharge.

(a) Subject to the limitations set out in Section 10.5 and Section 10.6, the obligations of each Note Guarantor hereunder will be limited to the maximum amount as will, after giving effect to all other contingent and fixed liabilities of such Note Guarantor and after giving effect to any collections from or payments made by or on behalf of any other Note Guarantor in respect of the obligations of such other Note Guarantor under its Note Guarantee or pursuant to its contribution obligations under this Indenture, result in the obligations of such Note Guarantor under its Note Guarantee not constituting a fraudulent conveyance or fraudulent transfer under federal or state law.

(b) A Note Guarantor will be released and relieved of its obligations under its Note Guarantee in the event that:

- (i) there is a Legal Defeasance of the Notes pursuant to Article VIII;
- (ii) there is a sale or other disposition of Capital Stock of such Note Guarantor following which such Note Guarantor is no longer a direct or indirect Subsidiary of the Issuer;

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- (iii) such Note Guarantor is designated as an Unrestricted Subsidiary in accordance with Section 3.14;
 - (iv) solely with respect to an Additional Note Guarantor, either (A) the Facilities Agreement Indebtedness has been repaid in full and such Additional Note Guarantor is not a guarantor of the Indebtedness Incurred to refinance such Facilities Agreement Indebtedness or (B) at least 85% of the outstanding Indebtedness of the Issuer and its Restricted Subsidiaries is not guaranteed by such Additional Note Guarantor; or
 - (v) solely with respect to an Additional Note Guarantor, upon the occurrence of a Partial Covenant Suspension Event or Covenant Suspension Event until the occurrence of a Partial Covenant Reversion Date or a Reversion Date, as applicable, at which time the guarantee of the Notes by such Additional Note Guarantor shall be reinstated unless such Additional Note Guarantor would have been released at any time during the Partial Suspension Period or the Suspension Period, as applicable, pursuant to clause (i), (ii), (iii) or (iv) of this Section 10.2(b).

Section 10.3 Right of Contribution. Each Note Guarantor that makes a payment or distribution under a Note Guarantee will be entitled to a contribution from each other Note Guarantor in a *pro rata* amount, based on the net assets of each Note Guarantor determined in accordance with GAAP. The provisions of this Section 10.3 shall in no respect limit the obligations and liabilities of each Note Guarantor to the Trustee and the Holders and each Note Guarantor shall remain liable to the Trustee and the Holders for the full amount guaranteed by such Note Guarantor hereunder.

Section 10.4 No Subrogation. Each Note Guarantor agrees that it shall not be entitled to any right of subrogation in respect of any Guaranteed Obligations until payment in full in cash or Cash Equivalents of all Obligations. If any amount shall be paid to any Note Guarantor on account of such subrogation rights at any time when all of the Obligations shall not have been paid in full in cash or Cash Equivalents, such amount shall be held by such Note Guarantor in trust for the Trustee and the Holders, segregated from other funds of such Note Guarantor, and shall, forthwith upon receipt by such Note Guarantor, be turned over to the Trustee in the exact form received by such Note Guarantor (duly endorsed by such Note Guarantor to the Trustee, if required), to be applied against the Obligations.

Section 10.5 French Guarantee Limitation.

(a) The obligations of any Note Guarantor incorporated in France (a "French Note Guarantor") are subject to the limitations set out in this Section 10.5.

(b) The obligations and liabilities of any French Note Guarantor under the Indenture and the Notes, and in particular under this Article X, shall not include any obligation or liability which, if incurred, would constitute the provision of financial assistance within the

meaning of article L.225-216 of the French Commercial Code and/or would constitute a misuse of corporate assets within the meaning of article(s) L. 241-3 or L. 242-6 of the French Commercial Code or any other law or regulations having the same effect, as interpreted by French courts.

(c) The obligations and liabilities of any French Note Guarantor under this Article X for the Issuer's obligations under the Indenture and the Notes shall be limited, at any time, to an amount equal to the aggregate of all amounts made available under the Notes and the Indenture to the Issuer to the extent directly or indirectly on-lent to such French Note Guarantor and/or its direct and indirect Subsidiaries under intercompany loan agreements (excluding, for the avoidance of doubt, any cash-pooling arrangements or other cash management agreements, *provided*, that the proceeds of the Notes shall not be used, in whole or in part, to finance, directly or indirectly, such cash pooling arrangements or other cash management agreements) and outstanding at the date a payment is to be made by such French Note Guarantor under this Article X, it being specified that any payment made by a French Note Guarantor under this Article X in respect of the obligations of the Issuer shall reduce *pro tanto* the outstanding amount of the intercompany loans due by such French Note Guarantor or its relevant direct or indirect Subsidiary under the intercompany loan agreements referred to above and that any repayment of the intercompany loans by the French Note Guarantor or its relevant direct or indirect Subsidiary shall reduce *pro tanto* the amount payable by the French Note Guarantor under this Article X.

(d) It is acknowledged that no French Note Guarantor is acting jointly and severally with the other Note Guarantors and no French Note Guarantor shall therefore be considered as "*co-débiteur solidaire*" as to its obligations pursuant to the guarantee given pursuant to this Article X.

Section 10.6 Swiss Guarantee Limitation.

(a) The obligations of any Note Guarantor incorporated in Switzerland (a "Swiss Note Guarantor") are subject to the limitations set out in this Section 10.6.

(b) The obligations and liabilities of a Swiss Note Guarantor under the Indenture, the Notes or any other agreement, and in particular under this Article X, in relation to the obligations, undertakings, indemnities or liabilities of a Note Guarantor other than that Swiss Note Guarantor or any of its fully owned and controlled subsidiaries (the "Restricted Obligations") shall not include any obligation or liability which, if incurred, would constitute the provision of financial assistance not permitted under the laws of Switzerland then in force and/or would constitute a misuse of corporate assets under Swiss law as interpreted by Swiss courts and shall be limited to the amount of that Swiss Note Guarantor's Free Reserves Available for Distribution (as defined below) at the time payment is requested, *provided*, that such limitation is a requirement under applicable law (including any case law) at that point in time and that such limitation shall not free the Swiss Note Guarantor from its obligations in excess thereof, but merely postpone the performance date until such time as performance is permitted notwithstanding such limitation.

(c) For the purpose of this clause, "Free Reserves Available for Distribution" means an amount equal to the maximal amount in which the relevant Swiss Note Guarantor can

make a dividend payment to its shareholder(s) (being the balance sheet profit and any freely disposable reserves available for this purpose, in each case in accordance with applicable Swiss law).

(d) As soon as possible after having been requested to discharge a Restricted Obligation, the Swiss Note Guarantor shall, if it cannot discharge the full amount of the Restricted Obligations, provide the Trustee with an interim statutory balance sheet audited by the statutory auditors of the Swiss Note Guarantor setting out the Free Reserves Available for Distribution and, immediately thereafter, pay the amount corresponding to the Free Reserves Available for Distribution to the Trustee (save to the extent provided below).

(e) In respect of the Restricted Obligations, the Swiss Note Guarantor shall:

- (i) if and to the extent required by applicable law in force at the relevant time:
 - (A) subject to any applicable double taxation treaties, deduct Swiss withholding tax at the rate of 35 percent (or such other rate as is in force at that time) from any payment made by it;
 - (B) pay any such deduction to the Swiss Federal Tax Administration; and
 - (C) notify and provide evidence to the Trustee that the Swiss withholding tax has been paid to the Swiss Federal Tax Administration;
- (ii) to the extent such deduction is made, not be required to make a gross-up, indemnify or otherwise hold harmless the Trustee or the Holders for the deduction of the Swiss withholding tax notwithstanding anything to the contrary contained in the Indenture, the Notes or any other agreement, unless grossing up is permitted under the laws of Switzerland then in force and *provided*, that this should not in any way limit any obligations of any non-Swiss Note Guarantors under the Indenture, the Notes or any other agreement to indemnify the Trustee or the Holders in respect of the deduction of the Swiss withholding tax. The Swiss Note Guarantor shall use all reasonable efforts to procure that any person which is entitled to a full or partial refund of any Swiss withholding tax paid pursuant to paragraph (a) above will, as soon as possible after the deduction of the Swiss withholding tax: (y) request a refund of the Swiss withholding tax under any applicable law (including double taxation treaties) and (z) pay to the Trustee upon receipt any amount so refunded.

(f) The Swiss Note Guarantor will take, and cause to be taken, all and any other action, including, without limitation, the passing of any shareholders' resolutions to approve any payment or other performance under the Indenture and the Notes and the receipt of any confirmations from the Swiss Note Guarantor's auditors, whether following a request to

discharge a Restricted Obligation or which may be required as a matter of mandatory Swiss law in force at the time it is required to make a payment or perform other obligations under the Indenture, the Notes or any other agreement in order to allow a prompt payment or performance of other obligations under the Indenture or the Notes.

(g) If the enforcement of the Restricted Obligations would be limited due to the effects referred to in this [Section 10.6](#) and if any asset of the Swiss Note Guarantor has a book value that is less than its market value (an “[Undervalued Asset](#)”), the Swiss Note Guarantor shall, to the extent permitted by applicable law and its accounting standards (i) write up the book value of such Undervalued Asset such that its balance sheet reflects a book value that is equal to the market value of such Undervalued Asset, and (ii) make reasonable efforts to realize the Undervalued Asset for a sum which is at least equal to the market value of such asset. Without prejudice to the rights of the Trustee and the Holders under the Indenture, the Notes or any other agreement, the Swiss Note Guarantor will only be required to realize an Undervalued Asset if such asset is not necessary for the Swiss Note Guarantor’s business (*nicht betriebsnotwendig*).

ARTICLE XI

COLLATERAL

[Section 11.1 The Collateral](#). Subject to [Section 11.2](#), the Issuer and the Note Guarantors agree that the Notes will be at all times secured by a first-priority security interest in the Collateral on at least an equal and ratable basis with the Permitted Secured Obligations.

[Section 11.2 Release of the Collateral](#).

(a) The Notes will cease to be secured by a security interest in the Collateral in accordance with the provisions of the Intercreditor Agreement.

(b) In addition to the Collateral release provisions set forth in the Intercreditor Agreement, the Notes will cease to be secured by a security interest on the Collateral upon:

- (i) (A) payment in full of the principal of, any accrued and unpaid interest on, the Notes and all other amounts or Obligations that are due and payable at or prior to the time such principal, accrued and unpaid interest, if any, are paid, (B) a satisfaction and discharge of this Indenture or (C) a Legal Defeasance or Covenant Defeasance pursuant to [Article VIII](#); or
- (ii) a refinancing of the Facilities Agreement Indebtedness in full as a result of which the Collateral does not secure Indebtedness Incurred to refinance such Facilities Agreement Indebtedness.

ARTICLE XII

MISCELLANEOUS

Section 12.1 Notices.

(a) Any notice or communication shall be in writing and delivered in person or mailed by first-class mail, postage prepaid, addressed as follows:
if to the Issuer and the Note Guarantors:

c/o CEMEX, S.A.B. de C.V.
Av. Ricardo Margáin Zozaya #325
Colonia Valle del Campestre
Garza García, Nuevo León
México 66265
Attention: Chief Financial Officer
Fax: +1 52 81 8888 4417

if to the Trustee:

The Bank of New York Mellon
101 Barclay Street – 7E
New York, NY 10286
Attention: International Corporate Trust
Fax: 724-540-6330

The Issuer or the Trustee by notice to the other may designate additional or different addresses for subsequent notices or communications.

(b) All notices to Holders of Notes will be validly given if mailed to them at their respective addresses in the register of the Holders of such Notes, if any, maintained by the Registrar. For so long as any Notes are represented by Global Notes, all notices to Holders of the Notes will be delivered to Euroclear or Clearstream, delivery of which shall be deemed to satisfy the requirements of this paragraph.

(c) Each such notice shall be deemed to have been given on the date of delivery or mailing. Any notice or communication mailed to a Holder shall be mailed to such Person by first-class mail or other equivalent means and shall be sufficiently given to them if so mailed within the time prescribed. Failure to mail a notice or communication to a Holder or any defect in it shall not affect its sufficiency with respect to other Holders. If a notice or communication is mailed in the manner provided above, it is duly given, whether or not the addressee receives it.

(d) Subject to Section 7.1(c) and Section 7.2(a), the Trustee shall accept electronic transmissions; *provided*, that (i) the Trustee shall not have any duty or obligation to verify or confirm that the Person sending instructions, directions, reports, notices or other communications or information by electronic transmission is, in fact, a Person authorized to give such instructions, directions, reports, notices or other communications or information on behalf of the party purporting to send such electronic transmission; and the Trustee shall not have any liability for any losses, liabilities, costs or expenses incurred or sustained by any party as a result of such reliance upon or compliance with such instructions, directions, reports, notices or other communications or information and (ii) each other party agrees to assume all risks arising out of the use of electronic methods to submit instructions, directions, reports, notices or other

communications or information to the Trustee, including without limitation the risk of the Trustee acting on unauthorized instructions, notices, reports or other communications or information, and the risk of interception and misuse by third parties.

(e) Any notice or communication mailed to a registered Holder shall be mailed to the Holder at the Holder's address as it appears on the Note Register and shall be sufficiently given if so mailed within the time prescribed.

(f) Failure to mail a notice or communication to a Holder or any defect in it shall not affect its sufficiency with respect to other Holders. If a notice or communication is mailed in the manner provided above, it is duly given, whether or not the addressee receives it.

(g) Any notice or communication delivered to the Issuer under the provisions herein shall constitute notice to the Note Guarantors.

Section 12.2 Communication by Holders with Other Holders. Holders may communicate with other Holders with respect to their rights under this Indenture (including the Note Guarantees) or the Notes.

Section 12.3 Certificate and Opinion as to Conditions Precedent. Upon any request or application by the Issuer to the Trustee to take or refrain from taking any action under this Indenture, the Issuer shall furnish to the Trustee:

(a) an Officer's Certificate in form and substance reasonably satisfactory to the Trustee stating that, in the opinion of the signers, all conditions precedent, if any, provided for in this Indenture relating to the proposed action have been complied with; and

(b) an Opinion of Counsel in form and substance reasonably satisfactory to the Trustee stating that, in the opinion of such counsel, all such conditions precedent have been complied with.

Section 12.4 Statements Required in Certificate or Opinion. Each certificate or opinion, including an Opinion of Counsel or Officer's Certificate, with respect to compliance with a covenant or condition provided for in this Indenture shall include:

(a) a statement that the individual making such certificate or opinion has read such covenant or condition;

(b) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based;

(c) a statement that, in the opinion of such individual, he has made such examination or investigation as is necessary to enable him to express an informed opinion as to whether or not such covenant or condition has been complied with; and

(d) a statement as to whether or not, in the opinion of such individual, such covenant or condition has been complied with.

In giving an Opinion of Counsel, counsel may rely as to factual matters on an Officer's Certificate or on certificates of public officials.

Section 12.5 Rules by Trustee, Paying Agent, Transfer Agent and Registrar. The Trustee may make reasonable rules for action by, or a meeting of, Holders. The Paying Agent, Transfer Agent and the Registrar may make reasonable rules for their functions.

Section 12.6 Legal Holidays. A "Legal Holiday" is (i) a Saturday, a Sunday or other day on which commercial banking institutions are authorized or required to be closed in New York City, Mexico, Madrid, Amsterdam, London, Paris or Zurich and (ii) any day on which the Trans-European Automated Real-time Gross Settlement Express Transfer System (TARGET2) is closed for settlement of payments . If a payment date is a Legal Holiday, payment shall be made on the next succeeding day that is not a Legal Holiday, and no interest shall accrue for the intervening period. If a regular record date is a Legal Holiday, the record date shall not be affected.

Section 12.7 Governing Law, etc.

(a) THIS INDENTURE (INCLUDING EACH NOTE GUARANTEE) AND THE NOTES SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK. THE PARTIES HERETO EACH HEREBY WAIVE ANY RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THIS INDENTURE, THE NOTES OR EACH NOTE GUARANTEE OR ANY TRANSACTION RELATED HERETO OR THERETO TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW.

(b) Each of the parties hereto hereby:

- (i) agrees that any suit, action or proceeding against it arising out of or relating to this Indenture (including the Note Guarantees) or the Notes, as the case may be, may be instituted in any Federal or state court sitting in the City of New York and County of New York and in the courts of its own corporate domicile, in respect of actions brought against it as a defendant,
- (ii) waives to the fullest extent permitted by applicable law, any objection which it may now or hereafter have to the laying of venue of any such suit, action or proceeding, any claim that any suit, action or proceeding in such a court has been brought in an inconvenient forum, and any right to which it may be entitled, on account of place of residence or domicile,
- (iii) irrevocably submits to the jurisdiction of such courts in any suit, action or proceeding,
- (iv) agrees that final judgment in any such suit, action or proceeding brought in such a court shall be conclusive and binding may be enforced in the courts of the jurisdiction of which it is subject by a suit upon judgment, and
- (v) agrees that service of process by mail to the addresses specified herein shall constitute personal service of such process on it in any such suit, action or proceeding.

(c) The Issuer and the Note Guarantors (other than CEMEX Corp. and CEMEX Finance LLC) have appointed CEMEX NY Corporation, 590 Madison Avenue, 41st Floor, New York, NY 10022, as its authorized agent (the “Authorized Agent”) upon whom all writs, process and summonses may be served in any suit, action or proceeding arising out of or based upon this Indenture or the Notes which may be instituted in any state or federal court in the City of New York and County of New York. The Issuer and the Note Guarantors (other than CEMEX Corp. and CEMEX Finance LLC) hereby represent and warrant that the Authorized Agent has accepted such appointment and has agreed to act as said agent for service of process, and the Issuer and the Note Guarantors (other than CEMEX Corp. and CEMEX Finance LLC) agree to take any and all action, including the filing of any and all documents, that may be necessary to continue each such appointment in full force and effect as aforesaid so long as the Notes remain outstanding. The Issuer and the Note Guarantors (other than CEMEX Corp. and CEMEX Finance LLC) agree that the appointment of the Authorized Agent shall be irrevocable so long as any of the Notes remain outstanding or until the irrevocable appointment by the Issuer and the Note Guarantors (other than CEMEX Corp. and CEMEX Finance LLC) of a successor agent in the City of New York, New York as each of their authorized agent for such purpose and the acceptance of such appointment by such successor. Service of process upon the Authorized Agent shall be deemed, in every respect, effective service of process upon the Issuer and the Note Guarantors (other than CEMEX Corp. and CEMEX Finance LLC).

(d) To the extent that any of the Issuer and the Note Guarantors have or hereafter may acquire any immunity (sovereign or otherwise) from any legal action, suit or proceeding, from jurisdiction of any court or from set-off or any legal process (whether service or notice, attachment in aid or otherwise) with respect to itself or any of its property, the Issuer and the Note Guarantors hereby irrevocably waive and agree not to plead or claim such immunity in respect of their obligations under this Indenture or the Notes.

(e) Nothing in this Section 12.7 shall affect the right of the Trustee or any Holder of the Notes to serve process in any other manner permitted by law.

Section 12.8 [Reserved].

Section 12.9 No Recourse Against Others. An incorporator, director, officer, employee, stockholder or controlling person, as such, of the Issuer or any Note Guarantor shall not have any liability for any obligations of the Issuer or any Note Guarantor under the Notes or this Indenture or for any claims based on, in respect of or by reason of such obligations or their creation. By accepting a Note, each Holder shall waive and release all such liability.

Section 12.10 Successors. All agreements of the Issuer and any Note Guarantor in this Indenture and the Notes shall bind their respective successors. All agreements of the Trustee in this Indenture shall bind its successors.

Section 12.11 Duplicate and Counterpart Originals. The parties may sign any number of copies of this Indenture. One signed copy is enough to prove this Indenture. This Indenture may be executed in any number of counterparts, each of which so executed shall be an original, but all of them together represent the same agreement. Signatures of the parties hereto transmitted by facsimile or pdf shall be deemed to be their original signatures for all purposes.

Section 12.12 Severability. In case any provision in this Indenture or in the Notes shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

Section 12.13 [Reserved].

Section 12.14 Currency Indemnity.

(a) The euro is the sole currency of account and payment for all sums payable by the Issuer and any Note Guarantor under or in connection with the Notes or this Indenture, including damages. Any amount received or recovered in currency other than euros in respect of the Notes (whether as a result of, or of the enforcement of, a judgment or order of a court of any jurisdiction, in the winding-up or dissolution of the Issuer, a Note Guarantor or any Subsidiary of the Issuer or otherwise) by any Holder of the Notes in respect of any sum expressed to be due to it from the Issuer or any Note Guarantor shall only constitute a discharge of them under the Notes and this Indenture only to the extent of the euro amount which the recipient is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so). If that euro amount is less than the euro amount expressed to be due to the recipient under the Notes or this Indenture, the Issuer and the Note Guarantors shall jointly and severally indemnify and hold harmless the recipient, to the greatest extent permitted by law, against any loss or cost sustained by it in making any such purchase. For the purposes of this Section 12.14, it will be sufficient for the Holder of a Note to certify that it would have suffered a loss had an actual purchase of euro been made with the amount so received in that other currency on the date of receipt or recovery (or, if a purchase of euro on such date had not been practicable, on the first date on which it would have been practicable).

(b) The indemnities of the Issuer and the Note Guarantors contained in this Section 12.14, to the extent permitted by law: (i) constitute a separate and independent obligation from the other obligations of the Issuer and the Note Guarantors under this Indenture and the Notes; (ii) shall give rise to a separate and independent cause of action against the Issuer and the Note Guarantors; (iii) shall apply irrespective of any waiver granted by any Holder of the Notes or the Trustee from time to time; and (iv) shall continue in full force and effect notwithstanding any other judgment, order, claim or proof of claim for a liquidated amount in respect of any sum due under the Notes or this Indenture or any other judgment or order.

Section 12.15 Table of Contents: Headings. The table of contents and headings of the Articles and Sections of this Indenture have been inserted for convenience of reference only, are not intended to be considered a part hereof and shall not modify or restrict any of the terms or provisions hereof.

Section 12.16 USA PATRIOT Act. The parties hereto acknowledge that, in accordance with Section 326 of the USA PATRIOT Act (Title III of Pub. L. 107-56 (signed into law on October 26, 2001)) (as amended, modified or supplemented from time to time, the “USA PATRIOT Act”), the Trustee, like all financial institutions, is required to obtain, verify, and record information that identifies each person or legal entity that opens an account. The parties to this Agreement agree that they will provide the Trustee with such information as the Trustee may request in order for the Trustee to satisfy the requirements of the USA PATRIOT Act.

[Signature page follows]

IN WITNESS WHEREOF, the parties have caused this Indenture to be duly executed as of the date first written above.

CEMEX, S.A.B. de C.V.,
as Issuer

By: /s/ Fernando J Reiter
Name: Fernando J Reiter
Title: Attorney in fact

**EACH OF THE NOTE GUARANTORS
LISTED BELOW**

CEMEX Finance LLC

By: /s/ Fernando J Reiter
Name: Fernando J Reiter
Title: Attorney in fact

CEMEX México, S.A. de C.V.

By: /s/ Francisco Javier García Ruiz/Jaime Armando Chapa
González
Name: Francisco Javier García Ruiz/Jaime Armando
Chapa González
Title: Attorneys in fact

CEMEX Concretos, S.A. de C.V.

By: /s/ Francisco Javier García Ruiz/Jaime Armando Chapa
González
Name: Francisco Javier García Ruiz/Jaime Armando
Chapa González
Title: Attorneys in fact

Empresas Tolteca de México, S.A. de C.V.

By: /s/ Francisco Javier García Ruiz/Jaime Armando Chapa
González
Name: Francisco Javier García Ruiz/Jaime Armando
Chapa González
Title: Attorneys in fact

New Sunward Holding B.V.

By: /s/ Fernando J. Reiter

Name: Fernando J. Reiter

Title: Attorney in fact

CEMEX España, S.A.

By: /s/ Fernando J. Reiter

Name: Fernando J. Reiter

Title: Attorney in fact

Cemex Asia B.V.

By: /s/ Fernando J. Reiter

Name: Fernando J. Reiter

Title: Attorney in fact

CEMEX Corp.

By: /s/ Fernando J. Reiter

Name: Fernando J. Reiter

Title: Attorney in fact

Cemex Egyptian Investments B.V.

By: /s/ Fernando J. Reiter

Name: Fernando J. Reiter

Title: Attorney in fact

Cemex Egyptian Investments II B.V.

By: /s/ Fernando J. Reiter

Name: Fernando J. Reiter

Title: Attorney in fact

CEMEX France Gestion (S.A.S.)

By: /s/ Fernando J Reiter
Name: Fernando J Reiter
Title: Attorney in fact

Cemex Research Group AG

By: /s/ Fernando J Reiter
Name: Fernando J Reiter
Title: Attorney in fact

Cemex Shipping B.V.

By: /s/ Fernando J Reiter
Name: Fernando J Reiter
Title: Attorney in fact

CEMEX UK

By: /s/ Fernando J Reiter
Name: Fernando J Reiter
Title: Attorney in fact

THE BANK OF NEW YORK MELLON,
as Trustee

By: /s/ Catherine F. Donohue
Name: Catherine F. Donohue
Title: Vice President

Solely for the purposes of accepting the appointment of
Paying Agent and Transfer Agent, together with the rights,
protections and immunities granted to the Trustee under
Article VII, which shall apply *mutatis mutandis* to the Paying
Agent,

THE BANK OF NEW YORK MELLON, LONDON BRANCH,
as Paying Agent and Transfer Agent

By: /s/ Catherine F. Donohue

Name: Catherine F. Donohue

Title: Vice President

NOTE GUARANTORS

1. CEMEX México, S.A. de C.V. (Mexico)
2. CEMEX Concretos, S.A. de C.V. (Mexico)
3. Empresas Tolteca de México, S.A. de C.V. (Mexico)
4. New Sunward Holding B.V. (the Netherlands)
5. CEMEX España, S.A. (Spain)
6. Cemex Asia B.V. (the Netherlands)
7. CEMEX Corp. (Delaware)
8. CEMEX Finance LLC (Delaware)
9. Cemex Egyptian Investments B.V. (the Netherlands)
10. Cemex Egyptian Investments II B.V. (the Netherlands)
11. CEMEX France Gestion (S.A.S.) (France)
12. Cemex Research Group AG (Switzerland)
13. Cemex Shipping B.V. (the Netherlands)
14. CEMEX UK (United Kingdom)

FORM OF NOTE

[Include the following legend for Global Notes only:

“THIS IS A GLOBAL NOTE WITHIN THE MEANING OF THE INDENTURE REFERRED TO HEREINAFTER.

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE COMMON DEPOSITARY (AS DEFINED IN THE INDENTURE), TO THE ISSUER OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NOMINEE NAME OF THE COMMON DEPOSITARY OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE COMMON DEPOSITARY (AND ANY PAYMENT IS MADE TO THE COMMON DEPOSITARY OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE COMMON DEPOSITARY), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, THE COMMON DEPOSITARY, HAS AN INTEREST HEREIN.

TRANSFERS OF THIS GLOBAL SECURITY SHALL BE LIMITED TO TRANSFERS IN WHOLE, BUT NOT IN PART, TO NOMINEES OF THE COMMON DEPOSITARY OR TO A SUCCESSOR THEREOF OR SUCH SUCCESSOR’S NOMINEE AND TRANSFERS OF PORTIONS OF THIS GLOBAL SECURITY SHALL BE LIMITED TO TRANSFERS MADE IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN THE INDENTURE REFERRED TO ON THE REVERSE HEREOF.”]

[Include the following legend on all Notes that are Restricted Notes:

“THE NOTES EVIDENCED HEREBY HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), AND *[Include the following on all Regulation S Notes that are Restricted Notes:*, PRIOR TO THE EXPIRATION OF THE 40-DAY DISTRIBUTION COMPLIANCE PERIOD (AS DEFINED IN REGULATIONS UNDER THE SECURITIES ACT),] MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (A) (1) TO CEMEX, S.A.B. DE C.V., (2) TO A PERSON WHO THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A AND TO WHOM NOTICE IS GIVEN THAT THE TRANSFER IS MADE IN RELIANCE ON RULE 144A, (3) IN AN OFFSHORE TRANSACTION COMPLYING WITH RULE 903 OR RULE 904 OF REGULATIONS

UNDER THE SECURITIES ACT, (4) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT (IF AVAILABLE), OR (5) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT AND (B) IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES. THIS LEGEND CAN ONLY BE REMOVED AT THE OPTION OF THE ISSUER.”]

[Include the following on all Regulation S Notes that are Restricted Notes: PRIOR TO THE EXPIRATION OF THE 40-DAY DISTRIBUTION COMPLIANCE PERIOD (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT),] EACH PERSON ACQUIRING AN OWNERSHIP INTEREST IN THE NOTES (1) SHALL BE DEEMED TO REPRESENT AND WARRANT THAT IT EITHER (A) IS A “QUALIFIED INSTITUTIONAL BUYER” (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT), (B) IS NOT A U.S. PERSON (AS DEFINED IN REGULATION S) AND IS OUTSIDE THE UNITED STATES OR (C) IS ACQUIRING SUCH OWNERSHIP INTEREST PURSUANT TO A VALID REGISTRATION STATEMENT OR IN ANOTHER TRANSACTION EXEMPT FROM SUCH REGISTRATION; (2) AGREES THAT *[Include the following on all Regulation S Notes that are Restricted Notes: PRIOR TO THE EXPIRATION OF THE 40-DAY DISTRIBUTION COMPLIANCE PERIOD (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT),]* (X) IT WILL NOT RESELL OR OTHERWISE TRANSFER THIS NOTE EXCEPT IN ACCORDANCE WITH THE FOREGOING RESTRICTIONS, AND IN ANY CASE IN COMPLIANCE WITH ALL APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES AND ANY OTHER APPLICABLE JURISDICTION; (Y) PRIOR TO SUCH TRANSFER, IT WILL FURNISH TO THE BANK OF NEW YORK MELLON, AS TRUSTEE (OR A SUCCESSOR TRUSTEE, AS APPLICABLE), SUCH CERTIFICATIONS, LEGAL OPINIONS OR OTHER INFORMATION AS THE TRUSTEE MAY REASONABLY REQUIRE TO CONFIRM THAT SUCH TRANSFER IS BEING MADE PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND (Z) IT WILL DELIVER TO EACH PERSON TO WHOM THIS SECURITY IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND. AS USED HEREIN, THE TERMS “UNITED STATES”, “U.S. PERSON” AND “OFFSHORE TRANSACTION” HAVE THE MEANINGS GIVEN TO THEM BY REGULATION S UNDER THE SECURITIES ACT.”]

[Include the following legend on all Notes as the Mexican law legend:

“THE NOTES EVIDENCED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED WITH THE NATIONAL SECURITIES REGISTRY (REGISTRO NACIONAL DE VALORES) MAINTAINED BY THE MEXICAN NATIONAL BANKING AND SECURITIES COMMISSION (COMISIÓN NACIONAL BANCARIA Y DE VALORES), AND MAY NOT BE OFFERED OR SOLD PUBLICLY, OR OTHERWISE BE SUBJECT TO BROKERAGE ACTIVITIES, IN MEXICO, EXCEPT THAT THE NOTES MAY BE OFFERED IN MEXICO TO

FORM OF FACE OF NOTE

4.750% Senior Secured Notes due 2022

No.

Principal Amount €

*[If the Note is a Global Note include the following two lines:
as revised by the Schedule of Increases and
Decreases in Global Note attached hereto]*

ISIN NO. 1

COMMON CODE 2

CEMEX, S.A.B. de C.V., a publicly traded stock corporation with variable capital (*sociedad anónima bursátil de capital variable*) organized under the laws of the United Mexican States (together with its successors and assigns, the “Issuer”), promises to pay to The Bank of New York Depository (Nominees) Limited, or registered assigns, as the nominee of The Bank of New York Mellon, London Branch, as common depository for Clearstream Banking, *société anonyme* and Euroclear Bank S.A./N.V., the principal sum of Euros *[If the Note is a Global Note, add the following, as revised by the Schedule of Increases and Decreases in Global Note attached hereto]*, on January 11, 2022.

Interest Payment Dates: January 11 and July 11 of each year, commencing on January 11, 2015

Record Dates: December 27 and June 26

-
- 1 ISIN No. for Rule 144A Note: XS1028947155; ISIN No. for Regulation S Note: XS1028946348
2 Common Code for Rule 144A Note: 102849715; Common Code for Regulation S Note: 102894634

Additional provisions of this Note are set forth on the other side of this Note.

CEMEX, S.A.B. de C.V.

By: _____
Name:
Title:

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

THE BANK OF NEW YORK MELLON
as Trustee, certifies
that this is one of
the Notes referred
to in the Indenture.

By: _____
Authorized Signatory

Date: _____

FORM OF REVERSE SIDE OF NOTE

4.750% Senior Secured Notes due 2022

Capitalized terms used but not defined herein shall have the meanings assigned to them in the Indenture referred to below unless otherwise indicated.

1. Interest

CEMEX, S.A.B. de C.V., a publicly traded stock corporation with variable capital (*sociedad anónima bursátil de capital variable*) organized under the laws of the United Mexican States (together with its successors and assigns, the "Issuer"), promises to pay interest on the principal amount of this Note at the rate per annum shown above.

The Issuer will pay interest semiannually in arrears on each Interest Payment Date of each year commencing January 11, 2015; *provided*, that if any such Interest Payment Date is not a Business Day, then such payment shall be made on the next succeeding Business Day. Interest on the Notes will accrue from the most recent date to which interest has been paid on the Notes or, if no interest has been paid, from September 11, 2014; *provided*, that if there is no existing Default or Event of Default on the payment of interest, and if this Note is authenticated between a Record Date referred to on the face hereof and the next succeeding Interest Payment Date (but after September 11, 2014), interest shall accrue from such next succeeding Interest Payment Date, except in the case of the original issuance of Notes, in which case interest shall accrue from September 11, 2014. The Issuer shall pay interest (including post-petition interest in any proceeding under any Bankruptcy Law) on overdue principal at the then applicable interest rate on the Notes to the extent lawful; it shall pay interest (including post-petition interest in any proceeding under any Bankruptcy Law) on overdue installments of interest ("Defaulted Interest"), without regard to any applicable grace period, at the same rate to the extent lawful. Interest will be computed on the basis of a 360-day year of twelve 30-day months. Each interest period shall end on (but not include) the relevant interest payment date.

All payments made by the Issuer in respect of the Notes will be made free and clear of and without deduction or withholding for or on account of any Taxes imposed or levied by or on behalf of any Taxing Jurisdiction, unless such withholding or deduction is required by law or by the interpretation or administration thereof. In that event, the Issuer will pay to each Holder of the Notes Additional Amounts as provided in the Indenture subject to the limitations set forth in the Indenture.

2. Method of Payment

By at least 1:00 p.m. London time on the Business Day prior to the date on which any principal of or interest on any Note is due and payable, the Issuer shall irrevocably deposit with the Trustee or the Paying Agent money sufficient to pay such principal and/or interest. The Issuer will pay interest (except Defaulted Interest) on the applicable Interest Payment Date to the Persons who are registered Holders of Notes at the close of business on the Record Date preceding the Interest Payment Date even if Notes are canceled, repurchased or redeemed after the Record Date and on or before the relevant Interest Payment Date, except as provided in Section 2.13 of the Indenture with respect to Defaulted Interest. Holders must surrender Notes to a Paying Agent to collect principal payments. The Issuer will pay principal and interest in euros.

Payments in respect of Notes represented by a Global Note (including principal and interest) will be made by the transfer of immediately available funds to the accounts specified by Euroclear or Clearstream. The Issuer will make all payments in respect of a Certificated Note (including principal and interest) by mailing a check to the registered address of each registered Holder thereof as set forth in the Note Register; *provided, however*, that payments on the Notes may also be made, in the case of a Holder of at least €10,000,000 aggregate principal amount of Notes, by wire transfer to an account maintained by the payee if such Holder elects payment by wire transfer by giving written notice to the Trustee or the Paying Agent to such effect designating such account no later than 10 days immediately preceding the relevant due date for payment (or such other date as the Trustee may accept in its discretion).

3. Paying Agent and Registrar

Initially, The Bank of New York Mellon, the Trustee under the Indenture, will act as Trustee and Registrar and The Bank of New York Mellon, London Branch, will act as Paying Agent. The Issuer may appoint and change any Paying Agent, Registrar or co-Registrar without notice to any Holder. The Issuer, any Note Guarantor or any of their respective Affiliates may act as Paying Agent, Registrar or co-Registrar.

4. Indenture

The Issuer issued the Notes under an Indenture, dated as of September 11, 2014 (as it may be amended or supplemented from time to time in accordance with the terms thereof, the "Indenture"), among the Issuer, the Note Guarantors and the Trustee. The terms of the Notes include those stated in the Indenture. The Notes are subject to all such terms, and Holders are referred to the Indenture for a statement of those terms. Each Holder, by accepting a Note, agrees to be bound by all of the terms and provisions of the Indenture, as amended or supplemented from time to time.

The Notes are general senior obligations, which are secured by a first priority security interest in the Collateral on an equal and ratable basis with the other Permitted Secured Obligations, subject to the Collateral release provisions set forth in the Intercreditor Agreement. €400,000,000 in aggregate principal amount of Notes will be issued on the Issue Date. Subject to the conditions set forth in the Indenture and without the consent of the Holders, the Issuer may issue Additional Notes. All Notes will be treated as a single series of securities under the Indenture. The Indenture imposes certain limitations on, among other things, the ability of the Issuer and its Restricted Subsidiaries to: Incur Indebtedness, make Restricted Payments, incur Liens, designate Unrestricted Subsidiaries, make Asset Sales, enter into transactions with Affiliates, or consolidate or merge or transfer or convey all or substantially all of the Issuer's assets.

To guarantee the due and punctual payment of the principal of (and premium, if any) and interest on the Notes and all other amounts payable by the Issuer under the Indenture and the Notes when and as the same shall be due and payable, whether at maturity, by

acceleration or otherwise, according to the terms of the Notes and the Indenture, the Note Guarantors have unconditionally guaranteed, jointly and severally, such obligations pursuant to the terms of the Indenture. Each Note Guarantee will be subject to release as provided in the Indenture.

The obligations of each Note Guarantor in respect of its Note Guarantee will be limited to the maximum amount as will, after giving effect to all other contingent and fixed liabilities of such Note Guarantor and after giving effect to any collections from or payments made by or on behalf of any other Note Guarantor in respect of the obligations of such other Note Guarantor under its Note Guarantee or pursuant to its contribution obligations under the Indenture, result in the obligations of such Note Guarantor under its Note Guarantee not constituting a fraudulent conveyance, fraudulent transfer, or similar illegal transfer under federal or state law or the law of the jurisdiction of formation and incorporation of such Note Guarantors.

5. Optional Redemption

Except as stated below, the Issuer may not redeem the Notes. The Issuer may redeem the Notes, at its option, in whole at any time or in part from time to time, on and after January 11, 2018, at the following redemption prices, expressed as percentages of the principal amount thereof, if redeemed during the twelve-month period commencing on January 11 of any year set forth below, plus any accrued and unpaid interest on the principal amount of the Notes, if any, to the date of redemption:

<u>Year</u>	<u>Percentage</u>
January 11, 2018	102.375%
January 11, 2019	101.188%
January 11, 2020 and thereafter	100.000%

provided, however, that the Issuer shall not have the right to exercise any such optional redemption at any time when the Issuer is prohibited from having such an option under the Facilities Agreement.

Prior to January 11, 2018, the Issuer will have the right, at its option, to redeem any of the Notes, in whole or in part, at any time or from time to time prior to their maturity at a redemption price equal to the greater of (1) 100% of the principal amount of such Notes and (2) the sum of the present value of the redemption price of the Notes to be redeemed at January 11, 2018 (such redemption price being set forth in the table appearing above) plus each remaining scheduled payment of interest thereon during the period between the redemption date and January 11, 2018 (exclusive of interest accrued to the date of redemption), in each case, discounted to the Redemption Date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Bund Rate (as defined below) plus 50 basis points, plus, in each case any accrued and unpaid interest on the principal amount of the Notes, if any, to the date of redemption, *provided, however*, that the Issuer shall not have the right to exercise any such optional redemption at any time when the Issuer is prohibited from having such an option under the Facilities Agreement.

“Bund Rate” means, with respect to any Redemption Date, the yield to maturity as of such Redemption Date of the Comparable German Bund Issue (as defined below), assuming a price for the Comparable German Bund Issue (expressed as a percentage of its principal amount) equal to the Comparable German Bund Price (as defined below) for such Redemption Date.

“Comparable German Bund Issue” means the German Bundesanleihe security selected by any Reference German Bund Dealer (as defined below) as having a fixed maturity most nearly equal to the period from such Redemption Date to and that would be utilized at the time of selection and in accordance with customary financial practice, in pricing new issues of Euro-denominated corporate debt securities in a principal amount approximately equal to the then outstanding principal amount of the Notes and of a maturity most nearly equal to January 11, 2018; *provided*, however, that, if the period from such Redemption Date to January 11, 2018 is not equal to the fixed maturity of the German Bundesanleihe security selected by such Reference German Bund Dealer (as defined below), the Bund Rate shall be determined by linear interpolation (calculated to the nearest one-twelfth of a year) from the yields of German Bundesanleihe securities for which such yields are given, except that if the period from such Redemption Date to January 11, 2018 is less than one year, a fixed maturity of one year shall be used.

“Comparable German Bund Price” means, with respect to any Redemption Date, the average of all Reference German Bund Dealer Quotations (as defined below) for such date (which, in any event, must include at least two such quotations), after excluding the highest and lowest such Reference German Bund Dealer Quotations, or if the Issuer obtains fewer than four such Reference German Bund Dealer Quotations, the average of such quotations.

“Comparable German Bund Price” means, with respect to any Redemption Date, the average of all Reference German Bund Dealer Quotations (as defined below) for such date (which, in any event, must include at least two such quotations), after excluding the highest and lowest such Reference German Bund Dealer Quotations, or if the Issuer obtains fewer than four such Reference German Bund Dealer Quotations, the average of such quotations.

“Reference German Bund Dealer Quotations” means, with respect to each Reference German Bund Dealer and any Redemption Date, the average as determined by the Issuer in good faith of the bid and offered prices for the Comparable German Bund Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Issuer by such Reference German Bund Dealer at 3:30 p.m. Frankfurt, Germany, time on the third Business Day preceding the Redemption Date.

Optional Redemption upon Equity Offerings. At any time, or from time to time, on or prior to January 11, 2018, the Issuer may, at its option, use the net cash proceeds of one or more Equity Offerings to redeem in the aggregate up to 35% of the aggregate principal amount of the Notes issued pursuant to the Indenture at a redemption price equal to 104.750% of the principal amount thereof plus any accrued and unpaid interest on the principal amount of the Notes, if any, to the date of redemption; *provided*, that:

(a) after giving effect to any such redemption at least 65% of the aggregate principal amount of the Notes issued under the Indenture remains outstanding; and

(b) the Issuer shall make such redemption not more than 90 days after the consummation of such Equity Offering;

provided, however, that the Issuer shall not have the right to exercise any such optional redemption at any time when the Issuer is prohibited from exercising such an option under the Facilities Agreement.

“Equity Offering” means any public or private sale of Qualified Capital Stock after the Issue Date for cash other than issuances to any Subsidiary of the Issuer.

Optional Redemption for Changes in Withholding Taxes. If, as a result of any amendment to, or change in, the laws (or any rules or regulations thereunder) of a Taxing Jurisdiction affecting taxation, or any amendment to or change in an official interpretation or application of such laws, rules or regulations that has a general effect, which amendment to or change of such laws, rules or regulations becomes effective on or after the Issue Date (which, in the case of a merger, consolidation or other transaction permitted and described under Article IV shall be treated for this purpose as the date of such transaction) the Issuer or any Note Guarantor would be obligated, after taking all reasonable measures to avoid this requirement, to pay Additional Amounts in excess of those attributable to a withholding tax rate of 10% with respect to the Notes (see “Additional Amounts”), then, at the Issuer’s option, all, but not less than all, of the Notes may be redeemed at any time on giving not less than 30 nor more than 60 days’ notice, at a redemption price equal to 100% of the outstanding principal amount, plus any accrued and unpaid interest on the principal amount of the Notes, if any, to the date of redemption; *provided, however*, that (1) no notice of redemption for tax reasons may be given earlier than 90 days prior to the earliest date on which the Issuer or any Note Guarantor would be obligated to pay these Additional Amounts if a payment on the Notes were then due, and (2) at the time such notice of redemption is given such obligation to pay such Additional Amounts remains in effect; *provided, further, however*, that the Issuer shall not have the right to exercise any such optional redemption at any time when the Issuer is prohibited from having such an option under the Facilities Agreement.

Prior to the publication of any notice of redemption pursuant to this provision, the Issuer will deliver to the Trustee:

(a) an Officer’s Certificate stating that the Issuer is entitled to effect the redemption and setting forth a statement of facts showing that the conditions precedent to the Issuer’s right to redeem have occurred, and

(b) an opinion of outside legal counsel of recognized standing in the affected Taxing Jurisdiction to the effect that the Issuer has or will become obligated to pay such Additional Amounts as a result of such change or amendment.

This notice, once delivered by the Issuer to the Trustee, will be irrevocable.

In the case of any partial redemption, selection of the Notes for redemption will be made in accordance with Article V of the Indenture. On and after the Redemption Date, interest will cease to accrue on Notes or portions thereof called-for redemption as long as the Issuer has deposited with the Paying Agent funds in satisfaction of the applicable redemption price pursuant to the Indenture.

6. Mandatory Repurchase Provisions

Change Of Control Offer. Upon the occurrence of a Change of Control, each Holder of Notes will have the right to require that the Issuer purchase all or a portion (in integral multiples of €1,000) of the Holder's Notes at a purchase price equal to 101% of the principal amount thereof, plus accrued and unpaid interest through the date of purchase. Within 30 days following the date upon which the Change of Control occurred, the Issuer must make a Change of Control Offer pursuant to a Change of Control Notice. As more fully described in the Indenture, the Change of Control Notice shall state, among other things, the Change of Control Payment Date, which must be no earlier than 30 days nor later than 60 days from the date the notice is mailed, other than as may be required by applicable law.

Asset Sale Offer. The Indenture imposes certain limitations on the ability of the Issuer and its Restricted Subsidiaries to make Asset Sales. In the event the proceeds from a permitted Asset Sale exceed certain amounts and are not applied as specified in the Indenture, the Issuer will be required to make an Asset Sale Offer to purchase to the extent of such remaining proceeds each Holder's Notes together with holders of certain other Indebtedness at 100% of the principal amount thereof, plus accrued interest (if any) to the Asset Sale Offer Payment Date, as more fully set forth in the Indenture.

7. Denominations; Transfer; Exchange

The Notes are in fully registered form without coupons, and only in denominations of principal amount of €100,000 and in integral multiples of €1,000 in excess thereof. A Holder may transfer or exchange Notes in accordance with the Indenture. The Registrar may require a Holder, among other things, to furnish appropriate endorsements or transfer documents and to pay any taxes and fees required by law or permitted by the Indenture. The Registrar shall not be required to register the transfer or exchange of (x) any Note for a period beginning: (1) 15 days before the mailing of a notice of an offer to repurchase or redeem Notes and ending at the close of business on the day of such mailing or (2) 15 days before an Interest Payment Date and ending on such Interest Payment Date and (y) any Note selected for repurchase or redemption, except the unredeemed or unredeemed portion thereof, if any.

8. Persons Deemed Owners

The registered holder of this Note may be treated as the owner of it for all purposes.

9. Unclaimed Money

If money for the payment of principal or interest remains unclaimed for two years, the Trustee or Paying Agent shall pay the money back to the Issuer at its request unless an abandoned property law designates another Person. After any such payment, Holders entitled to the money must look only to the Issuer and not to the Trustee for payment.

10. Discharge Prior to Redemption or Maturity

Subject to certain conditions set forth in the Indenture, the Issuer at any time may terminate some or all of its obligations under the Notes and the Indenture if the Issuer deposits with the Trustee euros or European Government Obligations for the payment of principal of and interest on the Notes to redemption or maturity, as the case may be.

11. Amendment, Waiver

Subject to certain exceptions set forth in the Indenture, (i) the Indenture or the Notes may be amended or supplemented with the written consent of the Holders of at least a majority in principal amount of the then Outstanding Notes and (ii) any default (other than with respect to nonpayment or in respect of a provision that cannot be amended or supplemented without the written consent of each Holder affected) or noncompliance with any provision may be waived with the written consent of the Holders of a majority in aggregate principal amount of the then Outstanding Notes. Subject to certain exceptions set forth in the Indenture, without the consent of any Holder, the Issuer and the Trustee may amend or supplement the Indenture or the Notes to, among other things, cure any ambiguity, omission, defect or inconsistency, or to comply with Article IV of the Indenture, or to provide for uncertificated Notes in addition to or in place of certificated Notes, or to add guarantees with respect to the Notes or to secure the Notes, or to add additional covenants or surrender rights and powers conferred on the Issuer or the Note Guarantors, or to make any change that does not adversely affect the rights of any Holder, or to provide for the issuance of Additional Notes.

12. Defaults and Remedies

If an Event of Default occurs and is continuing, the Trustee or the Holders of at least 25% in principal amount of the Outstanding Notes may declare all the Notes to be due and payable immediately. A Bankruptcy Event of Default will result in the Notes being due and payable immediately upon the occurrence of such Bankruptcy Event of Default.

Holdings may not enforce the Indenture or the Notes except as provided in the Indenture. The Trustee may refuse to enforce the Indenture or the Notes unless it receives reasonable indemnity or security. Subject to certain limitations, Holders of a majority in principal amount of the Outstanding Notes may direct the Trustee in its exercise of any trust or power. The Trustee may withhold from Holders notice of any continuing Default or Event of Default (except a Default or Event of Default in payment of principal or interest) if it determines that withholding notice is in their interest.

13. Trustee Dealings with the Issuer and the Note Guarantors

Subject to certain limitations set forth in the Indenture, the Trustee under the Indenture, in its individual or any other capacity, may become the owner or pledgee of Notes and may otherwise deal with and collect obligations owed to it by the Issuer, any Note Guarantor or its Affiliates and may otherwise deal with the Issuer, any Note Guarantor or its Affiliates with the same rights it would have if it were not Trustee.

14. No Recourse Against Others

An incorporator, director, officer, employee, stockholder or controlling person, as such, of the Issuer or any Note Guarantor shall not have any liability for any obligations of the Issuer or any Note Guarantor under the Notes or the Indenture or for any claims based on, in respect of or by reason of such obligations or their creation. By accepting a Note, each holder waives and releases all such liability.

15. Authentication

Any Officer of the Issuer may sign the Notes for the Issuer by manual or facsimile signature. This Note shall not be valid until an authorized signatory of the Trustee (or an Authenticating Agent) manually signs the certificate of authentication on the other side of this Note.

16. Abbreviations

Customary abbreviations may be used in the name of a Holder or an assignee, such as TEN COM (= tenants in common), TEN ENT (= tenants by the entirety), JT TEN (= joint tenants with rights of survivorship and not as tenants in common), CUST (=custodian) and U/G/M/A (= Uniform Gift to Minors Act).

17. ISIN Numbers

Pursuant to a recommendation promulgated by the Committee on Uniform Security Identification Procedures the Issuer has caused ISIN or other similar numbers to be printed on the Notes and has directed the Trustee to use ISIN numbers in notices of redemption as a convenience to Holders. No representation is made as to the accuracy of such numbers either as printed on the Notes or as contained in any notice of redemption and reliance may be placed only on the other identification numbers placed thereon.

18. Governing Law

This Note shall be governed by, and construed in accordance with, the laws of the State of New York.

19. Currency of Account; Conversion of Currency.

Euro is the sole currency of account and payment for all sums payable by the Issuer and the Note Guarantors under or in connection with the Notes or the Indenture, including damages. The Issuer and the Note Guarantors will indemnify the Holders as provided in respect of the conversion of currency relating to the Notes and the Indenture.

20. Agent for Service; Submission to Jurisdiction; Waiver of Immunities.

The Issuer and the Note Guarantors have agreed that any suit, action or proceeding against the Issuer or any Note Guarantor brought by any Holder or the Trustee arising out of or based upon the Indenture or the Notes may be instituted in any state or federal court in the City of New York and County of New York and in the courts of their respective corporate domiciles, in respect of actions brought against them as defendants. The Issuer and the Note Guarantors have irrevocably submitted to the jurisdiction of such courts for such purpose and waived, to the fullest extent permitted by law, trial by jury and any objection it may now or hereafter have to the laying of venue of any such proceeding, and any claim it may now or hereafter have that any proceeding in any such court is brought in an inconvenient forum. The Issuer and the Note Guarantors (other than CEMEX Corp. and CEMEX Finance LLC) have appointed CEMEX NY Corporation, 590 Madison Avenue, 41st Floor, New York, NY 10022, as each of their authorized agent upon whom all writs, process and summonses may be served in any suit, action or proceeding arising out of or based upon the Indenture or the Notes which may be instituted in any state or federal court in the City of New York and County of New York. To the extent that any of the Issuer and the Note Guarantors have or hereafter may acquire any immunity (sovereign or otherwise) from any legal action, suit or proceeding, from jurisdiction of any court or from set-off or any legal process (whether service or notice, attachment in aid or otherwise) with respect to itself or any of its property, the Issuer and the Note Guarantors have irrevocably waived and agreed not to plead or claim such immunity in respect of its obligations under the Indenture or the Notes.

The Issuer will furnish to any Holder upon written request and without charge to the Holder a copy of the Indenture which has in it the text of this Note in larger type. Requests may be made to:

CEMEX, S.A.B. de C.V.

Av. Ricardo Margáin Zozaya # 325
Colonia Valle del Campestre
Garza García, Nuevo León, México 66265
Tel: +5281-8888-8888

ASSIGNMENT FORM

To assign this Note, fill in the form below:

I or we assign and transfer this Note to

(Print or type assignee's name, address and zip code)

(Insert assignee's soc. sec. or tax I.D. No.)

and irrevocably appoint _____ as agent to transfer this Note on the books of the Issuer. The agent may substitute another to act for him.

Date: _____ Your Signature: _____

Signature Guarantee: _____
(Signature must be guaranteed)

Sign exactly as your name appears on the other side of this Note.

The signature(s) should be guaranteed by an eligible guarantor institution (banks, stockbrokers, savings and loan associations and credit unions with membership in an approved signature guarantee medallion program), pursuant to Exchange Act Rule 17Ad-15.

To be attached to Global Notes only:

SCHEDULE OF INCREASES OR DECREASES IN GLOBAL NOTE

The following increases or decreases in this Global Note have been made:

<u>Date of Exchange</u>	<u>Amount of decrease in Principal Amount of this Global Note</u>	<u>Amount of increase in Principal Amount of this Global Note</u>	<u>Principal Amount of this Global Note following such decrease or increase</u>	<u>Signature of authorized signatory of Trustee or Note Custodian</u>

OPTION OF HOLDER TO ELECT PURCHASE

If you want to elect to have this Note purchased by the Issuer pursuant to Section 3.8 or Section 3.12 of the Indenture, check either box:

Section 3.8

Section 3.12

If you want to elect to have only part of this Note purchased by the Issuer pursuant to Section 3.12 of the Indenture, state the principal amount (which must be in minimum denominations of €100,000 and in an integral multiple of €1,000): €

Date: _____

Your Signature _____
(Sign exactly as your name appears on the other side of the Note)

Signature Guarantee: _____
(Signature must be guaranteed)

The signature(s) should be guaranteed by an eligible guarantor institution (banks, stockbrokers, savings and loan associations and credit unions with membership in an approved signature guarantee medallion program), pursuant to Exchange Act Rule 17Ad-15.

FORM OF CERTIFICATION FOR TRANSFER PURSUANT TO REGULATION S

[Date]

The Bank of New York Mellon
101 Barclay Street – 7E
New York, NY 10286
Attention: International Corporate Trust

Re: 4.750% Senior Secured Notes due 2022 (the “Notes”) of
CEMEX, S.A.B. de C.V. (the “Issuer”) – ISIN: XS1028947155

Ladies and Gentlemen:

Reference is hereby made to the Indenture, dated as of September 11, 2014 (as amended and supplemented from time to time, the “Indenture”), among the Issuer, the Note Guarantors named therein and The Bank of New York Mellon, as Trustee. Capitalized terms used but not defined herein shall have the meanings given them in the Indenture or Regulation S under the Securities Act of 1933, as amended (the “Securities Act”), as the case may be.

In connection with our proposed transfer of € aggregate principal amount of the Notes, which represent an interest in a Rule 144A Global Note beneficially owned by the undersigned (“Transferor”), we confirm that such transfer has been effected pursuant to and in accordance with Regulation S and, accordingly, we represent that:

(a) the offer of the Notes was not made to a person in the United States;

(b) either (i) at the time the buy order was originated, the transferee was outside the United States or we and any person acting on our behalf reasonably believed that the transferee was outside the United States or (ii) the transaction was executed in, on or through the facilities of a designated off-shore securities market and neither we nor any person acting on our behalf knows that the transaction has been pre-arranged with a buyer in the United States;

(c) no directed selling efforts have been made in the United States in contravention of the requirements of Rule 903(b) or Rule 904(b) of Regulation S, as applicable;

(d) the transaction is not part of a plan or scheme to evade the registration requirements of the Securities Act; and

(e) we are the beneficial owner of the principal amount of Notes being transferred.

In addition, if the transfer is made during a Distribution Compliance Period and the provisions of Rule 904(b)(1) or Rule 904(b)(2) of Regulation S are applicable thereto, we confirm that such transfer has been made in accordance with the applicable provisions of Rule 904(b)(1) or Rule 904(b)(2), as the case may be.

You, the Issuer and the Note Guarantors are entitled to rely upon this letter and are irrevocably authorized to produce this letter or a copy hereof to any interested party in any administrative or legal proceedings or official inquiry with respect to the matters covered hereby.

Very truly yours,

[Name of Transferor]

By: _____

Authorized Signature]

Signature Guarantee: _____
(Signature must be guaranteed)

The signature(s) should be guaranteed by an eligible guarantor institution (banks, stockbrokers, savings and loan associations and credit unions with membership in an approved signature guarantee medallion program), pursuant to Exchange Act Rule 17Ad-15.

FORM OF CERTIFICATION FOR TRANSFER PURSUANT TO RULE 144

[Date]

The Bank of New York Mellon
101 Barclay Street – 7E
New York, NY 10286
Attention: International Corporate Trust

Re: 4.750% Senior Secured Notes due 2022 (the “Notes”) of
CEMEX, S.A.B. de C.V. (the “Issuer”) – ISIN: XS1028947155

Ladies and Gentlemen:

Reference is hereby made to the Indenture, dated as of September 11, 2014 (as amended and supplemented from time to time, the “Indenture”), among the Issuer, the Note Guarantors named therein and The Bank of New York Mellon, as Trustee. Capitalized terms used but not defined herein shall have the meanings given them in the Indenture.

In connection with our proposed transfer of € _____ aggregate principal amount of the Notes, which represent an interest in a 144A Global Note beneficially owned by the undersigned (“Transferor”), we confirm that such transfer has been effected pursuant to and in accordance with Rule 144 under the Securities Act.

You, the Issuer and the Note Guarantors are entitled to rely upon this letter and are irrevocably authorized to produce this letter or a copy hereof to any interested party in any administrative or legal proceedings or official inquiry with respect to the matters covered hereby.

Very truly yours,

[Name of Transferor]

By: _____

Authorized Signature

Signature Guarantee: _____
(Signature must be guaranteed)

The signature(s) should be guaranteed by an eligible guarantor institution (banks, stockbrokers, savings and loan associations and credit unions with membership in an approved signature guarantee medallion program), pursuant to Exchange Act Rule 17Ad-15.

FORM OF CERTIFICATION FOR TRANSFER PURSUANT TO RULE 144A

[Date]

The Bank of New York Mellon
101 Barclay Street – 7E
New York, NY 10286
Attention: International Corporate Trust

Re: 4.750% Senior Secured Notes due 2022 (the “Notes”) of
CEMEX, S.A.B. de C.V. (the “Issuer”) – ISIN: XS1028947155

Ladies and Gentlemen:

Reference is hereby made to the Indenture, dated as of September 11, 2014 (as amended and supplemented from time to time, the “Indenture”), among the Issuer, the Note Guarantors named therein and The Bank of New York Mellon, as Trustee. Capitalized terms used but not defined herein shall have the meanings given them in the Indenture.

In connection with our proposed transfer of € _____ aggregate principal amount of the Notes, which represent an interest in a Regulation S Global Note beneficially owned by the undersigned (“Transferor”), we confirm that such transfer has been effected pursuant to and in accordance with Rule 144A under the Securities Act of 1933, as amended, and, accordingly, we represent that the beneficial interest will be transferred to a Person that we reasonably believe is purchasing the beneficial interest for its own account, or for one or more accounts with respect to which such Person exercises sole investment discretion, and such Person and each such account is a “qualified institutional buyer” within the meaning of Rule 144A in a transaction meeting the requirements of Rule 144A and such transfer is in compliance with any applicable blue sky securities laws of any state of the United States.

You, the Issuer and the Note Guarantors are entitled to rely upon this letter and are irrevocably authorized to produce this letter or a copy hereof to any interested party in any administrative or legal proceedings or official inquiry with respect to the matters covered hereby.

Very truly yours,

[Name of Transferor]

By: _____

Authorized Signature]

Signature Guarantee: _____
(Signature must be guaranteed)

The signature(s) should be guaranteed by an eligible guarantor institution (banks, stockbrokers, savings and loan associations and credit unions with membership in an approved signature guarantee medallion program), pursuant to Exchange Act Rule 17Ad-15.

“CONSOLIDATED LEVERAGE RATIO” AND RELATED DEFINITIONS

The definition of “Consolidated Leverage Ratio” comes from the 2009 Financing Agreement, as in effect immediately prior to giving effect to the amendment and restatement thereof on September 17, 2012, and is to be used solely for purposes of calculating the Consolidated Leverage Ratio in the context of determining whether a Partial Covenant Suspension Event has occurred.

“**2012 CB Amount**” means an aggregate amount equal to the Relevant Existing Financial Indebtedness maturing on or prior to the 2012 CB Maturity Date.

“**2012 CB Maturity Date**” means the final maturity date of the Relevant Existing Financial Indebtedness maturing in September, 2012 (being 21 September, 2012).

“**Acceptable Bank**” means:

- (a) a bank or financial institution which has a rating for its long-term unsecured and non credit-enhanced debt obligations of A- or higher by S&P or A- or higher by Fitch or A3 or higher by Moody’s or a comparable rating from an internationally recognised credit rating agency;
- (b) any other bank or financial institution in a jurisdiction in which a member of the Group conducts commercial operations where such member of the Group, in the ordinary course of trading, subscribes for certificates of deposit issued by such bank or financial institution; or
- (c) any other bank or financial institution approved by the Administrative Agent.

“**Accession Letter**” means a document substantially in the form set out in Schedule 4 (*Form of Accession Letter*) of the 2009 Financing Agreement.

“**Additional Guarantor**” means a company that becomes an Additional Guarantor in accordance with Clause 28 (*Changes to the Obligors*) of the 2009 Financing Agreement.

“**Additional Security Provider**” means a company that becomes an Additional Security Provider in accordance with Clause 28 (*Changes to the Obligors*) of the 2009 Financing Agreement.

“**Administrative Agent**” means Citibank International PLC, as administrative agent of the Finance Parties (other than itself) under the 2009 Financing Agreement.

“**Affiliate**” means, in relation to any person, a Subsidiary of that person or a Holding Company of that person or any other Subsidiary of that Holding Company.

“**Applicable GAAP**” means:

- (a) in the case of the Issuer, Mexican FRS or, if adopted by the Issuer in accordance with Clause 22.3 (*Requirements as to financial statements*) of the 2009 Financing Agreement, IFRS;

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- (b) in the case of CEMEX España, Spanish GAAP or, if adopted by CEMEX España in accordance with Clause 22.3 (*Requirements as to financial statements*) of the 2009 Financing Agreement, IFRS; and
 - (c) in the case of any other Obligor, the generally accepted accounting principles applying to it in the country of its incorporation or in a jurisdiction agreed to by the Administrative Agent or, if adopted by the relevant Obligor, IFRS.

“**Authorised Signatory**” means, in relation to any Obligor, any person who is duly authorised and in respect of whom the Administrative Agent has received a certificate signed by a director or another Authorised Signatory of such Obligor setting out the name and signature of such person and confirming such person’s authority to act.

“**Banobras Facility**” means a revolving loan agreement (*Contrato de Apertura de Crédito en Cuenta Corriente*) between CEMEX CONCRETOS, S.A. de C.V., as borrower and Banco Nacional de Obras y Servicios Públicos, Sociedad Nacional de Crédito, Institución de Banca de Desarrollo, as lender (“**Banobras**”), in an aggregate principal amount equal to Mex\$5,000,000,000.00 (five billion pesos), dated April 22, 2009, which was formalized by means of public deeds number 116,380 and 116,381 dated April 22, 2009, granted before Mr. José Angel Villalobos Magaña, notary public number 9 for Mexico, Federal District, as such facility may be amended from time to time.

“**Base Currency**” means US dollars.

“**Base Currency Amount**” means on any date:

- (a) in relation to an amount or Exposure denominated in the Base Currency, that amount or the amount of that Exposure; and
- (b) in relation to an amount or Exposure denominated in a currency other than the Base Currency, that amount or the amount of that Exposure converted into the Base Currency at:
 - (i) for the purposes of determining the Majority Participating Creditors, the exchange rate displayed on the appropriate Reuters screen at or about 11:00 a.m. London time on the date on which such determination is made (or if the agreed page is replaced or services cease to be available, the Administrative Agent may specify another page or service displaying the appropriate rate after consultation with the Issuer and the Participating Creditors); and
 - (ii) for all other purposes, the exchange rate displayed on the appropriate Reuters screen at or about 11:00 a.m. London time on the date which is five Business Days before that date (or if the agreed page is replaced or services cease to be available, the Administrative Agent may specify another page or service displaying the appropriate rate after consultation with the Issuer and the Participating Creditors).

“**Bilateral Bank Facilities**” means the facilities described in Part IB of Part II of Schedule 1 (*The Original Participating Creditors*) of the 2009 Financing Agreement.

“**Borrower**” means an Original Borrower unless it has ceased to be a Borrower in accordance with Clause 28.2 (*Resignation of a Borrower*) of the 2009 Financing Agreement.

“**Business Day**” means a day (other than a Saturday or Sunday) on which banks are open for general business in London, Madrid, New York, Amsterdam and Mexico City (in the case of Mexico City, if applicable, as specified by a governmental authority), and:

- (a) (in relation to any date for payment or lending or purchase of, or the determination of an interest rate or rate of exchange in relation to, a currency other than euro) the principal financial centre of the country of that currency; or
- (b) (in relation to any date for payment or lending or purchase of, or the determination of an interest rate or rate of exchange in relation to, euro) any TARGET Day.

“**Business Plan**” means the five year business plan of the Group delivered in conjunction with the 2009 Financing Agreement.

“**Capital Expenditure**” means any expenditure or obligation in respect of expenditure which, in accordance with Applicable GAAP of the Issuer, is treated as capital expenditure (and including the capital element of any expenditure or obligation incurred in connection with a Capital Lease) (and, solely for the purposes of paragraph (c) of Clause 23.2 (*Financial condition*) of the 2009 Financing Agreement, the maximum amount of Capital Expenditure of the Group permitted in the Financial Year ending on or about 31 December 2009 will be increased by an amount not exceeding \$50,000,000 in aggregate to the extent necessary to take into account currency fluctuations or additional costs and expenses contemplated by (or that have occurred since the date of) the Business Plan).

“**Capital Lease**” means, as to any person, the obligations of such person to pay rent or other amounts under any lease of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, which obligations are required to be classified and accounted for as capital leases on a balance sheet of the Issuer under Applicable GAAP and the amount of such obligations at any time shall be the capitalized amount thereof at such time determined in accordance with Applicable GAAP of the Issuer.

“**Capital Stock**” means any and all shares, interests, participations or other equivalents (however designed) of capital stock of a corporation, any and all equivalent ownership interests in a person (other than a corporation) and any and all warrants, rights or options to purchase any of the foregoing.

“**Cash Equivalent Investments**” means at any time:

- (a) certificates of deposit maturing within one year after the relevant date of calculation and issued by an Acceptable Bank;
- (b) any investment in marketable debt obligations issued or expressly guaranteed by the government of Mexico, the United States of America (or

any state thereof (including any political subdivision of such state)), the United Kingdom, any member state of the European Economic Area or any Participating Member State or any member state of NAFTA (or any other jurisdiction in which a member of the Group conducts commercial operations if that member of the Group makes investments in such debt obligations in the ordinary course of its trading) or by an instrumentality or agency of any of them having an equivalent credit rating, maturing within one year after the relevant date of calculation and not convertible or exchangeable to any other security;

- (c) commercial paper not convertible into or exchangeable for any other security:
 - (i) for which a recognised trading market exists;
 - (ii) issued by an issuer incorporated in Mexico, the United States of America (or any state thereof (including any political subdivision of such state)), the United Kingdom, any member state of the European Economic Area or any Participating Member State or any member state of NAFTA (or any other jurisdiction in which a member of the Group makes investments in such debt obligations in the ordinary course of trading);
 - (iii) which matures within one year after the relevant date of calculation; and
 - (iv) which has a credit rating of either A-1 or higher by S&P or F 1 or higher by Fitch or P-1 or higher by Moody's, or, if no rating is available in respect of the commercial paper, the issuer of which has, in respect of its long-term unsecured and non-credit enhanced debt obligations, an equivalent rating;
- (d) sterling bills of exchange eligible for rediscount at the Bank of England and accepted by an Acceptable Bank (or their dematerialised equivalent);
- (e) any investment in money market funds which (i) have a credit rating of either A-1 or higher by S&P or F1 or higher by Fitch or P-1 or higher by Moody's, (ii) which invest substantially all their assets in securities of the types described in paragraphs (a) to (d) above and (f) and (g) below and (iii) can be turned into cash on not more than 30 days' notice; or
- (f) any deposit issued by any of Nacional Financiera, S.N.C., Banco Nacional de Comercio Exterior, S.N.C., Banco Nacional de Obras y Servicios Públicos, S.N.C. or any other development bank controlled by the Mexican government;
- (g) any other debt instrument rated "investment grade" (or the local equivalent thereof according to local criteria in a country in which any member of the

Group conducts commercial operations and in which local pensions are permitted by law to invest) with maturities of 12 months or less from the date of acquiring such investment;

- (h) investments in mutual funds, managed by banks or financial institutions, with a local currency credit rating of at least MxAA by S&P or equivalent by any other reputable local rating agency, that invest principally in marketable direct obligations issued by the Mexican government, or issued by any agency or instrumentality thereof; and
- (i) any other debt security, certificate of deposit, commercial paper, bill of exchange, investment in money market funds or material funds approved by the Majority Participating Creditors, in each case, to which any member of the Group is alone (or together with other members of the Group) beneficially entitled at that time and which is not issued or guaranteed by any member of the Group or subject to any Security (other than Security arising under the Transaction Security Documents).

“CB Cash Replenishment Amount” means, for a particular Relevant Prepayment Period, the amount of cash in hand of the Issuer on a consolidated basis to be applied by the Issuer to the CB Reserve pursuant to paragraph (b) of Clause 13.3 (*Mandatory prepayments: Certificados Bursátiles Reserve*) of the 2009 Financing Agreement at any time during that Relevant Prepayment Period **provided that** such amount, together with the CB Disposal Proceeds Replenishment Amount applicable to that Relevant Prepayment Period, may not exceed the CB Reserve Shortfall at that time.

“CB Disposal Proceeds Replenishment Amount” means for a particular Relevant Prepayment Period, the amount of any Disposal Proceeds received by any member of the Group during that Relevant Prepayment Period to be applied by the Issuer to the CB Reserve pursuant to paragraph (b) of Clause 13.3 (*Mandatory prepayments: Certificados Bursátiles Reserve*) of the 2009 Financing Agreement **provided that** such amount, together with the CB Cash Replenishment Amount applicable to that Relevant Prepayment Period, may not exceed the CB Reserve Shortfall at that time.

“CB Reserve” means the reserve created by the Issuer or any of its Subsidiaries for the purposes of holding the proceeds of any Permitted Fundraising that, as set out in the relevant CB Reserve Certificate, are to be applied in accordance with Clause 13.3 (*Mandatory prepayments: Certificados Bursátiles Reserve*) of the 2009 Financing Agreement.

“CB Reserve Certificate” means a certificate signed by a Responsible Officer of the Issuer setting out, with respect to a Permitted Fundraising the net cash proceeds of which are to be applied in accordance with Clause 13.3 (*Mandatory prepayments: Certificados Bursátiles Reserve*) of the 2009 Financing Agreement:

- (i) the amount of proceeds from the relevant Permitted Fundraising that the Issuer wishes to be applied to the CB Reserve (such amount to not exceed the aggregate amount of the Relevant Existing Financial Indebtedness that is due to mature within the Relevant Prepayment Period to which it applies); and
- (ii) specific details of the Relevant Existing Financial Indebtedness to which any amounts are designated by the Issuer to be applied including the total aggregate amount of such Relevant Existing Financial Indebtedness and the date on which such Relevant Existing Financial Indebtedness matures.

“**CB Reserve Shortfall**” means at any time, for a particular Relevant Prepayment Period, an amount equal to the lower of:

- (i) the aggregate amount of (A) any voluntary prepayments made to Participating Creditors pursuant to Clause 12.2 (*Voluntary prepayment of Exposures*) of the 2009 Financing Agreement from proceeds standing to the credit of the CB Reserve in that Relevant Prepayment Period and (B) the 2012 CB Amount; and
- (ii) the principal amount of any Relevant Existing Financial Indebtedness then outstanding in that Relevant Prepayment Period.

“**Change of Control**” means that the beneficial ownership (within the meaning of Rule 13d-3 promulgated by the SEC under the Securities Exchange Act of 1934, as amended) of 20 per cent. or more in voting power of the outstanding voting stock of the Issuer is acquired by any person, **provided that** the acquisition of beneficial ownership of capital stock of the Issuer by Lorenzo H. Zambrano or any member of his immediate family shall not constitute a Change of Control.

“**Charged Property**” means all of the assets of the Security Providers which from time to time are, or are expressed to be, the subject of the Transaction Security.

“**Compliance Certificate**” means a certificate substantially in the form set out in Schedule 5 (*Form of Compliance Certificate*) of the 2009 Financing Agreement.

“**Consolidated Coverage Ratio**” means, on any date of determination, the ratio of (a) EBITDA for the one (1) year period ending on such date to (b) Consolidated Interest Expense for the one (1) year period ending on such date.

“**Consolidated Debt**” means, at any date, the sum (without duplication) of (a) the aggregate amount of all Debt of the Issuer and its Subsidiaries at such date, which shall include the amount of any recourse in respect of Inventory Financing permitted under paragraph (e) of the definition of Permitted Financial Indebtedness, *plus* (b) to the extent not included in Debt, the aggregate net mark-to-market amount of all derivative financing in the form of equity swaps outstanding at such date (except to the extent such exposure is cash collateralized to the extent permitted under the Finance Documents).

“**Consolidated Funded Debt**” means, for any period, Consolidated Debt less the sum (without duplication) of (i) all obligations of such person to pay the deferred purchase price of property or services, (ii) all obligations of such person as lessee under Capital Leases, and (iii) all obligations of such person with respect to product invoices incurred in connection with export financing.

“**Consolidated Interest Expense**” means, for any period, the sum of the (1) total gross cash and non cash interest expense of the Issuer and its consolidated Subsidiaries relating to Consolidated Funded Debt of such persons, (2) any amortization or accretion of debt discount or any interest paid on Consolidated Funded Debt of such person and its Subsidiaries in the form of additional Financial Indebtedness (but excluding any amortization of deferred financing and debt

issuance costs), (3) the net costs under Treasury Transactions in respect of interest rates (but excluding amortization of fees), (4) any amounts paid in cash on preferred stock, and (5) any interest paid or accrued in respect of Consolidated Funded Debt without a maturity date, regardless of whether considered interest expense under Applicable GAAP of the Issuer. For purposes of calculating Consolidated Interest Expense for the Reference Period ending 30 June 2010, \$131,406,696.17 shall be deducted, constituting the amount of interest paid in respect of perpetual debentures on 1 July 2009 for the period ending 30 June 2009.

“**Consolidated Leverage Ratio**” means, on any date of determination, the ratio of (a) Consolidated Funded Debt on such date to (b) EBITDA for the one (1) year period ending on such date.

“**Core Bank Facilities**” means the Syndicated Bank Facilities, the Bilateral Bank Facilities and the Promissory Notes.

“**Creditor’s Representative**” means:

- (a) with respect to each of the Syndicated Bank Facilities, the person appointed as the agent of the creditors in relation to such Facility under the Existing Finance Documents relating to such Facility;
- (b) with respect to each other Core Bank Facility, the Participating Creditor with an Exposure under that Facility; and
- (c) with respect to each USPP Note, the Participating Creditor with an Exposure under that USPP Note.

“**Debt**” of any person means, without duplication, (i) all obligations of such person for borrowed money, (ii) all obligations of such person evidenced by bonds, debentures, notes or other similar instruments, including the perpetual bonds, (iii) the aggregate net mark-to-market of Treasury Transactions (except to the extent such exposure is cash collateralized to the extent permitted under the Finance Documents) of such person but excluding Treasury Transactions relating to the rate or price of energy or any commodity, (iv) all obligations of such person to pay the deferred purchase price of property or services, except trade accounts payable arising in the ordinary course of trading, (v) all obligations of such person as lessee under Capital Leases, (vi) all Debt of others secured by Security on any asset of such person, up to the value of such asset, (vii) all obligations of such person with respect to product invoices incurred in connection with export financing, (viii) all obligations of such person under repurchase agreements for the stock issued by such person or another person, (ix) all obligations of such person in respect of Inventory Financing permitted under paragraph (e) of the definition of Permitted Financial Indebtedness and (x) all guarantees of such person in respect of any of the foregoing **provided, however**, that for the purposes of calculating the Consolidated Funded Debt element of the Consolidated Leverage Ratio, Relevant Convertible/Exchangeable Obligations shall be excluded from each of the foregoing paragraphs (i) to (x) inclusive (**provided that**, in the case of outstanding Financial Indebtedness under any Relevant Convertible/Exchangeable Obligations (1) only the principal amount thereof shall be excluded and (2) such exclusion shall apply only for so long as such amounts remain subordinated in accordance with the terms of that definition) and (b) amounts falling within paragraph (v) of the definition of Excluded Fundraising Proceeds, for the period in which they are held by the Issuer or any member of the Group pending

application in accordance with the terms of the 2009 Financing Agreement, shall be deducted from the aggregate Debt calculation resulting from this definition. For the avoidance of doubt, all letters of credit, banker's acceptances or similar credit transactions, including reimbursement obligations in respect thereof are not Debt until they are required to be funded.

"Debt Documents" means the Finance Documents, the "Refinancing Documents" (as defined in the Intercreditor Agreement) and the "Noteholder Documents" (as defined in the Intercreditor Agreement).

"Debt Reduction Satisfaction Date" means the first date following 30 September 2010 on which:

- (a) the Base Currency Amount of the Exposures of Participating Creditors under the Facilities (calculated as at the date that any reduction of Exposures occurs and in accordance with the 2009 Financing Agreement) has been reduced by an aggregate amount equal to at least U.S.\$1,000,000,000 compared to the Exposures of Participating Creditors under the Facilities as at 30 September 2010; and
- (b) the amount of Consolidated Funded Debt is at least U.S.\$1,000,000,000 (or its equivalent in any other currency) lower than the level of Consolidated Funded Debt as at 30 September 2010 (for the avoidance of doubt, when used in this sub-paragraph, Consolidated Funded Debt shall not include any Relevant Convertible/Exchangeable Obligations),

with notification of the occurrence of such date being provided by the Parent delivering a certificate to the Administrative Agent signed by an Authorised Signatory confirming that (a) and (b) above have been met.

"Delegate" means any delegate, agent, attorney or co-trustee appointed by the Security Agent.

"Discontinued EBITDA" means, for any period, the sum for Discontinued Operations of (a) operating income (*utilidad de operación*), and (b) depreciation and amortization expense, in each case determined in accordance with Applicable GAAP of the Issuer consistently applied for such period.

"Discontinued Operations" means operations that are accounted for as discontinued operations pursuant to Applicable GAAP of the Issuer for which the Disposal of such assets has not yet occurred.

"Disposal" means a sale, lease, license, transfer, loan or other disposal by a person of any asset (including shares in any Subsidiary or other company), undertaking or business (whether by a voluntary or involuntary single transaction or series of transactions).

"Disposal Proceeds" means:

- (i) the cash consideration received by any member of Group (including any amount received from a person who is not a member of the Group in repayment of intercompany debt save to the extent that the creditor in respect of the intercompany debt is obliged to repay that amount to the purchaser at or about completion of the Disposal) for any Disposal;

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- (ii) any proceeds of any Disposal received in the form of Marketable Securities that are required to be disposed of for cash (after deducting reasonable expenses incurred by the party disposing of those Marketable Securities to persons other than members of the Group) pursuant to the criteria set out at paragraph (h) of the definition of Permitted Disposal; and
 - (iii) any proceeds of any Disposal received in any other form to the extent disposed of or otherwise converted into cash within 90 days of receipt; and
 - (iv) any consideration falling within paragraphs (i) to (iii) above that is received by any member of the Group from the Disposal of assets of the Group in Venezuela prior to the date of the 2009 Financing Agreement,

but excluding any Excluded Disposal Proceeds and, in every case, after deducting:

- (1) any reasonable expenses which are incurred by the disposing party of such assets with respect to that Disposal to persons who are not members of the Group;
- (2) any Tax incurred and required to be paid by the disposing party in connection with that Disposal (as reasonably determined by the disposing party on the basis of rates existing at the time of the disposal and taking account of any available credit, deduction or allowance);

“**EBITDA**” means, for any period, the sum for the Issuer and its Subsidiaries, determined on a consolidated basis of (a) operating income (*utilidad de operacion*), and (b) depreciation and amortization expense, in each case determined in accordance with Applicable GAAP of the Issuer, subject to the adjustments herein, consistently applied for such period and adjusted for Discontinued EBITDA as follows: if the amount of Discontinued EBITDA is a positive amount, then EBITDA shall increase by such amount, and if the amount of Discontinued EBITDA is a negative amount, then EBITDA shall decrease by the absolute value of such amount. For the purposes of calculating EBITDA for any applicable period pursuant to any determination of the Consolidated Leverage Ratio (but not the Consolidated Coverage Ratio): (A) (i) if at any time during such applicable period the Borrower or any of its Subsidiaries shall have made any Material Disposal, the EBITDA for such applicable period shall be reduced by an amount equal to the EBITDA (if positive) attributable to the property that is the subject of such Material Disposal for such applicable period (but when the Material Disposal is by way of lease, income received by the Issuer or any of its Subsidiaries under such lease shall be included in EBITDA) and (ii) if at any time during such applicable period the Issuer or any of its Subsidiaries shall have made any Material Acquisition, EBITDA for such applicable period shall be calculated after giving *pro forma* effect thereto as if such Material Acquisition had occurred on the first day of such applicable period. Additionally, if since the beginning of such applicable period any person that subsequently shall have become a Subsidiary or was merged or consolidated with the Issuer or any of its Subsidiaries as a result of a Material Acquisition occurring during such applicable period shall have made any Material Disposal or Material Acquisition of property that would have required an adjustment pursuant to clause (i) or (ii) above if made by the Issuer or any of its Subsidiaries during such applicable period, EBITDA for such period shall be calculated after giving *pro forma* effect thereto as if such Material Disposal or Material

Acquisition had occurred on the first day of such applicable period; and (B) EBITDA will be recalculated by multiplying each month's EBITDA by the Ending Exchange Rate and dividing the amount obtained thereto by the exchange rate used by the Issuer in preparation of its monthly financial statements in accordance with Applicable GAAP of the Issuer to convert \$ into Mexican pesos (such recalculated EBITDA being the "**Recalculated EBITDA**").

"**Ending Exchange Rate**" means the exchange rate at the end of a Reference Period for converting \$ into Mexican pesos as used by the Issuer and its auditors in preparation of the Issuer's financial statements in accordance with Applicable GAAP of the Issuer.

"**Excluded Disposal Proceeds**" means any CB Disposal Proceeds Replenishment Amount and the proceeds of any Disposal of:

- (i) inventory or trade receivables in the ordinary course of trading of the disposing entity;
- (ii) assets pursuant to a Permitted Securitisation programme existing as at the date of the 2009 Financing Agreement (or any rollover or extension of such a Permitted Securitisation);
- (iii) any asset from any member of the Group to another member of the Group on arm's length terms and for fair market or book value;
- (iv) any assets the consideration for which (when aggregated with the consideration for any related Disposals) is less than \$5,000,000 (or its equivalent in any other currency);
- (v) assets leased or licensed to any director, officer or employee of any member of the Group in connection with and as part of the ordinary course of the service or employment arrangements of the Group;
- (vi) Marketable Securities (other than Marketable Securities received as consideration for a Disposal as envisaged in paragraphs (ii) and (iii) of the definition of Disposal Proceeds); and
- (vii) any cash or other assets arising out of or in connection with any Permitted Put/Call Transaction, including, but not limited to any settlement, disposal, transfer, assignment, closeout or other termination of such Permitted Put/Call Transaction.

"**Excluded Fundraising Proceeds**" means the proceeds of:

- (i) a Permitted Fundraising falling within paragraph (f)(i) of the definition of Permitted Financial Indebtedness entered into for the purpose of refinancing or extending the maturity of Existing Financial Indebtedness falling within paragraph (a) of the definition thereof (or paragraph (b) of the definition thereof, to the extent that it relates to Short Term Certificados Bursatiles) (and, in the case of a refinancing, where the proceeds that would, but for this paragraph (i), constitute "Permitted Fundraising Proceeds," are actually applied for such purpose as soon as reasonably practicable (and in any event within 90 days) following receipt of those proceeds by any member of the Group);

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- (ii) a Permitted Fundraising falling within paragraph (f)(ii) of the definition of Permitted Financial Indebtedness entered into for the purpose of refinancing or extending the maturity of Existing Financial Indebtedness falling within paragraphs (a) to (e) of the definition thereof (and, in the case of a refinancing, where the proceeds that would, but for this paragraph (ii), constitute “Permitted Fundraising Proceeds,” are actually applied for such purpose as soon as reasonably practicable (and in any event within 90 days) following receipt of those proceeds by any member of the Group).
 - (iii) any transaction between members of the Group;
 - (iv) Permitted Securitisations;
 - (v) prior to the Debt Reduction Satisfaction Date, a Permitted Fundraising falling within paragraph (c) of that definition or, after the Debt Reduction Satisfaction Date, a Permitted Fundraising falling within paragraphs (a), (b) or (c) of that definition **provided that** any Relevant Existing Financial Indebtedness due to mature within the particular Relevant Prepayment Period and the proceeds of such Permitted Fundraising are to be applied in accordance with Clause 13.3 (*Mandatory prepayments: Certificados Bursátiles Reserve*) of the 2009 Financing Agreement;
 - (vi) subject to Clause 13.4(ii) of the 2009 Financing Agreement, a Permitted Fundraising falling within paragraph (c) of that definition and applied or to be applied in accordance with Clause 13.4 (*Mandatory prepayments: Relevant Convertible/Exchangeable Obligations*) of the 2009 Financing Agreement; and
 - (vii) a Permitted Fundraising arising out of or in connection with any Permitted Put/Call Transaction, including, but not limited to, any settlement, disposal, transfer, assignment, close-out or other termination of such Permitted Put/Call Transaction.

“**Executive Compensation Plan**” means any stock option plan, restricted stock plan or retirement plan which the Issuer or any other Obligor customarily provides to its employees, consultants and directors.

“**Existing Facility Agreements**” means the facility agreements and other documents described in Part II, Schedule 1 (*The Original Participating Creditors*) of the 2009 Financing Agreement.

“**Existing Finance Documents**” means each Existing Facility Agreement, the USPP Note Guarantee, the “Finance Documents” as defined in any Existing Facility Agreement and the “Facility Transaction Documents” as defined in Exhibit H to the NY Law Amendment Agreement (but in each case excluding any document that is designated a “**Finance Document**” or “**Facility Transaction Document**” by an Obligor and the relevant Creditor’s Representative under an Existing Facility Agreement after the date of the 2009 Financing Agreement).

“Existing Financial Indebtedness” means:

- (a) the Financial Indebtedness described in Part I of Schedule 10 (*Existing Financial Indebtedness*) of the 2009 Financing Agreement **provided that** the principal amount of such Financial Indebtedness does not increase above the principal amount outstanding as at the date of the 2009 Financing Agreement (except by the amount of any capitalised interest under any facility or instrument that provided for capitalisation of interest on those terms as at the date of the 2009 Financing Agreement) less the amount of any repayments and prepayments made in respect of such Financial Indebtedness;
- (b) the Financial Indebtedness described in Part II of Schedule 10 (*Existing Financial Indebtedness*) of the 2009 Financing Agreement and any Short-Term Certificados Bursatiles, working capital or other operating facilities that replace or refinance such Financial Indebtedness;
- (c) the Financial Indebtedness described in Part III of Schedule 10 (*Existing Financial Indebtedness*) of the 2009 Financing Agreement and any Capital Leases that replace (and relate to the same or similar assets as) such Financial Indebtedness;
- (d) the Financial Indebtedness described in Part IV of Schedule 10 (*Existing Financial Indebtedness*) of the 2009 Financing Agreement and any Inventory Financing or factoring arrangements that replace (and relate to the same or similar assets as) such Financial Indebtedness; and
- (e) the Banobras Facility and any other facility that replaces or refinances such facility **provided that** any such replacement or refinancing facility is (i) with a development bank controlled by the Mexican Government or (ii) with any other financial institution to finance public works or infrastructure assets,

provided that (i) the aggregate principal amount of such Existing Financial Indebtedness falling under each of paragraphs (b) to (e) of this definition shall not be increased above the principal amount of Financial Indebtedness committed or capable of being drawn down under the Financial Indebtedness referred to in that paragraph of this definition as at the date of the 2009 Financing Agreement (except by the amount of any capitalised interest under any facility or instrument that provided for capitalisation of interest on those terms as at the date of the 2009 Financing Agreement) and (ii), for the avoidance of doubt, any refinancing or replacement of Existing Financial Indebtedness falling within paragraphs (b) to (d) above need not satisfy the requirements of paragraph (f) of the definition of Permitted Financial Indebtedness.

“Exposure” means, at any time:

- (a) in relation to a Participating Creditor and a Syndicated Bank Facility or Bilateral Bank Facility, that Participating Creditor’s participation in Loans made under the relevant Facility at that time;

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- (b) in relation to Participating Creditor and a Promissory Note, the principal amount owed to that Participating Creditor under that Promissory Note at that time; and
 - (c) in relation to a Participating Creditor and a USPP Note, the principal amount owed to that Participating Creditor under that USPP Note at that time.

“**Facility**” means a Core Bank Facility and each USPP Note.

“**Fee Letter**” means any letter or agreement between the Administrative Agent or Security Agent and the Issuer setting out (i) the upfront fee and (ii) the level of fees payable in respect of the services and obligations performed by those agents under the relevant New Finance Documents.

“**Finance Document**” means each New Finance Document and each Existing Finance Document.

“**Finance Party**” means the Administrative Agent, the Security Agent, each Creditor’s Representative or a Participating Creditor.

“**Financial Indebtedness**” means any indebtedness for or in respect of:

- (a) moneys borrowed and debit balances at banks or other financial institutions;
- (b) any acceptance under any acceptance credit or bill discounting facility (or dematerialised equivalent);
- (c) any amount raised pursuant to a note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument (including, without limitation, any perpetual bonds);
- (d) the amount of any liability in respect of any lease or hire purchase contract which would (in accordance with Applicable GAAP of the Issuer) be treated as a finance or capital lease;
- (e) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis and meet any requirement for de-recognition under Applicable GAAP of the Issuer);
- (f) any Treasury Transaction (and, when calculating the value of that Treasury Transaction, only the mark-to-market value (or, if any actual amount is due as a result of the termination or close-out of that Treasury Transaction, that amount) shall be taken into account);
- (g) any counter-indemnity obligation in respect of a guarantee, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution;

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- (h) any amount raised by the issue of redeemable shares which are redeemable (other than at the option of the issuer) before the Termination Date or are otherwise classified as borrowings under Applicable GAAP of the Issuer;
 - (i) any amount of any liability under an advance or deferred purchase agreement if (i) one of the primary reasons behind entering into the agreement is to raise finance or to finance the acquisition or construction of the asset or service in question or (ii) the agreement is in respect of the supply of assets or services and payment is due more than 60 days after the date of supply;
 - (j) any arrangement pursuant to which an asset sold or otherwise disposed of by that person may be re-acquired by a member of the Group (whether following the exercise of an option or otherwise) and any Inventory Financing;
 - (k) any amount raised under any other transaction (including any forward sale or purchase, sale and sale back or sale and leaseback agreement) having the commercial effect of a borrowing or otherwise classified as borrowings under Applicable GAAP of the Issuer; and
 - (l) the amount of any liability in respect of any guarantee for any of the items referred to in paragraphs (a) to (k) above.

“**Financial Quarter**” means the period commencing on the day after one Quarter Date and ending on the next Quarter Date.

“**Financial Year**” means the annual accounting period of the Issuer ending on or about 31 December in each year.

“**Fitch**” means Fitch Ratings Limited or any successor thereto from time to time.

“**Group**” means the Issuer and each of its Subsidiaries for the time being.

“**Guarantors**” means the Original Guarantors and any Additional Guarantor other than any Original Guarantor or Additional Guarantor which has ceased to be a Guarantor pursuant to Clause 28.4 (*Resignation of Guarantor*) of the 2009 Financing Agreement and has not subsequently become an Additional Guarantor pursuant to Clause 28.3 (*Additional Guarantors and Additional Security Providers*) of the 2009 Financing Agreement and “**Guarantor**” means any of them.

“**Holding Company**” means, in relation to a company or corporation, any other company or corporation in respect of which it is a Subsidiary.

“**IFRS**” means international accounting standards within the meaning of IAS Regulation 1606/2002 to the extent applicable to the relevant financial statements.

“**Intellectual Property**” means:

- (a) any patents, trademarks, service marks, designs, business names, copyrights, design rights, data-base rights, inventions, knowhow and other intellectual property rights and interests, whether registered or unregistered; and
- (b) the benefit of all applications and rights to use such assets of each member of the Group.

“Intercreditor Agreement” means the intercreditor agreement dated on or about the date of the 2009 Financing Agreement and made between, among others, the Issuer, Wilmington Trust (London) Limited as Security Agent, Citibank International PLC as Administrative Agent, the Participating Creditors and any other creditors of the Group that may accede to it from time to time in accordance with its terms, as such agreement may be amended from time to time.

“Inventory Financing” means a financing arrangement pursuant to which a member of the Group sells inventory to a bank or other institution (or a special purpose vehicle or partnership incorporated or established by or on behalf of such bank or other institution or an Affiliate of such bank or other institution) and has an obligation to repurchase such inventory to the extent that it is not sold to a third party within a specified period.

“Joint Venture” means any joint venture entity, whether a company, unincorporated firm, undertaking, association, joint venture or partnership or any other entity.

“Joint Venture Investment” has the meaning given to such term in sub-paragraph (b) (ii) of the definition of Permitted Joint Venture.

“Loan” means:

- (a) in relation to a Syndicated Bank Facility or Bilateral Bank Facility, a loan made or to be made under such Facility or the principal amount outstanding for the time being of that loan; and
- (b) in relation to a Promissory Note, the Exposure of the Participating Creditors for the time being under that Promissory Note.

“Majority Participating Creditors” means, at any time, a Participating Creditor or Participating Creditors the Base Currency Amount of whose Exposures under the Facilities at that time aggregate 66.67 per cent. or more of the Base Currency Amount of all the Exposures of the Participating Creditors under all of the Facilities at that time.

“Marketable Securities” means securities (whether equity, debt or other securities) which are listed on a stock exchange or for which a trading market exists (whether on market or over the counter) but excluding: (A) shares in any member of the Group, and (B) any shares in Axtel, S.A.B. de C.V.

“Material Acquisition” means any (a) acquisition of property or series of related acquisitions of property that constitutes assets comprising all or substantially all of an operating unit, division or line of business or (b) acquisition of or other investment in the Capital Stock of any Subsidiary or any person which becomes a Subsidiary or is merged or consolidated with the Borrower or any of its Subsidiaries, in each case, which involves the payment of consideration by the Borrower and its Subsidiaries in excess of \$100,000,000 (or the equivalent in other currencies).

“Material Disposal” means any Disposal of property or series of related Disposals of property that yields gross proceeds to the Issuer or any of its Subsidiaries in excess of \$100,000,000 (or the equivalent in other currencies).

“**Mexican FRS**” means Mexican Financial Reporting Standards (*Normas de Información Financiera*) as in effect from time to time and consistent with those used in the preparation of the most recent audited financial statements referred to in Clause 22.1 (Financial Statements).

“**Mexican pesos**,” “**Mex\$**,” “**MXN**” and “**pesos**” means the lawful currency of Mexico.

“**Mexico**” means the United Mexican States.

“**Moody’s**” means Moody’s Investor Services Limited or any successor to its ratings business.

“**NAFTA**” means the North American Free Trade Agreement.

“**New Finance Document**” means the 2009 Financing Agreement, the NY Law Amendment Agreement, the Intercreditor Agreement, each Transaction Security Document, any Accession Letter, any Fee Letter, any Resignation Letter and any other document designated as a “**New Finance Document**” by the Administrative Agent and the Issuer.

“**New Equity Securities**” means

- (i) The U.S.\$977.5 million aggregate principal amount of 3.25% convertible subordinated notes due 2016, including U.S.\$177.5 million notes issued pursuant to an over-allotment option in connection with those subordinated notes due 2016; and
- (ii) U.S. \$690 million aggregate principal amount of 3.75% convertible subordinated notes due 2018, including U.S.\$90 million notes issued pursuant to an over-allotment option in connection with those subordinated notes due 2018.

in each case, issued on 15 March 2011 by the Issuer.

“**NY Law Amendment Agreement**” means the omnibus amendment agreement dated on or about the date of the 2009 Financing Agreement between, among others, the Issuer and the Participating Creditors with Exposures under those Existing Facility Agreements (other than the USPP Note Agreement) that are governed by the laws of the State of New York, as such agreement may be amended from time to time.

“**Obligors**” means the Borrowers, the Guarantors and the Security Providers and “**Obligor**” means any of them.

“**Original Borrowers**” means, together with the Issuer, the Subsidiaries of the Issuer listed in Part I of Schedule 1 (*The Original Parties*) of the 2009 Financing Agreement as borrowers or issuers.

“**Original Financial Statements**” means (a) in relation to the Issuer, its audited unconsolidated and consolidated financial statements for its Financial Year ended 31 December 2008 accompanied by an audit opinion of KPMG Cardenas Dosal, S.C.; (b) in relation to CEMEX España, its audited consolidated financial statements for its financial year ended 31 December 2008; and (c) in relation to any other borrower or guarantor under the 2009 Financing Agreement, its most recent annual financial statements (audited, if available).

“**Original Guarantors**” means the Subsidiaries of the Issuer listed in Part I of Schedule 1 (*The Original Parties*) of the 2009 Financing Agreement as guarantors, together with the Issuer.

“**Original Participating Creditors**” means the financial institutions and noteholders listed in Part II of Schedule 1 (*The Original Participating Creditors*) of the 2009 Financing Agreement as creditors.

“**Original Security Providers**” means the Subsidiaries of the Issuer listed in Part I of Schedule 1 (*The Original Parties*) of the 2009 Financing Agreement as security providers.

“**Participating Creditor**” means:

- (a) any Original Participating Creditor; and
- (b) any person which has become a Party in accordance with Clause 27 (*Changes to the Participating Creditors*), of the 2009 Financing Agreement,

which in each case has not ceased to be a Party in accordance with the terms of the 2009 Financing Agreement.

“**Participating Member State**” means any member state of the European Union that adopts or has adopted the euro as its lawful currency in accordance with legislation of the European Union relating to Economic and Monetary Union.

“**Party**” means a party to the 2009 Financing Agreement.

“**Permitted Acquisition**” means:

- (a) an acquisition by a member of the Group of an asset sold, leased, transferred or otherwise disposed of by another member of the Group in circumstances constituting a Permitted Disposal;
- (b) an acquisition of shares or securities pursuant to a Permitted Share Issue;
- (c) an acquisition of cash or securities which are Cash Equivalent Investments;
- (d) an acquisition to which a member of the Group is contractually committed as at the date of the 2009 Financing Agreement, with the material terms of those acquisitions requiring consideration payable in excess of \$10,000,000 described in the list delivered to the Administrative Agent under paragraph 4(f) of Part I (Initial Conditions Precedent) of Schedule 2 of the 2009 Financing Agreement (**provided that** there has been or is no material change to the terms of such acquisition subsequent to the date of the 2009 Financing Agreement);
- (e) the incorporation of a company which on incorporation becomes a member of the Group or which is a special purpose vehicle, whether a member of the Group or not;
- (f) an acquisition that constitutes a Permitted Joint Venture;
- (g) an acquisition of assets and, if applicable, cash, in exchange for other assets and, if applicable, cash, of equal or higher value **provided that:** (i) the cash element of any such acquisition must not be more than 20 per cent. of the

aggregate consideration for the acquisition; and (ii) the maximum aggregate market value of the assets acquired pursuant to all such transactions must not be more than \$100,000,000 (or its equivalent in any other currency) in any Financial Year;

- (h) any acquisition of shares of the Issuer pursuant to an obligation in respect of any Executive Compensation Plan;
- (i) any other acquisition consented to by the Administrative Agent acting on the instructions of the Majority Participating Creditors;
- (j) an acquisition of shares in the Issuer to the extent that a member of the Group has an obligation to deliver such shares to any holder(s) of convertible securities falling within paragraph (f)(i) of the definition of Permitted Financial Indebtedness pursuant to the terms of such convertible securities; and
- (k) any other acquisition of a company, of shares, securities or a business or undertaking (or, in each case, any interest in any of them) **provided that** the aggregate amount of the consideration for such acquisitions (when aggregated with the aggregate amount of Joint Venture Investment falling within paragraph (b)(iii)(1) of the definition of Permitted Joint Venture in that Financial Year) does not exceed \$100,000,000 (or its equivalent in any other currencies) in any Financial Year.

“Permitted Disposal” means any sale, lease, licence, transfer or other disposal which, except in the case of Disposals as between members of the Group, is on arm’s length terms:

- (a) of trading stock or cash made by any member of the Group in the ordinary course of trading of the disposing entity;
- (b) of any asset by a member of the Group (the **“Disposing Company”**) to another member of the Group (the **“Acquiring Company”**), but if:
 - (i) the Disposing Company is an Obligor, the Acquiring Company must also be an Obligor;
 - (ii) the Disposing Company had given Transaction Security over the asset, the Acquiring Company must give equivalent Transaction Security over that asset; and
 - (iii) the Disposing Company is a Guarantor, the Acquiring Company must be a Guarantor guaranteeing at all times an amount no less than that guaranteed by the Disposing Company,

provided that the conditions set out in paragraphs (i), (ii) and (iii) above shall only apply if the applicable assets are shares or if all or substantially all of the assets of the Disposing Company are being disposed of;

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- (c) of obsolete or redundant vehicles, machinery, parts and equipment in the ordinary course of trading;
 - (d) of cash or Cash Equivalent Investments for cash or in exchange for other Cash Equivalent Investments;
 - (e) constituted by a licence of Intellectual Property in the ordinary course of trading;
 - (f) to a Joint Venture, to the extent permitted by Clause 24.17 (*Joint ventures*) of the 2009 Financing Agreement;
 - (g) arising as a result of any Permitted Security;
 - (h) of any shares in a member of the Group (**provided that** all such shares in that entity owned by a member of the Group are the subject of the Disposal) or of any other asset, in each case on arm's length terms and for full market value where:
 - (i) no less than 85 per cent. of the consideration for the Disposal is payable to the Group in cash or Marketable Securities paid or received by a member of the Group at completion of the Disposal (**provided that** where a portion of that 85 per cent. is comprised of Marketable Securities, those Marketable Securities must be disposed of for cash to a person that is not a member of the Group within 90 days of completion);
 - (ii) if the aggregate consideration for the Disposal (when aggregated with the consideration for any related Disposals) is equal to 5 per cent. or more of the value of consolidated assets of the Group, the Issuer has delivered to the Administrative Agent a certificate signed by an Authorised Signatory confirming that, on a *pro forma* basis, assuming that the Disposal had been completed and the proceeds had been applied in accordance with Clause 13 (*Mandatory Prepayment*) of the 2009 Financing Agreement immediately prior to the first day of the most recent Reference Period for which a Compliance Certificate has been or is required to have been delivered under the 2009 Financing Agreement, the Issuer would have been in compliance with the financial covenants in paragraphs (a) and (b) of Clause 23.2 (*Financial condition*) of the 2009 Financing Agreement as at the last day of the most recent Reference Period for which a Compliance Certificate has been or is required to have been delivered under the 2009 Financing Agreement; and
 - (iii) the Disposal Proceeds received by members of the Group are applied (to the extent required) in accordance with Clause 13 (*Mandatory prepayment*) of the 2009 Financing Agreement;

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- (i) of any asset compulsorily acquired by a governmental authority **provided that** the Disposal Proceeds received by members of the Group are applied (to the extent required) in accordance with Clause 13 (*Mandatory prepayment*) of the 2009 Financing Agreement;
 - (j) of any receivables disposed of pursuant to a factoring or similar receivables financing arrangement that is otherwise permitted under the 2009 Financing Agreement (including, for the avoidance of doubt, the Banobras Facility);
 - (k) of any inventory disposed of pursuant to an Inventory Financing or similar arrangement that is otherwise permitted under the 2009 Financing Agreement;
 - (l) of any plant or equipment disposed of pursuant to a sale and lease-back arrangement that is otherwise permitted under the 2009 Financing Agreement;
 - (m) of any asset to which a member of the Group was contractually committed as at the date of the 2009 Financing Agreement, with all material terms of those disposals which relate to the disposal of assets with a value of at least \$10,000,000 being described in Schedule 14 (*Disposals*) of the 2009 Financing Agreement (**provided that** there has been or is no material change to the terms of such Disposal subsequent to the date of the 2009 Financing Agreement);
 - (n) of receivables disposed of pursuant to a Permitted Securitisation;
 - (o) of land or buildings arising as a result of lease or licence in the ordinary course of its trading;
 - (p) of any shares of the Issuer pursuant to an obligation in respect of any Executive Compensation Plan;
 - (q) of shares, common equity securities in the Issuer or reference property in connection with the same to the extent that a member of the Group has an obligation to deliver such shares, common equity securities or reference property to any holder(s) of convertible or exchangeable securities falling within paragraph (f)(i) of the definition of Permitted Financial Indebtedness pursuant to the terms of such convertible or exchangeable securities or to any counterparty pursuant to the terms of any Permitted Put/Call Transaction;
 - (r) of assets and, if applicable, cash in exchange for other assets and, if applicable, cash, of equal or higher value **provided that:** (i) the cash element of any such Disposal must not be more than 20 per cent. of the aggregate consideration for the Disposal; and (ii) the maximum aggregate market value of all assets disposed of in such transactions must not be more than \$100,000,000 (or its equivalent in any other currencies) in any Financial Year; or
 - (s) otherwise approved by the Administrative Agent acting on the instructions of the Majority Participating Creditors.

“Permitted Financial Indebtedness” means Financial Indebtedness:

- (a) incurred or arising under the Finance Documents;
- (b) that is Existing Financial Indebtedness;
- (c) owed to a member of the Group;
- (d) that constitutes a Permitted Securitisation;
- (e) arising under Capital Leases, factoring arrangements, Inventory Financing arrangements or export credit facilities for the purchase of equipment (**provided that** any Security granted in relation to any such facility relates solely to equipment, the purchase of which was financed under such Facility) or pursuant to sale and lease-back transactions **provided that** the maximum aggregate Financial Indebtedness of members of the Group under such transactions (excluding any Existing Financial Indebtedness) does not exceed \$350,000,000 at any time;
- (f) arising:
 - (i) pursuant to an issuance of bonds, notes or other debt securities, or of convertible or exchangeable securities by:
 - (A) in the case of bonds, notes or other debt securities or convertible or exchangeable securities issued to refinance or replace Existing Financial Indebtedness falling within Part I of Schedule 10 (Existing Financial Indebtedness) of the 2009 Financing Agreement, one or more Obligors (other than CEMEX Materials LLC and CEMEX, Inc.) or the same member of the Group (including, where applicable, CEMEX Materials LLC and CEMEX, Inc.) that issued the relevant Existing Financial Indebtedness that is being refinanced or replaced (whether acting as co-issuers or otherwise but, for the avoidance of doubt, with several liability only); or
 - (B) in the case of bonds, notes or other debt securities or convertible or exchangeable securities issued so as to be applied in repayment or prepayment of the Exposures of the Participating Creditors under the Facilities, one or more Obligors (other than CEMEX Materials LLC and CEMEX, Inc.) whether acting as co-issuers or otherwise, (and, for the

avoidance of doubt, such securities may be issued with an original issue discount) on the capital markets in each case subscribed or paid for in full in cash on issue (unless such securities are exchanged on issue for other securities that constitute Existing Financial Indebtedness falling within paragraph (a) of the definition thereof on issue) **provided that** (other than any conversion into common equity securities of the Issuer) no principal repayments are scheduled (and no call options can be exercised) in respect thereof until after the Termination Date;

- (ii) under a loan facility in respect of which the only borrowers are:
 - (A) in the case of loan facilities entered into to refinance or replace Existing Financial Indebtedness falling within Part I of Schedule 10 (*Existing Financial Indebtedness*) of the 2009 Financing Agreement one or more Obligors (other than CEMEX Materials LLC and CEMEX, Inc.) or the same member of the Group (including, where applicable, CEMEX Materials LLC and CEMEX, Inc.) that borrowed the relevant Existing Financial Indebtedness that is being refinanced or replaced, (whether acting as joint or multiple borrowers but for the avoidance of doubt, with several liability only); or
 - (B) in the case of loan facilities entered into so as to refinance or replace the Exposures of the Participating Creditors under the Facilities, one or more Obligors (other than CEMEX Materials LLC and CEMEX, Inc.) whether acting as joint or multiple borrowers,
provided that no principal repayments are scheduled (and no mandatory prepayment obligations arise save as a result of unlawfulness affecting a creditor in respect of such loan facility) in respect thereof until after the Termination Date,

and further **provided that** (1) the terms applicable to such issuance under paragraph (f)(i) (excluding pricing, but including, without limitation, as to prepayments, representations, covenants, events of default, guarantees and security) taken as a whole are no more restrictive or onerous than the terms applicable to the Facilities, and the terms applicable to such incurrence under paragraph (f)(ii) (excluding pricing, but including, without limitation, as to prepayments, representations, covenants, events of default, guarantees and security) are no more restrictive or onerous than the terms applicable to the Facilities; (2) the proceeds of such issuance or incurrence are applied (to the extent required) in accordance with Clause 13 (*Mandatory prepayment*) of the 2009 Financing Agreement; (3) if proceeds of such issuance or incurrence are, to the extent required under the 2009 Financing Agreement, being used to replace or

refinance (x) Financial Indebtedness which shares in the Transaction Security or (y) the CEMEX España Euro Notes, such Financial Indebtedness issued or incurred shall be entitled to share in the Transaction Security in accordance with (and on the terms of) the Intercreditor Agreement, **provided that** in the case of Financial Indebtedness issued or incurred to replace or refinance the CEMEX España Euro Notes, such Financial Indebtedness shall only be entitled to share in the Transaction Security if, prior to the first replacement or refinancing of the CEMEX España Euro Notes, the Debt Reduction Satisfaction Date has occurred; and (4) for the avoidance of doubt, any refinancing or replacement of Existing Financial Indebtedness falling within paragraphs (b) to (d) of the definition of Existing Financial Indebtedness need not satisfy the requirements of this paragraph (f);

- (g) that constitutes a Permitted Liquidity Facility;
- (h) that becomes Financial Indebtedness solely as a result of any change in Applicable GAAP of the Issuer after the date of the 2009 Financing Agreement and that existed prior to the date of such change in Applicable GAAP of the Issuer (or that replaces, and is on substantially the same terms as, such Financial Indebtedness);
- (i) of any person acquired by a member of the Group pursuant to an acquisition falling within paragraphs (d) or (f) of the definition of Permitted Acquisition **provided that:** (i) such Financial Indebtedness existed prior to the date of the acquisition and was not incurred, increased or extended in contemplation of, or since, the acquisition; and (ii) the aggregate amount of any such Financial Indebtedness of members of the Group does not exceed \$100,000,000 at any time;
- (j) under Treasury Transactions entered into in accordance with Clause 24.26 (*Treasury Transactions*) of the 2009 Financing Agreement;
- (k) incurred pursuant to or in connection with any cash pooling or other cash management agreements in place with a bank or financial institution, but only to the extent of offsetting credit balances of the Issuer or its Subsidiaries pursuant to such cash pooling or other cash management arrangement;
- (l) constituting Financial Indebtedness for taxes levied, assessments due and other governmental charges required to be paid as a matter of law or regulation in the ordinary course of trading;
- (m) that constitutes a Permitted Joint Venture;
- (n) approved by the Administrative Agent acting on the instructions of the Majority Participating Creditors; and
- (o) that, when aggregated with the principal amount of any other Financial Indebtedness not falling within paragraphs (a) to (n) above, does not exceed \$200,000,000 (or its equivalent in other currencies) in aggregate at any time.

“Permitted Fundraising” means:

- (a) any issuance of equity securities by the Issuer paid for in full in cash on issue (and, for the avoidance of doubt, such securities may be issued with an original issue discount) and not redeemable on or prior to the Termination Date and where such issue does not lead to a Change of Control;
- (b) any issuance of equity-linked securities issued by any member of the Group that are linked solely to, and result only in the issuance of, equity securities of the Issuer otherwise entitled to be issued under this definition (and that do not, for the avoidance of doubt, result in the issuance of any equity securities by such member of the Group) and that are paid for in full in cash on issue (and, for the avoidance of doubt, such securities may be issued with an original issue discount) and where such issue does not lead to a Change of Control (**provided that** such securities do not provide for the payment of interest in cash and are not redeemable on or prior to the Termination Date); and
- (c) any incurrence of Financial Indebtedness falling within paragraph (f) of the definition of Permitted Financial Indebtedness.

“Permitted Fundraising Proceeds” means the cash proceeds received by any member of the Group from a Permitted Fundraising other than Excluded Fundraising Proceeds after deducting:

- (i) any reasonable expenses which are incurred by the relevant member(s) of the Group with respect to that Permitted Fundraising owing to persons who are not members of the Group; and
- (ii) any Tax incurred and required to be paid by the relevant member(s) of the Group with respect to that Permitted Fundraising (as reasonably determined by the relevant member(s) of the Group on the basis of rates existing at the time and taking account of any available credit, deduction or allowance).

“Permitted Joint Venture” means any investment in any Joint Venture where:

- (a) such investment exists or a member of the Group is contractually committed to such investment at the date of the 2009 Financing Agreement and, if the value of the Group’s investment in such Joint Venture is \$50,000,000 or greater (as shown in the Original Financial Statements of the Issuer) is detailed in Schedule 12 (Permitted Joint Ventures) of the 2009 Financing Agreement; or

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- (b) such investment is made after the date of the 2009 Financing Agreement and:
- (i) either the investment has been consented to by the Administrative Agent acting on the instructions of the Majority Participating Creditors or the Joint Venture is engaged in a business substantially the same as that carried on by the Group; and
 - (ii) in any Financial Year of the Issuer, the aggregate of:
 - (1) all amounts subscribed for shares in, lent to, or invested in all such Joint Ventures by any member of the Group;
 - (2) the contingent liabilities of any member of the Group under any guarantee given in respect of the liabilities of any such Joint Venture; and
 - (3) the market value of any assets transferred by any member of the Group to any such Joint Venture, minus
 - (4) from and including 1 January 2010, an amount up to, but not exceeding, \$100,000,000 (or its equivalent in other currencies) in any Financial Year that represents all cash amounts received by any member of the Group (i) relating to dividends, repayment of loans or distributions of any other nature in respect of any such Joint Ventures in that Financial Year and (ii) as a result of or in relation to any disposals of shares, interests or participations, divestments, capital reductions or any similar decreases of interest in any such Joint Ventures in that Financial Year, does not exceed \$100,000,000 (or its equivalent in other currencies) or such greater amount as the Administrative Agent (acting on the instructions of the Majority Participating Creditors) may agree (such amount being the “Joint Venture Investment”); and
 - (iii) the Issuer has (by written notice to the Administrative Agent prior to the end of the Financial Year in which the investment is made) designated the Joint Venture Investment as counting against:
 - (1) paragraph (k) of the definition of Permitted Acquisition; or
 - (2) the maximum amount of Capital Expenditure permitted in that Financial Year under paragraph (c) of Clause 23.2 (*Financial condition*) of the 2009 Financing Agreement.

“**Permitted Liquidity Facilities**” means a loan facility or facilities made available to one or more members of the Group by one or more Participating Creditors (or their respective Affiliates) **provided that** the aggregate principal amount of utilised and unutilised commitments under such facilities must not exceed \$1,000,000,000 (or its equivalent in any other currency) at any time.

“Permitted Put/Call Transaction” means any call option, call spread, capped call transaction, put option, put spread, capped put transaction or any combination of the foregoing and/or any other Treasury Transaction or transactions having a similar effect to any of the foregoing, in each case entered into, sold or purchased not for speculative purposes but for the purposes of managing specific risks or exposures associated with any issuance of Relevant Convertible Securities/Exchangeable Obligations.

“Permitted Securitisations” means a transaction or series of related transactions providing for the securitisation of receivables and related assets by the Issuer or its Subsidiaries, including a sale at a discount, **provided that** (i) such receivables have been transferred, directly or indirectly, by the originator thereof to a person that is not a member of the Group in a manner that satisfies the requirements for an absolute conveyance (or, where the originator is organised in Mexico, a true sale), and not merely a pledge, under the laws and regulations of the jurisdiction in which such originator is organised; and (ii) except for customary representations, warranties, covenants and indemnities, such sale, transfer or other securitisation is carried out on a non-recourse basis or on a basis where recovery is limited solely to the collection of the relevant receivables.

“Permitted Security” means:

- (A) Security for taxes, assessments and other governmental charges the payment of which is being contested in good faith by appropriate proceedings promptly initiated and diligently conducted and for which such reserves or other appropriate provision, if any, as shall be required by Applicable GAAP of the Issuer shall have been made;
- (B) Security granted pursuant to or in connection with any netting or set-off arrangements entered into in the ordinary course of trading (including, for the avoidance of doubt, any cash pooling or cash management arrangements in place with a bank or financial institution falling within paragraph (k) of the definition of Permitted Financial Indebtedness);
- (C) statutory liens of landlords and liens of carriers, warehousemen, mechanics and materialmen incurred in the ordinary course of business for sums not yet due or the payment of which is being contested in good faith by appropriate proceedings promptly initiated and diligently conducted and for which such reserves or other appropriate provision, if any, as shall be required by Applicable GAAP of the Issuer shall have been made;
- (D) liens incurred or deposits made in the ordinary course of business in connection with (1) workers’ compensation, unemployment insurance and other types of social security, or (2) other insurance maintained by the Group in accordance with Clause 24.9 (*Insurance*) of the 2009 Financing Agreement;

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- (E) any attachment or judgment lien, unless the judgment it secures shall not, within 60 days after the entry thereof, have been discharged or execution thereof stayed pending appeal, or shall not have been discharged within 60 days after the expiration of any such stay;
- (F) Security and Quasi-Security existing on the date of the 2009 Financing Agreement as described in Schedule 6 (*Existing Security and Quasi-Security*) of the 2009 Financing Agreement (or any replacement of Security or Quasi-Security in accordance with paragraph 3 of Schedule 15 (*Hedging Parameters*) of the 2009 Financing Agreement or any equivalent Security or Quasi-Security for Existing Financial Indebtedness that is a refinancing or replacement of Existing Financial Indebtedness) **provided that** the principal amount secured thereby is not increased (save that principal amounts secured by Security or Quasi-Security in respect of:
- (1) Treasury Transactions where there are fluctuations in the mark-to-market exposures of those Treasury Transactions;
 - (2) Existing Financial Indebtedness under paragraph (a) of the definition where principal may increase by virtue of capitalisation of interest; and,
 - (3) the Banobras Facility, where further drawings may be made **provided that** the maximum amount outstanding under such facility does not exceed Mex\$5,000,000,000 at any time,
- may be increased by the amount of such fluctuations or capitalisations, as the case may be);
- (G) any Security or Quasi-Security permitted by the Administrative Agent, acting on the instructions of the Majority Participating Creditors;
- (H) any Security created or deemed created pursuant to a Permitted Securitisation;
- (I) any Security granted by any member of the Group to secure Financial Indebtedness under a Permitted Liquidity Facility **provided that:** (1) such Security is not granted in respect of assets that are the subject of the Transaction Security; and (2) the maximum aggregate amount of the Financial Indebtedness secured by such Security does not exceed \$500,000,000 at any time;
- (J) any Security granted by the Issuer or any member of the Group incorporated in Mexico in favour of a Mexican development bank (*sociedad nacional de crédito*) controlled by the government of Mexico (including Banco Nacional de Comercio Exterior, S.N.C., and Banco Nacional de Obras y Servicios Públicos, S.N.C.) securing indebtedness of the members of the Group in an aggregate additional amount of such indebtedness not exceeding \$250,000,000 (or its equivalent in any other currency);

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- (K) any Security or Quasi-Security granted in connection with any Treasury Transaction, excluding any Treasury Transaction described in Schedule 6 (*Existing Security and Quasi-Security*) of the 2009 Financing Agreement, that constitutes Permitted Financial Indebtedness **provided that** the aggregate value of the assets that are the subject of such Security or Quasi-Security does not exceed \$200,000,000 (or its equivalent in other currencies) at any time;
 - (L) Security or Quasi-Security granted or arising over receivables, inventory, plant or equipment that are the subject of an arrangement falling within paragraph (e) of the definition of Permitted Financial Indebtedness;
 - (M) the Transaction Security including, for the avoidance of doubt, any sharing in the Transaction Security referred to in paragraph (f) of the definition of Permitted Financial Indebtedness;
 - (N) any Quasi-Security that is created or deemed created on shares of the Issuer under paragraph (q) of the definition of Permitted Disposals by virtue of such shares being held on trust for the holders of the convertible securities pending exercise of any conversion option, where such Quasi-Security is customary for such transaction;
 - (O) in addition to the Security and Quasi-Security permitted by the foregoing paragraphs (A) to (N), Security or Quasi-Security securing indebtedness of the Issuer and its Subsidiaries (taken as a whole) not in excess of \$500,000,000.

“Permitted Share Issue” means:

- (a) a Permitted Fundraising falling within paragraphs (a) or (b) of the definition thereof;
- (b) an issue of shares by a member of the Group which is a Subsidiary of the Issuer to another member of the Group or the Issuer (and, where the member of the Group has a minority shareholder, to that minority shareholder on a pro rata basis) where (if the existing shares of the Subsidiary are the subject of the Transaction Security) the newly-issued shares also become subject to the Transaction Security on the same terms;
- (c) an issue of shares by the Issuer to comply with an obligation in respect of any Executive Compensation Plan; or
- (d) an issue of common equity securities of the Issuer either (i) by the Issuer or (ii) to any member of the Group where the Issuer or that member of the Group has an obligation to deliver such shares to a counterparty pursuant to

the terms of a Permitted Put/Call Transaction or an obligation to deliver such shares to the holder(s) of convertible or exchangeable securities falling within paragraph (f)(i) of the definition of Permitted Financial Indebtedness pursuant to the terms of such convertible or exchangeable securities.

“**Promissory Notes**” means the promissory notes described in Part II of Schedule 1 (*The Original Participating Creditors*) of the 2009 Financing Agreement.

“**Quarter Date**” means each of 31 March, 30 June, 30 September and 31 December.

“**Quasi Security**” means an arrangement or transaction in which the Issuer or any Subsidiary:

- (i) sells, transfers or otherwise disposes of any of its assets on terms whereby they are or may be leased to or re-acquired by an Obligor or any other member of the Group;
 - (ii) sells, transfers or otherwise disposes of any of its receivables on recourse terms;
 - (iii) enters into any arrangement under which money or the benefit of a bank or other account may be applied, set-off or made subject to a combination of accounts; or
 - (iv) enters into any other preferential arrangement having a similar effect,
- in circumstances where the arrangement or transaction is entered into primarily as a method of raising Financial Indebtedness or of financing the acquisition of an asset.

“**Receiver**” means a receiver or receiver and manager or administrative receiver of the whole or any part of the Charged Properties.

“**Reference Period**” means a period of four consecutive Financial Quarters.

“**Relevant Convertible/Exchangeable Obligations**” means: (a) any Financial Indebtedness incurred by any person the terms of which provide that satisfaction of the principal amount owing under such Financial Indebtedness (whether on or prior to its maturity and whether as a result of bankruptcy, liquidation or other default by such person or otherwise) shall occur solely by delivery of shares or common equity securities in the Issuer; and (b) any Financial Indebtedness under any Subordinated Optional Convertible Securities.

“**Relevant Existing Financial Indebtedness**” means any Existing Financial Indebtedness set out in:

- (i) paragraph (a) of the definition of Existing Financial Indebtedness to the extent that it relates to Part I.C (*Mexican Public Debt Instruments*) of Schedule 10 (*Existing Financial Indebtedness*) of the 2009 Financing Agreement; and/or
- (ii) paragraph (b) of the definition of Existing Financial Indebtedness to the extent it relates to Part II.A (*Short Term Certificados Bursátiles*) of

Schedule 10 (*Existing Financial Indebtedness*) of the 2009 Financing Agreement and any Short-Term Certificados Bursatiles that replace or refinance such Existing Financial Indebtedness.

“Relevant Prepayment Period” means the period commencing on the date of receipt of the proceeds of a Permitted Fundraising by a member of the Group and ending on the later of:

- (a) the date falling 364 days thereafter; and
- (b) the 2012 CB Maturity Date.

“Resignation Letter” means a document substantially in the form set out in Part I of Schedule 11 (*Form of Resignation Letter*) of the 2009 Financing Agreement.

“Responsible Officer” means the Chief Financial Officer and/or Chief Controlling Officer of the Issuer or a person holding equivalent status (or higher).

“S&P” means Standard & Poor’s Rating Services, a division of The McGraw-Hill Companies, Inc., or any successor thereto from time to time.

“SEC” means the U.S. Securities Exchange Commission and any successor thereto.

“Secured Parties” means each Finance Party from time to time to the 2009 Financing Agreement and any Receiver or Delegate.

“Security” means a mortgage, charge, pledge, lien, security trust or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect.

“Security Agent” means Wilmington Trust (London) Limited as security agent of the Secured Parties.

“Security Providers” means the Original Security Providers and any Additional Security Provider other than any Original Security Provider or Additional Security Provider which has ceased to be a Security Provider pursuant to Clause 28.6 (*Resignation of a Security Provider*) of the 2009 Financing Agreement and has not subsequently become an Additional Security Provider pursuant to Clause 28.3 (*Additional Guarantors and Additional Security Providers*) of the 2009 Financing Agreement, and **“Security Provider”** means any of them.

“Short-Term Certificados Bursatiles” means any securities with a term of not more than 12 months issued by the Issuer in the Mexican capital markets with the approval of the Mexican National Banking and Securities Banking and Securities Commission and listed on the Mexican Stock Exchange.

“Spanish GAAP” means the Spanish General Accounting Plan (*Plan general Contable*) approved by Royal Decree 1514/2007 as in effect from time to time and consistent with those used in the preparation of the most recent audited financial statements referred to in Clause 22.1 (*Financial Statements*) of the 2009 Financing Agreement.

“Subordinated Optional Convertible Securities” means any Financial Indebtedness incurred by any member of the Group meeting the requirements of paragraph (f)(i) of the definition of Permitted Financial Indebtedness (including that no principal repayments are scheduled (and no call options can be exercised) until after the Termination Date) (which may, for the avoidance of

doubt, include a fundraising the proceeds of which are applied in accordance with Clause 13.4 (*Mandatory prepayments: Relevant Convertible/Exchangeable Obligations*) of the 2009 Financing Agreement) the terms of which provide that such indebtedness is capable of optional conversion into equity securities of the Issuer and that repayment of principal and accrued but unpaid interest thereon is subordinated (under terms customary for an issuance of such Financial Indebtedness) to all senior Financial Indebtedness of the Issuer (including, but not limited to, all Exposures of Participating Creditors) except for: (i) indebtedness that states, or is issued under a deed, indenture, agreement or other instrument that states, that it is subordinated to or ranks equally with any Subordinated Optional Convertible Securities and (ii) indebtedness between or among members of the Group.

“**Subsidiary**” means in relation to any company or corporation, a company or corporation:

- (a) which is controlled, directly or indirectly, by the first mentioned company or corporation;
- (b) more than half the issued share capital of which is beneficially owned, directly or indirectly by the first mentioned company or corporation; or
- (c) which is a Subsidiary of another Subsidiary of the first mentioned company or corporation,

and for this purpose, a company or corporation shall be treated as being controlled by another if that other company or corporation is able to direct its affairs and/or to control the composition of its board of directors or equivalent body.

“**Syndicated Bank Facilities**” means the facilities described in Part IA of Part II of Schedule 1 (*The Original Participating Creditors*) of the 2009 Financing Agreement.

“**TARGET2**” means the Trans-European Automated Real-time Gross Settlement Express Transfer payment system, which utilizes a single shared platform and which was launched on 19 November 2007.

“**TARGET Day**” means any day on which TARGET2 is open for the settlement of payments in euro.

“**Tax**” means any tax, levy, impost, duty or other charge, deduction or withholding of a similar nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same).

“**Termination Date**” means 14 February 2014.

“**Transaction Security**” means the Security created or expressed to be created in favour of the Security Agent pursuant to the Transaction Security Documents.

“**Transaction Security Documents**” means each of the documents listed as being a Transaction Security Document in paragraph 2(e) of Part I of Schedule 2 (*Conditions Precedent*) of the 2009 Financing Agreement and any document required to be delivered to the Administrative Agent under paragraph 3(d) of Part II of Schedule 2 (*Conditions Precedent*) of the 2009 Financing Agreement together with any other document entered into by any Obligor creating or expressed to create any Security over all or any part of its assets in respect of the obligations of any of the Obligors under any of the Finance Documents (and any other Debt Documents).

“Treasury Transactions” means any derivatives transaction (i) that is a rate swap transaction, swap option, basis swap, forward rate transaction, commodity swap, commodity option, equity or equity index swap, equity or equity index option, bond option, interest rate option, foreign exchange transaction, cap transaction, floor transaction, collar transaction, currency swap transaction, cross-currency rate swap transaction, currency option, credit protection transaction, credit swap, credit default swap, credit default option, total return swap, credit spread transaction, repurchase transaction, reverse repurchase transaction, buy/sell-back transaction, securities lending transaction, weather index transaction or forward purchase or sale of a security, commodity or other financial instrument or interest (including any option with respect to any of these transactions), (ii) that is a type of transaction that is similar to any transaction referred to in clause (i) above that is currently, or in the future becomes, recurrently entered into in the financial markets and that is a forward, swap, future, option or other derivative (including one or more spot transactions that are equivalent to any of the foregoing) on one or more rates, currencies, commodities, equity securities or other equity instruments, debt securities or other debt instruments, economic indices or measures of economic risk or value, or other benchmarks against which payments or deliveries are to be made or (iii) that is a combination of these transactions, it being understood that any Executive Compensation Plan permitted by the 2009 Financing Agreement is not a Treasury Transaction.

“USPP Note” means a note issued under the USPP Note Agreement.

“USPP Note Agreement” means the consolidated, amended and restated note purchase agreement described in Part II of Schedule 1 (*Original Participating Creditors*) of the 2009 Financing Agreement.

“USPP Note Guarantee” means the consolidated, amended and restated note guarantee granted in favour of the USPP Noteholders.

“USPP Noteholders” means the holders from time to time of the notes issued pursuant to the USPP Note Agreement.

ADHERENCE DEED FOR THE SHARE PLEDGE POLICY OF
CEMEX ESPAÑA, S.A. GRANTED BY THE ENTITIES "THE
BANK OF NEW YORK MELLON" and "CEMEX ESPAÑA, S.A."

NUMBER ONE THOUSAND FIVE HUNDRED AND THREE

In Madrid, at my office on the eleventh day of
September of two thousand and fourteen._____

Before me, **RAFAEL MONJO CARRIO**, Notary Public of
Madrid and its Bar Association,_____

_____ **APPEAR:** _____

MRS. ANA MARÍA ARIAS SOMALO, of legal age, of
Spanish nationality, domiciled for these purposes
at calle José Abascal, number 45, 28010 Madrid;
with National Identification Card number 000410487-
Y._____

MRS. MÓNICA BASELGA LORING, of legal age, of
Spanish nationality, domiciled for these purposes
at calle Hernández de Tejada, number 1, 28027
Madrid; with National Identification Card number
51066340-S._____

_____ **ACTING:** _____

The first, in the name and representation of **THE**
BANK OF NEW YORK MELLON (hereinafter, the "**Bank**"),
entity constituted in accordance with the laws of
the State of New York (United States of America),
with its corporate domicile at One Wall Street, New
York, N.Y. 10286, United States of America, which
in turn acts in representation and to the benefit

of the holders of Senior Secured Notes for an added principal maximum amount of **400 million euros, at an interest rate of 4,750%, with maturity in 2022,** notwithstanding the cases of early repayment that have been foreseen, issued under the bond issuance agreement (Indenture) governed by the laws of the State of New York (United States of America), signed on **September 11, 2014** by, among others, **CEMEX, S.A.B. de C.V.** a corporation constituted under the laws of Mexico, as issuer, and **THE BANK OF NEW YORK MELLON,** as Trustee (hereinafter, together with its subsequent modifications or novations, the "**Bonds Issuance**").

She makes use of the power of attorney in effect, as affirmed, in her favor, conferred through the document granted before the Notary Public of New York, Mr. Danny Lee, on the eleventh day of September of two thousand and fourteen, a photocopy of which has been shown to me and the original, duly stamped according to the La Hague Convention of October 5, 1961, I will attach hereto, by means of written substantiation, when it is submitted to me.

The second party, in name and representation of

the entity **CEMEX ESPAÑA, S.A.**, entity governed under the laws of Spain (formerly Compañía Valenciana de Cementos Portland, S.A.), and with its corporate domicile in Madrid, calle Hernández de Tejada, number 1, the purpose of which, among others, is "the manufacture, production, marketing and distribution of all kinds of sacks and containers or similar articles, of paper or any other material, for the packaging of cement, etc".-

It was constituted for an indefinite duration in the document authorized by the Notary Public at the time in Valencia, Mr. Juan Bautista Roch Contelles, on April 30, 1917, adapted to current legislation through the document authorized by the Notary Public of Valencia, Mr. Antonio Soto Bisquert on July 13, 1990; with said constitution REGISTERED in the Commercial Registry of Valencia, under volume 122, book 28 of companies, section 3 of corporations, page 354, registry 1. The adaptation is registered in the aforementioned Registry, under volume 2854, book 10, general section, page V2533, registry 165. The bylaws of the company were also amended through another public document authorized by the Notary Public of Madrid, Mr. Antonio Francés

y de Mateo on August 12, 1993, with number 6796 of his notarial records, under record 200.-----

The above indicated current domicile was moved, through document authorized by the Notary Public of Valencia, Mr. Antonio Soto Bisquert, on June 29, 1995, with number 1489 of his notarial records, and registered in the Commercial Registry of Madrid, under volume 9743 and 9744, section 8, of the Book of Companies, folio 1 and 166, page number M-156542 records 1 and 2.-----

Its name was changed to its current name through the agreement taken by the General Shareholders Meeting of the Company, in its meeting held on the twenty-fourth of June of two thousand and two, recorded as a document of public record, before me on the same day, under number 662 of my records, registry number 122.-----

Its Tax Identification number is: A-46.004.214.-

She makes use of the powers in effect, as affirmed, in his power, conferred by agreement taken by the Administrative Board of the Company, at its meeting held on the twenty-sixth of February of two thousand and fourteen, recorded as a document of public record, before me, on the

twenty-seventh of March of two thousand and fourteen, under number 487 of my records, as accredited to me with an authorized copy of said document which I have before me.-----

For the purposes established in article 98 of Law 24/2001 and in accordance with the Resolution of the General Directorate for Registries and Notary Affairs of April 12, 2002, I certify that, in my opinion, I consider that the representative powers accredited are sufficient for the execution of this document under the terms indicated below.—

BENEFICIAL OWNERSHIP.— I, the Notary Public, expressly confirm that I have complied with the obligation of identifying the beneficial owner as imposed by Law 10/2010 of April 28, the result of which is recorded in a document authorized before me, on the eleventh of November of two thousand and ten, under number 2387 of my records, which has been modified since then as attested by the representative of the Company.-----

The parties appearing before me have, in my opinion, as they appear, the legal capacity and legitimate interest necessary to grant this
ADHERENCE DEED FOR THE SHARE PLEDGE POLICY OF CEMEX

ESPAÑA, S.A. and, for such purpose, in their capacity and for all applicable legal purposes,——

—————**THEY HEREBY DECLARE**—————

I. That, by virtue of the policy agreement granted before Mr. Rafael Monjo Carrio on November 8, 2012, registered with number 3530 in Section A of the Registry Book (hereinafter the "**Pledge Policy**"), CEMEX, S.A.B. de C.V. and New Sunward Holding B.V. constituted certain real pledge rights (hereinafter the "**Pledges**") over the shares of the company CEMEX España, S.A. in its name.——

II. That, in accordance with the Creditors Relation Agreement (as this is defined in the Pledge Policy), the creditors of the CEMEX group, in virtue of the issuance of bonds such as the Bonds Issuance will have the consideration of Additional Notes Creditors and, therefore, of Secured Parties according to the terms established in the Creditors Relation Agreement and in the Pledge Policy, and may obtain the benefit of the Pledges through their adhesion to the Pledge Policy according to the provisions of Clause 16 of the same.——

III. That, in accordance with the provisions of

Clause 16 of the Pledge Policy, the Secured Parties in whose benefit the Relationship Manager acted, among which include the Bank, as trustee of the holders of bonds of the Bonds Issuance, may adhere to the Pledge Policy and ratify the content of the same, accepting the Pledges constituted in their favor as guarantee of the corresponding Secured Obligations, through appearance before Mr. Monjo, the substituting Notary Public._____

Said adhesions will be carried out through the granting of the corresponding adhesion deed or policy, all without the need for a new consent from the pledgors, for having provided said consent previously in the Creditor Relation Agreement and in the Pledge Policy itself._____

IV. That the Bank expressly declares that the adhesion referred to in the Stipulations of this Document is formalized as a mere instrument of execution of the rights attributed to the Bank in the Pledge Policy, from which it is derived, so that the payment obligations resulting from the Bonds Issuance are guaranteed with a real first ranking pledge right over the Shares (as defined in the Pledge Policy), concurrent with the remaining

Pledges. _____

V. That by virtue of the foregoing, the Bank wishes to grant this Adhesion Deed (hereinafter the "Deed") in accordance with the following

_____ **STIPULATIONS** _____

ONE.- ADHESION TO THE PLEDGE POLICY._____

The Bank, through this Deed, adheres to, ratifies and approves the Pledge Policy to the fullest extent, the entire content of which it declares to know, therefore giving such granting full value and legal efficacy and accepting that the payment obligations resulting from the Bonds Issuance are guaranteed with a real first ranking pledge right over the Shares (as defined in the Pledge Policy), concurrent with the remaining Pledges. _____

The Bank REQUIRES from me, the Notary Public, to **NOTIFY** this adhesion to **WILMINGTON TRUST (LONDON) LIMITED**, domiciled for these purposes on the Third Floor, 1 King's Arms Yard, London, United Kingdom, EC2R 7AF (attention Sajada Afzal), in her capacity as Relationship Manager and I, the Notary Public, accept said requirement. _____

CEMEX España, S.A., appears herein for the

purposes of acknowledging itself as notified of this adhesion._____

TWO.- APPLICABLE LAW AND JURISDICTION._____

2.1 This Deed is subject to Spanish common law.-

2.2 The Parties submit themselves expressly to the jurisdiction and competence of the Courts and Tribunals of Madrid for all matters that may result from the validity, interpretation, fulfillment and execution of this Deed._____

HANDLING OF DATA.- The appearing parties accept the incorporation of their data and the copy of identification documents in the files of the Notary Public in order to carry out the functions inherent to the notarial activity and for the communication of data established in the Public Administration Law and, as applicable, for the Notary Public who follows the current one. They may exercise their rights to access, rectify, cancel and oppose at the authorizing Notary's office._____

It is thus stated and executed._____

And I, the Notary Public, ATTEST:_____

a.- To have identified the appearing parties through their identification documents, indicated in the appearance clause, which have been shown to

me.-----

b.- That the appearing parties, in my opinion, have the capacity and legal standing for the granting hereof.-----

c.- That the granting hereof by the appearing parties is legal, duly informed and made willingly.

d.- That I have read this public instrument to the grantors thereof, having previously advised them of their right to read it for themselves, which they have done, and they have stated that they have been duly made aware of the entire content of the same, and they provide their consent, all in accordance with article 193 of the Notarial Regulations.-----

e.- That this public instrument is executed in six notarized pages, series BX numbers: 6413987 and the following five numbers in correlated order and I, the Notary Public, attest.- The signatures of the appearing parties follow.- Signed RAFAEL MONJO CARRIÓ. Signed. Notary Seal.-----

CERTIFICATE.- I, RAFAEL MONJO CARRIÓ , Notary Public of Madrid and its Bar Association, issue this certificate to record that on today's date, the fifteenth day of September of two thousand and

fourteen, I have received a copy of the power of attorney granted by the entity THE BANK OF NEW YORK MELLON, before the Notary Public of New York, Mr. Danny Lee, on the eleventh day of September of two thousand and fourteen, duly legalized with the La Hague apostille, and I, the Notary Public, consider that the representative of the entity has sufficient powers to formalize the deed which is the object hereof. I leave a copy of said power incorporated hereto, forming an integral part of the same.-

And with nothing further to record, I issue this document over this sole sheet of notarized paper and I, the Notary Public, attest. Signed. ANTONIO PÉREZ-COCA CRESPO. Signed. Notary Seal.-----

CERTIFICATE.- To record that I, RAFAEL MONJO CARRIÓ, on the fifteenth day of September of two thousand and fourteen, left filed at the Post Office Branch, located at office 2825494, E.O MINISTRY OF PUBLIC ADMINISTRATIONS, as a Certificate and notification of receipt, the non-certified copy of this deed, and that the official in charge of the service has given to me the receipt which bears the sending number

RR268042035ES.-----

All of which I attest and that this certificate is issued after the deed on which it is based, on this sheet of notarized paper, of the BZ series, number 5942762. In Madrid on the fifteenth day of September of two thousand and fourteen.- Signed. RAFAEL MONJO CARRIÓ. Signed. Notary Seal.

CERTIFICATE.- To record that I, RAFAEL MONJO CARRIÓ, Notary Public of Madrid, as of the twenty sixth day of September two thousand and fourteen, the Post and Telegraph Service, has not sent a confirmation of receipt of the notice, therefore, in order to know the status of the notice, I connect using one of the computers in my office to the Internet, page www.correos.es, and conform that such notice has been delivered to its destination, the nineteenth day of September two thousand and fourteen, leaving incorporated herein a printout of such consultation.

All of which I attest and that this certificate is issued after the deed on which it is based, on this sheet of notarized paper, of the BZ series, number 5942761. In Madrid on the fifteenth day of September of two thousand and fourteen.-

Signed. RAFAEL MONJO CARRIÓ. Signed. Notary Seal.

PLEDGE AGREEMENT

among

CEMEX, S.A.B. DE C.V.,

THE BANK OF NEW YORK MELLON,
As Collateral Agent and Securities Intermediary

and

THE BANK OF NEW YORK MELLON,
As Note Purchase Contract Agent

Dated as of October 3, 2014

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Pledge Agreement

PLEDGE AGREEMENT, dated as of October 3, 2014 among CEMEX, S.A.B. de C.V., a publicly traded variable capital corporation (*sociedad anónima bursátil de capital variable*) organized under the laws of Mexico (the “Company”), The Bank of New York Mellon, as collateral agent for the Company (in such capacity, the “Collateral Agent”) and as securities intermediary (as defined in Section 8-102(a)(14) of the UCC) with respect to the Securities Account (in such capacity, the “Securities Intermediary”) and The Bank of New York Mellon, as note purchase contract agent and as attorney-in-fact of the Holders from time to time of the Contingent Convertible Units (in such capacity, the “Note Purchase Contract Agent”) under the Note Purchase Contract Agreement.

RECITALS

WHEREAS, the Company, the Note Purchase Contract Agent and the Co-Note Purchase Contract Agent are parties to the Note Purchase Contract Agreement dated as of the date hereof (as modified and supplemented and in effect from time to time, the “Note Purchase Contract Agreement”), pursuant to which 200,000 Contingent Convertible Units will be issued.

WHEREAS, each Contingent Convertible Unit, at issuance, has an initial stated amount of U.S.\$1,000 and consists of a unit comprised of (a) a note purchase contract (a “Note Purchase Contract”) pursuant to which the Holder will purchase from the Company on the Note Purchase Date, for U.S.\$1,000, U.S.\$1,000 principal amount of the Company’s newly issued Convertible Subordinated Notes due 2020 (the “Notes”) and (b) an undivided beneficial ownership interest in Treasury Securities held, together with any Excess Initial Proceeds, in the Securities Account at The Bank of New York Mellon.

WHEREAS, pursuant to the terms of the Note Purchase Contract Agreement and the Note Purchase Contracts, the Holders of the Contingent Convertible Units have irrevocably authorized the Note Purchase Contract Agent, as attorney-in-fact of such Holders, among other things, to execute and deliver this Agreement on behalf of such Holders and to grant the pledge provided herein of the Collateral to secure the Obligations.

NOW, THEREFORE, the Company, the Collateral Agent, the Securities Intermediary and the Note Purchase Contract Agent agree as follows:

ARTICLE I

DEFINITIONS

SECTION 1.1 Definitions.

For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires:

(a) the terms defined in this Article have the meanings assigned to them in this Article and include the plural as well as the singular, and nouns and pronouns of the masculine gender include the feminine and neuter genders;

Pledge Agreement

(b) the words “herein,” “hereof” and “hereunder” and other words of similar import refer to this Agreement as a whole and not to any particular Article, Section, Exhibit or other subdivision;

(c) the following terms which are defined in the UCC shall have the meanings set forth therein: “Certificated Security,” “Control,” “Financial Asset,” “Entitlement Order,” “Securities Account” and “Security Entitlement;”

(d) capitalized terms used herein and not defined herein have the meanings assigned to them in the Note Purchase Contract Agreement; and

(e) the following terms have the meanings given to them in this Section 1.1(e):

“Agreement” means this Pledge Agreement, as the same may be amended, modified or supplemented from time to time.

“Authorized Agent” has the meaning specified in Section 10.2(c).

“Business Day” means any day that is not a Saturday, Sunday or other day on which commercial banks in New York City or Mexico City are authorized or required by law or other governmental action to remain closed. In any case where any Payment Date shall not be a Business Day (notwithstanding any other provision of this Agreement), payments or other distributions shall not be paid on such date, but shall be paid on the next succeeding Business Day with the same force and effect as if made on such Payment Date.

“Collateral” means the collective reference to:

(i) the Securities Account and the securities entitlements relating thereto and all cash deposited therein;

(ii) the components of the Contingent Convertible Units consisting of (A) all Treasury Securities maintained in the Securities Account and the security entitlements relating thereto and (B) any Excess Initial Proceeds in the Securities Account and the security entitlements relating thereto;

(iii) all Proceeds of any of the foregoing (whether such Proceeds arise before or after the commencement of any proceeding under any applicable bankruptcy, insolvency or other similar law, by or against the pledgor or with respect to the pledgor); and

(iv) all powers and rights now owned or hereafter acquired under or with respect to the Collateral.

“Collateral Agent” means the Person named as the “Collateral Agent” in the first paragraph of this Agreement until a successor Collateral Agent shall have become such pursuant to the applicable provisions of this Agreement, and thereafter “Collateral Agent” shall mean such Person or any subsequent successor who is appointed pursuant to this Agreement.

Pledge Agreement

“Company” means the Person named as the “Company” in the first paragraph of this Agreement until a successor shall have become such pursuant to the applicable provisions of the Note Purchase Contract Agreement, and thereafter “Company” shall mean such successor.

“Indemnitees” has the meaning specified in Section 8.8(b).

“Loss” and “Losses” have the meanings specified in Section 8.8(b).

“Note Purchase Contract” has the meaning specified in the second paragraph of the recitals of this Agreement.

“Note Purchase Contract Agent” means the Person named as the “Note Purchase Contract Agent” in the first paragraph of this Agreement until a successor Note Purchase Contract Agent shall have become such pursuant to the applicable provisions of the Note Purchase Contract Agreement, and thereafter “Note Purchase Contract Agent” shall mean such Person or any subsequent successor who is appointed pursuant to this Agreement.

“Note Purchase Contract Agreement” has the meaning specified in the first paragraph of the recitals of this Agreement.

“Notes” has the meaning specified in the second paragraph of the recitals of this Agreement.

“Obligations” means, with respect to each Holder, all obligations and liabilities of such Holder under such Holder’s Note Purchase Contract, the Note Purchase Contract Agreement and this Agreement or any other document made, delivered or given in connection herewith or therewith, including any obligation to purchase the Notes on the Note Purchase Date.

“Payment Date” means any date on which a payment or distribution is to be made under this Agreement.

“Pledge” means the lien and security interest created by this Agreement.

“Proceeds” has the meaning ascribed thereto in Section 9-102(a)(64) of the UCC and includes, without limitation, all interest, dividends, cash, instruments, securities, financial assets and other property received, receivable or otherwise distributed upon the sale, exchange, collection or disposition of any financial assets from time to time held in a Securities Account and includes any Treasury Maturity Cash Proceeds.

“Securities Account” means the securities account of The Bank of New York Mellon, as Collateral Agent, maintained by the Securities Intermediary with account number 543256 and designated “The Bank of New York Mellon, as Collateral Agent of CEMEX, S.A.B. de C.V., as pledgee of The Bank of New York, as the Note Purchase Contract Agent on behalf of and as attorney-in-fact for the Holders.”

“Securities Intermediary” means the Person named as the “Securities Intermediary” in the first paragraph of this Agreement until a successor Securities Intermediary shall have become such pursuant to the applicable provisions of this Agreement, and thereafter “Securities Intermediary” shall mean such Person or any subsequent successor who is appointed pursuant to this Agreement.

Pledge Agreement

“Transfer” means (i) in the case of certificated securities in registered form, delivery as provided in Section 8-301(a) of the UCC, endorsed to the transferee or in blank by an effective endorsement, (ii) in the case of Treasury Securities, registration of the transferee as the owner of such Treasury Securities on Trades and (iii) in the case of security entitlements, including, without limitation, security entitlements with respect to Treasury Securities, a securities intermediary indicating by book entry that such security entitlement has been credited to the transferee’s securities account.

“UCC” means the Uniform Commercial Code as in effect in the State of New York from time to time.

“USA Patriot Act” has the meaning set forth in Section 10.13.

“U.S. Legal Tender” or “U.S. \$” means such coin or currency of the United States of America, as at the time of payment shall be legal tender for the payment of public and private debts.

ARTICLE II

PLEDGE

SECTION 2.1 Pledge.

Each Holder, acting through the Note Purchase Contract Agent as such Holder’s attorney-in-fact, and the Note Purchase Contract Agent, acting solely as such attorney-in-fact, hereby pledges and grants to the Collateral Agent, as agent of and for the benefit of the Company, a continuing first priority security interest in and to, and a lien upon and right of setoff against, all of such Person’s right, title and interest in and to the Collateral to secure the prompt and complete payment and performance when due (whether at stated maturity, by acceleration or otherwise) of the Obligations. The Collateral Agent shall have all of the rights, remedies and recourses with respect to the Collateral afforded a secured party by the UCC, in addition to, and not in limitation of, the other rights, remedies and recourses afforded to the Collateral Agent by this Agreement.

SECTION 2.2 Control.

The Collateral Agent shall have control of the Securities Account pursuant to the provisions of Article IV of this Agreement.

SECTION 2.3 Termination.

As to each Holder, this Agreement and the Pledge created hereby shall terminate upon the satisfaction of such Holder’s Obligations whether upon (a) payment for the Notes pursuant to Section 3.2(b) and Section 5.3(a)(i), (b) receipt of the Exercise Notice by the Collateral Agent and the Securities Intermediary in accordance with Section 3.06 of the Note

Pledge Agreement

Purchase Contract Agreement pursuant to which a Note Purchase Contract is not being exercised or (c) receipt of an Automatic Termination Notice or a Tax Termination Notice by the Collateral Agent and the Securities Intermediary pursuant to Section 3.08 or Section 3.09 of the Note Purchase Contract Agreement.

ARTICLE III

DISTRIBUTIONS ON PLEDGED COLLATERAL

SECTION 3.1 Payments Following Termination.

Following termination of the Note Purchase Contracts pursuant to Section 3.08 or Section 3.09 of the Note Purchase Contract Agreement and upon receipt of the Automatic Termination Notice or the Tax Termination Notice, the Collateral Agent shall (a) use commercially reasonable efforts to sell the Treasury Securities held in the Securities Account (through instructing BNY Mellon Capital Markets, LLC, acting as broker to execute such sale upon then prevailing market terms), (b) release all Collateral from the Pledge, and (c) instruct the Securities Intermediary to release the resulting Proceeds of the Treasury Securities and any Excess Initial Proceeds to the Note Purchase Contract Agent for distribution to the Holders in accordance with their respective interests, free and clear of the Pledge created hereby, in accordance with Section 3.10 of the Note Purchase Contract Agreement. The Collateral Agent shall not have any liability for any claim that such sale did not maximize resulting proceeds.

SECTION 3.2 Payments Prior to or on Note Purchase Date. Unless the Collateral Agent and the Securities Intermediary shall have received an Automatic Termination Notice or a Tax Termination Notice in accordance with Section 3.08 or Section 3.09 of the Note Purchase Contract Agreement,

(a) all payments of liquidation amounts or principal received by the Securities Intermediary in respect of the Treasury Securities shall be held in the Securities Account without reinvestment until the Note Purchase Date; and

(b) as provided in Section 5.3 hereof, with respect to each Note Purchase Contract that is exercised pursuant to Article III of the Note Purchase Contract Agreement, pursuant to an Exercise Notice received by the Collateral Agent from the Company in accordance with Section 3.06 of the Note Purchase Contract Agreement, the Collateral Agent shall, on behalf of the Note Purchase Contract Agent, direct the Securities Intermediary to transfer, on the Note Purchase Date, the Proceeds at maturity of such Note Purchase Contract's Treasury Securities to or upon the order of the Company in full satisfaction of the obligations of the Holder thereof under its Note Purchase Contract in accordance with Section 3.04(a) of the Note Purchase Contract Agreement,

(c) with respect to each Note Purchase Contract that is not exercised pursuant to Article III of the Note Purchase Contract Agreement, pursuant to an Exercise Notice received by the Collateral Agent from the Company in accordance with Section 3.06 of the Note Purchase Contract Agreement, the Collateral Agent shall, on behalf of the Note Purchase Contract Agent, direct the Securities Intermediary to transfer, on the Note Purchase Date, the Proceeds at

Pledge Agreement

maturity of such Note Purchase Contract's Treasury Securities to the Holder thereof in accordance with Section 3.04(b) of the Note Purchase Contract Agreement free and clear of the Pledge created hereby, and

(d) any balance remaining in the Securities Account on the Note Purchase Date following the foregoing payments shall be released from the Pledge by the Collateral Agent, and the Collateral Agent shall, on behalf of the Note Purchase Contract Agent, instruct the Securities Intermediary to, and the Securities Intermediary shall, Transfer to the Note Purchase Contract Agent such balance for the benefit of the applicable Holders for distribution to such Holders in accordance with their respective interests in accordance with Section 3.04(c) of the Note Purchase Contract Agreement free and clear of the Pledge created hereby.

Assuming payment in full is received on the Treasury Securities upon their scheduled maturity, the Proceeds at maturity of each Note Purchase Contract's Treasury Securities will be \$1,000.

SECTION 3.3 Delivery to Note Purchase Contract Agent.

The Securities Intermediary shall use commercially reasonable efforts to deliver payments of the Proceeds of the Treasury Securities and any Excess Initial Proceeds to the Company or the Note Purchase Contract Agent, as applicable, to the extent it has received notification from the Collateral Agent of settlement or termination in accordance with Article III of the Note Purchase Contract Agreement, to the account designated by the Company or the Note Purchase Contract Agent, as applicable, for such purpose not later than 12:00 noon (New York City time) on the Note Purchase Date in the event of settlement pursuant to Section 3.04 of the Note Purchase Contract Agreement or on the next succeeding Business Day after such notice is received by the Securities Intermediary in the event of termination pursuant to Section 3.08 or Section 3.09 of the Note Purchase Contract Agreement.

SECTION 3.4 Assets Not Properly Released.

If the Note Purchase Contract Agent or any Holder shall receive any principal payments on account of financial assets credited to the Securities Account and not released therefrom in accordance with this Agreement, the Note Purchase Contract Agent or such Holder shall hold the same as trustee of an express trust for the benefit of the Company and, upon receipt of an Officer's Certificate of the Company so directing, promptly deliver the same to the Securities Intermediary for credit to the Securities Account or to the Company for application to the Obligations of the Holders, and the Note Purchase Contract Agent and Holders shall acquire no right, title or interest in any such payments of principal amounts so received. The Note Purchase Contract Agent shall have no liability under this Section 3.4 unless and until it has been notified in writing that such payment was delivered to it erroneously and shall have no liability for any action taken, suffered or omitted to be taken prior to its receipt of such notice.

Pledge Agreement

ARTICLE IV

CONTROL

SECTION 4.1 Establishment of Securities Account.

The Company, the Collateral Agent and the Note Purchase Contract Agent, on behalf of and as attorney-in-fact for the Holders, each hereby appoints the Securities Intermediary to perform its duties as set forth herein and authorizes the Securities Intermediary to hold the Collateral in the Securities Account. The Securities Intermediary hereby accepts such appointment and agrees to establish and maintain the Securities Account and appropriate records identifying the Collateral in the Securities Account as pledged by the Note Purchase Contract Agent, on behalf of and as attorney-in-fact for the Holders, to the Collateral Agent for the benefit of the Company.

The Securities Intermediary hereby confirms that:

(a) it has established the Securities Account and its records identify the Collateral Agent as the sole person having a securities entitlement against, and the sole customer of, the Securities Intermediary with respect to such Securities Account;

(b) the Securities Account is a securities account with respect to all property other than cash and a deposit account with respect to cash;

(c) subject to the terms of this Agreement, it shall identify in its records the Collateral Agent as the entitlement Holder entitled to exercise the rights that comprise any financial asset credited to the Securities Account;

(d) all property delivered to it pursuant to this Agreement or the Note Purchase Contract Agreement will be credited promptly to the Securities Account; and

(e) all securities or other property underlying any financial assets credited to the Securities Account shall be (i) registered in the name of the Note Purchase Contract Agent and endorsed to the Securities Intermediary or in blank, (ii) registered in the name of the Securities Intermediary or (iii) credited to another securities account maintained in the name of the Securities Intermediary. In no case will any financial asset credited to the Securities Account be registered in the name of the Note Purchase Contract Agent or any Holder or specially endorsed to the Note Purchase Contract Agent or any Holder unless such financial asset has been further endorsed to the Securities Intermediary or in blank.

SECTION 4.2 Treatment as Financial Assets.

Each item of property (with the express exclusion of cash) credited to the Securities Account shall be treated as a financial asset.

SECTION 4.3 Sole Control by Collateral Agent.

At all times prior to the termination of the Pledge, the Collateral Agent shall have sole control of each Securities Account, and the Securities Intermediary shall take instructions and directions with respect to each Securities Account solely from the Collateral Agent. If at any time the Securities Intermediary shall receive an entitlement order issued by the Collateral Agent and relating to the Securities Account or an instruction issued by the Collateral Agent directing disposition of funds in the Securities Account, the Securities Intermediary shall comply with such entitlement order or instruction without further consent by the Note Purchase Contract

Pledge Agreement

Agent or any Holder or any other Person. Except as otherwise permitted under this Agreement, until termination of the Pledge, the Securities Intermediary will not comply with any entitlement orders or instructions issued by the Note Purchase Contract Agent or any Holder.

SECTION 4.4 Securities Intermediary's and Bank's Jurisdiction.

The Securities Account and the rights and obligations of the Securities Intermediary, the Collateral Agent, the Note Purchase Contract Agent and the Holders with respect thereto, shall be governed by the laws of the State of New York. Regardless of any provision in any other agreement, for purposes of the UCC, New York shall be the "securities intermediary's jurisdiction" and the "bank's jurisdiction".

SECTION 4.5 No Other Claims.

Except for the claims and interest of the Collateral Agent and of the Note Purchase Contract Agent and the Holders in the Securities Account, the Securities Intermediary (without having conducted any investigation) has no actual knowledge of any claim to, or interest in, the Securities Account or in any financial asset credited thereto. If any Person asserts any lien, encumbrance or adverse claim (including any writ, garnishment, judgment, warrant of attachment, execution or similar process) against the Securities Account or in any financial asset carried therein, the Securities Intermediary will promptly notify the Collateral Agent and the Note Purchase Contract Agent.

SECTION 4.6 Maintenance and Release.

All proceeds of financial assets deposited in the Securities Account shall be maintained as provided in this Agreement. At no time prior to termination of the Pledge with respect to any particular property shall such property be released from the Securities Account except in accordance with this Agreement or upon instructions of the Collateral Agent.

SECTION 4.7 Statements and Confirmations.

The Securities Intermediary will promptly send copies of all statements, confirmations and other correspondence concerning the Securities Account and any financial assets credited thereto simultaneously to each of the Note Purchase Contract Agent, the Company and the Collateral Agent at their addresses for notices under this Agreement.

SECTION 4.8 Tax Allocations.

The Note Purchase Contract Agent shall perform all customary tax reporting with respect to all items of income, gain, expense and loss recognized in the Securities Account to the extent such reporting is required by law, to the Internal Revenue Service authorities in the manner required by law. Neither the Securities Intermediary nor the Collateral Agent shall have any tax reporting duties hereunder.

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SECTION 4.9 No Other Agreements.

The Securities Intermediary has not entered into, and prior to the termination of the Pledge will not enter into, any agreement with any other Person relating to the Securities Account or any financial assets credited thereto, including, without limitation, any agreement to comply with entitlement orders of any Person other than the Collateral Agent.

SECTION 4.10 Powers Coupled with an Interest.

The rights and powers granted in this Article IV to the Collateral Agent have been granted in order to perfect its security interests in the Securities Account, are powers coupled with an interest and will be affected neither by the bankruptcy of the Note Purchase Contract Agent or any Holder nor by the lapse of time. The obligations of the Securities Intermediary under this Article IV shall continue in effect until the termination of the Pledge with respect to any and all Collateral.

SECTION 4.11 Waiver of Lien: Waiver of Set-off.

The Securities Intermediary waives any security interest, lien or right to make deductions or set-offs that it may now have or hereafter acquire in or with respect to the Securities Account, any financial asset credited thereto or any security entitlement in respect thereof. Neither the financial assets credited to the Securities Account, nor the security entitlements in respect thereof will be subject to deduction, set-off, banker's lien or any other right in favor of any person other than the Company.

ARTICLE V

DEPOSIT; APPLICATION OF PROCEEDS AND TERMINATION

SECTION 5.1 Initial Deposit of Treasury Securities and Any Excess Initial Proceeds.

(a) On the date hereof, the Note Purchase Contract Agent, on behalf of the initial Holders of the Contingent Convertible Units, shall:

(i) cause to be Transferred to the Collateral Agent or the Securities Intermediary for credit to the Securities Account, the Treasury Securities or security entitlements relating thereto purchased by the Initial Purchaser as authorized by the Holders under the Note Purchase Contract Agreement, and the Securities Intermediary shall thereupon indicate by book-entry that such Treasury Securities, regardless of whether received by the Securities Intermediary in the form of certified securities effectively indorsed in blank or as security entitlements, have been credited to the Securities Account; and

(ii) cause any Excess Initial Proceeds to be transferred to the Collateral Agent or the Securities Intermediary for deposit into the Securities Account.

(b) The Securities Intermediary may, at any time or from time to time, cause any or all securities or other property underlying any financial assets credited to the Securities Account to be registered in the name of the Securities Intermediary, the Collateral Agent or their respective nominees.

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SECTION 5.2 Deposit of Proceeds of Treasury Securities.

The Note Purchase Contract Agent, on behalf and as attorney-in fact of the Holders of the Contingent Convertible Units, shall cause any Proceeds of the Treasury Securities received, including Treasury Maturity Cash Proceeds and Proceeds from the sale of such Treasury Securities, to be transferred to the Collateral Agent or the Securities Intermediary for deposit into the Securities Account. The Collateral Agent and the Securities Intermediary shall promptly deposit any Proceeds of the Treasury Securities into the Securities Account upon receipt thereof.

SECTION 5.3 Application of Proceeds in Settlement of Note Purchase Contracts.

On the Note Purchase Date, the Collateral Agent shall, on behalf of the Note Purchase Contract Agent, instruct the Securities Intermediary to remit (a) the Treasury Maturity Cash Proceeds (i) to the Company with respect to each Note Purchase Contract that was exercised (in accordance with Section 3.01 and Section 3.07 of the Note Purchase Contract Agreement) to satisfy in full such Holder's obligations to purchase the Notes under the related Note Purchase Contracts and (ii) to the Note Purchase Contract Agent for distribution to Holders of Note Purchase Contracts that have not been so exercised and (b) any Excess Initial Proceeds to the Note Purchase Contract Agent for distribution to all Holders in accordance with Section 3.04 of the Note Purchase Contract Agreement, in each case free and clear of the Pledge created hereby.

ARTICLE VI

RIGHTS AND REMEDIES

SECTION 6.1 Rights and Remedies of the Collateral Agent.

(a) In addition to the rights and remedies available at law or in equity, after an event of default (as specified in Section 6.1(b) below) hereunder, the Collateral Agent shall have all of the rights and remedies with respect to the Collateral of a secured party under the UCC (whether or not the UCC is in effect in the jurisdiction where the rights and remedies are asserted) and such additional rights and remedies to which a secured party is entitled under the laws in effect in any jurisdiction where any rights and remedies hereunder may be asserted. Without limiting the generality of the foregoing, such remedies may include, to the extent permitted by applicable law, (1) retention of the Treasury Securities or any Excess Initial Proceeds or (2) sale of the Treasury Securities or any Excess Initial Proceeds in one or more public or private sales, in either case in full satisfaction of the Holders' obligations under the Note Purchase Contracts and the Note Purchase Contract Agreement.

(b) Without limiting any rights or powers otherwise granted by this Agreement to the Collateral Agent, in the event the Treasury Maturity Cash Proceeds are not distributed as provided in Article III hereof, in satisfaction of the Obligations of the Holders of the Contingent Convertible Units under the related Note Purchase Contracts, the failure to make such distributions shall constitute an event of default hereunder and the Collateral Agent shall have and may exercise, with reference to such Collateral any and all of the rights and remedies available to a secured party under the UCC after default by a debtor, and as otherwise granted herein or under any other law.

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(c) Without limiting any rights or powers otherwise granted by this Agreement to the Collateral Agent, the Collateral Agent is hereby irrevocably authorized to receive and collect all Proceeds of the Treasury Securities, including Treasury Maturity Cash Proceeds, subject, to the provisions of Article III hereof, and as otherwise granted herein.

(d) The Note Purchase Contract Agent, as attorney-in-fact of the Holders, and each Holder of Contingent Convertible Units agrees that, from time to time, upon the written request of the Collateral Agent or the Note Purchase Contract Agent, such Holder shall execute and deliver such further documents and do such other acts and things as the Company may reasonably request in order to maintain the Pledge, and the perfection and priority thereof, and to confirm the rights of the Collateral Agent hereunder. The Note Purchase Contract Agent shall have no liability to any Holder for executing any documents or taking any such acts requested by the Collateral Agent hereunder, except for liability for its own negligent acts, its own negligent failure to act or its own willful misconduct.

ARTICLE VII

REPRESENTATIONS AND WARRANTIES; COVENANTS

SECTION 7.1 Representations and Warranties.

Each Holder from time to time, acting through the Note Purchase Contract Agent as attorney-in-fact (it being understood that the Note Purchase Contract Agent shall not be liable for any representation or warranty made by or on behalf of a Holder), hereby represents and warrants to the Collateral Agent (with respect to such Holder's interest in the Collateral), which representations and warranties shall be deemed repeated on each day a Holder Transfers Collateral, that:

(a) such Holder has the power to grant a security interest in and lien on the Collateral;

(b) such Holder is the sole beneficial owner of the Collateral and, in the case of Collateral delivered in physical form, is the sole holder of such Collateral and is the sole beneficial owner of, or has the right to Transfer, the Collateral it Transfers to the Collateral Agent for credit to the Securities Account, free and clear of any security interest, lien, encumbrance, call, liability to pay money or other restriction other than the security interest and lien granted under Article II hereof;

(c) upon the Transfer of the Collateral to the Collateral Agent for credit to the Securities Account, the Collateral Agent, for the benefit of the Company, will have a valid and perfected first priority security interest therein (assuming that any central clearing operation or any securities intermediary or other entity not within the control of the Holder involved in the Transfer of the Collateral, including the Collateral Agent and the Securities Intermediary, gives the notices and takes the action required of it hereunder and under applicable law for perfection of that interest); and

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(d) the execution and performance by the Holder of its obligations under this Agreement will not result in the creation of any security interest, lien or other encumbrance on the Collateral other than the security interest and lien granted under Article II hereof or violate any provision of any existing law or regulation applicable to it or of any mortgage, charge, pledge, indenture, contract or undertaking to which it is a party or which is binding on it or any of its assets.

SECTION 7.2 Covenants.

The Holders from time to time, acting through the Note Purchase Contract Agent as their attorney-in-fact (it being understood that the Note Purchase Contract Agent shall not be liable for any covenant made by or on behalf of a Holder), hereby covenant to the Collateral Agent that for so long as the Collateral remains subject to the Pledge:

(a) such Holders will not create or purport to create or allow to subsist any mortgage, charge, lien, pledge or any other security interest whatsoever over the Collateral or any part of it other than pursuant to this Agreement; and

(b) such Holders will not sell or otherwise dispose (or attempt to dispose) of the Collateral or any part of it except for the beneficial interest therein, subject to the Pledge hereunder, transferred in connection with the Transfer of the Contingent Convertible Units.

ARTICLE VIII

**THE COLLATERAL AGENT AND THE SECURITIES
INTERMEDIARY**

It is hereby agreed as follows:

SECTION 8.1 Appointment, Powers and Immunities.

The Collateral Agent or the Securities Intermediary shall act as agent for the Company hereunder with such powers as are specifically vested in the Collateral Agent or the Securities Intermediary, as the case may be, by the terms of this Agreement. The Collateral Agent and Securities Intermediary shall:

(a) have no duties or responsibilities except those expressly set forth in this Agreement and no implied covenants, functions, responsibilities, duties, liabilities or obligations shall be inferred from this Agreement against the Collateral Agent and the Securities Intermediary, nor shall the Collateral Agent and the Securities Intermediary be bound by the provisions of any agreement by any party hereto beyond the specific terms hereof and neither the Collateral Agent nor the Securities Intermediary shall have any fiduciary relationship to the Holders of the Contingent Convertible Units or any other Person;

(b) not be responsible for any recitals contained in this Agreement, or in any certificate or other document referred to or provided for in, or received by it under, this Agreement, the Contingent Convertible Units or the Note Purchase Contract Agreement, or for the value, validity, effectiveness, genuineness, enforceability or sufficiency of this Agreement

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(other than as against the Collateral Agent or the Securities Intermediary, as the case may be), the Contingent Convertible Units, any Collateral or the Note Purchase Contract Agreement or any other document referred to or provided for herein or therein or for any failure by the Company or any other Person (except the Collateral Agent or the Securities Intermediary, as the case may be) to perform any of its obligations hereunder or thereunder or for the validity, perfection, enforceability, priority or, except as expressly required hereby, maintenance of any security interest created hereunder;

(c) not be required to initiate or conduct any litigation or collection proceedings hereunder (except pursuant to directions furnished under Section 8.2 hereof, subject to Section 8.8 hereof);

(d) not be responsible for any action taken or omitted to be taken by it hereunder or under any other document or instrument referred to or provided for herein or in connection herewith or therewith, except for its own gross negligence or willful misconduct;

(e) not be required to advise any party as to selling or retaining, or taking or refraining from taking any action with respect to, any securities or other property deposited hereunder;

(f) not be liable for, any losses incurred by the Company, the Holders or any other person as a result of the receipt or acceptance of fraudulent, forged or invalid Collateral, or Collateral which otherwise is not freely transferable or deliverable without encumbrance in any relevant market; and

(g) not have any duty to monitor the value of any Collateral in the Securities Account or whether the Collateral is of a type required to be held in the Securities Account, or to supervise the investment of, or to advise or make any recommendation for the purchase, sale, retention or disposition of any Collateral.

Subject to the foregoing, during the term of this Agreement, the Collateral Agent and the Securities Intermediary shall take all reasonable action in connection with the safekeeping and preservation of the Collateral and use the same degree of care and skill in such exercise as a prudent person would exercise or use under the circumstances in the conduct of his or her affairs.

The Collateral Agent and Securities Intermediary shall only be responsible for transferring money, securities or other property in accordance with the terms herein to the extent that such money, securities or other property is credited to the Securities Account.

No provision of this Agreement shall require the Collateral Agent or the Securities Intermediary to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties or the exercise of any of its rights or powers hereunder. In no event shall the Collateral Agent or the Securities Intermediary be liable for any amount in excess of the value of the Collateral.

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The Collateral Agent and Securities Intermediary shall not be liable for any error of judgment made in good faith by a Responsible Officer, unless it is proved that the Collateral Agent or Securities Intermediary was negligent in ascertaining the pertinent facts.

In no event shall the Collateral Agent or Securities Intermediary be responsible or liable for any failure or delay in the performance of its obligations hereunder arising out of or caused by, directly or indirectly, forces beyond its control, including, without limitation, strikes, work stoppages, accidents, acts of war or terrorism, civil or military disturbances, nuclear or natural catastrophes or acts of God, and interruptions, loss or malfunctions of utilities, communications or computer (software and hardware) services (it being understood that the Collateral Agent and Securities Intermediary shall use reasonable efforts which are consistent with accepted practices in the banking industry to avoid and mitigate the effects of such occurrences and to resume performance as soon as practicable under the circumstances).

SECTION 8.2 Instructions of the Company.

The Company shall have the right, by one or more written instruments executed and delivered to the Collateral Agent, to direct the time, method and place of conducting any proceeding for the realization of any right or remedy available to the Collateral Agent, or of exercising any power conferred on the Collateral Agent, or to direct the taking or refraining from taking of any action authorized by this Agreement; *provided, however*, that (i) such direction shall not conflict with the provisions of any law or of this Agreement or involve the Collateral Agent in personal liability and (ii) the Collateral Agent shall be indemnified to its satisfaction as provided herein. Neither the Collateral Agent nor the Securities Intermediary has any obligation or responsibility to file any UCC financing or continuation statements or to take any other actions to create, preserve or maintain the security interest in the Collateral except as expressly set forth herein.

SECTION 8.3 Reliance by Collateral Agent and Securities Intermediary.

Each of the Collateral Agent and the Securities Intermediary shall be entitled, in the absence of bad faith, to rely conclusively upon any certification, order, judgment, opinion, notice or other written communication (including, without limitation, any thereof by e-mail or similar electronic means, teletype, telex or facsimile) believed by it to be genuine and correct and to have been signed or sent by or on behalf of the proper Person or Persons (without being required to determine the correctness of any fact stated therein) and consult with and conclusively rely upon advice, opinions and statements of legal counsel and other experts selected by the Collateral Agent or the Securities Intermediary, as the case may be, and the Collateral Agent and the Securities Intermediary shall not be liable for any action taken or omitted by it in good faith in reliance upon the advice of such counsel. As to any matters not expressly provided for by this Agreement, the Collateral Agent and the Securities Intermediary shall in all cases be fully protected in acting, or in refraining from acting, hereunder in accordance with instructions given by the Company in accordance with this Agreement. In the event any instructions are given (other than in writing at the time of the execution of this Agreement), whether in writing, by telecopier or otherwise, the Collateral Agent and the Securities Intermediary are authorized to seek confirmation of such instructions by telephone call-back to the person or persons designated on Schedule I hereto, and the Collateral Agent and

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the Securities Intermediary may rely upon the confirmations of anyone purporting to be the person or persons so designated. The persons and telephone numbers for call-backs may be changed only in writing actually received and acknowledged by the Collateral Agent and the Securities Intermediary.

It is understood that the Collateral Agent and the Securities Intermediary in any funds transfer may rely solely upon any account numbers or similar identifying number provided by the Company to identify (i) the beneficiary, (ii) the beneficiary's bank or (iii) an intermediary bank. The Collateral Agent and the Securities Intermediary may apply any of the deposited funds for any payment order it executes using any such identifying number, even where its use may result in a Person other than the beneficiary being paid, or the transfer of funds to a bank other than the beneficiary's bank, or an intermediary bank, designated by the Company; *provided, however*, that payment is made to the account as specified by the Company.

In each case that the Collateral Agent or Securities Intermediary may or is required hereunder to take any action, including without limitation to make any determination or judgment, to give consents, to exercise rights, powers or remedies, to release or sell Collateral or otherwise to act hereunder, the Collateral Agent or Securities Intermediary may seek direction from the Company. The Collateral Agent or Securities Intermediary shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction from the Company. Unless direction is otherwise expressly provided herein, if the Collateral Agent or Securities Intermediary shall request direction from the Company with respect to any action, the Collateral Agent or the Securities Intermediary shall be entitled to refrain from such action unless and until such agent shall have received written direction from the Company, and the agent shall not incur liability to any Person by reason of so refraining.

SECTION 8.4 Certain Rights.

(a) Whenever in the administration of the provisions of this Agreement the Collateral Agent or the Securities Intermediary shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action to be taken hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may, in the absence of gross negligence or bad faith on the part of the Collateral Agent or the Securities Intermediary, be deemed to be conclusively proved and established by a certificate signed by one of the Company's officers, and delivered to the Collateral Agent or the Securities Intermediary and such certificate, in the absence of gross negligence or bad faith on the part of the Collateral Agent or the Securities Intermediary, shall be full warrant to the Collateral Agent or the Securities Intermediary for any action taken, suffered or omitted by it under the provisions of this Agreement upon the faith thereof.

(b) The Collateral Agent or the Securities Intermediary shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, entitlement order, approval or other paper or document.

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SECTION 8.5 Merger, Conversion, Consolidation or Succession to Business.

Any Person into which the Collateral Agent or the Securities Intermediary may be merged or converted or with which it may be consolidated, or any Person resulting from any merger, conversion or consolidation to which the Collateral Agent or the Securities Intermediary shall be a party, or any Person succeeding to all or substantially all of the corporate trust business of the Collateral Agent or the Securities Intermediary shall be the successor of the Collateral Agent or the Securities Intermediary hereunder without the execution or filing of any paper with any party hereto or any further act on the part of any of the parties hereto except where an instrument of transfer or assignment is required by law to effect such succession, anything herein to the contrary notwithstanding.

SECTION 8.6 Rights in Other Capacities.

The Collateral Agent and the Securities Intermediary and their affiliates may (without having to account therefore to the Company) accept deposits from, lend money to, make their investments in and generally engage in any kind of banking, trust or other business with the Note Purchase Contract Agent, any other Person interested herein and any Holder of Contingent Convertible Units (and any of their respective subsidiaries or affiliates) as if it were not acting as the Collateral Agent or the Securities Intermediary, as the case may be, and the Collateral Agent, the Securities Intermediary and their affiliates may accept fees and other consideration from the Note Purchase Contract Agent and any Holder of Contingent Convertible Units without having to account for the same to the Company; *provided* that each of the Securities Intermediary and the Collateral Agent covenants and agrees with the Company that it shall not accept, receive or permit there to be created in favor of itself and shall take no affirmative action to permit there to be created in favor of any other Person, any security interest, lien or other encumbrance of any kind in or upon the Collateral other than the lien created by the Pledge.

SECTION 8.7 Non-reliance on Collateral Agent and Securities Intermediary.

Neither the Securities Intermediary nor the Collateral Agent shall be required to keep itself informed as to the performance or observance by the Note Purchase Contract Agent or any Holder of Contingent Convertible Units of this Agreement, the Note Purchase Contract Agreement, the Contingent Convertible Units or any other document referred to or provided for herein or therein or to inspect the properties or books of the Note Purchase Contract Agent or any Holder of Contingent Convertible Units. Neither the Collateral Agent nor the Securities Intermediary shall have any duty or responsibility to provide the Company with any credit or other information concerning the affairs, financial condition or business of the Note Purchase Contract Agent or any Holder of Contingent Convertible Units (or any of their respective affiliates) that may come into the possession of the Collateral Agent or the Securities Intermediary or any of their respective affiliates.

SECTION 8.8 Compensation and Indemnity.

The Company agrees to:

(a) pay the Collateral Agent and the Securities Intermediary from time to time such compensation as shall be agreed in writing between the Company and the Collateral Agent or the Securities Intermediary, as the case may be, for all services rendered by them hereunder;

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(b) indemnify and hold harmless the Collateral Agent, the Securities Intermediary and each of their respective directors, officers, agents and employees (collectively, the "Indemnitees"), from and against any and all claims, actions, suits, liabilities, losses, damages, fines, penalties and expenses (including reasonable fees and expenses of counsel) and taxes (other than those based upon, determined by or measured by the income of the Collateral Agent and Securities Intermediary) of any kind and nature, whatsoever (collectively, "Losses" and individually, a "Loss") that may be imposed on, incurred by, or asserted against, the Indemnitees or any of them for following any instructions or other directions upon which either the Collateral Agent or the Securities Intermediary is entitled to rely pursuant to the terms of this Agreement, provided that the Collateral Agent or the Securities Intermediary has not acted with gross negligence or engaged in willful misconduct with respect to the specific Loss against which indemnification is sought; and

(c) in addition to and not in limitation of paragraph (b) immediately above, indemnify and hold the Indemnitees and each of them harmless from and against any and all Losses that may be imposed on, incurred by or asserted against, the Indemnitees or any of them in connection with or arising out of the Collateral Agent's or the Securities Intermediary's acceptance or performance of its powers and duties under this Agreement, provided that the Collateral Agent or the Securities Intermediary has not acted with gross negligence or engaged in willful misconduct with respect to the specific Loss against which indemnification is sought.

The provisions of this Section and Section 10.7 shall survive the resignation or removal of the Collateral Agent or Securities Intermediary and the termination of this Agreement.

SECTION 8.9 Failure to Act.

In the event of any ambiguity in the provisions of this Agreement or any dispute between or conflicting claims by or among the parties hereto or any other Person with respect to any funds or property deposited hereunder, then at its sole option, each of the Collateral Agent and the Securities Intermediary shall be entitled, after prompt notice to the Company and the Note Purchase Contract Agent, to refuse to comply with any and all claims, demands or instructions with respect to such property or funds so long as such dispute or conflict shall continue, and the Collateral Agent and the Securities Intermediary shall not be or become liable in any way to any of the parties hereto for its failure or refusal to comply with such conflicting claims, demands or instructions. The Collateral Agent and the Securities Intermediary shall be entitled to refuse to act until either:

(a) such conflicting or adverse claims or demands shall have been finally determined by a court of competent jurisdiction or settled by agreement between the conflicting parties as evidenced in a writing satisfactory to the Collateral Agent or the Securities Intermediary; or

(b) the Collateral Agent or the Securities Intermediary shall have received security or an indemnity satisfactory to it sufficient to save it harmless from and against any and all loss, liability or reasonable out-of-pocket expense which it may incur by reason of its acting.

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Notwithstanding anything contained herein to the contrary, neither the Collateral Agent nor the Securities Intermediary shall be required to take any action that is contrary to law or to the terms of this Agreement, or which would in its opinion subject it or any of its officers, employees or directors to liability.

SECTION 8.10 Resignation of Collateral Agent and Securities Intermediary.

Subject to the appointment and acceptance of a successor Collateral Agent or Securities Intermediary as provided below:

(i) the Collateral Agent and the Securities Intermediary may resign at any time by giving notice thereof to the Company and the Note Purchase Contract Agent as attorney-in-fact for the Holders of Contingent Convertible Units;

(ii) the Collateral Agent and the Securities Intermediary may be removed at any time by the Company; and

(iii) the Collateral Agent or the Securities Intermediary fails to perform any of its material obligations hereunder in any material respect for a period of not less than 20 days after receiving written notice of such failure by the Note Purchase Contract Agent, and such failure shall be continuing, the Collateral Agent and the Securities Intermediary may be removed by the Note Purchase Contract Agent, acting at the direction of the Holders of a majority in number of the Contingent Convertible Units.

The Note Purchase Contract Agent shall promptly notify the Company of any removal of the Collateral Agent or the Securities Intermediary pursuant to clause (iii) of this Section 8.10. Upon any such resignation or removal, the Company shall have the right to appoint a successor Collateral Agent or Securities Intermediary, as the case may be. If no successor Collateral Agent or Securities Intermediary shall have been so appointed and shall have accepted such appointment within 30 days after the retiring Collateral Agent's or Securities Intermediary's giving of notice of resignation or the Company's or the Note Purchase Contract Agent's giving notice of such removal, then the retiring or removed Collateral Agent or Securities Intermediary may petition any court of competent jurisdiction, at the expense of the Company, for the appointment of a successor Collateral Agent or Securities Intermediary. The Collateral Agent and the Securities Intermediary shall each be a bank, trust company or national banking association with a combined capital and surplus of at least U.S.\$50,000,000. Upon the acceptance of any appointment as Collateral Agent or Securities Intermediary hereunder by a successor Collateral Agent or Securities Intermediary, as the case may be, such successor Collateral Agent or Securities Intermediary, as the case may be, shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the retiring Collateral Agent or Securities Intermediary, as the case may be, and the retiring Collateral Agent or Securities Intermediary, as the case may be, shall take all appropriate action, subject to payment of any amounts then due and payable to it hereunder, to transfer any money and property held by it hereunder (including the Collateral) to such successor. The retiring Collateral Agent or Securities Intermediary shall, upon such succession, be discharged from its duties and obligations as Collateral Agent or Securities Intermediary hereunder. After any retiring Collateral Agent's or Securities Intermediary's resignation hereunder as Collateral Agent or Securities Intermediary, the provisions of this Article VIII shall continue in effect for its benefit in respect of any actions taken or omitted to be taken by it while it was acting as the Collateral Agent or Securities Intermediary. Any resignation or removal of the Collateral Agent or

Securities Intermediary hereunder, at a time when such Person is acting as the Collateral Agent and Securities Intermediary, shall be deemed for all purposes of this Agreement as the simultaneous resignation or removal of the Collateral Agent and Securities Intermediary, as the case may be.

SECTION 8.11 Right to Appoint Agent or Advisor.

The Collateral Agent and Securities Intermediary each shall have the right to appoint agents or advisors in connection with any of their respective duties hereunder, and the Collateral Agent and Securities Intermediary shall not be liable for any action taken or omitted by, or in reliance upon the advice of, such agents or advisors selected in good faith. The appointment of agents pursuant to Section 8.11 shall be subject to prior written consent of the Company, which consent shall not be unreasonably withheld.

SECTION 8.12 Survival.

The provisions of this Article VIII shall survive termination of this Agreement and the resignation or removal of the Collateral Agent or the Securities Intermediary.

SECTION 8.13 Exculpation.

Anything contained in this Agreement to the contrary notwithstanding, in no event shall the Collateral Agent or the Securities Intermediary or their officers, directors, employees or agents be liable under this Agreement to any third party for indirect, special, punitive, or consequential loss or damage of any kind whatsoever, including, but not limited to, lost profits, whether or not the likelihood of such loss or damage was known to the Collateral Agent or the Securities Intermediary, or any of them.

ARTICLE IX

AMENDMENT

SECTION 9.1 Amendment without Consent of Holders.

Without the consent of any Holders, the Company, when duly authorized by a Board Resolution, the Collateral Agent, the Securities Intermediary and the Note Purchase Contract Agent, at any time and from time to time, may amend this Agreement, in form satisfactory to the Company, the Collateral Agent, the Securities Intermediary and the Note Purchase Contract Agent, to:

(a) cure any ambiguity, omission, defect or inconsistency in this Agreement;

(b) provide for the assumption by a surviving or successor corporation of the Company's obligations under this Agreement or evidence and provide for the acceptance of appointment of a successor Collateral Agent, Securities Intermediary or Note Purchase Contract Agent;

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(c) add to the covenants of the Company for the benefit of the Holders or surrender any right or power conferred upon the Company;

(d) make any change that does not materially adversely affect the rights of any Holder; and

(e) conform the terms of this Agreement to the description thereof in the Preliminary Offering Memorandum, as supplemented by the Pricing Term Sheet.

SECTION 9.2 Amendment with Consent of Holders.

With the consent of the Holders of not less than a majority in number of the Contingent Convertible Units at the time outstanding, including without limitation the consent of the Holders obtained in connection with a tender or an exchange offer, by Act of such Holders delivered to the Company, the Note Purchase Contract Agent, the Securities Intermediary and the Collateral Agent, as the case may be, the Company, when duly authorized by a Board Resolution, the Note Purchase Contract Agent, the Securities Intermediary and the Collateral Agent may amend this Agreement for the purpose of modifying in any manner the provisions of this Agreement or the rights of the Holders in respect of the Contingent Convertible Units; *provided, however*, that no such supplemental agreement shall, without the consent of the Holders of each outstanding Contingent Convertible Unit affected thereby:

(a) reduce the amount of Note Purchase Contracts whose Holders must consent to an amendment or waiver;

(b) make any change in provisions of this Agreement entitling each Holder to purchase Notes on the Note Purchase Date or to the return on the Note Purchase Date of their respective interests in any Excess Initial Proceeds and, in the case of Contingent Convertible Units that are not exercised, the Treasury Maturity Cash Proceeds, or to bring suit to enforce such payment or delivery;

(c) change the amount or type of securities to be held in the Securities Account or otherwise adversely affect the Holder's rights in or to the Treasury Securities and any Excess Initial Proceeds in the Securities Account (including under provisions governing the termination of the Note Purchase Contracts and release of the related collateral); or

(d) otherwise effect any action that would require the consent of the Holder of each outstanding Contingent Convertible Unit affected thereby pursuant to the Note Purchase Contract Agreement if such action were effected by a modification or amendment of the provisions of the Note Purchase Contract Agreement.

It shall not be necessary for any Act of Holders under this Section to approve the particular form of any proposed amendment, but it shall be sufficient if such Act shall approve the substance thereof.

Pledge Agreement

SECTION 9.3 Execution of Amendments.

In executing any amendment permitted by this Article, the Collateral Agent, the Securities Intermediary and the Note Purchase Contract Agent shall be entitled to receive and (subject to Section 5.01 of the Note Purchase Contract Agreement with respect to the Note Purchase Contract Agent) shall be fully authorized and protected in relying upon, an Opinion of Counsel and an officers' certificate stating that the execution of such amendment is authorized or permitted by this Agreement and that all conditions precedent, if any, to the execution and delivery of such amendment have been satisfied. The Collateral Agent, Securities Intermediary and Note Purchase Contract Agent may, but shall not be obligated to, enter into any such amendment which affects their own respective rights, duties or immunities under this Agreement or otherwise.

SECTION 9.4 Effect of Amendments.

Upon the execution of any amendment under this Article, this Agreement shall be modified in accordance therewith, and such amendment shall form a part of this Agreement for all purposes; and every Holder of Certificates theretofore or thereafter authenticated, executed on behalf of the Holders and delivered under the Note Purchase Contract Agreement shall be bound thereby.

SECTION 9.5 Reference of Amendments.

Contingent Convertible Units authenticated, executed on behalf of the Holders and delivered after the execution of any amendment pursuant to this Section may, and shall, if required by the Collateral Agent or the Note Purchase Contract Agent, bear a notation as to any matter provided for in such amendment. If the Company shall so determine, new Contingent Convertible Units so modified as to conform, to any such amendment may be prepared and executed by the Company and authenticated, executed on behalf of the Holders and delivered by the Note Purchase Contract Agent in accordance with the Note Purchase Contract Agreement in exchange for outstanding Contingent Convertible Units.

ARTICLE X

MISCELLANEOUS

SECTION 10.1 No Waiver.

No failure on the part of the Company, the Collateral Agent, the Securities Intermediary or any of their respective agents to exercise, and no course of dealing with respect to, and no delay in exercising, any right, power or remedy hereunder shall operate as a waiver thereof; nor shall any single or partial exercise by the Company, the Collateral Agent, the Securities Intermediary or any of their respective agents of any right, power or remedy hereunder preclude any other or further exercise thereof or the exercise of any other right, power or remedy. The remedies herein are cumulative and are not exclusive of any remedies provided by law.

Pledge Agreement

SECTION 10.2 Governing Law; Submission to Jurisdiction.

(a) THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK. THE PARTIES HERETO AND HOLDERS OF CONTINGENT CONVERTIBLE UNITS, ACTING THROUGH THE NOTE PURCHASE CONTRACT AGENT AS THEIR ATTORNEY-IN-FACT, HEREBY WAIVE ANY RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THIS AGREEMENT, THE COLLATERAL OR ANY TRANSACTION RELATED HERETO OR THERETO TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW.

(b) Each of the parties hereto and the Holders of Contingent Convertible Units, acting through the Note Purchase Contract Agent as their attorney-in-fact hereby:

(i) agrees that any suit, action or proceeding against it arising out of or relating to this Agreement, as the case may be, may be instituted in any U.S. Federal or State court located in the State of New York, County of New York and in the courts of its own corporate domicile, in respect of actions brought against the relevant party as a defendant,

(ii) waives to the fullest extent permitted by applicable law, any objection which it may now or hereafter have to the laying of venue of any such suit, action or proceeding, any claim that any suit, action or proceeding in such a court has been brought in an inconvenient forum, and any right to which it may be entitled, on account of place of residence or domicile,

(iii) irrevocably submits to the jurisdiction of such courts in any suit, action or proceeding and waives the right to challenge such submission in any other jurisdiction that it may be entitled by reason of its present or future domicile or other reason,

(iv) agrees that final judgment in any such suit, action or proceeding brought in such a court shall be conclusive and binding may be enforced in the courts of the jurisdiction of which it is subject by a suit upon judgment, and

(v) agrees that service of process by mail to the addresses specified herein shall constitute personal service of such process on it in any such suit, action or proceeding.

(c) The Company has appointed CEMEX NY Corporation, 590 Madison Avenue, 41st Floor, New York, New York 10022, Attention: Legal Counsel, as its authorized agent (the "Authorized Agent") upon whom all writs, process and summonses may be served in any suit, action or proceeding arising out of or based upon this Agreement which may be instituted in any U.S. Federal or State court located in the State of New York, County of New York. The Company hereby represents and warrants that the Authorized Agent has accepted such appointment and has agreed to act as said agent for service of process, and the Company agrees to take any and all action, including the filing of any and all documents, that may be necessary to continue each such appointment in full force and effect as aforesaid so long as the Contingent Convertible Units remain outstanding. The Company agrees that the appointment of

Pledge Agreement

the Authorized Agent shall be irrevocable so long as any of the Contingent Convertible Units remain outstanding or until the irrevocable appointment by the Company of a successor agent in The City of New York, New York as authorized agent for such purpose and the acceptance of such appointment by such successor. Service of process upon the Authorized Agent shall be deemed, in every respect, effective service of process upon the Issuer.

(d) To the extent that the Company has or hereafter may acquire any immunity (sovereign or otherwise) from any legal action, suit or proceeding, from jurisdiction of any court or from set-off or any legal process (whether service or notice, attachment in aid or otherwise) with respect to itself or any of its property, the Company hereby irrevocably waives and agrees not to plead or claim such immunity in respect of its obligations under this Agreement.

(e) Nothing in this Section 10.2 shall affect the right of the Note Purchase Contract Agent, the Collateral Agent, the Securities Intermediary or any Holder of the Contingent Convertible Units to serve process in any other manner permitted by law

SECTION 10.3 Notices.

Any notice or communication among the Company, the Collateral Agent, the Securities Intermediary and the Note Purchase Contract Agent to any of the others is duly given if in writing and delivered in person or mailed by first-class mail, with postage prepaid (registered or certified, return receipt requested), or sent by facsimile or overnight air couriers guaranteeing next day delivery, to the other's address as stated below in this Section 10.3. The Company, the Collateral Agent, the Securities Intermediary or the Note Purchase Contract Agent by notice to each of the others may designate additional or different addresses for subsequent notices or communications. The Collateral Agent, the Securities Intermediary and the Note Purchase Contract Agent may rely upon and comply with instructions or directions sent via unsecured facsimile or email transmission and the Collateral Agent, the Securities Intermediary and the Note Purchase Contract Agent shall not be liable for any loss, liability or expense of any kind incurred by the Company or the Holders due to the Collateral Agent's, the Security Intermediary's or the Note Purchase Contract Agent's reliance upon and compliance with instructions or directions given by unsecured facsimile or email transmission, provided, however, that such losses have not arisen from the negligence or willful misconduct of the Collateral Agent, the Securities Intermediary or the Note Purchase Contract Agent, it being understood that the failure of the Collateral Agent, the Securities Intermediary or the Note Purchase Contract Agent to verify or confirm that the person providing the instructions or directions, is, in fact, an authorized person does not constitute negligence or willful misconduct.

All notices and communications (other than those sent to Holders) shall be deemed to have been duly given at the time delivered by hand, if personally delivered; five Business Days after being deposited in the mail, postage prepaid, if mailed; when transmission is confirmed, if transmitted by facsimile; and the next Business Day after timely delivery to the courier, if sent by overnight air courier guaranteeing next day delivery. Notwithstanding the foregoing, all notices to the Note Purchase Contract Agent, the Collateral Agent or the Securities Intermediary shall be effective only upon receipt by a Responsible Officer of the Note Purchase Contract Agent, the Collateral Agent or the Securities Intermediary, as applicable.

Pledge Agreement

If to the Note Purchase Contract Agent:

The Bank of New York Mellon
101 Barclay Street, 7W
New York, New York 10286
Attention: International Corporate Trust
Facsimile: (212) 815-5917

If to the Company:

CEMEX, S.A.B. de C.V.
Avenida Ricardo Margáin Zozaya #325
Colonia Valle del Campestre
Garza García, Nuevo León
México 66265
Attention: Chief Financial Officer
Fax: +52 81 8888 4465

If to the Collateral Agent:

The Bank of New York Mellon
101 Barclay Street, 7W
New York, New York 10286
Attention: International Corporate Trust
Facsimile: (212) 815-5917

If to the Securities Intermediary:

The Bank of New York Mellon
101 Barclay Street, 7W
New York, New York 10286
Attention: International Corporate Trust
Facsimile: (212) 815-5917

Any notice or communication to a Holder shall be mailed by first-class mail, with postage prepaid, to his or her address shown on the Security Register kept by the Security Registrar and shall be deemed to have been given on the date of such mailing or, to a Holder of a Global Security, through DTC in accordance with its procedures. Failure to mail a notice or communication to a Holder or any defect in it shall not affect its sufficiency with respect to other Holders. If a notice or communication is sent in the manner provided above within the time prescribed, it is duly given, whether or not the addressee receives it.

If the Company sends a notice or communication to Holders, it shall send a copy to the Note Purchase Contract Agent and the Collateral Agent at the same time. Any notice required to be given by the Company may be given by the Note Purchase Contract Agent on the Company's behalf and at the expense of Company.

All notices or communications shall be in writing.

Pledge Agreement

The Collateral Agent and the Securities Intermediary agree to accept and act upon instructions or directions pursuant to this Agreement sent by unsecured e-mail, facsimile transmission or other similar unsecured electronic methods. If the Company, the Note Purchase Contract Agent or the Collateral Agent elects to give e-mail or facsimile instructions (or instructions by a similar electronic method) and the Collateral Agent or the Securities Intermediary, as applicable, each in its discretion elects to act upon such instructions, the Collateral Agent's or the Securities Intermediary's understanding of such instructions, as applicable, shall be deemed controlling. The Collateral Agent or the Securities Intermediary, as applicable, shall not be liable for any losses, costs or expenses arising directly or indirectly from the Collateral Agent's or the Securities Intermediary's reliance upon and compliance with such instructions notwithstanding such instructions conflict or are inconsistent with a subsequent written instruction. The Company, the Note Purchase Contract Agent or the Collateral Agent, as applicable, agree to assume all risks arising out of the use of such electronic methods to submit instructions and directions to the Collateral Agent or the Securities Intermediary, including without limitation the risk of the Collateral Agent or the Securities Intermediary acting on unauthorized instructions, and the risk of interception and misuse by third parties.

SECTION 10.4 Successors and Assigns.

This Agreement shall be binding upon and inure to the benefit of the respective successors and assigns of the Company, the Collateral Agent, the Securities Intermediary and the Note Purchase Contract Agent, and the Holders from time to time of the Contingent Convertible Units, by their acceptance of the same, shall be deemed to have agreed to be bound by the provisions hereof and to have ratified the agreements of, and the grant of the Pledge hereunder by, the Note Purchase Contract Agent, as attorney-in-fact of the Holders from time to time of the Contingent Convertible Units.

SECTION 10.5 Counterparts.

This Agreement may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument, and any of the parties hereto may execute this Agreement by signing any such counterpart.

SECTION 10.6 Severability.

If any provision hereof is invalid and unenforceable in any jurisdiction, then, to the fullest extent permitted by law, (i) the other provisions hereof shall remain in full force and effect in such jurisdiction and shall be liberally construed in order to carry out the intentions of the parties hereto as nearly as may be possible and (ii) the invalidity or unenforceability of any provision hereof in any jurisdiction shall not affect the validity or enforceability of such provision in any other jurisdiction.

Pledge Agreement

SECTION 10.7 Expenses, Etc.

The Company agrees to reimburse the Collateral Agent and the Securities Intermediary for:

(a) all reasonable costs and expenses of the Collateral Agent and the Securities Intermediary (including, without limitation, the reasonable fees and expenses of counsel to the Collateral Agent and the Securities Intermediary), in connection with (i) the negotiation, preparation, execution and delivery or performance of this Agreement and (ii) any amendment to, modification, supplement or waiver of any of the terms of this Agreement;

(b) all reasonable costs and expenses of the Collateral Agent and the Securities Intermediary (including, without limitation, reasonable fees and expenses of counsel) in connection with (i) any enforcement or proceedings resulting or incurred in connection with causing any Holder of Contingent Convertible Units to satisfy its obligations under the Note Purchase Contracts forming a part of the Contingent Convertible Units and (ii) the enforcement of this Section 10.7;

(c) all transfer, stamp, documentary or other similar taxes, assessments or charges levied by any governmental or revenue authority in respect of this Agreement or any other document referred to herein and all costs, expenses, taxes, assessments and other charges incurred in connection with any filing, registration, recording or perfection of any security interest contemplated hereby;

(d) all reasonable fees and expenses of any agent or advisor appointed by the Collateral Agent or the Securities Intermediary and consented to by the Company under Section 8.11 of this Agreement including, without limitation, reasonable fees and expenses of counsel for the Collateral Agent or the Securities Intermediary, as applicable; and

(e) any other out-of-pocket costs and expenses reasonably incurred by the Collateral Agent and the Securities Intermediary in connection with the performance of their duties and the exercise of their powers hereunder.

SECTION 10.8 Security Interest Absolute.

All rights of the Collateral Agent and security interests hereunder, and all obligations of the Holders from time to time hereunder, shall be absolute and unconditional irrespective of:

(a) any lack of validity or enforceability of any provision of the Note Purchase Contracts or the Contingent Convertible Units or any other agreement or instrument relating thereto;

(b) any change in the time, manner or place of payment of, or any other term of, or any increase in the amount of, all or any of the obligations of Holders of the Contingent Convertible Units under the related Note Purchase Contracts, or any other amendment or waiver of any term of, or any consent to any departure from any requirement of, the Note Purchase Contract Agreement or any Note Purchase Contract or any other agreement or instrument relating thereto; or

(c) any other circumstance which might otherwise constitute a defense available to, or discharge of, a borrower, a guarantor or a pledgor.

Pledge Agreement

SECTION 10.9 Notice of Termination.

Upon the termination of the Note Purchase Contracts, the Company shall deliver an Automatic Termination Notice or a Tax Termination Notice to the Note Purchase Contract Agent, the Collateral Agent and the Securities Intermediary in accordance with Section 3.08 or Section 3.09 of the Note Purchase Contract Agreement, as applicable. Upon the written request of the Collateral Agent or the Securities Intermediary, the Company shall inform such party whether or not the Note Purchase Contracts have been terminated.

SECTION 10.10 Currency Indemnity.

(a) U.S. Legal Tender is the sole currency of account and payment for all sums payable by the Company under or in connection with the Contingent Convertible Units or this Agreement, including damages. To the greatest extent permitted under applicable law, any amount received or recovered in currency other than U.S. Legal Tender in respect of the Contingent Convertible Units (whether as a result of, or of the enforcement of, a judgment or order of a court of any jurisdiction, in the winding-up or dissolution of the Company or otherwise) by any Holder in respect of any sum expressed to be due to it from the Company shall only constitute a discharge of them under the Contingent Convertible Units and this Agreement only to the extent of the U.S. Legal Tender amount which the recipient is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so). To the greatest extent permitted under applicable law, if that U.S. Legal Tender amount is less than the U.S. Legal Tender amount expressed to be due to the recipient under the Contingent Convertible Units or this Agreement, the Company shall indemnify and hold harmless the recipient against any loss or cost sustained by it in making any such purchase to the greatest extent permitted under applicable law. For the purposes of this Section 10.10, it will be sufficient for the Holder to certify that it would have suffered a loss had an actual purchase of U.S. Legal Tender been made with the amount so received in that other currency on the date of receipt or recovery (or, if a purchase of U.S. Legal Tender on such date had not been practicable, on the first date on which it would have been practicable).

(b) The indemnities of the Company contained in this Section 10.10, to the extent permitted by law: (i) constitute a separate and independent obligation from the other obligations of the Company under this Agreement and the Contingent Convertible Units; (ii) shall give rise to a separate and independent cause of action against the Company; (iii) shall apply irrespective of any waiver granted by any Holder, the Note Purchase Contract Agent or the Collateral Agent from time to time; (iv) shall continue in full force and effect notwithstanding any other judgment, order, claim or proof of claim for a liquidated amount in respect of any sum due under the Notes or this Indenture or any other judgment or order; and (v) may not be enforceable under Mexican law.

SECTION 10.11 Incorporation by Reference.

In connection with its execution and performance hereunder the Note Purchase Contract Agent is entitled to all rights, privileges, protections, immunities, benefits and indemnities provided to them under the Note Purchase Contract Agreement.

Pledge Agreement

SECTION 10.12 No Adverse Interpretation of Other Agreements.

This Agreement may not be used to interpret another agreement, indenture, loan or debt agreement of the Company or a Subsidiary of the Company. Any such other agreement, indenture, loan or debt agreement may not be used to interpret this Agreement.

SECTION 10.13 USA PATRIOT ACT.

The parties hereto acknowledge that, in accordance with Section 326 of the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (as amended, modified or supplemented from time to time, the "USA Patriot Act"), the Securities Intermediary, like all financial institutions, is required to obtain, verify, and record information that identifies each person or legal entity that opens an account. The parties to this Agreement agree that they will provide the Securities Intermediary with such information as the Securities Intermediary may request in order for the Securities Intermediary to satisfy the requirements of the USA Patriot Act.

[SIGNATURES ON THE FOLLOWING PAGE]

Pledge Agreement

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the day and year first above written.

CEMEX, S.A.B. DE C.V.

By: /s/ Jose Antonio González Flores
Name: Jose Antonio González Flores
Title: Attorney in fact

THE BANK OF NEW YORK MELLON, as Note Purchase
Contract Agent and as attorney-in-fact of the Holders from
time to time of the Contingent Convertible Units

By: /s/ Jaime Nielsen
Name: Jaime Nielsen
Title: Vice President

THE BANK OF NEW YORK MELLON, as Collateral Agent and
Securities Intermediary

By: /s/ Jaime Nielsen
Name: Jaime Nielsen
Title: Vice President

[Signature Page to Pledge Agreement]

Schedule I

Contact Persons for Confirmations

<u>NAME</u>	<u>ADDRESS/PHONE NUMBER</u>
Francisco Javier Contreras Navarro Financial Operations Manager Corporate Treasury - Mexico	Ricardo Margain 325 Col. Valle del Campestre 66265 San Pedro Garza García N.L. Office: +52(81)88884093 Fax: +52(81)88884519 e-Mail: franciscojavier.contreras@cemex.com
Hector Rodriguez Villarreal Financial Information - Corporate Treasury	Ricardo Margain 325 Valle del Campestre 66265 San Pedro Garza Garcia, N.L. Mexico Office: +52(81)88884265 Fax: +52(81)88886779 e-Mail: hector.rodriguez@cemex.com
Omar Jorge Ochoa Castro Equity & Financial Risk Manager Corporate Finance	Av. Ricardo Margáin Zozaya #325, Col. Valle del Campestre, San Pedro Garza Garcia, Nuevo León, CP. 66265, México Office: +52(81)8888-4559 e-Mail: omarjorge.ochoac@cemex.com
Jesús Héctor Preciado De La Lama Equity, Risk & Financial Planning Advisor Corporate Finance	Ricardo Margain Zozaya # 325 Col. Valle del Campestre, San Pedro Garza García, N.L. C.P. 66265, México Office: +52(81)88884330 Fax: +52(81)88884465 e-Mail: jesushector.preciado@cemex.com

Sched. I-1

CEMEX, S.A.B. de C.V.,
THE NOTE GUARANTORS PARTY HERETO
AND
THE BANK OF NEW YORK MELLON,
AS TRUSTEE
6.125% SENIOR SECURED NOTES DUE 2025
INDENTURE
Dated as of March 5, 2015

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EXHIBIT A	FORM OF NOTE
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EXHIBIT D	FORM OF CERTIFICATION FOR TRANSFER PURSUANT TO RULE 144A
EXHIBIT E	“CONSOLIDATED LEVERAGE RATIO” AND RELATED DEFINITIONS

INDENTURE, dated as of March 5, 2015, among CEMEX, S.A.B. de C.V., a publicly traded stock corporation with variable capital (*sociedad anónima bursátil de capital variable*) organized under the laws of the United Mexican States (the “Issuer”), the guarantors listed on Schedule I hereto, as guarantors of the Issuer’s obligations under this Indenture and the Notes, and The Bank of New York Mellon, as trustee (the “Trustee”).

Each party agrees as follows for the benefit of the other parties and for the equal and ratable benefit of the Holders of the Issuer’s 6.125% Senior Secured Notes due 2025 issued hereunder.

ARTICLE I

DEFINITIONS AND INCORPORATION BY REFERENCE

Section 1.1 Definitions.

“2009 Financing Agreement” means the financing agreement, dated as of August 14, 2009, entered into among the Issuer and certain of its Subsidiaries, the financial institutions and noteholders party thereto, Citibank International PLC, as administrative agent, and Wilmington Trust (London) Limited, as security agent, as such agreement may be amended, modified or waived from time to time.

“Acquired Indebtedness” means Indebtedness of a Person or any of its Subsidiaries existing at the time such Person becomes a Restricted Subsidiary or at the time it merges or consolidates with the Issuer or any of its Restricted Subsidiaries or is assumed in connection with the acquisition of assets from such Person. Such Indebtedness will be deemed to have been Incurred at the time such Person becomes a Restricted Subsidiary or at the time it merges or consolidates with the Issuer or a Restricted Subsidiary or at the time such Indebtedness is assumed in connection with the acquisition of assets from such Person.

“Acquired Subsidiary” means any Subsidiary acquired by the Issuer or any other Subsidiary after the Issue Date in an Acquisition, and any Subsidiaries of such Acquired Subsidiary on the date of such Acquisition.

“Acquiring Subsidiary” means any Subsidiary formed by the Issuer or one of its Subsidiaries solely for the purpose of participating as the acquiring party in any Acquisition, and any Subsidiaries of such Acquiring Subsidiary acquired in such Acquisition.

“Acquisition” means any merger, consolidation, acquisition or lease of assets, acquisition of securities or business combination or acquisition, or any two or more of such transactions, if, upon the completion of such transaction or transactions, the Issuer or any Restricted Subsidiary thereof has acquired an interest in any Person who would be deemed to be a Restricted Subsidiary under this Indenture and was not a Restricted Subsidiary prior thereto.

“Additional Amounts” has the meaning assigned to it in Section 3.21(b).

“Additional Note Certificate” has the meaning assigned to it in Section 2.14(b).

“Additional Note Guarantors” means New Sunward Holding B.V., CEMEX Concretos, S.A. de C.V. and Empresas Tolteca de México, S.A. de C.V.

“Additional Note Supplemental Indenture” means a supplement to this Indenture duly executed and delivered by the Issuer, each Note Guarantor and the Trustee pursuant to Article IX providing for the issuance of Additional Notes.

“Additional Notes” has the meaning assigned to it in Section 2.14(a).

“Affiliate” means, with respect to any specified Person, any other Person who directly or indirectly through one or more intermediaries controls, or is controlled by, or is under common control with, such specified Person. The term “control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise. For purposes of this definition, the terms “controlling,” “controlled by” and “under common control with” have correlative meanings.

“Affiliate Transaction” has the meaning assigned to it in Section 3.18(a).

“Agent Members” has the meaning assigned to it in Section 2.7(b).

“Agents” means, collectively, the Registrar, any co-Registrar, the Paying Agents, the Transfer Agent and any other agent appointed by the Issuer hereunder.

“Applicable Procedures” means, with respect to any transfer or exchange of or for beneficial interests in a Global Note, the rules and procedures of DTC, Euroclear and Clearstream, as the case may be, that apply to such transfer or exchange, including the “Operating Procedures of the Euroclear System” and “Terms and Conditions Governing Use of Euroclear” of Euroclear and the “General Terms and Conditions of Clearstream Banking” and “Customer Handbook” of Clearstream.

“Asset Sale” means any direct or indirect sale, disposition, issuance, conveyance, transfer, lease (other than an operating lease entered into in the ordinary course of business), assignment or other transfer, including a Sale and Leaseback Transaction (each, a “disposition”) by the Issuer or any Restricted Subsidiary of:

- (a) any Capital Stock other than Capital Stock of the Issuer; or
- (b) any property or assets (other than cash, Cash Equivalents or Capital Stock) of the Issuer or any Restricted Subsidiary;

Notwithstanding the preceding, the following will not be deemed to be Asset Sales:

- (1) the disposition of all or substantially all of the assets of the Issuer and its Restricted Subsidiaries as permitted under Section 3.12;

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- (2) any disposition of equipment that is not usable or is obsolete or worn out equipment in the ordinary course of business or any disposition of inventory or goods (or other assets) held for sale or no longer used in the ordinary course of business;
 - (3) dispositions of assets in any fiscal year with a Fair Market Value not to exceed U.S.\$25 million in the aggregate;
 - (4) for purposes of Section 3.12 only, the making or disposition of a Permitted Investment or Restricted Payment permitted under Section 3.11;
 - (5) a disposition to the Issuer or a Restricted Subsidiary, including a Person that is or will become a Restricted Subsidiary immediately after the disposition;
 - (6) the creation of a Lien permitted under this Indenture (other than a deemed Lien in connection with a Sale and Leaseback Transaction);
 - (7) (i) the disposition of Receivables Assets pursuant to a Qualified Receivables Transaction and (ii) the disposition of other accounts receivable in the ordinary course of business;
 - (8) the disposition of any asset constituted by a license of intellectual property in the ordinary course of business;
 - (9) the disposition of inventory pursuant to an Inventory Financing or similar arrangement that is otherwise permitted under this Indenture;
 - (10) the disposition of any asset compulsorily acquired by a governmental authority; and
 - (11) sales, transfers and other dispositions of Investments in joint ventures to the extent required by, or made pursuant to, customary buy/sell arrangements between the joint venture parties set forth in joint venture arrangements and similar binding arrangements.

“Asset Sale Offer” has the meaning assigned to it in Section 3.12(c).

“Asset Sale Offer Amount” has the meaning assigned to it in Section 3.12(c).

“Asset Sale Offer Notice” means notice of an Asset Sale Offer made pursuant to Section 3.12, which shall be mailed first class, postage prepaid, to each record Holder as shown on the Note Register within 20 days following the 365th day after the receipt of Net Cash Proceeds of any Asset Sale, with a copy to the Trustee, which notice shall govern the terms of the Asset Sale Offer, and shall state:

- (1) the circumstances of the Asset Sale or Sales, the Net Cash Proceeds of which are included in the Asset Sale Offer, that an Asset Sale Offer is being made pursuant to Section 3.12(c), and that all Notes that are timely tendered will be accepted for payment;

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- (2) the Asset Sale Offer Amount and the Asset Sale Offer Payment Date, which date shall be a Business Day no earlier than 30 days nor later than 60 days from the date the Asset Sale Offer Notice is mailed (other than as may be required by law);
 - (3) that any Notes or portions thereof not tendered or accepted for payment will continue to accrue interest;
 - (4) that, unless the Issuer defaults in the payment of the Asset Sale Offer Amount with respect thereto, all Notes or portions thereof accepted for payment pursuant to the Asset Sale Offer shall cease to accrue interest from and after the Asset Sale Offer Payment Date;
 - (5) that any Holder electing to have any Notes or portions thereof purchased pursuant to the Asset Sale Offer will be required to surrender such Notes, with the form entitled "Option of Holder to Elect Purchase" on the reverse of such Notes completed, to the Paying Agent at the address specified in the notice prior to the close of business on the third Business Day preceding the Asset Sale Offer Payment Date;
 - (6) that any Holder shall be entitled to withdraw such election if the Paying Agent receives, not later than the close of business on the second Business Day preceding the Asset Sale Offer Payment Date, a facsimile transmission or letter, setting forth the name of the Holder, the principal amount of Notes delivered for purchase, and a statement that such Holder is withdrawing such Holder's election to have such Notes or portions thereof purchased pursuant to the Asset Sale Offer;
 - (7) that any Holder electing to have Notes purchased pursuant to the Asset Sale Offer must specify the principal amount that is being tendered for purchase, which principal amount must be U.S.\$200,000 and in integral multiples of U.S.\$1,000 in excess thereof;
 - (8) that any Holder of Certificated Notes whose Certificated Notes are being purchased only in part will be issued new Certificated Notes equal in principal amount to the unpurchased portion of the Certificated Note or Notes surrendered, which unpurchased portion will be equal in principal amount to U.S.\$200,000 and in integral multiples of U.S.\$1,000 in excess thereof;
 - (9) that the Trustee will return to the Holder of a Global Note that is being purchased in part, such Global Note with a notation on the schedule of increases or decreases thereof adjusting the principal amount thereof to be equal to the unpurchased portion of such Global Note; and
 - (10) any other information necessary to enable any Holder to tender Notes and to have such Notes purchased pursuant to Section 3.12.

“Asset Sale Offer Payment Date” has the meaning assigned to it in Section 3.12(f).

“Authenticating Agent” has the meaning assigned to it in Section 2.2(b).

“Authorized Agent” has the meaning assigned to it in Section 12.7(c).

“Axtel Share Forward Transaction” means the Axtel share forward transaction that is governed by a long form confirmation originally dated January 22, 2009, as replaced by long form confirmations dated September 28, 2010 and March 19, 2012, and as further replaced by a long form confirmation dated August 27, 2013, between Credit Suisse International and Cemex Operaciones México, S.A. de C.V. (formerly Centro Distribuidor de Cemento, S.A. de C.V.) (References: External ID: 16059563R5-Risk ID: 10008383) and any replacements, amendments or renewals thereof that are entered into on then prevailing market terms with the underlying amounts not greater than the original underlying amounts.

“Bankruptcy Event of Default” means:

- (1) the entry by a court of competent jurisdiction of: (i) a decree or order for relief in respect of any Bankruptcy Party in an involuntary case or proceeding under any Bankruptcy Law or (ii) a decree or order (A) adjudging any Bankruptcy Party a bankrupt or insolvent, in *concurso mercantil* or *quiebra*, (B) approving as properly filed a petition seeking reorganization, *concurso mercantil*, arrangement, adjustment or composition of, or in respect of, any Bankruptcy Party under any Bankruptcy Law, (C) appointing a Custodian of any Bankruptcy Party or of any substantial part of the property of any Bankruptcy Party, or (D) ordering the winding-up or liquidation of the affairs of any Bankruptcy Party, and in each case, the continuance of any such decree or order for relief or any such other decree or order unstayed and in effect for a period of 60 consecutive calendar days; or
- (2) (i) the commencement by any Bankruptcy Party of a voluntary case or proceeding under any Bankruptcy Law or of any other case or proceeding to be adjudicated a bankrupt or insolvent, in *concurso mercantil* or *quiebra*, (ii) the consent by any Bankruptcy Party to the entry of a decree or order for relief in respect of such Bankruptcy Party in an involuntary case or proceeding under any Bankruptcy Law or to the commencement of any bankruptcy or insolvency case or proceeding against any Bankruptcy Party, (iii) the filing by any Bankruptcy Party of a petition or answer or consent seeking reorganization, *concurso mercantil*, or relief under any Bankruptcy Law, (iv) the consent by any Bankruptcy Party to the filing of such petition or to the appointment of or taking possession by a Custodian of any Bankruptcy Party or of any substantial part of the property of any

Bankruptcy Party, (v) the making by any Bankruptcy Party of an assignment for the benefit of creditors, (vi) the admission by any Bankruptcy Party in writing of its inability to pay its debts generally as they become due, or (vii) the approval by stockholders of any Bankruptcy Party of any plan or proposal for the liquidation or dissolution of such Bankruptcy Party, or (viii) the taking of corporate action by any Bankruptcy Party in furtherance of any action referred to in clauses (i) – (vii) above.

“Bankruptcy Law” means Title 11, U.S. Code or any similar Federal, state or non-U.S. law for the relief of debtors, including the Mexican *Ley de Concursos Mercantiles* and Spanish Law 22/2003 of 9 July (*Ley 22/2003 de 9 de julio, Concursal*), as amended.

“Bankruptcy Party” means the Issuer and any Significant Subsidiary of the Issuer or group of Subsidiaries that, taken together would constitute a Significant Subsidiary of the Issuer.

“Board of Directors” means, as to any Person, the board of directors, management committee or similar governing body of such Person or any duly authorized committee thereof.

“Business Day” means any day that is not a Saturday, Sunday or other day on which commercial banks in New York City, Mexico City, Madrid, Amsterdam, London, Paris or Zurich are authorized or required by law, regulation or other governmental action to remain closed.

“Capital Stock” means:

- (1) with respect to any Person that is a corporation, any and all shares, interests, participations or other equivalents (however designated and whether or not voting) of corporate stock, including each class of Common Stock and Preferred Stock of such Person;
- (2) with respect to any Person that is not a corporation, any and all partnership or other equity or ownership interests of such Person; and
- (3) any warrants, rights or options to purchase any of the instruments or interests referred to in clause (1) or (2) above, but excluding any Indebtedness exchangeable into such equity interest in existence on the Issue Date or Incurred pursuant to Section 3.9.

“Capitalized Lease Obligations” means, as to any Person, the obligations of such Person under a lease that are required to be classified and accounted for as capital lease obligations under GAAP. For purposes of the definition, the amount of such obligations at any date will be the capitalized amount of such obligations at such date, determined in accordance with GAAP.

“Cash Equivalents” means:

- (1) marketable direct obligations issued by, or unconditionally guaranteed by, the United States government, the United Kingdom or any member nation of the European Union or issued by any agency thereof and backed by the full faith and credit of the United States, the United Kingdom, such member nation of the European Union or any European Union central bank, in each case maturing within one year from the date of acquisition thereof;
- (2) marketable direct obligations issued by the Mexican government, or issued by any agency thereof, including but not limited to, *Certificados de la Tesorería de la Federación* (Cetes) or *Bonos de Desarrollo del Gobierno Federal* (Bondes), in each case, issued by the government of Mexico and maturing not later than one year after the acquisition thereof;
- (3) marketable direct obligations issued by any state of the United States of America or any political subdivision of any such state or any public instrumentality thereof maturing within one year from the date of acquisition thereof and, at the time of acquisition, having one of the two highest ratings obtainable from either S&P or Fitch or any successor thereto;
- (4) commercial paper or corporate debt obligations maturing no more than one year from the date of creation thereof and, at the time of acquisition, having a rating of at least A-1 or AAA from S&P, at least F-1 or AAA from Fitch or P-1 or Aaa from Moody’s;
- (5) demand deposits, certificates of deposit, time deposits or bankers’ acceptances or other short-term unsecured debt obligations (and any cash or deposits in transit in any of the foregoing) maturing within one year from the date of acquisition thereof issued by (a) any bank organized under the laws of the United States of America or any state thereof or the District of Columbia, the United Kingdom or any country of the European Union, (b) any U.S. branch of a non-U.S. bank having at the date of acquisition thereof combined capital and surplus of not less than U.S.\$500 million, or (c) in the case of Mexican peso deposits, any financial institution in good standing with Banco de México organized under the laws of Mexico;
- (6) repurchase obligations with a term of not more than seven days for underlying securities of the types described in clause (1) and (2) above entered into with any bank meeting the qualifications specified in clause (5) above;

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- (7) investments in money market funds which invest substantially all of their assets in securities of the types described in clauses (1) through (6), (8) and (9);
 - (8) certificates of deposit issued by any of Nacional Financiera, S.N.C., Banco Nacional de Comercio Exterior, S.N.C., Banco Nacional de Obras y Servicios Públicos, S.N.C. or any other development bank controlled by the Mexican government;
 - (9) any other debt instrument rated “investment grade” (or the local equivalent thereof according to local criteria in a country in which the Issuer or a Restricted Subsidiary operates and in which local pensions are permitted by law to invest) with maturities of 12 months or less from the date of acquisition; and
 - (10) Investments in mutual funds, managed by banks, with a local currency credit rating of at least MxAA by S&P or other equally reputable local rating agency, that invest principally in marketable direct obligations issued by the Mexican Government, or issued by any agency or instrumentality thereof.

In the case of Investments by any Restricted Subsidiary, Cash Equivalents will also include (a) investments of the type and maturity described in clauses (1) through (10) of any Restricted Subsidiary outside of Mexico in the country in which such Restricted Subsidiary operates, which Investments or obligors (or the parents of such obligors) have ratings described in such clauses or equivalents ratings from comparable foreign rating agencies, (b) local currencies and other short-term investments utilized by Restricted Subsidiaries in accordance with normal investment practices for cash management in investments analogous to the foregoing investments in clauses (1) through (10) and in this paragraph and (c) investments of the type described in clauses (1) through (9) maturing within one year of the Issue Date.

“Certificados Bursátiles” means debt securities issued by the Issuer guaranteed (por aval) by CEMEX México, S.A. de C.V. and Empresas Tolteca de México, S.A. de C.V., wholly owned subsidiaries of the Issuer, in the Mexican capital markets with the approval of the Mexican National Banking and Securities Commission (*Comisión Nacional Bancaria y de Valores*) and listed on the Mexican Stock Exchange (*Bolsa Mexicana de Valores, S.A.B. de C.V.*).

“Certificated Note” means any Note issued in fully registered form, other than a Global Note, which shall be substantially in the form of Exhibit A hereto, with appropriate legends as specified in Section 2.8 and Exhibit A.

“Change of Control” means the beneficial ownership (within the meaning of Rule 13d-3 promulgated by the Commission under the Exchange Act) of twenty percent (20%) or more in voting power of the outstanding Voting Stock of the Issuer is acquired by any Person.

“Change of Control Notice” means notice of a Change of Control Offer made pursuant to Section 3.8, which shall be mailed first-class, postage prepaid, to each record Holder

as shown on the Note Register within 30 days following the date upon which a Change of Control occurred, with a copy to the Trustee, which notice shall govern the terms of the Change of Control Offer and shall state:

- (1) that a Change of Control has occurred, the circumstances or events causing such Change of Control and that a Change of Control Offer is being made pursuant to Section 3.8, and that all Notes that are timely tendered will be accepted for payment;
- (2) the Change of Control Payment, and the Change of Control Payment Date, which date shall be a Business Day no earlier than 30 calendar days nor later than 60 calendar days subsequent to the date such notice is mailed (other than as may be required by law);
- (3) that any Notes or portions thereof not tendered or accepted for payment will continue to accrue interest;
- (4) that, unless the Issuer defaults in the payment of the Change of Control Payment with respect thereto, all Notes or portions thereof accepted for payment pursuant to the Change of Control Offer shall cease to accrue interest from and after the Change of Control Payment Date;
- (5) that any Holder electing to have any Notes or portions thereof purchased pursuant to a Change of Control Offer will be required to tender such Notes, with the form entitled "Option of Holder to Elect Purchase" on the reverse of such Notes completed, to the Paying Agent at the address specified in the notice prior to the close of business on the third Business Day preceding the Change of Control Payment Date;
- (6) that any Holder shall be entitled to withdraw such election if the Paying Agent receives, not later than the close of business on the second Business Day preceding the Change of Control Payment Date, a facsimile transmission or letter, setting forth the name of the Holder, the principal amount of Notes delivered for purchase, and a statement that such Holder is withdrawing such Holder's election to have such Notes or portions thereof purchased pursuant to the Change of Control Offer;
- (7) that any Holder electing to have Notes purchased pursuant to the Change of Control Offer must specify the principal amount that is being tendered for purchase, which principal amount must be U.S.\$200,000 and in integral multiples of U.S.\$1,000 in excess thereof;
- (8) that any Holder of Certificated Notes whose Certificated Notes are being purchased only in part will be issued new Certificated Notes equal in principal amount to the unpurchased portion of the Certificated Note or Notes surrendered, which unpurchased portion will be equal in principal amount to U.S.\$200,000 and in integral multiples of U.S.\$1,000 in excess thereof;

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- (9) that the Trustee will return to the Holder of a Global Note that is being purchased in part, such Global Note with a notation on Schedule A thereof adjusting the principal amount thereof to be equal to the unpurchased portion of such Global Note; and
- (10) any other information necessary to enable any Holder to tender Notes and to have such Notes purchased pursuant to Section 3.8(b).

“Change of Control Offer” has the meaning assigned to it in Section 3.8(b).

“Change of Control Payment” has the meaning assigned to it in Section 3.8(a).

“Change of Control Payment Date” has the meaning assigned to it in Section 3.8(b).

“Clearstream” means Clearstream Banking, *société anonyme*, or the successor to its securities clearance and settlement operations.

“Code” means the Internal Revenue Code of 1986, as amended.

“Collateral” means “Transaction Security” as defined in the Intercreditor Agreement from time to time.

“Commission” means the U.S. Securities and Exchange Commission.

“Commodity Price Purchase Agreement” means, in respect of any Person, any forward contract, commodity swap agreement, commodity option agreement or other similar agreement or arrangement designed to protect such Person from fluctuations in commodity prices.

“Common Stock” of any Person means any and all shares, interests or other participations in, and other equivalents (however designated and whether voting or non-voting) of such Person’s common equity interests, whether outstanding on the Issue Date or issued after the Issue Date, and includes, without limitation, all series and classes of such common equity interests.

“Compensation Related Hedging Obligations” means (i) the obligations of any Person pursuant to any equity option contract, equity forward contract, equity swap, warrant, rights or other similar agreement designed to hedge risks or obligations relating to employee, director or consultant compensation, pension, benefits or similar activities of the Issuer and/or any of its Subsidiaries and (ii) the obligations of any Person pursuant to any agreement that requires another Person to make payments or deliveries that are otherwise required to be made by the first Person relating to employee, director or consultant compensation, pension, benefits or similar activities of the Issuer and/or any of its Subsidiaries, in each case in the ordinary course of business.

“Consolidated EBITDA” means, for any Person for any period, Consolidated Net Income for such Person for such period, plus the following, without duplication, to the extent deducted or added in calculating such Consolidated Net Income:

- (1) Consolidated Income Tax Expense for such Person for such period;
- (2) Consolidated Interest Expense for such Person for such period net of consolidated interest income for such period;
- (3) Consolidated Non-cash Charges for such Person for such period;
- (4) the amount of any nonrecurring restructuring charge or reserve deducted in such period in computing Consolidated Net Income;
- (5) the net effect on income or loss in respect of Hedging Obligations or other derivative instruments, which shall include, for the avoidance of doubt, all amounts not excluded from Consolidated Net Income pursuant to the proviso in clause (9) thereof; and
- (6) net income of such Person attributable to minority interests in Subsidiaries of such Person.

less (x) all non-cash credits and gains increasing Consolidated Net Income for such Person for such period and (y) all cash payments made by such Person and its Restricted Subsidiaries during such period relating to Consolidated Non-cash Charges that were added back in determining Consolidated EBITDA in any prior period.

“Consolidated Fixed Charge Coverage Ratio” means, for any Person as of any date of determination (the “Fixed Charge Calculation Date”), the ratio of the aggregate amount of Consolidated EBITDA of such Person for the four most recent full fiscal quarters for which financial statements are available ending prior to the date of such determination (the “Four Quarter Period”) to Consolidated Fixed Charges for such Person for such Four Quarter Period. For purposes of making the computation referred to above, Material Acquisitions and Material Dispositions (as determined in accordance with GAAP) that have been made by the Issuer or any of its Restricted Subsidiaries during the Four Quarter Period or subsequent to such Four Quarter Period and on or prior to or simultaneously with the Fixed Charge Calculation Date shall be calculated on a *pro forma* basis assuming that all such Material Acquisitions and Material Dispositions (and the change in any associated fixed charge obligations and the change in Consolidated EBITDA resulting therefrom) had occurred on the first day of the Four Quarter Period. If since the beginning of such period any Person that subsequently became a Restricted Subsidiary or was merged with or into the Issuer or any of its Restricted Subsidiaries since the beginning of such period shall have made any Material Acquisition or Material Disposition that would have required adjustment pursuant to this definition, then the Consolidated Fixed Charge Coverage Ratio shall be calculated giving *pro forma* effect thereto.

For purposes of this definition, whenever *pro forma* effect is to be given to a Material Acquisition or Material Disposition and the amount of income or earnings relating thereto or with respect to other *pro forma* calculations under this definition, such *pro forma*

calculations shall be made in good faith by a responsible financial or accounting officer of the Issuer. If any Indebtedness bears a floating rate of interest and is being given *pro forma* effect, the interest on such Indebtedness shall be calculated as if the rate in effect on the Fixed Charge Calculation Date had been the applicable rate for the entire period (taking into account any Hedging Obligations applicable to such Indebtedness). Interest on a Capitalized Lease Obligation shall be deemed to accrue at an interest rate reasonably determined by a responsible financial or accounting officer of the Issuer to be the rate of interest implicit in such Capitalized Lease Obligation in accordance with GAAP. For purposes of making the computation referred to above, interest on any Indebtedness under a revolving credit facility computed on a *pro forma* basis shall be computed based upon the average daily balance of such Indebtedness during the applicable period except as set forth in the first paragraph of this definition. Interest on Indebtedness that may optionally be determined at an interest rate based upon a factor of a prime or similar rate, a eurocurrency interbank offered rate, or other rate, shall be deemed to have been based upon the rate actually chosen, or, if none, then based upon such optional rate chosen as the Issuer may designate.

Furthermore, in calculating "Consolidated Fixed Charges" for purposes of determining the denominator (but not the numerator) of this "Consolidated Fixed Charge Coverage Ratio,"

- (a) interest on outstanding Indebtedness determined on a fluctuating basis as of the date of determination and which will continue to be so determined thereafter will be deemed to have accrued at a fixed rate per annum equal to the rate of interest on such Indebtedness in effect on such date of determination;
- (b) if interest on any Indebtedness actually Incurred on such date of determination may optionally be determined at an interest rate based upon a factor of a prime or similar rate, a eurocurrency interbank offered rate, or other rates, then the interest rate in effect on such date of determination will be deemed to have been in effect during the Four Quarter Period; and
- (c) notwithstanding clause (a) above, interest on Indebtedness determined on a fluctuating basis, to the extent such interest is covered by Hedging Obligations, will be deemed to accrue at the rate per annum resulting after giving effect to the operation of such agreements.

"Consolidated Fixed Charges" means, for any Person for any period, the sum, without duplication, of:

- (1) Consolidated Interest Expense for such Person for such period, plus
- (2) to the extent not included in (1) above, payments during such period in respect of the financing costs of financial derivatives in the form of equity swaps, plus

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- (3) the product of:
- (a) the amount of all cash and non-cash dividend payments on any series of Preferred Stock or Disqualified Capital Stock of such Person (other than dividends paid in Qualified Capital Stock) or any Subsidiary of such Person (Restricted Subsidiary in the case of the Issuer) paid, accrued or scheduled to be paid or accrued during such period, excluding dividend payments on Preferred Stock or Disqualified Capital Stock paid, accrued or scheduled to be paid to such Person or another Subsidiary (Restricted Subsidiary in the case of the Issuer), times
 - (b) a fraction, the numerator of which is one and the denominator of which is one minus the then current effective tax rate of such Person in its principal taxpaying jurisdiction (Mexico, in the case of the Issuer), expressed as a decimal.

“Consolidated Income Tax Expense” means, with respect to any Person for any period, the provision for federal, state and local income and asset taxes payable, including current and deferred taxes, by such Person and its Subsidiaries (Restricted Subsidiaries in the case of the Issuer) for such period as determined on a consolidated basis in accordance with GAAP.

“Consolidated Interest Expense” means, for any Person for any period, the sum of, without duplication determined on a consolidated basis in accordance with GAAP:

- (1) the aggregate of cash and non-cash interest expense of such Person and its Subsidiaries (Restricted Subsidiaries in the case of the Issuer) for such period determined on a consolidated basis in accordance with GAAP, including, without limitation the following for such Person and its Subsidiaries (Restricted Subsidiaries in the case of the Issuer) whether or not interest expense in accordance with GAAP:
 - (a) any amortization or accretion of debt discount or any interest paid on Indebtedness of such Person and its Subsidiaries (Restricted Subsidiaries in the case of the Issuer) in the form of additional Indebtedness,
 - (b) any amortization of deferred financing costs; *provided*, that any such amortization resulting from costs incurred prior to the Issue Date shall be excluded for the calculation of Consolidated Interest Expense,
 - (c) the net costs under Hedging Obligations relating to Indebtedness (including amortization of fees but excluding foreign exchange adjustments on the notional amounts of the Hedging Obligations),
 - (d) all capitalized interest,
 - (e) the interest portion of any deferred payment obligation,

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- (f) commissions, discounts and other fees and charges Incurred in respect of letters of credit or bankers' acceptances or in connection with sales or other dispositions of accounts receivable and related assets,
 - (g) any interest expense on Indebtedness of another Person that is Guaranteed by such Person or one of its Subsidiaries (Restricted Subsidiary in the case of the Issuer) or secured by a Lien on the assets of such Person or one of its Subsidiaries (Restricted Subsidiaries in the case of the Issuer), whether or not such Guarantee or Lien is called upon, and
 - (h) any interest accrued in respect of Indebtedness without a maturity date; and
- (2) the interest component of Capitalized Lease Obligations paid, accrued and/or scheduled to be paid or accrued by such Person and its Subsidiaries (Restricted Subsidiaries in the case of the Issuer) during such period.

“Consolidated Net Income” means, with respect to any Person for any period, the aggregate net income (or loss) of such Person and its Subsidiaries for such period on a consolidated basis (after deducting (i) the portion of such net income attributable to minority interests in Subsidiaries of such Person and (ii) any interest paid or accrued in respect of Indebtedness without a maturity date), determined in accordance with GAAP; *provided*, that there shall be excluded therefrom:

- (1) net after-tax gains and losses from Asset Sale transactions or abandonments or reserves relating thereto;
- (2) net after-tax items classified as extraordinary gains or losses;
- (3) the net income (but not loss) of any Subsidiary of such Person (non-Note Guarantor in the case of the Issuer) to the extent that a corresponding amount could not be distributed to such Person at the date of determination as a result of any restriction pursuant to the constituent documents of such Subsidiary (non-Note Guarantor in the case of the Issuer) or any law, regulation, agreement or judgment applicable to any such distribution;
- (4) any net income (loss) of any Person (other than the Issuer) if such Person is not a Restricted Subsidiary, except that the Issuer's equity in the net income of any such Person for such period shall be included in such Consolidated Net Income up to the aggregate amount of cash distributed by such Person during such period to the Issuer or a Restricted Subsidiary as a dividend or other distribution (subject, in the case of a dividend or other distribution to a Restricted Subsidiary, to the limitations contained in this clause);

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- (5) [Reserved];
 - (6) any restoration to income of any contingency reserve, except to the extent that provision for such reserve was made out of Consolidated Net Income accrued at any time following the Issue Date;
 - (7) any gain (or loss) from foreign exchange translation or change in net monetary position;
 - (8) any gain (or loss) from the cumulative effect of changes in accounting principles; and
 - (9) any net gain or loss (after any offset) resulting in such period from Hedging Obligations or other derivative instruments; *provided*, that the net effect on income or loss (including in any prior periods) shall be included upon any termination or early extinguishment of such Hedging Obligations or other derivative instrument, other than any Hedging Obligations with respect to Indebtedness (that is not itself a Hedging Obligation) and that are extinguished concurrently with the termination or other prepayment of such Indebtedness.

“Consolidated Non-cash Charges” means, for any Person for any period, the aggregate depreciation, amortization (including amortization of goodwill and other Intangible Assets) and other non-cash expenses or losses of such Person and its Subsidiaries (Restricted Subsidiaries in the case of the Issuer) for such period, determined on a consolidated basis in accordance with GAAP (excluding any such charge which constitutes an accrual of or a reserve for cash charges for any future period or the amortization of a prepaid cash expense paid in a prior period).

“Consolidated Tangible Assets” means, for any Person at any time, the total consolidated assets of such Person and its Subsidiaries (Restricted Subsidiaries in the case of the Issuer) as set forth on the balance sheet as of the most recent fiscal quarter of such Person, prepared in accordance with GAAP, less Intangible Assets.

“Corporate Trust Office” means the principal office of the Trustee at which at any time its corporate trust business shall be administered, which office at the date hereof is located at 101 Barclay Street, 7E, New York, New York 10286, Attention: International Corporate Trust, or such other address as the Trustee may designate from time to time by notice to the Holders and the Issuer.

“Covenant Defeasance” has the meaning assigned to it in Section 8.1(c).

“Covenant Suspension Event” has the meaning assigned to it in Section 3.22(b).

“Credit Agreement” means the facilities agreement, dated as of September 29, 2014, entered into among the Issuer and certain of its Subsidiaries, the financial institutions party thereto as original lenders, Citibank International PLC, as agent, and the Security Agent, as such agreement may be amended, modified or waived from time to time.

“Currency Agreement” means, in respect of any Person, any foreign exchange contract, currency swap agreement or other similar agreement as to which such Person is a party designed to hedge foreign currency risk of such Person.

“Custodian” means any receiver, trustee, *conciliador*, assignee, liquidator, sequestrator or similar official under any Bankruptcy Law.

“Default” means an event or condition the occurrence of which is, or with the lapse of time or the giving of notice or both would be, an Event of Default.

“Defaulted Interest” has the meaning assigned to it in Section 2.13 and Section 1, paragraph 2 of the Form of Reverse Side of Note contained in Exhibit A hereto.

“Designated Non-cash Consideration” means the Fair Market Value of non-cash consideration received by the Issuer or a Restricted Subsidiary in connection with an Asset Sale that is so designated as Designated Non-cash Consideration pursuant to an Officer’s Certificate setting forth the basis of such valuation.

“Designation” has the meaning assigned to it in Section 3.14(a).

“Designation Amount” has the meaning assigned to it in clause (iii) of Section 3.14(a).

“Disposition” means, with respect to any property, any sale, lease, Sale and Leaseback Transaction, assignment, conveyance, transfer or other disposition thereof.

“Disqualified Capital Stock” means that portion of any Capital Stock which, by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable at the option of the Holder thereof), or upon the happening of any event, matures or is mandatorily redeemable, pursuant to a sinking fund obligation or otherwise, or is redeemable at the sole option of the Holder thereof, in any case, on or prior to the 91st day after the final maturity date of the Notes, but excluding with respect to Mexican companies, any shares of such Mexican company that are part of the variable portion of its Capital Stock and that are redeemable under the Mexican General Law of Business Corporations (*Ley General de Sociedades Mercantiles*).

“Distribution Compliance Period” means, in respect of any Regulation S Global Note (or Certificated Note issued in respect thereof pursuant to Section 2.7(c)), the 40 consecutive days beginning on and including the later of (a) the day on which any Notes represented thereby are offered to persons other than distributors (as defined in Regulation S) pursuant to Regulation S or (b) the issue date for such Notes.

“DTC” means The Depository Trust Company, its nominees and their respective successors and assigns, or such other depository institution hereinafter appointed by the Issuer that is a clearing agency registered under the Exchange Act.

“Equity Offering” has the meaning assigned to it in Section 5 of the Form of Reverse Side of Note contained in Exhibit A hereto.

“Euroclear” means Euroclear Bank S.A./N.V., as operator of the Euroclear System, N.V., or its successor in such capacity.

“Event of Default” has the meaning assigned to it in Section 6.1.

“Exchange Act” means the Securities Exchange Act of 1934, as amended, or any successor statute or statutes thereto.

“Existing Senior Notes” means the U.S. Dollar-denominated 9.250% Senior Secured Notes due 2020 guaranteed by the Issuer, the U.S. Dollar-denominated 9.000% Senior Secured Notes due 2018 issued by the Issuer, the U.S. Dollar-denominated Floating Rate Senior Secured Notes due 2015 issued by the Issuer, the U.S. Dollar-denominated 9.875% Senior Secured Notes due 2019 guaranteed by the Issuer, the Euro-denominated 9.875% Senior Secured Notes due 2019 guaranteed by the Issuer, the U.S. Dollar-denominated 9.500% Senior Secured Notes due 2018 issued by the Issuer, the U.S. Dollar-denominated 9.375% Senior Secured Notes due 2022 guaranteed by the Issuer, the U.S. Dollar-denominated 5.875% Senior Secured Notes due 2019 issued by the Issuer, the U.S. Dollar-denominated 6.500% Senior Secured Notes due 2019 issued by the Issuer, the U.S. Dollar-denominated 7.250% Senior Secured Notes due 2021 issued by the Issuer, the U.S. Dollar-denominated Floating Rate Senior Secured Notes due 2018 issued by the Issuer, the U.S. Dollar-denominated 6.000% Senior Secured Notes due 2024 guaranteed by the Issuer, the Euro-denominated 5.250% Senior Secured Notes due 2021 guaranteed by the Issuer, the U.S. Dollar-denominated 5.700% Senior Secured Notes due 2025 issued by the Issuer, the Euro-denominated 4.750% Senior Secured Notes due 2022 issued by the Issuer and the Other Notes.

“Facilities Agreement” means the facilities agreement, dated as of September 17, 2012, entered into among the Issuer and certain of its Subsidiaries, the financial institutions and noteholders party thereto, Citibank International PLC, as administrative agent, and the Security Agent, as such agreement may be amended, modified or waived from time to time.

“Facilities Agreement Indebtedness” means the Indebtedness that is subject to and outstanding under the Facilities Agreement.

“Fair Market Value” means, with respect to any asset, the price (after taking into account any liabilities relating to such assets) which could be negotiated in an arm’s-length free market transaction, for cash, between a willing seller and a willing and able buyer, neither of which is under any compulsion to complete the transaction. Fair Market Value shall be determined, except as otherwise provided, by the Issuer in good faith.

“Fitch” means Fitch Ratings and any successor to its rating agency business.

“Four Quarter Period” has the meaning assigned to it in the definition of “Consolidated Fixed Charge Coverage Ratio” above.

“Free Reserves Available for Distribution” has the meaning assigned to it in Section 10.6(c).

“French Note Guarantor” has the meaning assigned to it in Section 10.5(a).

“GAAP” means IFRS as in effect on the Issue Date. At any time, and from time to time, after the Issue Date, the Issuer may elect to apply IFRS as in effect at such time in lieu of GAAP and, upon any such election, references herein to GAAP shall thereafter be construed to mean IFRS as in effect on the date of such election; *provided*, that any such election, once made, shall be irrevocable. The Issuer shall give notice of any such election to the Trustee.

“Global Note” means any Note issued in fully registered form to DTC (or its nominee), as depository for the beneficial owners thereof, which shall be substantially in the form of Exhibit A, with appropriate legends as specified in Section 2.8 and Exhibit A hereto.

“Guarantee” means any obligation, contingent or otherwise, of any Person directly or indirectly guaranteeing any Indebtedness of any other Person:

- (1) to purchase or pay, or advance or supply funds for the purchase or payment of, such Indebtedness of such other Person, whether arising by virtue of partnership arrangements, or by agreement to keep-well, to purchase assets, goods, securities or services, to take-or-pay, or to maintain financial statement conditions or otherwise, or
- (2) entered into for purposes of assuring in any other manner the obligee of such Indebtedness of the payment thereof or to protect such obligee against loss in respect thereof, in whole or in part,

provided, that “Guarantee” will not include endorsements for collection or deposit in the ordinary course of business. “Guarantee” used as a verb has a corresponding meaning.

“Guaranteed Obligations” has the meaning assigned to it in Section 10.1(a).

“Hedging Obligations” means the obligations of any Person pursuant to any Interest Rate Agreement, Currency Agreement, Commodity Price Purchase Agreement or any Transportation Agreement, in each case, not entered into for speculative purposes.

“Holder” means the Person in whose name a Note is registered in the Note Register.

“IFRS” means the International Financial Reporting Standards as issued by the International Accounting Standards Board.

“Incur” means, with respect to any Indebtedness or other obligation of any Person, to create, issue, incur (including by conversion, exchange or otherwise), assume, Guarantee or otherwise become liable in respect of such Indebtedness or other obligation on the balance sheet of such Person (and “Incurrence,” “Incurred” and “Incurring” will have meanings correlative to the preceding).

“Indebtedness” means with respect to any Person, without duplication:

- (1) the principal amount (or, if less, the accreted value) of all obligations of such Person for borrowed money;

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- (2) the principal amount (or, if less, the accreted value) of all obligations of such Person evidenced by bonds, debentures, notes or other similar instruments, including any perpetual bonds, debenture notes or similar instruments without regard to maturity date;
 - (3) all Capitalized Lease Obligations of such Person;
 - (4) all obligations of such Person issued or assumed as the deferred purchase price of property, all conditional sale obligations and all payment obligations under any title retention agreement (but excluding trade accounts payable and other accrued liabilities accounted for as current liabilities (in accordance with GAAP) arising in the ordinary course of business) to the extent of any reimbursement obligations in respect thereof;
 - (5) reimbursement obligations with respect to letters of credit, banker's acceptances or similar credit transactions;
 - (6) Guarantees and other contingent obligations of such Person in respect of Indebtedness referred to in clauses (1) through (5) above and clauses (8) through (10) below;
 - (7) all Indebtedness of any other Person of the type referred to in clauses (1) through (6) which is secured by any Lien on any property or asset of the first Person, the amount of such Indebtedness being deemed to be the lesser of the Fair Market Value of such property or asset or the amount of the Indebtedness so secured;
 - (8) all obligations under Hedging Obligations or other derivatives of such Person;
 - (9) all liabilities (contingent or otherwise) of such Person in connection with a sale or other disposition of accounts receivable and related assets (not including Qualified Receivables Transactions), irrespective of their treatment under GAAP or IFRS; and
 - (10) all Disqualified Capital Stock issued by such Person with the amount of Indebtedness represented by such Disqualified Capital Stock being equal to the greater of its voluntary or involuntary liquidation preference and its maximum fixed repurchase price, but excluding accrued dividends, if any; *provided*, that:
 - (a) if the Disqualified Capital Stock does not have a fixed repurchase price, such maximum fixed repurchase price will be calculated in accordance with the terms of the Disqualified Capital Stock as if the Disqualified Capital Stock were purchased on any date on which Indebtedness will be required to be determined pursuant to this Indenture, and
 - (b) if the maximum fixed repurchase price is based upon, or measured by, the fair market value of the Disqualified Capital Stock, the fair market value will be the Fair Market Value thereof.

“Indenture” means this Indenture as amended or supplemented from time to time, including the Schedule and Exhibits hereto.

“Intangible Assets” means with respect to any Person all unamortized debt discount and expense, unamortized deferred charges, goodwill, patents, trademarks, service marks, trade names, copyrights and all other items which would be treated as intangibles on the consolidated balance sheet of such Person prepared in accordance with GAAP.

“Intercreditor Agreement” means the intercreditor agreement, dated as of September 17, 2012, entered into among the Issuer and certain of its Subsidiaries, the financial institutions and noteholders party thereto, Citibank International PLC, as facility agent, and the Security Agent, as such agreement may be amended from time to time.

“Interest Payment Date” means the stated due date of an installment of interest on the Notes as specified in the Form of Face of Note contained in Exhibit A hereto.

“Interest Rate Agreement” of any Person means any interest rate protection agreement (including, without limitation, interest rate swaps, caps, floors, collars, derivative instruments and similar agreements) and/or other types of hedging agreements designed to hedge interest rate risk of such Person.

“Inventory Financing” means a financing arrangement pursuant to which the Issuer or any of its Restricted Subsidiaries sells inventory to a bank or other institution (or a special purpose vehicle or partnership incorporated or established by or on behalf of such bank or other institution or an Affiliate of such bank or other institution) and has an obligation to repurchase such inventory to the extent that it is not sold to a third party within a specified period.

“Investment” means, with respect to any Person, any (1) direct or indirect loan, advance or other extension of credit (including, without limitation, a Guarantee) to any other Person, (2) capital contribution (by means of any transfer of cash or other property to others or any payment for property or services for the account or use of others) to any other Person, or (3) purchase or acquisition by such Person of any Capital Stock, bonds, notes, debentures or other securities or evidences of Indebtedness issued by any other Person. “Investment” will exclude accounts receivable, extensions of credit in connection with supplier or customer financings consistent with industry or past practice, advance payment of capital expenditures arising in the ordinary course of business, deposits arising in the ordinary course of business and transactions (other than (i) any sale, lease, license, transfer or other disposal and (ii) the granting or creation of a Lien or the incurring or permitting to subsist of Indebtedness) conducted in the ordinary course of business on arm’s-length terms.

For purposes of Section 3.11, the Issuer will be deemed to have made an “Investment” in an Unrestricted Subsidiary at the time of its Designation, which will be valued at the Fair Market Value of the sum of the net assets of such Unrestricted Subsidiary multiplied by

the percentage equity ownership of the Issuer and its Restricted Subsidiaries in such designated Unrestricted Subsidiary at the time of its Designation and the amount of any Indebtedness of such Unrestricted Subsidiary or owed to the Issuer or any Restricted Subsidiary immediately following such Designation. Any property transferred to or from an Unrestricted Subsidiary will be valued at its Fair Market Value at the time of such transfer. If the Issuer or any Restricted Subsidiary sells or otherwise disposes of any Capital Stock of a Restricted Subsidiary (including any issuance and sale of Capital Stock by a Restricted Subsidiary) such that, after giving effect to any such sale or disposition, such Restricted Subsidiary would cease to be a Subsidiary of the Issuer, the Issuer will be deemed to have made an Investment on the date of any such sale or disposition equal to sum of the Fair Market Value of the Capital Stock of such former Restricted Subsidiary held by the Issuer or any Restricted Subsidiary immediately following such sale or other disposition and the amount of any Indebtedness of such former Restricted Subsidiary Guaranteed by the Issuer or any Restricted Subsidiary or owed to the Issuer or any other Restricted Subsidiary immediately following such sale or other disposition. The acquisition by the Issuer or any Restricted Subsidiary of the Issuer of a Person that holds an Investment in a third Person will be deemed to be an Investment by the Issuer or such Restricted Subsidiary in such third Person in an amount equal to the Fair Market Value of the Investments held by the acquired Person in such third Person. Except as otherwise provided in this Indenture, the amount of an Investment will be determined at the time the Investment is made without giving effect to subsequent changes in value.

“Investment Grade Rating” means a rating equal to or higher than BBB- (or the equivalent) by Fitch, Baa3 (or the equivalent) by Moody’s and BBB- (or the equivalent) by S&P.

“Investment Return” means, in respect of any Investment (other than a Permitted Investment) made after the Issue Date by the Issuer or any Restricted Subsidiary:

- (1) the cash proceeds received by the Issuer upon the sale, liquidation or repayment of such Investment or, in the case of a Guarantee, the amount of the Guarantee upon the unconditional release of the Issuer and its Restricted Subsidiaries in full, less any payments previously made by the Issuer or any Restricted Subsidiary in respect of such Guarantee;
- (2) in the case of the Revocation of the Designation of an Unrestricted Subsidiary, an amount equal to the lesser of:
 - (a) the Issuer’s Investment in such Unrestricted Subsidiary at the time of such Revocation;
 - (b) that portion of the Fair Market Value of the net assets of such Unrestricted Subsidiary at the time of Revocation that is proportionate to the Issuer’s equity interest in such Unrestricted Subsidiary at the time of Revocation; and
 - (c) the Designation Amount with respect to such Unrestricted Subsidiary upon its Designation which was treated as a Restricted Payment;
- (3) in the event the Issuer or any Restricted Subsidiary makes any Investment in a Person that, as a result of or in connection with such Investment, becomes a Restricted Subsidiary, the existing Investment of the Issuer and its Restricted Subsidiaries in such Person,

in the case of each of (1), (2) and (3), up to the amount of such Investment that was treated as a Restricted Payment under Section 3.11 less the amount of any previous Investment Return in respect of such Investment.

“Issue Date” means the first date of issuance of the Notes under this Indenture and following a Partial Covenant Suspension Event or a Covenant Suspension Event, except under “*Optional Redemption for Changes in Withholding Taxes*” under clause (5) in Exhibit A hereto, Section 3.22 and the definition of “Permitted Liens,” the most recent Partial Covenant Reversion Date or Reversion Date, as applicable.

“Issue Date Notes” means the U.S.\$750,000,000 aggregate principal amount of Notes originally issued on the Issue Date, and any replacement Notes issued therefor in accordance with this Indenture.

“Issuer” means the party named as such in the introductory paragraph to this Indenture and its successors and assigns.

“Issuer Order” has the meaning assigned to it in Section 2.2(c).

“Legal Defeasance” has the meaning assigned to it in Section 8.1(b).

“Legal Holiday” has the meaning assigned to it in Section 12.6.

“Lien” means, with respect to any asset, any mortgage, lien, pledge, charge, security interest or encumbrance of any kind in respect of such asset. The Issuer or any Restricted Subsidiary shall be deemed to own, subject to a Lien, any asset that it has acquired or holds subject to the interest of a vendor or lessor under any conditional sale agreement, Capitalized Lease Obligations or other title retention lease relating to such asset, or any account receivable transferred by it with recourse (including any such transfer subject to a holdback or similar arrangement that effectively imposes the risk of collectability on the transferor).

“Material Acquisition” means:

- (1) an Investment by the Issuer or any Restricted Subsidiary in any other Person pursuant to which such Person will become a Restricted Subsidiary, or will be merged with or into the Issuer or any Restricted Subsidiary;
- (2) the acquisition by the Issuer or any Restricted Subsidiary of the assets of any Person (other than a Subsidiary of the Issuer) which constitute all or substantially all of the assets of such Person or comprises any division or line of business of such Person or any other properties or assets of such Person other than in the ordinary course of business; or
- (3) any Revocation with respect to an Unrestricted Subsidiary;

in each case which involves an Investment, Designation or payment of consideration in excess of U.S.\$25,000,000 (or the equivalent in other currencies).

“Material Disposition” means any Asset Sale and, whether or not constituting an Asset Sale, (1) any sale or other disposition of Capital Stock, (2) any Designation with respect to an Unrestricted Subsidiary and (3) any sale or other disposition of property or assets excluded from the definition of Asset Sale by clause (4) of that definition, in each case which involves an Investment, Designation or payment of consideration in excess of U.S.\$25,000,000 (or the equivalent in other currencies).

“Maturity Date” means May 5, 2025.

“Moody’s” means Moody’s Investors Service, Inc. and any successor to its rating agency business.

“Net Cash Proceeds” means, with respect to any Asset Sale, the proceeds in the form of cash or Cash Equivalents, including payments in respect of deferred payment obligations when received in the form of cash or Cash Equivalents received by the Issuer or any of its Restricted Subsidiaries from such Asset Sale, net of:

- (1) reasonable out-of-pocket expenses and fees relating to such Asset Sale (including, without limitation, legal, accounting and investment banking fees and sales commissions);
- (2) taxes paid or payable in respect of such Asset Sale after taking into account any reduction in consolidated tax liability due to available tax credits or deductions and any tax sharing arrangements;
- (3) repayment of Indebtedness secured by a Lien permitted under this Indenture that is required to be repaid in connection with such Asset Sale; and
- (4) appropriate amounts to be provided by the Issuer or any Restricted Subsidiary, as the case may be, as a reserve, in accordance with GAAP, against any liabilities associated with such Asset Sale and retained by the Issuer or any Restricted Subsidiary, as the case may be, after such Asset Sale, including, without limitation, pension and other post-employment benefit liabilities, liabilities related to environmental matters and liabilities under any indemnification obligations associated with such Asset Sale, but excluding any reserves with respect to Indebtedness.

“Non-U.S. Person” means a person who is not a U.S. person, as defined in Regulation S.

“Note Custodian” means the custodian with respect to any Global Note appointed by DTC, or any successor Person thereto, and shall initially be the Trustee.

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“Note Guarantee” means any guarantee of the Issuer’s Obligations under this Indenture and the Notes by any Note Guarantor pursuant to Article

“Note Guarantors” means (i) each of the Issuer’s Restricted Subsidiaries that executes this Indenture as a Note Guarantor or an Additional Note Guarantor and (ii) each of the Issuer’s Restricted Subsidiaries that in the future executes a supplemental indenture in which such Restricted Subsidiary agrees to be bound by the terms of this Indenture as a Note Guarantor, and their respective successors and assigns; provided, that any Person constituting a Note Guarantor as described above shall cease to constitute a Note Guarantor when its respective Note Guarantee is released in accordance with the terms of this Indenture.

“Note Register” has the meaning assigned to it in Section 2.3(a).

“Notes” means any of the Issuer’s 6.125% Senior Secured Notes due 2025 issued and authenticated pursuant to this Indenture.

“Obligations” means, with respect to any Indebtedness, any principal, interest (including, without limitation, Post-Petition Interest), penalties, fees, indemnifications, reimbursements, damages, and other liabilities payable under the documentation governing such Indebtedness, including, in the case of the Notes and the Note Guarantees, this Indenture.

“Officer” means, when used in connection with any action to be taken by the Issuer or a Note Guarantor, as the case may be, the Chairman of the Board, the Chief Executive Officer, the President, the Chief Financial Officer, any Vice President, the Treasurer, the Controller, the Secretary or an attorney-in-fact of the Issuer or such Note Guarantor, as the case may be.

“Officer’s Certificate” means a certificate signed on behalf of a Person by an Officer of such Person, who must be the principal executive officer, the principal financial officer, the treasurer, the Vice President – Corporate Finance, the principal accounting officer or an attorney-in-fact of such Person, that meets the requirements set forth in this Indenture.

“Opinion of Counsel” means a written opinion of counsel, who, unless otherwise indicated in this Indenture, may be an employee of or counsel for the Issuer or any Note Guarantor, and who shall be reasonably acceptable to the Trustee.

“Other Notes” means the €550,000,000 aggregate principal amount of 4.375% Senior Secured Notes due 2023 of the Issuer issued on the Issue Date.

“Outstanding” means, as of the date of determination, all Notes theretofore authenticated and delivered under this Indenture, *except*:

- (1) Notes theretofore canceled by the Trustee or delivered to the Trustee for cancellation;
- (2) Notes, or portions thereof, for the payment, redemption or, in the case of an Asset Sale Offer or Change of Control Offer, purchase of which, money in the necessary amount has been theretofore deposited with the

Trustee or any Paying Agent (other than the Issuer or an Affiliate of the Issuer) in trust or set aside and segregated in trust by the Issuer or an Affiliate of the Issuer (if the Issuer or such Affiliate is acting as the Paying Agent) for the Holders of such Notes; *provided*, that if Notes (or portions thereof) are to be redeemed or purchased, notice of such redemption or purchase has been duly given pursuant to this Indenture or provision therefor satisfactory to the Trustee has been made;

- (3) Notes which have been surrendered pursuant to Section 2.9 or Notes in exchange for which or in lieu of which other Notes have been authenticated and delivered pursuant to this Indenture, other than any such Notes in respect of which there shall have been presented to the Trustee proof satisfactory to it that such Notes are held by a protected purchaser in whose hands such Notes are valid obligations of the Issuer; and
- (4) solely to the extent provided in Article VIII, Notes which are subject to Legal Defeasance or Covenant Defeasance as provided in Article VIII;

provided, however, that in determining whether the Holders of the requisite aggregate principal amount of the Outstanding Notes have given any request, demand, authorization, direction, notice, consent or waiver hereunder, Notes owned by the Issuer, a Note Guarantor or any other obligor upon the Notes or any Affiliate of the Issuer or of such other obligor shall be disregarded and deemed not to be Outstanding, except that, in determining whether the Trustee shall be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Notes which a Trust Officer of the Trustee actually knows to be so owned shall be so disregarded. Notes so owned which have been pledged in good faith may be regarded as Outstanding if the pledgee establishes to the satisfaction of the Trustee the pledgee's right so to act with respect to such Notes and that the pledgee is not the Issuer or any other obligor upon the Notes or any Affiliate of the Issuer or of such other obligor.

"Partial Covenant Reversion Date" has the meaning set forth under Section 3.22(e).

"Partial Covenant Suspension Date" has the meaning set forth under Section 3.22(c).

"Partial Covenant Suspension Event" has the meaning set forth under Section 3.22(a).

"Partial Suspended Covenants" has the meaning set forth under Section 3.22(a).

"Partial Suspension Period" has the meaning set forth under Section 3.22(e).

"Paying Agent" has the meaning assigned to it in Section 2.3(a).

"Permitted Asset Swap Transaction" means a transaction consisting substantially of the concurrent (i) disposition by the Issuer or any of its Restricted Subsidiaries of any asset, property or cash consideration (other than a Restricted Subsidiary) in exchange for assets,

property or cash consideration transferred to the Issuer or a Restricted Subsidiary, to be used in a Permitted Business or (ii) disposition by the Issuer or any of its Restricted Subsidiaries of Capital Stock of a Restricted Subsidiary in exchange for Capital Stock of another Restricted Subsidiary or of Capital Stock of any Person that becomes a Restricted Subsidiary after giving effect to such transaction; *provided*, that any cash or Cash Equivalents received in such a transaction shall constitute Net Cash Proceeds to be applied in accordance with Section 3.12.

“Permitted Business” means the business or businesses conducted by the Issuer and its Restricted Subsidiaries as of the Issue Date and any business ancillary, complementary or related thereto or any other business that would not constitute a substantial change to the general nature of its business from that carried on as of the Issue Date.

“Permitted Indebtedness” has the meaning set forth in Section 3.9(b).

“Permitted Investments” means:

- (1) Investments by the Issuer or any Restricted Subsidiary in any Person that is, or that result in any Person becoming, immediately after such Investment, a Restricted Subsidiary or constituting a merger or consolidation of such Person into the Issuer or with or into a Restricted Subsidiary;
- (2) any Investment in the Issuer;
- (3) Investments in cash and Cash Equivalents;
- (4) any extension, modification or renewal of any Investments existing as of the Issue Date (but not Investments involving additional advances, contributions or other investments of cash or property or other increases thereof, other than as a result of the accrual or accretion of interest or original issue discount or payment-in-kind pursuant to the terms of such Investment as of the Issue Date);
- (5) Investments permitted pursuant to clause (ii), (vi) or (vii) of Section 3.18(b);
- (6) Investments received as a result of the bankruptcy or reorganization of any Person or taken in settlement of or other resolution of claims or disputes, and, in each case, extensions, modifications and renewals thereof;
- (7) Investments made by the Issuer or its Restricted Subsidiaries as a result of non-cash consideration permitted to be received in connection with an Asset Sale made in compliance with Section 3.12;
- (8) Investments in the form of Hedging Obligations or Compensation Related Hedging Obligations permitted under clause (iv) of Section 3.9(b);

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- (9) Investments in existence on the Issue Date or made pursuant to binding commitments in effect on the Issue Date or any Investment consisting of any extension, modification or renewal of any Investment existing on the Issue Date; *provided*, that the amount of any such Investment may be increased (a) as required by the terms of such Investment as in existence on the Issue Date or (b) as otherwise permitted by this Indenture;
 - (10) Investments by the Issuer or any Restricted Subsidiary in a Receivables Entity in connection with a Qualified Receivables Transaction which does not constitute an Asset Sale by virtue of clause (7) of the definition thereof; *provided, however*, that any such Investments are made only in the form of Receivables Assets;
 - (11) Investments in marketable securities or instruments, to fund the Issuer's or a Restricted Subsidiary's pension and other employee-related obligations in the ordinary course of business pursuant to compensation arrangements approved by the Board of Directors or senior management of the Issuer;
 - (12) any Investment that:
 - (a) when taken together with all other Investments made pursuant to this clause (12) that are at the time outstanding (net of cash benefits to the Issuer or a Restricted Subsidiary from Investments pursuant to this clause (12)), does not exceed the greater of U.S.\$250 million and 3% of Consolidated Tangible Assets; or
 - (b) when taken together with all other Investments made pursuant to this clause (12) in any fiscal year that are at the time outstanding, does not exceed U.S.\$100 million in any fiscal year;
 - (13) Investments in the Capital Stock of any Person other than a Restricted Subsidiary that are required to be held pursuant to an involuntary governmental order of condemnation, nationalization, seizure or expropriation or other similar order with respect to Capital Stock of such Person (prior to which order such Person was a Restricted Subsidiary); *provided*, that such Person contests such order in good faith in appropriate proceedings;
 - (14) repurchases of Existing Senior Notes or the Notes;
 - (15) Investments in the SPV Perpetuals or the notes related thereto; *provided*, that any payment or other contribution to one of the special purpose vehicles issuing the SPV Perpetuals in connection with such Investment is promptly paid or contributed to the Issuer or a Restricted Subsidiary following receipt thereof;
 - (16) any Investment that constitutes Indebtedness permitted under clause (vii)(E) of Section 3.9(b); and

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- (17) (a) Investments to which the Issuer or any of its Restricted Subsidiaries is contractually committed as of the Issue Date in any Person other than a Subsidiary in which the Issuer or any of its Restricted Subsidiaries maintains an Investment in equity securities and
(b) Investments in any Person other than a Subsidiary in which the Issuer or any of its Restricted Subsidiaries maintains an Investment in equity securities up to U.S.\$100 million in any calendar year minus the amount of any guarantees under clause (xviii) of Section 3.9(b).

“Permitted Liens” means any of the following:

- (1) statutory Liens of landlords and Liens of carriers, warehousemen, mechanics and materialmen incurred in the ordinary course of business for sums not yet due or the payment of which is being contested in good faith by appropriate proceedings promptly initiated and diligently conducted and for which such reserves or other appropriate provision, if any, as shall be required by GAAP, shall have been made and any other Liens created by operation of law;
- (2) Liens Incurred or deposits made in the ordinary course of business in connection with (i) workers’ compensation, unemployment insurance and other types of social security or (ii) other insurance maintained by the Issuer and its Subsidiaries in compliance with the Facilities Agreement (or any refinancing thereof);
- (3) Liens for taxes, assessments and other governmental charges the payment of which is being contested in good faith by appropriate proceedings promptly initiated and diligently conducted and for which such reserves or other appropriate provision, if any, as shall be required by GAAP shall have been made;
- (4) any attachment or judgment Lien, unless the judgment it secures shall not, within 60 days after the entry thereof, have been discharged or execution thereof stayed pending appeal, or shall not have been discharged within 60 days after the expiration of any such stay;
- (5) (i) Liens existing on the Issue Date other than in respect of the Collateral and (ii) Liens in respect of the Collateral to the extent equally and ratably securing the Notes and the Permitted Secured Obligations;
- (6) any Lien on property acquired by the Issuer or its Restricted Subsidiaries after the Issue Date that was existing on the date of acquisition of such property; *provided*, that such Lien was not incurred in anticipation of such acquisition, and any Lien created to secure all or any part of the purchase price, or to secure Indebtedness incurred or assumed to pay all or any part of the purchase price, of property acquired by the Issuer or any of its Restricted Subsidiaries after the Issue Date; *provided further*, that (A) any

such Lien permitted pursuant to this clause (6) shall be confined solely to the item or items of property so acquired (including, in the case of any Acquisition of a corporation through the acquisition of 51% or more of the Voting Stock of such corporation, the stock and assets of any Acquired Subsidiary or Acquiring Subsidiary) and, if required by the terms of the instrument originally creating such Lien, other property which is an improvement to, or is acquired for specific use with, such acquired property; and (B) if applicable, any such Lien shall be created within nine months after, in the case of property, its acquisition, or, in the case of improvements, their completion;

- (7) any Liens renewing, extending or refunding any Lien permitted by clause (5)(i) above; *provided*, that such Lien is not extended to other property (or, instead, is only extended to equivalent property) and the principal amount of Indebtedness secured by such Lien immediately prior thereto is not increased or the maturity thereof reduced, except that the principal amount secured by any such Lien in respect of:
- (a) hedging obligations or other derivatives where there are fluctuations in mark-to-market exposures of those hedging obligations or other derivatives, and
 - (b) Indebtedness consisting of any “*Certificados Bursátiles de Largo Plazo*” or any Refinancing thereof, where principal may increase by virtue of capitalization of interest,
- may be increased by the amount of such fluctuations, capitalizations or drawings, as the case may be;
- (8) Liens on Receivables Assets or Capital Stock of a Receivables Subsidiary, in each case granted in connection with a Qualified Receivables Transaction;
- (9) Liens granted pursuant to or in connection with any netting or set-off arrangements entered into in the ordinary course of business;
- (10) any Lien permitted by the Trustee, acting on the instructions of at least 50% of the Holders;
- (11) any Lien granted by the Issuer or any of its Restricted Subsidiaries to secure Indebtedness under a Permitted Liquidity Facility; *provided*, that: (i) such Lien is not granted in respect of the Collateral, and (ii) the maximum amount of such Indebtedness secured by such Lien does not exceed U.S.\$500 million at any time; or
- (12) in addition to the Liens permitted by the foregoing clauses (1) through (11), Liens securing obligations of the Issuer and its Restricted Subsidiaries that in the aggregate secure obligations in an amount not in excess of the greater of (i) 5% of Consolidated Tangible Assets and (ii) U.S.\$700 million.

“Permitted Liquidity Facility” means a loan facility or facilities made available to the Issuer or any Restricted Subsidiary; *provided*, that the aggregate principal amount of utilized and unutilized commitments under such facilities must not exceed U.S.\$1 billion (or its equivalent in another currency) at any time.

“Permitted Merger Jurisdiction” has the meaning set forth in Section 4.1(a).

“Permitted Secured Obligations” means (i) the Facilities Agreement Indebtedness and any refinancing thereof made in accordance with the Facilities Agreement that is secured by the Collateral, (ii) indebtedness under the Credit Agreement and any refinancing thereof made in accordance with the Credit Agreement that is secured by the Collateral, (iii) notes (or similar instruments, including *Certificados Bursátiles*) outstanding on the date of the Facilities Agreement required to be secured by the Collateral pursuant to their terms, or any refinancing thereof permitted by the Facilities Agreement and the Credit Agreement, (iv) future Indebtedness secured by the Collateral to the extent permitted by the Facilities Agreement and the Credit Agreement and (v) the Existing Senior Notes.

“Person” means an individual, partnership, limited partnership, corporation, company, limited liability company, unincorporated organization, trust or joint venture, or a governmental agency or political subdivision thereof.

“Post-Petition Interest” means all interest accrued or accruing after the commencement of any insolvency or liquidation proceeding (and interest that would accrue but for the commencement of any insolvency or liquidation proceeding) in accordance with and at the contract rate (including, without limitation, any rate applicable upon default) specified in the agreement or instrument creating, evidencing or governing any Indebtedness, whether or not, pursuant to applicable law or otherwise, the claim for such interest is allowed as a claim in such insolvency or liquidation proceeding.

“Preferred Stock” of any Person means any Capital Stock of such Person that has preferential rights over any other Capital Stock of such Person with respect to dividends, distributions or redemptions or upon liquidation.

“Private Placement Legend” has the meaning assigned to it in Section 2.8(b).

“Purchase Money Indebtedness” means Indebtedness Incurred for the purpose of financing all or any part of the purchase price or cost of construction of any property other than Capital Stock; *provided*, that the aggregate principal amount of such Indebtedness does not exceed the lesser of the Fair Market Value of such property or such purchase price or cost, including any Refinancing of such Indebtedness that does not increase the aggregate principal amount (or accreted amount, if less) thereof as of the date of Refinancing.

“QIB” means a “qualified institutional buyer” as defined in Rule 144A.

“Qualified Capital Stock” means any Capital Stock that is not Disqualified Capital Stock and any warrants, rights or options to purchase or acquire Capital Stock that is not Disqualified Capital Stock that are not convertible into or exchangeable into Disqualified Capital Stock.

“Qualified Receivables Transaction” means any transaction or series of transactions that may be entered into by the Issuer or any Restricted Subsidiary pursuant to which the Issuer or any Restricted Subsidiary may sell, convey, assign or otherwise transfer to a Receivables Entity any Receivables Assets to obtain funding for the operations of the Issuer and its Restricted Subsidiaries:

- (1) for which no term of any portion of the Indebtedness or any other obligations (contingent or otherwise) or securities Incurred or issued by any Person in connection therewith:
 - (a) directly or indirectly provides for recourse to, or any obligation of, the Issuer or any Restricted Subsidiary in any way, whether pursuant to a Guarantee or otherwise, except for Standard Undertakings,
 - (b) directly or indirectly subjects any property or asset of the Issuer or any Restricted Subsidiary (other than Capital Stock of a Receivables Subsidiary) to the satisfaction thereof, except for Standard Undertakings, or
 - (c) results in such Indebtedness, other obligations or securities constituting Indebtedness of the Issuer or a Restricted Subsidiary, including following a default thereunder, and
- (2) for which the terms of any Affiliate Transaction between the Issuer or any Restricted Subsidiary, on the one hand, and any Receivables Entity, on the other, other than Standard Undertakings and Permitted Investments, are no less favorable than those that could reasonably be expected to be obtained in a comparable transaction at such time on an arm’s length basis from a Person that is not an Affiliate of the Issuer, and
- (3) in connection with which, neither the Issuer nor any Restricted Subsidiary has any obligation to maintain or preserve a Receivable Entity’s financial condition, cause a Receivables Entity to achieve certain levels of operating results, fund losses of a Receivables Entity, or except in connection with Standard Undertakings, purchase assets of a Receivables Entity.

“Rating Agencies” mean Fitch, Moody’s and S&P. In the event that Fitch, Moody’s or S&P is no longer in existence or issuing ratings, such organization may be replaced by a nationally recognized statistical rating organization (as defined in Rule 15c3-1(c)(2)(vi)(F) of the Exchange Act or any successor provision) designated by the Issuer with notice to the Trustee.

“Receivables Assets” means:

- (1) accounts receivable, leases, conditional sale agreements, instruments, chattel paper, installment sale contracts, obligations, general intangibles, and other similar assets, in each case relating to goods, inventory or services of the Issuer and its Subsidiaries,
- (2) equipment and equipment residuals relating to any of the foregoing,
- (3) contractual rights, Guarantees, letters of credit, Liens, insurance proceeds, collections and other similar assets, in each case related to the foregoing, and
- (4) proceeds of all of the foregoing.

“Receivables Entity” means a Receivables Subsidiary or any other Person not an Affiliate of the Issuer, in each case whose sole business activity is to engage in Qualified Receivables Transactions, including to issue securities or other interests in connection with a Qualified Receivables Transaction.

“Receivables Subsidiary” means an Unrestricted Subsidiary of the Issuer that engages in no activities other than Qualified Receivables Transactions and activities related thereto and that is designated by the Issuer as a Receivables Subsidiary. Any such designation by the Issuer will be evidenced to the Trustee by filing with the Trustee an Officer’s Certificate of the Issuer.

“Record Date” has the meaning assigned to it in the Form of Face of Note contained in Exhibit A hereto.

“Redemption Date” means, with respect to any redemption of the Notes, the date fixed for such redemption pursuant to this Indenture and the Notes.

“Refinance” means, in respect of any Indebtedness, to issue any Indebtedness in exchange for or to refinance, repay, redeem, replace, defease or refund such Indebtedness in whole or in part. “Refinanced” and “Refinancing” will have correlative meanings.

“Refinancing Indebtedness” means Indebtedness of the Issuer or any Restricted Subsidiary issued to Refinance any other Indebtedness of the Issuer or a Restricted Subsidiary so long as:

- (1) the aggregate principal amount (or initial accreted value, if applicable) of such new Indebtedness as of the date of such proposed Refinancing does not exceed the aggregate principal amount (or accreted value as of such date, if applicable) of the Indebtedness being Refinanced (plus the amount of any premium required to be paid under the terms of the instrument governing such Indebtedness and the amount of reasonable expenses incurred by the Issuer in connection with such Refinancing);

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- (2) such new Indebtedness has:
- (a) a Weighted Average Life to Maturity that is equal to or greater than the Weighted Average Life to Maturity of the Indebtedness being Refinanced, and
 - (b) a final maturity that is equal to or later than the final maturity of the Indebtedness being Refinanced or, in the case of Indebtedness without a stated maturity, December 14, 2017; and
- (3) if the Indebtedness being Refinanced is:
- (a) Indebtedness of the Issuer, then such Refinancing Indebtedness will be Indebtedness of the Issuer and/or any Note Guarantor,
 - (b) Indebtedness of a Note Guarantor, then such Refinancing Indebtedness will be Indebtedness of the Issuer and/or any Note Guarantor,
 - (c) Indebtedness of any of the Restricted Subsidiaries, then such Refinancing Indebtedness will be Indebtedness of such Restricted Subsidiary, the Issuer and/or any Note Guarantor, and
 - (d) Subordinated Indebtedness, then such Refinancing Indebtedness shall be subordinate to the Notes or the relevant Note Guarantee, if applicable, at least to the same extent and in the same manner as the Indebtedness being Refinanced.

Notwithstanding the foregoing, with respect to any hedging obligations or derivatives outstanding on the Issue Date in respect of the Axtel Share Forward Transaction, “Refinancing Indebtedness” shall mean any replacements, amendments or renewals thereof that are entered into on then prevailing market terms with the underlying amounts not greater than the original underlying amounts.

“Registrar” has the meaning assigned to it in Section 2.3(a).

“Regulation S” means Regulation S under the Securities Act or any successor regulation.

“Regulation S Global Note” has the meaning assigned to it in Section 2.1(e).

“Resale Restriction Termination Date” means for any Restricted Note (or beneficial interest therein), that is (a) not a Regulation S Global Note, the date on which the Issuer instructs the Trustee in writing to remove the Private Placement Legend from the Restricted Notes in accordance with the procedures described in Section 2.9(h) (which instruction is expected to be given on or about the one year anniversary of the issuance of the Restricted Notes) or (b) a Regulation S Global Note (or Certificated Note issued in respect thereof pursuant to Section 2.7(c)), the date on which the Distribution Compliance Period therefor terminates.

“Restricted Note” means any Issue Date Note (or beneficial interest therein) or any Additional Note (or beneficial interest therein) not originally issued and sold pursuant to an effective registration statement under the Securities Act until such time as:

- (i) the Resale Restriction Termination Date therefor has passed; or
- (ii) the Private Placement Legend therefor has otherwise been removed pursuant to Section 2.9 or, in the case of a beneficial interest in a Global Note, such beneficial interest has been exchanged for an interest in a Global Note not bearing a Private Placement Legend.

“Restricted Obligations” has the meaning assigned to it in Section 10.6(b).

“Restricted Payment” has the meaning set forth in Section 3.11(a).

“Restricted Subsidiary” means any Subsidiary of the Issuer, which at the time of determination is not an Unrestricted Subsidiary.

“Reversion Date” has the meaning assigned to it in Section 3.22(e).

“Revocation” has the meaning set forth in Section 3.14(c).

“Rule 144” means Rule 144 under the Securities Act (or any successor rule).

“Rule 144A” means Rule 144A under the Securities Act (or any successor rule).

“Rule 144A Global Note” has the meaning assigned to it in Section 2.1(d).

“S&P” means Standard & Poor’s Ratings Group and any successor to its rating agency business.

“Sale and Leaseback Transaction” means any direct or indirect arrangement with any Person or to which any such Person is a party providing for the leasing to the Issuer or a Restricted Subsidiary of any property, whether owned by the Issuer or any Restricted Subsidiary at the Issue Date or later acquired, which has been or is to be sold or transferred by the Issuer or such Restricted Subsidiary to such Person or to any other Person by whom funds have been or are to be advanced on the security of such Property.

“Securities Act” means the Securities Act of 1933, as amended.

“Security Agent” means Wilmington Trust (London) Limited, as security agent under the Intercreditor Agreement.

“Security Documents” has the meaning assigned to it in Section 7.13.

“Senior Indebtedness” means (i) the Notes and any other Indebtedness of the Issuer or any Note Guarantor that ranks equal in right of payment with the Notes or the relevant Note Guarantee, as the case may be or (ii) Indebtedness for borrowed money or constituting Capitalized Lease Obligations of any Restricted Subsidiary other than a Note Guarantor.

“Significant Subsidiary” means a Subsidiary of the Issuer constituting a “Significant Subsidiary” of the Issuer in accordance with Rule 1-02(w) of Regulation S-X under the Securities Act in effect on the date hereof.

“Similar Business” means (1) any business engaged in by the Issuer or any Restricted Subsidiary on the Issue Date, and (2) any business or other activities, including non-profit or charitable activities, that are reasonably similar, ancillary, complementary or related to, or a reasonable extension, development or expansion of, the businesses and activities in which the Issuer or any Restricted Subsidiary is engaged on the Issue Date, including, but not limited to, infrastructure projects, public works programs and consumer or supplier financing.

“Special Record Date” has the meaning assigned to it in Section 2.13(a).

“SPV Perpetuals” means the perpetual debentures issued by special purpose vehicles in December 2006, February 2007 and March 2007, as amended or supplemented from time to time.

“Standard Undertakings” means representations, warranties, covenants, indemnities and similar obligations, including servicing obligations, entered into by the Issuer or any Subsidiary of the Issuer in connection with a Qualified Receivables Transaction, which are customary in similar non-recourse receivables securitization, purchase or financing transactions.

“Subordinated Indebtedness” means, with respect to the Issuer or any Note Guarantor, any Indebtedness of the Issuer or such Note Guarantor, as the case may be, which is expressly subordinated in right of payment to the Notes or the relevant Note Guarantee, as the case may be.

“Subsidiary” means with respect to any Person, any corporation, partnership, joint venture, limited liability company, trust, estate or other entity of which (or in which) more than fifty percent (50%) of (a) in the case of a corporation, the issued and outstanding Capital Stock having ordinary voting power to elect a majority of the board of directors of such corporation (irrespective of whether at the time Capital Stock of any other class or classes of such corporation shall or might have voting power upon the occurrence of any contingency that has not occurred and is not in the control of such Person), (b) in the case of a limited liability company, partnership or joint venture, the voting or other power to control the actions of such limited liability company, partnership or joint venture or (c) in the case of a trust or estate, the voting or other power to control the actions of such trust or estate, is at the time directly or indirectly owned or controlled by (X) such Person, (Y) such Person and one or more of its other Subsidiaries or (Z) one or more of such Person’s other Subsidiaries. Unless the context otherwise requires, all references herein to a “Subsidiary” shall refer to a Subsidiary of the Issuer.

“Successor Issuer” has the meaning assigned to it in Section 4.1(a).

“Successor Note Guarantor” has the meaning assigned to it in Section 4.1(b).

“Suspended Covenants” has the meaning assigned to it in Section 3.22(b).

“Suspension Date” has the meaning assigned to it in Section 3.22(c).

“Suspension Period” has the meaning assigned to it in Section 3.22(e).

“Swiss Note Guarantor” has the meaning assigned to it in Section 10.6(a).

“Taxes” has the meaning assigned to it in Section 3.21(a).

“Taxing Jurisdiction” has the meaning assigned to it in Section 3.21(a).

“Transfer Agent” has the meaning assigned to it in Section 2.3(a).

“Transportation Agreements” means, in respect of any Person, any agreement or arrangement designed to protect such Person from fluctuations in prices related to transportation.

“Trust Officer” means, when used with respect to the Trustee, any officer within the corporate trust department of the Trustee, having direct responsibility for the administration of this Indenture, or any other officer of the Trustee to whom any corporate trust matter is referred because of such person’s knowledge of and familiarity with the particular subject.

“Trustee” means the party named as such in the introductory paragraph to this Indenture until a successor replaces it in accordance with the terms of this Indenture and, thereafter, means the successor.

“Undervalued Asset” has the meaning assigned to it in Section 10.6(g).

“USA PATRIOT Act” has the meaning assigned to it in Section 12.16.

“U.S. Government Obligations” means direct obligations (or certificates representing an ownership interest in such obligations) of, or guaranteed by, the United States of America (including any agency or instrumentality thereof) for the payment of which the full faith and credit of the United States of America is pledged and which are not callable or redeemable at the issuer’s option.

“U.S. Legal Tender” means such coin or currency of the United States of America, as at the time of payment shall be legal tender for the payment of public and private debts.

“U.S. Person” means a “U.S. person” as defined in Regulation S.

“Uniform Commercial Code” means the Uniform Commercial Code as in effect from time to time in the State of New York.

“Unrestricted Subsidiary” means any Subsidiary of the Issuer designated as such pursuant to Section 3.14. Any such Designation may be revoked by the Issuer, subject to the provisions of such covenant.

“Voting Stock” with respect to any Person, means securities of any class of Capital Stock of such Person entitling the holders thereof (whether at all times or only so long as no senior class of stock has voting power by reason of any contingency) to vote in the election of members of the Board of Directors (or equivalent governing body) of such Person.

“Weighted Average Life to Maturity” means, when applied to any Indebtedness at any date, the number of years (calculated to the nearest one-twelfth) obtained by dividing:

- (1) the sum of the products obtained by multiplying:
 - (a) the amount of each then remaining installment, sinking fund, serial maturity or other required payment of principal or liquidation preference, as the case may be, including payment at final maturity, in respect thereof, by
 - (b) the number of years (calculated to the nearest one-twelfth) which will elapse between such date and the making of such payment; by
- (2) the then outstanding aggregate principal amount or liquidation preference, as the case may be, of such Indebtedness.

“Wholly Owned Subsidiary” means, for any Person, any Subsidiary (Restricted Subsidiary in the case of the Issuer) of which at least 99.5% of the outstanding Capital Stock (other than, in the case of a Subsidiary not organized in the United States, directors’ qualifying shares or an immaterial amount of shares required to be owned by other Persons pursuant to applicable law) is owned by such Person or any other Person that satisfies this definition in respect of such Person.

Section 1.2 [Reserved].

Section 1.3 Rules of Construction. Unless the context otherwise requires:

- (1) a term has the meaning assigned to it;
- (2) an accounting term not otherwise defined has the meaning assigned to it in accordance with GAAP;
- (3) “or” is not exclusive;
- (4) “including” means including without limitation;
- (5) words in the singular include the plural and words in the plural include the singular; and
- (6) references to the payment of principal of the Notes shall include applicable premium, if any.

ARTICLE II

THE NOTES

Section 2.1 Form and Dating.

(a) The Issue Date Notes are being originally offered and sold by the Issuer pursuant to a Purchase Agreement, dated as of February 26, 2015, among the Issuer, the Note Guarantors party thereto, and Banca IMI S.p.A, BBVA Securities Inc., BNP Paribas Securities Corp., Citigroup Global Markets Inc., Credit Agricole Securities (USA) Inc., HSBC Securities (USA) Inc., ING Financial Markets LLC, J.P. Morgan Securities LLC, Merrill Lynch, Pierce, Fenner & Smith Incorporated and Santander Investment Securities Inc., as Initial Purchasers with respect to the Notes. The Notes will be issued as one or more Global Notes in fully registered form without interest coupons, and only in denominations of U.S.\$200,000 and in integral multiples of U.S.\$1,000 in excess thereof. Each such Global Note shall constitute a single Note for all purposes under this Indenture. Certificated Notes, if issued pursuant to the terms hereof, will be issued in fully registered certificated form without coupons. The Notes may only be issued in definitive fully registered form without coupons and only in denominations of U.S.\$200,000 and in integral multiples of U.S.\$1,000 in excess thereof. The Notes and the Trustee's certificate of authentication shall be substantially in the form of Exhibit A hereto.

(b) The terms and provisions of the Notes, the form of which is in Exhibit A hereto, shall constitute, and are hereby expressly made, a part of this Indenture, and, to the extent applicable, the Issuer, the Note Guarantors and the Trustee, by their execution and delivery of this Indenture, expressly agree to such terms and provisions and to be bound thereby. Except as otherwise expressly permitted in this Indenture, all Notes (including Additional Notes) shall be identical in all respects. Notwithstanding any differences among them, all Notes issued under this Indenture shall vote and consent together on all matters as one class and are otherwise treated as a single issue of securities.

(c) The Notes may have notations, legends or endorsements as specified in Section 2.8 or as otherwise required by law, stock exchange rule or DTC, Euroclear or Clearstream rule or usage. The Issuer and the Trustee shall approve any changes to the form of the Notes attached to this Indenture and any additional notation, legend or endorsement required to be inserted on them. Each Note shall be dated the date of its authentication.

(d) Notes originally offered and sold to QIBs in reliance on Rule 144A will be issued in the form of one or more permanent Global Notes (each, a "Rule 144A Global Note"). Each Rule 144A Global Note shall be deposited on behalf of the purchasers of the Notes represented thereby with the Note Custodian and registered in the name of DTC or its nominee, for credit to the accounts maintained at DTC. In no event shall any Person hold an interest in a Rule 144A Global Note other than in or through accounts maintained at DTC.

(e) Notes originally offered and sold outside the United States in reliance on Regulation S will be issued in the form of one or more permanent Global Notes (each, a “Regulation S Global Note”). Each Regulation S Global Note shall be deposited on behalf of the purchasers of the Notes represented thereby with the Note Custodian and registered in the name of DTC or its nominee, for credit to the accounts maintained at DTC by or on behalf of Euroclear or Clearstream. In no event shall any Person hold an interest in a Regulation S Global Note other than in or through accounts maintained at DTC by or on behalf of Euroclear or Clearstream.

Section 2.2 Execution and Authentication.

(a) Any Officer of the Issuer may sign the Notes for the Issuer by manual or facsimile signature. If an Officer whose signature is on a Note no longer holds that office at the time the Trustee authenticates the Note, the Note shall be valid nevertheless.

(b) A Note shall not be valid until manually authenticated by an authorized signatory of the Trustee or an agent appointed by the Trustee (and reasonably acceptable to the Issuer) for such purpose (an “Authenticating Agent”). The signature of an authorized signatory of the Trustee or an Authenticating Agent on a Note shall be conclusive evidence that such Note has been duly and validly authenticated and issued under this Indenture. Unless limited by the terms of its appointment, an Authenticating Agent may authenticate Notes whenever the Trustee may do so. Each reference in this Indenture to authentication by the Trustee includes authentication by an Authenticating Agent.

(c) At any time and from time to time after the execution and delivery of this Indenture, the Trustee shall authenticate and make available for delivery Notes upon a written order of the Issuer signed by an Officer of the Issuer (the “Issuer Order”). An Issuer Order shall specify the amount of the Notes to be authenticated and the date on which the original issue of Notes is to be authenticated.

(d) In case a Successor Issuer has executed an indenture supplemental hereto with the Trustee pursuant to Article IV, any of the Notes authenticated or delivered prior to such transaction may, from time to time, at the request of the Successor Issuer be exchanged for other Notes executed in the name of the Successor Issuer with such changes in phraseology and form as may be appropriate, but otherwise identical to the Notes surrendered for such exchange and of like principal amount; and the Trustee, upon Issuer Order of the Successor Issuer, shall authenticate and deliver Notes as specified in such order for the purpose of such exchange. If Notes shall at any time be authenticated and delivered in any new name of a Successor Issuer pursuant to this Section 2.2 in exchange or substitution for or upon registration of transfer of any Notes, such Successor Issuer, at the option of the Holders but without expense to them, shall provide for the exchange of all Notes at the time Outstanding for Notes authenticated and delivered in such new name.

Section 2.3 Registrar, Paying Agent and Transfer Agent.

(a) The Issuer shall maintain an office or agency in the Borough of Manhattan, City of New York, that shall keep a register of the Notes (the “Note Register”) and of

their transfer and exchange (the “Registrar”), where Notes may be presented or surrendered for registration of transfer or for exchange (the “Transfer Agent”), where Notes may be presented for payment (the “Paying Agent”) and for the service of notices and demands to or upon the Issuer in respect of the Notes and this Indenture. The Issuer may have one or more co-Registrars and one or more additional paying agents. The term “Paying Agent” includes any additional paying agent. In addition, the Issuer shall maintain a Paying Agent in a member state of the European Union as required by Section 3.21(g).

(b) The Issuer shall enter into an appropriate agency agreement with any Registrar, Paying Agent or co-Registrar not a party to this Indenture. The agreement shall implement the provisions of this Indenture that relate to such agent. The Issuer shall notify the Trustee of the name and address of each such agent. If the Issuer fails to maintain a Registrar or Paying Agent, the Trustee shall act as such and shall be entitled to appropriate compensation therefor pursuant to Section 7.7. The Issuer or any Affiliate of the Issuer may act as Paying Agent, Registrar or co-Registrar, or transfer agent.

(c) The Issuer initially designates the Corporate Trust Office of the Trustee as such office or agency of the Issuer as required by Section 2.3(a) and appoints the Trustee as Registrar, Paying Agent, Transfer Agent and agent for service of demands and notices in connection with the Notes and this Indenture, until such time as another Person is appointed as such.

Section 2.4 Paying Agent to Hold Money in Trust.

The Issuer shall require each Paying Agent (other than the Trustee) to agree in writing that such Paying Agent shall hold in trust for the benefit of Holders or the Trustee all money held by such Paying Agent for the payment of principal of or interest on the Notes and shall notify the Trustee in writing of any Default by the Issuer or any Note Guarantor in making any such payment. If the Issuer or an Affiliate of the Issuer acts as Paying Agent, it shall segregate the money held by it as Paying Agent and hold it as a separate trust fund. The Issuer at any time may require a Paying Agent (other than the Trustee) to pay all money held by it to the Trustee and to account for any funds disbursed by such Paying Agent. Upon complying with this Section 2.4, the Paying Agent (if other than the Issuer or any Affiliate of the Issuer) shall have no further liability for the money delivered to the Trustee. Upon any proceeding under any Bankruptcy Law with respect to the Issuer or any Affiliate of the Issuer, if the Issuer or such Affiliate is then acting as Paying Agent, the Trustee shall replace the Issuer or such Affiliate as Paying Agent.

Section 2.5 Holder Lists. The Trustee shall preserve in as current a form as is reasonably practicable the most recent list available to it of the names and addresses of Holders. At any time that the Trustee is not the Registrar the Issuer shall furnish to the Trustee, in writing at least seven Business Days before each Interest Payment Date and at such other times as the Trustee may request in writing, a list in such form and as of such date as the Trustee may reasonably require of the names and addresses of Holders.

Section 2.6 CUSIP Numbers.

The Issuer in issuing Notes may use “CUSIP” numbers, as applicable (if then generally in use), and, if so, the Trustee shall use for the Securities “CUSIP” number in notices to the Holders as a convenience to such Holders; *provided*, that any such notice may state that no representation is made as to the correctness of such numbers either as printed on the Notes or as contained in any notice and that reliance may be placed only on the other identification numbers printed on the Notes, and any such notice shall not be affected by any defect in or omission of such numbers. The Issuer will promptly notify the Trustee in writing of any changes in the “CUSIP” numbers.

Section 2.7 Global Note Provisions.

(a) Each Global Note initially shall: (i) be registered in the name of DTC or the nominee of DTC, (ii) be delivered to the Note Custodian and (iii) bear the appropriate legends as set forth in Section 2.8 and Exhibit A hereto. Any Global Note may be represented by one or more certificates. The aggregate principal amount of each Global Note may from time to time be increased or decreased by adjustments made on the records of the Note Custodian, as provided in this Indenture.

(b) Except as provided in clause (iii) of Section 2.7(c), members of, or participants in, DTC (“Agent Members”) shall have no rights under this Indenture with respect to any Global Note held on their behalf by DTC or by the Note Custodian, and DTC may be treated by the Issuer, any Note Guarantor, the Trustee, the Paying Agent, the Transfer Agent, the Note Custodian, the Registrar and any of their respective agents as the absolute owner of such Global Note for all purposes whatsoever. Notwithstanding the foregoing, nothing herein shall (i) prevent the Issuer, the Trustee, the Paying Agent, the Transfer Agent, the Note Custodian, the Registrar or any of their respective agents from giving effect to any written certification, proxy or other authorization furnished by DTC or (ii) impair, as between DTC and its Agent Members, the operation of customary practices of DTC governing the exercise of the rights of an owner of a beneficial interest in any Global Note. The registered Holder of a Global Note may grant proxies and otherwise authorize any person, including DTC, or its nominee, Agent Members and persons that may hold interests through Agent Members, to take any action that a Holder is entitled to take under this Indenture or the Notes.

(c) Except as provided in this Section 2.7(c), owners of beneficial interests in Global Notes will not be entitled to receive Certificated Notes in exchange for such beneficial interests.

- (i) Certificated Notes shall be issued to all owners of beneficial interests in a Global Note in exchange for such beneficial interests if (A) DTC notifies the Issuer that it is unwilling or unable to continue as depository for such Global Note or (B) DTC ceases to be a clearing agency registered under the Exchange Act, at a time when DTC is required to be so registered in order to act as depository, and in each case a successor depository is not appointed by the Issuer within 90 days of such notice. In connection with the exchange of an entire Global Note for Certificated Notes pursuant to this clause (i) of this Section 2.7(c), such Global Note shall be deemed to be surrendered to

the Trustee for cancellation, and the Issuer shall execute, and upon Issuer Order, the Trustee shall authenticate and deliver to each beneficial owner identified by DTC in exchange for its beneficial interest in such Global Note, an equal aggregate principal amount of Certificated Notes of authorized denominations, and the Registrar shall register such exchanges in the Note Register.

- (ii) The owner of a beneficial interest in a Global Note will be entitled to receive Certificated Notes in exchange for such interest if an Event of Default has occurred and is continuing. If an Event of Default has occurred and is continuing, upon receipt by the Registrar of instructions from Agent Members through DTC on behalf of the owner of a beneficial interest in a Global Note directing the Registrar to exchange such beneficial owner's beneficial interest in such Global Note for Certificated Notes, subject to and in accordance with the Applicable Procedures, the Issuer shall promptly execute, and upon Issuer Order, the Trustee shall authenticate and make available for delivery to such beneficial owner, Certificated Notes in a principal amount equal to such beneficial interest in such Global Note.
- (iii) If (A) an event described in clause (i) of Section 2.7(c) occurs and Certificated Notes are not issued promptly to all beneficial owners or (B) the Registrar receives from a beneficial owner the instructions described in clause (ii) of Section 2.7(c) and Certificated Notes are not issued promptly to any such beneficial owner, the Issuer expressly acknowledges, with respect to the right of any Holder to pursue a remedy pursuant to Section 6.6 hereof, the right of any beneficial owner of Notes to pursue such remedy with respect to the portion of the Global Note that represents such beneficial owner's Notes as if such Certificated Notes had been issued.

Section 2.8 Legends.

(a) Each Global Note shall bear the legend specified therefor in Exhibit A hereto on the face thereof.

(b) Each Restricted Note shall bear the private placement legend specified therefor in Exhibit A hereto on the face thereof (the "Private Placement Legend").

(c) Each Note shall bear the Mexican law legend specified therefor in Exhibit A hereto on the face thereof.

Section 2.9 Transfer and Exchange.

(a) Transfers of Beneficial Interests in a Rule 144A Global Note. If the owner of a beneficial interest in a Rule 144A Global Note that is a Restricted Note wishes to transfer such interest (or portion thereof) pursuant to Rule 144 (if available) or to a Non-U.S. Person pursuant to Regulation S:

- (i) upon receipt by the Registrar of:
 - (A) instructions from an Agent Member given to DTC in accordance with the Applicable Procedures directing DTC to credit or cause to be credited a beneficial interest in the Regulation S Global Note in a principal amount equal to the principal amount of the beneficial interest to be transferred,
 - (B) instructions given in accordance with the Applicable Procedures containing information regarding the account to be credited with such increase, and
 - (C) a certificate in the form of Exhibit B or Exhibit C hereto, as applicable, duly executed by the transferor;
- (ii) the Note Custodian shall increase the Regulation S Global Note and decrease the Rule 144A Global Note in accordance with the foregoing, and the Registrar shall register the transfer in the Note Register.

(b) Transfers of Beneficial Interests in a Regulation S Global Note. Subject to the Applicable Procedures, the following provisions shall apply with respect to any proposed transfer of an interest in a Regulation S Global Note that is a Restricted Note:

If the owner of a beneficial interest in a Regulation S Global Note that is a Restricted Note wishes to transfer such interest (or a portion thereof) to a QIB pursuant to Rule 144A:

- (A) upon receipt by the Registrar of:
 - (1) instructions from an Agent Member given to DTC in accordance with the Applicable Procedures directing DTC to credit or cause to be credited a beneficial interest in the Rule 144A Global Note in a principal amount equal to the principal amount of the beneficial interest to be transferred,
 - (2) instructions given in accordance with the Applicable Procedures containing information regarding the account to be credited with such increase, and
 - (3) a certificate in the form of Exhibit D hereto, duly executed by the transferor;
- (B) the Note Custodian shall increase the Rule 144A Global Note and decrease the Regulation S Global Note in accordance with the foregoing, and the Registrar shall register the transfer in the Note Register.

(c) Other Transfers. Any registration of transfer of Restricted Notes (including Certificated Notes) not described above (other than a transfer of a beneficial interest in a Global Note that does not involve an exchange of such interest for a Certificated Note or a beneficial interest in another Global Note, which must be effected in accordance with applicable law and the Applicable Procedures, but is not subject to any procedure required by this Indenture) shall be made only upon receipt by the Registrar of such Opinions of Counsel, certificates and such other evidence reasonably required by and satisfactory to it in order to ensure compliance with the Securities Act or in accordance with Section 2.9(d).

(d) Use and Removal of Private Placement Legends. Upon the registration of transfer, exchange or replacement of Notes (or beneficial interests in a Global Note) not bearing (or not required to bear upon such transfer, exchange or replacement) a Private Placement Legend, the Note Custodian and Registrar shall exchange such Notes (or beneficial interests) for beneficial interests in a Global Note or Certificated Notes if they have been issued pursuant to Section 2.7(c) that does not bear a Private Placement Legend. Upon the registration of transfer, exchange or replacement of Notes (or beneficial interests in a Global Note) bearing a Private Placement Legend, the Note Custodian and Registrar shall deliver only Notes (or beneficial interests in a Global Note) that bear a Private Placement Legend unless:

- (i) such Notes (or beneficial interests) are transferred pursuant to Rule 144 upon delivery to the Registrar of a certificate of the transferor in the form of Exhibit C hereto, and an Opinion of Counsel reasonably satisfactory to the Registrar;
- (ii) such Notes (or beneficial interests) are transferred, replaced or exchanged after the Resale Restriction Termination Date therefor and, in the case of any such Restricted Notes, the Issuer has complied with the applicable procedures for delegending in accordance with Section 2.9(h); or
- (iii) in connection with such registration of transfer, exchange or replacement the Registrar shall have received an Opinion of Counsel, certificates and such other evidence reasonably satisfactory to the Issuer and the Registrar to the effect that neither such Private Placement Legend nor the related restrictions on transfer are required in order to maintain compliance with the provisions of the Securities Act.

The Holder of a Global Note bearing a Private Placement Legend may exchange an interest therein for an equivalent interest in a Global Note not bearing a Private Placement Legend upon transfer of such interest pursuant to this Section 2.9(d).

(e) Consolidation of Global Notes and Exchange of Certificated Notes for Beneficial Interests in Global Notes. If a Global Note not bearing a Private Placement Legend is Outstanding at the time of a removal of legends pursuant to Section 2.9(h), any interests in a Global Note delegendated pursuant to Section 2.9(h) shall be exchanged for interests in such Outstanding Global Note, subject to the proviso at the end of Section 2.14(a).

(f) Retention of Documents. The Registrar and the Trustee shall retain copies of all letters, notices and other written communications received pursuant to this Article II and in accordance with the Trustee's, or if different, the Registrar's, record retention procedures. The Issuer shall have the right to inspect and make copies of all such letters, notices or other written communications at any reasonable time upon the giving of reasonable written notice to the Registrar or the Trustee, as the case may be.

(g) General Provisions Relating to Transfers and Exchanges.

- (i) Subject to the other provisions of this Section 2.9, when Notes are presented to the Registrar or a co-Registrar with a request to register the transfer of such Notes or to exchange such Notes for an equal principal amount of Notes of other authorized denominations, the Registrar or co-Registrar shall register the transfer or make the exchange as requested if its requirements for such transaction are met; *provided*, that any Notes presented or surrendered for registration of transfer or exchange shall be duly endorsed or accompanied by a written instrument of transfer in form satisfactory to the Registrar or co-Registrar, duly executed by the Holder thereof or his attorney duly authorized in writing.
- (ii) To permit registrations of transfers and exchanges and subject to the other terms and conditions of this Article II, the Issuer will execute, and upon Issuer Order, the Trustee will authenticate and make available for delivery, Certificated Notes and Global Notes, as applicable, at the Registrar's or co-Registrar's request.
- (iii) No service charge shall be made to a Holder for any registration of transfer or exchange, but the Issuer and the Trustee may require payment of a sum sufficient to cover any transfer tax, assessments, or similar governmental charge payable in connection therewith (other than any such transfer taxes, assessments or similar governmental charges payable upon exchange or transfer pursuant to Section 3.8, Section 3.9, Section 5.1 or Section 9.5).
- (iv) The Registrar or co-Registrar shall not be required to register the transfer of or exchange of (x) any Note for a period beginning (1) 15 days before the mailing of a notice of an offer to repurchase or redeem Notes and ending at the close of business on the day of such mailing or (2) 15 days before an Interest Payment Date and ending on such Interest Payment Date and (y) any Note selected for repurchase or redemption, except the unrepurchased or unredeemed portion thereof, if any.
- (v) Prior to the due presentation for registration of transfer of any Note, the Issuer, the Trustee, the Paying Agent, the Transfer Agent, the Registrar or any co-Registrar may deem and treat the Person in whose

name a Note is registered as the absolute owner of such Note for the purpose of receiving payment of principal of and interest on such Note and for all other purposes whatsoever, whether or not such Note is overdue, and none of the Issuer, the Trustee, the Paying Agent, the Transfer Agent, the Registrar or any co-Registrar or the Note Custodian shall be affected by notice to the contrary.

- (vi) All Notes issued upon any transfer or exchange pursuant to the terms of this Indenture shall evidence the same debt and shall be entitled to the same benefits under this Indenture as the Notes surrendered upon such transfer or exchange.
- (vii) Subject to Section 2.7 and this Section 2.9, in connection with the exchange of a portion of a Certificated Note for a beneficial interest in a Global Note, the Trustee shall cancel such Certificated Note, and the Issuer shall execute, and upon Issuer Order, the Trustee shall authenticate and make available for delivery to the exchanging Holder, a new Certificated Note representing the principal amount not so exchanged.

(h) Applicable Procedures for Delegending.

- (i) Promptly after one year has elapsed following (A) the Issue Date or (B) if the Issuer has issued Additional Notes with the same terms and the same CUSIP number as the Issue Date Notes pursuant to this Indenture within one year following the Issue Date, the date of original issuances of such Additional Notes, if the relevant Notes are freely tradable pursuant to Rule 144 under the Securities Act by Holders who are not Affiliates of the Issuer where no conditions of Rule 144 are then applicable (other than the holding period requirement in paragraph (d)(1)(ii) of Rule 144 so long as such holding period requirement is satisfied), the Issuer shall:
 - (1) instruct the Trustee in writing to remove the Private Placement Legend from such Notes, and upon receipt of such instruction, the Private Placement Legend shall be deemed removed from any Global Notes representing such Notes without further action on the part of Holders;
 - (2) notify Holders of such Notes that the Private Placement Legend has been removed or deemed removed; and
 - (3) instruct DTC to change the CUSIP number for such Notes to the unrestricted CUSIP number for the Notes.

In no event will the failure of the Issuer to provide any notice set forth in this paragraph or of the Trustee to remove the Private Placement Legend constitute a failure by the Issuer to comply with any of its

covenants or agreements set forth in Section 6.1 or otherwise. Any Restricted Note (or security issued in exchange or substitution therefor) as to which such restrictions on transfer shall have expired in accordance with their terms may, upon surrender of such Restricted Note for exchange to the Registrar in accordance with the provisions of Article II of this Indenture, be exchanged for a new Note or Notes, of like tenor and aggregate principal amount, which shall not bear the Private Placement Legend. The Issuer shall notify the Trustee in writing upon occurrence of the Resale Restriction Termination Date for any Note.

- (ii) In the case of a Regulation S Global Note, after the Resale Restriction Termination Date of any such Regulation S Global Note, the Issuer may, at its sole option:
 - (1) instruct the Trustee in writing to remove the Private Placement Legend from such Regulation S Global Note (including setting forth the basis for such removal), and upon receipt of such instruction, the Private Placement Legend shall be deemed removed from such Regulation S Global Note without further action on the part of Holders; and
 - (2) instruct DTC to change the CUSIP number for such Notes to the unrestricted CUSIP number for the Notes.
- (iii) Notwithstanding any provision herein to the contrary, in the event that Rule 144 as promulgated under the Securities Act (or any successor rule) is amended to change the one-year holding period thereunder (or the corresponding period under any successor rule), (A) each reference in this Section 2.9(h) to “one year” and in the Private Placement Legend described in Section 2.8(b) and Exhibit A hereto to “ONE YEAR” shall be deemed for all purposes hereof to be references to such changed period, and (B) all corresponding references in this Indenture (including the definition of Resale Restriction Termination Date), the Notes and the Private Placement Legends thereon shall be deemed for all purposes hereof to be references to such changed period; *provided*, that such changes shall not become effective if they are otherwise prohibited by, or would otherwise cause a violation of, the then-applicable federal securities laws; *provided further* that if such change does not apply to existing Notes, all references to “one year” in this Indenture shall not be deemed for all purposes hereof to be references to such changed period. This Section 2.9(h) shall apply to successive amendments to Rule 144 (or any successor rule) changing the holding period thereunder.

(i) No Obligation of the Trustee.

- (i) The Trustee shall have no responsibility or obligation to any beneficial owner of an interest in a Global Note, Agent Members or any other Persons with respect to the accuracy of the records of DTC or its nominee or of Agent Members, with respect to any ownership interest in the Notes or with respect to the delivery to any Agent Member, beneficial owner or other Person (other than DTC) of any notice (including any notice of redemption) or the payment of any amount or delivery of any Notes (or other security or property) under or with respect to such Notes. All notices and communications to be given to the Holders and all payments to be made to Holders in respect of the Notes shall be given or made only to or upon the order of the registered Holders (which shall be DTC or its nominee in the case of a Global Note). The rights of beneficial owners in any Global Note shall be exercised only through DTC, subject to the applicable rules and procedures of DTC. The Trustee may rely and shall be fully protected in relying upon information furnished by DTC with respect to its Agent Members and any beneficial owners.
- (ii) The Trustee shall have no obligation or duty to monitor, determine or inquire as to compliance with any restrictions on transfer imposed under this Indenture or under applicable law with respect to any transfer of any interest in any Note (including any transfers between or among Agent Members or beneficial owners in any Global Note) other than to require delivery of such certificates and other documentation or evidence as are expressly required by, and to do so if and when expressly required by, the terms of this Indenture, and to examine the same to determine substantial compliance as to form with the express requirements hereof.

Section 2.10 Mutilated, Destroyed, Lost or Stolen Notes.

(a) If a mutilated Note is surrendered to the Registrar or if the Holder of a Note claims that the Note has been lost, destroyed or wrongfully taken, the Issuer shall execute, and upon Issuer Order, the Trustee shall authenticate and make available for delivery, a replacement Note for such mutilated, lost or stolen Note, of like tenor and principal amount, bearing a number not contemporaneously Outstanding if:

- (i) the requirements of Section 8-405 of the Uniform Commercial Code are met,
- (ii) the Holder satisfies any other reasonable requirements of the Trustee, and
- (iii) neither the Issuer nor the Trustee has received notice that such Note has been acquired by a protected purchaser (as defined in Section 8-303 of the Uniform Commercial Code).

If required by the Trustee or the Issuer, such Holder shall furnish an affidavit of loss and indemnity bond sufficient in the judgment of the Issuer and the Trustee to protect the Issuer, the Trustee, the Paying Agent, the Transfer Agent, the Registrar or any co-Registrar and the Note Custodian from any loss that any of them may suffer if a Note is replaced.

(b) Upon the issuance of any new Note under this Section 2.10, the Issuer may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses (including the fees and expenses of the Trustee) in connection therewith.

(c) Every new Note issued pursuant to this Section 2.10 in exchange for any mutilated Note, or in lieu of any destroyed, lost or stolen Note, shall constitute an original additional contractual obligation of the Issuer, any Note Guarantor and any other obligor upon the Notes, whether or not the mutilated, destroyed, lost or stolen Note shall be at any time enforceable by anyone, and shall be entitled to all benefits of this Indenture equally and proportionately with any and all other Notes duly issued hereunder.

Section 2.11 Temporary Notes.

Until definitive Notes are ready for delivery, the Issuer may execute, and upon Issuer Order, the Trustee will authenticate and make available for delivery, temporary Notes. Temporary Notes will be substantially in the form of definitive Notes but may have variations that the Issuer considers appropriate for temporary Notes. Without unreasonable delay, the Issuer will prepare and execute, and upon Issuer Order, the Trustee will authenticate and make available for delivery, definitive Notes. After the preparation of definitive Notes, the temporary Notes will be exchangeable for definitive Notes upon surrender of the temporary Notes at the office or agency maintained by the Issuer pursuant to Section 2.3 for that purpose and such exchange shall be without charge to the Holder. Upon surrender for cancellation of any one or more temporary Notes, the Issuer will execute, and upon Issuer Order, the Trustee will authenticate and make available for delivery in exchange therefor, one or more definitive Notes representing an equal principal amount of Notes. Until so exchanged, the Holder of temporary Notes shall in all respects be entitled to the same benefits under this Indenture as a Holder of definitive Notes.

Section 2.12 Cancellation.

The Issuer at any time may deliver Notes to the Trustee for cancellation. The Registrar, the Paying Agent and the Transfer Agent shall forward to the Trustee any Notes surrendered to them for registration of transfer, exchange or payment. The Trustee and no one else shall cancel and dispose of cancelled Notes in accordance with its policy of disposal or upon written request of the Issuer, return to the Issuer all Notes surrendered for registration of transfer, exchange, payment or cancellation. The Issuer may not issue new Notes to replace Notes it has paid or delivered to the Trustee for cancellation for any reason other than in connection with a registration of transfer or exchange upon Issuer Order.

Section 2.13 Defaulted Interest.

When any installment of interest becomes overdue (a “Defaulted Interest”), such installment shall forthwith cease to be payable to the Holders in whose names the Notes were registered on the Record Date applicable to such installment of interest. Defaulted Interest (including any interest on such Defaulted Interest) shall be paid by the Issuer, at its election, as provided in clause (a) or clause (b) below.

(a) The Issuer may elect to make payment of any Defaulted Interest (including any interest payable on such Defaulted Interest) to the Holders in whose names the Notes are registered at the close of business on a special record date for the payment of such Defaulted Interest (a “Special Record Date”), which shall be fixed in the following manner. The Issuer shall notify the Trustee in writing of the amount of Defaulted Interest proposed to be paid and the date of the proposed payment, and at the same time the Issuer shall deposit with the Trustee an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Trustee for such deposit prior to the date of the proposed payment, such money when deposited to be held in trust for the benefit of the Holders entitled to such Defaulted Interest as provided in this Section 2.13(a). Thereupon the Trustee shall fix a Special Record Date for the payment of such Defaulted Interest, which shall be not more than fifteen (15) calendar days and not less than ten (10) calendar days prior to the date of the proposed payment and not less than ten (10) calendar days after the receipt by the Trustee of the notice of the proposed payment. The Trustee shall promptly notify the Issuer of such Special Record Date and, in the name and at the expense of the Issuer, shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be sent, first-class mail, postage prepaid, to each Holder at such Holder’s address as it appears in the Note Register, not less than ten (10) calendar days prior to such Special Record Date. Notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor having been mailed as aforesaid, such Defaulted Interest shall be paid to the Holders in whose names the Notes are registered at the close of business on such Special Record Date and shall no longer be payable pursuant to clause (b) below; or

(b) The Issuer may make payment of any Defaulted Interest (including any interest on such Defaulted Interest) in any other lawful manner not inconsistent with the requirements of any securities exchange on which the Notes may be listed, and upon such notice as may be required by such exchange, if, after notice given by the Issuer to the Trustee of the proposed payment pursuant to this Section 2.13(b), such manner of payment shall be deemed practicable by the Trustee. The Trustee shall in the name and at the expense of the Issuer cause prompt notice of the proposed payment and the date thereof to be sent, first-class mail, postage prepaid, to each Holder at such Holder’s address as it appears in the Note Register.

Section 2.14 Additional Notes.

(a) The Issuer may, from time to time, subject to compliance with any other applicable provisions of this Indenture, without the consent of the Holders, create and issue pursuant to this Indenture additional notes (“Additional Notes”) that shall have terms and conditions identical to those of the other Outstanding Notes, except with respect to:

- (i) the Issue Date;

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- (ii) the amount of interest payable on the first Interest Payment Date therefor;
 - (iii) the issue price; and
 - (iv) any adjustments necessary in order to conform to and ensure compliance with the Securities Act (or other applicable securities laws) and any agreement applicable to such Additional Notes, which are not adverse in any material respect to the Holder of any Outstanding Notes (other than such Additional Notes).

The Issue Date Notes and any Additional Notes shall be treated as a single series for all purposes under this Indenture; *provided* that such Additional Notes are either (i) part of the same “issue” as the Issue Date Notes for U.S. federal income tax purposes, (ii) issued pursuant to a “qualified reopening” for U.S. federal income tax purposes, or (iii) issued with a different CUSIP or other similar numbers than the Issue Date Notes to the extent required to comply with securities or tax law requirements, including to permit delegending pursuant to Section 2.9(h).

(b) With respect to any Additional Notes, the Issuer will set forth in an Officer’s Certificate of the Issuer (the “Additional Note Certificate”), copies of which will be delivered to the Trustee, the following information:

- (i) the aggregate principal amount of such Additional Notes to be authenticated and delivered pursuant to this Indenture;
- (ii) the Issue Date and the issue price of such Additional Notes; and
- (iii) whether such Additional Notes will be subject to transfer restrictions under the Securities Act (or other applicable securities laws).

ARTICLE III

COVENANTS

Section 3.1 Payment of Notes.

(a) The Issuer shall pay the principal of and interest (including Defaulted Interest) on the Notes in U.S. Legal Tender on the dates and in the manner provided in the Notes and in this Indenture. Prior to 10:00 a.m. New York City time, on the Business Day prior to each Interest Payment Date and the Maturity Date, the Issuer shall deposit with the Paying Agent in immediately available funds U.S. Legal Tender sufficient to make cash payments due on such Interest Payment Date or Maturity Date, as the case may be. If the Issuer or an Affiliate of the Issuer is acting as Paying Agent, the Issuer or such Affiliate shall, prior to 10:00 a.m. New York City time on the Business Day prior to each Interest Payment Date and the Maturity Date, segregate and hold in trust U.S. Legal Tender, sufficient to make cash payments due on such Interest Payment Date or Maturity Date, as the case may be. Principal and interest shall be considered paid on the date due if on such date the Trustee or the Paying Agent (other than the Issuer or an Affiliate of the Issuer) holds in accordance with this Indenture U.S. Legal Tender

designated for and sufficient to pay all principal and interest then due and the Trustee or the Paying Agent, as the case may be, is not prohibited from paying such money to the Holders on that date pursuant to the terms of this Indenture.

(b) Notwithstanding anything to the contrary contained in this Indenture, the Issuer may, to the extent it is required to do so by law, deduct or withhold income or other similar taxes imposed by the United States of America from principal or interest.

(c) In order to comply with applicable tax laws (inclusive of rules, regulations and interpretations promulgated by competent authorities) related to the Indenture in effect from time to time ("Applicable Tax Law") that a foreign financial institution, issuer, trustee, paying agent or other party is or has agreed to be subject to, the Issuer agrees (i) to provide to the Trustee and the Paying Agent sufficient information about the parties and/or transactions (including any modification to the terms of such transactions) so the Trustee and the Paying Agent can determine whether it has tax related obligations under Applicable Tax Law, (ii) that the Trustee and the Paying Agent shall be entitled to make any withholding or deduction from payments to the extent necessary to comply with Applicable Tax Law for which the Trustee and the Paying Agent shall not have any liability and (iii) to hold harmless the Trustee and the Paying Agent for any losses it may suffer due to the actions it takes to comply with Applicable Tax Law. The terms of this section shall survive the termination of this Indenture.

(d) The Issuer hereby instructs the Trustee to establish an "Issue Date Note Account" for reception of the interest and principal payments for the Issue Date Notes.

Section 3.2 Maintenance of Office or Agency.

(a) The Issuer shall maintain each office or agency required under Section 2.3. The Issuer will give prompt written notice to the Trustee of any change in the location of any such office or agency. If at any time the Issuer shall fail to maintain any such required office or agency or shall fail to furnish the Trustee with the address thereof, such presentations, surrenders, notices and demands may be made or served at the Corporate Trust Office of the Trustee, and the Issuer hereby appoints the Trustee as its agent to receive all such presentations, surrenders, notices and demands.

(b) The Issuer may also from time to time designate one or more other offices or agencies (in or outside of the City of New York) where the Notes may be presented or surrendered for registration of transfer or for exchange and may from time to time rescind any such designation; *provided, however*, that no such designation or rescission shall in any manner relieve the Issuer of its obligation to maintain an office or agency in the City of New York for such purposes. The Issuer will give prompt written notice to the Trustee of any such designation or rescission and any change in the location of any such other office or agency.

Section 3.3 Corporate Existence. Subject to Article IV, the Issuer will do or cause to be done all things necessary to preserve and keep in full force and effect its corporate existence.

Section 3.4 Payment of Taxes and Other Claims. The Issuer will pay or discharge or cause to be paid or discharged, before the same shall become delinquent, (i) all taxes, assessments and governmental charges levied or imposed upon the Issuer or any Restricted

Subsidiary or for which it or any of them are otherwise liable, or upon the income, profits or property of the Issuer or any Restricted Subsidiary and (ii) all lawful claims for labor, materials and supplies, which, if unpaid, might by law become a liability or Lien upon the property of the Issuer or any Restricted Subsidiary; *provided, however*, that the Issuer shall not be required to pay or discharge or cause to be paid or discharged any such tax, assessment, charge or claim whose amount, applicability or validity is being contested in good faith by appropriate proceedings and for which appropriate reserves, if necessary (in the good faith judgment of the Issuer), are being maintained in accordance with GAAP or where the failure to effect such payment will not be disadvantageous to the Holders.

Section 3.5 Compliance Certificate. The Issuer and each Note Guarantor shall deliver to the Trustee within 105 days after the end of each fiscal year of the Issuer (which fiscal year ends on December 31 of each year, subject to any change in fiscal year following the Issue Date) an Officer's Certificate stating that in the course of the performance by the signers of their duties as Officers of the Issuer or such Note Guarantor, as the case may be, they would normally have knowledge of any Default or Event of Default and whether or not the signers know of any Default or Event of Default that occurred during the previous fiscal year. If they do, the certificate shall describe the Default or Event of Default, its status and what action the Issuer or such Note Guarantor is taking or proposes to take with respect thereto.

Section 3.6 Further Instruments and Acts.

(a) The Issuer and each Note Guarantor will execute and deliver such further instruments and do such further acts as may be reasonably necessary or proper or as the Trustee may reasonably request to carry out more effectively the purpose of this Indenture.

(b) The Issuer and the Note Guarantors shall take, and shall cause their Subsidiaries party thereto to take, any and all actions required under the Intercreditor Agreement and the Security Documents to cause the Intercreditor Agreement and the Security Documents to create and maintain, as security for the Obligations of the Issuer and the Note Guarantors hereunder, a valid and enforceable perfected security interest on all the Collateral, in favor of the Security Agent for the equal and ratable benefit of the Holders of the Notes, and the other Permitted Secured Obligations, first in priority to any and all security interests at any time granted upon the Collateral, subject in all respects to Liens imposed by law and Liens for judgments, taxes, assessments or governmental charges.

Section 3.7 Waiver of Stay, Extension or Usury Laws. The Issuer and each Note Guarantor covenant (to the fullest extent permitted by applicable law) that they will not at any time insist upon, plead, or in any manner whatsoever claim or take the benefit or advantage of, any stay or extension law or any usury law or other law that would prohibit or forgive the Issuer or such Note Guarantor from paying all or any portion of the principal of or interest on the Notes as contemplated herein, wherever enacted, now or at any time hereafter in force, or which may affect the covenants or the performance of this Indenture. The Issuer and each Note Guarantor hereby expressly waives (to the fullest extent permitted by applicable law) all benefit or advantage of any such law, and covenants that it will not hinder, delay or impede the execution of any power herein granted to the Trustee, but will suffer and permit the execution of every such power as though no such law had been enacted.

Section 3.8 Change of Control.

(a) Upon the occurrence of a Change of Control, each Holder will have the right to require that the Issuer purchase all or a portion (in integral multiples of U.S.\$1,000) of the Holder's Notes at a purchase price equal to 101% of the principal amount thereof, plus accrued and unpaid interest thereon through the date of purchase (the "Change of Control Payment").

(b) Within 30 days following the date upon which the Change of Control occurred, the Issuer must send, by first-class mail, a notice to each Holder, with a copy to the Trustee, offering to purchase the Notes as described above (a "Change of Control Offer"). The Change of Control Offer shall state, among other things, the purchase date, which must be no earlier than 30 days nor later than 60 days from the date the notice is mailed, other than as may be required by law (the "Change of Control Payment Date").

(c) On the Change of Control Payment Date, the Issuer will, to the extent lawful:

- (i) accept for payment all Notes or portions thereof properly tendered and not withdrawn pursuant to the Change of Control Offer;
- (ii) deposit with the Paying Agent funds in an amount equal to the Change of Control Payment in respect of all Notes or portions thereof so tendered; and
- (iii) deliver or cause to be delivered to the Trustee the Notes so accepted together with an Officer's Certificate stating the aggregate principal amount of Notes or portions thereof being purchased by the Issuer.

(d) If only a portion of a Note is purchased pursuant to a Change of Control Offer, a new Note in a principal amount equal to the portion thereof not purchased will be issued in the name of the Holder thereof upon cancellation of the original Note (or appropriate adjustments to the amount and beneficial interests in a Global Note will be made, as appropriate); *provided*, that each new Note shall be in a minimum principal amount of U.S.\$200,000 and in integral multiples of U.S.\$1,000 in excess thereof. Notes (or portions thereof) purchased pursuant to a Change of Control Offer will be cancelled and cannot be reissued.

(e) The Issuer will not be required to make a Change of Control Offer upon a Change of Control if:

- (i) a third party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth in this Indenture applicable to a Change of Control Offer made by the Issuer and purchases all Notes properly tendered and not withdrawn under the Change of Control Offer, or
- (ii) notice of redemption has been given pursuant to this Indenture as described under Section 5.4 unless and until there is a default in payment of the applicable redemption price.

(f) The Issuer will comply with the requirements of Rule 14e-1 under the Exchange Act and any other applicable securities laws and regulations in connection with the purchase of Notes in connection with a Change of Control Offer. To the extent that the provisions of any securities laws or regulations conflict with the “Change of Control” provisions of this Indenture, the Issuer will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under this Indenture by doing so.

Section 3.9 Limitation on Incurrence of Additional Indebtedness.

(a) The Issuer will not, and will not cause or permit any of its Restricted Subsidiaries to, directly or indirectly, Incur any Indebtedness, including Acquired Indebtedness, except that the Issuer and/or any of the Note Guarantors may Incur Indebtedness, including Acquired Indebtedness, if, at the time of and immediately after giving *pro forma* effect to the Incurrence thereof and the application of the proceeds therefrom, the Consolidated Fixed Charge Coverage Ratio of the Issuer is greater than or equal to 2.0 to 1.0.

(b) Notwithstanding clause (a) above, the Issuer and/or any of its Restricted Subsidiaries, as applicable, may Incur the following Indebtedness (“Permitted Indebtedness”):

- (i) Indebtedness consisting of the Notes, excluding Additional Notes, and Indebtedness consisting of the Other Notes;
- (ii) Guarantees by (A) any Note Guarantor of Indebtedness of the Issuer or another Note Guarantor permitted under this Indenture and (B) the Issuer of Indebtedness of any Note Guarantor; *provided*, that if any such Guarantee is of Subordinated Indebtedness, then the obligations of the Issuer under the Notes and this Indenture or the Note Guarantee of such Note Guarantor, as applicable, will be senior to the Guarantee of such Subordinated Indebtedness;
- (iii) Indebtedness of the Issuer and/or any of its Restricted Subsidiaries outstanding on the Issue Date (excluding Indebtedness permitted under clauses (v), (vi), (vii) or (x) of this definition of Permitted Indebtedness);
- (iv) Hedging Obligations, Compensation Related Hedging Obligations and any Guarantees thereof and any reimbursement obligations with respect to letters of credit related thereto, in each case entered into by the Issuer and/or any of its Restricted Subsidiaries; *provided*, that upon the drawing of such letters of credit, such obligations are reimbursed within 30 days following such drawing;
- (v) intercompany Indebtedness between the Issuer and any Restricted Subsidiary or between any Restricted Subsidiaries; *provided*, that in

the event that at any time any such Indebtedness ceases to be held by the Issuer or a Restricted Subsidiary, such Indebtedness shall be deemed to be Incurred and not permitted by this clause (v) at the time such event occurs;

- (vi) Indebtedness of the Issuer and/or any of its Restricted Subsidiaries arising from (A) the honoring by a bank or other financial institution of a check, draft or similar instrument inadvertently drawn against insufficient funds in the ordinary course of business; *provided*, that such Indebtedness is extinguished within five Business Days of Incurrence; or (B) any cash pooling or other cash management agreements in place with a bank or financial institution but only to the extent of offsetting credit balances of the Issuer and/or its Restricted Subsidiaries pursuant to such cash pooling or other cash management agreement;
- (vii) Indebtedness of the Issuer and/or any of its Restricted Subsidiaries represented by (A) endorsements of negotiable instruments in the ordinary course of business (excluding an *aval*), (B) documentary credits (including all forms of letter of credit), performance bonds or guarantees, advance payments, bank guarantees, bankers' acceptances, surety or appeal bonds or similar instruments for the account of, or guaranteeing performance by, the Issuer and/or any Restricted Subsidiary in the ordinary course of business, (C) reimbursement obligations with respect to letters of credit in the ordinary course of business, (D) reimbursement obligations with respect to letters of credit and performance Guarantees in the ordinary course of business to the extent required pursuant to the terms of any Investment made pursuant to clause (12) of the definition of "Permitted Investment" and (E) other Guarantees by the Issuer and/or any Restricted Subsidiary in favor of a bank or financial institution in respect of obligations of that bank or financial institution to a third party in an amount not to exceed U.S.\$500 million at any one time outstanding; *provided*, that in the case of clauses (B), (C) and (D), upon the drawing of such letters of credit or the Incurrence of such Indebtedness, such obligations are reimbursed within 30 days following such drawing or Incurrence;
- (viii) Refinancing Indebtedness in respect of:
 - (A) Indebtedness (other than Indebtedness owed to the Issuer or any Subsidiary of the Issuer) Incurred pursuant to clause (a) above (it being understood that no Indebtedness outstanding on the Issue Date is Incurred pursuant to such clause (a) above), or
 - (B) Indebtedness Incurred pursuant to clause (i), (ii) or (iii) above or this clause (viii);

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- (ix) Capitalized Lease Obligations, Sale and Leaseback Transactions, export credit facilities with a maturity of at least one year and Purchase Money Indebtedness of, including Guarantees of any of the foregoing by, the Issuer and/or any Restricted Subsidiary, in an aggregate principal amount at any one time outstanding not to exceed U.S.\$1 billion;
- (x) Indebtedness arising from agreements entered into by the Issuer and/or a Restricted Subsidiary providing for bona fide indemnification, adjustment of purchase price or similar obligations not for financing purposes, in each case, Incurred or assumed in connection with the acquisition or disposition of any business, assets or Capital Stock of a Restricted Subsidiary (including minority interests); *provided*, that in the case of a disposition, the maximum aggregate liability in respect of such Indebtedness shall at no time exceed the gross proceeds actually received by the Issuer and its Restricted Subsidiaries in connection with such disposition;
- (xi) Indebtedness of the Issuer and/or any of its Restricted Subsidiaries in an aggregate amount not to exceed U.S.\$1 billion at any one time outstanding; *provided*, that no more than U.S.\$250 million of such Indebtedness at any one time outstanding (excluding any Indebtedness under a Permitted Liquidity Facility) may be Incurred by Restricted Subsidiaries that are not Note Guarantors, which amount shall be increased by the corresponding amount of other Indebtedness of Restricted Subsidiaries other than the Note Guarantors outstanding on the Issue Date and subsequently repaid from time to time but in any event not to exceed U.S.\$500 million at any one time outstanding; *provided, further, however*, that (A) the Issuer and/or any of its Restricted Subsidiaries may Incur Indebtedness under a Permitted Liquidity Facility and (B) in the event that the Issuer and/or any of its Restricted Subsidiaries shall have Incurred Indebtedness under a Permitted Liquidity Facility that increases the amount outstanding at such time pursuant to this clause (xi) in excess of U.S.\$ 1 billion, then up to U.S.\$1.2 billion may be Incurred pursuant to this clause (xi) at any one time outstanding;
- (xii) (A) Indebtedness of the Issuer and/or any of its Restricted Subsidiaries in respect of factoring arrangements or Inventory Financing arrangements or (B) other Indebtedness of the Issuer and/or any of its Restricted Subsidiaries with a maturity of 12 months or less for working capital purposes, not to exceed in the aggregate at any one time (calculated as of the end of the most recent fiscal quarter for which consolidated financial information of the Issuer is available) the greater of:
- (1) The sum of:
- (x) 20% of the net book value of the inventory of the Issuer and its Restricted Subsidiaries and

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- (y) 20% of the net book value of the accounts receivable of the Issuer and its Restricted Subsidiaries (excluding accounts receivable pledged to secure Indebtedness or subject to a Qualified Receivables Transaction), less, in each case, the amount of any permanent repayments or reductions of commitments in respect of such Indebtedness made with the Net Cash Proceeds of an Asset Sale in order to comply with Section 3.12; or
- (2) U.S.\$350 million;
- (xiii) [Reserved];
- (xiv) Indebtedness of the Issuer and/or any of its Restricted Subsidiaries for taxes levied, assessments due and other governmental charges required to be paid as a matter of law or regulation in the ordinary course of business; *provided*, that such Indebtedness shall be permitted to be Incurred only at such time that the Facilities Agreement (or any refinancing thereof) shall contain an exception to allow the Incurrence of Indebtedness to pay taxes;
- (xv) [Reserved];
- (xvi) Indebtedness of the Issuer and/or any of its Restricted Subsidiaries Incurred and/or issued to refinance Qualified Receivables Transactions in existence on the Issue Date;
- (xvii) Acquired Indebtedness in an aggregate amount at any one time outstanding under this clause (xvii) not to exceed U.S.\$100 million; and
- (xviii) (A) any Indebtedness that constitutes an Investment that the Issuer and/or any of its Restricted Subsidiaries is contractually committed to Incur as of the Issue Date in any Person (other than a Subsidiary) in which the Issuer or any of its Restricted Subsidiaries maintains an Investment in equity securities; and (B) Guarantees up to U.S.\$100 million in any calendar year by the Issuer and/or any Restricted Subsidiary of Indebtedness of any Person in which the Issuer or any of its Restricted Subsidiaries maintains an equity Investment minus any Investment other than such guarantees in such Person during such calendar year pursuant to clause (17)(b) of the definition of "Permitted Investments."

(c) Notwithstanding anything to the contrary contained in this Section 3.9,

- (i) The Issuer shall not, and shall not permit any Note Guarantor to, Incur any Permitted Indebtedness pursuant to Section 3.9(b) if the proceeds thereof are used, directly or indirectly, to Refinance any Subordinated Indebtedness unless such Indebtedness shall be subordinated to the Notes or the applicable Note Guarantee, as the case may be, to at least the same extent as such Subordinated Indebtedness.
- (ii) For purposes of determining compliance with, and the outstanding principal amount of, any particular Indebtedness Incurred pursuant to and in compliance with this Section 3.9, the amount of Indebtedness issued at a price that is less than the principal amount thereof will be equal to the amount of the liability in respect thereof determined in accordance with GAAP. Accrual of interest, the accretion or amortization of original issue discount, the payment of regularly scheduled interest in the form of additional Indebtedness of the same instrument or the payment of regularly scheduled dividends on Disqualified Capital Stock in the form of additional Disqualified Capital Stock with the same terms will not be deemed to be an Incurrence of Indebtedness for purposes of this Section 3.9. For purposes of determining compliance with this Section 3.9, mark-to-market fluctuations of hedging obligations or derivatives outstanding on the Issue Date shall not constitute Incurrence of Indebtedness.
- (iii) For purposes of determining compliance with this Section 3.9, the principal amount of Indebtedness denominated in foreign currency shall be calculated based on the relevant currency exchange rate in effect on the date such Indebtedness was Incurred, in the case of term Indebtedness, or first committed, in the case of revolving credit Indebtedness; *provided*, that if such Indebtedness is Incurred to refinance other Indebtedness denominated in foreign currency, and such refinancing would cause the applicable restriction to be exceeded if calculated at the relevant currency exchange rate in effect on the date of such refinancing, such restriction shall be deemed not to have been exceeded so long as the principal amount of such Refinancing Indebtedness does not exceed the principal amount of such Indebtedness being refinanced. Notwithstanding any other provision of this Section 3.9, the maximum amount of Indebtedness Incurred to refinance other Indebtedness, if Incurred in a different currency from the Indebtedness being refinanced, shall be calculated based on the currency exchange rate applicable to the currencies in which such Refinancing Indebtedness is denominated that is in effect on the date of such refinancing.
- (iv) For purposes of determining compliance with this Section 3.9:
 - (A) in the event that an item of Indebtedness meets the criteria of more than one of the types of Indebtedness described above, including,

without limitation, in Section 3.9(a), the Issuer, in its sole discretion, will classify such item of Indebtedness at the time of Incurrence and only be required to include the amount and type of such Indebtedness in one of the above clauses and may later reclassify all or a portion of such item of Indebtedness as having been Incurred pursuant to any other clause to the extent such Indebtedness could be Incurred pursuant to such clause at the time of such reclassification; and

- (B) the Issuer will be entitled to divide and classify an item of Indebtedness in more than one of the types of Indebtedness described above, including, without limitation, Section 3.9(a).

Section 3.10 [Reserved].

Section 3.11 Limitation on Restricted Payments.

(a) The Issuer will not, and will not cause or permit any of its Restricted Subsidiaries to, directly or indirectly, take any of the following actions (each, a "Restricted Payment"):

- (i) declare or pay any dividend or return of capital or make any distribution on or in respect of shares of Capital Stock of the Issuer or any Restricted Subsidiary to holders of such Capital Stock, other than:
 - (A) dividends, distributions or returns on capital payable in Qualified Capital Stock of the Issuer,
 - (B) dividends, distributions or returns on capital payable to the Issuer and/or a Restricted Subsidiary,
 - (C) dividends, distributions or returns of capital made on a *pro rata* basis to the Issuer and its Restricted Subsidiaries, on the one hand, and minority holders of Capital Stock of a Restricted Subsidiary, on the other hand (or on less than a *pro rata* basis to any minority holder);
- (ii) purchase, redeem or otherwise acquire or retire for value:
 - (A) any Capital Stock of the Issuer, or
 - (B) any Capital Stock of any Restricted Subsidiary held by an Affiliate of the Issuer or any Preferred Stock of a Restricted Subsidiary, except for:
 - (1) Capital Stock held by the Issuer or a Restricted Subsidiary, or

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- (2) purchases, redemptions, acquisitions or retirements for value of Capital Stock on a *pro rata* basis from the Issuer and/or any Restricted Subsidiaries, on the one hand, and minority holders of Capital Stock of a Restricted Subsidiary, on the other hand, according to their respective percentage ownership of the Capital Stock of such Restricted Subsidiary;
 - (iii) make any principal payment on, purchase, defease, redeem, prepay, decrease or otherwise acquire or retire for value, prior to any scheduled final maturity, scheduled repayment or scheduled sinking fund payment, as the case may be, any Subordinated Indebtedness; or
 - (iv) make any Investment (other than Permitted Investments);

if at the time of the Restricted Payment immediately after giving effect thereto:

- (A) a Default or an Event of Default shall have occurred and be continuing;
- (B) the Issuer is not able to Incur at least U.S.\$1.00 of additional Indebtedness pursuant to Section 3.9(a); or
- (C) the aggregate amount (the amount expended for these purposes, if other than in cash, being the Fair Market Value of the relevant property at the time of the making thereof) of the proposed Restricted Payment and all other Restricted Payments made subsequent to the Issue Date up to the date thereof, less any Investment Return calculated as of the date thereof, shall exceed the sum of:
 - (1) 50% of cumulative Consolidated Net Income of the Issuer or, if cumulative Consolidated Net Income of the Issuer is a loss, minus (i) 100% of the loss, accrued during the period, treated as one accounting period, beginning on the first full fiscal quarter after the Issue Date to the end of the most recent fiscal quarter for which consolidated financial information of the Issuer is available and (ii) the amount of cash benefits to the Issuer or a Restricted Subsidiary that is netted against Investments in Similar Businesses pursuant to clause (12) of the definition of "Permitted Investments"; plus
 - (2) 100% of the aggregate net cash proceeds received by the Issuer from any Person from any:
 - (x) contribution to the equity capital of the Issuer (not representing an interest in Disqualified Capital Stock) or issuance and sale of Qualified Capital Stock of the Issuer, in each case, subsequent to the Issue Date, or

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- (y) issuance and sale subsequent to the Issue Date (and, in the case of Indebtedness of a Restricted Subsidiary, at such time as it was a Restricted Subsidiary) of any Indebtedness for borrowed money of the Issuer or any Restricted Subsidiary that has been converted into or exchanged for Qualified Capital Stock of the Issuer, excluding, in each case, any net cash proceeds:
 - (aa) received from a Subsidiary of the Issuer;
 - (bb) used to redeem Notes under Article V;
 - (cc) used to acquire Capital Stock or other assets from an Affiliate of the Issuer; or
 - (dd) applied in accordance with clause (ii)(B) or (iii)(A) of Section 3.11(b) below.

(b) Notwithstanding Section 3.11(a), this Section 3.11 does not prohibit:

- (i) the payment of any dividend within 60 days after the date of declaration of such dividend if the dividend would have been permitted on the date of declaration pursuant to Section 3.11(a);
- (ii) if no Default or Event of Default shall have occurred and be continuing, the acquisition of any shares of Capital Stock of the Issuer,
 - (A) in exchange for Qualified Capital Stock of the Issuer, or
 - (B) through the application of the net cash proceeds received by the Issuer from a substantially concurrent sale of Qualified Capital Stock of the Issuer or a contribution to the equity capital of the Issuer not representing an interest in Disqualified Capital Stock, in each case not received from a Subsidiary of the Issuer;

provided, that the value of any such Qualified Capital Stock issued in exchange for such acquired Capital Stock and any such net cash proceeds shall be excluded from Section 3.11(a)(iv)(C)(2) (and were not included therein at any time);
- (iii) if no Default or Event of Default shall have occurred and be continuing, the voluntary prepayment, purchase, defeasance, redemption or other acquisition or retirement for value of any Subordinated Indebtedness:
 - (A) solely in exchange for, or through the application of net cash proceeds of a substantially concurrent sale, other than to a Subsidiary of the Issuer, of Qualified Capital Stock of the Issuer, or
 - (B) solely in exchange for Refinancing Indebtedness for such Subordinated Indebtedness,

provided, that the value of any Qualified Capital Stock issued in exchange for Subordinated Indebtedness and any net cash proceeds referred to above shall be excluded from Section 3.11(a)(iv)(C)(2) (and were not included therein at any time);

- (iv) repurchases by the Issuer of Common Stock of the Issuer or options, warrants or other securities exercisable or convertible into Common Stock of the Issuer from employees or directors of the Issuer or any of its Subsidiaries or their authorized representatives upon the death, disability or termination of employment or directorship of the employees or directors, in an amount not to exceed U.S.\$5 million in any calendar year and any repurchases other than in connection with compensation of Common Stock of the Issuer pursuant to binding written agreements in effect on the Issue Date;
- (v) payments of dividends on Disqualified Capital Stock issued pursuant to the covenant described under Section 3.9; *provided, however*, that such dividends shall be excluded in the calculation of the amount of Restricted Payments;
- (vi) non-cash repurchases of Capital Stock deemed to occur upon exercise of stock options, warrants or other similar rights if such Capital Stock represents a portion of the exercise price of such options, warrants or other similar rights;
- (vii) cash payments in lieu of the issuance of fractional shares in connection with the exercise of warrants, options or other securities convertible into or exchangeable for Capital Stock of the Issuer;
- (viii) purchases of any Subordinated Indebtedness of the Issuer (A) at a purchase price not greater than 101% of the principal amount thereof (together with accrued and unpaid interest) in the event of the occurrence of a Change of Control or (B) at a purchase price not greater than 100% of the principal amount thereof (together with accrued and unpaid interest) in the event of an Asset Sale in accordance with provisions similar to those set forth under Section 3.12; *provided, however*, that prior to such purchase of any such Subordinated Indebtedness, the Issuer has made the Change of Control Offer or Asset Sale Offer as provided under Section 3.8 or Section 3.12, respectively, and has purchased all Notes validly tendered and not properly withdrawn pursuant thereto;

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- (ix) recapitalization of earnings on or in respect of the Qualified Capital Stock of the Issuer pursuant to which additional Qualified Capital Stock of the Issuer or the right to subscribe for additional Capital Stock of the Issuer is issued to the existing shareholders of the Issuer on a *pro rata* basis (which, for the avoidance of doubt, shall not allow any payment in cash to be made in respect of Qualified Capital Stock of the Issuer pursuant to this clause (ix)); and
 - (x) so long as (A) no Default or Event of Default shall have occurred and be continuing (or result therefrom) and (B) the Issuer could Incur at least U.S.\$1.00 of additional Debt pursuant to Section 3.9(a), payment of any dividends on Capital Stock (other than Disqualified Capital Stock) of the Issuer in an aggregate amount which, when taken together with all dividends paid pursuant to this clause (x), does not exceed U.S.\$50 million in any calendar year; *provided*, that such dividends shall be included in the calculation of the amount of Restricted Payments.
 - (xi) [Reserved]

In determining the aggregate amount of Restricted Payments made subsequent to the Issue Date, amounts expended pursuant to clauses (i) (without duplication for the declaration of the relevant dividend), (iv), (viii) and (x) above shall be included in such calculation and amounts expended pursuant to clauses (ii), (iii), (v), (vi), (vii) and (ix) above shall not be included in such calculation.

Section 3.12 Limitation on Asset Sales.

(a) The Issuer will not, and will not permit any of its Restricted Subsidiaries to, consummate an Asset Sale unless:

- (i) the Issuer or the applicable Restricted Subsidiary, as the case may be, receives consideration at the time of the Asset Sale at least equal to the Fair Market Value (to be determined as of the date on which such sale is contracted) of the assets sold or otherwise disposed of, and
- (ii) other than in respect of Permitted Asset Swap Transactions, at least 80% of the consideration received for the assets sold by the Issuer or the Restricted Subsidiary, as the case may be, in the Asset Sale shall be in the form of cash or Cash Equivalents received at the time of such Asset Sale; *provided, however*, for the purposes of this clause (ii), the following are also deemed to be cash or Cash Equivalents:
 - (A) the assumption of Indebtedness (other than Subordinated Indebtedness) of the Issuer or any Restricted Subsidiary and the release of the Issuer or such Restricted Subsidiary from all liability on such Indebtedness in connection with such Asset Sale;

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- (B) any securities, notes or obligation received by the Issuer or any Restricted Subsidiary from the transferee that are, within 180 days after the Asset Sale, converted by the Issuer or such Restricted Subsidiary into cash, to the extent of cash received in that conversion;
 - (C) Capital Stock of a Person who is or who, after giving effect to such Asset Sale, becomes, a Restricted Subsidiary; and
 - (D) any Designated Non-cash Consideration received by the Issuer or such Restricted Subsidiary in connection with such Asset Sale having an aggregate Fair Market Value which, when taken together with the Fair Market Value of all other Designated Non-cash Consideration received pursuant to this clause (D) since the Issue Date, does not exceed the sum of (1) 3.0% of Consolidated Tangible Assets of the Issuer calculated as of the end of the most recent fiscal quarter for which consolidated financial information is available (with the Fair Market Value of each item of Designated Non-cash Consideration being measured as of the date it was received and without giving effect to subsequent changes in value of any such item of Designated Non-cash Consideration) and (2) the amount of cash or Cash Equivalents received in connection with a subsequent sale of such Designated Non-cash Consideration.

(b) The Issuer or any Restricted Subsidiary may apply the Net Cash Proceeds of any such Asset Sale within 365 days thereof to:

- (i) repay any Senior Indebtedness for borrowed money or constituting a Capitalized Lease Obligation and permanently reduce the commitments with respect thereto, or
- (ii) purchase:
 - (A) assets (except for current assets as determined in accordance with GAAP or Capital Stock) to be used by the Issuer or any Restricted Subsidiary in a Permitted Business, or
 - (B) substantially all of the assets of a Permitted Business or Capital Stock of a Person engaged in a Permitted Business that will become, upon purchase, a Restricted Subsidiary from a Person other than the Issuer and its Restricted Subsidiaries.

(c) To the extent all or a portion of the Net Cash Proceeds of any Asset Sale are not applied within the 365 days of the Asset Sale as described in clause (i) or (ii) of Section 3.12(b), the Issuer will make an offer to purchase Notes (the "Asset Sale Offer"), at a purchase price equal to 100% of the principal amount of the Notes to be purchased, plus accrued and unpaid interest thereon, to the date of purchase (the "Asset Sale Offer Amount"). The Issuer will

purchase pursuant to an Asset Sale Offer from all tendering Holders on a *pro rata* basis, and, at the Issuer's option, on a *pro rata* basis with the holders of any other Senior Indebtedness with similar provisions requiring the Issuer to offer to purchase the other Senior Indebtedness with the proceeds of Asset Sales, that principal amount (or accreted value in the case of Indebtedness issued with original issue discount) of Notes and the other Senior Indebtedness to be purchased equal to such unapplied Net Cash Proceeds. The Issuer may satisfy its obligations under this Section 3.12 with respect to the Net Cash Proceeds of an Asset Sale by making an Asset Sale Offer prior to the expiration of the relevant 365-day period.

(d) Pending the final application of any Net Cash Proceeds pursuant to this Section 3.12, the holder of such Net Cash Proceeds may apply such Net Cash Proceeds temporarily to reduce Indebtedness outstanding under a revolving credit facility or otherwise invest such Net Cash Proceeds in any manner not prohibited by this Indenture.

(e) The purchase of Notes pursuant to an Asset Sale Offer shall occur not less than 20 Business Days following the date thereof, or any longer period as may be required by law, nor more than 45 days following the 365th day following the Asset Sale. The Issuer may, however, defer an Asset Sale Offer until there is an aggregate amount of unapplied Net Cash Proceeds from one or more Asset Sales equal to or in excess of U.S.\$100 million. At that time, the entire amount of unapplied Net Cash Proceeds, and not just the amount in excess of U.S.\$100 million, shall be applied as required pursuant to this Section 3.12.

(f) Each Asset Sale Offer Notice shall be mailed first class, postage prepaid, to the record Holders as shown on the Note Register within 20 days following such 365th day (or such earlier date as the Issuer shall have elected to make such Asset Sale Offer), with a copy to the Trustee offering to purchase the Notes as described above. Each notice of an Asset Sale Offer shall state, among other things, the purchase date, which must be no earlier than 30 days nor later than 60 days from the date the notice is mailed, other than as may be required by law (the "Asset Sale Offer Payment Date"). Upon receiving notice of an Asset Sale Offer, Holders may elect to tender their Notes in whole or in part, in minimum denominations of U.S.\$200,000 and in any integral multiples of U.S.\$1,000 in excess thereof in exchange for cash.

(g) On the Asset Sale Offer Payment Date, the Issuer shall, to the extent lawful:

- (i) accept for payment all Notes or portions thereof properly tendered pursuant to the Asset Sale Offer;
- (ii) deposit with the Paying Agent funds in an amount equal to the Asset Sale Offer Amount in respect of all Notes or portions thereof so tendered; and
- (iii) deliver or cause to be delivered to the Trustee the Notes so accepted together with an Officer's Certificate stating the aggregate principal amount of Notes or portions thereof being purchased by the Issuer.

(h) To the extent Holders of Notes and holders of other Senior Indebtedness, if any, which are the subject of an Asset Sale Offer properly tender and do not withdraw Notes or

the other Senior Indebtedness in an aggregate amount exceeding the amount of unapplied Net Cash Proceeds, the Issuer shall purchase the Notes and the other Senior Indebtedness on a *pro rata* basis (based on amounts tendered). If only a portion of a Note is purchased pursuant to an Asset Sale Offer, a new Note in a principal amount equal to the portion thereof not purchased shall be issued in the name of the holder thereof upon cancellation of the original Note (or appropriate adjustments to the amount and beneficial interests in a global note shall be made, as appropriate). Notes (or portions thereof) purchased pursuant to an Asset Sale Offer shall be cancelled and cannot be reissued.

(i) The Issuer shall comply with the requirements of Rule 14e-1 under the Exchange Act and any other applicable securities laws in connection with the purchase of Notes pursuant to an Asset Sale Offer. To the extent that the provisions of any applicable securities laws or regulations conflict with this Section 3.12, the Issuer shall comply with these laws and regulations and shall not be deemed to have breached its obligations under the “Asset Sale” provisions of this Indenture by doing so.

(j) Upon completion of an Asset Sale Offer, the amount of Net Cash Proceeds shall be reset at zero. Accordingly, to the extent that the aggregate amount of Notes and other Indebtedness tendered pursuant to an Asset Sale Offer is less than the aggregate amount of unapplied Net Cash Proceeds, the Issuer may use any remaining Net Cash Proceeds for general corporate purposes of the Issuer and its Restricted Subsidiaries.

(k) In the event of the transfer of substantially all (but not all) of the property and assets of the Issuer and its Restricted Subsidiaries as an entirety to a Person in a transaction permitted under Article IV, the Successor Issuer shall be deemed to have sold the properties and assets of the Issuer and its Restricted Subsidiaries not so transferred for purposes of this Section 3.12, and shall comply with the provisions of this Section 3.12 with respect to the deemed sale as if it were an Asset Sale. In addition, the Fair Market Value of properties and assets of the Issuer or its Restricted Subsidiaries so deemed to be sold shall be deemed to be Net Cash Proceeds for purposes of this Section 3.12.

(l) If at any time any non-cash consideration received by the Issuer or any Restricted Subsidiary, as the case may be, in connection with any Asset Sale, is converted into or sold or otherwise disposed of for cash (other than interest received with respect to any non-cash consideration), the conversion or disposition shall be deemed to constitute an Asset Sale hereunder and the Net Cash Proceeds thereof shall be applied in accordance with this Section 3.12 within 365 days of conversion or disposition.

Section 3.13 Limitation on the Ownership of Capital Stock of Restricted Subsidiaries. The Issuer shall not permit any Person other than the Issuer or another Restricted Subsidiary to, directly or indirectly, own or control any Capital Stock of any Restricted Subsidiary, except for:

- (i) Capital Stock owned by such Person on the Issue Date;
- (ii) directors’ qualifying shares;
- (iii) the sale or Disposition of 100% of the shares of the Capital Stock of any Restricted Subsidiary held by the Issuer and its Restricted

Subsidiaries to any Person other than the Issuer or another Restricted Subsidiary effected in accordance with, as applicable, Section 3.12 and Article IV;

- (iv) in the case of a Restricted Subsidiary other than a Restricted Subsidiary that is a Wholly Owned Subsidiary,
 - (A) the issuance by that Restricted Subsidiary of Capital Stock on a *pro rata* basis to the Issuer and its Restricted Subsidiaries, on the one hand, and minority holders of Capital Stock of such Restricted Subsidiary, on the other hand (or on less than a *pro rata* basis to any minority holder); or
 - (B) sales, transfers and other dispositions of Capital Stock in a Restricted Subsidiary to the extent required by, or made pursuant to, buy/sell, put/call or similar shareholder arrangements set forth in binding agreements in effect on the Issue Date; and
- (v) the sale of Capital Stock of a Restricted Subsidiary by the Issuer or another Restricted Subsidiary or the sale or issuance by a Restricted Subsidiary of its newly-issued Capital Stock if such sale or issuance is made in compliance with Section 3.12 and either:
 - (A) such Restricted Subsidiary is no longer a Subsidiary, and the continuing Investment of the Issuer and its Restricted Subsidiaries in such former Restricted Subsidiary is in compliance with Section 3.11, or
 - (B) such Restricted Subsidiary continues to be a Restricted Subsidiary.

Section 3.14 Limitation on Designation of Unrestricted Subsidiaries.

(a) The Issuer may designate after the Issue Date any Subsidiary of the Issuer other than a Note Guarantor as an Unrestricted Subsidiary under this Indenture (a "Designation") only if:

- (i) no Default or Event of Default shall have occurred and be continuing at the time of or after giving effect to such Designation and any transactions between the Issuer or any of its Restricted Subsidiaries and such Unrestricted Subsidiary are in compliance with Section 3.18;
- (ii) at the time of and after giving effect to such Designation, the Issuer could Incur U.S.\$1.00 of additional Indebtedness pursuant to Section 3.9(a);
- (iii) the Issuer would be permitted to make an Investment at the time of Designation (assuming the effectiveness of such Designation and treating such Designation as an Investment at the time of Designation)

as a Restricted Payment pursuant to Section 3.11(a) in an amount (the "Designation Amount") equal to the amount of the Issuer's Investment in such Subsidiary on such date; and

- (iv) the terms of any Affiliate Transaction existing on the date of such Designation between the Subsidiary being designated (and its Subsidiaries) and the Issuer or any Restricted Subsidiary would be permitted under Section 3.18 if entered into immediately following such Designation.

(b) Neither the Issuer nor any Restricted Subsidiary shall at any time:

- (i) provide credit support for, subject any of its property or assets (other than the Capital Stock of any Unrestricted Subsidiary) to the satisfaction of, or Guarantee, any Indebtedness of any Unrestricted Subsidiary (including any undertaking, agreement or instrument evidencing such Indebtedness);
- (ii) be directly or indirectly liable for any Indebtedness of any Unrestricted Subsidiary; or
- (iii) be directly or indirectly liable for any Indebtedness which provides that the Holder thereof may (upon notice, lapse of time or both) declare a default thereon or cause the payment thereof to be accelerated or payable prior to its final scheduled maturity upon the occurrence of a default with respect to any Indebtedness of any Unrestricted Subsidiary.

(c) The Issuer may revoke any Designation of a Subsidiary as an Unrestricted Subsidiary (a "Revocation") only if:

- (i) no Default or Event of Default shall have occurred and be continuing at the time of and after giving effect to such Revocation; and
- (ii) all Liens and Indebtedness of such Unrestricted Subsidiary outstanding immediately following such Revocation, if Incurred at such time, would have been permitted to be Incurred for all purposes of this Indenture.

(d) The Designation of a Subsidiary of the Issuer as an Unrestricted Subsidiary shall be deemed to include the Designation of all of the Subsidiaries of such Subsidiary as Unrestricted Subsidiaries. All Designations and Revocations must be evidenced by an Officer's Certificate of the Issuer, delivered to the Trustee certifying compliance with the preceding provisions.

Section 3.15 Limitation on Dividends and Other Payment Restrictions Affecting Restricted Subsidiaries.

(a) Except as provided in clause (b) below, the Issuer shall not, and shall not cause or permit any of its Restricted Subsidiaries to, directly or indirectly, create or otherwise cause or permit to exist or become effective any consensual encumbrance or restriction on the ability of any Restricted Subsidiary to:

- (i) pay dividends or make any other distributions on or in respect of its Capital Stock to the Issuer or any other Restricted Subsidiary or pay any Indebtedness owed to the Issuer or any other Restricted Subsidiary;
- (ii) make loans or advances to, or make any Investment in, the Issuer or any other Restricted Subsidiary; or
- (iii) transfer any of its property or assets to the Issuer or any other Restricted Subsidiary.

(b) Section 3.15(a) shall not apply to encumbrances or restrictions existing under or by reason of:

- (i) applicable law, rule, regulation or order;
- (ii) this Indenture or the indenture governing the Other Notes;
- (iii) any encumbrance or restriction pursuant to an agreement in effect at or entered into on the Issue Date, and any amendments, restatements, renewals, replacements or refinancings thereof; *provided*, that any amendment, restatement, renewal, replacement or refinancing is not materially more restrictive with respect to such encumbrances or restrictions than those in existence on the Issue Date as determined in good faith by the Issuer's senior management;
- (iv) customary non-assignment provisions of any contract and customary provisions restricting assignment or subletting in any lease governing a leasehold interest of any Restricted Subsidiary, or any customary restriction on the ability of a Restricted Subsidiary to dividend, distribute or otherwise transfer any asset which secures Indebtedness secured by a Lien, in each case permitted to be Incurred under this Indenture;
- (v) any instrument governing Acquired Indebtedness not Incurred in connection with, or in anticipation or contemplation of, the relevant acquisition, merger or consolidation, which encumbrance or restriction is not applicable to any Person, or the properties or assets of any Person, other than the Person or the properties or assets of the Person so acquired;
- (vi) restrictions with respect to a Restricted Subsidiary of the Issuer imposed pursuant to a binding agreement which has been entered into

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- for the sale or disposition of Capital Stock or assets of such Restricted Subsidiary; *provided*, that such restrictions apply solely to the Capital Stock or assets of such Restricted Subsidiary being sold (and in the case of Capital Stock, its Subsidiaries);
- (vii) customary restrictions imposed on the transfer of copyrighted or patented materials;
 - (viii) an agreement governing Indebtedness Incurred to Refinance the Indebtedness issued, assumed or Incurred pursuant to an agreement referred to in clause (iii) or (v) of this Section 3.15(b); *provided*, that such Refinancing agreement is not materially more restrictive with respect to such encumbrances or restrictions than those contained in the agreement referred to in such clause (iii) or (v) as determined in good faith by the Issuer's senior management;
 - (ix) Liens permitted to be Incurred pursuant to the provisions of the covenant described under Section 3.17 that limit the right of any person to transfer the assets subject to such Liens;
 - (x) Purchase Money Indebtedness for property acquired in the ordinary course of business and Capitalized Lease Obligations that impose restrictions of the nature discussed in clause (iii) of Section 3.15(a) above on the property so acquired;
 - (xi) restrictions on cash or other deposits imposed by customers under contracts or other arrangements entered into or agreed to in the ordinary course of business not materially more restrictive than those existing on the Issue Date as determined in good faith by the Issuer's senior management;
 - (xii) customary provisions in joint venture agreements relating to dividends or other distributions in respect of such joint venture or the securities, assets or revenues of such joint venture;
 - (xiii) restrictions in Indebtedness Incurred by a Restricted Subsidiary in compliance with the covenant described under Section 3.9; *provided*, that such restrictions (A) are not materially more restrictive with respect to such encumbrances and restrictions than those such Restricted Subsidiary was subject to in agreements related to obligations referenced in clause (iii) above as determined in good faith by the Issuer's senior management or (B) constitute financial covenants or similar restrictions that limit the ability to pay dividends or make distributions upon the occurrence or continuance of a default or event of default or that would result in a default or event of default under such Indebtedness upon the declaration or payment of dividends or other distributions; and
 - (xiv) net worth provisions in leases entered into by the Issuer or any Restricted Subsidiary in the ordinary course of business not materially more restrictive than those existing on the Issue Date as determined in good faith by the Issuer's senior management.

Section 3.16 Limitation on Layered Indebtedness. The Issuer shall not, and shall not permit any Note Guarantor to, directly or indirectly, incur any Indebtedness that is subordinate in right of payment to any other Indebtedness, unless such Indebtedness is expressly subordinate in right of payment to the Notes or, in the case of a Note Guarantor, its Note Guarantee, to the same extent, on the same terms and for so long (except as a result of the provisions of the Intercreditor Agreement applicable to Facilities Agreement Indebtedness and any refinancing thereof) as such Indebtedness is subordinate to such other Indebtedness.

Section 3.17 Limitation on Liens. The Issuer shall not, and shall not cause or permit any of its Restricted Subsidiaries to, directly or indirectly, incur, grant, assume or suffer to exist any Liens of any kind (except for Permitted Liens) (a) against or upon any of their respective properties or assets, whether owned on the Issue Date or acquired after the Issue Date, or any proceeds therefrom, to secure any Indebtedness or trade payables or (b) deemed to exist in respect of Capitalized Lease Obligations (including any Capitalized Lease Obligations in respect of Sale and Leaseback Transactions), in each case, unless contemporaneously therewith effective provision is made:

- (i) in the case of the Issuer or any Restricted Subsidiary that is not a Note Guarantor, to secure the Notes and all other amounts due under this Indenture; and
- (ii) in the case of a Note Guarantor, to secure such Note Guarantor's Note Guarantee of the Notes and all other amounts due under this Indenture,

in each case, equally and ratably with such Indebtedness or other obligation (or, in the event that such Indebtedness is subordinated in right of payment to the Notes or such Note Guarantee, as the case may be, prior to such Indebtedness or other obligation) with a Lien on the same properties and assets securing such Indebtedness or other obligation for so long as such Indebtedness or other obligation is secured by such Lien.

Section 3.18 Limitation on Transactions with Affiliates.

(a) The Issuer shall not, and shall not permit any of its Restricted Subsidiaries to, directly or indirectly, enter into any transaction or series of related transactions (including, without limitation, the purchase, sale, lease or exchange of any property or the rendering of any service) with, or for the benefit of, any Affiliate of the Issuer (each an "Affiliate Transaction"), unless the terms of such Affiliate Transaction are no less favorable than those that could reasonably be expected to be obtained in a comparable transaction at such time on an arm's-length basis from a Person that is not an Affiliate of the Issuer;

(b) The provisions of Section 3.18(a) above shall not apply to:

- (i) Affiliate Transactions with or among the Issuer and any Restricted Subsidiary or between or among Restricted Subsidiaries;

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- (ii) reasonable fees and compensation paid to, and any indemnity provided on behalf of, officers, directors, employees, consultants or agents of the Issuer or any Restricted Subsidiary as determined in good faith by the Issuer's Board of Directors or, to the extent consistent with past practice, senior management;
 - (iii) Affiliate Transactions undertaken pursuant to any contractual obligations or rights in existence on the Issue Date (as in effect on the Issue Date with modifications, extensions and replacements thereof not materially adverse to the Issuer and its Restricted Subsidiaries) as determined in good faith by the Issuer's senior management;
 - (iv) any Restricted Payments in compliance with Section 3.11;
 - (v) payments and issuances of Qualified Capital Stock to any officers, directors and employees of the Issuer or any Restricted Subsidiary pursuant to any management equity plan or stock option plan or any other stock subscription or shareholder agreement, and any employment agreements, stock option plans or other compensatory arrangements (and any successor plans thereto) and any supplemental executive retirement benefit plans or arrangements with any such officers, directors or employees that are, in each case, approved in good faith by the Board of Directors or, to the extent consistent with past practice, senior management of the Issuer;
 - (vi) loans and advances to officers, directors and employees of the Issuer or any Restricted Subsidiary for travel, entertainment, moving and other relocation expenses, in each case made in the ordinary course of business in amounts consistent with the past practice of the Issuer or such Restricted Subsidiary; and
 - (vii) loans made by the Issuer or any Restricted Subsidiary to employees or directors in an aggregate amount not to exceed U.S.\$15 million (or its equivalent in another currency) at any time outstanding.

Section 3.19 Conduct of Business. The Issuer and its Restricted Subsidiaries shall not engage in any business other than a Permitted Business.

Section 3.20 Reports to Holders.

(a) Notwithstanding that the Issuer may not be subject to the reporting requirements of Section 13 or 15(d) of the Exchange Act, so long as any Notes remain outstanding, the Issuer shall:

- (i) provide the Trustee and the Holders with:
 - (A) annual reports on Form 20-F (or any successor form) containing the information required to be contained therein (or such successor form) within the time period required under the rules of the Commission for the filing of Form 20-F (or any successor form) by "foreign private issuers" (as defined in Rule 3b-4 of the Exchange Act (or any successor rule));

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- (B) reports on Form 6-K (or any successor form) including, whether or not required, unaudited quarterly financial statements (which shall include at least a balance sheet, income statement and cash flow statement) including a discussion of financial condition and results of operations of the Issuer in accordance with past practice, within 45 days after the end of each of the first three fiscal quarters of each fiscal year;
 - (C) such other reports on Form 6-K (or any successor form) promptly from time to time after the occurrence of an event that would be required to be reported on a Form 6-K (or any successor form); and
- (ii) file with the Commission, to the extent permitted, the information, documents and reports referred to in clause (i) within the periods specified for such filings under the Exchange Act (whether or not applicable to the Issuer).

(b) In addition, at any time when the Issuer is not subject to or is not current in its reporting obligations under clause (ii) of Section 3.20(a), the Issuer shall make available, upon request, to any Holder and any prospective purchaser of Notes the information required pursuant to Rule 144A(d)(4) under the Securities Act.

(c) Notwithstanding anything in this Indenture to the contrary, the Issuer shall not be deemed to have failed to comply with any of its obligations hereunder for purposes of clause (iv) of Section 6.1(a) or for any other purpose hereunder until 75 days after the date any report hereunder is due.

(d) Delivery of such reports, information and documents to the Trustee is for informational purposes only and the Trustee's receipt of such reports shall not constitute actual or constructive notice of any information contained therein or determinable from information contained therein, including the Issuer's compliance with any of its covenants hereunder (as to which the Trustee is entitled to rely exclusively on Officer's Certificates).

Section 3.21 Payment of Additional Amounts.

(a) All payments made by the Issuer or the Note Guarantors under, or with respect to, the Notes shall be made free and clear of, and without withholding or deduction for or on account of any present or future tax, duty, levy, impost, assessment or other governmental charge (including penalties, interest and other liabilities related thereto) (collectively, "Taxes") imposed or levied by or on behalf of the United States, Mexico, Spain, the Netherlands, France, the United Kingdom, Switzerland or, in the event that the Issuer appoints additional paying

agents, by the jurisdictions of such additional paying agents (a “Taxing Jurisdiction”), unless the Issuer or such Note Guarantor, as the case may be, is required to withhold or deduct Taxes by law or by the official interpretation or administration thereof.

(b) If the Issuer or any Note Guarantor is so required to withhold or deduct any amount for, or on account of, such Taxes from any payment made under or with respect to the Notes, the Issuer or such Note Guarantor, as the case may be, shall pay such additional amounts (“Additional Amounts”) as may be necessary so that the net amount received by each Holder (including Additional Amounts) after such withholding or deduction shall not be less than the amount such Holder would have received if such Taxes had not been required to be withheld or deducted; *provided, however*, that the foregoing obligation to pay Additional Amounts does not apply to:

- (i) any Taxes imposed solely because at any time there is or was a connection between the Holder and a Taxing Jurisdiction (other than the mere purchase of the Notes, or receipt of a payment or the ownership or holding of the Notes),
- (ii) any estate, inheritance, gift, sales, transfer, personal property or similar Tax imposed with respect to the Notes,
- (iii) any Taxes imposed solely because the Holder or any other person fails to comply with any certification, identification or other reporting requirement concerning the nationality, residence, identity or connection with a Taxing Jurisdiction of the Holder or any beneficial owner of the Note if compliance is required by the applicable law of the Taxing Jurisdiction as a precondition to exemption from, or reduction in the rate of, the tax, assessment or other governmental charge, and the Issuer has given the Holders at least 30 days’ notice that Holders shall be required to provide such information and identification,
- (iv) any Taxes payable otherwise than by deduction or withholding from payments on the Notes,
- (v) any Taxes imposed on a payment to or for the benefit of an individual pursuant to European Council Directive 2003/48/EC (as amended from time to time) or any law implementing or complying with, or introduced in order to conform to, such Directive,
- (vi) any Taxes that would have been avoided by presenting for payment (where presentation is required) the relevant Note to another Paying Agent,
- (vii) any Taxes with respect to such Note presented for payment more than 30 days after the date on which the payment became due and payable or the date on which payment thereof is duly provided for and notice thereof given to Holders, whichever occurs later, except to the extent

that the Holders of such Note would have been entitled to such Additional Amounts on presenting such Note for payment on any date during such 30 day period, or

- (viii) any payment on the Note to a Holder that is a fiduciary or partnership or a person other than the sole beneficial owner of any such payment, to the extent that a beneficiary or settlor with respect to such fiduciary, a member of such a partnership or the beneficial owner of the payment would not have been entitled to the Additional Amounts had the beneficiary, settlor, member or beneficial owner been the Holder of the Note.

(c) The obligations in Section 3.21(a) and Section 3.21(b) shall survive any termination or discharge of this Indenture and shall apply mutatis mutandis to any Taxing Jurisdiction with respect to any successor to the Issuer or any Note Guarantor, as the case may be. The Issuer or such Note Guarantor, as applicable, shall (i) make such withholding or deduction and (ii) remit the full amount deducted or withheld to the relevant Taxing Jurisdiction in accordance with applicable law. The Issuer or such Note Guarantor, as applicable, shall use all reasonable efforts to obtain certified copies of tax receipts evidencing the payment of any Taxes so deducted or withheld from each Taxing Jurisdiction imposing such Taxes and shall furnish such certified copies to the Trustee within 30 days after the date the payment of any Taxes so deducted or so withheld is due pursuant to applicable law or, if such tax receipts are not reasonably available to the Issuer or such Note Guarantor, as applicable, furnish such other documentation that provides reasonable evidence of such payment by the Issuer or such Note Guarantor, as applicable.

(d) The exception to the Issuer's obligations to pay Additional Amounts pursuant to clause (iii) of Section 3.21(b) will not apply if (i) the provision of information, documentation or other evidence described in such clause would be materially more onerous, in form, in procedure or in the substance of information disclosed, to a Holder or beneficial owner of a Note than comparable information or other reporting requirements imposed under U.S. tax law, regulation (including proposed regulations) and administrative practice, or (ii) Article 166, Section II, paragraph (a), of the Mexican Income Tax Law (*Ley del Impuesto Sobre la Renta*) (or a substitute or equivalent provision) is in effect, unless (A) the provision of the information, documentation or other evidence described in clause (iii) of Section 3.21 (b) is expressly required by the applicable Mexican laws and regulations in order to apply Article 166, Section II, paragraph (a), of the Mexican Income Tax Law (or substitute or equivalent provision), (B) the Issuer or any Note Guarantor cannot obtain the information, documentation or other evidence necessary to comply with the applicable Mexican laws and regulations on its own through reasonable diligence and (C) the Issuer or any Note Guarantor would not otherwise meet the requirements for application of the applicable Mexican laws and regulations.

(e) Clause (iii) of Section 3.21(b) does not require, and shall not be construed to require, that any holder, including any non-Mexican pension fund, retirement fund, tax-exempt organization or financial institution, register with the Tax Management Service (*Servicio de Administración Tributaria*) or the Mexican Ministry of Finance and Public Credit (*Secretaría de Hacienda y Crédito Público*) to establish eligibility for an exemption from, or a reduction of, Mexican withholding taxes.

(f) Any reference in this Indenture, any supplemental indenture or the Notes to principal, premium, interest or any other amount payable in respect of the Notes by the Issuer shall be deemed also to refer to any Additional Amount that may be payable with respect to that amount under the obligations referred to in this subsection. Payment of any Additional Amounts with respect to interest shall be considered as an interest payment under, or with respect to, the Notes.

(g) The Issuer will ensure that it maintains a paying agent, in a European Union Member State, that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC (as amended from time to time) or any law implementing or complying with, or introduced in order to conform to, such Directive.

(h) In the event that Additional Amounts actually paid with respect to the Notes pursuant to this Section 3.21 are based on rates of deduction or withholding of withholding taxes in excess of the appropriate rate applicable to the Holder of such Notes, and as a result thereof such Holder is entitled to make a claim for a refund or credit of such excess from the authority imposing such withholding tax, then such Holder shall, by accepting such Notes, and without any further action, be deemed to have assigned and transferred all right, title and interest to any such claim for a refund or credit of such excess to the Issuer. However, by making such assignment, the Holder makes no representation or warranty that the Issuer shall be entitled to receive such claim for a refund or credit and incurs no other obligation with respect thereto.

Section 3.22 Suspension of Covenants.

(a) During any period of time that the Notes do not have Investment Grade Ratings from two of the Rating Agencies and (i) the Consolidated Leverage Ratio of the Issuer is less than 3.5:1 and (ii) no Default or Event of Default has occurred and is continuing (the occurrence of the events described in the foregoing clauses (i) and (ii) being collectively referred to as a “Partial Covenant Suspension Event”), the Issuer and its Restricted Subsidiaries shall not be subject to the provisions of this Indenture described under Sections 3.12, 3.13, 3.14(b), 3.15, 3.18, 3.19 and 4.1(a)(i) (collectively, the “Partial Suspended Covenants”).

(b) During any period of time that (i) the Notes have Investment Grade Ratings from two of the Rating Agencies and (ii) no Default or Event of Default has occurred and is continuing (the occurrence of the events described in the foregoing clauses (i) and (ii) being collectively referred to as a “Covenant Suspension Event”), the Issuer and its Restricted Subsidiaries shall not be subject to the provisions of this Indenture described under Sections 3.9, 3.11, 3.12, 3.13, 3.14(b), 3.15, 3.16, 3.18, 3.19 and 4.1(a)(ii) (collectively, the “Suspended Covenants”).

(c) In addition, (x) no Subsidiary that is a Restricted Subsidiary on the date of the occurrence of a Partial Covenant Suspension Event (the “Partial Covenant Suspension Date”) or a Covenant Suspension Event (the “Suspension Date”) may be redesignated as an Unrestricted

Subsidiary during the Partial Suspension Period or the Suspension Period, as applicable and (y) each Additional Note Guarantor shall be released from its obligation to guarantee the Notes on the date of a Partial Covenant Suspension Event or a Covenant Suspension Event, as the case may be.

(d) The Additional Note Guarantors shall be released from their obligation to guarantee the Notes upon the occurrence of a Partial Covenant Suspension Event or a Covenant Suspension Event; *provided*, that upon the occurrence of a Partial Covenant Reversion Date or a Reversion Date, as applicable, the guarantee of the Notes by the Additional Note Guarantors shall be reinstated in accordance with and subject to the conditions in Section 3.22(e).

(e) In the event that the Issuer and its Restricted Subsidiaries are not subject to the Partial Suspended Covenants or the Suspended Covenants, as the case may be, for any period of time as a result of the foregoing, and on any subsequent date (in the case of Partial Suspended Covenants, such subsequent date being the "Partial Covenant Reversion Date" and, in the case of Suspended Covenants, such subsequent date being the "Reversion Date") (i) the Consolidated Leverage Ratio of the Issuer is not less than 3.5:1 during the applicable Partial Suspension Period or (ii) the Notes do not have Investment Grade Ratings from at least two of the Rating Agencies during the applicable Suspension Period, then in each case in clauses (i) and (ii), the Issuer and its Restricted Subsidiaries will thereafter again be subject to the Partial Suspended Covenants or the Suspended Covenants, as applicable, and the Notes will again be guaranteed by the Additional Note Guarantors (unless, solely with respect to any Additional Note Guarantor, the conditions for release as described under Section 10.2 are otherwise satisfied during the Partial Suspension Period or the Suspension Period, as applicable). The Issuer shall cause such Additional Note Guarantor to promptly execute and deliver to the Trustee a supplemental indenture hereto in form and substance reasonably satisfactory to the Trustee in accordance with the provisions of Article IX, evidencing that such Additional Note Guarantor's guarantee on substantially the terms set forth in Article X. The period of time between the Partial Covenant Suspension Date and the Partial Covenant Reversion Date is referred to as the "Partial Suspension Period" and the period of time between the Suspension Date and the Reversion Date is referred to as the "Suspension Period." Notwithstanding that the Partial Suspended Covenants, the Suspended Covenants and the guarantees by the Additional Note Guarantors may be reinstated, no Default or Event of Default will be deemed to have occurred as a result of a failure to comply with the Partial Suspended Covenants during the Partial Suspension Period or the Suspended Covenants during the Suspension Period, as the case may be (or upon termination of the applicable Partial Suspension Period or the Suspension Period or after that time based solely on events that occurred during the applicable Partial Suspension Period or the Suspension Period, as the case may be).

(f) On the Reversion Date, all Indebtedness Incurred during the Suspension Period shall be classified to have been Incurred pursuant to Section 3.9(a) or Section 3.9(b) (to the extent such Indebtedness would be permitted to be Incurred thereunder as of the Reversion Date and after giving effect to Indebtedness Incurred prior to the Suspension Period and outstanding on the Reversion Date). To the extent such Indebtedness would not be so permitted to be Incurred pursuant to Section 3.9(a) or 3.9(b), such Indebtedness shall be deemed to have been outstanding on the Issue Date, so that it is classified as permitted under clause (iii) of Section 3.9(b). Calculations made after the Reversion Date of the amount available to be made

as Restricted Payments under Section 3.11 shall be made as though Section 3.11 had been in effect since the Issue Date and throughout the Suspension Period. The Issuer will give the Trustee written notice of any occurrence of a Reversion Date not later than five (5) Business Days after such Reversion Date. After any such notice of the occurrence of a Reversion Date, the Trustee shall assume the Suspended Covenants apply and are in full force and effect. Accordingly, Restricted Payments made during the Suspension Period will reduce the amount available to be made as Restricted Payments under Section 3.11(a).

(g) The Issuer will give the Trustee written notice of any Partial Covenant Suspension Event or any Covenant Suspension Event and in any case no later than five (5) Business Days after such Partial Covenant Suspension Event or Covenant Suspension Event has occurred. In the absence of such notice, the Trustee shall assume that the Partial Suspended Covenants or the Suspended Covenants, as applicable, apply and are in full force and effect.

(h) For purposes of this Section 3.22 only, “Consolidated Leverage Ratio” and all associated definitions shall have the meaning set forth in Exhibit E hereto.

ARTICLE IV

SUCCESSOR ISSUER

Section 4.1 Merger, Consolidation and Sale of Assets.

(a) The Issuer shall not, in a single transaction or series of related transactions, consolidate or merge with or into any Person (whether or not the Issuer is the surviving or continuing Person), or sell, assign, transfer, lease, convey or otherwise dispose of all or substantially all of the Issuer’s properties and assets (determined on a consolidated basis for the Issuer and its Restricted Subsidiaries), to any Person unless:

- (i) either:
 - (A) the Issuer shall be the surviving or continuing corporation, or
 - (B) the Person (if other than the Issuer) formed by such consolidation or into which the Issuer is merged or the Person which acquires by sale, assignment, transfer, lease, conveyance or other disposition the properties and assets of the Issuer (determined on a consolidated basis for the Issuer and its Restricted Subsidiaries) substantially as an entirety (the “Successor Issuer”):
 - (1) shall be a Person organized and validly existing under the laws of Mexico, the United States of America, any State thereof or the District of Columbia, Canada, France, Belgium, Germany, Italy, Luxembourg, the Netherlands, Portugal, Spain, Switzerland or the United Kingdom, or any political subdivision thereof (the “Permitted Merger Jurisdictions”); and

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- (2) shall expressly assume, by a supplemental indenture (in form and substance satisfactory to the Trustee), executed and delivered to the Trustee, the due and punctual payment of the principal of, and premium, if any, and interest on all of the Notes and the performance and observance of every covenant of the Notes and this Indenture on the part of the Issuer to be performed or observed and provide the Trustee with an Officer's Certificate and Opinion of Counsel, and such transaction is otherwise in compliance with this Indenture;
- (ii) immediately after giving effect to such transaction and the assumption contemplated by clause (i)(B)(2) of this Section 4.1(a) (including giving effect on a pro forma basis to any Indebtedness, including any Acquired Indebtedness, Incurred or anticipated to be Incurred or discharged in connection with or in respect of such transaction), the Issuer or such Successor Issuer, as the case may be:
- (A) shall have a Consolidated Fixed Charge Coverage Ratio that shall be not less than the Consolidated Fixed Charge Coverage Ratio of the Issuer immediately prior to such transaction; or
- (B) shall be able to Incur at least U.S.\$1.00 of additional Indebtedness pursuant to Section 3.9(a);
- (iii) immediately before and immediately after giving effect to such transaction and the assumption contemplated by clause (i)(B)(2) of this Section 4.1(a) (including, without limitation, giving effect on a pro forma basis to any Indebtedness, including any Acquired Indebtedness, Incurred or anticipated to be Incurred or discharged and any Lien granted in connection with or in respect of the transaction), no Default or Event of Default shall have occurred or be continuing;
- (iv) in the case of a transaction resulting in a Successor Issuer, each Note Guarantor has confirmed by supplemental indenture that its Note Guarantee shall apply for Obligations of the Successor Issuer in respect of this Indenture and the Notes; and
- (v) if the Issuer merges with a Person, or the Successor Issuer is, organized under the laws of any of the Permitted Merger Jurisdictions, the Issuer or the Successor Issuer shall have delivered to the Trustee an Opinion of Counsel stating that, as applicable:
- (A) the Holders of the Notes shall not recognize income, gain or loss for the purposes of the income tax laws of the United States or the applicable Permitted Merger Jurisdiction as a result of the transaction and shall be taxed in the Holder's home jurisdiction in the same manner and on the same amounts (assuming solely for

this purpose that no Additional Amounts are required to be paid on the Notes) and at the same times as would have been the case if the transaction had not occurred;

- (B) any payment of interest or principal under or relating to the Notes or any Guarantees shall be paid in compliance with any requirements under Section 3.21; and
- (C) no other taxes on income, including capital gains, shall be payable by Holders of the Notes under the laws of the United States or the applicable Permitted Merger Jurisdiction relating to the acquisition, ownership or disposition of the Notes, including the receipt of interest or principal thereon; *provided*, that the Holder does not use or hold, and is not deemed to use or hold the Notes in carrying on a business in the United States or the applicable Permitted Merger Jurisdiction.

The provisions of clauses (ii) and (iii) of this Section 4.1(a) will not apply to:

- (x) any transfer of the properties or assets of a Restricted Subsidiary to the Issuer;
- (y) any merger of a Restricted Subsidiary into the Issuer; or
- (z) any merger of the Issuer into a Note Guarantor or a Wholly Owned Subsidiary of the Issuer.

For purposes of this Section 4.1, the transfer (by lease, assignment, sale or otherwise, in a single transaction or series of transactions) of all or substantially all of the properties or assets of one or more Restricted Subsidiaries of the Issuer, the Capital Stock of which constitutes all or substantially all of the properties and assets of the Issuer (determined on a consolidated basis for the Issuer and its Restricted Subsidiaries), shall be deemed to be the transfer of all or substantially all of the properties and assets of the Issuer.

The Successor Issuer will succeed to, and be substituted for, such Issuer under this Indenture and the Notes, as applicable. For the avoidance of doubt, compliance with this Section 4.1 will not affect the obligations of the Issuer (including a Successor Issuer, if applicable) under Section 3.8 if applicable.

(b) Each Note Guarantor shall not, and the Issuer shall not cause or permit any such Note Guarantor to, consolidate with or merge into, or sell or dispose of all or substantially all of its assets to, any Person (other than the Issuer) that is not a Note Guarantor unless:

- (i) such Person (if such Person is the surviving entity) (the "Successor Note Guarantor") assumes all of the obligations of such Note Guarantor in respect of its Note Guarantee by executing a supplemental indenture and providing the Trustee with an Officer's Certificate and Opinion of Counsel, and such transaction is otherwise in compliance with this Indenture;

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- (ii) such Note Guarantee is to be released as provided under Section 10.2(b); or
 - (iii) such sale or other disposition of substantially all of such Note Guarantor's assets is made in accordance with Section 3.12.

Subject to certain limitations described in this Indenture, the Successor Note Guarantor will succeed to, and be substituted for, such Note Guarantor under this Indenture and such Note Guarantor's Note Guarantee. The provisions of clauses (i), (ii) and (iii) of this Section 4.1(b) will not apply to:

- (x) any transfer of the properties or assets of a Note Guarantor to the Issuer or another Note Guarantor;
- (y) any merger of a Note Guarantor into the Issuer or another Note Guarantor; or
- (z) any merger of a Note Guarantor into a Wholly Owned Subsidiary of the Issuer.

ARTICLE V

OPTIONAL REDEMPTION OF NOTES

Section 5.1 Optional Redemption. The Issuer may redeem the Notes, at its option, in whole at any time or in part from time to time, subject to the conditions and at the redemption prices specified in the Form of Note in Exhibit A hereto.

Section 5.2 [Reserved].

Section 5.3 Notices to Trustee. If the Issuer elects to redeem the Notes pursuant to the optional redemption provisions of Section 5.1 hereof, it shall furnish to the Trustee, at least 45 days but not more than 60 days before the Redemption Date, an Officer's Certificate setting forth: (a) the Redemption Date, (b) the principal amount of Notes to be redeemed, (c) the CUSIP numbers of the Notes, (d) the redemption price and (e) the amount of interest to be paid with respect to each multiple of U.S.\$1,000 principal amount of Notes to be redeemed.

Section 5.4 Notice of Redemption.

(a) The Issuer shall prepare and mail or cause to be mailed a notice of redemption, in the manner provided for in Section 12.1, not less than 30 nor more than 60 days prior to the Redemption Date, to each Holder of Notes to be redeemed.

(b) All notices of redemption shall state:

- (i) the Redemption Date,
- (ii) the redemption price and the amount of any accrued interest payable as provided in Section 5.7,
- (iii) whether or not the Issuer is redeeming all Outstanding Notes,
- (iv) if the Issuer is not redeeming all Outstanding Notes, the aggregate principal amount of Notes that the Issuer is redeeming and the aggregate principal amount of Notes that will be Outstanding after the partial redemption, as well as the identification of the particular Notes, or portions of the particular Notes, that the Issuer is redeeming,
- (v) if the Issuer is redeeming only part of a Note, the notice that relates to that Note shall state that on and after the Redemption Date, upon surrender of that Note, the Holder will receive, without charge, a new Note or Notes of authorized denominations for the principal amount of the Note remaining unredeemed,
- (vi) that on the Redemption Date the redemption price and any accrued interest payable to the Redemption Date as provided in Section 5.7 will become due and payable in respect of each Note, or the portion of each Note, to be redeemed, and, unless the Issuer defaults in making the redemption payment, that interest on each Note, or the portion of each Note, to be redeemed, will cease to accrue on and after the Redemption Date,
- (vii) the place or places where a Holder must surrender Notes for payment of the redemption price and any accrued interest payable on the Redemption Date, and
- (viii) the CUSIP number, if any, listed in the notice or printed on the Notes, and that no representation is made as to the accuracy or correctness of such CUSIP number.

(c) At the Issuer's request, the Trustee shall give the notice of redemption in the Issuer's names and at its expense; provided, however, that the Issuer shall have delivered to the Trustee, at least 45 days prior to the Redemption Date, an Officer's Certificate requesting that the Trustee give such notice and setting forth the information to be stated in such notice as provided in the preceding Section 5.4(b).

Section 5.5 Selection of Notes to Be Redeemed in Part.

(a) If the Issuer is not redeeming all Outstanding Notes, the Trustee shall select the Notes to be redeemed in compliance with the requirements of the principal national securities exchange, if any, on which the Notes are listed or, if the Notes are not then listed on a national securities exchange, on a pro rata basis, by lot or by any other method as the Trustee shall deem fair and appropriate; provided, however, that if a partial redemption is made with the

proceeds of an Equity Offering, selection of the Notes, or portions of the Notes, for redemption shall be made by the Trustee only on a pro rata basis, or on as nearly a pro rata basis as is practicable (subject to the procedures of DTC), unless the method is otherwise prohibited. The Trustee shall make the selection from the then Outstanding Notes not previously called for redemption. The Trustee shall promptly notify the Issuer in writing of the Notes selected for redemption and, in the case of any Notes selected for partial redemption, the principal amount of the Notes to be redeemed. In the event of a partial redemption by lot, the Trustee shall select the particular Notes to be redeemed not less than 30 nor more than 60 days prior to the relevant Redemption Date from the then Outstanding Notes not previously called-for redemption. No Notes of U.S.\$200,000 principal amount or less shall be redeemed in part. The Trustee may select for redemption portions with minimum denominations of U.S.\$200,000 and in integral multiples of U.S.\$1,000 in excess thereof.

(b) For all purposes of this Indenture, unless the context otherwise requires, all provisions relating to redemption of Notes shall relate, in the case of any Note redeemed or to be redeemed only in part, to the portion of the principal amount of that Note which has been or is to be redeemed.

Section 5.6 Deposit of Redemption Price. On or prior to 10:00 a.m. New York City time, on the Business Day prior to the Redemption Date, the Issuer shall deposit with the Trustee or with a Paying Agent (or, if the Issuer or a Note Guarantor is acting as the Paying Agent, segregate and hold in trust as provided in Section 2.4) an amount of money in immediately available funds sufficient to pay the redemption price of, and accrued interest on, all the Notes that the Issuer is redeeming on that date.

Section 5.7 Notes Payable on Redemption Date. If the Issuer, or the Trustee on behalf of the Issuer, gives notice of redemption in accordance with this Article V, the Notes, or the portions of Notes, called-for redemption, shall, on the Redemption Date, become due and payable at the redemption price specified in the notice (together with accrued interest, if any, to the Redemption Date), and from and after the Redemption Date (unless the Issuer shall default in the payment of the redemption price and accrued interest) the Notes or the portions of Notes shall cease to bear interest. Upon surrender of any Note for redemption in accordance with the notice, the Issuer shall pay the Notes at the redemption price, together with accrued interest, if any, to the Redemption Date (subject to the rights of Holders of record on the relevant record date to receive interest due on the relevant Interest Payment Date). If the Issuer shall fail to pay any Note called-for redemption upon its surrender for redemption, the principal shall, until paid, bear interest from the Redemption Date at the rate borne by the Notes.

Section 5.8 Unredeemed Portions of Partially Redeemed Note. Upon surrender of a Note that is to be redeemed in part, the Issuer shall execute, and the Trustee shall authenticate and make available for delivery to the Holder of the Note, at the expense of the Issuer, a new Note or Notes, of any authorized denomination as requested by the Holder, in an aggregate principal amount equal to, and in exchange for, the unredeemed portion of the principal of the Note surrendered, *provided*, that each new Note will be in a principal amount of U.S.\$200,000 and in integral multiples of U.S.\$1,000 in excess thereof.

ARTICLE VI

DEFAULTS AND REMEDIES

Section 6.1 Events of Default.

(a) Each of the following is an “Event of Default”:

- (i) default in the payment when due of the principal of or premium, if any, on any Notes, including the failure to make a required payment to purchase Notes tendered pursuant to an optional redemption, a Change of Control Offer or an Asset Sale Offer;
- (ii) default for 30 days or more in the payment when due of interest or Additional Amounts on any Notes;
- (iii) the failure to perform or comply with any of the provisions described under Article IV;
- (iv) the failure by the Issuer or any Restricted Subsidiary to comply with, or in the case of non-guarantor Restricted Subsidiaries, to perform according to, any other covenant or agreement contained in this Indenture or in the Notes for 45 days or more after written notice to the Issuer from the Trustee or the Holders of at least 25% in aggregate principal amount of the then Outstanding Notes;
- (v) default by the Issuer or any Restricted Subsidiary under any Indebtedness which:
 - (A) is caused by a failure to pay principal of, or premium, if any, when due or interest on such Indebtedness prior to the later of the expiration of any applicable grace period provided in such Indebtedness on the date of such default or five (5) days past when due; or
 - (B) results in the acceleration of such Indebtedness prior to its stated maturity;and the principal or accreted amount of Indebtedness covered by clauses (v)(A) or (v)(B) of this Section 6.1(a) at the relevant time, aggregates U.S.\$50 million or more;
- (vi) failure by the Issuer or any of its Restricted Subsidiaries to pay one or more final judgments against any of them, aggregating U.S.\$100 million or more, which judgment(s) are not paid, discharged or stayed for a period of 60 days or more;
- (vii) a Bankruptcy Event of Default; or
- (viii) except as permitted herein, any Note Guarantee is held to be unenforceable or invalid in a judicial proceeding or ceases for any reason to be in full force and effect or any Note Guarantor, or any Person acting on behalf of any Note Guarantor, denies or disaffirms such Note Guarantor’s obligations under its Note Guarantee.

The foregoing will constitute Events of Default whatever the reason for any such Event of Default and whether it is voluntary or involuntary or is effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body.

(b) The Issuer shall deliver within 30 days to the Trustee written notice of any event which would constitute a Default or Event of Default, their status and what action the Issuer is taking or proposes to take in respect thereof.

Section 6.2 Acceleration.

(a) If an Event of Default (other than an Event of Default specified in clause (vii) of Section 6.1(a) above with respect to the Issuer) shall occur and be continuing, the Trustee or the Holders of at least 25% in principal amount of then Outstanding Notes may declare the unpaid principal of (and premium, if any) and accrued and unpaid interest on all the Notes to be immediately due and payable by notice in writing to the Issuer and the Trustee specifying the Event of Default and that it is a "notice of acceleration." If an Event of Default specified in clause (vii) of Section 6.1(a) above occurs with respect to the Issuer, then the unpaid principal of (and premium, if any) and accrued and unpaid interest on all the Notes will become immediately due and payable without any declaration or other act on the part of the Trustee or any Holder.

(b) At any time after a declaration of acceleration with respect to the Notes as described in the preceding paragraph, the Holders of a majority in principal amount of the Notes may rescind and cancel such declaration and its consequences:

- (i) if the rescission would not conflict with any judgment or decree;
- (ii) if all existing Events of Default have been cured or waived, except nonpayment of principal or interest that has become due solely because of the acceleration;
- (iii) to the extent the payment of such interest is lawful, interest on overdue installments of interest and overdue principal, which has become due otherwise than by such declaration of acceleration, has been paid; and
- (iv) if the Issuer has paid the Trustee its reasonable compensation and reimbursed the Trustee for its reasonable expenses, disbursements and advances.

Section 6.3 Other Remedies.

(a) If an Event of Default occurs and is continuing, the Trustee may pursue any available remedy to collect the payment of principal of and interest on the Notes or to enforce the performance of any provision of the Notes or this Indenture.

(b) The Trustee may maintain a proceeding even if it does not possess any of the Notes or does not produce any of them in the proceeding. A delay or omission by the Trustee or any Holder in exercising any right or remedy accruing upon an Event of Default shall not impair the right or remedy or constitute a waiver of or acquiescence in the Event of Default. No remedy is exclusive of any other remedy. All available remedies are cumulative to the extent permitted by law.

Section 6.4 Waiver of Past Defaults. Subject to Section 6.2, the Holders of a majority in principal amount of the then Outstanding Notes may waive any existing Default or Event of Default, and its consequences, except a default in the payment of the principal of, premium, if any, or interest on any Notes.

Section 6.5 Control by Majority. The Holders of a majority in principal amount of the then Outstanding Notes may direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or of exercising any trust or power conferred on the Trustee. Subject to Section 7.1 and Section 7.2, however, the Trustee may refuse to follow any direction that conflicts with law or this Indenture; *provided, however*, that the Trustee may take any other action deemed proper by the Trustee that is not inconsistent with such direction.

Section 6.6 Limitation on Suits.

(a) No Holder of any Notes shall have any right to institute any proceeding with respect hereto or for any remedy hereunder, unless:

- (i) such Holder gives to the Trustee written notice of a continuing Event of Default;
- (ii) Holders of at least 25% in principal amount of the then Outstanding Notes make a written request to pursue the remedy;
- (iii) such Holders of the Notes provide to the Trustee indemnity satisfactory to it;
- (iv) the Trustee does not comply within 60 days; and
- (v) during such 60 day period the Holders of a majority in principal amount of the then Outstanding Notes do not give the Trustee a written direction which, in the opinion of the Trustee, is inconsistent with the request;

provided, that a Holder of a Note may institute suit for enforcement of payment of the principal of and premium, if any, or interest on such Note on or after the respective due dates expressed in such Note.

Section 6.7 Rights of Holders to Receive Payment. Notwithstanding any other provision of this Indenture (including, without limitation, Section 6.6), the right of any Holder to receive payment of principal or interest on the Notes held by such Holder, on or after the respective due dates, Redemption Dates or repurchase date expressed in this Indenture or the Notes, or to bring suit for the enforcement of any such payment on or after such respective dates, shall not be impaired or affected without the consent of such Holder.

Section 6.8 Collection Suit by Trustee. If an Event of Default specified in clause (i) and (ii) of Section 6.1(a) occurs and is continuing, the Trustee may recover judgment in its own name and as trustee of an express trust against the Issuer and each Note Guarantor for the whole amount then due and owing (together with applicable interest on any overdue principal and, to the extent lawful, interest on overdue interest) and the amounts provided for in Section 7.7.

Section 6.9 Trustee May File Proofs of Claim, etc.

- (a) The Trustee may (irrespective of whether the principal of the Notes is then due):
- (i) file such proofs of claim and other papers or documents as may be necessary or advisable in order to have the claims of the Trustee and the Holders under this Indenture and the Notes allowed in any bankruptcy, insolvency, liquidation or other judicial proceedings relative to the Issuer, any Note Guarantor or any Subsidiary of the Issuer or their respective creditors or properties; and
 - (ii) collect and receive any monies or other property payable or deliverable in respect of any such claims and distribute them in accordance with this Indenture.

Any receiver, trustee, liquidator, sequestrator (or other similar official) in any such proceeding is hereby authorized by each Holder to make such payments to the Trustee and, in the event that the Trustee shall consent to the making of such payments directly to the Holders, to pay to the Trustee any amount due to it for the reasonable compensation, expenses, taxes, disbursements and advances of the Trustee, its agent and counsel, and any other amounts due to the Trustee pursuant to Section 7.7.

(b) Nothing in this Indenture shall be deemed to authorize the Trustee to authorize or consent to or accept or adopt on behalf of any Holder any plan of reorganization, arrangement, adjustment or composition affecting the Notes or the rights of any Holder thereof, or to authorize the Trustee to vote in respect of the claim of any Holder in any such proceeding.

Section 6.10 Priorities. If the Trustee collects any money or property pursuant to this Article VI, it shall pay out the money or property in the following order:

FIRST: to the Trustee for amounts due under Section 7.7;

SECOND: if the Holders proceed against the Issuer directly without the Trustee in accordance with this Indenture, to Holders for their collection costs;

THIRD: to Holders for amounts due and unpaid on the Notes for principal and interest, ratably, without preference or priority of any kind, according to the amounts due and payable on the Notes for principal and interest, respectively; and

FOURTH: to the Issuer or, to the extent the Trustee collects any amount pursuant to Article X hereof from any Note Guarantor, to such Note Guarantor, or to such party as a court of competent jurisdiction shall direct.

The Trustee may, upon notice to the Issuer, fix a record date and payment date for any payment to Holders pursuant to this Section 6.10.

Section 6.11 Undertaking for Costs. In any suit for the enforcement of any right or remedy under this Indenture or in any suit against the Trustee for any action taken or omitted by it as Trustee, a court in its discretion may require the filing by any party litigant in the suit of an undertaking to pay the costs of the suit, and the court in its discretion may assess reasonable costs, including reasonable attorneys' fees, against any party litigant in the suit, having due regard to the merits and good faith of the claims or defenses made by the party litigant. This Section 6.11 does not apply to a suit by the Trustee, a suit by the Issuer, a suit by a Holder pursuant to Section 6.7 or a suit by Holders of more than 10% in principal amount of Outstanding Notes.

ARTICLE VII

TRUSTEE

Section 7.1 Duties of Trustee.

(a) If a Default or an Event of Default has occurred and is continuing, the Trustee shall exercise the rights and powers vested in it by this Indenture and use the same degree of care and skill in their exercise as a prudent man would exercise or use under the circumstances in the conduct of his own affairs.

(b) Except during the continuance of a Default or an Event of Default:

- (i) the Trustee undertakes to perform such duties and only such duties as are specifically set forth in this Indenture and no implied covenants or obligations shall be read into this Indenture against the Trustee; and
- (ii) in the absence of bad faith on its part, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Trustee and conforming to the requirements of this Indenture. However, in the case of any such certificates or opinions that by any provisions hereof are specifically required to be furnished to the Trustee, the Trustee shall examine such certificates and opinions to determine whether or not they conform to the requirements of this Indenture.

(c) The Trustee may not be relieved from liability for its own negligent action, its own negligent failure to act or its own willful misconduct, except that:

- (i) this clause (c) does not limit the effect of clause (b) of this Section 7.1;
- (ii) the Trustee shall not be liable for any error of judgment made in good faith by a Trust Officer unless it is proved that the Trustee was negligent in ascertaining the pertinent facts; and
- (iii) the Trustee shall not be liable with respect to any action it takes or omits to take in good faith in accordance with a direction received by it pursuant to Section 6.2, 6.4 or 6.5.

(d) The Trustee shall not be liable for interest on any money received by it except as the Trustee may agree in writing with the Issuer.

(e) Money held in trust by the Trustee need not be segregated from other funds except to the extent required by law.

(f) No provision of this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur financial liability in the performance of any of its duties hereunder or in the exercise of any of its rights or powers, if it shall have reasonable grounds to believe that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

(g) Every provision of this Indenture relating to the conduct or affecting the liability of or affording protection to the Trustee shall be subject to the provisions of this Article VII.

(h) Unless otherwise specifically provided in this Indenture, any demand, request, direction or notice from the Issuer shall be sufficient if signed by an Officer of the Issuer.

(i) The Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request or direction of any of the Holders unless such Holders shall have offered to the Trustee reasonable security or indemnity against the costs, expenses (including reasonable attorneys' fees and expenses) and liabilities that might be incurred by it in compliance with such request or direction.

Section 7.2 Rights of Trustee.

Subject to Section 7.1:

(a) The Trustee may rely on any document reasonably believed by it to be genuine and to have been signed or presented by the proper person. The Trustee need not investigate any fact or matter stated in the document.

(b) Before the Trustee acts or refrains from acting at the direction of the Issuer or any Note Guarantor, it may require an Officer's Certificate or an Opinion of Counsel. The Trustee shall not be liable for any action it takes or omits to take in good faith in reliance on an Officer's Certificate or Opinion of Counsel.

(c) The Trustee may act through its attorneys and agents and shall not be responsible for the misconduct or negligence of any agent appointed with due care.

(d) The Trustee shall not be liable for any action it takes or omits to take in good faith which it believes to be authorized or within its rights or powers; provided, however, that the Trustee's conduct does not constitute willful misconduct or negligence.

(e) The Trustee may consult with counsel of its selection, and the advice or opinion of counsel with respect to legal matters relating to this Indenture and the Notes shall be full and complete authorization and protection from liability in respect to any action taken, omitted or suffered by it hereunder in good faith and in accordance with the advice or opinion of such counsel.

(f) If the Trustee shall determine, it shall be entitled to examine the books, records and premises of the Issuer, personally or by agent or attorney.

(g) The Trustee shall not be deemed to have notice of any Default or Event of Default unless a Trust Officer of the Trustee has received written notice at the Corporate Trust Office of any event which is in fact such a default, and such notice references the Notes and this Indenture.

(h) The rights, privileges, protections, immunities and benefits given to the Trustee, including, without limitation, its right to be indemnified, are extended to, and shall be enforceable by, the Trustee in each of its capacities hereunder, and to each agent, custodian and other Person employed to act hereunder.

(i) The Trustee may request that the Issuer deliver an Officer's Certificate setting forth the names of individuals and/or titles of officers authorized at such time to take specified actions pursuant to this Indenture, which Officer's Certificate may be signed by any Person authorized to sign an Officer's Certificate, including any Person specified as so authorized in any such certificate previously delivered and not superseded.

(j) The permissive rights of the Trustee enumerated herein shall not be construed as duties.

(k) In no event shall the Trustee be liable, directly or indirectly, for any special, indirect, punitive or consequential damages, even if the Trustee has been advised of the possibility of such damages.

(l) The Trustee shall not be responsible or liable for any failure or delay in the performance of its obligations under this Indenture arising out of or caused, directly or indirectly, by circumstances beyond its reasonable control, including without limitation, acts of God; earthquakes; fires; floods; wars; civil or military disturbances; sabotage; epidemics; riots,

interruptions, loss or malfunctions of utilities, computer (hardware or software) or communications service; accidents; labor disputes; acts of civil or military authority or governmental actions; it being understood that the Trustee shall use its best efforts to resume performance as soon as practicable under the circumstances.

(m) The Trustee shall at no time have any responsibility or liability for or in respect to the legality, validity or enforceability of any Collateral or any arrangement or agreement between the Issuer and any other Person with respect thereto, or the perfection or priority of any security interest created in any of the Collateral or maintenance of any perfection and priority, or for or with respect to the sufficiency of the Collateral following an Event of Default.

Section 7.3 Individual Rights of Trustee. The Trustee in its individual or any other capacity may become the owner or pledgee of Notes and may otherwise deal with the Issuer, the Note Guarantors or any Affiliate of the Issuer with the same rights it would have if it were not Trustee. Any Paying Agent, Transfer Agent, Registrar or co-Registrar may do the same with like rights. However, the Trustee must comply with Section 7.10.

Section 7.4 Trustee's Disclaimer. The Trustee shall not be responsible for and makes no representation as to the validity or adequacy of this Indenture or the Notes, it shall not be accountable for the Issuer's use of the proceeds from the Notes, and it shall not be responsible for any statement of the Issuer in this Indenture or in any document issued in connection with the sale of the Notes or in the Notes other than the Trustee's certificate of authentication.

Section 7.5 Notice of Defaults. If a Default or Event of Default occurs and is continuing and if a Trust Officer has actual knowledge thereof, the Trustee shall mail to each Holder notice of the Default or Event of Default within 90 days after the occurrence thereof. Except in the case of a Default or Event of Default in payment of principal or interest on any Note (including payments pursuant to the optional redemption or required repurchase provisions of such Note, if any), the Trustee may withhold the notice if and so long as a committee of its Trust Officers in good faith determines that withholding the notice is in the interests of the Holders.

Section 7.6 [Reserved].

Section 7.7 Compensation and Indemnity.

(a) The Issuer shall pay to the Trustee from time to time reasonable compensation for its acceptance of this Indenture and services hereunder as the Issuer and the Trustee shall from time to time agree in writing. The Trustee's compensation shall not be limited by any law on compensation of a trustee of an express trust. The Issuer shall reimburse the Trustee upon request for all reasonable out-of-pocket expenses incurred or made by it, including costs of collection, costs of preparing and reviewing reports, certificates and other documents, costs of preparation and mailing of notices to Holders and reasonable costs of counsel retained by the Trustee in connection with the review, negotiation, execution and delivery of this Indenture or otherwise, in addition to the compensation for its services. Such expenses shall include the reasonable compensation and expenses, disbursements and advances of the Trustee's agents, counsel, accountants and experts.

(b) The Issuer and each Note Guarantor shall jointly and severally indemnify the Trustee against any and all loss, liability or expense (including reasonable attorneys' fees and expenses) incurred by it without negligence, willful misconduct or bad faith on its part in connection with the acceptance and administration of this trust and the performance of its duties hereunder, including the costs and expenses of enforcing this Indenture (including this [Section 7.7](#)) and of defending itself against any claims (whether asserted by any Holder, the Issuer, any Note Guarantor or otherwise). The Trustee shall notify the Issuer and each Note Guarantor promptly of any claim for which it may seek indemnity. Failure by the Trustee to so notify the Issuer or any Note Guarantor shall not relieve the Issuer or any Note Guarantor of its obligations hereunder. The Issuer shall defend the claim and the Trustee may have separate counsel and the Issuer shall pay the fees and expenses of such counsel; *provided*, that the Issuer shall not be required to pay such fees and expenses if it assumes the Trustee's defense, and, in the reasonable judgment of outside counsel to the Trustee, there is no conflict of interest between the Issuer and the Trustee in connection with such defense. The Issuer need not reimburse any expense or indemnify against any loss, liability or expense incurred by the Trustee through the Trustee's own willful misconduct, negligence or bad faith.

(c) To secure the Issuer's payment obligations in this [Section 7.7](#), the Trustee shall have a lien prior to the Notes on all money or property held or collected by the Trustee other than money or property held in trust to pay principal of and interest on particular Notes. The Trustee's right to receive payment of any amounts due under this [Section 7.7](#) shall not be subordinate to any other liability or Indebtedness of the Issuer.

(d) The Issuer's obligations pursuant to this [Section 7.7](#) shall survive the discharge of this Indenture and the resignation or removal of the Trustee. When the Trustee incurs expenses after the occurrence of a Bankruptcy Event of Default, the expenses are intended to constitute expenses of administration under any Bankruptcy Law; *provided, however*, that this shall not affect the Trustee's rights as set forth in this [Section 7.7](#) or [Section 6.10](#).

Section 7.8 [Replacement of Trustee](#).

(a) The Trustee may resign at any time by so notifying the Issuer. The Holders of a majority in principal amount of the then Outstanding Notes may remove the Trustee by so notifying the Trustee and may appoint a successor Trustee reasonably acceptable to the Issuer. The Issuer shall remove the Trustee if:

- (i) the Trustee fails to comply with [Section 7.10](#);
- (ii) the Trustee is adjudged bankrupt or insolvent;
- (iii) a receiver or other public officer takes charge of the Trustee or its property; or
- (iv) the Trustee otherwise becomes incapable of acting.

(b) If the Trustee resigns or is removed by the Issuer or by the Holders of a majority in principal amount of the then Outstanding Notes and such Holders do not reasonably promptly appoint a successor Trustee, or if a vacancy exists in the office of the Trustee for any reason (the Trustee in such event being referred to herein as the retiring Trustee), the Issuer shall promptly appoint a successor Trustee.

(c) A successor Trustee shall deliver a written acceptance of its appointment to the retiring Trustee and to the Issuer. Thereupon the resignation or removal of the retiring Trustee shall become effective, and the successor Trustee shall have all the rights, powers and duties of the Trustee under this Indenture. The successor Trustee shall mail a notice of its succession to Holders. The retiring Trustee shall promptly transfer all property held by it as Trustee to the successor Trustee, subject to the lien provided for in Section 7.7(c).

(d) If a successor Trustee does not take office within 30 days after the retiring Trustee resigns or is removed, the retiring Trustee or the Holders of 10% in principal amount of the then Outstanding Notes may petition, at the Issuer's expense, any court of competent jurisdiction for the appointment of a successor Trustee.

(e) If the Trustee fails to comply with Section 7.10, any Holder may petition any court of competent jurisdiction for the removal of the Trustee and the appointment of a successor Trustee.

(f) Notwithstanding the replacement of the Trustee pursuant to this Section 7.8, the Issuer's obligations under Section 7.7 shall continue for the benefit of the retiring Trustee.

Section 7.9 Successor Trustee by Merger.

(a) If the Trustee consolidates with, merges or converts into, or transfers all or substantially all its corporate trust business or assets to, another Person, the resulting, surviving or transferee Person without any further act shall be the successor Trustee.

(b) In case at the time such successor or successors to the Trustee shall succeed to the trusts created by this Indenture, any of the Notes shall have been authenticated but not delivered, any such successor to the Trustee may adopt the certificate of authentication of any predecessor trustee, and deliver such Notes so authenticated; and in case at that time any of the Notes shall not have been authenticated, any successor to the Trustee may authenticate such Notes either in the name of any predecessor hereunder or in the name of the successor to the Trustee; and in all such cases such certificates of authentication and such delivery shall be valid for purposes of this Indenture.

Section 7.10 Eligibility; Disqualification. The Trustee shall at all times be a Trustee hereunder that is a Person organized and doing business under the laws of the United States or of any state thereof that is authorized under such laws to exercise corporate trustee power, that is subject to supervision or examination by federal or state authorities and that has, together with its parent, a combined capital and surplus of at least U.S.\$50,000,000 as set forth in its most recent published annual report of condition.

Section 7.11 [Reserved].

Section 7.12 [Reserved].

Section 7.13 Authorization and Instruction of the Trustee With Respect to the Collateral. Each Holder and the Issuer authorize and instruct the Trustee (a) to enter into (or cause an agent or grant such powers of attorney to enter into), on its own behalf and on behalf of the Holders of Notes, such documents (the “Security Documents”) as are necessary or desirable (which shall be evidenced by a written instruction from the Issuer to the Trustee) in order to create and maintain the security interest of the Trustee and the Holders of Notes in the Collateral as may from time to time be provided to equally and ratably secure the Notes, (b) to grant such powers of attorney and to do or cause to be done all such acts and things, on its own behalf and in the name and on behalf of the Holders of Notes, as are necessary or desirable (which shall be evidenced by a written instruction from the Issuer to the Trustee) to create and maintain the security interest of the Trustee and the Holders of Notes in such Collateral, (c) to appoint the Security Agent to serve as direct representative of the Trustee and the Holders of Notes in connection with the creation and maintenance of the security interest of the Trustee and the Holders of Notes in such Collateral, (d) to accept the security interest in the Collateral on behalf of each Holder, and (e) to grant powers in favor of an attorney to execute an accession public deed before a Spanish notary public accepting the security interest in the Collateral on behalf of the Holders of Notes. It is understood and acknowledged that, in certain circumstances, the Security Documents may be amended, modified or waived without the consent of the Trustee or the Holders of Notes. It is understood and acknowledged that the Security Agent, in addition to being appointed by and acting on behalf of the Trustee and the Holders of Notes, has also been appointed by and is acting on behalf of (and may in the future be appointed by and act on behalf of) other creditors of the Issuer and its Subsidiaries. The Trustee will not have the right to cause the Security Agent to foreclose on the Collateral upon the occurrence of an Event of Default in respect of the Notes. The Trustee shall at no time have any responsibility or liability for or in respect to the legality, validity or enforceability of any Collateral or any arrangement or agreement between the Issuer and any other Person with respect thereto, or the perfection or priority of any security interest created in any of the Collateral or maintenance of any perfection and priority, or for or with respect to the sufficiency of the Collateral following an Event of Default.

ARTICLE VIII

DEFEASANCE; DISCHARGE OF INDENTURE

Section 8.1 Legal Defeasance and Covenant Defeasance.

(a) The Issuer may, at its option, at any time, elect to have either Section 8.1(b) or (c) be applied to all Outstanding Notes upon compliance with the conditions set forth in Section 8.2.

(b) Upon the Issuer’s exercise under Section 8.1(a) of the option applicable to this clause (b), the Issuer shall, subject to the satisfaction of the conditions set forth in Section 8.2, be deemed to have been discharged from its obligations with respect to all Outstanding

Notes on the date all of the conditions set forth in Section 8.2 are satisfied (hereinafter, "Legal Defeasance"). For this purpose, Legal Defeasance means that the Issuer shall be deemed to have paid and discharged the entire Indebtedness represented by the then Outstanding Notes, which shall thereafter be deemed to be Outstanding only for the purposes of Section 8.3 hereof and the other sections of this Indenture referred to in subclause (i) or (ii) of this clause (b), and to have satisfied all its other obligations under such Notes and this Indenture (and the Trustee, on demand of and at the expense of the Issuer, shall execute proper instruments acknowledging the same), except for the following provisions, which shall survive until otherwise terminated or discharged hereunder:

- (i) the rights of Holders of Outstanding Notes to receive solely from the trust fund described in Section 8.3, and as more fully set forth in Section 2.4 payments in respect of the principal of, premium, if any, and interest on such Notes when such payments are due,
- (ii) the Issuer's obligations with respect to such Notes under Article II and Section 3.2 hereof,
- (iii) the rights, powers, trusts, duties and immunities of the Trustee hereunder and the Issuer's obligations in connection therewith, and
- (iv) this Article VIII.

Subject to compliance with this Article VIII, the Issuer may exercise its option under this clause (b) notwithstanding the prior exercise of its option under Section 8.1(c) hereof.

(c) Upon the Issuer's exercise under Section 8.1(a) hereof of the option applicable to this clause (c), the Issuer shall, subject to the satisfaction of the applicable conditions set forth in Section 8.2, be released from its obligations under Sections 3.4, 3.5, 3.8, 3.9, 3.11, 3.12, 3.13, 3.14, 3.15, 3.16, 3.17, 3.18, 3.19, 3.20, 3.21, 3.22, 4.1(a) and 4.1(b) hereof with respect to the then Outstanding Notes on and after the date the conditions set forth below are satisfied (hereinafter, "Covenant Defeasance"), and the Notes shall thereafter be deemed not Outstanding for the purposes of any direction, waiver, consent or declaration or act of Holders (and the consequences of any thereof) in connection with such covenants, but shall continue to be Outstanding for all other purposes hereunder (it being understood that such Notes shall not be deemed Outstanding for accounting purposes). For this purpose, such Covenant Defeasance means that, with respect to the then Outstanding Notes, the Issuer may omit to comply with and shall have no liability in respect of any term, condition or limitation set forth in any such covenant, whether directly or indirectly, by reason of any reference elsewhere herein to any such covenant or by reason of any reference in any such covenant to any other provision herein or in any other document and such omission to comply shall not constitute a Default or an Event of Default under clause (iii) of Section 6.1(a) (solely with respect to any failure to perform under or comply with clause (ii) or (iii) of Section 4.1(a)), clause (iv) of Section 6.1(a) or clause (v) of Section 6.1(a) hereof, but, except as specified above, the remainder of this Indenture and such Notes shall be unaffected thereby.

Section 8.2 Conditions to Defeasance. The Issuer may exercise its Legal Defeasance option or its Covenant Defeasance option only if:

(a) the Issuer has irrevocably deposited with the Trustee, in trust, for the benefit of the Holders cash in U.S. Legal Tender or U.S. Government Obligations, in such amounts as will be sufficient without reinvestment, in the opinion of a nationally recognized firm of independent public accountants, to pay the principal of, premium, if any, and interest (including Additional Amounts) on the Notes on the stated date for payment thereof or on the applicable Redemption Date, as the case may be;

(b) in the case of Legal Defeasance, the Issuer has delivered to the Trustee an Opinion of Counsel reasonably acceptable to the Trustee (subject to customary exceptions and exclusions) and independent of the Issuer to the effect that:

- (i) the Issuer has received from, or there has been published by, the Internal Revenue Service a ruling; or
- (ii) since the Issue Date, there has been a change in the applicable U.S. federal income tax law,

in either case to the effect that, and based thereon such Opinion of Counsel shall state that, the Holders will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such Legal Defeasance and will be subject to U.S. federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Legal Defeasance had not occurred;

(c) in the case of Covenant Defeasance, the Issuer has delivered to the Trustee an Opinion of Counsel reasonably acceptable to the Trustee (subject to customary exceptions and exclusions) to the effect that the Holders will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such Covenant Defeasance and will be subject to U.S. federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Covenant Defeasance had not occurred;

(d) no Default or Event of Default shall have occurred and be continuing on the date of the deposit pursuant to Section 8.2(a) (except any Default or Event of Default resulting from the failure to comply with Section 3.9 as a result of the borrowing of the funds required to effect such deposit);

(e) the Trustee has received an Officer's Certificate stating that such Legal Defeasance or Covenant Defeasance shall not result in a breach or violation of, or constitute a default under this Indenture or any other material agreement or instrument to which the Issuer or any of its Subsidiaries is a party or by which the Issuer or any of its Subsidiaries is bound;

(f) the Issuer has delivered to the Trustee an Officer's Certificate stating that the deposit was not made by the Issuer with the intent of preferring the Holders over any other creditors of the Issuer or any Subsidiary of the Issuer or with the intent of defeating, hindering, delaying or defrauding any other creditors of the Issuer or others;

(g) the Issuer has delivered to the Trustee an Officer's Certificate and an Opinion of Counsel from counsel reasonably acceptable to the Trustee (subject to customary exceptions and exclusions) and independent of the Issuer, each stating that all conditions precedent provided for or relating to the Legal Defeasance or the Covenant Defeasance have been complied with; and

(h) the Issuer has delivered to the Trustee an Opinion of Counsel from counsel reasonably acceptable to the Trustee and independent of the Issuer to the effect that the trust resulting from the deposit does not constitute, or is qualified as, a regulated investment company under the Investment Company Act of 1940.

Section 8.3 Application of Trust Money. The Trustee shall hold in trust U.S. Legal Tender or U.S. Government Obligations deposited with it pursuant to this Article VIII. It shall apply the deposited U.S. Legal Tender or U.S. Government Obligations through the Paying Agent and in accordance with this Indenture to the payment of principal of and interest on the Notes.

Section 8.4 Repayment to Issuer.

(a) The Trustee and the Paying Agent shall promptly turn over to the Issuer upon request any excess money or securities held by them upon payment of all the obligations under this Indenture.

(b) Subject to any applicable abandoned property law, the Trustee and the Paying Agent shall pay to the Issuer upon request any money held by them for the payment of principal of, premium or interest on the Notes that remains unclaimed for two years, and, thereafter, Holders entitled to the money must look to the Issuer for payment as general creditors.

Section 8.5 Indemnity for U.S. Government Obligations. The Issuer shall pay and shall indemnify the Trustee against any tax, fee or other charge imposed on or assessed against deposited U.S. Government Obligations or the principal and interest received on such U.S. Government Obligations.

Section 8.6 Reinstatement. If the Trustee or Paying Agent is unable to apply any U.S. Legal Tender or U.S. Government Obligations in accordance with this Article VIII by reason of any legal proceeding or by reason of any order or judgment of any court or governmental authority enjoining, restraining or otherwise prohibiting such application, the obligations of the Issuer under this Indenture and the Notes shall be revived and reinstated as though no deposit had occurred pursuant to this Article VIII until such time as the Trustee or Paying Agent is permitted to apply all such U.S. Legal Tender or U.S. Government Obligations in accordance with this Article VIII; *provided, however*, that, if the Issuer has made any payment of principal of, premium or interest on any Notes because of the reinstatement of its obligations, the Issuer shall be subrogated to the rights of the Holders of such Notes to receive such payment from U.S. Legal Tender or U.S. Government Obligations held by the Trustee or Paying Agent.

Section 8.7 Satisfaction and Discharge. This Indenture will be discharged and will cease to be of further effect (except as to surviving rights of registration of transfer or exchange of the Notes, as expressly provided for in this Indenture) as to all Outstanding Notes when:

(a) either:

- (i) all the Notes theretofore authenticated and delivered (except lost, stolen or destroyed Notes which have been replaced or paid and Notes for whose payment money has theretofore been deposited in trust or segregated and held in trust by the Issuer and thereafter repaid to the Issuer or discharged from such trust) have been delivered to the Trustee for cancellation; or
- (ii) all Notes not theretofore delivered to the Trustee for cancellation have become due and payable, and the Issuer has irrevocably deposited or caused to be deposited with the Trustee U.S. Legal Tender or U.S. Government Obligations sufficient without reinvestment to pay and discharge the entire Indebtedness on the Notes not theretofore delivered to the Trustee for cancellation, for principal of, premium, if any, and interest on the Notes to the date of deposit, together with irrevocable instructions from the Issuer directing the Trustee to apply such funds to the payment;

(b) the Issuer has paid all other sums payable under this Indenture and the Notes by it; and

(c) the Issuer has delivered to the Trustee an Officer's Certificate and an Opinion of Counsel stating that all conditions precedent under this Indenture relating to the satisfaction and discharge of this Indenture have been complied with.

ARTICLE IX

AMENDMENTS

Section 9.1 Without Consent of Holders.

(a) The Issuer, the Note Guarantors and the Trustee may amend or supplement this Indenture, the Notes or the Note Guarantees without notice to or consent of any Holder:

- (i) to cure any ambiguity, omission, defect or inconsistency;
- (ii) to comply with Article IV in respect of the assumption by a Successor Issuer of the obligations of the Issuer under the Notes and this Indenture;
- (iii) to provide for uncertificated Notes in addition to or in place of Certificated Notes; provided, however, that the uncertificated Notes are issued in registered form for purposes of Section 163(f) of the Code;
- (iv) to add guarantees with respect to the Notes or to secure the Notes;

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- (v) to add to the covenants of the Issuer or the Note Guarantors for the benefit of the Holders or to surrender any right or power herein conferred upon the Issuer or the Note Guarantors;
 - (vi) to make any change that does not, in the opinion of the Issuer, as conclusively evidenced by an Officer's Certificate to such effect, adversely affect the rights of any Holder in any material respect;
 - (vii) to conform the text of this Indenture, the Note Guarantees or the Notes to any provision of the section "Description of Notes" in the Offering Memorandum to the extent that such provision in such "Description of Notes" was intended to be a verbatim recitation of a provision of this Indenture or the Notes or Note Guarantees;
 - (viii) to comply with the requirements of any applicable securities depositary;
 - (ix) to provide for the issuance of Additional Notes as permitted by Section 2.2(c) and Section 2.14, which will have terms substantially identical to the other Outstanding Notes except as specified in Section 2.13, or Section 2.14, and which will be treated, together with any other Outstanding Notes, as a single issue of securities; or
 - (x) in order to effect and maintain the listing of the Notes on the Global Exchange Market of the Irish Stock Exchange.

(b) After an amendment or supplement under this Section 9.1 becomes effective, the Issuer shall mail to Holders a notice briefly describing such amendment. The failure to give such notice to all Holders, or any defect therein, shall not impair or affect the validity of an amendment under this Section 9.1.

Section 9.2 With Consent of Holders.

(a) The Issuer, the Note Guarantors and the Trustee may amend or supplement this Indenture or the Notes without notice to any Holder but with the written consent of the Holders of at least a majority in principal amount of the then Outstanding Notes (including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, Notes). Subject to Section 6.4, the Holder or Holders of a majority in aggregate principal amount of the then Outstanding Notes may waive compliance by the Issuer and the Note Guarantors with any provision of this Indenture or the Notes. However, without the consent of each Holder affected, an amendment, supplement or waiver may not:

- (i) reduce the amount of Notes whose Holders must consent to an amendment, supplement or waiver;
- (ii) reduce the rate of or change or have the effect of changing the time for payment of interest, including Defaulted Interest, on any Notes;

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- (iii) reduce the principal of or change or have the effect of changing the fixed maturity of any Notes, or change the date on which any Notes may be subject to redemption, or reduce the redemption price therefor;
 - (iv) make any Notes payable in money other than that stated in the Notes;
 - (v) make any change in the provisions of this Indenture entitling each Holder to receive payment of principal of, premium, if any, and interest on such Notes on or after the due date thereof or to bring suit to enforce such payment, or permitting Holders of a majority in principal amount of the then Outstanding Notes to waive Defaults or Events of Default;
 - (vi) amend, change or modify in any material respect any obligations of the Issuer to make and consummate a Change of Control Offer in respect of a Change of Control that has occurred or make and consummate an Asset Sale Offer with respect to any Asset Sale that has been consummated;
 - (vii) make any change in the provisions of this Indenture described under Section 3.21 that adversely affects the rights of any Holder or amend the terms of the Notes in a way that would result in a loss of exemption from Taxes; or
 - (viii) make any change to the provisions of this Indenture or the Notes that adversely affect the ranking of the Notes.

(b) It shall not be necessary for the consent of the Holders under this Section 9.2 to approve the particular form of any proposed amendment, supplement or waiver but it shall be sufficient if such consent approves the substance thereof.

(c) After an amendment, supplement or waiver under this Section 9.2 becomes effective, the Issuer shall mail to Holders a notice briefly describing such amendment, supplement or waiver. The failure to give such notice to all Holders, or any defect therein, shall not impair or affect the validity of an amendment, supplement or waiver under this Section 9.2.

(d) The Notes issued on the Issue Date, and any Additional Notes part of the same series, will be treated as a single series for all purposes under this Indenture, including with respect to waivers and amendments. For the purposes of calculating the aggregate principal amount of Notes that have consented to or voted in favor of any amendment, waiver, consent, modifications or other similar action, the Issuer (acting reasonably and in good faith) shall be entitled to select a record date as of which the principal amount of any Notes shall be calculated in such consent or voting process.

Section 9.3 [Reserved].

Section 9.4 Revocation and Effect of Consents and Waivers.

(a) A consent to an amendment, supplement or waiver by a Holder of a Note shall bind the Holder and every subsequent Holder of that Note or portion of the Note that evidences the same debt as the consenting Holder's Note, even if notation of the consent or waiver is not made on the Note. However, any such Holder or subsequent Holder may revoke the consent or waiver as to such Holder's Note or portion of the Note if the Trustee receives the notice of revocation before the date the amendment, supplement or waiver becomes effective. After an amendment, supplement or waiver becomes effective, it shall bind every Holder, except as otherwise provided in this Article IX. An amendment, supplement or waiver shall become effective upon receipt by the Trustee of the requisite number of written consents under Section 9.2.

(b) The Issuer may, but shall not be obligated to, fix a record date for the purpose of determining the Holders entitled to give their consent or take any other action described above or required or permitted to be taken pursuant to this Indenture. If a record date is fixed, then notwithstanding the immediately preceding paragraph, those Persons who were Holders at such record date (or their duly designated proxies), and only those Persons, shall be entitled to give such consent or to revoke any consent previously given or to take any such action, whether or not such Persons continue to be Holders after such record date. No such consent shall be valid or effective for more than 90 days after such record date.

Section 9.5 Notation on or Exchange of Notes. If an amendment or supplement changes the terms of a Note, the Trustee may require the Holder of the Note to deliver it to the Trustee. The Trustee may place an appropriate notation on the Note regarding the changed terms and return it to the Holder. Alternatively, if the Issuer or the Trustee so determines, the Issuer, in exchange for the Note, will execute and upon Issuer Order, the Trustee will authenticate and make available for delivery a new Note that reflects the changed terms. Failure to make the appropriate notation or to issue a new Note shall not affect the validity of such amendment or supplement.

Section 9.6 Trustee to Sign Amendments and Supplements. The Trustee shall sign any amendment, supplement or waiver authorized pursuant to this Article IX if the amendment or supplement does not adversely affect the rights, duties, liabilities or immunities of the Trustee. If it does, the Trustee may but need not sign it. In signing such amendment, supplement or waiver, the Trustee shall be entitled to receive indemnity reasonably satisfactory to it and to receive, and (subject to Section 7.1 and Section 7.2) shall be fully protected in relying upon, in addition to the documents required by Section 12.4, an Opinion of Counsel and an Officer's Certificate each stating that such amendment, supplement or waiver is authorized or permitted by this Indenture and that all conditions precedent to the execution of such amendment, supplement or waiver have been complied with.

ARTICLE X

NOTE GUARANTEES

Section 10.1 Note Guarantees.

(a) Each Note Guarantor hereby fully and unconditionally guarantees, as primary obligor and not merely as surety, jointly and severally with each other Note Guarantor, to each Holder and the Trustee, the full and punctual payment when due, whether at maturity, by acceleration, by redemption or otherwise, of the Obligations (such guaranteed Obligations, the "Guaranteed Obligations"). Each Note Guarantor further agrees that its Note Guarantee herein constitutes a guarantee of payment when due (and not a guarantee of collection) and agrees to pay, in addition to the amounts stated in Section 10.1(f), any and all expenses (including reasonable counsel fees and expenses) incurred by the Trustee or the Holders in enforcing or exercising any rights under any Note Guarantee.

(b) In no event shall the Trustee or the Holders be obligated to take any action, obtain any judgment or file any claim prior to enforcing or exercising any rights under any Note Guarantee.

(c) Each Note Guarantor further agrees that its Note Guarantee constitutes an absolute and unconditional and continuing guarantee. Each Note Guarantor hereby waives, to the extent permitted by law:

- (i) any claim as to the legality, validity, regularity or enforceability of this Indenture, the Notes or any other agreement;
- (ii) any claim as to the lack of authority of the Issuer to execute or deliver this Indenture, the Notes or any other agreement;
- (iii) diligence, presentation to, demand of payment from and protest to the Issuer of any of the Obligations and notice of protest for nonpayment;
- (iv) the occurrence of any Default or Event of Default under this Indenture, the Notes or any other agreement;
- (v) notice of any Default or Event of Default under this Indenture, the Notes or any other agreement;
- (vi) the failure of the Trustee or any Holder to assert any claim or demand or to enforce any right or remedy against the Issuer or any other Person under this Indenture, the Notes or any other agreement;
- (vii) any extension or renewal of the Obligations, this Indenture, the Notes or any other agreement;
- (viii) any rescission, waiver, amendment or modification of any of the terms or provisions of this Indenture, the Notes or any other agreement;
- (ix) the existence of any bankruptcy, insolvency, reorganization or similar proceedings involving the Issuer;

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- (x) any setoff, counterclaim, recoupment, termination or defense of any kind or nature which may be available to or asserted by any Note Guarantor or the Issuer against the Holders or the Trustee;
 - (xi) any impairment, taking, furnishing, exchange or release of, or failure to perfect or obtain protection of any security interest in, any collateral securing this Indenture and the Notes and any right to require that any resort be had by the Trustee or any Holder to any such collateral;
 - (xii) the failure of the Trustee or any Holder to exercise any right or remedy against any other Note Guarantor;
 - (xiii) any change in the ownership of the Issuer;
 - (xiv) any change in the laws, rules or regulations of any jurisdiction;
 - (xv) any present or future action of any governmental authority or court amending, varying, reducing or otherwise affecting, or purporting to amend, vary, reduce or otherwise affect, any of the obligations of the Issuer under this Indenture or the Notes or of any Note Guarantor under its Note Guarantee; and
 - (xvi) any other act or thing or omission or delay to do any other act or thing which may or might in any manner or to any extent vary the risk of each Note Guarantor or would otherwise operate as a discharge of such Note Guarantor as a matter of law or equity.

(d) Each of the Note Guarantors further expressly waives irrevocably and unconditionally:

- (i) Any right it may have to first require any Holder to proceed against, initiate any actions before a court of law or any other judge or authority, or enforce any other rights or security or claim payment from the Issuer or any other Person (including any Note Guarantor or any other guarantor of the Notes) before claiming from it under this Indenture;
- (ii) Any right to which it may be entitled to have the assets of the Issuer or any other Person (including any Note Guarantor or any other guarantor of the Notes) first be used, applied or depleted as payment of the Issuer's or the Note Guarantors' obligations hereunder, prior to any amount being claimed from or paid by any of the Note Guarantors hereunder;
- (iii) Any right to which it may be entitled to have claims hereunder divided between the Note Guarantors;

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- (iv) To the extent applicable, the benefits of *orden*, *excusión*, *división*, *quita* and *espera* and any right specified in articles 2814, 2815, 2817, 2818, 2819, 2820, 2821, 2822, 2823, 2826, 2837, 2838, 2839, 2840, 2845, 2846, 2847 and any other related or applicable articles that are not explicitly set forth herein because of Note Guarantor's knowledge thereof of the *Código Civil Federal* of Mexico, and the *Código Civil* of each State of the Mexican Republic and the Federal District of Mexico.

(e) The obligations assumed by each Note Guarantor hereunder shall not be affected by the absence of judicial request of payment by a Holder to the Issuer or by whether any such person takes timely action pursuant to articles 2848 and 2849 of the *Código Civil Federal* of Mexico and the *Código Civil* of each State of the Mexican Republic and the Federal District of Mexico and each Note Guarantor hereby expressly waives the provisions of such articles.

(f) The obligations of each Note Guarantor hereunder shall not be subject to any reduction, limitation, impairment or termination for any reason (other than payment of the Obligations in full), including any claim of waiver, release, surrender, alteration or compromise, and shall not be subject to any defense of setoff, counterclaim, recoupment or termination whatsoever or by reason of the invalidity, illegality or unenforceability of the Obligations or otherwise. Without limiting the generality of the foregoing, the obligations of each Note Guarantor herein shall not be discharged or impaired or otherwise affected by the failure of any Holder to assert any claim or demand or to enforce any remedy under this Indenture, the Notes or any other agreement, by any waiver or modification of any thereof, by any default, failure or delay, willful or otherwise, in the performance of the Obligations, or by any other act or thing or omission or delay to do any other act or thing which may or might in any manner or to any extent vary the risk of such Note Guarantor or would otherwise operate as a discharge of such Note Guarantor as a matter of law or equity.

(g) Except as provided in Section 10.2, the obligations of each Note Guarantor hereunder shall not be subject to any reduction, limitation, impairment or termination for any reason other than payment of the Obligations in full.

(h) Each Note Guarantor further agrees that its Note Guarantee herein shall continue to be effective or be reinstated, as the case may be, if at any time payment, or any part thereof, of principal of or interest on any of the Obligations is rescinded or must otherwise be restored by any Holder upon the bankruptcy or reorganization of the Issuer or otherwise.

(i) In furtherance of the foregoing and not in limitation of any other right which the Trustee or any Holder has at law or in equity against each Note Guarantor by virtue hereof, upon the failure of the Issuer to pay any of the Obligations when and as the same shall become due, whether at maturity, by acceleration, by redemption or otherwise, each Note Guarantor hereby promises to and will, upon receipt of written demand by the Trustee, forthwith pay, or cause to be paid, in cash, to the Holders an amount equal to the sum of:

- (i) the unpaid amount of such Obligations then due and owing; and
- (ii) accrued and unpaid interest on such Obligations then due and owing (but only to the extent not prohibited by law);

provided, that any delay by the Trustee in giving such written demand shall in no event affect any Note Guarantor's obligations under its Note Guarantee.

(j) Each Note Guarantor further agrees that, as between such Note Guarantor, on the one hand, and the Holders, on the other hand:

- (i) the maturity of the Obligations guaranteed hereby may be accelerated as provided in this Indenture for the purposes of its Note Guarantee herein, notwithstanding any stay, injunction or other prohibition preventing such acceleration in respect of the Obligations guaranteed hereby; and
- (ii) in the event of any such declaration of acceleration of such Obligations, such Obligations (whether or not due and payable) shall forthwith become due and payable by the Note Guarantor for the purposes of this Note Guarantee.

Section 10.2 Limitation on Liability; Termination, Release and Discharge.

(a) Subject to the limitations set out in Section 10.5 and Section 10.6, the obligations of each Note Guarantor hereunder will be limited to the maximum amount as will, after giving effect to all other contingent and fixed liabilities of such Note Guarantor and after giving effect to any collections from or payments made by or on behalf of any other Note Guarantor in respect of the obligations of such other Note Guarantor under its Note Guarantee or pursuant to its contribution obligations under this Indenture, result in the obligations of such Note Guarantor under its Note Guarantee not constituting a fraudulent conveyance or fraudulent transfer under federal or state law.

(b) A Note Guarantor will be released and relieved of its obligations under its Note Guarantee in the event that:

- (i) there is a Legal Defeasance of the Notes pursuant to Article VIII;
- (ii) there is a sale or other disposition of Capital Stock of such Note Guarantor following which such Note Guarantor is no longer a direct or indirect Subsidiary of the Issuer;
- (iii) such Note Guarantor is designated as an Unrestricted Subsidiary in accordance with Section 3.14;
- (iv) solely with respect to an Additional Note Guarantor, either (A) the Facilities Agreement Indebtedness has been repaid in full and such Additional Note Guarantor is not a guarantor of the Indebtedness Incurred to refinance such Facilities Agreement Indebtedness or (B) at least 85% of the outstanding Indebtedness of the Issuer and its Restricted Subsidiaries is not guaranteed by such Additional Note Guarantor; or

-
- (v) solely with respect to an Additional Note Guarantor, upon the occurrence of a Partial Covenant Suspension Event or Covenant Suspension Event until the occurrence of a Partial Covenant Reversion Date or a Reversion Date, as applicable, at which time the guarantee of the Notes by such Additional Note Guarantor shall be reinstated unless such Additional Note Guarantor would have been released at any time during the Partial Suspension Period or the Suspension Period, as applicable, pursuant to clause (i), (ii), (iii) or (iv) of this Section 10.2(b).

Section 10.3 Right of Contribution. Each Note Guarantor that makes a payment or distribution under a Note Guarantee will be entitled to a contribution from each other Note Guarantor in a *pro rata* amount, based on the net assets of each Note Guarantor determined in accordance with GAAP. The provisions of this Section 10.3 shall in no respect limit the obligations and liabilities of each Note Guarantor to the Trustee and the Holders and each Note Guarantor shall remain liable to the Trustee and the Holders for the full amount guaranteed by such Note Guarantor hereunder.

Section 10.4 No Subrogation. Each Note Guarantor agrees that it shall not be entitled to any right of subrogation in respect of any Guaranteed Obligations until payment in full in cash or Cash Equivalents of all Obligations. If any amount shall be paid to any Note Guarantor on account of such subrogation rights at any time when all of the Obligations shall not have been paid in full in cash or Cash Equivalents, such amount shall be held by such Note Guarantor in trust for the Trustee and the Holders, segregated from other funds of such Note Guarantor, and shall, forthwith upon receipt by such Note Guarantor, be turned over to the Trustee in the exact form received by such Note Guarantor (duly endorsed by such Note Guarantor to the Trustee, if required), to be applied against the Obligations.

Section 10.5 French Guarantee Limitation.

(a) The obligations of any Note Guarantor incorporated in France (a "French Note Guarantor") are subject to the limitations set out in this Section 10.5.

(b) The obligations and liabilities of any French Note Guarantor under the Indenture and the Notes, and in particular under this Article X, shall not include any obligation or liability which, if incurred, would constitute the provision of financial assistance within the meaning of article L.225-216 of the French Commercial Code and/or would constitute a misuse of corporate assets within the meaning of article(s) L. 241-3 or L. 242-6 of the French Commercial Code or any other law or regulations having the same effect, as interpreted by French courts.

(c) The obligations and liabilities of any French Note Guarantor under this Article X for the Issuer's obligations under the Indenture and the Notes shall be limited, at any time, to an amount equal to the aggregate of all amounts made available under the Notes and the

Indenture to the Issuer to the extent directly or indirectly on-lent to such French Note Guarantor and/or its direct and indirect Subsidiaries under intercompany loan agreements (excluding, for the avoidance of doubt, any cash-pooling arrangements or other cash management agreements, *provided*, that the proceeds of the Notes shall not be used, in whole or in part, to finance, directly or indirectly, such cash pooling arrangements or other cash management agreements) and outstanding at the date a payment is to be made by such French Note Guarantor under this Article X, it being specified that any payment made by a French Note Guarantor under this Article X in respect of the obligations of the Issuer shall reduce *pro tanto* the outstanding amount of the intercompany loans due by such French Note Guarantor or its relevant direct or indirect Subsidiary under the intercompany loan agreements referred to above and that any repayment of the intercompany loans by the French Note Guarantor or its relevant direct or indirect Subsidiary shall reduce *pro tanto* the amount payable by the French Note Guarantor under this Article X.

(d) It is acknowledged that no French Note Guarantor is acting jointly and severally with the other Note Guarantors and no French Note Guarantor shall therefore be considered as “*co-débiteur solidaire*” as to its obligations pursuant to the guarantee given pursuant to this Article X.

Section 10.6 Swiss Guarantee Limitation.

(a) The obligations of any Note Guarantor incorporated in Switzerland (a “Swiss Note Guarantor”) are subject to the limitations set out in this Section 10.6.

(b) The obligations and liabilities of a Swiss Note Guarantor under the Indenture, the Notes or any other agreement, and in particular under this Article X, in relation to the obligations, undertakings, indemnities or liabilities of a Note Guarantor other than that Swiss Note Guarantor or any of its fully owned and controlled subsidiaries (the “Restricted Obligations”) shall not include any obligation or liability which, if incurred, would constitute the provision of financial assistance not permitted under the laws of Switzerland then in force and/or would constitute a misuse of corporate assets under Swiss law as interpreted by Swiss courts and shall be limited to the amount of that Swiss Note Guarantor’s Free Reserves Available for Distribution (as defined below) at the time payment is requested, *provided*, that such limitation is a requirement under applicable law (including any case law) at that point in time and that such limitation shall not free the Swiss Note Guarantor from its obligations in excess thereof, but merely postpone the performance date until such time as performance is permitted notwithstanding such limitation.

(c) For the purpose of this clause, “Free Reserves Available for Distribution” means an amount equal to the maximal amount in which the relevant Swiss Note Guarantor can make a dividend payment to its shareholder(s) (being the balance sheet profit and any freely disposable reserves available for this purpose, in each case in accordance with applicable Swiss law).

(d) As soon as possible after having been requested to discharge a Restricted Obligation, the Swiss Note Guarantor shall, if it cannot discharge the full amount of the Restricted Obligations, provide the Trustee with an interim statutory balance sheet audited by the statutory auditors of the Swiss Note Guarantor setting out the Free Reserves Available for Distribution and, immediately thereafter, pay the amount corresponding to the Free Reserves Available for Distribution to the Trustee (save to the extent provided below).

(e) In respect of the Restricted Obligations, the Swiss Note Guarantor shall:

- (i) if and to the extent required by applicable law in force at the relevant time:
 - (A) subject to any applicable double taxation treaties, deduct Swiss withholding tax at the rate of 35 percent (or such other rate as is in force at that time) from any payment made by it;
 - (B) pay any such deduction to the Swiss Federal Tax Administration; and
 - (C) notify and provide evidence to the Trustee that the Swiss withholding tax has been paid to the Swiss Federal Tax Administration;
- (ii) to the extent such deduction is made, not be required to make a gross-up, indemnify or otherwise hold harmless the Trustee or the Holders for the deduction of the Swiss withholding tax notwithstanding anything to the contrary contained in the Indenture, the Notes or any other agreement, unless grossing up is permitted under the laws of Switzerland then in force and *provided*, that this should not in any way limit any obligations of any non-Swiss Note Guarantors under the Indenture, the Notes or any other agreement to indemnify the Trustee or the Holders in respect of the deduction of the Swiss withholding tax. The Swiss Note Guarantor shall use all reasonable efforts to procure that any person which is entitled to a full or partial refund of any Swiss withholding tax paid pursuant to paragraph (a) above will, as soon as possible after the deduction of the Swiss withholding tax: (y) request a refund of the Swiss withholding tax under any applicable law (including double taxation treaties) and (z) pay to the Trustee upon receipt any amount so refunded.

(f) The Swiss Note Guarantor will take, and cause to be taken, all and any other action, including, without limitation, the passing of any shareholders' resolutions to approve any payment or other performance under the Indenture and the Notes and the receipt of any confirmations from the Swiss Note Guarantor's auditors, whether following a request to discharge a Restricted Obligation or which may be required as a matter of mandatory Swiss law in force at the time it is required to make a payment or perform other obligations under the Indenture, the Notes or any other agreement in order to allow a prompt payment or performance of other obligations under the Indenture or the Notes.

(g) If the enforcement of the Restricted Obligations would be limited due to the effects referred to in this [Section 10.6](#) and if any asset of the Swiss Note Guarantor has a book value that is less than its market value (an "Undervalued Asset"), the Swiss Note Guarantor

shall, to the extent permitted by applicable law and its accounting standards (i) write up the book value of such Undervalued Asset such that its balance sheet reflects a book value that is equal to the market value of such Undervalued Asset, and (ii) make reasonable efforts to realize the Undervalued Asset for a sum which is at least equal to the market value of such asset. Without prejudice to the rights of the Trustee and the Holders under the Indenture, the Notes or any other agreement, the Swiss Note Guarantor will only be required to realize an Undervalued Asset if such asset is not necessary for the Swiss Note Guarantor's business (*nicht betriebsnotwendig*).

ARTICLE XI

COLLATERAL

Section 11.1 The Collateral. Subject to Section 11.2, the Issuer and the Note Guarantors agree that the Notes will be at all times secured by a first-priority security interest in the Collateral on at least an equal and ratable basis with the Permitted Secured Obligations.

Section 11.2 Release of the Collateral.

(a) The Notes will cease to be secured by a security interest in the Collateral in accordance with the provisions of the Intercreditor Agreement.

(b) In addition to the Collateral release provisions set forth in the Intercreditor Agreement, the Notes will cease to be secured by a security interest on the Collateral upon:

- (i) (A) payment in full of the principal of, any accrued and unpaid interest on, the Notes and all other amounts or Obligations that are due and payable at or prior to the time such principal, accrued and unpaid interest, if any, are paid, (B) a satisfaction and discharge of this Indenture or (C) a Legal Defeasance or Covenant Defeasance pursuant to Article VIII; or
- (ii) a refinancing of the Facilities Agreement Indebtedness in full as a result of which the Collateral does not secure Indebtedness Incurred to refinance such Facilities Agreement Indebtedness.

ARTICLE XII

MISCELLANEOUS

Section 12.1 Notices.

(a) Any notice or communication shall be in writing and delivered in person or mailed by first-class mail, postage prepaid, addressed as follows:
if to the Issuer and the Note Guarantors:

c/o CEMEX, S.A.B. de C.V.
Av. Ricardo Margáin Zozaya #325
Colonia Valle del Campestre
Garza García, Nuevo León
México 66265
Attention: Chief Financial Officer
Fax: +1 52 81 8888 4417

if to the Trustee:

The Bank of New York Mellon
101 Barclay Street – 7E
New York, NY 10286
Attention: International Corporate Trust
Fax: 724-540-6330

The Issuer or the Trustee by notice to the other may designate additional or different addresses for subsequent notices or communications.

(b) All notices to Holders of Notes will be validly given if mailed to them at their respective addresses in the register of the Holders of such Notes, if any, maintained by the Registrar. For so long as any Notes are represented by Global Notes, all notices to Holders of the Notes will be delivered to DTC, delivery of which shall be deemed to satisfy the requirements of this paragraph.

(c) Each such notice shall be deemed to have been given on the date of delivery or mailing. Any notice or communication mailed to a Holder shall be mailed to such Person by first-class mail or other equivalent means and shall be sufficiently given to them if so mailed within the time prescribed. Failure to mail a notice or communication to a Holder or any defect in it shall not affect its sufficiency with respect to other Holders. If a notice or communication is mailed in the manner provided above, it is duly given, whether or not the addressee receives it.

(d) Subject to Section 7.1(c) and Section 7.2(a), the Trustee shall accept electronic transmissions; *provided*, that (i) the Trustee shall not have any duty or obligation to verify or confirm that the Person sending instructions, directions, reports, notices or other communications or information by electronic transmission is, in fact, a Person authorized to give such instructions, directions, reports, notices or other communications or information on behalf of the party purporting to send such electronic transmission; and the Trustee shall not have any liability for any losses, liabilities, costs or expenses incurred or sustained by any party as a result of such reliance upon or compliance with such instructions, directions, reports, notices or other communications or information and (ii) each other party agrees to assume all risks arising out of the use of electronic methods to submit instructions, directions, reports, notices or other communications or information to the Trustee, including without limitation the risk of the Trustee acting on unauthorized instructions, notices, reports or other communications or information, and the risk of interception and misuse by third parties.

(e) Any notice or communication mailed to a registered Holder shall be mailed to the Holder at the Holder's address as it appears on the Note Register and shall be sufficiently given if so mailed within the time prescribed.

(f) Failure to mail a notice or communication to a Holder or any defect in it shall not affect its sufficiency with respect to other Holders. If a notice or communication is mailed in the manner provided above, it is duly given, whether or not the addressee receives it.

(g) Any notice or communication delivered to the Issuer under the provisions herein shall constitute notice to the Note Guarantors.

Section 12.2 Communication by Holders with Other Holders. Holders may communicate with other Holders with respect to their rights under this Indenture (including the Note Guarantees) or the Notes.

Section 12.3 Certificate and Opinion as to Conditions Precedent. Upon any request or application by the Issuer to the Trustee to take or refrain from taking any action under this Indenture, the Issuer shall furnish to the Trustee:

(a) an Officer's Certificate in form and substance reasonably satisfactory to the Trustee stating that, in the opinion of the signers, all conditions precedent, if any, provided for in this Indenture relating to the proposed action have been complied with; and

(b) an Opinion of Counsel in form and substance reasonably satisfactory to the Trustee stating that, in the opinion of such counsel, all such conditions precedent have been complied with.

Section 12.4 Statements Required in Certificate or Opinion. Each certificate or opinion, including an Opinion of Counsel or Officer's Certificate, with respect to compliance with a covenant or condition provided for in this Indenture shall include:

(a) a statement that the individual making such certificate or opinion has read such covenant or condition;

(b) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based;

(c) a statement that, in the opinion of such individual, he has made such examination or investigation as is necessary to enable him to express an informed opinion as to whether or not such covenant or condition has been complied with; and

(d) a statement as to whether or not, in the opinion of such individual, such covenant or condition has been complied with.

In giving an Opinion of Counsel, counsel may rely as to factual matters on an Officer's Certificate or on certificates of public officials.

Section 12.5 Rules by Trustee, Paying Agent, Transfer Agent and Registrar. The Trustee may make reasonable rules for action by, or a meeting of, Holders. The Paying Agent, Transfer Agent and the Registrar may make reasonable rules for their functions.

Section 12.6 Legal Holidays. A "Legal Holiday" is (i) a Saturday, a Sunday or other day on which commercial banking institutions are authorized or required to be closed in New York City, Mexico, Madrid, Amsterdam, London, Paris or Zurich and (ii) any day on which the Trans-European Automated Real-time Gross Settlement Express Transfer System (TARGET2) is closed for settlement of payments. If a payment date is a Legal Holiday, payment shall be made on the next succeeding day that is not a Legal Holiday, and no interest shall accrue for the intervening period. If a regular record date is a Legal Holiday, the record date shall not be affected.

Section 12.7 Governing Law, etc.

(a) THIS INDENTURE (INCLUDING EACH NOTE GUARANTEE) AND THE NOTES SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK. THE PARTIES HERETO EACH HEREBY WAIVE ANY RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THIS INDENTURE, THE NOTES OR EACH NOTE GUARANTEE OR ANY TRANSACTION RELATED HERETO OR THERETO TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW.

(b) Each of the parties hereto hereby:

- (i) agrees that any suit, action or proceeding against it arising out of or relating to this Indenture (including the Note Guarantees) or the Notes, as the case may be, may be instituted in any Federal or state court sitting in the City of New York and County of New York and in the courts of its own corporate domicile, in respect of actions brought against it as a defendant,
- (ii) waives to the fullest extent permitted by applicable law, any objection which it may now or hereafter have to the laying of venue of any such suit, action or proceeding, any claim that any suit, action or proceeding in such a court has been brought in an inconvenient forum, and any right to which it may be entitled, on account of place of residence or domicile,
- (iii) irrevocably submits to the jurisdiction of such courts in any suit, action or proceeding,
- (iv) agrees that final judgment in any such suit, action or proceeding brought in such a court shall be conclusive and binding may be enforced in the courts of the jurisdiction of which it is subject by a suit upon judgment, and
- (v) agrees that service of process by mail to the addresses specified herein shall constitute personal service of such process on it in any such suit, action or proceeding.

(c) The Issuer and the Note Guarantors (other than CEMEX Corp. and CEMEX Finance LLC) have appointed CEMEX NY Corporation, 590 Madison Avenue, 41st Floor, New York, NY 10022, as its authorized agent (the “Authorized Agent”) upon whom all writs, process and summonses may be served in any suit, action or proceeding arising out of or based upon this Indenture or the Notes which may be instituted in any state or federal court in the City of New York and County of New York. The Issuer and the Note Guarantors (other than CEMEX Corp. and CEMEX Finance LLC) hereby represent and warrant that the Authorized Agent has accepted such appointment and has agreed to act as said agent for service of process, and the Issuer and the Note Guarantors (other than CEMEX Corp. and CEMEX Finance LLC) agree to take any and all action, including the filing of any and all documents, that may be necessary to continue each such appointment in full force and effect as aforesaid so long as the Notes remain outstanding. The Issuer and the Note Guarantors (other than CEMEX Corp. and CEMEX Finance LLC) agree that the appointment of the Authorized Agent shall be irrevocable so long as any of the Notes remain outstanding or until the irrevocable appointment by the Issuer and the Note Guarantors (other than CEMEX Corp. and CEMEX Finance LLC) of a successor agent in the City of New York, New York as each of their authorized agent for such purpose and the acceptance of such appointment by such successor. Service of process upon the Authorized Agent shall be deemed, in every respect, effective service of process upon the Issuer and the Note Guarantors (other than CEMEX Corp. and CEMEX Finance LLC).

(d) To the extent that any of the Issuer and the Note Guarantors have or hereafter may acquire any immunity (sovereign or otherwise) from any legal action, suit or proceeding, from jurisdiction of any court or from set-off or any legal process (whether service or notice, attachment in aid or otherwise) with respect to itself or any of its property, the Issuer and the Note Guarantors hereby irrevocably waive and agree not to plead or claim such immunity in respect of their obligations under this Indenture or the Notes.

(e) Nothing in this Section 12.7 shall affect the right of the Trustee or any Holder of the Notes to serve process in any other manner permitted by law.

Section 12.8 [Reserved].

Section 12.9 No Recourse Against Others. An incorporator, director, officer, employee, stockholder or controlling person, as such, of the Issuer or any Note Guarantor shall not have any liability for any obligations of the Issuer or any Note Guarantor under the Notes or this Indenture or for any claims based on, in respect of or by reason of such obligations or their creation. By accepting a Note, each Holder shall waive and release all such liability.

Section 12.10 Successors. All agreements of the Issuer and any Note Guarantor in this Indenture and the Notes shall bind their respective successors. All agreements of the Trustee in this Indenture shall bind its successors.

Section 12.11 Duplicate and Counterpart Originals. The parties may sign any number of copies of this Indenture. One signed copy is enough to prove this Indenture. This Indenture may be executed in any number of counterparts, each of which so executed shall be an original, but all of them together represent the same agreement. Signatures of the parties hereto transmitted by facsimile or pdf shall be deemed to be their original signatures for all purposes.

Section 12.12 Severability. In case any provision in this Indenture or in the Notes shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

Section 12.13 [Reserved].

Section 12.14 Currency Indemnity.

(a) U.S. Legal Tender is the sole currency of account and payment for all sums payable by the Issuer and any Note Guarantor under or in connection with the Notes or this Indenture, including damages. Any amount received or recovered in currency other than U.S. Legal Tender in respect of the Notes (whether as a result of, or of the enforcement of, a judgment or order of a court of any jurisdiction, in the winding-up or dissolution of the Issuer, a Note Guarantor or any Subsidiary of the Issuer or otherwise) by any Holder of the Notes in respect of any sum expressed to be due to it from the Issuer or any Note Guarantor shall only constitute a discharge of them under the Notes and this Indenture only to the extent of the U.S. Legal Tender amount which the recipient is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so). If that U.S. Legal Tender amount is less than the U.S. Legal Tender amount expressed to be due to the recipient under the Notes or this Indenture, the Issuer and the Note Guarantors shall jointly and severally indemnify and hold harmless the recipient, to the greatest extent permitted by law, against any loss or cost sustained by it in making any such purchase. For the purposes of this Section 12.14, it will be sufficient for the Holder of a Note to certify that it would have suffered a loss had an actual purchase of U.S. Legal Tender been made with the amount so received in that other currency on the date of receipt or recovery (or, if a purchase of U.S. Legal Tender on such date had not been practicable, on the first date on which it would have been practicable).

(b) The indemnities of the Issuer and the Note Guarantors contained in this Section 12.14, to the extent permitted by law: (i) constitute a separate and independent obligation from the other obligations of the Issuer and the Note Guarantors under this Indenture and the Notes; (ii) shall give rise to a separate and independent cause of action against the Issuer and the Note Guarantors; (iii) shall apply irrespective of any waiver granted by any Holder of the Notes or the Trustee from time to time; and (iv) shall continue in full force and effect notwithstanding any other judgment, order, claim or proof of claim for a liquidated amount in respect of any sum due under the Notes or this Indenture or any other judgment or order.

Section 12.15 Table of Contents: Headings. The table of contents and headings of the Articles and Sections of this Indenture have been inserted for convenience of reference only, are not intended to be considered a part hereof and shall not modify or restrict any of the terms or provisions hereof.

Section 12.16 USA PATRIOT Act. The parties hereto acknowledge that, in accordance with Section 326 of the USA PATRIOT Act (Title III of Pub. L. 107-56 (signed into law on October 26, 2001)) (as amended, modified or supplemented from time to time, the “USA PATRIOT Act”), the Trustee, like all financial institutions, is required to obtain, verify, and record information that identifies each person or legal entity that opens an account. The parties to this Agreement agree that they will provide the Trustee with such information as the Trustee may request in order for the Trustee to satisfy the requirements of the USA PATRIOT Act.

[Signature page follows]

IN WITNESS WHEREOF, the parties have caused this Indenture to be duly executed as of the date first written above.

CEMEX, S.A.B. de C.V.,
as Issuer

By: /s/ Francisco Javier García Ruiz
Name: Francisco Javier García Ruiz
Title: Attorney in fact

EACH OF THE NOTE GUARANTORS LISTED BELOW

CEMEX México, S.A. de C.V.

By: /s/ Francisco Javier García Ruiz/Jaime Armando Chapa
González
Name: Francisco Javier García Ruiz/Jaime Armando
Chapa González
Title: Attorney in fact

CEMEX Concretos, S.A. de C.V.

By: /s/ Francisco Javier García Ruiz/Jaime Armando Chapa
González
Name: Francisco Javier García Ruiz/Jaime Armando
Chapa González
Title: Attorneys in fact

Empresas Tolteca de México, S.A. de C.V.

By: /s/ Francisco Javier García Ruiz/Jaime Armando Chapa
González
Name: Francisco Javier García Ruiz/Jaime Armando
Chapa González
Title: Attorneys in fact

New Sunward Holding B.V.

By: /s/ Francisco Javier García Ruiz/Jaime Armando Chapa
González
Name: Francisco Javier García Ruiz/Jaime Armando
Chapa González
Title: Attorneys in fact

CEMEX España, S.A.

By: /s/ Francisco Javier García Ruiz
Name: Francisco Javier García Ruiz
Title: Attorney in fact

Cemex Asia B.V.

By: /s/ Francisco Javier García Ruiz
Name: Francisco Javier García Ruiz
Title: Attorney in fact

CEMEX Corp.

By: /s/ Francisco Javier García Ruiz
Name: Francisco Javier García Ruiz
Title: Attorney in fact

CEMEX Finance LLC

By: /s/ Francisco Javier García Ruiz
Name: Francisco Javier García Ruiz
Title: Attorney in fact

Cemex Egyptian Investments B.V.

By: /s/ Francisco Javier García Ruiz
Name: Francisco Javier García Ruiz
Title: Attorney in fact

Cemex Egyptian Investments II B.V.

By: /s/ Francisco Javier García Ruiz
Name: Francisco Javier García Ruiz
Title: Attorney in fact

CEMEX France Gestion (S.A.S.)

By: /s/ Francisco Javier García Ruiz

Name: Francisco Javier García Ruiz

Title: Attorney in fact

Cemex Research Group AG

By: /s/ Francisco Javier García Ruiz

Name: Francisco Javier García Ruiz

Title: Attorney in fact

Cemex Shipping B.V.

By: /s/ Francisco Javier García Ruiz

Name: Francisco Javier García Ruiz

Title: Attorney in fact

CEMEX UK

By: /s/ Francisco Javier García Ruiz

Name: Francisco Javier García Ruiz

Title: Attorney in fact

THE BANK OF NEW YORK MELLON,
as Trustee

By: /s/ Jaime Nielson

Name: Jaime Nielson
Title: Vice President

NOTE GUARANTORS

1. CEMEX México, S.A. de C.V. (Mexico)
2. CEMEX Concretos, S.A. de C.V. (Mexico)
3. Empresas Tolteca de México, S.A. de C.V. (Mexico)
4. New Sunward Holding B.V. (the Netherlands)
5. CEMEX España, S.A. (Spain)
6. Cemex Asia B.V. (the Netherlands)
7. CEMEX Corp. (Delaware)
8. CEMEX Finance LLC (Delaware)
9. Cemex Egyptian Investments B.V. (the Netherlands)
10. Cemex Egyptian Investments II B.V. (the Netherlands)
11. CEMEX France Gestion (S.A.S.) (France)
12. Cemex Research Group AG (Switzerland)
13. Cemex Shipping B.V. (the Netherlands)
14. CEMEX UK (United Kingdom)

FORM OF NOTE

[Include the following legend for Global Notes only:

“THIS IS A GLOBAL NOTE WITHIN THE MEANING OF THE INDENTURE REFERRED TO HEREINAFTER.

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION (“DTC”), NEW YORK, NEW YORK, TO THE ISSUER OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

TRANSFERS OF THIS GLOBAL SECURITY SHALL BE LIMITED TO TRANSFERS IN WHOLE, BUT NOT IN PART, TO NOMINEES OF DTC OR TO A SUCCESSOR THEREOF OR SUCH SUCCESSOR’S NOMINEE AND TRANSFERS OF PORTIONS OF THIS GLOBAL SECURITY SHALL BE LIMITED TO TRANSFERS MADE IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN THE INDENTURE REFERRED TO ON THE REVERSE HEREOF.”]

[Include the following legend on all Notes that are Restricted Notes:

“THE NOTES EVIDENCED HEREBY HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), AND *[Include the following on all Regulation S Notes that are Restricted Notes:*, PRIOR TO THE EXPIRATION OF THE 40-DAY DISTRIBUTION COMPLIANCE PERIOD (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT),] MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (A) (1) TO CEMEX, S.A.B. DE C.V., (2) TO A PERSON WHO THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A AND TO WHOM NOTICE IS GIVEN THAT THE TRANSFER IS MADE IN RELIANCE ON RULE 144A, (3) IN AN OFFSHORE TRANSACTION COMPLYING WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT, (4) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT (IF AVAILABLE), OR

(5) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT AND (B) IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES. THIS LEGEND CAN ONLY BE REMOVED AT THE OPTION OF THE ISSUER.”]

[Include the following on all Regulation S Notes that are Restricted Notes: PRIOR TO THE EXPIRATION OF THE 40-DAY DISTRIBUTION COMPLIANCE PERIOD (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT),] EACH PERSON ACQUIRING AN OWNERSHIP INTEREST IN THE NOTES (1) SHALL BE DEEMED TO REPRESENT AND WARRANT THAT IT EITHER (A) IS A “QUALIFIED INSTITUTIONAL BUYER” (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT), (B) IS NOT A U.S. PERSON (AS DEFINED IN REGULATION S) AND IS OUTSIDE THE UNITED STATES OR (C) IS ACQUIRING SUCH OWNERSHIP INTEREST PURSUANT TO A VALID REGISTRATION STATEMENT OR IN ANOTHER TRANSACTION EXEMPT FROM SUCH REGISTRATION; (2) AGREES THAT *[Include the following on all Regulation S Notes that are Restricted Notes: PRIOR TO THE EXPIRATION OF THE 40-DAY DISTRIBUTION COMPLIANCE PERIOD (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT),]* (X) IT WILL NOT RESELL OR OTHERWISE TRANSFER THIS NOTE EXCEPT IN ACCORDANCE WITH THE FOREGOING RESTRICTIONS, AND IN ANY CASE IN COMPLIANCE WITH ALL APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES AND ANY OTHER APPLICABLE JURISDICTION; (Y) PRIOR TO SUCH TRANSFER, IT WILL FURNISH TO THE BANK OF NEW YORK MELLON, AS TRUSTEE (OR A SUCCESSOR TRUSTEE, AS APPLICABLE), SUCH CERTIFICATIONS, LEGAL OPINIONS OR OTHER INFORMATION AS THE TRUSTEE MAY REASONABLY REQUIRE TO CONFIRM THAT SUCH TRANSFER IS BEING MADE PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND (Z) IT WILL DELIVER TO EACH PERSON TO WHOM THIS SECURITY IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND. AS USED HEREIN, THE TERMS “UNITED STATES”, “U.S. PERSON” AND “OFFSHORE TRANSACTION” HAVE THE MEANINGS GIVEN TO THEM BY REGULATION S UNDER THE SECURITIES ACT.”]

[Include the following legend on all Notes as the Mexican law legend:

“THE NOTES EVIDENCED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED WITH THE NATIONAL SECURITIES REGISTRY (REGISTRO NACIONAL DE VALORES) MAINTAINED BY THE MEXICAN NATIONAL BANKING AND SECURITIES COMMISSION (COMISIÓN NACIONAL BANCARIA Y DE VALORES), AND MAY NOT BE OFFERED OR SOLD PUBLICLY, OR OTHERWISE BE SUBJECT TO BROKERAGE ACTIVITIES, IN MEXICO, EXCEPT THAT THE NOTES MAY BE OFFERED IN MEXICO TO QUALIFIED OR INSTITUTIONAL INVESTORS PURSUANT TO THE PRIVATE PLACEMENT EXEMPTION SET FORTH UNDER ARTICLE 8 OF THE MEXICAN SECURITIES MARKET LAW (LEY DEL MERCADO DE VALORES).]

FORM OF FACE OF NOTE

6.125% Senior Secured Notes due 2025

No. Principal Amount U.S.\$

*[If the Note is a Global Note include the following two lines:
as revised by the Schedule of Increases and
Decreases in Global Note attached hereto]*

CUSIP NO. 1

ISIN NO. 2

CEMEX, S.A.B. de C.V., a publicly traded stock corporation with variable capital (*sociedad anónima bursátil de capital variable*) organized under the laws of the United Mexican States (together with its successors and assigns, the “Issuer”), promises to pay to Cede & Co., or registered assigns, the principal sum of U.S. Dollars *[If the Note is a Global Note, add the following*, as revised by the Schedule of Increases and Decreases in Global Note attached hereto], on May 5, 2025.

Interest Payment Dates: May 5 and November 5 of each year, commencing on November, 5, 2015

Record Dates: April 20 and October 21

¹ CUSIP No. for Rule 144A Note: 151290 BS1; CUSIP No. for Regulation S Note: P2253T JG5

² ISIN No. for Rule 144A Note: US151290BS15; ISIN No. for Regulation S Note: USP2253TJG50

Additional provisions of this Note are set forth on the other side of this Note.

CEMEX, S.A.B. de C.V.

By: _____
Name:
Title:

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

THE BANK OF NEW YORK MELLON
as Trustee, certifies that this is one of the Notes referred to in
the Indenture.

By: _____
Authorized Signatory

Date: _____

FORM OF REVERSE SIDE OF NOTE

6.125% Senior Secured Notes due 2025

Capitalized terms used but not defined herein shall have the meanings assigned to them in the Indenture referred to below unless otherwise indicated.

1. Interest

CEMEX, S.A.B. de C.V., a publicly traded stock corporation with variable capital (*sociedad anónima bursátil de capital variable*) organized under the laws of the United Mexican States (together with its successors and assigns, the "Issuer"), promises to pay interest on the principal amount of this Note at the rate per annum shown above.

The Issuer will pay interest semiannually in arrears on each Interest Payment Date of each year commencing November 5, 2015; *provided*, that if any such Interest Payment Date is not a Business Day, then such payment shall be made on the next succeeding Business Day. Interest on the Notes will accrue from the most recent date to which interest has been paid on the Notes or, if no interest has been paid, from March 5, 2015; *provided*, that if there is no existing Default or Event of Default on the payment of interest, and if this Note is authenticated between a Record Date referred to on the face hereof and the next succeeding Interest Payment Date (but after March 5, 2015), interest shall accrue from such next succeeding Interest Payment Date, except in the case of the original issuance of Notes, in which case interest shall accrue from March 5, 2015. The Issuer shall pay interest (including post-petition interest in any proceeding under any Bankruptcy Law) on overdue principal at the then applicable interest rate on the Notes to the extent lawful; it shall pay interest (including post-petition interest in any proceeding under any Bankruptcy Law) on overdue installments of interest ("Defaulted Interest"), without regard to any applicable grace period, at the same rate to the extent lawful. Interest will be computed on the basis of a 360-day year of twelve 30-day months. Each interest period shall end on (but not include) the relevant interest payment date.

All payments made by the Issuer in respect of the Notes will be made free and clear of and without deduction or withholding for or on account of any Taxes imposed or levied by or on behalf of any Taxing Jurisdiction, unless such withholding or deduction is required by law or by the interpretation or administration thereof. In that event, the Issuer will pay to each Holder of the Notes Additional Amounts as provided in the Indenture subject to the limitations set forth in the Indenture.

2. Method of Payment

By at least 10:00 a.m. (New York City time) on the Business Day prior to the date on which any principal of or interest on any Note is due and payable, the Issuer shall irrevocably deposit with the Trustee or the Paying Agent money sufficient to pay such principal and/or interest. The Issuer will pay interest (except Defaulted Interest) on the applicable Interest Payment Date to the Persons who are registered Holders of Notes at the close of business on the Record Date preceding the Interest Payment Date even if Notes are canceled, repurchased or redeemed after the Record Date and on or before the relevant Interest Payment Date, except as provided in Section 2.13 of the Indenture with respect to Defaulted Interest. Holders must surrender Notes to a Paying Agent to collect principal payments. The Issuer will pay principal and interest in U.S. Legal Tender.

Payments in respect of Notes represented by a Global Note (including principal and interest) will be made by the transfer of immediately available funds to the accounts specified by the DTC. The Issuer will make all payments in respect of a Certificated Note (including principal and interest) by mailing a check to the registered address of each registered Holder thereof as set forth in the Note Register; *provided, however*, that payments on the Notes may also be made, in the case of a Holder of at least U.S.\$10,000,000 aggregate principal amount of Notes, by wire transfer to a U.S. dollar account maintained by the payee with a bank in the United States if such Holder elects payment by wire transfer by giving written notice to the Trustee or the Paying Agent to such effect designating such account no later than 10 days immediately preceding the relevant due date for payment (or such other date as the Trustee may accept in its discretion).

3. Paying Agent and Registrar

Initially, The Bank of New York Mellon, the Trustee under the Indenture, will act as Trustee, Paying Agent and Registrar. The Issuer may appoint and change any Paying Agent, Registrar or co-Registrar without notice to any Holder. The Issuer, any Note Guarantor or any of their respective Affiliates may act as Paying Agent, Registrar or co-Registrar.

4. Indenture

The Issuer issued the Notes under an Indenture, dated as of March 5, 2015 (as it may be amended or supplemented from time to time in accordance with the terms thereof, the "Indenture"), among the Issuer, the Note Guarantors and the Trustee. The terms of the Notes include those stated in the Indenture. The Notes are subject to all such terms, and Holders are referred to the Indenture for a statement of those terms. Each Holder, by accepting a Note, agrees to be bound by all of the terms and provisions of the Indenture, as amended or supplemented from time to time.

The Notes are general senior obligations, which are secured by a first priority security interest in the Collateral on an equal and ratable basis with the other Permitted Secured Obligations, subject to the Collateral release provisions set forth in the Intercreditor Agreement. U.S.\$750,000,000 in aggregate principal amount of Notes will be issued on the Issue Date. Subject to the conditions set forth in the Indenture and without the consent of the Holders, the Issuer may issue Additional Notes. All Notes will be treated as a single series of securities under the Indenture. The Indenture imposes certain limitations on, among other things, the ability of the Issuer and its Restricted Subsidiaries to: Incur Indebtedness, make Restricted Payments, incur Liens, designate Unrestricted Subsidiaries, make Asset Sales, enter into transactions with Affiliates, or consolidate or merge or transfer or convey all or substantially all of the Issuer's assets.

To guarantee the due and punctual payment of the principal of (and premium, if any) and interest on the Notes and all other amounts payable by the Issuer under the Indenture and the Notes when and as the same shall be due and payable, whether at maturity, by

acceleration or otherwise, according to the terms of the Notes and the Indenture, the Note Guarantors have unconditionally guaranteed, jointly and severally, such obligations pursuant to the terms of the Indenture. Each Note Guarantee will be subject to release as provided in the Indenture.

The obligations of each Note Guarantor in respect of its Note Guarantee will be limited to the maximum amount as will, after giving effect to all other contingent and fixed liabilities of such Note Guarantor and after giving effect to any collections from or payments made by or on behalf of any other Note Guarantor in respect of the obligations of such other Note Guarantor under its Note Guarantee or pursuant to its contribution obligations under the Indenture, result in the obligations of such Note Guarantor under its Note Guarantee not constituting a fraudulent conveyance, fraudulent transfer, or similar illegal transfer under federal or state law or the law of the jurisdiction of formation and incorporation of such Note Guarantors.

5. Optional Redemption

Except as stated below, the Issuer may not redeem the Notes. The Issuer may redeem the Notes, at its option, in whole at any time or in part from time to time, on and after May 5, 2020, at the following redemption prices, expressed as percentages of the principal amount thereof, if redeemed during the twelve-month period commencing on May 5 of any year set forth below, plus any accrued and unpaid interest on the principal amount of the Notes, if any, to the date of redemption:

<u>Year</u>	<u>Percentage</u>
2020	103.063%
2021	102.042%
2022	101.021%
2023 and thereafter	100.000%

provided, however, that the Issuer shall not have the right to exercise any such optional redemption at any time when the Issuer is prohibited from having such an option under the Facilities Agreement or the Credit Agreement.

Prior to May 5, 2020, the Issuer will have the right, at its option, to redeem any of the Notes, in whole or in part, at any time or from time to time prior to their maturity at a redemption price equal to the greater of (1) 100% of the principal amount of such Notes and (2) the sum of the present value of the redemption price of the Notes to be redeemed at May 5, 2020 (such redemption price being set forth in the table appearing above) plus each remaining scheduled payment of interest thereon during the period between the redemption date and May 5, 2020 (exclusive of interest accrued to the date of redemption), in each case, discounted to the Redemption Date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate (as defined below) plus 50 basis points, plus, in each case any accrued and unpaid interest on the principal amount of the Notes, if any, to the date of redemption, *provided, however*, that the Issuer shall not have the right to exercise any such optional redemption at any time when the Issuer is prohibited from having such an option under the Facilities Agreement or the Credit Agreement.

“Treasury Rate” means, with respect to any Redemption Date, the rate per annum equal to the semi-annual equivalent yield to maturity or interpolated maturity (on a day count basis) of the Comparable Treasury Issue (as defined below), assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price (as defined below) for such Redemption Date.

“Comparable Treasury Issue” means the United States Treasury security or securities selected by an Independent Investment Banker (as defined below) as having an actual or interpolated maturity that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities having a maturity most nearly equal to May 5, 2020.

“Independent Investment Banker” means one of the Reference Treasury Dealers (as defined below) appointed by the Issuer.

“Comparable Treasury Price” means, with respect to any Redemption Date (1) the average of the Reference Treasury Dealer Quotations (as defined below) for such Redemption Date, after excluding the highest and lowest such Reference Treasury Dealer Quotation or (2) if the Independent Investment Banker or Issuer obtains fewer than four such Reference Treasury Dealer Quotations, the average of all such quotations.

“Reference Treasury Dealer” means any one of Citigroup Global Markets Inc., HSBC Securities (USA) Inc. or Merrill Lynch, Pierce, Fenner & Smith Incorporated or their respective affiliates which are primary United States government securities dealers and not less than one other leading primary United States government securities dealer in New York City reasonably designated by the Issuer; *provided, however*, that if any of the foregoing shall cease to be a primary United States government securities dealer in New York City (a “Primary Treasury Dealer”), the Issuer will substitute therefore another Primary Treasury Dealer.

“Reference Treasury Dealer Quotation” means, with respect to each Reference Treasury Dealer and any Redemption Date, the average, as determined by the Independent Investment Banker or Issuer, of the bid and asked price for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Independent Investment Banker or Issuer by such Reference Treasury Dealer at 3:30 p.m. New York time on the third business day preceding such Redemption Date.

Optional Redemption upon Equity Offerings. At any time, or from time to time, on or prior to May 5, 2018, the Issuer may, at its option, use the net cash proceeds of one or more Equity Offerings to redeem in the aggregate up to 35% of the aggregate principal amount of the Notes issued pursuant to the Indenture at a redemption price equal to 106.125% of the principal amount thereof plus any accrued and unpaid interest on the principal amount of the Notes, if any, to the date of redemption; *provided*, that:

(a) after giving effect to any such redemption at least 65% of the aggregate principal amount of the Notes issued under the Indenture remains outstanding; and

(b) the Issuer shall make such redemption not more than 90 days after the consummation of such Equity Offering;

provided, however, that the Issuer shall not have the right to exercise any such optional redemption at any time when the Issuer is prohibited from exercising such an option under the Facilities Agreement or the Credit Agreement.

“Equity Offering” means any public or private sale of Qualified Capital Stock after the Issue Date for cash other than issuances to any Subsidiary of the Issuer.

Optional Redemption for Changes in Withholding Taxes. If, as a result of any amendment to, or change in, the laws (or any rules or regulations thereunder) of a Taxing Jurisdiction affecting taxation, or any amendment to or change in an official interpretation or application of such laws, rules or regulations that has a general effect, which amendment to or change of such laws, rules or regulations becomes effective on or after the Issue Date (which, in the case of a merger, consolidation or other transaction permitted and described under Article IV shall be treated for this purpose as the date of such transaction), the Issuer or any Note Guarantor would be obligated, after taking all reasonable measures to avoid this requirement, to pay Additional Amounts in excess of those attributable to a withholding tax rate of 10% with respect to the Notes (see “Additional Amounts”), then, at the Issuer’s option, all, but not less than all, of the Notes may be redeemed at any time on giving not less than 30 nor more than 60 days’ notice, at a redemption price equal to 100% of the outstanding principal amount, plus any accrued and unpaid interest on the principal amount of the Notes, if any, to the date of redemption; *provided, however*, that (1) no notice of redemption for tax reasons may be given earlier than 90 days prior to the earliest date on which the Issuer or any Note Guarantor would be obligated to pay these Additional Amounts if a payment on the Notes were then due, and (2) at the time such notice of redemption is given such obligation to pay such Additional Amounts remains in effect; *provided, further, however*, that the Issuer shall not have the right to exercise any such optional redemption at any time when the Issuer is prohibited from having such an option under the Facilities Agreement or the Credit Agreement.

Prior to the publication of any notice of redemption pursuant to this provision, the Issuer will deliver to the Trustee:

(a) an Officer’s Certificate stating that the Issuer is entitled to effect the redemption and setting forth a statement of facts showing that the conditions precedent to the Issuer’s right to redeem have occurred, and

(b) an opinion of outside legal counsel of recognized standing in the affected Taxing Jurisdiction to the effect that the Issuer has or will become obligated to pay such Additional Amounts as a result of such change or amendment.

This notice, once delivered by the Issuer to the Trustee, will be irrevocable.

In the case of any partial redemption, selection of the Notes for redemption will be made in accordance with Article V of the Indenture. On and after the Redemption Date, interest will cease to accrue on Notes or portions thereof called-for redemption as long as the Issuer has deposited with the Paying Agent funds in satisfaction of the applicable redemption price pursuant to the Indenture.

6. Mandatory Repurchase Provisions

Change of Control Offer. Upon the occurrence of a Change of Control, each Holder of Notes will have the right to require that the Issuer purchase all or a portion (in integral multiples of U.S.\$1,000) of the Holder's Notes at a purchase price equal to 101% of the principal amount thereof, plus accrued and unpaid interest through the date of purchase. Within 30 days following the date upon which the Change of Control occurred, the Issuer must make a Change of Control Offer pursuant to a Change of Control Notice. As more fully described in the Indenture, the Change of Control Notice shall state, among other things, the Change of Control Payment Date, which must be no earlier than 30 days nor later than 60 days from the date the notice is mailed, other than as may be required by applicable law.

Asset Sale Offer. The Indenture imposes certain limitations on the ability of the Issuer and its Restricted Subsidiaries to make Asset Sales. In the event the proceeds from a permitted Asset Sale exceed certain amounts and are not applied as specified in the Indenture, the Issuer will be required to make an Asset Sale Offer to purchase to the extent of such remaining proceeds each Holder's Notes together with holders of certain other Indebtedness at 100% of the principal amount thereof, plus accrued interest (if any) to the Asset Sale Offer Payment Date, as more fully set forth in the Indenture.

7. Denominations; Transfer; Exchange

The Notes are in fully registered form without coupons, and only in denominations of principal amount of U.S.\$200,000 and in integral multiples of U.S.\$1,000 in excess thereof. A Holder may transfer or exchange Notes in accordance with the Indenture. The Registrar may require a Holder, among other things, to furnish appropriate endorsements or transfer documents and to pay any taxes and fees required by law or permitted by the Indenture. The Registrar shall not be required to register the transfer or exchange of (x) any Note for a period beginning: (1) 15 days before the mailing of a notice of an offer to repurchase or redeem Notes and ending at the close of business on the day of such mailing or (2) 15 days before an Interest Payment Date and ending on such Interest Payment Date and (y) any Note selected for repurchase or redemption, except the unredeemed portion thereof, if any.

8. Persons Deemed Owners

The registered holder of this Note may be treated as the owner of it for all purposes.

9. Unclaimed Money

If money for the payment of principal or interest remains unclaimed for two years, the Trustee or Paying Agent shall pay the money back to the Issuer at its request unless an abandoned property law designates another Person. After any such payment, Holders entitled to the money must look only to the Issuer and not to the Trustee for payment.

10. Discharge Prior to Redemption or Maturity

Subject to certain conditions set forth in the Indenture, the Issuer at any time may terminate some or all of its obligations under the Notes and the Indenture if the Issuer deposits with the Trustee U.S. Legal Tender or U.S. Government Obligations for the payment of principal of and interest on the Notes to redemption or maturity, as the case may be.

11. Amendment, Waiver

Subject to certain exceptions set forth in the Indenture, (i) the Indenture or the Notes may be amended or supplemented with the written consent of the Holders of at least a majority in principal amount of the then Outstanding Notes and (ii) any default (other than with respect to nonpayment or in respect of a provision that cannot be amended or supplemented without the written consent of each Holder affected) or noncompliance with any provision may be waived with the written consent of the Holders of a majority in aggregate principal amount of the then Outstanding Notes. Subject to certain exceptions set forth in the Indenture, without the consent of any Holder, the Issuer and the Trustee may amend or supplement the Indenture or the Notes to, among other things, cure any ambiguity, omission, defect or inconsistency, or to comply with Article IV of the Indenture, or to provide for uncertificated Notes in addition to or in place of certificated Notes, or to add guarantees with respect to the Notes or to secure the Notes, or to add additional covenants or surrender rights and powers conferred on the Issuer or the Note Guarantors, or to make any change that does not adversely affect the rights of any Holder, or to provide for the issuance of Additional Notes.

12. Defaults and Remedies

If an Event of Default occurs and is continuing, the Trustee or the Holders of at least 25% in principal amount of the Outstanding Notes may declare all the Notes to be due and payable immediately. A Bankruptcy Event of Default will result in the Notes being due and payable immediately upon the occurrence of such Bankruptcy Event of Default.

Holdings may not enforce the Indenture or the Notes except as provided in the Indenture. The Trustee may refuse to enforce the Indenture or the Notes unless it receives reasonable indemnity or security. Subject to certain limitations, Holders of a majority in principal amount of the Outstanding Notes may direct the Trustee in its exercise of any trust or power. The Trustee may withhold from Holders notice of any continuing Default or Event of Default (except a Default or Event of Default in payment of principal or interest) if it determines that withholding notice is in their interest.

13. Trustee Dealings with the Issuer and the Note Guarantors

Subject to certain limitations set forth in the Indenture, the Trustee under the Indenture, in its individual or any other capacity, may become the owner or pledgee of Notes and may otherwise deal with and collect obligations owed to it by the Issuer, any Note Guarantor or its Affiliates and may otherwise deal with the Issuer, any Note Guarantor or its Affiliates with the same rights it would have if it were not Trustee.

14. No Recourse Against Others

An incorporator, director, officer, employee, stockholder or controlling person, as such, of the Issuer or any Note Guarantor shall not have any liability for any obligations of the Issuer or any Note Guarantor under the Notes or the Indenture or for any claims based on, in respect of or by reason of such obligations or their creation. By accepting a Note, each holder waives and releases all such liability.

15. Authentication

Any Officer of the Issuer may sign the Notes for the Issuer by manual or facsimile signature. This Note shall not be valid until an authorized signatory of the Trustee (or an Authenticating Agent) manually signs the certificate of authentication on the other side of this Note.

16. Abbreviations

Customary abbreviations may be used in the name of a Holder or an assignee, such as TEN COM (= tenants in common), TEN ENT (= tenants by the entirety), JT TEN (= joint tenants with rights of survivorship and not as tenants in common), CUST (=custodian) and U/G/M/A (= Uniform Gift to Minors Act).

17. CUSIP Numbers

Pursuant to a recommendation promulgated by the Committee on Uniform Security Identification Procedures the Issuer has caused CUSIP or other similar numbers to be printed on the Notes and has directed the Trustee to use CUSIP numbers in notices of redemption as a convenience to Holders. No representation is made as to the accuracy of such numbers either as printed on the Notes or as contained in any notice of redemption and reliance may be placed only on the other identification numbers placed thereon.

18. Governing Law

This Note shall be governed by, and construed in accordance with, the laws of the State of New York.

19. Currency of Account; Conversion of Currency.

U.S. Legal Tender is the sole currency of account and payment for all sums payable by the Issuer and the Note Guarantors under or in connection with the Notes or the Indenture, including damages. The Issuer and the Note Guarantors will indemnify the Holders as provided in respect of the conversion of currency relating to the Notes and the Indenture.

20. Agent for Service; Submission to Jurisdiction; Waiver of Immunities.

The Issuer and the Note Guarantors have agreed that any suit, action or proceeding against the Issuer or any Note Guarantor brought by any Holder or the Trustee arising out of or based upon the Indenture or the Notes may be instituted in any state or federal

court in the City of New York and County of New York and in the courts of their respective corporate domiciles, in respect of actions brought against them as defendants. The Issuer and the Note Guarantors have irrevocably submitted to the jurisdiction of such courts for such purpose and waived, to the fullest extent permitted by law, trial by jury and any objection it may now or hereafter have to the laying of venue of any such proceeding, and any claim it may now or hereafter have that any proceeding in any such court is brought in an inconvenient forum. The Issuer and the Note Guarantors (other than CEMEX Corp. and CEMEX Finance LLC) have appointed CEMEX NY Corporation, 590 Madison Avenue, 41st Floor, New York, NY 10022, as each of their authorized agent upon whom all writs, process and summonses may be served in any suit, action or proceeding arising out of or based upon the Indenture or the Notes which may be instituted in any state or federal court in the City of New York and County of New York. To the extent that any of the Issuer and the Note Guarantors have or hereafter may acquire any immunity (sovereign or otherwise) from any legal action, suit or proceeding, from jurisdiction of any court or from set-off or any legal process (whether service or notice, attachment in aid or otherwise) with respect to itself or any of its property, the Issuer and the Note Guarantors have irrevocably waived and agreed not to plead or claim such immunity in respect of its obligations under the Indenture or the Notes.

The Issuer will furnish to any Holder upon written request and without charge to the Holder a copy of the Indenture which has in it the text of this Note in larger type. Requests may be made to:

CEMEX, S.A.B. de C.V.
Av. Ricardo Margáin Zozaya # 325
Colonia Valle del Campestre
Garza García, Nuevo León, México 66265
Tel: +5281-8888-8888

ASSIGNMENT FORM

To assign this Note, fill in the form below:

I or we assign and transfer this Note to

 (Print or type assignee's name, address and zip code)

 (Insert assignee's soc. sec. or tax I.D. No.)

and irrevocably appoint

as agent to transfer this Note on the books of the Issuer. The agent may substitute another to act for him.

Date: _____

Your Signature: _____

Signature Guarantee: _____
 (Signature must be guaranteed)

Sign exactly as your name appears on the other side of this Note.

The signature(s) should be guaranteed by an eligible guarantor institution (banks, stockbrokers, savings and loan associations and credit unions with membership in an approved signature guarantee medallion program), pursuant to Exchange Act Rule 17Ad-15.

To be attached to Global Notes only:

SCHEDULE OF INCREASES OR DECREASES IN GLOBAL NOTE

The following increases or decreases in this Global Note have been made:

<u>Date of Exchange</u>	<u>Amount of decrease in Principal Amount of this Global Note</u>	<u>Amount of increase in Principal Amount of this Global Note</u>	<u>Principal Amount of this Global Note following such decrease or increase</u>	<u>Signature of authorized signatory of Trustee or Note Custodian</u>

OPTION OF HOLDER TO ELECT PURCHASE

If you want to elect to have this Note purchased by the Issuer pursuant to Section 3.8 or Section 3.12 of the Indenture, check either box:

Section 3.8

Section 3.12

If you want to elect to have only part of this Note purchased by the Issuer pursuant to Section 3.12 of the Indenture, state the principal amount (which must be in minimum denominations of U.S.\$200,000 and in an integral multiple of U.S.\$1,000): U.S.\$

Date: _____

Your Signature _____
(Sign exactly as your name appears on the other side of the Note)

Signature Guarantee: _____
(Signature must be guaranteed)

The signature(s) should be guaranteed by an eligible guarantor institution (banks, stockbrokers, savings and loan associations and credit unions with membership in an approved signature guarantee medallion program), pursuant to Exchange Act Rule 17Ad-15.

FORM OF CERTIFICATION FOR TRANSFER PURSUANT TO REGULATION S

[Date]

The Bank of New York Mellon
101 Barclay Street – 7E
New York, NY 10286
Attention: International Corporate Trust

Re: 6.125% Senior Secured Notes due 2025 (the “Notes”) of CEMEX, S.A.B. de C.V. (the “Issuer”)

Ladies and Gentlemen:

Reference is hereby made to the Indenture, dated as of March 5, 2015 (as amended and supplemented from time to time, the “Indenture”), among the Issuer, the Note Guarantors named therein and The Bank of New York Mellon, as Trustee. Capitalized terms used but not defined herein shall have the meanings given them in the Indenture or Regulation S under the Securities Act of 1933, as amended (the “Securities Act”), as the case may be.

In connection with our proposed transfer of U.S.\$ _____ aggregate principal amount of the Notes, which represent an interest in a Rule 144A Global Note beneficially owned by the undersigned (“Transferor”), we confirm that such transfer has been effected pursuant to and in accordance with Regulation S and, accordingly, we represent that:

(a) the offer of the Notes was not made to a person in the United States;

(b) either (i) at the time the buy order was originated, the transferee was outside the United States or we and any person acting on our behalf reasonably believed that the transferee was outside the United States or (ii) the transaction was executed in, on or through the facilities of a designated off-shore securities market and neither we nor any person acting on our behalf knows that the transaction has been pre-arranged with a buyer in the United States;

(c) no directed selling efforts have been made in the United States in contravention of the requirements of Rule 903(b) or Rule 904(b) of Regulation S, as applicable;

(d) the transaction is not part of a plan or scheme to evade the registration requirements of the Securities Act; and

(e) we are the beneficial owner of the principal amount of Notes being transferred.

In addition, if the transfer is made during a Distribution Compliance Period and the provisions of Rule 904(b)(1) or Rule 904(b)(2) of Regulation S are applicable thereto, we confirm that such transfer has been made in accordance with the applicable provisions of Rule 904(b)(1) or Rule 904(b)(2), as the case may be.

You, the Issuer and the Note Guarantors are entitled to rely upon this letter and are irrevocably authorized to produce this letter or a copy hereof to any interested party in any administrative or legal proceedings or official inquiry with respect to the matters covered hereby.

Very truly yours,

[Name of Transferor]

By: _____

Authorized Signature]

Signature Guarantee: _____
(Signature must be guaranteed)

The signature(s) should be guaranteed by an eligible guarantor institution (banks, stockbrokers, savings and loan associations and credit unions with membership in an approved signature guarantee medallion program), pursuant to Exchange Act Rule 17Ad-15.

FORM OF CERTIFICATION FOR TRANSFER PURSUANT TO RULE 144

[Date]

The Bank of New York Mellon
101 Barclay Street – 7E
New York, NY 10286
Attention: International Corporate Trust

Re: 6.125% Senior Secured Notes due 2025 (the “Notes”) of CEMEX, S.A.B. de C.V. (the “Issuer”)

Ladies and Gentlemen:

Reference is hereby made to the Indenture, dated as of March 5, 2015 (as amended and supplemented from time to time, the “Indenture”), among the Issuer, the Note Guarantors named therein and The Bank of New York Mellon, as Trustee. Capitalized terms used but not defined herein shall have the meanings given them in the Indenture.

In connection with our proposed transfer of U.S.\$ _____ aggregate principal amount of the Notes, which represent an interest in a 144A Global Note beneficially owned by the undersigned (“Transferor”), we confirm that such transfer has been effected pursuant to and in accordance with Rule 144 under the Securities Act.

You, the Issuer and the Note Guarantors are entitled to rely upon this letter and are irrevocably authorized to produce this letter or a copy hereof to any interested party in any administrative or legal proceedings or official inquiry with respect to the matters covered hereby.

Very truly yours,

[Name of Transferor]

By: _____

Authorized Signature

Signature Guarantee: _____
(Signature must be guaranteed)

The signature(s) should be guaranteed by an eligible guarantor institution (banks, stockbrokers, savings and loan associations and credit unions with membership in an approved signature guarantee medallion program), pursuant to Exchange Act Rule 17Ad-15.

FORM OF CERTIFICATION FOR TRANSFER PURSUANT TO RULE 144A

[Date]

The Bank of New York Mellon
101 Barclay Street – 7E
New York, NY 10286
Attention: International Corporate Trust

Re: 6.125% Senior Secured Notes due 2025 (the “Notes”) of CEMEX, S.A.B. de C.V. (the “Issuer”)

Ladies and Gentlemen:

Reference is hereby made to the Indenture, dated as of March 5, 2015 (as amended and supplemented from time to time, the “Indenture”), among the Issuer, the Note Guarantors named therein and The Bank of New York Mellon, as Trustee. Capitalized terms used but not defined herein shall have the meanings given them in the Indenture.

In connection with our proposed transfer of U.S.\$ _____ aggregate principal amount of the Notes, which represent an interest in a Regulation S Global Note beneficially owned by the undersigned (“Transferor”), we confirm that such transfer has been effected pursuant to and in accordance with Rule 144A under the Securities Act of 1933, as amended, and, accordingly, we represent that the beneficial interest will be transferred to a Person that we reasonably believe is purchasing the beneficial interest for its own account, or for one or more accounts with respect to which such Person exercises sole investment discretion, and such Person and each such account is a “qualified institutional buyer” within the meaning of Rule 144A in a transaction meeting the requirements of Rule 144A and such transfer is in compliance with any applicable blue sky securities laws of any state of the United States.

You, the Issuer and the Note Guarantors are entitled to rely upon this letter and are irrevocably authorized to produce this letter or a copy hereof to any interested party in any administrative or legal proceedings or official inquiry with respect to the matters covered hereby.

Very truly yours,

[Name of Transferor]

By: _____

Authorized Signature]

Signature Guarantee: _____
(Signature must be guaranteed)

The signature(s) should be guaranteed by an eligible guarantor institution (banks, stockbrokers, savings and loan associations and credit unions with membership in an approved signature guarantee medallion program), pursuant to Exchange Act Rule 17Ad-15.

“CONSOLIDATED LEVERAGE RATIO” AND RELATED DEFINITIONS

The definition of “Consolidated Leverage Ratio” comes from the 2009 Financing Agreement, as in effect immediately prior to giving effect to the amendment and restatement thereof on September 17, 2012, and is to be used solely for purposes of calculating the Consolidated Leverage Ratio in the context of determining whether a Partial Covenant Suspension Event has occurred.

“**2012 CB Amount**” means an aggregate amount equal to the Relevant Existing Financial Indebtedness maturing on or prior to the 2012 CB Maturity Date.

“**2012 CB Maturity Date**” means the final maturity date of the Relevant Existing Financial Indebtedness maturing in September, 2012 (being 21 September, 2012).

“**Acceptable Bank**” means:

- (a) a bank or financial institution which has a rating for its long-term unsecured and non credit-enhanced debt obligations of A- or higher by S&P or A- or higher by Fitch or A3 or higher by Moody’s or a comparable rating from an internationally recognised credit rating agency;
- (b) any other bank or financial institution in a jurisdiction in which a member of the Group conducts commercial operations where such member of the Group, in the ordinary course of trading, subscribes for certificates of deposit issued by such bank or financial institution; or
- (c) any other bank or financial institution approved by the Administrative Agent.

“**Accession Letter**” means a document substantially in the form set out in Schedule 4 (*Form of Accession Letter*) of the 2009 Financing Agreement.

“**Additional Guarantor**” means a company that becomes an Additional Guarantor in accordance with Clause 28 (*Changes to the Obligors*) of the 2009 Financing Agreement.

“**Additional Security Provider**” means a company that becomes an Additional Security Provider in accordance with Clause 28 (*Changes to the Obligors*) of the 2009 Financing Agreement.

“**Administrative Agent**” means Citibank International PLC, as administrative agent of the Finance Parties (other than itself) under the 2009 Financing Agreement.

“**Affiliate**” means, in relation to any person, a Subsidiary of that person or a Holding Company of that person or any other Subsidiary of that Holding Company.

“**Applicable GAAP**” means:

- (a) in the case of the Issuer, Mexican FRS or, if adopted by the Issuer in accordance with Clause 22.3 (*Requirements as to financial statements*) of the 2009 Financing Agreement, IFRS;
- (b) in the case of CEMEX España, Spanish GAAP or, if adopted by CEMEX España in accordance with Clause 22.3 (*Requirements as to financial statements*) of the 2009 Financing Agreement, IFRS; and
- (c) in the case of any other Obligor, the generally accepted accounting principles applying to it in the country of its incorporation or in a jurisdiction agreed to by the Administrative Agent or, if adopted by the relevant Obligor, IFRS.

“**Authorised Signatory**” means, in relation to any Obligor, any person who is duly authorised and in respect of whom the Administrative Agent has received a certificate signed by a director or another Authorised Signatory of such Obligor setting out the name and signature of such person and confirming such person’s authority to act.

“**Banobras Facility**” means a revolving loan agreement (*Contrato de Apertura de Crédito en Cuenta Corriente*) between CEMEX CONCRETOS, S.A. de C.V., as borrower and Banco Nacional de Obras y Servicios Públicos, Sociedad Nacional de Crédito, Institución de Banca de Desarrollo, as lender (“**Banobras**”), in an aggregate principal amount equal to Mex\$5,000,000,000.00 (five billion pesos), dated April 22, 2009, which was formalized by means of public deeds number 116,380 and 116,381 dated April 22, 2009, granted before Mr. José Angel Villalobos Magaña, notary public number 9 for Mexico, Federal District, as such facility may be amended from time to time.

“**Base Currency**” means US dollars.

“**Base Currency Amount**” means on any date:

- (a) in relation to an amount or Exposure denominated in the Base Currency, that amount or the amount of that Exposure; and
- (b) in relation to an amount or Exposure denominated in a currency other than the Base Currency, that amount or the amount of that Exposure converted into the Base Currency at:
 - (i) for the purposes of determining the Majority Participating Creditors, the exchange rate displayed on the appropriate Reuters screen at or about 11:00 a.m. on the date on which such determination is made (or if the agreed page is replaced or services cease to be available, the Administrative Agent may specify another page or service displaying the appropriate rate after consultation with the Issuer and the Participating Creditors); and
 - (ii) for all other purposes, the exchange rate displayed on the appropriate Reuters screen at or about 11:00 a.m. on the date which is five Business Days before that date (or if the agreed page is replaced or services cease to be available, the Administrative Agent may specify another page or service displaying the appropriate rate after consultation with the Issuer and the Participating Creditors).

“**Bilateral Bank Facilities**” means the facilities described in Part IB of Part II of Schedule 1 (*The Original Participating Creditors*) of the 2009 Financing Agreement.

“**Borrower**” means an Original Borrower unless it has ceased to be a Borrower in accordance with Clause 28.2 (*Resignation of a Borrower*) of the 2009 Financing Agreement.

“**Business Day**” means a day (other than a Saturday or Sunday) on which banks are open for general business in London, Madrid, New York, Amsterdam and Mexico City (in the case of Mexico City, if applicable, as specified by a governmental authority), and:

- (a) (in relation to any date for payment or lending or purchase of, or the determination of an interest rate or rate of exchange in relation to, a currency other than euro) the principal financial centre of the country of that currency; or
- (b) (in relation to any date for payment or lending or purchase of, or the determination of an interest rate or rate of exchange in relation to, euro) any TARGET Day.

“**Business Plan**” means the five year business plan of the Group delivered in conjunction with the 2009 Financing Agreement.

“**Capital Expenditure**” means any expenditure or obligation in respect of expenditure which, in accordance with Applicable GAAP of the Issuer, is treated as capital expenditure (and including the capital element of any expenditure or obligation incurred in connection with a Capital Lease) (and, solely for the purposes of paragraph (c) of Clause 23.2 (*Financial condition*) of the 2009 Financing Agreement, the maximum amount of Capital Expenditure of the Group permitted in the Financial Year ending on or about 31 December 2009 will be increased by an amount not exceeding \$50,000,000 in aggregate to the extent necessary to take into account currency fluctuations or additional costs and expenses contemplated by (or that have occurred since the date of) the Business Plan).

“**Capital Lease**” means, as to any person, the obligations of such person to pay rent or other amounts under any lease of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, which obligations are required to be classified and accounted for as capital leases on a balance sheet of the Issuer under Applicable GAAP and the amount of such obligations at any time shall be the capitalized amount thereof at such time determined in accordance with Applicable GAAP of the Issuer.

“**Capital Stock**” means any and all shares, interests, participations or other equivalents (however designed) of capital stock of a corporation, any and all equivalent ownership interests in a person (other than a corporation) and any and all warrants, rights or options to purchase any of the foregoing.

“**Cash Equivalent Investments**” means at any time:

- (a) certificates of deposit maturing within one year after the relevant date of calculation and issued by an Acceptable Bank;
- (b) any investment in marketable debt obligations issued or expressly guaranteed by the government of Mexico, the United States of America (or any state thereof (including any political subdivision of such state)), the United Kingdom, any member state of the European Economic Area or any Participating Member State or any member state of NAFTA (or any other jurisdiction in which a member of the Group conducts commercial operations if that member of the Group makes investments in such debt obligations in the ordinary course of its trading) or by an instrumentality or agency of any of them having an equivalent credit rating, maturing within one year after the relevant date of calculation and not convertible or exchangeable to any other security;
- (c) commercial paper not convertible into or exchangeable for any other security:
 - (i) for which a recognised trading market exists;
 - (ii) issued by an issuer incorporated in Mexico, the United States of America (or any state thereof (including any political subdivision of such state)), the United Kingdom, any member state of the European Economic Area or any Participating Member State or any member state of NAFTA (or any other jurisdiction in which a member of the Group makes investments in such debt obligations in the ordinary course of trading);
 - (iii) which matures within one year after the relevant date of calculation; and
 - (iv) which has a credit rating of either A-1 or higher by S&P or F 1 or higher by Fitch or P-1 or higher by Moody’s, or, if no rating is available in respect of the commercial paper, the issuer of which has, in respect of its long-term unsecured and non-credit enhanced debt obligations, an equivalent rating;

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- (d) sterling bills of exchange eligible for rediscount at the Bank of England and accepted by an Acceptable Bank (or their dematerialised equivalent);
 - (e) any investment in money market funds which (i) have a credit rating of either A-1 or higher by S&P or F1 or higher by Fitch or P-1 or higher by Moody's, (ii) which invest substantially all their assets in securities of the types described in paragraphs (a) to (d) above and (f) and (g) below and (iii) can be turned into cash on not more than 30 days' notice; or
 - (f) any deposit issued by any of Nacional Financiera, S.N.C., Banco Nacional de Comercio Exterior, S.N.C., Banco Nacional de Obras y Servicios Públicos, S.N.C. or any other development bank controlled by the Mexican government;
 - (g) any other debt instrument rated "investment grade" (or the local equivalent thereof according to local criteria in a country in which any member of the Group conducts commercial operations and in which local pensions are permitted by law to invest) with maturities of 12 months or less from the date of acquiring such investment;
 - (h) investments in mutual funds, managed by banks or financial institutions, with a local currency credit rating of at least MxAA by S&P or equivalent by any other reputable local rating agency, that invest principally in marketable direct obligations issued by the Mexican government, or issued by any agency or instrumentality thereof; and
 - (i) any other debt security, certificate of deposit, commercial paper, bill of exchange, investment in money market funds or material funds approved by the Majority Participating Creditors, in each case, to which any member of the Group is alone (or together with other members of the Group) beneficially entitled at that time and which is not issued or guaranteed by any member of the Group or subject to any Security (other than Security arising under the Transaction Security Documents).

"CB Cash Replenishment Amount" means, for a particular Relevant Prepayment Period, the amount of cash in hand of the Issuer on a consolidated basis to be applied by the Issuer to the CB Reserve pursuant to paragraph (b) of Clause 13.3 (*Mandatory prepayments: Certificados Bursátiles Reserve*) of the 2009 Financing Agreement at any time during that Relevant Prepayment Period **provided that** such amount, together with the CB Disposal Proceeds Replenishment Amount applicable to that Relevant Prepayment Period, may not exceed the CB Reserve Shortfall at that time.

"CB Disposal Proceeds Replenishment Amount" means for a particular Relevant Prepayment Period, the amount of any Disposal Proceeds received by any member of the Group during that Relevant Prepayment Period to be applied by the Issuer to the CB Reserve pursuant to paragraph (b) of Clause 13.3 (*Mandatory prepayments: Certificados Bursátiles Reserve*) of the 2009 Financing Agreement **provided that** such amount, together with the CB Cash Replenishment Amount applicable to that Relevant Prepayment Period, may not exceed the CB Reserve Shortfall at that time.

"CB Reserve" means the reserve created by the Issuer or any of its Subsidiaries for the purposes of holding the proceeds of any Permitted Fundraising that, as set out in the relevant CB Reserve Certificate, are to be applied in accordance with Clause 13.3 (*Mandatory prepayments: Certificados Bursátiles Reserve*) of the 2009 Financing Agreement.

“**CB Reserve Certificate**” means a certificate signed by a Responsible Officer of the Issuer setting out, with respect to a Permitted Fundraising the net cash proceeds of which are to be applied in accordance with Clause 13.3 (*Mandatory prepayments: Certificados Bursátiles Reserve*) of the 2009 Financing Agreement:

- (i) the amount of proceeds from the relevant Permitted Fundraising that the Issuer wishes to be applied to the CB Reserve (such amount to not exceed the aggregate amount of the Relevant Existing Financial Indebtedness that is due to mature within the Relevant Prepayment Period to which it applies); and
- (ii) specific details of the Relevant Existing Financial Indebtedness to which any amounts are designated by the Issuer to be applied including the total aggregate amount of such Relevant Existing Financial Indebtedness and the date on which such Relevant Existing Financial Indebtedness matures.

“**CB Reserve Shortfall**” means at any time, for a particular Relevant Prepayment Period, an amount equal to the lower of:

- (i) the aggregate amount of (A) any voluntary prepayments made to Participating Creditors pursuant to Clause 12.2 (*Voluntary prepayment of Exposures*) of the 2009 Financing Agreement from proceeds standing to the credit of the CB Reserve in that Relevant Prepayment Period and (B) the 2012 CB Amount; and
- (ii) the principal amount of any Relevant Existing Financial Indebtedness then outstanding in that Relevant Prepayment Period.

“**Change of Control**” means that the beneficial ownership (within the meaning of Rule 13d-3 promulgated by the SEC under the Securities Exchange Act of 1934, as amended) of 20 per cent. or more in voting power of the outstanding voting stock of the Issuer is acquired by any person, **provided that** the acquisition of beneficial ownership of capital stock of the Issuer by Lorenzo H. Zambrano or any member of his immediate family shall not constitute a Change of Control.

“**Charged Property**” means all of the assets of the Security Providers which from time to time are, or are expressed to be, the subject of the Transaction Security.

“**Compliance Certificate**” means a certificate substantially in the form set out in Schedule 5 (*Form of Compliance Certificate*) of the 2009 Financing Agreement.

“**Consolidated Coverage Ratio**” means, on any date of determination, the ratio of (a) EBITDA for the one (1) year period ending on such date to (b) Consolidated Interest Expense for the one (1) year period ending on such date.

“**Consolidated Debt**” means, at any date, the sum (without duplication) of (a) the aggregate amount of all Debt of the Issuer and its Subsidiaries at such date, which shall include the amount of any recourse in respect of Inventory Financing permitted under paragraph (e) of the definition of Permitted Financial Indebtedness, *plus* (b) to the extent not included in Debt, the aggregate net mark-to-market amount of all derivative financing in the form of equity swaps outstanding at such date (except to the extent such exposure is cash collateralized to the extent permitted under the Finance Documents).

“**Consolidated Funded Debt**” means, for any period, Consolidated Debt less the sum (without duplication) of (i) all obligations of such person to pay the deferred purchase price of property or services, (ii) all obligations of such person as lessee under Capital Leases, and (iii) all obligations of such person with respect to product invoices incurred in connection with export financing.

“**Consolidated Interest Expense**” means, for any period, the sum of the (1) total gross cash and non cash interest expense of the Issuer and its consolidated Subsidiaries relating to Consolidated Funded Debt of such persons, (2) any amortization or accretion of debt discount or any interest paid on Consolidated Funded Debt of such person and its Subsidiaries in the form of additional Financial Indebtedness (but excluding any amortization of deferred financing and debt issuance costs), (3) the net costs under Treasury Transactions in respect of interest rates (but excluding amortization of fees), (4) any amounts paid in cash on preferred stock, and (5) any interest paid or accrued in respect of Consolidated Funded Debt without a maturity date, regardless of whether considered interest expense under Applicable GAAP of the Issuer. For purposes of calculating Consolidated Interest Expense for the Reference Period ending 30 June 2010, \$131,406,696.17 shall be deducted, constituting the amount of interest paid in respect of perpetual debentures on 1 July 2009 for the period ending 30 June 2009.

“**Consolidated Leverage Ratio**” means, on any date of determination, the ratio of (a) Consolidated Funded Debt on such date to (b) EBITDA for the one (1) year period ending on such date.

“**Core Bank Facilities**” means the Syndicated Bank Facilities, the Bilateral Bank Facilities and the Promissory Notes.

“**Creditor’s Representative**” means:

- (a) with respect to each of the Syndicated Bank Facilities, the person appointed as the agent of the creditors in relation to such Facility under the Existing Finance Documents relating to such Facility;
- (b) with respect to each other Core Bank Facility, the Participating Creditor with an Exposure under that Facility; and
- (c) with respect to each USPP Note, the Participating Creditor with an Exposure under that USPP Note.

“**Debt**” of any person means, without duplication, (i) all obligations of such person for borrowed money, (ii) all obligations of such person evidenced by bonds, debentures, notes or other similar instruments, including the perpetual bonds, (iii) the aggregate net mark-to-market of Treasury Transactions (except to the extent such exposure is cash collateralized to the extent permitted under the Finance Documents) of such person but excluding Treasury Transactions relating to the rate or price of energy or any commodity, (iv) all obligations of such person to pay the deferred purchase price of property or services, except trade accounts payable arising in the ordinary course of trading, (v) all obligations of such person as lessee under Capital Leases, (vi) all Debt of others secured by Security on any asset of such person, up to the value of such asset, (vii) all obligations of such person with respect to product invoices incurred in connection with export financing, (viii) all obligations of such person under repurchase agreements for the stock issued by such person or another person, (ix) all obligations of such person in respect of Inventory Financing permitted under paragraph (e) of the definition of Permitted Financial Indebtedness and (x) all guarantees of such person in respect of any of the foregoing **provided, however**, that for the purposes of calculating the Consolidated Funded Debt element of the Consolidated Leverage Ratio, Relevant Convertible/Exchangeable Obligations shall be excluded from each of the foregoing paragraphs (i) to (x) inclusive (**provided that**, in the case of outstanding Financial Indebtedness under any Relevant Convertible/Exchangeable Obligations (1) only the principal amount thereof shall be excluded and (2) such exclusion shall apply only for so long as such amounts remain subordinated in accordance with the terms of that definition) and (b) amounts falling within paragraph (v) of the definition of Excluded Fundraising Proceeds, for the period in which they are held by the Issuer or any member of the Group pending application in accordance with the terms of the 2009 Financing

Agreement, shall be deducted from the aggregate Debt calculation resulting from this definition. For the avoidance of doubt, all letters of credit, banker's acceptances or similar credit transactions, including reimbursement obligations in respect thereof are not Debt until they are required to be funded.

"Debt Documents" means the Finance Documents, the "Refinancing Documents" (as defined in the Intercreditor Agreement) and the "Noteholder Documents" (as defined in the Intercreditor Agreement).

"Debt Reduction Satisfaction Date" means the first date following 30 September 2010 on which:

- (a) the Base Currency Amount of the Exposures of Participating Creditors under the Facilities (calculated as at the date that any reduction of Exposures occurs and in accordance with the 2009 Financing Agreement) has been reduced by an aggregate amount equal to at least U.S.\$1,000,000,000 compared to the Exposures of Participating Creditors under the Facilities as at 30 September 2010; and
- (b) the amount of Consolidated Funded Debt is at least U.S.\$1,000,000,000 (or its equivalent in any other currency) lower than the level of Consolidated Funded Debt as at 30 September 2010 (for the avoidance of doubt, when used in this sub-paragraph, Consolidated Funded Debt shall not include any Relevant Convertible/Exchangeable Obligations),

with notification of the occurrence of such date being provided by the Parent delivering a certificate to the Administrative Agent signed by an Authorised Signatory confirming that (a) and (b) above have been met.

"Delegate" means any delegate, agent, attorney or co-trustee appointed by the Security Agent.

"Discontinued EBITDA" means, for any period, the sum for Discontinued Operations of (a) operating income (*utilidad de operación*), and (b) depreciation and amortization expense, in each case determined in accordance with Applicable GAAP of the Issuer consistently applied for such period.

"Discontinued Operations" means operations that are accounted for as discontinued operations pursuant to Applicable GAAP of the Issuer for which the Disposal of such assets has not yet occurred.

"Disposal" means a sale, lease, license, transfer, loan or other disposal by a person of any asset (including shares in any Subsidiary or other company), undertaking or business (whether by a voluntary or involuntary single transaction or series of transactions).

"Disposal Proceeds" means:

- (i) the cash consideration received by any member of Group (including any amount received from a person who is not a member of the Group in repayment of intercompany debt save to the extent that the creditor in respect of the intercompany debt is obliged to repay that amount to the purchaser at or about completion of the Disposal) for any Disposal;
- (ii) any proceeds of any Disposal received in the form of Marketable Securities that are required to be disposed of for cash (after deducting reasonable expenses incurred by the party disposing of those Marketable Securities to persons other than members of the Group) pursuant to the criteria set out at paragraph (h) of the definition of Permitted Disposal; and
- (iii) any proceeds of any Disposal received in any other form to the extent disposed of or otherwise converted into cash within 90 days of receipt; and
- (iv) any consideration falling within paragraphs (i) to (iii) above that is received by any member of the Group from the Disposal of assets of the Group in Venezuela prior to the date of the 2009 Financing Agreement,

but excluding any Excluded Disposal Proceeds and, in every case, after deducting:

- (1) any reasonable expenses which are incurred by the disposing party of such assets with respect to that Disposal to persons who are not members of the Group;
- (2) any Tax incurred and required to be paid by the disposing party in connection with that Disposal (as reasonably determined by the disposing party on the basis of rates existing at the time of the disposal and taking account of any available credit, deduction or allowance);

“**EBITDA**” means, for any period, the sum for the Issuer and its Subsidiaries, determined on a consolidated basis of (a) operating income (*utilidad de operacion*), and (b) depreciation and amortization expense, in each case determined in accordance with Applicable GAAP of the Issuer, subject to the adjustments herein, consistently applied for such period and adjusted for Discontinued EBITDA as follows: if the amount of Discontinued EBITDA is a positive amount, then EBITDA shall increase by such amount, and if the amount of Discontinued EBITDA is a negative amount, then EBITDA shall decrease by the absolute value of such amount. For the purposes of calculating EBITDA for any applicable period pursuant to any determination of the Consolidated Leverage Ratio (but not the Consolidated Coverage Ratio): (A) (i) if at any time during such applicable period the Borrower or any of its Subsidiaries shall have made any Material Disposal, the EBITDA for such applicable period shall be reduced by an amount equal to the EBITDA (if positive) attributable to the property that is the subject of such Material Disposal for such applicable period (but when the Material Disposal is by way of lease, income received by the Issuer or any of its Subsidiaries under such lease shall be included in EBITDA) and (ii) if at any time during such applicable period the Issuer or any of its Subsidiaries shall have made any Material Acquisition, EBITDA for such applicable period shall be calculated after giving *pro forma* effect thereto as if such Material Acquisition had occurred on the first day of such applicable period. Additionally, if since the beginning of such applicable period any person that subsequently shall have become a Subsidiary or was merged or consolidated with the Issuer or any of its Subsidiaries as a result of a Material Acquisition occurring during such applicable period shall have made any Material Disposal or Material Acquisition of property that would have required an adjustment pursuant to clause (i) or (ii) above if made by the Issuer or any of its Subsidiaries during such applicable period, EBITDA for such period shall be calculated after giving *pro forma* effect thereto as if such Material Disposal or Material Acquisition had occurred on the first day of such applicable period; and (B) EBITDA will be recalculated by multiplying each month’s EBITDA by the Ending Exchange Rate and dividing the amount obtained thereto by the exchange rate used by the Issuer in preparation of its monthly financial statements in accordance with Applicable GAAP of the Issuer to convert \$ into Mexican pesos (such recalculated EBITDA being the “**Recalculated EBITDA**”).

“**Ending Exchange Rate**” means the exchange rate at the end of a Reference Period for converting \$ into Mexican pesos as used by the Issuer and its auditors in preparation of the Issuer’s financial statements in accordance with Applicable GAAP of the Issuer.

“**Excluded Disposal Proceeds**” means any CB Disposal Proceeds Replenishment Amount and the proceeds of any Disposal of:

- (i) inventory or trade receivables in the ordinary course of trading of the disposing entity;

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- (ii) assets pursuant to a Permitted Securitisation programme existing as at the date of the 2009 Financing Agreement (or any rollover or extension of such a Permitted Securitisation);
 - (iii) any asset from any member of the Group to another member of the Group on arm's length terms and for fair market or book value;
 - (iv) any assets the consideration for which (when aggregated with the consideration for any related Disposals) is less than \$5,000,000 (or its equivalent in any other currency);
 - (v) assets leased or licensed to any director, officer or employee of any member of the Group in connection with and as part of the ordinary course of the service or employment arrangements of the Group;
 - (vi) Marketable Securities (other than Marketable Securities received as consideration for a Disposal as envisaged in paragraphs (ii) and (iii) of the definition of Disposal Proceeds); and
 - (vii) any cash or other assets arising out of or in connection with any Permitted Put/Call Transaction, including, but not limited to any settlement, disposal, transfer, assignment, closeout or other termination of such Permitted Put/Call Transaction.

"Excluded Fundraising Proceeds" means the proceeds of:

- (i) a Permitted Fundraising falling within paragraph (f)(i) of the definition of Permitted Financial Indebtedness entered into for the purpose of refinancing or extending the maturity of Existing Financial Indebtedness falling within paragraph (a) of the definition thereof (or paragraph (b) of the definition thereof, to the extent that it relates to Short Term Certificados Bursatiles) (and, in the case of a refinancing, where the proceeds that would, but for this paragraph (i), constitute "Permitted Fundraising Proceeds," are actually applied for such purpose as soon as reasonably practicable (and in any event within 90 days) following receipt of those proceeds by any member of the Group);
- (ii) a Permitted Fundraising falling within paragraph (f)(ii) of the definition of Permitted Financial Indebtedness entered into for the purpose of refinancing or extending the maturity of Existing Financial Indebtedness falling within paragraphs (a) to (e) of the definition thereof (and, in the case of a refinancing, where the proceeds that would, but for this paragraph (ii), constitute "Permitted Fundraising Proceeds," are actually applied for such purpose as soon as reasonably practicable (and in any event within 90 days) following receipt of those proceeds by any member of the Group).
- (iii) any transaction between members of the Group;
- (iv) Permitted Securitisations;
- (v) prior to the Debt Reduction Satisfaction Date, a Permitted Fundraising falling within paragraph (c) of that definition or, after the Debt Reduction Satisfaction Date, a Permitted Fundraising falling within paragraphs (a), (b) or (c) of that definition **provided that** any Relevant Existing Financial Indebtedness due to

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- mature within the particular Relevant Prepayment Period and the proceeds of such Permitted Fundraising are to be applied in accordance with Clause 13.3 (*Mandatory prepayments: Certificados Bursátiles Reserve*) of the 2009 Financing Agreement;
- (vi) subject to Clause 13.4(ii) of the 2009 Financing Agreement, a Permitted Fundraising falling within paragraph (c) of that definition and applied or to be applied in accordance with Clause 13.4 (*Mandatory prepayments: Relevant Convertible/Exchangeable Obligations*) of the 2009 Financing Agreement; and
 - (vii) a Permitted Fundraising arising out of or in connection with any Permitted Put/Call Transaction, including, but not limited to, any settlement, disposal, transfer, assignment, close-out or other termination of such Permitted Put/Call Transaction.

“**Executive Compensation Plan**” means any stock option plan, restricted stock plan or retirement plan which the Issuer or any other Obligor customarily provides to its employees, consultants and directors.

“**Existing Facility Agreements**” means the facility agreements and other documents described in Part II, Schedule 1 (*The Original Participating Creditors*) of the 2009 Financing Agreement.

“**Existing Finance Documents**” means each Existing Facility Agreement, the USPP Note Guarantee, the “Finance Documents” as defined in any Existing Facility Agreement and the “Facility Transaction Documents” as defined in Exhibit H to the NY Law Amendment Agreement (but in each case excluding any document that is designated a “**Finance Document**” or “**Facility Transaction Document**” by an Obligor and the relevant Creditor’s Representative under an Existing Facility Agreement after the date of the 2009 Financing Agreement).

“**Existing Financial Indebtedness**” means:

- (a) the Financial Indebtedness described in Part I of Schedule 10 (*Existing Financial Indebtedness*) of the 2009 Financing Agreement **provided that** the principal amount of such Financial Indebtedness does not increase above the principal amount outstanding as at the date of the 2009 Financing Agreement (except by the amount of any capitalised interest under any facility or instrument that provided for capitalisation of interest on those terms as at the date of the 2009 Financing Agreement) less the amount of any repayments and prepayments made in respect of such Financial Indebtedness;
- (b) the Financial Indebtedness described in Part II of Schedule 10 (*Existing Financial Indebtedness*) of the 2009 Financing Agreement and any Short-Term Certificados Bursátiles, working capital or other operating facilities that replace or refinance such Financial Indebtedness;
- (c) the Financial Indebtedness described in Part III of Schedule 10 (*Existing Financial Indebtedness*) of the 2009 Financing Agreement and any Capital Leases that replace (and relate to the same or similar assets as) such Financial Indebtedness;
- (d) the Financial Indebtedness described in Part IV of Schedule 10 (*Existing Financial Indebtedness*) of the 2009 Financing Agreement and any Inventory Financing or factoring arrangements that replace (and relate to the same or similar assets as) such Financial Indebtedness; and
- (e) the Banobras Facility and any other facility that replaces or refinances such facility **provided that** any such replacement or refinancing facility is (i) with a development bank controlled by the Mexican Government or (ii) with any other financial institution to finance public works or infrastructure assets,

provided that (i) the aggregate principal amount of such Existing Financial Indebtedness falling under each of paragraphs (b) to (e) of this definition shall not be increased above the principal amount of Financial Indebtedness committed or capable of being drawn down under the Financial Indebtedness referred to in that paragraph of this definition as at the date of the 2009 Financing Agreement (except by the amount of any capitalised interest under any facility or instrument that provided for capitalisation of interest on those terms as at the date of the 2009 Financing Agreement) and (ii), for the avoidance of doubt, any refinancing or replacement of Existing Financial Indebtedness falling within paragraphs (b) to (d) above need not satisfy the requirements of paragraph (f) of the definition of Permitted Financial Indebtedness.

“Exposure” means, at any time:

- (a) in relation to a Participating Creditor and a Syndicated Bank Facility or Bilateral Bank Facility, that Participating Creditor’s participation in Loans made under the relevant Facility at that time;
- (b) in relation to Participating Creditor and a Promissory Note, the principal amount owed to that Participating Creditor under that Promissory Note at that time; and
- (c) in relation to a Participating Creditor and a USPP Note, the principal amount owed to that Participating Creditor under that USPP Note at that time.

“Facility” means a Core Bank Facility and each USPP Note.

“Fee Letter” means any letter or agreement between the Administrative Agent or Security Agent and the Issuer setting out (i) the upfront fee and (ii) the level of fees payable in respect of the services and obligations performed by those agents under the relevant New Finance Documents.

“Finance Document” means each New Finance Document and each Existing Finance Document.

“Finance Party” means the Administrative Agent, the Security Agent, each Creditor’s Representative or a Participating Creditor.

“Financial Indebtedness” means any indebtedness for or in respect of:

- (a) moneys borrowed and debit balances at banks or other financial institutions;
- (b) any acceptance under any acceptance credit or bill discounting facility (or dematerialised equivalent);
- (c) any amount raised pursuant to a note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument (including, without limitation, any perpetual bonds);
- (d) the amount of any liability in respect of any lease or hire purchase contract which would (in accordance with Applicable GAAP of the Issuer) be treated as a finance or capital lease;

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- (e) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis and meet any requirement for de-recognition under Applicable GAAP of the Issuer);
 - (f) any Treasury Transaction (and, when calculating the value of that Treasury Transaction, only the mark-to-market value (or, if any actual amount is due as a result of the termination or close-out of that Treasury Transaction, that amount) shall be taken into account);
 - (g) any counter-indemnity obligation in respect of a guarantee, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution;
 - (h) any amount raised by the issue of redeemable shares which are redeemable (other than at the option of the issuer) before the Termination Date or are otherwise classified as borrowings under Applicable GAAP of the Issuer;
 - (i) any amount of any liability under an advance or deferred purchase agreement if (i) one of the primary reasons behind entering into the agreement is to raise finance or to finance the acquisition or construction of the asset or service in question or (ii) the agreement is in respect of the supply of assets or services and payment is due more than 60 days after the date of supply;
 - (j) any arrangement pursuant to which an asset sold or otherwise disposed of by that person may be re-acquired by a member of the Group (whether following the exercise of an option or otherwise) and any Inventory Financing;
 - (k) any amount raised under any other transaction (including any forward sale or purchase, sale and sale back or sale and leaseback agreement) having the commercial effect of a borrowing or otherwise classified as borrowings under Applicable GAAP of the Issuer; and
 - (l) the amount of any liability in respect of any guarantee for any of the items referred to in paragraphs (a) to (k) above.

“**Financial Quarter**” means the period commencing on the day after one Quarter Date and ending on the next Quarter Date.

“**Financial Year**” means the annual accounting period of the Issuer ending on or about 31 December in each year.

“**Fitch**” means Fitch Ratings Limited or any successor thereto from time to time.

“**Group**” means the Issuer and each of its Subsidiaries for the time being.

“**Guarantors**” means the Original Guarantors and any Additional Guarantor other than any Original Guarantor or Additional Guarantor which has ceased to be a Guarantor pursuant to Clause 28.4 (*Resignation of Guarantor*) of the 2009 Financing Agreement and has not subsequently become an Additional Guarantor pursuant to Clause 28.3 (*Additional Guarantors and Additional Security Providers*) of the 2009 Financing Agreement and “**Guarantor**” means any of them.

“**Holding Company**” means, in relation to a company or corporation, any other company or corporation in respect of which it is a Subsidiary.

“**IFRS**” means international accounting standards within the meaning of IAS Regulation 1606/2002 to the extent applicable to the relevant financial statements.

“**Intellectual Property**” means:

- (a) any patents, trademarks, service marks, designs, business names, copyrights, design rights, data-base rights, inventions, knowhow and other intellectual property rights and interests, whether registered or unregistered; and
- (b) the benefit of all applications and rights to use such assets of each member of the Group.

“**Intercreditor Agreement**” means the intercreditor agreement dated on or about the date of the 2009 Financing Agreement and made between, among others, the Issuer, Wilmington Trust (London) Limited as Security Agent, Citibank International PLC as Administrative Agent, the Participating Creditors and any other creditors of the Group that may accede to it from time to time in accordance with its terms, as such agreement may be amended from time to time.

“**Inventory Financing**” means a financing arrangement pursuant to which a member of the Group sells inventory to a bank or other institution (or a special purpose vehicle or partnership incorporated or established by or on behalf of such bank or other institution or an Affiliate of such bank or other institution) and has an obligation to repurchase such inventory to the extent that it is not sold to a third party within a specified period.

“**Joint Venture**” means any joint venture entity, whether a company, unincorporated firm, undertaking, association, joint venture or partnership or any other entity.

“**Joint Venture Investment**” has the meaning given to such term in sub-paragraph (b) (ii) of the definition of Permitted Joint Venture.

“**Loan**” means:

- (a) in relation to a Syndicated Bank Facility or Bilateral Bank Facility, a loan made or to be made under such Facility or the principal amount outstanding for the time being of that loan; and
- (b) in relation to a Promissory Note, the Exposure of the Participating Creditors for the time being under that Promissory Note.

“**Majority Participating Creditors**” means, at any time, a Participating Creditor or Participating Creditors the Base Currency Amount of whose Exposures under the Facilities at that time aggregate 66.67 per cent. or more of the Base Currency Amount of all the Exposures of the Participating Creditors under all of the Facilities at that time.

“**Marketable Securities**” means securities (whether equity, debt or other securities) which are listed on a stock exchange or for which a trading market exists (whether on market or over the counter) but excluding: (A) shares in any member of the Group, and (B) any shares in Axtel, S.A.B. de C.V.

“**Material Acquisition**” means any (a) acquisition of property or series of related acquisitions of property that constitutes assets comprising all or substantially all of an operating unit, division or line of business or (b) acquisition of or other investment in the Capital Stock of any Subsidiary or any person which becomes a Subsidiary or is merged or consolidated with the Borrower or any of its Subsidiaries, in each case, which involves the payment of consideration by the Borrower and its Subsidiaries in excess of \$100,000,000 (or the equivalent in other currencies).

“**Material Disposal**” means any Disposal of property or series of related Disposals of property that yields gross proceeds to the Issuer or any of its Subsidiaries in excess of \$100,000,000 (or the equivalent in other currencies).

“**Mexican FRS**” means Mexican Financial Reporting Standards (*Normas de Información Financiera*) as in effect from time to time and consistent with those used in the preparation of the most recent audited financial statements referred to in Clause 22.1 (Financial Statements).

“**Mexican pesos**,” “**Mex\$**,” “**MXN**” and “**pesos**” means the lawful currency of Mexico.

“**Mexico**” means the United Mexican States.

“**Moody’s**” means Moody’s Investor Services Limited or any successor to its ratings business.

“**NAFTA**” means the North American Free Trade Agreement.

“**New Finance Document**” means the 2009 Financing Agreement, the NY Law Amendment Agreement, the Intercreditor Agreement, each Transaction Security Document, any Accession Letter, any Fee Letter, any Resignation Letter and any other document designated as a “**New Finance Document**” by the Administrative Agent and the Issuer.

“**New Equity Securities**” means

- (i) The U.S.\$977.5 million aggregate principal amount of 3.25% convertible subordinated notes due 2016, including U.S.\$177.5 million notes issued pursuant to an over-allotment option in connection with those subordinated notes due 2016; and
- (ii) U.S. \$690 million aggregate principal amount of 3.75% convertible subordinated notes due 2018, including U.S.\$90 million notes issued pursuant to an over-allotment option in connection with those subordinated notes due 2018.

in each case, issued on 15 March 2011 by the Issuer.

“**NY Law Amendment Agreement**” means the omnibus amendment agreement dated on or about the date of the 2009 Financing Agreement between, among others, the Issuer and the Participating Creditors with Exposures under those Existing Facility Agreements (other than the USPP Note Agreement) that are governed by the laws of the State of New York, as such agreement may be amended from time to time.

“**Obligors**” means the Borrowers, the Guarantors and the Security Providers and “**Obligor**” means any of them.

“**Original Borrowers**” means, together with the Issuer, the Subsidiaries of the Issuer listed in Part I of Schedule 1 (*The Original Parties*) of the 2009 Financing Agreement as borrowers or issuers.

“**Original Financial Statements**” means (a) in relation to the Issuer, its audited unconsolidated and consolidated financial statements for its Financial Year ended 31 December 2008 accompanied by an audit opinion of KPMG Cardenas Dosal, S.C.; (b) in relation to CEMEX España, its audited consolidated financial statements for its financial year ended 31 December 2008; and (c) in relation to any other borrower or guarantor under the 2009 Financing Agreement, its most recent annual financial statements (audited, if available).

“**Original Guarantors**” means the Subsidiaries of the Issuer listed in Part I of Schedule 1 (*The Original Parties*) of the 2009 Financing Agreement as guarantors, together with the Issuer.

“**Original Participating Creditors**” means the financial institutions and noteholders listed in Part II of Schedule 1 (*The Original Participating Creditors*) of the 2009 Financing Agreement as creditors.

“**Original Security Providers**” means the Subsidiaries of the Issuer listed in Part I of Schedule 1 (*The Original Parties*) of the 2009 Financing Agreement as security providers.

“**Participating Creditor**” means:

- (a) any Original Participating Creditor; and
- (b) any person which has become a Party in accordance with Clause 27 (*Changes to the Participating Creditors*), of the 2009 Financing Agreement,

which in each case has not ceased to be a Party in accordance with the terms of the 2009 Financing Agreement.

“**Participating Member State**” means any member state of the European Union that adopts or has adopted the euro as its lawful currency in accordance with legislation of the European Union relating to Economic and Monetary Union.

“**Party**” means a party to the 2009 Financing Agreement.

“**Permitted Acquisition**” means:

- (a) an acquisition by a member of the Group of an asset sold, leased, transferred or otherwise disposed of by another member of the Group in circumstances constituting a Permitted Disposal;
- (b) an acquisition of shares or securities pursuant to a Permitted Share Issue;
- (c) an acquisition of cash or securities which are Cash Equivalent Investments;
- (d) an acquisition to which a member of the Group is contractually committed as at the date of the 2009 Financing Agreement, with the material terms of those acquisitions requiring consideration payable in excess of \$10,000,000 described in the list delivered to the Administrative Agent under paragraph 4(f) of Part I (Initial Conditions Precedent) of Schedule 2 of the 2009 Financing Agreement (**provided that** there has been or is no material change to the terms of such acquisition subsequent to the date of the 2009 Financing Agreement);
- (e) the incorporation of a company which on incorporation becomes a member of the Group or which is a special purpose vehicle, whether a member of the Group or not;
- (f) an acquisition that constitutes a Permitted Joint Venture;
- (g) an acquisition of assets and, if applicable, cash, in exchange for other assets and, if applicable, cash, of equal or higher value **provided that:** (i) the cash element of any such acquisition must not be more than 20 per cent. of the aggregate consideration for the acquisition; and (ii) the maximum aggregate market value of the assets acquired pursuant to all such transactions must not be more than \$100,000,000 (or its equivalent in any other currency) in any Financial Year;
- (h) any acquisition of shares of the Issuer pursuant to an obligation in respect of any Executive Compensation Plan;

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- (i) any other acquisition consented to by the Administrative Agent acting on the instructions of the Majority Participating Creditors;
 - (j) an acquisition of shares in the Issuer to the extent that a member of the Group has an obligation to deliver such shares to any holder(s) of convertible securities falling within paragraph (f)(i) of the definition of Permitted Financial Indebtedness pursuant to the terms of such convertible securities; and
 - (k) any other acquisition of a company, of shares, securities or a business or undertaking (or, in each case, any interest in any of them) **provided that** the aggregate amount of the consideration for such acquisitions (when aggregated with the aggregate amount of Joint Venture Investment falling within paragraph (b)(iii)(1) of the definition of Permitted Joint Venture in that Financial Year) does not exceed \$100,000,000 (or its equivalent in any other currencies) in any Financial Year.

“Permitted Disposal” means any sale, lease, licence, transfer or other disposal which, except in the case of Disposals as between members of the Group, is on arm’s length terms:

- (a) of trading stock or cash made by any member of the Group in the ordinary course of trading of the disposing entity;
- (b) of any asset by a member of the Group (the **“Disposing Company”**) to another member of the Group (the **“Acquiring Company”**), but if:
 - (i) the Disposing Company is an Obligor, the Acquiring Company must also be an Obligor;
 - (ii) the Disposing Company had given Transaction Security over the asset, the Acquiring Company must give equivalent Transaction Security over that asset; and
 - (iii) the Disposing Company is a Guarantor, the Acquiring Company must be a Guarantor guaranteeing at all times an amount no less than that guaranteed by the Disposing Company,

provided that the conditions set out in paragraphs (i), (ii) and (iii) above shall only apply if the applicable assets are shares or if all or substantially all of the assets of the Disposing Company are being disposed of;

- (c) of obsolete or redundant vehicles, machinery, parts and equipment in the ordinary course of trading;
- (d) of cash or Cash Equivalent Investments for cash or in exchange for other Cash Equivalent Investments;
- (e) constituted by a licence of Intellectual Property in the ordinary course of trading;
- (f) to a Joint Venture, to the extent permitted by Clause 24.17 (*Joint ventures*) of the 2009 Financing Agreement;
- (g) arising as a result of any Permitted Security;

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- (h) of any shares in a member of the Group (**provided that** all such shares in that entity owned by a member of the Group are the subject of the Disposal) or of any other asset, in each case on arm's length terms and for full market value where:
- (i) no less than 85 per cent. of the consideration for the Disposal is payable to the Group in cash or Marketable Securities paid or received by a member of the Group at completion of the Disposal (**provided that** where a portion of that 85 per cent. is comprised of Marketable Securities, those Marketable Securities must be disposed of for cash to a person that is not a member of the Group within 90 days of completion);
 - (ii) if the aggregate consideration for the Disposal (when aggregated with the consideration for any related Disposals) is equal to 5 per cent. or more of the value of consolidated assets of the Group, the Issuer has delivered to the Administrative Agent a certificate signed by an Authorised Signatory confirming that, on a *pro forma* basis, assuming that the Disposal had been completed and the proceeds had been applied in accordance with Clause 13 (*Mandatory Prepayment*) of the 2009 Financing Agreement immediately prior to the first day of the most recent Reference Period for which a Compliance Certificate has been or is required to have been delivered under the 2009 Financing Agreement, the Issuer would have been in compliance with the financial covenants in paragraphs (a) and (b) of Clause 23.2 (*Financial condition*) of the 2009 Financing Agreement as at the last day of the most recent Reference Period for which a Compliance Certificate has been or is required to have been delivered under the 2009 Financing Agreement; and
 - (iii) the Disposal Proceeds received by members of the Group are applied (to the extent required) in accordance with Clause 13 (*Mandatory prepayment*) of the 2009 Financing Agreement;
- (i) of any asset compulsorily acquired by a governmental authority **provided that** the Disposal Proceeds received by members of the Group are applied (to the extent required) in accordance with Clause 13 (*Mandatory prepayment*) of the 2009 Financing Agreement;
- (j) of any receivables disposed of pursuant to a factoring or similar receivables financing arrangement that is otherwise permitted under the 2009 Financing Agreement (including, for the avoidance of doubt, the Banobras Facility);
- (k) of any inventory disposed of pursuant to an Inventory Financing or similar arrangement that is otherwise permitted under the 2009 Financing Agreement;
- (l) of any plant or equipment disposed of pursuant to a sale and lease-back arrangement that is otherwise permitted under the 2009 Financing Agreement;
- (m) of any asset to which a member of the Group was contractually committed as at the date of the 2009 Financing Agreement, with all material terms of those disposals which relate to the disposal of assets with a value of at least \$10,000,000 being described in Schedule 14 (*Disposals*) of the 2009 Financing Agreement (**provided that** there has been or is no material change to the terms of such Disposal subsequent to the date of the 2009 Financing Agreement);

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- (n) of receivables disposed of pursuant to a Permitted Securitisation;
 - (o) of land or buildings arising as a result of lease or licence in the ordinary course of its trading;
 - (p) of any shares of the Issuer pursuant to an obligation in respect of any Executive Compensation Plan;
 - (q) of shares, common equity securities in the Issuer or reference property in connection with the same to the extent that a member of the Group has an obligation to deliver such shares, common equity securities or reference property to any holder(s) of convertible or exchangeable securities falling within paragraph (f)(i) of the definition of Permitted Financial Indebtedness pursuant to the terms of such convertible or exchangeable securities or to any counterparty pursuant to the terms of any Permitted Put/Call Transaction;
 - (r) of assets and, if applicable, cash in exchange for other assets and, if applicable, cash, of equal or higher value **provided that:** (i) the cash element of any such Disposal must not be more than 20 per cent. of the aggregate consideration for the Disposal; and (ii) the maximum aggregate market value of all assets disposed of in such transactions must not be more than \$100,000,000 (or its equivalent in any other currencies) in any Financial Year; or
 - (s) otherwise approved by the Administrative Agent acting on the instructions of the Majority Participating Creditors.

“Permitted Financial Indebtedness” means Financial Indebtedness:

- (a) incurred or arising under the Finance Documents;
- (b) that is Existing Financial Indebtedness;
- (c) owed to a member of the Group;
- (d) that constitutes a Permitted Securitisation;
- (e) arising under Capital Leases, factoring arrangements, Inventory Financing arrangements or export credit facilities for the purchase of equipment (**provided that** any Security granted in relation to any such facility relates solely to equipment, the purchase of which was financed under such Facility) or pursuant to sale and lease-back transactions **provided that** the maximum aggregate Financial Indebtedness of members of the Group under such transactions (excluding any Existing Financial Indebtedness) does not exceed \$350,000,000 at any time;

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- (f) arising:
- (i) pursuant to an issuance of bonds, notes or other debt securities, or of convertible or exchangeable securities by:
 - (A) in the case of bonds, notes or other debt securities or convertible or exchangeable securities issued to refinance or replace Existing Financial Indebtedness falling within Part I of Schedule 10 (Existing Financial Indebtedness) of the 2009 Financing Agreement, one or more Obligor (other than CEMEX Materials LLC and CEMEX, Inc.) or the same member of the Group (including, where applicable, CEMEX Materials LLC and CEMEX, Inc.) that issued the relevant Existing Financial Indebtedness that is being refinanced or replaced (whether acting as co-issuers or otherwise but, for the avoidance of doubt, with several liability only); or
 - (B) in the case of bonds, notes or other debt securities or convertible or exchangeable securities issued so as to be applied in repayment or prepayment of the Exposures of the Participating Creditors under the Facilities, one or more Obligor (other than CEMEX Materials LLC and CEMEX, Inc.) whether acting as co-issuers or otherwise, (and, for the avoidance of doubt, such securities may be issued with an original issue discount) on the capital markets in each case subscribed or paid for in full in cash on issue (unless such securities are exchanged on issue for other securities that constitute Existing Financial Indebtedness falling within paragraph (a) of the definition thereof on issue) **provided that** (other than any conversion into common equity securities of the Issuer) no principal repayments are scheduled (and no call options can be exercised) in respect thereof until after the Termination Date;
 - (ii) under a loan facility in respect of which the only borrowers are:
 - (A) in the case of loan facilities entered into to refinance or replace Existing Financial Indebtedness falling within Part I of Schedule 10 (*Existing Financial Indebtedness*) of the 2009 Financing Agreement one or more Obligor (other than CEMEX Materials LLC and CEMEX, Inc.) or the same member of the Group (including, where applicable, CEMEX Materials LLC and CEMEX, Inc.) that borrowed the relevant Existing Financial Indebtedness that is being refinanced or replaced, (whether acting as joint or multiple borrowers but for the avoidance of doubt, with several liability only); or
 - (B) in the case of loan facilities entered into so as to refinance or replace the Exposures of the Participating Creditors under the Facilities, one or more Obligor (other than CEMEX Materials LLC and CEMEX, Inc.) whether acting as joint or multiple borrowers,
provided that no principal repayments are scheduled (and no mandatory prepayment obligations arise save as a result of unlawfulness affecting a creditor in respect of such loan facility) in respect thereof until after the Termination Date,

and further **provided that** (1) the terms applicable to such issuance under paragraph (f)(i) (excluding pricing, but including, without limitation, as to prepayments, representations,

covenants, events of default, guarantees and security) taken as a whole are no more restrictive or onerous than the terms applicable to the Facilities, and the terms applicable to such incurrence under paragraph (f)(ii) (excluding pricing, but including, without limitation, as to prepayments, representations, covenants, events of default, guarantees and security) are no more restrictive or onerous than the terms applicable to the Facilities; (2) the proceeds of such issuance or incurrence are applied (to the extent required) in accordance with Clause 13 (*Mandatory prepayment*) of the 2009 Financing Agreement; (3) if proceeds of such issuance or incurrence are, to the extent required under the 2009 Financing Agreement, being used to replace or refinance (x) Financial Indebtedness which shares in the Transaction Security or (y) the CEMEX España Euro Notes, such Financial Indebtedness issued or incurred shall be entitled to share in the Transaction Security in accordance with (and on the terms of) the Intercreditor Agreement, **provided that** in the case of Financial Indebtedness issued or incurred to replace or refinance the CEMEX España Euro Notes, such Financial Indebtedness shall only be entitled to share in the Transaction Security if, prior to the first replacement or refinancing of the CEMEX España Euro Notes, the Debt Reduction Satisfaction Date has occurred; and (4) for the avoidance of doubt, any refinancing or replacement of Existing Financial Indebtedness falling within paragraphs (b) to (d) of the definition of Existing Financial Indebtedness need not satisfy the requirements of this paragraph (f);

- (g) that constitutes a Permitted Liquidity Facility;
- (h) that becomes Financial Indebtedness solely as a result of any change in Applicable GAAP of the Issuer after the date of the 2009 Financing Agreement and that existed prior to the date of such change in Applicable GAAP of the Issuer (or that replaces, and is on substantially the same terms as, such Financial Indebtedness);
- (i) of any person acquired by a member of the Group pursuant to an acquisition falling within paragraphs (d) or (f) of the definition of Permitted Acquisition **provided that:** (i) such Financial Indebtedness existed prior to the date of the acquisition and was not incurred, increased or extended in contemplation of, or since, the acquisition; and (ii) the aggregate amount of any such Financial Indebtedness of members of the Group does not exceed \$100,000,000 at any time;
- (j) under Treasury Transactions entered into in accordance with Clause 24.26 (*Treasury Transactions*) of the 2009 Financing Agreement;
- (k) incurred pursuant to or in connection with any cash pooling or other cash management agreements in place with a bank or financial institution, but only to the extent of offsetting credit balances of the Issuer or its Subsidiaries pursuant to such cash pooling or other cash management arrangement;
- (l) constituting Financial Indebtedness for taxes levied, assessments due and other governmental charges required to be paid as a matter of law or regulation in the ordinary course of trading;
- (m) that constitutes a Permitted Joint Venture;
- (n) approved by the Administrative Agent acting on the instructions of the Majority Participating Creditors; and
- (o) that, when aggregated with the principal amount of any other Financial Indebtedness not falling within paragraphs (a) to (n) above, does not exceed \$200,000,000 (or its equivalent in other currencies) in aggregate at any time.

“Permitted Fundraising” means:

- (a) any issuance of equity securities by the Issuer paid for in full in cash on issue (and, for the avoidance of doubt, such securities may be issued with an original issue discount) and not redeemable on or prior to the Termination Date and where such issue does not lead to a Change of Control;
- (b) any issuance of equity-linked securities issued by any member of the Group that are linked solely to, and result only in the issuance of, equity securities of the Issuer otherwise entitled to be issued under this definition (and that do not, for the avoidance of doubt, result in the issuance of any equity securities by such member of the Group) and that are paid for in full in cash on issue (and, for the avoidance of doubt, such securities may be issued with an original issue discount) and where such issue does not lead to a Change of Control (**provided that** such securities do not provide for the payment of interest in cash and are not redeemable on or prior to the Termination Date); and
- (c) any incurrence of Financial Indebtedness falling within paragraph (f) of the definition of Permitted Financial Indebtedness.

“Permitted Fundraising Proceeds” means the cash proceeds received by any member of the Group from a Permitted Fundraising other than Excluded Fundraising Proceeds after deducting:

- (i) any reasonable expenses which are incurred by the relevant member(s) of the Group with respect to that Permitted Fundraising owing to persons who are not members of the Group; and
- (ii) any Tax incurred and required to be paid by the relevant member(s) of the Group with respect to that Permitted Fundraising (as reasonably determined by the relevant member(s) of the Group on the basis of rates existing at the time and taking account of any available credit, deduction or allowance).

“Permitted Joint Venture” means any investment in any Joint Venture where:

- (a) such investment exists or a member of the Group is contractually committed to such investment at the date of the 2009 Financing Agreement and, if the value of the Group’s investment in such Joint Venture is \$50,000,000 or greater (as shown in the Original Financial Statements of the Issuer) is detailed in Schedule 12 (Permitted Joint Ventures) of the 2009 Financing Agreement; or
- (b) such investment is made after the date of the 2009 Financing Agreement and:
 - (i) either the investment has been consented to by the Administrative Agent acting on the instructions of the Majority Participating Creditors or the Joint Venture is engaged in a business substantially the same as that carried on by the Group; and

-
- (ii) in any Financial Year of the Issuer, the aggregate of:
- (1) all amounts subscribed for shares in, lent to, or invested in all such Joint Ventures by any member of the Group;
 - (2) the contingent liabilities of any member of the Group under any guarantee given in respect of the liabilities of any such Joint Venture; and
 - (3) the market value of any assets transferred by any member of the Group to any such Joint Venture,
minus
 - (4) from and including 1 January 2010, an amount up to, but not exceeding, \$100,000,000 (or its equivalent in other currencies) in any Financial Year that represents all cash amounts received by any member of the Group (i) relating to dividends, repayment of loans or distributions of any other nature in respect of any such Joint Ventures in that Financial Year and (ii) as a result of or in relation to any disposals of shares, interests or participations, divestments, capital reductions or any similar decreases of interest in any such Joint Ventures in that Financial Year, does not exceed \$100,000,000 (or its equivalent in other currencies) or such greater amount as the Administrative Agent (acting on the instructions of the Majority Participating Creditors) may agree (such amount being the “Joint Venture Investment”); and
- (iii) the Issuer has (by written notice to the Administrative Agent prior to the end of the Financial Year in which the investment is made) designated the Joint Venture Investment as counting against:
- (1) paragraph (k) of the definition of Permitted Acquisition; or
 - (2) the maximum amount of Capital Expenditure permitted in that Financial Year under paragraph (c) of Clause 23.2 (*Financial condition*) of the 2009 Financing Agreement.

“**Permitted Liquidity Facilities**” means a loan facility or facilities made available to one or more members of the Group by one or more Participating Creditors (or their respective Affiliates) **provided that** the aggregate principal amount of utilised and unutilised commitments under such facilities must not exceed \$1,000,000,000 (or its equivalent in any other currency) at any time.

“**Permitted Put/Call Transaction**” means any call option, call spread, capped call transaction, put option, put spread, capped put transaction or any combination of the foregoing and/or any other Treasury Transaction or transactions having a similar effect to any of the foregoing, in each case entered into, sold or purchased not for speculative purposes but for the purposes of managing specific risks or exposures associated with any issuance of Relevant Convertible Securities/Exchangeable Obligations.

“**Permitted Securitisations**” means a transaction or series of related transactions providing for the securitisation of receivables and related assets by the Issuer or its Subsidiaries, including a sale at a discount, **provided that** (i) such receivables have been transferred, directly or indirectly, by the originator thereof to a person that is not a member of the Group in a manner that satisfies the requirements for an absolute conveyance (or, where the originator is organised in Mexico, a true sale), and not merely a

pledge, under the laws and regulations of the jurisdiction in which such originator is organised; and (ii) except for customary representations, warranties, covenants and indemnities, such sale, transfer or other securitisation is carried out on a non-recourse basis or on a basis where recovery is limited solely to the collection of the relevant receivables.

“Permitted Security” means:

- (A) Security for taxes, assessments and other governmental charges the payment of which is being contested in good faith by appropriate proceedings promptly initiated and diligently conducted and for which such reserves or other appropriate provision, if any, as shall be required by Applicable GAAP of the Issuer shall have been made;
- (B) Security granted pursuant to or in connection with any netting or set-off arrangements entered into in the ordinary course of trading (including, for the avoidance of doubt, any cash pooling or cash management arrangements in place with a bank or financial institution falling within paragraph (k) of the definition of Permitted Financial Indebtedness);
- (C) statutory liens of landlords and liens of carriers, warehousemen, mechanics and materialmen incurred in the ordinary course of business for sums not yet due or the payment of which is being contested in good faith by appropriate proceedings promptly initiated and diligently conducted and for which such reserves or other appropriate provision, if any, as shall be required by Applicable GAAP of the Issuer shall have been made;
- (D) liens incurred or deposits made in the ordinary course of business in connection with (1) workers’ compensation, unemployment insurance and other types of social security, or (2) other insurance maintained by the Group in accordance with Clause 24.9 (*Insurance*) of the 2009 Financing Agreement;
- (E) any attachment or judgment lien, unless the judgment it secures shall not, within 60 days after the entry thereof, have been discharged or execution thereof stayed pending appeal, or shall not have been discharged within 60 days after the expiration of any such stay;
- (F) Security and Quasi-Security existing on the date of the 2009 Financing Agreement as described in Schedule 6 (*Existing Security and Quasi-Security*) of the 2009 Financing Agreement (or any replacement of Security or Quasi-Security in accordance with paragraph 3 of Schedule 15 (*Hedging Parameters*) of the 2009 Financing Agreement or any equivalent Security or Quasi-Security for Existing Financial Indebtedness that is a refinancing or replacement of Existing Financial Indebtedness) **provided that** the principal amount secured thereby is not increased (save that principal amounts secured by Security or Quasi-Security in respect of:
 - (1) Treasury Transactions where there are fluctuations in the mark-to-market exposures of those Treasury Transactions;
 - (2) Existing Financial Indebtedness under paragraph (a) of the definition where principal may increase by virtue of capitalisation of interest; and,
 - (3) the Banobras Facility, where further drawings may be made **provided that** the maximum amount outstanding under such facility does not exceed Mex\$5,000,000,000 at any time,

may be increased by the amount of such fluctuations or capitalisations, as the case may be);

- (G) any Security or Quasi-Security permitted by the Administrative Agent, acting on the instructions of the Majority Participating Creditors;
- (H) any Security created or deemed created pursuant to a Permitted Securitisation;
- (I) any Security granted by any member of the Group to secure Financial Indebtedness under a Permitted Liquidity Facility **provided that**: (1) such Security is not granted in respect of assets that are the subject of the Transaction Security; and (2) the maximum aggregate amount of the Financial Indebtedness secured by such Security does not exceed \$500,000,000 at any time;
- (J) any Security granted by the Issuer or any member of the Group incorporated in Mexico in favour of a Mexican development bank (*sociedad nacional de crédito*) controlled by the government of Mexico (including Banco Nacional de Comercio Exterior, S.N.C., and Banco Nacional de Obras y Servicios Públicos, S.N.C.) securing indebtedness of the members of the Group in an aggregate additional amount of such indebtedness not exceeding \$250,000,000 (or its equivalent in any other currency);
- (K) any Security or Quasi-Security granted in connection with any Treasury Transaction, excluding any Treasury Transaction described in Schedule 6 (*Existing Security and Quasi-Security*) of the 2009 Financing Agreement, that constitutes Permitted Financial Indebtedness **provided that** the aggregate value of the assets that are the subject of such Security or Quasi-Security does not exceed \$200,000,000 (or its equivalent in other currencies) at any time;
- (L) Security or Quasi-Security granted or arising over receivables, inventory, plant or equipment that are the subject of an arrangement falling within paragraph (e) of the definition of Permitted Financial Indebtedness;
- (M) the Transaction Security including, for the avoidance of doubt, any sharing in the Transaction Security referred to in paragraph (f) of the definition of Permitted Financial Indebtedness;
- (N) any Quasi-Security that is created or deemed created on shares of the Issuer under paragraph (q) of the definition of Permitted Disposals by virtue of such shares being held on trust for the holders of the convertible securities pending exercise of any conversion option, where such Quasi-Security is customary for such transaction;
- (O) in addition to the Security and Quasi-Security permitted by the foregoing paragraphs (A) to (N), Security or Quasi-Security securing indebtedness of the Issuer and its Subsidiaries (taken as a whole) not in excess of \$500,000,000.

“Permitted Share Issue” means:

- (a) a Permitted Fundraising falling within paragraphs (a) or (b) of the definition thereof;
- (b) an issue of shares by a member of the Group which is a Subsidiary of the Issuer to another member of the Group or the Issuer (and, where the member of the Group has a minority shareholder, to that minority shareholder on a pro rata basis) where (if the existing shares of the Subsidiary are the subject of the Transaction Security) the newly-issued shares also become subject to the Transaction Security on the same terms;
- (c) an issue of shares by the Issuer to comply with an obligation in respect of any Executive Compensation Plan; or
- (d) an issue of common equity securities of the Issuer either (i) by the Issuer or (ii) to any member of the Group where the Issuer or that member of the Group has an obligation to deliver such shares to a counterparty pursuant to the terms of a Permitted Put/Call Transaction or an obligation to deliver such shares to the holder(s) of convertible or exchangeable securities falling within paragraph (f)(i) of the definition of Permitted Financial Indebtedness pursuant to the terms of such convertible or exchangeable securities.

“Promissory Notes” means the promissory notes described in Part II of Schedule 1 (*The Original Participating Creditors*) of the 2009 Financing Agreement.

“Quarter Date” means each of 31 March, 30 June, 30 September and 31 December.

“Quasi Security” means an arrangement or transaction in which the Issuer or any Subsidiary:

- (i) sells, transfers or otherwise disposes of any of its assets on terms whereby they are or may be leased to or re-acquired by an Obligor or any other member of the Group;
- (ii) sells, transfers or otherwise disposes of any of its receivables on recourse terms;
- (iii) enters into any arrangement under which money or the benefit of a bank or other account may be applied, set-off or made subject to a combination of accounts; or
- (iv) enters into any other preferential arrangement having a similar effect,
in circumstances where the arrangement or transaction is entered into primarily as a method of raising Financial Indebtedness or of financing the acquisition of an asset.

“Receiver” means a receiver or receiver and manager or administrative receiver of the whole or any part of the Charged Properties.

“Reference Period” means a period of four consecutive Financial Quarters.

“Relevant Convertible/Exchangeable Obligations” means: (a) any Financial Indebtedness incurred by any person the terms of which provide that satisfaction of the principal amount owing under such Financial Indebtedness (whether on or prior to its maturity and whether as a result of bankruptcy, liquidation or other default by such person or otherwise) shall occur solely by delivery of shares or common equity securities in the Issuer; and (b) any Financial Indebtedness under any Subordinated Optional Convertible Securities.

“**Relevant Existing Financial Indebtedness**” means any Existing Financial Indebtedness set out in:

- (i) paragraph (a) of the definition of Existing Financial Indebtedness to the extent that it relates to Part I.C (*Mexican Public Debt Instruments*) of Schedule 10 (*Existing Financial Indebtedness*) of the 2009 Financing Agreement; and/or
- (ii) paragraph (b) of the definition of Existing Financial Indebtedness to the extent it relates to Part II.A (*Short Term Certificados Bursátiles*) of Schedule 10 (*Existing Financial Indebtedness*) of the 2009 Financing Agreement and any Short-Term Certificados Bursátiles that replace or refinance such Existing Financial Indebtedness.

“**Relevant Prepayment Period**” means the period commencing on the date of receipt of the proceeds of a Permitted Fundraising by a member of the Group and ending on the later of:

- (a) the date falling 364 days thereafter; and
- (b) the 2012 CB Maturity Date.

“**Resignation Letter**” means a document substantially in the form set out in Part I of Schedule 11 (*Form of Resignation Letter*) of the 2009 Financing Agreement.

“**Responsible Officer**” means the Chief Financial Officer and/or Chief Controlling Officer of the Issuer or a person holding equivalent status (or higher).

“**S&P**” means Standard & Poor’s Rating Services, a division of The McGraw-Hill Companies, Inc., or any successor thereto from time to time.

“**SEC**” means the U.S. Securities Exchange Commission and any successor thereto.

“**Secured Parties**” means each Finance Party from time to time to the 2009 Financing Agreement and any Receiver or Delegate.

“**Security**” means a mortgage, charge, pledge, lien, security trust or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect.

“**Security Agent**” means Wilmington Trust (London) Limited as security agent of the Secured Parties.

“**Security Providers**” means the Original Security Providers and any Additional Security Provider other than any Original Security Provider or Additional Security Provider which has ceased to be a Security Provider pursuant to Clause 28.6 (*Resignation of a Security Provider*) of the 2009 Financing Agreement and has not subsequently become an Additional Security Provider pursuant to Clause 28.3 (*Additional Guarantors and Additional Security Providers*) of the 2009 Financing Agreement, and “**Security Provider**” means any of them.

“**Short-Term Certificados Bursátiles**” means any securities with a term of not more than 12 months issued by the Issuer in the Mexican capital markets with the approval of the Mexican National Banking and Securities Banking and Securities Commission and listed on the Mexican Stock Exchange.

“**Spanish GAAP**” means the Spanish General Accounting Plan (*Plan general Contable*) approved by Royal Decree 1514/2007 as in effect from time to time and consistent with those used in the preparation of the most recent audited financial statements referred to in Clause 22.1 (*Financial Statements*) of the 2009 Financing Agreement.

“**Subordinated Optional Convertible Securities**” means any Financial Indebtedness incurred by any member of the Group meeting the requirements of paragraph (f)(i) of the definition of Permitted Financial Indebtedness (including that no principal repayments are scheduled (and no call options can be exercised) until after the Termination Date) (which may, for the avoidance of doubt, include a fundraising the proceeds of which are applied in accordance with Clause 13.4 (*Mandatory prepayments: Relevant Convertible/Exchangeable Obligations*) of the 2009 Financing Agreement)) the terms of which provide that such indebtedness is capable of optional conversion into equity securities of the Issuer and that repayment of principal and accrued but unpaid interest thereon is subordinated (under terms customary for an issuance of such Financial Indebtedness) to all senior Financial Indebtedness of the Issuer (including, but not limited to, all Exposures of Participating Creditors) except for: (i) indebtedness that states, or is issued under a deed, indenture, agreement or other instrument that states, that it is subordinated to or ranks equally with any Subordinated Optional Convertible Securities and (ii) indebtedness between or among members of the Group.

“**Subsidiary**” means in relation to any company or corporation, a company or corporation:

- (a) which is controlled, directly or indirectly, by the first mentioned company or corporation;
- (b) more than half the issued share capital of which is beneficially owned, directly or indirectly by the first mentioned company or corporation; or
- (c) which is a Subsidiary of another Subsidiary of the first mentioned company or corporation,

and for this purpose, a company or corporation shall be treated as being controlled by another if that other company or corporation is able to direct its affairs and/or to control the composition of its board of directors or equivalent body.

“**Syndicated Bank Facilities**” means the facilities described in Part IA of Part II of Schedule 1 (*The Original Participating Creditors*) of the 2009 Financing Agreement.

“**TARGET2**” means the Trans-European Automated Real-time Gross Settlement Express Transfer payment system, which utilizes a single shared platform and which was launched on 19 November 2007.

“**TARGET Day**” means any day on which TARGET2 is open for the settlement of payments in euro.

“**Tax**” means any tax, levy, impost, duty or other charge, deduction or withholding of a similar nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same).

“**Termination Date**” means 14 February 2014.

“**Transaction Security**” means the Security created or expressed to be created in favour of the Security Agent pursuant to the Transaction Security Documents.

“**Transaction Security Documents**” means each of the documents listed as being a Transaction Security Document in paragraph 2(e) of Part I of Schedule 2 (*Conditions Precedent*) of the 2009 Financing Agreement and any document required to be delivered to the Administrative Agent under paragraph 3(d) of Part II of Schedule 2 (*Conditions Precedent*) of the 2009 Financing Agreement together with any other document entered into by any Obligor creating or expressed to create any Security over all or any part of its assets in respect of the obligations of any of the Obligors under any of the Finance Documents (and any other Debt Documents).

“**Treasury Transactions**” means any derivatives transaction (i) that is a rate swap transaction, swap option, basis swap, forward rate transaction, commodity swap, commodity option, equity or equity index

swap, equity or equity index option, bond option, interest rate option, foreign exchange transaction, cap transaction, floor transaction, collar transaction, currency swap transaction, cross-currency rate swap transaction, currency option, credit protection transaction, credit swap, credit default swap, credit default option, total return swap, credit spread transaction, repurchase transaction, reverse repurchase transaction, buy/sell-back transaction, securities lending transaction, weather index transaction or forward purchase or sale of a security, commodity or other financial instrument or interest (including any option with respect to any of these transactions), (ii) that is a type of transaction that is similar to any transaction referred to in clause (i) above that is currently, or in the future becomes, recurrently entered into in the financial markets and that is a forward, swap, future, option or other derivative (including one or more spot transactions that are equivalent to any of the foregoing) on one or more rates, currencies, commodities, equity securities or other equity instruments, debt securities or other debt instruments, economic indices or measures of economic risk or value, or other benchmarks against which payments or deliveries are to be made or (iii) that is a combination of these transactions, it being understood that any Executive Compensation Plan permitted by the 2009 Financing Agreement is not a Treasury Transaction.

“**USPP Note**” means a note issued under the USPP Note Agreement.

“**USPP Note Agreement**” means the consolidated, amended and restated note purchase agreement described in Part II of Schedule 1 (*Original Participating Creditors*) of the 2009 Financing Agreement.

“**USPP Note Guarantee**” means the consolidated, amended and restated note guarantee granted in favour of the USPP Noteholders.

“**USPP Noteholders**” means the holders from time to time of the notes issued pursuant to the USPP Note Agreement.

SIMPLE COPY

ADHERENCE DEED FOR THE SHARE PLEDGE POLICY OF
CEMEX ESPAÑA, S.A. GRANTED BY THE ENTITIES "THE
BANK OF NEW YORK MELLON" and "CEMEX ESPAÑA, S.A."

NUMBER ONE THOUSAND TWENTY FOUR

In Madrid, at my office on the fifth day of
March of two thousand fifteen._____

Before me, **ANTONIO PÉREZ-COCA CRESPO**, Notary
Public of Madrid and its Bar Association,_____

_____ **APPEAR:** _____

MRS. PALOMA JULIETA ALVAREZ-URIA BERROS, of
legal age, of Spanish nationality, domiciled for
these purposes at calle José Abascal, number 45,
28010 Madrid; with National Identification Card
number 9427338-Y._____

MR. ANTONIO IVÁN SÁNCHEZ UGARTE, of legal age,
domiciled for these purposes at calle Hernández de
Tejada, number 1, 28027 Madrid; with National
Identification Card number 30636063-V._____

_____ **ACTING:** _____

The first, in the name and representation of **THE**

BANK OF NEW YORK MELLON (hereinafter, the "**Bank**"), entity constituted in accordance with the laws of the State of New York (United States of America), with its corporate domicile at One Wall Street, New York, N.Y. 10286, United States of America, which in turn acts in representation and to the benefit of the holders of Senior Secured Notes for an added principal maximum amount of **SEVEN HUNDRED AND FIFTY MILLION (750.000.000) dollars, at an interest rate of 6.125%, with maturity in 2025**, notwithstanding the cases of early repayment that have been foreseen, issued under the bond issuance agreement (Indenture) governed by the laws of the State of New York (United States of America), signed on **March 5, 2015** by, among others, **CEMEX, S.A.B. de C.V.** a corporation constituted under the laws of Mexico, as issuer, and **THE BANK OF NEW YORK MELLON**, as Trustee (hereinafter, together with its subsequent modifications or novations, the "**Bonds Issuance**").

She makes use of the power of attorney in effect, as affirmed, in her favor, conferred through the document granted before the Notary Public of New York, Mr. Danny Lee, on the fifth day



of March of two thousand fifteen, a photocopy of which has been shown to me and the original, duly stamped according to the La Hague Convention of October 5, 1961, I will attach hereto, by means of written substantiation, when it is submitted to me.

The second party, in name and representation of the entity **CEMEX ESPAÑA, S.A.**, entity governed under the laws of Spain (formerly Compañía Valenciana de Cementos Portland, S.A.), and with its corporate domicile in Madrid, calle Hernández de Tejada, number 1, the purpose of which, among others, is "the manufacture, production, marketing and distribution of all kinds of sacks and containers or similar articles, of paper or any other material, for the packaging of cement, etc".-

It was constituted for an indefinite duration in the document authorized by the Notary Public at the time in Valencia, Mr. Juan Bautista Roch Contelles, on April 30, 1917, adapted to current legislation through the document authorized by the Notary

Public of Valencia, Mr. Antonio Soto Bisquert on July 13, 1990; with said constitution REGISTERED in the Commercial Registry of Valencia, under volume 122, book 28 of companies, section 3 of corporations, page 354, registry 1. The adaptation is registered in the aforementioned Registry, under volume 2854, book 10, general section, page V2533, registry 165. The bylaws of the company were also amended through another public document authorized by the Notary Public of Madrid, Mr. Antonio Francés y de Mateo on August 12, 1993, with number 6796 of his notarial records, under record 200.-----

The above indicated current domicile was moved, through document authorized by the Notary Public of Valencia, Mr. Antonio Soto Bisquert, on June 29, 1995, with number 1489 of his notarial records, and registered in the Commercial Registry of Madrid, under volume 9743 and 9744, section 8, of the Book of Companies, folio 1 and 166, page number M-156542 records 1 and 2.-----

Its name was changed to its current name through the agreement taken by the General Shareholders Meeting of the Company, in its meeting held on the twenty-fourth of June of two thousand and two,



recorded as a document of public record, before the Notary Public of Madrid, Mr. Rafael Monjo Carrio on the same day, under number 662 of my records, registry number 122._____

Its Tax Identification number is: A-46.004.214.-

He makes use of the powers in effect, as affirmed, in his power, conferred by agreement taken by the Administrative Board of the Company, at its meeting held on the twenty-third of February of two thousand fifteen, recorded as a document of public record, before me, on the fourth of March of two thousand fifteen, under number 964 of my records, as accredited to me with an authorized copy of said document which I have before me._____

For the purposes established in article 98 of Law 24/2001 and in accordance with the Resolution of the General Directorate for Registries and Notary Affairs of April 12, 2002, I certify that, in my opinion, I consider that the representative powers accredited are sufficient for the execution

of this document under the terms indicated below.—

BENEFICIAL OWNERSHIP.— I, the Notary Public, expressly confirm that I have complied with the obligation of identifying the beneficial owner as imposed by Law 10/2010 of April 28, the result of which is recorded in a document authorized before Mr. Rafael Monjo Carrio, on the eleventh of November of two thousand and ten, under number 2387 of my records, which has been modified since then as attested by the representative of the Company.—

The parties appearing before me have, in my opinion, as they appear, the legal capacity and legitimate interest necessary to grant this **ADHERENCE DEED FOR THE SHARE PLEDGE POLICY OF CEMEX ESPAÑA, S.A.** and, for such purpose, in their capacity and for all applicable legal purposes,——

—————**THEY HEREBY DECLARE**—————

I. That, by virtue of the policy agreement granted before Mr. Rafael Monjo Carrio on November 8, 2012, registered with number 3530 in Section A of the Registry Book (hereinafter the "**Pledge Policy**"), CEMEX, S.A.B. de C.V. and New Sunward Holding B.V. constituted certain real pledge rights (hereinafter the "**Pledges**") over the shares of the



company CEMEX España, S.A. in its name. _____

II. That, in accordance with the Creditors Relation Agreement (as this is defined in the Pledge Policy), the creditors of the CEMEX group, in virtue of the issuance of bonds such as the Bonds Issuance will have the consideration of Additional Notes Creditors and, therefore, of Secured Parties according to the terms established in the Creditors Relation Agreement and in the Pledge Policy, and may obtain the benefit of the Pledges through their adhesion to the Pledge Policy according to the provisions of Clause 16 of the same. _____

IV. That, in accordance with the provisions of Clause 16 of the Pledge Policy, the Secured Parties in whose benefit the Relationship Manager acted, among which include the Bank, as trustee of the holders of bonds of the Bonds Issuance, may adhere to the Pledge Policy and ratify the content of the same, accepting the Pledges constituted in their

favor as guarantee of the corresponding Secured Obligations, through appearance before Mr. Monjo, the substituting Notary Public._____

Said adhesions will be carried out through the granting of the corresponding adhesion deed or policy, all without the need for a new consent from the pledgors, for having provided said consent previously in the Creditor Relation Agreement and in the Pledge Policy itself._____

V. That the Bank expressly declares that the adhesion referred to in the Stipulations of this Document is formalized as a mere instrument of execution of the rights attributed to the Bank in the Pledge Policy, from which it is derived, so that the payment obligations resulting from the Bonds Issuance are guaranteed with a real first ranking pledge right over the Shares (as defined in the Pledge Policy), concurrent with the remaining Pledges. _____

VI. That by virtue of the foregoing, the Bank wishes to grant this Adhesion Deed (hereinafter the "Deed") in accordance with the following

_____ **STIPULATIONS** _____

ONE.- ADHESION TO THE PLEDGE POLICY._____



The Bank, through this Deed, adheres to, ratifies and approves the Pledge Policy to the fullest extent, the entire content of which it declares to know, therefore giving such granting full value and legal efficacy and accepting that the payment obligations resulting from the Bonds Issuance are guaranteed with a real first ranking pledge right over the Shares (as defined in the Pledge Policy), concurrent with the remaining Pledges._____

The Bank REQUIRES from me, the Notary Public, to **NOTIFY** this adhesion to **WILMINGTON TRUST (LONDON) LIMITED**, domiciled for these purposes on the Third Floor, 1 King's Arms Yard, London, United Kingdom, EC2R 7AF (attention Sajada Afzal), in her capacity as Relationship Manager and I, the Notary Public, accept said requirement._____

CEMEX España, S.A., appears herein for the purposes of acknowledging itself as notified of this adhesion._____

TWO.- APPLICABLE LAW AND JURISDICTION.-----

2.1 This Deed is subject to Spanish common law.-

2.2 The Parties submit themselves expressly to the jurisdiction and competence of the Courts and Tribunals of Madrid for all matters that may result from the validity, interpretation, fulfillment and execution of this Deed.-----

HANDLING OF DATA.- The appearing parties accept the incorporation of their data and the copy of identification documents in the files of the Notary Public in order to carry out the functions inherent to the notarial activity and for the communication of data established in the Public Administration Law and, as applicable, for the Notary Public who follows the current one. They may exercise their rights to access, rectify, cancel and oppose at the authorizing Notary's office.-----

It is thus stated and executed.-----

And I, the Notary Public, ATTEST:-----

a.- To have identified the appearing parties through their identification documents, indicated in the appearance clause, which have been shown to me.-----

b.- That the appearing parties, in my opinion,



have the capacity and legal standing for the granting hereof._____

c.- That the granting hereof by the appearing parties is legal, duly informed and made willingly.

d.- That I have read this public instrument to the grantors thereof, having previously advised them of their right to read it for themselves, which they have done, and they have stated that they have been duly made aware of the entire content of the same, and they provide their consent, all in accordance with article 193 of the Notarial Regulations._____

e.- That this public instrument is executed in six notarized pages, series CC numbers: 7702842 and the following five numbers in correlated order and I, the Notary Public, attest.- The signatures of the appearing parties follow.- Signed ANTONIO PÉREZ-COCA CRESPO. Signed. Notary Seal._____

CERTIFICATE.- I, ANTONIO PÉREZ-COCA CRESPO, Notary Public of Madrid and its Bar Association,

issue this certificate to record that on today's date, the ninth day of March of two thousand fifteen, I have received a copy of the power of attorney in English and Spanish, languages that I, the Notary, knows, specially granted to formalize the public deed by Mr. Jaime Nielsen, as Vice-president and Mrs. Sonia Chaliha, as General Director of the entity THE BANK OF NEW YORK MELLON, before the Notary Public of New York, Mr. Christopher J. Traina, on the fifth day of March of two thousand fifteen, duly legalized with the La Hague apostille, and I, the Notary Public, consider that the representative of the entity has sufficient powers to formalize the deed which is the object hereof. I leave a copy of said power incorporated hereto, forming an integral part of the same.-

And with nothing further to record, I issue this document over this sole sheet of notarized paper and I, the Notary Public, attest. Signed. ANTONIO PÉREZ-COCA CRESPO. Signed. Notary Seal.-----

CERTIFICATE.- To record that I, ANTONIO PÉREZ-COCA CRESPO, on the ninth day of March of two thousand Fifteen, left filed at the Post Office



Branch, located at office 2825494, E.O MINISTRY OF PUBLIC ADMINISTRATIONS, as a Certificate and notification of receipt, the non-certified copy of this deed, and that the official in charge of the service has given to me the receipt which bears the sending number RR670600215ES._____

All of which I attest and that this certificate is issued after the deed on which it is based, on this sheet of notarized paper, of the CC series, number 7702891. In Madrid on the ninth day of March of two thousand fifteen.- Signed. ANTONIO PÉREZ-COCA CRESPO. Signed. Notary Seal.

CEMEX, S.A.B. de C.V.,
THE NOTE GUARANTORS PARTY HERETO,
THE BANK OF NEW YORK MELLON,
AS TRUSTEE
AND
THE BANK OF NEW YORK MELLON, LONDON BRANCH,
AS PAYING AGENT AND TRANSFER AGENT
4.375% SENIOR SECURED NOTES DUE 2023
INDENTURE
(€ Denominated Notes)
Dated as of March 5, 2015

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INDENTURE, dated as of March 5, 2015, among CEMEX, S.A.B. de C.V., a publicly traded stock corporation with variable capital (*sociedad anónima bursátil de capital variable*) organized under the laws of the United Mexican States (the “Issuer”), the guarantors listed on Schedule I hereto, as guarantors of the Issuer’s obligations under this Indenture and the Notes, The Bank of New York Mellon, as trustee (the “Trustee”) and The Bank of New York Mellon, London Branch, as paying agent (the “Paying Agent”) and transfer agent (the “Transfer Agent”).

Each party agrees as follows for the benefit of the other parties and for the equal and ratable benefit of the Holders of the Issuer’s 4.375% Senior Secured Notes due 2023 issued hereunder.

ARTICLE I

DEFINITIONS AND INCORPORATION BY REFERENCE

Section 1.1 Definitions.

“2009 Financing Agreement” means the financing agreement, dated as of August 14, 2009, entered into among the Issuer and certain of its Subsidiaries, the financial institutions and noteholders party thereto, Citibank International PLC, as administrative agent, and Wilmington Trust (London) Limited, as security agent, as such agreement may be amended, modified or waived from time to time.

“Acquired Indebtedness” means Indebtedness of a Person or any of its Subsidiaries existing at the time such Person becomes a Restricted Subsidiary or at the time it merges or consolidates with the Issuer or any of its Restricted Subsidiaries or is assumed in connection with the acquisition of assets from such Person. Such Indebtedness will be deemed to have been Incurred at the time such Person becomes a Restricted Subsidiary or at the time it merges or consolidates with the Issuer or a Restricted Subsidiary or at the time such Indebtedness is assumed in connection with the acquisition of assets from such Person.

“Acquired Subsidiary” means any Subsidiary acquired by the Issuer or any other Subsidiary after the Issue Date in an Acquisition, and any Subsidiaries of such Acquired Subsidiary on the date of such Acquisition.

“Acquiring Subsidiary” means any Subsidiary formed by the Issuer or one of its Subsidiaries solely for the purpose of participating as the acquiring party in any Acquisition, and any Subsidiaries of such Acquiring Subsidiary acquired in such Acquisition.

“Acquisition” means any merger, consolidation, acquisition or lease of assets, acquisition of securities or business combination or acquisition, or any two or more of such transactions, if, upon the completion of such transaction or transactions, the Issuer or any Restricted Subsidiary thereof has acquired an interest in any Person who would be deemed to be a Restricted Subsidiary under this Indenture and was not a Restricted Subsidiary prior thereto.

“Additional Amounts” has the meaning assigned to it in Section 3.21(b).

“Additional Note Certificate” has the meaning assigned to it in Section 2.14(b).

“Additional Note Guarantors” means New Sunward Holding B.V., CEMEX Concretos, S.A. de C.V. and Empresas Tolteca de México, S.A. de C.V.

“Additional Note Supplemental Indenture” means a supplement to this Indenture duly executed and delivered by the Issuer, each Note Guarantor and the Trustee pursuant to Article IX providing for the issuance of Additional Notes.

“Additional Notes” has the meaning assigned to it in Section 2.14(a).

“Affiliate” means, with respect to any specified Person, any other Person who directly or indirectly through one or more intermediaries controls, or is controlled by, or is under common control with, such specified Person. The term “control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise. For purposes of this definition, the terms “controlling,” “controlled by” and “under common control with” have correlative meanings.

“Affiliate Transaction” has the meaning assigned to it in Section 3.18(a).

“Agent Members” has the meaning assigned to it in Section 2.7(b).

“Agents” means, collectively, the Registrar, any co-Registrar, the Paying Agents, the Transfer Agent and any other agent appointed by the Issuer hereunder.

“Applicable Procedures” means, with respect to any transfer or exchange of or for beneficial interests in a Global Note, the rules and procedures of Euroclear and Clearstream, as the case may be, that apply to such transfer or exchange, including the “Operating Procedures of the Euroclear System” and “Terms and Conditions Governing Use of Euroclear” of Euroclear and the “General Terms and Conditions of Clearstream Banking” and “Customer Handbook” of Clearstream.

“Asset Sale” means any direct or indirect sale, disposition, issuance, conveyance, transfer, lease (other than an operating lease entered into in the ordinary course of business), assignment or other transfer, including a Sale and Leaseback Transaction (each, a “disposition”) by the Issuer or any Restricted Subsidiary of:

- (a) any Capital Stock other than Capital Stock of the Issuer; or
- (b) any property or assets (other than cash, Cash Equivalents or Capital Stock) of the Issuer or any Restricted Subsidiary;

Notwithstanding the preceding, the following will not be deemed to be Asset Sales:

- (1) the disposition of all or substantially all of the assets of the Issuer and its Restricted Subsidiaries as permitted under Section 3.12;

-
- (2) any disposition of equipment that is not usable or is obsolete or worn out equipment in the ordinary course of business or any disposition of inventory or goods (or other assets) held for sale or no longer used in the ordinary course of business;
 - (3) dispositions of assets in any fiscal year with a Fair Market Value not to exceed U.S.\$25 million in the aggregate;
 - (4) for purposes of Section 3.12 only, the making or disposition of a Permitted Investment or Restricted Payment permitted under Section 3.11;
 - (5) a disposition to the Issuer or a Restricted Subsidiary, including a Person that is or will become a Restricted Subsidiary immediately after the disposition;
 - (6) the creation of a Lien permitted under this Indenture (other than a deemed Lien in connection with a Sale and Leaseback Transaction);
 - (7) (i) the disposition of Receivables Assets pursuant to a Qualified Receivables Transaction and (ii) the disposition of other accounts receivable in the ordinary course of business;
 - (8) the disposition of any asset constituted by a license of intellectual property in the ordinary course of business;
 - (9) the disposition of inventory pursuant to an Inventory Financing or similar arrangement that is otherwise permitted under this Indenture;
 - (10) the disposition of any asset compulsorily acquired by a governmental authority; and
 - (11) sales, transfers and other dispositions of Investments in joint ventures to the extent required by, or made pursuant to, customary buy/sell arrangements between the joint venture parties set forth in joint venture arrangements and similar binding arrangements.

“Asset Sale Offer” has the meaning assigned to it in Section 3.12(c).

“Asset Sale Offer Amount” has the meaning assigned to it in Section 3.12(c).

“Asset Sale Offer Notice” means notice of an Asset Sale Offer made pursuant to Section 3.12, which shall be mailed first class, postage prepaid, to each record Holder as shown on the Note Register within 20 days following the 365th day after the receipt of Net Cash Proceeds of any Asset Sale, with a copy to the Trustee, which notice shall govern the terms of the Asset Sale Offer, and shall state:

- (1) the circumstances of the Asset Sale or Sales, the Net Cash Proceeds of which are included in the Asset Sale Offer, that an Asset Sale Offer is being made pursuant to Section 3.12(c), and that all Notes that are timely tendered will be accepted for payment;

-
- (2) the Asset Sale Offer Amount and the Asset Sale Offer Payment Date, which date shall be a Business Day no earlier than 30 days nor later than 60 days from the date the Asset Sale Offer Notice is mailed (other than as may be required by law);
 - (3) that any Notes or portions thereof not tendered or accepted for payment will continue to accrue interest;
 - (4) that, unless the Issuer defaults in the payment of the Asset Sale Offer Amount with respect thereto, all Notes or portions thereof accepted for payment pursuant to the Asset Sale Offer shall cease to accrue interest from and after the Asset Sale Offer Payment Date;
 - (5) that any Holder electing to have any Notes or portions thereof purchased pursuant to the Asset Sale Offer will be required to surrender such Notes, with the form entitled "Option of Holder to Elect Purchase" on the reverse of such Notes completed, to the Paying Agent at the address specified in the notice prior to the close of business on the third Business Day preceding the Asset Sale Offer Payment Date;
 - (6) that any Holder shall be entitled to withdraw such election if the Paying Agent receives, not later than the close of business on the second Business Day preceding the Asset Sale Offer Payment Date, a facsimile transmission or letter, setting forth the name of the Holder, the principal amount of Notes delivered for purchase, and a statement that such Holder is withdrawing such Holder's election to have such Notes or portions thereof purchased pursuant to the Asset Sale Offer;
 - (7) that any Holder electing to have Notes purchased pursuant to the Asset Sale Offer must specify the principal amount that is being tendered for purchase, which principal amount must be €100,000 and in integral multiples of €1,000 in excess thereof;
 - (8) that any Holder of Certificated Notes whose Certificated Notes are being purchased only in part will be issued new Certificated Notes equal in principal amount to the unpurchased portion of the Certificated Note or Notes surrendered, which unpurchased portion will be equal in principal amount to €100,000 and in integral multiples of €1,000 in excess thereof;
 - (9) that the Trustee will return to the Holder of a Global Note that is being purchased in part, such Global Note with a notation on the schedule of increases or decreases thereof adjusting the principal amount thereof to be equal to the unpurchased portion of such Global Note; and
 - (10) any other information necessary to enable any Holder to tender Notes and to have such Notes purchased pursuant to Section 3.12.

“Asset Sale Offer Payment Date” has the meaning assigned to it in Section 3.12(f).

“Authenticating Agent” has the meaning assigned to it in Section 2.2(b).

“Authorized Agent” has the meaning assigned to it in Section 12.7(c).

“Axtel Share Forward Transaction” means the Axtel share forward transaction that is governed by a long form confirmation originally dated January 22, 2009, as replaced by long form confirmations dated September 28, 2010 and March 19, 2012, and as further replaced by a long form confirmation dated August 27, 2013, between Credit Suisse International and Cemex Operaciones México, S.A. de C.V. (formerly Centro Distribuidor de Cemento, S.A. de C.V.) (References: External ID: 16059563R5-Risk ID: 10008383) and any replacements, amendments or renewals thereof that are entered into on then prevailing market terms with the underlying amounts not greater than the original underlying amounts.

“Bankruptcy Event of Default” means:

- (1) the entry by a court of competent jurisdiction of: (i) a decree or order for relief in respect of any Bankruptcy Party in an involuntary case or proceeding under any Bankruptcy Law or (ii) a decree or order (A) adjudging any Bankruptcy Party a bankrupt or insolvent, in *concurso mercantil* or *quiebra*, (B) approving as properly filed a petition seeking reorganization, *concurso mercantil*, arrangement, adjustment or composition of, or in respect of, any Bankruptcy Party under any Bankruptcy Law, (C) appointing a Custodian of any Bankruptcy Party or of any substantial part of the property of any Bankruptcy Party, or (D) ordering the winding-up or liquidation of the affairs of any Bankruptcy Party, and in each case, the continuance of any such decree or order for relief or any such other decree or order unstayed and in effect for a period of 60 consecutive calendar days; or
- (2) (i) the commencement by any Bankruptcy Party of a voluntary case or proceeding under any Bankruptcy Law or of any other case or proceeding to be adjudicated a bankrupt or insolvent, in *concurso mercantil* or *quiebra*, (ii) the consent by any Bankruptcy Party to the entry of a decree or order for relief in respect of such Bankruptcy Party in an involuntary case or proceeding under any Bankruptcy Law or to the commencement of any bankruptcy or insolvency case or proceeding against any Bankruptcy Party, (iii) the filing by any Bankruptcy Party of a petition or answer or consent seeking reorganization, *concurso mercantil*, or relief under any Bankruptcy Law, (iv) the consent by any Bankruptcy Party to the filing of such petition or to the appointment of or taking possession by a Custodian of any Bankruptcy Party or of any substantial part of the property of any

Bankruptcy Party, (v) the making by any Bankruptcy Party of an assignment for the benefit of creditors, (vi) the admission by any Bankruptcy Party in writing of its inability to pay its debts generally as they become due, or (vii) the approval by stockholders of any Bankruptcy Party of any plan or proposal for the liquidation or dissolution of such Bankruptcy Party, or (viii) the taking of corporate action by any Bankruptcy Party in furtherance of any action referred to in clauses (i) – (vii) above.

“Bankruptcy Law” means Title 11, U.S. Code or any similar Federal, state or non-U.S. law for the relief of debtors, including the Mexican *Ley de Concursos Mercantiles* and Spanish Law 22/2003 of 9 July (*Ley 22/2003 de 9 de julio, Concursal*), as amended.

“Bankruptcy Party” means the Issuer and any Significant Subsidiary of the Issuer or group of Subsidiaries that, taken together would constitute a Significant Subsidiary of the Issuer.

“Board of Directors” means, as to any Person, the board of directors, management committee or similar governing body of such Person or any duly authorized committee thereof.

“Business Day” means any day that is not a Saturday, Sunday or other day on which commercial banks in New York City, Mexico City, Madrid, Amsterdam, London, Paris or Zurich are authorized or required by law, regulation or other governmental action to remain closed; *provided that*, for purposes of payments to be made hereunder, a “Business Day” must also be a day on which the Trans-European Automated Real-time Gross Settlement Express Transfer system (TARGET2) is open for the settlement of payments.

“Capital Stock” means:

- (1) with respect to any Person that is a corporation, any and all shares, interests, participations or other equivalents (however designated and whether or not voting) of corporate stock, including each class of Common Stock and Preferred Stock of such Person;
- (2) with respect to any Person that is not a corporation, any and all partnership or other equity or ownership interests of such Person; and
- (3) any warrants, rights or options to purchase any of the instruments or interests referred to in clause (1) or (2) above, but excluding any Indebtedness exchangeable into such equity interest in existence on the Issue Date or Incurred pursuant to Section 3.9.

“Capitalized Lease Obligations” means, as to any Person, the obligations of such Person under a lease that are required to be classified and accounted for as capital lease obligations under GAAP. For purposes of the definition, the amount of such obligations at any date will be the capitalized amount of such obligations at such date, determined in accordance with GAAP.

“Cash Equivalents” means:

- (1) marketable direct obligations issued by, or unconditionally guaranteed by, the United States government, the United Kingdom or any member nation of the European Union or issued by any agency thereof and backed by the full faith and credit of the United States, the United Kingdom, such member nation of the European Union or any European Union central bank, in each case maturing within one year from the date of acquisition thereof;
- (2) marketable direct obligations issued by the Mexican government, or issued by any agency thereof, including but not limited to, *Certificados de la Tesorería de la Federación* (Cetes) or *Bonos de Desarrollo del Gobierno Federal* (Bondes), in each case, issued by the government of Mexico and maturing not later than one year after the acquisition thereof;
- (3) marketable direct obligations issued by any state of the United States of America or any political subdivision of any such state or any public instrumentality thereof maturing within one year from the date of acquisition thereof and, at the time of acquisition, having one of the two highest ratings obtainable from either S&P or Fitch or any successor thereto;
- (4) commercial paper or corporate debt obligations maturing no more than one year from the date of creation thereof and, at the time of acquisition, having a rating of at least A-1 or AAA from S&P, at least F-1 or AAA from Fitch or P-1 or Aaa from Moody’s;
- (5) demand deposits, certificates of deposit, time deposits or bankers’ acceptances or other short-term unsecured debt obligations (and any cash or deposits in transit in any of the foregoing) maturing within one year from the date of acquisition thereof issued by (a) any bank organized under the laws of the United States of America or any state thereof or the District of Columbia, the United Kingdom or any country of the European Union, (b) any U.S. branch of a non-U.S. bank having at the date of acquisition thereof combined capital and surplus of not less than U.S.\$500 million, or (c) in the case of Mexican peso deposits, any financial institution in good standing with Banco de México organized under the laws of Mexico;
- (6) repurchase obligations with a term of not more than seven days for underlying securities of the types described in clause (1) and (2) above entered into with any bank meeting the qualifications specified in clause (5) above;

-
- (7) investments in money market funds which invest substantially all of their assets in securities of the types described in clauses (1) through (6), (8) and (9);
 - (8) certificates of deposit issued by any of Nacional Financiera, S.N.C., Banco Nacional de Comercio Exterior, S.N.C., Banco Nacional de Obras y Servicios Públicos, S.N.C. or any other development bank controlled by the Mexican government;
 - (9) any other debt instrument rated “investment grade” (or the local equivalent thereof according to local criteria in a country in which the Issuer or a Restricted Subsidiary operates and in which local pensions are permitted by law to invest) with maturities of 12 months or less from the date of acquisition; and
 - (10) Investments in mutual funds, managed by banks, with a local currency credit rating of at least MxAA by S&P or other equally reputable local rating agency, that invest principally in marketable direct obligations issued by the Mexican Government, or issued by any agency or instrumentality thereof.

In the case of Investments by any Restricted Subsidiary, Cash Equivalents will also include (a) investments of the type and maturity described in clauses (1) through (10) of any Restricted Subsidiary outside of Mexico in the country in which such Restricted Subsidiary operates, which Investments or obligors (or the parents of such obligors) have ratings described in such clauses or equivalents ratings from comparable foreign rating agencies, (b) local currencies and other short-term investments utilized by Restricted Subsidiaries in accordance with normal investment practices for cash management in investments analogous to the foregoing investments in clauses (1) through (10) and in this paragraph and (c) investments of the type described in clauses (1) through (9) maturing within one year of the Issue Date.

“Certificados Bursátiles” means debt securities issued by the Issuer guaranteed (por aval) by CEMEX México, S.A. de C.V. and Empresas Tolteca de México, S.A. de C.V., wholly owned subsidiaries of the Issuer, in the Mexican capital markets with the approval of the Mexican National Banking and Securities Commission (*Comisión Nacional Bancaria y de Valores*) and listed on the Mexican Stock Exchange (*Bolsa Mexicana de Valores, S.A.B. de C.V.*).

“Certificated Note” means any Note issued in fully registered form, other than a Global Note, which shall be substantially in the form of Exhibit A hereto, with appropriate legends as specified in Section 2.8 and Exhibit A.

“Change of Control” means the beneficial ownership (within the meaning of Rule 13d-3 promulgated by the Commission under the Exchange Act) of twenty percent (20%) or more in voting power of the outstanding Voting Stock of the Issuer is acquired by any Person.

“Change of Control Notice” means notice of a Change of Control Offer made pursuant to Section 3.8, which shall be mailed first-class, postage prepaid, to each record Holder

as shown on the Note Register within 30 days following the date upon which a Change of Control occurred, with a copy to the Trustee, which notice shall govern the terms of the Change of Control Offer and shall state:

- (1) that a Change of Control has occurred, the circumstances or events causing such Change of Control and that a Change of Control Offer is being made pursuant to Section 3.8, and that all Notes that are timely tendered will be accepted for payment;
- (2) the Change of Control Payment, and the Change of Control Payment Date, which date shall be a Business Day no earlier than 30 calendar days nor later than 60 calendar days subsequent to the date such notice is mailed (other than as may be required by law);
- (3) that any Notes or portions thereof not tendered or accepted for payment will continue to accrue interest;
- (4) that, unless the Issuer defaults in the payment of the Change of Control Payment with respect thereto, all Notes or portions thereof accepted for payment pursuant to the Change of Control Offer shall cease to accrue interest from and after the Change of Control Payment Date;
- (5) that any Holder electing to have any Notes or portions thereof purchased pursuant to a Change of Control Offer will be required to tender such Notes, with the form entitled "Option of Holder to Elect Purchase" on the reverse of such Notes completed, to the Paying Agent at the address specified in the notice prior to the close of business on the third Business Day preceding the Change of Control Payment Date;
- (6) that any Holder shall be entitled to withdraw such election if the Paying Agent receives, not later than the close of business on the second Business Day preceding the Change of Control Payment Date, a facsimile transmission or letter, setting forth the name of the Holder, the principal amount of Notes delivered for purchase, and a statement that such Holder is withdrawing such Holder's election to have such Notes or portions thereof purchased pursuant to the Change of Control Offer;
- (7) that any Holder electing to have Notes purchased pursuant to the Change of Control Offer must specify the principal amount that is being tendered for purchase, which principal amount must be €100,000 and in integral multiples of €1,000 in excess thereof;
- (8) that any Holder of Certificated Notes whose Certificated Notes are being purchased only in part will be issued new Certificated Notes equal in principal amount to the unpurchased portion of the Certificated Note or Notes surrendered, which unpurchased portion will be equal in principal amount to €100,000 and in integral multiples of €1,000 in excess thereof;

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- (9) that the Trustee will return to the Holder of a Global Note that is being purchased in part, such Global Note with a notation on Schedule A thereof adjusting the principal amount thereof to be equal to the unpurchased portion of such Global Note; and
- (10) any other information necessary to enable any Holder to tender Notes and to have such Notes purchased pursuant to Section 3.8(b).

“Change of Control Offer” has the meaning assigned to it in Section 3.8(b).

“Change of Control Payment” has the meaning assigned to it in Section 3.8(a).

“Change of Control Payment Date” has the meaning assigned to it in Section 3.8(b).

“Clearstream” means Clearstream Banking, *société anonyme*, or the successor to its securities clearance and settlement operations.

“Code” means the Internal Revenue Code of 1986, as amended.

“Collateral” means “Transaction Security” as defined in the Intercreditor Agreement from time to time.

“Commission” means the U.S. Securities and Exchange Commission.

“Commodity Price Purchase Agreement” means, in respect of any Person, any forward contract, commodity swap agreement, commodity option agreement or other similar agreement or arrangement designed to protect such Person from fluctuations in commodity prices.

“Common Depositary” means The Bank of New York Mellon, London Branch, as common depositary for Euroclear and Clearstream.

“Common Stock” of any Person means any and all shares, interests or other participations in, and other equivalents (however designated and whether voting or non-voting) of such Person’s common equity interests, whether outstanding on the Issue Date or issued after the Issue Date, and includes, without limitation, all series and classes of such common equity interests.

“Compensation Related Hedging Obligations” means (i) the obligations of any Person pursuant to any equity option contract, equity forward contract, equity swap, warrant, rights or other similar agreement designed to hedge risks or obligations relating to employee, director or consultant compensation, pension, benefits or similar activities of the Issuer and/or any of its Subsidiaries and (ii) the obligations of any Person pursuant to any agreement that requires another Person to make payments or deliveries that are otherwise required to be made by the first Person relating to employee, director or consultant compensation, pension, benefits or similar activities of the Issuer and/or any of its Subsidiaries, in each case in the ordinary course of business.

“Consolidated EBITDA” means, for any Person for any period, Consolidated Net Income for such Person for such period, plus the following, without duplication, to the extent deducted or added in calculating such Consolidated Net Income:

- (1) Consolidated Income Tax Expense for such Person for such period;
- (2) Consolidated Interest Expense for such Person for such period net of consolidated interest income for such period;
- (3) Consolidated Non-cash Charges for such Person for such period;
- (4) the amount of any nonrecurring restructuring charge or reserve deducted in such period in computing Consolidated Net Income;
- (5) the net effect on income or loss in respect of Hedging Obligations or other derivative instruments, which shall include, for the avoidance of doubt, all amounts not excluded from Consolidated Net Income pursuant to the proviso in clause (9) thereof; and
- (6) net income of such Person attributable to minority interests in Subsidiaries of such Person.

less (x) all non-cash credits and gains increasing Consolidated Net Income for such Person for such period and (y) all cash payments made by such Person and its Restricted Subsidiaries during such period relating to Consolidated Non-cash Charges that were added back in determining Consolidated EBITDA in any prior period.

“Consolidated Fixed Charge Coverage Ratio” means, for any Person as of any date of determination (the “Fixed Charge Calculation Date”), the ratio of the aggregate amount of Consolidated EBITDA of such Person for the four most recent full fiscal quarters for which financial statements are available ending prior to the date of such determination (the “Four Quarter Period”) to Consolidated Fixed Charges for such Person for such Four Quarter Period. For purposes of making the computation referred to above, Material Acquisitions and Material Dispositions (as determined in accordance with GAAP) that have been made by the Issuer or any of its Restricted Subsidiaries during the Four Quarter Period or subsequent to such Four Quarter Period and on or prior to or simultaneously with the Fixed Charge Calculation Date shall be calculated on a *pro forma* basis assuming that all such Material Acquisitions and Material Dispositions (and the change in any associated fixed charge obligations and the change in Consolidated EBITDA resulting therefrom) had occurred on the first day of the Four Quarter Period. If since the beginning of such period any Person that subsequently became a Restricted Subsidiary or was merged with or into the Issuer or any of its Restricted Subsidiaries since the beginning of such period shall have made any Material Acquisition or Material Disposition that would have required adjustment pursuant to this definition, then the Consolidated Fixed Charge Coverage Ratio shall be calculated giving *pro forma* effect thereto.

For purposes of this definition, whenever *pro forma* effect is to be given to a Material Acquisition or Material Disposition and the amount of income or earnings relating thereto or with respect to other *pro forma* calculations under this definition, such *pro forma*

calculations shall be made in good faith by a responsible financial or accounting officer of the Issuer. If any Indebtedness bears a floating rate of interest and is being given *pro forma* effect, the interest on such Indebtedness shall be calculated as if the rate in effect on the Fixed Charge Calculation Date had been the applicable rate for the entire period (taking into account any Hedging Obligations applicable to such Indebtedness). Interest on a Capitalized Lease Obligation shall be deemed to accrue at an interest rate reasonably determined by a responsible financial or accounting officer of the Issuer to be the rate of interest implicit in such Capitalized Lease Obligation in accordance with GAAP. For purposes of making the computation referred to above, interest on any Indebtedness under a revolving credit facility computed on a *pro forma* basis shall be computed based upon the average daily balance of such Indebtedness during the applicable period except as set forth in the first paragraph of this definition. Interest on Indebtedness that may optionally be determined at an interest rate based upon a factor of a prime or similar rate, a eurocurrency interbank offered rate, or other rate, shall be deemed to have been based upon the rate actually chosen, or, if none, then based upon such optional rate chosen as the Issuer may designate.

Furthermore, in calculating "Consolidated Fixed Charges" for purposes of determining the denominator (but not the numerator) of this "Consolidated Fixed Charge Coverage Ratio,"

- (a) interest on outstanding Indebtedness determined on a fluctuating basis as of the date of determination and which will continue to be so determined thereafter will be deemed to have accrued at a fixed rate per annum equal to the rate of interest on such Indebtedness in effect on such date of determination;
- (b) if interest on any Indebtedness actually Incurred on such date of determination may optionally be determined at an interest rate based upon a factor of a prime or similar rate, a eurocurrency interbank offered rate, or other rates, then the interest rate in effect on such date of determination will be deemed to have been in effect during the Four Quarter Period; and
- (c) notwithstanding clause (a) above, interest on Indebtedness determined on a fluctuating basis, to the extent such interest is covered by Hedging Obligations, will be deemed to accrue at the rate per annum resulting after giving effect to the operation of such agreements.

"Consolidated Fixed Charges" means, for any Person for any period, the sum, without duplication, of:

- (1) Consolidated Interest Expense for such Person for such period, plus
- (2) to the extent not included in (1) above, payments during such period in respect of the financing costs of financial derivatives in the form of equity swaps, plus

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- (3) the product of:
- (a) the amount of all cash and non-cash dividend payments on any series of Preferred Stock or Disqualified Capital Stock of such Person (other than dividends paid in Qualified Capital Stock) or any Subsidiary of such Person (Restricted Subsidiary in the case of the Issuer) paid, accrued or scheduled to be paid or accrued during such period, excluding dividend payments on Preferred Stock or Disqualified Capital Stock paid, accrued or scheduled to be paid to such Person or another Subsidiary (Restricted Subsidiary in the case of the Issuer), times
 - (b) a fraction, the numerator of which is one and the denominator of which is one minus the then current effective tax rate of such Person in its principal taxpaying jurisdiction (Mexico, in the case of the Issuer), expressed as a decimal.

“Consolidated Income Tax Expense” means, with respect to any Person for any period, the provision for federal, state and local income and asset taxes payable, including current and deferred taxes, by such Person and its Subsidiaries (Restricted Subsidiaries in the case of the Issuer) for such period as determined on a consolidated basis in accordance with GAAP.

“Consolidated Interest Expense” means, for any Person for any period, the sum of, without duplication determined on a consolidated basis in accordance with GAAP:

- (1) the aggregate of cash and non-cash interest expense of such Person and its Subsidiaries (Restricted Subsidiaries in the case of the Issuer) for such period determined on a consolidated basis in accordance with GAAP, including, without limitation the following for such Person and its Subsidiaries (Restricted Subsidiaries in the case of the Issuer) whether or not interest expense in accordance with GAAP:
 - (a) any amortization or accretion of debt discount or any interest paid on Indebtedness of such Person and its Subsidiaries (Restricted Subsidiaries in the case of the Issuer) in the form of additional Indebtedness,
 - (b) any amortization of deferred financing costs; *provided*, that any such amortization resulting from costs incurred prior to the Issue Date shall be excluded for the calculation of Consolidated Interest Expense,
 - (c) the net costs under Hedging Obligations relating to Indebtedness (including amortization of fees but excluding foreign exchange adjustments on the notional amounts of the Hedging Obligations),
 - (d) all capitalized interest,
 - (e) the interest portion of any deferred payment obligation,

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- (f) commissions, discounts and other fees and charges Incurred in respect of letters of credit or bankers' acceptances or in connection with sales or other dispositions of accounts receivable and related assets,
 - (g) any interest expense on Indebtedness of another Person that is Guaranteed by such Person or one of its Subsidiaries (Restricted Subsidiary in the case of the Issuer) or secured by a Lien on the assets of such Person or one of its Subsidiaries (Restricted Subsidiaries in the case of the Issuer), whether or not such Guarantee or Lien is called upon, and
 - (h) any interest accrued in respect of Indebtedness without a maturity date; and
- (2) the interest component of Capitalized Lease Obligations paid, accrued and/or scheduled to be paid or accrued by such Person and its Subsidiaries (Restricted Subsidiaries in the case of the Issuer) during such period.

“Consolidated Net Income” means, with respect to any Person for any period, the aggregate net income (or loss) of such Person and its Subsidiaries for such period on a consolidated basis (after deducting (i) the portion of such net income attributable to minority interests in Subsidiaries of such Person and (ii) any interest paid or accrued in respect of Indebtedness without a maturity date), determined in accordance with GAAP; *provided*, that there shall be excluded therefrom:

- (1) net after-tax gains and losses from Asset Sale transactions or abandonments or reserves relating thereto;
- (2) net after-tax items classified as extraordinary gains or losses;
- (3) the net income (but not loss) of any Subsidiary of such Person (non-Note Guarantor in the case of the Issuer) to the extent that a corresponding amount could not be distributed to such Person at the date of determination as a result of any restriction pursuant to the constituent documents of such Subsidiary (non-Note Guarantor in the case of the Issuer) or any law, regulation, agreement or judgment applicable to any such distribution;
- (4) any net income (loss) of any Person (other than the Issuer) if such Person is not a Restricted Subsidiary, except that the Issuer's equity in the net income of any such Person for such period shall be included in such Consolidated Net Income up to the aggregate amount of cash distributed by such Person during such period to the Issuer or a Restricted Subsidiary as a dividend or other distribution (subject, in the case of a dividend or other distribution to a Restricted Subsidiary, to the limitations contained in this clause);

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- (5) [Reserved];
 - (6) any restoration to income of any contingency reserve, except to the extent that provision for such reserve was made out of Consolidated Net Income accrued at any time following the Issue Date;
 - (7) any gain (or loss) from foreign exchange translation or change in net monetary position;
 - (8) any gain (or loss) from the cumulative effect of changes in accounting principles; and
 - (9) any net gain or loss (after any offset) resulting in such period from Hedging Obligations or other derivative instruments; *provided*, that the net effect on income or loss (including in any prior periods) shall be included upon any termination or early extinguishment of such Hedging Obligations or other derivative instrument, other than any Hedging Obligations with respect to Indebtedness (that is not itself a Hedging Obligation) and that are extinguished concurrently with the termination or other prepayment of such Indebtedness.

“Consolidated Non-cash Charges” means, for any Person for any period, the aggregate depreciation, amortization (including amortization of goodwill and other Intangible Assets) and other non-cash expenses or losses of such Person and its Subsidiaries (Restricted Subsidiaries in the case of the Issuer) for such period, determined on a consolidated basis in accordance with GAAP (excluding any such charge which constitutes an accrual of or a reserve for cash charges for any future period or the amortization of a prepaid cash expense paid in a prior period).

“Consolidated Tangible Assets” means, for any Person at any time, the total consolidated assets of such Person and its Subsidiaries (Restricted Subsidiaries in the case of the Issuer) as set forth on the balance sheet as of the most recent fiscal quarter of such Person, prepared in accordance with GAAP, less Intangible Assets.

“Corporate Trust Office” means the principal office of the Trustee at which at any time its corporate trust business shall be administered, which office at the date hereof is located at 101 Barclay Street, 7E, New York, New York 10286, Attention: International Corporate Trust, or such other address as the Trustee may designate from time to time by notice to the Holders and the Issuer.

“Covenant Defeasance” has the meaning assigned to it in Section 8.1(c).

“Covenant Suspension Event” has the meaning assigned to it in Section 3.22(b).

“Credit Agreement” means the facilities agreement, dated as of September 29, 2014, entered into among the Issuer and certain of its Subsidiaries, the financial institutions party thereto as original lenders, Citibank International PLC, as agent, and the Security Agent, as such agreement may be amended, modified or waived from time to time.

“Currency Agreement” means, in respect of any Person, any foreign exchange contract, currency swap agreement or other similar agreement as to which such Person is a party designed to hedge foreign currency risk of such Person.

“Custodian” means any receiver, trustee, *conciliador*, assignee, liquidator, sequestrator or similar official under any Bankruptcy Law.

“Default” means an event or condition the occurrence of which is, or with the lapse of time or the giving of notice or both would be, an Event of Default.

“Defaulted Interest” has the meaning assigned to it in Section 2.13 and Section 1, paragraph 2 of the Form of Reverse Side of Note contained in Exhibit A hereto.

“Designated Non-cash Consideration” means the Fair Market Value of non-cash consideration received by the Issuer or a Restricted Subsidiary in connection with an Asset Sale that is so designated as Designated Non-cash Consideration pursuant to an Officer’s Certificate setting forth the basis of such valuation.

“Designation” has the meaning assigned to it in Section 3.14(a).

“Designation Amount” has the meaning assigned to it in clause (iii) of Section 3.14(a).

“Disposition” means, with respect to any property, any sale, lease, Sale and Leaseback Transaction, assignment, conveyance, transfer or other disposition thereof.

“Disqualified Capital Stock” means that portion of any Capital Stock which, by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable at the option of the Holder thereof), or upon the happening of any event, matures or is mandatorily redeemable, pursuant to a sinking fund obligation or otherwise, or is redeemable at the sole option of the Holder thereof, in any case, on or prior to the 91st day after the final maturity date of the Notes, but excluding with respect to Mexican companies, any shares of such Mexican company that are part of the variable portion of its Capital Stock and that are redeemable under the Mexican General Law of Business Corporations (*Ley General de Sociedades Mercantiles*).

“Distribution Compliance Period” means, in respect of any Regulation S Global Note (or Certificated Note issued in respect thereof pursuant to Section 2.7(c)), the 40 consecutive days beginning on and including the later of (a) the day on which any Notes represented thereby are offered to persons other than distributors (as defined in Regulation S) pursuant to Regulation S or (b) the issue date for such Notes.

“Equity Offering” has the meaning assigned to it in Section 5 of the Form of Reverse Side of Note contained in Exhibit A hereto.

“euro” means the single currency of participating member states of the EMU.

“Euroclear” means Euroclear Bank S.A./N.V., as operator of the Euroclear System, N.V., or its successor in such capacity.

“European Government Obligations” means direct non-callable and non-redeemable obligations denominated in euros (in each case, with respect to the issuer thereof) of any member state of the European Union that is a member of the European Union as of the date of this Indenture.

“Event of Default” has the meaning assigned to it in Section 6.1.

“Exchange Act” means the Securities Exchange Act of 1934, as amended, or any successor statute or statutes thereto.

“Existing Senior Notes” means the U.S. Dollar-denominated 9.250% Senior Secured Notes due 2020 guaranteed by the Issuer, the U.S. Dollar-denominated 9.000% Senior Secured Notes due 2018 issued by the Issuer, the U.S. Dollar-denominated Floating Rate Senior Secured Notes due 2015 issued by the Issuer, the U.S. Dollar-denominated 9.875% Senior Secured Notes due 2019 guaranteed by the Issuer, the Euro-denominated 9.875% Senior Secured Notes due 2019 guaranteed by the Issuer, the U.S. Dollar-denominated 9.500% Senior Secured Notes due 2018 issued by the Issuer, the U.S. Dollar-denominated 9.375% Senior Secured Notes due 2022 guaranteed by the Issuer, the U.S. Dollar-denominated 5.875% Senior Secured Notes due 2019 issued by the Issuer, the U.S. Dollar-denominated 6.500% Senior Secured Notes due 2019 issued by the Issuer, the U.S. Dollar-denominated 7.250% Senior Secured Notes due 2021 issued by the Issuer, the U.S. Dollar-denominated Floating Rate Senior Secured Notes due 2018 issued by the Issuer, the U.S. Dollar-denominated 6.000% Senior Secured Notes due 2024 guaranteed by the Issuer, the Euro-denominated 5.250% Senior Secured Notes due 2021 guaranteed by the Issuer, the U.S. Dollar-denominated 5.700% Senior Secured Notes due 2025 issued by the Issuer, the Euro-denominated 4.750% Senior Secured Notes due 2022 issued by the Issuer and the Other Notes.

“Facilities Agreement” means the facilities agreement, dated as of September 17, 2012, entered into among the Issuer and certain of its Subsidiaries, the financial institutions and noteholders party thereto, Citibank International PLC, as administrative agent, and the Security Agent, as such agreement may be amended, modified or waived from time to time.

“Facilities Agreement Indebtedness” means the Indebtedness that is subject to and outstanding under the Facilities Agreement.

“Fair Market Value” means, with respect to any asset, the price (after taking into account any liabilities relating to such assets) which could be negotiated in an arm’s-length free market transaction, for cash, between a willing seller and a willing and able buyer, neither of which is under any compulsion to complete the transaction. Fair Market Value shall be determined, except as otherwise provided, by the Issuer in good faith.

“Fitch” means Fitch Ratings and any successor to its rating agency business.

“Four Quarter Period” has the meaning assigned to it in the definition of “Consolidated Fixed Charge Coverage Ratio” above.

“Free Reserves Available for Distribution” has the meaning assigned to it in Section 10.6(c).

“French Note Guarantor” has the meaning assigned to it in Section 10.5(a).

“GAAP” means IFRS as in effect on the Issue Date. At any time, and from time to time, after the Issue Date, the Issuer may elect to apply IFRS as in effect at such time in lieu of GAAP and, upon any such election, references herein to GAAP shall thereafter be construed to mean IFRS as in effect on the date of such election; *provided*, that any such election, once made, shall be irrevocable. The Issuer shall give notice of any such election to the Trustee.

“Global Note” means any Note issued in fully registered form to Euroclear or Clearstream (or its nominee), as depository for the beneficial owners thereof, which shall be substantially in the form of Exhibit A, with appropriate legends as specified in Section 2.8 and Exhibit A hereto.

“Guarantee” means any obligation, contingent or otherwise, of any Person directly or indirectly guaranteeing any Indebtedness of any other Person:

- (1) to purchase or pay, or advance or supply funds for the purchase or payment of, such Indebtedness of such other Person, whether arising by virtue of partnership arrangements, or by agreement to keep-well, to purchase assets, goods, securities or services, to take-or-pay, or to maintain financial statement conditions or otherwise, or
- (2) entered into for purposes of assuring in any other manner the obligee of such Indebtedness of the payment thereof or to protect such obligee against loss in respect thereof, in whole or in part,

provided, that “Guarantee” will not include endorsements for collection or deposit in the ordinary course of business. “Guarantee” used as a verb has a corresponding meaning.

“Guaranteed Obligations” has the meaning assigned to it in Section 10.1(a).

“Hedging Obligations” means the obligations of any Person pursuant to any Interest Rate Agreement, Currency Agreement, Commodity Price Purchase Agreement or any Transportation Agreement, in each case, not entered into for speculative purposes.

“Holder” means the Person in whose name a Note is registered in the Note Register.

“IFRS” means the International Financial Reporting Standards as issued by the International Accounting Standards Board.

“Incur” means, with respect to any Indebtedness or other obligation of any Person, to create, issue, incur (including by conversion, exchange or otherwise), assume, Guarantee or otherwise become liable in respect of such Indebtedness or other obligation on the balance sheet of such Person (and “Incurrence,” “Incurred” and “Incurrence” will have meanings correlative to the preceding).

“Indebtedness” means with respect to any Person, without duplication:

- (1) the principal amount (or, if less, the accreted value) of all obligations of such Person for borrowed money;
- (2) the principal amount (or, if less, the accreted value) of all obligations of such Person evidenced by bonds, debentures, notes or other similar instruments, including any perpetual bonds, debenture notes or similar instruments without regard to maturity date;
- (3) all Capitalized Lease Obligations of such Person;
- (4) all obligations of such Person issued or assumed as the deferred purchase price of property, all conditional sale obligations and all payment obligations under any title retention agreement (but excluding trade accounts payable and other accrued liabilities accounted for as current liabilities (in accordance with GAAP) arising in the ordinary course of business) to the extent of any reimbursement obligations in respect thereof;
- (5) reimbursement obligations with respect to letters of credit, banker’s acceptances or similar credit transactions;
- (6) Guarantees and other contingent obligations of such Person in respect of Indebtedness referred to in clauses (1) through (5) above and clauses (8) through (10) below;
- (7) all Indebtedness of any other Person of the type referred to in clauses (1) through (6) which is secured by any Lien on any property or asset of the first Person, the amount of such Indebtedness being deemed to be the lesser of the Fair Market Value of such property or asset or the amount of the Indebtedness so secured;
- (8) all obligations under Hedging Obligations or other derivatives of such Person;
- (9) all liabilities (contingent or otherwise) of such Person in connection with a sale or other disposition of accounts receivable and related assets (not including Qualified Receivables Transactions), irrespective of their treatment under GAAP or IFRS; and

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- (10) all Disqualified Capital Stock issued by such Person with the amount of Indebtedness represented by such Disqualified Capital Stock being equal to the greater of its voluntary or involuntary liquidation preference and its maximum fixed repurchase price, but excluding accrued dividends, if any; *provided*, that:
- (a) if the Disqualified Capital Stock does not have a fixed repurchase price, such maximum fixed repurchase price will be calculated in accordance with the terms of the Disqualified Capital Stock as if the Disqualified Capital Stock were purchased on any date on which Indebtedness will be required to be determined pursuant to this Indenture, and
 - (b) if the maximum fixed repurchase price is based upon, or measured by, the fair market value of the Disqualified Capital Stock, the fair market value will be the Fair Market Value thereof.

“Indenture” means this Indenture as amended or supplemented from time to time, including the Schedule and Exhibits hereto.

“Intangible Assets” means with respect to any Person all unamortized debt discount and expense, unamortized deferred charges, goodwill, patents, trademarks, service marks, trade names, copyrights and all other items which would be treated as intangibles on the consolidated balance sheet of such Person prepared in accordance with GAAP.

“Intercreditor Agreement” means the intercreditor agreement, dated as of September 17, 2012, entered into among the Issuer and certain of its Subsidiaries, the financial institutions and noteholders party thereto, Citibank International PLC, as facility agent, and the Security Agent, as such agreement may be amended from time to time.

“Interest Payment Date” means the stated due date of an installment of interest on the Notes as specified in the Form of Face of Note contained in Exhibit A hereto.

“Interest Rate Agreement” of any Person means any interest rate protection agreement (including, without limitation, interest rate swaps, caps, floors, collars, derivative instruments and similar agreements) and/or other types of hedging agreements designed to hedge interest rate risk of such Person.

“Inventory Financing” means a financing arrangement pursuant to which the Issuer or any of its Restricted Subsidiaries sells inventory to a bank or other institution (or a special purpose vehicle or partnership incorporated or established by or on behalf of such bank or other institution or an Affiliate of such bank or other institution) and has an obligation to repurchase such inventory to the extent that it is not sold to a third party within a specified period.

“Investment” means, with respect to any Person, any (1) direct or indirect loan, advance or other extension of credit (including, without limitation, a Guarantee) to any other Person, (2) capital contribution (by means of any transfer of cash or other property to others or any payment for property or services for the account or use of others) to any other Person, or (3) purchase or acquisition by such Person of any Capital Stock, bonds, notes, debentures or other securities or evidences of Indebtedness issued by any other Person. “Investment” will exclude

accounts receivable, extensions of credit in connection with supplier or customer financings consistent with industry or past practice, advance payment of capital expenditures arising in the ordinary course of business, deposits arising in the ordinary course of business and transactions (other than (i) any sale, lease, license, transfer or other disposal and (ii) the granting or creation of a Lien or the incurring or permitting to subsist of Indebtedness) conducted in the ordinary course of business on arm's-length terms.

For purposes of Section 3.11, the Issuer will be deemed to have made an "Investment" in an Unrestricted Subsidiary at the time of its Designation, which will be valued at the Fair Market Value of the sum of the net assets of such Unrestricted Subsidiary multiplied by the percentage equity ownership of the Issuer and its Restricted Subsidiaries in such designated Unrestricted Subsidiary at the time of its Designation and the amount of any Indebtedness of such Unrestricted Subsidiary or owed to the Issuer or any Restricted Subsidiary immediately following such Designation. Any property transferred to or from an Unrestricted Subsidiary will be valued at its Fair Market Value at the time of such transfer. If the Issuer or any Restricted Subsidiary sells or otherwise disposes of any Capital Stock of a Restricted Subsidiary (including any issuance and sale of Capital Stock by a Restricted Subsidiary) such that, after giving effect to any such sale or disposition, such Restricted Subsidiary would cease to be a Subsidiary of the Issuer, the Issuer will be deemed to have made an Investment on the date of any such sale or disposition equal to sum of the Fair Market Value of the Capital Stock of such former Restricted Subsidiary held by the Issuer or any Restricted Subsidiary immediately following such sale or other disposition and the amount of any Indebtedness of such former Restricted Subsidiary Guaranteed by the Issuer or any Restricted Subsidiary or owed to the Issuer or any other Restricted Subsidiary immediately following such sale or other disposition. The acquisition by the Issuer or any Restricted Subsidiary of the Issuer of a Person that holds an Investment in a third Person will be deemed to be an Investment by the Issuer or such Restricted Subsidiary in such third Person in an amount equal to the Fair Market Value of the Investments held by the acquired Person in such third Person. Except as otherwise provided in this Indenture, the amount of an Investment will be determined at the time the Investment is made without giving effect to subsequent changes in value.

"Investment Grade Rating" means a rating equal to or higher than BBB- (or the equivalent) by Fitch, Baa3 (or the equivalent) by Moody's and BBB- (or the equivalent) by S&P.

"Investment Return" means, in respect of any Investment (other than a Permitted Investment) made after the Issue Date by the Issuer or any Restricted Subsidiary:

- (1) the cash proceeds received by the Issuer upon the sale, liquidation or repayment of such Investment or, in the case of a Guarantee, the amount of the Guarantee upon the unconditional release of the Issuer and its Restricted Subsidiaries in full, less any payments previously made by the Issuer or any Restricted Subsidiary in respect of such Guarantee;

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- (2) in the case of the Revocation of the Designation of an Unrestricted Subsidiary, an amount equal to the lesser of:
 - (a) the Issuer's Investment in such Unrestricted Subsidiary at the time of such Revocation;
 - (b) that portion of the Fair Market Value of the net assets of such Unrestricted Subsidiary at the time of Revocation that is proportionate to the Issuer's equity interest in such Unrestricted Subsidiary at the time of Revocation; and
 - (c) the Designation Amount with respect to such Unrestricted Subsidiary upon its Designation which was treated as a Restricted Payment;
 - (3) in the event the Issuer or any Restricted Subsidiary makes any Investment in a Person that, as a result of or in connection with such Investment, becomes a Restricted Subsidiary, the existing Investment of the Issuer and its Restricted Subsidiaries in such Person,

in the case of each of (1), (2) and (3), up to the amount of such Investment that was treated as a Restricted Payment under Section 3.11 less the amount of any previous Investment Return in respect of such Investment.

"Issue Date" means the first date of issuance of the Notes under this Indenture and following a Partial Covenant Suspension Event or a Covenant Suspension Event, except under "*Optional Redemption for Changes in Withholding Taxes*" under clause (5) in Exhibit A hereto, Section 3.22 and the definition of "Permitted Liens," the most recent Partial Covenant Reversion Date or Reversion Date, as applicable.

"Issue Date Notes" means the €550,000,000 aggregate principal amount of Notes originally issued on the Issue Date, and any replacement Notes issued therefor in accordance with this Indenture.

"Issuer" means the party named as such in the introductory paragraph to this Indenture and its successors and assigns.

"Issuer Order" has the meaning assigned to it in Section 2.2(c).

"Legal Defeasance" has the meaning assigned to it in Section 8.1(b).

"Legal Holiday" has the meaning assigned to it in Section 12.6.

"Lien" means, with respect to any asset, any mortgage, lien, pledge, charge, security interest or encumbrance of any kind in respect of such asset. The Issuer or any Restricted Subsidiary shall be deemed to own, subject to a Lien, any asset that it has acquired or holds subject to the interest of a vendor or lessor under any conditional sale agreement, Capitalized Lease Obligations or other title retention lease relating to such asset, or any account receivable transferred by it with recourse (including any such transfer subject to a holdback or similar arrangement that effectively imposes the risk of collectability on the transferor).

“Material Acquisition” means:

- (1) an Investment by the Issuer or any Restricted Subsidiary in any other Person pursuant to which such Person will become a Restricted Subsidiary, or will be merged with or into the Issuer or any Restricted Subsidiary;
- (2) the acquisition by the Issuer or any Restricted Subsidiary of the assets of any Person (other than a Subsidiary of the Issuer) which constitute all or substantially all of the assets of such Person or comprises any division or line of business of such Person or any other properties or assets of such Person other than in the ordinary course of business; or
- (3) any Revocation with respect to an Unrestricted Subsidiary;

in each case which involves an Investment, Designation or payment of consideration in excess of U.S.\$25,000,000 (or the equivalent in other currencies).

“Material Disposition” means any Asset Sale and, whether or not constituting an Asset Sale, (1) any sale or other disposition of Capital Stock, (2) any Designation with respect to an Unrestricted Subsidiary and (3) any sale or other disposition of property or assets excluded from the definition of Asset Sale by clause (4) of that definition, in each case which involves an Investment, Designation or payment of consideration in excess of U.S.\$25,000,000 (or the equivalent in other currencies).

“Maturity Date” means March 5, 2023.

“Moody’s” means Moody’s Investors Service, Inc. and any successor to its rating agency business.

“Net Cash Proceeds” means, with respect to any Asset Sale, the proceeds in the form of cash or Cash Equivalents, including payments in respect of deferred payment obligations when received in the form of cash or Cash Equivalents received by the Issuer or any of its Restricted Subsidiaries from such Asset Sale, net of:

- (1) reasonable out-of-pocket expenses and fees relating to such Asset Sale (including, without limitation, legal, accounting and investment banking fees and sales commissions);
- (2) taxes paid or payable in respect of such Asset Sale after taking into account any reduction in consolidated tax liability due to available tax credits or deductions and any tax sharing arrangements;

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- (3) repayment of Indebtedness secured by a Lien permitted under this Indenture that is required to be repaid in connection with such Asset Sale; and
 - (4) appropriate amounts to be provided by the Issuer or any Restricted Subsidiary, as the case may be, as a reserve, in accordance with GAAP, against any liabilities associated with such Asset Sale and retained by the Issuer or any Restricted Subsidiary, as the case may be, after such Asset Sale, including, without limitation, pension and other post-employment benefit liabilities, liabilities related to environmental matters and liabilities under any indemnification obligations associated with such Asset Sale, but excluding any reserves with respect to Indebtedness.

“New York Business Day” means any day that is not a Saturday, Sunday or other day on which commercial banks in New York City are authorized or required by law, regulation or other governmental action to remain closed.

“Non-U.S. Person” means a person who is not a U.S. person, as defined in Regulation S.

“Note Custodian” means the custodian with respect to any Global Note appointed by Euroclear or Clearstream, or any successor Person thereto, and shall initially be the Common Depositary.

“Note Guarantee” means any guarantee of the Issuer’s Obligations under this Indenture and the Notes by any Note Guarantor pursuant to Article X.

“Note Guarantors” means (i) each of the Issuer’s Restricted Subsidiaries that executes this Indenture as a Note Guarantor or an Additional Note Guarantor and (ii) each of the Issuer’s Restricted Subsidiaries that in the future executes a supplemental indenture in which such Restricted Subsidiary agrees to be bound by the terms of this Indenture as a Note Guarantor, and their respective successors and assigns; provided, that any Person constituting a Note Guarantor as described above shall cease to constitute a Note Guarantor when its respective Note Guarantee is released in accordance with the terms of this Indenture.

“Note Register” has the meaning assigned to it in Section 2.3(a).

“Notes” means any of the Issuer’s 4.375% Senior Secured Notes due 2023 issued and authenticated pursuant to this Indenture.

“Obligations” means, with respect to any Indebtedness, any principal, interest (including, without limitation, Post-Petition Interest), penalties, fees, indemnifications, reimbursements, damages, and other liabilities payable under the documentation governing such Indebtedness, including, in the case of the Notes and the Note Guarantees, this Indenture.

“Office of the Paying Agent” means the principal office of the Paying Agent at which at any time its corporate trust business shall be administered, which office at the date hereof is located at One Canada Square, London E14 5AL, United Kingdom, or such other address as the Paying Agent may designate from time to time by notice to the Trustee and the Issuer.

“Officer” means, when used in connection with any action to be taken by the Issuer or a Note Guarantor, as the case may be, the Chairman of the Board, the Chief Executive Officer, the President, the Chief Financial Officer, any Vice President, the Treasurer, the Controller, the Secretary or an attorney-in-fact of the Issuer or such Note Guarantor, as the case may be.

“Officer’s Certificate” means a certificate signed on behalf of a Person by an Officer of such Person, who must be the principal executive officer, the principal financial officer, the treasurer, the Vice President – Corporate Finance, the principal accounting officer or an attorney-in-fact of such Person, that meets the requirements set forth in this Indenture.

“Opinion of Counsel” means a written opinion of counsel, who, unless otherwise indicated in this Indenture, may be an employee of or counsel for the Issuer or any Note Guarantor, and who shall be reasonably acceptable to the Trustee.

“Other Notes” means the U.S.\$750,000,000 aggregate principal amount of 6.125% Senior Secured Notes due 2025 of the Issuer issued on the Issue Date.

“Outstanding” means, as of the date of determination, all Notes theretofore authenticated and delivered under this Indenture, *except*:

- (1) Notes theretofore canceled by the Trustee or delivered to the Trustee for cancellation;
- (2) Notes, or portions thereof, for the payment, redemption or, in the case of an Asset Sale Offer or Change of Control Offer, purchase of which, money in the necessary amount has been theretofore deposited with the Trustee or any Paying Agent (other than the Issuer or an Affiliate of the Issuer) in trust or set aside and segregated in trust by the Issuer or an Affiliate of the Issuer (if the Issuer or such Affiliate is acting as the Paying Agent) for the Holders of such Notes; *provided*, that if Notes (or portions thereof) are to be redeemed or purchased, notice of such redemption or purchase has been duly given pursuant to this Indenture or provision therefor satisfactory to the Trustee has been made;
- (3) Notes which have been surrendered pursuant to Section 2.9 or Notes in exchange for which or in lieu of which other Notes have been authenticated and delivered pursuant to this Indenture, other than any such Notes in respect of which there shall have been presented to the Trustee proof satisfactory to it that such Notes are held by a protected purchaser in whose hands such Notes are valid obligations of the Issuer; and
- (4) solely to the extent provided in Article VIII, Notes which are subject to Legal Defeasance or Covenant Defeasance as provided in Article VIII;

provided, however, that in determining whether the Holders of the requisite aggregate principal amount of the Outstanding Notes have given any request, demand, authorization, direction, notice, consent or waiver hereunder, Notes owned by the Issuer, a Note Guarantor or any other obligor upon the Notes or any Affiliate of the Issuer or of such other obligor shall be disregarded and deemed not to be Outstanding, except that, in determining whether the Trustee shall be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Notes which a Trust Officer of the Trustee actually knows to be so owned shall be so disregarded. Notes so owned which have been pledged in good faith may be regarded as Outstanding if the pledgee establishes to the satisfaction of the Trustee the pledgee's right so to act with respect to such Notes and that the pledgee is not the Issuer or any other obligor upon the Notes or any Affiliate of the Issuer or of such other obligor.

“Partial Covenant Reversion Date” has the meaning set forth under Section 3.22(e).

“Partial Covenant Suspension Date” has the meaning set forth under Section 3.22(c).

“Partial Covenant Suspension Event” has the meaning set forth under Section 3.22(a).

“Partial Suspended Covenants” has the meaning set forth under Section 3.22(a).

“Partial Suspension Period” has the meaning set forth under Section 3.22(e).

“Paying Agent” means the party named as such in the introductory paragraph to this Indenture until a successor replaces it in accordance with the terms of this Indenture and, thereafter, means the successor.

“Permitted Asset Swap Transaction” means a transaction consisting substantially of the concurrent (i) disposition by the Issuer or any of its Restricted Subsidiaries of any asset, property or cash consideration (other than a Restricted Subsidiary) in exchange for assets, property or cash consideration transferred to the Issuer or a Restricted Subsidiary, to be used in a Permitted Business or (ii) disposition by the Issuer or any of its Restricted Subsidiaries of Capital Stock of a Restricted Subsidiary in exchange for Capital Stock of another Restricted Subsidiary or of Capital Stock of any Person that becomes a Restricted Subsidiary after giving effect to such transaction; *provided,* that any cash or Cash Equivalents received in such a transaction shall constitute Net Cash Proceeds to be applied in accordance with Section 3.12.

“Permitted Business” means the business or businesses conducted by the Issuer and its Restricted Subsidiaries as of the Issue Date and any business ancillary, complementary or related thereto or any other business that would not constitute a substantial change to the general nature of its business from that carried on as of the Issue Date.

“Permitted Indebtedness” has the meaning set forth in Section 3.9(b).

“Permitted Investments” means:

- (1) Investments by the Issuer or any Restricted Subsidiary in any Person that is, or that result in any Person becoming, immediately after such Investment, a Restricted Subsidiary or constituting a merger or consolidation of such Person into the Issuer or with or into a Restricted Subsidiary;
- (2) any Investment in the Issuer;
- (3) Investments in cash and Cash Equivalents;
- (4) any extension, modification or renewal of any Investments existing as of the Issue Date (but not Investments involving additional advances, contributions or other investments of cash or property or other increases thereof, other than as a result of the accrual or accretion of interest or original issue discount or payment-in-kind pursuant to the terms of such Investment as of the Issue Date);
- (5) Investments permitted pursuant to clause (ii), (vi) or (vii) of Section 3.18(b);
- (6) Investments received as a result of the bankruptcy or reorganization of any Person or taken in settlement of or other resolution of claims or disputes, and, in each case, extensions, modifications and renewals thereof;
- (7) Investments made by the Issuer or its Restricted Subsidiaries as a result of non-cash consideration permitted to be received in connection with an Asset Sale made in compliance with Section 3.12;
- (8) Investments in the form of Hedging Obligations or Compensation Related Hedging Obligations permitted under clause (iv) of Section 3.9(b);
- (9) Investments in existence on the Issue Date or made pursuant to binding commitments in effect on the Issue Date or any Investment consisting of any extension, modification or renewal of any Investment existing on the Issue Date; *provided*, that the amount of any such Investment may be increased (a) as required by the terms of such Investment as in existence on the Issue Date or (b) as otherwise permitted by this Indenture;
- (10) Investments by the Issuer or any Restricted Subsidiary in a Receivables Entity in connection with a Qualified Receivables Transaction which does not constitute an Asset Sale by virtue of clause (7) of the definition thereof; *provided, however*, that any such Investments are made only in the form of Receivables Assets;
- (11) Investments in marketable securities or instruments, to fund the Issuer’s or a Restricted Subsidiary’s pension and other employee-related obligations in the ordinary course of business pursuant to compensation arrangements approved by the Board of Directors or senior management of the Issuer;

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- (12) any Investment that:
- (a) when taken together with all other Investments made pursuant to this clause (12) that are at the time outstanding (net of cash benefits to the Issuer or a Restricted Subsidiary from Investments pursuant to this clause (12)), does not exceed the greater of U.S.\$250 million and 3% of Consolidated Tangible Assets; or
 - (b) when taken together with all other Investments made pursuant to this clause (12) in any fiscal year that are at the time outstanding, does not exceed U.S.\$100 million in any fiscal year;
- (13) Investments in the Capital Stock of any Person other than a Restricted Subsidiary that are required to be held pursuant to an involuntary governmental order of condemnation, nationalization, seizure or expropriation or other similar order with respect to Capital Stock of such Person (prior to which order such Person was a Restricted Subsidiary); *provided*, that such Person contests such order in good faith in appropriate proceedings;
- (14) repurchases of Existing Senior Notes or the Notes;
- (15) Investments in the SPV Perpetuals or the notes related thereto; *provided*, that any payment or other contribution to one of the special purpose vehicles issuing the SPV Perpetuals in connection with such Investment is promptly paid or contributed to the Issuer or a Restricted Subsidiary following receipt thereof;
- (16) any Investment that constitutes Indebtedness permitted under clause (vii)(E) of Section 3.9(b); and
- (17) (a) Investments to which the Issuer or any of its Restricted Subsidiaries is contractually committed as of the Issue Date in any Person other than a Subsidiary in which the Issuer or any of its Restricted Subsidiaries maintains an Investment in equity securities and
(b) Investments in any Person other than a Subsidiary in which the Issuer or any of its Restricted Subsidiaries maintains an Investment in equity securities up to U.S.\$100 million in any calendar year minus the amount of any guarantees under clause (xviii) of Section 3.9(b).

“Permitted Liens” means any of the following:

- (1) statutory Liens of landlords and Liens of carriers, warehousemen, mechanics and materialmen incurred in the ordinary course of business for sums not yet due or the payment of which is being contested in good faith

by appropriate proceedings promptly initiated and diligently conducted and for which such reserves or other appropriate provision, if any, as shall be required by GAAP, shall have been made and any other Liens created by operation of law;

- (2) Liens Incurred or deposits made in the ordinary course of business in connection with (i) workers' compensation, unemployment insurance and other types of social security or (ii) other insurance maintained by the Issuer and its Subsidiaries in compliance with the Facilities Agreement (or any refinancing thereof);
- (3) Liens for taxes, assessments and other governmental charges the payment of which is being contested in good faith by appropriate proceedings promptly initiated and diligently conducted and for which such reserves or other appropriate provision, if any, as shall be required by GAAP shall have been made;
- (4) any attachment or judgment Lien, unless the judgment it secures shall not, within 60 days after the entry thereof, have been discharged or execution thereof stayed pending appeal, or shall not have been discharged within 60 days after the expiration of any such stay;
- (5) (i) Liens existing on the Issue Date other than in respect of the Collateral and (ii) Liens in respect of the Collateral to the extent equally and ratably securing the Notes and the Permitted Secured Obligations;
- (6) any Lien on property acquired by the Issuer or its Restricted Subsidiaries after the Issue Date that was existing on the date of acquisition of such property; *provided*, that such Lien was not incurred in anticipation of such acquisition, and any Lien created to secure all or any part of the purchase price, or to secure Indebtedness incurred or assumed to pay all or any part of the purchase price, of property acquired by the Issuer or any of its Restricted Subsidiaries after the Issue Date; *provided further*, that (A) any such Lien permitted pursuant to this clause (6) shall be confined solely to the item or items of property so acquired (including, in the case of any Acquisition of a corporation through the acquisition of 51% or more of the Voting Stock of such corporation, the stock and assets of any Acquired Subsidiary or Acquiring Subsidiary) and, if required by the terms of the instrument originally creating such Lien, other property which is an improvement to, or is acquired for specific use with, such acquired property; and (B) if applicable, any such Lien shall be created within nine months after, in the case of property, its acquisition, or, in the case of improvements, their completion;
- (7) any Liens renewing, extending or refunding any Lien permitted by clause (5)(i) above; *provided*, that such Lien is not extended to other property (or, instead, is only extended to equivalent property) and the

principal amount of Indebtedness secured by such Lien immediately prior thereto is not increased or the maturity thereof reduced, except that the principal amount secured by any such Lien in respect of:

- (a) hedging obligations or other derivatives where there are fluctuations in mark-to-market exposures of those hedging obligations or other derivatives, and
 - (b) Indebtedness consisting of any “*Certificados Bursátiles de Largo Plazo*” or any Refinancing thereof, where principal may increase by virtue of capitalization of interest,
- may be increased by the amount of such fluctuations, capitalizations or drawings, as the case may be;
- (8) Liens on Receivables Assets or Capital Stock of a Receivables Subsidiary, in each case granted in connection with a Qualified Receivables Transaction;
 - (9) Liens granted pursuant to or in connection with any netting or set-off arrangements entered into in the ordinary course of business;
 - (10) any Lien permitted by the Trustee, acting on the instructions of at least 50% of the Holders;
 - (11) any Lien granted by the Issuer or any of its Restricted Subsidiaries to secure Indebtedness under a Permitted Liquidity Facility; *provided*, that: (i) such Lien is not granted in respect of the Collateral, and (ii) the maximum amount of such Indebtedness secured by such Lien does not exceed U.S.\$500 million at any time; or
 - (12) in addition to the Liens permitted by the foregoing clauses (1) through (11), Liens securing obligations of the Issuer and its Restricted Subsidiaries that in the aggregate secure obligations in an amount not in excess of the greater of (i) 5% of Consolidated Tangible Assets and (ii) U.S.\$700 million.

“Permitted Liquidity Facility” means a loan facility or facilities made available to the Issuer or any Restricted Subsidiary; *provided*, that the aggregate principal amount of utilized and unutilized commitments under such facilities must not exceed U.S.\$1 billion (or its equivalent in another currency) at any time.

“Permitted Merger Jurisdiction” has the meaning set forth in Section 4.1(a).

“Permitted Secured Obligations” means (i) the Facilities Agreement Indebtedness and any refinancing thereof made in accordance with the Facilities Agreement that is secured by the Collateral, (ii) indebtedness under the Credit Agreement and any refinancing thereof made in accordance with the Credit Agreement that is secured by the Collateral, (iii) notes (or similar

instruments, including *Certificados Bursátiles*) outstanding on the date of the Facilities Agreement required to be secured by the Collateral pursuant to their terms, or any refinancing thereof permitted by the Facilities Agreement and the Credit Agreement, (iv) future Indebtedness secured by the Collateral to the extent permitted by the Facilities Agreement and the Credit Agreement and (v) the Existing Senior Notes.

“Person” means an individual, partnership, limited partnership, corporation, company, limited liability company, unincorporated organization, trust or joint venture, or a governmental agency or political subdivision thereof.

“Post-Petition Interest” means all interest accrued or accruing after the commencement of any insolvency or liquidation proceeding (and interest that would accrue but for the commencement of any insolvency or liquidation proceeding) in accordance with and at the contract rate (including, without limitation, any rate applicable upon default) specified in the agreement or instrument creating, evidencing or governing any Indebtedness, whether or not, pursuant to applicable law or otherwise, the claim for such interest is allowed as a claim in such insolvency or liquidation proceeding.

“Preferred Stock” of any Person means any Capital Stock of such Person that has preferential rights over any other Capital Stock of such Person with respect to dividends, distributions or redemptions or upon liquidation.

“Private Placement Legend” has the meaning assigned to it in Section 2.8(b).

“Purchase Money Indebtedness” means Indebtedness Incurred for the purpose of financing all or any part of the purchase price or cost of construction of any property other than Capital Stock; *provided*, that the aggregate principal amount of such Indebtedness does not exceed the lesser of the Fair Market Value of such property or such purchase price or cost, including any Refinancing of such Indebtedness that does not increase the aggregate principal amount (or accreted amount, if less) thereof as of the date of Refinancing.

“QIB” means a “qualified institutional buyer” as defined in Rule 144A.

“Qualified Capital Stock” means any Capital Stock that is not Disqualified Capital Stock and any warrants, rights or options to purchase or acquire Capital Stock that is not Disqualified Capital Stock that are not convertible into or exchangeable into Disqualified Capital Stock.

“Qualified Receivables Transaction” means any transaction or series of transactions that may be entered into by the Issuer or any Restricted Subsidiary pursuant to which the Issuer or any Restricted Subsidiary may sell, convey, assign or otherwise transfer to a Receivables Entity any Receivables Assets to obtain funding for the operations of the Issuer and its Restricted Subsidiaries:

- (1) for which no term of any portion of the Indebtedness or any other obligations (contingent or otherwise) or securities Incurred or issued by any Person in connection therewith:
 - (a) directly or indirectly provides for recourse to, or any obligation of, the Issuer or any Restricted Subsidiary in any way, whether pursuant to a Guarantee or otherwise, except for Standard Undertakings,
 - (b) directly or indirectly subjects any property or asset of the Issuer or any Restricted Subsidiary (other than Capital Stock of a Receivables Subsidiary) to the satisfaction thereof, except for Standard Undertakings, or
 - (c) results in such Indebtedness, other obligations or securities constituting Indebtedness of the Issuer or a Restricted Subsidiary, including following a default thereunder, and
- (2) for which the terms of any Affiliate Transaction between the Issuer or any Restricted Subsidiary, on the one hand, and any Receivables Entity, on the other, other than Standard Undertakings and Permitted Investments, are no less favorable than those that could reasonably be expected to be obtained in a comparable transaction at such time on an arm’s length basis from a Person that is not an Affiliate of the Issuer, and
- (3) in connection with which, neither the Issuer nor any Restricted Subsidiary has any obligation to maintain or preserve a Receivable Entity’s financial condition, cause a Receivables Entity to achieve certain levels of operating results, fund losses of a Receivables Entity, or except in connection with Standard Undertakings, purchase assets of a Receivables Entity.

“Rating Agencies” mean Fitch, Moody’s and S&P. In the event that Fitch, Moody’s or S&P is no longer in existence or issuing ratings, such organization may be replaced by a nationally recognized statistical rating organization (as defined in Rule 15c3-1(c)(2)(vi)(F) of the Exchange Act or any successor provision) designated by the Issuer with notice to the Trustee.

“Receivables Assets” means:

- (1) accounts receivable, leases, conditional sale agreements, instruments, chattel paper, installment sale contracts, obligations, general intangibles, and other similar assets, in each case relating to goods, inventory or services of the Issuer and its Subsidiaries,
- (2) equipment and equipment residuals relating to any of the foregoing,

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- (3) contractual rights, Guarantees, letters of credit, Liens, insurance proceeds, collections and other similar assets, in each case related to the foregoing, and
 - (4) proceeds of all of the foregoing.

“Receivables Entity” means a Receivables Subsidiary or any other Person not an Affiliate of the Issuer, in each case whose sole business activity is to engage in Qualified Receivables Transactions, including to issue securities or other interests in connection with a Qualified Receivables Transaction.

“Receivables Subsidiary” means an Unrestricted Subsidiary of the Issuer that engages in no activities other than Qualified Receivables Transactions and activities related thereto and that is designated by the Issuer as a Receivables Subsidiary. Any such designation by the Issuer will be evidenced to the Trustee by filing with the Trustee an Officer’s Certificate of the Issuer.

“Record Date” has the meaning assigned to it in the Form of Face of Note contained in Exhibit A hereto.

“Redemption Date” means, with respect to any redemption of the Notes, the date fixed for such redemption pursuant to this Indenture and the Notes.

“Refinance” means, in respect of any Indebtedness, to issue any Indebtedness in exchange for or to refinance, repay, redeem, replace, defease or refund such Indebtedness in whole or in part. “Refinanced” and “Refinancing” will have correlative meanings.

“Refinancing Indebtedness” means Indebtedness of the Issuer or any Restricted Subsidiary issued to Refinance any other Indebtedness of the Issuer or a Restricted Subsidiary so long as:

- (1) the aggregate principal amount (or initial accreted value, if applicable) of such new Indebtedness as of the date of such proposed Refinancing does not exceed the aggregate principal amount (or accreted value as of such date, if applicable) of the Indebtedness being Refinanced (plus the amount of any premium required to be paid under the terms of the instrument governing such Indebtedness and the amount of reasonable expenses incurred by the Issuer in connection with such Refinancing);
- (2) such new Indebtedness has:
 - (a) a Weighted Average Life to Maturity that is equal to or greater than the Weighted Average Life to Maturity of the Indebtedness being Refinanced, and
 - (b) a final maturity that is equal to or later than the final maturity of the Indebtedness being Refinanced or, in the case of Indebtedness without a stated maturity, December 14, 2017; and

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- (3) if the Indebtedness being Refinanced is:
- (a) Indebtedness of the Issuer, then such Refinancing Indebtedness will be Indebtedness of the Issuer and/or any Note Guarantor,
 - (b) Indebtedness of a Note Guarantor, then such Refinancing Indebtedness will be Indebtedness of the Issuer and/or any Note Guarantor,
 - (c) Indebtedness of any of the Restricted Subsidiaries, then such Refinancing Indebtedness will be Indebtedness of such Restricted Subsidiary, the Issuer and/or any Note Guarantor, and
 - (d) Subordinated Indebtedness, then such Refinancing Indebtedness shall be subordinate to the Notes or the relevant Note Guarantee, if applicable, at least to the same extent and in the same manner as the Indebtedness being Refinanced.

Notwithstanding the foregoing, with respect to any hedging obligations or derivatives outstanding on the Issue Date in respect of the Axtel Share Forward Transaction, “Refinancing Indebtedness” shall mean any replacements, amendments or renewals thereof that are entered into on then prevailing market terms with the underlying amounts not greater than the original underlying amounts.

“Registrar” has the meaning assigned to it in Section 2.3(a).

“Regulation S” means Regulation S under the Securities Act or any successor regulation.

“Regulation S Global Note” has the meaning assigned to it in Section 2.1(e).

“Resale Restriction Termination Date” means for any Restricted Note (or beneficial interest therein), that is (a) not a Regulation S Global Note, the date on which the Issuer instructs the Trustee in writing to remove the Private Placement Legend from the Restricted Notes in accordance with the procedures described in Section 2.9(h) (which instruction is expected to be given on or about the one year anniversary of the issuance of the Restricted Notes) or (b) a Regulation S Global Note (or Certificated Note issued in respect thereof pursuant to Section 2.7(c)), the date on which the Distribution Compliance Period therefor terminates.

“Restricted Note” means any Issue Date Note (or beneficial interest therein) or any Additional Note (or beneficial interest therein) not originally issued and sold pursuant to an effective registration statement under the Securities Act until such time as:

- (i) the Resale Restriction Termination Date therefor has passed; or
- (ii) the Private Placement Legend therefor has otherwise been removed pursuant to Section 2.9 or, in the case of a beneficial interest in a Global Note, such beneficial interest has been exchanged for an interest in a Global Note not bearing a Private Placement Legend.

“Restricted Obligations” has the meaning assigned to it in Section 10.6(b).

“Restricted Payment” has the meaning set forth in Section 3.11(a).

“Restricted Subsidiary” means any Subsidiary of the Issuer, which at the time of determination is not an Unrestricted Subsidiary.

“Reversion Date” has the meaning assigned to in Section 3.22(e).

“Revocation” has the meaning set forth in Section 3.14(c).

“Rule 144” means Rule 144 under the Securities Act (or any successor rule).

“Rule 144A” means Rule 144A under the Securities Act (or any successor rule).

“Rule 144A Global Note” has the meaning assigned to it in Section 2.1(d).

“S&P” means Standard & Poor’s Ratings Group and any successor to its rating agency business.

“Sale and Leaseback Transaction” means any direct or indirect arrangement with any Person or to which any such Person is a party providing for the leasing to the Issuer or a Restricted Subsidiary of any property, whether owned by the Issuer or any Restricted Subsidiary at the Issue Date or later acquired, which has been or is to be sold or transferred by the Issuer or such Restricted Subsidiary to such Person or to any other Person by whom funds have been or are to be advanced on the security of such Property.

“Securities Act” means the Securities Act of 1933, as amended.

“Security Agent” means Wilmington Trust (London) Limited, as security agent under the Intercreditor Agreement.

“Security Documents” has the meaning assigned to it in Section 7.13.

“Senior Indebtedness” means (i) the Notes and any other Indebtedness of the Issuer or any Note Guarantor that ranks equal in right of payment with the Notes or the relevant Note Guarantee, as the case may be or (ii) Indebtedness for borrowed money or constituting Capitalized Lease Obligations of any Restricted Subsidiary other than a Note Guarantor.

“Significant Subsidiary” means a Subsidiary of the Issuer constituting a “Significant Subsidiary” of the Issuer in accordance with Rule 1-02(w) of Regulation S-X under the Securities Act in effect on the date hereof.

“Similar Business” means (1) any business engaged in by the Issuer or any Restricted Subsidiary on the Issue Date, and (2) any business or other activities, including non-profit or charitable activities, that are reasonably similar, ancillary, complementary or related to,

or a reasonable extension, development or expansion of, the businesses and activities in which the Issuer or any Restricted Subsidiary is engaged on the Issue Date, including, but not limited to, infrastructure projects, public works programs and consumer or supplier financing.

“Special Record Date” has the meaning assigned to it in Section 2.13(a).

“SPV Perpetuals” means the perpetual debentures issued by special purpose vehicles in December 2006, February 2007 and March 2007, as amended or supplemented from time to time.

“Standard Undertakings” means representations, warranties, covenants, indemnities and similar obligations, including servicing obligations, entered into by the Issuer or any Subsidiary of the Issuer in connection with a Qualified Receivables Transaction, which are customary in similar non-recourse receivables securitization, purchase or financing transactions.

“Subordinated Indebtedness” means, with respect to the Issuer or any Note Guarantor, any Indebtedness of the Issuer or such Note Guarantor, as the case may be, which is expressly subordinated in right of payment to the Notes or the relevant Note Guarantee, as the case may be.

“Subsidiary” means with respect to any Person, any corporation, partnership, joint venture, limited liability company, trust, estate or other entity of which (or in which) more than fifty percent (50%) of (a) in the case of a corporation, the issued and outstanding Capital Stock having ordinary voting power to elect a majority of the board of directors of such corporation (irrespective of whether at the time Capital Stock of any other class or classes of such corporation shall or might have voting power upon the occurrence of any contingency that has not occurred and is not in the control of such Person), (b) in the case of a limited liability company, partnership or joint venture, the voting or other power to control the actions of such limited liability company, partnership or joint venture or (c) in the case of a trust or estate, the voting or other power to control the actions of such trust or estate, is at the time directly or indirectly owned or controlled by (X) such Person, (Y) such Person and one or more of its other Subsidiaries or (Z) one or more of such Person’s other Subsidiaries. Unless the context otherwise requires, all references herein to a “Subsidiary” shall refer to a Subsidiary of the Issuer.

“Successor Issuer” has the meaning assigned to it in Section 4.1(a).

“Successor Note Guarantor” has the meaning assigned to it in Section 4.1(b).

“Suspended Covenants” has the meaning assigned to it in Section 3.22(b).

“Suspension Date” has the meaning assigned to it in Section 3.22(e).

“Suspension Period” has the meaning assigned to it in Section 3.22(e).

“Swiss Note Guarantor” has the meaning assigned to it in Section 10.6(a).

“Taxes” has the meaning assigned to it in Section 3.21(a).

“Taxing Jurisdiction” has the meaning assigned to it in Section 3.21(a).

“Transfer Agent” means the party named as such in the introductory paragraph to this Indenture until a successor replaces it in accordance with the terms of this Indenture and, thereafter, means the successor.

“Transportation Agreements” means, in respect of any Person, any agreement or arrangement designed to protect such Person from fluctuations in prices related to transportation.

“Trust Officer” means, when used with respect to the Trustee, any officer within the corporate trust department of the Trustee, having direct responsibility for the administration of this Indenture, or any other officer of the Trustee to whom any corporate trust matter is referred because of such person’s knowledge of and familiarity with the particular subject.

“Trustee” means the party named as such in the introductory paragraph to this Indenture until a successor replaces it in accordance with the terms of this Indenture and, thereafter, means the successor.

“Undervalued Asset” has the meaning assigned to it in Section 10.6(g).

“USA PATRIOT Act” has the meaning assigned to it in Section 12.16.

“U.S. Person” means a “U.S. person” as defined in Regulation S.

“Uniform Commercial Code” means the Uniform Commercial Code as in effect from time to time in the State of New York.

“Unrestricted Subsidiary” means any Subsidiary of the Issuer designated as such pursuant to Section 3.14. Any such Designation may be revoked by the Issuer, subject to the provisions of such covenant.

“Voting Stock” with respect to any Person, means securities of any class of Capital Stock of such Person entitling the holders thereof (whether at all times or only so long as no senior class of stock has voting power by reason of any contingency) to vote in the election of members of the Board of Directors (or equivalent governing body) of such Person.

“Weighted Average Life to Maturity” means, when applied to any Indebtedness at any date, the number of years (calculated to the nearest one-twelfth) obtained by dividing:

- (1) the sum of the products obtained by multiplying:
 - (a) the amount of each then remaining installment, sinking fund, serial maturity or other required payment of principal or liquidation preference, as the case may be, including payment at final maturity, in respect thereof, by
 - (b) the number of years (calculated to the nearest one-twelfth) which will elapse between such date and the making of such payment; by
- (2) the then outstanding aggregate principal amount or liquidation preference, as the case may be, of such Indebtedness.

“Wholly Owned Subsidiary” means, for any Person, any Subsidiary (Restricted Subsidiary in the case of the Issuer) of which at least 99.5% of the outstanding Capital Stock (other than, in the case of a Subsidiary not organized in the United States, directors’ qualifying shares or an immaterial amount of shares required to be owned by other Persons pursuant to applicable law) is owned by such Person or any other Person that satisfies this definition in respect of such Person.

Section 1.2 [Reserved].

Section 1.3 Rules of Construction. Unless the context otherwise requires:

- (1) a term has the meaning assigned to it;
- (2) an accounting term not otherwise defined has the meaning assigned to it in accordance with GAAP;
- (3) “or” is not exclusive;
- (4) “including” means including without limitation;
- (5) words in the singular include the plural and words in the plural include the singular; and
- (6) references to the payment of principal of the Notes shall include applicable premium, if any.

ARTICLE II

THE NOTES

Section 2.1 Form and Dating.

(a) The Issue Date Notes are being originally offered and sold by the Issuer pursuant to a Purchase Agreement, dated as of February 26, 2015, among the Issuer, the Note Guarantors party thereto, and Banca IMI S.p.A., Banco Bilbao Vizcaya Argentaria, S.A., Banco Santander, S.A., BNP Paribas, Citigroup Global Markets Limited, Crédit Agricole Corporate and Investment Bank, HSBC Bank plc, ING Bank N.V., London Branch, J.P. Morgan Securities plc and Merrill Lynch International, as Initial Purchasers with respect to the Notes. The Notes will be issued as one or more Global Notes in fully registered form without interest coupons, and only in denominations of €100,000 and in integral multiples of €1,000 in excess thereof. Each such Global Note shall constitute a single Note for all purposes under this Indenture. Certificated Notes, if issued pursuant to the terms hereof, will be issued in fully registered certificated form without coupons. The Notes may only be issued in definitive fully registered form without coupons and only in denominations of €100,000 and in integral multiples of €1,000 in excess thereof. The Notes and the Trustee’s certificate of authentication shall be substantially in the form of Exhibit A hereto.

(b) The terms and provisions of the Notes, the form of which is in Exhibit A hereto, shall constitute, and are hereby expressly made, a part of this Indenture, and, to the extent applicable, the Issuer, the Note Guarantors and the Trustee, by their execution and delivery of this Indenture, expressly agree to such terms and provisions and to be bound thereby. Except as otherwise expressly permitted in this Indenture, all Notes (including Additional Notes) shall be identical in all respects. Notwithstanding any differences among them, all Notes issued under this Indenture shall vote and consent together on all matters as one class and are otherwise treated as a single issue of securities.

(c) The Notes may have notations, legends or endorsements as specified in Section 2.8 or as otherwise required by law, stock exchange rule or Euroclear or Clearstream rule or usage. The Issuer and the Trustee shall approve any changes to the form of the Notes attached to this Indenture and any additional notation, legend or endorsement required to be inserted on them. Each Note shall be dated the date of its authentication.

(d) Notes originally offered and sold to QIBs in reliance on Rule 144A will be issued in the form of one or more permanent Global Notes (each, a "Rule 144A Global Note").

(e) Notes originally offered and sold outside the United States in reliance on Regulation S will be issued in the form of one or more permanent Global Notes (each, a "Regulation S Global Note").

(f) Each Global Note shall be deposited on behalf of the purchasers of the Notes represented thereby with the Note Custodian or its nominee, for credit to Euroclear or Clearstream. In no event shall any Person hold an interest in a Regulation S Global Note other than in or through accounts maintained by Euroclear or Clearstream.

Section 2.2 Execution and Authentication.

(a) Any Officer of the Issuer may sign the Notes for the Issuer by manual or facsimile signature. If an Officer whose signature is on a Note no longer holds that office at the time the Trustee authenticates the Note, the Note shall be valid nevertheless.

(b) A Note shall not be valid until manually authenticated by an authorized signatory of the Trustee or an agent appointed by the Trustee (and reasonably acceptable to the Issuer) for such purpose (an "Authenticating Agent"). The signature of an authorized signatory of the Trustee or an Authenticating Agent on a Note shall be conclusive evidence that such Note has been duly and validly authenticated and issued under this Indenture. Unless limited by the terms of its appointment, an Authenticating Agent may authenticate Notes whenever the Trustee may do so. Each reference in this Indenture to authentication by the Trustee includes authentication by an Authenticating Agent.

(c) At any time and from time to time after the execution and delivery of this Indenture, the Trustee shall authenticate and make available for delivery Notes upon a written order of the Issuer signed by an Officer of the Issuer (the "Issuer Order"). An Issuer Order shall specify the amount of the Notes to be authenticated and the date on which the original issue of Notes is to be authenticated.

(d) In case a Successor Issuer has executed an indenture supplemental hereto with the Trustee pursuant to Article IV, any of the Notes authenticated or delivered prior to such transaction may, from time to time, at the request of the Successor Issuer be exchanged for other Notes executed in the name of the Successor Issuer with such changes in phraseology and form as may be appropriate, but otherwise identical to the Notes surrendered for such exchange and of like principal amount; and the Trustee, upon Issuer Order of the Successor Issuer, shall authenticate and deliver Notes as specified in such order for the purpose of such exchange. If Notes shall at any time be authenticated and delivered in any new name of a Successor Issuer pursuant to this Section 2.2 in exchange or substitution for or upon registration of transfer of any Notes, such Successor Issuer, at the option of the Holders but without expense to them, shall provide for the exchange of all Notes at the time Outstanding for Notes authenticated and delivered in such new name.

Section 2.3 Registrar, Paying Agent and Transfer Agent.

(a) The Issuer shall maintain an office or agency in the Borough of Manhattan, City of New York, that shall keep a register of the Notes (the “Note Register”) and of their transfer and exchange (the “Registrar”), and for the service of notices and demands to or upon the Issuer in respect of the Notes and this Indenture. The Issuer shall maintain an office or agency in London, England where Notes may be presented for payment and where Notes may be presented or surrendered for registration of transfer or for exchange. The Issuer may have one or more co-Registrars and one or more additional paying agents. The term “Paying Agent” includes any additional paying agent. In addition, the Issuer shall maintain a Paying Agent in a member state of the European Union as required by Section 3.21(g).

(b) The Issuer shall enter into an appropriate agency agreement with any Registrar, Paying Agent or co-Registrar not a party to this Indenture. The agreement shall implement the provisions of this Indenture that relate to such agent. The Issuer shall notify the Trustee of the name and address of each such agent. If the Issuer fails to maintain a Registrar or Paying Agent, the Trustee shall act as such and shall be entitled to appropriate compensation therefor pursuant to Section 7.7. The Issuer or any Affiliate of the Issuer may act as Paying Agent, Registrar or co-Registrar, or transfer agent.

(c) The Issuer initially designates (i) the Corporate Trust Office of the Trustee as such office or agency of the Issuer as required by Section 2.3(a) and appoints the Trustee as Registrar and agent for service of demands and notices, and (ii) the Office of the Paying Agent as such office or agency of the Issuer as required by Section 2.3(a) and appoints The Bank of New York Mellon, London Branch, as Paying Agent and Transfer Agent, in connection with the Notes and this Indenture, in each case until such time as another Person is appointed as such.

Section 2.4 Paying Agent to Hold Money in Trust.

The Issuer shall require each Paying Agent (other than the Trustee or the Paying Agent) to agree in writing that such Paying Agent shall hold in trust for the benefit of Holders or

the Trustee all money held by such Paying Agent for the payment of principal of or interest on the Notes and shall notify the Trustee in writing of any Default by the Issuer or any Note Guarantor in making any such payment. If the Issuer or an Affiliate of the Issuer acts as Paying Agent, it shall segregate the money held by it as Paying Agent and hold it as a separate trust fund. The Issuer at any time may require a Paying Agent (other than the Trustee) to pay all money held by it to the Trustee and to account for any funds disbursed by such Paying Agent. Upon complying with this Section 2.4, the Paying Agent (if other than the Issuer or any Affiliate of the Issuer) shall have no further liability for the money delivered to the Trustee. Upon any proceeding under any Bankruptcy Law with respect to the Issuer or any Affiliate of the Issuer, if the Issuer or such Affiliate is then acting as Paying Agent, the Trustee shall replace the Issuer or such Affiliate as Paying Agent.

Section 2.5 Holder Lists. The Trustee shall preserve in as current a form as is reasonably practicable the most recent list available to it of the names and addresses of Holders. At any time that the Trustee is not the Registrar the Issuer shall furnish to the Trustee, in writing at least seven Business Days before each Interest Payment Date and at such other times as the Trustee may request in writing, a list in such form and as of such date as the Trustee may reasonably require of the names and addresses of Holders.

Section 2.6 ISIN Numbers.

The Issuer in issuing Notes may use "ISIN" numbers, as applicable (if then generally in use), and, if so, the Trustee shall use for the Securities "ISIN" number in notices to the Holders as a convenience to such Holders; *provided*, that any such notice may state that no representation is made as to the correctness of such numbers either as printed on the Notes or as contained in any notice and that reliance may be placed only on the other identification numbers printed on the Notes, and any such notice shall not be affected by any defect in or omission of such numbers. The Issuer will promptly notify the Trustee in writing of any changes in the "ISIN" numbers.

Section 2.7 Global Note Provisions.

(a) Each Global Note initially shall: (i) be registered in the name of the Common Depository as nominee for Euroclear or Clearstream, (ii) be delivered to the Note Custodian and (iii) bear the appropriate legends as set forth in Section 2.8 and Exhibit A hereto. Any Global Note may be represented by one or more certificates. The aggregate principal amount of each Global Note may from time to time be increased or decreased by adjustments made on the records of the Note Custodian, as provided in this Indenture.

(b) Except as provided in clause (iii) of Section 2.7(c), members of, or participants in, Euroclear or Clearstream ("Agent Members") shall have no rights under this Indenture with respect to any Global Note held on their behalf by Euroclear or Clearstream or by the Note Custodian, and Euroclear or Clearstream may be treated by the Issuer, any Note Guarantor, the Trustee, the Paying Agent, the Transfer Agent, the Note Custodian, the Registrar and any of their respective agents as the absolute owner of such Global Note for all purposes whatsoever. Notwithstanding the foregoing, nothing herein shall (i) prevent the Issuer, the Trustee, the Paying Agent, the Transfer Agent, the Note Custodian, the Registrar or any of their

respective agents from giving effect to any written certification, proxy or other authorization furnished by Euroclear or Clearstream or (ii) impair, as between Euroclear or Clearstream and its Agent Members, the operation of customary practices of Euroclear or Clearstream governing the exercise of the rights of an owner of a beneficial interest in any Global Note. The registered Holder of a Global Note may grant proxies and otherwise authorize any person, including Euroclear or Clearstream, or its nominee, Agent Members and persons that may hold interests through Agent Members, to take any action that a Holder is entitled to take under this Indenture or the Notes.

(c) Except as provided in this Section 2.7(c), owners of beneficial interests in Global Notes will not be entitled to receive Certificated Notes in exchange for such beneficial interests.

- (i) Certificated Notes shall be issued to all owners of beneficial interests in a Global Note in exchange for such beneficial interests if (A) Euroclear or Clearstream notifies the Issuer that it is unwilling or unable to continue as depositary for such Global Note or (B) Euroclear or Clearstream ceases to be a clearing agency registered under the Exchange Act, at a time when Euroclear or Clearstream is required to be so registered in order to act as depositary, and in each case a successor depositary is not appointed by the Issuer within 90 days of such notice. In connection with the exchange of an entire Global Note for Certificated Notes pursuant to this clause (i) of this Section 2.7(c), such Global Note shall be deemed to be surrendered to the Trustee for cancellation, and the Issuer shall execute, and upon Issuer Order, the Trustee shall authenticate and deliver to each beneficial owner identified by Euroclear or Clearstream in exchange for its beneficial interest in such Global Note, an equal aggregate principal amount of Certificated Notes of authorized denominations, and the Registrar shall register such exchanges in the Note Register.
- (ii) The owner of a beneficial interest in a Global Note will be entitled to receive Certificated Notes in exchange for such interest if an Event of Default has occurred and is continuing. If an Event of Default has occurred and is continuing, upon receipt by the Registrar of instructions from Agent Members on behalf of the owner of a beneficial interest in a Global Note directing the Registrar to exchange such beneficial owner's beneficial interest in such Global Note for Certificated Notes, subject to and in accordance with the Applicable Procedures, the Issuer shall promptly execute, and upon Issuer Order, the Trustee shall authenticate and make available for delivery to such beneficial owner, Certificated Notes in a principal amount equal to such beneficial interest in such Global Note.
- (iii) If (A) an event described in clause (i) of Section 2.7(c) occurs and Certificated Notes are not issued promptly to all beneficial owners or (B) the Registrar receives from a beneficial owner the instructions

described in clause (ii) of Section 2.7(c) and Certificated Notes are not issued promptly to any such beneficial owner, the Issuer expressly acknowledges, with respect to the right of any Holder to pursue a remedy pursuant to Section 6.6 hereof, the right of any beneficial owner of Notes to pursue such remedy with respect to the portion of the Global Note that represents such beneficial owner's Notes as if such Certificated Notes had been issued.

Section 2.8 Legends.

(a) Each Global Note shall bear the legend specified therefor in Exhibit A hereto on the face thereof.

(b) Each Restricted Note shall bear the private placement legend specified therefor in Exhibit A hereto on the face thereof (the "Private Placement Legend").

(c) Each Note shall bear the Mexican law legend specified therefor in Exhibit A hereto on the face thereof.

Section 2.9 Transfer and Exchange.

(a) Transfers of Beneficial Interests in a Rule 144A Global Note. If the owner of a beneficial interest in a Rule 144A Global Note that is a Restricted Note wishes to transfer such interest (or portion thereof) pursuant to Rule 144 (if available) or to a Non-U.S. Person pursuant to Regulation S:

- (i) upon receipt by the Registrar of:
 - (A) instructions from an Agent Member given to Euroclear or Clearstream in accordance with the Applicable Procedures directing Euroclear or Clearstream to credit or cause to be credited a beneficial interest in the Regulation S Global Note in a principal amount equal to the principal amount of the beneficial interest to be transferred,
 - (B) instructions given in accordance with the Applicable Procedures containing information regarding the account to be credited with such increase, and
 - (C) a certificate in the form of Exhibit B or Exhibit C hereto, as applicable, duly executed by the transferor;
- (ii) the Note Custodian shall increase the Regulation S Global Note and decrease the Rule 144A Global Note in accordance with the foregoing, and the Registrar shall register the transfer in the Note Register.

(b) Transfers of Beneficial Interests in a Regulation S Global Note. Subject to the Applicable Procedures, the following provisions shall apply with respect to any proposed transfer of an interest in a Regulation S Global Note that is a Restricted Note:

If the owner of a beneficial interest in a Regulation S Global Note that is a Restricted Note wishes to transfer such interest (or a portion thereof) to a QIB pursuant to Rule 144A:

- (A) upon receipt by the Registrar of:
 - (1) instructions from an Agent Member given to Euroclear or Clearstream in accordance with the Applicable Procedures directing Euroclear or Clearstream to credit or cause to be credited a beneficial interest in the Rule 144A Global Note in a principal amount equal to the principal amount of the beneficial interest to be transferred,
 - (2) instructions given in accordance with the Applicable Procedures containing information regarding the account to be credited with such increase, and
 - (3) a certificate in the form of Exhibit D hereto, duly executed by the transferor;
- (B) the Note Custodian shall increase the Rule 144A Global Note and decrease the Regulation S Global Note in accordance with the foregoing, and the Registrar shall register the transfer in the Note Register.

(c) Other Transfers. Any registration of transfer of Restricted Notes (including Certificated Notes) not described above (other than a transfer of a beneficial interest in a Global Note that does not involve an exchange of such interest for a Certificated Note or a beneficial interest in another Global Note, which must be effected in accordance with applicable law and the Applicable Procedures, but is not subject to any procedure required by this Indenture) shall be made only upon receipt by the Registrar of such Opinions of Counsel, certificates and such other evidence reasonably required by and satisfactory to it in order to ensure compliance with the Securities Act or in accordance with Section 2.9(d).

(d) Use and Removal of Private Placement Legends. Upon the registration of transfer, exchange or replacement of Notes (or beneficial interests in a Global Note) not bearing (or not required to bear upon such transfer, exchange or replacement) a Private Placement Legend, the Note Custodian and Registrar shall exchange such Notes (or beneficial interests) for beneficial interests in a Global Note or Certificated Notes if they have been issued pursuant to Section 2.7(c) that does not bear a Private Placement Legend. Upon the registration of transfer, exchange or replacement of Notes (or beneficial interests in a Global Note) bearing a Private Placement Legend, the Note Custodian and Registrar shall deliver only Notes (or beneficial interests in a Global Note) that bear a Private Placement Legend unless:

- (i) such Notes (or beneficial interests) are transferred pursuant to Rule 144 upon delivery to the Registrar of a certificate of the transferor in the form of Exhibit C hereto, and an Opinion of Counsel reasonably satisfactory to the Registrar;

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- (ii) such Notes (or beneficial interests) are transferred, replaced or exchanged after the Resale Restriction Termination Date therefor and, in the case of any such Restricted Notes, the Issuer has complied with the applicable procedures for delegalizing in accordance with Section 2.9(h); or
 - (iii) in connection with such registration of transfer, exchange or replacement the Registrar shall have received an Opinion of Counsel, certificates and such other evidence reasonably satisfactory to the Issuer and the Registrar to the effect that neither such Private Placement Legend nor the related restrictions on transfer are required in order to maintain compliance with the provisions of the Securities Act.

The Holder of a Global Note bearing a Private Placement Legend may exchange an interest therein for an equivalent interest in a Global Note not bearing a Private Placement Legend upon transfer of such interest pursuant to this Section 2.9(d).

(e) Consolidation of Global Notes and Exchange of Certificated Notes for Beneficial Interests in Global Notes. If a Global Note not bearing a Private Placement Legend is Outstanding at the time of a removal of legends pursuant to Section 2.9(h), any interests in a Global Note delegalized pursuant to Section 2.9(h) shall be exchanged for interests in such Outstanding Global Note, subject to the proviso at the end of Section 2.14(a).

(f) Retention of Documents. The Registrar and the Trustee shall retain copies of all letters, notices and other written communications received pursuant to this Article II and in accordance with the Trustee's, or if different, the Registrar's, record retention procedures. The Issuer shall have the right to inspect and make copies of all such letters, notices or other written communications at any reasonable time upon the giving of reasonable written notice to the Registrar or the Trustee, as the case may be.

(g) General Provisions Relating to Transfers and Exchanges.

- (i) Subject to the other provisions of this Section 2.9, when Notes are presented to the Registrar or a co-Registrar with a request to register the transfer of such Notes or to exchange such Notes for an equal principal amount of Notes of other authorized denominations, the Registrar or co-Registrar shall register the transfer or make the exchange as requested if its requirements for such transaction are met; *provided*, that any Notes presented or surrendered for registration of transfer or exchange shall be duly endorsed or accompanied by a written instrument of transfer in form satisfactory to the Registrar or co-Registrar, duly executed by the Holder thereof or his attorney duly authorized in writing.

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- (ii) To permit registrations of transfers and exchanges and subject to the other terms and conditions of this Article II, the Issuer will execute, and upon Issuer Order, the Trustee will authenticate and make available for delivery, Certificated Notes and Global Notes, as applicable, at the Registrar's or co-Registrar's request.
 - (iii) No service charge shall be made to a Holder for any registration of transfer or exchange, but the Issuer and the Trustee may require payment of a sum sufficient to cover any transfer tax, assessments, or similar governmental charge payable in connection therewith (other than any such transfer taxes, assessments or similar governmental charges payable upon exchange or transfer pursuant to Section 3.8, Section 3.9, Section 5.1 or Section 9.5).
 - (iv) The Registrar or co-Registrar shall not be required to register the transfer of or exchange of (x) any Note for a period beginning (1) 15 days before the mailing of a notice of an offer to repurchase or redeem Notes and ending at the close of business on the day of such mailing or (2) 15 days before an Interest Payment Date and ending on such Interest Payment Date and (y) any Note selected for repurchase or redemption, except the unrepurchased or unredeemed portion thereof, if any.
 - (v) Prior to the due presentation for registration of transfer of any Note, the Issuer, the Trustee, the Paying Agent, the Transfer Agent, the Registrar or any co-Registrar may deem and treat the Person in whose name a Note is registered as the absolute owner of such Note for the purpose of receiving payment of principal of and interest on such Note and for all other purposes whatsoever, whether or not such Note is overdue, and none of the Issuer, the Trustee, the Paying Agent, the Transfer Agent, the Registrar or any co-Registrar or the Note Custodian shall be affected by notice to the contrary.
 - (vi) All Notes issued upon any transfer or exchange pursuant to the terms of this Indenture shall evidence the same debt and shall be entitled to the same benefits under this Indenture as the Notes surrendered upon such transfer or exchange.
 - (vii) Subject to Section 2.7 and this Section 2.9, in connection with the exchange of a portion of a Certificated Note for a beneficial interest in a Global Note, the Trustee shall cancel such Certificated Note, and the Issuer shall execute, and upon Issuer Order, the Trustee shall authenticate and make available for delivery to the exchanging Holder, a new Certificated Note representing the principal amount not so exchanged.

(h) Applicable Procedures for Delegending.

(i) Promptly after one year has elapsed following (A) the Issue Date or (B) if the Issuer has issued Additional Notes with the same terms and the same ISIN number as the Issue Date Notes pursuant to this Indenture within one year following the Issue Date, the date of original issuances of such Additional Notes, if the relevant Notes are freely tradable pursuant to Rule 144 under the Securities Act by Holders who are not Affiliates of the Issuer where no conditions of Rule 144 are then applicable (other than the holding period requirement in paragraph (d)(1)(ii) of Rule 144 so long as such holding period requirement is satisfied), the Issuer shall:

- (1) instruct the Trustee in writing to remove the Private Placement Legend from such Notes, and upon receipt of such instruction, the Private Placement Legend shall be deemed removed from any Global Notes representing such Notes without further action on the part of Holders;
- (2) notify Holders of such Notes that the Private Placement Legend has been removed or deemed removed; and
- (3) instruct Euroclear or Clearstream to change the ISIN number for such Notes to the unrestricted ISIN number for the Notes.

In no event will the failure of the Issuer to provide any notice set forth in this paragraph or of the Trustee to remove the Private Placement Legend constitute a failure by the Issuer to comply with any of its covenants or agreements set forth in Section 6.1 or otherwise. Any Restricted Note (or security issued in exchange or substitution therefor) as to which such restrictions on transfer shall have expired in accordance with their terms may, upon surrender of such Restricted Note for exchange to the Registrar in accordance with the provisions of Article II of this Indenture, be exchanged for a new Note or Notes, of like tenor and aggregate principal amount, which shall not bear the Private Placement Legend. The Issuer shall notify the Trustee in writing upon occurrence of the Resale Restriction Termination Date for any Note.

(ii) In the case of a Regulation S Global Note, after the Resale Restriction Termination Date of any such Regulation S Global Note, the Issuer may, at its sole option:

- (1) instruct the Trustee in writing to remove the Private Placement Legend from such Regulation S Global Note (including setting

forth the basis for such removal), and upon receipt of such instruction, the Private Placement Legend shall be deemed removed from such Regulation S Global Note without further action on the part of Holders; and

- (2) instruct Euroclear or Clearstream to change the ISIN number for such Notes to the unrestricted ISIN number for the Notes.
- (iii) Notwithstanding any provision herein to the contrary, in the event that Rule 144 as promulgated under the Securities Act (or any successor rule) is amended to change the one-year holding period thereunder (or the corresponding period under any successor rule), (A) each reference in this Section 2.9(h) to “one year” and in the Private Placement Legend described in Section 2.8(b) and Exhibit A hereto to “ONE YEAR” shall be deemed for all purposes hereof to be references to such changed period, and (B) all corresponding references in this Indenture (including the definition of Resale Restriction Termination Date), the Notes and the Private Placement Legends thereon shall be deemed for all purposes hereof to be references to such changed period; *provided*, that such changes shall not become effective if they are otherwise prohibited by, or would otherwise cause a violation of, the then-applicable federal securities laws; *provided further* that if such change does not apply to existing Notes, all references to “one year” in this Indenture shall not be deemed for all purposes hereof to be references to such changed period. This Section 2.9(h) shall apply to successive amendments to Rule 144 (or any successor rule) changing the holding period thereunder.

(i) No Obligation of the Trustee.

- (i) The Trustee shall have no responsibility or obligation to any beneficial owner of an interest in a Global Note, Agent Members or any other Persons with respect to the accuracy of the records of Euroclear or Clearstream or its nominee or of Agent Members, with respect to any ownership interest in the Notes or with respect to the delivery to any Agent Member, beneficial owner or other Person (other than Euroclear or Clearstream) of any notice (including any notice of redemption) or the payment of any amount or delivery of any Notes (or other security or property) under or with respect to such Notes. All notices and communications to be given to the Holders and all payments to be made to Holders in respect of the Notes shall be given or made only to or upon the order of the registered Holders (which shall be Euroclear or Clearstream or its nominee in the case of a Global Note). The rights of beneficial owners in any Global Note shall be exercised only through Euroclear or Clearstream, subject to the applicable rules and procedures of Euroclear or Clearstream. The Trustee may rely and shall be fully protected in relying upon information furnished by Euroclear or Clearstream with respect to its Agent Members and any beneficial owners.

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- (ii) The Trustee shall have no obligation or duty to monitor, determine or inquire as to compliance with any restrictions on transfer imposed under this Indenture or under applicable law with respect to any transfer of any interest in any Note (including any transfers between or among Agent Members or beneficial owners in any Global Note) other than to require delivery of such certificates and other documentation or evidence as are expressly required by, and to do so if and when expressly required by, the terms of this Indenture, and to examine the same to determine substantial compliance as to form with the express requirements hereof.

Section 2.10 Mutilated, Destroyed, Lost or Stolen Notes.

(a) If a mutilated Note is surrendered to the Registrar or if the Holder of a Note claims that the Note has been lost, destroyed or wrongfully taken, the Issuer shall execute, and upon Issuer Order, the Trustee shall authenticate and make available for delivery, a replacement Note for such mutilated, lost or stolen Note, of like tenor and principal amount, bearing a number not contemporaneously Outstanding if:

- (i) the requirements of Section 8-405 of the Uniform Commercial Code are met,
- (ii) the Holder satisfies any other reasonable requirements of the Trustee, and
- (iii) neither the Issuer nor the Trustee has received notice that such Note has been acquired by a protected purchaser (as defined in Section 8-303 of the Uniform Commercial Code).

If required by the Trustee or the Issuer, such Holder shall furnish an affidavit of loss and indemnity bond sufficient in the judgment of the Issuer and the Trustee to protect the Issuer, the Trustee, the Paying Agent, the Transfer Agent, the Registrar or any co-Registrar and the Note Custodian from any loss that any of them may suffer if a Note is replaced.

(b) Upon the issuance of any new Note under this Section 2.10, the Issuer may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses (including the fees and expenses of the Trustee) in connection therewith.

(c) Every new Note issued pursuant to this Section 2.10 in exchange for any mutilated Note, or in lieu of any destroyed, lost or stolen Note, shall constitute an original additional contractual obligation of the Issuer, any Note Guarantor and any other obligor upon the Notes, whether or not the mutilated, destroyed, lost or stolen Note shall be at any time enforceable by anyone, and shall be entitled to all benefits of this Indenture equally and proportionately with any and all other Notes duly issued hereunder.

Section 2.11 Temporary Notes.

Until definitive Notes are ready for delivery, the Issuer may execute, and upon Issuer Order, the Trustee will authenticate and make available for delivery, temporary Notes. Temporary Notes will be substantially in the form of definitive Notes but may have variations that the Issuer considers appropriate for temporary Notes. Without unreasonable delay, the Issuer will prepare and execute, and upon Issuer Order, the Trustee will authenticate and make available for delivery, definitive Notes. After the preparation of definitive Notes, the temporary Notes will be exchangeable for definitive Notes upon surrender of the temporary Notes at the office or agency maintained by the Issuer pursuant to Section 2.3 for that purpose and such exchange shall be without charge to the Holder. Upon surrender for cancellation of any one or more temporary Notes, the Issuer will execute, and upon Issuer Order, the Trustee will authenticate and make available for delivery in exchange therefor, one or more definitive Notes representing an equal principal amount of Notes. Until so exchanged, the Holder of temporary Notes shall in all respects be entitled to the same benefits under this Indenture as a Holder of definitive Notes.

Section 2.12 Cancellation.

The Issuer at any time may deliver Notes to the Trustee for cancellation. The Registrar, the Paying Agent and the Transfer Agent shall forward to the Trustee any Notes surrendered to them for registration of transfer, exchange or payment. The Trustee and no one else shall cancel and dispose of cancelled Notes in accordance with its policy of disposal or upon written request of the Issuer, return to the Issuer all Notes surrendered for registration of transfer, exchange, payment or cancellation. The Issuer may not issue new Notes to replace Notes it has paid or delivered to the Trustee for cancellation for any reason other than in connection with a registration of transfer or exchange upon Issuer Order.

Section 2.13 Defaulted Interest.

When any installment of interest becomes overdue (a "Defaulted Interest"), such installment shall forthwith cease to be payable to the Holders in whose names the Notes were registered on the Record Date applicable to such installment of interest. Defaulted Interest (including any interest on such Defaulted Interest) shall be paid by the Issuer, at its election, as provided in clause (a) or clause (b) below.

(a) The Issuer may elect to make payment of any Defaulted Interest (including any interest payable on such Defaulted Interest) to the Holders in whose names the Notes are registered at the close of business on a special record date for the payment of such Defaulted Interest (a "Special Record Date"), which shall be fixed in the following manner. The Issuer shall notify the Trustee in writing of the amount of Defaulted Interest proposed to be paid and the date of the proposed payment, and at the same time the Issuer shall deposit with the Trustee an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Trustee for such deposit prior to the date of the proposed payment, such money when deposited to be held in trust for the benefit of the Holders entitled to such Defaulted Interest as provided in this Section 2.13(a). Thereupon the Trustee shall fix a Special Record Date for the payment of such Defaulted

Interest, which shall be not more than fifteen (15) calendar days and not less than ten (10) calendar days prior to the date of the proposed payment and not less than ten (10) calendar days after the receipt by the Trustee of the notice of the proposed payment. The Trustee shall promptly notify the Issuer of such Special Record Date and, in the name and at the expense of the Issuer, shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be sent, first-class mail, postage prepaid, to each Holder at such Holder's address as it appears in the Note Register, not less than ten (10) calendar days prior to such Special Record Date. Notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor having been mailed as aforesaid, such Defaulted Interest shall be paid to the Holders in whose names the Notes are registered at the close of business on such Special Record Date and shall no longer be payable pursuant to clause (b) below; or

(b) The Issuer may make payment of any Defaulted Interest (including any interest on such Defaulted Interest) in any other lawful manner not inconsistent with the requirements of any securities exchange on which the Notes may be listed, and upon such notice as may be required by such exchange, if, after notice given by the Issuer to the Trustee of the proposed payment pursuant to this [Section 2.13\(b\)](#), such manner of payment shall be deemed practicable by the Trustee. The Trustee shall in the name and at the expense of the Issuer cause prompt notice of the proposed payment and the date thereof to be sent, first-class mail, postage prepaid, to each Holder at such Holder's address as it appears in the Note Register.

Section 2.14 [Additional Notes](#).

(a) The Issuer may, from time to time, subject to compliance with any other applicable provisions of this Indenture, without the consent of the Holders, create and issue pursuant to this Indenture additional notes ("[Additional Notes](#)") that shall have terms and conditions identical to those of the other Outstanding Notes, except with respect to:

- (i) the Issue Date;
- (ii) the amount of interest payable on the first Interest Payment Date therefor;
- (iii) the issue price; and
- (iv) any adjustments necessary in order to conform to and ensure compliance with the Securities Act (or other applicable securities laws) and any agreement applicable to such Additional Notes, which are not adverse in any material respect to the Holder of any Outstanding Notes (other than such Additional Notes).

The Issue Date Notes and any Additional Notes shall be treated as a single series for all purposes under this Indenture; *provided* that such Additional Notes are either (i) part of the same "issue" as the Issue Date Notes for U.S. federal income tax purposes, (ii) issued pursuant to a "qualified reopening" for U.S. federal income tax purposes, or (iii) issued with a different ISIN or other similar numbers than the Issue Date Notes to the extent required to comply with securities or tax law requirements, including to permit delegending pursuant to [Section 2.9\(h\)](#).

(b) With respect to any Additional Notes, the Issuer will set forth in an Officer's Certificate of the Issuer (the "Additional Note Certificate"), copies of which will be delivered to the Trustee, the following information:

- (i) the aggregate principal amount of such Additional Notes to be authenticated and delivered pursuant to this Indenture;
- (ii) the Issue Date and the issue price of such Additional Notes; and
- (iii) whether such Additional Notes will be subject to transfer restrictions under the Securities Act (or other applicable securities laws).

ARTICLE III

COVENANTS

Section 3.1 Payment of Notes.

(a) The Issuer shall pay the principal of and interest (including Defaulted Interest) on the Notes in euros on the dates and in the manner provided in the Notes and in this Indenture. Prior to 1:00 p.m. London time, on the Business Day prior to each Interest Payment Date and the Maturity Date, the Issuer shall deposit with the Paying Agent in immediately available funds euros sufficient to make cash payments due on such Interest Payment Date or Maturity Date, as the case may be. If the Issuer or an Affiliate of the Issuer is acting as Paying Agent, the Issuer or such Affiliate shall, prior to 3:00 p.m. London time on the Business Day prior to each Interest Payment Date and the Maturity Date, segregate and hold in trust euros, sufficient to make cash payments due on such Interest Payment Date or Maturity Date, as the case may be. Principal and interest shall be considered paid on the date due if on such date the Trustee or the Paying Agent (other than the Issuer or an Affiliate of the Issuer) holds in accordance with this Indenture euros designated for and sufficient to pay all principal and interest then due and the Trustee or the Paying Agent, as the case may be, is not prohibited from paying such money to the Holders on that date pursuant to the terms of this Indenture.

(b) Notwithstanding anything to the contrary contained in this Indenture, the Issuer may, to the extent it is required to do so by law, deduct or withhold income or other similar taxes imposed by the United States of America from principal or interest.

(c) In order to comply with applicable tax laws (inclusive of rules, regulations and interpretations promulgated by competent authorities) related to the Indenture in effect from time to time ("Applicable Tax Law") that a foreign financial institution, issuer, trustee, paying agent or other party is or has agreed to be subject to, the Issuer agrees (i) to provide to the Trustee and the Paying Agent sufficient information about the parties and/or transactions (including any modification to the terms of such transactions) so the Trustee and the Paying Agent can determine whether it has tax related obligations under Applicable Tax Law, (ii) that the Trustee and the Paying Agent shall be entitled to make any withholding or deduction from payments to the extent necessary to comply with Applicable Tax Law for which the Trustee and the Paying Agent shall not have any liability and (iii) to hold harmless the Trustee and the Paying Agent for any losses it may suffer due to the actions it takes to comply with Applicable Tax Law. The terms of this section shall survive the termination of this Indenture.

(d) The Issuer hereby instructs the Trustee to establish an "Issue Date Note Account" for reception of the interest and principal payments for the Issue Date Notes.

Section 3.2 Maintenance of Office or Agency.

(a) The Issuer shall maintain each office or agency required under Section 2.3. The Issuer will give prompt written notice to the Trustee of any change in the location of any such office or agency. If at any time the Issuer shall fail to maintain any such required office or agency or shall fail to furnish the Trustee with the address thereof, such presentations, surrenders, notices and demands may be made or served at the Corporate Trust Office of the Trustee, and the Issuer hereby appoints the Trustee as its agent to receive all such presentations, surrenders, notices and demands.

(b) The Issuer may also from time to time designate one or more other offices or agencies (in or outside of the City of New York) where the Notes may be presented or surrendered for registration of transfer or for exchange and may from time to time rescind any such designation; *provided, however*, that no such designation or rescission shall in any manner relieve the Issuer of its obligation to maintain an office or agency in the City of New York and in any city selected by the Issuer within the European Union for such purposes. The Issuer will give prompt written notice to the Trustee of any such designation or rescission and any change in the location of any such other office or agency.

Section 3.3 Corporate Existence. Subject to Article IV, the Issuer will do or cause to be done all things necessary to preserve and keep in full force and effect its corporate existence.

Section 3.4 Payment of Taxes and Other Claims. The Issuer will pay or discharge or cause to be paid or discharged, before the same shall become delinquent, (i) all taxes, assessments and governmental charges levied or imposed upon the Issuer or any Restricted Subsidiary or for which it or any of them are otherwise liable, or upon the income, profits or property of the Issuer or any Restricted Subsidiary and (ii) all lawful claims for labor, materials and supplies, which, if unpaid, might by law become a liability or Lien upon the property of the Issuer or any Restricted Subsidiary; *provided, however*, that the Issuer shall not be required to pay or discharge or cause to be paid or discharged any such tax, assessment, charge or claim whose amount, applicability or validity is being contested in good faith by appropriate proceedings and for which appropriate reserves, if necessary (in the good faith judgment of the Issuer), are being maintained in accordance with GAAP or where the failure to effect such payment will not be disadvantageous to the Holders.

Section 3.5 Compliance Certificate. The Issuer and each Note Guarantor shall deliver to the Trustee within 105 days after the end of each fiscal year of the Issuer (which fiscal year ends on December 31 of each year, subject to any change in fiscal year following the Issue Date) an Officer's Certificate stating that in the course of the performance by the signers of their duties as Officers of the Issuer or such Note Guarantor, as the case may be, they would normally have knowledge of any Default or Event of Default and whether or not the signers know of any

Default or Event of Default that occurred during the previous fiscal year. If they do, the certificate shall describe the Default or Event of Default, its status and what action the Issuer or such Note Guarantor is taking or proposes to take with respect thereto.

Section 3.6 Further Instruments and Acts.

(a) The Issuer and each Note Guarantor will execute and deliver such further instruments and do such further acts as may be reasonably necessary or proper or as the Trustee may reasonably request to carry out more effectively the purpose of this Indenture.

(b) The Issuer and the Note Guarantors shall take, and shall cause their Subsidiaries party thereto to take, any and all actions required under the Intercreditor Agreement and the Security Documents to cause the Intercreditor Agreement and the Security Documents to create and maintain, as security for the Obligations of the Issuer and the Note Guarantors hereunder, a valid and enforceable perfected security interest on all the Collateral, in favor of the Security Agent for the equal and ratable benefit of the Holders of the Notes, and the other Permitted Secured Obligations, first in priority to any and all security interests at any time granted upon the Collateral, subject in all respects to Liens imposed by law and Liens for judgments, taxes, assessments or governmental charges.

Section 3.7 Waiver of Stay, Extension or Usury Laws. The Issuer and each Note Guarantor covenant (to the fullest extent permitted by applicable law) that they will not at any time insist upon, plead, or in any manner whatsoever claim or take the benefit or advantage of, any stay or extension law or any usury law or other law that would prohibit or forgive the Issuer or such Note Guarantor from paying all or any portion of the principal of or interest on the Notes as contemplated herein, wherever enacted, now or at any time hereafter in force, or which may affect the covenants or the performance of this Indenture. The Issuer and each Note Guarantor hereby expressly waives (to the fullest extent permitted by applicable law) all benefit or advantage of any such law, and covenants that it will not hinder, delay or impede the execution of any power herein granted to the Trustee, but will suffer and permit the execution of every such power as though no such law had been enacted.

Section 3.8 Change of Control.

(a) Upon the occurrence of a Change of Control, each Holder will have the right to require that the Issuer purchase all or a portion (in integral multiples of €1,000) of the Holder's Notes at a purchase price equal to 101% of the principal amount thereof, plus accrued and unpaid interest thereon through the date of purchase (the "Change of Control Payment").

(b) Within 30 days following the date upon which the Change of Control occurred, the Issuer must send, by first-class mail, a notice to each Holder, with a copy to the Trustee, offering to purchase the Notes as described above (a "Change of Control Offer"). The Change of Control Offer shall state, among other things, the purchase date, which must be no earlier than 30 days nor later than 60 days from the date the notice is mailed, other than as may be required by law (the "Change of Control Payment Date").

(c) On the Change of Control Payment Date, the Issuer will, to the extent lawful:

- (i) accept for payment all Notes or portions thereof properly tendered and not withdrawn pursuant to the Change of Control Offer;

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- (ii) deposit with the Paying Agent funds in an amount equal to the Change of Control Payment in respect of all Notes or portions thereof so tendered; and
 - (iii) deliver or cause to be delivered to the Trustee the Notes so accepted together with an Officer's Certificate stating the aggregate principal amount of Notes or portions thereof being purchased by the Issuer.

(d) If only a portion of a Note is purchased pursuant to a Change of Control Offer, a new Note in a principal amount equal to the portion thereof not purchased will be issued in the name of the Holder thereof upon cancellation of the original Note (or appropriate adjustments to the amount and beneficial interests in a Global Note will be made, as appropriate); *provided*, that each new Note shall be in a minimum principal amount of €100,000 and in integral multiples of €1,000 in excess thereof. Notes (or portions thereof) purchased pursuant to a Change of Control Offer will be cancelled and cannot be reissued.

(e) The Issuer will not be required to make a Change of Control Offer upon a Change of Control if:

- (i) a third party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth in this Indenture applicable to a Change of Control Offer made by the Issuer and purchases all Notes properly tendered and not withdrawn under the Change of Control Offer, or
- (ii) notice of redemption has been given pursuant to this Indenture as described under Section 5.4 unless and until there is a default in payment of the applicable redemption price.

(f) The Issuer will comply with the requirements of Rule 14e-1 under the Exchange Act and any other applicable securities laws and regulations in connection with the purchase of Notes in connection with a Change of Control Offer. To the extent that the provisions of any securities laws or regulations conflict with the "Change of Control" provisions of this Indenture, the Issuer will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under this Indenture by doing so.

Section 3.9 Limitation on Incurrence of Additional Indebtedness.

(a) The Issuer will not, and will not cause or permit any of its Restricted Subsidiaries to, directly or indirectly, Incur any Indebtedness, including Acquired Indebtedness, except that the Issuer and/or any of the Note Guarantors may Incur Indebtedness, including Acquired Indebtedness, if, at the time of and immediately after giving *pro forma* effect to the Incurrence thereof and the application of the proceeds therefrom, the Consolidated Fixed Charge Coverage Ratio of the Issuer is greater than or equal to 2.0 to 1.0.

(b) Notwithstanding clause (a) above, the Issuer and/or any of its Restricted Subsidiaries, as applicable, may Incur the following Indebtedness (“Permitted Indebtedness”):

- (i) Indebtedness consisting of the Notes, excluding Additional Notes, and Indebtedness consisting of the Other Notes;
- (ii) Guarantees by (A) any Note Guarantor of Indebtedness of the Issuer or another Note Guarantor permitted under this Indenture and (B) the Issuer of Indebtedness of any Note Guarantor; *provided*, that if any such Guarantee is of Subordinated Indebtedness, then the obligations of the Issuer under the Notes and this Indenture or the Note Guarantee of such Note Guarantor, as applicable, will be senior to the Guarantee of such Subordinated Indebtedness;
- (iii) Indebtedness of the Issuer and/or any of its Restricted Subsidiaries outstanding on the Issue Date (excluding Indebtedness permitted under clauses (v), (vi), (vii) or (x) of this definition of Permitted Indebtedness);
- (iv) Hedging Obligations, Compensation Related Hedging Obligations and any Guarantees thereof and any reimbursement obligations with respect to letters of credit related thereto, in each case entered into by the Issuer and/or any of its Restricted Subsidiaries; *provided*, that upon the drawing of such letters of credit, such obligations are reimbursed within 30 days following such drawing;
- (v) intercompany Indebtedness between the Issuer and any Restricted Subsidiary or between any Restricted Subsidiaries; *provided*, that in the event that at any time any such Indebtedness ceases to be held by the Issuer or a Restricted Subsidiary, such Indebtedness shall be deemed to be Incurred and not permitted by this clause (v) at the time such event occurs;
- (vi) Indebtedness of the Issuer and/or any of its Restricted Subsidiaries arising from (A) the honoring by a bank or other financial institution of a check, draft or similar instrument inadvertently drawn against insufficient funds in the ordinary course of business; *provided*, that such Indebtedness is extinguished within five Business Days of Incurrence; or (B) any cash pooling or other cash management

agreements in place with a bank or financial institution but only to the extent of offsetting credit balances of the Issuer and/or its Restricted Subsidiaries pursuant to such cash pooling or other cash management agreement;

- (vii) Indebtedness of the Issuer and/or any of its Restricted Subsidiaries represented by (A) endorsements of negotiable instruments in the ordinary course of business (excluding an *aval*), (B) documentary credits (including all forms of letter of credit), performance bonds or guarantees, advance payments, bank guarantees, bankers' acceptances, surety or appeal bonds or similar instruments for the account of, or guaranteeing performance by, the Issuer and/or any Restricted Subsidiary in the ordinary course of business, (C) reimbursement obligations with respect to letters of credit in the ordinary course of business, (D) reimbursement obligations with respect to letters of credit and performance Guarantees in the ordinary course of business to the extent required pursuant to the terms of any Investment made pursuant to clause (12) of the definition of "Permitted Investment" and (E) other Guarantees by the Issuer and/or any Restricted Subsidiary in favor of a bank or financial institution in respect of obligations of that bank or financial institution to a third party in an amount not to exceed U.S.\$500 million at any one time outstanding; *provided*, that in the case of clauses (B), (C) and (D), upon the drawing of such letters of credit or the Incurrence of such Indebtedness, such obligations are reimbursed within 30 days following such drawing or Incurrence;
- (viii) Refinancing Indebtedness in respect of:
 - (A) Indebtedness (other than Indebtedness owed to the Issuer or any Subsidiary of the Issuer) Incurred pursuant to clause (a) above (it being understood that no Indebtedness outstanding on the Issue Date is Incurred pursuant to such clause (a) above), or
 - (B) Indebtedness Incurred pursuant to clause (i), (ii) or (iii) above or this clause (viii);
- (ix) Capitalized Lease Obligations, Sale and Leaseback Transactions, export credit facilities with a maturity of at least one year and Purchase Money Indebtedness of, including Guarantees of any of the foregoing by, the Issuer and/or any Restricted Subsidiary, in an aggregate principal amount at any one time outstanding not to exceed U.S.\$1 billion;
- (x) Indebtedness arising from agreements entered into by the Issuer and/or a Restricted Subsidiary providing for bona fide indemnification, adjustment of purchase price or similar obligations not for financing purposes, in each case, Incurred or assumed in connection with the

acquisition or disposition of any business, assets or Capital Stock of a Restricted Subsidiary (including minority interests); *provided*, that in the case of a disposition, the maximum aggregate liability in respect of such Indebtedness shall at no time exceed the gross proceeds actually received by the Issuer and its Restricted Subsidiaries in connection with such disposition;

- (xi) Indebtedness of the Issuer and/or any of its Restricted Subsidiaries in an aggregate amount not to exceed U.S.\$1 billion at any one time outstanding; *provided*, that no more than U.S.\$250 million of such Indebtedness at any one time outstanding (excluding any Indebtedness under a Permitted Liquidity Facility) may be Incurred by Restricted Subsidiaries that are not Note Guarantors, which amount shall be increased by the corresponding amount of other Indebtedness of Restricted Subsidiaries other than the Note Guarantors outstanding on the Issue Date and subsequently repaid from time to time but in any event not to exceed U.S.\$500 million at any one time outstanding; *provided, further, however*, that (A) the Issuer and/or any of its Restricted Subsidiaries may Incur Indebtedness under a Permitted Liquidity Facility and (B) in the event that the Issuer and/or any of its Restricted Subsidiaries shall have Incurred Indebtedness under a Permitted Liquidity Facility that increases the amount outstanding at such time pursuant to this clause (xi) in excess of U.S.\$ 1 billion, then up to U.S.\$1.2 billion may be Incurred pursuant to this clause (xi) at any one time outstanding;
- (xii) (A) Indebtedness of the Issuer and/or any of its Restricted Subsidiaries in respect of factoring arrangements or Inventory Financing arrangements or (B) other Indebtedness of the Issuer and/or any of its Restricted Subsidiaries with a maturity of 12 months or less for working capital purposes, not to exceed in the aggregate at any one time (calculated as of the end of the most recent fiscal quarter for which consolidated financial information of the Issuer is available) the greater of:
- (1) The sum of:
 - (x) 20% of the net book value of the inventory of the Issuer and its Restricted Subsidiaries and
 - (y) 20% of the net book value of the accounts receivable of the Issuer and its Restricted Subsidiaries (excluding accounts receivable pledged to secure Indebtedness or subject to a Qualified Receivables Transaction),less, in each case, the amount of any permanent repayments or reductions of commitments in respect of such Indebtedness made with the Net Cash Proceeds of an Asset Sale in order to comply with Section 3.12; or
 - (2) U.S.\$350 million;

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- (xiii) [Reserved];
 - (xiv) Indebtedness of the Issuer and/or any of its Restricted Subsidiaries for taxes levied, assessments due and other governmental charges required to be paid as a matter of law or regulation in the ordinary course of business; *provided*, that such Indebtedness shall be permitted to be Incurred only at such time that the Facilities Agreement (or any refinancing thereof) shall contain an exception to allow the Incurrence of Indebtedness to pay taxes;
 - (xv) [Reserved];
 - (xvi) Indebtedness of the Issuer and/or any of its Restricted Subsidiaries Incurred and/or issued to refinance Qualified Receivables Transactions in existence on the Issue Date;
 - (xvii) Acquired Indebtedness in an aggregate amount at any one time outstanding under this clause (xvii) not to exceed U.S.\$100 million; and
 - (xviii) (A) any Indebtedness that constitutes an Investment that the Issuer and/or any of its Restricted Subsidiaries is contractually committed to Incur as of the Issue Date in any Person (other than a Subsidiary) in which the Issuer or any of its Restricted Subsidiaries maintains an Investment in equity securities; and (B) Guarantees up to U.S.\$100 million in any calendar year by the Issuer and/or any Restricted Subsidiary of Indebtedness of any Person in which the Issuer or any of its Restricted Subsidiaries maintains an equity Investment minus any Investment other than such guarantees in such Person during such calendar year pursuant to clause (17)(b) of the definition of "Permitted Investments."

(c) Notwithstanding anything to the contrary contained in this Section 3.9,

- (i) The Issuer shall not, and shall not permit any Note Guarantor to, Incur any Permitted Indebtedness pursuant to Section 3.9(b) if the proceeds thereof are used, directly or indirectly, to Refinance any Subordinated Indebtedness unless such Indebtedness shall be subordinated to the Notes or the applicable Note Guarantee, as the case may be, to at least the same extent as such Subordinated Indebtedness.
- (ii) For purposes of determining compliance with, and the outstanding principal amount of, any particular Indebtedness Incurred pursuant to

and in compliance with this Section 3.9, the amount of Indebtedness issued at a price that is less than the principal amount thereof will be equal to the amount of the liability in respect thereof determined in accordance with GAAP. Accrual of interest, the accretion or amortization of original issue discount, the payment of regularly scheduled interest in the form of additional Indebtedness of the same instrument or the payment of regularly scheduled dividends on Disqualified Capital Stock in the form of additional Disqualified Capital Stock with the same terms will not be deemed to be an Incurrence of Indebtedness for purposes of this Section 3.9. For purposes of determining compliance with this Section 3.9, mark-to-market fluctuations of hedging obligations or derivatives outstanding on the Issue Date shall not constitute Incurrence of Indebtedness.

- (iii) For purposes of determining compliance with this Section 3.9, the principal amount of Indebtedness denominated in foreign currency shall be calculated based on the relevant currency exchange rate in effect on the date such Indebtedness was Incurred, in the case of term Indebtedness, or first committed, in the case of revolving credit Indebtedness; *provided*, that if such Indebtedness is Incurred to refinance other Indebtedness denominated in foreign currency, and such refinancing would cause the applicable restriction to be exceeded if calculated at the relevant currency exchange rate in effect on the date of such refinancing, such restriction shall be deemed not to have been exceeded so long as the principal amount of such Refinancing Indebtedness does not exceed the principal amount of such Indebtedness being refinanced. Notwithstanding any other provision of this Section 3.9, the maximum amount of Indebtedness Incurred to refinance other Indebtedness, if Incurred in a different currency from the Indebtedness being refinanced, shall be calculated based on the currency exchange rate applicable to the currencies in which such Refinancing Indebtedness is denominated that is in effect on the date of such refinancing.
- (iv) For purposes of determining compliance with this Section 3.9:
 - (A) in the event that an item of Indebtedness meets the criteria of more than one of the types of Indebtedness described above, including, without limitation, in Section 3.9(a), the Issuer, in its sole discretion, will classify such item of Indebtedness at the time of Incurrence and only be required to include the amount and type of such Indebtedness in one of the above clauses and may later reclassify all or a portion of such item of Indebtedness as having been Incurred pursuant to any other clause to the extent such Indebtedness could be Incurred pursuant to such clause at the time of such reclassification; and
 - (B) the Issuer will be entitled to divide and classify an item of Indebtedness in more than one of the types of Indebtedness described above, including, without limitation, Section 3.9(a).

Section 3.10 [Reserved].

Section 3.11 Limitation on Restricted Payments.

(a) The Issuer will not, and will not cause or permit any of its Restricted Subsidiaries to, directly or indirectly, take any of the following actions (each, a “Restricted Payment”):

- (i) declare or pay any dividend or return of capital or make any distribution on or in respect of shares of Capital Stock of the Issuer or any Restricted Subsidiary to holders of such Capital Stock, other than:
 - (A) dividends, distributions or returns on capital payable in Qualified Capital Stock of the Issuer,
 - (B) dividends, distributions or returns on capital payable to the Issuer and/or a Restricted Subsidiary,
 - (C) dividends, distributions or returns of capital made on a *pro rata* basis to the Issuer and its Restricted Subsidiaries, on the one hand, and minority holders of Capital Stock of a Restricted Subsidiary, on the other hand (or on less than a *pro rata* basis to any minority holder);
- (ii) purchase, redeem or otherwise acquire or retire for value:
 - (A) any Capital Stock of the Issuer, or
 - (B) any Capital Stock of any Restricted Subsidiary held by an Affiliate of the Issuer or any Preferred Stock of a Restricted Subsidiary, except for:
 - (1) Capital Stock held by the Issuer or a Restricted Subsidiary, or
 - (2) purchases, redemptions, acquisitions or retirements for value of Capital Stock on a *pro rata* basis from the Issuer and/or any Restricted Subsidiaries, on the one hand, and minority holders of Capital Stock of a Restricted Subsidiary, on the other hand, according to their respective percentage ownership of the Capital Stock of such Restricted Subsidiary;
- (iii) make any principal payment on, purchase, defease, redeem, prepay, decrease or otherwise acquire or retire for value, prior to any scheduled final maturity, scheduled repayment or scheduled sinking fund payment, as the case may be, any Subordinated Indebtedness; or
- (iv) make any Investment (other than Permitted Investments);

if at the time of the Restricted Payment immediately after giving effect thereto:

- (A) a Default or an Event of Default shall have occurred and be continuing;
- (B) the Issuer is not able to Incur at least U.S.\$1.00 of additional Indebtedness pursuant to Section 3.9(a); or
- (C) the aggregate amount (the amount expended for these purposes, if other than in cash, being the Fair Market Value of the relevant property at the time of the making thereof) of the proposed Restricted Payment and all other Restricted Payments made subsequent to the Issue Date up to the date thereof, less any Investment Return calculated as of the date thereof, shall exceed the sum of:
 - (1) 50% of cumulative Consolidated Net Income of the Issuer or, if cumulative Consolidated Net Income of the Issuer is a loss, minus (i) 100% of the loss, accrued during the period, treated as one accounting period, beginning on the first full fiscal quarter after the Issue Date to the end of the most recent fiscal quarter for which consolidated financial information of the Issuer is available and (ii) the amount of cash benefits to the Issuer or a Restricted Subsidiary that is netted against Investments in Similar Businesses pursuant to clause (12) of the definition of "Permitted Investments"; plus
 - (2) 100% of the aggregate net cash proceeds received by the Issuer from any Person from any:
 - (x) contribution to the equity capital of the Issuer (not representing an interest in Disqualified Capital Stock) or issuance and sale of Qualified Capital Stock of the Issuer, in each case, subsequent to the Issue Date, or
 - (y) issuance and sale subsequent to the Issue Date (and, in the case of Indebtedness of a Restricted Subsidiary, at such time as it was a Restricted Subsidiary) of any Indebtedness for borrowed money of the Issuer or any Restricted Subsidiary that has been converted into or exchanged for Qualified Capital Stock of the Issuer, excluding, in each case, any net cash proceeds:
 - (aa) received from a Subsidiary of the Issuer;

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- (bb) used to redeem Notes under Article V;
 - (cc) used to acquire Capital Stock or other assets from an Affiliate of the Issuer; or
 - (dd) applied in accordance with clause (ii)(B) or (iii)(A) of Section 3.11(b) below.

(b) Notwithstanding Section 3.11(a), this Section 3.11 does not prohibit:

- (i) the payment of any dividend within 60 days after the date of declaration of such dividend if the dividend would have been permitted on the date of declaration pursuant to Section 3.11(a);
- (ii) if no Default or Event of Default shall have occurred and be continuing, the acquisition of any shares of Capital Stock of the Issuer,
 - (A) in exchange for Qualified Capital Stock of the Issuer, or
 - (B) through the application of the net cash proceeds received by the Issuer from a substantially concurrent sale of Qualified Capital Stock of the Issuer or a contribution to the equity capital of the Issuer not representing an interest in Disqualified Capital Stock, in each case not received from a Subsidiary of the Issuer;

provided, that the value of any such Qualified Capital Stock issued in exchange for such acquired Capital Stock and any such net cash proceeds shall be excluded from Section 3.11(a)(iv)(C)(2) (and were not included therein at any time);

- (iii) if no Default or Event of Default shall have occurred and be continuing, the voluntary prepayment, purchase, defeasance, redemption or other acquisition or retirement for value of any Subordinated Indebtedness:
 - (A) solely in exchange for, or through the application of net cash proceeds of a substantially concurrent sale, other than to a Subsidiary of the Issuer, of Qualified Capital Stock of the Issuer, or
 - (B) solely in exchange for Refinancing Indebtedness for such Subordinated Indebtedness,

provided, that the value of any Qualified Capital Stock issued in exchange for Subordinated Indebtedness and any net cash proceeds referred to above shall be excluded from Section 3.11(a)(iv)(C)(2) (and were not included therein at any time);

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- (iv) repurchases by the Issuer of Common Stock of the Issuer or options, warrants or other securities exercisable or convertible into Common Stock of the Issuer from employees or directors of the Issuer or any of its Subsidiaries or their authorized representatives upon the death, disability or termination of employment or directorship of the employees or directors, in an amount not to exceed U.S.\$5 million in any calendar year and any repurchases other than in connection with compensation of Common Stock of the Issuer pursuant to binding written agreements in effect on the Issue Date;
 - (v) payments of dividends on Disqualified Capital Stock issued pursuant to the covenant described under Section 3.9; *provided, however*, that such dividends shall be excluded in the calculation of the amount of Restricted Payments;
 - (vi) non-cash repurchases of Capital Stock deemed to occur upon exercise of stock options, warrants or other similar rights if such Capital Stock represents a portion of the exercise price of such options, warrants or other similar rights;
 - (vii) cash payments in lieu of the issuance of fractional shares in connection with the exercise of warrants, options or other securities convertible into or exchangeable for Capital Stock of the Issuer;
 - (viii) purchases of any Subordinated Indebtedness of the Issuer (A) at a purchase price not greater than 101% of the principal amount thereof (together with accrued and unpaid interest) in the event of the occurrence of a Change of Control or (B) at a purchase price not greater than 100% of the principal amount thereof (together with accrued and unpaid interest) in the event of an Asset Sale in accordance with provisions similar to those set forth under Section 3.12; *provided, however*, that prior to such purchase of any such Subordinated Indebtedness, the Issuer has made the Change of Control Offer or Asset Sale Offer as provided under Section 3.8 or Section 3.12, respectively, and has purchased all Notes validly tendered and not properly withdrawn pursuant thereto;
 - (ix) recapitalization of earnings on or in respect of the Qualified Capital Stock of the Issuer pursuant to which additional Qualified Capital Stock of the Issuer or the right to subscribe for additional Capital Stock of the Issuer is issued to the existing shareholders of the Issuer on a *pro rata* basis (which, for the avoidance of doubt, shall not allow any payment in cash to be made in respect of Qualified Capital Stock of the Issuer pursuant to this clause (ix)); and

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- (x) so long as (A) no Default or Event of Default shall have occurred and be continuing (or result therefrom) and (B) the Issuer could incur at least U.S.\$1.00 of additional Debt pursuant to Section 3.9(a), payment of any dividends on Capital Stock (other than Disqualified Capital Stock) of the Issuer in an aggregate amount which, when taken together with all dividends paid pursuant to this clause (x), does not exceed U.S.\$50 million in any calendar year; *provided*, that such dividends shall be included in the calculation of the amount of Restricted Payments.
 - (xi) [Reserved]

In determining the aggregate amount of Restricted Payments made subsequent to the Issue Date, amounts expended pursuant to clauses (i) (without duplication for the declaration of the relevant dividend), (iv), (viii) and (x) above shall be included in such calculation and amounts expended pursuant to clauses (ii), (iii), (v), (vi), (vii) and (ix) above shall not be included in such calculation.

Section 3.12 Limitation on Asset Sales.

(a) The Issuer will not, and will not permit any of its Restricted Subsidiaries to, consummate an Asset Sale unless:

- (i) the Issuer or the applicable Restricted Subsidiary, as the case may be, receives consideration at the time of the Asset Sale at least equal to the Fair Market Value (to be determined as of the date on which such sale is contracted) of the assets sold or otherwise disposed of, and
- (ii) other than in respect of Permitted Asset Swap Transactions, at least 80% of the consideration received for the assets sold by the Issuer or the Restricted Subsidiary, as the case may be, in the Asset Sale shall be in the form of cash or Cash Equivalents received at the time of such Asset Sale; *provided, however*, for the purposes of this clause (ii), the following are also deemed to be cash or Cash Equivalents:
 - (A) the assumption of Indebtedness (other than Subordinated Indebtedness) of the Issuer or any Restricted Subsidiary and the release of the Issuer or such Restricted Subsidiary from all liability on such Indebtedness in connection with such Asset Sale;
 - (B) any securities, notes or obligation received by the Issuer or any Restricted Subsidiary from the transferee that are, within 180 days after the Asset Sale, converted by the Issuer or such Restricted Subsidiary into cash, to the extent of cash received in that conversion;
 - (C) Capital Stock of a Person who is or who, after giving effect to such Asset Sale, becomes, a Restricted Subsidiary; and

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- (D) any Designated Non-cash Consideration received by the Issuer or such Restricted Subsidiary in connection with such Asset Sale having an aggregate Fair Market Value which, when taken together with the Fair Market Value of all other Designated Non-cash Consideration received pursuant to this clause (D) since the Issue Date, does not exceed the sum of (1) 3.0% of Consolidated Tangible Assets of the Issuer calculated as of the end of the most recent fiscal quarter for which consolidated financial information is available (with the Fair Market Value of each item of Designated Non-cash Consideration being measured as of the date it was received and without giving effect to subsequent changes in value of any such item of Designated Non-cash Consideration) and (2) the amount of cash or Cash Equivalents received in connection with a subsequent sale of such Designated Non-cash Consideration.

(b) The Issuer or any Restricted Subsidiary may apply the Net Cash Proceeds of any such Asset Sale within 365 days thereof to:

- (i) repay any Senior Indebtedness for borrowed money or constituting a Capitalized Lease Obligation and permanently reduce the commitments with respect thereto, or
- (ii) purchase:
 - (A) assets (except for current assets as determined in accordance with GAAP or Capital Stock) to be used by the Issuer or any Restricted Subsidiary in a Permitted Business, or
 - (B) substantially all of the assets of a Permitted Business or Capital Stock of a Person engaged in a Permitted Business that will become, upon purchase, a Restricted Subsidiary from a Person other than the Issuer and its Restricted Subsidiaries.

(c) To the extent all or a portion of the Net Cash Proceeds of any Asset Sale are not applied within the 365 days of the Asset Sale as described in clause (i) or (ii) of Section 3.12(b), the Issuer will make an offer to purchase Notes (the "Asset Sale Offer"), at a purchase price equal to 100% of the principal amount of the Notes to be purchased, plus accrued and unpaid interest thereon, to the date of purchase (the "Asset Sale Offer Amount"). The Issuer will purchase pursuant to an Asset Sale Offer from all tendering Holders on a *pro rata* basis, and, at the Issuer's option, on a *pro rata* basis with the holders of any other Senior Indebtedness with similar provisions requiring the Issuer to offer to purchase the other Senior Indebtedness with the proceeds of Asset Sales, that principal amount (or accreted value in the case of Indebtedness issued with original issue discount) of Notes and the other Senior Indebtedness to be purchased equal to such unapplied Net Cash Proceeds. The Issuer may satisfy its obligations under this Section 3.12 with respect to the Net Cash Proceeds of an Asset Sale by making an Asset Sale Offer prior to the expiration of the relevant 365-day period.

(d) Pending the final application of any Net Cash Proceeds pursuant to this Section 3.12, the holder of such Net Cash Proceeds may apply such Net Cash Proceeds temporarily to reduce Indebtedness outstanding under a revolving credit facility or otherwise invest such Net Cash Proceeds in any manner not prohibited by this Indenture.

(e) The purchase of Notes pursuant to an Asset Sale Offer shall occur not less than 20 Business Days following the date thereof, or any longer period as may be required by law, nor more than 45 days following the 365th day following the Asset Sale. The Issuer may, however, defer an Asset Sale Offer until there is an aggregate amount of unapplied Net Cash Proceeds from one or more Asset Sales equal to or in excess of U.S.\$100 million. At that time, the entire amount of unapplied Net Cash Proceeds, and not just the amount in excess of U.S.\$100 million, shall be applied as required pursuant to this Section 3.12.

(f) Each Asset Sale Offer Notice shall be mailed first class, postage prepaid, to the record Holders as shown on the Note Register within 20 days following such 365th day (or such earlier date as the Issuer shall have elected to make such Asset Sale Offer), with a copy to the Trustee offering to purchase the Notes as described above. Each notice of an Asset Sale Offer shall state, among other things, the purchase date, which must be no earlier than 30 days nor later than 60 days from the date the notice is mailed, other than as may be required by law (the "Asset Sale Offer Payment Date"). Upon receiving notice of an Asset Sale Offer, Holders may elect to tender their Notes in whole or in part, in minimum denominations of €100,000 and any integral multiples of €1,000 in excess thereof in exchange for cash.

(g) On the Asset Sale Offer Payment Date, the Issuer shall, to the extent lawful:

- (i) accept for payment all Notes or portions thereof properly tendered pursuant to the Asset Sale Offer;
- (ii) deposit with the Paying Agent funds in an amount equal to the Asset Sale Offer Amount in respect of all Notes or portions thereof so tendered; and
- (iii) deliver or cause to be delivered to the Trustee the Notes so accepted together with an Officer's Certificate stating the aggregate principal amount of Notes or portions thereof being purchased by the Issuer.

(h) To the extent Holders of Notes and holders of other Senior Indebtedness, if any, which are the subject of an Asset Sale Offer properly tender and do not withdraw Notes or the other Senior Indebtedness in an aggregate amount exceeding the amount of unapplied Net Cash Proceeds, the Issuer shall purchase the Notes and the other Senior Indebtedness on a *pro rata* basis (based on amounts tendered). If only a portion of a Note is purchased pursuant to an Asset Sale Offer, a new Note in a principal amount equal to the portion thereof not purchased shall be issued in the name of the holder thereof upon cancellation of the original Note (or appropriate adjustments to the amount and beneficial interests in a global note shall be made, as appropriate). Notes (or portions thereof) purchased pursuant to an Asset Sale Offer shall be cancelled and cannot be reissued.

(i) The Issuer shall comply with the requirements of Rule 14e-1 under the Exchange Act and any other applicable securities laws in connection with the purchase of Notes pursuant to an Asset Sale Offer. To the extent that the provisions of any applicable securities laws or regulations conflict with this Section 3.12, the Issuer shall comply with these laws and regulations and shall not be deemed to have breached its obligations under the “Asset Sale” provisions of this Indenture by doing so.

(j) Upon completion of an Asset Sale Offer, the amount of Net Cash Proceeds shall be reset at zero. Accordingly, to the extent that the aggregate amount of Notes and other Indebtedness tendered pursuant to an Asset Sale Offer is less than the aggregate amount of unapplied Net Cash Proceeds, the Issuer may use any remaining Net Cash Proceeds for general corporate purposes of the Issuer and its Restricted Subsidiaries.

(k) In the event of the transfer of substantially all (but not all) of the property and assets of the Issuer and its Restricted Subsidiaries as an entirety to a Person in a transaction permitted under Article IV, the Successor Issuer shall be deemed to have sold the properties and assets of the Issuer and its Restricted Subsidiaries not so transferred for purposes of this Section 3.12, and shall comply with the provisions of this Section 3.12 with respect to the deemed sale as if it were an Asset Sale. In addition, the Fair Market Value of properties and assets of the Issuer or its Restricted Subsidiaries so deemed to be sold shall be deemed to be Net Cash Proceeds for purposes of this Section 3.12.

(l) If at any time any non-cash consideration received by the Issuer or any Restricted Subsidiary, as the case may be, in connection with any Asset Sale, is converted into or sold or otherwise disposed of for cash (other than interest received with respect to any non-cash consideration), the conversion or disposition shall be deemed to constitute an Asset Sale hereunder and the Net Cash Proceeds thereof shall be applied in accordance with this Section 3.12 within 365 days of conversion or disposition.

Section 3.13 Limitation on the Ownership of Capital Stock of Restricted Subsidiaries. The Issuer shall not permit any Person other than the Issuer or another Restricted Subsidiary to, directly or indirectly, own or control any Capital Stock of any Restricted Subsidiary, except for:

- (i) Capital Stock owned by such Person on the Issue Date;
- (ii) directors’ qualifying shares;
- (iii) the sale or Disposition of 100% of the shares of the Capital Stock of any Restricted Subsidiary held by the Issuer and its Restricted Subsidiaries to any Person other than the Issuer or another Restricted Subsidiary effected in accordance with, as applicable, Section 3.12 and Article IV;
- (iv) in the case of a Restricted Subsidiary other than a Restricted Subsidiary that is a Wholly Owned Subsidiary,
 - (A) the issuance by that Restricted Subsidiary of Capital Stock on a *pro rata* basis to the Issuer and its Restricted Subsidiaries, on the

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- one hand, and minority holders of Capital Stock of such Restricted Subsidiary, on the other hand (or on less than a *pro rata* basis to any minority holder); or
- (B) sales, transfers and other dispositions of Capital Stock in a Restricted Subsidiary to the extent required by, or made pursuant to, buy/sell, put/call or similar shareholder arrangements set forth in binding agreements in effect on the Issue Date; and
 - (v) the sale of Capital Stock of a Restricted Subsidiary by the Issuer or another Restricted Subsidiary or the sale or issuance by a Restricted Subsidiary of its newly-issued Capital Stock if such sale or issuance is made in compliance with Section 3.12 and either:
 - (A) such Restricted Subsidiary is no longer a Subsidiary, and the continuing Investment of the Issuer and its Restricted Subsidiaries in such former Restricted Subsidiary is in compliance with Section 3.11, or
 - (B) such Restricted Subsidiary continues to be a Restricted Subsidiary.

Section 3.14 Limitation on Designation of Unrestricted Subsidiaries.

(a) The Issuer may designate after the Issue Date any Subsidiary of the Issuer other than a Note Guarantor as an Unrestricted Subsidiary under this Indenture (a "Designation") only if:

- (i) no Default or Event of Default shall have occurred and be continuing at the time of or after giving effect to such Designation and any transactions between the Issuer or any of its Restricted Subsidiaries and such Unrestricted Subsidiary are in compliance with Section 3.18;
- (ii) at the time of and after giving effect to such Designation, the Issuer could Incur U.S.\$1.00 of additional Indebtedness pursuant to Section 3.9(a);
- (iii) the Issuer would be permitted to make an Investment at the time of Designation (assuming the effectiveness of such Designation and treating such Designation as an Investment at the time of Designation) as a Restricted Payment pursuant to Section 3.11(a) in an amount (the "Designation Amount") equal to the amount of the Issuer's Investment in such Subsidiary on such date; and
- (iv) the terms of any Affiliate Transaction existing on the date of such Designation between the Subsidiary being designated (and its Subsidiaries) and the Issuer or any Restricted Subsidiary would be permitted under Section 3.18 if entered into immediately following such Designation.

(b) Neither the Issuer nor any Restricted Subsidiary shall at any time:

- (i) provide credit support for, subject any of its property or assets (other than the Capital Stock of any Unrestricted Subsidiary) to the satisfaction of, or Guarantee, any Indebtedness of any Unrestricted Subsidiary (including any undertaking, agreement or instrument evidencing such Indebtedness);
- (ii) be directly or indirectly liable for any Indebtedness of any Unrestricted Subsidiary; or
- (iii) be directly or indirectly liable for any Indebtedness which provides that the Holder thereof may (upon notice, lapse of time or both) declare a default thereon or cause the payment thereof to be accelerated or payable prior to its final scheduled maturity upon the occurrence of a default with respect to any Indebtedness of any Unrestricted Subsidiary.

(c) The Issuer may revoke any Designation of a Subsidiary as an Unrestricted Subsidiary (a “Revocation”) only if:

- (i) no Default or Event of Default shall have occurred and be continuing at the time of and after giving effect to such Revocation; and
- (ii) all Liens and Indebtedness of such Unrestricted Subsidiary outstanding immediately following such Revocation, if Incurred at such time, would have been permitted to be Incurred for all purposes of this Indenture.

(d) The Designation of a Subsidiary of the Issuer as an Unrestricted Subsidiary shall be deemed to include the Designation of all of the Subsidiaries of such Subsidiary as Unrestricted Subsidiaries. All Designations and Revocations must be evidenced by an Officer’s Certificate of the Issuer, delivered to the Trustee certifying compliance with the preceding provisions.

Section 3.15 Limitation on Dividends and Other Payment Restrictions Affecting Restricted Subsidiaries.

(a) Except as provided in clause (b) below, the Issuer shall not, and shall not cause or permit any of its Restricted Subsidiaries to, directly or indirectly, create or otherwise cause or permit to exist or become effective any consensual encumbrance or restriction on the ability of any Restricted Subsidiary to:

- (i) pay dividends or make any other distributions on or in respect of its Capital Stock to the Issuer or any other Restricted Subsidiary or pay any Indebtedness owed to the Issuer or any other Restricted Subsidiary;

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- (ii) make loans or advances to, or make any Investment in, the Issuer or any other Restricted Subsidiary; or
 - (iii) transfer any of its property or assets to the Issuer or any other Restricted Subsidiary.

(b) Section 3.15(a) shall not apply to encumbrances or restrictions existing under or by reason of:

- (i) applicable law, rule, regulation or order;
- (ii) this Indenture or the indenture governing the Other Notes;
- (iii) any encumbrance or restriction pursuant to an agreement in effect at or entered into on the Issue Date, and any amendments, restatements, renewals, replacements or refinancings thereof; *provided*, that any amendment, restatement, renewal, replacement or refinancing is not materially more restrictive with respect to such encumbrances or restrictions than those in existence on the Issue Date as determined in good faith by the Issuer's senior management;
- (iv) customary non-assignment provisions of any contract and customary provisions restricting assignment or subletting in any lease governing a leasehold interest of any Restricted Subsidiary, or any customary restriction on the ability of a Restricted Subsidiary to dividend, distribute or otherwise transfer any asset which secures Indebtedness secured by a Lien, in each case permitted to be Incurred under this Indenture;
- (v) any instrument governing Acquired Indebtedness not Incurred in connection with, or in anticipation or contemplation of, the relevant acquisition, merger or consolidation, which encumbrance or restriction is not applicable to any Person, or the properties or assets of any Person, other than the Person or the properties or assets of the Person so acquired;
- (vi) restrictions with respect to a Restricted Subsidiary of the Issuer imposed pursuant to a binding agreement which has been entered into for the sale or disposition of Capital Stock or assets of such Restricted Subsidiary; *provided*, that such restrictions apply solely to the Capital Stock or assets of such Restricted Subsidiary being sold (and in the case of Capital Stock, its Subsidiaries);
- (vii) customary restrictions imposed on the transfer of copyrighted or patented materials;
- (viii) an agreement governing Indebtedness Incurred to Refinance the Indebtedness issued, assumed or Incurred pursuant to an agreement

referred to in clause (iii) or (v) of this Section 3.15(b); *provided*, that such Refinancing agreement is not materially more restrictive with respect to such encumbrances or restrictions than those contained in the agreement referred to in such clause (iii) or (v) as determined in good faith by the Issuer's senior management;

- (ix) Liens permitted to be Incurred pursuant to the provisions of the covenant described under Section 3.17 that limit the right of any person to transfer the assets subject to such Liens;
- (x) Purchase Money Indebtedness for property acquired in the ordinary course of business and Capitalized Lease Obligations that impose restrictions of the nature discussed in clause (iii) of Section 3.15(a) above on the property so acquired;
- (xi) restrictions on cash or other deposits imposed by customers under contracts or other arrangements entered into or agreed to in the ordinary course of business not materially more restrictive than those existing on the Issue Date as determined in good faith by the Issuer's senior management;
- (xii) customary provisions in joint venture agreements relating to dividends or other distributions in respect of such joint venture or the securities, assets or revenues of such joint venture;
- (xiii) restrictions in Indebtedness Incurred by a Restricted Subsidiary in compliance with the covenant described under Section 3.9; *provided*, that such restrictions (A) are not materially more restrictive with respect to such encumbrances and restrictions than those such Restricted Subsidiary was subject to in agreements related to obligations referenced in clause (iii) above as determined in good faith by the Issuer's senior management or (B) constitute financial covenants or similar restrictions that limit the ability to pay dividends or make distributions upon the occurrence or continuance of a default or event of default or that would result in a default or event of default under such Indebtedness upon the declaration or payment of dividends or other distributions; and
- (xiv) net worth provisions in leases entered into by the Issuer or any Restricted Subsidiary in the ordinary course of business not materially more restrictive than those existing on the Issue Date as determined in good faith by the Issuer's senior management.

Section 3.16 Limitation on Layered Indebtedness. The Issuer shall not, and shall not permit any Note Guarantor to, directly or indirectly, Incur any Indebtedness that is subordinate in right of payment to any other Indebtedness, unless such Indebtedness is expressly subordinate in right of payment to the Notes or, in the case of a Note Guarantor, its Note Guarantee, to the same

extent, on the same terms and for so long (except as a result of the provisions of the Intercreditor Agreement applicable to Facilities Agreement Indebtedness and any refinancing thereof) as such Indebtedness is subordinate to such other Indebtedness.

Section 3.17 Limitation on Liens. The Issuer shall not, and shall not cause or permit any of its Restricted Subsidiaries to, directly or indirectly, incur, grant, assume or suffer to exist any Liens of any kind (except for Permitted Liens) (a) against or upon any of their respective properties or assets, whether owned on the Issue Date or acquired after the Issue Date, or any proceeds therefrom, to secure any Indebtedness or trade payables or (b) deemed to exist in respect of Capitalized Lease Obligations (including any Capitalized Lease Obligations in respect of Sale and Leaseback Transactions), in each case, unless contemporaneously therewith effective provision is made:

- (i) in the case of the Issuer or any Restricted Subsidiary that is not a Note Guarantor, to secure the Notes and all other amounts due under this Indenture; and
- (ii) in the case of a Note Guarantor, to secure such Note Guarantor's Note Guarantee of the Notes and all other amounts due under this Indenture,

in each case, equally and ratably with such Indebtedness or other obligation (or, in the event that such Indebtedness is subordinated in right of payment to the Notes or such Note Guarantee, as the case may be, prior to such Indebtedness or other obligation) with a Lien on the same properties and assets securing such Indebtedness or other obligation for so long as such Indebtedness or other obligation is secured by such Lien.

Section 3.18 Limitation on Transactions with Affiliates.

(a) The Issuer shall not, and shall not permit any of its Restricted Subsidiaries to, directly or indirectly, enter into any transaction or series of related transactions (including, without limitation, the purchase, sale, lease or exchange of any property or the rendering of any service) with, or for the benefit of, any Affiliate of the Issuer (each an "Affiliate Transaction"), unless the terms of such Affiliate Transaction are no less favorable than those that could reasonably be expected to be obtained in a comparable transaction at such time on an arm's-length basis from a Person that is not an Affiliate of the Issuer;

(b) The provisions of Section 3.18(a) above shall not apply to:

- (i) Affiliate Transactions with or among the Issuer and any Restricted Subsidiary or between or among Restricted Subsidiaries;
- (ii) reasonable fees and compensation paid to, and any indemnity provided on behalf of, officers, directors, employees, consultants or agents of the Issuer or any Restricted Subsidiary as determined in good faith by the Issuer's Board of Directors or, to the extent consistent with past practice, senior management;

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- (iii) Affiliate Transactions undertaken pursuant to any contractual obligations or rights in existence on the Issue Date (as in effect on the Issue Date with modifications, extensions and replacements thereof not materially adverse to the Issuer and its Restricted Subsidiaries) as determined in good faith by the Issuer's senior management;
 - (iv) any Restricted Payments in compliance with Section 3.11;
 - (v) payments and issuances of Qualified Capital Stock to any officers, directors and employees of the Issuer or any Restricted Subsidiary pursuant to any management equity plan or stock option plan or any other stock subscription or shareholder agreement, and any employment agreements, stock option plans or other compensatory arrangements (and any successor plans thereto) and any supplemental executive retirement benefit plans or arrangements with any such officers, directors or employees that are, in each case, approved in good faith by the Board of Directors or, to the extent consistent with past practice, senior management of the Issuer;
 - (vi) loans and advances to officers, directors and employees of the Issuer or any Restricted Subsidiary for travel, entertainment, moving and other relocation expenses, in each case made in the ordinary course of business in amounts consistent with the past practice of the Issuer or such Restricted Subsidiary; and
 - (vii) loans made by the Issuer or any Restricted Subsidiary to employees or directors in an aggregate amount not to exceed U.S.\$15 million (or its equivalent in another currency) at any time outstanding.

Section 3.19 Conduct of Business. The Issuer and its Restricted Subsidiaries shall not engage in any business other than a Permitted Business.

Section 3.20 Reports to Holders.

(a) Notwithstanding that the Issuer may not be subject to the reporting requirements of Section 13 or 15(d) of the Exchange Act, so long as any Notes remain outstanding, the Issuer shall:

- (i) provide the Trustee and the Holders with:
 - (A) annual reports on Form 20-F (or any successor form) containing the information required to be contained therein (or such successor form) within the time period required under the rules of the Commission for the filing of Form 20-F (or any successor form) by "foreign private issuers" (as defined in Rule 3b-4 of the Exchange Act (or any successor rule));

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- (B) reports on Form 6-K (or any successor form) including, whether or not required, unaudited quarterly financial statements (which shall include at least a balance sheet, income statement and cash flow statement) including a discussion of financial condition and results of operations of the Issuer in accordance with past practice, within 45 days after the end of each of the first three fiscal quarters of each fiscal year;
 - (C) such other reports on Form 6-K (or any successor form) promptly from time to time after the occurrence of an event that would be required to be reported on a Form 6-K (or any successor form); and
- (ii) file with the Commission, to the extent permitted, the information, documents and reports referred to in clause (i) within the periods specified for such filings under the Exchange Act (whether or not applicable to the Issuer).

(b) In addition, at any time when the Issuer is not subject to or is not current in its reporting obligations under clause (ii) of Section 3.20(a), the Issuer shall make available, upon request, to any Holder and any prospective purchaser of Notes the information required pursuant to Rule 144A(d)(4) under the Securities Act.

(c) Notwithstanding anything in this Indenture to the contrary, the Issuer shall not be deemed to have failed to comply with any of its obligations hereunder for purposes of clause (iv) of Section 6.1(a) or for any other purpose hereunder until 75 days after the date any report hereunder is due.

(d) Delivery of such reports, information and documents to the Trustee is for informational purposes only and the Trustee's receipt of such reports shall not constitute actual or constructive notice of any information contained therein or determinable from information contained therein, including the Issuer's compliance with any of its covenants hereunder (as to which the Trustee is entitled to rely exclusively on Officer's Certificates).

Section 3.21 Payment of Additional Amounts.

(a) All payments made by the Issuer or the Note Guarantors under, or with respect to, the Notes shall be made free and clear of, and without withholding or deduction for or on account of any present or future tax, duty, levy, impost, assessment or other governmental charge (including penalties, interest and other liabilities related thereto) (collectively, "Taxes") imposed or levied by or on behalf of the United States, Mexico, Spain, the Netherlands, France, the United Kingdom, Switzerland or, in the event that the Issuer appoints additional paying agents, by the jurisdictions of such additional paying agents (a "Taxing Jurisdiction"), unless the Issuer or such Note Guarantor, as the case may be, is required to withhold or deduct Taxes by law or by the official interpretation or administration thereof.

(b) If the Issuer or any Note Guarantor is so required to withhold or deduct any amount for, or on account of, such Taxes from any payment made under or with respect to the Notes, the Issuer or such Note Guarantor, as the case may be, shall pay such additional

amounts (“Additional Amounts”) as may be necessary so that the net amount received by each Holder (including Additional Amounts) after such withholding or deduction shall not be less than the amount such Holder would have received if such Taxes had not been required to be withheld or deducted; *provided, however*, that the foregoing obligation to pay Additional Amounts does not apply to:

- (i) any Taxes imposed solely because at any time there is or was a connection between the Holder and a Taxing Jurisdiction (other than the mere purchase of the Notes, or receipt of a payment or the ownership or holding of the Notes),
- (ii) any estate, inheritance, gift, sales, transfer, personal property or similar Tax imposed with respect to the Notes,
- (iii) any Taxes imposed solely because the Holder or any other person fails to comply with any certification, identification or other reporting requirement concerning the nationality, residence, identity or connection with a Taxing Jurisdiction of the Holder or any beneficial owner of the Note if compliance is required by the applicable law of the Taxing Jurisdiction as a precondition to exemption from, or reduction in the rate of, the tax, assessment or other governmental charge, and the Issuer has given the Holders at least 30 days’ notice that Holders shall be required to provide such information and identification,
- (iv) any Taxes payable otherwise than by deduction or withholding from payments on the Notes,
- (v) any Taxes imposed on a payment to or for the benefit of an individual pursuant to European Council Directive 2003/48/EC (as amended from time to time) or any law implementing or complying with, or introduced in order to conform to, such Directive,
- (vi) any Taxes that would have been avoided by presenting for payment (where presentation is required) the relevant Note to another Paying Agent,
- (vii) any Taxes with respect to such Note presented for payment more than 30 days after the date on which the payment became due and payable or the date on which payment thereof is duly provided for and notice thereof given to Holders, whichever occurs later, except to the extent that the Holders of such Note would have been entitled to such Additional Amounts on presenting such Note for payment on any date during such 30 day period, or
- (viii) any payment on the Note to a Holder that is a fiduciary or partnership or a person other than the sole beneficial owner of any such payment, to the extent that a beneficiary or settlor with respect to such fiduciary,

a member of such a partnership or the beneficial owner of the payment would not have been entitled to the Additional Amounts had the beneficiary, settlor, member or beneficial owner been the Holder of the Note.

(c) The obligations in Section 3.21(a) and Section 3.21(b) shall survive any termination or discharge of this Indenture and shall apply mutatis mutandis to any Taxing Jurisdiction with respect to any successor to the Issuer or any Note Guarantor, as the case may be. The Issuer or such Note Guarantor, as applicable, shall (i) make such withholding or deduction and (ii) remit the full amount deducted or withheld to the relevant Taxing Jurisdiction in accordance with applicable law. The Issuer or such Note Guarantor, as applicable, shall use all reasonable efforts to obtain certified copies of tax receipts evidencing the payment of any Taxes so deducted or withheld from each Taxing Jurisdiction imposing such Taxes and shall furnish such certified copies to the Trustee within 30 days after the date the payment of any Taxes so deducted or so withheld is due pursuant to applicable law or, if such tax receipts are not reasonably available to the Issuer or such Note Guarantor, as applicable, furnish such other documentation that provides reasonable evidence of such payment by the Issuer or such Note Guarantor, as applicable.

(d) The exception to the Issuer's obligations to pay Additional Amounts pursuant to clause (iii) of Section 3.21(b) will not apply if (i) the provision of information, documentation or other evidence described in such clause would be materially more onerous, in form, in procedure or in the substance of information disclosed, to a Holder or beneficial owner of a Note than comparable information or other reporting requirements imposed under U.S. tax law, regulation (including proposed regulations) and administrative practice, or (ii) Article 166, Section II, paragraph (a), of the Mexican Income Tax Law (*Ley del Impuesto Sobre la Renta*) (or a substitute or equivalent provision) is in effect, unless (A) the provision of the information, documentation or other evidence described in clause (iii) of Section 3.21(b) is expressly required by the applicable Mexican laws and regulations in order to apply Article 166, Section II, paragraph (a), of the Mexican Income Tax Law (or substitute or equivalent provision), (B) the Issuer or any Note Guarantor cannot obtain the information, documentation or other evidence necessary to comply with the applicable Mexican laws and regulations on its own through reasonable diligence and (C) the Issuer or any Note Guarantor would not otherwise meet the requirements for application of the applicable Mexican laws and regulations.

(e) Clause (iii) of Section 3.21(b) does not require, and shall not be construed to require, that any holder, including any non-Mexican pension fund, retirement fund, tax-exempt organization or financial institution, register with the Tax Management Service (*Servicio de Administración Tributaria*) or the Mexican Ministry of Finance and Public Credit (*Secretaría de Hacienda y Crédito Público*) to establish eligibility for an exemption from, or a reduction of, Mexican withholding taxes.

(f) Any reference in this Indenture, any supplemental indenture or the Notes to principal, premium, interest or any other amount payable in respect of the Notes by the Issuer shall be deemed also to refer to any Additional Amount that may be payable with respect to that amount under the obligations referred to in this subsection. Payment of any Additional Amounts with respect to interest shall be considered as an interest payment under, or with respect to, the Notes.

(g) The Issuer will ensure that it maintains a paying agent, in a European Union member state, that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC (as amended from time to time) or any law implementing or complying with, or introduced in order to conform to, such Directive.

(h) In the event that Additional Amounts actually paid with respect to the Notes pursuant to this Section 3.21 are based on rates of deduction or withholding of withholding taxes in excess of the appropriate rate applicable to the Holder of such Notes, and as a result thereof such Holder is entitled to make a claim for a refund or credit of such excess from the authority imposing such withholding tax, then such Holder shall, by accepting such Notes, and without any further action, be deemed to have assigned and transferred all right, title and interest to any such claim for a refund or credit of such excess to the Issuer. However, by making such assignment, the Holder makes no representation or warranty that the Issuer shall be entitled to receive such claim for a refund or credit and incurs no other obligation with respect thereto.

Section 3.22 Suspension of Covenants.

(a) During any period of time that the Notes do not have Investment Grade Ratings from two of the Rating Agencies and (i) the Consolidated Leverage Ratio of the Issuer is less than 3.5:1 and (ii) no Default or Event of Default has occurred and is continuing (the occurrence of the events described in the foregoing clauses (i) and (ii) being collectively referred to as a “Partial Covenant Suspension Event”), the Issuer and its Restricted Subsidiaries shall not be subject to the provisions of this Indenture described under Sections 3.12, 3.13, 3.14(b), 3.15, 3.18, 3.19 and 4.1(a)(ii) (collectively, the “Partial Suspended Covenants”).

(b) During any period of time that (i) the Notes have Investment Grade Ratings from two of the Rating Agencies and (ii) no Default or Event of Default has occurred and is continuing (the occurrence of the events described in the foregoing clauses (i) and (ii) being collectively referred to as a “Covenant Suspension Event”), the Issuer and its Restricted Subsidiaries shall not be subject to the provisions of this Indenture described under Sections 3.9, 3.11, 3.12, 3.13, 3.14(b), 3.15, 3.16, 3.18, 3.19 and 4.1(a)(ii) (collectively, the “Suspended Covenants”).

(c) In addition, (x) no Subsidiary that is a Restricted Subsidiary on the date of the occurrence of a Partial Covenant Suspension Event (the “Partial Covenant Suspension Date”) or a Covenant Suspension Event (the “Suspension Date”) may be redesignated as an Unrestricted Subsidiary during the Partial Suspension Period or the Suspension Period, as applicable and (y) each Additional Note Guarantor shall be released from its obligation to guarantee the Notes on the date of a Partial Covenant Suspension Event or a Covenant Suspension Event, as the case may be.

(d) The Additional Note Guarantors shall be released from their obligation to guarantee the Notes upon the occurrence of a Partial Covenant Suspension Event or a Covenant Suspension Event; *provided*, that upon the occurrence of a Partial Covenant Reversion Date or a Reversion Date, as applicable, the guarantee of the Notes by the Additional Note Guarantors shall be reinstated in accordance with and subject to the conditions in Section 3.22(e).

(e) In the event that the Issuer and its Restricted Subsidiaries are not subject to the Partial Suspended Covenants or the Suspended Covenants, as the case may be, for any period of time as a result of the foregoing, and on any subsequent date (in the case of Partial Suspended Covenants, such subsequent date being the “Partial Covenant Reversion Date” and, in the case of Suspended Covenants, such subsequent date being the “Reversion Date”) (i) the Consolidated Leverage Ratio of the Issuer is not less than 3.5:1 during the applicable Partial Suspension Period or (ii) the Notes do not have Investment Grade Ratings from at least two of the Rating Agencies during the applicable Suspension Period, then in each case in clauses (i) and (ii), the Issuer and its Restricted Subsidiaries will thereafter again be subject to the Partial Suspended Covenants or the Suspended Covenants, as applicable, and the Notes will again be guaranteed by the Additional Note Guarantors (unless, solely with respect to any Additional Note Guarantor, the conditions for release as described under Section 10.2 are otherwise satisfied during the Partial Suspension Period or the Suspension Period, as applicable). The Issuer shall cause such Additional Note Guarantor to promptly execute and deliver to the Trustee a supplemental indenture hereto in form and substance reasonably satisfactory to the Trustee in accordance with the provisions of Article IX, evidencing that such Additional Note Guarantor’s guarantee on substantially the terms set forth in Article X. The period of time between the Partial Covenant Suspension Date and the Partial Covenant Reversion Date is referred to as the “Partial Suspension Period” and the period of time between the Suspension Date and the Reversion Date is referred to as the “Suspension Period.” Notwithstanding that the Partial Suspended Covenants, the Suspended Covenants and the guarantees by the Additional Note Guarantors may be reinstated, no Default or Event of Default will be deemed to have occurred as a result of a failure to comply with the Partial Suspended Covenants during the Partial Suspension Period or the Suspended Covenants during the Suspension Period, as the case may be (or upon termination of the applicable Partial Suspension Period or the Suspension Period or after that time based solely on events that occurred during the applicable Partial Suspension Period or the Suspension Period, as the case may be).

(f) On the Reversion Date, all Indebtedness Incurred during the Suspension Period shall be classified to have been Incurred pursuant to Section 3.9(a) or Section 3.9(b) (to the extent such Indebtedness would be permitted to be Incurred thereunder as of the Reversion Date and after giving effect to Indebtedness Incurred prior to the Suspension Period and outstanding on the Reversion Date). To the extent such Indebtedness would not be so permitted to be Incurred pursuant to Section 3.9(a) or 3.9(b), such Indebtedness shall be deemed to have been outstanding on the Issue Date, so that it is classified as permitted under clause (iii) of Section 3.9(b). Calculations made after the Reversion Date of the amount available to be made as Restricted Payments under Section 3.11 shall be made as though Section 3.11 had been in effect since the Issue Date and throughout the Suspension Period. The Issuer will give the Trustee written notice of any occurrence of a Reversion Date not later than five (5) Business Days after such Reversion Date. After any such notice of the occurrence of a Reversion Date, the Trustee shall assume the Suspended Covenants apply and are in full force and effect. Accordingly, Restricted Payments made during the Suspension Period will reduce the amount available to be made as Restricted Payments under Section 3.11(a).

(g) The Issuer will give the Trustee written notice of any Partial Covenant Suspension Event or any Covenant Suspension Event and in any case no later than five (5) Business Days after such Partial Covenant Suspension Event or Covenant Suspension Event has occurred. In the absence of such notice, the Trustee shall assume that the Partial Suspended Covenants or the Suspended Covenants, as applicable, apply and are in full force and effect.

(h) For purposes of this Section 3.22 only, “Consolidated Leverage Ratio” and all associated definitions shall have the meaning set forth in Exhibit E hereto.

ARTICLE IV

SUCCESSOR ISSUER

Section 4.1 Merger, Consolidation and Sale of Assets.

(a) The Issuer shall not, in a single transaction or series of related transactions, consolidate or merge with or into any Person (whether or not the Issuer is the surviving or continuing Person), or sell, assign, transfer, lease, convey or otherwise dispose of all or substantially all of the Issuer’s properties and assets (determined on a consolidated basis for the Issuer and its Restricted Subsidiaries), to any Person unless:

- (i) either:
 - (A) the Issuer shall be the surviving or continuing corporation, or
 - (B) the Person (if other than the Issuer) formed by such consolidation or into which the Issuer is merged or the Person which acquires by sale, assignment, transfer, lease, conveyance or other disposition the properties and assets of the Issuer (determined on a consolidated basis for the Issuer and its Restricted Subsidiaries) substantially as an entirety (the “Successor Issuer”):
 - (1) shall be a Person organized and validly existing under the laws of Mexico, the United States of America, any State thereof or the District of Columbia, Canada, France, Belgium, Germany, Italy, Luxembourg, the Netherlands, Portugal, Spain, Switzerland or the United Kingdom, or any political subdivision thereof (the “Permitted Merger Jurisdictions”); and
 - (2) shall expressly assume, by a supplemental indenture (in form and substance satisfactory to the Trustee), executed and delivered to the Trustee, the due and punctual payment of the principal of, and premium, if any, and interest on all of the Notes and the performance and observance of every covenant of the Notes and this Indenture on the part of the Issuer to be performed or observed and provide the Trustee with an Officer’s Certificate and Opinion of Counsel, and such transaction is otherwise in compliance with this Indenture;

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- (ii) immediately after giving effect to such transaction and the assumption contemplated by clause (i)(B)(2) of this Section 4.1(a) (including giving effect on a pro forma basis to any Indebtedness, including any Acquired Indebtedness, Incurred or anticipated to be Incurred or discharged in connection with or in respect of such transaction), the Issuer or such Successor Issuer, as the case may be:
- (A) shall have a Consolidated Fixed Charge Coverage Ratio that shall be not less than the Consolidated Fixed Charge Coverage Ratio of the Issuer immediately prior to such transaction; or
 - (B) shall be able to Incur at least U.S.\$1.00 of additional Indebtedness pursuant to Section 3.9(a);
- (iii) immediately before and immediately after giving effect to such transaction and the assumption contemplated by clause (i)(B)(2) of this Section 4.1(a) (including, without limitation, giving effect on a pro forma basis to any Indebtedness, including any Acquired Indebtedness, Incurred or anticipated to be Incurred or discharged and any Lien granted in connection with or in respect of the transaction), no Default or Event of Default shall have occurred or be continuing;
- (iv) in the case of a transaction resulting in a Successor Issuer, each Note Guarantor has confirmed by supplemental indenture that its Note Guarantee shall apply for Obligations of the Successor Issuer in respect of this Indenture and the Notes; and
- (v) if the Issuer merges with a Person, or the Successor Issuer is, organized under the laws of any of the Permitted Merger Jurisdictions, the Issuer or the Successor Issuer shall have delivered to the Trustee an Opinion of Counsel stating that, as applicable:
- (A) the Holders of the Notes shall not recognize income, gain or loss for the purposes of the income tax laws of the United States or the applicable Permitted Merger Jurisdiction as a result of the transaction and shall be taxed in the Holder's home jurisdiction in the same manner and on the same amounts (assuming solely for this purpose that no Additional Amounts are required to be paid on the Notes) and at the same times as would have been the case if the transaction had not occurred;
 - (B) any payment of interest or principal under or relating to the Notes or any Guarantees shall be paid in compliance with any requirements under Section 3.21; and
 - (C) no other taxes on income, including capital gains, shall be payable by Holders of the Notes under the laws of the United States or the applicable Permitted Merger Jurisdiction relating to the

acquisition, ownership or disposition of the Notes, including the receipt of interest or principal thereon; *provided*, that the Holder does not use or hold, and is not deemed to use or hold the Notes in carrying on a business in the United States or the applicable Permitted Merger Jurisdiction.

The provisions of clauses (ii) and (iii) of this Section 4.1(a) will not apply to:

- (x) any transfer of the properties or assets of a Restricted Subsidiary to the Issuer;
- (y) any merger of a Restricted Subsidiary into the Issuer; or
- (z) any merger of the Issuer into a Note Guarantor or a Wholly Owned Subsidiary of the Issuer.

For purposes of this Section 4.1, the transfer (by lease, assignment, sale or otherwise, in a single transaction or series of transactions) of all or substantially all of the properties or assets of one or more Restricted Subsidiaries of the Issuer, the Capital Stock of which constitutes all or substantially all of the properties and assets of the Issuer (determined on a consolidated basis for the Issuer and its Restricted Subsidiaries), shall be deemed to be the transfer of all or substantially all of the properties and assets of the Issuer.

The Successor Issuer will succeed to, and be substituted for, such Issuer under this Indenture and the Notes, as applicable. For the avoidance of doubt, compliance with this Section 4.1 will not affect the obligations of the Issuer (including a Successor Issuer, if applicable) under Section 3.8 if applicable.

(b) Each Note Guarantor shall not, and the Issuer shall not cause or permit any such Note Guarantor to, consolidate with or merge into, or sell or dispose of all or substantially all of its assets to, any Person (other than the Issuer) that is not a Note Guarantor unless:

- (i) such Person (if such Person is the surviving entity) (the "Successor Note Guarantor") assumes all of the obligations of such Note Guarantor in respect of its Note Guarantee by executing a supplemental indenture and providing the Trustee with an Officer's Certificate and Opinion of Counsel, and such transaction is otherwise in compliance with this Indenture;
- (ii) such Note Guarantee is to be released as provided under Section 10.2(b); or
- (iii) such sale or other disposition of substantially all of such Note Guarantor's assets is made in accordance with Section 3.12.

Subject to certain limitations described in this Indenture, the Successor Note Guarantor will succeed to, and be substituted for, such Note Guarantor under this Indenture and such Note Guarantor's Note Guarantee. The provisions of clauses (i), (ii) and (iii) of this Section 4.1(b) will not apply to:

- (x) any transfer of the properties or assets of a Note Guarantor to the Issuer or another Note Guarantor;
- (y) any merger of a Note Guarantor into the Issuer or another Note Guarantor; or
- (z) any merger of a Note Guarantor into a Wholly Owned Subsidiary of the Issuer.

ARTICLE V

OPTIONAL REDEMPTION OF NOTES

Section 5.1 Optional Redemption. The Issuer may redeem the Notes, at its option, in whole at any time or in part from time to time, subject to the conditions and at the redemption prices specified in the Form of Note in Exhibit A hereto.

Section 5.2 [Reserved].

Section 5.3 Notices to Trustee. If the Issuer elects to redeem the Notes pursuant to the optional redemption provisions of Section 5.1 hereof, it shall furnish to the Trustee, at least 45 days but not more than 60 days before the Redemption Date, an Officer's Certificate setting forth: (a) the Redemption Date, (b) the principal amount of Notes to be redeemed, (c) the ISIN numbers of the Notes, (d) the redemption price and (e) the amount of interest to be paid with respect to each multiple of €1,000 principal amount of Notes to be redeemed.

Section 5.4 Notice of Redemption.

(a) The Issuer shall prepare and mail or cause to be mailed a notice of redemption, in the manner provided for in Section 12.1, not less than 30 nor more than 60 days prior to the Redemption Date, to each Holder of Notes to be redeemed.

(b) All notices of redemption shall state:

- (i) the Redemption Date,
- (ii) the redemption price and the amount of any accrued interest payable as provided in Section 5.7,
- (iii) whether or not the Issuer is redeeming all Outstanding Notes,
- (iv) if the Issuer is not redeeming all Outstanding Notes, the aggregate principal amount of Notes that the Issuer is redeeming and the aggregate principal amount of Notes that will be Outstanding after the partial redemption, as well as the identification of the particular Notes, or portions of the particular Notes, that the Issuer is redeeming,

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- (v) if the Issuer is redeeming only part of a Note, the notice that relates to that Note shall state that on and after the Redemption Date, upon surrender of that Note, the Holder will receive, without charge, a new Note or Notes of authorized denominations for the principal amount of the Note remaining unredeemed,
 - (vi) that on the Redemption Date the redemption price and any accrued interest payable to the Redemption Date as provided in Section 5.7 will become due and payable in respect of each Note, or the portion of each Note, to be redeemed, and, unless the Issuer defaults in making the redemption payment, that interest on each Note, or the portion of each Note, to be redeemed, will cease to accrue on and after the Redemption Date,
 - (vii) the place or places where a Holder must surrender Notes for payment of the redemption price and any accrued interest payable on the Redemption Date, and
 - (viii) the ISIN number, if any, listed in the notice or printed on the Notes, and that no representation is made as to the accuracy or correctness of such ISIN number.

(c) At the Issuer's request, the Trustee shall give the notice of redemption in the Issuer's names and at its expense; provided, however, that the Issuer shall have delivered to the Trustee, at least 45 days prior to the Redemption Date, an Officer's Certificate requesting that the Trustee give such notice and setting forth the information to be stated in such notice as provided in the preceding Section 5.4(b).

Section 5.5 Selection of Notes to Be Redeemed in Part.

(a) If the Issuer is not redeeming all Outstanding Notes, the Trustee shall select the Notes to be redeemed in compliance with the requirements of the principal national securities exchange, if any, on which the Notes are listed or, if the Notes are not then listed on a national securities exchange, on a pro rata basis, by lot or by any other method as the Trustee shall deem fair and appropriate; provided, however, that if a partial redemption is made with the proceeds of an Equity Offering, selection of the Notes, or portions of the Notes, for redemption shall be made by the Trustee only on a pro rata basis, or on as nearly a pro rata basis as is practicable (subject to the procedures of Euroclear or Clearstream), unless the method is otherwise prohibited. The Trustee shall make the selection from the then Outstanding Notes not previously called for redemption. The Trustee shall promptly notify the Issuer in writing of the Notes selected for redemption and, in the case of any Notes selected for partial redemption, the principal amount of the Notes to be redeemed. In the event of a partial redemption by lot, the Trustee shall select the particular Notes to be redeemed not less than 30 nor more than 60 days prior to the relevant Redemption Date from the then Outstanding Notes not previously called-for

redemption. No Notes of €100,000 principal amount or less shall be redeemed in part. The Trustee may select for redemption portions with minimum denominations of €100,000 and in integral multiples of €1,000 in excess thereof.

(b) For all purposes of this Indenture, unless the context otherwise requires, all provisions relating to redemption of Notes shall relate, in the case of any Note redeemed or to be redeemed only in part, to the portion of the principal amount of that Note which has been or is to be redeemed.

Section 5.6 Deposit of Redemption Price. On or prior to 10:00 a.m. London time, on the Business Day prior to the Redemption Date, the Issuer shall deposit with the Trustee or with a Paying Agent (or, if the Issuer or a Note Guarantor is acting as the Paying Agent, segregate and hold in trust as provided in Section 2.4) an amount of money in immediately available funds sufficient to pay the redemption price of, and accrued interest on, all the Notes that the Issuer is redeeming on that date.

Section 5.7 Notes Payable on Redemption Date. If the Issuer, or the Trustee on behalf of the Issuer, gives notice of redemption in accordance with this Article V, the Notes, or the portions of Notes, called-for redemption, shall, on the Redemption Date, become due and payable at the redemption price specified in the notice (together with accrued interest, if any, to the Redemption Date), and from and after the Redemption Date (unless the Issuer shall default in the payment of the redemption price and accrued interest) the Notes or the portions of Notes shall cease to bear interest. Upon surrender of any Note for redemption in accordance with the notice, the Issuer shall pay the Notes at the redemption price, together with accrued interest, if any, to the Redemption Date (subject to the rights of Holders of record on the relevant record date to receive interest due on the relevant Interest Payment Date). If the Issuer shall fail to pay any Note called-for redemption upon its surrender for redemption, the principal shall, until paid, bear interest from the Redemption Date at the rate borne by the Notes.

Section 5.8 Unredeemed Portions of Partially Redeemed Note. Upon surrender of a Note that is to be redeemed in part, the Issuer shall execute, and the Trustee shall authenticate and make available for delivery to the Holder of the Note, at the expense of the Issuer, a new Note or Notes, of any authorized denomination as requested by the Holder, in an aggregate principal amount equal to, and in exchange for, the unredeemed portion of the principal of the Note surrendered, *provided*, that each new Note will be in a principal amount of €100,000 and in integral multiples of €1,000 in excess thereof.

ARTICLE VI

DEFAULTS AND REMEDIES

Section 6.1 Events of Default.

(a) Each of the following is an “Event of Default”:

- (i) default in the payment when due of the principal of or premium, if any, on any Notes, including the failure to make a required payment to purchase Notes tendered pursuant to an optional redemption, a Change of Control Offer or an Asset Sale Offer;

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- (ii) default for 30 days or more in the payment when due of interest or Additional Amounts on any Notes;
 - (iii) the failure to perform or comply with any of the provisions described under Article IV;
 - (iv) the failure by the Issuer or any Restricted Subsidiary to comply with, or in the case of non-guarantor Restricted Subsidiaries, to perform according to, any other covenant or agreement contained in this Indenture or in the Notes for 45 days or more after written notice to the Issuer from the Trustee or the Holders of at least 25% in aggregate principal amount of the then Outstanding Notes;
 - (v) default by the Issuer or any Restricted Subsidiary under any Indebtedness which:
 - (A) is caused by a failure to pay principal of, or premium, if any, when due or interest on such Indebtedness prior to the later of the expiration of any applicable grace period provided in such Indebtedness on the date of such default or five (5) days past when due; or
 - (B) results in the acceleration of such Indebtedness prior to its stated maturity;
and the principal or accreted amount of Indebtedness covered by clauses (v)(A) or (v)(B) of this Section 6.1(a) at the relevant time, aggregates U.S.\$50 million or more;
 - (vi) failure by the Issuer or any of its Restricted Subsidiaries to pay one or more final judgments against any of them, aggregating U.S.\$100 million or more, which judgment(s) are not paid, discharged or stayed for a period of 60 days or more;
 - (vii) a Bankruptcy Event of Default; or
 - (viii) except as permitted herein, any Note Guarantee is held to be unenforceable or invalid in a judicial proceeding or ceases for any reason to be in full force and effect or any Note Guarantor, or any Person acting on behalf of any Note Guarantor, denies or disaffirms such Note Guarantor's obligations under its Note Guarantee.

The foregoing will constitute Events of Default whatever the reason for any such Event of Default and whether it is voluntary or involuntary or is effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body.

(b) The Issuer shall deliver within 30 days to the Trustee written notice of any event which would constitute a Default or Event of Default, their status and what action the Issuer is taking or proposes to take in respect thereof.

Section 6.2 Acceleration.

(a) If an Event of Default (other than an Event of Default specified in clause (vii) of Section 6.1(a) above with respect to the Issuer) shall occur and be continuing, the Trustee or the Holders of at least 25% in principal amount of then Outstanding Notes may declare the unpaid principal of (and premium, if any) and accrued and unpaid interest on all the Notes to be immediately due and payable by notice in writing to the Issuer and the Trustee specifying the Event of Default and that it is a “notice of acceleration.” If an Event of Default specified in clause (vii) of Section 6.1(a) above occurs with respect to the Issuer, then the unpaid principal of (and premium, if any) and accrued and unpaid interest on all the Notes will become immediately due and payable without any declaration or other act on the part of the Trustee or any Holder.

(b) At any time after a declaration of acceleration with respect to the Notes as described in the preceding paragraph, the Holders of a majority in principal amount of the Notes may rescind and cancel such declaration and its consequences:

- (i) if the rescission would not conflict with any judgment or decree;
- (ii) if all existing Events of Default have been cured or waived, except nonpayment of principal or interest that has become due solely because of the acceleration;
- (iii) to the extent the payment of such interest is lawful, interest on overdue installments of interest and overdue principal, which has become due otherwise than by such declaration of acceleration, has been paid; and
- (iv) if the Issuer has paid the Trustee its reasonable compensation and reimbursed the Trustee for its reasonable expenses, disbursements and advances.

Section 6.3 Other Remedies.

(a) If an Event of Default occurs and is continuing, the Trustee may pursue any available remedy to collect the payment of principal of and interest on the Notes or to enforce the performance of any provision of the Notes or this Indenture.

(b) The Trustee may maintain a proceeding even if it does not possess any of the Notes or does not produce any of them in the proceeding. A delay or omission by the Trustee or any Holder in exercising any right or remedy accruing upon an Event of Default shall not impair the right or remedy or constitute a waiver of or acquiescence in the Event of Default. No remedy is exclusive of any other remedy. All available remedies are cumulative to the extent permitted by law.

Section 6.4 Waiver of Past Defaults. Subject to Section 6.2, the Holders of a majority in principal amount of the then Outstanding Notes may waive any existing Default or Event of Default, and its consequences, except a default in the payment of the principal of, premium, if any, or interest on any Notes.

Section 6.5 Control by Majority. The Holders of a majority in principal amount of the then Outstanding Notes may direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or of exercising any trust or power conferred on the Trustee. Subject to Section 7.1 and Section 7.2, however, the Trustee may refuse to follow any direction that conflicts with law or this Indenture; *provided, however*, that the Trustee may take any other action deemed proper by the Trustee that is not inconsistent with such direction.

Section 6.6 Limitation on Suits.

(a) No Holder of any Notes shall have any right to institute any proceeding with respect hereto or for any remedy hereunder, unless:

- (i) such Holder gives to the Trustee written notice of a continuing Event of Default;
- (ii) Holders of at least 25% in principal amount of the then Outstanding Notes make a written request to pursue the remedy;
- (iii) such Holders of the Notes provide to the Trustee indemnity satisfactory to it;
- (iv) the Trustee does not comply within 60 days; and
- (v) during such 60 day period the Holders of a majority in principal amount of the then Outstanding Notes do not give the Trustee a written direction which, in the opinion of the Trustee, is inconsistent with the request;

provided, that a Holder of a Note may institute suit for enforcement of payment of the principal of and premium, if any, or interest on such Note on or after the respective due dates expressed in such Note.

Section 6.7 Rights of Holders to Receive Payment. Notwithstanding any other provision of this Indenture (including, without limitation, Section 6.6), the right of any Holder to receive payment of principal or interest on the Notes held by such Holder, on or after the respective due dates, Redemption Dates or repurchase date expressed in this Indenture or the Notes, or to bring suit for the enforcement of any such payment on or after such respective dates, shall not be impaired or affected without the consent of such Holder.

Section 6.8 Collection Suit by Trustee. If an Event of Default specified in clause (i) and (ii) of Section 6.1(a) occurs and is continuing, the Trustee may recover judgment in its own name and as trustee of an express trust against the Issuer and each Note Guarantor for the whole amount then due and owing (together with applicable interest on any overdue principal and, to the extent lawful, interest on overdue interest) and the amounts provided for in Section 7.7.

Section 6.9 Trustee May File Proofs of Claim, etc.

- (a) The Trustee may (irrespective of whether the principal of the Notes is then due):
- (i) file such proofs of claim and other papers or documents as may be necessary or advisable in order to have the claims of the Trustee and the Holders under this Indenture and the Notes allowed in any bankruptcy, insolvency, liquidation or other judicial proceedings relative to the Issuer, any Note Guarantor or any Subsidiary of the Issuer or their respective creditors or properties; and
 - (ii) collect and receive any monies or other property payable or deliverable in respect of any such claims and distribute them in accordance with this Indenture.

Any receiver, trustee, liquidator, sequestrator (or other similar official) in any such proceeding is hereby authorized by each Holder to make such payments to the Trustee and, in the event that the Trustee shall consent to the making of such payments directly to the Holders, to pay to the Trustee any amount due to it for the reasonable compensation, expenses, taxes, disbursements and advances of the Trustee, its agent and counsel, and any other amounts due to the Trustee pursuant to Section 7.7.

(b) Nothing in this Indenture shall be deemed to authorize the Trustee to authorize or consent to or accept or adopt on behalf of any Holder any plan of reorganization, arrangement, adjustment or composition affecting the Notes or the rights of any Holder thereof, or to authorize the Trustee to vote in respect of the claim of any Holder in any such proceeding.

Section 6.10 Priorities. If the Trustee collects any money or property pursuant to this Article VI, it shall pay out the money or property in the following order:

FIRST: to the Trustee for amounts due under Section 7.7;

SECOND: if the Holders proceed against the Issuer directly without the Trustee in accordance with this Indenture, to Holders for their collection costs;

THIRD: to Holders for amounts due and unpaid on the Notes for principal and interest, ratably, without preference or priority of any kind, according to the amounts due and payable on the Notes for principal and interest, respectively; and

FOURTH: to the Issuer or, to the extent the Trustee collects any amount pursuant to Article X hereof from any Note Guarantor, to such Note Guarantor, or to such party as a court of competent jurisdiction shall direct.

The Trustee may, upon notice to the Issuer, fix a record date and payment date for any payment to Holders pursuant to this Section 6.10.

Section 6.11 Undertaking for Costs. In any suit for the enforcement of any right or remedy under this Indenture or in any suit against the Trustee for any action taken or omitted by it as Trustee, a court in its discretion may require the filing by any party litigant in the suit of an undertaking to pay the costs of the suit, and the court in its discretion may assess reasonable costs, including reasonable attorneys' fees, against any party litigant in the suit, having due regard to the merits and good faith of the claims or defenses made by the party litigant. This Section 6.11 does not apply to a suit by the Trustee, a suit by the Issuer, a suit by a Holder pursuant to Section 6.7 or a suit by Holders of more than 10% in principal amount of Outstanding Notes.

ARTICLE VII

TRUSTEE

Section 7.1 Duties of Trustee.

(a) If a Default or an Event of Default has occurred and is continuing, the Trustee shall exercise the rights and powers vested in it by this Indenture and use the same degree of care and skill in their exercise as a prudent man would exercise or use under the circumstances in the conduct of his own affairs.

(b) Except during the continuance of a Default or an Event of Default:

- (i) the Trustee undertakes to perform such duties and only such duties as are specifically set forth in this Indenture and no implied covenants or obligations shall be read into this Indenture against the Trustee; and
- (ii) in the absence of bad faith on its part, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Trustee and conforming to the requirements of this Indenture. However, in the case of any such certificates or opinions that by any provisions hereof are specifically required to be furnished to the Trustee, the Trustee shall examine such certificates and opinions to determine whether or not they conform to the requirements of this Indenture.

(c) The Trustee may not be relieved from liability for its own negligent action, its own negligent failure to act or its own willful misconduct, except that:

- (i) this clause (c) does not limit the effect of clause (b) of this Section 7.1;

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- (ii) the Trustee shall not be liable for any error of judgment made in good faith by a Trust Officer unless it is proved that the Trustee was negligent in ascertaining the pertinent facts; and
 - (iii) the Trustee shall not be liable with respect to any action it takes or omits to take in good faith in accordance with a direction received by it pursuant to Section 6.2, 6.4 or 6.5.

(d) The Trustee shall not be liable for interest on any money received by it except as the Trustee may agree in writing with the Issuer.

(e) Money held in trust by the Trustee need not be segregated from other funds except to the extent required by law.

(f) No provision of this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur financial liability in the performance of any of its duties hereunder or in the exercise of any of its rights or powers, if it shall have reasonable grounds to believe that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

(g) Every provision of this Indenture relating to the conduct or affecting the liability of or affording protection to the Trustee shall be subject to the provisions of this Article VII.

(h) Unless otherwise specifically provided in this Indenture, any demand, request, direction or notice from the Issuer shall be sufficient if signed by an Officer of the Issuer.

(i) The Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request or direction of any of the Holders unless such Holders shall have offered to the Trustee reasonable security or indemnity against the costs, expenses (including reasonable attorneys' fees and expenses) and liabilities that might be incurred by it in compliance with such request or direction.

Section 7.2 Rights of Trustee.

Subject to Section 7.1:

(a) The Trustee may rely on any document reasonably believed by it to be genuine and to have been signed or presented by the proper person. The Trustee need not investigate any fact or matter stated in the document.

(b) Before the Trustee acts or refrains from acting at the direction of the Issuer or any Note Guarantor, it may require an Officer's Certificate or an Opinion of Counsel. The Trustee shall not be liable for any action it takes or omits to take in good faith in reliance on an Officer's Certificate or Opinion of Counsel.

(c) The Trustee may act through its attorneys and agents and shall not be responsible for the misconduct or negligence of any agent appointed with due care.

(d) The Trustee shall not be liable for any action it takes or omits to take in good faith which it believes to be authorized or within its rights or powers; provided, however, that the Trustee's conduct does not constitute willful misconduct or negligence.

(e) The Trustee may consult with counsel of its selection, and the advice or opinion of counsel with respect to legal matters relating to this Indenture and the Notes shall be full and complete authorization and protection from liability in respect to any action taken, omitted or suffered by it hereunder in good faith and in accordance with the advice or opinion of such counsel.

(f) If the Trustee shall determine, it shall be entitled to examine the books, records and premises of the Issuer, personally or by agent or attorney.

(g) The Trustee shall not be deemed to have notice of any Default or Event of Default unless a Trust Officer of the Trustee has received written notice at the Corporate Trust Office of any event which is in fact such a default, and such notice references the Notes and this Indenture.

(h) The rights, privileges, protections, immunities and benefits given to the Trustee, including, without limitation, its right to be indemnified, are extended to, and shall be enforceable by, the Trustee in each of its capacities hereunder, and to each agent, custodian and other Person employed to act hereunder.

(i) The Trustee may request that the Issuer deliver an Officer's Certificate setting forth the names of individuals and/or titles of officers authorized at such time to take specified actions pursuant to this Indenture, which Officer's Certificate may be signed by any Person authorized to sign an Officer's Certificate, including any Person specified as so authorized in any such certificate previously delivered and not superseded.

(j) The permissive rights of the Trustee enumerated herein shall not be construed as duties.

(k) In no event shall the Trustee be liable, directly or indirectly, for any special, indirect, punitive or consequential damages, even if the Trustee has been advised of the possibility of such damages.

(l) The Trustee shall not be responsible or liable for any failure or delay in the performance of its obligations under this Indenture arising out of or caused, directly or indirectly, by circumstances beyond its reasonable control, including without limitation, acts of God; earthquakes; fires; floods; wars; civil or military disturbances; sabotage; epidemics; riots, interruptions, loss or malfunctions of utilities, computer (hardware or software) or communications service; accidents; labor disputes; acts of civil or military authority or governmental actions; it being understood that the Trustee shall use its best efforts to resume performance as soon as practicable under the circumstances.

(m) The Trustee shall at no time have any responsibility or liability for or in respect to the legality, validity or enforceability of any Collateral or any arrangement or agreement between the Issuer and any other Person with respect thereto, or the perfection or priority of any security interest created in any of the Collateral or maintenance of any perfection and priority, or for or with respect to the sufficiency of the Collateral following an Event of Default.

Section 7.3 Individual Rights of Trustee. The Trustee in its individual or any other capacity may become the owner or pledgee of Notes and may otherwise deal with the Issuer, the Note Guarantors or any Affiliate of the Issuer with the same rights it would have if it were not Trustee. Any Paying Agent, Transfer Agent, Registrar or co-Registrar may do the same with like rights. However, the Trustee must comply with Section 7.10.

Section 7.4 Trustee's Disclaimer. The Trustee shall not be responsible for and makes no representation as to the validity or adequacy of this Indenture or the Notes, it shall not be accountable for the Issuer's use of the proceeds from the Notes, and it shall not be responsible for any statement of the Issuer in this Indenture or in any document issued in connection with the sale of the Notes or in the Notes other than the Trustee's certificate of authentication.

Section 7.5 Notice of Defaults. If a Default or Event of Default occurs and is continuing and if a Trust Officer has actual knowledge thereof, the Trustee shall mail to each Holder notice of the Default or Event of Default within 90 days after the occurrence thereof. Except in the case of a Default or Event of Default in payment of principal or interest on any Note (including payments pursuant to the optional redemption or required repurchase provisions of such Note, if any), the Trustee may withhold the notice if and so long as a committee of its Trust Officers in good faith determines that withholding the notice is in the interests of the Holders.

Section 7.6 [Reserved].

Section 7.7 Compensation and Indemnity.

(a) The Issuer shall pay to the Trustee from time to time reasonable compensation for its acceptance of this Indenture and services hereunder as the Issuer and the Trustee shall from time to time agree in writing. The Trustee's compensation shall not be

limited by any law on compensation of a trustee of an express trust. The Issuer shall reimburse the Trustee upon request for all reasonable out-of-pocket expenses incurred or made by it, including costs of collection, costs of preparing and reviewing reports, certificates and other documents, costs of preparation and mailing of notices to Holders and reasonable costs of counsel retained by the Trustee in connection with the review, negotiation, execution and delivery of this Indenture or otherwise, in addition to the compensation for its services. Such expenses shall include the reasonable compensation and expenses, disbursements and advances of the Trustee's agents, counsel, accountants and experts.

(b) The Issuer and each Note Guarantor shall jointly and severally indemnify the Trustee against any and all loss, liability or expense (including reasonable attorneys' fees and expenses) incurred by it without negligence, willful misconduct or bad faith on its part in connection with the acceptance and administration of this trust and the performance of its duties hereunder, including the costs and expenses of enforcing this Indenture (including this [Section 7.7](#)) and of defending itself against any claims (whether asserted by any Holder, the Issuer, any Note Guarantor or otherwise). The Trustee shall notify the Issuer and each Note Guarantor promptly of any claim for which it may seek indemnity. Failure by the Trustee to so notify the Issuer or any Note Guarantor shall not relieve the Issuer or any Note Guarantor of its obligations hereunder. The Issuer shall defend the claim and the Trustee may have separate counsel and the Issuer shall pay the fees and expenses of such counsel; *provided*, that the Issuer shall not be required to pay such fees and expenses if it assumes the Trustee's defense, and, in the reasonable judgment of outside counsel to the Trustee, there is no conflict of interest between the Issuer and the Trustee in connection with such defense. The Issuer need not reimburse any expense or indemnify against any loss, liability or expense incurred by the Trustee through the Trustee's own willful misconduct, negligence or bad faith.

(c) To secure the Issuer's payment obligations in this [Section 7.7](#), the Trustee shall have a lien prior to the Notes on all money or property held or collected by the Trustee other than money or property held in trust to pay principal of and interest on particular Notes. The Trustee's right to receive payment of any amounts due under this [Section 7.7](#) shall not be subordinate to any other liability or Indebtedness of the Issuer.

(d) The Issuer's obligations pursuant to this [Section 7.7](#) shall survive the discharge of this Indenture and the resignation or removal of the Trustee. When the Trustee incurs expenses after the occurrence of a Bankruptcy Event of Default, the expenses are intended to constitute expenses of administration under any Bankruptcy Law; *provided, however*, that this shall not affect the Trustee's rights as set forth in this [Section 7.7](#) or [Section 6.10](#).

Section 7.8 [Replacement of Trustee](#).

(a) The Trustee may resign at any time by so notifying the Issuer. The Holders of a majority in principal amount of the then Outstanding Notes may remove the Trustee by so notifying the Trustee and may appoint a successor Trustee reasonably acceptable to the Issuer. The Issuer shall remove the Trustee if:

- (i) the Trustee fails to comply with [Section 7.10](#);

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- (ii) the Trustee is adjudged bankrupt or insolvent;
 - (iii) a receiver or other public officer takes charge of the Trustee or its property; or
 - (iv) the Trustee otherwise becomes incapable of acting.

(b) If the Trustee resigns or is removed by the Issuer or by the Holders of a majority in principal amount of the then Outstanding Notes and such Holders do not reasonably promptly appoint a successor Trustee, or if a vacancy exists in the office of the Trustee for any reason (the Trustee in such event being referred to herein as the retiring Trustee), the Issuer shall promptly appoint a successor Trustee.

(c) A successor Trustee shall deliver a written acceptance of its appointment to the retiring Trustee and to the Issuer. Thereupon the resignation or removal of the retiring Trustee shall become effective, and the successor Trustee shall have all the rights, powers and duties of the Trustee under this Indenture. The successor Trustee shall mail a notice of its succession to Holders. The retiring Trustee shall promptly transfer all property held by it as Trustee to the successor Trustee, subject to the lien provided for in Section 7.7(c).

(d) If a successor Trustee does not take office within 30 days after the retiring Trustee resigns or is removed, the retiring Trustee or the Holders of 10% in principal amount of the then Outstanding Notes may petition, at the Issuer's expense, any court of competent jurisdiction for the appointment of a successor Trustee.

(e) If the Trustee fails to comply with Section 7.10, any Holder may petition any court of competent jurisdiction for the removal of the Trustee and the appointment of a successor Trustee.

(f) Notwithstanding the replacement of the Trustee pursuant to this Section 7.8, the Issuer's obligations under Section 7.7 shall continue for the benefit of the retiring Trustee.

Section 7.9 Successor Trustee by Merger.

(a) If the Trustee consolidates with, merges or converts into, or transfers all or substantially all its corporate trust business or assets to, another Person, the resulting, surviving or transferee Person without any further act shall be the successor Trustee.

(b) In case at the time such successor or successors to the Trustee shall succeed to the trusts created by this Indenture, any of the Notes shall have been authenticated but not delivered, any such successor to the Trustee may adopt the certificate of authentication of any predecessor trustee, and deliver such Notes so authenticated; and in case at that time any of the Notes shall not have been authenticated, any successor to the Trustee may authenticate such Notes either in the name of any predecessor hereunder or in the name of the successor to the Trustee; and in all such cases such certificates of authentication and such delivery shall be valid for purposes of this Indenture.

Section 7.10 Eligibility; Disqualification. The Trustee shall at all times be a Trustee hereunder that is a Person organized and doing business under the laws of the United States or of any state thereof that is authorized under such laws to exercise corporate trustee power, that is subject to supervision or examination by federal or state authorities and that has, together with its parent, a combined capital and surplus of at least U.S.\$50,000,000 as set forth in its most recent published annual report of condition.

Section 7.11 [Reserved].

Section 7.12 [Reserved].

Section 7.13 Authorization and Instruction of the Trustee With Respect to the Collateral. Each Holder and the Issuer authorize and instruct the Trustee (a) to enter into (or cause an agent or grant such powers of attorney to enter into), on its own behalf and on behalf of the Holders of Notes, such documents (the "Security Documents") as are necessary or desirable (which shall be evidenced by a written instruction from the Issuer to the Trustee) in order to create and maintain the security interest of the Trustee and the Holders of Notes in the Collateral as may from time to time be provided to equally and ratably secure the Notes, (b) to grant such powers of attorney and to do or cause to be done all such acts and things, on its own behalf and in the name and on behalf of the Holders of Notes, as are necessary or desirable (which shall be evidenced by a written instruction from the Issuer to the Trustee) to create and maintain the security interest of the Trustee and the Holders of Notes in such Collateral, (c) to appoint the Security Agent to serve as direct representative of the Trustee and the Holders of Notes in connection with the creation and maintenance of the security interest of the Trustee and the Holders of Notes in such Collateral, (d) to accept the security interest in the Collateral on behalf of each Holder, and (e) to grant powers in favor of an attorney to execute an accession public deed before a Spanish notary public accepting the security interest in the Collateral on behalf of the Holders of Notes. It is understood and acknowledged that, in certain circumstances, the Security Documents may be amended, modified or waived without the consent of the Trustee or the Holders of Notes. It is understood and acknowledged that the Security Agent, in addition to being appointed by and acting on behalf of the Trustee and the Holders of Notes, has also been appointed by and is acting on behalf of (and may in the future be appointed by and act on behalf of) other creditors of the Issuer and its Subsidiaries. The Trustee will not have the right to cause the Security Agent to foreclose on the Collateral upon the occurrence of an Event of Default in respect of the Notes. The Trustee shall at no time have any responsibility or liability for or in respect to the legality, validity or enforceability of any Collateral or any arrangement or agreement between the Issuer and any other Person with respect thereto, or the perfection or priority of any security interest created in any of the Collateral or maintenance of any perfection and priority, or for or with respect to the sufficiency of the Collateral following an Event of Default.

ARTICLE VIII

DEFEASANCE; DISCHARGE OF INDENTURE

Section 8.1 Legal Defeasance and Covenant Defeasance.

(a) The Issuer may, at its option, at any time, elect to have either Section 8.1(b) or (c) be applied to all Outstanding Notes upon compliance with the conditions set forth in Section 8.2.

(b) Upon the Issuer's exercise under Section 8.1(a) of the option applicable to this clause (b), the Issuer shall, subject to the satisfaction of the conditions set forth in Section 8.2, be deemed to have been discharged from its obligations with respect to all Outstanding Notes on the date all of the conditions set forth in Section 8.2 are satisfied (hereinafter, "Legal Defeasance"). For this purpose, Legal Defeasance means that the Issuer shall be deemed to have paid and discharged the entire Indebtedness represented by the then Outstanding Notes, which shall thereafter be deemed to be Outstanding only for the purposes of Section 8.3 hereof and the other sections of this Indenture referred to in subclause (i) or (ii) of this clause (b), and to have satisfied all its other obligations under such Notes and this Indenture (and the Trustee, on demand of and at the expense of the Issuer, shall execute proper instruments acknowledging the same), except for the following provisions, which shall survive until otherwise terminated or discharged hereunder:

- (i) the rights of Holders of Outstanding Notes to receive solely from the trust fund described in Section 8.3, and as more fully set forth in Section 2.4 payments in respect of the principal of, premium, if any, and interest on such Notes when such payments are due,
- (ii) the Issuer's obligations with respect to such Notes under Article II and Section 3.2 hereof,
- (iii) the rights, powers, trusts, duties and immunities of the Trustee hereunder and the Issuer's obligations in connection therewith, and
- (iv) this Article VIII.

Subject to compliance with this Article VIII, the Issuer may exercise its option under this clause (b) notwithstanding the prior exercise of its option under Section 8.1(c) hereof.

(c) Upon the Issuer's exercise under Section 8.1(a) hereof of the option applicable to this clause (c), the Issuer shall, subject to the satisfaction of the applicable conditions set forth in Section 8.2, be released from its obligations under Sections 3.4, 3.5, 3.8, 3.9, 3.11, 3.12, 3.13, 3.14, 3.15, 3.16, 3.17, 3.18, 3.19, 3.20, 3.21, 3.22, 4.1(a) and 4.1(b) hereof with respect to the then Outstanding Notes on and after the date the conditions set forth below are satisfied (hereinafter, "Covenant Defeasance"), and the Notes shall thereafter be deemed not Outstanding for the purposes of any direction, waiver, consent or declaration or act of Holders (and the consequences of any thereof) in connection with such covenants, but shall continue to be Outstanding for all other purposes hereunder (it being understood that such Notes shall not be

deemed Outstanding for accounting purposes). For this purpose, such Covenant Defeasance means that, with respect to the then Outstanding Notes, the Issuer may omit to comply with and shall have no liability in respect of any term, condition or limitation set forth in any such covenant, whether directly or indirectly, by reason of any reference elsewhere herein to any such covenant or by reason of any reference in any such covenant to any other provision herein or in any other document and such omission to comply shall not constitute a Default or an Event of Default under clause (iii) of Section 6.1(a) (solely with respect to any failure to perform under or comply with clause (ii) or (iii) of Section 4.1(a)), clause (iv) of Section 6.1(a) or clause (v) of Section 6.1(a) hereof, but, except as specified above, the remainder of this Indenture and such Notes shall be unaffected thereby.

Section 8.2 Conditions to Defeasance. The Issuer may exercise its Legal Defeasance option or its Covenant Defeasance option only if:

(a) the Issuer has irrevocably deposited with the Trustee, in trust, for the benefit of the Holders cash in euros or European Government Obligations, in such amounts as will be sufficient without reinvestment, in the opinion of a nationally recognized firm of independent public accountants, to pay the principal of, premium, if any, and interest (including Additional Amounts) on the Notes on the stated date for payment thereof or on the applicable Redemption Date, as the case may be;

(b) in the case of Legal Defeasance, the Issuer has delivered to the Trustee an Opinion of Counsel reasonably acceptable to the Trustee (subject to customary exceptions and exclusions) and independent of the Issuer to the effect that:

- (i) the Issuer has received from, or there has been published by, the Internal Revenue Service a ruling; or
- (ii) since the Issue Date, there has been a change in the applicable U.S. federal income tax law,

in either case to the effect that, and based thereon such Opinion of Counsel shall state that, the Holders will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such Legal Defeasance and will be subject to U.S. federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Legal Defeasance had not occurred;

(c) in the case of Covenant Defeasance, the Issuer has delivered to the Trustee an Opinion of Counsel reasonably acceptable to the Trustee (subject to customary exceptions and exclusions) to the effect that the Holders will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such Covenant Defeasance and will be subject to U.S. federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Covenant Defeasance had not occurred;

(d) no Default or Event of Default shall have occurred and be continuing on the date of the deposit pursuant to Section 8.2(a) (except any Default or Event of Default resulting from the failure to comply with Section 3.9 as a result of the borrowing of the funds required to effect such deposit);

(e) the Trustee has received an Officer's Certificate stating that such Legal Defeasance or Covenant Defeasance shall not result in a breach or violation of, or constitute a default under this Indenture or any other material agreement or instrument to which the Issuer or any of its Subsidiaries is a party or by which the Issuer or any of its Subsidiaries is bound;

(f) the Issuer has delivered to the Trustee an Officer's Certificate stating that the deposit was not made by the Issuer with the intent of preferring the Holders over any other creditors of the Issuer or any Subsidiary of the Issuer or with the intent of defeating, hindering, delaying or defrauding any other creditors of the Issuer or others;

(g) the Issuer has delivered to the Trustee an Officer's Certificate and an Opinion of Counsel from counsel reasonably acceptable to the Trustee (subject to customary exceptions and exclusions) and independent of the Issuer, each stating that all conditions precedent provided for or relating to the Legal Defeasance or the Covenant Defeasance have been complied with; and

(h) the Issuer has delivered to the Trustee an Opinion of Counsel from counsel reasonably acceptable to the Trustee and independent of the Issuer to the effect that the trust resulting from the deposit does not constitute, or is qualified as, a regulated investment company under the Investment Company Act of 1940.

Section 8.3 Application of Trust Money. The Trustee shall hold in trust euros or European Government Obligations deposited with it pursuant to this Article VIII. It shall apply the deposited euros or European Government Obligations through the Paying Agent and in accordance with this Indenture to the payment of principal of and interest on the Notes.

Section 8.4 Repayment to Issuer.

(a) The Trustee and the Paying Agent shall promptly turn over to the Issuer upon request any excess money or securities held by them upon payment of all the obligations under this Indenture.

(b) Subject to any applicable abandoned property law, the Trustee and the Paying Agent shall pay to the Issuer upon request any money held by them for the payment of principal of, premium or interest on the Notes that remains unclaimed for two years, and, thereafter, Holders entitled to the money must look to the Issuer for payment as general creditors.

Section 8.5 Indemnity for European Government Obligations. The Issuer shall pay and shall indemnify the Trustee against any tax, fee or other charge imposed on or assessed against deposited European Government Obligations or the principal and interest received on such European Government Obligations.

Section 8.6 Reinstatement. If the Trustee or Paying Agent is unable to apply any euros or European Government Obligations in accordance with this Article VIII by reason of any legal proceeding or by reason of any order or judgment of any court or governmental authority enjoining, restraining or otherwise prohibiting such application, the obligations of the Issuer under this Indenture and the Notes shall be revived and reinstated as though no deposit had occurred pursuant to this Article VIII until such time as the Trustee or Paying Agent is permitted

to apply all such euros or European Government Obligations in accordance with this Article VIII; *provided, however*, that, if the Issuer has made any payment of principal of, premium or interest on any Notes because of the reinstatement of its obligations, the Issuer shall be subrogated to the rights of the Holders of such Notes to receive such payment from euros or European Government Obligations held by the Trustee or Paying Agent.

Section 8.7 Satisfaction and Discharge. This Indenture will be discharged and will cease to be of further effect (except as to surviving rights of registration of transfer or exchange of the Notes, as expressly provided for in this Indenture) as to all Outstanding Notes when:

(a) either:

- (i) all the Notes theretofore authenticated and delivered (except lost, stolen or destroyed Notes which have been replaced or paid and Notes for whose payment money has theretofore been deposited in trust or segregated and held in trust by the Issuer and thereafter repaid to the Issuer or discharged from such trust) have been delivered to the Trustee for cancellation; or
- (ii) all Notes not theretofore delivered to the Trustee for cancellation have become due and payable, and the Issuer has irrevocably deposited or caused to be deposited with the Trustee euros or European Government Obligations sufficient without reinvestment to pay and discharge the entire Indebtedness on the Notes not theretofore delivered to the Trustee for cancellation, for principal of, premium, if any, and interest on the Notes to the date of deposit, together with irrevocable instructions from the Issuer directing the Trustee to apply such funds to the payment;

(b) the Issuer has paid all other sums payable under this Indenture and the Notes by it; and

(c) the Issuer has delivered to the Trustee an Officer's Certificate and an Opinion of Counsel stating that all conditions precedent under this Indenture relating to the satisfaction and discharge of this Indenture have been complied with.

ARTICLE IX

AMENDMENTS

Section 9.1 Without Consent of Holders.

(a) The Issuer, the Note Guarantors and the Trustee may amend or supplement this Indenture, the Notes or the Note Guarantees without notice to or consent of any Holder:

- (i) to cure any ambiguity, omission, defect or inconsistency;

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- (ii) to comply with Article IV in respect of the assumption by a Successor Issuer of the obligations of the Issuer under the Notes and this Indenture;
 - (iii) to provide for uncertificated Notes in addition to or in place of Certificated Notes; provided, however, that the uncertificated Notes are issued in registered form for purposes of Section 163(f) of the Code;
 - (iv) to add guarantees with respect to the Notes or to secure the Notes;
 - (v) to add to the covenants of the Issuer or the Note Guarantors for the benefit of the Holders or to surrender any right or power herein conferred upon the Issuer or the Note Guarantors;
 - (vi) to make any change that does not, in the opinion of the Issuer, as conclusively evidenced by an Officer's Certificate to such effect, adversely affect the rights of any Holder in any material respect;
 - (vii) to conform the text of this Indenture, the Note Guarantees or the Notes to any provision of the section "Description of Notes" in the Offering Memorandum to the extent that such provision in such "Description of Notes" was intended to be a verbatim recitation of a provision of this Indenture or the Notes or Note Guarantees;
 - (viii) to comply with the requirements of any applicable securities depository;
 - (ix) to provide for the issuance of Additional Notes as permitted by Section 2.2(c) and Section 2.14, which will have terms substantially identical to the other Outstanding Notes except as specified in Section 2.13, or Section 2.14, and which will be treated, together with any other Outstanding Notes, as a single issue of securities; or
 - (x) in order to effect and maintain the listing of the Notes on the Global Exchange Market of the Irish Stock Exchange.

(b) After an amendment or supplement under this Section 9.1 becomes effective, the Issuer shall mail to Holders a notice briefly describing such amendment. The failure to give such notice to all Holders, or any defect therein, shall not impair or affect the validity of an amendment under this Section 9.1.

Section 9.2 With Consent of Holders.

(a) The Issuer, the Note Guarantors and the Trustee may amend or supplement this Indenture or the Notes without notice to any Holder but with the written consent of the Holders of at least a majority in principal amount of the then Outstanding Notes (including, without limitation, consents obtained in connection with a purchase of, or tender offer

or exchange offer for, Notes). Subject to Section 6.4, the Holder or Holders of a majority in aggregate principal amount of the then Outstanding Notes may waive compliance by the Issuer and the Note Guarantors with any provision of this Indenture or the Notes. However, without the consent of each Holder affected, an amendment, supplement or waiver may not:

- (i) reduce the amount of Notes whose Holders must consent to an amendment, supplement or waiver;
- (ii) reduce the rate of or change or have the effect of changing the time for payment of interest, including Defaulted Interest, on any Notes;
- (iii) reduce the principal of or change or have the effect of changing the fixed maturity of any Notes, or change the date on which any Notes may be subject to redemption, or reduce the redemption price therefor;
- (iv) make any Notes payable in money other than that stated in the Notes;
- (v) make any change in the provisions of this Indenture entitling each Holder to receive payment of principal of, premium, if any, and interest on such Notes on or after the due date thereof or to bring suit to enforce such payment, or permitting Holders of a majority in principal amount of the then Outstanding Notes to waive Defaults or Events of Default;
- (vi) amend, change or modify in any material respect any obligations of the Issuer to make and consummate a Change of Control Offer in respect of a Change of Control that has occurred or make and consummate an Asset Sale Offer with respect to any Asset Sale that has been consummated;
- (vii) make any change in the provisions of this Indenture described under Section 3.21 that adversely affects the rights of any Holder or amend the terms of the Notes in a way that would result in a loss of exemption from Taxes; or
- (viii) make any change to the provisions of this Indenture or the Notes that adversely affect the ranking of the Notes.

(b) It shall not be necessary for the consent of the Holders under this Section 9.2 to approve the particular form of any proposed amendment, supplement or waiver but it shall be sufficient if such consent approves the substance thereof.

(c) After an amendment, supplement or waiver under this Section 9.2 becomes effective, the Issuer shall mail to Holders a notice briefly describing such amendment, supplement or waiver. The failure to give such notice to all Holders, or any defect therein, shall not impair or affect the validity of an amendment, supplement or waiver under this Section 9.2.

(d) The Notes issued on the Issue Date, and any Additional Notes part of the same series, will be treated as a single series for all purposes under this Indenture, including with respect to waivers and amendments. For the purposes of calculating the aggregate principal amount of Notes that have consented to or voted in favor of any amendment, waiver, consent, modifications or other similar action, the Issuer (acting reasonably and in good faith) shall be entitled to select a record date as of which the principal amount of any Notes shall be calculated in such consent or voting process.

Section 9.3 [Reserved].

Section 9.4 Revocation and Effect of Consents and Waivers.

(a) A consent to an amendment, supplement or waiver by a Holder of a Note shall bind the Holder and every subsequent Holder of that Note or portion of the Note that evidences the same debt as the consenting Holder's Note, even if notation of the consent or waiver is not made on the Note. However, any such Holder or subsequent Holder may revoke the consent or waiver as to such Holder's Note or portion of the Note if the Trustee receives the notice of revocation before the date the amendment, supplement or waiver becomes effective. After an amendment, supplement or waiver becomes effective, it shall bind every Holder, except as otherwise provided in this Article IX. An amendment, supplement or waiver shall become effective upon receipt by the Trustee of the requisite number of written consents under Section 9.2.

(b) The Issuer may, but shall not be obligated to, fix a record date for the purpose of determining the Holders entitled to give their consent or take any other action described above or required or permitted to be taken pursuant to this Indenture. If a record date is fixed, then notwithstanding the immediately preceding paragraph, those Persons who were Holders at such record date (or their duly designated proxies), and only those Persons, shall be entitled to give such consent or to revoke any consent previously given or to take any such action, whether or not such Persons continue to be Holders after such record date. No such consent shall be valid or effective for more than 90 days after such record date.

Section 9.5 Notation on or Exchange of Notes. If an amendment or supplement changes the terms of a Note, the Trustee may require the Holder of the Note to deliver it to the Trustee. The Trustee may place an appropriate notation on the Note regarding the changed terms and return it to the Holder. Alternatively, if the Issuer or the Trustee so determines, the Issuer, in exchange for the Note, will execute and upon Issuer Order, the Trustee will authenticate and make available for delivery a new Note that reflects the changed terms. Failure to make the appropriate notation or to issue a new Note shall not affect the validity of such amendment or supplement.

Section 9.6 Trustee to Sign Amendments and Supplements. The Trustee shall sign any amendment, supplement or waiver authorized pursuant to this Article IX if the amendment or supplement does not adversely affect the rights, duties, liabilities or immunities of the Trustee. If it does, the Trustee may but need not sign it. In signing such amendment, supplement or waiver, the Trustee shall be entitled to receive indemnity reasonably satisfactory to it and to receive, and (subject to Section 7.1 and Section 7.2) shall be fully protected in relying upon, in

addition to the documents required by Section 12.4, an Opinion of Counsel and an Officer's Certificate each stating that such amendment, supplement or waiver is authorized or permitted by this Indenture and that all conditions precedent to the execution of such amendment, supplement or waiver have been complied with.

ARTICLE X

NOTE GUARANTEES

Section 10.1 Note Guarantees.

(a) Each Note Guarantor hereby fully and unconditionally guarantees, as primary obligor and not merely as surety, jointly and severally with each other Note Guarantor, to each Holder and the Trustee, the full and punctual payment when due, whether at maturity, by acceleration, by redemption or otherwise, of the Obligations (such guaranteed Obligations, the "Guaranteed Obligations"). Each Note Guarantor further agrees that its Note Guarantee herein constitutes a guarantee of payment when due (and not a guarantee of collection) and agrees to pay, in addition to the amounts stated in Section 10.1(f), any and all expenses (including reasonable counsel fees and expenses) incurred by the Trustee or the Holders in enforcing or exercising any rights under any Note Guarantee.

(b) In no event shall the Trustee or the Holders be obligated to take any action, obtain any judgment or file any claim prior to enforcing or exercising any rights under any Note Guarantee.

(c) Each Note Guarantor further agrees that its Note Guarantee constitutes an absolute and unconditional and continuing guarantee. Each Note Guarantor hereby waives, to the extent permitted by law:

- (i) any claim as to the legality, validity, regularity or enforceability of this Indenture, the Notes or any other agreement;
- (ii) any claim as to the lack of authority of the Issuer to execute or deliver this Indenture, the Notes or any other agreement;
- (iii) diligence, presentation to, demand of payment from and protest to the Issuer of any of the Obligations and notice of protest for nonpayment;
- (iv) the occurrence of any Default or Event of Default under this Indenture, the Notes or any other agreement;
- (v) notice of any Default or Event of Default under this Indenture, the Notes or any other agreement;
- (vi) the failure of the Trustee or any Holder to assert any claim or demand or to enforce any right or remedy against the Issuer or any other Person under this Indenture, the Notes or any other agreement;

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- (vii) any extension or renewal of the Obligations, this Indenture, the Notes or any other agreement;
 - (viii) any rescission, waiver, amendment or modification of any of the terms or provisions of this Indenture, the Notes or any other agreement;
 - (ix) the existence of any bankruptcy, insolvency, reorganization or similar proceedings involving the Issuer;
 - (x) any setoff, counterclaim, recoupment, termination or defense of any kind or nature which may be available to or asserted by any Note Guarantor or the Issuer against the Holders or the Trustee;
 - (xi) any impairment, taking, furnishing, exchange or release of, or failure to perfect or obtain protection of any security interest in, any collateral securing this Indenture and the Notes and any right to require that any resort be had by the Trustee or any Holder to any such collateral;
 - (xii) the failure of the Trustee or any Holder to exercise any right or remedy against any other Note Guarantor;
 - (xiii) any change in the ownership of the Issuer;
 - (xiv) any change in the laws, rules or regulations of any jurisdiction;
 - (xv) any present or future action of any governmental authority or court amending, varying, reducing or otherwise affecting, or purporting to amend, vary, reduce or otherwise affect, any of the obligations of the Issuer under this Indenture or the Notes or of any Note Guarantor under its Note Guarantee; and
 - (xvi) any other act or thing or omission or delay to do any other act or thing which may or might in any manner or to any extent vary the risk of each Note Guarantor or would otherwise operate as a discharge of such Note Guarantor as a matter of law or equity.

(d) Each of the Note Guarantors further expressly waives irrevocably and unconditionally:

- (i) Any right it may have to first require any Holder to proceed against, initiate any actions before a court of law or any other judge or authority, or enforce any other rights or security or claim payment from the Issuer or any other Person (including any Note Guarantor or any other guarantor of the Notes) before claiming from it under this Indenture;
- (ii) Any right to which it may be entitled to have the assets of the Issuer or any other Person (including any Note Guarantor or any other guarantor

of the Notes) first be used, applied or depleted as payment of the Issuer's or the Note Guarantors' obligations hereunder, prior to any amount being claimed from or paid by any of the Note Guarantors hereunder;

- (iii) Any right to which it may be entitled to have claims hereunder divided between the Note Guarantors;
- (iv) To the extent applicable, the benefits of *orden*, *excusión*, *división*, *quita* and *espera* and any right specified in articles 2814, 2815, 2817, 2818, 2819, 2820, 2821, 2822, 2823, 2826, 2837, 2838, 2839, 2840, 2845, 2846, 2847 and any other related or applicable articles that are not explicitly set forth herein because of Note Guarantor's knowledge thereof of the *Código Civil Federal* of Mexico, and the *Código Civil* of each State of the Mexican Republic and the Federal District of Mexico.

(e) The obligations assumed by each Note Guarantor hereunder shall not be affected by the absence of judicial request of payment by a Holder to the Issuer or by whether any such person takes timely action pursuant to articles 2848 and 2849 of the *Código Civil Federal* of Mexico and the *Código Civil* of each State of the Mexican Republic and the Federal District of Mexico and each Note Guarantor hereby expressly waives the provisions of such articles.

(f) The obligations of each Note Guarantor hereunder shall not be subject to any reduction, limitation, impairment or termination for any reason (other than payment of the Obligations in full), including any claim of waiver, release, surrender, alteration or compromise, and shall not be subject to any defense of setoff, counterclaim, recoupment or termination whatsoever or by reason of the invalidity, illegality or unenforceability of the Obligations or otherwise. Without limiting the generality of the foregoing, the obligations of each Note Guarantor herein shall not be discharged or impaired or otherwise affected by the failure of any Holder to assert any claim or demand or to enforce any remedy under this Indenture, the Notes or any other agreement, by any waiver or modification of any thereof, by any default, failure or delay, willful or otherwise, in the performance of the Obligations, or by any other act or thing or omission or delay to do any other act or thing which may or might in any manner or to any extent vary the risk of such Note Guarantor or would otherwise operate as a discharge of such Note Guarantor as a matter of law or equity.

(g) Except as provided in Section 10.2, the obligations of each Note Guarantor hereunder shall not be subject to any reduction, limitation, impairment or termination for any reason other than payment of the Obligations in full.

(h) Each Note Guarantor further agrees that its Note Guarantee herein shall continue to be effective or be reinstated, as the case may be, if at any time payment, or any part thereof, of principal of or interest on any of the Obligations is rescinded or must otherwise be restored by any Holder upon the bankruptcy or reorganization of the Issuer or otherwise.

(i) In furtherance of the foregoing and not in limitation of any other right which the Trustee or any Holder has at law or in equity against each Note Guarantor by virtue hereof, upon the failure of the Issuer to pay any of the Obligations when and as the same shall become due, whether at maturity, by acceleration, by redemption or otherwise, each Note Guarantor hereby promises to and will, upon receipt of written demand by the Trustee, forthwith pay, or cause to be paid, in cash, to the Holders an amount equal to the sum of:

- (i) the unpaid amount of such Obligations then due and owing; and
- (ii) accrued and unpaid interest on such Obligations then due and owing (but only to the extent not prohibited by law);

provided, that any delay by the Trustee in giving such written demand shall in no event affect any Note Guarantor's obligations under its Note Guarantee.

(j) Each Note Guarantor further agrees that, as between such Note Guarantor, on the one hand, and the Holders, on the other hand:

- (i) the maturity of the Obligations guaranteed hereby may be accelerated as provided in this Indenture for the purposes of its Note Guarantee herein, notwithstanding any stay, injunction or other prohibition preventing such acceleration in respect of the Obligations guaranteed hereby; and
- (ii) in the event of any such declaration of acceleration of such Obligations, such Obligations (whether or not due and payable) shall forthwith become due and payable by the Note Guarantor for the purposes of this Note Guarantee.

Section 10.2 Limitation on Liability; Termination, Release and Discharge.

(a) Subject to the limitations set out in Section 10.5 and Section 10.6, the obligations of each Note Guarantor hereunder will be limited to the maximum amount as will, after giving effect to all other contingent and fixed liabilities of such Note Guarantor and after giving effect to any collections from or payments made by or on behalf of any other Note Guarantor in respect of the obligations of such other Note Guarantor under its Note Guarantee or pursuant to its contribution obligations under this Indenture, result in the obligations of such Note Guarantor under its Note Guarantee not constituting a fraudulent conveyance or fraudulent transfer under federal or state law.

(b) A Note Guarantor will be released and relieved of its obligations under its Note Guarantee in the event that:

- (i) there is a Legal Defeasance of the Notes pursuant to Article VIII;
- (ii) there is a sale or other disposition of Capital Stock of such Note Guarantor following which such Note Guarantor is no longer a direct or indirect Subsidiary of the Issuer;

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- (iii) such Note Guarantor is designated as an Unrestricted Subsidiary in accordance with Section 3.14;
 - (iv) solely with respect to an Additional Note Guarantor, either (A) the Facilities Agreement Indebtedness has been repaid in full and such Additional Note Guarantor is not a guarantor of the Indebtedness Incurred to refinance such Facilities Agreement Indebtedness or (B) at least 85% of the outstanding Indebtedness of the Issuer and its Restricted Subsidiaries is not guaranteed by such Additional Note Guarantor; or
 - (v) solely with respect to an Additional Note Guarantor, upon the occurrence of a Partial Covenant Suspension Event or Covenant Suspension Event until the occurrence of a Partial Covenant Reversion Date or a Reversion Date, as applicable, at which time the guarantee of the Notes by such Additional Note Guarantor shall be reinstated unless such Additional Note Guarantor would have been released at any time during the Partial Suspension Period or the Suspension Period, as applicable, pursuant to clause (i), (ii), (iii) or (iv) of this Section 10.2(b).

Section 10.3 Right of Contribution. Each Note Guarantor that makes a payment or distribution under a Note Guarantee will be entitled to a contribution from each other Note Guarantor in a *pro rata* amount, based on the net assets of each Note Guarantor determined in accordance with GAAP. The provisions of this Section 10.3 shall in no respect limit the obligations and liabilities of each Note Guarantor to the Trustee and the Holders and each Note Guarantor shall remain liable to the Trustee and the Holders for the full amount guaranteed by such Note Guarantor hereunder.

Section 10.4 No Subrogation. Each Note Guarantor agrees that it shall not be entitled to any right of subrogation in respect of any Guaranteed Obligations until payment in full in cash or Cash Equivalents of all Obligations. If any amount shall be paid to any Note Guarantor on account of such subrogation rights at any time when all of the Obligations shall not have been paid in full in cash or Cash Equivalents, such amount shall be held by such Note Guarantor in trust for the Trustee and the Holders, segregated from other funds of such Note Guarantor, and shall, forthwith upon receipt by such Note Guarantor, be turned over to the Trustee in the exact form received by such Note Guarantor (duly endorsed by such Note Guarantor to the Trustee, if required), to be applied against the Obligations.

Section 10.5 French Guarantee Limitation.

(a) The obligations of any Note Guarantor incorporated in France (a "French Note Guarantor") are subject to the limitations set out in this Section 10.5.

(b) The obligations and liabilities of any French Note Guarantor under the Indenture and the Notes, and in particular under this Article X, shall not include any obligation or liability which, if incurred, would constitute the provision of financial assistance within the

meaning of article L.225-216 of the French Commercial Code and/or would constitute a misuse of corporate assets within the meaning of article(s) L. 241-3 or L. 242-6 of the French Commercial Code or any other law or regulations having the same effect, as interpreted by French courts.

(c) The obligations and liabilities of any French Note Guarantor under this Article X for the Issuer's obligations under the Indenture and the Notes shall be limited, at any time, to an amount equal to the aggregate of all amounts made available under the Notes and the Indenture to the Issuer to the extent directly or indirectly on-lent to such French Note Guarantor and/or its direct and indirect Subsidiaries under intercompany loan agreements (excluding, for the avoidance of doubt, any cash-pooling arrangements or other cash management agreements, *provided*, that the proceeds of the Notes shall not be used, in whole or in part, to finance, directly or indirectly, such cash pooling arrangements or other cash management agreements) and outstanding at the date a payment is to be made by such French Note Guarantor under this Article X, it being specified that any payment made by a French Note Guarantor under this Article X in respect of the obligations of the Issuer shall reduce *pro tanto* the outstanding amount of the intercompany loans due by such French Note Guarantor or its relevant direct or indirect Subsidiary under the intercompany loan agreements referred to above and that any repayment of the intercompany loans by the French Note Guarantor or its relevant direct or indirect Subsidiary shall reduce *pro tanto* the amount payable by the French Note Guarantor under this Article X.

(d) It is acknowledged that no French Note Guarantor is acting jointly and severally with the other Note Guarantors and no French Note Guarantor shall therefore be considered as "*co-débiteur solidaire*" as to its obligations pursuant to the guarantee given pursuant to this Article X.

Section 10.6 Swiss Guarantee Limitation.

(a) The obligations of any Note Guarantor incorporated in Switzerland (a "Swiss Note Guarantor") are subject to the limitations set out in this Section 10.6.

(b) The obligations and liabilities of a Swiss Note Guarantor under the Indenture, the Notes or any other agreement, and in particular under this Article X, in relation to the obligations, undertakings, indemnities or liabilities of a Note Guarantor other than that Swiss Note Guarantor or any of its fully owned and controlled subsidiaries (the "Restricted Obligations") shall not include any obligation or liability which, if incurred, would constitute the provision of financial assistance not permitted under the laws of Switzerland then in force and/or would constitute a misuse of corporate assets under Swiss law as interpreted by Swiss courts and shall be limited to the amount of that Swiss Note Guarantor's Free Reserves Available for Distribution (as defined below) at the time payment is requested, *provided*, that such limitation is a requirement under applicable law (including any case law) at that point in time and that such limitation shall not free the Swiss Note Guarantor from its obligations in excess thereof, but merely postpone the performance date until such time as performance is permitted notwithstanding such limitation.

(c) For the purpose of this clause, "Free Reserves Available for Distribution" means an amount equal to the maximal amount in which the relevant Swiss Note Guarantor can

make a dividend payment to its shareholder(s) (being the balance sheet profit and any freely disposable reserves available for this purpose, in each case in accordance with applicable Swiss law).

(d) As soon as possible after having been requested to discharge a Restricted Obligation, the Swiss Note Guarantor shall, if it cannot discharge the full amount of the Restricted Obligations, provide the Trustee with an interim statutory balance sheet audited by the statutory auditors of the Swiss Note Guarantor setting out the Free Reserves Available for Distribution and, immediately thereafter, pay the amount corresponding to the Free Reserves Available for Distribution to the Trustee (save to the extent provided below).

(e) In respect of the Restricted Obligations, the Swiss Note Guarantor shall:

- (i) if and to the extent required by applicable law in force at the relevant time:
 - (A) subject to any applicable double taxation treaties, deduct Swiss withholding tax at the rate of 35 percent (or such other rate as is in force at that time) from any payment made by it;
 - (B) pay any such deduction to the Swiss Federal Tax Administration; and
 - (C) notify and provide evidence to the Trustee that the Swiss withholding tax has been paid to the Swiss Federal Tax Administration;
- (ii) to the extent such deduction is made, not be required to make a gross-up, indemnify or otherwise hold harmless the Trustee or the Holders for the deduction of the Swiss withholding tax notwithstanding anything to the contrary contained in the Indenture, the Notes or any other agreement, unless grossing up is permitted under the laws of Switzerland then in force and *provided*, that this should not in any way limit any obligations of any non-Swiss Note Guarantors under the Indenture, the Notes or any other agreement to indemnify the Trustee or the Holders in respect of the deduction of the Swiss withholding tax. The Swiss Note Guarantor shall use all reasonable efforts to procure that any person which is entitled to a full or partial refund of any Swiss withholding tax paid pursuant to paragraph (a) above will, as soon as possible after the deduction of the Swiss withholding tax: (y) request a refund of the Swiss withholding tax under any applicable law (including double taxation treaties) and (z) pay to the Trustee upon receipt any amount so refunded.

(f) The Swiss Note Guarantor will take, and cause to be taken, all and any other action, including, without limitation, the passing of any shareholders' resolutions to approve any payment or other performance under the Indenture and the Notes and the receipt of any confirmations from the Swiss Note Guarantor's auditors, whether following a request to

discharge a Restricted Obligation or which may be required as a matter of mandatory Swiss law in force at the time it is required to make a payment or perform other obligations under the Indenture, the Notes or any other agreement in order to allow a prompt payment or performance of other obligations under the Indenture or the Notes.

(g) If the enforcement of the Restricted Obligations would be limited due to the effects referred to in this [Section 10.6](#) and if any asset of the Swiss Note Guarantor has a book value that is less than its market value (an “[Undervalued Asset](#)”), the Swiss Note Guarantor shall, to the extent permitted by applicable law and its accounting standards (i) write up the book value of such Undervalued Asset such that its balance sheet reflects a book value that is equal to the market value of such Undervalued Asset, and (ii) make reasonable efforts to realize the Undervalued Asset for a sum which is at least equal to the market value of such asset. Without prejudice to the rights of the Trustee and the Holders under the Indenture, the Notes or any other agreement, the Swiss Note Guarantor will only be required to realize an Undervalued Asset if such asset is not necessary for the Swiss Note Guarantor’s business (*nicht betriebsnotwendig*).

ARTICLE XI

COLLATERAL

[Section 11.1 The Collateral](#). Subject to [Section 11.2](#), the Issuer and the Note Guarantors agree that the Notes will be at all times secured by a first-priority security interest in the Collateral on at least an equal and ratable basis with the Permitted Secured Obligations.

[Section 11.2 Release of the Collateral](#).

(a) The Notes will cease to be secured by a security interest in the Collateral in accordance with the provisions of the Intercreditor Agreement.

(b) In addition to the Collateral release provisions set forth in the Intercreditor Agreement, the Notes will cease to be secured by a security interest on the Collateral upon:

- (i) (A) payment in full of the principal of, any accrued and unpaid interest on, the Notes and all other amounts or Obligations that are due and payable at or prior to the time such principal, accrued and unpaid interest, if any, are paid, (B) a satisfaction and discharge of this Indenture or (C) a Legal Defeasance or Covenant Defeasance pursuant to [Article VIII](#); or
- (ii) a refinancing of the Facilities Agreement Indebtedness in full as a result of which the Collateral does not secure Indebtedness Incurred to refinance such Facilities Agreement Indebtedness.

ARTICLE XII

MISCELLANEOUS

Section 12.1 Notices.

(a) Any notice or communication shall be in writing and delivered in person or mailed by first-class mail, postage prepaid, addressed as follows:
if to the Issuer and the Note Guarantors:

c/o CEMEX, S.A.B. de C.V.
Av. Ricardo Margáin Zozaya #325
Colonia Valle del Campestre
Garza García, Nuevo León
México 66265
Attention: Chief Financial Officer
Fax: +1 52 81 8888 4417

if to the Trustee:

The Bank of New York Mellon
101 Barclay Street – 7E
New York, NY 10286
Attention: International Corporate Trust
Fax: 724-540-6330

The Issuer or the Trustee by notice to the other may designate additional or different addresses for subsequent notices or communications.

(b) All notices to Holders of Notes will be validly given if mailed to them at their respective addresses in the register of the Holders of such Notes, if any, maintained by the Registrar. For so long as any Notes are represented by Global Notes, all notices to Holders of the Notes will be delivered to Euroclear or Clearstream, delivery of which shall be deemed to satisfy the requirements of this paragraph.

(c) Each such notice shall be deemed to have been given on the date of delivery or mailing. Any notice or communication mailed to a Holder shall be mailed to such Person by first-class mail or other equivalent means and shall be sufficiently given to them if so mailed within the time prescribed. Failure to mail a notice or communication to a Holder or any defect in it shall not affect its sufficiency with respect to other Holders. If a notice or communication is mailed in the manner provided above, it is duly given, whether or not the addressee receives it.

(d) Subject to Section 7.1(c) and Section 7.2(a), the Trustee shall accept electronic transmissions; *provided*, that (i) the Trustee shall not have any duty or obligation to verify or confirm that the Person sending instructions, directions, reports, notices or other communications or information by electronic transmission is, in fact, a Person authorized to give such instructions, directions, reports, notices or other communications or information on behalf of the party purporting to send such electronic transmission; and the Trustee shall not have any liability for any losses, liabilities, costs or expenses incurred or sustained by any party as a result of such reliance upon or compliance with such instructions, directions, reports, notices or other communications or information and (ii) each other party agrees to assume all risks arising out of the use of electronic methods to submit instructions, directions, reports, notices or other

communications or information to the Trustee, including without limitation the risk of the Trustee acting on unauthorized instructions, notices, reports or other communications or information, and the risk of interception and misuse by third parties.

(e) Any notice or communication mailed to a registered Holder shall be mailed to the Holder at the Holder's address as it appears on the Note Register and shall be sufficiently given if so mailed within the time prescribed.

(f) Failure to mail a notice or communication to a Holder or any defect in it shall not affect its sufficiency with respect to other Holders. If a notice or communication is mailed in the manner provided above, it is duly given, whether or not the addressee receives it.

(g) Any notice or communication delivered to the Issuer under the provisions herein shall constitute notice to the Note Guarantors.

Section 12.2 Communication by Holders with Other Holders. Holders may communicate with other Holders with respect to their rights under this Indenture (including the Note Guarantees) or the Notes.

Section 12.3 Certificate and Opinion as to Conditions Precedent. Upon any request or application by the Issuer to the Trustee to take or refrain from taking any action under this Indenture, the Issuer shall furnish to the Trustee:

(a) an Officer's Certificate in form and substance reasonably satisfactory to the Trustee stating that, in the opinion of the signers, all conditions precedent, if any, provided for in this Indenture relating to the proposed action have been complied with; and

(b) an Opinion of Counsel in form and substance reasonably satisfactory to the Trustee stating that, in the opinion of such counsel, all such conditions precedent have been complied with.

Section 12.4 Statements Required in Certificate or Opinion. Each certificate or opinion, including an Opinion of Counsel or Officer's Certificate, with respect to compliance with a covenant or condition provided for in this Indenture shall include:

(a) a statement that the individual making such certificate or opinion has read such covenant or condition;

(b) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based;

(c) a statement that, in the opinion of such individual, he has made such examination or investigation as is necessary to enable him to express an informed opinion as to whether or not such covenant or condition has been complied with; and

(d) a statement as to whether or not, in the opinion of such individual, such covenant or condition has been complied with.

In giving an Opinion of Counsel, counsel may rely as to factual matters on an Officer's Certificate or on certificates of public officials.

Section 12.5 Rules by Trustee, Paying Agent, Transfer Agent and Registrar. The Trustee may make reasonable rules for action by, or a meeting of, Holders. The Paying Agent, Transfer Agent and the Registrar may make reasonable rules for their functions.

Section 12.6 Legal Holidays. A "Legal Holiday" is (i) a Saturday, a Sunday or other day on which commercial banking institutions are authorized or required to be closed in New York City, Mexico, Madrid, Amsterdam, London, Paris or Zurich and (ii) any day on which the Trans-European Automated Real-time Gross Settlement Express Transfer System (TARGET2) is closed for settlement of payments. If a payment date is a Legal Holiday, payment shall be made on the next succeeding day that is not a Legal Holiday, and no interest shall accrue for the intervening period. If a regular record date is a Legal Holiday, the record date shall not be affected.

Section 12.7 Governing Law, etc.

(a) THIS INDENTURE (INCLUDING EACH NOTE GUARANTEE) AND THE NOTES SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK. THE PARTIES HERETO EACH HEREBY WAIVE ANY RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THIS INDENTURE, THE NOTES OR EACH NOTE GUARANTEE OR ANY TRANSACTION RELATED HERETO OR THERETO TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW.

(b) Each of the parties hereto hereby:

- (i) agrees that any suit, action or proceeding against it arising out of or relating to this Indenture (including the Note Guarantees) or the Notes, as the case may be, may be instituted in any Federal or state court sitting in the City of New York and County of New York and in the courts of its own corporate domicile, in respect of actions brought against it as a defendant,
- (ii) waives to the fullest extent permitted by applicable law, any objection which it may now or hereafter have to the laying of venue of any such suit, action or proceeding, any claim that any suit, action or proceeding in such a court has been brought in an inconvenient forum, and any right to which it may be entitled, on account of place of residence or domicile,
- (iii) irrevocably submits to the jurisdiction of such courts in any suit, action or proceeding,
- (iv) agrees that final judgment in any such suit, action or proceeding brought in such a court shall be conclusive and binding may be enforced in the courts of the jurisdiction of which it is subject by a suit upon judgment, and
- (v) agrees that service of process by mail to the addresses specified herein shall constitute personal service of such process on it in any such suit, action or proceeding.

(c) The Issuer and the Note Guarantors (other than CEMEX Corp. and CEMEX Finance LLC) have appointed CEMEX NY Corporation, 590 Madison Avenue, 41st Floor, New York, NY 10022, as its authorized agent (the "Authorized Agent") upon whom all writs, process and summonses may be served in any suit, action or proceeding arising out of or based upon this Indenture or the Notes which may be instituted in any state or federal court in the City of New York and County of New York. The Issuer and the Note Guarantors (other than CEMEX Corp. and CEMEX Finance LLC) hereby represent and warrant that the Authorized Agent has accepted such appointment and has agreed to act as said agent for service of process, and the Issuer and the Note Guarantors (other than CEMEX Corp. and CEMEX Finance LLC) agree to take any and all action, including the filing of any and all documents, that may be necessary to continue each such appointment in full force and effect as aforesaid so long as the Notes remain outstanding. The Issuer and the Note Guarantors (other than CEMEX Corp. and CEMEX Finance LLC) agree that the appointment of the Authorized Agent shall be irrevocable so long as any of the Notes remain outstanding or until the irrevocable appointment by the Issuer and the Note Guarantors (other than CEMEX Corp. and CEMEX Finance LLC) of a successor agent in the City of New York, New York as each of their authorized agent for such purpose and the acceptance of such appointment by such successor. Service of process upon the Authorized Agent shall be deemed, in every respect, effective service of process upon the Issuer and the Note Guarantors (other than CEMEX Corp. and CEMEX Finance LLC).

(d) To the extent that any of the Issuer and the Note Guarantors have or hereafter may acquire any immunity (sovereign or otherwise) from any legal action, suit or proceeding, from jurisdiction of any court or from set-off or any legal process (whether service or notice, attachment in aid or otherwise) with respect to itself or any of its property, the Issuer and the Note Guarantors hereby irrevocably waive and agree not to plead or claim such immunity in respect of their obligations under this Indenture or the Notes.

(e) Nothing in this Section 12.7 shall affect the right of the Trustee or any Holder of the Notes to serve process in any other manner permitted by law.

Section 12.8 [Reserved].

Section 12.9 No Recourse Against Others. An incorporator, director, officer, employee, stockholder or controlling person, as such, of the Issuer or any Note Guarantor shall not have any liability for any obligations of the Issuer or any Note Guarantor under the Notes or this Indenture or for any claims based on, in respect of or by reason of such obligations or their creation. By accepting a Note, each Holder shall waive and release all such liability.

Section 12.10 Successors. All agreements of the Issuer and any Note Guarantor in this Indenture and the Notes shall bind their respective successors. All agreements of the Trustee in this Indenture shall bind its successors.

Section 12.11 Duplicate and Counterpart Originals. The parties may sign any number of copies of this Indenture. One signed copy is enough to prove this Indenture. This Indenture may be executed in any number of counterparts, each of which so executed shall be an original, but all of them together represent the same agreement. Signatures of the parties hereto transmitted by facsimile or pdf shall be deemed to be their original signatures for all purposes.

Section 12.12 Severability. In case any provision in this Indenture or in the Notes shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

Section 12.13 [Reserved].

Section 12.14 Currency Indemnity; Payments in U.S. Dollars.

(a) The euro is the sole currency of account and payment for all sums payable by the Issuer and any Note Guarantor under or in connection with the Notes or this Indenture, including damages. Any amount received or recovered in currency other than euros in respect of the Notes (whether as a result of, or of the enforcement of, a judgment or order of a court of any jurisdiction, in the winding-up or dissolution of the Issuer, a Note Guarantor or any Subsidiary of the Issuer or otherwise) by any Holder of the Notes in respect of any sum expressed to be due to it from the Issuer or any Note Guarantor shall only constitute a discharge of them under the Notes and this Indenture only to the extent of the euro amount which the recipient is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so). If that euro amount is less than the euro amount expressed to be due to the recipient under the Notes or this Indenture, the Issuer and the Note Guarantors shall jointly and severally indemnify and hold harmless the recipient, to the greatest extent permitted by law, against any loss or cost sustained by it in making any such purchase. For the purposes of this Section 12.14, it will be sufficient for the Holder of a Note to certify that it would have suffered a loss had an actual purchase of euro been made with the amount so received in that other currency on the date of receipt or recovery (or, if a purchase of euro on such date had not been practicable, on the first date on which it would have been practicable).

(b) The indemnities of the Issuer and the Note Guarantors contained in this Section 12.14, to the extent permitted by law: (i) constitute a separate and independent obligation from the other obligations of the Issuer and the Note Guarantors under this Indenture and the Notes; (ii) shall give rise to a separate and independent cause of action against the Issuer and the Note Guarantors; (iii) shall apply irrespective of any waiver granted by any Holder of the Notes or the Trustee from time to time; and (iv) shall continue in full force and effect notwithstanding any other judgment, order, claim or proof of claim for a liquidated amount in respect of any sum due under the Notes or this Indenture or any other judgment or order.

(c) Notwithstanding Section 12.14(a) above or any provision herein or in the Notes to the contrary, if the euro is unavailable to the Issuer due to the imposition of exchange controls or other circumstances beyond the control of the Issuer or if the euro is no longer being used by the then member states of the European Union that have adopted the euro as their currency or for the settlement of transactions by public institutions of or within the international banking community, then the Issuer will be entitled, until the euro is again available to the Issuer or so used, to satisfy its payment obligations in respect of the Notes and this Indenture by making such payments in U.S. dollars. The amount payable on any date in euro will be converted into U.S. dollars at the rate mandated by the U.S. Federal Reserve Board as of the close of business on the second New York Business Day prior to the relevant payment date or, in the event the U.S. Federal Reserve Board has not mandated a rate of conversion, on the basis of the most recent U.S. dollar/euro exchange rate published in *The Wall Street Journal* on or prior to the second New York Business Day prior to the relevant payment date. Any payment in respect of the Notes or this Indenture so made in U.S. dollars will not constitute an Event of Default under the Notes or this Indenture. Neither the Trustee nor the Paying Agent shall have any responsibility for any calculation or conversion made pursuant to this Section 12.14(c).

Section 12.15 Table of Contents: Headings. The table of contents and headings of the Articles and Sections of this Indenture have been inserted for convenience of reference only, are not intended to be considered a part hereof and shall not modify or restrict any of the terms or provisions hereof.

Section 12.16 USA PATRIOT Act. The parties hereto acknowledge that, in accordance with Section 326 of the USA PATRIOT Act (Title III of Pub. L. 107-56 (signed into law on October 26, 2001)) (as amended, modified or supplemented from time to time, the “USA PATRIOT Act”), the Trustee, like all financial institutions, is required to obtain, verify, and record information that identifies each person or legal entity that opens an account. The parties to this Agreement agree that they will provide the Trustee with such information as the Trustee may request in order for the Trustee to satisfy the requirements of the USA PATRIOT Act.

[Signature page follows]

IN WITNESS WHEREOF, the parties have caused this Indenture to be duly executed as of the date first written above.

CEMEX, S.A.B. de C.V.,
as Issuer

By: /s/ Francisco Javier García Ruiz/Jaime Armando Chapa
González
Name: Francisco Javier García Ruiz/Jaime Armando
Chapa González
Title: Attomeys in fact

EACH OF THE NOTE GUARANTORS LISTED BELOW

CEMEX México, S.A. de C.V.

By: /s/ Francisco Javier García Ruiz/Jaime Armando Chapa
González
Name: Francisco Javier García Ruiz/Jaime Armando
Chapa González
Title: Attomeys in fact

CEMEX Concretos, S.A. de C.V.

By: /s/ Francisco Javier García Ruiz/Jaime Armando Chapa
González
Name: Francisco Javier García Ruiz/Jaime Armando
Chapa González
Title: Attomeys in fact

Empresas Tolteca de México, S.A. de C.V.

By: /s/ Francisco Javier García Ruiz/Jaime Armando Chapa
González
Name: Francisco Javier García Ruiz/Jaime Armando
Chapa González
Title: Attomeys in fact

New Sunward Holding B.V.

By: /s/ Francisco Javier García Ruiz/Jaime Armando Chapa González

Name: Francisco Javier García Ruiz/Jaime Armando Chapa González
Title: Attorneys in fact

CEMEX España, S.A.

By: /s/ Francisco Javier García Ruiz

Name: Francisco Javier García Ruiz
Title: Attorney in fact

Cemex Asia B.V.

By: /s/ Francisco Javier García Ruiz

Name: Francisco Javier García Ruiz
Title: Attorney in fact

CEMEX Corp.

By: /s/ Francisco Javier García Ruiz

Name: Francisco Javier García Ruiz
Title: Attorney in fact

CEMEX Finance LLC

By: /s/ Francisco Javier García Ruiz

Name: Francisco Javier García Ruiz
Title: Attorney in fact

Cemex Egyptian Investments B.V.

By: /s/ Francisco Javier García Ruiz

Name: Francisco Javier García Ruiz
Title: Attorney in fact

Cemex Egyptian Investments II B.V.

By: /s/ Francisco Javier García Ruiz
Name: Francisco Javier García Ruiz
Title: Attorney in fact

CEMEX France Gestion (S.A.S.)

By: /s/ Francisco Javier García Ruiz
Name: Francisco Javier García Ruiz
Title: Attorney in fact

Cemex Research Group AG

By: /s/ Francisco Javier García Ruiz
Name: Francisco Javier García Ruiz
Title: Attorney in fact

Cemex Shipping B.V.

By: /s/ Francisco Javier García Ruiz
Name: Francisco Javier García Ruiz
Title: Attorney in fact

CEMEX UK

By: /s/ Francisco Javier García Ruiz
Name: Francisco Javier García Ruiz
Title: Attorney in fact

THE BANK OF NEW YORK MELLON,
as Trustee

By: /s/ Jaime Nielsen

Name: Jaime Nielsen
Title: Vice President

Solely for the purposes of accepting the appointment of
Paying Agent and Transfer Agent, together with the rights,
protections and immunities granted to the Trustee under
Article VII, which shall apply *mutatis mutandis* to the Paying
Agent,

THE BANK OF NEW YORK MELLON, LONDON BRANCH,
as Paying Agent and Transfer Agent

By: /s/ Jaime Nielson

Name: Jaime Nielson

Title: Vice President

NOTE GUARANTORS

1. CEMEX México, S.A. de C.V. (Mexico)
2. CEMEX Concretos, S.A. de C.V. (Mexico)
3. Empresas Tolteca de México, S.A. de C.V. (Mexico)
4. New Sunward Holding B.V. (the Netherlands)
5. CEMEX España, S.A. (Spain)
6. Cemex Asia B.V. (the Netherlands)
7. CEMEX Corp. (Delaware)
8. CEMEX Finance LLC (Delaware)
9. Cemex Egyptian Investments B.V. (the Netherlands)
10. Cemex Egyptian Investments II B.V. (the Netherlands)
11. CEMEX France Gestion (S.A.S.) (France)
12. Cemex Research Group AG (Switzerland)
13. Cemex Shipping B.V. (the Netherlands)
14. CEMEX UK (United Kingdom)

FORM OF NOTE

[Include the following legend for Global Notes only:

“THIS IS A GLOBAL NOTE WITHIN THE MEANING OF THE INDENTURE REFERRED TO HEREINAFTER.

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE COMMON DEPOSITARY (AS DEFINED IN THE INDENTURE), TO THE ISSUER OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NOMINEE NAME OF THE COMMON DEPOSITARY OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE COMMON DEPOSITARY (AND ANY PAYMENT IS MADE TO THE COMMON DEPOSITARY OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE COMMON DEPOSITARY), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, THE COMMON DEPOSITARY, HAS AN INTEREST HEREIN.

TRANSFERS OF THIS GLOBAL SECURITY SHALL BE LIMITED TO TRANSFERS IN WHOLE, BUT NOT IN PART, TO NOMINEES OF THE COMMON DEPOSITARY OR TO A SUCCESSOR THEREOF OR SUCH SUCCESSOR’S NOMINEE AND TRANSFERS OF PORTIONS OF THIS GLOBAL SECURITY SHALL BE LIMITED TO TRANSFERS MADE IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN THE INDENTURE REFERRED TO ON THE REVERSE HEREOF.”]

[Include the following legend on all Notes that are Restricted Notes:

“THE NOTES EVIDENCED HEREBY HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), AND *[Include the following on all Regulation S Notes that are Restricted Notes: ,* PRIOR TO THE EXPIRATION OF THE 40-DAY DISTRIBUTION COMPLIANCE PERIOD (AS DEFINED IN REGULATIONS UNDER THE SECURITIES ACT),] MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (A) (1) TO CEMEX, S.A.B. DE C.V., (2) TO A PERSON WHO THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A AND TO WHOM NOTICE IS GIVEN THAT THE TRANSFER IS MADE IN RELIANCE ON RULE 144A, (3) IN AN OFFSHORE TRANSACTION COMPLYING WITH RULE 903 OR RULE 904 OF REGULATIONS

UNDER THE SECURITIES ACT, (4) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT (IF AVAILABLE), OR (5) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT AND (B) IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES. THIS LEGEND CAN ONLY BE REMOVED AT THE OPTION OF THE ISSUER.”]

[*Include the following on all Regulation S Notes that are Restricted Notes:* PRIOR TO THE EXPIRATION OF THE 40-DAY DISTRIBUTION COMPLIANCE PERIOD (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT),] EACH PERSON ACQUIRING AN OWNERSHIP INTEREST IN THE NOTES (1) SHALL BE DEEMED TO REPRESENT AND WARRANT THAT IT EITHER (A) IS A “QUALIFIED INSTITUTIONAL BUYER” (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT), (B) IS NOT A U.S. PERSON (AS DEFINED IN REGULATION S) AND IS OUTSIDE THE UNITED STATES OR (C) IS ACQUIRING SUCH OWNERSHIP INTEREST PURSUANT TO A VALID REGISTRATION STATEMENT OR IN ANOTHER TRANSACTION EXEMPT FROM SUCH REGISTRATION; (2) AGREES THAT [*Include the following on all Regulation S Notes that are Restricted Notes:* PRIOR TO THE EXPIRATION OF THE 40-DAY DISTRIBUTION COMPLIANCE PERIOD (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT),] (X) IT WILL NOT RESELL OR OTHERWISE TRANSFER THIS NOTE EXCEPT IN ACCORDANCE WITH THE FOREGOING RESTRICTIONS, AND IN ANY CASE IN COMPLIANCE WITH ALL APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES AND ANY OTHER APPLICABLE JURISDICTION; (Y) PRIOR TO SUCH TRANSFER, IT WILL FURNISH TO THE BANK OF NEW YORK MELLON, AS TRUSTEE (OR A SUCCESSOR TRUSTEE, AS APPLICABLE), SUCH CERTIFICATIONS, LEGAL OPINIONS OR OTHER INFORMATION AS THE TRUSTEE MAY REASONABLY REQUIRE TO CONFIRM THAT SUCH TRANSFER IS BEING MADE PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND (Z) IT WILL DELIVER TO EACH PERSON TO WHOM THIS SECURITY IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND. AS USED HEREIN, THE TERMS “UNITED STATES”, “U.S. PERSON” AND “OFFSHORE TRANSACTION” HAVE THE MEANINGS GIVEN TO THEM BY REGULATION S UNDER THE SECURITIES ACT.”]

[*Include the following legend on all Notes as the Mexican law legend:*

“THE NOTES EVIDENCED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED WITH THE NATIONAL SECURITIES REGISTRY (REGISTRO NACIONAL DE VALORES) MAINTAINED BY THE MEXICAN NATIONAL BANKING AND SECURITIES COMMISSION (COMISIÓN NACIONAL BANCARIA Y DE VALORES), AND MAY NOT BE OFFERED OR SOLD PUBLICLY, OR OTHERWISE BE SUBJECT TO BROKERAGE ACTIVITIES, IN MEXICO, EXCEPT THAT THE NOTES MAY BE OFFERED IN MEXICO TO

FORM OF FACE OF NOTE

4.375% Senior Secured Notes due 2023

No. Principal Amount €

*[If the Note is a Global Note include the following two lines:
as revised by the Schedule of Increases and
Decreases in Global Note attached hereto]*

ISIN NO. 1

COMMON CODE 2

CEMEX, S.A.B. de C.V., a publicly traded stock corporation with variable capital (*sociedad anónima bursátil de capital variable*) organized under the laws of the United Mexican States (together with its successors and assigns, the “Issuer”), promises to pay to The Bank of New York Depository (Nominees) Limited, or registered assigns, as the nominee of The Bank of New York Mellon, London Branch, as common depository for Clearstream Banking, *société anonyme* and Euroclear Bank S.A./N.V., the principal sum of Euros *[If the Note is a Global Note, add the following, as revised by the Schedule of Increases and Decreases in Global Note attached hereto]*, on March 5, 2023.

Interest Payment Dates: March 5 and September 5 of each year, commencing on September 5, 2015

Record Dates: February 18 and August 20

- 1 ISIN No. for Rule 144A Note: XS1198007574; ISIN No. for Regulation S Note: XS1198002690
- 2 Common Code for Rule 144A Note: 119800757; Common Code for Regulation S Note: 119800269

Additional provisions of this Note are set forth on the other side of this Note.

CEMEX, S.A.B. de C.V.

By: _____
Name:
Title:

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

THE BANK OF NEW YORK MELLON
as Trustee, certifies that this is one of the Notes referred to in the
Indenture.

By: _____
Authorized Signatory

Date: _____

FORM OF REVERSE SIDE OF NOTE

4.375% Senior Secured Notes due 2023

Capitalized terms used but not defined herein shall have the meanings assigned to them in the Indenture referred to below unless otherwise indicated.

1. Interest

CEMEX, S.A.B. de C.V., a publicly traded stock corporation with variable capital (*sociedad anónima bursátil de capital variable*) organized under the laws of the United Mexican States (together with its successors and assigns, the "Issuer"), promises to pay interest on the principal amount of this Note at the rate per annum shown above.

The Issuer will pay interest semiannually in arrears on each Interest Payment Date of each year commencing September 5, 2015; *provided*, that if any such Interest Payment Date is not a Business Day, then such payment shall be made on the next succeeding Business Day. Interest on the Notes will accrue from the most recent date to which interest has been paid on the Notes or, if no interest has been paid, from March 5, 2015; *provided*, that if there is no existing Default or Event of Default on the payment of interest, and if this Note is authenticated between a Record Date referred to on the face hereof and the next succeeding Interest Payment Date (but after March 5, 2015), interest shall accrue from such next succeeding Interest Payment Date, except in the case of the original issuance of Notes, in which case interest shall accrue from March 5, 2015. The Issuer shall pay interest (including post-petition interest in any proceeding under any Bankruptcy Law) on overdue principal at the then applicable interest rate on the Notes to the extent lawful; it shall pay interest (including post-petition interest in any proceeding under any Bankruptcy Law) on overdue installments of interest ("Defaulted Interest"), without regard to any applicable grace period, at the same rate to the extent lawful. Interest will be computed on the basis of a 360-day year of twelve 30-day months. Each interest period shall end on (but not include) the relevant interest payment date.

All payments made by the Issuer in respect of the Notes will be made free and clear of and without deduction or withholding for or on account of any Taxes imposed or levied by or on behalf of any Taxing Jurisdiction, unless such withholding or deduction is required by law or by the interpretation or administration thereof. In that event, the Issuer will pay to each Holder of the Notes Additional Amounts as provided in the Indenture subject to the limitations set forth in the Indenture.

2. Method of Payment

By at least 1:00 p.m. London time on the Business Day prior to the date on which any principal of or interest on any Note is due and payable, the Issuer shall irrevocably deposit with the Trustee or the Paying Agent money sufficient to pay such principal and/or interest. The Issuer will pay interest (except Defaulted Interest) on the applicable Interest Payment Date to the Persons who are registered Holders of Notes at the close of business on the Record Date preceding the Interest Payment Date even if Notes are canceled, repurchased or redeemed after the Record Date and on or before the relevant Interest Payment Date, except as provided in Section 2.13 of the Indenture with respect to Defaulted Interest. Holders must surrender Notes to a Paying Agent to collect principal payments. The Issuer will pay principal and interest in euros.

Payments in respect of Notes represented by a Global Note (including principal and interest) will be made by the transfer of immediately available funds to the accounts specified by Euroclear or Clearstream. The Issuer will make all payments in respect of a Certificated Note (including principal and interest) by mailing a check to the registered address of each registered Holder thereof as set forth in the Note Register; *provided, however*, that payments on the Notes may also be made, in the case of a Holder of at least €10,000,000 aggregate principal amount of Notes, by wire transfer to an account maintained by the payee if such Holder elects payment by wire transfer by giving written notice to the Trustee or the Paying Agent to such effect designating such account no later than 10 days immediately preceding the relevant due date for payment (or such other date as the Trustee may accept in its discretion).

3. Paying Agent and Registrar

Initially, The Bank of New York Mellon, the Trustee under the Indenture, will act as Trustee and Registrar and The Bank of New York Mellon, London Branch, will act as Paying Agent. The Issuer may appoint and change any Paying Agent, Registrar or co-Registrar without notice to any Holder. The Issuer, any Note Guarantor or any of their respective Affiliates may act as Paying Agent, Registrar or co-Registrar.

4. Indenture

The Issuer issued the Notes under an Indenture, dated as of March 5, 2015 (as it may be amended or supplemented from time to time in accordance with the terms thereof, the "Indenture"), among the Issuer, the Note Guarantors and the Trustee. The terms of the Notes include those stated in the Indenture. The Notes are subject to all such terms, and Holders are referred to the Indenture for a statement of those terms. Each Holder, by accepting a Note, agrees to be bound by all of the terms and provisions of the Indenture, as amended or supplemented from time to time.

The Notes are general senior obligations, which are secured by a first priority security interest in the Collateral on an equal and ratable basis with the other Permitted Secured Obligations, subject to the Collateral release provisions set forth in the Intercreditor Agreement. €550,000,000 in aggregate principal amount of Notes will be issued on the Issue Date. Subject to the conditions set forth in the Indenture and without the consent of the Holders, the Issuer may issue Additional Notes. All Notes will be treated as a single series of securities under the Indenture. The Indenture imposes certain limitations on, among other things, the ability of the Issuer and its Restricted Subsidiaries to: Incur Indebtedness, make Restricted Payments, incur Liens, designate Unrestricted Subsidiaries, make Asset Sales, enter into transactions with Affiliates, or consolidate or merge or transfer or convey all or substantially all of the Issuer's assets.

To guarantee the due and punctual payment of the principal of (and premium, if any) and interest on the Notes and all other amounts payable by the Issuer under the Indenture and the Notes when and as the same shall be due and payable, whether at maturity, by

acceleration or otherwise, according to the terms of the Notes and the Indenture, the Note Guarantors have unconditionally guaranteed, jointly and severally, such obligations pursuant to the terms of the Indenture. Each Note Guarantee will be subject to release as provided in the Indenture.

The obligations of each Note Guarantor in respect of its Note Guarantee will be limited to the maximum amount as will, after giving effect to all other contingent and fixed liabilities of such Note Guarantor and after giving effect to any collections from or payments made by or on behalf of any other Note Guarantor in respect of the obligations of such other Note Guarantor under its Note Guarantee or pursuant to its contribution obligations under the Indenture, result in the obligations of such Note Guarantor under its Note Guarantee not constituting a fraudulent conveyance, fraudulent transfer, or similar illegal transfer under federal or state law or the law of the jurisdiction of formation and incorporation of such Note Guarantors.

5. Optional Redemption

Except as stated below, the Issuer may not redeem the Notes. The Issuer may redeem the Notes, at its option, in whole at any time or in part from time to time, on and after March 5, 2019, at the following redemption prices, expressed as percentages of the principal amount thereof, if redeemed during the twelve-month period commencing on March 5 of any year set forth below, plus any accrued and unpaid interest on the principal amount of the Notes, if any, to the date of redemption:

<u>Year</u>	<u>Percentage</u>
2019	102.188%
2020	101.094%
2021 and thereafter	100.000%

provided, however, that the Issuer shall not have the right to exercise any such optional redemption at any time when the Issuer is prohibited from having such an option under the Facilities Agreement or the Credit Agreement.

Prior to March 5, 2019, the Issuer will have the right, at its option, to redeem any of the Notes, in whole or in part, at any time or from time to time prior to their maturity at a redemption price equal to the greater of (1) 100% of the principal amount of such Notes and (2) the sum of the present value of the redemption price of the Notes to be redeemed at March 5, 2019 (such redemption price being set forth in the table appearing above) plus each remaining scheduled payment of interest thereon during the period between the redemption date and March 5, 2019 (exclusive of interest accrued to the date of redemption), in each case, discounted to the Redemption Date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Bund Rate (as defined below) plus 50 basis points, plus, in each case any accrued and unpaid interest on the principal amount of the Notes, if any, to the date of redemption, *provided, however*, that the Issuer shall not have the right to exercise any such optional redemption at any time when the Issuer is prohibited from having such an option under the Facilities Agreement or the Credit Agreement.

“Bund Rate” means, with respect to any Redemption Date, the yield to maturity as of such Redemption Date of the Comparable German Bund Issue (as defined below), assuming a price for the Comparable German Bund Issue (expressed as a percentage of its principal amount) equal to the Comparable German Bund Price (as defined below) for such Redemption Date.

“Comparable German Bund Issue” means the German Bundesanleihe security selected by any Reference German Bund Dealer (as defined below) as having a fixed maturity most nearly equal to the period from such Redemption Date to and that would be utilized at the time of selection and in accordance with customary financial practice, in pricing new issues of Euro-denominated corporate debt securities in a principal amount approximately equal to the then outstanding principal amount of the Notes and of a maturity most nearly equal to March 5, 2019; *provided*, however, that, if the period from such Redemption Date to March 5, 2019 is not equal to the fixed maturity of the German Bundesanleihe security selected by such Reference German Bund Dealer (as defined below), the Bund Rate shall be determined by linear interpolation (calculated to the nearest one-twelfth of a year) from the yields of German Bundesanleihe securities for which such yields are given, except that if the period from such Redemption Date to March 5, 2019 is less than one year, a fixed maturity of one year shall be used.

“Comparable German Bund Price” means, with respect to any Redemption Date, the average of all Reference German Bund Dealer Quotations (as defined below) for such date (which, in any event, must include at least two such quotations), after excluding the highest and lowest such Reference German Bund Dealer Quotations, or if the Issuer obtains fewer than four such Reference German Bund Dealer Quotations, the average of such quotations.

“Reference German Bund Dealer” means any dealer of German Bundesanleihe securities appointed by the Issuer in good faith.

“Reference German Bund Dealer Quotations” means, with respect to each Reference German Bund Dealer and any Redemption Date, the average as determined by the Issuer in good faith of the bid and offered prices for the Comparable German Bund Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Issuer by such Reference German Bund Dealer at 3:30 p.m. Frankfurt, Germany, time on the third Business Day preceding the Redemption Date.

Optional Redemption upon Equity Offerings. At any time, or from time to time, on or prior to March 5, 2018, the Issuer may, at its option, use the net cash proceeds of one or more Equity Offerings to redeem in the aggregate up to 35% of the aggregate principal amount of the Notes issued pursuant to the Indenture at a redemption price equal to 104.375% of the principal amount thereof plus any accrued and unpaid interest on the principal amount of the Notes, if any, to the date of redemption; *provided*, that:

(a) after giving effect to any such redemption at least 65% of the aggregate principal amount of the Notes issued under the Indenture remains outstanding; and

(b) the Issuer shall make such redemption not more than 90 days after the consummation of such Equity Offering;

provided, however, that the Issuer shall not have the right to exercise any such optional redemption at any time when the Issuer is prohibited from exercising such an option under the Facilities Agreement or the Credit Agreement.

“Equity Offering” means any public or private sale of Qualified Capital Stock after the Issue Date for cash other than issuances to any Subsidiary of the Issuer.

Optional Redemption for Changes in Withholding Taxes. If, as a result of any amendment to, or change in, the laws (or any rules or regulations thereunder) of a Taxing Jurisdiction affecting taxation, or any amendment to or change in an official interpretation or application of such laws, rules or regulations that has a general effect, which amendment to or change of such laws, rules or regulations becomes effective on or after the Issue Date (which, in the case of a merger, consolidation or other transaction permitted and described under Article IV shall be treated for this purpose as the date of such transaction) the Issuer or any Note Guarantor would be obligated, after taking all reasonable measures to avoid this requirement, to pay Additional Amounts in excess of those attributable to a withholding tax rate of 10% with respect to the Notes (see “Additional Amounts”), then, at the Issuer’s option, all, but not less than all, of the Notes may be redeemed at any time on giving not less than 30 nor more than 60 days’ notice, at a redemption price equal to 100% of the outstanding principal amount, plus any accrued and unpaid interest on the principal amount of the Notes, if any, to the date of redemption; *provided, however*, that (1) no notice of redemption for tax reasons may be given earlier than 90 days prior to the earliest date on which the Issuer or any Note Guarantor would be obligated to pay these Additional Amounts if a payment on the Notes were then due, and (2) at the time such notice of redemption is given such obligation to pay such Additional Amounts remains in effect; *provided, further, however*, that the Issuer shall not have the right to exercise any such optional redemption at any time when the Issuer is prohibited from having such an option under the Facilities Agreement or the Credit Agreement.

Prior to the publication of any notice of redemption pursuant to this provision, the Issuer will deliver to the Trustee:

(a) an Officer’s Certificate stating that the Issuer is entitled to effect the redemption and setting forth a statement of facts showing that the conditions precedent to the Issuer’s right to redeem have occurred, and

(b) an opinion of outside legal counsel of recognized standing in the affected Taxing Jurisdiction to the effect that the Issuer has or will become obligated to pay such Additional Amounts as a result of such change or amendment.

This notice, once delivered by the Issuer to the Trustee, will be irrevocable.

In the case of any partial redemption, selection of the Notes for redemption will be made in accordance with Article V of the Indenture. On and after the Redemption Date, interest will cease to accrue on Notes or portions thereof called-for redemption as long as the Issuer has deposited with the Paying Agent funds in satisfaction of the applicable redemption price pursuant to the Indenture.

6. Mandatory Repurchase Provisions

Change of Control Offer. Upon the occurrence of a Change of Control, each Holder of Notes will have the right to require that the Issuer purchase all or a portion (in integral multiples of €1,000) of the Holder's Notes at a purchase price equal to 101% of the principal amount thereof, plus accrued and unpaid interest through the date of purchase. Within 30 days following the date upon which the Change of Control occurred, the Issuer must make a Change of Control Offer pursuant to a Change of Control Notice. As more fully described in the Indenture, the Change of Control Notice shall state, among other things, the Change of Control Payment Date, which must be no earlier than 30 days nor later than 60 days from the date the notice is mailed, other than as may be required by applicable law.

Asset Sale Offer. The Indenture imposes certain limitations on the ability of the Issuer and its Restricted Subsidiaries to make Asset Sales. In the event the proceeds from a permitted Asset Sale exceed certain amounts and are not applied as specified in the Indenture, the Issuer will be required to make an Asset Sale Offer to purchase to the extent of such remaining proceeds each Holder's Notes together with holders of certain other Indebtedness at 100% of the principal amount thereof, plus accrued interest (if any) to the Asset Sale Offer Payment Date, as more fully set forth in the Indenture.

7. Denominations; Transfer; Exchange

The Notes are in fully registered form without coupons, and only in denominations of principal amount of €100,000 and in integral multiples of €1,000 in excess thereof. A Holder may transfer or exchange Notes in accordance with the Indenture. The Registrar may require a Holder, among other things, to furnish appropriate endorsements or transfer documents and to pay any taxes and fees required by law or permitted by the Indenture. The Registrar shall not be required to register the transfer or exchange of (x) any Note for a period beginning: (1) 15 days before the mailing of a notice of an offer to repurchase or redeem Notes and ending at the close of business on the day of such mailing or (2) 15 days before an Interest Payment Date and ending on such Interest Payment Date and (y) any Note selected for repurchase or redemption, except the unredeemed or unrepurchased portion thereof, if any.

8. Persons Deemed Owners

The registered holder of this Note may be treated as the owner of it for all purposes.

9. Unclaimed Money

If money for the payment of principal or interest remains unclaimed for two years, the Trustee or Paying Agent shall pay the money back to the Issuer at its request unless an abandoned property law designates another Person. After any such payment, Holders entitled to the money must look only to the Issuer and not to the Trustee for payment.

10. Discharge Prior to Redemption or Maturity

Subject to certain conditions set forth in the Indenture, the Issuer at any time may terminate some or all of its obligations under the Notes and the Indenture if the Issuer deposits with the Trustee euros or European Government Obligations for the payment of principal of and interest on the Notes to redemption or maturity, as the case may be.

11. Amendment, Waiver

Subject to certain exceptions set forth in the Indenture, (i) the Indenture or the Notes may be amended or supplemented with the written consent of the Holders of at least a majority in principal amount of the then Outstanding Notes and (ii) any default (other than with respect to nonpayment or in respect of a provision that cannot be amended or supplemented without the written consent of each Holder affected) or noncompliance with any provision may be waived with the written consent of the Holders of a majority in aggregate principal amount of the then Outstanding Notes. Subject to certain exceptions set forth in the Indenture, without the consent of any Holder, the Issuer and the Trustee may amend or supplement the Indenture or the Notes to, among other things, cure any ambiguity, omission, defect or inconsistency, or to comply with Article IV of the Indenture, or to provide for uncertificated Notes in addition to or in place of certificated Notes, or to add guarantees with respect to the Notes or to secure the Notes, or to add additional covenants or surrender rights and powers conferred on the Issuer or the Note Guarantors, or to make any change that does not adversely affect the rights of any Holder, or to provide for the issuance of Additional Notes.

12. Defaults and Remedies

If an Event of Default occurs and is continuing, the Trustee or the Holders of at least 25% in principal amount of the Outstanding Notes may declare all the Notes to be due and payable immediately. A Bankruptcy Event of Default will result in the Notes being due and payable immediately upon the occurrence of such Bankruptcy Event of Default.

Holdings may not enforce the Indenture or the Notes except as provided in the Indenture. The Trustee may refuse to enforce the Indenture or the Notes unless it receives reasonable indemnity or security. Subject to certain limitations, Holders of a majority in principal amount of the Outstanding Notes may direct the Trustee in its exercise of any trust or power. The Trustee may withhold from Holders notice of any continuing Default or Event of Default (except a Default or Event of Default in payment of principal or interest) if it determines that withholding notice is in their interest.

13. Trustee Dealings with the Issuer and the Note Guarantors

Subject to certain limitations set forth in the Indenture, the Trustee under the Indenture, in its individual or any other capacity, may become the owner or pledgee of Notes and may otherwise deal with and collect obligations owed to it by the Issuer, any Note Guarantor or its Affiliates and may otherwise deal with the Issuer, any Note Guarantor or its Affiliates with the same rights it would have if it were not Trustee.

14. No Recourse Against Others

An incorporator, director, officer, employee, stockholder or controlling person, as such, of the Issuer or any Note Guarantor shall not have any liability for any obligations of the Issuer or any Note Guarantor under the Notes or the Indenture or for any claims based on, in respect of or by reason of such obligations or their creation. By accepting a Note, each holder waives and releases all such liability.

15. Authentication

Any Officer of the Issuer may sign the Notes for the Issuer by manual or facsimile signature. This Note shall not be valid until an authorized signatory of the Trustee (or an Authenticating Agent) manually signs the certificate of authentication on the other side of this Note.

16. Abbreviations

Customary abbreviations may be used in the name of a Holder or an assignee, such as TEN COM (= tenants in common), TEN ENT (= tenants by the entirety), JT TEN (= joint tenants with rights of survivorship and not as tenants in common), CUST (=custodian) and U/G/M/A (= Uniform Gift to Minors Act).

17. ISIN Numbers

Pursuant to a recommendation promulgated by the Committee on Uniform Security Identification Procedures the Issuer has caused ISIN or other similar numbers to be printed on the Notes and has directed the Trustee to use ISIN numbers in notices of redemption as a convenience to Holders. No representation is made as to the accuracy of such numbers either as printed on the Notes or as contained in any notice of redemption and reliance may be placed only on the other identification numbers placed thereon.

18. Governing Law

This Note shall be governed by, and construed in accordance with, the laws of the State of New York.

19. Currency of Account; Conversion of Currency.

Euro is the sole currency of account and payment for all sums payable by the Issuer and the Note Guarantors under or in connection with the Notes or the Indenture, including damages. The Issuer and the Note Guarantors will indemnify the Holders as provided in respect of the conversion of currency relating to the Notes and the Indenture.

Notwithstanding the foregoing or any provision of the Notes or the Indenture to the contrary, if the euro is unavailable to the Issuer due to the imposition of exchange controls or other circumstances beyond the control of the Issuer or if the euro is no longer being used by the then member states of the European Union that have adopted the euro as their currency or for the settlement of transactions by public institutions of or within the international banking

community, then the Issuer will be entitled, until the euro is again available to the Issuer or so used, to satisfy its payment obligations in respect of the Notes and the Indenture by making such payments in U.S. dollars. The amount payable on any date in euro will be converted into U.S. dollars at the rate mandated by the U.S. Federal Reserve Board as of the close of business on the second New York Business Day prior to the relevant payment date or, in the event the U.S. Federal Reserve Board has not mandated a rate of conversion, on the basis of the most recent U.S. dollar/euro exchange rate published in *The Wall Street Journal* on or prior to the second New York Business Day prior to the relevant payment date. Any payment in respect of the Notes or the Indenture so made in U.S. dollars will not constitute an Event of Default under the Notes or the Indenture.

20. Agent for Service; Submission to Jurisdiction; Waiver of Immunities.

The Issuer and the Note Guarantors have agreed that any suit, action or proceeding against the Issuer or any Note Guarantor brought by any Holder or the Trustee arising out of or based upon the Indenture or the Notes may be instituted in any state or federal court in the City of New York and County of New York and in the courts of their respective corporate domiciles, in respect of actions brought against them as defendants. The Issuer and the Note Guarantors have irrevocably submitted to the jurisdiction of such courts for such purpose and waived, to the fullest extent permitted by law, trial by jury and any objection it may now or hereafter have to the laying of venue of any such proceeding, and any claim it may now or hereafter have that any proceeding in any such court is brought in an inconvenient forum. The Issuer and the Note Guarantors (other than CEMEX Corp. and CEMEX Finance LLC) have appointed CEMEX NY Corporation, 590 Madison Avenue, 41st Floor, New York, NY 10022, as each of their authorized agent upon whom all writs, process and summonses may be served in any suit, action or proceeding arising out of or based upon the Indenture or the Notes which may be instituted in any state or federal court in the City of New York and County of New York. To the extent that any of the Issuer and the Note Guarantors have or hereafter may acquire any immunity (sovereign or otherwise) from any legal action, suit or proceeding, from jurisdiction of any court or from set-off or any legal process (whether service or notice, attachment in aid or otherwise) with respect to itself or any of its property, the Issuer and the Note Guarantors have irrevocably waived and agreed not to plead or claim such immunity in respect of its obligations under the Indenture or the Notes.

The Issuer will furnish to any Holder upon written request and without charge to the Holder a copy of the Indenture which has in it the text of this Note in larger type. Requests may be made to:

CEMEX, S.A.B. de C.V.

Av. Ricardo Margáin Zozaya # 325
Colonia Valle del Campestre
Garza García, Nuevo León, México 66265
Tel: +5281-8888-8888

ASSIGNMENT FORM

To assign this Note, fill in the form below:

I or we assign and transfer this Note to

 (Print or type assignee's name, address and zip code)

 (Insert assignee's soc. sec. or tax I.D. No.)

and irrevocably appoint _____ as agent to transfer this Note on the books of the Issuer. The agent may substitute another to act for him.

Date: _____ Your Signature: _____

Signature Guarantee: _____
 (Signature must be guaranteed)

Sign exactly as your name appears on the other side of this Note.

The signature(s) should be guaranteed by an eligible guarantor institution (banks, stockbrokers, savings and loan associations and credit unions with membership in an approved signature guarantee medallion program), pursuant to Exchange Act Rule 17Ad-15.

To be attached to Global Notes only:

SCHEDULE OF INCREASES OR DECREASES IN GLOBAL NOTE

The following increases or decreases in this Global Note have been made:

<u>Date of Exchange</u>	<u>Amount of decrease in Principal Amount of this Global Note</u>	<u>Amount of increase in Principal Amount of this Global Note</u>	<u>Principal Amount of this Global Note following such decrease or increase</u>	<u>Signature of authorized signatory of Trustee or Note Custodian</u>

OPTION OF HOLDER TO ELECT PURCHASE

If you want to elect to have this Note purchased by the Issuer pursuant to Section 3.8 or Section 3.12 of the Indenture, check either box:

Section 3.8

Section 3.12

If you want to elect to have only part of this Note purchased by the Issuer pursuant to Section 3.12 of the Indenture, state the principal amount (which must be in minimum denominations of €100,000 and in an integral multiple of €1,000): €

Date: _____

Your Signature _____
(Sign exactly as your name appears on the other side of the Note)

Signature Guarantee: _____
(Signature must be guaranteed)

The signature(s) should be guaranteed by an eligible guarantor institution (banks, stockbrokers, savings and loan associations and credit unions with membership in an approved signature guarantee medallion program), pursuant to Exchange Act Rule 17Ad-15.

FORM OF CERTIFICATION FOR TRANSFER PURSUANT TO REGULATION S

[Date]

The Bank of New York Mellon
101 Barclay Street – 7E
New York, NY 10286
Attention: International Corporate Trust

Re: 4.375% Senior Secured Notes due 2023 (the “Notes”) of
CEMEX, S.A.B. de C.V. (the “Issuer”) – ISIN: XS1198002690

Ladies and Gentlemen:

Reference is hereby made to the Indenture, dated as of March 5, 2015 (as amended and supplemented from time to time, the “Indenture”), among the Issuer, the Note Guarantors named therein and The Bank of New York Mellon, as Trustee. Capitalized terms used but not defined herein shall have the meanings given them in the Indenture or Regulation S under the Securities Act of 1933, as amended (the “Securities Act”), as the case may be.

In connection with our proposed transfer of € aggregate principal amount of the Notes, which represent an interest in a Rule 144A Global Note beneficially owned by the undersigned (“Transferor”), we confirm that such transfer has been effected pursuant to and in accordance with Regulation S and, accordingly, we represent that:

(a) the offer of the Notes was not made to a person in the United States;

(b) either (i) at the time the buy order was originated, the transferee was outside the United States or we and any person acting on our behalf reasonably believed that the transferee was outside the United States or (ii) the transaction was executed in, on or through the facilities of a designated off-shore securities market and neither we nor any person acting on our behalf knows that the transaction has been pre-arranged with a buyer in the United States;

(c) no directed selling efforts have been made in the United States in contravention of the requirements of Rule 903(b) or Rule 904(b) of Regulation S, as applicable;

(d) the transaction is not part of a plan or scheme to evade the registration requirements of the Securities Act; and

(e) we are the beneficial owner of the principal amount of Notes being transferred.

In addition, if the transfer is made during a Distribution Compliance Period and the provisions of Rule 904(b)(1) or Rule 904(b)(2) of Regulation S are applicable thereto, we confirm that such transfer has been made in accordance with the applicable provisions of Rule 904(b)(1) or Rule 904(b)(2), as the case may be.

You, the Issuer and the Note Guarantors are entitled to rely upon this letter and are irrevocably authorized to produce this letter or a copy hereof to any interested party in any administrative or legal proceedings or official inquiry with respect to the matters covered hereby.

Very truly yours,

[Name of Transferor]

By: _____

Authorized Signature]

Signature Guarantee: _____
(Signature must be guaranteed)

The signature(s) should be guaranteed by an eligible guarantor institution (banks, stockbrokers, savings and loan associations and credit unions with membership in an approved signature guarantee medallion program), pursuant to Exchange Act Rule 17Ad-15.

FORM OF CERTIFICATION FOR TRANSFER PURSUANT TO RULE 144

The Bank of New York Mellon
101 Barclay Street – 7E
New York, NY 10286
Attention: International Corporate Trust

[Date]

Re: 4.375% Senior Secured Notes due 2023 (the “Notes”) of
CEMEX, S.A.B. de C.V. (the “Issuer”) – ISIN: XS1198007574

Ladies and Gentlemen:

Reference is hereby made to the Indenture, dated as of March 5, 2015 (as amended and supplemented from time to time, the “Indenture”), among the Issuer, the Note Guarantors named therein and The Bank of New York Mellon, as Trustee. Capitalized terms used but not defined herein shall have the meanings given them in the Indenture.

In connection with our proposed transfer of € aggregate principal amount of the Notes, which represent an interest in a 144A Global Note beneficially owned by the undersigned (“Transferor”), we confirm that such transfer has been effected pursuant to and in accordance with Rule 144 under the Securities Act.

You, the Issuer and the Note Guarantors are entitled to rely upon this letter and are irrevocably authorized to produce this letter or a copy hereof to any interested party in any administrative or legal proceedings or official inquiry with respect to the matters covered hereby.

Very truly yours,

[Name of Transferor]

By: _____

Authorized Signature

Signature Guarantee: _____
(Signature must be guaranteed)

The signature(s) should be guaranteed by an eligible guarantor institution (banks, stockbrokers, savings and loan associations and credit unions with membership in an approved signature guarantee medallion program), pursuant to Exchange Act Rule 17Ad-15.

FORM OF CERTIFICATION FOR TRANSFER PURSUANT TO RULE 144A

[Date]

The Bank of New York Mellon
101 Barclay Street – 7E
New York, NY 10286
Attention: International Corporate Trust

Re: 4.375% Senior Secured Notes due 2023 (the “Notes”) of
CEMEX, S.A.B. de C.V. (the “Issuer”) – ISIN: XS1198007574

Ladies and Gentlemen:

Reference is hereby made to the Indenture, dated as of March 5, 2015 (as amended and supplemented from time to time, the “Indenture”), among the Issuer, the Note Guarantors named therein and The Bank of New York Mellon, as Trustee. Capitalized terms used but not defined herein shall have the meanings given them in the Indenture.

In connection with our proposed transfer of € _____ aggregate principal amount of the Notes, which represent an interest in a Regulation S Global Note beneficially owned by the undersigned (“Transferor”), we confirm that such transfer has been effected pursuant to and in accordance with Rule 144A under the Securities Act of 1933, as amended, and, accordingly, we represent that the beneficial interest will be transferred to a Person that we reasonably believe is purchasing the beneficial interest for its own account, or for one or more accounts with respect to which such Person exercises sole investment discretion, and such Person and each such account is a “qualified institutional buyer” within the meaning of Rule 144A in a transaction meeting the requirements of Rule 144A and such transfer is in compliance with any applicable blue sky securities laws of any state of the United States.

You, the Issuer and the Note Guarantors are entitled to rely upon this letter and are irrevocably authorized to produce this letter or a copy hereof to any interested party in any administrative or legal proceedings or official inquiry with respect to the matters covered hereby.

Very truly yours,

[Name of Transferor]

By: _____

Authorized Signature]

Signature Guarantee: _____
(Signature must be guaranteed)

The signature(s) should be guaranteed by an eligible guarantor institution (banks, stockbrokers, savings and loan associations and credit unions with membership in an approved signature guarantee medallion program), pursuant to Exchange Act Rule 17Ad-15.

“CONSOLIDATED LEVERAGE RATIO” AND RELATED DEFINITIONS

The definition of “Consolidated Leverage Ratio” comes from the 2009 Financing Agreement, as in effect immediately prior to giving effect to the amendment and restatement thereof on September 17, 2012, and is to be used solely for purposes of calculating the Consolidated Leverage Ratio in the context of determining whether a Partial Covenant Suspension Event has occurred.

“**2012 CB Amount**” means an aggregate amount equal to the Relevant Existing Financial Indebtedness maturing on or prior to the 2012 CB Maturity Date.

“**2012 CB Maturity Date**” means the final maturity date of the Relevant Existing Financial Indebtedness maturing in September, 2012 (being 21 September, 2012).

“**Acceptable Bank**” means:

- (a) a bank or financial institution which has a rating for its long-term unsecured and non credit-enhanced debt obligations of A- or higher by S&P or A- or higher by Fitch or A3 or higher by Moody’s or a comparable rating from an internationally recognised credit rating agency;
- (b) any other bank or financial institution in a jurisdiction in which a member of the Group conducts commercial operations where such member of the Group, in the ordinary course of trading, subscribes for certificates of deposit issued by such bank or financial institution; or
- (c) any other bank or financial institution approved by the Administrative Agent.

“**Accession Letter**” means a document substantially in the form set out in Schedule 4 (*Form of Accession Letter*) of the 2009 Financing Agreement.

“**Additional Guarantor**” means a company that becomes an Additional Guarantor in accordance with Clause 28 (*Changes to the Obligors*) of the 2009 Financing Agreement.

“**Additional Security Provider**” means a company that becomes an Additional Security Provider in accordance with Clause 28 (*Changes to the Obligors*) of the 2009 Financing Agreement.

“**Administrative Agent**” means Citibank International PLC, as administrative agent of the Finance Parties (other than itself) under the 2009 Financing Agreement.

“**Affiliate**” means, in relation to any person, a Subsidiary of that person or a Holding Company of that person or any other Subsidiary of that Holding Company.

“**Applicable GAAP**” means:

- (a) in the case of the Issuer, Mexican FRS or, if adopted by the Issuer in accordance with Clause 22.3 (*Requirements as to financial statements*) of the 2009 Financing Agreement, IFRS;

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- (b) in the case of CEMEX España, Spanish GAAP or, if adopted by CEMEX España in accordance with Clause 22.3 (*Requirements as to financial statements*) of the 2009 Financing Agreement, IFRS; and
 - (c) in the case of any other Obligor, the generally accepted accounting principles applying to it in the country of its incorporation or in a jurisdiction agreed to by the Administrative Agent or, if adopted by the relevant Obligor, IFRS.

“**Authorised Signatory**” means, in relation to any Obligor, any person who is duly authorised and in respect of whom the Administrative Agent has received a certificate signed by a director or another Authorised Signatory of such Obligor setting out the name and signature of such person and confirming such person’s authority to act.

“**Banobras Facility**” means a revolving loan agreement (*Contrato de Apertura de Crédito en Cuenta Corriente*) between CEMEX CONCRETOS, S.A. de C.V., as borrower and Banco Nacional de Obras y Servicios Públicos, Sociedad Nacional de Crédito, Institución de Banca de Desarrollo, as lender (“**Banobras**”), in an aggregate principal amount equal to Mex\$5,000,000,000.00 (five billion pesos), dated April 22, 2009, which was formalized by means of public deeds number 116,380 and 116,381 dated April 22, 2009, granted before Mr. José Angel Villalobos Magaña, notary public number 9 for Mexico, Federal District, as such facility may be amended from time to time.

“**Base Currency**” means US dollars.

“**Base Currency Amount**” means on any date:

- (a) in relation to an amount or Exposure denominated in the Base Currency, that amount or the amount of that Exposure; and
- (b) in relation to an amount or Exposure denominated in a currency other than the Base Currency, that amount or the amount of that Exposure converted into the Base Currency at:
 - (i) for the purposes of determining the Majority Participating Creditors, the exchange rate displayed on the appropriate Reuters screen at or about 11:00 a.m. London time on the date on which such determination is made (or if the agreed page is replaced or services cease to be available, the Administrative Agent may specify another page or service displaying the appropriate rate after consultation with the Issuer and the Participating Creditors); and
 - (ii) for all other purposes, the exchange rate displayed on the appropriate Reuters screen at or about 11:00 a.m. London time on the date which is five Business Days before that date (or if the agreed page is replaced or services cease to be available, the Administrative Agent may specify another page or service displaying the appropriate rate after consultation with the Issuer and the Participating Creditors).

“**Bilateral Bank Facilities**” means the facilities described in Part IB of Part II of Schedule 1 (*The Original Participating Creditors*) of the 2009 Financing Agreement.

“**Borrower**” means an Original Borrower unless it has ceased to be a Borrower in accordance with Clause 28.2 (*Resignation of a Borrower*) of the 2009 Financing Agreement.

“**Business Day**” means a day (other than a Saturday or Sunday) on which banks are open for general business in London, Madrid, New York, Amsterdam and Mexico City (in the case of Mexico City, if applicable, as specified by a governmental authority), and:

- (a) (in relation to any date for payment or lending or purchase of, or the determination of an interest rate or rate of exchange in relation to, a currency other than euro) the principal financial centre of the country of that currency; or
- (b) (in relation to any date for payment or lending or purchase of, or the determination of an interest rate or rate of exchange in relation to, euro) any TARGET Day.

“**Business Plan**” means the five year business plan of the Group delivered in conjunction with the 2009 Financing Agreement.

“**Capital Expenditure**” means any expenditure or obligation in respect of expenditure which, in accordance with Applicable GAAP of the Issuer, is treated as capital expenditure (and including the capital element of any expenditure or obligation incurred in connection with a Capital Lease) (and, solely for the purposes of paragraph (c) of Clause 23.2 (*Financial condition*) of the 2009 Financing Agreement, the maximum amount of Capital Expenditure of the Group permitted in the Financial Year ending on or about 31 December 2009 will be increased by an amount not exceeding \$50,000,000 in aggregate to the extent necessary to take into account currency fluctuations or additional costs and expenses contemplated by (or that have occurred since the date of) the Business Plan).

“**Capital Lease**” means, as to any person, the obligations of such person to pay rent or other amounts under any lease of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, which obligations are required to be classified and accounted for as capital leases on a balance sheet of the Issuer under Applicable GAAP and the amount of such obligations at any time shall be the capitalized amount thereof at such time determined in accordance with Applicable GAAP of the Issuer.

“**Capital Stock**” means any and all shares, interests, participations or other equivalents (however designed) of capital stock of a corporation, any and all equivalent ownership interests in a person (other than a corporation) and any and all warrants, rights or options to purchase any of the foregoing.

“**Cash Equivalent Investments**” means at any time:

- (a) certificates of deposit maturing within one year after the relevant date of calculation and issued by an Acceptable Bank;
- (b) any investment in marketable debt obligations issued or expressly guaranteed by the government of Mexico, the United States of America (or

any state thereof (including any political subdivision of such state)), the United Kingdom, any member state of the European Economic Area or any Participating Member State or any member state of NAFTA (or any other jurisdiction in which a member of the Group conducts commercial operations if that member of the Group makes investments in such debt obligations in the ordinary course of its trading) or by an instrumentality or agency of any of them having an equivalent credit rating, maturing within one year after the relevant date of calculation and not convertible or exchangeable to any other security;

- (c) commercial paper not convertible into or exchangeable for any other security:
 - (i) for which a recognised trading market exists;
 - (ii) issued by an issuer incorporated in Mexico, the United States of America (or any state thereof (including any political subdivision of such state)), the United Kingdom, any member state of the European Economic Area or any Participating Member State or any member state of NAFTA (or any other jurisdiction in which a member of the Group makes investments in such debt obligations in the ordinary course of trading);
 - (iii) which matures within one year after the relevant date of calculation; and
 - (iv) which has a credit rating of either A-1 or higher by S&P or F 1 or higher by Fitch or P-1 or higher by Moody's, or, if no rating is available in respect of the commercial paper, the issuer of which has, in respect of its long-term unsecured and non-credit enhanced debt obligations, an equivalent rating;
- (d) sterling bills of exchange eligible for rediscount at the Bank of England and accepted by an Acceptable Bank (or their dematerialised equivalent);
- (e) any investment in money market funds which (i) have a credit rating of either A-1 or higher by S&P or F1 or higher by Fitch or P-1 or higher by Moody's, (ii) which invest substantially all their assets in securities of the types described in paragraphs (a) to (d) above and (f) and (g) below and (iii) can be turned into cash on not more than 30 days' notice; or
- (f) any deposit issued by any of Nacional Financiera, S.N.C., Banco Nacional de Comercio Exterior, S.N.C., Banco Nacional de Obras y Servicios Publicos, S.N.C. or any other development bank controlled by the Mexican government;
- (g) any other debt instrument rated "investment grade" (or the local equivalent thereof according to local criteria in a country in which any member of the

Group conducts commercial operations and in which local pensions are permitted by law to invest) with maturities of 12 months or less from the date of acquiring such investment;

- (h) investments in mutual funds, managed by banks or financial institutions, with a local currency credit rating of at least MxAA by S&P or equivalent by any other reputable local rating agency, that invest principally in marketable direct obligations issued by the Mexican government, or issued by any agency or instrumentality thereof; and
- (i) any other debt security, certificate of deposit, commercial paper, bill of exchange, investment in money market funds or material funds approved by the Majority Participating Creditors, in each case, to which any member of the Group is alone (or together with other members of the Group) beneficially entitled at that time and which is not issued or guaranteed by any member of the Group or subject to any Security (other than Security arising under the Transaction Security Documents).

“CB Cash Replenishment Amount” means, for a particular Relevant Prepayment Period, the amount of cash in hand of the Issuer on a consolidated basis to be applied by the Issuer to the CB Reserve pursuant to paragraph (b) of Clause 13.3 (*Mandatory prepayments: Certificados Bursátiles Reserve*) of the 2009 Financing Agreement at any time during that Relevant Prepayment Period **provided that** such amount, together with the CB Disposal Proceeds Replenishment Amount applicable to that Relevant Prepayment Period, may not exceed the CB Reserve Shortfall at that time.

“CB Disposal Proceeds Replenishment Amount” means for a particular Relevant Prepayment Period, the amount of any Disposal Proceeds received by any member of the Group during that Relevant Prepayment Period to be applied by the Issuer to the CB Reserve pursuant to paragraph (b) of Clause 13.3 (*Mandatory prepayments: Certificados Bursátiles Reserve*) of the 2009 Financing Agreement **provided that** such amount, together with the CB Cash Replenishment Amount applicable to that Relevant Prepayment Period, may not exceed the CB Reserve Shortfall at that time.

“CB Reserve” means the reserve created by the Issuer or any of its Subsidiaries for the purposes of holding the proceeds of any Permitted Fundraising that, as set out in the relevant CB Reserve Certificate, are to be applied in accordance with Clause 13.3 (*Mandatory prepayments: Certificados Bursátiles Reserve*) of the 2009 Financing Agreement.

“CB Reserve Certificate” means a certificate signed by a Responsible Officer of the Issuer setting out, with respect to a Permitted Fundraising the net cash proceeds of which are to be applied in accordance with Clause 13.3 (*Mandatory prepayments: Certificados Bursátiles Reserve*) of the 2009 Financing Agreement:

- (i) the amount of proceeds from the relevant Permitted Fundraising that the Issuer wishes to be applied to the CB Reserve (such amount to not exceed the aggregate amount of the Relevant Existing Financial Indebtedness that is due to mature within the Relevant Prepayment Period to which it applies); and
- (ii) specific details of the Relevant Existing Financial Indebtedness to which any amounts are designated by the Issuer to be applied including the total aggregate amount of such Relevant Existing Financial Indebtedness and the date on which such Relevant Existing Financial Indebtedness matures.

“CB Reserve Shortfall” means at any time, for a particular Relevant Prepayment Period, an amount equal to the lower of:

- (i) the aggregate amount of (A) any voluntary prepayments made to Participating Creditors pursuant to Clause 12.2 (*Voluntary prepayment of Exposures*) of the 2009 Financing Agreement from proceeds standing to the credit of the CB Reserve in that Relevant Prepayment Period and (B) the 2012 CB Amount; and
- (ii) the principal amount of any Relevant Existing Financial Indebtedness then outstanding in that Relevant Prepayment Period.

“Change of Control” means that the beneficial ownership (within the meaning of Rule 13d-3 promulgated by the SEC under the Securities Exchange Act of 1934, as amended) of 20 per cent. or more in voting power of the outstanding voting stock of the Issuer is acquired by any person, **provided that** the acquisition of beneficial ownership of capital stock of the Issuer by Lorenzo H. Zambrano or any member of his immediate family shall not constitute a Change of Control.

“Charged Property” means all of the assets of the Security Providers which from time to time are, or are expressed to be, the subject of the Transaction Security.

“Compliance Certificate” means a certificate substantially in the form set out in Schedule 5 (*Form of Compliance Certificate*) of the 2009 Financing Agreement.

“Consolidated Coverage Ratio” means, on any date of determination, the ratio of (a) EBITDA for the one (1) year period ending on such date to (b) Consolidated Interest Expense for the one (1) year period ending on such date.

“Consolidated Debt” means, at any date, the sum (without duplication) of (a) the aggregate amount of all Debt of the Issuer and its Subsidiaries at such date, which shall include the amount of any recourse in respect of Inventory Financing permitted under paragraph (e) of the definition of Permitted Financial Indebtedness, *plus* (b) to the extent not included in Debt, the aggregate net mark-to-market amount of all derivative financing in the form of equity swaps outstanding at such date (except to the extent such exposure is cash collateralized to the extent permitted under the Finance Documents).

“Consolidated Funded Debt” means, for any period, Consolidated Debt less the sum (without duplication) of (i) all obligations of such person to pay the deferred purchase price of property or services, (ii) all obligations of such person as lessee under Capital Leases, and (iii) all obligations of such person with respect to product invoices incurred in connection with export financing.

“Consolidated Interest Expense” means, for any period, the sum of the (1) total gross cash and non cash interest expense of the Issuer and its consolidated Subsidiaries relating to Consolidated Funded Debt of such persons, (2) any amortization or accretion of debt discount or any interest paid on Consolidated Funded Debt of such person and its Subsidiaries in the form of additional Financial Indebtedness (but excluding any amortization of deferred financing and debt

issuance costs), (3) the net costs under Treasury Transactions in respect of interest rates (but excluding amortization of fees), (4) any amounts paid in cash on preferred stock, and (5) any interest paid or accrued in respect of Consolidated Funded Debt without a maturity date, regardless of whether considered interest expense under Applicable GAAP of the Issuer. For purposes of calculating Consolidated Interest Expense for the Reference Period ending 30 June 2010, \$131,406,696.17 shall be deducted, constituting the amount of interest paid in respect of perpetual debentures on 1 July 2009 for the period ending 30 June 2009.

“**Consolidated Leverage Ratio**” means, on any date of determination, the ratio of (a) Consolidated Funded Debt on such date to (b) EBITDA for the one (1) year period ending on such date.

“**Core Bank Facilities**” means the Syndicated Bank Facilities, the Bilateral Bank Facilities and the Promissory Notes.

“**Creditor’s Representative**” means:

- (a) with respect to each of the Syndicated Bank Facilities, the person appointed as the agent of the creditors in relation to such Facility under the Existing Finance Documents relating to such Facility;
- (b) with respect to each other Core Bank Facility, the Participating Creditor with an Exposure under that Facility; and
- (c) with respect to each USPP Note, the Participating Creditor with an Exposure under that USPP Note.

“**Debt**” of any person means, without duplication, (i) all obligations of such person for borrowed money, (ii) all obligations of such person evidenced by bonds, debentures, notes or other similar instruments, including the perpetual bonds, (iii) the aggregate net mark-to-market of Treasury Transactions (except to the extent such exposure is cash collateralized to the extent permitted under the Finance Documents) of such person but excluding Treasury Transactions relating to the rate or price of energy or any commodity, (iv) all obligations of such person to pay the deferred purchase price of property or services, except trade accounts payable arising in the ordinary course of trading, (v) all obligations of such person as lessee under Capital Leases, (vi) all Debt of others secured by Security on any asset of such person, up to the value of such asset, (vii) all obligations of such person with respect to product invoices incurred in connection with export financing, (viii) all obligations of such person under repurchase agreements for the stock issued by such person or another person, (ix) all obligations of such person in respect of Inventory Financing permitted under paragraph (e) of the definition of Permitted Financial Indebtedness and (x) all guarantees of such person in respect of any of the foregoing **provided, however**, that for the purposes of calculating the Consolidated Funded Debt element of the Consolidated Leverage Ratio, Relevant Convertible/Exchangeable Obligations shall be excluded from each of the foregoing paragraphs (i) to (x) inclusive (**provided that**, in the case of outstanding Financial Indebtedness under any Relevant Convertible/Exchangeable Obligations (1) only the principal amount thereof shall be excluded and (2) such exclusion shall apply only for so long as such amounts remain subordinated in accordance with the terms of that definition) and (b) amounts falling within paragraph (v) of the definition of Excluded Fundraising Proceeds, for the period in which they are held by the Issuer or any member of the Group pending

application in accordance with the terms of the 2009 Financing Agreement, shall be deducted from the aggregate Debt calculation resulting from this definition. For the avoidance of doubt, all letters of credit, banker's acceptances or similar credit transactions, including reimbursement obligations in respect thereof are not Debt until they are required to be funded.

"Debt Documents" means the Finance Documents, the "Refinancing Documents" (as defined in the Intercreditor Agreement) and the "Noteholder Documents" (as defined in the Intercreditor Agreement).

"Debt Reduction Satisfaction Date" means the first date following 30 September 2010 on which:

- (a) the Base Currency Amount of the Exposures of Participating Creditors under the Facilities (calculated as at the date that any reduction of Exposures occurs and in accordance with the 2009 Financing Agreement) has been reduced by an aggregate amount equal to at least U.S.\$1,000,000,000 compared to the Exposures of Participating Creditors under the Facilities as at 30 September 2010; and
- (b) the amount of Consolidated Funded Debt is at least U.S.\$1,000,000,000 (or its equivalent in any other currency) lower than the level of Consolidated Funded Debt as at 30 September 2010 (for the avoidance of doubt, when used in this sub-paragraph, Consolidated Funded Debt shall not include any Relevant Convertible/Exchangeable Obligations),

with notification of the occurrence of such date being provided by the Parent delivering a certificate to the Administrative Agent signed by an Authorised Signatory confirming that (a) and (b) above have been met.

"Delegate" means any delegate, agent, attorney or co-trustee appointed by the Security Agent.

"Discontinued EBITDA" means, for any period, the sum for Discontinued Operations of (a) operating income (*utilidad de operación*), and (b) depreciation and amortization expense, in each case determined in accordance with Applicable GAAP of the Issuer consistently applied for such period.

"Discontinued Operations" means operations that are accounted for as discontinued operations pursuant to Applicable GAAP of the Issuer for which the Disposal of such assets has not yet occurred.

"Disposal" means a sale, lease, license, transfer, loan or other disposal by a person of any asset (including shares in any Subsidiary or other company), undertaking or business (whether by a voluntary or involuntary single transaction or series of transactions).

"Disposal Proceeds" means:

- (i) the cash consideration received by any member of Group (including any amount received from a person who is not a member of the Group in repayment of intercompany debt save to the extent that the creditor in respect of the intercompany debt is obliged to repay that amount to the purchaser at or about completion of the Disposal) for any Disposal;

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- (ii) any proceeds of any Disposal received in the form of Marketable Securities that are required to be disposed of for cash (after deducting reasonable expenses incurred by the party disposing of those Marketable Securities to persons other than members of the Group) pursuant to the criteria set out at paragraph (h) of the definition of Permitted Disposal; and
 - (iii) any proceeds of any Disposal received in any other form to the extent disposed of or otherwise converted into cash within 90 days of receipt; and
 - (iv) any consideration falling within paragraphs (i) to (iii) above that is received by any member of the Group from the Disposal of assets of the Group in Venezuela prior to the date of the 2009 Financing Agreement,

but excluding any Excluded Disposal Proceeds and, in every case, after deducting:

- (1) any reasonable expenses which are incurred by the disposing party of such assets with respect to that Disposal to persons who are not members of the Group;
- (2) any Tax incurred and required to be paid by the disposing party in connection with that Disposal (as reasonably determined by the disposing party on the basis of rates existing at the time of the disposal and taking account of any available credit, deduction or allowance);

“**EBITDA**” means, for any period, the sum for the Issuer and its Subsidiaries, determined on a consolidated basis of (a) operating income (*utilidad de operacion*), and (b) depreciation and amortization expense, in each case determined in accordance with Applicable GAAP of the Issuer, subject to the adjustments herein, consistently applied for such period and adjusted for Discontinued EBITDA as follows: if the amount of Discontinued EBITDA is a positive amount, then EBITDA shall increase by such amount, and if the amount of Discontinued EBITDA is a negative amount, then EBITDA shall decrease by the absolute value of such amount. For the purposes of calculating EBITDA for any applicable period pursuant to any determination of the Consolidated Leverage Ratio (but not the Consolidated Coverage Ratio): (A) (i) if at any time during such applicable period the Borrower or any of its Subsidiaries shall have made any Material Disposal, the EBITDA for such applicable period shall be reduced by an amount equal to the EBITDA (if positive) attributable to the property that is the subject of such Material Disposal for such applicable period (but when the Material Disposal is by way of lease, income received by the Issuer or any of its Subsidiaries under such lease shall be included in EBITDA) and (ii) if at any time during such applicable period the Issuer or any of its Subsidiaries shall have made any Material Acquisition, EBITDA for such applicable period shall be calculated after giving *pro forma* effect thereto as if such Material Acquisition had occurred on the first day of such applicable period. Additionally, if since the beginning of such applicable period any person that subsequently shall have become a Subsidiary or was merged or consolidated with the Issuer or any of its Subsidiaries as a result of a Material Acquisition occurring during such applicable period shall have made any Material Disposal or Material Acquisition of property that would have required an adjustment pursuant to clause (i) or (ii) above if made by the Issuer or any of its Subsidiaries during such applicable period, EBITDA for such period shall be calculated after giving *pro forma* effect thereto as if such Material Disposal or Material

Acquisition had occurred on the first day of such applicable period; and (B) EBITDA will be recalculated by multiplying each month's EBITDA by the Ending Exchange Rate and dividing the amount obtained thereto by the exchange rate used by the Issuer in preparation of its monthly financial statements in accordance with Applicable GAAP of the Issuer to convert \$ into Mexican pesos (such recalculated EBITDA being the "**Recalculated EBITDA**").

"**Ending Exchange Rate**" means the exchange rate at the end of a Reference Period for converting \$ into Mexican pesos as used by the Issuer and its auditors in preparation of the Issuer's financial statements in accordance with Applicable GAAP of the Issuer.

"**Excluded Disposal Proceeds**" means any CB Disposal Proceeds Replenishment Amount and the proceeds of any Disposal of:

- (i) inventory or trade receivables in the ordinary course of trading of the disposing entity;
- (ii) assets pursuant to a Permitted Securitisation programme existing as at the date of the 2009 Financing Agreement (or any rollover or extension of such a Permitted Securitisation);
- (iii) any asset from any member of the Group to another member of the Group on arm's length terms and for fair market or book value;
- (iv) any assets the consideration for which (when aggregated with the consideration for any related Disposals) is less than \$5,000,000 (or its equivalent in any other currency);
- (v) assets leased or licensed to any director, officer or employee of any member of the Group in connection with and as part of the ordinary course of the service or employment arrangements of the Group;
- (vi) Marketable Securities (other than Marketable Securities received as consideration for a Disposal as envisaged in paragraphs (ii) and (iii) of the definition of Disposal Proceeds); and
- (vii) any cash or other assets arising out of or in connection with any Permitted Put/Call Transaction, including, but not limited to any settlement, disposal, transfer, assignment, closeout or other termination of such Permitted Put/Call Transaction.

"**Excluded Fundraising Proceeds**" means the proceeds of:

- (i) a Permitted Fundraising falling within paragraph (f)(i) of the definition of Permitted Financial Indebtedness entered into for the purpose of refinancing or extending the maturity of Existing Financial Indebtedness falling within paragraph (a) of the definition thereof (or paragraph (b) of the definition thereof, to the extent that it relates to Short Term Certificados Bursatiles) (and, in the case of a refinancing, where the proceeds that would, but for this paragraph (i), constitute "Permitted Fundraising Proceeds," are actually applied for such purpose as soon as reasonably practicable (and in any event within 90 days) following receipt of those proceeds by any member of the Group);

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- (ii) a Permitted Fundraising falling within paragraph (f)(ii) of the definition of Permitted Financial Indebtedness entered into for the purpose of refinancing or extending the maturity of Existing Financial Indebtedness falling within paragraphs (a) to (e) of the definition thereof (and, in the case of a refinancing, where the proceeds that would, but for this paragraph (ii), constitute “Permitted Fundraising Proceeds,” are actually applied for such purpose as soon as reasonably practicable (and in any event within 90 days) following receipt of those proceeds by any member of the Group).
 - (iii) any transaction between members of the Group;
 - (iv) Permitted Securitisations;
 - (v) prior to the Debt Reduction Satisfaction Date, a Permitted Fundraising falling within paragraph (c) of that definition or, after the Debt Reduction Satisfaction Date, a Permitted Fundraising falling within paragraphs (a), (b) or (c) of that definition **provided that** any Relevant Existing Financial Indebtedness due to mature within the particular Relevant Prepayment Period and the proceeds of such Permitted Fundraising are to be applied in accordance with Clause 13.3 (*Mandatory prepayments: Certificados Bursátiles Reserve*) of the 2009 Financing Agreement;
 - (vi) subject to Clause 13.4(ii) of the 2009 Financing Agreement, a Permitted Fundraising falling within paragraph (c) of that definition and applied or to be applied in accordance with Clause 13.4 (*Mandatory prepayments: Relevant Convertible/Exchangeable Obligations*) of the 2009 Financing Agreement; and
 - (vii) a Permitted Fundraising arising out of or in connection with any Permitted Put/Call Transaction, including, but not limited to, any settlement, disposal, transfer, assignment, close-out or other termination of such Permitted Put/Call Transaction.

“**Executive Compensation Plan**” means any stock option plan, restricted stock plan or retirement plan which the Issuer or any other Obligor customarily provides to its employees, consultants and directors.

“**Existing Facility Agreements**” means the facility agreements and other documents described in Part II, Schedule 1 (*The Original Participating Creditors*) of the 2009 Financing Agreement.

“**Existing Finance Documents**” means each Existing Facility Agreement, the USPP Note Guarantee, the “Finance Documents” as defined in any Existing Facility Agreement and the “Facility Transaction Documents” as defined in Exhibit H to the NY Law Amendment Agreement (but in each case excluding any document that is designated a “**Finance Document**” or “**Facility Transaction Document**” by an Obligor and the relevant Creditor’s Representative under an Existing Facility Agreement after the date of the 2009 Financing Agreement).

“Existing Financial Indebtedness” means:

- (a) the Financial Indebtedness described in Part I of Schedule 10 (*Existing Financial Indebtedness*) of the 2009 Financing Agreement **provided that** the principal amount of such Financial Indebtedness does not increase above the principal amount outstanding as at the date of the 2009 Financing Agreement (except by the amount of any capitalised interest under any facility or instrument that provided for capitalisation of interest on those terms as at the date of the 2009 Financing Agreement) less the amount of any repayments and prepayments made in respect of such Financial Indebtedness;
- (b) the Financial Indebtedness described in Part II of Schedule 10 (*Existing Financial Indebtedness*) of the 2009 Financing Agreement and any Short-Term Certificados Bursatiles, working capital or other operating facilities that replace or refinance such Financial Indebtedness;
- (c) the Financial Indebtedness described in Part III of Schedule 10 (*Existing Financial Indebtedness*) of the 2009 Financing Agreement and any Capital Leases that replace (and relate to the same or similar assets as) such Financial Indebtedness;
- (d) the Financial Indebtedness described in Part IV of Schedule 10 (*Existing Financial Indebtedness*) of the 2009 Financing Agreement and any Inventory Financing or factoring arrangements that replace (and relate to the same or similar assets as) such Financial Indebtedness; and
- (e) the Banobras Facility and any other facility that replaces or refinances such facility **provided that** any such replacement or refinancing facility is (i) with a development bank controlled by the Mexican Government or (ii) with any other financial institution to finance public works or infrastructure assets,

provided that (i) the aggregate principal amount of such Existing Financial Indebtedness falling under each of paragraphs (b) to (e) of this definition shall not be increased above the principal amount of Financial Indebtedness committed or capable of being drawn down under the Financial Indebtedness referred to in that paragraph of this definition as at the date of the 2009 Financing Agreement (except by the amount of any capitalised interest under any facility or instrument that provided for capitalisation of interest on those terms as at the date of the 2009 Financing Agreement) and (ii), for the avoidance of doubt, any refinancing or replacement of Existing Financial Indebtedness falling within paragraphs (b) to (d) above need not satisfy the requirements of paragraph (f) of the definition of Permitted Financial Indebtedness.

“Exposure” means, at any time:

- (a) in relation to a Participating Creditor and a Syndicated Bank Facility or Bilateral Bank Facility, that Participating Creditor’s participation in Loans made under the relevant Facility at that time;

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- (b) in relation to Participating Creditor and a Promissory Note, the principal amount owed to that Participating Creditor under that Promissory Note at that time; and
 - (c) in relation to a Participating Creditor and a USPP Note, the principal amount owed to that Participating Creditor under that USPP Note at that time.

“**Facility**” means a Core Bank Facility and each USPP Note.

“**Fee Letter**” means any letter or agreement between the Administrative Agent or Security Agent and the Issuer setting out (i) the upfront fee and (ii) the level of fees payable in respect of the services and obligations performed by those agents under the relevant New Finance Documents.

“**Finance Document**” means each New Finance Document and each Existing Finance Document.

“**Finance Party**” means the Administrative Agent, the Security Agent, each Creditor’s Representative or a Participating Creditor.

“**Financial Indebtedness**” means any indebtedness for or in respect of:

- (a) moneys borrowed and debit balances at banks or other financial institutions;
- (b) any acceptance under any acceptance credit or bill discounting facility (or dematerialised equivalent);
- (c) any amount raised pursuant to a note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument (including, without limitation, any perpetual bonds);
- (d) the amount of any liability in respect of any lease or hire purchase contract which would (in accordance with Applicable GAAP of the Issuer) be treated as a finance or capital lease;
- (e) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis and meet any requirement for de-recognition under Applicable GAAP of the Issuer);
- (f) any Treasury Transaction (and, when calculating the value of that Treasury Transaction, only the mark-to-market value (or, if any actual amount is due as a result of the termination or close-out of that Treasury Transaction, that amount) shall be taken into account);
- (g) any counter-indemnity obligation in respect of a guarantee, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution;

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- (h) any amount raised by the issue of redeemable shares which are redeemable (other than at the option of the issuer) before the Termination Date or are otherwise classified as borrowings under Applicable GAAP of the Issuer;
 - (i) any amount of any liability under an advance or deferred purchase agreement if (i) one of the primary reasons behind entering into the agreement is to raise finance or to finance the acquisition or construction of the asset or service in question or (ii) the agreement is in respect of the supply of assets or services and payment is due more than 60 days after the date of supply;
 - (j) any arrangement pursuant to which an asset sold or otherwise disposed of by that person may be re-acquired by a member of the Group (whether following the exercise of an option or otherwise) and any Inventory Financing;
 - (k) any amount raised under any other transaction (including any forward sale or purchase, sale and sale back or sale and leaseback agreement) having the commercial effect of a borrowing or otherwise classified as borrowings under Applicable GAAP of the Issuer; and
 - (l) the amount of any liability in respect of any guarantee for any of the items referred to in paragraphs (a) to (k) above.

“**Financial Quarter**” means the period commencing on the day after one Quarter Date and ending on the next Quarter Date.

“**Financial Year**” means the annual accounting period of the Issuer ending on or about 31 December in each year.

“**Fitch**” means Fitch Ratings Limited or any successor thereto from time to time.

“**Group**” means the Issuer and each of its Subsidiaries for the time being.

“**Guarantors**” means the Original Guarantors and any Additional Guarantor other than any Original Guarantor or Additional Guarantor which has ceased to be a Guarantor pursuant to Clause 28.4 (*Resignation of Guarantor*) of the 2009 Financing Agreement and has not subsequently become an Additional Guarantor pursuant to Clause 28.3 (*Additional Guarantors and Additional Security Providers*) of the 2009 Financing Agreement and “**Guarantor**” means any of them.

“**Holding Company**” means, in relation to a company or corporation, any other company or corporation in respect of which it is a Subsidiary.

“**IFRS**” means international accounting standards within the meaning of IAS Regulation 1606/2002 to the extent applicable to the relevant financial statements.

“**Intellectual Property**” means:

- (a) any patents, trademarks, service marks, designs, business names, copyrights, design rights, data-base rights, inventions, knowhow and other intellectual property rights and interests, whether registered or unregistered; and
- (b) the benefit of all applications and rights to use such assets of each member of the Group.

“Intercreditor Agreement” means the intercreditor agreement dated on or about the date of the 2009 Financing Agreement and made between, among others, the Issuer, Wilmington Trust (London) Limited as Security Agent, Citibank International PLC as Administrative Agent, the Participating Creditors and any other creditors of the Group that may accede to it from time to time in accordance with its terms, as such agreement may be amended from time to time.

“Inventory Financing” means a financing arrangement pursuant to which a member of the Group sells inventory to a bank or other institution (or a special purpose vehicle or partnership incorporated or established by or on behalf of such bank or other institution or an Affiliate of such bank or other institution) and has an obligation to repurchase such inventory to the extent that it is not sold to a third party within a specified period.

“Joint Venture” means any joint venture entity, whether a company, unincorporated firm, undertaking, association, joint venture or partnership or any other entity.

“Joint Venture Investment” has the meaning given to such term in sub-paragraph (b) (ii) of the definition of Permitted Joint Venture.

“Loan” means:

- (a) in relation to a Syndicated Bank Facility or Bilateral Bank Facility, a loan made or to be made under such Facility or the principal amount outstanding for the time being of that loan; and
- (b) in relation to a Promissory Note, the Exposure of the Participating Creditors for the time being under that Promissory Note.

“Majority Participating Creditors” means, at any time, a Participating Creditor or Participating Creditors the Base Currency Amount of whose Exposures under the Facilities at that time aggregate 66.67 per cent. or more of the Base Currency Amount of all the Exposures of the Participating Creditors under all of the Facilities at that time.

“Marketable Securities” means securities (whether equity, debt or other securities) which are listed on a stock exchange or for which a trading market exists (whether on market or over the counter) but excluding: (A) shares in any member of the Group, and (B) any shares in Axtel, S.A.B. de C.V.

“Material Acquisition” means any (a) acquisition of property or series of related acquisitions of property that constitutes assets comprising all or substantially all of an operating unit, division or line of business or (b) acquisition of or other investment in the Capital Stock of any Subsidiary or any person which becomes a Subsidiary or is merged or consolidated with the Borrower or any of its Subsidiaries, in each case, which involves the payment of consideration by the Borrower and its Subsidiaries in excess of \$100,000,000 (or the equivalent in other currencies).

“Material Disposal” means any Disposal of property or series of related Disposals of property that yields gross proceeds to the Issuer or any of its Subsidiaries in excess of \$100,000,000 (or the equivalent in other currencies).

“**Mexican FRS**” means Mexican Financial Reporting Standards (*Normas de Información Financiera*) as in effect from time to time and consistent with those used in the preparation of the most recent audited financial statements referred to in Clause 22.1 (Financial Statements).

“**Mexican pesos**,” “**Mex\$**,” “**MXN**” and “**pesos**” means the lawful currency of Mexico.

“**Mexico**” means the United Mexican States.

“**Moody’s**” means Moody’s Investor Services Limited or any successor to its ratings business.

“**NAFTA**” means the North American Free Trade Agreement.

“**New Finance Document**” means the 2009 Financing Agreement, the NY Law Amendment Agreement, the Intercreditor Agreement, each Transaction Security Document, any Accession Letter, any Fee Letter, any Resignation Letter and any other document designated as a “**New Finance Document**” by the Administrative Agent and the Issuer.

“**New Equity Securities**” means

- (i) The U.S.\$977.5 million aggregate principal amount of 3.25% convertible subordinated notes due 2016, including U.S.\$177.5 million notes issued pursuant to an over-allotment option in connection with those subordinated notes due 2016; and
- (ii) U.S. \$690 million aggregate principal amount of 3.75% convertible subordinated notes due 2018, including U.S.\$90 million notes issued pursuant to an over-allotment option in connection with those subordinated notes due 2018.

in each case, issued on 15 March 2011 by the Issuer.

“**NY Law Amendment Agreement**” means the omnibus amendment agreement dated on or about the date of the 2009 Financing Agreement between, among others, the Issuer and the Participating Creditors with Exposures under those Existing Facility Agreements (other than the USPP Note Agreement) that are governed by the laws of the State of New York, as such agreement may be amended from time to time.

“**Obligors**” means the Borrowers, the Guarantors and the Security Providers and “**Obligor**” means any of them.

“**Original Borrowers**” means, together with the Issuer, the Subsidiaries of the Issuer listed in Part I of Schedule 1 (*The Original Parties*) of the 2009 Financing Agreement as borrowers or issuers.

“**Original Financial Statements**” means (a) in relation to the Issuer, its audited unconsolidated and consolidated financial statements for its Financial Year ended 31 December 2008 accompanied by an audit opinion of KPMG Cardenas Dosal, S.C.; (b) in relation to CEMEX España, its audited consolidated financial statements for its financial year ended 31 December 2008; and (c) in relation to any other borrower or guarantor under the 2009 Financing Agreement, its most recent annual financial statements (audited, if available).

“**Original Guarantors**” means the Subsidiaries of the Issuer listed in Part I of Schedule 1 (*The Original Parties*) of the 2009 Financing Agreement as guarantors, together with the Issuer.

“**Original Participating Creditors**” means the financial institutions and noteholders listed in Part II of Schedule 1 (*The Original Participating Creditors*) of the 2009 Financing Agreement as creditors.

“**Original Security Providers**” means the Subsidiaries of the Issuer listed in Part I of Schedule 1 (*The Original Parties*) of the 2009 Financing Agreement as security providers.

“**Participating Creditor**” means:

- (a) any Original Participating Creditor; and
- (b) any person which has become a Party in accordance with Clause 27 (*Changes to the Participating Creditors*), of the 2009 Financing Agreement,

which in each case has not ceased to be a Party in accordance with the terms of the 2009 Financing Agreement.

“**Participating Member State**” means any member state of the European Union that adopts or has adopted the euro as its lawful currency in accordance with legislation of the European Union relating to Economic and Monetary Union.

“**Party**” means a party to the 2009 Financing Agreement.

“**Permitted Acquisition**” means:

- (a) an acquisition by a member of the Group of an asset sold, leased, transferred or otherwise disposed of by another member of the Group in circumstances constituting a Permitted Disposal;
- (b) an acquisition of shares or securities pursuant to a Permitted Share Issue;
- (c) an acquisition of cash or securities which are Cash Equivalent Investments;
- (d) an acquisition to which a member of the Group is contractually committed as at the date of the 2009 Financing Agreement, with the material terms of those acquisitions requiring consideration payable in excess of \$10,000,000 described in the list delivered to the Administrative Agent under paragraph 4(f) of Part I (Initial Conditions Precedent) of Schedule 2 of the 2009 Financing Agreement (**provided that** there has been or is no material change to the terms of such acquisition subsequent to the date of the 2009 Financing Agreement);
- (e) the incorporation of a company which on incorporation becomes a member of the Group or which is a special purpose vehicle, whether a member of the Group or not;
- (f) an acquisition that constitutes a Permitted Joint Venture;
- (g) an acquisition of assets and, if applicable, cash, in exchange for other assets and, if applicable, cash, of equal or higher value **provided that:** (i) the cash element of any such acquisition must not be more than 20 per cent. of the

aggregate consideration for the acquisition; and (ii) the maximum aggregate market value of the assets acquired pursuant to all such transactions must not be more than \$100,000,000 (or its equivalent in any other currency) in any Financial Year;

- (h) any acquisition of shares of the Issuer pursuant to an obligation in respect of any Executive Compensation Plan;
- (i) any other acquisition consented to by the Administrative Agent acting on the instructions of the Majority Participating Creditors;
- (j) an acquisition of shares in the Issuer to the extent that a member of the Group has an obligation to deliver such shares to any holder(s) of convertible securities falling within paragraph (f)(i) of the definition of Permitted Financial Indebtedness pursuant to the terms of such convertible securities; and
- (k) any other acquisition of a company, of shares, securities or a business or undertaking (or, in each case, any interest in any of them) **provided that** the aggregate amount of the consideration for such acquisitions (when aggregated with the aggregate amount of Joint Venture Investment falling within paragraph (b)(iii)(1) of the definition of Permitted Joint Venture in that Financial Year) does not exceed \$100,000,000 (or its equivalent in any other currencies) in any Financial Year.

“Permitted Disposal” means any sale, lease, licence, transfer or other disposal which, except in the case of Disposals as between members of the Group, is on arm’s length terms:

- (a) of trading stock or cash made by any member of the Group in the ordinary course of trading of the disposing entity;
- (b) of any asset by a member of the Group (the **“Disposing Company”**) to another member of the Group (the **“Acquiring Company”**), but if:
 - (i) the Disposing Company is an Obligor, the Acquiring Company must also be an Obligor;
 - (ii) the Disposing Company had given Transaction Security over the asset, the Acquiring Company must give equivalent Transaction Security over that asset; and
 - (iii) the Disposing Company is a Guarantor, the Acquiring Company must be a Guarantor guaranteeing at all times an amount no less than that guaranteed by the Disposing Company,

provided that the conditions set out in paragraphs (i), (ii) and (iii) above shall only apply if the applicable assets are shares or if all or substantially all of the assets of the Disposing Company are being disposed of;

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- (c) of obsolete or redundant vehicles, machinery, parts and equipment in the ordinary course of trading;
 - (d) of cash or Cash Equivalent Investments for cash or in exchange for other Cash Equivalent Investments;
 - (e) constituted by a licence of Intellectual Property in the ordinary course of trading;
 - (f) to a Joint Venture, to the extent permitted by Clause 24.17 (*Joint ventures*) of the 2009 Financing Agreement;
 - (g) arising as a result of any Permitted Security;
 - (h) of any shares in a member of the Group (**provided that** all such shares in that entity owned by a member of the Group are the subject of the Disposal) or of any other asset, in each case on arm's length terms and for full market value where:
 - (i) no less than 85 per cent. of the consideration for the Disposal is payable to the Group in cash or Marketable Securities paid or received by a member of the Group at completion of the Disposal (**provided that** where a portion of that 85 per cent. is comprised of Marketable Securities, those Marketable Securities must be disposed of for cash to a person that is not a member of the Group within 90 days of completion);
 - (ii) if the aggregate consideration for the Disposal (when aggregated with the consideration for any related Disposals) is equal to 5 per cent. or more of the value of consolidated assets of the Group, the Issuer has delivered to the Administrative Agent a certificate signed by an Authorised Signatory confirming that, on a *pro forma* basis, assuming that the Disposal had been completed and the proceeds had been applied in accordance with Clause 13 (*Mandatory Prepayment*) of the 2009 Financing Agreement immediately prior to the first day of the most recent Reference Period for which a Compliance Certificate has been or is required to have been delivered under the 2009 Financing Agreement, the Issuer would have been in compliance with the financial covenants in paragraphs (a) and (b) of Clause 23.2 (*Financial condition*) of the 2009 Financing Agreement as at the last day of the most recent Reference Period for which a Compliance Certificate has been or is required to have been delivered under the 2009 Financing Agreement; and
 - (iii) the Disposal Proceeds received by members of the Group are applied (to the extent required) in accordance with Clause 13 (*Mandatory prepayment*) of the 2009 Financing Agreement;

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- (i) of any asset compulsorily acquired by a governmental authority **provided that** the Disposal Proceeds received by members of the Group are applied (to the extent required) in accordance with Clause 13 (*Mandatory prepayment*) of the 2009 Financing Agreement;
 - (j) of any receivables disposed of pursuant to a factoring or similar receivables financing arrangement that is otherwise permitted under the 2009 Financing Agreement (including, for the avoidance of doubt, the Banobras Facility);
 - (k) of any inventory disposed of pursuant to an Inventory Financing or similar arrangement that is otherwise permitted under the 2009 Financing Agreement;
 - (l) of any plant or equipment disposed of pursuant to a sale and lease-back arrangement that is otherwise permitted under the 2009 Financing Agreement;
 - (m) of any asset to which a member of the Group was contractually committed as at the date of the 2009 Financing Agreement, with all material terms of those disposals which relate to the disposal of assets with a value of at least \$10,000,000 being described in Schedule 14 (*Disposals*) of the 2009 Financing Agreement (**provided that** there has been or is no material change to the terms of such Disposal subsequent to the date of the 2009 Financing Agreement);
 - (n) of receivables disposed of pursuant to a Permitted Securitisation;
 - (o) of land or buildings arising as a result of lease or licence in the ordinary course of its trading;
 - (p) of any shares of the Issuer pursuant to an obligation in respect of any Executive Compensation Plan;
 - (q) of shares, common equity securities in the Issuer or reference property in connection with the same to the extent that a member of the Group has an obligation to deliver such shares, common equity securities or reference property to any holder(s) of convertible or exchangeable securities falling within paragraph (f)(i) of the definition of Permitted Financial Indebtedness pursuant to the terms of such convertible or exchangeable securities or to any counterparty pursuant to the terms of any Permitted Put/Call Transaction;
 - (r) of assets and, if applicable, cash in exchange for other assets and, if applicable, cash, of equal or higher value **provided that:** (i) the cash element of any such Disposal must not be more than 20 per cent. of the aggregate consideration for the Disposal; and (ii) the maximum aggregate market value of all assets disposed of in such transactions must not be more than \$100,000,000 (or its equivalent in any other currencies) in any Financial Year; or
 - (s) otherwise approved by the Administrative Agent acting on the instructions of the Majority Participating Creditors.

“Permitted Financial Indebtedness” means Financial Indebtedness:

- (a) incurred or arising under the Finance Documents;
- (b) that is Existing Financial Indebtedness;
- (c) owed to a member of the Group;
- (d) that constitutes a Permitted Securitisation;
- (e) arising under Capital Leases, factoring arrangements, Inventory Financing arrangements or export credit facilities for the purchase of equipment (**provided that** any Security granted in relation to any such facility relates solely to equipment, the purchase of which was financed under such Facility) or pursuant to sale and lease-back transactions **provided that** the maximum aggregate Financial Indebtedness of members of the Group under such transactions (excluding any Existing Financial Indebtedness) does not exceed \$350,000,000 at any time;
- (f) arising:
 - (i) pursuant to an issuance of bonds, notes or other debt securities, or of convertible or exchangeable securities by:
 - (A) in the case of bonds, notes or other debt securities or convertible or exchangeable securities issued to refinance or replace Existing Financial Indebtedness falling within Part I of Schedule 10 (Existing Financial Indebtedness) of the 2009 Financing Agreement, one or more Obligors (other than CEMEX Materials LLC and CEMEX, Inc.) or the same member of the Group (including, where applicable, CEMEX Materials LLC and CEMEX, Inc.) that issued the relevant Existing Financial Indebtedness that is being refinanced or replaced (whether acting as co-issuers or otherwise but, for the avoidance of doubt, with several liability only); or
 - (B) in the case of bonds, notes or other debt securities or convertible or exchangeable securities issued so as to be applied in repayment or prepayment of the Exposures of the Participating Creditors under the Facilities, one or more Obligors (other than CEMEX Materials LLC and CEMEX, Inc.) whether acting as co-issuers or otherwise, (and, for the

avoidance of doubt, such securities may be issued with an original issue discount) on the capital markets in each case subscribed or paid for in full in cash on issue (unless such securities are exchanged on issue for other securities that constitute Existing Financial Indebtedness falling within paragraph (a) of the definition thereof on issue) **provided that** (other than any conversion into common equity securities of the Issuer) no principal repayments are scheduled (and no call options can be exercised) in respect thereof until after the Termination Date;

- (ii) under a loan facility in respect of which the only borrowers are:
 - (A) in the case of loan facilities entered into to refinance or replace Existing Financial Indebtedness falling within Part I of Schedule 10 (*Existing Financial Indebtedness*) of the 2009 Financing Agreement one or more Obligors (other than CEMEX Materials LLC and CEMEX, Inc.) or the same member of the Group (including, where applicable, CEMEX Materials LLC and CEMEX, Inc.) that borrowed the relevant Existing Financial Indebtedness that is being refinanced or replaced, (whether acting as joint or multiple borrowers but for the avoidance of doubt, with several liability only); or
 - (B) in the case of loan facilities entered into so as to refinance or replace the Exposures of the Participating Creditors under the Facilities, one or more Obligors (other than CEMEX Materials LLC and CEMEX, Inc.) whether acting as joint or multiple borrowers,
provided that no principal repayments are scheduled (and no mandatory prepayment obligations arise save as a result of unlawfulness affecting a creditor in respect of such loan facility) in respect thereof until after the Termination Date,

and further **provided that** (1) the terms applicable to such issuance under paragraph (f)(i) (excluding pricing, but including, without limitation, as to prepayments, representations, covenants, events of default, guarantees and security) taken as a whole are no more restrictive or onerous than the terms applicable to the Facilities, and the terms applicable to such incurrence under paragraph (f)(ii) (excluding pricing, but including, without limitation, as to prepayments, representations, covenants, events of default, guarantees and security) are no more restrictive or onerous than the terms applicable to the Facilities; (2) the proceeds of such issuance or incurrence are applied (to the extent required) in accordance with Clause 13 (*Mandatory prepayment*) of the 2009 Financing Agreement; (3) if proceeds of such issuance or incurrence are, to the extent required under the 2009 Financing Agreement, being used to replace or

refinance (x) Financial Indebtedness which shares in the Transaction Security or (y) the CEMEX España Euro Notes, such Financial Indebtedness issued or incurred shall be entitled to share in the Transaction Security in accordance with (and on the terms of) the Intercreditor Agreement, **provided that** in the case of Financial Indebtedness issued or incurred to replace or refinance the CEMEX España Euro Notes, such Financial Indebtedness shall only be entitled to share in the Transaction Security if, prior to the first replacement or refinancing of the CEMEX España Euro Notes, the Debt Reduction Satisfaction Date has occurred; and (4) for the avoidance of doubt, any refinancing or replacement of Existing Financial Indebtedness falling within paragraphs (b) to (d) of the definition of Existing Financial Indebtedness need not satisfy the requirements of this paragraph (f);

- (g) that constitutes a Permitted Liquidity Facility;
- (h) that becomes Financial Indebtedness solely as a result of any change in Applicable GAAP of the Issuer after the date of the 2009 Financing Agreement and that existed prior to the date of such change in Applicable GAAP of the Issuer (or that replaces, and is on substantially the same terms as, such Financial Indebtedness);
- (i) of any person acquired by a member of the Group pursuant to an acquisition falling within paragraphs (d) or (f) of the definition of Permitted Acquisition **provided that:** (i) such Financial Indebtedness existed prior to the date of the acquisition and was not incurred, increased or extended in contemplation of, or since, the acquisition; and (ii) the aggregate amount of any such Financial Indebtedness of members of the Group does not exceed \$100,000,000 at any time;
- (j) under Treasury Transactions entered into in accordance with Clause 24.26 (*Treasury Transactions*) of the 2009 Financing Agreement;
- (k) incurred pursuant to or in connection with any cash pooling or other cash management agreements in place with a bank or financial institution, but only to the extent of offsetting credit balances of the Issuer or its Subsidiaries pursuant to such cash pooling or other cash management arrangement;
- (l) constituting Financial Indebtedness for taxes levied, assessments due and other governmental charges required to be paid as a matter of law or regulation in the ordinary course of trading;
- (m) that constitutes a Permitted Joint Venture;
- (n) approved by the Administrative Agent acting on the instructions of the Majority Participating Creditors; and
- (o) that, when aggregated with the principal amount of any other Financial Indebtedness not falling within paragraphs (a) to (n) above, does not exceed \$200,000,000 (or its equivalent in other currencies) in aggregate at any time.

“Permitted Fundraising” means:

- (a) any issuance of equity securities by the Issuer paid for in full in cash on issue (and, for the avoidance of doubt, such securities may be issued with an original issue discount) and not redeemable on or prior to the Termination Date and where such issue does not lead to a Change of Control;
- (b) any issuance of equity-linked securities issued by any member of the Group that are linked solely to, and result only in the issuance of, equity securities of the Issuer otherwise entitled to be issued under this definition (and that do not, for the avoidance of doubt, result in the issuance of any equity securities by such member of the Group) and that are paid for in full in cash on issue (and, for the avoidance of doubt, such securities may be issued with an original issue discount) and where such issue does not lead to a Change of Control (**provided that** such securities do not provide for the payment of interest in cash and are not redeemable on or prior to the Termination Date); and
- (c) any incurrence of Financial Indebtedness falling within paragraph (f) of the definition of Permitted Financial Indebtedness.

“Permitted Fundraising Proceeds” means the cash proceeds received by any member of the Group from a Permitted Fundraising other than Excluded Fundraising Proceeds after deducting:

- (i) any reasonable expenses which are incurred by the relevant member(s) of the Group with respect to that Permitted Fundraising owing to persons who are not members of the Group; and
- (ii) any Tax incurred and required to be paid by the relevant member(s) of the Group with respect to that Permitted Fundraising (as reasonably determined by the relevant member(s) of the Group on the basis of rates existing at the time and taking account of any available credit, deduction or allowance).

“Permitted Joint Venture” means any investment in any Joint Venture where:

- (a) such investment exists or a member of the Group is contractually committed to such investment at the date of the 2009 Financing Agreement and, if the value of the Group’s investment in such Joint Venture is \$50,000,000 or greater (as shown in the Original Financial Statements of the Issuer) is detailed in Schedule 12 (Permitted Joint Ventures) of the 2009 Financing Agreement; or

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- (b) such investment is made after the date of the 2009 Financing Agreement and:
- (i) either the investment has been consented to by the Administrative Agent acting on the instructions of the Majority Participating Creditors or the Joint Venture is engaged in a business substantially the same as that carried on by the Group; and
 - (ii) in any Financial Year of the Issuer, the aggregate of:
 - (1) all amounts subscribed for shares in, lent to, or invested in all such Joint Ventures by any member of the Group;
 - (2) the contingent liabilities of any member of the Group under any guarantee given in respect of the liabilities of any such Joint Venture; and
 - (3) the market value of any assets transferred by any member of the Group to any such Joint Venture, minus
 - (4) from and including 1 January 2010, an amount up to, but not exceeding, \$100,000,000 (or its equivalent in other currencies) in any Financial Year that represents all cash amounts received by any member of the Group (i) relating to dividends, repayment of loans or distributions of any other nature in respect of any such Joint Ventures in that Financial Year and (ii) as a result of or in relation to any disposals of shares, interests or participations, divestments, capital reductions or any similar decreases of interest in any such Joint Ventures in that Financial Year, does not exceed \$100,000,000 (or its equivalent in other currencies) or such greater amount as the Administrative Agent (acting on the instructions of the Majority Participating Creditors) may agree (such amount being the “Joint Venture Investment”); and
 - (iii) the Issuer has (by written notice to the Administrative Agent prior to the end of the Financial Year in which the investment is made) designated the Joint Venture Investment as counting against:
 - (1) paragraph (k) of the definition of Permitted Acquisition; or
 - (2) the maximum amount of Capital Expenditure permitted in that Financial Year under paragraph (c) of Clause 23.2 (*Financial condition*) of the 2009 Financing Agreement.

“**Permitted Liquidity Facilities**” means a loan facility or facilities made available to one or more members of the Group by one or more Participating Creditors (or their respective Affiliates) **provided that** the aggregate principal amount of utilised and unutilised commitments under such facilities must not exceed \$1,000,000,000 (or its equivalent in any other currency) at any time.

“Permitted Put/Call Transaction” means any call option, call spread, capped call transaction, put option, put spread, capped put transaction or any combination of the foregoing and/or any other Treasury Transaction or transactions having a similar effect to any of the foregoing, in each case entered into, sold or purchased not for speculative purposes but for the purposes of managing specific risks or exposures associated with any issuance of Relevant Convertible Securities/Exchangeable Obligations.

“Permitted Securitizations” means a transaction or series of related transactions providing for the securitisation of receivables and related assets by the Issuer or its Subsidiaries, including a sale at a discount, **provided that** (i) such receivables have been transferred, directly or indirectly, by the originator thereof to a person that is not a member of the Group in a manner that satisfies the requirements for an absolute conveyance (or, where the originator is organised in Mexico, a true sale), and not merely a pledge, under the laws and regulations of the jurisdiction in which such originator is organised; and (ii) except for customary representations, warranties, covenants and indemnities, such sale, transfer or other securitisation is carried out on a non-recourse basis or on a basis where recovery is limited solely to the collection of the relevant receivables.

“Permitted Security” means:

- (A) Security for taxes, assessments and other governmental charges the payment of which is being contested in good faith by appropriate proceedings promptly initiated and diligently conducted and for which such reserves or other appropriate provision, if any, as shall be required by Applicable GAAP of the Issuer shall have been made;
- (B) Security granted pursuant to or in connection with any netting or set-off arrangements entered into in the ordinary course of trading (including, for the avoidance of doubt, any cash pooling or cash management arrangements in place with a bank or financial institution falling within paragraph (k) of the definition of Permitted Financial Indebtedness);
- (C) statutory liens of landlords and liens of carriers, warehousemen, mechanics and materialmen incurred in the ordinary course of business for sums not yet due or the payment of which is being contested in good faith by appropriate proceedings promptly initiated and diligently conducted and for which such reserves or other appropriate provision, if any, as shall be required by Applicable GAAP of the Issuer shall have been made;
- (D) liens incurred or deposits made in the ordinary course of business in connection with (1) workers’ compensation, unemployment insurance and other types of social security, or (2) other insurance maintained by the Group in accordance with Clause 24.9 (*Insurance*) of the 2009 Financing Agreement;

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- (E) any attachment or judgment lien, unless the judgment it secures shall not, within 60 days after the entry thereof, have been discharged or execution thereof stayed pending appeal, or shall not have been discharged within 60 days after the expiration of any such stay;
- (F) Security and Quasi-Security existing on the date of the 2009 Financing Agreement as described in Schedule 6 (*Existing Security and Quasi-Security*) of the 2009 Financing Agreement (or any replacement of Security or Quasi-Security in accordance with paragraph 3 of Schedule 15 (*Hedging Parameters*) of the 2009 Financing Agreement or any equivalent Security or Quasi-Security for Existing Financial Indebtedness that is a refinancing or replacement of Existing Financial Indebtedness) **provided that** the principal amount secured thereby is not increased (save that principal amounts secured by Security or Quasi-Security in respect of:
- (1) Treasury Transactions where there are fluctuations in the mark-to-market exposures of those Treasury Transactions;
 - (2) Existing Financial Indebtedness under paragraph (a) of the definition where principal may increase by virtue of capitalisation of interest; and,
 - (3) the Banobras Facility, where further drawings may be made **provided that** the maximum amount outstanding under such facility does not exceed Mex\$5,000,000,000 at any time,
- may be increased by the amount of such fluctuations or capitalisations, as the case may be);
- (G) any Security or Quasi-Security permitted by the Administrative Agent, acting on the instructions of the Majority Participating Creditors;
- (H) any Security created or deemed created pursuant to a Permitted Securitisation;
- (I) any Security granted by any member of the Group to secure Financial Indebtedness under a Permitted Liquidity Facility **provided that:** (1) such Security is not granted in respect of assets that are the subject of the Transaction Security; and (2) the maximum aggregate amount of the Financial Indebtedness secured by such Security does not exceed \$500,000,000 at any time;
- (J) any Security granted by the Issuer or any member of the Group incorporated in Mexico in favour of a Mexican development bank (*sociedad nacional de crédito*) controlled by the government of Mexico (including Banco Nacional de Comercio Exterior, S.N.C., and Banco Nacional de Obras y Servicios Públicos, S.N.C.) securing indebtedness of the members of the Group in an aggregate additional amount of such indebtedness not exceeding \$250,000,000 (or its equivalent in any other currency);

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- (K) any Security or Quasi-Security granted in connection with any Treasury Transaction, excluding any Treasury Transaction described in Schedule 6 (*Existing Security and Quasi-Security*) of the 2009 Financing Agreement, that constitutes Permitted Financial Indebtedness **provided that** the aggregate value of the assets that are the subject of such Security or Quasi-Security does not exceed \$200,000,000 (or its equivalent in other currencies) at any time;
 - (L) Security or Quasi-Security granted or arising over receivables, inventory, plant or equipment that are the subject of an arrangement falling within paragraph (e) of the definition of Permitted Financial Indebtedness;
 - (M) the Transaction Security including, for the avoidance of doubt, any sharing in the Transaction Security referred to in paragraph (f) of the definition of Permitted Financial Indebtedness;
 - (N) any Quasi-Security that is created or deemed created on shares of the Issuer under paragraph (q) of the definition of Permitted Disposals by virtue of such shares being held on trust for the holders of the convertible securities pending exercise of any conversion option, where such Quasi-Security is customary for such transaction;
 - (O) in addition to the Security and Quasi-Security permitted by the foregoing paragraphs (A) to (N), Security or Quasi-Security securing indebtedness of the Issuer and its Subsidiaries (taken as a whole) not in excess of \$500,000,000.

“Permitted Share Issue” means:

- (a) a Permitted Fundraising falling within paragraphs (a) or (b) of the definition thereof;
- (b) an issue of shares by a member of the Group which is a Subsidiary of the Issuer to another member of the Group or the Issuer (and, where the member of the Group has a minority shareholder, to that minority shareholder on a pro rata basis) where (if the existing shares of the Subsidiary are the subject of the Transaction Security) the newly-issued shares also become subject to the Transaction Security on the same terms;
- (c) an issue of shares by the Issuer to comply with an obligation in respect of any Executive Compensation Plan; or
- (d) an issue of common equity securities of the Issuer either (i) by the Issuer or (ii) to any member of the Group where the Issuer or that member of the Group has an obligation to deliver such shares to a counterparty pursuant to

the terms of a Permitted Put/Call Transaction or an obligation to deliver such shares to the holder(s) of convertible or exchangeable securities falling within paragraph (f)(i) of the definition of Permitted Financial Indebtedness pursuant to the terms of such convertible or exchangeable securities.

“**Promissory Notes**” means the promissory notes described in Part II of Schedule 1 (*The Original Participating Creditors*) of the 2009 Financing Agreement.

“**Quarter Date**” means each of 31 March, 30 June, 30 September and 31 December.

“**Quasi Security**” means an arrangement or transaction in which the Issuer or any Subsidiary:

- (i) sells, transfers or otherwise disposes of any of its assets on terms whereby they are or may be leased to or re-acquired by an Obligor or any other member of the Group;
 - (ii) sells, transfers or otherwise disposes of any of its receivables on recourse terms;
 - (iii) enters into any arrangement under which money or the benefit of a bank or other account may be applied, set-off or made subject to a combination of accounts; or
 - (iv) enters into any other preferential arrangement having a similar effect,
- in circumstances where the arrangement or transaction is entered into primarily as a method of raising Financial Indebtedness or of financing the acquisition of an asset.

“**Receiver**” means a receiver or receiver and manager or administrative receiver of the whole or any part of the Charged Properties.

“**Reference Period**” means a period of four consecutive Financial Quarters.

“**Relevant Convertible/Exchangeable Obligations**” means: (a) any Financial Indebtedness incurred by any person the terms of which provide that satisfaction of the principal amount owing under such Financial Indebtedness (whether on or prior to its maturity and whether as a result of bankruptcy, liquidation or other default by such person or otherwise) shall occur solely by delivery of shares or common equity securities in the Issuer; and (b) any Financial Indebtedness under any Subordinated Optional Convertible Securities.

“**Relevant Existing Financial Indebtedness**” means any Existing Financial Indebtedness set out in:

- (i) paragraph (a) of the definition of Existing Financial Indebtedness to the extent that it relates to Part I.C (*Mexican Public Debt Instruments*) of Schedule 10 (*Existing Financial Indebtedness*) of the 2009 Financing Agreement; and/or
- (ii) paragraph (b) of the definition of Existing Financial Indebtedness to the extent it relates to Part II.A (*Short Term Certificados Bursátiles*) of

Schedule 10 (*Existing Financial Indebtedness*) of the 2009 Financing Agreement and any Short-Term Certificados Bursatiles that replace or refinance such Existing Financial Indebtedness.

“**Relevant Prepayment Period**” means the period commencing on the date of receipt of the proceeds of a Permitted Fundraising by a member of the Group and ending on the later of:

- (a) the date falling 364 days thereafter; and
- (b) the 2012 CB Maturity Date.

“**Resignation Letter**” means a document substantially in the form set out in Part I of Schedule 11 (*Form of Resignation Letter*) of the 2009 Financing Agreement.

“**Responsible Officer**” means the Chief Financial Officer and/or Chief Controlling Officer of the Issuer or a person holding equivalent status (or higher).

“**S&P**” means Standard & Poor’s Rating Services, a division of The McGraw-Hill Companies, Inc., or any successor thereto from time to time.

“**SEC**” means the U.S. Securities Exchange Commission and any successor thereto.

“**Secured Parties**” means each Finance Party from time to time to the 2009 Financing Agreement and any Receiver or Delegate.

“**Security**” means a mortgage, charge, pledge, lien, security trust or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect.

“**Security Agent**” means Wilmington Trust (London) Limited as security agent of the Secured Parties.

“**Security Providers**” means the Original Security Providers and any Additional Security Provider other than any Original Security Provider or Additional Security Provider which has ceased to be a Security Provider pursuant to Clause 28.6 (*Resignation of a Security Provider*) of the 2009 Financing Agreement and has not subsequently become an Additional Security Provider pursuant to Clause 28.3 (*Additional Guarantors and Additional Security Providers*) of the 2009 Financing Agreement, and “**Security Provider**” means any of them.

“**Short-Term Certificados Bursatiles**” means any securities with a term of not more than 12 months issued by the Issuer in the Mexican capital markets with the approval of the Mexican National Banking and Securities Banking and Securities Commission and listed on the Mexican Stock Exchange.

“**Spanish GAAP**” means the Spanish General Accounting Plan (*Plan general Contable*) approved by Royal Decree 1514/2007 as in effect from time to time and consistent with those used in the preparation of the most recent audited financial statements referred to in Clause 22.1 (*Financial Statements*) of the 2009 Financing Agreement.

“**Subordinated Optional Convertible Securities**” means any Financial Indebtedness incurred by any member of the Group meeting the requirements of paragraph (f)(i) of the definition of Permitted Financial Indebtedness (including that no principal repayments are scheduled (and no call options can be exercised) until after the Termination Date) (which may, for the avoidance of

doubt, include a fundraising the proceeds of which are applied in accordance with Clause 13.4 (*Mandatory prepayments: Relevant Convertible/Exchangeable Obligations*) of the 2009 Financing Agreement) the terms of which provide that such indebtedness is capable of optional conversion into equity securities of the Issuer and that repayment of principal and accrued but unpaid interest thereon is subordinated (under terms customary for an issuance of such Financial Indebtedness) to all senior Financial Indebtedness of the Issuer (including, but not limited to, all Exposures of Participating Creditors) except for: (i) indebtedness that states, or is issued under a deed, indenture, agreement or other instrument that states, that it is subordinated to or ranks equally with any Subordinated Optional Convertible Securities and (ii) indebtedness between or among members of the Group.

“**Subsidiary**” means in relation to any company or corporation, a company or corporation:

- (a) which is controlled, directly or indirectly, by the first mentioned company or corporation;
- (b) more than half the issued share capital of which is beneficially owned, directly or indirectly by the first mentioned company or corporation; or
- (c) which is a Subsidiary of another Subsidiary of the first mentioned company or corporation,

and for this purpose, a company or corporation shall be treated as being controlled by another if that other company or corporation is able to direct its affairs and/or to control the composition of its board of directors or equivalent body.

“**Syndicated Bank Facilities**” means the facilities described in Part IA of Part II of Schedule 1 (*The Original Participating Creditors*) of the 2009 Financing Agreement.

“**TARGET2**” means the Trans-European Automated Real-time Gross Settlement Express Transfer payment system, which utilizes a single shared platform and which was launched on 19 November 2007.

“**TARGET Day**” means any day on which TARGET2 is open for the settlement of payments in euro.

“**Tax**” means any tax, levy, impost, duty or other charge, deduction or withholding of a similar nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same).

“**Termination Date**” means 14 February 2014.

“**Transaction Security**” means the Security created or expressed to be created in favour of the Security Agent pursuant to the Transaction Security Documents.

“**Transaction Security Documents**” means each of the documents listed as being a Transaction Security Document in paragraph 2(e) of Part I of Schedule 2 (*Conditions Precedent*) of the 2009 Financing Agreement and any document required to be delivered to the Administrative Agent under paragraph 3(d) of Part II of Schedule 2 (*Conditions Precedent*) of the 2009 Financing Agreement together with any other document entered into by any Obligor creating or expressed to create any Security over all or any part of its assets in respect of the obligations of any of the Obligors under any of the Finance Documents (and any other Debt Documents).

“Treasury Transactions” means any derivatives transaction (i) that is a rate swap transaction, swap option, basis swap, forward rate transaction, commodity swap, commodity option, equity or equity index swap, equity or equity index option, bond option, interest rate option, foreign exchange transaction, cap transaction, floor transaction, collar transaction, currency swap transaction, cross-currency rate swap transaction, currency option, credit protection transaction, credit swap, credit default swap, credit default option, total return swap, credit spread transaction, repurchase transaction, reverse repurchase transaction, buy/sell-back transaction, securities lending transaction, weather index transaction or forward purchase or sale of a security, commodity or other financial instrument or interest (including any option with respect to any of these transactions), (ii) that is a type of transaction that is similar to any transaction referred to in clause (i) above that is currently, or in the future becomes, recurrently entered into in the financial markets and that is a forward, swap, future, option or other derivative (including one or more spot transactions that are equivalent to any of the foregoing) on one or more rates, currencies, commodities, equity securities or other equity instruments, debt securities or other debt instruments, economic indices or measures of economic risk or value, or other benchmarks against which payments or deliveries are to be made or (iii) that is a combination of these transactions, it being understood that any Executive Compensation Plan permitted by the 2009 Financing Agreement is not a Treasury Transaction.

“USPP Note” means a note issued under the USPP Note Agreement.

“USPP Note Agreement” means the consolidated, amended and restated note purchase agreement described in Part II of Schedule 1 (*Original Participating Creditors*) of the 2009 Financing Agreement.

“USPP Note Guarantee” means the consolidated, amended and restated note guarantee granted in favour of the USPP Noteholders.

“USPP Noteholders” means the holders from time to time of the notes issued pursuant to the USPP Note Agreement.

ADHERENCE DEED FOR THE SHARE PLEDGE POLICY OF
CEMEX ESPAÑA, S.A. GRANTED BY THE ENTITIES "THE
BANK OF NEW YORK MELLON" and "CEMEX ESPAÑA, S.A."

NUMBER ONE THOUSAND TWENTY FIVE

In Madrid, at my office on the fifth day of
March of two thousand fifteen._____

Before me, **ANTONIO PÉREZ-COCA CRESPO**, Notary
Public of Madrid and its Bar Association,_____

_____ **APPEAR:** _____

MRS. PALOMA JULIETA ALVAREZ-URIA BERROS, of
legal age, of Spanish nationality, domiciled for
these purposes at calle José Abascal, number 45,
28010 Madrid; with National Identification Card
number 9427338-Y._____

MR. ANTONIO IVÁN SÁNCHEZ UGARTE, of legal age,
domiciled for these purposes at calle Hernández de
Tejada, number 1, 28027 Madrid; with National
Identification Card number 30636063-V._____

_____ **ACTING:** _____

The first, in the name and representation of **THE
BANK OF NEW YORK MELLON** (hereinafter, the "**Bank**"),
entity constituted in accordance with the laws of
the State of New York (United States of America),
with its corporate domicile at One Wall Street, New
York, N.Y. 10286, United States of America, which

in turn acts in representation and to the benefit of the holders of Senior Secured Notes for an added principal maximum amount of **FIVE HUNDRED AND FIFTY MILLION EUROS (550.000.000 €)**, at an interest rate of **4.375%**, with maturity in **2023**, notwithstanding the cases of early repayment that have been foreseen, issued under the bond issuance agreement (Indenture) governed by the laws of the State of New York (United States of America), signed on **March 5, 2015** by, among others, **CEMEX, S.A.B. de C.V.** a corporation constituted under the laws of Mexico, as issuer, and **THE BANK OF NEW YORK MELLON**, as Trustee (hereinafter, together with its subsequent modifications or novations, the "**Bonds Issuance**").

She makes use of the power of attorney in effect, as affirmed, in her favor, conferred through the document granted before the Notary Public of New York, Mr. Danny Lee, on the fifth day of March of two thousand fifteen, a photocopy of which has been shown to me and the original, duly stamped according to the La Hague Convention of October 5, 1961, I will attach hereto, by means of written substantiation, when it is submitted to me.



The second party, in name and representation of the entity **CEMEX ESPAÑA, S.A.**, entity governed under the laws of Spain (formerly Compañía Valenciana de Cementos Portland, S.A.), and with its corporate domicile in Madrid, calle Hernández de Tejada, number 1, the purpose of which, among others, is "the manufacture, production, marketing and distribution of all kinds of sacks and containers or similar articles, of paper or any other material, for the packaging of cement, etc".-

It was constituted for an indefinite duration in the document authorized by the Notary Public at the time in Valencia, Mr. Juan Bautista Roch Contelles, on April 30, 1917, adapted to current legislation through the document authorized by the Notary Public of Valencia, Mr. Antonio Soto Bisquert on July 13, 1990; with said constitution REGISTERED in the Commercial Registry of Valencia, under volume 122, book 28 of companies, section 3 of corporations, page 354, registry 1. The adaptation

is registered in the aforementioned Registry, under volume 2854, book 10, general section, page V2533, registry 165. The bylaws of the company were also amended through another public document authorized by the Notary Public of Madrid, Mr. Antonio Francés y de Mateo on August 12, 1993, with number 6796 of his notarial records, under record 200.-----

The above indicated current domicile was moved, through document authorized by the Notary Public of Valencia, Mr. Antonio Soto Bisquert, on June 29, 1995, with number 1489 of his notarial records, and registered in the Commercial Registry of Madrid, under volume 9743 and 9744, section 8, of the Book of Companies, folio 1 and 166, page number M-156542 records 1 and 2.-----

Its name was changed to its current name through the agreement taken by the General Shareholders Meeting of the Company, in its meeting held on the twenty-fourth of June of two thousand and two, recorded as a document of public record, before me on the same day, under number 662 of my records, registry number 122.-----

Its Tax Identification number is: A-46.004.214.-

He makes use of the powers in effect, as



affirmed, in his power, conferred by agreement taken by the Administrative Board of the Company, at its meeting held on the twenty-third of February of two thousand fifteen, recorded as a document of public record, before me, on the fourth of March of two thousand fifteen, under number 964 of my records, as accredited to me with an authorized copy of said document which I have before me.—

For the purposes established in article 98 of Law 24/2001 and in accordance with the Resolution of the General Directorate for Registries and Notary Affairs of April 12, 2002, I certify that, in my opinion, I consider that the representative powers accredited are sufficient for the execution of this document under the terms indicated below.—

BENEFICIAL OWNERSHIP.— I, the Notary Public, expressly confirm that I have complied with the obligation of identifying the beneficial owner as imposed by Law 10/2010 of April 28, the result of which is recorded in a document authorized before

me, on the eleventh of November of two thousand and ten, under number 2387 of my records, which has been modified since then as attested by the representative of the Company._____

The parties appearing before me have, in my opinion, as they appear, the legal capacity and legitimate interest necessary to grant this **ADHERENCE DEED FOR THE SHARE PLEDGE POLICY OF CEMEX ESPAÑA, S.A.** and, for such purpose, in their capacity and for all applicable legal purposes,——

_____ **THEY HEREBY DECLARE** _____

I. That, by virtue of the policy agreement granted before Mr. Rafael Monjo Carrio on November 8, 2012, registered with number 3530 in Section A of the Registry Book (hereinafter the "**Pledge Policy**"), CEMEX, S.A.B. de C.V. and New Sunward Holding B.V. constituted certain real pledge rights (hereinafter the "**Pledges**") over the shares of the company CEMEX España, S.A. in its name._____

II. That, in accordance with the Creditors Relation Agreement (as this is defined in the Pledge Policy), the creditors of the CEMEX group, in virtue of the issuance of bonds such as the Bonds Issuance will have the consideration of



Additional Notes Creditors and, therefore, of Secured Parties according to the terms established in the Creditors Relation Agreement and in the Pledge Policy, and may obtain the benefit of the Pledges through their adhesion to the Pledge Policy according to the provisions of Clause 16 of the same. _____

IV. That, in accordance with the provisions of Clause 16 of the Pledge Policy, the Secured Parties in whose benefit the Relationship Manager acted, among which include the Bank, as trustee of the holders of bonds of the Bonds Issuance, may adhere to the Pledge Policy and ratify the content of the same, accepting the Pledges constituted in their favor as guarantee of the corresponding Secured Obligations, through appearance before Mr. Monjo, the substituting Notary Public. _____

Said adhesions will be carried out through the granting of the corresponding adhesion deed or policy, all without the need for a new consent from

the pledgors, for having provided said consent previously in the Creditor Relation Agreement and in the Pledge Policy itself. _____

V. That the Bank expressly declares that the adhesion referred to in the Stipulations of this Document is formalized as a mere instrument of execution of the rights attributed to the Bank in the Pledge Policy, from which it is derived, so that the payment obligations resulting from the Bonds Issuance are guaranteed with a real first ranking pledge right over the Shares (as defined in the Pledge Policy), concurrent with the remaining Pledges. _____

VI. That by virtue of the foregoing, the Bank wishes to grant this Adhesion Deed (hereinafter the "Deed") in accordance with the following

_____ **STIPULATIONS** _____

ONE.- ADHESION TO THE PLEDGE POLICY. _____

The Bank, through this Deed, adheres to, ratifies and approves the Pledge Policy to the fullest extent, the entire content of which it declares to know, therefore giving such granting full value and legal efficacy and accepting that the payment obligations resulting from the Bonds



Issuance are guaranteed with a real first ranking pledge right over the Shares (as defined in the Pledge Policy), concurrent with the remaining Pledges._____

The Bank REQUIRES from me, the Notary Public, to **NOTIFY** this adhesion to **WILMINGTON TRUST (LONDON) LIMITED**, domiciled for these purposes on the Third Floor, 1 King's Arms Yard, London, United Kingdom, EC2R 7AF (attention Sajada Afzal), in her capacity as Relationship Manager and I, the Notary Public, accept said requirement._____

CEMEX España, S.A., appears herein for the purposes of acknowledging itself as notified of this adhesion._____

TWO.- APPLICABLE LAW AND JURISDICTION._____

2.1 This Deed is subject to Spanish common law.-

2.2 The Parties submit themselves expressly to the jurisdiction and competence of the Courts and Tribunals of Madrid for all matters that may result from the validity, interpretation, fulfillment and

execution of this Deed._____

HANDLING OF DATA.- The appearing parties accept the incorporation of their data and the copy of identification documents in the files of the Notary Public in order to carry out the functions inherent to the notarial activity and for the communication of data established in the Public Administration Law and, as applicable, for the Notary Public who follows the current one. They may exercise their rights to access, rectify, cancel and oppose at the authorizing Notary's office._____

It is thus stated and executed._____

And I, the Notary Public, ATTEST:_____

a.- To have identified the appearing parties through their identification documents, indicated in the appearance clause, which have been shown to me._____

b.- That the appearing parties, in my opinion, have the capacity and legal standing for the granting hereof._____

c.- That the granting hereof by the appearing parties is legal, duly informed and made willingly.

d.- That I have read this public instrument to the grantors thereof, having previously advised



them of their right to read it for themselves, which they have done, and they have stated that they have been duly made aware of the entire content of the same, and they provide their consent, all in accordance with article 193 of the Notarial Regulations.-----

e.- That this public instrument is executed in six notarized pages, series CC numbers: 7702848 and the following five numbers in correlated order and I, the Notary Public, attest.- The signatures of the appearing parties follow.- Signed ANTONIO PÉREZ-COCA CRESPO. Signed. Notary Seal.-----

CERTIFICATE.- I, ANTONIO PÉREZ-COCA CRESPO, Notary Public of Madrid and its Bar Association, issue this certificate to record that on today's date, the ninth day of March of two thousand fifteen, I have received a copy of the power of attorney in English and Spanish, languages that I, the Notary, knows, specially granted to formalize the public deed by Mr. Jaime Nielsen, as Vice-

president and Mrs. Sonia Chaliha, as General Director of the entity THE BANK OF NEW YORK MELLON, before the Notary Public of New York, Mr. Christopher J. Traina, on the fifth day of March of two thousand fifteen, duly legalized with the La Hague apostille, and I, the Notary Public, consider that the representative of the entity has sufficient powers to formalize the deed which is the object hereof. I leave a copy of said power incorporated hereto, forming an integral part of the same.-

And with nothing further to record, I issue this document over this sole sheet of notarized paper and I, the Notary Public, attest. Signed. ANTONIO PÉREZ-COCA CRESPO. Signed. Notary Seal.-----

CERTIFICATE.- To record that I, ANTONIO PÉREZ-COCA CRESPO, on the ninth day of March of two thousand Fifteen, left filed at the Post Office Branch, located at office 2825494, E.O MINISTRY OF PUBLIC ADMINISTRATIONS, as a Certificate and notification of receipt, the non-certified copy of this deed, and that the official in charge of the service has given to me the receipt which bears the sending number RR670600201ES.-----



All of which I attest and that this certificate is issued after the deed on which it is based, on this sheet of notarized paper, of the CC series, number 7702892. In Madrid on the ninth day of March of two thousand fifteen.- Signed. ANTONIO PÉREZ-COCA CRESPO. Signed. Notary Seal.

CEMEX, S.A.B. DE C.V.,

THE BANK OF NEW YORK MELLON

AS TRUSTEE

AND

CIBANCO S.A., INSTITUCIÓN DE BANCA MÚLTIPLE

AS MEXICAN TRUSTEE

CONVERTIBLE SUBORDINATED NOTES DUE 2020

Indenture

Dated as of March 13, 2015

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THIS INDENTURE, dated as of March 13, 2015, is between CEMEX, S.A.B. de C.V. a publicly traded variable capital corporation (*sociedad anónima bursátil de capital variable*) organized under the laws of Mexico (the “Issuer”), The Bank of New York Mellon, as trustee (the “Trustee”) and, solely for compliance with certain Mexican law requirements set forth in Section 7.01(b) and Section 7.06, CIBanco S.A., Institución de Banca Múltiple (the “Mexican Trustee”). The Issuer has duly authorized the creation of its Convertible Subordinated Notes due 2020 (the “Notes”) and to provide therefor the Issuer, the Trustee and the Mexican Trustee have duly authorized the execution and delivery of this Indenture. Each party agrees as follows for the benefit of the other party and for the equal and ratable benefit of the Holders from time to time of the Notes:

ARTICLE I

DEFINITIONS

SECTION 1.01. Definitions.

“3-month LIBOR Rate” means the rate for deposits in U.S. dollars with an Index Maturity of three months, which appears on the Bloomberg page “GDCO 1395 1”, or any other page as may replace such page on Bloomberg, as of 11:00 a.m., London time, on the day that is two London Banking Days preceding March 13, 2015.

“5-Year Swap Rate” means on any day, the semi-annual mid-swap rate for U.S. dollar swap transactions with a maturity of five years displayed on the Reference Screen Page on that day. If the 5-Year Swap Rate does not appear on the Reference Screen Page on that day, the Calculation Agent shall request each of the Reference Banks to provide it with its 5-Year Swap Rate Quotation and will determine the 5-Year Swap Rate as the Reference Bank Rate on that day.

“5-Year Swap Rate Quotation” means the arithmetic mean of the bid and offered rates for the semi-annual fixed leg (calculated on a 30/360 day count basis) of a fixed-for-floating U.S. dollar interest rate swap which (i) has a term of 5 years commencing on the Issue Date, (ii) is in an amount that is representative of a single transaction in the relevant market at the relevant time with an acknowledged dealer of good credit in the swap market, and (iii) has a floating leg based on the 3-month LIBOR Rate (calculated on an Actual/360 day count basis).

“Additional Interest” means any interest payable pursuant to Section 4.09 or Section 6.02(b).

“ADR” means American Depositary Receipts representing ADS.

“ADS” means American Depositary Shares of the Issuer created pursuant to the Second Amended and Restated Deposit Agreement (A and B share CPOs), dated August 10, 1999, among CEMEX, S.A.B. de C.V., Citibank, N.A. and holders and beneficial owners of American Depositary Shares, as the same may be amended, modified or replaced.

“Affiliate” means, with respect to any specified Person, any other Person who directly or indirectly through one or more intermediaries controls, or is controlled by, or is under common

control with, such specified Person. The term “control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise. For purposes of this definition, the terms “controlling”, “controlled by” and “under common control with” have correlative meanings.

“Agent” means any Registrar, Paying Agent, Calculation Agent, Conversion Agent or co-registrar.

“Agent Member” means any member of, or participant in, the Depository.

“Applicable Procedures” means, with respect to any transfer or transaction involving a Global Security or beneficial interest therein, or to the delegalizing of Global Securities or ADSs, the rules and procedures of the Depository for such Global Security to the extent applicable to such transaction and as in effect from time to time.

“Available Treasury Shares” means, as of any time of determination, Ordinary Shares of the Issuer available in treasury, and for which the Issuer has obtained any approval (including satisfaction or waiver of preemptive rights), taken such corporate action and made such contractual arrangements necessary such that, at the time at which Notes could be converted, the Issuer will be able to deliver such Ordinary Shares to timely satisfy its conversion obligations relating to the Notes, including by causing such Ordinary Shares to underlie any necessary CPOs, *provided* that Available Treasury Shares shall not include the number of Ordinary Shares available in treasury needed to satisfy any and all of the Issuer’s contingent or non-contingent obligations to deliver Ordinary Shares (other than in connection with a conversion of the Notes), including, without limitation, in connection with any employee compensation arrangements and the settlement of conversions of securities convertible into Ordinary Shares (including, without limitation, the Mandatory Convertible Securities issued on December 10, 2009, the 3.25% Convertible Subordinated Notes due 2016 and the 3.75% Convertible Subordinated Notes due 2018). When “Available Treasury Shares” is referred to in comparison to the number of ADSs necessary to satisfy conversion obligations at a certain point in time, in order to facilitate such comparison, “Available Treasury Shares” shall be expressed as the number of ADSs that would represent the number of Available Treasury Shares held by the Issuer at such time (through the CPOs that are necessary to evidence such Ordinary Shares).

“Bankruptcy Event of Default” means:

- (1) the entry by a court of competent jurisdiction of: (i) a decree, order for relief or declaration in respect of any Bankruptcy Party in an involuntary case or proceeding under any Bankruptcy Law, or (ii) a decree or order (A) adjudging or declaring any Bankruptcy Party a bankrupt or insolvent, (B) approving as properly filed a petition seeking reorganization, arrangement, adjustment, insolvency, bankruptcy, *concurso mercantil*, *quiebra* or composition of, or in respect of, any Bankruptcy Party under any Bankruptcy Law, (C) appointing a Custodian of any Bankruptcy Party or of any substantial part of the property of any Bankruptcy Party, or (D) ordering the winding-up, liquidation, dissolution, bankruptcy or *quiebra* of the affairs of any Bankruptcy Party, and in each case, the continuance of any such decree or order unstayed and in effect for a period of 60 consecutive calendar days; or

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- (2) (i) the commencement by any Bankruptcy Party of a voluntary case or proceeding under any Bankruptcy Law (including insolvency, bankruptcy, *concurso mercantil* or *quiebra*) or of any other case or proceeding to be adjudicated or declared a bankrupt or insolvent, (ii) the consent by any Bankruptcy Party to the entry of a decree, declaration or order for relief in respect of such Bankruptcy Party in an involuntary case or proceeding under any Bankruptcy Law or to the commencement of any bankruptcy, insolvency case, liquidation or dissolution action or proceeding against any Bankruptcy Party, (iii) the filing by any Bankruptcy Party of a petition or answer or consent seeking reorganization or relief under any Bankruptcy Law, (iv) the consent by any Bankruptcy Party to the filing of such petition or to the appointment of or management or taking possession by a Custodian of any Bankruptcy Party or of any substantial part of the property of any Bankruptcy Party, (v) the making by any Bankruptcy Party of an assignment for the benefit of creditors, (vi) the admission by any Bankruptcy Party in writing of its inability to pay its debts generally as they become due, (vii) the approval by stockholders of any Bankruptcy Party of any plan or proposal for the liquidation or dissolution of such Bankruptcy Party, or (viii) the taking of corporate action by any Bankruptcy Party in furtherance of any action referred to in clauses (i) – (vii) above.

“Bankruptcy Law” means Title 11, U.S. Code or any similar Federal, state or non-U.S. law for the relief of debtors and the Mexican *Ley de Concursos Mercantiles*, as amended.

“Bankruptcy Party” means the Issuer and any Significant Subsidiary of the Issuer or group of Subsidiaries that, taken together would constitute a Significant Subsidiary of the Issuer.

“Beneficial Owner” will be determined in accordance with Rule 13d-3 under the Exchange Act as in effect on the date of the Indenture, and “Beneficially Own”, “Beneficially Owned” and “Beneficial Ownership” have meanings correlative to that of Beneficial Owner.

“Board of Directors” means, as to any Person, the board of directors, any duly authorized management committee or similar governing body of such Person, or any duly authorized committee thereof, having the requisite authority.

“Calculation Agent” means The Bank of New York Mellon or any successor appointed by the Company, acting as calculation agent in respect of the Notes.

“Capital Stock” of any Person means any and all ordinary shares, interests, rights to purchase, warrants, options, participations or other equivalents of or interests in (however designated) equity of such Person, but excluding any debt securities convertible into, or exchangeable for, such equity.

“Capitalized Lease Obligations” means, as to any Person, the obligations of such Person under a lease that are required to be classified and accounted for as capital lease obligations under GAAP. For purposes of the definition, the amount of such obligations at any date will be the capitalized amount of such obligations at such date, determined in accordance with GAAP.

“Certificados Bursátiles” means Mexican law governed debt securities issued by the Issuer and guaranteed (*por aval*) by CEMEX México, S.A. de C.V. and Empresas Tolteca de México, S.A. de C.V., wholly owned Subsidiaries of the Issuer, and placed in the Mexican capital markets with the approval of the Mexican National Banking and Securities Commission (*Comisión Nacional Bancaria y de Valores*) and listed on the Mexican Stock Exchange (*Bolsa Mexicana de Valores, S.A.B. de C.V.*).

“Change of Control” means acquisition of the Beneficial Ownership of twenty percent (20%) or more in voting power of the Issuer’s outstanding Voting Stock by any Person.

“Commission” means the United States Securities and Exchange Commission.

“Commodity Price Purchase Agreement” means, in respect of any Person, any forward contract, commodity swap agreement, commodity option agreement or other similar agreement or arrangement designed to protect such Person from fluctuations in commodity prices.

“Contingent Convertible Units” means the Issuer’s Contingent Convertible Units issued on October 3, 2014.

“Corporate Trust Office” means the designated office of the Trustee at which, at any particular time, its duties under this Indenture shall be administered, which office at the date of original execution of this Indenture is located at 101 Barclay Street, 7W, New York, NY 10286, or such other address as the Trustee may designate from time to time by notice to the Holders and the Issuer, or the principal corporate trust office of any successor Trustee (or such other address as such successor Trustee may designate from time to time by notice to the Holders and the Issuer).

“CPO” means an ordinary participation certificate (*certificado de participación ordinario*) having Ordinary Shares as underlying securities.

“Currency Agreement” means, in respect of any Person, any foreign exchange contract, currency swap agreement or other similar agreement as to which such Person is a party designed to hedge foreign currency risk of such Person.

“Custodian” means any receiver, trustee, assignee, *conciliador*, *síndico*, liquidator or similar official under any Bankruptcy Law.

“Daily VWAP” means, for each of the 5 consecutive Trading Days in the Averaging Period, the per ADS volume-weighted average price on Bloomberg page “CX US<equity>VWAP” (or its equivalent successor if such page is not available) in respect of the period from the scheduled open of trading until the scheduled close of trading of the primary trading session on such Trading Day using the Bloomberg calculation method (or if such volume-weighted average price is unavailable or in the Issuer’s commercially reasonable judgment is manifestly incorrect), the market value of one ADS on such Trading Day determined, using a volume-weighted average method, by a nationally recognized independent

investment banking firm retained for this purpose by the Issuer). The “Daily VWAP” will be determined without regard to afterhours trading or any other trading outside of the regular trading session trading hours.

“Default” means an event or condition the occurrence of which is, or with the lapse of time or the giving of notice or both would be, an Event of Default.

“Depository” means, with respect to any Global Securities, a clearing agency that is registered as such under the Exchange Act and is designated by the Issuer to act as Depository for such Global Securities (or any successor securities clearing agency so registered), which shall initially be DTC.

“Designated Senior Indebtedness” means (i) the Issuer’s obligations under the Facilities Agreement and in respect of the indebtedness subject thereto and (ii) any other Senior Indebtedness which, on the date of a payment default or the delivery of a Payment Blockage Notice, has an aggregate amount outstanding of, or under which, on such date, the holders thereof are committed to lend up to, at least U.S.\$50 million.

“DTC” means The Depository Trust Company, a New York corporation.

“Electronic Means” mean the following communications methods: S.W.I.F.T., e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Trustee, or another method or system specified by the Trustee as available for use in connection with its services hereunder.

“Ex-Dividend Date” means the first date on which ADSs trade on the applicable exchange or in the applicable market, in a regular way, without the right attached to Ordinary Shares to receive the issuance or distribution in question.

“Exchange Act” means the Securities Exchange Act of 1934, as amended, or any successor statute or statutes thereto together with, in either case, the rules and regulations promulgated thereunder.

“Existing Notes” means the Issuer’s 4.875% Convertible Subordinated Notes due 2015.

“Facilities Agreement” means the Facilities Agreement, dated as of September 12, 2012, entered into among the Issuer and certain Subsidiaries of the Issuer, the financial institutions and noteholders party thereto, Citibank International PLC, as administrative agent, and Wilmington Trust (London) Limited, as security agent, as such agreement may be amended, modified or waived from time to time.

“Fundamental Change” means:

- (1) a Change of Control;
- (2) the consummation of any binding share exchange, exchange offer, tender offer, consolidation or merger of the Issuer pursuant to which all or substantially all of the Issuer’s shares of Capital Stock will be converted into cash, securities or other

property or any sale, lease or other transfer in one transaction or a series of related transactions of all or substantially all of the consolidated assets of the Issuer and its Subsidiaries, taken as a whole, to any Person other than one or more of the Issuer's Subsidiaries (any such exchange, offer, consolidation, merger, transaction or series of transactions being referred to in this clause (2) as an "Event"); provided, however, that any such Event where the holders of more than fifty percent (50%) of the Issuer's Capital Stock immediately prior to such Event, own, directly or indirectly, more than fifty percent (50%) of all classes of Capital Stock of the continuing or surviving Person or transferee or the parent thereof immediately after such Event shall not be a "Fundamental Change";

- (3) during any consecutive two-year period, individuals who at the beginning of that two-year period constituted the Board of Directors of the Issuer, together with any new directors whose election to the Board of Directors of the Issuer, or whose nomination for election by the Issuer's stockholders, was approved by a vote of a majority of the Issuer's stockholders, cease for any reason to constitute a majority of the Board of Directors of the Issuer then in office;
- (4) the Issuer's stockholders approve any plan or proposal for the Issuer's liquidation or dissolution (other than any liquidation or dissolution that is part of a merger event and excluded from the definition of "Fundamental Change" by reason of the proviso in clause (2) above); or
- (5) the ADSs cease to be listed for trading on a U.S. national securities exchange.

If any transaction in which Ordinary Shares, CPOs or ADSs are replaced by the securities of another entity occurs, following the effective date of such transaction, references to the Issuer in this definition of "Fundamental Change" (and, for the avoidance of doubt, the Issuer's Ordinary Shares, CPOs and ADSs) will apply to such other entity (and securities issued by it) instead.

"GAAP" means IFRS as in effect on the Unit Issue Date.

"Global Security" means Notes represented by a certificate in definitive, fully registered form of securities without interest coupons in global form that is deposited with the Depositary or its custodian and registered in the name of the Depositary or its nominee.

"Global Securities Legend" means the legend labeled as such and that is set forth in Exhibit A hereto, which is incorporated in and expressly made part of this Indenture.

"Hedging Obligations" means the obligations of any Person pursuant to any Interest Rate Agreement, Currency Agreement, Commodity Price Purchase Agreement or any Transportation Agreement, in each case, not entered into for speculative purposes.

"Holder" means the Person in whose name a Note is registered in the Register.

"IFRS" means the International Financial Reporting Standards as issued by the International Accounting Standards Board.

“Indebtedness” means, with respect to any specified Person, any indebtedness of such Person, whether or not contingent (including obligations *pari passu*), in respect of: (i) borrowed money; (ii) bonds, notes, debentures or similar instruments or letters of credit (or reimbursement agreements in respect thereof); (iii) banker’s acceptances; (iv) Capitalized Lease Obligations; (v) the balance deferred and unpaid of the purchase price of any property, except any such balance that constitutes an accrued expense or trade payable; or (vi) Hedging Obligations, if and to the extent any of such indebtedness (other than letters of credit and Hedging Obligations) would appear as a liability on a balance sheet of the specified Person prepared in accordance with GAAP. In addition, the term “Indebtedness” includes all indebtedness of others secured by a Lien on any asset of the specified Person (whether or not such indebtedness is assumed by the specified Person) measured as the lesser of the fair market value of the assets of such Person so secured or the amount of such indebtedness and, to the extent not otherwise included, the guarantee by such Person of any indebtedness of any other Person.

“Indenture” means this Indenture as amended or supplemented from time to time.

“Interest” means (except as otherwise specifically provided in this Indenture) any accrued and unpaid interest in respect of the Notes, including Additional Interest and Additional Amounts, if any.

“Interest Payment Date” means March 15 and September 15 of each year, commencing September 15, 2015.

“Interest Rate Agreement” of any Person means any interest rate protection agreement (including, without limitation, interest rate swaps, caps, floors, collars, derivative instruments and similar agreements) and/or other types of hedging agreements designed to hedge interest rate risk of such Person.

“Issue Date” means March 13, 2015.

“Issuer” means the party named as such in the Preamble until a successor replaces it in accordance with Article V and thereafter means the successor.

“Issuer Order” means a written order of the Issuer signed by an Officer of the Issuer.

“Last Reported Sale Price” of ADSs on any Trading Day means the closing sale price per ADS (or if no closing sale price is reported, the average of the bid and ask prices or, if more than one in either case, the average of the average bid and the average ask prices) of the ADSs on that Trading Day as reported in composite transactions for the principal U.S. national or regional securities exchange on which the ADSs are traded. If the ADSs are not listed for trading on a U.S. national or regional securities exchange on the relevant Trading Day, the “Last Reported Sale Price” will be the last quoted bid price per ADS in the over-the-counter market on the relevant Trading Day as reported by OTC Markets Group, or a similar organization selected by the Issuer. If the ADSs are not so quoted, the “Last Reported Sale Price” will be the average of the mid-point of the last bid and ask prices per ADS on the relevant date from each of at least three nationally recognized independent investment banking firms the Issuer selects for this purpose. When used in relation to an Ordinary Share, “Last Reported Sale Price” means, with respect to any day, the per share price of an Ordinary Share obtained by dividing (i) the quotient

of the Last Reported Sale Price of an ADS for that day, divided by the number of CPOs represented by an ADS at the time of determination by (ii) the number of Ordinary Shares underlying a CPO at the time of determination; *provided* that if the Ordinary Shares no longer constitute securities underlying CPOs at the time of determination, references in this definition (other than in this proviso) to CPOs will be deemed to have been replaced by a reference to ADSs.

“LGTOC” means the Mexican General Law of Negotiable Instruments and Credit Transactions (*Ley General de Títulos y Operaciones de Crédito*).

“Lien” means, with respect to any asset, any mortgage, lien, pledge, charge, security or similar trust, security interest or encumbrance of any kind in respect of such asset. The Issuer shall be deemed to own, subject to a Lien, any asset that it has acquired or holds subject to the interest of a vendor or lessor under any conditional sale agreement, Capitalized Lease Obligations or other title retention lease relating to such asset, or any account receivable transferred by it with recourse (including any such transfer subject to a holdback or similar arrangement that effectively imposes the risk of collectability on the transferor).

“Marginal Spread” means the number of basis points determined by reference to the following chart; *provided, however*, that if any event that would give rise to an adjustment to the Conversion Rate under Section 12.05 occurs between September 26, 2014 and the final day of the Averaging Period, the Issuer will adjust the 5 Day Average VWAP as applied to the table below using an adjustment factor inverse to the factor that would have been applicable to the adjustment to the Conversion Rate that would have been required under Section 12.05 had the relevant event occurred after the Conversion Rate had been established, applied by the Issuer in a good faith manner to the applicable values:

	<u>5 Day Average VWAP</u>	<u>Marginal Spread</u>
Greater than \$8.62		0 basis points
Less than or equal to \$8.62, but greater than \$8.00		50 basis points
Less than or equal to \$8.00, but greater than \$7.50		137.5 basis points
Less than or equal to \$7.50, but greater than \$7.00		200 basis points
Less than or equal to \$7.00, but greater than \$6.50		250 basis points
Less than or equal to \$6.50, but greater than \$6.00		287.5 basis points
Less than or equal to \$6.00		350 basis points

“Market Disruption Event” means (i) a failure by the primary exchange or quotation system on which the ADSs trade or are quoted to open for trading during its regular trading session or (ii) the occurrence or existence prior to 1:00 p.m. New York City time, on any Trading

Day, of an aggregate one half hour period of any suspension or limitation imposed on trading (by reason of movements in price exceeding limits permitted by the stock exchange or otherwise) in the ADSs or in any options, contracts or future contracts relating to ADSs.

“Maturity Date” means March 15, 2020.

“Maximum Issuable Amount” means the aggregate principal amount of Notes to be issued in settlement of the Issuer’s Contingent Convertible Units (not to exceed U.S.\$200,000,000) as specified in an Officer’s Certificate delivered to the Trustee.

“Mexican Law Legend” means the legend labeled as such and that is set forth in Exhibit A hereto, which is incorporated in and expressly made a part of this Indenture

“New York Business Day” means any day that is not a Saturday, Sunday or other day on which commercial banks in New York City are authorized or required by law or other governmental action to remain closed.

“Offering Memorandum” means the final offering memorandum related to the Contingent Convertible Units and the Notes, dated September 26, 2014.

“Officer” means the President, the Chief Executive Officer, any Executive Vice President, any Senior Vice President, any Vice President, the Chief Financial Officer, the Treasurer, any member of the Board of Directors, any attorney-in-fact acting under a duly granted power-of-attorney providing authority or the Secretary of the Issuer.

“Officer’s Certificate” means a certificate signed by one Officer and delivered to the Trustee.

“Opinion of Counsel” means a written opinion from legal counsel who is reasonably acceptable to the Trustee. Counsel may be an employee of or counsel to the Issuer.

“Ordinary Shares” means series A common stock or series B common stock of the Issuer, or any other shares of Capital Stock of the Issuer that are issued in exchange for, or otherwise replace, any of the foregoing, including any Reference Property. References to the Issuer in this definition shall also include any successor or purchasing corporation, or its direct or indirect parent entity, the common stock of which constitutes Reference Property, subject to compliance with Section 12.06.

“Person” means an individual, partnership, limited partnership, corporation, company, limited liability company, unincorporated organization, trust or joint venture, or a governmental agency or political subdivision thereof.

“Pesos” or “Ps.” means the lawful currency of Mexico.

“Preliminary Offering Memorandum” means the preliminary offering memorandum related to the Contingent Convertible Units and the Notes, dated September 22, 2014.

“Pricing Term Sheet” means the pricing term sheet related to the Contingent Convertible Units and the Notes, dated September 26, 2014.

“Public Registry of Commerce” means the Public Registry of Property and Commerce (*Registro Público de la Propiedad y del Comercio*) of Monterrey, Nuevo León, México.

“Record Date” means the March 1 and September 1 immediately preceding each Interest Payment Date.

“Reference Bank Rate” means the percentage rate determined by the Calculation Agent on the basis of the 5-Year Swap Rate Quotations provided by the Reference Banks to the Calculation Agent at approximately 11:00 a.m. (New York time) on the second New York Business Day preceding the Issue Date. If at least three quotations are provided by the Reference Banks, the Reference Bank Rate will be determined by the Calculation Agent on the basis of the arithmetic mean of the quotations provided, eliminating the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest). If fewer than three quotations are provided by the Reference Banks, the Reference Bank Rate will be determined by the Calculation Agent by obtaining the semi-annual mid-swap rate for U.S. dollar swap transactions with a maturity of five years as displayed on the Reference Screen Page on the last calendar day prior to the Issue Date on which such quotation was displayed.

“Reference Banks” means five major banks in the interbank market selected by the Issuer and notified to the Calculation Agent.

“Reference Screen Page” means Bloomberg page “ISDA1” (or such other page as may replace that page on Bloomberg) as at 11:00 a.m. (New York Time).

“Representative” means (a) the indenture trustee or other trustee, agent or representative for any Senior Indebtedness or (b) with respect to any Senior Indebtedness that does not have any such trustee, agent or other representative, (i) in the case of such Senior Indebtedness issued pursuant to an agreement providing for voting arrangements as among the holders or owners of such Senior Indebtedness, any holder or owner of such Senior Indebtedness acting with the consent of the required Persons necessary to bind such holders or owners of such Senior Indebtedness and (ii) in the case of all other such Senior Indebtedness, the holder or owner of such Senior Indebtedness.

“Resale Restriction Delegating Date” means the date that is one year after the Unit Issue Date.

“Restricted ADS Legend” means the legend substantially in the form as set forth in Exhibit B hereto, which is incorporated in and expressly made a part of this Indenture.

“Restricted Note” means any Note until such time as (i) such Note has been transferred pursuant to an effective shelf registration statement or (ii) the Restricted Securities Legend therefor has been removed pursuant to Section 2.07(c) or (d).

“Restricted Securities Legend” means the legend labeled as such and that is set forth in Exhibit A hereto, which is incorporated in and expressly made a part of this Indenture.

“Securities Act” means the Securities Act of 1933, as amended, or any successor statute or statutes thereto together with, in either case, the rules and regulations promulgated thereunder.

“Senior Indebtedness” means all Indebtedness of the Issuer except for:

- (1) Indebtedness that states, or is issued under a deed, indenture or other instrument that states, that it is subordinated to or ranks equally with the Notes; and
- (2) Indebtedness between or among the Issuer and any of its Subsidiaries.

“Significant Subsidiary” means any Subsidiary of the Issuer that at the date of determination is a “significant subsidiary” as defined in Rule 1-02(w) of Regulation S-X under the Securities Act and the Exchange Act.

“Subsidiary” means with respect to any Person, any corporation, partnership, joint venture, limited liability company, trust, estate or other entity of which (or in which) more than fifty percent (50%) of (a) in the case of a corporation, the issued and outstanding Capital Stock having ordinary voting power to elect a majority of the Board of Directors of such corporation (irrespective of whether at the time Capital Stock of any other class or classes of such corporation shall or might have voting power upon the occurrence of any contingency that has not occurred and is not in the control of such Person), (b) in the case of a limited liability company, partnership or joint venture, the voting or other power to control the actions of such limited liability company, partnership or joint venture or (c) in the case of a trust or estate, the voting or other power to control the actions of such trust or estate, is at the time directly or indirectly owned or controlled by (x) such Person, (y) such Person and one or more of its other Subsidiaries or (z) one or more of such Person’s other Subsidiaries. Unless the context otherwise requires, all references herein to a “Subsidiary” shall refer to a Subsidiary of the Issuer.

“Trading Day” means, with respect to ADSs, a day during which trading in the Issuer’s ADSs generally occurs on the primary exchange or quotation system on which the Issuer’s ADSs then trade or are quoted and there is no Market Disruption Event.

“Transportation Agreement” means, in respect of any Person, any agreement or arrangement designed to protect such Person from fluctuations in prices related to transportation.

“Trustee” means the party named as such in the Preamble and any successor that replaces it in accordance with the applicable provisions of this Indenture, including any attorney-in-fact for the Trustee pursuant to a valid power of attorney issued by the Trustee to such attorney-in-fact.

“Trust Officer” means, when used with respect to the Trustee, any officer within the corporate trust department of the Trustee having direct responsibility for the administration of this Indenture, or to whom any corporate trust matter is referred because of such person’s knowledge of and familiarity with the particular subject and who shall have direct responsibility for the administration of this Indenture.

“Unit Issue Date” means October 3, 2014.

“U.S.” means the United States of America.

“U.S. Government Obligations” means direct obligations (or certificates representing an ownership interest in such obligations) of the United States of America (including any agency or instrumentality thereof) for the payment of which the full faith and credit of the United States of America is pledged. In order to have money available on a payment date to pay principal or Interest on the Notes, the U.S. Government Obligations shall be payable as to principal or Interest on or before such payment date in such amounts as will provide the necessary money. U.S. Government Obligations shall not be callable at the Issuer’s option.

“U.S. Legal Tender” or “U.S.\$” means such coin or currency of the United States of America, as at the time of payment shall be legal tender for the payment of public and private debts.

“Voting Stock” with respect to any Person, means securities of any class of capital stock of such Person entitling the holders thereof (whether at all times or only so long as no senior class of stock has voting power by reason of any contingency) to vote in the election of members of the Board of Directors of such Person.

SECTION 1.02. Other Definitions.

	<u>Defined in Section</u>
“5 Day Average VWAP”	Section 12.04
“Additional ADSs”	Section 12.12(a)
“Additional Amounts”	Section 4.12(b)
“ADS Price”	Section 12.12(a)
“Authorized Agent”	Section 10.10(c)
“Authorized Officers”	Section 10.02
“Averaging Period”	Section 12.04
“Banamex”	Section 12.02
“Business Day”	Section 10.06
“Change of Control Purchase Date”	Section 12.12(b)
“Change of Control Offer”	Section 3.03(a)
“Change of Control Payment”	Section 3.03(a)
“Conversion Agent”	Section 2.03
“Conversion Date”	Section 12.02
“Conversion Rate”	Section 12.04
“Definitive Security”	Section 2.07(b)(i)
“Dividend Record Date”	Section 12.05(a)(i)
“Effective Date”	Section 12.12(a)
“Event of Default”	Section 6.01
“Expiration Date”	Section 12.05(a)(v)
“Expiration Time”	Section 12.05(a)(v)
“Financial Statements”	Section 10.01(b)
“Fundamental Change Notice”	Section 12.12(b)

“Initial Conversion Price”	Section 12.04
“Instructions”	Section 10.02
“Junior Securities”	Section 11.14
“Make Whole Fundamental Change Premium”	Section 12.12(a)
“Make Whole Table”	Section 12.12(a)
“Mexican Trustee”	Preamble
“Net Total Assets”	Section 10.01(c)
“Notes”	Preamble
“Paying Agent”	Section 2.03
“Payment Blockage Notice”	Section 11.05(b)
“Payment Blockage Period”	Section 11.05(b)
“Payment Default”	Section 11.05(a)
“Payment of the Notes”	Section 11.05(a)
“Permitted Merger Jurisdictions”	Section 5.01(a)(ii)(A)
“Reference Property”	Section 12.06
“Register”	Section 2.03
“Registrar”	Section 2.03
“Rights Distribution Record Date”	Section 12.05(a)(ii)
“Settlement”	Section 12.02
“Spin-Off”	Section 12.05(a)(iii)
“Successor Issuer”	Section 5.01(a)(ii)
“Tax Redemption”	Section 3.01(a)
“Tax Redemption Date”	Section 3.01(e)
“Tax Redemption Notice”	Section 3.01(e)
“Tax Redemption Price”	Section 3.01(a)
“Taxes”	Section 4.12(a)
“Taxing Jurisdiction”	Section 3.01(a)
“USA Patriot Act”	Section 10.18
“Valuation Period”	Section 12.05(a)(iii)

SECTION 1.03. [Reserved].

SECTION 1.04. Rules of Construction. Unless the context otherwise requires:

- (i) a term has the meaning assigned to it;
- (ii) an accounting term not otherwise defined has the meaning assigned to it in accordance with GAAP;
- (iii) “or” is not exclusive;
- (iv) words in the singular include the plural, and in the plural include the singular;
- (v) the male, female and neuter genders include one another;

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- (vi) the word “including” wherever used will be deemed to be followed by the word “without limitation”;
 - (vii) references to agreements and other instruments include subsequent amendments thereto; and
 - (viii) the words “herein,” “hereof” and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or other subdivision.

The terms and provisions contained in the Notes shall constitute, and are hereby expressly made, a part of this Indenture and the Issuer and the Trustee, by their execution and delivery of this Indenture, expressly agree to such terms and provisions and to be bound thereby. However, to the extent any provision of any Note conflicts with the express provisions of this Indenture, the provisions of this Indenture shall govern and be controlling.

ARTICLE II

THE NOTES

SECTION 2.01. Form and Dating.

(a) Form and Dating.

(i) The Notes shall be issued in the form of one or more definitive, fully registered form of securities without interest coupons, with their English and Spanish text side-by-side, *provided, however*, that in case of any inconsistency or question as to the proper interpretation or construction of the Notes between the text in English and the text in Spanish, the English text shall control in all cases. The Notes and the Trustee’s certificate of authentication shall be substantially in the form of Exhibit A hereto. The terms and provisions of the Notes shall constitute, and are hereby expressly made, a part of this Indenture, and, to the extent applicable, the Issuer and the Trustee, by their execution and delivery of this Indenture, expressly agree to such terms and provisions and to be bound thereby.

(ii) Except as otherwise expressly permitted in this Indenture, all Notes shall be identical in all respects. Notwithstanding any differences among them, all Notes issued under this Indenture shall vote and consent together on all matters as one class.

(iii) Notes that were originally issued to qualified institutional buyers in reliance on Rule 144A under the Securities Act will be issued in the form of one or more permanent Global Securities.

(iv) Each such Global Security shall be issued with the Restricted Securities Legend, the Global Securities Legend and the Mexican Law Legend.

(v) Any Global Security shall be deposited on behalf of the purchasers of the Notes represented thereby with the Trustee, as custodian for the Depository, and registered in the name of the Depository or a nominee of the Depository for the accounts

of participants in the Depositary, duly executed by the Issuer and the Mexican Trustee and authenticated by the Trustee as hereinafter provided. The aggregate principal amount of any Global Security may from time to time be increased or decreased by adjustments made on the records of the Trustee and the Depositary or its nominee as hereinafter provided. Any Global Security may be represented by more than one certificate.

(vi) The Notes may have notations, legends or endorsements as specified in this Indenture or as otherwise required by law, stock exchange rule or Depositary rule or usage. The Issuer shall approve the form of the Notes and any notation, legend or endorsement on them.

(b) Book-Entry Provisions. This Section 2.01(b) shall apply only to a Global Security deposited with or on behalf of the Depositary.

The Issuer and the Mexican Trustee shall execute and the Trustee shall, in accordance with this Section 2.01(b) and upon Issuer Order, authenticate and deliver initially one or more Global Securities that (i) shall be registered in the name of the Depositary or a nominee of the Depositary (which, in the case of DTC, shall initially be Cede & Co.), (ii) shall be delivered by the Trustee to such Depositary or pursuant to such Depositary's instructions or held by the Trustee as custodian for the Depositary pursuant to (in the case of DTC) a FAST Balance Certificate Agreement between the Depositary and the Trustee, and (iii) shall bear appropriate legends as set forth herein.

Except as provided in Section 2.11(b)(iv), Agent Members shall have no rights under this Indenture with respect to any Global Security held on their behalf by the Depositary or by the Trustee as the custodian of the Depositary or under such Global Security, and the Depositary may be treated by the Issuer, the Trustee and any agent of the Issuer or the Trustee as the absolute owner of such Global Security for all purposes whatsoever. Notwithstanding the foregoing, nothing herein shall prevent the Issuer, the Trustee or any agent of the Issuer or the Trustee from giving effect to any written certification, proxy or other authorization furnished by the Depositary or impair, as between the Depositary and its Agent Members, the operation of customary practices of such Depositary governing the exercise of the rights of a holder of a beneficial interest in any Global Security.

(c) Definitive Securities. Except as provided in Section 2.07 and Section 2.11, owners of beneficial interests in Global Securities will not be entitled to receive physical delivery of certificated Notes in definitive form.

SECTION 2.02. Execution and Authentication. Two Officers (who shall be members of the Board of Directors) shall sign the Notes for the Issuer by manual or facsimile signature.

(a) If an Officer whose signature is on a Note no longer holds that office at the time the Note is authenticated, the Note shall nevertheless be valid.

(b) A Note shall not be valid until authenticated by the manual signature of the Trustee. The signature shall be conclusive evidence that the Note has been authenticated under this Indenture.

(c) The Trustee shall authenticate and make available for delivery Notes for original issue in the aggregate principal amount of up to the Maximum Issuable Amount upon receipt of an Issuer Order, which shall specify the amount of Notes to be authenticated and the date on which the Notes are to be authenticated.

(d) The Notes shall be issuable only in registered form without coupons and only in denominations of U.S.\$1,000 and multiples of U.S.\$1,000 in excess thereof.

(e) The Trustee may appoint an authenticating agent acceptable to the Issuer to authenticate Notes. An authenticating agent may authenticate Notes whenever the Trustee may do so. Each reference in this Indenture to authentication by the Trustee includes authentication by such agent. An authenticating agent has the same right as an Agent to deal with the Issuer or an Affiliate of the Issuer.

(f) If any successor that has replaced the Issuer in accordance with Article V has executed an indenture supplemental hereto with the Trustee pursuant to Article V, any of the Notes authenticated or delivered prior to such transaction may, from time to time, at the request of such successor, be exchanged for other Notes executed in the name of such successor with such changes in phraseology and form as may be appropriate, but otherwise identical to the Notes surrendered for such exchange and of like principal amount; and the Trustee, upon Issuer Order of such successor, shall authenticate and deliver Notes as specified in such order for the purpose of such exchange. If Notes shall at any time be authenticated and delivered in any new name of such successor pursuant to this Section 2.02(f) in exchange or substitution for or upon registration of transfer of any Notes, such successor, at the option of the Holders but without expense to them, shall provide for the exchange of all Notes then outstanding for Notes authenticated and delivered in such new name.

(g) The Notes shall also be signed by a duly authorized attorney-in-fact of the Mexican Trustee by manual or facsimile signature.

SECTION 2.03. The Trustee, Registrar, Paying Agent, Calculation Agent and Conversion Agent. The Issuer shall maintain or cause to be maintained in such locations as it shall determine, which may be the Corporate Trust Office, an office or agency: (i) where securities may be presented for registration of transfer or for exchange (“Registrar”); (ii) where Notes may be presented for payment (“Paying Agent”); (iii) an office or agency where Notes may be presented for conversion (the “Conversion Agent”); and (iv) where notices and demands to or upon the Issuer in respect of Notes and this Indenture may be served by the Holders. Through such time as the interest rate on the Notes shall be determined, the Issuer shall maintain a Calculation Agent in respect of the Notes. The Registrar shall keep a Register (“Register”) of the Notes and of their transfer and exchange. The Issuer may appoint one or more co-registrars, one or more additional paying agents, one or more additional calculation agents and one or more additional conversion agents. The term “Paying Agent” includes any additional paying agent, the term “Calculation Agent” includes any additional calculation agent and the term “Conversion Agent” includes any additional conversion agent. The Issuer may change any Paying Agent, Registrar, Calculation Agent, Conversion Agent or co-registrar without prior notice. The Issuer shall notify the Trustee of the name and address of any Agent not a party to this Indenture and shall enter into an appropriate agency agreement with any Registrar, Paying Agent, Calculation

Agent, Conversion Agent or co-registrar not a party to this Indenture. Such agency agreement shall implement the provisions of this Indenture that relate to such Agent. The Issuer or any of its Subsidiaries may act as Paying Agent, Registrar, Calculation Agent, Conversion Agent or co-registrar, except that for purposes of Article VIII and Section 3.03, neither the Issuer nor any of its Subsidiaries shall act as Paying Agent and neither the Issuer nor any of its Subsidiaries shall act as Calculation Agent. If the Issuer fails to appoint or maintain another entity as Registrar, Paying Agent, Calculation Agent or Conversion Agent, the Trustee shall act as such, and the Trustee shall initially act as such. The Issuer designates the Borough of Manhattan, New York City, office or agency of the Trustee as one such office or agency of the Issuer required by this Section 2.03, until such time as another office or agency located in the Borough of Manhattan is designated as such, and appoints the Trustee as Registrar, Paying Agent, Calculation Agent, Conversion Agent and agent for service of demands and notices in connection with the Notes and this Indenture until such time as another Person is appointed as such.

SECTION 2.04. Paying Agent to Hold Money in Trust. The Issuer shall require each Paying Agent (other than the Trustee, who hereby so agrees) to agree in writing that the Paying Agent will hold in trust for the benefit of the Holders or the Trustee all money held by the Paying Agent for the payment of principal or Interest on the Notes, and will notify the Trustee of any default by the Issuer in respect of making any such payment. While any such default continues, the Trustee may require a Paying Agent to pay all money held by it to the Trustee. The Issuer at any time may require a Paying Agent to pay all money held by it to the Trustee. Upon payment over to the Trustee, the Paying Agent (if other than the Issuer or a Subsidiary of the Issuer) shall have no further liability for the money. If the Issuer or a Subsidiary of the Issuer acts as Paying Agent, it shall segregate and hold in a separate trust fund for the benefit of the Holders of all money held by it as Paying Agent. Upon any proceeding under any Bankruptcy Law with respect to the Issuer or any of its Affiliates, if the Issuer or such Affiliate is then acting as Paying Agent, the Trustee shall replace the Issuer or such Affiliate as Paying Agent.

SECTION 2.05. Holder Lists. The Trustee shall preserve in as current a form as is reasonably practicable the most recent list available to it of the names and addresses of Holders. If the Trustee is not the Registrar, the Issuer shall furnish to the Trustee at least seven Business Days before each Interest Payment Date, and as the Trustee may request in writing within fifteen (15) days after receipt by the Issuer of any such request (or such lesser time as the Trustee may reasonably request in order to enable it to timely provide any notice to be provided by it hereunder), a list in such form and as of such date as the Trustee may reasonably require of the names and addresses of the Holders.

SECTION 2.06. Legends; Transfer Restrictions. (a) Each Global Security shall bear the Global Securities Legend.

(b) Each Restricted Note shall bear the Restricted Securities Legend. Each Note that bears or is required to bear the Restricted Securities Legend shall be subject to the restrictions on transfer set forth therein, and each Holder of such Note, by such Holder's acceptance thereof, agrees to be bound by all such restrictions on transfer.

(c) Each Note shall bear a Mexican Law Legend.

(d) As used in this Section 2.06 and in Section 2.07, the term “transfer” includes any sale, pledge, transfer or other disposition whatsoever of any Restricted Note. The Registrar shall not register any transfer of a Restricted Note not made in accordance with the restrictions on transfer set forth in this Section 2.06 and in Section 2.07.

(e) Every ADR certificate representing an ADS issued in the circumstances described in Section 12.11 hereof shall bear the applicable Restricted ADS Legend unless removed in accordance with the provisions of Section 12.11.

SECTION 2.07. Transfer and Exchange. (a) When Notes are presented to the Registrar or a co-registrar with a request to register a transfer or to exchange them for an equal principal amount of Notes for other denominations, the Registrar shall register the transfer or make the exchange if its requirements for such transactions specified herein and the related certificate are met. To permit registrations of transfers and exchanges, the Issuer shall issue and the Trustee shall authenticate Notes at the Registrar’s request, bearing certificate numbers not contemporaneously outstanding. No service charge shall be imposed on a Holder for any registration of transfer or exchange of Notes (except as otherwise expressly permitted herein), but the Issuer and the Registrar may require payment of a sum sufficient to cover any transfer Tax or other governmental charge payable upon exchanges pursuant to Section 2.11, Section 9.05 or Section 12.02.

The Issuer or the Registrar shall not be required to register the transfer of any Notes surrendered for repurchase pursuant to Section 3.03.

All Notes issued upon any transfer or exchange of Notes in accordance with this Indenture shall be the valid obligations of the Issuer, evidencing the same debt, and entitled to the same benefits under this Indenture as the Notes surrendered upon such registration of transfer or exchange.

(b) Notwithstanding any provision to the contrary herein, so long as a Global Security remains outstanding and is held by or on behalf of the Depository, transfers of a Global Security, in whole or in part, or of any beneficial interest therein, shall only be made in accordance with this Section 2.07, Section 2.11 and the Applicable Procedures.

Except for transfers or exchanges made in accordance with paragraphs (i) through (iii) of this Section 2.07(b) and Section 2.11, transfers of a Global Security shall be limited to transfers of such Global Security in whole, but not in part, to nominees of the Depository or to a successor of the Depository or such successor’s nominee.

(i) *Global Security to Definitive Security.* If an owner of a beneficial interest in a Global Security deposited with the Depository or with the Trustee as custodian for the Depository wishes at any time to transfer its interest in such Global Security to a Person who is required to take delivery thereof in the form of a definitive registered note (such Note, a “**Definitive Security**”), such owner may, subject to the restrictions on transfer set forth herein and such Global Security and the Applicable Procedures, cause the exchange of such interest for one or more Definitive Securities of any authorized denomination or denominations and of the same aggregate principal amount. Upon

receipt by the Registrar of (1) instructions from the Depositary and/or its participants directing the Trustee to authenticate and deliver one or more Definitive Securities of the same aggregate principal amount as the beneficial interest in the Global Security to be exchanged (such instructions to contain the name or names of the designated transferee or transferees, the authorized denomination or denominations of the Definitive Securities to be so issued and appropriate delivery instructions), and (2) in the case of a Restricted Note, such certifications or other information and, except in the case of transfers pursuant to Rule 144 under the Securities Act, legal opinions as the Issuer may reasonably require to confirm that such transfer is being made pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act, then the Registrar will instruct the Depositary to reduce or cause to be reduced such Global Security by the aggregate principal amount of the beneficial interest therein to be exchanged and to debit or cause to be debited from the account of the Person making such transfer the beneficial interest in the Global Security that is being transferred, and concurrently with such reduction and debit the Issuer shall execute, and the Trustee shall authenticate and deliver, one or more Definitive Securities of the same aggregate principal amount in accordance with the instructions referred to above.

(ii) *Definitive Security to Definitive Security*. If a Holder of a Definitive Security wishes at any time to transfer such Definitive Security (or portion thereof) to a Person who is required to take delivery thereof in the form of a Definitive Security, such Holder may, subject to the restrictions on transfer set forth herein and in such Definitive Security, cause the transfer of such Definitive Security (or any portion thereof in a principal amount equal to an authorized denomination) to such transferee. Upon receipt by the Registrar of (1) such Definitive Security, duly endorsed as provided herein, (2) instructions from such Holder directing the Trustee to authenticate and deliver one or more Definitive Securities of the same aggregate principal amount as the Definitive Security, or portion thereof, to be transferred (such instructions to contain the name or names of the designated transferee or transferees, the authorized denomination or denominations of the Definitive Securities to be so issued and appropriate delivery instructions), and (3) in the case of a Restricted Note, such certifications or other information and, except in the case of transfers to Persons pursuant to Rule 144 under the Securities Act, legal opinions as the Issuer may reasonably require to confirm that such transfer is being made pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act, then the Registrar, shall cancel or cause to be canceled such Definitive Security and concurrently therewith, the Issuer shall execute, and the Trustee shall authenticate and deliver, one or more Definitive Securities in the appropriate aggregate principal amount, in accordance with the instructions referred to above and, if only a portion of a Definitive Security is transferred as aforesaid, concurrently therewith the Issuer shall execute and the Trustee shall authenticate and deliver to the transferor a Definitive Security in a principal amount equal to the principal amount which has not been transferred. A Holder of a Definitive Security may at any time exchange such Definitive Security for one or more Definitive Securities of other authorized denominations and in the same aggregate principal amount and registered in the same name by delivering such Definitive Security, duly endorsed as provided herein, to the Trustee together with instructions directing the Trustee to authenticate and deliver one or more Definitive Securities in the same aggregate principal amount and registered

in the same name as the Definitive Security to be exchanged, and the Registrar thereupon shall cancel or caused to be canceled such Definitive Security and concurrently therewith the Issuer shall execute and Trustee shall authenticate and deliver, one or more Definitive Securities in the same aggregate principal amount and registered in the same name as the Definitive Security being exchanged.

(iii) *Definitive Security to Global Security.* If a Holder of a Definitive Security wishes at any time to transfer such Definitive Security (or portion thereof) to a Person who is not required to take delivery thereof in the form of a Definitive Security, such Holder shall, subject to the restrictions on transfer set forth herein and in such Definitive Security and the rules of the Depositary cause the exchange of such Definitive Security for a beneficial interest in the Global Security. Upon receipt by the Registrar of (1) such Definitive Security, duly endorsed as provided herein, (2) instructions from such Holder directing the Trustee to increase the aggregate principal amount of the Global Security deposited with the Depositary or with the Trustee as custodian for the Depositary by the same aggregate principal amount as the Definitive Security to be exchanged, such instructions to contain the name or names of a member of, or participant in, the Depositary that is designated as the transferee, the account of such member or participant and other appropriate delivery instructions, (3) the assignment form on the back of the Definitive Security completed in full, and (4) in the case of a Restricted Note, such certifications or other information and legal opinions as the Issuer may reasonably require to confirm that such transfer is being made pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act, then the Trustee shall cancel or cause to be canceled such Definitive Security and concurrently therewith shall increase the aggregate principal amount of the Global Security by the same aggregate principal amount as the Definitive Security canceled.

All Definitive Securities shall be issued in minimum principal amounts of U.S.\$1,000 and integral multiples of U.S.\$1,000 in excess thereof.

(c) So long as and to the extent that the Notes are represented by one or more Global Securities held by or on behalf of the Depositary only, the Issuer may accomplish any delegending of such Notes represented by such Global Securities at any time on or after the Resale Restriction Delegending Date, to the extent such Notes are freely tradable without restrictions under applicable securities laws, by:

(i) providing written notice to the Trustee that the Resale Restriction Delegending Date has occurred and instructing the Trustee to remove the Restricted Securities Legend from the Notes;

(ii) providing written notice to Holders of the Notes that the Restricted Securities Legend has been removed or deemed removed;

(iii) providing written notice to the Trustee and the Depositary to change the CUSIP number for the Notes to the applicable unrestricted CUSIP number; and

(iv) complying with any Applicable Procedures for delegending;

whereupon the Restricted Securities Legend shall be deemed removed from any Global Securities without further action on the part of Holders.

(d) Transfers of Notes and Restricted Notes.

(i) Upon the transfer, exchange or replacement of Notes (or beneficial interests in a Global Security) not bearing (or not required to bear upon such transfer, exchange or replacement) a Restricted Securities Legend, the Registrar shall exchange such Notes (or beneficial interests) for Notes (or beneficial interests in a Global Security) not bearing a Restricted Securities Legend.

(ii) Upon the transfer, exchange or replacement of Notes (or beneficial interests in a Global Security) bearing a Restricted Securities Legend at any time prior to the time the Issuer has provided notice of the occurrence of the Resale Restriction Delegending Date, the Registrar shall deliver only Notes (or beneficial interests in a Global Security) bearing a Restricted Securities Legend unless (i) such Notes (or beneficial interests) are transferred pursuant to an effective shelf registration statement; (ii) such Notes (or beneficial interests) are transferred pursuant to Rule 144 under the Securities Act upon delivery to the Registrar of a certificate of the transferor in the form contained in Exhibit A hereto and an Opinion of Counsel reasonably satisfactory to the Registrar; (iii) such Notes (or beneficial interests) are transferred, replaced or exchanged after the Resale Restriction Delegending Date and are freely tradable without restriction under applicable securities laws; or (iv) in connection with such transfer, exchange or replacement the Registrar shall have received an Opinion of Counsel, certificates and such other evidence reasonably required by and satisfactory to it to the effect that neither such Restricted Securities Legend nor the related restrictions on transfer are required in order to maintain compliance with the provisions of the Securities Act. The Issuer shall deliver to the Trustee an Officer's Certificate promptly upon effectiveness, withdrawal or suspension of any shelf registration statement that is or has previously been declared effective with respect to the Notes.

(e) Any transfer of Restricted Notes not described above (other than a transfer of a beneficial interest in a Global Security that does not involve an exchange of such interest for a Definitive Security or a beneficial interest in another Global Security, which must be effected in accordance with applicable law and the Applicable Procedures, but is not subject to any procedure required by this Indenture) shall be made only upon receipt by the Registrar of such Opinions of Counsel, certificates and such other evidence reasonably required by and satisfactory to it in order to ensure compliance with the Securities Act, or as otherwise set forth in this Indenture.

(f) Any Note or ADS issued upon the conversion or exchange of a Note that, prior to the date upon which the Issuer instructs the Trustee to remove the Restricted Securities Legend pursuant to Section 2.07(c) above, is purchased or owned by the Issuer or any Affiliate thereof, may not be resold by the Issuer, and the Issuer may not permit any such Affiliate to resell it, unless (x) bearing a CUSIP that is different from the CUSIP for the Notes or ADSs issued prior to such date and not acquired by the Issuer or any Affiliate thereof prior to such date or (y) registered under the Securities Act or resold pursuant to an exemption from the registration

requirements of the Securities Act in a transaction that results in such Note or ADS, as the case may be, no longer being “restricted securities” (as defined under Rule 144). For the avoidance of doubt, this Section 2.07(f) shall not be applicable to resales to which Section 4.09(b) applies.

(g) Neither the Trustee nor any Agent shall have any responsibility for any actions taken or not taken by the Depository. All notices and communications to be given to the Holders and all payments to be made to Holders in respect of the Notes shall be given or made only to or upon the order of the registered Holders (which shall be the Depository or its nominee in the case of a Global Security). The rights of beneficial owners in any Global Security shall be exercised only through the Depository subject to the Applicable Procedures. The Trustee may conclusively rely and shall be fully protected in relying upon information furnished by the Depository with respect to its Agent Members and any beneficial owners.

(h) The Trustee shall have no obligation or duty to monitor, determine or inquire as to compliance with any restrictions on transfer imposed under this Indenture or under applicable law with respect to any transfer of any interest in any Notes (including any transfers between or among Agent Members or beneficial owners of interests in any Global Security) other than to require delivery of such certificates and other documentation as is expressly required by, and to do so if and when expressly required by, the terms of this Indenture and to examine the same to determine substantial compliance as to form with the express requirements hereof. The Trustee shall have no obligations or duties to the holders of any ADSs issued pursuant to Article XII hereof.

(i) The Trustee shall have no responsibility or obligation to any beneficial owner of an interest in a Global Security, Agent Members or any other Persons with respect to the accuracy of the records of DTC or its nominee or of Agent Members, with respect to any ownership interest in the Notes or with respect to the delivery to any Agent Member, beneficial owner or other Person (other than DTC) of any notice (including any notice of redemption) or the payment of any amount or delivery of any Notes (or other security or property) under or with respect to such Notes. All notices and communications to be given to the Holders and all payments to be made to Holders in respect of the Notes shall be given or made only to or upon the order of the registered Holders (which shall be DTC or its nominee in the case of a Global Security). The rights of beneficial owners in any Global Security shall be exercised only through DTC subject to the applicable rules and procedures of DTC. The Trustee may and shall be fully protected in relying upon information furnished by DTC with respect to its Agent Members and any beneficial owners.

SECTION 2.08. Replacement Notes. If the Holder of a Note claims that the Note has been lost, destroyed or wrongfully taken, the Issuer shall issue (after the execution by two Officers, who shall also be members of the Board of Directors), the Mexican Trustee shall sign and the Trustee shall authenticate a replacement Note if the Trustee’s requirements are met. If required by the Trustee, the Mexican Trustee or the Issuer as a condition of receiving a replacement Note, such Holder shall provide a certificate of loss and an indemnity and/or an indemnity bond sufficient, in the judgment of the Issuer, the Mexican Trustee and the Trustee, to fully protect the Issuer, the Mexican Trustee, the Trustee, any Agent and any authenticating agent from any loss, liability, cost or expense which any of them may suffer or incur if the Note is replaced. The Issuer, the Mexican Trustee and the Trustee may charge the relevant Holder for their expenses in replacing any Note.

The Trustee or any authenticating agent may authenticate any such substituted Note, and deliver the same upon the receipt of such security or indemnity as the Trustee, the Mexican Trustee, the Issuer and, if applicable, such authenticating agent may require. Upon the issuance of any substituted Note, the Issuer and the Trustee may require the payment of a sum sufficient to cover any Tax or other governmental charge that may be imposed in relation thereto and any other expenses connected therewith. In case any Note which has matured or is about to mature, or has been submitted for repurchase pursuant to [Section 3.03](#) or is about to be converted into ADSs pursuant to Article XII, shall become mutilated or be destroyed, lost or stolen, the Issuer may, instead of issuing a substitute Note, pay or authorize the payment of or convert or authorize the conversion of the same (without surrender thereof except in the case of a mutilated Note), as the case may be, if the applicant for such payment or conversion shall furnish to the Issuer, to the Mexican Trustee, to the Trustee and, if applicable, to the authenticating agent such security or indemnity as may be required by them to save each of them harmless for any loss, liability, cost or expense caused by or connected with such action, and, in case of destruction, loss or theft, evidence satisfactory to the Issuer, the Mexican Trustee, the Trustee and, if applicable, any Paying Agent or Conversion Agent of the destruction, loss or theft of such Note and of the ownership thereof.

Every replacement Note is an additional obligation of the Issuer and shall be entitled to all the benefits provided under this Indenture equally and proportionately with all other Notes duly issued, authenticated and delivered hereunder.

SECTION 2.09. Outstanding Notes. The Notes outstanding at any time are all the Notes properly authenticated by the Trustee except for those canceled by the Trustee, those delivered to it for cancellation, and those described in this [Section 2.09](#) as not outstanding.

If a Note is replaced pursuant to [Section 2.08](#), it shall cease to be outstanding unless the Trustee receives proof satisfactory to it that the replaced Note is held by a protected purchaser.

If Notes are considered paid under [Section 4.01](#), converted under Article XII or redeemed or repurchased pursuant to [Section 3.01](#) or [Section 3.03](#), they shall cease to be outstanding and Interest on them shall cease to accrue, except as may be otherwise set forth herein.

Subject to [Section 2.10](#) hereof, a Note does not cease to be outstanding because the Issuer or an Affiliate of the Issuer holds the Note.

SECTION 2.10. When Treasury Notes Disregarded. In determining whether the Holders of the required principal amount of Notes have concurred in any direction, waiver or consent, Notes owned by the Issuer or an Affiliate of the Issuer shall be considered as though they are not outstanding except that for the purposes of determining whether the Trustee shall be protected in relying on any such direction, waiver or consent, only Notes which a Trust Officer of the Trustee actually knows are so owned shall be so disregarded. Prior to any such determination, the Issuer shall be obliged to advise the Trustee of any Notes owned by the Issuer or an Affiliate of the Issuer.

SECTION 2.11. Temporary Notes; Definitive Securities. (a) Until Definitive Securities are ready for delivery, the Issuer may prepare and the Trustee shall authenticate temporary Notes, which shall also be signed by the Mexican Trustee. Temporary Notes shall be substantially in the form of definitive Notes but may have variations that the Issuer considers appropriate for temporary Notes and shall be reasonably acceptable to the Trustee. Without unreasonable delay, the Issuer shall prepare, the Mexican Trustee shall sign and the Trustee shall authenticate Definitive Securities in exchange for temporary Notes.

(b) Definitive Securities.

(i) Except for transfers made in accordance with Section 2.07(b), a Global Security deposited with the Depository or with the Trustee as custodian for the Depository pursuant to Section 2.01 shall be transferred to the beneficial owners thereof in the form of Definitive Securities only if such transfer complies with Section 2.07 and (x) the Depository notifies the Issuer that it is unwilling or unable to continue as Depository for such Global Security or if at any time such Depository ceases to be a “clearing agency” registered under the Exchange Act and a successor Depository is not appointed by the Issuer within 90 days of such notice, (y) an Event of Default has occurred and is continuing, or (z) the Issuer, in its sole discretion, determines that the Global Security will be exchangeable for Definitive Securities in registered form and notifies the Trustee of its decision.

(ii) In connection with the exchange of an entire Global Security for Definitive Securities pursuant to clause (x) of Section 2.11(b)(i), such Global Security shall be deemed to be surrendered to the Trustee for cancellation, and the Issuer (by means of the execution by two Officers, who shall also be members of the Board of Directors) and the Mexican Trustee shall execute, and upon Issuer Order the Trustee shall authenticate and deliver to each Person identified by DTC and/or its participants in exchange for its interest in such Global Security, an equal aggregate principal amount of Definitive Securities of authorized denominations, and the Registrar shall register such exchanges in the Register.

(iii) In connection with the exchange of an entire Global Security for Definitive Securities pursuant to clause (y) of Section 2.11(b)(i), if an Event of Default has occurred and is continuing, upon receipt by the Registrar of instructions from Agent Members on behalf of the owner of a beneficial interest in a Global Security directing the Registrar to exchange such beneficial owner’s beneficial interest in such Global Security for Definitive Securities, subject to and in accordance with the Applicable Procedures, the Issuer (by means of the execution by two Officers, who shall also be members of the Board of Directors) and the Mexican Trustee shall promptly execute, and upon Issuer Order the Trustee shall authenticate and make available for delivery to such beneficial owner, Definitive Securities in a principal amount equal to such beneficial interest in such Global Security.

(iv) If (A) an event described in clause (x) of Section 2.11(b)(i) occurs and Definitive Securities are not issued promptly to all beneficial owners or (B) the Registrar receives from a beneficial owner instructions to obtain Definitive Securities due to an

event described in clause (y) of Section 2.11(b)(i) and Definitive Securities are not issued promptly to any such beneficial owner, the Issuer expressly acknowledges, with respect to the right of any Holder to pursue a remedy pursuant to Section 6.06 hereof, the right of any beneficial owner of Notes to pursue such remedy with respect to the portion of the Global Security that represents such beneficial owner's Notes as if such Definitive Securities had been issued.

(c) Any Global Security or interest therein that is transferable to the beneficial owners thereof in the form of Definitive Securities shall, if held by the Depository, be surrendered by the Depository to the Trustee, without charge, and the Trustee shall authenticate and deliver, upon such transfer of each portion of such Global Security, an equal aggregate principal amount of Notes of authorized denominations in the form of certificated Notes in definitive form. Any portion of a Global Security transferred pursuant to this Section 2.11(c) shall be executed, authenticated and delivered only in denominations of U.S.\$1,000 and multiples of U.S.\$1,000 in excess thereof and registered in such names as the Depository and/or its participants shall direct.

(d) Prior to any transfer pursuant to Section 2.11(b), the registered Holder of a Global Security may grant proxies and otherwise authorize any Person, including Agent Members and Persons that may hold interests through Agent Members, to take any action which a Holder is entitled to take under this Indenture or the Notes.

(e) The Issuer will make available to the Trustee a reasonable supply of certificated Notes in definitive form without interest coupons.

SECTION 2.12. Cancellation. The Issuer at any time may deliver Notes to the Trustee for cancellation. The Registrar and Paying Agent shall forward to the Trustee any Notes surrendered to them for registration of transfer, exchange or payment. The Trustee and no one else may cancel Notes surrendered for registration of transfer, exchange, payment, replacement, conversion, redemption, repurchase or cancellation. All Notes so surrendered to the Trustee shall be cancelled promptly by the Trustee. Upon written instructions of the Issuer, the Trustee shall dispose of canceled Notes in accordance with its customary procedures for the disposition of canceled securities and, after such disposition, shall upon written request deliver a certificate of disposition to the Issuer. The Issuer may not issue new Notes to replace Notes that it has paid or repurchased or that have been delivered to the Trustee for cancellation or that any Holder has (i) converted pursuant to Article XII hereof, or (ii) submitted for repurchase pursuant to Section 3.03 hereof (unless validly revoked pursuant to Section 3.04).

SECTION 2.13. [Reserved].

SECTION 2.14. CUSIP Number. (a) The Issuer, in issuing the Restricted Notes, will use a restricted CUSIP number for such Notes until such time as the Restricted Securities Legend is removed pursuant to Section 2.07(c) or Section 2.07(d). At such time as the applicable restrictive legend is removed from such Notes pursuant to Section 2.07(c) or Section 2.07(d), the Issuer will use an unrestricted CUSIP number for such Note, but only with respect to the Notes where so removed.

(b) The Issuer, upon issuing ADSs upon conversion of Restricted Notes, will use a restricted CUSIP number for such ADSs. With respect to each ADR representing such ADS, until such time as the applicable Restricted ADS Legend is removed pursuant to Section 2.07(c) or Section 2.07(d) from such ADR, such restricted CUSIP will be the CUSIP numbers for such ADR. At such time as the applicable restrictive legend is removed from such ADR pursuant to Section 2.07(c) or Section 2.07(d), an unrestricted CUSIP number for such ADR will be deemed to be the CUSIP number therefor, but only with respect to the ADRs where so removed.

(c) The Trustee shall use the applicable CUSIP number in notices of redemption as a convenience to Holders; *provided* that any such notice may state that no representation is made as to the correctness of such number either as printed on the Notes or as contained in any notice of a redemption and that reliance may be placed only on the other identification numbers printed on the Notes, and any such redemption shall not be affected by any defect in or omission of such number. The Issuer will promptly notify the Trustee in writing of any change in the CUSIP number.

ARTICLE III

REDEMPTION AND REPURCHASE OF NOTES

SECTION 3.01. Redemption of Notes at the Option of the Issuer. (a) If, as a result of any amendment to, or change in, the laws (or any rules or regulations thereunder) of any government or jurisdiction (a "Taxing Jurisdiction") affecting taxation, or any amendment to or change in an official interpretation or application of such laws, rules or regulations that has a general effect, which amendment to or change of such laws, rules or regulations becomes effective on or after the Unit Issue Date (which, in the case of a merger, consolidation or other transaction permitted and described under Article V, shall be for purposes of the provision being described, the date of such merger, consolidation or other transaction) the Issuer would be obligated, after taking all reasonable measures to avoid such requirement, to pay Additional Amounts in excess of those attributable to a withholding Tax rate of 10% with respect to the Notes, then, at the Issuer's option, the Issuer may give a Tax Redemption Notice whereupon the Notes shall be redeemed (a "Tax Redemption") in whole, but not in part, at a redemption price (the "Tax Redemption Price") equal to 100% of the outstanding principal amount, plus Interest, if any, up to but not including the Tax Redemption Date; *provided, however*, that (1) no Tax Redemption Notice may be given earlier than 90 days prior to the earliest date on which the Issuer would be obligated to pay the Additional Amounts described in the preceding sentence if a payment on the Notes were then due (in excess of the Additional Amounts payable on the date hereof), (2) at the time such Tax Redemption Notice is given such obligation to pay such Additional Amounts remains in effect, and (3) the Issuer shall have satisfied the additional requirements set forth in paragraph (b) of this Section 3.01. A Tax Redemption Notice, once delivered by the Issuer or caused to be delivered by the Issuer, shall be irrevocable.

(b) Prior to the publication of any Tax Redemption Notice, the Issuer will deliver to the Trustee:

(i) an Officer's Certificate stating that the Issuer is entitled to effect the redemption and setting forth a statement of facts showing that the conditions precedent to the Issuer's right to redeem set forth above have occurred, and

(ii) an Opinion of Counsel of recognized standing in the affected Taxing Jurisdiction to the effect that the Issuer has or will become obligated to pay such Additional Amounts as a result of such change or amendment.

(c) The Issuer shall not have the right to exercise any such optional redemption at any time when it is prohibited from having such an option under the Facilities Agreement. Upon delivery of a Tax Redemption Notice, each Holder will have the option to convert its Notes as if a Fundamental Change had occurred by delivering a notice of conversion of the Notes to the Trustee no later than the close of business on the fourth Business Day immediately preceding the Tax Redemption Date set forth in the Tax Redemption Notice. Such conversion shall be made at the Make Whole Fundamental Change Premium, determined as set forth in Section 12.12; provided that the "ADS price" used by the Issuer in the calculation of the make whole amount shall be the Last Reported Sale Price of the ADSs on the Trading Day immediately preceding the date the Tax Redemption Notice is delivered by the Issuer or caused to be delivered by the Issuer and "Effective Date" used in such calculation shall be the Trading Day immediately preceding such date of delivery. The settlement of such conversion shall be made in accordance with the settlement provisions set forth in Section 12.12.

(d) If the Issuer sets a Tax Redemption Date between a Record Date and the corresponding Interest Payment Date, the Issuer will not pay accrued Interest to any redeeming Holder, and will instead pay the full amount of the relevant Interest payment on such Interest Payment Date to the Holder of record on such Record Date.

(e) If the Issuer elects to exercise the redemption right described in Section 3.01(a), it shall give, or cause to be given by the Trustee, irrevocable written notice of redemption (the "Tax Redemption Notice") not less than 30 days nor more than 60 days before the Tax Redemption Date to the Trustee, the Paying Agent and each Holder at the addresses as shown on the Register. The Tax Redemption Notice shall include such notices as are required by law and shall state: (i) the aggregate principal amount of Notes to be redeemed; (ii) the CUSIP number or numbers of the Notes being redeemed; (iii) the Business Day on which the redemption will be effected (the "Tax Redemption Date"); (iv) the Tax Redemption Price; (v) the place or places of payment and that payment will be made upon presentation and surrender of such Notes; (vi) that Interest to, but excluding, the Tax Redemption Date will be paid as specified in said notice, and that on and after said date Interest thereon or on the portion thereof to be redeemed will cease to accrue; (vii) that the Holder has a right to convert the Notes called for redemption at a Make Whole Fundamental Change Premium; (viii) the Conversion Rate on the date of Tax Redemption Notice; (ix) the method of calculating the number of ADSs to be delivered to the Holder upon conversion with respect to any conversions made prior to the Tax Redemption Date; (x) the applicable information required to be contained in a Fundamental Change Notice as set forth in Section 12.12(b); and (xi) if required, whether the Issuer has an effective resale shelf registration statement with respect to any ADSs it may issue as payment for the Make Whole Fundamental Change Premium and, if so, include a selling ADS holder questionnaire to enable each Holder or beneficial owner of Notes to be named as a seller in such resale shelf registration statement. Simultaneously with providing the Tax Redemption Notice, the Issuer shall also issue a press release announcing the occurrence of such Tax Redemption.

(f) On the third Business Day following the Tax Redemption Date, the Issuer shall issue and shall deliver to each Holder of record on the Tax Redemption Date at the office or agency maintained by the Issuer for such purpose pursuant to Section 4.04, a certificate or certificates for, or effect a book-entry transfer through the Depository with respect to, the number of full ADSs issuable in accordance with the provisions of Section 3.01(b) and Section 3.01(c).

SECTION 3.02. [Reserved].

SECTION 3.03. Repurchase Upon a Change of Control at the Option of the Holders. (a) Upon the occurrence of a Change of Control, the Issuer shall notify the Holders, the Mexican Trustee and the Trustee in writing of such occurrence and shall be required to make an offer (the "Change of Control Offer") to repurchase all Notes then outstanding at a repurchase price in cash (the "Change of Control Payment") equal to 100% of the principal amount thereof, plus Interest, to, but excluding, the Change of Control Purchase Date (as defined in Section 12.12(b)) (unless the Change of Control Purchase Date is between a Record Date and the Interest Payment Date to which it relates, in which case the Issuer will pay Interest on such Interest Payment Date to the Holder of record on such Record Date and the Change of Control Payment will be equal to 100% of the principal amount of the Notes subject to repurchase and will not include Interest).

(b) Notice of a Change of Control shall be made in accordance with the provisions set forth under Section 12.12(b).

(c) The Issuer will not be required to make a Change of Control Offer if a third party makes a Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth herein applicable to a Change of Control Offer made by the Issuer and purchases all Notes validly tendered and not withdrawn under such Change of Control Offer.

SECTION 3.04. General Provisions Applicable to Repurchases. The following additional provisions shall apply to repurchases pursuant to Section 3.03.

(a) To exercise its rights under Section 3.03, a Holder must deliver the Notes to be purchased to the Paying Agent, together with a written purchase notice, after receipt of the Fundamental Change Notice and on or before the Business Day immediately preceding the Change of Control Purchase Date. The purchase notice must contain: (x) if the Notes are not certificated, the Holder's notice must comply with appropriate DTC procedures or, if the Notes are certificated, the notice shall include the certificate numbers of the Holder's Notes to be delivered for purchase; (y) the portion of the principal amount of the Holder's Notes to be purchased, which must be U.S.\$1,000 or a multiple of U.S.\$1,000; *provided* that the portion not to be purchased is in a minimum principal amount of U.S.\$1,000; and (z) that the Holder's Notes are to be purchased by the Issuer pursuant to the applicable provisions of the Notes and this Indenture. In addition, if the Notes are certificated, the Notes delivered for repurchase shall be duly endorsed for transfer and the written purchase notice in the appropriate form on the reverse side of the Notes shall be duly completed. No Notes of a principal amount of less than U.S.\$1,000 shall be purchased by the Issuer in part.

(b) On the Business Day prior to the Change of Control Purchase Date, the Issuer will deposit with the Trustee or with the Paying Agent an amount of money in immediately available funds sufficient to repurchase on such date all the Notes (or portions thereof) tendered for repurchase (other than those theretofore surrendered for conversion into ADSs) and not withdrawn, *provided* that if such payment is made on the Change of Control Purchase Date, it must be received by the Trustee or Paying Agent, as the case may be, by 10:00 a.m. New York City time on such date.

(c) A Holder that has exercised a repurchase right will receive the Change of Control Payment, promptly following the later of (i) the Change of Control Purchase Date or (ii) the time of book-entry transfer or the delivery of the Notes. If the Paying Agent holds money or securities sufficient to pay the cash portion of the purchase price of the Notes to be repurchased on the second Business Day following the Change of Control Purchase Date, then the following shall occur:

(A) the Notes tendered for purchase and not withdrawn will cease to be outstanding and Interest, if any, will cease to accrue on such Notes on the Change of Control Purchase Date (whether or not book-entry transfer of the Notes is made or whether or not the Notes are delivered to the Paying Agent); and

(B) all other rights of the Holders with respect to the Notes tendered for purchase and not withdrawn will terminate on the Change of Control Purchase Date (other than the right to receive the Change of Control Payment upon delivery or transfer of the Notes).

(d) Any Change of Control Offers shall be made by the Issuer in compliance with all applicable provisions of the Exchange Act, all applicable tender offer rules promulgated thereunder and all other federal and state securities laws, to the extent such laws and regulations are then applicable and shall include all instructions and materials (such as the filing of a Schedule TO or any other required schedule) that the Issuer shall reasonably deem necessary to enable each such Holder to tender its Notes. The Issuer will not purchase Notes if the principal amount of the Notes has been accelerated, and such acceleration has not been rescinded, on or prior to the Change of Control Purchase Date.

(e) Notwithstanding anything herein to the contrary, any Holder delivering to a Paying Agent an election to have its Notes purchased pursuant to Section 3.03 shall have the right to withdraw such election in whole or in a portion thereof that is a principal amount of U.S.\$1,000 or in an integral multiple thereof (*provided* that the portion not to be so purchased is in a minimum principal amount of U.S.\$1,000), if the Paying Agent receives, not later than close of business on the Business Day immediately preceding the Change of Control Purchase Date, a facsimile transmission or written letter, which may be sent via, mail setting forth (i) the name of the Holder; (ii) the principal amount of withdrawn Notes, which must be U.S.\$1,000 or a multiple of U.S.\$1,000, *and provided* that the portion remaining to be repurchased is in a minimum principal amount of U.S.\$1,000; (iii) if certificated Notes have been issued, the certificate numbers of the withdrawn Notes, or if not certificated, the notice must comply with appropriate DTC procedures; and (iv) the principal amount, if any, which remains subject to the notice of election.

(f) If a Holder has already delivered a purchase notice as described in Section 3.03 with respect to a Note, the Holder may not surrender that Note for conversion until the Holder has withdrawn the purchase notice in accordance with Section 3.04(e).

ARTICLE IV

COVENANTS

SECTION 4.01. Payment of Notes and Determination of Interest Rate. The Issuer shall pay the principal of and Interest on the Notes on the dates and in the manner provided in the Notes. Principal, Interest or cash payments to be made pursuant to Article III shall be considered paid on the date due if the Trustee or Paying Agent (other than the Issuer or a Subsidiary of the Issuer or any Affiliate of the Issuer) holds as of 10:00 a.m. New York City time on that date immediately available funds designated for and sufficient to pay all principal, Interest and cash payments to be made pursuant to Article III then due; *provided, however*, that money held by the Agent for the benefit of holders of Senior Indebtedness pursuant to the provisions of Article XI hereof or the payment of which to the Holders is prohibited by Article XI shall not be considered to be designated for the payment of any principal of or Interest on the Notes within the meaning of this Section 4.01.

The interest rate applicable to the Notes shall equal a fixed rate determined by the Calculation Agent as the sum of (a) the 5-Year Swap Rate on the second New York Business Day preceding the Issue Date, (b) 195 basis points and (c) the Marginal Spread. The interest rate applicable to the Notes before taking into account the Marginal Spread shall be determined by the Calculation Agent no later than 6:00 p.m. (New York time) on the second New York Business Day preceding the Issue Date and shall equal a fixed rate equal to the 5-Year Swap Rate on the second New York Business Day preceding the Issue Date plus 195 basis points. The interest rate applicable to the Notes taking into account the Marginal Spread shall be determined by the Calculation Agent no later than 6:00 p.m. (New York time) on the New York Business Day following the final Trading Day of the Averaging Period upon receipt of an Officer's Certificate of the Issuer certifying the 5 Day Average VWAP and shall equal a fixed rate equal to the 5-Year Swap Rate on the second New York Business Day preceding the Issue Date plus 195 basis points plus the Marginal Spread. Such Officer's Certificate shall be delivered by the Issuer to the Calculation Agent no later than 2:00 p.m. (New York time) on the New York Business Day following the final Trading Day of the Averaging Period. For the avoidance of doubt, the Notes shall bear interest at a single fixed rate accruing from the Issue Date.

The Calculation Agent shall notify the Issuer in writing of each of these interest rates promptly upon determination thereof. Upon receipt of each such written notice, the Issuer shall promptly notify Holders and the Trustee of the relevant interest rate and will make that information available on its website. The Calculation Agent shall not at any time be under any duty or responsibility to any Holder to determine whether Interest is payable, or with respect to the nature, extent, or calculation of the amount of Interest owed. For the avoidance of doubt, the Calculation Agent shall be entitled to all benefits and protection of this Indenture in respect of any actions taken by it pursuant to this Section 4.01 prior to the date of this Indenture.

To the extent lawful, the Issuer shall pay Interest (including post-petition Interest in any proceeding under any Bankruptcy Law) on (i) overdue principal, at the rate borne by the Notes per annum; and (ii) overdue installments of Interest (without regard to any applicable grace period) at the same rate per annum, in each case during the period in which such Default is continuing.

SECTION 4.02. Reports. (a) The Issuer shall furnish to the Trustee within 15 days after the same are required to be filed with the Commission any documents or reports that the Issuer is required to file with the Commission pursuant to Section 13 or 15(d) of the Exchange Act (giving effect to any grace period provided by Rule 12b-25 under the Exchange Act).

(b) In the event that the Issuer is no longer subject to the reporting requirements of Section 13 or 15(d) of the Exchange Act, so long as any Notes remain outstanding, the Issuer shall:

(i) provide the Trustee and the Holders with:

(A) annual reports on Form 20-F (or any successor form) containing the information required to be contained therein (or such successor form) within the time period required under the rules of the Commission for the filing of Form 20-F (or any successor form) by “foreign private issuers” (as defined in Rule 3b-4 of the Exchange Act (or any successor rule));

(B) reports on Form 6-K (or any successor form) including, whether or not required, unaudited quarterly financial statements (which shall include at least a balance sheet, income statement and cash flow statement) including a discussion of financial condition and results of operations of the Issuer in accordance with past practice, within 45 days after the end of each of the first three fiscal quarters of each fiscal year; and

(C) such other reports on Form 6-K (or any successor form) promptly from time to time after the occurrence of an event that would be required to be reported on a Form 6-K (or any successor form); and

(ii) file with the Commission, to the extent permitted, the information, documents and reports referred to in clause (i) above within the periods specified for such filings under the Exchange Act (whether or not applicable to the Issuer).

(c) In addition, at any time when the Issuer is not subject to or is not current in its reporting obligations under clause (ii) of Section 4.02(b), the Issuer shall make available, upon request, to any Holder and any prospective purchaser of Notes the information required pursuant to Rule 144A(d)(4) under the Securities Act.

(d) Delivery of such reports, information and documents to the Trustee is for informational purposes only and the Trustee’s receipt of such reports shall not constitute constructive notice of any information contained therein or determinable from information contained therein, including the Issuer’s compliance with any of its covenants hereunder (as to which the Trustee is entitled to rely exclusively on an Officer’s Certificates).

(e) As provided in Articles 210 Bis, 212 and any other related Articles of the LGTOC, so long as any Notes remain outstanding:

(i) within four months after the end of each fiscal year, the Issuer's Board of Directors shall notify the shareholders of the number of Notes that have been converted into ADSs in accordance with this Indenture as of the date thereof. Such notification shall include the number of underlying Ordinary Shares of the Issuer and CPOs that were subscribed or released as a result of such conversion and shall be notarized before a Mexican notary public and filed with the Public Registry of Commerce; and

(ii) the Issuer shall publish, on an annual basis, its balance sheet corresponding to the previous fiscal year in the Mexican Official Gazette of the Federation (*Diario Oficial de la Federación*), duly certified by a public accountant.

SECTION 4.03. Compliance Certificate. The Issuer shall deliver to the Trustee within 120 days after the end of each fiscal year of the Issuer (which fiscal year ends on December 31 of each year, subject to any change in fiscal year following the Issue Date) an Officer's Certificate stating that in the course of the performance by the signer of his or her duties as an Officer of the Issuer he or she would normally have knowledge of any Default or Event of Default and whether or not the signer knows of any Default or Event of Default that occurred during the previous fiscal year. If he or she does, the certificate shall describe the Default or Event of Default, its status and what action the Issuer is taking or proposes to take with respect thereto.

SECTION 4.04. Maintenance of Office or Agency. The Issuer shall maintain or cause to be maintained the office or agency required under Section 2.03. The Issuer shall give prompt written notice to the Trustee and the Mexican Trustee of the location, and any change in the location, of such office or agency not maintained by the Trustee. If at any time the Issuer shall fail to maintain any such required office or agency or shall fail to furnish the Trustee and the Mexican Trustee with the address thereof, presentations, surrenders, notices and demands with respect to the Notes may be made or served at the Corporate Trust Office of the Trustee.

The Issuer may also from time to time designate one or more other offices or agencies where the Notes may be presented or surrendered for any or all such purposes and may from time to time rescind such designation.

SECTION 4.05. [Reserved].

SECTION 4.06. Appointments to Fill Vacancies in Trustee's Office. The Issuer, whenever necessary to avoid or fill a vacancy in the office of Trustee, will appoint, in the manner provided in Section 7.08, a Trustee, so that there shall at all times be a Trustee hereunder. If for any reason the Mexican Trustee resigns or is removed, the Issuer shall take all actions to appoint a new Mexican trustee so that there shall at all times be a Mexican banking institution acting as Mexican Trustee hereunder and for the purposes of the duties of the Mexican Trustee set forth herein.

SECTION 4.07. Stay, Extension and Usury Laws. The Issuer covenants (to the extent that it may lawfully do so) that it shall not at any time insist upon, plead or in any manner

whatsoever claim or take the benefit or advantage of, any stay, extension or usury law wherever enacted, now or at any time hereafter enforced, that may affect the Issuer's obligation to pay the Notes; and the Issuer (to the extent that it may lawfully do so) hereby expressly waives all benefit or advantage of any such law insofar as such law applies to the Notes, and covenants that it shall not, by resort to any such law, hinder, delay or impede the execution of any power herein granted to the Trustee, but will suffer and permit the execution of every such power as though no such law has been enacted.

SECTION 4.08. [Reserved].

SECTION 4.09. Additional Interest. (a) If, at any time during the six months to one year period following the Unit Issue Date, (i) the Issuer fails to timely file any document or report that it is required to file with the Commission pursuant to Section 13 or 15(d) of the Exchange Act (other than any current report on Form 6-K), or (ii) the Notes are not otherwise freely tradable by Holders (other than Holders who are Affiliates of the Issuer or any Person that has been an Affiliate of the Issuer at any time during the three months preceding the applicable date) as a result of restrictions pursuant to the U.S. securities laws or the terms of this Indenture or the Notes and unless the Issuer has designated an effective shelf registration statement useable for the resale of the Notes or any ADSs issuable upon conversion of the Notes at such time, the Notes will accrue Additional Interest at the rate of 0.50% per annum on the outstanding principal amount of Notes, such additional accrual to begin at such time as either of the conditions described in clauses (i) and (ii) of this sentence exist and to end at the earlier of (x) the end of such one year period and (y) the time with such conditions no longer exist. For the avoidance of doubt, Additional Interest shall not accrue for each day on which such registration statement remains effective and useable by Holders for the resale of the Notes and any ADSs. The Issuer shall pay such Additional Interest in cash on each Interest Payment Date to the Person who is the Holder of record of the Notes on the immediately preceding Record Date and if and when the conditions described in clauses (i) and (ii) of the preceding sentence no longer exist, accrued and unpaid Additional Interest through the date such conditions last existed will be paid in cash on the subsequent Interest Payment Date to the record Holder on the Record Date. Unless:

(i) the Restricted Securities Legend on the Notes has been removed, and

(ii) the Notes are freely tradable pursuant to Rule 144 under the Securities Act without restrictions by Holders other than Affiliates of the Issuer or any Person that has been an Affiliate of the Issuer at any time during the three months preceding the applicable date (as a result of restrictions pursuant to U.S. securities law or the terms of this Indenture or the Notes),

as of the 365th day after the Unit Issue Date, the Issuer will, at its election, either (A) pay Additional Interest on the Notes at an annual rate equal to 0.50% of the aggregate principal amount of the Notes or (B) designate an effective shelf registration statement useable for the resale of the Notes or any ADSs issuable upon conversion of the Notes, in which case Additional Interest shall not accrue for each day on which such registration statement remains effective and useable by Holders for the resale of the Notes and any ADSs. To the extent the Issuer elects to pay such Additional Interest, and for so long as a condition described in either clause (i) or (ii) of the preceding sentence continues to fail to be satisfied, the Issuer shall pay such Additional

Interest in cash on each Interest Payment Date to the Person who is the Holder of record of the Notes on the immediately preceding Record Date. In no event shall Additional Interest accrue under the terms of this Indenture (taking any Additional Interest under the provision described in this [Section 4.09](#) together with any Interest under [Section 6.02\(b\)](#)) at an annual rate in excess of 0.50%, in the aggregate, for any violation or default caused by the Issuer's failure to be current in respect of its Exchange Act reporting obligations.

(b) During the period of one year after the Unit Issue Date, the Issuer will not, and will not permit any of its "affiliates" (as defined in Rule 144 under the Securities Act) to, resell any Notes that have been reacquired by the Issuer or acquired by any of them, unless the Notes so resold bear a CUSIP that is different from the CUSIP for the Notes issued on the Issue Date and not acquired by the Issuer or any of its Affiliates during such one year period. For the avoidance of doubt, this [Section 4.09\(b\)](#) shall not be applicable to any conversion or exchange of Notes to which [Section 2.07\(f\)](#) applies.

SECTION 4.10. [Additional Interest Notice](#). In the event that the Issuer is required to pay Additional Interest to Holders pursuant to [Section 4.09](#) or [Section 6.02\(b\)](#) hereof, the Issuer shall provide a direction or order in the form of a written notice to the Trustee (and if the Trustee is not the Paying Agent, the Paying Agent) of the Issuer's obligation to pay such Additional Interest no later than three Business Days prior to the date on which any such Additional Interest is scheduled to be paid. Such notice shall set forth the amount of Additional Interest to be paid by the Issuer on such payment date and direct the Trustee (or, if the Trustee is not the Paying Agent, the Paying Agent) to make payment to the extent it receives funds from the Issuer to do so. The Trustee shall not at any time be under any duty or responsibility to any Holder to determine whether Additional Interest is payable, or with respect to the nature, extent, or calculation of the amount of Additional Interest owed, or with respect to the method employed in such calculation of Additional Interest.

SECTION 4.11. [Further Instruments and Acts](#). Upon request of the Trustee or the Mexican Trustee, the Issuer will execute and deliver such further instruments and do such further acts as may be reasonably necessary or proper to carry out more effectively the purposes of this Indenture.

SECTION 4.12. [Payment of Additional Amounts](#). (a) All payments made by the Issuer under, or with respect to, the Notes shall be made free and clear of, and without withholding or deduction for or on account of any present or future tax, duty, levy, impost, assessment or other governmental charge (including penalties, interest and other liabilities related thereto) (collectively, "[Taxes](#)") imposed or levied by or on behalf of any Taxing Jurisdiction unless the Issuer is required to withhold or deduct Taxes by law or by the official interpretation or administration thereof.

(b) If the Issuer is so required to withhold or deduct any amount for, or on account of, such Taxes from any payment made under or with respect to the Notes, the Issuer shall pay such additional amounts ("[Additional Amounts](#)") as may be necessary so that the net amount received by each Holder (including Additional Amounts) after such withholding or deduction shall not be less than the amount such Holder would have received if such Taxes had not been required to be withheld or deducted; *provided, however*, that the foregoing obligation to pay Additional Amounts does not apply to:

(i) any Taxes imposed solely because at any time there is or was a connection between the Holder and a Taxing Jurisdiction (other than the mere purchase of the Notes, or receipt of a payment or the ownership or holding of a Note),

(ii) any estate, inheritance, gift, sales, transfer, personal property or similar Tax imposed with respect to the Notes,

(iii) any Taxes imposed solely because the Holder or any other Person fails to comply with any certification, identification or other reporting requirement concerning the nationality, residence, identity or connection with a Taxing Jurisdiction of the Holder or any beneficial owner of the Note if compliance is required by the applicable law of the Taxing Jurisdiction as a precondition to exemption from, or reduction in the rate of, the Tax, assessment or other governmental charge and the Issuer has given the Holders at least 30 days' prior notice that Holders shall be required to provide such information and identification,

(iv) any Taxes payable otherwise than by deduction or withholding from payments on the Notes,

(v) any Taxes with respect to such Note presented for payment more than 30 days after the date on which the payment became due and payable or the date on which payment thereof is duly provided for and notice thereof given to Holders, whichever occurs later, except to the extent that the Holders of such Note would have been entitled to such Additional Amounts on presenting such Note for payment on any date during such 30 day period, and

(vi) any payment on the Note to a Holder that is a fiduciary or partnership or a person other than the sole beneficial owner of any such payment, to the extent that a beneficiary or settlor with respect to such fiduciary, a member of such a partnership or the beneficial owner of the payment would not have been entitled to the Additional Amounts had the beneficiary, settlor, member or beneficial owner been the Holder of the Note.

(c) The obligations in Section 4.12(a) and Section 4.12(b) shall survive any termination or discharge of this Indenture and shall apply *mutatis mutandis* to any Taxing Jurisdiction with respect to any successor to the Issuer. The Issuer shall (i) make such withholding or deduction and (ii) remit the full amount deducted or withheld to the relevant Taxing Jurisdiction in accordance with applicable law. The Issuer shall use all reasonable efforts to obtain certified copies of Tax receipts evidencing the payment of any Taxes so deducted or withheld from each Taxing Jurisdiction imposing such Taxes and shall furnish such certified copies to the Trustee within 30 days after the date the payment of any Taxes so deducted or so withheld is due pursuant to applicable law or, if such Tax receipts are not reasonably available to the Issuer, furnish such other documentation that provides reasonable evidence of such payment.

(d) The limitations on the obligations to pay additional amounts stated in clause (iii) of Section 4.12(b) shall not apply if the provision of information, documentation or other evidence described in clause (iii) of Section 4.12(b) would be materially more onerous, in form, in procedure or in the substance of information disclosed, to a Holder or beneficial owner of a Note than comparable information or other reporting requirements imposed under U.S. Tax law, regulation (including proposed regulations) and administrative practice. The limitations on the obligations to pay additional amounts in clause (iii) of Section 4.12(b) shall not apply with respect to Taxes imposed by Mexico or any political subdivision or taxing authority thereof if the Issuer can otherwise obtain the application of the lower withholding tax rate in effect unless (A) the provision of the information, documentation or other evidence described in clause (iii) of Section 4.12(b) is expressly required by statute, regulation, or published administrative practice of general applicability, (B) the Issuer cannot obtain the information, documentation or other evidence necessary to comply with the applicable laws and regulations on its own through reasonable diligence and without requiring it from Holders, and (C) the Issuer otherwise would meet the requirements set forth under applicable law and regulations. In addition, clause (iii) of Section 4.12(b) does not and shall not be construed to require that any Person, including any non-Mexican pension fund, retirement fund, financial institution or any other Holder or beneficial owner of a Note, register with, or to provide periodic information to, the Mexican Ministry of Finance and Public Credit or with the Tax Administration Service (*Servicio de Administración Tributaria*) to obtain eligibility for an exemption from, or a reduction of, Mexican withholding Tax.

(e) Any reference in this Indenture, any supplemental indenture or the Notes to principal, Interest or any other amount payable in respect of the Notes by the Issuer shall be deemed also to refer to any Additional Amount that may be payable with respect to that amount under the obligations referred to in this subsection.

(f) In the event that Additional Amounts actually paid with respect to the Notes pursuant to this Section 4.12 are based on rates of deduction or withholding of withholding Taxes in excess of the appropriate rate applicable to the Holder of such Notes, and as a result thereof such Holder is entitled to make a claim for a refund or credit of such excess from the authority imposing such withholding Tax, then such Holder shall, by accepting such Notes, and without any further action, be deemed to have assigned and transferred all right, title and interest to any such claim for a refund or credit of such excess to the Issuer. However, by making such assignment, the Holder makes no representation or warranty that the Issuer will be entitled to receive such claim for a refund or credit and incurs no other obligation with respect thereto including making any filing to request a refund.

(g) For purposes of this Section 4.12, references to “payments” made by the Issuer under, or with respect to, the Notes shall include the conversion of Notes by the Issuer.

SECTION 4.13. Spanish Version, Notarization and Registration. This Indenture shall be executed in both English and Spanish. Concurrently with the execution of this Indenture, the Issuer, the Trustee and the Mexican Trustee shall execute a Spanish version of this Indenture before a Mexican notary public, *provided, however*, that in case of any inconsistency or question as to the proper interpretation or construction of this Indenture between the text in English and the text in Spanish, the English text shall control in all cases.

SECTION 4.14. Registration with the Public Registry of Commerce. Within forty-five (45) days after the date hereof, the Issuer shall provide the Trustee and the Mexican Trustee with a copy of the public instrument containing the notarized Spanish version of this Indenture, duly filed with, and stamped as registered by, the Public Registry of Commerce.

SECTION 4.15. Compliance with Mexican Law Provisions. (a) The Issuer shall, at all times during the term of this Indenture, comply with all applicable provisions set forth in applicable Mexican Laws, including without limitation, Chapter V (*Capítulo V*) of the LGTOC.

(b) In accordance with paragraph III of Article 210 Bis of the LGTOC, the issue price of the Notes shall not be less than the Notes' nominal amount.

ARTICLE V

SUCCESSORS

SECTION 5.01. Merger, Consolidation and Sale of Assets. The Issuer will not, in a single transaction or series of related transactions, consolidate or merge with or into any Person (whether or not the Issuer is the surviving or continuing Person), or sell, assign, transfer, lease, convey or otherwise dispose of all or substantially all of the Issuer's properties and assets (determined on a consolidated basis for the Issuer and its Subsidiaries), to any Person unless:

(a) either:

(i) the Issuer shall be the surviving or continuing corporation, or

(ii) the Person (if other than the Issuer) formed by such consolidation or into which the Issuer is merged or the Person which acquires by sale, assignment, transfer, lease, conveyance or other disposition the properties and assets of the Issuer and its Subsidiaries substantially as an entirety (the "Successor Issuer");

(A) shall be a corporation organized and validly existing under the laws of Mexico, the United States of America, any State thereof or the District of Columbia, Canada, France, Belgium, Germany, Italy, Luxembourg, the Netherlands, Portugal, Spain, Switzerland or the United Kingdom, or any political subdivision thereof (the "Permitted Merger Jurisdictions"); and

(B) shall expressly assume, by supplemental indenture (in form and substance satisfactory to the Trustee), executed and delivered to the Trustee, the due and punctual payment of the principal and Interest on all of the Notes and the performance and observance of every covenant of the Notes and this Indenture on the part of the Issuer to be performed or observed and provide the Trustee with an Officer's Certificate and Opinion of Counsel, and such transaction is otherwise in compliance with this Indenture;

(b) immediately before and immediately after giving effect to such transaction and the assumption contemplated by clause (a)(ii)(B) of this Section 5.01, no Default or Event of Default shall have occurred or be continuing.

(c) if the Issuer merges with a corporation, or the Successor Issuer is organized under the laws of any of the Permitted Merger Jurisdictions, the Issuer or the Successor Issuer will have delivered to the Trustee an Opinion of Counsel that, as applicable:

(i) the Holders will not recognize income, gain or loss for the purposes of the income Tax laws of United States or the applicable Permitted Merger Jurisdiction as a result of the transaction and will be taxed in the Holder's home jurisdiction in the same manner and on the same amounts (assuming solely for this purpose that no additional amounts are regarded to be paid on the Notes) and at the same times as would have been the case if the transaction had not occurred;

(ii) any payment of principal or Interest on the Notes will be paid in compliance with any requirements under Section 4.12; and

(iii) no other Taxes on income, including capital gains, will be payable by Holders under the laws of United States or the applicable Permitted Merger Jurisdiction relating to the acquisition, ownership or disposition of the Notes, including the receipt of Interest or principal thereon; provided that the Holder does not use or hold, and is not deemed to use or hold, the Notes in carrying on a business in the United States or the applicable Permitted Merger Jurisdiction.

(d) The provision of clause (b) of this Section 5.01 shall not apply to:

- (1) any transfer of the properties or assets of a Subsidiary of the Issuer to the Issuer;
- (2) any merger of a Subsidiary of the Issuer into the Issuer; or
- (3) any merger of the Issuer into a Subsidiary of the Issuer.

(e) For purposes of the covenant in this Section 5.01, the transfer (by lease, assignment, sale or otherwise, in a single transaction or series of transactions) of all or substantially all of the properties or assets of one or more Subsidiaries of the Issuer, the Capital Stock of which constitutes all or substantially all of the properties and assets of the Issuer (determined on a consolidated basis for the Issuer and its Subsidiaries), will be deemed to be the transfer of all or substantially all of the properties and assets of the Issuer.

(f) Upon any such consolidation, merger, sale, assignment, conveyance, lease, transfer or other disposition in accordance with this Section 5.01, the Successor Issuer formed by such consolidation or into which the Issuer is merged or to which such sale, assignment, conveyance, lease, transfer or other disposition is made will succeed to, and be substituted for, and may exercise every right and power of, the Issuer under this Indenture and the Notes with the same effect as if such successor had been named as the Issuer therein, and thereafter the predecessor corporation will be relieved of all further obligations and covenants under this Indenture and the Notes.

(g) The Issuer or such Person shall have delivered to the Trustee an Officer's Certificate and an Opinion of Counsel each stating that such consolidation, merger, combination,

sale, assignment, disposition, conveyance, transfer or lease and, if a supplemental indenture is required in connection with such transaction, such supplemental indenture, comply with the provisions of this Indenture and that all conditions precedent in this Indenture relating to such transaction have been satisfied.

SECTION 5.02. Purchase Option on Fundamental Change. This Article V does not affect the obligations of the Issuer (including without limitation any successor to the Issuer) under Section 3.03.

ARTICLE VI

DEFAULTS AND REMEDIES

SECTION 6.01. Events of Default. An “Event of Default” with respect to any Notes occurs if:

(a) the Issuer defaults in the payment in respect of the principal of any Note when due at maturity, upon redemption or repurchase pursuant to Article III, upon declaration of acceleration or otherwise, whether or not such payment is prohibited by the subordination provisions set forth in Article XI;

(b) the Issuer defaults in the payment of any Interest on any Note when due and payable, whether or not such payment is prohibited by the subordination provisions set forth in Article XI, including any Interest payable in connection with a redemption or repurchase pursuant to Article III, and continuance of such default for a period of 30 days or more;

(c) the Issuer defaults in the delivery when due of ADSs deliverable upon conversion with respect to the Notes in accordance with Article XII, which default continues for a period of five Business Days or more;

(d) the Issuer fails to provide a timely Fundamental Change Notice in accordance with Section 12.12(b);

(e) the Issuer fails to comply with the covenant described in clause (b) of Section 12.08;

(f) failure by the Issuer to comply with the covenant described in clause (a) of Section 12.08 that continues for a period of 30 days after the Issuer receives written notice of such failure from the Trustee or the Holders of at least 25% in principal amount of the Notes then outstanding;

(g) the Issuer defaults (other than a default set forth in clauses (a) through (f) above) in the performance of, or breaches, any other covenant or agreement of the Issuer set forth in this Indenture or the Notes and fails to remedy such default or breach within a period of 45 days after its receipt of written notice thereof from the Trustee or the Holders of at least 25% in aggregate principal amount of the then outstanding Notes;

(h) the Issuer or any of the Issuer's "Significant Subsidiaries" (as defined in Article 1, Rule 1-02 of Regulation S-X) defaults with respect to any mortgage, agreement or other instrument under which there is outstanding, or by which there is secured or evidenced, any Indebtedness for money borrowed having a principal amount in excess of U.S.\$50 million in the aggregate, whether such Indebtedness now exists or shall hereafter be created, (i) resulting in such Indebtedness becoming or being declared due and payable prior to its express maturity date or (ii) constituting a failure to pay at least U.S.\$50 million of such Indebtedness when due and payable (after the expiration of any applicable grace period) at its stated maturity, upon required repurchase, upon declaration or otherwise; provided, that any such Event of Default shall be deemed cured and not continuing upon payment of such Indebtedness or rescission of such declaration;

(i) a final judgment for the payment of U.S.\$100 million or more (excluding any amounts covered by insurance or bond) is rendered against the Issuer or any Significant Subsidiary by a court of competent jurisdiction, which judgment is not discharged, stayed, vacated, paid or otherwise satisfied within 60 days after (i) the date on which the right to appeal thereof has expired if no such appeal has commenced, or (ii) the date on which all rights to appeal have been extinguished; or

(j) a Bankruptcy Event of Default occurs.

SECTION 6.02. Acceleration. (a) If an Event of Default (other than an Event of Default with respect to the Issuer specified in Section 6.01(j)) occurs and is continuing, then and in every such case (i) the Trustee, by written notice to the Issuer, or (ii) the Holders of at least 25% in aggregate principal amount of the then outstanding Notes, by written notice to the Issuer and the Trustee, may, and the Trustee at the request of such Holders shall, declare all of the unpaid principal of, and Interest, on all the Notes to be due and payable. Upon such declaration such principal amount, and Interest, shall become immediately due and payable, notwithstanding anything contained in this Indenture or the Notes to the contrary, but subject to the provisions of Article XI hereof. If the Event of Default with respect to the Issuer specified in Section 6.01(j) occurs, all unpaid principal of, and Interest on, the Notes then outstanding shall become automatically due and payable, subject to the provisions of Article XI hereof, without any declaration or other act on the part of the Trustee or any Holder.

(b) Notwithstanding any other provision in this Article VI, if an Event of Default occurs arising out of the Issuer's breach of its obligation to file or furnish reports or other financial information as required under Section 4.02 of this Indenture, the Issuer may elect to pay Additional Interest on the Notes as the sole remedy for such Event of Default, and the Trustee and the Holders will not have any right under this Indenture to accelerate the maturity of the Notes as a result of any such Event of Default, except as provided below. If elected, the Issuer shall pay Additional Interest to all Holders at a rate equal to 0.50% per annum through the 180th day after the occurrence of such Event of Default (which shall be the 135th day after the end of the 45-day grace period set forth in Section 6.01(g)), or such earlier date on which the Event of Default relating to the reporting obligations referred to in this Section 6.02(b) shall have been cured or waived. On the 181st day, such Additional Interest will cease to accrue (or earlier, if the Event of Default relating to the reporting obligations referred to in this Section 6.02(b) shall have been cured or waived prior to such 181st day) and, if the Event of Default is continuing on such

181st day, the Notes will be subject to acceleration as provided in Section 6.02(a). The provisions of this Section 6.02(b) will not affect the rights of the Holders in the event of the occurrence of any other Event of Default, and are separate and distinct from, and in addition to, the obligation of the Issuer to increase the interest rate of, and the amount of Interest payable on, the Notes pursuant to Section 4.09, except as otherwise provided therein. Any Additional Interest paid pursuant to this Section 6.02(b) will be payable at the times and in the manner provided for the payment of regular Interest on the Notes. In order to elect to pay Additional Interest on the Notes as the sole remedy during the first 180 days after the occurrence of an Event of Default relating to the failure to comply with reporting obligations in accordance with this Section 6.02(b), the Issuer must notify all Holders and the Trustee and Paying Agent of such election on or before the close of business on the fifth Business Day after the date on which such Event of Default first occurs. If the Issuer fails to timely give such notice, does not pay such Additional Interest or elects not to pay such Additional Interest, the Notes will be immediately subject to acceleration as provided in Section 6.02(a).

SECTION 6.03. Other Remedies. If an Event of Default occurs and is continuing, subject to Article XI, the Trustee may pursue any available remedy by proceeding at law or in equity to collect the payment of principal of or Interest on the Notes or to enforce the performance of any provision of the Notes or this Indenture. The Trustee may maintain a proceeding even if it does not possess any of the Notes or does not produce any of them in the proceeding. A delay or omission by the Trustee or any Holder in exercising any right or remedy occurring upon an Event of Default shall not impair the right or remedy or constitute a waiver of or acquiescence in the Event of Default. All remedies are cumulative to the extent permitted by law.

SECTION 6.04. Waiver of Past Defaults; Rescission of Acceleration. The Holders of a majority in aggregate principal amount of the then outstanding Notes may, on behalf of the Holders of all the Notes, waive an existing or past Default or Event of Default and its consequences (except a Default or Event of Default in the payment of principal or Interest, in the repurchase of any Notes when required, in the delivery, upon conversion, of ADSs, or in respect of a covenant or provision of this Indenture which cannot be modified or amended without the consent of all Holders of Notes) and rescind any such acceleration with respect to the Notes and its consequences if (a) rescission would not conflict with any judgment or decree of a court of competent jurisdiction, (b) all existing Defaults or Events of Default, other than the nonpayment of the principal and Interest on the Notes that have become due solely by such declaration of acceleration, have been cured or waived and (c) there had been paid or deposited with the Trustee a sum sufficient to pay all amounts due to the Trustee and reimburse the Trustee for any and all expenses, disbursements, fees advanced by the Trustee, its agent and its counsel incurred in connection with such Default or Event of Default. No such rescission shall affect any subsequent Default or Event of Default or impair any right consequent thereto.

SECTION 6.05. Control by Majority. The Holders of a majority in aggregate principal amount of the then-outstanding Notes may direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or of exercising any trust or power conferred on the Trustee. However, the Trustee may refuse to follow any direction that conflicts with law or this Indenture or that the Trustee determines may be unduly prejudicial to the rights of any other Holder or that may involve the Trustee in personal liability; *provided* that the Trustee shall

have no duty or obligation (subject to Section 7.01) to ascertain whether or not such actions of forbearances are unduly prejudicial to such Holders; *provided, further*, that the Trustee may take any other action the Trustee deems proper that is not inconsistent with such directions. Any Notes held by the Issuer or one of the Issuer's Subsidiaries shall be disregarded for voting purposes in connection with any notice, waiver, consent or direction requiring the vote or concurrence of Holders of the Notes.

SECTION 6.06. Limitation on Suits. Except to enforce the right to receive payment of principal and Interest when due, a Holder may not pursue any remedy with respect to this Indenture or the Notes unless:

- (i) the Holder gives to the Trustee written notice that an Event of Default that has occurred and is continuing;
- (ii) the Holders of at least 25% in principal amount of the then-outstanding Notes make a request to the Trustee to pursue the remedy;
- (iii) such Holder or Holders offer and, if requested, provide to the Trustee security or indemnity reasonably satisfactory to the Trustee against any loss, liability or expense;
- (iv) the Trustee does not comply with the request within 60 days after receipt of the request and the offer and, if requested, the provision of such security or indemnity; and
- (v) the Holders of a majority in principal amount of the then-outstanding Notes do not give the Trustee a direction that is inconsistent with the request during such 60-day period.

A Holder may not use this Indenture to prejudice the rights of another Holder or to obtain a preference or priority over another Holder.

SECTION 6.07. Rights of Holders to Receive Payment. Subject to the provisions of Article XI hereof, notwithstanding any other provision of this Indenture, the right of any Holder of a Note to receive payment of principal, and Interest, if any, on the Note, on or after the respective due dates expressed in the Note, or to bring suit for the enforcement of any such payment on or after such respective dates, or to bring suit for the enforcement of the right to convert the Note in accordance with the terms of this Indenture shall not be impaired or affected without the consent of such Holder.

SECTION 6.08. Collection Suit by Trustee. If an Event of Default specified in Section 6.01(a) or Section 6.01(b) occurs and is continuing, subject to Article XI, the Trustee may recover judgment in its own name and as trustee of an express trust against the Issuer for the whole amount of principal and Interest, if any, remaining unpaid on the Notes and Interest, on overdue principal and Interest, if any, and such further amount as shall be sufficient to cover the costs and, to the extent lawful, expenses of collection, including the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel.

SECTION 6.09. Trustee May File Proofs of Claim. The Trustee may file such proofs of claim and other papers or documents as may be necessary or advisable in order to have the claims of the Trustee and the Holders allowed in any judicial proceedings relative to the Issuer, its creditors or its property. Any receiver, trustee, liquidator, conciliador or sequestrator (or other similar official) in any such proceeding is hereby authorized by each Holder to make such payments to the Trustee and, in the event that the Trustee shall consent to the making of such payments directly to the Holders, to pay to the Trustee any amount due to it for the reasonable compensation, expenses, Taxes, disbursements and advances of the Trustee, its agent and counsel, and any other amounts due to the Trustee pursuant to Section 7.07. Nothing contained herein shall be deemed to authorize the Trustee to authorize or consent to or accept or adopt on behalf of any Holder any plan of reorganization, arrangement, adjustment or composition affecting the Notes or the rights of any Holder thereof, or to authorize the Trustee to vote in respect of the claim of any Holder in any such proceeding.

SECTION 6.10. Priorities. Subject to Article XI, if the Trustee collects any money pursuant to this Article VI, it shall pay out the money in the following order:

FIRST: to the Trustee for amounts due under Section 7.07, including payment of all reasonable compensation, expenses and liabilities incurred, and all advances made, by the Trustee, and the costs and expenses of collection;

SECOND: if the Holders proceed against the Issuer directly without the Trustee in accordance with this Indenture, to Holders for their collection costs;

THIRD: to Holders for amounts due and unpaid on the Notes for principal and Interest, if any, ratably, without preference or priority of any kind, according to the amounts due and payable on the Notes for principal and Interest, if any, respectively; and

FOURTH: to the Issuer or to such party as a court of competent jurisdiction shall direct.

The Trustee may fix a special record date and payment date for any payment to Holders made pursuant to this Section 6.10. At least 15 days before any such special record date, the Trustee shall mail to Holders of the Notes a notice that states the special record date, payment date and amount of such Interest to be paid.

SECTION 6.11. Undertaking for Costs. In any suit for the enforcement of any right or remedy under this Indenture or in any suit against the Trustee for any action taken or omitted by it as a Trustee, a court in its discretion may require the filing by any party litigant in the suit, other than the Trustee, of an undertaking to pay the costs of the suit, and the court in its discretion may assess reasonable costs, including reasonable attorneys fees, against any party litigant in the suit, having due regard to the merits and good faith of the claims or defenses made by the party litigant. This Section 6.11 does not apply to a suit by the Trustee, a suit by a Holder pursuant to Section 6.07 or a suit by Holders of more than 10% in principal amount of the then outstanding Notes.

ARTICLE VII

THE TRUSTEE

The Trustee hereby accepts the trust imposed upon it by this Indenture and covenants and agrees to perform the same, as herein expressed. Whether or not herein expressly so provided, every provision of this Indenture relating to the conduct or affecting the liability of or affording protection to the Trustee shall be subject to the provisions of this Article VII.

SECTION 7.01. Duties of the Trustee. (a) If an Event of Default known to the Trustee has occurred and is continuing, the Trustee shall exercise such of the rights and powers vested in it by this Indenture and use the same degree of care and skill in their exercise as a prudent Person would exercise or use under the circumstances in the conduct of his or her own affairs.

(b) The Mexican Trustee shall (i) confirm that the proceeds from the issuance of the Notes are used to repay the Existing Notes that mature without being converted by their holders, (ii) cause the registration of a certified copy of the public instrument containing the notarization of a Spanish version of this Indenture with the Public Registry of Commerce and obtain the registration thereof in the event that the Issuer fails to comply with its obligation to register such public instrument as set forth in Section 4.02(e)(i), and (iii) exercise all rights and comply with all obligations set forth in the LGTOC, including those set forth in Article 217 (Sections I, V, VII and VIII) of the LGTOC.

(c) Except during the continuance of an Event of Default known to the Trustee:

(i) The duties of the Trustee shall be determined solely by the express provisions of this Indenture and the Trustee need perform only those duties that are specifically set forth in this Indenture and no others and no implied covenants or obligations shall be read into this Indenture against the Trustee; and

(ii) In the absence of bad faith on its part, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon any statements, certificates or opinions furnished to the Trustee and conforming to the requirements of this Indenture. However, the Trustee shall examine the certificates and opinions to determine whether or not they conform to the form required by this Indenture (but need not confirm or investigate the accuracy of mathematical calculations or other facts purported to be stated therein).

(d) The Trustee may not be relieved from liability for its own negligent action, its own negligent failure to act or its own willful misconduct, except that:

(i) This paragraph does not limit the effect of paragraph (c) of this Section 7.01;

(ii) The Trustee shall not be liable for any error of judgment made in good faith by a Trust Officer of the Trustee, unless it is proved that the Trustee was negligent in ascertaining the pertinent facts; and

(iii) The Trustee shall not be liable with respect to any action it takes or omits to take in good faith in accordance with a direction received by it pursuant to Section 6.05.

(e) No provision of this Indenture shall require the Trustee to expend or risk its own funds or incur any financial liability in the performance of any of its duties or the exercise of any of its rights and powers hereunder, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

(f) Whether or not therein expressly so provided, every provision of this Indenture that is in any way related to the Trustee is subject to paragraphs (c), (d), and (e) of this Section 7.01.

(g) The Trustee shall not be liable for interest on any money received by it except as the Trustee may agree with the Issuer. Money held in trust by the Trustee need not be segregated from other funds or assets except to the extent required by law.

(h) The Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request or direction of any of the Holders unless such Holders shall have offered to the Trustee reasonable security or indemnity against the costs, expenses (including reasonable attorneys' fees and expenses) and liabilities that might be incurred by it in compliance with such request or direction.

SECTION 7.02. Rights of the Trustee. Subject to Section 7.01:

(a) The Trustee may conclusively rely on and shall be protected in acting or refraining from acting upon any resolution, Officer's Certificate, or any other certificate, statement, instrument, opinion, report, notice, request, consent, order, security or other document believed by it to be genuine and to have been signed or presented by the proper Person. The Trustee need not investigate any fact or matter contained therein.

(b) Any request, direction, order or demand of the Issuer mentioned herein shall be sufficiently evidenced by an Officer's Certificate (unless other evidence in respect thereof is herein specifically prescribed). In addition, before the Trustee acts or refrains from acting, it may require an Officer's Certificate, an Opinion of Counsel or both. The Trustee shall not be liable for any action it takes or omits to take in good faith in reliance on such Officer's Certificate or Opinion of Counsel. The Trustee may consult with counsel of its selection and the advice of such counsel or any Opinion of Counsel shall be full and complete authorization and protection from liability in respect of any action taken, suffered or omitted by it hereunder in good faith and in reliance thereon.

(c) The Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through its attorneys and agents and other Persons not regularly in its employ and shall not be responsible for the misconduct or negligence of any attorney or agent appointed with due care.

(d) The Trustee shall not be liable for any action it takes or omits to take in good faith without negligence or willful misconduct which it believes to be authorized or within its discretion, rights or powers.

(e) Unless otherwise specifically provided in this Indenture, any demand, request, direction or notice from the Issuer shall be sufficient if signed by Officers of the Issuer.

(f) The Trustee shall not be required to give any bond or surety in respect of the performance of its powers and duties hereunder.

(g) The Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request, order or discretion of any of the Holders pursuant to the provisions of this Indenture, unless such Holders have offered to the Trustee security or indemnity satisfactory to it against the costs, expenses and liabilities which might be incurred therein or thereby.

(h) Except for the confirmation of the Net Total Assets by the Mexican Trustee or as otherwise required pursuant to Section 7.01(b), neither the Trustee nor the Mexican Trustee shall be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, security or other document unless requested in writing to do so by the Holders of not less than a majority in aggregate principal amount of the Notes then outstanding; *provided* that if the Trustee or the Mexican Trustee determine in its discretion to make any such investigation, then they shall be entitled, upon reasonable prior notice and during normal business hours, to examine the books and records and the premises of the Issuer, personally or by agent or attorney, and the reasonable expenses of every such examination shall be paid by the Issuer or, if paid by the Trustee, the Mexican Trustee or any predecessor Trustee or Mexican Trustee, shall be reimbursed by the Issuer upon demand.

(i) The permissive rights of the Trustee or the Mexican Trustee to do things enumerated in this Indenture shall not be construed as a duty. The Trustee and the Mexican Trustee shall not be answerable for other than their respective negligence or willful misconduct.

(j) The Trustee shall not be responsible for the computation of any adjustment to the Conversion Rate or for any determination as to whether an adjustment is required and shall not be deemed to have knowledge of any adjustment unless and until it shall have received the notice from the Issuer contemplated by Section 12.05(e).

(k) The Trustee shall not be deemed to have knowledge of any Default or Event of Default except (i) any Event of Default occurring pursuant to Section 6.01(a) or Section 6.01(b), or (ii) any Event of Default of which a Trust Officer of the Trustee shall have received written notification.

(l) Whenever by the terms of this Indenture, the Trustee shall be required to transmit notices or reports to any or all Holders, the Trustee shall be entitled to conclusively rely on the information provided by the Registrar as to the names and addresses of the Holders as being correct. If the Registrar is other than the Trustee, the Trustee shall not be responsible for the accuracy of such information.

(m) The rights, privileges, protections, immunities and benefits given to the Trustee, including, without limitation, its right to be indemnified, are extended to, and shall be enforceable by (i) the Trustee in each of its capacities hereunder (including as Registrar, Calculation Agent and Conversion Agent); (ii) to each agent, custodian, and any other such Persons employed to act hereunder; and (iii) to the Mexican Trustee.

(n) In no event shall the Trustee be responsible or liable for any failure or delay in the performance of its obligations hereunder arising out of or caused by, directly or indirectly, forces beyond its control, including, without limitation, strikes, work stoppages, accidents, acts or war or terrorism, civil or military disturbances, nuclear or natural catastrophes or acts of God, and interruptions, loss or malfunctions of utilities, communications or computer (software and hardware) services (it being understood that the Trustee shall use reasonable efforts which are consistent with accepted practices in the banking industry to avoid and mitigate the effects of such occurrences and to resume performance as soon as practicable under the circumstances).

(o) The Trustee or the Mexican Trustee may request that the Issuer deliver a certificate setting forth the names of individuals and/or titles of officers authorized at such time to take specified actions pursuant to this Indenture.

(p) In no event shall the Trustee be responsible or liable for special, indirect, punitive or consequential loss or damage of any kind whatsoever (including, but not limited to, loss of profit) irrespective of whether the Trustee has been advised of the likelihood of such loss or damage and regardless of the form of action.

SECTION 7.03. Individual Rights of the Trustee. Subject to Section 7.10, the Trustee in its individual or any other capacity may become the owner or pledgee of Notes with the same rights it would have if it were not the Trustee and may otherwise deal with the Issuer or an Affiliate of the Issuer and receive, collect, hold and retain collections from the Issuer with the same rights it would have if it were not Trustee. Any Agent may do the same with like rights.

SECTION 7.04. Trustee's Disclaimer. The Trustee shall not be responsible for and makes no representation as to the validity or adequacy of this Indenture or the Notes. It shall not be accountable for the Issuer's use of the proceeds from the Notes or any money paid to the Issuer or upon the Issuer's direction under any provision of this Indenture. It shall not be responsible for the use or application of any money received by any Paying Agent other than the Trustee, and it shall not be responsible for any statement or recital herein or any statement in the Notes or any other document in connection with the sale of the Notes or pursuant to this Indenture other than its certificate of authentication.

SECTION 7.05. Notice of Defaults. If a Default or Event of Default occurs and is continuing and if it is known to a Trust Officer of the Trustee, the Trustee shall mail to each Holder a notice of the Default or Event of Default within 90 days after it occurs. Except in the case of a Default or Event of Default in payment of principal of, or Interest on, any Note, the Trustee may withhold the notice if and so long as a committee of the Trustee's Trust Officers in good faith determines that withholding the notice is in the interest of the Holders.

SECTION 7.06. Representation of the Mexican Trustee. Pursuant to Section I of Article 217 and Section V of Article 213 of the LGTOC, the Mexican Trustee hereby represents that it has confirmed the data set forth in the balance sheet dated December 31, 2014 of the Issuer and the Net Total Assets.

SECTION 7.07. Compensation and Indemnity. The Issuer shall pay to the Trustee and the Mexican Trustee from time to time and the Trustee and the Mexican Trustee shall be entitled to such compensation for its acceptance of this Indenture and its services hereunder as the Issuer, the Trustee and the Mexican Trustee shall from time to time agree in writing. The Trustee's and the Mexican Trustee's compensation shall not be limited by any law on compensation of a trustee of an express trust. The Issuer shall reimburse the Trustee and the Mexican Trustee, as applicable, promptly upon request for all reasonable disbursements, advances and expenses incurred or made by or on behalf of it in addition to the compensation for its services. Such expenses may include the reasonable compensation, disbursements and expenses of the Trustee's or the Mexican Trustee's agents, counsel and other persons not regularly in its employ; *provided* that Trustee and the Mexican Trustee shall provide the Issuer reasonable advance notice of any expenditure not in the ordinary course of business; *provided, further*, that the Issuer shall have no obligation to reimburse the Trustee and the Mexican Trustee with respect to any such expense, disbursement or advance as may be attributable to the Trustee's or the Mexican Trustee's negligence, willful misconduct or bad faith.

The Issuer shall indemnify the Trustee and the Mexican Trustee, or any predecessor Trustee or Mexican Trustee, for, and to hold it harmless against, any and all loss, liability, damage, claim or expense, including Taxes (other than Taxes based upon, measured by or determined by the income of the Trustee and the Mexican Trustee), incurred without negligence, willful misconduct or bad faith on its part, arising out of or in connection with the acceptance or administration of the trust or trusts hereunder, including the reasonable costs and expenses of defending itself against any claim (whether asserted by the Issuer, or any Holder or any other Person) or liability in connection with the exercise or performance of any of its powers or duties hereunder or in connection with enforcing the provisions of this Section. The Trustee and the Mexican Trustee, as applicable, shall notify the Issuer promptly of any claim for which it may seek indemnity. Failure by the Trustee or the Mexican Trustee to so notify the Issuer shall not relieve the Issuer of its obligations hereunder. The Issuer shall defend the claim with counsel designated by the Issuer, who may be outside counsel to the Issuer but shall in all events be reasonably satisfactory to the Trustee or the Mexican Trustee, as applicable, and the Trustee and the Mexican Trustee, as applicable, shall cooperate in the defense. In addition, the Trustee and the Mexican Trustee, as applicable, may retain one separate counsel and, if deemed advisable by such counsel, local counsel, and the Issuer shall pay the reasonable fees and expenses of such separate counsel and local counsel. The indemnification herein extends to any settlement; *provided* that the Issuer will not be liable for any settlement made without its consent; *provided, further*, that such consent will not be unreasonably withheld.

The Trustee shall have a Lien prior to the Notes on all money or property held or collected by the Trustee to secure the Issuer's payment obligations to the Trustee and the Mexican Trustee in this Section 7.07, except that held in trust to pay principal and Interest, if any, on Notes. Such Liens and the Issuer's obligations under this Section 7.07 shall survive the satisfaction and discharge of this Indenture and the resignation or removal of the Trustee.

When the Trustee or the Mexican Trustee incurs expenses or renders services after a Bankruptcy Event of Default occurs, the expenses and the compensation for the services (including the fees and expenses of its agents and counsel) are intended to constitute expenses of administration under any Bankruptcy Law.

SECTION 7.08. Replacement of the Trustee. A resignation or removal of the Trustee and appointment of a successor Trustee shall become effective only upon the successor Trustee's acceptance of appointment as provided in this Section 7.08.

The Trustee may resign at any time and be discharged from the trust hereby created by so notifying the Issuer. The Holders of a majority in principal amount of the then outstanding Notes may remove the Trustee by so notifying the Trustee and the Issuer in writing and may appoint a successor Trustee. The Issuer may remove the Trustee if:

- (i) the Trustee fails to comply with Section 7.10;
- (ii) the Trustee is adjudged a bankrupt or an insolvent or an order for relief is entered with respect to the Trustee under any Bankruptcy Law;
- (iii) a Custodian or public officer takes charge of the Trustee or its property; or
- (iv) the Trustee becomes incapable of acting.

If the Trustee resigns or is removed or if a vacancy exists in the office of Trustee for any reason, the Issuer shall promptly appoint a successor Trustee. Within one year after the successor Trustee takes office, the Holders of a majority in principal amount of the then outstanding Notes may appoint a successor Trustee to replace the successor Trustee appointed by the Issuer.

If a successor Trustee does not take office within 60 days after the retiring Trustee resigns or is removed, the retiring Trustee, at the Issuer's expense, the Issuer or the Holders of at least 10% in principal amount of the then outstanding Notes may petition any court of competent jurisdiction for the appointment of a successor Trustee.

If the Trustee after written request by any Holder who has been a Holder for at least six months fails to comply with Section 7.10, such Holder may petition any court of competent jurisdiction for the removal of the Trustee and the appointment of a successor Trustee.

A successor Trustee shall deliver a written acceptance of its appointment to the retiring Trustee and to the Issuer. Thereupon the resignation or removal of the retiring Trustee shall become effective, and the successor Trustee shall have all the rights, powers and duties of the Trustee under this Indenture. The successor Trustee shall mail a notice of its succession to Holders. The retiring Trustee shall promptly transfer all property held by it as Trustee to the successor Trustee; *provided* that all sums owing to the retiring Trustee hereunder have been paid and subject to the Lien provided for in Section 7.07. Notwithstanding the replacement of the Trustee pursuant to this Section 7.08, the Issuer's obligations under Section 7.07 shall continue for the benefit of the retiring Trustee with respect to expenses and liabilities incurred by it prior to such replacement.

Upon request of any such successor Trustee, the Issuer shall execute any and all instruments for more fully and certainly vesting in and confirming to such successor Trustee all such rights, powers and trusts referred to in the preceding paragraph.

SECTION 7.09. Successor Trustee by Merger, etc. If the Trustee consolidates with, merges or converts into, or transfers all or substantially all of its corporate trust business (including the trust created by this Indenture) to, another corporation or national banking association, the resulting, surviving or transferee corporation or national banking association without any further act shall be the successor Trustee with the same effect as if the successor Trustee had been named as the Trustee herein. If the Mexican Trustee consolidates with, merges or converts into, or transfers all or substantially all of its corporate trust business (including the trust created by this Indenture) to, another corporation or national banking association, the resulting, surviving or transferee corporation or national banking association without any further act shall be the successor Mexican Trustee with the same effect as if the successor Mexican Trustee had been named as the Mexican Trustee herein.

SECTION 7.10. Eligibility, Disqualification. The Trustee shall at all times be a Trustee hereunder that is a corporation organized and doing business under the laws of the United States or of any state thereof that is authorized under such laws to exercise corporate trustee power, that is subject to supervision or examination by federal or state authorities and that has, together with parent, a combined capital and surplus of at least U.S.\$50,000,000 as set forth in its most recent published annual report of condition.

ARTICLE VIII

SATISFACTION AND DISCHARGE OF INDENTURE

SECTION 8.01. Discharge of Indenture. When (a) the Issuer delivers to the Trustee for cancellation all Notes theretofore authenticated (other than any other Notes which have been destroyed, lost or stolen and in lieu of or in substitution for which other Notes have been authenticated and delivered) and not theretofore canceled, or (b) all the Notes not theretofore canceled or delivered to the Trustee for cancellation have become due and payable, and the Issuer deposits with the Trustee in trust or delivers to the Holders amounts in U.S. Legal Tender or U.S. Government Obligations, or, where required, ADSs or any combination thereof sufficient (calculated as set forth under the terms of this Indenture with respect to such payment) to pay at maturity, on any Tax Redemption Date, Change of Control Purchase Date, upon conversion or otherwise all of the Notes (other than any Notes which have been mutilated, destroyed, lost or stolen and in lieu of or in substitution for which other Notes have been authenticated and delivered) not theretofore canceled or delivered to the Trustee for cancellation, including principal and Interest, if any, due or to become due to such date and to satisfy any related obligation to deliver ADS, and if the Issuer also pays, or causes to be paid, all other sums payable hereunder by the Issuer, then this Indenture shall cease to be of further effect (except as to (i) rights of registration of transfer, substitution, replacement and exchange and conversion of Notes, (ii) rights hereunder of Holders to receive payments of principal of and Interest, if any, on the Notes, (iii) the obligations under Section 2.03 and Section 8.05 hereof and (iv) the rights, obligations and immunities of the Trustee hereunder), and the Trustee, on demand of the Issuer accompanied by an Officer's Certificate and an Opinion of Counsel as required by Section 10.03

and at the Issuer's cost and expense, shall execute proper instruments acknowledging satisfaction of and discharging this Indenture; *provided, however*, the Issuer hereby agrees to reimburse the Trustee for any costs or expenses thereafter reasonably and properly incurred by the Trustee and to compensate the Trustee for any services thereafter reasonably and properly rendered by the Trustee in connection with this Indenture or the Notes.

SECTION 8.02. Deposited Monies to be Held in Trust by Trustee. Subject to Section 8.04, all monies and securities deposited with the Trustee pursuant to Section 8.01 shall be held in trust and applied by it to the payment, notwithstanding the provisions of Article XI, either directly or through the Paying Agent, to the Holders of the particular Notes for the payment or conversion of which such monies or securities have been deposited with the Trustee, of all sums due and to become due thereon for principal and Interest, if any. The Issuer shall pay and indemnify the Trustee against any Tax, fee or other charge imposed on or assessed against the U.S. Government Obligations deposited pursuant to Section 8.01 or the principal and Interest received in respect thereof other than any such Tax, fee or other charge which by law is for the account of the Holders of the Notes.

SECTION 8.03. Paying Agent to Repay Monies Held. Upon the satisfaction and discharge of this Indenture, all monies then held by any Paying Agent (other than the Trustee) shall, upon the Issuer's demand, be repaid to it or paid to the Trustee, and thereupon such Paying Agent shall be released from all further liability with respect to such monies.

SECTION 8.04. Return of Unclaimed Monies. Subject to the requirements of applicable law, any monies deposited with or paid to the Trustee for payment of the principal of, or Interest, if any, on Notes and not applied but remaining unclaimed by the Holders thereof for two years after the date upon which the principal of, or Interest on such Notes, as the case may be, have become due and payable, shall be repaid to the Issuer by the Trustee on demand; *provided, however*, that the Issuer, or the Trustee at the request of the Issuer, shall have first caused notice of such payment to the Issuer to be mailed to each Holder of a Note entitled thereto no less than 30 days prior to such payment and all liability of the Trustee shall thereupon cease with respect to such monies; and the Holder of any of such Notes shall thereafter look only to the Issuer for any payment which such Holder may be entitled to collect unless an applicable abandoned property law designates another Person.

SECTION 8.05. Reinstatement. If the Trustee or the Paying Agent is unable to apply any money in accordance with Section 8.02 by reason of any order or judgment of any court or governmental authority enjoining, restraining or otherwise prohibiting such application, the Issuer's obligations under this Indenture and the Notes shall be revived and reinstated as though no deposit had occurred pursuant to Section 8.01 until such time as the Trustee or the Paying Agent is permitted to apply all such money in accordance with Section 8.02; *provided, however*, that if the Issuer makes any payment of Interest on or principal of any Note following the reinstatement of its obligations, the Issuer shall be subrogated to the rights of the Holders thereof to receive such payment from the money held by the Trustee or Paying Agent.

ARTICLE IX

AMENDMENTS

SECTION 9.01. Without the Consent of Holders. The Issuer, the Mexican Trustee and the Trustee may amend this Indenture or the Notes without notice to or the consent of any Holder to:

- (a) cure any ambiguity, omission, defect or inconsistency in this Indenture or the Notes;
- (b) provide for the assumption by a surviving or successor corporation of the obligations of the Issuer under the Indenture or evidence and provide for the acceptance of appointment of a successor Trustee pursuant to this Indenture;
- (c) provide for uncertificated Notes in addition to or in place of certificated Notes (provided that the uncertificated Notes are issued in registered form for purposes of Section 163(f) of the Internal Revenue Code);
- (d) add guarantees with respect to the Notes;
- (e) secure the Notes;
- (f) add to the Issuer's covenants for the benefit of the Holders or surrender any right or power conferred upon the Issuer;
- (g) make any change that does not materially adversely affect the rights of any Holder;
- (h) comply with the provisions of any clearing agency, clearing corporation or clearing system, including DTC, the Trustee or the Registrar with respect to the provisions of this Indenture or the Notes relating to transfers and exchanges of Notes; and
- (i) conform the terms of this Indenture or the Notes to the description thereof in the Preliminary Offering Memorandum as supplemented by the Pricing Term Sheet.

SECTION 9.02. With the Consent of Holders. Subject to Section 6.07, the Issuer, the Mexican Trustee and the Trustee may amend this Indenture or the Notes with the written consent of the Holders of at least a majority in aggregate principal amount of the then outstanding Notes (including without limitation consents obtained in connection with a purchase of, or a tender offer or exchange offer for, Notes).

Subject to Section 6.04 and Section 6.07, the Holders of a majority in principal amount of the then-outstanding Notes (including without limitation by consents obtained in connection with a purchase of, or a tender offer or exchange offer for, Notes) may waive compliance in a particular instance by the Issuer with any provision of this Indenture or the Notes.

However, without the consent of each Holder of an outstanding Note affected, an amendment or waiver under this Section 9.02 may not, with respect to any Notes held by a non-consenting Holder:

- (a) reduce the amount of Notes whose Holders must consent to an amendment or waiver;
- (b) reduce the rate of or change or have the effect of changing the time for payment of Interest on any Notes;
- (c) reduce the principal of or change or have the effect of changing the fixed maturity of any Notes, or change the date on which any Notes may be subject to redemption, or reduce the redemption price therefor;
- (d) make any Notes payable in money other than that stated in the Notes;
- (e) make any change in provisions of this Indenture entitling each Holder to receive payment of principal and Interest on such Holder's Notes on or after the due date thereof or to bring suit to enforce such payment, or permitting Holders of a majority in principal amount of Notes to waive Defaults or Events of Default;
- (f) reduce the Change of Control Payment of any Note or amend or modify in any manner adverse to the Holders, the Issuer's obligation to make payment of such Change of Control Payment, whether through an amendment or waiver of provisions in the covenants, definitions or otherwise;
- (g) make any change in the provisions of the Indenture described under Section 4.12 that adversely affects the rights of any Holder or amend the terms of the Notes, in each case, in a way that would result in a loss of exemption from Taxes;
- (h) make any change to the provisions of this Indenture or the Notes that adversely affect the ranking of the Notes; and
- (i) make any change that impairs or adversely affects the conversion rights of any Notes.

To secure a consent or waiver of the Holders under this Section 9.02, it shall not be necessary for such Holders to approve the particular form of any proposed amendment or waiver, but it shall be sufficient if such consent approves the substance thereof.

After an amendment or waiver under this Article IX becomes effective, the Issuer shall mail to the Holders a notice briefly describing the amendment or waiver. The failure to give such notice to all Holders, or any defect therein, shall not impair or affect the validity of an amendment or waiver under this Article IX.

SECTION 9.03. [Reserved].

SECTION 9.04. Revocation and Effect of Consents. Until an amendment or waiver becomes effective, a consent to it by a Holder is a continuing consent by such Holder and every subsequent Holder of a Note or portion of a Note that evidences the same debt as the consenting Holder's Note, even if notation of the consent is not made on any Note. However, any such Holder or subsequent Holder may revoke the consent as to his or her Note or portion of a Note if the Trustee receives the notice of revocation before the date on which the Trustee receives an Officer's Certificate certifying that the Holders of the requisite principal amount of Notes have consented to the amendment or waiver.

The Issuer may, but shall not be obligated to, fix a record date for the purpose of determining the Holders entitled to consent to any amendment or waiver. If a record date is fixed, then notwithstanding the provisions of the immediately preceding paragraph, those Persons who were Holders at such record date (or their duly designated proxies), and only those Persons, shall be entitled to consent to such amendment or waiver or to revoke any consent previously given, whether or not such Persons continue to be Holders after such record date. No consent shall be valid or effective for more than 90 days after such record date unless consents from Holders of the principal amount of Notes required hereunder for such amendment or waiver to be effective shall have also been given and not revoked within such 90-day period.

After an amendment or waiver becomes effective it shall bind every Holder, unless it is of the type described in clauses (a) through (i) of Section 9.02. In such cases, the amendment or waiver shall bind each Holder who has consented to it and every subsequent Holder of a Note or portion of a Note that evidences the same debt as the consenting Holder's Note.

SECTION 9.05. Notation on or Exchange of Notes. Notes authenticated and delivered after the execution of any supplemental indenture pursuant to this Article IX may, and shall if required by the Trustee, bear a notation in the form approved by the Trustee as to any matter provided for in such supplemental indenture. If the Issuer shall so determine, new Notes so modified as to conform, in the opinion of the Issuer and the Trustee, to any such supplemental indenture may be prepared and executed by the Issuer and authenticated and delivered by the Trustee in exchange for outstanding Notes without charge to the Holders of the Notes, except as specified in Section 2.07.

SECTION 9.06. Trustee Protected. The Trustee and the Mexican Trustee shall sign any amendment or supplemental indenture authorized pursuant to this Article IX if such amendment or supplemental indenture does not adversely affect the rights, duties, liabilities or immunities of the Trustee or the Mexican Trustee. If it does, the Trustee or the Mexican Trustee, as applicable, may, but need not, sign it. In signing such amendment or supplemental indenture, the Trustee and the Mexican Trustee shall be entitled to receive, and shall be fully protected in relying upon, (in addition to the documents required by Section 10.04) an Officer's Certificate and an Opinion of Counsel as conclusive evidence, and each stating that such amendment or supplemental indenture is authorized or permitted by this Indenture, that it is not inconsistent herewith, and that it will be valid and binding upon the Issuer in accordance with its terms.

ARTICLE X

GENERAL PROVISIONS

SECTION 10.01. Issuer's Representations. Pursuant to Articles 210, 210 Bis, 213 and other applicable Articles of the LGTOC, the Issuer hereby represents that:

(a) the offering and sale of the Notes, as well as the execution of this Indenture and any other documents relating to the offering and sale of the Notes, were approved by the shareholders of the Issuer at the extraordinary shareholders meeting of the Issuer held on March 21, 2013;

(b) as provided in paragraph I(b) of Article 213 of the LGTOC, the financial information used as a basis for the issuance of the Notes has been prepared based on the audited consolidated financial statements of the Issuer corresponding to the period ended as of December 31, 2014, certified by Mr. Luis Gabriel Ortiz Esqueda certified public accountant (the "Financial Statements"). A copy of the Financial Statements is attached as Exhibit D hereto;

(c) for purposes of paragraph II (only in connection with paragraph III of Article 210 of the LGTOC) and paragraph V(a) of Article 213 of the LGTOC, based on the Financial Statements, as of December 31, 2014, the (i) total stockholders' equity (*capital contable*) of the Issuer was Ps.148,171, (ii) the Issuer's paid-in capital stock was Ps.105,367, (iii) the amount of the total assets of the Issuer was Ps.514,961, (iv) the amount of the total liabilities of the Issuer was Ps.366,790 and (v) the amount of the net total assets of the Issuer (the "Net Total Assets") was Ps.148,171.

(d) at the extraordinary shareholders meeting of the Issuer held on March 21, 2013, the Issuer's shareholders authorized any two members of the Board of Directors to execute the Notes;

(e) the Notes will not be secured by any collateral;

(f) Exhibit E attached hereto includes a summary of the terms of the offering and sale of the Notes, including the information set forth in Article 213 of the LGTOC;

(g) the proceeds of the offering of the Notes shall be used to repay the Existing Notes that mature without being converted by their holders as described in the Offering Memorandum; and

(h) the reallocation and use of all or any part of the Issuer's common shares currently held in treasury that underlie the Existing Notes to ensure the conversion rights of the Notes was approved at the extraordinary general shareholders' meeting held on March 21, 2013, in accordance with article 210 Bis, section I, of the General Law of Negotiable Instruments and Credit Operations (*Ley General de Títulos y Operaciones de Crédito*).

SECTION 10.02. Notices. Any notice or communication among the Issuer, the Mexican Trustee and the Trustee to any of the others is duly given if in writing and delivered in person or mailed by first-class mail, with postage prepaid (registered or certified, return receipt

requested), or sent by facsimile or overnight air couriers guaranteeing next day delivery, to the other's address as stated in Section 10.09. The Issuer, the Mexican Trustee or the Trustee by notice to each of the others may designate additional or different addresses for subsequent notices or communications.

The Trustee and the Mexican Trustee shall have the right to accept and act upon instructions, including funds transfer instructions ("Instructions") given pursuant to this Indenture and delivered using Electronic Means; *provided, however*, that the Issuer shall provide to the Trustee and the Mexican Trustee an incumbency certificate listing officers with the authority to provide such Instructions ("Authorized Officers") and containing specimen signatures and phone numbers of such Authorized Officers, which incumbency certificate shall be amended by the Issuer whenever a person is to be added or deleted from the listing. If the Issuer elects to give the Trustee or the Mexican Trustee Instructions using Electronic Means and the Trustee or the Mexican Trustee in its discretion elects to act upon such Instructions, the Trustee's and the Mexican Trustee's understanding of such Instructions shall be deemed controlling. The Issuer understands and agrees that the Trustee and the Mexican Trustee cannot determine the identity of the actual sender of such Instructions and that the Trustee and the Mexican Trustee shall conclusively presume that directions that purport to have been sent by an Authorized Officer listed on the incumbency certificate provided to the Trustee and the Mexican Trustee have been sent by such Authorized Officer. The Issuer shall be responsible for ensuring that only Authorized Officers transmit such Instructions to the Trustee and the Mexican Trustee and that the Issuer and all Authorized Officers are solely responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and/or authentication keys upon receipt by the Issuer. The Trustee and the Mexican Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's or the Mexican Trustee's reliance upon and compliance with such Instructions notwithstanding such directions conflict or are inconsistent with a subsequent written instruction to the extent that the prior instructions have already been acted upon; provided, however, that such losses, costs or expenses have not arisen from the negligence or willful misconduct of the Trustee or the Mexican Trustee, it being understood that the failure of the Trustee or the Mexican Trustee to verify or confirm that the person providing the instructions or directions, is, in fact, an Authorized Officer does not constitute negligence or willful misconduct. The Issuer agrees: (i) to assume all risks arising out of the use of Electronic Means to submit Instructions to the Trustee or the Mexican Trustee, including without limitation the risk of the Trustee or the Mexican Trustee acting on unauthorized Instructions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting Instructions to the Trustee and the Mexican Trustee and that there may be more secure methods of transmitting Instructions than the method(s) selected by the Issuer; (iii) that the security procedures (if any) to be followed in connection with its transmission of Instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) to notify the Trustee and the Mexican Trustee immediately upon learning of any compromise or unauthorized use of the security procedures.

All notices and communications (other than those sent to Holders) shall be deemed to have been duly given at the time delivered by hand, if personally delivered; five Business Days after being deposited in the mail, postage prepaid, if mailed; when transmission is confirmed, if transmitted by facsimile; and the next Business Day after timely delivery to the courier, if sent

by overnight air courier guaranteeing next day delivery. Notwithstanding the foregoing, (i) all notices to the Trustee shall be effective only upon receipt by a Trust Officer of the Trustee and (ii) all notices to the Mexican Trustee shall be effective only upon receipt by a trust officer of the Mexican Trustee.

Any notice or communication to a Holder shall be mailed by first-class mail, with postage prepaid, to his or her address shown on the Register kept by the Registrar and shall be deemed to have been given on the date of such mailing or, in the case of a Global Security, when delivered to DTC in accordance with its procedures. Failure to mail a notice or communication to a Holder or any defect in it shall not affect its sufficiency with respect to other Holders. If a notice or communication is sent in the manner provided above within the time prescribed, it is duly given, whether or not the addressee receives it.

If the Issuer sends a notice or communication to Holders, it shall send a copy to the Trustee and each Agent at the same time. Any notice required to be given by the Issuer may be given by the Trustee on the Issuer's behalf and at the expense of Issuer.

All notices or communications shall be in writing.

SECTION 10.03. Certificate and Opinion as to Conditions Precedent. Upon any request or application by the Issuer to the Trustee to take any action under this Indenture, the Issuer shall furnish to the Trustee:

(A) an Officer's Certificate in form and substance reasonably satisfactory to the Trustee (which shall include the statements set forth in Section 10.04) stating that, in the opinion of such person, all conditions precedent and covenants, if any, provided for in this Indenture relating to the proposed action have been complied with; and

(B) an Opinion of Counsel in form and substance reasonably satisfactory to the Trustee (which shall include the statements set forth in Section 10.04) stating that, in the opinion of such counsel, all such conditions precedent and covenants have been complied with.

SECTION 10.04. Statements Required in Certificate or Opinion. Each certificate or opinion with respect to compliance with a condition or covenant provided for in this Indenture shall include:

(i) a statement that the person making such certificate or opinion has read such covenant or condition;

(ii) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based;

(iii) a statement that, in the opinion of such person, he or she has made such examination or investigation as is necessary to enable him or her to express an informed opinion as to whether or not such covenant or condition has been complied with; and

(iv) a statement as to whether or not, in the opinion of such person, such condition or covenant has been complied with.

Any Officer's Certificate may be based, insofar as it relates to legal matters, upon an Opinion of Counsel, unless such Officer knows that the opinion with respect to the matters upon which his or her certificate may be based as aforesaid is erroneous. Any Opinion of Counsel may be based, insofar as it relates to factual matters, upon certificates, statements or opinions of, or representations by, an Officer or Officers of the Issuer, or other Persons or firms deemed appropriate by such counsel, unless such counsel knows that the certificates, statements or opinions or representations with respect to the matters upon which his or her opinion may be based as aforesaid are erroneous.

Any Officer's Certificate, statement or Opinion of Counsel may be based, insofar as it relates to accounting matters, upon a certificate or opinion of or representation by an accountant (who may be an employee of the Issuer), or firm of accountants, unless such Officer or counsel, as the case may be, knows that the certificate or opinion or representation with respect to the accounting matters upon which his or her certificate, statement or opinion may be based as aforesaid is erroneous.

SECTION 10.05. Rules by Trustee and Agents. The Trustee may make reasonable rules for action by, or a meeting of, Holders. The Registrar or Paying Agent may make reasonable rules and set reasonable requirements for its functions.

SECTION 10.06. Business Days. A "Business Day" is any day that is not a Saturday, Sunday or other day on which commercial banks in New York City or Mexico City are authorized or required by law or other governmental action to remain closed. If any Interest Payment Date or other payment date is not a Business Day at a place of payment, payment may be made at that place on the next succeeding day that is a Business Day, and no Interest or other amount shall accrue as a result of any such postponement.

SECTION 10.07. No Recourse Against Others. No director, officer, employee or shareholder, as such, of the Issuer from time to time shall have any liability for any obligations of the Issuer under the Notes or this Indenture or for any claim based on, in respect of, or by reason of such obligations or their creation. Each Holder by accepting a Note waives and releases all such liability. This waiver and release are part of the consideration for the Notes. Each of such directors, officers, employees and shareholders is a third party beneficiary of this Section 10.07.

SECTION 10.08. Counterparts. This Indenture may be executed in any number of counterparts and by the parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

SECTION 10.09. Other Provisions. The Issuer initially appoints the Trustee as Paying Agent, Registrar, Calculation Agent, Conversion Agent and authenticating agent.

The Issuer's address is:

CEMEX, S.A.B. de C.V.
Av. Ricardo Margáin Zozaya #325
Colonia Valle del Campestre
Garza García, Nuevo León
México 66265
Attention: Chief Financial Officer
Fax: +1 52 81 8888 4465

The Trustee's address is:

The Bank of New York Mellon
101 Barclay Street – 7W
New York, NY 10286
Attention: International Corporate Trust
Fax: 212-815-5917

The Mexican Trustee's address is:

CIBanco S.A., Institución de Banca Múltiple
Cordillera de los Andes No. 265 Piso 2
Col. Lomas de Chapultepec
CP. 11000 México, D.F.
Attention: Patricia Flores Milchorena/Mónica Jiménez Labora
Phone: +55 50 63 39 12/ +55 50 63 39 78

Banamex's address is:

Banco Nacional de México, S.A., Integrante del Grupo Financiero Banamex
Calzada del Valle No. 350 Oriente, 1º Piso
Colonia del Valle
66220 San Pedro Garza García, Nuevo León
México
Phone: +52 81 1226 1981
Fax: +52 81 1226 2097
Attention: Nelly Wing
E mail: nwing@banamex.com

SECTION 10.10. Governing Law. (a) THIS INDENTURE AND THE NOTES SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK. THE PARTIES HERETO AND HOLDERS OF NOTES BY ACCEPTING A BENEFICIAL INTEREST IN THE NOTES EACH HEREBY WAIVE ANY RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THIS INDENTURE, THE NOTES OR ANY TRANSACTION RELATED HERETO OR THERETO TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW.

(b) Each of the parties hereto hereby:

(i) agrees that any suit, action or proceeding against it arising out of or relating to this Indenture or the Notes, as the case may be, may be instituted in any U.S. Federal or State court located in the State of New York, County of New York and in the courts of its own corporate domicile, in respect of actions brought against the relevant party as a defendant,

(ii) waives to the fullest extent permitted by applicable law, any objection which it may now or hereafter have to the laying of venue of any such suit, action or proceeding, any claim that any suit, action or proceeding in such a court has been brought in an inconvenient forum, and any right to which it may be entitled, on account of place of residence or domicile,

(iii) irrevocably submits to the jurisdiction of such courts in any suit, action or proceeding and waives the right to challenge such submission in any other jurisdiction that it may be entitled by reason of its present or future domicile or other reason,

(iv) agrees that final judgment in any such suit, action or proceeding brought in such a court shall be conclusive and binding may be enforced in the courts of the jurisdiction of which it is subject by a suit upon judgment, and

(v) agrees that service of process by mail to the addresses specified herein shall constitute personal service of such process on it in any such suit, action or proceeding.

(c) The Issuer has appointed CEMEX NY Corporation, 590 Madison Avenue, 41st Floor, New York, New York 10022, Attention: Legal Counsel, as its authorized agent (the "Authorized Agent") upon whom all writs, process and summonses may be served in any suit, action or proceeding arising out of or based upon this Indenture or the Notes which may be instituted in any U.S. Federal or State court located in the State of New York, County of New York. The Issuer hereby represents and warrants that the Authorized Agent has accepted such appointment and has agreed to act as said agent for service of process, and the Issuer agrees to take any and all action, including the filing of any and all documents, that may be necessary to continue each such appointment in full force and effect as aforesaid so long as the Notes remain outstanding. The Issuer agrees that the appointment of the Authorized Agent shall be irrevocable so long as any of the Notes remain outstanding or until the irrevocable appointment by the Issuer of a successor agent in The City of New York, New York as authorized agent for such purpose and the acceptance of such appointment by such successor. Service of process upon the Authorized Agent shall be deemed, in every respect, effective service of process upon the Issuer.

(d) To the extent that the Issuer has or hereafter may acquire any immunity (sovereign or otherwise) from any legal action, suit or proceeding, from jurisdiction of any court or from set-off or any legal process (whether service or notice, attachment in aid or otherwise) with respect to itself or any of its property, the Issuer hereby irrevocably waives and agrees not to plead or claim such immunity in respect of its obligations under this Indenture or the Notes.

(e) Nothing in this Section 10.10 shall affect the right of the Trustee or any Holder of the Notes to serve process in any other manner permitted by law.

SECTION 10.11. No Adverse Interpretation of Other Agreements. This Indenture may not be used to interpret another indenture, loan or debt agreement of the Issuer or a Subsidiary of the Issuer. Any such other indenture, loan or debt agreement may not be used to interpret this Indenture.

SECTION 10.12. Successors. All agreements of the Issuer in this Indenture and the Notes shall bind its successors. All agreements of the Trustee in this Indenture shall bind its successors.

SECTION 10.13. Severability. In case any provision in this Indenture or in the Notes shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

SECTION 10.14. Table of Contents, Headings, etc. The Table of Contents, and headings of the Articles and Sections of this Indenture have been inserted for convenience of reference only, are not to be considered a part hereof and shall in no way modify or restrict any of the terms or provisions hereof.

SECTION 10.15. Currency Indemnity. (a) U.S. Legal Tender is the sole currency of account and payment for all sums payable by the Issuer under or in connection with the Notes or this Indenture, including damages. To the greatest extent permitted under applicable law, any amount received or recovered in currency other than U.S. Legal Tender in respect of the Notes (whether as a result of, or of the enforcement of, a judgment or order of a court of any jurisdiction, in the winding-up or dissolution of the Issuer or any Subsidiary of the Issuer or otherwise) by any Holder in respect of any sum expressed to be due to it from the Issuer shall only constitute a discharge of them under the Notes and this Indenture only to the extent of the U.S. Legal Tender amount which the recipient is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so). To the greatest extent permitted under applicable law, if that U.S. Legal Tender amount is less than the U.S. Legal Tender amount expressed to be due to the recipient under the Notes or this Indenture, the Issuer shall indemnify and hold harmless the recipient against any loss or cost sustained by it in making any such purchase to the greatest extent permitted under applicable law. For the purposes of this Section 10.15, it will be sufficient for the Holder to certify that it would have suffered a loss had an actual purchase of U.S. Legal Tender been made with the amount so received in that other currency on the date of receipt or recovery (or, if a purchase of U.S. Legal Tender on such date had not been practicable, on the first date on which it would have been practicable).

(b) The indemnities of the Issuer contained in this Section 10.15, to the extent permitted by law: (i) constitute a separate and independent obligation from the other obligations

of the Issuer under this Indenture and the Notes; (ii) shall give rise to a separate and independent cause of action against the Issuer; (iii) shall apply irrespective of any waiver granted by any Holder or the Trustee from time to time; (iv) shall continue in full force and effect notwithstanding any other judgment, order, claim or proof of claim for a liquidated amount in respect of any sum due under the Notes or this Indenture or any other judgment or order; and (v) may not be enforceable under Mexican law.

SECTION 10.16. Adjustments for Currency Exchange Rates. In the event that any amount used in any calculation in this Indenture is expressed in Pesos, such amount shall, for purposes of such calculation, be deemed to be converted into U.S. Legal Tender at the spot rate of exchange in The City of New York at which the Trustee on the date of determination is able to purchase U.S. Legal Tender with such amount. The “spot rate of exchange” shall include any premiums and costs of exchange payable in connection with the purchase of, or conversion into, U.S. Legal Tender.

SECTION 10.17. Change in ADSs or CPOs. (a) If the Issuer’s ADSs issued under a depositary receipt program sponsored by the Issuer cease to represent the Issuer’s CPOs, all references in this Indenture to the Issuer’s ADSs will be deemed to have been replaced by a reference to:

(i) the number of CPOs of the Issuer corresponding to the Issuer’s ADSs on the last day on which the Issuer’s CPOs were represented by ADSs issued under a depositary receipt program sponsored by the Issuer; and

(ii) as adjusted pursuant to the adjustment provisions below, any other property the Issuer’s ADSs represented as if such other property had been distributed to holders of the Issuer’s ADSs on that day.

(b) If the Issuer’s Ordinary Shares cease to be the securities underlying such CPOs issued under a CPO deed entered into by the Issuer with a Mexican Bank as issuer, all references in this Indenture to the Issuer’s CPOs will be deemed to have been replaced by a reference to:

(i) the number of Ordinary Shares of the Issuer corresponding to the Issuer’s CPOs on the last day on which the Issuer’s Ordinary Shares constituted the securities underlying CPOs issued under a CPO deed entered into by the Issuer with a Mexican bank as issuer; and

(ii) as adjusted pursuant to the adjustment provisions below, any other property the Issuer’s CPOs represented as if such other property had been distributed to holders of the Issuer’s CPOs on that day.

SECTION 10.18. USA PATRIOT ACT. The parties hereto acknowledge that, in accordance with Section 326 of the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (as amended, modified or supplemented from time to time, the “USA Patriot Act”), the Trustee, like all financial institutions, is required to obtain, verify, and record information that identifies each person or legal entity that opens an account. The parties to this Indenture agree that they will provide the Trustee with such information as the Trustee may request in order for the Trustee to satisfy the requirements of the USA Patriot Act.

ARTICLE XI

SUBORDINATION

SECTION 11.01. Notes Subordinated to Senior Indebtedness and Equal in Right of Payment to Unsecured Subordinated Indebtedness. The Issuer covenants and agrees, and each Holder by his acceptance thereof likewise covenants and agrees, that all Notes are subject to the provisions of this Article XI; and each Person holding any Note, whether upon original issue or upon transfer or assignment thereof, accepts and agrees to be bound by such provisions and acknowledges that such provisions are for the benefit of, and shall be enforceable directly by, the holders of Senior Indebtedness.

Each Holder authorizes and directs the Trustee on such Holder's behalf to take such action as may be necessary or appropriate, in the sole discretion of the Trustee, to acknowledge or effectuate the subordination between the Holders and the holders of Senior Indebtedness as provided in this Article XI and appoints the Trustee as such Holder's attorney-in-fact for any and all such purposes.

The payment of the principal of, premium, if any, and Interest on and any other payment due pursuant to this Indenture or any Notes issued hereunder (including, without limitation, the payment or deposit of the Change of Control Payment pursuant to Article III) shall, to the extent and in the manner hereinafter set forth, be subordinated and subject in right of payment to the prior payment in full of all Senior Indebtedness, whether outstanding at the Issue Date or thereafter created, incurred, assumed or guaranteed.

Each Holder by accepting a Note acknowledges and agrees that the subordination provision set forth in this Article XI are, and are intended to be, an inducement and consideration to each holder of any Senior Indebtedness of the Issuer, whether such Senior Indebtedness was created before or after the issuance of the Notes, to acquire and continue to hold, or to continue to hold, such Senior Indebtedness, and such holder of Senior Indebtedness shall be deemed conclusively to have relied upon such subordination provisions in acquiring and continuing to hold, or in continuing to hold, such Senior Indebtedness, and such holder is made an obligee hereunder and may enforce directly such subordination provisions.

The Issuer agrees, and each Holder by accepting a Note acknowledges and agrees, that the Indebtedness evidenced by the Note is equal in right of payment to Issuer's current unsecured subordinated Indebtedness, which includes the Issuer's 3.25% Convertible Subordinated Notes due 2016 and the Issuer's 3.75% Convertible Subordinated Notes due 2018, and to any future unsecured subordinated Indebtedness.

SECTION 11.02. Notes Subordinated to Prior Payment of All Senior Indebtedness On Dissolution, Liquidation, Reorganization, etc., of the Issuer. Upon any payment or distribution of the assets of the Issuer of any kind or character, whether in cash, property or securities (including any collateral at any time securing the Notes, other than money or U.S. Government Obligations deposited in trust as described in Section 11.07), to creditors upon any dissolution, winding-up, total or partial liquidation, insolvency, bankruptcy, *concurso mercantil*, *quiebra* or reorganization of the Issuer (whether voluntary or involuntary, or in bankruptcy, insolvency,

reorganization, liquidation, or receivership proceedings, or upon an assignment for the benefit of creditors, or any marshalling of the assets of the Issuer, or upon any similar proceedings), then in such event:

(a) all Senior Indebtedness (including principal thereof and interest thereon) shall first be paid in full before any Payment of the Notes (as defined in Section 11.05) is made;

(b) any payment or distribution of assets of the Issuer of any kind or character, whether in cash, property or securities (including any collateral at any time securing the Notes, other than money or U.S. Government Obligations deposited in trust as described in Section 11.07), to which the Holders or the Trustee on behalf of the Holders would be entitled except for the provisions of this Article XI, including any such payment or distribution which may be payable or deliverable by reason of the payment of another debt of the Issuer being subordinated to the payment of the Notes, shall be paid or delivered by any debtor, custodian or other person making such payment or distribution, directly to the holders of the Senior Indebtedness or their Representative or Representatives, or to the trustee or trustees under any indenture pursuant to which any instruments evidencing any of such Senior Indebtedness may have been issued, ratably according to the aggregate amounts remaining unpaid on account of the principal of and interest on the Senior Indebtedness held or represented by each, for application to payment of all Senior Indebtedness remaining unpaid, to the extent necessary to pay all Senior Indebtedness in full after giving effect to any concurrent payment or distribution, or provision therefor, to the holders of such Senior Indebtedness; and

(c) in the event that, notwithstanding the foregoing provisions of this Section 11.02, any payment or distribution of assets of the Issuer of any kind or character, whether in cash, property or securities, shall be received by the Trustee or the Holders before all Senior Indebtedness is paid in full, such payment or distribution (subject to the provisions of Section 11.06 and Section 11.07) shall be held in trust for the benefit of, and shall be immediately paid or delivered by the Trustee or such Holders, as the case may be, to the holders of Senior Indebtedness remaining unpaid, or their Representative or Representatives, ratably according to the aggregate amounts remaining unpaid on account of the principal of and interest on the Senior Indebtedness held or represented by each, for application to the payment of all Senior Indebtedness remaining unpaid, to the extent necessary to pay all Senior Indebtedness in full after giving effect to any concurrent payment or distribution, or provision therefor, to or for the holders of such Senior Indebtedness.

The Issuer shall give prompt notice to the Trustee of any dissolution, winding-up, liquidation, insolvency, bankruptcy, *concurso mercantil*, *quiebra* or reorganization of the Issuer.

Upon any prepayment, payment or distribution of assets of the Issuer referred to in this Article XI, the Trustee, subject to the provisions of Section 7.01 and Section 7.02, and the Holders shall be entitled to conclusively rely upon any order or decree by any court of competent jurisdiction in which such dissolution, winding-up, liquidation or reorganization proceeding is pending, or a certificate of the liquidating trustee or agent or other person making any distribution to the Trustee or to the Holders, for the purpose of ascertaining the persons entitled to participate in such distribution, the holders of the Senior Indebtedness and other Indebtedness of the Issuer, the amount thereof or payable thereon, the amount or amounts paid or distributed

thereon and all other facts pertinent thereto or to this Article XI; *provided* that the foregoing shall apply only if such court, trustee, liquidating trustee or other person has been fully apprised of the provisions of this Article XI.

SECTION 11.03. Holder to be Subrogated to Right of Holders of Senior Indebtedness. Subject to the prior payment in full of all Senior Indebtedness, the Holders shall be subrogated (equally and ratably with the holders of any Indebtedness of the Issuer which by its express terms is subordinated to Indebtedness of the Issuer to substantially the same extent as the Notes are subordinated and is entitled to like rights of subrogation) to the rights of the holders of Senior Indebtedness to receive payments or distributions of assets of the Issuer applicable to the Senior Indebtedness until the principal of and Interest on the Notes shall be paid in full, and for purposes of such subrogation, no payments or distributions to the holders of Senior Indebtedness of assets, whether in cash, property or securities, distributable to the holders of Senior Indebtedness under the provisions hereof to which the Holders would be entitled except for the provisions of this Article XI, and no payment pursuant to the provisions of this Article XI to the holders of Senior Indebtedness by the Holders shall, as among the Issuer, its creditors other than the holders of Senior Indebtedness, and the Holders, be deemed to be a payment by the Issuer to or on account of Senior Indebtedness, it being understood that the provisions of this Article XI are, and are intended, solely for the purpose of defining the relative rights of the Holders, on the one hand, and the holders of Senior Indebtedness, on the other hand.

SECTION 11.04. Obligations of the Issuer Unconditional. Nothing contained in this Article XI or elsewhere in this Indenture or in any Note is intended to or shall impair the obligation of the Issuer, which is absolute and unconditional, to pay to the Holders the principal of and Interest on the Notes, as and when the same shall become due and payable in accordance with the terms of the Notes, or to affect the relative rights of the Holders and other creditors of the Issuer other than the holders of Senior Indebtedness, nor shall anything herein or therein prevent the Trustee or any Holder from exercising all remedies otherwise permitted by applicable law upon the happening of an Event of Default under this Indenture, subject to the provisions of Article VI, and the rights, if any, under this Article XI of the holders of Senior Indebtedness in respect of assets, whether in cash, property or securities, of the Issuer received upon the exercise of any such remedy.

SECTION 11.05. Issuer Not to Make Payment with Respect to Notes in Certain Circumstances. (a) Subject to Section 11.14, upon the occurrence of any default in the payment of principal of (or premium, if any) or interest on Senior Indebtedness (a "Payment Default"), unless and until the amount of Senior Indebtedness affected by such Payment Default then due shall have been paid in full, or such Payment Default shall have been cured or waived or shall have ceased to exist, the Issuer shall not pay principal of, premium, if any, or Interest on the Notes or any other amount due pursuant to this Indenture or any Notes or make any deposit pursuant to Article III or Section 8.01 and shall not repurchase, redeem or otherwise retire any Notes (collectively, "Payment of the Notes").

(b) Unless Section 11.02 shall be applicable, upon (1) the occurrence of a default on Designated Senior Indebtedness (other than a Payment Default) that occurs and is continuing that permits the holders of such Designated Senior Indebtedness (or their Representative or Representatives) to accelerate its maturity and (2) receipt by the Issuer and the Trustee from the

holders of such Designated Senior Indebtedness or their respective agents or Representatives of written notice (a "Payment Blockage Notice") of such occurrence and the imposition of a Payment Blockage Period hereunder, then the Issuer shall not make any Payment of the Notes for a period (the "Payment Blockage Period") commencing on the earlier of the date of receipt by the Issuer or the Trustee of such notice and ending on the earlier of (subject to any blockage of payments that may then be in effect under this Section 11.05) (x) the date 179 days after such date, (y) the date such default shall have been cured or waived in writing or shall have ceased to exist or such Senior Indebtedness shall have been discharged, or (z) the date such Payment Blockage Period shall have been terminated by written notice to the Issuer or the Trustee from such holders of such Designated Senior Indebtedness, or their respective agents or Representatives, after which, in case of clause (x), (y) or (z), as the case may be, the Issuer shall resume making any and all required payments (unless such Designated Senior Indebtedness has been accelerated). Notwithstanding any other provision of this Indenture, only one Payment Blockage Period may be commenced within any consecutive 365-day period, and no event of default with respect to any Designated Senior Indebtedness that existed or was continuing on the date of the commencement of any Payment Blockage Period with respect to such Designated Senior Indebtedness shall be, or can be made, the basis for the commencement of a second Payment Blockage Period whether or not within a period of 365 consecutive days unless such event of default shall have been cured or waived for a period of not less than 90 consecutive days. In no event will a Payment Blockage Period extend beyond 179 days.

(c) In the event that, notwithstanding the provisions of this Section 11.05, any Payment of the Notes shall be made by or on behalf of the Issuer and received by the Trustee, any Holder or any Paying Agent (or, if the Issuer is acting as its own Paying Agent, money for any such payment shall be segregated and held in trust), which payment was prohibited by this Section 11.05, then, unless and until the amount of Senior Indebtedness then due, as to which a default shall have occurred, shall have been paid in full, or such default shall have been cured or waived, such payment (subject, in each case, to the provisions of Section 11.06 and Section 11.07) shall be held in trust for the benefit of, and shall be immediately paid over to, the holders of Senior Indebtedness or their Representative or Representatives, ratably according to the aggregate amounts remaining unpaid on account of the principal of and interest on the Senior Indebtedness held or represented by each, for application to the payment of all Senior Indebtedness remaining unpaid to the extent necessary to pay all Senior Indebtedness in accordance with its terms, after giving effect to any concurrent payment or distribution to or for the benefit of the holders of Senior Indebtedness. The Issuer shall give prompt written notice to the Trustee of any default under any Senior Indebtedness or under any agreement pursuant to which Senior Indebtedness may have been issued.

SECTION 11.06. Notice to Trustee. (a) The Issuer shall give prompt written notice to the Trustee of any fact known to the Issuer which would prohibit the making of any payment to or by the Trustee in respect of the Notes, but failure to give such notice shall not affect the subordination provided in this Article XI of the Notes to Senior Indebtedness. Within 30 calendar days after the occurrence of any event which would constitute a Default or an Event of Default, the Issuer shall deliver notice to the Trustee of such events, their status and what action the Issuer is taking or proposes to take in respect thereof. Notwithstanding the provisions of this Article XI or any other provision of this Indenture, the Trustee shall not at any time be charged with knowledge of the existence of any facts which would prohibit the making of any payment to

or by the Trustee, unless and until a Trust Officer of the Trustee shall have received written notice thereof from the Issuer or from the holder or holders of Senior Indebtedness or from their Representative or Representatives; and, prior to the receipt of any such notice, the Trustee, subject to the provisions of Section 7.01 and Section 7.02, shall be entitled to assume conclusively that no such facts exist.

(b) The Trustee shall be entitled to conclusively rely on the delivery to it of a written notice by a Person representing himself to be a holder of Senior Indebtedness (or a Representative of such holder) to establish that such notice has been given by a holder of Senior Indebtedness or a Representative of any such holder. In the event that the Trustee determines in good faith that further evidence is required with respect to the right of any Person as a holder of Senior Indebtedness to participate in any payment or distribution pursuant to this Article XI, the Trustee may request such Person to furnish evidence to the reasonable satisfaction of the Trustee as to the amount of Senior Indebtedness held by such Person, the extent to which such Person is entitled to participate in such payment or distribution and any other facts pertinent to the rights of each Person under this Article XI, and if such evidence is not furnished, the Trustee may defer any payment to such Person pending judicial determination as to the right of such Person to receive such payment.

SECTION 11.07. Application by Trustee of Monies Deposited with It. Money or U.S. Government Obligations deposited in trust with the Trustee pursuant to Section 8.01 and not in violation of this Article XI shall be for the sole benefit of Holders and shall thereafter not be subject to the subordination provisions of this Article XI. Otherwise, any deposit of monies by the Issuer with the Trustee or any Paying Agent (whether or not in trust) for the payment of the principal or of Interest on any Notes shall be subject to the provisions of Sections 11.01, 11.02, 11.03 and 11.05; except that, if at least three Business Days prior to the date on which by the terms of this Indenture any such monies may become payable for any purpose (including, without limitation, the payment of either the principal or of Interest on any Note), a Trust Officer of the Trustee shall not have received with respect to such monies the notice provided for in Section 11.06, then the Trustee or any Paying Agent shall have full power and authority to receive such monies and to apply such monies to the purpose for which they were received, and shall not be affected by any notice to the contrary which may be received by it within three Business Days prior to or after such date. This Section 11.07 shall be construed solely for the benefit of the Trustee and the Paying Agent and shall not otherwise affect the rights that holders of Senior Indebtedness may have to recover any such payments from the Holders in accordance with the provisions of this Article XI.

SECTION 11.08. Subordination Rights Not Impaired by Acts or Omissions of the Issuer or Holders of Senior Indebtedness. No right of any present or future holders of any Senior Indebtedness to enforce subordination, as herein provided, shall at any time in any way be prejudiced or impaired by any act or failure to act on the part of the Issuer or by any act or failure to act, in good faith, by any such holder, or by any noncompliance by the Issuer with the terms, provisions and covenants of this Indenture, regardless of any knowledge thereof which any such holder may have or be otherwise charged with. The holders of any Senior Indebtedness may extend, renew, modify or amend the terms of such Senior Indebtedness or any security therefor and release, sell or exchange such security and otherwise deal freely with the Issuer, all without affecting the liabilities and obligations of the parties to this Indenture or the Holders. No

amendment of this Article XI or any defined terms used herein or any other Sections referred to in this Article XI which adversely affects the rights hereunder of holders of Senior Indebtedness, shall be effective unless the holders of such Senior Indebtedness (required pursuant to the terms of such Senior Indebtedness to give such consent) have consented thereto.

SECTION 11.09. Trustee to Effectuate Subordination. Each Holder by his acceptance thereof authorizes and directs the Trustee on his behalf to take such action as may be necessary or appropriate to acknowledge and effectuate the subordination provided in this Article XI and appoints the Trustee his attorney-in-fact for any and all such purposes.

SECTION 11.10. Right of Trustee to Hold Senior Indebtedness. The Trustee, in its individual capacity, shall be entitled to all of the rights set forth in this Article XI in respect of any Senior Indebtedness at any time held by it to the same extent as any other holder of Senior Indebtedness, and nothing in this Indenture shall be construed to deprive the Trustee of any of its rights as such holder. Nothing in this Article XI shall apply to claims of, or payments to, the Trustee under or pursuant to Section 7.07.

SECTION 11.11. Article XI Not to Prevent Events of Default. The failure to make a Payment of the Notes by reason of any provision in this Article XI shall not be construed as preventing the occurrence of an Event of Default under Section 6.01.

SECTION 11.12. No Fiduciary Duty Created to Holders of Senior Indebtedness. Notwithstanding any other provision in this Article XI, the Trustee shall not be deemed to owe any fiduciary duty to the holders of Senior Indebtedness by virtue of the provisions of this Article XI or otherwise. With respect to the holders of Senior Indebtedness, the Trustee undertakes to perform or to observe only such of its covenants or obligations as are specifically set forth in this Article XI and no implied covenants or obligations with respect to holders of Senior Indebtedness shall be read into this Indenture against the Trustee.

SECTION 11.13. Article Applicable to Paying Agents. In case at any time any Paying Agent other than the Trustee shall have been appointed by the Issuer and be then acting hereunder, the term "Trustee" as used in this Article XI shall in such case (unless the context shall otherwise require) be construed as extending to and including such Paying Agent within its meaning as fully for all intents and purposes as if such Paying Agent were named in this Article XI in addition to or in place of the Trustee; *provided, however*, that Section 11.06, Section 11.10 and Section 11.12 shall not apply to the Issuer if it acts as Paying Agent.

SECTION 11.14. Certain Conversion Deemed Payment. For the purposes of this Article XI only, (1) the issuance and delivery of Junior Securities upon conversion of Notes in accordance with Article XII shall not be deemed to constitute a payment or distribution on account of the principal of or premium or Interest on Notes or on account of the purchase, redemption, retirement or other acquisition of Notes and shall not be prohibited by Section 11.02, and (2) the payment, issuance or delivery of cash, property or securities (other than Junior Securities) upon conversion of a Note shall be deemed to constitute payment on account of principal of such Note. The term "Junior Securities" means (a) shares of any stock of any class, ordinary participation certificates (*certificados de participación ordinarios*) or other securities having stock of the Issuer as underlying securities or ADRs, of the Issuer and (b) securities of the

Issuer which are subordinated in right of payment to all Senior Indebtedness which may be outstanding at the time of issuance or delivery of such securities to substantially the same extent as, or to a greater extent than, the Notes are so subordinated as provided in this Article XI. Nothing contained in this Article XI or elsewhere in this Indenture or in the Notes is intended to or shall impair, as among the Issuer, its creditors other than holders of Senior Indebtedness and the Holders of the Notes, the right, which is absolute and unconditional, of the Holder of any Note to convert such Note in accordance with Article XII.

SECTION 11.15. Contractual Subordination. This Article XI represents a bona fide agreement of contractual subordination pursuant to Section 510(b) of the Title 11, U.S. Code.

SECTION 11.16. Acceleration of Notes. If payment of the Notes is accelerated because of an Event of Default, the Issuer shall promptly notify holders of Senior Indebtedness (or their Representative or Representatives) of the acceleration.

ARTICLE XII

CONVERSION

SECTION 12.01. Right to Convert. Subject to and upon compliance with the provisions of this Indenture, each Holder shall have the right, at such Holder's option, to convert at any time after the last Trading Day in the Averaging Period and prior to the close of business on the fourth Business Day immediately preceding the Maturity Date, *provided, however*, that a Holder may convert a Note or portion thereof subject to an election for repurchase only if such Holder withdraws such election in accordance with Section 3.04(e) to convert the principal amount of any Note held by such Holder, or any portion of such principal amount which is U.S.\$1,000 or an integral multiple thereof, *provided further* that the portion not so converted is in a minimum principal amount of U.S.\$1,000, into fully paid and non-assessable CPOs; *provided* that the Issuer's obligation to deliver CPOs shall, except as otherwise provided in this Article XII, be satisfied by delivering a number of ADSs based on the Conversion Rate in effect at such time, by surrender of the Note to be so converted in whole or in part in the manner provided in Section 12.02. A Holder is not entitled to any rights of a holder of ADSs until such Holder has converted his or her Notes to ADSs, and only to the extent such Notes are deemed to have been converted to ADSs under this Article XII.

SECTION 12.02. Exercise of Conversion Privilege; Issuance of ADSs on Conversion; No Adjustment for Interest or Dividends. To exercise, in whole or in part, the conversion privilege with respect to any Note, the Holder of such Note shall surrender such Note, duly endorsed, at an office or agency maintained by the Issuer pursuant to Section 4.04, and shall give a duly signed written notice of conversion, in the form provided on the Notes or available from the Conversion Agent (or such other notice which is acceptable to the Issuer) to the Conversion Agent, that the Holder elects to convert such Note or such portion thereof specified in said notice and the Conversion Agent shall give notice to the Issuer (at the address provided in Section 10.09 with a copy to Francisco J. Contreras Navarro (Fax: +1 52 81 8888 4465)) and Banco Nacional de México, S.A., Integrante del Grupo Financiero Banamex ("Banamex") (at the address provided in Section 10.09) of receipt of such notice. Such notice shall also state the name or names (with address or addresses) in which the certificate or certificates for ADSs

which are issuable on such conversion shall be issued, and shall be accompanied by transfer Taxes, if required pursuant to Section 12.07. Each such Note surrendered for conversion shall, unless the ADSs issuable on conversion are to be issued in the same name as the registration of such Note, be duly endorsed by, or be accompanied by instruments of transfer in form satisfactory to the Issuer duly executed by, the Holder or his or her duly authorized attorney. The date on which the requirements set forth in this paragraph have been satisfied with respect to a Note (or portion thereof) will be the “Conversion Date” and a converting Holder will become the record holder of any ADSs upon such conversion as of such Conversion Date. To exercise, in whole or in part, the conversion privilege with respect to a beneficial interest in a Global Security, a holder of such a beneficial interest must comply with the Depository’s procedures for converting a beneficial interest in a Global Security and pay any funds required by the sixth paragraph of this Section 12.02 or by Section 12.07. Subject to the foregoing procedures, any Holder of a Definitive Security who wishes to exercise the conversion privilege with respect to such Definitive Security must (i) complete and manually sign the Conversion Notice on the back of the Note, or a facsimile of the Conversion Notice; (ii) deliver the Conversion Notice, which is irrevocable, and the Note to the Conversion Agent; (iii) if required by the Issuer or the Conversion Agent, furnish appropriate endorsements and transfer documents; (iv) pay all transfer or similar Taxes if required pursuant to Section 12.07; and (v) if required under the terms of this Indenture, pay funds equal to the amount of Interest payable on the next Interest Payment Date.

On the third Business Day following the relevant Conversion Date, the Issuer shall issue and shall deliver or shall cause issuance and delivery (such delivery referred to herein as the “Settlement”) to such Holder at the office or agency maintained by the Issuer for such purpose pursuant to Section 4.04, a certificate or certificates for, or effect a book-entry transfer through the Depository with respect to, the number of ADSs issuable upon the conversion of such Note or portion thereof in accordance with the provisions of this Article XII.

No Interest shall accrue on Notes between the Conversion Date and the Settlement date.

If any calculation required in order to determine the number of ADSs the Issuer must deliver in respect of a given conversion of Notes is based on data or other information that will not be available to the Issuer on the date the requirements set forth in the first paragraph of this Section 12.02 have been satisfied, the Issuer will delay Settlement of that conversion until no later than the third Business Day after the relevant data or information becomes available. In case any Note of a denomination of an integral multiple greater than U.S.\$1,000 is surrendered for partial conversion, and subject to Section 2.02, the Issuer shall execute, and the Trustee shall upon receipt of an Issuer Order authenticate and deliver to the Holder of the Note so surrendered, without charge to him or her, a new Note or Notes in authorized denominations in an aggregate principal amount equal to the unconverted portion of the surrendered Note *provided* that the minimum principal amount of such new note is U.S.\$1,000.

Each conversion shall be deemed to have been effected with respect to a Note (or portion thereof) on the Conversion Date, and the Person in whose name any certificate or certificates for ADSs are issuable upon such conversion shall be deemed to have become on said date the holder of record of the ADSs represented thereby. Any such surrender on any date when the Issuer’s stock transfer books are closed shall constitute the Person in whose name the certificates are to be issued as the record holder thereof for all purposes on the next succeeding day on which such stock transfer books are open, but such conversion shall be at the Conversion Rate in effect on the date upon which such Note is surrendered.

If any Note or a portion thereof is surrendered for conversion after 5:00 p.m. New York City time on a Record Date but prior to 9:00 a.m. New York City time on the immediately following Interest Payment Date, Holders of such Notes at 5:00 p.m. New York City time on the regular Record Date will receive payment of the Interest payable on such Notes on the corresponding Interest Payment Date notwithstanding the conversion of such Notes at any time after the close of business on the Record Date. Any Note or portion thereof surrendered for conversion by a Holder during the period from 5:00 p.m. New York City time on the Record Date through 9:00 a.m. New York City time on the immediately following Interest Payment Date shall be accompanied by payment, in funds acceptable to the Issuer, of an amount equal to the Interest otherwise payable on such Interest Payment Date on the principal amount being converted; *provided, however*, that no such payment need be made (1) if the Notes are surrendered for conversion after 5:00 p.m. New York City Time on the Record Date immediately preceding the Maturity Date, (2) if the Issuer has specified a Tax Redemption Date that is after a Record Date and on or prior to the corresponding Interest Payment Date, (3) if the Issuer has specified a Change of Control Purchase Date that is after a Record Date and on or prior to the corresponding Interest Payment Date or (4) to the extent of any overdue Interest, if any overdue Interest exists at the time of conversion with respect to such Note. An amount equal to such payment shall be paid by the Issuer on such Interest Payment Date to the Holder at the close of business on such Record Date; *provided, however*, that if the Issuer defaults in the payment of Interest, if applicable, on such Interest Payment Date, such amount shall be paid to the Person who made such required payment. Except as provided in this Section 12.02, no payment of Interest shall be made and no adjustment shall be made for Interest accrued, if any, on any Note converted or for dividends on any shares issued upon the conversion of such Note as provided in this Article XII.

With respect to any Notes bearing a Restricted Securities Legend on the date of conversion, the ADSs distributed upon conversion will be issued in physical certificated form, will not be held in book-entry form through the facilities of the Depository and shall be treated as “restricted securities,” and the Issuer will affix the applicable Restricted ADS Legend that is set forth in Exhibit B hereto upon such ADSs; *provided* that if any such ADSs are being immediately resold pursuant to Rule 144 under the Securities Act, such ADSs need not be issued with such legend in connection with such sale.

Upon conversion, a Holder will not be entitled to any additional cash payment for Interest unless such conversion occurs between a Record Date and the corresponding Interest Payment Date. Except in such case, by delivering the amount of cash and/or the number of ADSs issuable on conversion to the Trustee, the Issuer will be deemed to have satisfied its obligation to pay the principal amount of the Notes so converted and its obligation to pay Interest, attributable to the period from the most recent Interest Payment Date to, but not including the Conversion Date (which amount will be deemed paid in full rather than cancelled, extinguished or forfeited).

SECTION 12.03. No Issuance of Fractional Shares. No fractional portions of ADSs shall be issued upon conversion of Notes. If more than one Note shall be surrendered for conversion at one time by the same Holder, the number of full ADSs which shall be issuable

upon conversion shall be computed on the basis of the aggregate principal amount of the Notes (or specified portions thereof to the extent permitted hereby) so surrendered for conversion. If any fractional portions of ADSs otherwise would be issuable upon the conversion of any Note or Notes, the Issuer will deliver a number of ADSs rounded up to the nearest whole number of ADSs.

SECTION 12.04. Conversion Rate. The “Conversion Rate” will be equal to (i) 1,000 divided by (ii) the Initial Conversion Price, subject to adjustment as provided in this Article XII. The initial Conversion Rate will be rounded to the nearest ten thousandth of an ADS. The “Initial Conversion Price” for the Notes will be equal to the greater of (a) U.S. \$11.20, (b) 130% of the 5 Day Average VWAP of the Issuer’s ADSs, and (c) 110% of the closing price of the Issuer’s ADSs on the New York Stock Exchange (or, if the Issuer’s ADSs are not then traded on such exchange, the principal exchange on which the Issuer’s ADSs are then traded) on the Issue Date. The “5 Day Average VWAP” of the Issuer’s ADSs will be equal to the average of the Daily VWAPs of the Issuer’s ADSs for the 5 trading-day period beginning on March 18, 2015 (the “Averaging Period”).

Notwithstanding the preceding paragraph, if a Fundamental Change occurs after Notes have been issued but prior to completion of the Averaging Period, the Initial Conversion Price will be 130% of the closing sale price of the Issuer’s ADSs on the New York Stock Exchange (or, if the ADSs are not the traded on such exchange, the principal exchange on which the Issuer’s ADSs are then traded) on the Issue Date.

SECTION 12.05. Conversion Rate Adjustments. (a) The applicable Conversion Rate shall be adjusted from time to time by the Issuer as follows if any of the events described in clauses (i) through (v) below occur after the Averaging Period, except that the Issuer will not make any adjustments to the Conversion Rate if Holders participate (as a result of holding Notes and at the same time as ADS holders participate) in any of the transactions described below as if such Holders held a number of ADSs equal to the applicable Conversion Rate, multiplied by the principal amount (expressed in thousands) of Notes held by such Holders without having to convert their Notes. A Holder will be deemed to have so participated if the transaction results in an issuance of securities or a distribution of other property that is held by the ADS depository or the CPO trustee (to the extent required to be later distributed by the CPO trustee to the ADS depository for the benefit of such Holders of the Notes) at the time of conversion of such Notes into ADSs.

(i) If the Issuer issues solely Ordinary Shares as a dividend or any other distribution (including by recapitalization of retained earnings) on all or substantially all Ordinary Shares, or if the Issuer effects a share split or share combination of its Ordinary Shares, the applicable Conversion Rate will be adjusted based on the following formula:

$$CR = CR_0 \times \frac{OS}{OS_0}$$

where,

- CR0 = the applicable Conversion Rate in effect immediately prior to the open of business on the Business Day immediately following (x) the date fixed for the determination of holders of Ordinary Shares entitled to receive such dividend or distribution or (y) the date on which such split or combination becomes effective, as applicable (such date specified in clause (x) or (y), the “Dividend Record Date”);
- CR = the applicable Conversion Rate in effect immediately after the open of business on the Business Day immediately following the Dividend Record Date;
- OS0 = the number of Ordinary Shares outstanding immediately prior to the open of business on the Dividend Record Date; and
- OS = the number of Ordinary Shares that would have been outstanding immediately prior to the open of business on the Dividend Record Date as adjusted to take into account such dividend, distribution, split or combination.

If any dividend or distribution of the type described in this clause (i) is declared that results in an adjustment pursuant to this clause (i) but is not so paid or made, or the outstanding Ordinary Shares are not split or combined, as the case may be, the Conversion Rate shall be immediately readjusted, effective (in the case of a dividend or distribution) as of the earliest of the date (A) the Issuer’s shareholders’ meeting or Board of Directors determines not to pay such dividend or distribution, (B) the non-payment of such dividend is publicly announced or (C) the dividend was to have been paid, or (in the case of a stock split or combination) the date on which such split or combination was to have been effective, to the Conversion Rate that would then be in effect if such dividend, distribution, share split or share combination had not been declared or announced.

(ii) If the Issuer distributes to all or substantially all holders of Ordinary Shares any rights, options, warrants or other securities entitling them for a period of not more than 45 calendar days from the record date for such distribution to subscribe for or purchase Ordinary Shares (or securities convertible into Ordinary Shares), at a price per Ordinary Share (or conversion price per Ordinary Share) less than the average of the Last Reported Sale Prices of the Ordinary Shares for the 10 consecutive Trading Day period ending on, and including, the Trading Day immediately preceding the declaration date for such distribution, the applicable Conversion Rate will be adjusted based on the following formula:

$$CR = CR0 \times \frac{(OS0 + X)}{(OS0 + Y)}$$

where,

- CR0 = the applicable Conversion Rate in effect immediately prior to the open of business on the Business Day immediately following the date fixed for the determination of shareholders entitled to receive such rights, options, warrants or other securities (such date, the “Rights Distribution Record Date”);

CR = the applicable Conversion Rate in effect immediately after the open of business on the Business Day immediately following the Rights Distribution Record Date;

OS₀ = the number of Ordinary Shares outstanding immediately prior to the open of business on the Rights Distribution Record Date;

X = the total number of Ordinary Shares issuable pursuant to such rights, options, warrants or other securities;

and

Y = the number of Ordinary Shares equal to the aggregate price payable to exercise such rights, options, warrants or other securities *divided by* the average of the Last Reported Sale Prices of the Ordinary Shares over the 10 consecutive Trading Day period ending on the Trading Day immediately preceding the date of announcement of the distribution of such rights, options, warrants or other securities.

If such rights, options, warrants or other securities are not so issued, the Conversion Rate will remain the Conversion Rate that would then be in effect if a Rights Distribution Record Date for such distribution had not been fixed. In addition, to the extent that Ordinary Shares are not delivered after the expiration of such rights, options, warrants or other securities, the Conversion Rate shall be readjusted to the Conversion Rate that would then be in effect had the adjustments made upon the issuance of such rights, options, warrants or other securities been made on the basis of delivery of only the number of Ordinary Shares actually delivered.

For purposes of this clause (ii), in determining whether any rights, options, warrants or other securities entitle the holders to subscribe for or purchase Ordinary Shares at less than the average of the Last Reported Sale Prices of Ordinary Shares for each Trading Day in the applicable 10 consecutive Trading Day Period, there shall be taken into account any consideration the Issuer receives for such rights, options, warrants or other securities and any amount payable on exercise thereof, with the value of such consideration if other than cash to be determined by the Issuer's Board of Directors.

(iii) If the Issuer distributes shares of its Capital Stock, evidences of its Indebtedness, other assets or property or rights or warrants to acquire its Capital Stock or other securities, to all or substantially all holders of Ordinary Shares, excluding

(A) dividends or distributions and rights, options, warrants and other securities described in clause (i) or (ii) above or clause (v) below;

(B) dividends or distributions paid exclusively in cash, including as described in clause (iv) below;

(C) dividends or distributions effected pursuant to a reclassification, merger, sale, conveyance or other transaction described in Section 12.06, where such dividend or distribution becomes Reference Property as described in Section 12.06; and

(D) Spin-Offs to which the provisions set forth below in this clause (iii) shall apply;

then the applicable Conversion Rate will be adjusted based on the following formula:

$$CR = CR_0 \times \frac{SP_0}{(SP_0 - FMV)}$$

where,

CR₀ = the applicable Conversion Rate in effect immediately prior to the open of business on the Business Day immediately following the record date for such distribution;

CR = the applicable Conversion Rate in effect immediately after the open of business on the Business Day immediately following such record date;

SP₀ = the average of the Last Reported Sale Prices of Ordinary Shares over the 10 consecutive Trading Day period ending on, and including, the Trading Day immediately preceding the Ex-Dividend Date for such distribution; and

FMV = the fair market value (as determined by the Issuer's Board of Directors or a committee thereof) of the shares of Capital Stock, evidences of Indebtedness, assets, property, rights or warrants distributed with respect to each outstanding Ordinary Share as of the open of business on the Ex-Dividend Date for such distribution;

provided that if "FMV" as set forth above is equal to or greater than "SP₀" as set forth above, in lieu of the foregoing adjustment, adequate provision will be made so that each Holder shall receive on the date on which the distributed property is distributed to holders of Ordinary Shares, for each U.S.\$1,000 principal amount of Notes, the amount of distributed property such Holder would have received had such Holder owned a number of Ordinary Shares that it would have been entitled to receive based on the Conversion Rate on the record date for such distribution; *provided further* that if the Issuer's Board of Directors determines "FMV" for purposes of the foregoing adjustment by reference to the trading market for any securities, it must in doing so consider the prices in such market over the same period used in computing the average of the Last Reported Sale Prices of the Ordinary Shares over the 10 consecutive Trading Day period ending on the Trading Day immediately preceding the Ex-Dividend Date for such distribution.

With respect to an adjustment pursuant to this clause (iii) where there has been a payment of a dividend or other distribution on the Ordinary Shares or shares of Capital Stock of any class or series, or similar equity interest, of or relating to a Subsidiary or other business unit (a "Spin-Off"), the Conversion Rate will be adjusted based on the following formula:

$$CR = CR_0 \times \frac{(FMV + MP_0)}{MP_0}$$

where,

CR0 = the applicable Conversion Rate in effect immediately prior to the opening of business on the Business Day immediately following the record date for the Spin-Off;

CR = the applicable Conversion Rate in effect immediately after the opening of business on the Business Day immediately following such record date;

FMV = the average of the Last Reported Sale Prices of the Capital Stock or similar equity interest distributed to holders of Ordinary Shares applicable to one Ordinary Share over the first 10 consecutive Trading Day period immediately following, and including, the Ex-Dividend Date of the Spin-Off (the "Valuation Period"); and

MP0 = the average of the Last Reported Sale Prices of the Ordinary Shares over the Valuation Period.

The adjustment to the applicable Conversion Rate under the preceding paragraph of this clause (iii) will be made immediately after the open of business on the day after the last day of the Valuation Period, but will be given effect as of the open of business on the Business Day immediately following the record date for the Spin-Off. For purposes of determining the applicable Conversion Rate in respect of any conversion during the Valuation Period, references within the portion of this clause (iii) related to Spin-Offs to 10 Trading Days shall be deemed replaced with such lesser number of Trading Days as have elapsed from, and including, the Ex-Dividend Date of such Spin-Off to, but excluding, the Conversion Date.

If any distribution or spin-off described in this clause (iii) results in an adjustment to the Conversion Rate but such distribution or Spin-Off is not so made, the Conversion Rate shall again be adjusted to be the Conversion Rate that would then be in effect if such distribution or Spin-Off had not been declared.

(iv) If the Issuer makes or pays any cash dividend or any other cash distribution to all, or substantially all, holders of the outstanding Ordinary Shares, the applicable Conversion Rate will be adjusted based on the following formula:

$$CR = CR0 \times \frac{SP0}{(SP0 - C)}$$

where,

CR0 = the applicable Conversion Rate in effect immediately prior to the open of business on the Business Day immediately following the record date for such dividend or distribution;

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- CR = the applicable Conversion Rate in effect immediately after the open of business on the Business Day immediately following such record date;
- SP0 = the average of the Last Reported Sale Prices of the Ordinary Shares over the 10 consecutive Trading Day period ending on, and including, the Trading Day immediately preceding the Ex-Dividend Date for such dividend or distribution; and
- C = the amount in cash per share the Issuer distributes to holders of the Ordinary Shares.

If such dividend or distribution results in an adjustment to the Conversion Rate under the preceding paragraph and such dividend or distribution is not so paid or made, the Conversion Rate shall again be adjusted to be the Conversion Rate that would then be in effect if such dividend or distribution had not been declared.

(v) If (A) the Issuer or any of its Subsidiaries makes a payment in respect of a tender offer or exchange offer for the Ordinary Shares, and (B) the cash and value of any other consideration included in the payment per Ordinary Share exceeds the average of the Last Reported Sale Prices of the Ordinary Shares over the 10 consecutive Trading Day period commencing on, and including, the Trading Day next succeeding the last date on which tenders or exchanges may be made pursuant to such tender or exchange offer (the "Expiration Date"), the applicable Conversion Rate will be adjusted based on the following formula:

$$CR = CR_0 \times \frac{AC + (SP \times OS)}{(SP \times OS_0)}$$

where,

- CR₀ = the applicable Conversion Rate in effect immediately prior to the open of business on the Business Day next succeeding the Expiration Date;
- CR = the applicable Conversion Rate in effect immediately after the open of business on the Business Day next succeeding the Expiration Date;
- AC = the aggregate value of all cash and any other consideration (as determined by the Issuer's Board of Directors or a committee thereof) paid or payable for Ordinary Shares purchased in such tender or exchange offer;
- OS₀ = the number of Ordinary Shares outstanding immediately prior to the time (the "Expiration Time") such tender or exchange offer expires (prior to giving effect to such tender or exchange offer);
- OS = the number of Ordinary Shares outstanding immediately after the Expiration Time (after giving effect to such tender or exchange offer); and
- SP = the average of the Last Reported Sale Prices of the Ordinary Shares over the 10 consecutive Trading Day period commencing on, and including, the Trading Day next succeeding the Expiration Date.

The adjustment to the Conversion Rate under this clause (v) will be made at the close of business on the tenth Trading Day immediately following, and including, the Trading Day next succeeding the Expiration Date, but will be given effect as of the open of business on the Business Day following the Expiration Date. For purposes of determining the applicable Conversion Rate in respect of any conversion during the 10 Trading Days commencing on, and including, the Trading Day next succeeding the Expiration Date of any tender or exchange offer, references to 10 Trading Days shall be deemed replaced with such lesser number of Trading Days as have elapsed from, and including, the Trading Day next succeeding the Expiration Date to, but excluding the Conversion Date. If the Issuer or one of its Subsidiaries is obligated to purchase the Ordinary Shares pursuant to any such tender or exchange offer but the Issuer or the relevant Subsidiary is permanently prevented by applicable law from effecting any such purchase or all or any portion of such purchases are rescinded, the new Conversion Rate shall be readjusted to be the Conversion Rate that would be in effect if such tender or exchange offer had not been made or had only been made in respect of the purchases that had been effected.

(vi) Notwithstanding the foregoing, if any calculation required to be made in determining the adjustment to the Conversion Rate under this Section 12.05(a) cannot be made at such time because the facts required for such determination cannot be ascertained, the Issuer will make such determination as soon as practicable upon such information becoming determinate, and such adjustment will be made with retroactive effect to the first such date where the adjustment is required to be made.

(vii) To the extent that any event would give rise to an adjustment to be made under more than one of the clauses set forth above, or holders of the Issuer's Ordinary Shares have the right to elect between distributions that would be covered by more than one of such clauses, the Issuer shall, in good faith, determine the adjustment to be made, including, if applicable, the order of the adjustments.

(viii) If any event that would give rise to an adjustment under any of clauses (i)-(v) set forth above occurs (1) during the Averaging Period, the Issuer will adjust the Daily VWAPS used in calculating the Initial Conversion Price, (2) between the Unit Issue Date and the final day of the Averaging Period, the Issuer will adjust the dollar amount stated in clause (a) of Section 12.04 and/or (3) between the Issue Date and the final day of the Averaging Period, the Issuer will adjust the amount calculated pursuant to clause (c) of Section 12.04. Each adjustment described in the preceding sentence shall be made using an adjustment factor inverse to the factor that would have been applicable to the adjustment to the Conversion Rate that would have been required under this Section 12.05 had the relevant event occurred after the Conversion Rate had been established, applied by the Issuer in a good faith manner to the applicable values.

(b) The Issuer may at its option and in addition to the adjustments required by Section 12.05(a), increase the applicable Conversion Rate to avoid or diminish income Tax to holders of ADSs or rights to purchase ADSs in connection with a dividend or distribution of Ordinary Shares (or rights to acquire Ordinary Shares) or similar event. When a Holder is deemed to have received a distribution or dividend subject to Tax withholding and such deemed distribution or dividend does not give rise to any cash from which any applicable withholding Tax or backup withholding can be satisfied, if the Issuer pays withholding Taxes or applies backup withholding on behalf of a Holder, the Issuer may, at its option, set off such payments against interest payments on the Notes or subsequent deliveries of ADSs in respect of the Notes (or against payment on the ADSs).

(c) If, following the Issue Date, in conjunction with one of the foregoing adjustment events or otherwise (i) the number of the Issuer's CPOs represented by each ADS should change, (ii) the number of the Ordinary Shares underlying each CPO should change, (iii) one series of Ordinary Shares were to be disproportionately affected by such event as compared to the other series of Ordinary Shares, or (iv) any other change occurs in the composition of the assets underlying the CPOs or ADSs not contemplated or adequately addressed by the foregoing adjustments, and the applicable Conversion Rate (as so adjusted) does not produce a fair and equitable result, the Issuer will adopt such method as it may deem equitable and practicable vis-à-vis the holders of the Notes for the purpose of effecting an appropriate adjustment to the Conversion Rate.

(d) No adjustment in the applicable Conversion Rate shall be required unless such adjustment would require an increase or decrease of at least 1% in the Conversion Rate; *provided, however*, that (i) any adjustments which by reason of this Section 12.05(d) are not required to be made shall be carried forward and taken into account in any subsequent adjustment and (ii) the Issuer shall adjust the Conversion Rate at least annually to account for any such carried forward adjustments. All calculations under this Article XII shall be made by the Issuer and shall be made to the nearest ten thousandth of an ADS. Notwithstanding the foregoing, all adjustments not previously made shall have effect and be made upon conversion of any of the Notes.

Without limiting the foregoing, the Issuer shall not be required to adjust the Conversion Rate: (i) upon the issuance of any Ordinary Shares pursuant to any present or future plan providing for the reinvestment of dividends or interest payable on the Issuer's securities and the investment of additional optional amounts in Ordinary Shares under any plan; (ii) upon the issuance of any Ordinary Shares, or options or rights to purchase Ordinary Shares, pursuant to any present or future employee, director or consultant benefit plan or program of, or assumed by, the Issuer or any of its Subsidiaries; (iii) upon the issuance of any Ordinary Shares pursuant to any option, warrant, right or exercisable, exchangeable or convertible security not described in the preceding clause and outstanding as of the Unit Issue Date; (iv) for a change in the par value of the Ordinary Shares; or (iv) for Interest.

(e) Whenever the Conversion Rate is adjusted as provided in this Section 12.05, the Issuer shall promptly file with the Trustee and any Conversion Agent other than the Trustee an Officer's Certificate setting forth the Conversion Rate after such adjustment, detailing the calculation of the Conversion Rate and setting forth a brief statement of the facts requiring such

adjustment. Promptly after delivery of such certificate, the Issuer shall prepare and issue a press release containing the relevant information and notify the Trustee and the Trustee shall furnish a copy of such notice to the Holders. Failure to deliver such notice shall not affect the legality or validity of any such adjustment.

(f) If any distribution or transaction described in Section 12.05(a) above has not yet resulted in an adjustment to the applicable Conversion Rate on the applicable Conversion Date, and the ADSs the Holder will receive on Settlement are not entitled to participate in the relevant distribution or transaction (because they were not held on a related record date), then promptly after such distribution or transaction has occurred, the Issuer will adjust the number of ADSs to be delivered to the Holder as the Issuer determines is appropriate to reflect the relevant distribution or transaction.

(g) For purposes of this Section 12.05, the number of Ordinary Shares at any time outstanding shall not include Ordinary Shares held in the treasury of the Issuer. The Issuer shall not pay any dividend or make any distribution on Ordinary Shares held in the treasury of the Issuer.

(h) Except as stated in this Section 12.05 and Section 12.12, the Issuer shall not be required to adjust the Conversion Rate. If, however, the application of the provisions of this Section 12.05 would result in a decrease in the Conversion Rate, no adjustment to the Conversion Rate shall be made (other than as a result of a reverse share split or share combination).

(i) The Issuer shall not take any action pursuant to this Section 12.05 without complying, if applicable, with any applicable rules of any stock exchange on which the ADSs are listed at the relevant time.

SECTION 12.06. Effect of Reclassification, Consolidation, Merger, Combination, Sale, Lease or Transfer. In the event of any (i) reclassification or change of the outstanding Ordinary Shares (other than changes resulting from a subdivision or combination), (ii) consolidation, merger or combination involving the Issuer (other than a merger in which the Issuer is the surviving corporation and which does not result in any reclassification of, or change (other than changes resulting from a subdivision or combination) in, outstanding Ordinary Shares), (iii) sale, assignment, conveyance, transfer, lease or other disposition to another Person of the property and assets of the Issuer and its Subsidiaries as an entirety or substantially as an entirety, or (iv) mandatory Ordinary Share exchange, in each case as a result of which holders of Ordinary Shares shall be entitled to receive stock, other securities, other property, assets or cash (or any combination thereof) with respect to or in exchange for such Ordinary Shares, then the Issuer or the successor or purchasing corporation, as the case may be, shall execute with the Trustee a supplemental indenture providing that Holders shall thereafter be entitled to convert Notes into the kind and amount of shares of stock and other securities, property, assets or cash (or any combination thereof, but subject to the provisions of Article XI) that a holder of a number of ADSs equal to the Conversion Rate immediately prior to such transaction would have owned or been entitled to receive upon such transaction (such property, the "Reference Property"), subject to the right of such Holder to receive the Make Whole Fundamental Change Premium upon compliance with the provisions of Section 12.12. In such a case, any increase in the Conversion

Rate by the additional ADSs described in Section 12.12 will not be payable in additional ADSs, but will represent a right to receive the aggregate amount of cash, securities or other property into which the additional Ordinary Shares would convert in the transaction from the surviving entity (or a direct or indirect parent thereof). In the event holders of Ordinary Shares have the opportunity to elect the form of consideration to be received in a reclassification, change, consolidation, merger, combination, sale, lease, assignment, conveyance or other transfer, the Reference Property into which the Notes will be convertible will be deemed to be the weighted average of the types and amounts of consideration received by the holders of the Ordinary Shares that affirmatively make such an election, subject to any limitations to which the holders of Ordinary Shares are subject, including pro rata reductions applicable to any portion of the consideration payable. The Issuer shall notify the Conversion Agent and Holders of the weighted average and composition of such Reference Property promptly after determination thereof. The Issuer shall not become party to any such reclassification, change, consolidation, merger combination, sale, lease, assignment, conveyance or other transfer unless the terms of such transaction are consistent with the foregoing. Such supplemental indenture shall provide for adjustments that shall be as nearly equivalent as may be practicable to the adjustments provided for in this Article XII and shall contain such additional provisions to protect the interests of the Holders of the Notes as the Issuer's Board of Directors shall reasonably consider necessary by reason of the foregoing.

If the Notes become convertible into Reference Property, the Issuer shall notify the Trustee and issue a press release containing the relevant information. Failure to deliver such notice shall not affect the legality or validity of such supplemental indenture.

The above provisions of this Section 12.06 shall similarly apply to successive reclassifications, changes, consolidations, mergers, combinations, sales, leases, assignments, conveyances or other transfers. If this Section 12.06 applies to any event or occurrence, 0 shall not apply.

SECTION 12.07. Taxes, Duties, Fees and Costs of Issuance of ADSs or CPOs. If a Holder receives ADSs upon conversion as provided in this Indenture, the Issuer will pay any (a) documentary, stamp or similar issue or transfer Tax, duties or fees, and (b) fees of the depository for the ADSs, in either case, in connection with the creation or delivery of such ADSs in satisfaction of such conversion, unless in either case, such payment is due because the Holder requests any ADSs to be issued in a name other than the Holder's name, in which case the Holder will make such payment. In addition, the Issuer will pay any fees or costs in connection with the issuance of the Issuer's CPOs representing Ordinary Shares as may be needed to allow the Issuer to deposit CPOs with the ADS depository to create the ADSs deliverable upon conversion of Notes.

SECTION 12.08. Obligation to Cause Sufficient Ordinary Shares, CPOs and ADSs to be Issued for Purposes of Satisfying any Settlement of Conversions. The Issuer shall take all actions reasonably necessary to ensure that, upon every conversion of a Note, ADSs will be available for delivery, and will be delivered, upon such conversion promptly and as provided in this Article XII. The Issuer agrees that all Ordinary Shares underlying CPOs which may be issued and transferred to the CPO trustee upon conversion of Notes, and all CPOs which may be issued and released upon conversion of Notes, shall be duly authorized and validly issued and

that upon such issuance and delivery, the Holder of Notes will receive good and valid title to such ADSs, free and clear of all Liens, encumbrances and claims. In furtherance of the foregoing, the Issuer will comply with the following covenants:

(a) the Issuer shall not declare any dividend, subdivision or other distribution of the Issuer's Ordinary Shares that would cause an anti-dilution adjustment under the Notes unless, (x) at such time, the Issuer holds, or the shareholders concurrently approve, a sufficient number of Available Treasury Shares and (y) as soon as practicable, but in no event later than 45 days following the actions described in subclause (x), a sufficient number of CPOs is authorized and available for release, in each case to satisfy the Issuer's obligations in connection with a conversion of all Notes taking into account such adjustment; and

(b) within 45 days of any event that causes or with the passage of time would cause the maximum number of Ordinary Shares or CPOs, necessary to satisfy the Issuer's obligations in connection with a conversion of all Notes following such event to exceed the number of Available Treasury Shares or available CPOs, the Issuer will cause a sufficient number of Available Treasury Shares to be authorized or CPOs to be authorized and available for release, in order to satisfy its obligations in connection with a conversion of all Notes following such event.

For so long as the ADSs are listed on the New York Stock Exchange, the Issuer will take actions reasonably necessary for the listing on the New York Stock Exchange of all ADSs deliverable on conversion of Notes and will take all actions (including obtaining or giving approvals and consents and paying listing fees) reasonably necessary to ensure that each ADS delivered on conversion of a Note will, upon such delivery be so listed.

SECTION 12.09. Responsibility of Trustee and the Conversion Agent. The Trustee and any other Conversion Agent shall not at any time be under any duty of responsibility to any Holders to determine whether any facts exist which may require any adjustment of the Conversion Rate, or with respect to the nature or extent or calculation of any such adjustment when made, or with respect to the method employed, or herein or in any supplemental indenture provided to be employed, in making the same. The Trustee and any other Conversion Agent shall not be accountable with respect to the validity or value (or the kind or amount) of any ADSs, or of any securities or property, which may at any time be issued or delivered upon the conversion of any Note; and the Trustee makes no representations with respect thereto. The Trustee and any other Conversion Agent shall not be responsible for any failure of the Issuer to issue, transfer or deliver any ADSs or stock certificates or other securities or property or cash upon the surrender of any Note for the purpose of conversion or to comply with any of the duties, responsibilities or covenants of the Issuer contained in this Article XII. Without limiting the generality of the foregoing, the Trustee and any other Conversion Agent shall not have any responsibility to determine the correctness of any provisions contained in any supplemental indenture entered into pursuant to Section 12.06 relating either to the kind or amount of shares of stock or securities or property (including cash) receivable by Holders upon the conversion of its Notes after any event referred to in such Section 12.06 or to any adjustment to be made with respect thereto, but, subject to the provisions of Section 7.01, may accept as conclusive evidence of the correctness of any such provisions, and shall be protected in relying upon, the Officer's Certificate and Opinion of Counsel (which the Issuer shall be obligated to file with the Trustee prior to the execution of any such supplemental indenture) with respect thereto. Neither the

Trustee nor any Conversion Agent shall have any duties to holders of the Issuer's Ordinary Shares obtained by such holder under this Article XII, or any duty to monitor whether the Issuer issues (timely or otherwise) ADSs to Holders under this Article XII. In addition, without limiting the generality of the foregoing, the Trustee and any other Conversion Agent shall not have any responsibility to determine whether or to ensure that any ADS issued upon conversion of a Restricted Note shall bear any legend required by Section 2.06(b) or Section 12.02 or the restricted or unrestricted CUSIP numbers contemplated by Section 2.14, or compliance with any similar provision relating to the ADSs, nor shall the Trustee or any Conversion Agent be responsible for ensuring compliance with the restrictions set forth in Section 12.11.

Except as otherwise provided herein, the Issuer or its agents shall be responsible for making all calculations and determinations called for under this Indenture and the Notes. These calculations include, but are not limited to, determinations of the last reported sale prices of ADSs, accrued Interest payable on the Notes, the 5 Day Average VWAP and the applicable Conversion Rate. The Issuer or its agents shall make all these calculations and determinations in good faith and, absent manifest error, the Issuer's calculations will be final and binding on holders of Notes. The Issuer or its agents shall provide a schedule of the Issuer's calculations to each of the Trustee and the Conversion Agent, and each of the Trustee and Conversion Agent shall be entitled to rely conclusively upon the accuracy of the Issuer's calculations without independent verification. Neither the Trustee nor the Conversion Agent shall have any duty to monitor the stock price. The Trustee will forward the Issuer's calculations to any Holder upon the written request of that Holder.

SECTION 12.10. [Reserved].

SECTION 12.11. Restriction on ADSs Issuable Upon Conversion. (a) ADSs to be issued upon conversion of Notes that bear a Restricted Securities Legend at the time of such conversion shall be physically delivered in certificated form to the Holders converting such Notes and the certificate representing such ADSs shall bear the Restricted ADS Legend unless removed in accordance with Section 12.11(c).

(b) If (i) ADSs to be issued upon conversion of Notes that bear a Restricted Securities Legend at the time of such conversion are to be registered in a name other than that of the Holder of such Note or (ii) ADSs represented by a certificate bearing the Restricted ADS Legend are transferred subsequently by such Holder, then, unless (i) with respect to ADSs issued upon conversion of Restricted Notes, the Restricted Securities Legend on the Global Securities has been removed pursuant to Section 2.07(c) or (ii) a shelf registration statement has become effective with respect to the resale of such ADSs and such ADSs are being transferred pursuant thereto, the Holder must deliver to the transfer agent for the ADSs a certificate in substantially the form of Exhibit C hereto as to compliance with the restrictions on transfer applicable to such ADSs and neither the transfer agent nor the registrar for the ADSs shall be required to register any transfer of such ADSs not so accompanied by a properly completed certificate.

(c) Except in connection with a transfer described in Section 12.11(b), if certificates representing ADSs are issued upon the registration of transfer, exchange or replacement of any other certificate representing ADSs bearing the Restricted ADS Legend, or if a request is made to remove such Restricted ADS Legend from certificates representing ADSs, the certificates so

issued shall bear the Restricted ADS Legend, or the Restricted ADS Legend shall not be removed, as the case may be, unless there is delivered to the Issuer such satisfactory evidence, which, except in the case of a transfer made pursuant to Rule 144 under the Securities Act, may include an opinion of counsel pursuant to the laws in the State of New York, as may be reasonably required by the Issuer, that neither the legend nor the restrictions on transfer set forth therein are required to ensure that transfers thereof comply with the provisions of Rule 144 under the Securities Act or that such ADSs are securities that are not “restricted” within the meaning of Rule 144 under the Securities Act. Upon provision to the Issuer of such reasonably satisfactory evidence, the Issuer shall cause the transfer agent for the ADSs to countersign and deliver certificates representing ADSs that do not bear the legend.

(d) Notwithstanding Section 12.11(c), any certificate representing ADSs issued upon conversion of Notes (or security issued in exchange or substitution therefor) as to which the restrictions on transfer shall have expired in accordance with their terms or that has been transferred, replaced or exchanged on or after the date that the Issuer, pursuant to Section 2.07(c), removes the Restricted Securities Legend from the Notes, or that has been transferred pursuant to a resale registration statement that has been declared effective under the Securities Act may, upon surrender of such stock certificate to the Registrar for exchange, be exchanged for a new certificate, of like tenor and aggregate number of ADSs, which shall not bear any Restricted ADS Legend.

SECTION 12.12. Make Whole Premium Upon a Fundamental Change. (a) If there shall have occurred a Fundamental Change, the Issuer shall pay a “Make Whole Fundamental Change Premium” to the Holders of the Notes who elect to convert their Notes in connection with such Fundamental Change. A conversion of Notes will be deemed for these purposes to be “in connection with” such Fundamental Change if the notice of conversion of the Notes is received by the Conversion Agent from, and including, the later of (1) 30 scheduled Trading Days before the anticipated effective date of such Fundamental Change and (2) the date on which the Issuer notifies the Holders of the anticipated “Effective Date” of a Fundamental Change (in accordance with the next sentence and the next succeeding sentence) and ending 30 Business Days following the actual Effective Date (but, in the case of a Change of Control, ending prior to the close of business on the Business Day immediately preceding the Change of Control Purchase Date). The Issuer will notify Holders and the Trustee of the anticipated Effective Date and issue a press release as soon as practicable after the Issuer first determines the anticipated Effective Date; *provided* that in no event will the Issuer be required to provide such notice to the Holders and the Trustee before the earlier of such time as the Issuer or its Affiliates (A) has publicly disclosed or acknowledged the circumstances giving rise to such anticipated Fundamental Change or (B) is required to publicly disclose under applicable law or the rules of any stock exchange on which the Issuer’s equity is then listed the circumstances giving rise to such anticipated Fundamental Change. The Issuer will use its commercially reasonable efforts to make such determination in time to deliver such notice no later than 30 days prior to such anticipated Effective Date.

In respect of Conversion Dates falling prior to the anticipated Effective Date, the settlement shall occur on the third Business Day following the relevant Conversion Date at the then applicable Conversion Rate without regard to the Make Whole Fundamental Change Premium and the Additional ADSs shall be delivered on the actual Effective Date in settlement

of all such conversions. In respect of Conversion Dates falling on or after the actual Effective Date of the Fundamental Change, the settlement shall occur on the third Business Day following the relevant Conversion Date at the then applicable Conversion Rate (adjusted for the Make Whole Fundamental Change Premium).

Notwithstanding the foregoing, if any information required in order to calculate the conversion consideration deliverable will not be available as of the applicable settlement date, the Issuer will deliver the Additional ADSs resulting from that adjustment on the third Trading Day after the earliest Trading Day on which such calculation can be made.

The Make Whole Fundamental Change Premium will consist of an increase in the Conversion Rate for such Notes by a number of additional ADSs (the “Additional ADSs”) per U.S.\$1,000 principal amount of Notes, as determined in accordance with the table below (as adjusted pursuant to this Section 12.12, the “Make-Whole Table”), based on the Effective Date and the price (the “ADS Price”) paid (or deemed paid) in the Fundamental Change per ADS (or, if applicable, the price per Ordinary Share or per CPO, transposed into a price per ADS). If the holders of ADSs receive only cash in a conversion in connection with a Fundamental Change described in clause (2) of the definition of Fundamental Change, the ADS Price shall be the cash amount paid per ADS. Otherwise, the ADS Price shall be the average of the Last Reported Sale Prices of the ADSs over the five Trading Day period ending on, and including, the Trading Day immediately preceding the Effective Date.

The ADS Prices set forth in the column headings of the Make-Whole Table shall be adjusted as of any date on which the Conversion Rate of the Notes is otherwise adjusted. The adjusted ADS Prices will equal the ADS Prices applicable immediately prior to such adjustment multiplied by a fraction, the numerator of which is the Conversion Rate immediately prior to the adjustment giving rise to the ADS Price adjustment and the denominator of which is the Conversion Rate as so adjusted. The number of additional ADSs set forth in the Make-Whole Table will be adjusted in the same manner as the Conversion Rate as set forth in 0 hereof, other than as a result of an adjustment of the Conversion Rate by adding the Make Whole Fundamental Change Premium as described above.

The Make-Whole Table in its initial form sets forth the dollar value of the additional ADSs to be added to the Conversion Rate for conversions in connection with a Fundamental Change, based on ADS prices and effective dates. The Make-Whole Table in its initial form (a) expresses ADS Prices in terms of percentages of the 5 Day Average VWAP and (b) expresses amounts by which the Conversion Rate would be increased by the value, in U.S. dollars, of the relevant increase. Promptly after establishment of the initial Conversion Rate, the Issuer shall generate a final version of the Make-Whole Table (including the related paragraph that immediately follows the Make-Whole Table) including ADS Prices measured in dollars (rather than as percentages of the 5 Day Average VWAP) and amounts of additional ADSs expressed in numbers of ADSs (rather than as dollar amounts) by (a) arithmetically applying the percentages specified in the Make-Whole Table to the 5 Day Average VWAP calculated based on the Initial Conversion Price and (b) dividing dollar values of additional ADSs to be added to the Conversion Rate by the 5 Day Average VWAP. For purposes of preparing the final Make-Whole Table, numbers of additional ADSs will be rounded to the nearest 1/10,000th of an ADS and ADS prices will be rounded to the nearest cent. Promptly after establishment of the 5 Day Average VWAP and the

initial Conversion Rate, the Issuer shall notify Holders and the Trustee of the 5 Day Average VWAP, the initial Conversion Rate and the final version of the Make-Whole Table and will make that information available on the Issuer's website. After such notice is given, references to the Make-Whole Table in this Indenture and in the Notes shall be deemed to be to the final version of the Make-Whole Table (including the related paragraph that immediately follows it) in such notice. Notwithstanding anything to the contrary contained herein, if a Conversion Date occurs prior to the final Trading Day of the Averaging Period, the Make-Whole Table with respect to such Conversion Date shall be determined in good faith by the Issuer based on the Daily VWAP on the Trading Days in the Averaging Period that occurred prior to the Conversion Date.

	ADS Price (Measured as a Percentage of the 5 Day Average VWAP)											
	100%	110%	120%	130%	140%	150%	160%	170%	180%	200%	250%	300%
March 13, 2015	\$230.77	\$230.02	\$211.59	\$196.43	\$183.91	\$173.56	\$164.95	\$157.75	\$151.69	\$142.18	\$127.52	\$119.00
March 15, 2016	\$230.77	\$215.22	\$193.67	\$176.14	\$161.88	\$150.29	\$140.84	\$133.12	\$126.77	\$117.16	\$103.55	\$ 96.48
March 15, 2017	\$230.77	\$199.10	\$173.35	\$152.70	\$136.24	\$123.18	\$112.82	\$104.61	\$ 98.09	\$ 88.73	\$ 76.99	\$ 71.80
March 15, 2018	\$230.77	\$180.82	\$149.00	\$123.99	\$104.64	\$ 89.86	\$ 78.69	\$ 70.29	\$ 64.00	\$ 55.78	\$ 47.41	\$ 44.56
March 15, 2019	\$230.77	\$160.18	\$117.81	\$ 85.59	\$ 62.20	\$ 45.87	\$ 34.85	\$ 27.64	\$ 23.02	\$ 18.31	\$ 15.58	\$ 14.97
March 15, 2020	\$230.77	\$153.85	\$ 76.92	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00

If the exact ADS Prices and effective dates are not set forth in the Make-Whole Table and the ADS Price is:

(1) between two adjacent ADS Price amounts in the Make-Whole Table or the Effective Date is between two adjacent Effective Dates in the Make-Whole Table, the number of Additional ADSs will be determined by a straight-line interpolation between the number of Additional ADSs set forth for the higher and lower ADS Price amounts and the two dates based on a 365-day year, as applicable.

(2) greater than 300% of the 5 Day Average VWAP per ADS (subject to adjustment in the same manner as the ADS Prices set forth in the column headings of the Make-Whole Table), no additional ADSs will be issued upon conversion.

(3) less than 100% of the 5 Day Average VWAP per ADS (subject to adjustment in the same manner as the ADS Prices set forth in the column headings of the Make-Whole Table), no additional ADSs will be issued upon conversion.

Notwithstanding the foregoing paragraphs, in no event will the total number of ADSs issuable upon conversion of a Note exceed 116.0714 ADSs, subject to adjustment for events from and after September 26, 2014 in the same manner as the Conversion Rate as set forth in Section 12.05(a) hereof.

(b) The Issuer, or the Trustee at the direction of the Issuer, shall mail a notice of a Fundamental Change (the “Fundamental Change Notice”) to the Holders as shown on the Register and issue a press release not more than 5 days after the applicable Effective Date at the addresses as shown on the Register, with a copy to the Trustee and the Paying Agent. The Fundamental Change Notice, which shall govern the terms of the settlement of any conversion (or purchase, if applicable) in connection with a Fundamental Change, shall include such disclosures as are required by law and shall state, to the extent applicable: (i) the events causing a Fundamental Change; (ii) the Effective Date; (iii) if applicable, the last date on which a Holder may exercise the Change of Control purchase right; (iv) the Change of Control Payment if applicable; (v) if applicable, the date of the purchase (the “Change of Control Purchase Date”), which is to be no earlier than the 20th and no later than the 35th calendar day following the Effective Date; (vi) the name and address of the Paying Agent and the Conversion Agent; (vii) if applicable, the applicable Conversion Rate and, if applicable, any adjustments to the applicable Conversion Rate; (viii) if applicable, that the Notes with respect to which a Change of Control repurchase election has been delivered by a Holder may be converted only if the Holder withdraws the Change of Control repurchase election in accordance with the terms of this Indenture; and (ix) if applicable, the procedures that Holders must follow to require the Issuer to purchase their Notes. Unless and until the Trustee shall receive a Fundamental Change Notice, the Trustee may assume without inquiry that no Fundamental Change has occurred.

[remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties have caused this Indenture to be duly executed and attested, all as of the date first above written, signifying their agreements contained in this Indenture.

CEMEX, S.A.B. DE C.V.

By: /s/ Rene Delgadillo Galván
Name: Rene Delgadillo Galván
Title: Attorney in fact

THE BANK OF NEW YORK MELLON, as Trustee

By: /s/ Jaime Nielsen
Name: Jaime Nielsen
Title: Vice President

CIBANCO S.A., INSTITUCIÓN DE BANCA MÚLTIPLE, as
Mexican Trustee

By: /s/ Monica Jimenez-Labora Sarabia
Name: Monica Jimenez-Labora Sarabia
Title: Trustee Delegate

By: /s/ Luis Felipe Mendoza Cardenas
Name: Luis Felipe Mendoza Cardenas
Title: Trustee Delegate

EXHIBIT A – FORM OF NOTE

[Include the following legend for Global Securities only (the “Global Securities Legend”):]

“THIS IS A GLOBAL SECURITY WITHIN THE MEANING OF THE INDENTURE HEREINAFTER REFERRED TO AND IS REGISTERED IN THE NAME OF THE DEPOSITARY OR A NOMINEE OF THE DEPOSITARY, WHICH MAY BE TREATED BY CEMEX, S.A.B. DE C.V., (THE “COMPANY”) THE TRUSTEE AND ANY AGENT THEREOF AS OWNER AND HOLDER OF THIS CONVERTIBLE SUBORDINATED NOTE FOR ALL PURPOSES.

[As part of the Global Securities Legend, include the following legend on all Global Securities for which DTC is to be the Depositary:]

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION (“DTC”), TO THE COMPANY OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

UNLESS AND UNTIL IT IS EXCHANGED IN WHOLE OR IN PART FOR SECURITIES IN DEFINITIVE REGISTERED FORM IN THE CIRCUMSTANCES REFERRED TO IN THE INDENTURE, THIS GLOBAL SECURITY MAY NOT BE TRANSFERRED EXCEPT AS A WHOLE BY THE DEPOSITARY TO A NOMINEE OF THE DEPOSITARY OR BY A NOMINEE OF THE DEPOSITARY TO THE DEPOSITARY OR ANOTHER NOMINEE OF THE DEPOSITARY OR BY THE DEPOSITARY OR ANY SUCH NOMINEE TO A SUCCESSOR DEPOSITARY OR A NOMINEE OR SUCH SUCCESSOR DEPOSITARY.”

[Include the following legend on all Notes that are Restricted Notes (the “Restricted Securities Legend”):]

THIS SECURITY AND THE AMERICAN DEPOSITARY SHARES ISSUABLE UPON CONVERSION OF THIS SECURITY, HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT IN ACCORDANCE WITH THE FOLLOWING SENTENCE. BY ITS ACQUISITION HEREOF OR OF A BENEFICIAL INTEREST HEREIN, THE ACQUIRER:

(1) REPRESENTS THAT IT AND ANY ACCOUNT FOR WHICH IT IS ACTING IS A “QUALIFIED INSTITUTIONAL BUYER” (WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT) AND THAT IT EXERCISES SOLE INVESTMENT DISCRETION WITH RESPECT TO EACH SUCH ACCOUNT, AND

[Incluir la siguiente leyenda si se trata únicamente de Títulos Globales (la “Leyenda para los Títulos Globales”):]

“EL PRESENTE CONSTITUYE UN TÍTULO GLOBAL EN TÉRMINOS DEL ACTA DE EMISIÓN QUE SE MENCIONA MÁS ADELANTE Y SE ENCUENTRA INSCRITO A NOMBRE DEL DEPOSITARIO O UNA PERSONA DESIGNADA POR EL MISMO, QUIEN PODRÁ SER TRATADO POR CEMEX, S.A.B. DE C.V., (LA “COMPAÑÍA”) EL FIDUCIARIO Y CUALQUIERA DE SUS AGENTES, COMO TITULAR Y TENEDOR DE ESTA OBLIGACIÓN CONVERTIBLE SUBORDINADA PARA TODOS LOS EFECTOS A QUE HAYA LUGAR.

[Como parte de la Leyenda para los Títulos Globales, incluir la siguiente leyenda en todos los Títulos Globales cuyo Depositario sea DTC:]

A MENOS QUE ESTE TÍTULO SEA PRESENTADO POR UN REPRESENTANTE AUTORIZADO DE THE DEPOSITORY TRUST COMPANY, UNA SOCIEDAD CONSTITUIDA CONFORME A LAS LEYES DE NUEVA YORK (“DTC”), A LA COMPAÑÍA O A SU AGENTE DE REGISTRO O TRANSMISIÓN, CANJE O PAGO, Y QUE UN TÍTULO EMITIDO ESTÉ INSCRITO A NOMBRE DE CEDE & CO. O ALGÚN OTRO NOMBRE SOLICITADO POR UN REPRESENTANTE AUTORIZADO DE DTC (Y CUALQUIER PAGO SE EFECTÚE A CEDE & CO. O A DICHA OTRA ENTIDAD SOLICITADA POR EL REPRESENTANTE AUTORIZADO DE DTC), CUALQUIER TRANSMISIÓN, PRENDA U OTRO USO DEL PRESENTE POR VALOR O CON CUALQUIER OTRO OBJETO, POR PARTE O EN FAVOR DE CUALQUIER PERSONA, SERÁ INDEBIDO EN TANTO SU TITULAR REGISTRADO, CEDE & CO., TENGA ALGÚN DERECHO SOBRE EL MISMO.

HASTA EN TANTO ESTE TÍTULO GLOBAL SE CANJEE TOTAL O PARCIALMENTE POR TÍTULOS VALOR NOMINATIVOS DEFINITIVOS EN LOS SUPESTOS PREVISTOS EN EL ACTA DE EMISIÓN, EN SU CASO, ESTE TÍTULO GLOBAL NO PODRÁ SER TRANSMITIDO SINO EN SU TOTALIDAD POR EL DEPOSITARIO A FAVOR DE UNA PERSONA DESIGNADA POR EL DEPOSITARIO, O POR LA PERSONA DESIGNADA POR EL DEPOSITARIO A FAVOR DEL DEPOSITARIO U OTRA PERSONA DESIGNADA POR EL DEPOSITARIO, O POR EL DEPOSITARIO O DICHA PERSONA DESIGNADA A FAVOR DE UN DEPOSITARIO SUCESOR O UNA PERSONA DESIGNADA POR DICHO DEPOSITARIO SUCESOR.”

[Incluir la siguiente leyenda en todas las Obligaciones que tengan el carácter de Obligaciones Restringidas (la “Leyenda para las Obligaciones Restringidas para Obligaciones”):]

ESTE TÍTULO VALOR Y LAS ACCIONES DE DEPOSITARIO AMERICANAS QUE SE EMITAN UNA VEZ REALIZADA LA CONVERSIÓN DEL MISMO, NO SE ENCUENTRAN INSCRITOS AL AMPARO DE LA LEY DE VALORES DE 1933 Y SUS REFORMAS (LA “LEY DE VALORES”), Y NO PUEDE SER OFRECIDO, VENDIDO, PIGNORADO O ENAJENADO EN CUALQUIER OTRA FORMA SALVO DE CONFORMIDAD CON LO DISPUESTO EN LA SIGUIENTE ORACIÓN. EN RAZÓN DE LA ADQUISICIÓN DEL PRESENTE O DE CUALQUIER DERECHO DE TITULARIDAD INDIRECTA DEL MISMO, EL ADQUIRENTE:

(1) DECLARA RESPECTO DE SÍ MISMO Y DE CUALQUIER PERSONA POR CUYA CUENTA ACTÚE, QUE ES UN “COMPRADOR INSTITUCIONAL CALIFICADO” (EN TÉRMINOS DE LA DEFINICIÓN CONTENIDA EN LA REGLA 144A DE LA LEY DE VALORES) Y TIENE LA FACULTAD ABSOLUTA DE TOMAR DECISIONES DE INVERSIÓN CON RESPECTO A DICHA CUENTA, Y

(2) AGREES FOR THE BENEFIT OF CEMEX, S.A.B. DE C.V. THAT IT WILL NOT OFFER, SELL, PLEDGE OR OTHERWISE TRANSFER THIS SECURITY OR ANY BENEFICIAL INTEREST HEREIN PRIOR TO THE DATE THAT IS THE LATER OF (X) ONE YEAR AFTER THE UNIT ISSUE DATE (OR OF ANY SUBSEQUENTLY ISSUED SECURITY) OR SUCH SHORTER PERIOD OF TIME AS PERMITTED BY RULE 144 UNDER THE SECURITIES ACT OR ANY SUCCESSOR PROVISION THEREUNDER, AND (Y) SUCH LATER DATE, IF ANY, AS MAY BE REQUIRED BY APPLICABLE LAW, EXCEPT:

(A) TO CEMEX, S.A.B. DE C.V., OR

(B) PURSUANT TO A REGISTRATION STATEMENT WHICH HAS BECOME EFFECTIVE UNDER THE SECURITIES ACT, OR

(2) SE OBLIGA, EN BENEFICIO DE CEMEX, S.A.B. DE C.V. A NO OFRECER, VENDER, PIGNORAR O ENAJENAR EN CUALQUIER OTRA FORMA ESTE TÍTULO VALOR O CUALQUIER DERECHO DE TITULARIDAD INDIRECTA SOBRE EL MISMO ANTES DE LA FECHA QUE OCURRA MÁS TARDE DE ENTRE (X) UN AÑO A PARTIR DE LA FECHA DE EMISIÓN DE LAS UNIDADES (O DE CUALQUIER VALOR EMITIDO SUBSECUENTEMENTE) O CUALQUIER PERÍODO MÁS CORTO PERMITIDO POR LA REGLA 144 DE LA LEY DE VALORES O CUALQUIER DISPOSICIÓN SUCESORA DE LA MISMA, Y (Y) CUALQUIER FECHA POSTERIOR, EN SU CASO, PREVISTA EN LA LEGISLACIÓN APLICABLE, SALVO:

(A) A CEMEX, S.A.B. DE C.V., O

(B) AL AMPARO DE UN DOCUMENTO DE REGISTRO QUE SE ENCUENTRE VIGENTE DE CONFORMIDAD CON LA LEY DE VALORES, O

(C) TO A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A AND TO WHOM NOTICE IS GIVEN THAT THE TRANSFER IS MADE IN RELIANCE ON RULE 144A, OR

(D) PURSUANT TO AN EXEMPTION FROM REGISTRATION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT OR ANY OTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT.

PRIOR TO THE REGISTRATION OF ANY TRANSFER IN ACCORDANCE WITH (2)(D) ABOVE, CEMEX, S.A.B. DE C.V. AND THE TRUSTEE RESERVE THE RIGHT TO REQUIRE THE DELIVERY OF SUCH LEGAL OPINIONS, CERTIFICATIONS OR OTHER EVIDENCE AS MAY REASONABLY BE REQUIRED IN ORDER TO DETERMINE THAT THE PROPOSED TRANSFER IS BEING MADE IN COMPLIANCE WITH THE SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS. NO REPRESENTATION IS MADE AS TO THE AVAILABILITY OF ANY EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT.

[Include the following legend on all Notes (the "Mexican Law Legend"):]

THE SECURITIES EVIDENCED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED WITH THE NATIONAL SECURITIES REGISTRY (*REGISTRO NACIONAL DE VALORES*) MAINTAINED BY THE MEXICAN NATIONAL BANKING AND SECURITIES COMMISSION (*COMISIÓN NACIONAL BANCARIA Y DE VALORES, OR CNBV*), AND MAY NOT BE OFFERED OR SOLD PUBLICLY, OR OTHERWISE BE THE SUBJECT OF BROKERAGE ACTIVITIES, IN MEXICO, EXCEPT THAT THE NOTES MAY BE OFFERED IN MEXICO PURSUANT TO THE PRIVATE PLACEMENT EXEMPTION SET FORTH UNDER ARTICLE 8 OF THE MEXICAN SECURITIES MARKET LAW (*LEY DEL MERCADO DE VALORES*), TO MEXICAN INSTITUTIONAL AND QUALIFIED INVESTORS. UPON THE ISSUANCE OF THE NOTES, THE ISSUER WILL NOTIFY THE CNBV OF THE ISSUANCE OF THE NOTES, INCLUDING THE PRINCIPAL CHARACTERISTICS OF THE NOTES, AND THE OFFERING OF THE NOTES OUTSIDE MEXICO. SUCH NOTICE WILL BE DELIVERED TO THE CNBV TO COMPLY WITH A LEGAL REQUIREMENT AND FOR INFORMATION PURPOSES ONLY, AND THE DELIVERY TO AND THE RECEIPT BY THE CNBV OF SUCH NOTICE DOES NOT CONSTITUTE OR IMPLY ANY CERTIFICATION AS TO THE INVESTMENT QUALITY OF THE NOTES, AS APPLICABLE, OR OF OUR SOLVENCY, LIQUIDITY OR CREDIT QUALITY OR THE ACCURACY OR COMPLETENESS OF THE INFORMATION SET FORTH HEREIN. THE INFORMATION CONTAINED IN THIS CERTIFICATE AND THE OFFERING MEMORANDUM IS THE EXCLUSIVE RESPONSIBILITY OF THE ISSUER AND HAS NOT BEEN REVIEWED OR AUTHORIZED BY THE CNBV.

(C) A UN COMPRADOR INSTITUCIONAL CALIFICADO SEGÚN DICHO TÉRMINO SE DEFINE EN LA REGLA 144A DE LA LEY DE VALORES, QUE EFECTÚE LA COMPRA POR CUENTA PROPIA O DE UN COMPRADOR INSTITUCIONAL CALIFICADO MEDIANTE UNA TRANSMISIÓN QUE CUMPLA CON LOS REQUISITOS PREVISTOS EN LA REGLA 144A Y A QUIEN SE DÉ AVISO DE QUE LA ENAJENACIÓN SE HACE AL AMPARO DE LA REGLA 144A, O

(D) AL AMPARO DE UNA EXENCIÓN DE LOS REQUISITOS DE REGISTRO CONFORME A LA REGLA 144 DE LA LEY DE VALORES, O DE CUALQUIER OTRA EXENCIÓN A LOS REQUISITOS DE INSCRIPCIÓN PREVISTOS EN LA LEY DE VALORES.

PREVIO AL REGISTRO DE CUALQUIER OPERACIÓN CELEBRADA EN TÉRMINOS DEL INCISO (2)(D) ANTERIOR, CEMEX, S.A.B. DE C.V. Y EL FIDUCIARIO SE RESERVAN EL DERECHO DE EXIGIR LA ENTREGA DE AQUÉLLAS OPINIONES LEGALES, CERTIFICACIONES U OTRAS CONSTANCIAS QUE RAZONABLEMENTE REQUIERAN A EFECTO DE DETERMINAR QUE LA TRANSMISIÓN PROPUESTA CUMPLE CON LO DISPUESTO POR LA LEY DE VALORES Y LAS LEYES ESTATALES EN MATERIA DE VALORES APLICABLES. NO SE OTORGA DECLARACIÓN ALGUNA EN CUANTO A LA EXISTENCIA DE UNA EXENCIÓN A LOS REQUISITOS DE INSCRIPCIÓN PREVISTOS EN LA LEY DE VALORES.

[Incluir la siguiente leyenda en todas las Obligaciones (la "Leyenda de Ley Mexicana"):]

LAS OBLIGACIONES AL AMPARO DEL PRESENTE TÍTULO NO HAN SIDO Y NO SERÁN REGISTRADAS ANTE EL REGISTRO NACIONAL DE VALORES QUE MANTIENE LA COMISIÓN NACIONAL BANCARIA Y DE VALORES, Y NO PODRÁN SER OFRECIDAS NI VENDIDAS PÚBLICAMENTE, O SER SUJETAS A CUALQUIER OTRA FORMA DE ACTIVIDADES DE INTERMEDIACIÓN EN MÉXICO, SALVO QUE DICHAS OBLIGACIONES SEAN OFRECIDAS MEDIANTE OFERTA PRIVADA DE VALORES NO INSCRITOS EN EL REGISTRO NACIONAL DE VALORES DE CONFORMIDAD CON EL ARTÍCULO 8 DE LA LEY DEL MERCADO DE VALORES, A INVERSIONISTAS INSTITUCIONALES O CALIFICADOS. CON POSTERIORIDAD A LA EMISIÓN DE LAS OBLIGACIONES, LA EMISORA DEBERÁ NOTIFICAR A LA CNBV DICHA EMISIÓN DE OBLIGACIONES, INCLUYENDO LAS CARACTERÍSTICAS PRINCIPALES DE LAS MISMAS, ASÍ COMO DE LA OFERTA DE OBLIGACIONES FUERA DE MÉXICO. DICHA NOTIFICACIÓN DEBERÁ SER ENTREGADA A LA CNBV EN CUMPLIMIENTO CON LAS DISPOSICIONES LEGALES APLICABLES Y PARA EFECTOS INFORMATIVOS ÚNICAMENTE, Y LA ENTREGA A Y RECEPCIÓN POR PARTE DE LA CNBV DE DICHA NOTIFICACIÓN NO CONSTITUYE O IMPLICA UNA CERTIFICACIÓN SOBRE LA CALIDAD INVERSIONISTA DE LAS OBLIGACIONES, SEGÚN SEA APLICABLE, O SOBRE NUESTRA SOLVENCIA ECONÓMICA, LIQUIDEZ O CALIDAD CREDITICIA O LA PRECISIÓN O INTEGRIDAD DE LA INFORMACIÓN AQUÍ INCLUIDA. LA INFORMACIÓN CONTENIDA EN EL PRESENTE TÍTULO Y EL PROSPECTO DE COLOCACIÓN ES RESPONSABILIDAD EXCLUSIVA DE LA EMISORA Y NO HA SIDO REVISADA O AUTORIZADA POR LA CNBV.

[FORM OF FACE OF NOTE] [FORMATO DEL ANVERSO DE LAS OBLIGACIONES]

No.	Principal Amount U.S.\$	No.	Monto principal EUAS
	<i>[If the Note is a Global Security include the following two lines: as revised by the Schedule of Increases and Decreases in Global Security attached hereto]</i>		<i>[Si se trata de Título Global, incluir los siguientes dos renglones: ajustado en términos del Apéndice de Aumentos y Disminuciones en el Título Global que se anexa a la presente]</i>
	RESTRICTED CUSIP: 151290 BQ5		Clave CUSIP Restringida: 151290 BQ5
	RESTRICTED ISIN: US151290BQ58		Clave ISIN Restringida: US151290BQ58
	UNRESTRICTED CUSIP: 151290 BR3		Clave CUSIP Irrestricada: 151290 BR3
	UNRESTRICTED ISIN: US151290BR32		Clave ISIN Irrestricada: US151290BR32

**CONVERTIBLE SUBORDINATED NOTES
DUE 2020**

CEMEX, S.A.B. de C.V., a publicly traded stock corporation with variable capital (*sociedad anónima bursátil de capital variable*) organized under the laws of Mexico (together with its successors and assigns, the “Issuer”), promises to pay to [], or registered assigns, the principal sum of [] Dollars (U.S.\$[]) *[If the Note is Global Security, add the following: , as revised by the Schedule of Exchanges of Interest in Global Security attached hereto], on March 15, 2020.*

Interest Payment Dates: March 15 and September 15

Record Dates: March 1 and September 1

Dated: March 13, 2015

Additional provisions of this Note are set forth on the other side of this Note.

**OBLIGACIONES CONVERTIBLES SUBORDINADAS
CON VENCIMIENTO EN 2020**

CEMEX, S.A.B. de C.V., una sociedad anónima bursátil de responsabilidad limitada constituida de conformidad con las leyes de México (en conjunto con sus sucesores y cesionarios, la “Emisora”), prometer pagar a [], o a sus cesionarios registrados, la cantidad principal de [] dólares (EUAS\$[]) *[Si se trata de un Título Global, añadir lo siguiente: , ajustada en términos del Apéndice de Canjes de Derechos Sobre el Título Global que se anexa a la presente], el 15 de marzo de 2020.*

Fechas de Pago de Intereses: 15 de marzo y 15 de septiembre

Fechas de Registro: 1 de marzo y 1 de septiembre

Fecha: 13 de marzo de 2015

El reverso de esta Obligación contiene disposiciones adicionales.

IN WITNESS WHEREOF, the Issuer has caused this Note to be signed manually or by facsimile by duly authorized officers.

EN TESTIMONIO DE LO ANTERIOR, la Emisora ha hecho que la presente Obligación haya sido firmada manualmente o por facsimile por sus representantes autorizados.

CEMEX, S.A.B. DE C.V.

By/Por: _____

Name/Nombre:

Title/Cargo: Member of the Board of Directors/Miembro del Consejo de Administración

By/Por: _____

Name/Nombre:

Title/Cargo: Member of the Board of Directors/Miembro del Consejo de Administración

CIBANCO S.A., INSTITUCIÓN DE BANCA MÚLTIPLE,
as Mexican Trustee/como representante común en México

By/Por: _____

Name/Nombre:

Title/Cargo:

By/Por: _____

Name/Nombre:

Title/Cargo:

Trustee's Certificate of Authentication:

This is one of the Notes described in the within-mentioned Indenture:

THE BANK OF NEW YORK MELLON, as Trustee/como Fiduciario

By/Por: _____

Authorized Signatory/Representante Autorizado

Date/Fecha: _____

Certificado de Autenticación del Fiduciario:

La presente es una de las Obligaciones descritas en el Acta de Emisión a que se hace referencia:

CEMEX, S.A.B. DE C.V.

**CONVERTIBLE SUBORDINATED NOTES
DUE 2020**

Capitalized terms used by not defined herein shall have the meanings assigned to them in the Indenture referred to below unless otherwise indicated.

1. INTEREST. CEMEX, S.A.B. de C.V. a publicly traded stock corporation with variable capital (*sociedad anónima bursátil de capital variable*) organized under the laws of Mexico (together with its successors and assigns, the “Issuer”), promises to pay Interest on the principal amount of this Note at the rate established pursuant to Section 4.01 of the Indenture; *provided* that such rate may be increased from time to time as provided in the Indenture, including Section 4.09 and Section 6.02(b) thereof. The Issuer will pay Interest semi-annually in arrears on March 15 and September 15 of each year, beginning September 15, 2015. Interest on the Notes will accrue from the most recent Interest Payment Date on which Interest has been paid or, if no Interest has been paid, from March 13, 2015. Interest, if any, will be computed on the basis of a 360-day year comprised of twelve 30-day months. The Issuer shall pay any increased Interest required to be paid by it pursuant to Section 4.09 and Section 6.02(b) of the Indenture in the manner and on the dates otherwise provided herein for the payment of Interest. To the extent lawful, the Issuer shall pay Interest (including post-petition Interest in any proceeding under any Bankruptcy Law) on overdue principal at the interest rate borne by the Notes per annum; it shall pay Interest (including post-petition Interest in any proceeding under any Bankruptcy Law) on overdue installments of Interest (“Defaulted Interest”), without regard to any applicable grace period, at the same rate to the extent lawful. Interest will be computed on the basis of a 360-day year of twelve 30-day months.

All payments made by the Issuer under, or with respect to, the Notes will be made free and clear of, and without withholding or deduction for or on account of any Taxes imposed or levied by or on behalf of any Taxing Jurisdiction, unless the Issuer is required to withhold or deduct Taxes by law or by the official interpretation or administration thereof. In that event, the Issuer will pay to each Holder of the Notes Additional Amounts as provided in the Indenture subject to the limitations set forth in the Indenture.

2. METHOD OF PAYMENT. The Issuer will pay Interest on the Notes (except Defaulted Interest) on the Business Day on which any such Interest on any Note is due and payable to the Person in whose name each Note is registered at the close of business on the March 1 and September 1 immediately preceding the relevant Interest Payment Date (each a “Record Date”) (other than as provided in the Indenture). A Holder must surrender Notes to a Paying Agent to collect principal payments. On the Business Day prior to the date on which any payment is to be made on the Notes, the Issuer will deposit with the Trustee or with the Paying Agent an amount of money in immediately available funds sufficient to make such payment.

**OBLIGACIONES CONVERTIBLES SUBORDINADAS CON
VENCIMIENTO EN 2020**

A menos que se indique lo contrario, los términos que se utilizan en la presente con mayúscula inicial tendrán los significados asignados a los mismos en el Acta de Emisión que se menciona a continuación.

1. INTERESES. CEMEX, S.A.B. de C.V. una sociedad anónima bursátil de capital variable constituida de conformidad con las leyes de México (en conjunto con sus sucesores y cesionarios, la “Emisora”), promete pagar Intereses sobre el importe principal de esta Obligación a la tasa establecida de conformidad con la Sección 4.01 del Acta de Emisión; *en el entendido* de que dicha tasa podrá incrementarse de tiempo en tiempo de conformidad con lo dispuesto en el Acta de Emisión, incluyendo su Sección 4.09 y su Sección 6.02(b). La Emisora pagará Intereses por semestres vencidos los días 15 de marzo y 15 de septiembre de cada año, comenzado el 15 de septiembre de 2015. Las Obligaciones devengarán Intereses desde la última Fecha de Pago de Intereses en que se hayan pagado Intereses o, si no se han pagado Intereses, desde el 13 de marzo de 2015. En su caso, los Intereses se calcularán sobre la base de un año de 360 días y 12 meses de 30 días cada uno. En la medida permitida por la ley, la Emisora pagará cualesquiera Intereses adicionales que deba pagar de conformidad con lo dispuesto en la Sección 4.09 y la Sección 6.02(b) del Acta de Emisión, en la forma y las fechas estipuladas en la misma en cuanto al pago de Intereses. En la medida permitida por la ley, la Emisora pagará Intereses (incluyendo Intereses posteriores a la presentación de cualquier demanda al amparo de alguna Ley de Quiebras) sobre cualquier importe principal vencido, a la tasa de interés anual devengada por las Obligaciones que se encuentre vigente en ese momento; y en la medida permitida por la ley pagará Intereses (incluyendo tras la presentación de cualquier demanda al amparo de alguna Ley de Quiebras) sobre cualesquiera Intereses vencidos (“Intereses Moratorios”), a la misma tasa, independientemente de cualquier período de gracia aplicable. Los Intereses se calcularán sobre la base de un año de 360 días y 12 meses de 30 días.

Todos los pagos efectuados por la Emisora conforme a las Obligaciones o en relación con las mismas irán libres de toda retención o deducción a cuenta de cualesquiera Impuestos establecidos o determinados por cualquier Jurisdicción Impositiva o en representación de la misma, a menos que la Emisora esté obligada a retener o deducir Impuestos por disposición de ley o en razón de la interpretación oficial o aplicación de la misma. En dicho supuesto, la Emisora pagará a cada Tenedor de Obligaciones las Cantidades Adicionales previstas en el Acta de Emisión, sujeto a las restricciones establecidas en la propia Acta de Emisión.

2. FORMA DE PAGO. La Emisora pagará cualesquiera Intereses respecto de las Obligaciones (salvo Intereses Moratorios) a más tardar el Día Hábil en que dicho importe de Intereses sobre las Obligaciones sean exigibles y pagaderos a la Persona a cuyo nombre se encuentre inscrita dicha Obligación al cierre de horas hábiles del 1 de marzo y el 1 de septiembre inmediatamente anteriores a la Fecha de Pago de Intereses correspondiente (cada una de dichas fechas, una “Fecha de Registro”) (salvo por lo dispuesto en el Acta de Emisión). Para efectos de todo pago de principal, el Tenedor deberá entregar sus Obligaciones al Agente de Pago. A más tardar el Día Hábil previo a la fecha en que el importe principal de las Obligaciones deba pagarse, la Emisora depositará con el Fiduciario o con el Agente de Pagos, en fondos inmediatamente disponibles, la cantidad suficiente para realizar dicho pago.

The Issuer will pay the principal of and Interest on the Notes at the office or agency of the Issuer maintained for such purpose, in U.S. Legal Tender. Until otherwise designated by the Issuer, the Issuer's office or agency maintained for such purpose will be the principal Corporate Trust Office of the Trustee (as defined below). However, the Issuer may pay principal and Interest by check payable in such money, and may mail such check to the Holders of the Notes at their respective addresses as set forth in the Register of Holders. Payments in respect of Notes represented by a Global Security (including principal and Interest) will be made by the transfer of immediately available funds to the accounts specified by DTC. The Issuer will make all payments in respect of a Definitive Security (including principal and Interest) by mailing a check to the registered address of each Holder thereof as set forth in the Note Register; *provided, however*, that payments on the Notes may also be made, in the case of a Holder of at least U.S.\$1,000,000 aggregate principal amount of Notes, by wire transfer to a U.S. dollar account maintained by the payee with a bank in the United States if such Holder elects payment by wire transfer by giving written notice to the Trustee or the Paying Agent to such effect designating such account no later than 15 days immediately preceding the relevant Record Date (or such other date as the Trustee may accept in its discretion).

La Emisora pagará el importe principal y los Intereses de las Obligaciones en la oficina o agencia mantenida para dicho efecto por la misma, en Moneda de los E.U.A. A menos que la Emisora designe otro lugar, su oficina o agencia para dicho efecto serán las Oficinas del Departamento de Fideicomisos Empresariales del Fiduciario (según la definición asignada a dicho término más adelante). Sin embargo, la Emisora podrá efectuar pagos de principal e Intereses mediante cheque denominado en dicha moneda, y podrá enviar por correo dicho cheque a los domicilios que los Tenedores de Obligaciones tengan inscritos en el registro de Tenedores. Los pagos sobre las Obligaciones amparadas por un Título Global (incluyendo principal e Intereses) se efectuarán mediante transferencia de fondos inmediatamente disponibles a las cuentas indicadas por DTC. La Emisora efectuará todos los pagos correspondientes a Títulos Definitivos (incluyendo principal e Intereses) mediante cheque enviado por correo al domicilio que cada Tenedor tenga inscrito en el registro de Obligaciones; *en el entendido, sin embargo*, de que tratándose de cualquier Tenedor de Obligaciones por un monto principal total de cuando menos EUA\$1,000,000, los pagos sobre las Obligaciones también podrán efectuarse mediante transferencia electrónica a una cuenta en dólares de los E.U.A. mantenida por el destinatario del pago en un banco de los Estados Unidos, si dicho Tenedor elige la opción de recibir dichos pagos por transferencia electrónica mediante el envío de un aviso por escrito proporcionado los datos de su cuenta al Fiduciario o al Agente de Pagos, a más tardar en la fecha correspondiente a los 15 días inmediatamente anteriores a la Fecha de Registro aplicable (o cualquier otra fecha aceptable para el Fiduciario a su entera discreción).

3. PAYING AGENT AND REGISTRAR. Initially, The Bank of New York Mellon (together with any successor Trustee under the Indenture referred to below, the “Trustee”), will act as Paying Agent, Calculation Agent, Conversion Agent and Registrar. The Issuer may change the Paying Agent, Calculation Agent, Conversion Agent, Registrar or co-registrar without prior notice. Subject to certain limitations in the Indenture, the Issuer or any of its Subsidiaries may act in any such capacity.

4. INDENTURE. The Issuer issued the Notes under an Indenture dated as of March 13, 2015 (as it may be amended or supplemented from time to time in accordance with the terms thereof, the “Indenture”) between the Issuer, the Trustee and the Mexican Trustee. The terms of the Notes include those stated in the Indenture. The Notes are subject to, and qualified by, all such terms, certain of which are summarized hereon, and Holders are referred to the Indenture for a statement of such terms. However, to the extent any provision of any Note conflicts with the express provisions of the Indenture, the provisions of the Indenture shall govern and be controlling. Each Holder, by accepting a Note, agrees to be bound by all of the terms and provisions of the Indenture, as amended or supplemented from time to time.

5. REDEMPTION AND REPURCHASE. The Notes are subject to certain redemption and repurchase provisions under Article III of the Indenture

(A) Optional Redemption by the Issuer for Changes in Withholding Taxes

If, as a result of any amendment to, or change in, the laws (or any rules or regulations thereunder) of any Taxing Jurisdiction affecting taxation, or any amendment to or change in an official interpretation or application of such laws, rules or regulations that has a general effect, which amendment to or change of such laws, rules or regulations becomes effective on or after the Unit Issue Date (which, in the case of a merger, consolidation or other transaction permitted and described under Article V of the Indenture, shall be for purposes of the provision being described, the date of such merger, consolidation or other transaction) the Issuer would be obligated, after taking all reasonable measures to avoid this requirement, to pay Additional Amounts in excess of those attributable to a withholding Tax rate of 10% with respect to the Notes (as described in Section 4.12 of the Indenture), then, at the Issuer’s option, the Notes may be redeemed in whole, but not in part, at any time on giving not less than 30 days nor more than 60 days’ notice to each Holder, at a redemption price equal to 100% of the outstanding principal amount, plus Interest, if any, up to but not including the Tax Redemption Date; *provided, however*, that (1) no Tax Redemption Notice may be given earlier than 90 days prior to the earliest date on which the Issuer would be obligated to pay the Additional Amounts described in the preceding sentence if a payment on the Notes were then due, (2) at the time such Tax Redemption Notice is given such obligation to pay such Additional Amounts remains in effect and (3) the Issuer shall have satisfied the additional requirements set forth below. Such Tax Redemption Notice shall also contain the items required in Section 3.01(e) of the Indenture, including the calculation of the Make Whole Fundamental Change Premium.

Prior to the publication of any Tax Redemption Notice pursuant to this provision, the Issuer will deliver to the Trustee:

- (i) an Officer’s Certificate stating that the Issuer is entitled to effect the redemption and setting forth a statement of facts showing that the conditions precedent to the Issuer’s right to redeem have occurred, and

3. AGENTE DE PAGOS Y AGENTE DE REGISTRO. The Bank of New York Mellon (en conjunto con cualquier Fiduciario sucesor en términos del Acta de Emisión, el “Fiduciario”) actuará inicialmente como Agente de Pagos, Agente de Cálculo, Agente de Conversión y Agente de Registro. La Emisora podrá reemplazar al Agente de Pagos, al Agente de Cálculo, al Agente de Conversión, al Agente de Registro o agente de registro adjunto, sin necesidad de dar aviso previo. Sujeto a ciertas restricciones previstas en el Acta de Emisión, ni la Emisora ni sus Subsidiarias podrán actuar con alguna de dichas capacidades.

4. ACTA DE EMISIÓN. La Emisora emitió las Obligaciones al amparo de un Acta de Emisión de fecha 13 de marzo de 2015 (tal y como la misma se modifique o adicione de tiempo en tiempo de acuerdo con sus términos, el “Acta de Emisión”), suscrita por la Emisora, el Fiduciario y el Representante Común Mexicano. Los términos de las Obligaciones incluyen los previstos en el Acta de Emisión. Las Obligaciones están sujetas y condicionadas a la totalidad de dichos términos, algunos de los cuales están resumidos en la presente, y los Tenedores deberán consultar el Acta de Emisión para conocer dichos términos. Sin embargo, en la medida en que alguna disposición de esta Obligación contravenga lo expresamente dispuesto en el Acta de Emisión, prevalecerán las disposiciones del Acta de Emisión. Por el hecho de aceptar una Obligación, todo Tenedor conviene en sujetarse a todos los términos y las disposiciones del Acta de Emisión, tal como la misma se modifique o adicione de tiempo en tiempo.

5. AMORTIZACIÓN Y RECOMPRA. Las Obligaciones están sujetas a ciertas disposiciones en materia de amortización y recompra contenidas en el Artículo III del Acta de Emisión.

(A) Amortización a opción de la Emisora debido a reformas legales fiscales

Si en virtud de alguna reforma o cambio en las leyes (o en las reglas o los reglamentos promulgados al amparo de las mismas) en materia fiscal de alguna Jurisdicción Impositiva, o de alguna reforma o cambio en la interpretación oficial o aplicación de dichas leyes, reglas o reglamentos que tenga efectos generalizados, que entre en vigor en la Fecha de Emisión de las Unidades (que para estos efectos y tratándose de cualquier fusión, consolidación u otra operación descrita y permitida en el Artículo V del Acta de Emisión será para efectos de dicho artículo, la fecha de dicha fusión, consolidación u otra operación) o después de la misma, la Emisora, tras tomar todas las medidas razonables para evitarlo, se verá obligada a pagar Cantidades Adicionales por encima de las correspondientes a una tasa de retención de Impuestos del 10% en relación con las Obligaciones (conforme a lo descrito en la Sección 4.12 del Acta de Emisión), la Emisora tendrá la opción, previo aviso a cada Tenedor con no menos de 30 ni más de 60 días de anticipación, de amortizar en cualquier momento las Obligaciones, en su totalidad y no sólo en parte, a un precio de amortización equivalente al 100% del monto principal insoluto más Intereses, en su caso, a la Fecha de Amortización por Motivos Fiscales pero sin incluir dicha fecha; *en el entendido, sin embargo*, de que (1) no se podrá dar ningún Aviso de Amortización por Motivos Fiscales antes del plazo de 90 días anterior a la primera fecha en que la Emisora hubiere estado obligada a pagar las Cantidades Adicionales descritas en la oración que antecede si el pago sobre las Obligaciones hubiese sido exigible en dicha fecha, (2) la obligación de pagar dichas Cantidades Adicionales deberá estar vigente a la fecha de envío de dicho Aviso de Amortización por Motivos Fiscales, y (3) la Emisora deberá haber cumplido con los requisitos adicionales previstos a continuación. Dicho Aviso de Amortización por Motivos Fiscales también deberá contener la información exigida por la Sección 3.01(e) del Acta de Emisión, incluyendo el cálculo de la Prima por Prepagado Debido a un Cambio Fundamental.

Antes de publicar cualquier Aviso de Amortización por Motivos Fiscales, la Emisora enviará al Fiduciario:

- (i) un Certificado Expedido por los Funcionarios manifestando que la Emisora tiene derecho de efectuar una amortización y describiendo los hechos que acrediten la verificación de la condición suspensiva que dio origen al derecho de amortización de la Emisora, y

(ii) an Opinion of Counsel of recognized standing in the affected Taxing Jurisdiction to the effect that the Issuer has or will become obligated to pay such Additional Amounts as a result of such change or amendment.

This Tax Redemption Notice, once delivered by the Issuer to the Trustee, will be irrevocable.

(B) Repurchase at the Option of Holders Upon Certain Fundamental Changes

Upon the occurrence of a Change of Control, the Issuer shall notify the Holders, the Mexican Trustee and the Trustee in writing of such occurrence and shall be required to make an offer to repurchase all Notes then outstanding at a repurchase price in cash equal to 100% of the principal amount thereof, *plus* Interest, to, but excluding, the Change of Control Purchase Date as defined in the Indenture (unless the Change of Control Purchase Date is between a Record Date and the Interest Payment Date to which it relates, in which case the Issuer will pay Interest on such Interest Payment Date to the Holder of record on such Record Date and the Change of Control Payment will be equal to 100% of the principal amount of the Notes subject to repurchase and will not include Interest).

(ii) una Opinión Legal de reconocido prestigio en la Jurisdicción Impositiva relevante, en el sentido de que la Emisora está o estará obligada a pagar dichas Cantidades Adicionales como resultado de dicha reforma o cambio.

Una vez enviado por la Emisora al Fiduciario, el Aviso de Amortización por Motivos Fiscales será irrevocable.

(B) Recompra a opción de los Tenedores en caso de Ciertos Cambios Fundamentales

Tras ocurrir un Cambio de Control, la Emisora dará aviso por escrito de dicha circunstancia a los Tenedores, el Representante Común Mexicano y al Fiduciario y estará obligada a realizar una oferta de recompra respecto de todas las Obligaciones en circulación, a un precio de recompra en efectivo equivalente al 100% del importe principal *más* los Intereses devengados por las mismas hasta, pero excluyendo, la Fecha de Compra por Cambio de Control (según la definición asignada a dicho término en el Acta de Emisión) (a menos que la Fecha de Compra por Cambio de Control se ubique entre una Fecha de Registro y su correspondiente Fecha de Pago de Intereses, en cuyo caso la Emisora pagará Intereses en dicha Fecha de Pago de Intereses al Tenedor inscrito a dicha Fecha de Registro, y el Pago por Cambio de Control será equivalente al 100% del importe de las Obligaciones objeto de recompra y no incluirá Intereses).

6. SUBORDINATION. The payment of the principal of, premium, if any, and interest on and any other payment due pursuant to the Indenture or this Note (including, without limitation, the payment or deposit of the Change of Control Payment pursuant to Article III of the Indenture) shall be subordinated and subject in right of payment to the prior payment in full of all Senior Indebtedness, whether outstanding at the Issue Date or thereafter created, incurred, assumed or guaranteed in accordance with the provisions of Article XI of the Indenture, and each Holder by accepting a Note acknowledges and agrees to be bound by such provisions. The Issuer agrees, and each Holder by accepting a Note acknowledges and agrees, that the Indebtedness evidenced by the Note is equal in right of payment to the Issuer's current unsecured subordinated Indebtedness, which includes the Issuer's 3.25% Convertible Subordinated Notes due 2016 and the Issuer's 3.75% Convertible Subordinated Notes due 2018, and to any future unsecured subordinated Indebtedness.

7. DENOMINATIONS, TRANSFER, EXCHANGE. The Notes are in registered form without coupons in denominations of U.S.\$1,000 and integral multiples of U.S.\$1,000 in excess thereof. A Holder may transfer or exchange Notes at the office of the Registrar in accordance with the Indenture. The Registrar and the Trustee may require a Holder, among other things, to furnish appropriate endorsements and transfer documents. No service charge will be imposed by the Issuer, the Trustee or the Registrar for any registration of transfer or exchange of Notes, but any Tax or similar governmental charge required by law or permitted by the Indenture because upon exchange a Holder requests any ADSs to be issued in a name other than such Holder's name will be paid by such Holder. The Issuer is not required to transfer or exchange any Note surrendered for repurchase or conversion except for any portion of that Note not being repurchased or converted, as the case may be.

8. PERSONS DEEMED OWNERS. The registered Holder of a Note may be treated as its owner for all purposes.

9. AMENDMENTS AND WAIVERS. Subject to certain exceptions set forth in the Indenture, with the written consent of the Holders of a majority in principal amount of the then-outstanding Notes (including without limitation consents obtained in connection with a purchase of, or a tender offer or exchange offer for, Notes) (i) the Issuer, the Trustee and the Mexican Trustee may amend the Indenture or the Notes, and (ii) may waive compliance in a particular instance by the Issuer with any provision of the Indenture or this Note.

6. SUBORDINACIÓN. El pago del importe principal, la prima, si la hubiere, los Intereses y cualesquiera otros pagos exigibles de conformidad con el Acta de Emisión o esta Obligación (incluyendo, de manera enunciativa pero no limitativa, el pago o depósito del Pago por Cambio de Control conforme al Artículo III del Acta de Emisión) o después de su conversión, en caso de ser aplicable, estarán subordinados y sujetos, por lo que se refiere al derecho a su pago, en la medida y forma que se establece a continuación, al pago previo e íntegro de toda la Deuda Preferente, ya sea que la misma se encuentre en circulación a la Fecha de Emisión o se cree, incurra, asuma o garantice posteriormente de conformidad con lo dispuesto en el Artículo XI del Acta de Emisión, y cada Tenedor, por el hecho de aceptar una Obligación, reconoce y conviene en sujetarse a dichas disposiciones. La Emisora, y cada Tenedor, por el hecho de aceptar una Obligación, reconoce y acepta que la Deuda documentada por esta Obligación es igual en cuanto al derecho de pago que cualquier otra Deuda subordinada sin garantía específica existente de la Emisora, incluyendo las Obligaciones Convertibles Subordinadas con Rendimiento de 3.25% con Vencimiento en 2016 y las Obligaciones Convertibles Subordinadas con Rendimiento de 3.75% con Vencimiento en 2018, y cualquier otra Deuda subordinada sin garantía específica futura.

7. DENOMINACIONES, TRANSMISIÓN, CANJE. Las Obligaciones son nominativas, no llevan adheridos cupones y se emiten en denominaciones de EUAS\$100,000 y múltiplos íntegros de EUAS\$1,000 por encima de dicha cantidad. Todo Tenedor podrá solicitar la inscripción de la transmisión o el canje de sus Obligaciones en la oficina del Agente de Registro de acuerdo con lo dispuesto en el Acta de Emisión. El Agente de Registro y el Fiduciario podrán exigir que el Tenedor proporcione, entre otras cosas, los endosos y demás instrumentos de transmisión necesarios. La Emisora, el Fiduciario o el Agente de Registro no impondrán al Tenedor cargo alguno en razón de la inscripción de la transmisión o el canje de Obligaciones, pero el Tenedor será responsable del pago de cualesquiera Impuestos u otros cargos gubernamentales que resulten aplicables en razón de que el Tenedor solicite la emisión de ADSs a nombre de persona distinta de sí mismo. La Emisora no estará obligada a inscribir la transmisión o canje de cualquier Obligación entregado a la misma para su compra o conversión, sino por lo que toca a la porción de dicha Obligación que no vaya a ser objeto de compra o conversión, según el caso.

8. PERSONAS CONSIDERADAS COMO PROPIETARIOS. El Tenedor inscrito de una Obligación será considerado como propietario de la misma para cualesquiera efectos.

9. MODIFICACIONES Y DISPENSAS. Sujeto a ciertas excepciones previstas en el Acta de Emisión, se requiere el consentimiento por escrito de los Tenedores de cuando menos la mayoría del monto principal total de las Obligaciones que se encuentren en circulación en ese momento (incluyendo, de manera enunciativa pero no limitativa, los consentimientos recibidos con motivo de una compra de Obligaciones u oferta de compra o canje relativa a las Obligaciones), para (i) la modificación del Acta de Emisión o las Obligaciones por parte de la Emisora, el Fiduciario y el Representante Común Mexicano y (ii) dispensar el cumplimiento de cualquier disposición contenida en el Acta de Emisión o esta Obligación por parte de la Emisora.

Without the consent of each Holder of an outstanding Note affected, an amendment or waiver under Section 9.02 of the Indenture may not, with respect to any Notes held by a non-consenting Holder: (a) reduce the amount of Notes whose Holders must consent to an amendment or waiver; (b) reduce the rate of or change or have the effect of changing the time for payment of Interest on any Notes; (c) reduce the principal of or change or have the effect of changing the fixed maturity of any Notes, or change the date on which any Notes may be subject to redemption, or reduce the redemption price thereof; (d) make any Notes payable in money other than that stated in the Notes; (e) make any change in provisions of the Indenture entitling each Holder to receive payment of principal and Interest on such Holder's Notes on or after the due date thereof or to bring suit to enforce such payment, or permitting Holders of a majority in principal amount of Notes to waive Defaults or Events of Default; (f) reduce the Change of Control Payment of any Note or amend or modify in any manner adverse to the Holders, the Issuer's obligation to make payment of such Change of Control Payment, whether through an amendment or waiver of provisions in the covenants, definitions or otherwise; (g) make any change in the provisions of the Indenture described under Section 4.12 of the Indenture that adversely affects the rights of any Holder or amend the terms of the Notes in a way that would result in a loss of exemption from Taxes; (h) make any change to the provisions of the Indenture or the Notes that adversely affect the ranking of the Notes; and (i) make any change that impairs or adversely affects the conversion rights of any Notes.

Ninguna modificación o dispensa en términos de lo dispuesto en la Sección 9.02 del Acta de Emisión podrá, salvo con el consentimiento de cada Tenedor de una Obligación en circulación afectado por la misma, con respecto a cualesquiera Obligaciones de un Tenedor que no haya consentido: (a) reducir el monto de las Obligaciones cuyos Tenedores pueden aprobar una modificación u otorgar una dispensa; (b) reducir la tasa de interés sobre cualesquiera Obligaciones, o cambiar o modificar de cualquier forma que tenga los mismos efectos que un cambio de fecha, la fecha de pago de Intereses sobre cualesquiera Obligaciones; (c) reducir el monto principal de cualesquiera Obligaciones, o cambiar o modificar de cualquier forma que tenga los mismos efectos que un cambio de fecha, la fecha fija de vencimiento de cualesquiera Obligaciones, o cambiar la fecha en que cualesquiera Obligaciones puedan ser objeto de amortización, o reducir el precio de amortización de las mismas; (d) disponer que cualesquiera Obligaciones sean pagaderas en alguna moneda distinta a la expresada en las Obligaciones; (e) cambiar las disposiciones del Acta de Emisión en cualquier forma que confiera a cada Tenedor el derecho a recibir el pago del principal de las Obligaciones e Intereses sobre las Obligaciones de dicho Tenedor en la fecha exigible o después de la misma o a entablar juicio para exigir dicho pago, o permitir que los Tenedores de la mayoría del importe principal de las Obligaciones dispensen Incumplimientos o Causas de Incumplimiento; (f) reducir el Pago por Cambio de Control correspondiente a cualquier Obligación, o reformar o modificar en cualquier forma adversa para los Tenedores la obligación de la Emisora de efectuar dicho Pago por Cambio de Control, ya sea a través de modificaciones o renunciaciones de las disposiciones correspondientes a las obligaciones o definiciones o cualquier otra; (g) hacer cualquier cambio en las disposiciones descritas en la Sección 4.12 del Acta de Emisión que afecte en forma adversa los derechos de cualquier Tenedor o modifique los términos de las Obligaciones en forma tal que resulte en la pérdida de una exención de Impuestos; (h) hacer cualquier cambio en las disposiciones del Acta de Emisión o las Obligaciones que afecte en forma adversa el orden de prelación de las Obligaciones; o (i) hacer cualquier cambio que precluya o afecte en forma adversa los derechos de conversión correspondientes a cualesquiera Obligaciones.

The Issuer, the Trustee and the Mexican Trustee may amend the Indenture or this Note without notice to or the consent of any Holder to (a) cure any ambiguity, omission, defect or inconsistency in the Indenture or this Note; (b) provide for the assumption by a surviving or successor corporation of the obligations of the Issuer under the Indenture or evidence and provide for the acceptance of appointment of a successor Trustee pursuant to the Indenture; (c) provide for uncertificated Notes in addition to or in place of certificated Notes (provided that the uncertificated Notes are issued in registered form for purposes of Section 163(f) of the Internal Revenue Code); (d) add guarantees with respect to this Note; (e) secure this Note; (f) add to the Issuer's covenants for the benefit of the Holders or surrender any right or power conferred upon the Issuer; (g) make any change that does not materially adversely affect the rights of any Holder; (h) comply with the provisions of any clearing agency, clearing corporation or clearing system, including DTC, the Trustee or the Registrar with respect to the provisions of the Indenture or this Note relating to transfers and exchanges of Notes; and (i) conform the terms of the Indenture or this Note to the description thereof in the Preliminary Offering Memorandum as supplemented by the Pricing Term Sheet.

To secure a consent or waiver of the Holders, it shall not be necessary for such Holders to approve the particular form of any proposed amendment or waiver, but it shall be sufficient if such consent approves the substance thereof.

La Emisora, el Fiduciario y el Representante Común Mexicano podrán modificar el Acta de Emisión o las Obligaciones sin necesidad de dar aviso u obtener el consentimiento de Tenedor alguno, para: (a) corregir cualquier ambigüedad, omisión, defecto o inconsistencia en el Acta de Emisión o las Obligaciones; (b) realizar aquellos actos necesarios en relación con la asunción de las obligaciones de la Emisora conforme al Acta de Emisión por alguna sociedad fusionante o sucesora de la Emisora, o hacer constar y reflejar la aceptación del nombramiento de un Fiduciario sucesor de conformidad con el Acta de Emisión; (c) prever la emisión de Obligaciones no amparadas por títulos, además o en lugar de Obligaciones amparadas por títulos (siempre que las Obligaciones no amparadas por títulos sean registradas para efectos de lo dispuesto por la Sección 163(f) del Código Fiscal Interno (*Internal Revenue Code*)); (d) agregar garantías con respecto a las Obligaciones; (e) garantizar las Obligaciones; (f) agregar obligaciones de la Emisora en beneficio de los Tenedores, o renunciar a cualquier derecho o facultad conferida a la Emisora; (g) hacer cualquier arreglo que no afecte en forma adversa y significativa los derechos de cualquier Tenedor; (h) cumplir con lo dispuesto por cualquier cámara, agencia o sistema de compensación, incluyendo DTC, el Fiduciario o el Agente de Registro con respecto a lo dispuesto por el Acta de Emisión o las Obligaciones en relación con la transmisión y el canje de las Obligaciones; e (i) ajustar los términos del Acta de Emisión o las Obligaciones a fin de que se apeguen a lo descrito en el Prospecto de Colocación Preliminar (*Preliminary Offering Memorandum*) según sea suplementado por la Hoja de Precio, Términos y Condiciones (*Pricing Term Sheet*).

Para obtener cualquier consentimiento o dispensa de parte de los Tenedores no será necesario que dichos Tenedores aprueben la forma específica de la modificación o dispensa propuesta, sino que bastará con que dicho consentimiento apruebe las cuestiones de fondo de la misma.

10. DEFAULTS AND REMEDIES. An “Event of Default” with respect to any Notes occurs if: (a) the Issuer defaults in the payment in respect of the principal of any Note when due at maturity, upon redemption or repurchase pursuant to Article III of the Indenture, upon declaration of acceleration or otherwise, whether or not such payment is prohibited by the subordination provisions set forth in Article XI of the Indenture; (b) the Issuer defaults in the payment of any installment of Interest on the Notes when due and payable, whether or not such payment is prohibited by the subordination provisions set forth in Article XI of the Indenture, including any Interest payable in connection with a redemption or repurchase pursuant to Article III of the Indenture, and continuance of such default for a period of 30 days or more; (c) the Issuer defaults in the delivery when due of all ADSs deliverable upon conversion with respect to the Notes in accordance with Article XII of the Indenture, which default continues for a period of five Business Days or more; (d) the Issuer fails to provide a timely Fundamental Change Notice in accordance with Section 12.12 of the Indenture; (e) the Issuer fails to comply with the covenant described in clause (b) of Section 12.08 of the Indenture; (f) failure by the Issuer to comply with the covenant described in clause (a) of Section 12.08 of the Indenture that continues for a period of 30 days after the Issuer receives written notice of such failure from the Trustee or the Holders of at least 25% in principal amount of the Notes then outstanding; (g) the Issuer defaults (other than a default set forth in paragraphs (a) through (f) above) in the performance of, or breaches, any other covenant or agreement of the Issuer set forth in the Indenture or this Note and fails to remedy such default or breach within a period of 45 days after its receipt of written notice thereof from the Trustee or the Holders of at least 25% in aggregate principal amount of the then outstanding Notes; (h) the Issuer or any of the Issuer’s “Significant Subsidiaries” (as defined in Article 1, Rule 1-02 of Regulation S-X) defaults with respect to any mortgage, agreement or other instrument under which there is outstanding, or by which there is secured or evidenced, any Indebtedness for money borrowed having a principal amount in excess of U.S.\$50 million in the aggregate, whether such Indebtedness now exists or shall hereafter be created, (i) resulting in such Indebtedness becoming or being declared due and payable prior to its express maturity date or (ii) constituting a failure to pay at least U.S.\$50 million of such Indebtedness when due and payable (after the expiration of any applicable grace period) at its stated maturity, upon required repurchase, upon declaration or otherwise; provided, that any such Event of Default shall be deemed cured and not continuing upon payment of such Indebtedness or rescission of such declaration; (i) a final judgment for the payment of U.S.\$100 million or more (excluding any amounts covered by insurance or bond) is rendered against the Issuer or any Significant Subsidiary by a court of competent jurisdiction, which judgment is not discharged, stayed, vacated, paid or otherwise satisfied within 60 days after (i) the date on which the right to appeal thereof has expired if no such appeal has commenced, or (ii) the date on which all rights to appeal have been extinguished; or (j) a Bankruptcy Event of Default occurs.

10. INCUMPLIMIENTOS Y RECURSOS. Ocurrirá una “Causa de Incumplimiento” respecto a cualquier Obligación si: (a) la Emisora incumple con el pago del importe principal de cualquier Obligación en la fecha en que dicho pago sea exigible, ya sea a su vencimiento, contra su amortización o recompra conforme al Artículo III del Acta de Emisión, en razón de una declaración de vencimiento anticipado o por cualquier otro motivo, independientemente de que dicho pago esté o no prohibido de conformidad con lo dispuesto respecto de la subordinación en el Artículo XI del Acta de Emisión; (b) la Emisora incumple con el pago de cualesquiera Intereses sobre cualquier Obligación en la fecha en que los mismos sean exigibles y pagaderos, independientemente de que dicho pago esté o no prohibido de conformidad con lo dispuesto respecto de la subordinación en el Artículo XI del Acta de Emisión, incluyendo cualesquiera Intereses pagaderos con motivo de una amortización o recompra en términos del Artículo III del Acta de Emisión, si dicho incumplimiento subsiste durante un período de 30 días o más; (c) la Emisora incumple con la entrega, en la fecha debida, de las ADSs que deban entregarse con motivo de la conversión de Obligaciones en términos del Artículo XII del Acta de Emisión, y dicho incumplimiento subsiste durante un período de cinco Días Hábiles o más; (d) la Emisora incumple con la entrega oportuna de un Aviso de Cambio Fundamental de conformidad con lo dispuesto en la Sección 12.12 del Acta de Emisión; (e) la Emisora incumple el compromiso descrito en el inciso (b) de la Sección 12.08 del Acta de Emisión; (f) la Emisora incumple el compromiso descrito en el inciso (a) de la Sección 12.08 del Acta de Emisión y dicho incumplimiento continúa durante un período de 30 días posteriores a la recepción por la Emisora de un aviso por escrito de dicho incumplimiento de parte del Fiduciario o los Tenedores de cuando menos el 25% del monto principal de las Obligaciones que en ese momento se encuentren en circulación; (g) la Emisora incumple (en forma distinta a lo previsto a los incisos (a) a (f) anteriores) o viola cualquier otro contrato o convenio de la misma de conformidad con el Acta de Emisión o las Obligaciones y no subsana dicho incumplimiento o violación dentro del plazo de 45 días contados a partir de la recepción de un aviso por escrito al respecto de parte del Fiduciario o los Tenedores de cuando menos el 25% del monto principal de las Obligaciones que en ese momento se encuentren en circulación; (h) la Emisora o cualquiera de sus “Subsidiarias Significativas” (según dicho término se define en el Artículo 1, Regla 1-02 del Reglamento S-X) incurre en algún incumplimiento con cualquier hipoteca, contrato o instrumento en virtud del cual se encuentre insoluta o se garantice o haga constar cualquier Deuda por concepto de dinero obtenido en préstamo cuyo monto principal total ascienda a más de EUA\$50 millones, independientemente de que dicha Deuda exista actualmente o se contrate en el futuro, (i) que dé como resultado que dicha Deuda se vuelva o se declare exigible y pagadera antes de su fecha programada de vencimiento, y (ii) que represente un incumplimiento de pago de cuando menos EUA\$50 millones de dicha Deuda en la fecha en que dicha cantidad sea exigible y pagadera (después de haber vencido cualquier período de gracia aplicable), ya sea que dicha fecha sea su fecha programada de vencimiento, recompra obligatoria, declaración de vencimiento u otra fecha; en el entendido de que dicha Causa de Incumplimiento se tendrá por subsanada y no subsistente tras el pago de dicha Deuda o la rescisión de dicha declaración; (i) algún tribunal competente dicta sentencia definitiva en contra de la Emisora o cualquier Subsidiaria Significativa, condenándola al pago de EUA\$50 millones o más (excluyendo cualesquiera cantidades amparadas por seguros o fianzas), y dicha sentencia no se deshecha, suspende, desestima, paga o en cualquier otra forma libera dentro de los 60 días siguientes a (i) la fecha de prescripción del derecho a interponer un recurso en contra de la misma sin que se haya interpuesto recurso alguno, o (ii) la fecha en que se hayan agotado todos los derechos de interposición de recursos; o (j) alguna Causa de Incumplimiento por Quiebra.

If an Event of Default (other than an Event of Default with respect to the Issuer specified in paragraph (j) above) occurs and is continuing, then and in every such case (i) the Trustee, by written notice to the Issuer, or (ii) the Holders of at least 25% in aggregate principal amount of the then outstanding Notes, by written notice to the Issuer and the Trustee, may, and the Trustee at the request of such Holders shall, declare all of the unpaid principal of, and Interest, on all the Notes to be due and payable. Upon such declaration such principal amount, and Interest, shall become immediately due and payable, notwithstanding anything contained in the Indenture or this Note to the contrary, but subject to the provisions of Article XI of the Indenture. If the Event of Default with respect to the Issuer specified in paragraph (j) above occurs, all unpaid principal of, and Interest on, the Notes then outstanding shall become automatically due and payable, subject to the provisions of Article XI of the Indenture, without any declaration or other act on the part of the Trustee or any Holder.

Notwithstanding any other provision in Article VI of the Indenture, if an Event of Default occurs arising out of the Issuer's breach of its obligation to file or furnish reports or other financial information as required under the Indenture, the Issuer may elect to pay Additional Interest on the Notes as the sole remedy for such Event of Default, and the Trustee and the Holders will not have any right under the Indenture to accelerate the maturity of the Notes as a result of any such Event of Default, except as provided below. If elected, the Issuer shall pay Additional Interest to all Holders at a rate equal to 0.50% per annum through the 180th day after the occurrence of such Event of Default (which shall be the 135th day after the end of the 45-day grace period set forth in Section 6.01(g) of the Indenture), or such earlier date on which the Event of Default relating to the reporting obligations referred to in this paragraph shall have been cured or waived. On the 181st day, such Additional Interest will cease to accrue (or earlier, if the Event of Default relating to the reporting obligations referred to in this paragraph shall have been cured or waived prior to such 181st day) and, if the Event of Default is continuing on such 181st day, the Notes will be subject to acceleration as provided in the above paragraph. The provisions hereof will not affect the rights of the Holders in the event of the occurrence of any other Event of Default, and are separate and distinct from, and in addition to, the obligation of the Issuer to increase the interest rate of, and the amount of Interest payable on, the Notes pursuant to Section 4.09 of the Indenture, except as otherwise provided therein. Any Additional Interest paid pursuant to this paragraph will be payable at the times and in the manner provided for the payment of regular Interest on the Notes. In order to elect to pay Additional Interest on the Notes as the sole remedy during the first 180 days after the occurrence of an Event of Default relating to the failure to comply with reporting obligations in accordance with this paragraph, the Issuer must notify all Holders and the Trustee and Paying Agent of such election on or before the close of business on the fifth Business Day after the date on which such Event of Default first occurs. If the Issuer fails to timely give such notice, does not pay such Additional Interest or elects not to pay such Additional Interest, the Notes will be immediately subject to acceleration as provided in the above paragraph.

En caso de que haya ocurrido y subsista alguna Causa de Incumplimiento (distinta de una Causa de Incumplimiento respecto a la Emisora conforme a lo previsto en el inciso (i) anterior, entonces y en cada uno de dichos casos (i) el Fiduciario, mediante aviso por escrito a la Emisora, o (ii) los Tenedores de cuando menos el 25% del monto principal insoluto de las Obligaciones que en ese momento se encuentren en circulación, mediante aviso por escrito a la Emisora y al Fiduciario, podrán declarar y a solicitud de dichos Tenedores el Fiduciario declarará exigible y pagadero el importe total del monto principal insoluto de las Obligaciones y los Intereses sobre las mismas. Tras dicha declaración, dicho monto principal e Intereses se volverán inmediatamente exigibles y pagaderos no obstante cualquier disposición en contrario contenida en el Acta de Emisión o las Obligaciones pero sujeto a lo dispuesto en el Artículo XI del Acta de Emisión. En caso de que se actualice la Causa de Incumplimiento prevista en el inciso (j) anterior con respecto a la Emisora, la totalidad del importe principal de las Obligaciones y los Intereses sobre las Obligaciones que se encuentren en circulación en ese momento se volverán inmediatamente exigibles y pagaderos sujeto a lo dispuesto en el Artículo XI del Acta de Emisión, sin necesidad de declaración o acto ulterior alguno por parte del Fiduciario o cualquier Tenedor.

No obstante cualquier otra disposición contenida en el Artículo VI del Acta de Emisión, si ocurre alguna Causa de Incumplimiento como resultado del incumplimiento de las obligaciones de presentación o entrega de información financiera de la Emisora en términos del Acta de Emisión, la Emisora tendrá la opción de pagar Intereses Adicionales sobre las Obligaciones a manera de medio exclusivo de subsanar dicha Causa de Incumplimiento, en cuyo caso el Fiduciario y los Tenedores no tendrán derecho alguno al amparo del Acta de Emisión para declarar vencidas las Obligaciones en forma anticipada como resultado de dicha Causa de Incumplimiento, excepto por lo previsto más adelante. De elegir dicha opción, la Emisora pagará Intereses Adicionales a todos los Tenedores a una tasa equivalente al 0.50% anual hasta el 180o. día posterior a la actualización de dicha Causa de Incumplimiento (mismo que coincidirá con el 135o. día siguiente al vencimiento del período de gracia de 45 días previsto en la Sección 6.01(g) del Acta de Emisión) o hasta aquella fecha anterior en que se subsane o dispense la Causa de Incumplimiento relativa a las obligaciones de entrega de información citadas en este inciso. Dichos Intereses Adicionales dejarán de devengarse el 181o. día (o antes, en caso de que la Causa de Incumplimiento relativa a las obligaciones de entrega de información citadas en este inciso se subsane o dispense antes de dicho 181o. día) y, si la Causa de Incumplimiento aún subsiste en dicho 181o. día, las Obligaciones estarán sujetas a vencimiento anticipado de conformidad con lo antes dispuesto. Lo antes dispuesto no afectará los derechos de los Tenedores en caso de que ocurra alguna otra Causa de Incumplimiento, y es independiente, distinto y adicional a la obligación de la Emisora de incrementar la tasa de interés y el monto de los Intereses pagaderos sobre las Obligaciones de conformidad con la Sección 4.09 del Acta de Emisión a menos que la presente disponga lo contrario. Cualesquiera Intereses Adicionales pagaderos de conformidad con lo dispuesto en este párrafo se pagarán en las fechas y la forma prescritas para el pago de Intereses ordinarios sobre las Obligaciones. Para elegir la opción de pagar Intereses Adicionales como medio exclusivo para subsanar durante los primeros 180 días siguientes a la actualización de una Causa de Incumplimiento derivada de la falta de cumplimiento de las obligaciones de entrega de información conforme a este párrafo, la Emisora deberá dar aviso de su elección a todos los Tenedores y al Fiduciario y Agente de Pagos a más tardar al cierre de las horas hábiles del quinto Día Hábil posterior a la fecha en que haya ocurrido por vez primera dicha Causa de Incumplimiento. Si la Emisora incumple con el envío oportuno de dicho aviso, no paga dichos Intereses Adicionales u opta por no pagar dichos Intereses Adicionales, las Obligaciones quedarán inmediatamente sujetas a vencimiento anticipado de conformidad con lo antes dispuesto.

Holders may not enforce the Indenture or the Notes except as provided in the Indenture. The Trustee may require an indemnity satisfactory to it before it enforces the Indenture or the Notes. Subject to certain limitations, Holders of a majority in principal amount of the then outstanding Notes may direct the Trustee in its exercise of any trust or power. Except in the case of a Default or Event of Default in payment of principal of, or interest on, this Note, the Trustee may withhold from Holders notice of any continuing default (except a default in payment of principal, or Interest, if applicable) if and so long as a committee of the Trustee's Trust Officers in good faith determines that withholding the notice is in the interests of Holders. The Issuer must furnish an annual compliance certificate to the Trustee.

11. TRUSTEE DEALINGS WITH THE ISSUER. The Trustee or any of its Affiliates, in their individual or any other capacities, may make or continue loans to or guaranteed by, accept deposits from and perform services for the Issuer or its Affiliates and may otherwise deal with the Issuer or its Affiliates as if it were not Trustee.

Los Tenedores no podrán hacer valer el Acta de Emisión o las Obligaciones sino en la forma prevista en el Acta de Emisión. El Fiduciario podrá exigir indemnización satisfactoria antes de realizar cualquier acto para exigir el cumplimiento del Acta de Emisión o las Obligaciones. Sujeto a ciertas excepciones, los tenedores de la mayoría del importe principal de las Obligaciones que se encuentren en circulación en un momento dado podrán girar instrucciones al Fiduciario con respecto al ejercicio de los poderes o facultades del mismo. Salvo que se trate de un Incumplimiento o Causa de Incumplimiento con el pago de principal de cualquier Obligación o Intereses sobre la misma, el Fiduciario podrá abstenerse de dar aviso de la subsistencia de cualquier incumplimiento (salvo que se trate de un incumplimiento con el pago del principal o, en su caso, Intereses sobre cualquier Obligación), siempre y cuando un comité formado por sus Delegados Fiduciarios determine de buena fe que el diferimiento de dicho aviso es en interés de los Tenedores. La Emisora deberá proporcionar al Fiduciario un informe anual respecto al cumplimiento de sus obligaciones

11. OPERACIONES ENTRE EL FIDUCIARIO Y LA EMISORA. El Fiduciario o cualquiera de sus Filiales, ya sea en lo individual o con cualquier otro carácter, podrá otorgar o extender créditos a la Emisora o créditos garantizados por la misma, aceptar depósitos de parte de la Emisora y prestar servicios a ésta o a sus Filiales, y podrá por demás celebrar operaciones con la Emisora o sus Filiales como si no ocupase el cargo de Fiduciario.

12. NO RECOURSE AGAINST OTHERS. No director, officer, employee or shareholder, as such, of the Issuer from time to time shall have any liability for any obligations of the Issuer under the Notes or this Indenture or for any claim based on, in respect of, or by reason of such obligations or their creation. Each Holder by accepting a Note waives and releases all such liability. The waiver and release are part of the consideration for the Notes.

13. AUTHENTICATION. This Note shall not be valid until authenticated by the manual signature of the Trustee or an authenticating agent.

14. ABBREVIATIONS. Customary abbreviations may be used in the name of a Holder or an assignee, such as: TEN CO = tenants in common, TEN ENT = tenants by the entireties, JT TEN = joint tenants with right of survivorship and not as tenants in common, CUST = Custodian and U/G/M/A = Uniform Gifts to Minors Act.

12. AUSENCIA DE RECURSOS CONTRA TERCEROS. Ninguna Persona que de tiempo en tiempo tenga el carácter de consejero, funcionario, empleado o accionista de la Emisora será en razón de dicha circunstancia y en momento alguno responsable de las obligaciones de la Emisora bajo las Obligaciones o el Acta de Emisión, o respecto de cualquier demanda en razón o que esté basada o relacionada con dichas obligaciones o su creación. Por el hecho de aceptar una Obligación, su Tenedor dispensa dicha responsabilidad y los libera de la misma. Esta liberación y dispensa forman parte de la contraprestación por las Obligaciones.

13. VALIDACIÓN. Esta Obligación no será válida a menos que contenga la firma autógrafa del Fiduciario o un agente de validación.

14. ABREVIATURAS. Podrán utilizarse abreviaturas de uso común a nombre de cualquier Tenedor o su cesionario, incluyendo: TEN CO = tenedores en común, TEN INT = tenedores indivisibles, TEN MA = tenedores mancomunados con derechos transferibles por sucesión y no como tenedores en común, CUST = Custodio, y L/U/D/M = Ley Uniforme Sobre las Donaciones a Menores (*Uniform Gifts to Minors Act*).

15. CONVERSION. Subject to and upon compliance with the provisions of the Indenture, the registered Holder of this Note has the right, at such Holder's option, to convert at any time after the last trading day in the Averaging Period used in the calculation of the initial conversion price of the notes and prior to the close of business on the fourth Business Day immediately preceding the Maturity Date (or in case this Note or any portion hereof is subject to a Tax Redemption Notice or a duly completed election for repurchase, before the close of business on the Business Day prior to the Tax Redemption Date or the Change of Control Purchase Date, as the case may be (unless the Issuer defaults in payment due upon redemption or repurchase)) at a conversion rate equal to (i) 1,000 divided by (ii) the initial conversion price (which will be equal to the greater of (a) U.S. \$11.20, (b) 130% of the 5 Day Average VWAP (as defined in the Indenture) of the Issuer's ADSs, and (c) 110% of the closing price of the Issuer's ADSs on the New York Stock Exchange on the Issue Date), as adjusted from time to time as provided in the Indenture, including with respect to the Make Whole Fundamental Change Premium, upon surrender of this Note to the Issuer at the office or agency maintained for such purpose (and at such other offices or agencies designated for such purpose by the Issuer), accompanied by written notice of conversion duly executed (and if the ADSs to be issued on conversion are to be issued in any name other than that of the registered Holder of this Note by instruments of transfer, in form satisfactory to the Issuer, duly executed by the registered Holder or its duly authorized attorney) and, in case such surrender shall be made during the period after 5 p.m., New York City time on the Record Date immediately preceding any Interest Payment Date through 9:00 a.m. New York City time on such Interest Payment Date, also accompanied by payment, in funds acceptable to the Issuer, of an amount equal to the Interest, otherwise payable on such Interest Payment Date on the principal amount of this Note then being converted; *provided, however*, that no such payment need be made if the Notes are surrendered for conversion after the final Record Date. Subject to the aforesaid requirement for a payment in the event of conversion after the close of business on a Record Date immediately preceding an Interest Payment Date, no adjustment shall be made on conversion for Interest accrued hereon or for dividends on ADSs delivered on conversion. The right to convert this Note is subject to the provisions of the Indenture relating to conversion rights in the case of certain consolidations, mergers, or sales or transfers of substantially all the Issuer's assets. Notwithstanding the first paragraph under this Section 15, if a Fundamental Change occurs after Notes have been issued but prior to completion of the 5 trading-day period in respect of which the Issuer would otherwise calculate the 5 Day Average VWAP, the initial Conversion Rate will be 130% of the closing sale price of the Issuer's ADSs on the New York Stock Exchange on the Issue Date.

No fractional portions of ADSs shall be issued upon conversion of Notes. If more than one Note shall be surrendered for conversion at one time by the same Holder, the number of full ADSs which shall be issuable upon conversion shall be computed on the basis of the aggregate principal amount of the Notes (or specified portions thereof to the extent permitted hereby) so surrendered for conversion. If any fractional portions of ADSs otherwise would be issuable upon the conversion of any Note or Notes, the Issuer will deliver a number of ADSs rounded up to the nearest whole number of ADSs.

15. CONVERSIÓN. Sujeto a lo dispuesto en esta Acta de Emisión y una vez que se haya cumplido con lo previsto en la misma, el Tenedor inscrito de esta Obligación tendrá el derecho, a elección de dicho Tenedor, de convertir, en cualquier momento después del último día de intermediación en el Período de Promedio utilizado para el cálculo del precio de conversión inicial de las obligaciones y antes del cierre de las horas hábiles del cuarto Día Hábil inmediatamente anterior a la Fecha de Vencimiento (o si esta Obligación o parte de la misma está sujeta a un Aviso de Amortización por Motivos Fiscales o a una solicitud de recompra debidamente requisitada, con anterioridad al cierre de las horas hábiles del Día Hábil anterior a la Fecha de Amortización por Motivos Fiscales o la Fecha de Compra por Cambio de Control, según sea el caso (a menos que la Emisora incumpla con el pago correspondiente a dicha amortización o recompra)), a una razón de conversión igual a (i) 1,000 dividido por (ii) el precio de conversión inicial (el cual será equivalente a lo que resulte mayor entre (a) EUAS\$11.20, (b) 130% del VWAP Promedio a 5 Días (según se define en el Acta de Emisión) de las ADSs de la Emisora, y (c) 110% del precio de cierre de la ADSs de la Emisora en la Bolsa de Valores de Nueva York (*New York Stock Exchange*) en la Fecha de Emisión), razón que estará sujeta a ajuste de tiempo en tiempo conforme a lo previsto en el Acta de Emisión, incluyendo por lo que se refiere a la Prima por Prepago Debido a un Cambio Fundamental, mediante la entrega de esta Obligación a la Emisora en la oficina o agencia mantenida por la misma para dicho efecto (y en cualesquiera otras oficinas o agencias que la Emisora designe para dicho efecto), acompañada de un aviso de conversión debidamente requisitado (y si las ADSs que dicho Tenedor recibirá con motivo de la conversión van a emitirse a nombre de Persona distinta al Tenedor inscrito de esta Obligación, por instrumentos de transmisión en forma satisfactoria para la Emisora, debidamente firmados por el Tenedor o su representante autorizado), y en caso de que la entrega se efectúe durante el período comprendido de las 5:00 p.m., hora de la ciudad de Nueva York, de la Fecha de Registro inmediatamente anterior a cualquier Fecha de Pago de Intereses, a las 9:00 a.m., hora de la ciudad de Nueva York, de dicha Fecha de Pago de Intereses, deberá ir acompañada del pago, en fondos aceptables para la Emisora, de una cantidad igual a los Intereses que de otra forma serían pagaderos en dicha Fecha de Pago de Intereses sobre el monto principal que se está convirtiendo; *en el entendido, sin embargo*, de que no será necesario pago alguno si las Obligaciones se entregan para su conversión después de la Fecha de Registro final. Sujeto al requisito de pago en caso de conversión posterior al cierre de las horas hábiles de la Fecha de Registro inmediatamente anterior a cualquier Fecha de Pago de Intereses, al momento de conversión no se efectuará ajuste alguno por concepto de los dividendos pagados sobre las ADSs que se entreguen como resultado de la conversión. El derecho a convertir esta Obligación está sujeto a las disposiciones en materia de conversión previstas en el Acta de Emisión en caso de ciertas fusiones o consolidaciones, o de la venta o transmisión de sustancialmente todos los activos de la Emisora. No obstante lo dispuesto en el primer párrafo de esta Sección 15, si un Cambio Sustancial ocurre con posterioridad a que las Obligaciones hayan sido emitidos pero con anterioridad al período de 5 días de intermediación respecto al cual la Emisora de otro modo hubiese calculado el VWAP Promedio a 5 Días, la Tasa de Conversión inicial será equivalente al 130% del precio de venta al cierre de la ADSs de la Emisora en la Bolsa de Valores de Nueva York (*New York Stock Exchange*) en la Fecha de Emisión.

No se emitirán fracciones de ADSs con motivo de la conversión de Obligaciones. Si un mismo Tenedor entrega al mismo tiempo más de una Obligación para su conversión, el número de ADSs íntegras a emitirse con motivo de dicha conversión se calculará con base en el monto principal total de las Obligaciones (o las porciones designadas de las mismos, en la medida permitida por la presente) entregadas para su conversión. En caso de que salvo por lo antes dispuesto debieran emitirse fracciones de ADSs con motivo de la conversión de cualquier Obligación o cualesquiera Obligaciones, la Emisora entregará un número de ADSs redondeado al alza para reflejar el número de ADSs completas más próximo.

If a Fundamental Change occurs and a Holder elects to convert its Notes, the Issuer will, under certain circumstances, increase the Conversion Rate for the Notes so surrendered for conversion by a number of additional ADSs. A conversion of Notes will be deemed for these purposes to be “in connection with” such Fundamental Change if the notice of conversion of the Notes is received by the Conversion Agent from, and including, the later of (i) 30 scheduled Trading Days before the anticipated effective date of such Fundamental Change and (ii) the date on which the Issuer notifies the Holders of the anticipated effective date of a Fundamental Change (in accordance with the next sentence and the next succeeding sentence) and ending 30 Business Days following the actual effective date of such Fundamental Change (but, in the case of a Change of Control, ending prior to the close of business on the Business Day immediately preceding the Change of Control Purchase Date). The Issuer will notify Holders and the Trustee of the anticipated effective date of such Fundamental Change and issue a press release as soon as practicable after the Issuer first determines the anticipated effective date of such Fundamental Change *provided* that in no event will the Issuer be required to provide such notice to the Holders and the Trustee before the earlier of such time as the Issuer or its Affiliates (a) has publicly disclosed or acknowledged the circumstances giving rise to such anticipated Fundamental Change or (b) is required to publicly disclose under applicable law or the rules of any stock exchange on which the Issuer’s equity is then listed the circumstances giving rise to such anticipated Fundamental Change. The Issuer will use its commercially reasonable efforts to make such determination in time to deliver such notice no later than 30 days prior to such anticipated effective date of such Fundamental Change. The number of additional ADSs by which the Conversion Rate will be increased will be determined by reference to Section 12.12 of the Indenture, based on the date on which the Fundamental Change occurs or becomes effective and the ADS price paid (or deemed paid) per ADS (or, if applicable, the price per Ordinary Share or per CPO, transposed into a price per ADS) in the Fundamental Change. In no event will the total number of ADSs issuable upon conversion exceed 116.0714 ADSs, subject to adjustment for events from and after September 26, 2014 in the same manner as the Conversion Rate as set forth in Section 12.05(a) of the Indenture.

16. GOVERNING LAW. THIS NOTE SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK. HOLDERS OF NOTES BY ACCEPTING A BENEFICIAL INTEREST IN THE NOTES AGREE TO WAIVE ANY RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THIS NOTE OR ANY TRANSACTION RELATED HERETO TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW.

En caso de que haya ocurrido un Cambio Fundamental y un Tenedor opte por la conversión de sus Obligaciones, la Emisora ajustará la Tasa de Conversión aplicable a las Obligaciones entregadas para su conversión, agregando ADSs adicionales. Para estos efectos, toda conversión de Obligaciones se considerará hecha “en relación con” dicho Cambio Fundamental si el Agente de Conversión recibe el aviso de conversión respectivo dentro del periodo comprendido desde e incluyendo B- la fecha que coincida con el 30o. Día de Operaciones anterior a la fecha efectiva prevista de dicho Cambio Fundamental y C- la fecha en que la Emisora notifique a los Tenedores la “Fecha Efectiva” prevista de un Cambio Fundamental (de acuerdo con la siguiente oración y la oración que le sigue), la que ocurra más tarde de entre ambas fechas, hasta y que concluya el 30o. Día Hábil posterior a la verdadera Fecha Efectiva (pero, tratándose de un Cambio de Control, que concluya con anterioridad al cierre de las horas hábiles del Día Hábil inmediatamente anterior a la Fecha de Compra por Cambio de Control). La Emisora notificará a los Tenedores y al Fiduciario la Fecha Efectiva prevista de dicho Cambio Fundamental y emitirá un comunicado de prensa tan pronto como ello sea posible después de determinar por vez primera dicha Fecha Efectiva prevista; *en el entendido*, de que la Emisora no estará obligada en ningún caso a dar dicho aviso a los Tenedores y al Fiduciario antes de que la Emisora o sus Filiales (a) hayan aceptado y revelado al público las circunstancias que hayan dado lugar a dicho Cambio Fundamental previsto, o estén obligadas, de conformidad con la legislación aplicable o las reglas establecidas por cualquier bolsa de valores en la que se encuentren listadas para su cotización las acciones de la Emisora, a revelar al público las circunstancias que dieron lugar a dicho Cambio Fundamental previsto. La Emisora hará esfuerzos comercialmente razonables para realizar dicha determinación a tiempo de poder enviar dicho aviso con cuando menos 30 días de anticipación a dicha Fecha Efectiva prevista. El número de ADSs en que se incrementará la Tasa de Conversión se determinará conforme a lo dispuesto en la Sección 12.12 del Acta de Emisión, con base en la fecha en que ocurra el Cambio Fundamental o el mismo surta efectos, y el precio por ADS pagado (o que se presume pagado) (o, en su caso, el precio por Acción Ordinaria o por CPO, transpolado a un precio por ADS) en relación con el Cambio Fundamental. En ningún caso el número total de ADSs a ser emitidas al momento de la conversión excederá de 116.0714 ADSs, sujeto a ajuste a eventos antes y después del 26 de septiembre 2014 en los mismos términos que la Tasa de Conversión conforme a lo previsto en la Sección 12.05(a) del Acta de Emisión.

16. LEGISLACIÓN APLICABLE. ESTA OBLIGACIÓN SE REGISTRARÁ POR LA LEY DEL ESTADO DE NUEVA YORK Y SE INTERPRETARÁ DE CONFORMIDAD CON LA MISMA. EN LA MEDIDA MÁS AMPLIA PERMITIDA POR LA LEGISLACIÓN APLICABLE, LOS TENEDORES DE OBLIGACIONES, POR EL SIMPLE HECHO DE ACEPTAR LOS DERECHOS DE BENEFICIARIO CORRESPONDIENTES A LAS MISMAS, RENUNCIAN A CUALQUIER DERECHO QUE PUEDAN TENER CON RESPECTO A LA CELEBRACIÓN DE JUICIOS ANTE JURADO EN RELACIÓN CON CUALQUIER ACCIÓN, PROCEDIMIENTO O CONTRADEMANDA DERIVADA DE ESTA OBLIGACIÓN O RELACIONADA CON LA MISMA.

17. AGENT FOR SERVICE; SUBMISSION TO JURISDICTION; WAIVER OF IMMUNITIES. The Issuer has appointed CEMEX NY Corporation, 590 Madison Avenue, 41st Floor, New York, New York 10022, Attention: Legal Counsel, as its authorized agent (the "Authorized Agent") upon whom all writs, process and summonses may be served in any suit, action or proceeding arising out of or based upon the Indenture or this Note which may be instituted in any U.S. Federal or State court located in the State of New York, County of New York. The Issuer has agreed that the appointment of the Authorized Agent shall be irrevocable so long as any of the Notes remain outstanding or until the irrevocable appointment by the Issuer of a successor agent in The City of New York, New York as authorized agent for such purpose and the acceptance of such appointment by such successor. Service of process upon the Authorized Agent shall be deemed, in every respect, effective service of process upon the Issuer. To the extent that the Issuer has or hereafter may acquire any immunity (sovereign or otherwise) from any legal action, suit or proceeding, from jurisdiction of any court or from set-off or any legal process (whether service or notice, attachment in aid or otherwise) with respect to itself or any of its property, the Issuer hereby irrevocably waives and agrees not to plead or claim such immunity in respect of its obligations under the Indenture or this Note.

The Issuer will furnish to any Holder upon written request and without charge to the Holder a copy of the Indenture which has in it the text of this Note in larger type. Requests may be made to the Issuer at the address set forth for notice in the Indenture.

For purposes of paragraph of Article 210 of the LGTOC, based on the Financial Statements, as of December 31, 2014, the (i) total stockholders' equity (*capital contable*) of the Issuer was Ps.148,171, (ii) the Issuer's paid-in capital stock was Ps. 105,367, (iii) the amount of the total assets of the Issuer was Ps. 514,961, (iv) the amount of the total liabilities of the Issuer was Ps. 366,790 and (v) the amount of the net total assets of the Issuer was Ps. 148,171.

17. AGENTE PARA EMPLAZAMIENTOS; SOMETIMIENTO A JURISDICCIÓN; REUNCIA A INMUNIDADES. La Emisora ha nombrado a CEMEX NY Corporation, 590 Madison Avenue, 41st Floor, New York, New York, 10022, (E.U.A.), Atención: Legal Counsel, como agente autorizado (el "Agente Autorizado") al que podrá correrse traslado de todos los escritos, emplazamientos y requerimientos relativos a cualquier juicio, acción o procedimiento surgido como resultado o que esté basado en el Acta de Emisión o las Obligaciones y pueda interponerse ante cualquier tribunal federal o estatal con sede en el estado de Nueva York, condado de Nueva York. La Emisora ha convenido que el nombramiento del Agente Autorizado será irrevocable en tanto se encuentre en circulación cualquiera de las Obligaciones o hasta que la Emisora nombre de manera irrevocable y para dicho efecto a un agente autorizado sucesor en la ciudad de Nueva York, Nueva York y dicho agente sucesor haya aceptado su nombramiento. Todo emplazamiento entendido con el Agente Autorizado se considerará en todo sentido como un emplazamiento personal entendido con la Emisora. En la medida en que la Emisora esté sujeta o en el futuro adquiera cualquier inmunidad (soberana o de otro tipo) en contra de cualquier acción, juicio o procedimiento, la jurisdicción de cualquier tribunal, separación en juicio o cualquier proceso legal (ya sea que se trate de emplazamiento, adhesión u otro concepto) respecto de sí misma o de cualquiera de sus bienes, en este acto la Emisora renuncia irrevocablemente y se obliga a no invocar dicha inmunidad respecto de sus obligaciones conforme al Acta de Emisión o a esta Obligación.

A solicitud por escrito de cualquier Tenedor, la Emisora proporcionará a dicho Tenedor, sin costo alguno, una copia del Acta de Emisión que contenga el texto de esta Obligación en letra más grande. Dichas solicitudes podrán dirigirse a la Emisora al domicilio previsto para el envío de avisos en el Acta de Emisión.

Para efectos de lo dispuesto en la fracción II del artículo 210 de la LGTOC, de acuerdo con los Estados Financieros al 31 de diciembre de 2014: (i) el capital contable de la Emisora ascendía a Ps.148,171 millones; (ii) el capital social pagado de la Emisora ascendía a Ps.105,367 millones; (iii) el valor de los activos totales de la Emisora

ascendía a Ps.514,961 millones; (iv) el importe de los pasivos de la Emisora ascendía a Ps.366,790 millones; y (v) el valor del activo total neto de la Emisora ascendía a Ps.148,171 millones.

The corporate purpose of the Issuer, includes, among other items, (i) to acquire or subscribe shares and to participate in the capital or the administration of all types of national or foreign companies or partnerships, and (ii) the issuance, endorsement, receipt, aval and any other form of subscription of negotiable instruments and to carry out all kind of transactions with them.

The Spanish version of the Indenture will be registered with the Public Registry of Property and Commerce of Monterrey, Nuevo León, México under mercantile file number .

This Note has been issued in English and Spanish text side-by-side. In case of any inconsistency or question as to the proper interpretation or construction of this Note between the text in English and the text in Spanish, the English text shall control in all cases.

El objeto social de la Emisora comprende, entre otros fines, (i) adquirir o suscribir acciones, y participar en el capital o en la administración de todo tipo de sociedades o asociaciones, nacionales o extranjeras, y (ii) la emisión, endoso, aceptación, aval y cualquier otra forma de suscripción de títulos de crédito y la realización de todo tipo de operaciones con los mismos.

La versión en español del Acta de Emisión será inscrita en el Registro Público de la Propiedad y del Comercio de la ciudad de Monterrey, Nuevo León, México bajo el folio mercantil .

Esta Obligación se emite a dos columnas en inglés y español. En caso de cualquier discrepancia o duda en cuanto a la correcta interpretación de esta Obligación entre sus versiones en inglés y español, imperará en todo caso la versión en inglés.

SCHEDULE OF EXCHANGES OF INTERESTS IN THE GLOBAL SECURITY

The following exchanges of a part of this Global Security for an interest in another Global Security or for a Definitive Security, or exchanges of a part of another Global Security or Definitive Security for an interest in this Global Security, have been made:

<u>Date of Transfer</u>	<u>Amount of Decrease in Principal Amount of this Global Security</u>	<u>Amount of Increase in Principal Amount of this Global Security</u>	<u>Principal Amount of this Global Security following such increase or decrease</u>	<u>Signature of Authorized Signatory of Trustee or Registrar</u>

FORM OF CONVERSION NOTICE
UNRESTRICTED NOTES

The Bank of New York Mellon
101 Barclay Street – 7W
New York, NY 10286
Attention: International Corporate Trust

Re: Convertible Subordinated Notes due 2020 (the “Notes”) of CEMEX, S.A.B. de C.V. (the “Issuer”)

Ladies and Gentlemen:

Reference is hereby made to the Indenture, dated as of March 13, 2015 (as amended and supplemented from time to time, the “Indenture”), among the Issuer, The Bank of New York Mellon, as Trustee and CIBanco S.A., Institución de Banca Múltiple, as Mexican Trustee. Capitalized terms used but not defined herein shall have the meanings given to them in the Indenture.

The undersigned, registered owner of the aggregate amount of Notes specified below, hereby irrevocably exercises the option to convert such Notes, or a portion thereof herein designated (which is U.S.\$1,000 or an integral multiple thereof and provided that if only a portion is converted that the portion not so converted is in a minimum principal amount of U.S.\$1,000), into Ordinary Shares of the Issuer deliverable in the form of ADSs in accordance with the terms of the Indenture, and directs that the ADSs issuable and deliverable upon the conversion and any Notes representing any unconverted principal amount, be issued and delivered in book-entry form through the facilities of DTC, for credit to the account of the Person indicated below, unless a different name has been indicated below. If ADSs or any portion of the Notes not converted are to be issued in the name of a Person other than the undersigned, the undersigned will pay all transfer Taxes payable with respect thereto. Any amount required to be paid by the undersigned on account of Interest and Taxes accompanies this notice of conversion.

The undersigned represents that, as of the date hereof, it has not delivered a purchase notice as described under the Indenture with respect to its Notes.

The undersigned acknowledges and agrees that no ADSs will be delivered prior to the effectiveness of any registration statement under the Securities Act relating to the ADSs, unless the Conversion Agent receives a deposit certificate in the form provided under the ADS Deposit Agreement and duly signed and completed on behalf of the applicable beneficial owner. The forms of such certificates are available from the Conversion Agent.

No ADSs will be delivered on conversion until any amount payable by the undersigned on account of Interest is paid, any certificates evidencing specified Notes not held in book-entry form are duly endorsed or assigned to the Issuer or in blank and surrendered and any Taxes or other charges or documents required in connection with the transfer on conversion, and any other required items, are delivered to the Conversion Agent.

Conversion of the specified number of Notes is subject to the requirements established by the Issuer and the ADSs depository pursuant to the Indenture and the ADS Deposit Agreement, as well as to the procedures of DTC and Indeval, as in effect from time to time. Each conversion shall be deemed to have been effected with respect to a Note (or portion thereof) on the Conversion Date, and the Person in whose name any certificate or certificates for ADSs are issuable upon such conversion shall be deemed to have become on said date the holder of record of the ADSs represented thereby. Any such surrender on any date when the Issuer's stock transfer books are closed shall constitute the Person in whose name the certificates are to be issued as the record holder thereof for all purposes on the next succeeding day on which such stock transfer books are open, but such conversion shall be at the Conversion Rate in effect on the date upon which such Note is surrendered. Prior to such conversion, the undersigned will have no rights derived from, or in connection with, the ADSs issuable upon conversion.

Please provide the information requested below, as applicable:

1. PLEASE SPECIFY THE NOTES HELD AND THE PORTION THEREOF TO BE CONVERTED:

Principal amount held: U.S.\$ _____
CUSIP number(s): _____
DTC account where held: _____
Principal amount being converted (if less than all): U.S.\$ _____

All Notes to be converted will be converted into ADSs of the Issuer and, together with any unconverted Notes, will be delivered in book-entry form to the DTC account specified above.

2. IF OTHER ARRANGEMENTS ARE DESIRED, please specify the type, number and form of ADSs to be delivered upon conversion and the name(s) of the account holder(s) or registered owner(s), by checking the appropriate boxes and providing the information requested:

ADSs

Book Entry:
Number of ADSs: _____
DTC Account: _____

Unconverted Notes

Book Entry:
Number of ADSs: _____
DTC Account: _____

Please sign and date this notice in the space provided below.

[Signature page follows]

DATE:

(Please Print):

(Name)

(Signature)
Title:

(If the holder is a corporation, partnership
or fiduciary, the title of the Person signing
on behalf of the holder must be stated)

(Address)

(City, State and Zip Code)

(Area Code and Telephone Number)

(Fax Number)

(Email Address)

Signature Guarantee: _____
(Signature must be guaranteed)

The signature(s) should be guaranteed by an eligible guarantor institution (banks, stockbrokers, savings and loan associations and credit unions with membership in an approved signature guarantee medallion program), pursuant to Exchange Act Rule 17Ad-15.

FORM OF CONVERSION NOTICE
RESTRICTED NOTES

The Bank of New York Mellon
101 Barclay Street – 7W
New York, NY 10286
Attention: International Corporate Trust

Re: Convertible Subordinated Notes due 2020 (the “Notes”) of CEMEX, S.A.B. de C.V. (the “Issuer”)

Ladies and Gentlemen:

Reference is hereby made to the Indenture, dated as of March 13, 2015 (as amended and supplemented from time to time, the “Indenture”), among the Issuer, The Bank of New York Mellon, as Trustee, and CIBanco S.A., Institución de Banca Múltiple, as Mexican Trustee. Capitalized terms used but not defined herein shall have the meanings given to them in the Indenture.

The undersigned, owner of the aggregate amount of Notes specified below, hereby irrevocably exercises the option to convert such Notes, or a portion thereof herein designated (which is U.S.\$1,000 or an integral multiple thereof and provided that if only a portion is converted that the portion not so converted is in a minimum principal amount of U.S.\$1,000), into Ordinary Shares of the Issuer deliverable only in the form of ADSs in accordance with the terms of the Indenture, and directs that the ADSs issuable and deliverable upon the conversion and any Notes representing any unconverted principal amount, be issued and delivered in book-entry form through the facilities of DTC, for credit to the account of the Person indicated below, unless restricted ADSs are to be issued and delivered in the event of any conversion of Notes (x) within 12 months after the date of issuance of the Notes, or (y) by any person that is an Affiliate of the Issuer. Restricted ADSs are not eligible for delivery in book-entry form through the facilities of DTC but instead will be issued and delivered as uncertificated ADSs registered in the name of the owner on the books of Citibank, N.A., the ADS Depositary. If ADSs or any portion of the Notes not converted are to be issued in the name of a Person other than the undersigned, the undersigned will pay all transfer Taxes payable with respect thereto. Any amount required to be paid by the undersigned on account of Interest and Taxes accompanies this notice of conversion.

The undersigned represents that, as of the date hereof, it has not delivered a purchase notice as described under the Indenture with respect to its Notes.

The undersigned understands that, upon conversion of Notes, freely transferable ADSs will be delivered only if (i) the Notes are being converted upon the expiration of twelve months after their date of issuance, and (ii) the converting Note holder is not an Affiliate of the Issuer.

No ADSs will be delivered on conversion until any amount payable by the undersigned on account of Interest is paid, any certificates evidencing specified Notes not held in book-entry form are duly endorsed or assigned to the Issuer or in blank and surrendered and any Taxes or other charges or documents required in connection with the transfer on conversion, and any other required items, are delivered to the Conversion Agent.

Conversion of the specified number of Notes is subject to the requirements established by the Issuer and the ADSs Depository pursuant to the Indenture and the ADS Deposit Agreement, as well as to the procedures of DTC and Indeval, as in effect from time to time. Prior to such conversion, the undersigned will have no rights derived from, or in connection with, the ADSs issuable upon conversion.

Please provide the information requested below, as applicable:

1. PLEASE SPECIFY THE NOTES TO BE CONVERTED:

Principal amount being converted: U.S.\$ _____
CUSIP number(s): _____
DTC account where held: _____

2. IF NOTES ARE BEING CONVERTED UPON THE EXPIRATION OF A SIX MONTH PERIOD AFTER THE UNIT ISSUE DATE AND ADSs IN UNRESTRICTED FORM ARE REQUESTED, the holder of Notes being converted certifies by checking the box that s/he/it is not an Affiliate of the Issuer.

3. IF UNRESTRICTED ADSs ARE BEING REQUESTED, please provide the following ADS delivery instructions:

Name of DTC Participant acting for undersigned: _____
DTC Participant Account No.: _____
Account No. for undersigned at DTC Participant (f/b/o information): _____
Onward Delivery Instructions of undersigned: _____
Contact person at DTC Participant: _____
Daytime telephone number of contact person at DTC Participant: _____
Email of contact person at DTC Participant: _____

4. IF RESTRICTED ADSs ARE BEING REQUESTED, please provide the following ADS delivery instructions:

Name of Restricted ADS holder:

Street Address:

City, State, and Country:

Nationality:

Social Security or Tax Identification Number:

Please sign and date this notice in the space provided below.

[Signature page follows]

DATE:

(Please Print):

(Name)

(Signature)
Title:

(If the holder is a corporation, partnership
or fiduciary, the title of the Person signing
on behalf of the holder must be stated)

(Address)

(City, State and Zip Code)

(Area Code and Telephone Number)

(Fax Number)

(Email Address)

SIGNATURE GUARANTEE

Name of Firm Issuing Guarantee: _____

Authorized Signature of Officer: _____

Title of Officer Signing This Guarantee: _____

Address: _____

Area Code and Telephone Number: _____

Dated: _____

The signature(s) should be guaranteed by an eligible guarantor institution (banks, stockbrokers, savings and loan associations and credit unions with membership in an approved signature guarantee medallion program), pursuant to Exchange Act Rule 17Ad-15.

OPTION OF HOLDER TO ELECT REPURCHASE

If you wish to have this Note repurchased by the Issuer pursuant to Section 3.03 of the Indenture, check the box: []

If you wish to have a portion of this Note purchased by the Issuer pursuant to Section 3.03 of the Indenture, state the amount (in multiples of U.S.\$1,000); U.S.\$. (If you elect to have your Note purchased in part, the portion of the Note not redeemed must have an aggregate principle amount of at least U.S.\$1,000.)

Your Signature: _____
(Sign exactly as your name appears on the other side of this Note)

Date: _____

Medallion Signature Guarantee: _____

FORM OF CERTIFICATION
FOR TRANSFER PURSUANT TO RULE 144

[Date]

The Bank of New York Mellon
101 Barclay Street – 7W
New York, NY 10286
Attention: International Corporate Trust

Re: Convertible Subordinated Notes due 2020 (the “Notes”) of CEMEX, S.A.B. de C.V. (the “Issuer”) (CUSIP: 151290 BQ5 (restricted), 151290 BR3 (unrestricted))

Ladies and Gentlemen:

Reference is hereby made to the Indenture, dated as of March 13, 2015 (as amended and supplemented from time to time, the “Indenture”), among the Issuer, The Bank of New York Mellon, as Trustee and CIBanco S.A., Institución de Banca Múltiple, as Mexican Trustee. Capitalized terms used but not defined herein shall have the meanings given to them in the Indenture.

In connection with our proposed sale of U.S.\$ _____ aggregate principal amount of the Notes, which represent an interest in a 144A Global Security beneficially owned by the undersigned (“Transferor”), we confirm that such sale has been effected pursuant to and in accordance with Rule 144 under the Securities Act.

You and the Issuer are entitled to rely upon this letter and are irrevocably authorized to produce this letter or a copy hereof to any interested party in any administrative or legal proceedings or official inquiry with respect to the matters covered hereby.

Very truly yours,

[Name of Transferor]

By: _____

Authorized Signature

Signature Guarantee: _____
(Signature must be guaranteed)

The signature(s) should be guaranteed by an eligible guarantor institution (banks, stockbrokers, savings and loan associations and credit unions with membership in an approved signature guarantee medallion program), pursuant to Exchange Act Rule 17Ad-15.

FORM OF RESTRICTED ADS LEGEND

THIS SECURITY HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT IN ACCORDANCE WITH THE FOLLOWING SENTENCE. BY ITS ACQUISITION HEREOF OR OF A BENEFICIAL INTEREST HEREIN, THE ACQUIRER: (1) REPRESENTS THAT IT AND ANY ACCOUNT FOR WHICH IT IS ACTING IS A “QUALIFIED INSTITUTIONAL BUYER” (WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT) AND THAT IT EXERCISES SOLE INVESTMENT DISCRETION WITH RESPECT TO EACH SUCH ACCOUNT, AND (2) AGREES FOR THE BENEFIT OF CEMEX, S.A.B. de C.V. (THE “COMPANY”) THAT IT WILL NOT OFFER, SELL, PLEDGE OR OTHERWISE TRANSFER THIS SECURITY OR ANY BENEFICIAL INTEREST HEREIN PRIOR TO THE DATE THAT IS THE LATER OF (X) ONE YEAR AFTER OCTOBER 3, 2014 OR SUCH SHORTER PERIOD OF TIME AS PERMITTED BY RULE 144 UNDER THE SECURITIES ACT OR ANY SUCCESSOR PROVISION THEREUNDER, AND (Y) SUCH LATER DATE, IF ANY, AS MAY BE REQUIRED BY APPLICABLE LAW, EXCEPT: (A) TO THE COMPANY, OR (B) PURSUANT TO A REGISTRATION STATEMENT WHICH HAS BECOME EFFECTIVE UNDER THE SECURITIES ACT, OR (C) TO A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A AND TO WHOM NOTICE IS GIVEN THAT THE TRANSFER IS MADE IN RELIANCE ON RULE 144A, OR (D) PURSUANT TO AN EXEMPTION FROM REGISTRATION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT OR ANY OTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. PRIOR TO THE REGISTRATION OF ANY TRANSFER IN ACCORDANCE WITH CLAUSE (D) ABOVE (OTHER THAN A TRANSFER PURSUANT TO RULE 144), THE COMPANY AND THE TRUSTEE RESERVE THE RIGHT TO REQUIRE THE DELIVERY OF SUCH LEGAL OPINIONS, CERTIFICATIONS OR OTHER EVIDENCE AS MAY REASONABLY BE REQUIRED IN ORDER TO DETERMINE THAT THE PROPOSED TRANSFER IS BEING MADE IN COMPLIANCE WITH THE SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS. NO REPRESENTATION IS MADE AS TO THE AVAILABILITY OF ANY EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT.

**FORM OF TRANSFER CERTIFICATE
FOR TRANSFER OF RESTRICTED ADSs**

(Transfers pursuant to Section 12.11(c) of the Indenture)

Citibank, N.A.
C/O Depository Receipts Operations
480 Washington Blvd., 30th Floor
Jersey City, NJ 07310

Re: Restricted ADSs of CEMEX, S.A.B. de C.V. (the "Issuer")

Reference is hereby made to the Indenture, dated as of March 13, 2015 (as amended and supplemented from time to time, the "Indenture"), among the Issuer, The Bank of New York Mellon, as Trustee and CIBanco S.A., Institución de Banca Múltiple, as Mexican Trustee. Capitalized terms used but not defined herein shall have the meanings given to them in the Indenture.

This letter relates to _____ ADSs represented by the accompanying certificate(s) that were issued upon conversion of Notes and which are held in the name of _____ (the "Transferor") to effect the transfer of such ADSs.

Such ADSs are only being transferred:

CHECK ONE BOX BELOW

- (1) to the Issuer; or
- (2) pursuant to and in compliance with Rule 144A under the Securities Act of 1933; or
- (3) pursuant to an exemption from registration under the Securities Act of 1933 provided by Rule 144 thereunder; or
- (4) pursuant to a shelf registration statement of the Issuer that has been declared effective under the Securities Act of 1933, in connection with the transfer of such ADSs.

[signature page follows]

Unless one of the boxes is checked, the transfer agent will refuse to register any of the ADSs evidenced by this certificate in the name of any Person other than the registered Holder thereof; *provided, however*, that if box (2) or (3) is checked, the transfer agent may require, prior to registering any such transfer of the ADSs such certifications and other information, and if box (3) is checked such legal opinions, as the Issuer has reasonably requested in writing, by delivery to the transfer agent of a standing letter of instruction, to confirm that such transfer is being made pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act of 1933.

[Name of Transferor]

By: _____
Name:
Title:

Medallion Signature Guarantee:

Dated:

[To include Financial Statements]

D-1

Summary of Terms of the OfferingPricing Term Sheet
September 26, 2014**CEMEX, S.A.B. de C.V.
Contingent Convertible Units and
Convertible Subordinated Notes due 2020 (the “Notes”)**

The information in this pricing term sheet supplements CEMEX, S.A.B. de C.V.’s preliminary offering memorandum, dated September 22, 2014 (the “Preliminary Offering Memorandum”), and supersedes the information in the Preliminary Offering Memorandum to the extent inconsistent with the information in the Preliminary Offering Memorandum. In all other respects, this term sheet is qualified in its entirety by reference to the Preliminary Offering Memorandum. Terms used herein but not defined herein have the respective meanings as set forth in the Preliminary Offering Memorandum. All references to dollar amounts are references to U.S. dollars. References to American Depositary Shares (“ADSs”) are to ADSs of the Issuer.

GENERAL

Issuer	CEMEX, S.A.B. de C.V.
Sole Book-Running Manager and Initial Purchaser	Citigroup Global Markets Inc.
Use of Proceeds	The Issuer will only receive proceeds from the offering of the Contingent Convertible Units to the extent that Note Purchase Contracts are exercised on the Note Purchase Date. Assuming the Note Purchase Contracts are fully exercised on the Note Purchase Date, the estimated net proceeds to the Issuer from this offering, after deducting the initial purchaser’s commissions and estimated offering expenses will be approximately U.S.\$196 million. The Issuer intends to use the net proceeds from this offering, together with available cash, if necessary, to repay in full the amount outstanding under the Issuer’s Existing Notes that matures without conversion.
NYSE Last Reported Sale Price on September 25, 2014	U.S.\$13.14 per ADS
Governing law	New York

THE CONTINGENT CONVERTIBLE UNITS

Security Description	Contingent Convertible Units, each consisting of: <ul style="list-style-type: none"> • a Note Purchase Contract; and • an undivided beneficial ownership in Treasury Securities and Excess Initial Proceeds, if any, held in the Securities Account collateralizing the Contingent Convertible Unit holder’s obligation to purchase the Notes on the Note Purchase Date
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Stated Amount	\$1,000 per Contingent Convertible Unit
Amount Offered	200,000 Contingent Convertible Units
Offering price	\$1,000 per Contingent Convertible Unit, plus accrued Contract Payments, if any, from October 3, 2014
Note Purchase Contracts	Under the Note Purchase Contracts, holders of Contingent Convertible Units agree to purchase from the Issuer, and the Issuer agrees to sell to the holders of the Contingent Convertible Units, the Notes on the Note Purchase Date if the Note Purchase Contracts are exercised
Note Purchase Date	March 13, 2015
Exercise Amount	<p>The aggregate stated principal amount of Contingent Convertible Units in respect of which Note Purchase Contracts will be exercised will be based on the principal amount of the Existing Notes that matures without conversion:</p> <ul style="list-style-type: none"> • if less than \$100 million principal amount of Existing Notes matures without conversion, the Exercise Amount will be zero; • if from U.S.\$100 million to, and including, U.S.\$200 million aggregate principal amount of Existing Notes matures without conversion, the Exercise Amount will be equal to the aggregate principal amount of Existing Notes that matures without conversion; and • if more than \$200 million principal amount of Existing Notes matures without conversion, the Exercise Amount will be \$200 million <p>U.S.\$203,972,000 aggregate principal amount of Existing Notes are outstanding as of the date of this pricing term sheet. The Issuer will covenant in the Note Purchase Contract Agreement not to (a) voluntarily repurchase any Existing Notes (other than pursuant to a tax redemption if the conditions to such redemption under the existing terms of the Existing Notes were met) or (b) offer an increased conversion rate or other inducement to cause holders to convert Existing Notes.</p>
Existing Notes	The Issuer's 4.875% Convertible Subordinated Notes due 2015
Unit Issue Date	October 3, 2014
Contract Payments	3.0% per annum from the Unit Issue Date
Contract Payment Dates	The 15 th day of each month and on the Note Purchase Date, commencing on November 15, 2014
Format	144A Global Units
Identifiers (Units)	<p>CUSIP: 151290 BP7 (144A)</p> <p>ISIN: US151290BP75 (144A)</p>

THE NOTES

Security Description	Convertible Subordinated Notes due 2020
Principal Amount	Aggregate principal amount issued will be equal to the Exercise Amount
Issue Date	March 13, 2015 (the Note Purchase Date)
Maturity Date	March 15, 2020
Interest Payment Dates	March 15 and September 15, beginning on September 15, 2015
Annual Interest Rate	Interest on the Notes will accrue at a fixed rate equal to the sum of: <ul style="list-style-type: none">(a) the 5-Year Swap Rate on March 11, 2015, determined as described under “Description of the Notes—Interest” in the Preliminary Offering Memorandum, plus(b) 195 basis points, plus(c) the marginal spread (the “Marginal Spread”) determined (based on the 5 Day Average VWAP as defined under “Description of the Notes – General” in the Preliminary Offering Memorandum) by reference to the following table:

<u>5 Day Average VWAP</u>	<u>Marginal Spread</u>
Greater than \$8.62	0 basis points
Less than or equal to \$8.62, but greater than \$8.00	50 basis points
Less than or equal to \$8.00, but greater than \$7.50	137.5 basis points
Less than or equal to \$7.50, but greater than \$7.00	200 basis points
Less than or equal to \$7.00, but greater than \$6.50	250 basis points
Less than or equal to \$6.50, but greater than \$6.00	287.5 basis points
Less than or equal to \$6.00	350 basis points

It will not be possible to calculate the 5 Day Average VWAP until after the fifth trading day from and including March 18, 2015 and the interest rate on the Notes will not be known until after that time. As a result, we will notify holders and the Trustee of the interest rate without taking the Marginal Spread into account promptly following its determination on March 11, 2015 and will separately notify holders and the Trustee of the interest rate taking the Marginal Spread into account promptly following determination of the Marginal Spread (at the time that the 5 Day Average VWAP is determined). In each case we will also make the relevant information available on our website.

If, between the date of this pricing term sheet and the final day of the Averaging Period, any event occurs that would cause an adjustment to the conversion rate for the Notes, we will adjust the 5 Day Average VWAP as applied to the table above using an adjustment factor inverse to the factor that would have been applicable to the adjustment to the conversion rate that would have been required (as described under

“—Conversion Rights—Conversion Rate Adjustments” in the Preliminary Offering Memorandum) had the relevant event occurred after the conversion rate had been established, applied by us in a good faith manner to the applicable values.

Issue Price

U.S.\$1,000 per Note, payable with Treasury Maturity Cash Proceeds from the Securities Account.

Initial Conversion Price

Subject to the additional provisions described under “Description of the Notes—General” in the Preliminary Offering Memorandum, the initial conversion price for the Notes will be equal to the greater of (a) U.S.\$11.20, (b) 130% of the 5 Day Average VWAP of the Issuer’s ADSs, and (c) 110% of the closing sale price of the Issuer’s ADSs on the New York Stock Exchange (or, if the Issuer’s ADSs are not traded on such exchange, the principal exchange on which the Issuer’s ADSs are then traded) on the Note Purchase Date.

The “5 Day Average VWAP” of the Issuer’s ADSs will be equal to the average of the daily volume-weighted average prices of the Issuer’s ADSs for the 5 trading-day period beginning on March 18, 2015. The initial conversion rate will be equal to the quotient of (x) 1,000 divided by (y) the initial conversion price. The initial conversion rate will be rounded to the nearest 1/10,000th of an ADS.

Initial Conversion Rate

The initial conversion rate will be equal to (x) 1,000 divided by (y) the initial conversion price

Denomination

Integral multiples of U.S.\$1,000

Conversion Rights

Holders may convert their Notes into the Issuer’s ADSs (which represent CPOs, which in turn have ordinary shares as underlying securities) at any time after the last trading day of the Averaging Period used in the calculation of the initial conversion price for the Notes and prior to the close of business on the fourth business day immediately preceding the maturity date of the Notes.

Make Whole Conversion upon Fundamental Change

If a holder elects to convert its Notes in connection with a fundamental change (as defined under “Description of the Notes—Conversion Rights—Make Whole Amount Upon the Occurrence of a Fundamental Change” in the Preliminary Offering Memorandum), then the Issuer will, under certain circumstances, increase the conversion rate for the Notes so surrendered for conversion.

The following table sets forth the U.S. Dollar value of the additional ADSs to be added to the conversion rate for conversions in connection with a fundamental change, based on hypothetical ADS prices and effective dates. This table (a) expresses hypothetical ADS Prices in terms of percentages of the 5 Day Average VWAP (as defined above under “—General”) and (b) expresses amounts by which the conversion rate would be increased by the value, in U.S. Dollars, of the relevant increase. Promptly after establishment of the initial conversion rate, we will generate a final version of the table (including the related paragraph that immediately follows it) including ADS Prices measured in U.S. Dollars (rather than as percentages of the 5 Day Average VWAP) and amounts of additional ADSs expressed in numbers of ADSs (rather than as U.S. Dollar amounts).

	ADS Price (Measured as a Percentage of the 5 Day Average VWAP)											
	100%	110%	120%	130%	140%	150%	160%	170%	180%	200%	250%	300%
March 13, 2015	\$230.77	\$230.02	\$211.59	\$196.43	\$183.91	\$173.56	\$164.95	\$157.75	\$151.69	\$142.18	\$127.52	\$119.00
March 15, 2016	\$230.77	\$215.22	\$193.67	\$176.14	\$161.88	\$150.29	\$140.84	\$133.12	\$126.77	\$117.16	\$103.55	\$ 96.48
March 15, 2017	\$230.77	\$199.10	\$173.35	\$152.70	\$136.24	\$123.18	\$112.82	\$104.61	\$ 98.09	\$ 88.73	\$ 76.99	\$ 71.80
March 15, 2018	\$230.77	\$180.82	\$149.00	\$123.99	\$104.64	\$ 89.86	\$ 78.69	\$ 70.29	\$ 64.00	\$ 55.78	\$ 47.41	\$ 44.56
March 15, 2019	\$230.77	\$160.18	\$117.81	\$ 85.59	\$ 62.20	\$ 45.87	\$ 34.85	\$ 27.64	\$ 23.02	\$ 18.31	\$ 15.58	\$ 14.97
March 15, 2020	\$230.77	\$153.85	\$ 76.92	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00

The exact ADS prices and effective dates may not be set forth in the table above, in which case if the ADS price is:

- between two adjacent ADS price amounts in the table or the effective date is between two adjacent effective dates in the table, the number of additional ADSs will be determined by a straight-line interpolation between the number of additional ADSs set forth for the higher and lower ADS price amounts and the two dates based on a 365-day year, as applicable.
- greater than 300% of the 5 Day Average VWAP per ADS subject to adjustment in the same manner as the ADS prices set forth in the column headings of the table above), no additional ADSs will be issued upon conversion.
- less than 100% per ADS (subject to adjustment in the same manner as the ADS prices set forth in the column headings of the table above), no additional ADSs will be issued upon conversion.

Notwithstanding the foregoing, in no event will the total number of ADSs issuable upon conversion exceed a number equal to 116.0714 ADSs, although that maximum is subject to adjustment for events from and after September 26, 2014 in the same manner as the conversion rate as set forth above under “—Conversion Rights—Conversion Rate Adjustments” in the Preliminary Offering Memorandum.

Repurchase at Option of Holder	<p>Other than in the event of a change of control, holders may not require the Issuer to repurchase any Notes prior to their stated maturity date.</p> <p>If a change of control (as defined in clause (1) of the definition of “fundamental change” under “Description of the Notes—Conversion Rights—Make Whole Amount Upon the Occurrence of a Fundamental Change” in the Preliminary Offering Memorandum) occurs at any time, each holder will have the right, at that holder’s option, to require the Issuer to purchase all or part of that holder’s Notes for cash at a repurchase price equal to 100% of their principal amount, plus accrued and unpaid interest (including additional interest, if any) and additional amounts, if any, up to, but excluding, the repurchase date.</p>
Redemptions	<p>Other than in the event of a tax redemption, the Issuer may not redeem any Notes prior to their stated maturity date.</p> <p>If as a result of changes in tax laws imposing withholding or deductions on payments under the Notes, the Issuer is required to pay additional amounts in excess of those attributable to withholding taxes imposed at a rate of 10% with respect to the Notes, the Issuer will have the option to redeem the Notes, in whole but not in part, at a redemption price equal to 100% of the outstanding principal amount of the Notes, plus any accrued and unpaid interest up to but not including the date fixed for redemption and any additional amounts that may be payable, so long as the Issuer is not prohibited from having such an option under the Facilities Agreement.</p>
Transactions by the Initial Purchaser	<p>The initial purchaser and/or its affiliates expect to enter into derivative and/or structured transactions with customers, at their request, in connection with a material portion or possibly all of the Contingent Convertible Units and the initial purchaser and/or its affiliates may also purchase Contingent Convertible Units to hedge its risk exposure in connection with such transactions, which purchases would likely reduce the amount of Contingent Convertible Units available for trading (the “float”) and may reduce the market prices at which you can resell your Contingent Convertible Units. Also, the initial purchaser and/or its affiliates may acquire Contingent Convertible Units for their own proprietary accounts. Such acquisitions may have an effect on demand for and the price of the Contingent Convertible Units.</p>
New York Stock Exchange Symbol for the Issuer’s ADSs	CX
Format	144A Global Notes
Identifiers (Notes)	<p>CUSIP: 151290 BQ5 (144A)</p> <p>ISIN: US151290BQ58 (144A)</p> <p>CUSIP: 151290 BR3 (unrestricted)</p> <p>ISIN: US151290BR32 (unrestricted)</p>

* * *

This communication is intended for the sole use of the person to whom it is provided by the sender.

THE CONTINGENT CONVERTIBLE UNITS AND THE NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED WITH THE NATIONAL SECURITIES REGISTRY (REGISTRO NACIONAL DE VALORES) MAINTAINED BY THE MEXICAN NATIONAL BANKING AND SECURITIES COMMISSION (COMISIÓN NACIONAL BANCARIA Y DE VALORES, OR CNBV), AND MAY NOT BE OFFERED OR SOLD PUBLICLY, OR OTHERWISE BE THE SUBJECT OF BROKERAGE ACTIVITIES, IN MEXICO, EXCEPT THAT THE CONTINGENT CONVERTIBLE UNITS AND THE NOTES MAY BE OFFERED IN MEXICO PURSUANT TO THE PRIVATE PLACEMENT EXEMPTION SET FORTH UNDER ARTICLE 8 OF THE MEXICAN SECURITIES MARKET LAW (LEY DEL MERCADO DE VALORES), TO MEXICAN INSTITUTIONAL AND QUALIFIED INVESTORS. UPON THE ISSUANCE OF THE CONTINGENT CONVERTIBLE UNITS AND THE NOTES, WE WILL NOTIFY THE CNBV OF THE ISSUANCE OF THE CONTINGENT CONVERTIBLE UNITS OR THE NOTES, AS APPLICABLE, INCLUDING THE PRINCIPAL CHARACTERISTICS OF THE CONTINGENT CONVERTIBLE UNITS OR THE NOTES, AS APPLICABLE, AND THE OFFERING OF THE CONTINGENT CONVERTIBLE UNITS AND THE NOTES OUTSIDE MEXICO. SUCH NOTICE WILL BE DELIVERED TO THE CNBV TO COMPLY WITH A LEGAL REQUIREMENT AND FOR INFORMATION PURPOSES ONLY, AND THE DELIVERY TO AND THE RECEIPT BY THE CNBV OF SUCH NOTICE DOES NOT CONSTITUTE OR IMPLY ANY CERTIFICATION AS TO THE INVESTMENT QUALITY OF THE CONTINGENT CONVERTIBLE UNITS OR THE NOTES, AS APPLICABLE, OR OF OUR SOLVENCY, LIQUIDITY OR CREDIT QUALITY OR THE ACCURACY OR COMPLETENESS OF THE INFORMATION SET FORTH HEREIN AND IN THE OFFERING MEMORANDUM. THE INFORMATION CONTAINED HEREIN AND IN THE OFFERING MEMORANDUM IS THE EXCLUSIVE RESPONSIBILITY OF THE ISSUER AND HAS NOT BEEN REVIEWED OR AUTHORIZED BY THE CNBV.

None of the Contingent Convertible Units, the Notes or the ADSs and CPOs underlying the Notes, have been, or will be, registered under the U.S. Securities Act of 1933, as amended, or the Securities Act, or any state securities laws, and they may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements of the Securities Act. The Contingent Convertible Units are being offered only to qualified institutional buyers pursuant to Rule 144A, as promulgated under the Securities Act. Unless so registered, the Contingent Convertible Units, the Notes issuable upon exercise of any underlying Note Purchase Contract and the securities issuable upon conversion of the Notes may not be offered or sold in the United States except pursuant to an exemption from the registration requirements of the Securities Act and applicable state securities laws. See “Transfer Restrictions; Notice to Investors” in the Preliminary Offering Memorandum for additional information about eligible offerees and transfer restrictions.

ANY DISCLAIMERS OR OTHER NOTICES THAT MAY APPEAR BELOW ARE NOT APPLICABLE TO THIS COMMUNICATION AND SHOULD BE DISREGARDED. SUCH DISCLAIMERS OR OTHER NOTICES WERE AUTOMATICALLY GENERATED AS A RESULT OF THIS COMMUNICATION BEING SENT VIA BLOOMBERG OR ANOTHER EMAIL SYSTEM.

The following is a list of the significant subsidiaries of CEMEX, S.A.B. de C.V. as of December 31, 2014, including the name of each subsidiary and its country of incorporation.

1. Cemex Cement (Bangladesh) Limited	BANGLADESH
2. Cimento Vencemos Do Amazonas Ltda	BRAZIL
3. Cemex Colombia S.A.	COLOMBIA
4. Cemex (Costa Rica), S.A.	COSTA RICA
5. CEMEX Hrvatska d.d.	CROATIA
6. Cemex Dominicana, S.A.	DOMINICAN REPUBLIC
7. Assiut Cement Company	EGYPT
8. Cemex Bétons Centre et Ouest (S.A.S.)	FRANCE
9. Cemex Bétons Ile de France (S.A.S.)	FRANCE
10. Cemex Bétons Nord-Ouest (S.A.S.)	FRANCE
11. Cemex Bétons Rhône Alpes (S.A.S.)	FRANCE
12. Cemex Bétons Sud Est (S.A.S.)	FRANCE
13. Cemex Bétons Sud-Ouest (S.A.S.)	FRANCE
14. Cemex France Gestion (S.A.S.)	FRANCE
15. Cemex France Services (Gie)	FRANCE
16. Cemex Granulats (S.A)	FRANCE
17. Cemex Granulats Rhône Méditerranée (S.A.S.)	FRANCE
18. Cemex Granulats Sud-Ouest (S.A.S.)	FRANCE
19. CEMEX Kies & Splitt GmbH	GERMANY
20. Cemex Guatemala, S.A.	GUATEMALA
21. CEMEX Holdings (Israel) Ltd.	ISRAEL
22. Cemex SIA	LATVIA
23. CEMEX Central, S.A. de C.V.	MEXICO
24. CEMEX Concretos, S.A. de C.V.	MEXICO
25. CEMEX México, S.A. de C.V.	MEXICO
26. Cemex Nicaragua, S.A.	NICARAGUA

27. Cemento Bayano, S.A.	PANAMA
28. APO Cement Corporation	PHILIPPINES
29. Solid Cement Corporation	PHILIPPINES
30. Cemex Baltic Cement ZAO	RUSSIA
31. Cemex España Operaciones S.L.U.	SPAIN
32. Cemex España, S.A.	SPAIN
33. New Sunward Holding B.V.	THE NETHERLANDS
34. Cemex UK Operations Limited	UNITED KINGDOM
35. CEMEX Construction Materials Florida, LLC	UNITED STATES OF AMERICA
36. CEMEX Construction Materials Pacific, LLC	UNITED STATES OF AMERICA
37. CEMEX Construction Materials South, LLC	UNITED STATES OF AMERICA
38. Cemex Finance, LLC.	UNITED STATES OF AMERICA
39. CEMEX, Inc.	UNITED STATES OF AMERICA
40. CEMEX Materials LLC	UNITED STATES OF AMERICA
41. CEMEX Southeast LLC	UNITED STATES OF AMERICA
42. Gulf Coast Portland Cement Co.	UNITED STATES OF AMERICA
43. Hydro Conduit Corporation	UNITED STATES OF AMERICA
44. Hydro Conduit of Texas, LP	UNITED STATES OF AMERICA
45. Kosmos Cement Company	UNITED STATES OF AMERICA
46. Mineral Resource Technologies, Inc.	UNITED STATES OF AMERICA
47. New Line Transport, LLC	UNITED STATES OF AMERICA
48. Ready Mix USA LLC	UNITED STATES OF AMERICA

**Certification of the Principal Executive Officer of
CEMEX, S.A.B. de C.V.
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**

CERTIFICATIONS

I, Fernando A. González Olivieri, certify that:

1. I have reviewed this annual report on Form 20-F of CEMEX, S.A.B. de C.V.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;
4. The company's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and

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5. The company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):
- (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

Date: April 24, 2015

/s/ Fernando A. González Olivieri

Fernando A. González Olivieri
Chief Executive Officer
CEMEX, S.A.B. de C.V.

**Certification of the Principal Financial Officer of
CEMEX, S.A.B. de C.V.
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**

CERTIFICATIONS

I, José Antonio González Flores, certify that:

1. I have reviewed this annual report on Form 20-F of CEMEX, S.A.B. de C.V.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;
4. The company's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and

-
5. The company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):
- (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

Date: April 24, 2015

/s/ José Antonio González Flores

José Antonio González Flores,
Executive Vice President of Finance and
Administration and Chief Financial Officer
CEMEX, S.A.B. de C.V.

**Certification of the Principal Executive and Financial Officers of
CEMEX, S.A.B. de C.V.
Pursuant to 18 U.S.C. Section 1350,
as Adopted Pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the Annual Report on Form 20-F of CEMEX, S.A.B. de C.V. (the "Company") for the year ended December 31, 2014, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Fernando A. González Olivieri, as Chief Executive Officer of the Company, and José Antonio González Flores, as Executive Vice President of Finance and Administration and Chief Financial Officer of the Company, each hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of his knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of the dates and periods set forth therein.

/s/ Fernando A. González Olivieri

Name: Fernando A. González Olivieri
Title: Chief Executive Officer
Date: April 24, 2015

/s/ José Antonio González Flores

Name: José Antonio González Flores
Title: Executive Vice President of Finance and
Administration and Chief Financial Officer
Date: April 24, 2015

This certification is furnished as an exhibit to the Report and accompanies the Report pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended.

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors and Stockholders
CEMEX, S.A.B. de C.V.:

We hereby consent to the incorporation by reference in (i) the Registration Statement on Form S-8 (File No. 333-13970) of CEMEX, S.A.B. de C.V., (ii) the Registration Statement on Form S-8 (File No. 333 83962) of CEMEX, S.A.B. de C.V., (iii) the Registration Statement on Form S-8 (File No. 333-86090) of CEMEX, S.A.B. de C.V., and (iv) the Registration Statement on Form S-8 (File No.333-128657) of CEMEX, S.A.B. de C.V. of our reports dated April 24, 2015, with respect to the consolidated balance sheets of CEMEX, S.A.B. de C.V. and subsidiaries as of December 31, 2014 and 2013, and the related consolidated statements of operations, comprehensive loss, stockholders' equity, and cash flows for each of the years in the three-year period ended December 31, 2014, and the effectiveness of internal control over financial reporting as of December 31, 2014, which reports appear in the December 31, 2014 Annual Report on Form 20-F of CEMEX, S.A.B. de C.V.

KPMG Cardenas Dosal, S.C.

/s/ Luis Gabriel Ortiz Esqueda

Monterrey, N.L., México
April 24, 2015

Disclosure of Mine Safety and Health Administration (“MSHA”) Safety Data

Section 1503(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Act”) requires certain disclosures by companies required to file periodic reports under the Securities Exchange Act of 1934 that operate mines regulated under the Mine Act. CEMEX’s U.S. quarry and mining operations are subject to MSHA regulation under the U.S. Federal Mine Safety and Health Act of 1977 (the “Mine Act”). MSHA inspects the Company’s quarries and mines on a regular basis and issues various citations and orders when it believes a violation has occurred under the Mine Act. Whenever MSHA issues a citation or order, it also generally proposes a civil penalty, or fine, related to the alleged violation. Citations or orders can be contested and appealed, and as part of that process, are often reduced in severity and amount, and are sometimes dismissed or vacated.

In January 2012, the SEC issued final rules and regulations implementing the mine safety disclosure requirements of Section 1503(a) of the Dodd-Frank Act. Pursuant to those rules and regulations, we have provided the information below for mining operations in the United States only. The Dodd-Frank Act and the implementing rules and regulations thereunder do not apply to mining and quarry operations outside the U.S.

The information in the table below reflects citations and orders MSHA issued to the Company during the year ended December 31, 2014. The data was compiled primarily from the data maintained on MSHA’s public website, the Mine Data Retrieval System (“MDRS”), as of March 15, 2015. In evaluating this information, consideration should also be given to factors such as: (i) the number of citations and orders may vary depending on the size and operation of the mine, (ii) the number of citations issued may vary from inspector to inspector and mine to mine, and (iii) citations and orders may be contested and appealed, and in that process, may be reduced in severity and amount, and may be dismissed or vacated.

Mine ID number ⁽¹⁾	Mine or Operating Name	Section 104 Significant and Substantial Citations ⁽²⁾	Section 104(b) Orders ⁽³⁾	Section 104(d) Citations and Orders ⁽⁴⁾	Section 110(b)(2) Violations ⁽⁵⁾	Section 107(a) Orders ⁽⁶⁾	Total dollar value of MSHA assessments proposed ⁽⁷⁾	Total number of Mining Related Fatalities	Received Notice of Pattern of Violations Under Section 104(e) yes/no	Received Notice of Potential to Have Pattern under section 104(e) yes/no
0800078	Alico Road Quarry	0	0	0	0	0	1,711	0	no	no
0401696	Azusa Quarry	1	0	0	0	0	708	0	no	no
4102885	Balcones Plant	5	0	0	0	0	33,765	0	no	no
4100994	Balcones Quarry	3	0	0	0	0	4,174	0	no	no
0405701	Black Mountain Quarry	12	0	3	0	0	61,864 [^]	0	no	no
0800800	Brooksville Cement Plant	0	0	0	0	0	117	0	no	no
0800024	Brooksville Quarry	0	0	0	0	0	886	0	no	no
0801287	Brooksville South Cement Plant	10	0	1	0	1	84,143 [^]	1	no	no
0402763	Cache Creek Quarry	1	0	0	0	0	1,843	0	no	no
3503508	Canby Pit	2	0	0	0	0	1,302	0	no	no
0200988	CEMEX - 19th Ave	0	0	0	0	0	200	0	no	no
0202585	CEMEX - APEX	2	0	0	0	0	1,471	0	no	no
0202606	CEMEX - Camp Verde	8	0	0	0	0	13,362	0	no	no
0200717	CEMEX - Casa Grande	0	0	0	0	0	217	0	no	no
0202896	CEMEX - Coolidge	1	0	0	0	0	162	0	no	no
0201249	CEMEX - Globe / Bixby	0	0	0	0	0	117	0	no	no
0202851	CEMEX - Gray Mountain	3	0	0	0	0	1,192	0	no	no

Mine ID number(1)	Mine or Operating Name	Section 104 Significant and Substantial Citations(2)	Section 104(b) Orders(3)	Section 104(d) Citations and Orders(4)	Section 110(b)(2) Violations(5)	Section 107(a) Orders(6)	Total dollar value of MSHA assessments proposed(7)	Total number of Mining Related Fatalities	Received Notice of Pattern of Violations Under Section 104(e) yes/no	Received Notice of Potential to Have Pattern under section 104(e) yes/no
0200722	CEMEX - Hwy 95	1	0	0	0	0	712	0	no	no
0202571	CEMEX - McCormick	1	0	0	0	1	493	0	no	no
2600789	CEMEX - Paiute Pit	3	0	0	0	0	3,708	0	no	no
0202849	CEMEX - Prescott / Fain	3	0	0	0	0	2,281	0	no	no
2602082	CEMEX - Sierra Stone Quarry	1	1	0	0	0	901	0	no	no
0202062	CEMEX - Sierra Vista	0	0	0	0	0	117	0	no	no
0201037	CEMEX - West Plant #72	0	0	0	0	0	200	0	no	no
0202753	CEMEX - West Valley	0	0	0	0	0	614	0	no	no
3300161	Cemex Fairbom Cement Plant	1	0	0	0	0	3,476	0	no	no
0800750	Center Hill Mine	0	0	0	0	0	300	0	no	no
0400173	Clayton Plant	1	0	0	0	0	707	0	no	no
0900053	Clinchfield Plant	8	0	0	0	0	5,823	0	no	no
0801271	Davenport Sand Mine	0	0	0	0	0	200	0	no	no
3800127	Deerfield Sand	0	0	0	0	0	100	0	no	no
0100016	Demopolis Plant Cemex Inc	14	0	1	0	0	31,023	0	no	no
4103816	East Loop 375 Sand Plt	0	0	0	0	0	634	0	no	no
0401891	Eliot Plant	11	1	0	0	0	43,431	0	no	no
0800519	FEC Quarry	1	0	0	0	0	725	0	no	no
0801308	Gator Sand Mine	0	0	0	0	0	200	0	no	no
4000840	Knoxville Cement Plant	9	0	0	0	1	33,740	0	no	no
1504469	KOSMOS Cement Co.	33	1	3	0	0	407,496	1	no	no
0801015	Krome Quarry	3	0	0	0	0	1,682	0	no	no
2900445	La Luz Pit	2	0	0	0	0	1,544	0	no	no
0801269	Lake Wales Sand Mine	0	0	0	0	0	200	0	no	no
0402843	Lapis Plant	0	0	0	0	0	300	0	no	no
0500344	Lyons Cement Plant Cemex Inc	11	1	0	0	0	55,296	0	no	no
0405216	Lytle Creek Pit	1	0	0	0	0	424	0	no	no
4101066	McCombs Quarry	1	0	0	0	0	262	0	no	no
4100046	McKelligon Canyon	1	0	0	0	0	6,839	0	no	no
0800046	Miami Cement Plant	1	0	0	0	0	1,431	0	no	no
0404140	Moorpark Quarry	3	0	0	0	0	1,546	0	no	no
4100060	Odessa Cement Plant	5	0	0	0	0	8,125	0	no	no
0801216	Palmdale Sand Mine	2	0	0	0	1	2,831	0	no	no
0401906	Patterson Plant	1	0	0	0	0	276	0	no	no
4503381	Portable Crusher	0	0	0	0	0	100	0	no	no
0403623	Red Hill	2	0	0	0	0	8,628	0	no	no
0200758	Rinker Materials Bullhead	0	0	0	0	0	516	0	no	no

Mine ID number ⁽¹⁾	Mine or Operating Name	Section 104 Significant and Substantial Citations ⁽²⁾	Section 104(b) Orders ⁽³⁾	Section 104(d) Citations and Orders ⁽⁴⁾	Section 110(b)(2) Violations ⁽⁵⁾	Section 107(a) Orders ⁽⁶⁾	Total dollar value of MSHA assessments proposed ⁽⁷⁾	Total number of Mining Related Fatalities	Received Notice of Pattern of Violations Under Section 104(e) yes/no	Received Notice of Potential to Have Pattern under section 104(e) yes/no
0401897	Rockfield Plant	3	0	0	0	0	1,201	0	no	no
0800075	St. Catherine Mine	0	0	0	0	0	100	0	no	no
0401895	Tracy Kerlinger Plant	0	0	0	0	0	200	0	no	no
2902128	Vado Quarry	1	0	0	0	0	987	0	no	no
0400281	Victorville Cement Plant	4	0	0	0	0	5,704	0	no	no
4104308	West Quarry	0	0	0	0	0	200	0	no	no
0801000	474 Sand Mine	1	0	0	0	0	200	0	no	no

[^] Includes one citation for which penalties had not been assessed or contested as of December 31, 2014.

- (1) MSHA assigns an identification number to each mine or operation and may or may not assign a separate identification number to related facilities. The information provided in this table is presented by mine identification number.
- (2) Represents the total number of citations issued by MSHA for violation of health or safety standards that could significantly and substantially contribute to a serious injury if left unabated.
- (3) Represents the total number of orders issued, which represents a failure to abate a citation under section 104(a) within the period prescribed by MSHA. This results in an order of immediate withdrawal from the area of the mine affected by the condition until MSHA determines that the violation has been abated.
- (4) Represents the total number of citation and orders issued by MSHA for unwarrantable failure to comply with mandatory health or safety standards.
- (5) Represents the total number of flagrant violations identified.
- (6) Represents the total number of imminent danger orders issued under section 107(a) of the Mine Act.
- (7) Amounts represent the total dollar value of proposed assessments received from MSHA and do not necessarily relate to the citations or orders issued by MSHA during the period or to the pending legal actions reported below.

The table below sets forth the total number of reportable legal actions for the twelve months ended December 31, 2014.

Mine ID Number	Mine or Operating Name	Legal Actions Pending as of Last Day of Period (December 31, 2014) (#)(8)						Legal Actions Initiated During Period (#)	Legal Actions Resolved During Period (#)
		Contests of Citations / Orders(9)	Contests of Proposed Penalties(9)	Complaints for Compensation	Complaints of Discharge / Discrimination / Interference	Application for Temporary Relief	Appeals to FMSHRC		
800078	Alico Road Quarry	1	1	0	0	0	0	1	0
4102885	Balcones Plant	15	15	0	0	0	0	11	3
4100994	Balcones Quarry	1	1	0	0	0	0	0	3
0405701	Black Mountain Quarry	19	18^	0	0	0	0	5	1
0801287	Brooksville South Cement Plant	14	13^	0	0	0	0	14	2
0402763	Cache Creek Quarry	0	0	0	0	0	0	0	15
0202585	CEMEX - APEX	1	1	0	0	0	0	2	1
0202606	CEMEX - Camp Verde	3	3	0	0	0	0	3	0
0202571	CEMEX - McCormick	1	1	0	0	0	0	1	0
2600789	CEMEX - Paiute Pit	0	0	0	0	0	0	0	2
0202753	CEMEX - West Valley	2	2	0	0	0	0	2	0
0400173	Clayton Plant	3	3	0	0	0	0	0	4
0900053	Clinchfield Plant	0	0	0	0	0	0	0	4
0100016	Demopolis Plant Cemex Inc	5	5	0	0	0	0	5	0
4103816	East Loop 375 Sand Plt	0	0	0	0	0	0	0	3
0401891	Eliot Plant	6	6	0	0	0	0	6	4
4503039	Fisher Quarry	0	0	0	0	0	0	0	6
4000840	Knoxville Cement Plant	3	3	0	0	0	0	3	4
1504469	KOSMOS Cement Co.	52	52	0	0	0	0	51	1
0801015	Krome Quarry	1	1	0	0	0	0	1	0
0801269	Lake Wales Sand Mine	0	0	0	0	0	0	0	1
0402843	Lapis	13	13	0	0	0	0	0	0
0401896	Lemon Cove Plant	0	0	0	0	0	0	0	4
0500344	Lyons Cement Plant Cemex Inc	17	17	0	0	0	0	17	1
0800046	Miami Cement Plant	4	4	0	0	0	0	3	10
4100060	Odessa Cement Plant	0	0	0	0	0	0	0	8
0801216	Palmdale Sand Mine	1	1	0	0	0	0	1	1
0403623	Red Hill	0	0	0	0	0	0	0	1
0401897	Rockfield Plant	0	0	0	0	0	0	0	2
2902128	Vado Quarry	2	2	0	0	0	0	0	0
0400281	Victorville Cement Plant	0	0	0	0	0	0	0	4
4104308	West Quarry	0	0	0	0	0	0	2	2

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- ^ Includes one citation for which penalties had not been assessed or contested as of December 31, 2014.
- (8) Pending legal actions before the Federal Mine Safety and Health Review Commission (the “Commission”) as required to be reported by Section 1503(a)(3) of the Act.

The following provides additional information regarding the types or categories of proceedings that may be brought before the Commission.

- A Contest Proceedings - a contest proceeding may be filed with the Commission by an operator to challenge the issuance of a citation or order issued by MSHA;
 - B Civil Penalty Proceedings - a civil penalty proceeding may be filed with the Commission by an operator to challenge a civil penalty MSHA has proposed for a violation contained in a citation or order;
 - C Compensation Proceedings - a compensation proceeding may be filed with the Commission by miners entitled to compensation when a mine is closed by certain closure orders issued by MSHA. The purpose of the proceeding is to determine the amount of compensation if any, due to miners idled by the orders;
 - D
 - (i) Discrimination Proceedings – a discrimination proceeding involves a miner’s allegation that he or she has suffered adverse employment action because he or she engaged in activity protected under the Mine Act, such as making a safety complaint;
 - (ii) Temporary Reinstatement Proceedings – a temporary reinstatement proceeding involves a case in which a miner has filed a complaint with MSHA stating that he or she has suffered discrimination and the miner has lost his or her position;
 - E Applications for Temporary Relief-applications for temporary relief of any order issued under Section 104; and
 - F Appeals of judges’ decisions or orders to the FMSHRC.
- (9) Contests pending as of year-end on the MDRS, but which are subsequently vacated, are not included in any reports on the MDRS. As a result, discrepancies may appear between the prior reporting year’s “Legal Actions Pending as of Last Day of Period (December 31, 2014)” and “Legal Actions Resolved During Year” for current reporting period.