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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, 2021

OR

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

For the transition period from _____ to _____

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
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, 66265, México
(Address of principal executive offices)
Roger Saldaña Madero,
+52 81 8888-8888, +52 81 8888-4399,
Avenida Ricardo Margáin Zozaya #325, Colonia Valle del Campestre, San Pedro Garza García, Nuevo León, 66265, México
(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	Trading Symbol(s)	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.	**CX**	**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.

14,711,512,721 CPOs

29,457,941,452 Series A shares (including Series A shares underlying CPOs)

14,728,970,726 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 every Interactive Data File required to be submitted 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 such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Emerging growth company	☐

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards† provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

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

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 ☒

† The term "new or revised financial accounting standard" refers to any update issued by the Financial Accounting Standards Board to its Accounting Standards Codification after April 5, 2012.

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INTRODUCTION

CEMEX, S.A.B. de C.V. is incorporated as a publicly traded variable stock corporation (*sociedad anónima bursátil de capital variable*) organized under the laws of the United Mexican States ("Mexico"). Except as the context otherwise may require, references in this annual report to "CEMEX," the "Company," "we," "us" or "our" refer to CEMEX, S.A.B. de C.V. and its consolidated entities. See note 1 to our 2021 audited consolidated financial statements included elsewhere in this annual report.

PRESENTATION OF FINANCIAL INFORMATION

The audited consolidated financial statements of CEMEX, S.A.B. de C.V. included elsewhere in this annual report have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB").

The regulations of the United States Securities and Exchange Commission (the "SEC") do not require foreign private issuers that prepare their financial statements based on IFRS (as issued by the IASB) to reconcile such financial statements to United States Generally Accepted Accounting Principles ("U.S. GAAP").

Unless otherwise indicated, references in this annual report to "$" and "Dollars" are to United States Dollars, references to "€" are to Euros, references to "£," "Pounds Sterling" and "Pounds" are to British Pounds, and references to "Ps$," "Mexican Pesos" and "Pesos" are to Mexican Pesos. References to "billion" mean one thousand million. References in this annual report to "CPOs" are to CEMEX, S.A.B. de C.V.'s Ordinary Participation Certificates *(Certificados de Participación Ordinarios*), each CPO represents two Series A shares (as defined below) and one Series B share (as defined below) of CEMEX, S.A.B. de C.V. References to "ADSs" are to American Depositary Shares of CEMEX, S.A.B. de C.V.; each ADS represents ten CPOs.

References in this annual report to total debt plus other financial obligations (which include debt under the facilities agreement, dated as of July 19, 2017, as amended on April 2, 2019, November 4, 2019, May 22, 2020 and October 13, 2020 (the "2017 Facilities Agreement"), which was fully repaid during the year ended December 31, 2021) do not include debt and other financial obligations held by us. See notes 3.7, 18.1 and 18.2 to the 2021 audited consolidated financial statements of CEMEX, S.A.B. de C.V. 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 2017 Facilities Agreement and under our new unsecured credit agreement, dated as of October 29, 2021, as amended and/or restated from time to time (the "2021 Credit Agreement"). See "Item 5— Operating and Financial Review and Prospects—Liquidity and Capital Resources—Our Indebtedness" for more information.

On June 8, 2021, we issued $1,000 million of our 5.125% Subordinated Notes (the "5.125% Subordinated Notes") with no fixed maturity. Based on IFRS, the 5.125% Subordinated Notes qualify as equity instruments and are classified within controlling interest stockholders' equity. See note 22.2 to the 2021 audited consolidated financial statements of CEMEX, S.A.B. de C.V. included elsewhere in this annual report for a detailed description of the 5.125% Subordinated Notes.

We also refer in various places within this annual report to non-IFRS measures, including "Operating EBITDA." "Operating EBITDA" equals operating earnings before other expenses, net, plus amortization and depreciation expenses, as more fully explained in "Item 5—Operating and Financial Review and Prospects—Results of Operations—Selected Consolidated Financial Information." The presentation of these non-IFRS measures is not meant to be considered in isolation or as a substitute for the 2021 audited consolidated financial results of CEMEX, S.A.B. de C.V. prepared in accordance with IFRS as issued by the IASB.

We have approximated certain numbers in this annual report to their closest round numbers or a given number of decimal places. Due to rounding, figures shown as totals in tables may not be arithmetic aggregations of the figures preceding them.

CERTAIN TECHNICAL TERMS

When used in this annual report, the terms set forth below mean the following:

- **Aggregates** are inert granular materials, such as stone, sand and gravel, which are obtained from land-based sources (mainly mined from quarries) or by dredging marine deposits. They give ready-mix concrete its necessary volume and add to its overall strength. Under normal circumstances, one cubic meter of fresh concrete contains two tons of gravel and sand.
- **Cement** is a binding agent which, when mixed with aggregates and water, produces either ready-mix concrete or mortar.
- **Cement mill** (also called finish mill in the United States) is a piece of equipment used to reduce the size of the materials needed for cement production, usually to microns size (1 micron is equal to 0.001 millimeters). Traditionally, cement mills have adopted the form of ball mills. Vertical roller mills, which are more effective in terms of energy consumption compared to ball mills, are being gradually introduced to our operations in the United States, Mexico, the United Kingdom, the United Arab Emirates, and other regions in which we operate.
- **Clinker** is an intermediate cement product made by sintering limestone, clay, and iron oxide in a kiln at around 1,450 degrees Celsius. One ton of clinker is used to make approximately 1.1 tons of gray portland cement.
- **Fly ash** is a combustion residue from coal-fired power plants that can be used as a non-clinker cementitious material.
- **Gray portland cement**, used for construction purposes, is a hydraulic binding agent with a traditional composition by weight of approximately 95% clinker and up to 5% of a minor component (usually calcium sulfate). Blended portland cement has lower clinker factor, usually below 90%, which results in lower carbon dioxide ("CO_2") emissions. Both traditional and blended portland cement, when mixed with sand, stone or other aggregates and water, produce either concrete or mortar.
- **Petroleum coke ("pet coke")** is a by-product of the oil refining coking process that can be incorporated into the cement production process as fuel, in substitution of fossil fuels such as natural gas or coal.
- **Ready-mix concrete** is a mixture of cement, aggregates, admixtures and water.
- **Slag** is the by-product of smelting ore to purify metals.
- **Tons** means metric tons. One metric ton equals 1.102 short tons.
- **Urbanization Solutions** is one of our four core businesses. It is a business that complements our value offering of products and solutions, looking to connect with the broader city ecosystem. It seeks to address urbanization challenges and provide means to all stakeholders in the construction value chain to enable sustainable urbanization by focusing on four market segments: performance materials, waste management, industrialized construction, and related services.
- **White cement** is a specialty cement used primarily for decorative purposes.

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

Our General Evolution

Operation Resilience

CEMEX rolled out "Operation Resilience" in September 2020 in response to changes in market outlook brought on by the emergence in 2019 and continued spread of a novel strain of the coronavirus ("COVID-19"), which was declared a global pandemic by the World Health Organization (the "WHO") in March 2020. This strategy is designed to focus on de-risking the Company, injecting growth into the portfolio with increased capital expenditures while advancing our sustainability agenda. During 2021, our net sales grew 14% to $14.5 billion and Operating EBITDA improved 18% to $2.9 billion. Our consolidated Operating EBITDA margin, which is calculated by dividing Operating EBITDA over revenues, expanded 0.8 percentage points to 19.7%, supported by growing volumes and strong pricing, cost containment efforts, and a greater contribution from our Urbanization Solutions business. Furthermore, we continued increasing our financial flexibility and strengthening our capital structure. We refinanced the 2017 Facilities Agreement at a lower cost and with an improved guarantee and covenant structure. We also repaid or refinanced $7.6 billion of debt, and by applying free cash flow and proceeds from asset sales, we reduced consolidated net debt, as defined in the 2021 Credit Agreement, by $2.3 billion. During 2021, we reduced interest expenses by $141 million, or 20% compared to 2020. Most importantly, we reduced the leverage ratio, as calculated under the 2021 Credit Agreement, by 1.4x to 2.73x.

During 2021, we also progressed on our "Operation Resilience" goal of optimizing and rebalancing our portfolio for growth. To this end, we invested $380 million in strategic capital expenditures during 2021. Much of this investment was dedicated to our growth strategy of investing in bolt-on and margin enhancement projects as well as capacity additions. We estimate that our growth strategy resulted in a contribution of $100 million in incremental EBITDA in 2021. Additionally, Operating EBITDA growth from our Urbanization Solutions core business was 22% in 2021. Through these investments and some strategic divestments, we are reorienting our portfolio toward developed markets, particularly the U.S. and Europe. In the fourth quarter of 2021, we announced the sale of our operations in Costa Rica and El Salvador for $335 million. The closing of this divestment is subject to the satisfaction of closing conditions in Costa Rica and El Salvador. The proceeds from this sale are expected to support our growth investments in key markets and deleveraging.

In addition, to further fortify our balance sheet, we continue to be focused mainly on the following three initiatives: (i) growing our Operating EBITDA through further cost-reduction efforts, operating efficiencies and customer-centric commercial strategies across all our core businesses; (ii) maximizing our free cash flow, which is expected to be used mainly for debt reduction and our bolt-on investments; and (iii) continuing to execute selective accretive divestments by selling what we believe are non-essential assets, which could allow us to free up more free cash flow mainly to reduce debt and increase our bolt-on investments. See "Item 3—Key Information—COVID-19 Pandemic" for more information on how COVID-19 has impacted our "Operation Resilience" strategy, and also see notes 2, 8, 16.1 and 17.2 to our 2021 audited consolidated financial statements included elsewhere in this annual report.

Our latest milestone in our financial evolution took place on November 8, 2021, when we fully repaid all outstanding indebtedness under the 2017 Facilities Agreement, which amounted to $1.90 billion in different currencies. Following this repayment, the 2017 Facilities Agreement is no longer in effect. The funds used to repay the 2017 Facilities Agreement were sourced from the 2021 Credit Agreement, that was closed with 21 financial institutions participating as lenders (the "Lenders"). The main terms and conditions of the 2021 Credit Agreement are summarized as follows:

- final maturity in November 2026;
- $1.50 billion in Term Loans (as defined in the 2021 Credit Agreement), amortizing in five equal semi-annual payments starting in November 2024;
- $1.75 billion of commitments under a Revolving Facility (as defined in the 2021 Credit Agreement) maturing in November 2026;
- all loans under the 2021 Credit Agreement bear interest at the same rate, including an applicable margin over the benchmark interest rate of between 100 to 175 basis points, depending on CEMEX's Consolidated Leverage Ratio (as defined in the 2021 Credit Agreement), with such margin being subject to positive or negative adjustments in an aggregate amount not to exceed 5 basis points based on certain sustainability-linked performance metrics from the prior annual period;
- financial covenants consistent with an investment grade capital structure, with a maximum leverage ratio of 3.75x throughout the life of the loan, and a minimum interest coverage ratio of 2.75x; and
- guaranteed by CEMEX Corp., CEMEX Concretos, S.A. de C.V., CEMEX Operaciones México, S.A. de C.V. ("COM") and Cemex Innovation Holding Ltd. ("CIH"), all of which are subsidiaries of CEMEX (the "Refinancing Guarantors").

On November 8, 2021, concurrently with funding under the 2021 Credit Agreement and in accordance with the indentures governing the Notes, CEMEX entered into supplemental indentures to add COM and CIH as new guarantors to CEMEX's 2.750% Euro-denominated Notes due 2024 (the "December 2024 Euro Notes"), 3.125% Euro-denominated Notes due 2026 (the "March 2026 Euro Notes"), 5.450% Dollar-denominated Notes due 2029 (the "November 2029 Dollar Notes"), 7.375% Dollar-denominated Notes due 2027 (the "June 2027 Dollar Notes"), 5.200% Dollar-denominated Notes due 2030 (the "September 2030 Dollar Notes") and 3.875% Dollar-denominated Notes due 2031 (the "July 2031 Dollar Notes") (collectively, other than the December 2024 Euro Notes, which we fully redeemed on December 29, 2021, the "Notes"). CEMEX Corp. and CEMEX Concretos, S.A. de C.V. were already guarantors of the Notes. Also, concurrently with funding under the 2021 Credit Agreement and the full repayment of the 2017 Facilities Agreement, the provisions contained in the indentures governing the Notes that provide that any guarantor of the Notes shall be released of its guarantee obligations upon a refinancing of the 2017 Facilities Agreement with debt not guaranteed by the guarantor were triggered. As a result, both the 2021 Credit Agreement and the Notes are now guaranteed exclusively by the Refinancing Guarantors. The original note guarantors that are no longer guaranteeing the Notes are CEMEX España, S.A. ("CEMEX España"), CEMEX Asia B.V., CEMEX Finance LLC, CEMEX Africa & Middle East Investments B.V., CEMEX France Gestion (S.A.S.), CEMEX Research Group AG and CEMEX UK.

As of December 31, 2021, we had decreased to $9,157 million (principal amount $9,210 million, excluding deferred issuance costs) our total debt plus other financial obligations in our statement of financial position, which does not include $1,000 million of 5.125% Subordinated Notes (as defined below). As of December 31, 2021, 10% of our total debt plus other financial obligations was current (including current maturities of non-current debt) and 90% was non-current. As of December 31, 2021, 82% of our total debt plus other financial obligations was Dollar-denominated, 8% was Euro-denominated, 2% was Pound Sterling-denominated, 4% was Mexican Peso-denominated, 2% was Philippine Peso-denominated and 2% was denominated in other currencies. See notes 18.1 and 18.2 to our 2021 audited consolidated financial statements included elsewhere in this annual report.

Future in Action

Our achievements in 2021 were not just financial. We made significant advancements toward our "Operation Resilience" climate action goals and rolled out our "Future in Action" program, focused on developing low carbon products, solutions, and production processes. Our 2030 climate action goals are aligned to CO_2 reduction pathways in our industry and validated by the Science Based Target Initiative ("SBTi") according to the Well Below 2°C Scenario. Most importantly, these goals should keep us on the right path to achieving our expected goal to deliver net-zero CO_2 concrete globally by 2050.

In 2021, we also joined the United Nations' "Race to Zero" campaign and the Business Ambition for 1.5°C coalition, and as of November 2021, we are a founding member of the First Movers Coalition, an initiative of the World Economic Forum launched at the 2021 United Nations Climate Change Conference ("COP26") to create market demand for zero-carbon solutions. In the first year since launching our CO_2 roadmap, we reduced our carbon emissions by 4.7%. An almost two percentage point decline in clinker factor, coupled with a four percentage point increase in alternative fuel usage, drove the significant carbon reduction. As of 2021, we have reduced our specific net CO_2 emissions by 26.2% compared with the 1990 baseline, which we estimate puts us on track to achieve our more than 40% reduction goal by 2030.

For 2021, alternative fuels constituted 29.2% of our fuel mix, a significant substitution rate for the Company. While our operations in Europe continue to lead with the highest substitution rate within our operations, we are moving to boost alternative fuels usage in all our other regions. Our Mexican operations increased alternative fuel usage by nine percentage points in 2021.

Since 2019, we have used hydrogen injection to increase the use of alternative fuels and maximize thermal efficiency, and, as of 2021, hydrogen is in use in all of our cement plants in Europe. We have entered into partnerships for new hydrogen injection technology that should accelerate this strategy, which should allow us to further explore and scale the adoption of hydrogen in all of our operations while reducing the consumption of fossil fuels. Additionally, we have made progress in our clean energy consumption strategy, 30% of our electricity supply is free of CO_2 emissions, which we estimate should keep us on track to achieve our 2030 goal of 55% of our electricity supply being free of CO_2 emissions.

COVID-19 Pandemic

As of the date of this annual report, the effects of the COVID-19 pandemic and certain other new variants of the coronavirus that have been since identified on, among other things, supply chains, global trade, mobility of persons, business continuity, employment, demand for goods and services, energy prices and inflation have been felt throughout the world, including the regions in which we operate, such as Mexico, the United States, Europe, the Middle East, Africa and Asia ("EMEAA") and South America, Central America and the Caribbean ("SCA&C").

The COVID-19 pandemic, coupled with the initial measures that were implemented, or that may still be implemented if there are new waves of cases, by governmental authorities in an attempt to further contain and mitigate the effects of COVID-19 and new variants of the coronavirus that have been, and could be, identified, including shutdowns of non-essential construction and businesses in certain countries, stricter border controls, stringent quarantines in some countries and social distancing, triggered what we believe is the worst economic downturn since the Great Depression in the 1930s, causing the economy to contract by 3.1% in 2020, according to reports from the International Monetary Fund ("IMF"). However, according to the World Economic Outlook report of the IMF (the "IMF Report") published in January 2022, after contracting 3.1% in 2020, the global economy rebounded by 5.9% in 2021 and is expected to moderate to 4.4% in 2022. Nevertheless, the IMF recognized that high uncertainty surrounds this outlook, related to the path of the COVID-19 pandemic, the effectiveness of policy support to provide a bridge to vaccine-powered normalization, and the evolution of

financial conditions. The IMF Report also emphasized how the potential impact of the large-scale and unprecedented fiscal and monetary policies adopted to counter the negative economic effects of the COVID-19 pandemic may increase the uncertainty surrounding the IMF's economic outlook. In addition, the IMF Report noted that supply chain disruptions may contribute to a rise in inflation rates. The continued supply chain disruptions in emerging markets, as well as currency depreciation and other factors, may prolong the duration of elevated inflation rates and potentially have broader economic impacts. Although vaccines have raised hopes of a turnaround in the COVID-19 pandemic, renewed waves and new variants pose concerns for the outlook.

The consequences of the COVID-19 pandemic have considerably affected us in certain countries. During the third quarter of 2021, expected increasing input cost inflation, higher freight and supply chain disruptions led to a confirmation of impairment indicators in Spain, the United Arab Emirates ("UAE") and the information technology business. As a result, we recognized a non-cash aggregate goodwill impairment charge of $440 million comprised of $317 million related to our business in Spain, $96 million related to our business in UAE, and $27 million related to our IT business segment due to reorganization. The impairment of goodwill in Spain and the UAE in 2021 resulted from an excess of the net book value of such businesses versus the discounted cash flow projections as of September 30, 2021, related to these reporting segments. In addition, during the third quarter of 2021, we recognized non-cash impairment charges of intangible assets due to a technological revamp of certain internal use software of $49 million. These non-cash charges recognized during the third quarter of 2021 and 2020 did not impact our liquidity, Operating EBITDA and cash taxes payable, nevertheless our total assets, net income (loss) and equity were affected in each quarter.

During 2021, we continued to monitor the development of the COVID-19 pandemic and to leverage the information and recommendations from health organizations such as the WHO, U.S. based Centers for Disease Control and Prevention, the European Centre for Disease Prevention and Control, and other organizations, as well as from the authorities of the countries in which we operate. Several countries in which we operate instituted new restrictions which affected our operations. During the first quarter of 2021, the Philippines experienced a surge in COVID-19 cases, which prompted the authorities to order a large-scale lockdown that lasted 14 days. Other major cities in the Philippines, such as Cebu City, imposed lockdowns on specific days of the week to prevent the spread of the then-newly discovered variants. In Spain, authorities declared a state of emergency and imposed curfews due to the surge in cases of the Delta variant of COVID-19 during the first half of 2021. Such curfews were estimated to affect around 9 million people in Spain and limited non-essential activities during certain hours of the day. In Jamaica, since the beginning of the COVID-19 pandemic, authorities issued the Disaster Risk Management Act, which was amended seven times throughout 2021. These amendments mainly imposed travel restrictions and imposed regional lockdowns throughout the second half of 2021. A curfew was imposed on a daily basis, public gatherings were limited to ten people and services such as funeral services and other events were banned during the period of these restrictions.

Among other initiatives we have put in place since the start of the COVID-19 pandemic, we have implemented:

COVID-19 Protocols. We continued to apply hygiene and safety protocols based on the best available information from the WHO, health specialists, and our own company health and safety expertise, which continue to be the foundation of our efforts to protect our employees as well as the people we interact with during our day-to-day business activities from potential risks presented by COVID-19.

Rapid Response Teams ("RRTs"). The main objective of our RRTs continues to be the development and execution of activities aimed at mitigating the impact from COVID-19. The focus of these activities is to protect our employees, clients, communities, suppliers, among others, to protect our business continuity and foster communication. In particular, our RRTs are (i) monitoring global health guidelines, peer response and trends in relation to COVID-19; (ii) consolidating and updating COVID-19-related information; (iii) following up on any quarantine cases and providing support; (iv) assisting in protecting our employees by attempting to reduce the spread of COVID-19 with the implementation of various hygiene measures, guidelines and protocols;

(v) enhancing the frequency and procedures related to cleaning at our various sites; (vi) implementing various remote working programs; (vii) implementing screening and quarantine enforcement measures; (viii) monitoring the conditions and designing procedures for on-site return-to-work, in accordance with prevailing health and science guidelines, (ix) ensuring availability of medical support and hygiene travel kits; (x) implementing restrictions on large essential gatherings; (xi) creating and releasing guidelines for social distancing, travel, cleaning, personal hygiene, screening and quarantine; (xii) enhancing engagement with our communities, industry associations and local authorities; (xiii) implementing actions to protect our business continuity by developing plans designed to strengthen our business and promote financial resiliency; and (xiv) communicating all of our COVID-19-related measures to internal and external audiences.

COVID Coordinators. These are designated individuals at the locations, facilities, manufacturing plants, production facilities and administrative offices where we have operations, whose responsibility is to strengthen the implementation and supervision of COVID-19 prevention protocols and objectives. As of December 31, 2021, we have appointed nearly 2,000 of these COVID Coordinators worldwide and also established a best-practices sharing network to continuously improve our COVID-19 measures implementation.

HSMS Element 15: Management of Pandemics and Epidemics. This is a training element included in our Health and Safety Management System ("HSMS"), which we deliver via CEMEX University. Introduced in 2020, this dedicated element of the HSMS is designed to help us be prepared in the future if situations of a similar nature occur by institutionalizing our approach to effectively managing and mitigating risks and impacts from pandemics and epidemics. In 2021, more than 660 employees in supervisory roles received this training, reaching over 11,000 CEMEX leaders and regular contractors since its creation. For more information on CEMEX University, see "Item 4—Information on the Company—Sustainability—Attracting and Retaining Talent."

Behaviors That Save Lives. The four essential behaviors we look to prioritize and communicate through guidelines, playbooks, and communication and training materials, to mitigate the risk of COVID-19 transmission in our operations are named "Identifying and Reporting Symptoms," "Personal Hygiene," "Physical Distancing," and "Protecting Yourself and Others."

Close Communications. We have enhanced our internal information campaigns for recommended practices for health, hygiene, and social interaction, such as promoting vaccination, testing, voluntary quarantine, the use of facemasks, physical distancing and recommending avoiding travel to the greatest possible extent.

In general, we believe that we apply appropriate hygiene guidelines in our operations, and we have modified our manufacturing, sales, and delivery processes to reduce the spread of COVID-19. As of the date of this annual report, we continue to implement our protection protocols in all countries in which we operate and regularly engage with our employees and contractors to raise awareness about measures to reduce the spread of COVID-19. We believe these measures have contributed to satisfactory outcomes, such as higher vaccination rates among our employees than those reported by local authorities in countries that track and report employee vaccination levels.

We believe that we have developed plans to safely and responsibly deal with possible future halts to our operations while at the same time maintaining our property, plants and equipment in appropriate technical condition, as well as to resume our operations, to the extent they are halted or restricted, when needed. We keep implementing several advocacy actions like supporting local governments and reinforcing the need to keep the construction industry as essential, safe and open. All these actions contribute to the economic recovery of the countries where we operate. We are in continuous and close contact with our suppliers to facilitate addressing any critical sourcing needs and we have enhanced our customer-centric practices. We continue to cooperate with our clients and suppliers in order to implement measures that are designed to maintain business continuity and to mitigate any disruptions to our businesses caused by COVID-19.

On the commercial side, while our CEMEX Go platform was not built specifically in response to the COVID-19 pandemic, it has assisted in enabling our customers to safely and reliably acquire our products and services during the COVID-19 pandemic. In 2021, 61% of our sales were processed through this global digital platform.

Moreover, at the beginning of the COVID-19 pandemic, we strengthened our liquidity position, primarily with drawdowns of $1,135 million under our then-committed revolving credit facility (our drawdowns of $1.0 billion and $135 million on March 20, 2020 and April 1, 2020, respectively, constituted the full amount available under the then-committed revolving credit facility of the 2017 Facilities Agreement), drawdowns under our other credit lines and loans and further improved our liquidity with the issuances of $2.0 billion aggregate principal amount of Dollar-denominated notes in June and September 2020. The drawdowns had the effect of increasing our overall debt and cash levels in the short to medium term. However, on September 10, 2020, we repaid $700 million of our $1,135 million committed revolving credit tranche under the 2017 Facilities Agreement. Additionally, as part of the October 2020 Facilities Agreement Amendments (as defined below), we extended $1.1 billion of term loan maturities to 2025 and the maturity of $1.1 billion under the revolving facility to 2023. In addition, in October 2020, we prepaid $530 million corresponding to the July 2021 amortization under the 2017 Facilities Agreement to those institutions participating in the extension. On January 12, 2021, we issued $1.75 billion of the July 2031 Dollar Notes and, on June 8, 2021, we issued $1.0 billion of the 5.125% Subordinated Notes, in each case, for general corporate purposes, including to repay indebtedness. We expect that the structure of the 5.125% Subordinated Notes (subordinated, deferrable interest, no fixed maturity) will assist in reaching our "Operation Resilience" goals of reducing our leverage ratio and regaining an investment grade rating. As discussed above, on November 8, 2021, we repaid in full all outstanding indebtedness under the 2017 Facilities Agreement, which amounted to $1.90 billion in different currencies. Following this repayment in full, the 2017 Facilities Agreement is no longer in effect. The funds used to repay the 2017 Facilities Agreement were sourced from the 2021 Credit Agreement. As of December 31, 2021, we had $1.50 billion of Term Loans and $1.75 billion of commitments under the Revolving Facility with no interim amortization payments in connection to the 2021 Credit Agreement. Also, on December 20, 2021, we entered into a credit agreement for an amount in Mexican Pesos equivalent to $250 million with Banco Mercantil del Norte, S.A. Institución de Banca Múltiple, Grupo Financiero Banorte (the "Mexican Peso Banorte Agreement") under terms and conditions substantially similar to those of the 2021 Credit Agreement, pursuant to which as of December 31, 2021 we had drawn the entirety of the only term loan thereunder for the then Mexican Peso equivalent of $250 million. Additionally, as of December 31, 2021, we had drawn down $201 million in uncommitted short-term credit facilities. Furthermore, in 2021, we received total proceeds of $199 million from the sale of: (i) our white cement business to Çimsa Çimento Sanayi Ve Ticaret A.Ş. for a total consideration of $155 million (including CEMEX's Buñol cement plant in Spain and its white cement business outside Mexico and the U.S.); and (ii) our 24 concrete plants and one aggregates quarry in France to Holcim for $44 million.

During March 2021, considering our targets for the reduction of CO_2 emissions, as well as the innovative technologies and considerable capital investments that have to be deployed to achieve such goals, we sold 12.3 million CO_2 emission allowances in the European Union ("Allowances") in several transactions for $600 million. We had accrued such Allowances as of the end of Phase III under the European Union ("EU") ETS (as defined below), which finalized on December 31, 2020. See "Item 4—Information on the Company—Regulatory Matters and Legal Proceedings—Environmental Matters —EU Emissions Trading."

As a further measure to enhance our liquidity during 2021, CEMEX, S.A.B. de C.V. did not repurchase any of its shares and did not pay dividends.

While the measures we took in 2020 and 2021 helped us to meet all liquidity needs and to operate and manage our business and serve our customers, there can be no assurance that the measures we have already taken or may take in the future will fully offset the adverse impact of the COVID-19 pandemic, but since some of these measures were adopted we believe that they have assisted to partially offset the adverse impact of COVID-19.

Entering the third year of the COVID-19 pandemic, governmental and health authorities around the world have implemented, and may continue to implement, numerous measures attempting to contain and mitigate the effects of the COVID-19 pandemic. The degree to which these measures, and COVID-19 generally, ultimately affect our results and operations could still depend on future developments, which still have a certain degree of uncertainty and cannot be predicted at detail, including, but not limited to, the potential identification of new variants of the coronavirus and the contagiousness and severity of those variants; any new waves of COVID-19 as well as the severity and duration of such waves; the duration, severity and spread of the COVID-19 pandemic; the actions taken to contain COVID-19 or treat its impact; how effective the currently authorized COVID-19 vaccines, boosters and treatments, and any others developed and authorized in the future, will be and how widely and quickly the vaccines and treatments will be distributed and used; and how quickly and to what extent pre-COVID-19 pandemic economic and operating conditions can resume. Public health is still a concern and any new strains, in particular any severe strains, together with any other factors yet to be identified, could delay any transition back to normal economic and operating conditions. See “Item 3—Key Information—Risk Factors—Risks Relating to Our Business and Operations—The COVID-19 pandemic could materially adversely affect our financial condition and results of operations” and “Item 3—Key Information—COVID-19 Pandemic” for a discussion of other strategies we believe should help us further mitigate the effects of the COVID-19 pandemic.

Risk Factors

We are subject to various risks mainly resulting from changing economic, environmental, political, industry, business, regulatory, financial and climate conditions, as well as risks related to ongoing legal proceedings and investigations. The following risk factors are not the only risks we face, and any of the risk factors described below could significantly and adversely affect our business, liquidity, results of operations or financial condition, as well as, in certain instances, our reputation.

Risk Factor Summary

Risks Relating to Ownership of Our Securities

- 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.
- ADS holders may only vote the Series B shares represented by the CPOs deposited with the ADS depositary through the ADS depositary and are not entitled to vote the Series A shares represented by the CPOs deposited with the ADS depositary or to attend shareholders' meetings.
- Corporate rights may not be available to any person that acquires 2% or more of CEMEX, S.A.B. de C.V.'s voting shares without the approval of its board of directors.
- Preemptive rights generally available under Mexican law may be unavailable to ADS holders.
- The protections afforded to shareholders in Mexico are different from those in other countries and may be more difficult to enforce.

Risk Relating to Our Business and Operations

- The COVID-19 pandemic could materially adversely affect our financial condition and results of operations.
- Economic conditions in countries where we operate and in other regions or countries may adversely affect our business, financial condition, liquidity and results of operations.
- The war between Russia and Ukraine may have a material adverse effect on our business, financial condition, liquidity and results of operation.
- High energy and fuel costs may have a material adverse effect on our operating results.
- We are subject to restrictions and reputational risks resulting from non-controlling interests held by third parties in our consolidated subsidiaries. We control four publicly listed companies, where this risk is heightened.
- 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.
- Political, social and geopolitical events, possible changes in public policies and other risks in some of the countries where we operate, which are inherent to the operations of an international company, could have a material adverse effect on our business, financial condition, liquidity and results of operations.
- We are increasingly 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 may fail to secure certain materials required to run our business.
- We may not be able to realize the expected benefits from any acquisitions or joint ventures, some of which may have a material impact on our business, financial condition, liquidity and results of operations. Any failure to realize expected benefits from the bolt-on acquisitions of our "Operation Resilience" strategy heightens this risk.

- We operate in highly competitive markets with numerous players employing different competitive strategies and if we do not compete effectively, our revenues, market share and results of operations may be affected.

Risk Relating to Our Indebtedness and Certain Other Obligations

- The 2021 Credit Agreement, the indentures governing our outstanding Notes and our other debt agreements and/or instruments contain several restrictions and covenants. Our failure to comply with such restrictions and covenants or any inability to capitalize on business opportunities or refinance our debt resulting from them could have a material adverse effect on our business and financial conditions.
- The elimination of the London Inter-Bank Offered Rate ("LIBOR") after June 2023 may affect our financial results.
- We have a substantial amount of debt and other financial obligations. If we are unable to secure refinancing on favorable terms or at all, we may not be able to comply with our payment obligations upon their maturity. Our ability to comply with our principal maturities and financial covenants may depend on us implementing certain initiatives, including, but not limited to, "Operation Resilience," which may include making asset sales, and there is no assurance that we will be able to implement any such initiatives or execute such sales, if needed, on terms favorable to us or at all.
- We may not be able to generate sufficient cash to service our indebtedness or satisfy our short-term liquidity needs, and we may be forced to take other actions to do so, which may not be successful.
- CEMEX, S.A.B. de C.V.'s ability to repay debt and pay dividends is highly dependent on our subsidiaries' ability to transfer income and dividends to us. We control four publicly-listed companies, where this risk is heightened.
- We have to service part of our debt and other financial obligations denominated in Dollars and Euros with revenues generated in Mexican Pesos or other currencies, as we do not generate sufficient revenue in Dollars and Euros from our operations to service all our debt and other financial obligations denominated in Dollars and Euros. 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 Dollar and Euro. In addition, our consolidated reported results and outstanding indebtedness are significantly affected by fluctuations in exchange rates between the Dollar (our reporting currency) vis-à-vis the Mexican Peso and other significant currencies within our operations.

Risk Relating to Regulatory and Legal Matters

- We are subject to the laws and regulations of the countries where we operate and do business and non-compliance, any material changes in such laws and regulations and/or any significant delays in assessing the impact and/or adapting to such changes may have an adverse effect on our business, financial condition, liquidity and results of operations.
- We or our third-party providers may fail to maintain, obtain or renew or may experience material delays in obtaining requisite governmental or other approvals, licenses and permits for the conduct of our business.
- We are subject to litigation proceedings, including government investigations relating to corruption and antitrust proceedings, that could harm our business and our reputation.
- We are subject to anti-corruption, anti-bribery, anti-money laundering and antitrust laws and regulations in the countries in which we operate, some of which are considered high-risk countries. Any violation of any such laws or regulations could have a material adverse impact on our reputation, results of operations and financial condition.

- Our operations are subject to environmental laws and regulations that are increasingly stringent.
- It may be difficult to enforce civil liabilities against us or the members of CEMEX, S.A.B. de C.V.'s board of directors, our senior management and controlling persons.

Risks Relating to Ownership of Our Securities

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 and Mexican companies without a foreign investment-exclusion clause in their bylaws may not directly hold the Series A shares underlying CEMEX, S.A.B. de C.V.'s CPOs or ADSs, 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 the CPOs held by non-Mexican investors or by Mexican companies without a foreign investment-exclusion clause in their bylaws must be placed into a new trust similar to the current CPO trust. We cannot guarantee that a trust similar to the CPO trust will exist or that the relevant authorization for the transfer of our Series A shares to such a trust will be obtained. In that event, such investors might be required to sell their Series A shares to a Mexican individual or corporation that has a foreign investment-exclusion clause in its bylaws, which could expose shareholders to a loss in the sale of the corresponding Series A shares and may cause the price of our CPOs and ADSs to decrease.

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

Any person acquiring ADSs should be aware of the terms of the ADSs, the corresponding deposit agreement pursuant to which the ADSs are issued (the "Deposit Agreement"), the CPO Trust (as defined in the Deposit Agreement) and CEMEX, S.A.B. de C.V.'s by-laws. Under such terms, a holder of an ADS has the right to instruct the ADS depositary to exercise voting rights only with respect to Series B shares represented by the CPOs deposited with the depositary, but not with respect to the Series A shares represented by the CPOs deposited with the depositary. 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 in time to ensure that they are able to instruct the depositary 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. Holders of ADSs will not have the right to instruct the ADS depositary as to the exercise of voting rights in respect of Series A shares underlying CPOs held in the CPO Trust. Under the terms of the CPO Trust, Series A shares underlying CPOs held by non-Mexican nationals, including all Series A shares underlying CPOs represented by ADSs, will be voted by the Trustee (as defined in the Deposit Agreement), according to the majority of all Series A shares held by Mexican nationals and Series B shares voted at the meeting. In addition, the depositary 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 depositary 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 depositary to give a proxy to a person we designate, or at our request, the corresponding CPO trust's technical committee designates, to vote the Series B shares underlying the CPOs represented by the ADSs in his/her discretion. The ADS depositary 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 Series A shares and the Series B shares represented by the CPOs at any meeting of holders of Series A shares or Series B shares even

if no voting instructions have been received. By so attending, the ADS depositary, the custodian or the CPO trustee, as applicable, may contribute to the establishment of a quorum at a meeting of holders of CPOs, Series A shares or Series B shares, as appropriate.

Corporate rights may not be available to any person that acquires 2% or more of CEMEX, S.A.B. de C.V.'s voting shares without the approval of its board of directors.

CEMEX, S.A.B. de C.V.'s by-laws provide that its board of directors must authorize in advance any transfer of voting shares of its capital stock that would result in any persons, or groups acting in concert, becoming a holder of 2% or more of CEMEX, S.A.B. de C.V.'s voting shares. In the event this requirement is 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 Indeval (as defined below) shall not have any effect.

Preemptive rights generally available under Mexican Law 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 diluted following equity or equity-linked offerings. Under Mexican law, if CEMEX, S.A.B. de C.V. issues new shares, CEMEX, S.A.B. de C.V. would be generally required to grant preemptive rights to its shareholders, except in certain situations, including if such shares are issued in the context of a public offering or if such shares underlie convertible securities issued by CEMEX, S.A.B. de C.V. However, ADS holders may not be able to exercise these preemptive rights to acquire new shares unless (i) CEMEX, S.A.B. de C.V. files a registration statement with the SEC with respect to such shares or (ii) the offering of the shares qualifies for an exemption from registration under the U.S. Securities Act of 1933 (the "Securities Act"), as amended. We cannot assure you that CEMEX, S.A.B. de C.V. would file a registration statement in the United States that would allow holders of ADSs to participate in any preemptive rights offering. Under Mexican law, preemptive rights cannot be waived in advance or be assigned or be represented by an instrument that is negotiable separately from the corresponding shares. As a result of applicable United States securities laws, holders of ADSs may be restricted in their ability to exercise preemptive rights as provided in the Deposit Agreement with the ADSs depositary, as amended. Shares subject to a preemptive rights offering, with respect to which preemptive rights have not been exercised, may be sold by CEMEX, S.A.B. de C.V. to third parties on the terms and conditions previously approved by CEMEX, S.A.B. de C.V.'s shareholders or its Board of Directors. See "Item 10—Additional Information—Articles of Association and By-laws."

The protections afforded to shareholders in Mexico are different from those in other countries and may be more difficult to enforce.

Under Mexican law, the protections afforded to shareholders are different from those in the United States and countries in continental Europe. In particular, the legal framework and case law pertaining to directors' duties and disputes between shareholders and us, the members of CEMEX, S.A.B. de C.V.'s board of directors or our officers are less protective of shareholders under Mexican law than under U.S. and continental European law. Mexican law only permits shareholder derivative suits (i.e., suits for our benefit as opposed to the direct benefit of our shareholders) and there are procedural requirements for bringing shareholder derivative lawsuits, such as minimum holdings, which differ from those in effect in other jurisdictions. There is also a substantially less active plaintiffs' bar dedicated to the enforcement of shareholders' rights in Mexico than in the United States or Europe. As a result, in practice it may be more difficult for our shareholders to initiate an action against us or our directors or obtain direct remedies than it would be for shareholders of a U.S. or European company.

Risks Relating to Our Business and Operations

The COVID-19 pandemic could materially adversely affect our financial condition and results of operations.

The COVID-19 pandemic and new variants of the coronavirus have impacted the world, including the United States, Mexico, EMEAA and SCA&C. If there is any considerable growth in coronavirus cases, or if cases spread across different geographies or increase in severity, governments and health authorities around the world may continue to re-implement measures attempting to contain and mitigate the spread and effects of the virus. These measures, and the effects of the COVID-19 pandemic, have resulted, and may continue to result, in: (i) restrictions on, or suspended access to, or shutdown, or suspension or the halt of, our facilities, including our cement plants and grinding mills; (ii) staffing shortages, production slowdowns or stoppages and disruptions in our delivery systems; (iii) disruptions or delays in our supply chains, including shortages of materials, products and services on which we and our businesses depend; (iv) reduced availability of land and sea transport, including labor shortages, logistics constraints and increased border controls or closures; (v) increased cost of materials, products and services on which we and our businesses depend; (vi) reduced investor confidence and consumer spending in the regions where we operate and globally; (vii) a slowdown in economic activity, including in the construction industry, and a decrease in demand for our products and services and industry demand generally; (viii) constraints on the availability of financing, if available at all, including on access to credit lines and working capital facilities; (ix) inability to satisfy liquidity needs if our operating cash flow and funds received under receivables and inventory financing facilities decrease or if we are not able to obtain borrowings under credit facilities, proceeds of debt and equity offerings and/or proceeds from asset sales; (x) our inability to refinance our indebtedness on desired terms, if at all; or (xi) our inability to comply with, or receive waivers with respect to, restrictions and covenants under the agreements governing our indebtedness and financial obligations, including, but not limited to, maintenance covenants under our 2021 Credit Agreement. We consider that, as the effects and duration of the COVID-19 pandemic extend, there could be significant adverse effects in the future mainly in connection with: (i) impairment of long-lived assets including goodwill; (ii) foreign exchange losses related to our obligations denominated in foreign currency; (iii) increases in estimated credit losses on trade accounts receivable; and (iv) further disruption in supply chains.

As of the date of this annual report, China has reported a surge in COVID-19 cases. Over 19,000 COVID-19 cases were reported on April 15, 2022, which accounts for the highest number of cases reported in a single day in over two years. As a result of this surge in cases, government officials have imposed lockdowns in major cities, where non-essential activities have been limited, and mandatory quarantines have been imposed for individuals who are believed to have come into close contact with COVID-19 patients. These newly imposed restrictions could result in supply chain disruptions. During the COVID-19 pandemic, surges in COVID-19 cases in East Asia have gradually progressed to the Western hemisphere, and, if this trend continues, it is possible that this or other new surges in COVID-19 cases could reach the countries where we have our most significant operations, including, but not limited to, Mexico and the United States, and the adverse effects experienced in previous surges in COVID-19 cases could reoccur.

The 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 our and our subsidiaries' securities. If economic pressures continue or worsen, we may need to issue equity as a source to repay our existing or future indebtedness. Although we have been able to raise debt, equity and equity-linked capital in the past, conditions in the capital markets could be such that sources of capital may not be available to us on reasonable terms or at all. As a result, we cannot assure you that we will be able to raise debt and/or equity capital on terms favorable to us or at all.

Economic conditions in countries where we operate and in other regions or countries may adversely affect our business, financial condition, liquidity 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 effect on our business, financial condition, liquidity and results of operations worldwide. Our results of operations are highly dependent on the results of our operating subsidiaries worldwide, including those in the United States, Mexico, EMEAA and SCA&C (as described in "Item 4—Information on the Company—Business Overview").

For a geographic breakdown of our revenues for the year ended December 31, 2021, see "Item 4—Information on the Company—Geographic Breakdown of Revenues by Reporting Segment for the Year Ended December 31, 2021."

As of the date of this annual report, we believe that the main risk factors for the global economy and the countries where we operate include, but are not limited to, the following: (i) emergence of further COVID-19 variants before widespread vaccination is reached or against which vaccination has limited effectiveness or is ineffective; (ii) continuation of persistent supply-demand mismatches, increasing inflation and a faster-than-anticipated monetary policy normalization cycle, and its impact on the global economy, emerging markets, risk aversion, foreign exchange markets, debt, and financial market volatility; (iii) escalation of social unrest; (iv) more adverse climate shocks; (v) an escalation of trade and technology tensions, notably between the United States and China, could weigh on investment and productivity growth, raising additional roadblocks in the recovery path; (vi) rapid growth of cryptocurrencies without clear regulation that could lead to financial instability with negative effects for the global economy; (vii) an increase in the spread and destructiveness of cyberattacks involving critical infrastructure could act as further drags on the recovery, particularly as telework and automation increase; and (viii) other geopolitical risks.

Since the beginning of 2021, inflation, as measured by the consumer price index has increased in advanced and emerging market economies, reaching record highs in Europe and breaking a 40-year record high in the United States, driven mainly by supply chain issues (including input shortages, labor constrains, and rising commodity prices), excess demand for goods and services, and significant increases in energy prices.

This combination of factors in addition to the risk that novel and more severe strains of the coronavirus may emerge, which could potentially intensify the existing supply issues, has raised concerns about the possibility of persistently high inflation and/or de-anchored inflation expectations, which could lead to higher, more persistent and volatile price increases. Inflation can deteriorate economic conditions in the countries where we operate and has caused and may continue to cause a rise in the costs of manufacturing our products, as well as an increase in related expenses, such as freight related expenses. Furthermore, our operations, mainly those in the United States and Europe, have historically not experienced inflationary pressures, and thus there is no assurance that they will be well-prepared to cope with them. Inflation and its related effects could have a material adverse effect on our business, financial condition, liquidity, and results of operations. See "Item 3—Key Information—Risk Factors—Risks Relating to Our Business and Operations—High energy and fuel costs may have a material adverse effect on our operating results" for information on how energy and fuel costs affect the costs of manufacturing our products and related expenses.

In this environment, central banks could adopt stricter monetary policies, not continuing the easing monetary policy adopted during the pandemic. This process could lead to a tightening of global financial conditions that could affect both advanced and emerging economies disrupting financial markets, which could result in economic recessions in the countries in which we operate and/or limit our ability to access capital on reasonable terms or at all, and thus have a material adverse effect on our business, financial condition, liquidity, and results of operations. However, there is a risk that these efforts could not be sufficient to contain inflation and thus the European Central Bank could start raising interest rates earlier than expected. Higher interest rates could impact the indebtedness of the European countries and their economic performance.

Emerging markets and developing economies with significant foreign currency denominated-debt and financing needs could be particularly exposed and affected from the resulting effects of a raise in interest rates through capital outflows, exchange rate depreciations, shifts in investor sentiment and increasing borrowing costs, leading to adverse growth outcomes. Similarly, large-scale corporate debt defaults or restructuring could reverberate widely. A substantial portion of our operations are located in developing countries which have shown been negatively affected by capital outflows in the past and have volatile currency values. In the event that one or more of these risks materialize, demand for our products and services could decrease significantly due to general economic conditions in these countries and/or our revenues and available resources in local currencies could depreciate significantly, which could limit our ability to satisfy our indebtedness and other obligations and/or incur expenditures and make investments in hard currency necessary to conduct our business, all of which could

have a material adverse effect on our business, financial condition, liquidity, and results of operations. See "Item 4—Information on the Company—Geographic Breakdown of Revenues by Reporting Segment for the Year Ended December 31, 2021" and "Item 5—Operating and Financial Review and Prospects—Liquidity and Capital Resources—Our Indebtedness."

Instances of social unrest had declined during the early phases of the pandemic but rose in the second half of 2020 and at the beginning of 2021. The causes of such social unrest vary across countries, including frustration with the government responses to the pandemic, increases in food prices, slow employment growth, fiscal deficits, geopolitical tensions, political stability concerns, and long-standing erosion of trust in government institutions. A further intensification could damage sentiment and weigh on the economic recovery from the COVID-19 pandemic.

Climate change, one of the main causes of the more frequent and intense weather-related disasters, already has had visible immediate impacts, with effects beyond the regions where the disasters strike. Cross-border migration pressures, financial stresses (including among creditors and insurers in countries not directly impacted by a given event), and health care burdens may rise, with implications that persist long after the event itself. Disasters caused by climate change may pose further challenges to the global recovery.

Mexico's economic recovery from the effects of the COVID-19 pandemic started relatively quickly in 2021 due to strong U.S. import demand and the remarkable remittance inflows, both driven by the fiscal stimulus adopted by the U.S. government. Nonetheless, economic activity in Mexico was not as strong during the third quarter of 2021 due to supply chain issues, the fragility of Mexico's service sector and uncertainty surrounding the evolution of the COVID-19 pandemic. Economic recovery is expected to continue at a more moderate pace. As of the date of this annual report, apart from the risks mentioned above, the Mexican economy faces other risks in the short-term including, but not limited to: (i) decreases in U.S. economic activity; (ii) the effects of a possible downgrade of Petróleos Mexicanos' ("PEMEX") debt rating or further capital requirements to restructure PEMEX, which could undermine fiscal stability and Mexico's sovereign debt rating; and (iii) the negative effects derived from uncertainty about institutional frameworks changes. Together or alone, these uncertainties and risks could have a material adverse impact on our financial condition, business and results of operations, particularly in Mexico.

In general, demand for our products and services is strongly related to construction levels and depends, in large part, on construction activity, as well as private and public infrastructure spending in the countries where we operate. Declines in the construction industry are usually correlated with declines in general economic conditions. As a result, deterioration of economic conditions in the countries where we operate, could have a material adverse effect on our business, financial condition, liquidity and results of operations. There is no assurance that growth in gross domestic product ("GDP") of the countries where we operate will translate into an increase in demand for our products. We are subject to the effects of general global economic and market conditions beyond our control. If these conditions are challenging or deteriorate, our business, financial condition, liquidity and results of operations could be adversely affected.

The war between Russia and Ukraine may have a material adverse effect on our business, financial condition, liquidity and results of operation.

Global markets are experiencing volatility and disruption following the escalation of geopolitical tensions and the start of the war between Russia and Ukraine. In February 2022, Russia launched a full-scale military invasion of Ukraine. Although the length and impact of the ongoing military conflict is unpredictable, the conflict in Ukraine has created and could lead to further market disruptions, including significant volatility in commodity prices, credit and capital markets. The war between Russia and Ukraine has led to sanctions and other penalties being levied by the United States, European Union and other countries mainly against Russia, including agreement to remove certain Russian financial institutions from the Society for Worldwide Interbank Financial Telecommunication ("SWIFT") payment system. Additional potential sanctions and penalties have also been proposed and/or threatened. The war is expected to have further global economic consequences, including but not limited to the possibility of severely diminished liquidity and credit availability, declines in consumer confidence, scarcity in certain raw materials and products, declines in economic growth, increases in inflation

rates and uncertainty about economic and political stability. In addition, there is a risk that Russia and other countries supporting Russia in this conflict may launch cyberattacks against the United States and its allies and other countries, their governments and businesses, including the infrastructure in such countries. Any of the foregoing consequences, including those we cannot yet predict, may have a material adverse effect on our business, financial condition, liquidity and results of operations.

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

Energy and fuel costs represent an important part of our cost structure. The price and availability of energy and fuel are generally subject to market volatility and may have an adverse impact on our costs and operating results. If third-party suppliers fail to provide to us the required amounts of energy or fuel under existing agreements, we may need to acquire energy or fuel at an increased cost from other suppliers to fulfill contractual commitments with third parties or for use in our operations. Governments in several countries in which we operate are working to reduce energy subsidies, introduce or tighten clean energy obligations or impose excise taxes and carbon emission caps, which could increase energy costs and have a material adverse effect on our business, financial condition, liquidity and results of operations.

Our commitment to transition to and increase the use of alternative energy sources and fuels may limit our flexibility to use energy sources and fuels that may be more cost-effective and require us to incur more in capital expenditures and investments than we currently have planned. However, if our efforts to increase our use of alternative fuels are unsuccessful, due to their limited availability, price volatility or otherwise, we would be required to use traditional fuels, which may be more expensive at any given time and increase our energy and fuel costs. Also, any such failure may cause us not to achieve the targets under our *Future in Action* climate action program and certain key performance indicators provided for in our sustainability-linked financing arrangements, which, among other adverse effects, would damage our reputation and give rise to an increase in our cost of capital. Any of this could have a material adverse effect on our business, financial condition, liquidity and results of operations. See “Item 4—Information on the Company—Regulatory Matters and Legal Proceedings—Environmental Matters—Mexico” and “Item 5—Operating and Financial Review and Prospects—Recent Developments—Recent Developments Relating to Our Regulatory Matters and Legal Proceedings—Environmental Matters—Mexico” for a description of certain changes in the laws and regulations governing the energy, electricity and hydrocarbons sectors which have been enacted or are undergoing constitutional challenges or approval procedures, and which may result in increased costs for our business, which may in turn have a material adverse effect on our business, financial condition, liquidity and results of operations. See “Item 3—Key Information—COVID-19 Pandemic” for more information on the impact of COVID-19 on energy and fuel costs and “Item 3—Key Information—Risk Factors—Risks Relating to Our Business and Operations—Economic conditions in countries where we operate and in other regions or countries may adversely affect our business, financial condition, liquidity and results of operations” for more information on the current inflationary environment.

We are subject to restrictions and reputational risks resulting from non-controlling interests held by third parties in our consolidated subsidiaries. We control four publicly listed companies, where this risk is heightened.

We conduct our business mostly through subsidiaries. In some cases, third-party shareholders hold non-controlling interests in these subsidiaries. Our most important subsidiaries in which third-party shareholders held non-controlling interests as of December 31, 2021 are CLH, CHP, Trinidad Cement Limited (“TCL”) and Caribbean Cement Company Limited (“CCCL”), all of which are publicly listed companies. Various disadvantages may result from the participation of non-controlling shareholders whose interests may not be aligned with ours. Some of these disadvantages may, among other things, result in our inability to implement organizational efficiencies, divest or acquire assets and transfer cash and assets from one subsidiary to another in order to allocate assets most effectively. In addition, we are also exposed to third-party shareholders initiating different actions or proceedings against us as controlling shareholders on corporate and corporate governance related matters, which could also harm our reputation and have an adverse effect on our business, liquidity, financial condition and results of operations.

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 our net assets in certain currencies, as well as some of our financial and operating 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 or the risk that we will not continue to have access to such instruments at reasonable costs, or at all.

As of December 31, 2021, our derivative financial instruments consisted of Dollar/Mexican Peso foreign exchange forward contracts and Dollar/Euro cross-currency swap contracts, both designated as a net investment hedge of CEMEX's net investment in Mexican Pesos and Euros, respectively. It also included interest rate swap instruments related to bank loans, Dollar/Mexican Peso call spread option contracts negotiated to maintain the value in Dollars over revenues generated in Mexican Pesos, as well as fuel price hedging derivatives, which had an impact on our financial position. Changes in the fair value of our derivative financial instruments, not specifically designated as hedges, are reflected in our statement of operations, which could introduce volatility in our controlling interest net income and other related ratios. As of December 31, 2020 and 2021, the aggregate notional amount under our outstanding derivative financial instruments was $2,230 million ($741 million of net investment hedge, $1,334 million of interest rate swaps, $27 million of equity forwards on third-party shares and $128 million of fuel price hedging) and $2,911 million ($1,511 million of net investment hedge, $1,005 million of interest rate swaps, $145 million of fuel price hedging and $250 million of foreign exchange options), respectively, with a mark-to-market valuation representing net liabilities of $81 million as of December 31, 2020 and net assets of $21 million as of December 31, 2021. See note 18.4 to our 2021 audited consolidated financial statements included elsewhere in this annual report for a detailed description of our derivative financial instruments. Since 2008, CEMEX has significantly decreased its use of derivative financial instruments, thereby reducing the risk of cash margin calls. With respect to our existing financial derivatives, we may incur net losses and be subject to margin calls that do not require a substantial amount of cash to be covered. However, if we enter into new derivative financial instruments, we may incur net losses and be subject to margin calls requiring a substantial amount of cash to be covered and may reduce the funds available to us for our operations or other capital needs. In addition, as with any derivative position, we assume the creditworthiness risk of the counterparty, including the risk that the counterparty may not honor its obligations to us. In addition, entering into new derivative financial instruments incurs costs, and we cannot assure you that any new derivative financial instrument that we enter into will be done so at reasonable costs or will be available to us at all.

Political, social and geopolitical events, possible changes in public policies and other risks in some of the countries where we operate, which are inherent to the operations of an international company, could have a material adverse effect on our business, financial condition, liquidity and results of operations.

As of December 31, 2021, our operations were mostly in Mexico, the United States, certain countries in the EMEAA region and the SCA&C region (as described in "Item 4—Information on the Company—Business Overview"). For a geographic breakdown of our revenues for the year ended December 31, 2021, see "Item 4—Information on the Company—Geographic Breakdown of Revenues by Reporting Segment for the Year Ended December 31, 2021."

We are exposed to the circumstances prevalent in the countries in which we market our products and services. Like other companies with international operations, political, economic, geopolitical or social developments in the countries where we operate or elsewhere, such as elections, new governments, changes in public policy, economic circumstances, laws and/or regulations, trade policies, political agreements or disagreements, civil disturbances and a rise in violence or the perception of violence, could have a material adverse effect in the countries where we operate or on the global financial markets, and in turn on our business, financial condition, liquidity and results of operations.

Presidential, legislative, state and local elections took place in 2021 in several of the countries where we operate, including Mexico, El Salvador, Israel, Peru, Germany, Czech Republic and Nicaragua. In 2022, elections have been held or are scheduled to be held in Mexico, Barbados, Costa Rica, Colombia, France, the Philippines, as well as midterm elections in the United States. In addition, future snap elections cannot be discarded. A change in federal or national government and the political party in control of the legislature in any of these countries could result in changes to the countries' economic, political or social conditions, and in changes to laws, regulations and public policies, which may contribute to economic uncertainty or adverse business conditions and could also materially impact our business, financial condition, liquidity and results of operations. Similarly, if no political party wins a clear majority in the legislative bodies of these countries, legislative gridlock and political and economic uncertainty may continue or result.

Political events and social unrest have impacted the business and economic environment in the United States and beyond. The upcoming 2022 U.S. midterm elections may result in changes to the controlling political party in the U.S. Congress and, in turn, result in potential changes to, and delays in, the U.S. federal government's policy priorities and legislative endeavors. The new Congress could impose regulations and/or taxes reaching further than those currently in effect. We are not certain if any such regulations and/or taxes will be imposed or not; and, in the event they are imposed, if costs and expenses which may be incurred in order to comply with such regulations and/or taxes would have a material adverse effect on our business, financial condition, liquidity and results of operations.

In Mexico, several laws, policies and regulations issued since the beginning of the current administration, as well as certain legislative proposals, differ substantially from those in effect in previous administrations. Additionally, emission caps per industrial sector in line with Mexico's greenhouse gas emissions reduction targets are expected to come into effect in 2023. See "Item 4—Information on the Company—Regulatory Matters and Legal Proceedings—Environmental Matters—Mexico" and "Item 5—Operating and Financial Review and Prospects—Recent Developments—Recent Developments Relating to Our Regulatory Matters and Legal Proceedings—Environmental Matters—Mexico" for a description of such changes in the laws and regulations governing the energy, electricity and hydrocarbons sectors which have been enacted or are undergoing constitutional challenges, as well as a description of potential emission caps regulations in Mexico. We are not certain if such laws and regulations undergoing constitutional challenges will prevail. Additionally, an increase of "green" taxes in states where we operate is also expected. These and any other policies, laws and regulations which are further adopted could result in a deterioration of investment sentiment, political and economic uncertainty, and increased costs for our business, which may in turn have a material adverse effect on our business, financial condition, liquidity and results of operations.

In Europe, though Brexit has already materialized, there continues to be uncertainty regarding the United Kingdom's future relationship with the EU and other key partners around the world. This uncertainty could still have a material adverse effect on our business, financial condition, liquidity and results of operations, particularly in the United Kingdom. To mitigate any such risk, a "Brexit taskforce" has been implemented and continues to operate with the following objectives: (i) monitoring and sharing relevant public information, (ii) identifying ongoing and evolving risks and opportunities, (iii) assessing potential impacts and action plan to minimize them, (iv) following-up with affected areas, and (v) preparing an effective communication for different audiences. As of the date of this annual report, the Brexit taskforce has been working, aligned with United Kingdom government guidelines, on critical issues to potentially anticipate and avoid a business disruption resulting from Brexit. These issues include: (i) the new chemical regulations and the Registration, Evaluation, Authorisation and Restriction of Chemicals ("REACH") registry requirements for imported products, (ii) identifying commercial products being placed on the market in Great Britain with the previously used "CE" (*conformité européenne*) marking that will require U.K. Conformity Assessed ("UKCA") marking in 2022, (iii) complying with the specific tariffs on imported goods through a new Economic Operators' Registration and Identification ("EORI") number applicable to all of our operation sites in the United Kingdom, and (iv) supporting our employees living in the United Kingdom which do not have citizenship status with the preparation and filing of their settlement scheme application.

Our operations in Egypt, the UAE and Israel have experienced disruption as a result of, among other things, political instability, civil unrest, terrorism, extremism, deterioration of general diplomatic relations and changes in the geopolitical dynamics in the region. There can be no assurances that political turbulence in Israel, Egypt, Iran, Iraq, Syria, Libya, Yemen and other countries in Africa, the Middle East and Asia will abate in the future or that neighboring countries (*e.g.*, the United Arab Emirates) will not be drawn further into conflict or experience instability. In addition, some of our operations are or may be subject to political risks, such as confiscation, expropriation and/or nationalization, as for example was the case of our past operations in Venezuela and is currently the case in Egypt. See "Item 4—Information on the Company—Regulatory Matters and Legal Proceedings—Other Legal Proceedings—Egypt Share Purchase Agreement."

Our operations are also exposed to the Israeli-Palestinian conflict. Confrontations between the Israeli Defense Force and Palestinians in the Gaza Strip have continued generating events of violence in the region. Progress on peace remains stalled, despite efforts from third parties to reach an agreement. As of the date of this annual report, the parties continued to portray opposite views over the contested territory and neither side is expected to make concessions in the near future. If the conflict escalates, it could have a negative impact on the geopolitics and economy of the region, which in turn could adversely affect our operations, financial condition, liquidity and results of operations. In March 2021, Israel held its fourth general election in two years. The election and successive negotiations resulted in the formation of a coalition government in June 2021. Political instability related to the governmental transition and disputes within the governing coalition could have an adverse effect on our business, financial condition, liquidity, and results of operations in Israel. Increased tensions in the Middle East could pose the risk of full military action and could have a material adverse effect on our business, financial condition, liquidity and results of operations, most importantly in Israel and the UAE.

In Asia, pro-democracy protests and demands, mainly in Hong Kong, ongoing disputes between North and South Korea, as well as territorial disputes among several Southeast Asian countries and China in the South China Sea continue to be a cause for social, economic and political uncertainty and instability in the region. A major outbreak of hostilities or political upheaval in China, Hong Kong, Taiwan, North Korea, South Korea or any other Asian nation could adversely affect the global economy, which could have a material adverse effect on our business, financial condition, liquidity or results of operations.

In Latin America, discontent with politicians, corruption, poverty, and inequality have been cause for numerous protests and general social unrest. Despite COVID-19 pandemic lockdowns, protests have sparked throughout the region in countries such as Haiti, Colombia, Guatemala, Costa Rica, Peru and others. Furthermore, the region continues to be affected by Venezuela's economic and political crisis, which has had a major impact on the regional economy and poses an important economic, social and security risk.

Further geopolitical challenges, such as the conflict between the United States and China, could cause important disruptions in the global economic, financial markets and trade dynamics which could impact the markets in which we operate and materially and adversely affect our business, financial condition, liquidity and results of operations.

There have been terrorist attacks and ongoing threats of future terrorist attacks in countries in which we operate. We cannot assure you that there will not be new attacks or threats that will cause any damage to our operating units and facilities or locations, or harm any of our employees, including members of CEMEX, S.A.B. de C.V.'s board of directors or senior management, or lead to an economic contraction, financial markets volatility or erection of material barriers to trade in any of our markets. An economic contraction in any of the markets where we operate could affect domestic demand for our products, which could have a material adverse effect on our business, financial condition, liquidity and results of operations.

As part of our risk governance approach, from time to time we evaluate the need to address the financial consequences of political or social risk through the purchase of insurance. As a result, we purchase certain types of political risk insurance policies for selected countries where we operate, and which are exposed to political

turmoil, geopolitical issues or political uncertainty. These insurance policies are designed to offer some assistance to our financial flexibility to the extent that the specifics of a political incident could give rise to a financial liability. However, we cannot assure you that a given social or political event and possible changes in government policies will be covered by the political risk insurance policies we have in place, or that the amount of such insurance will be sufficient to offset the liability arising from such applicable events. Any such liability could have a material adverse effect on our business, financial condition, liquidity and results of operations.

These and other political, economic, social and geopolitical issues have the potential to materially and adversely impact the global economy, financial markets and the overall stability of the countries and regions in which we operate and, in turn, our business, financial condition, liquidity and results of operations.

Complications in relationships with local communities may adversely affect our business continuity, reputation, liquidity, and results of operations.

We make significant efforts to maintain good long-term relationships and continuous communication with local and neighboring communities where we operate; however, there can be no assurance that such communities will not have or will not develop interests or objectives which are different from, or even in conflict with, our objectives, which could result in legal or administrative proceedings, civil unrest, protests, negative media coverage, direct action or campaigns, including, but not limited to, requests for the government to revoke or deny our concessions, licenses or other permits to operate. Any such events could cause delays or disruptions in our operations, result in operational restrictions or higher costs, or cause reputational damage, which could materially and adversely affect our business, reputation, liquidity and results of operations. See “Item 4—Information on the Company—Regulatory Matters and Legal Proceedings—Environmental Matters—Philippines Environmental Class Action.”

We are increasingly 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 increasingly rely on a variety of information technology and cloud services, on a fully digital customer integration platform, such as CEMEX Go, and on automated operating systems to manage and support our operations, as well as to offer our products to our customers. The proper functioning of this technology and these systems is critical to the efficient operation and management of our business, as well as for the sales generated by our business. Our systems and technologies may require modifications or upgrades as a result of technological changes, growth in our business and to enhance our business security. These changes may be costly and disruptive to our operations and could impose substantial demands on our systems and increase system outage time. Our systems and technology, as well as those provided by our third-party service providers, such as International Business Machines Corporation (“IBM”), Microsoft and HCL Technologies, among others, 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, security breaches, computer viruses and cyber-attacks, including malicious codes, worms, ransomware, phishing, denial of service attacks and unauthorized access. For example, our digital solutions to improve sales, customer experience, enhance our operations and increase our business efficiencies could be impeded by such damages, disruptions or intrusions. Furthermore, while we expect to further integrate digital technologies into our operations as part of our Working Smarter digital transformation initiative and believe this is likely to assist us in fulfilling our strategic priorities, these integration efforts and the engagement of additional technology service providers and systems in our operations as part of Working Smarter could increase our exposure to these risks. See “Item 4—Information on the Company—Our Strategic Priorities—Operational Improvements” and “Item 5—Operating and Financial Review and Prospects—Recent Developments—Recent Developments Relating to Our Business and Operations—Execution of Agreements relating to our Working Smarter Initiative” for more information on Working Smarter and the related technologies, service providers and systems engaged as part of this digital transformation initiative. To try to minimize such risks, we safeguard our systems and electronic information through a set of cyber-security controls, processes and a proactive monitoring service to attend to

potential breaches. In addition, we also have disaster recovery plans in case of incidents that could cause major disruptions to our business. However, these measures may not be sufficient, and our systems have in the past been subject to certain minor intrusions that did not result in a material breach or material impact to the Company, including distributed denial of service ("DDoS") attacks, unauthorized access attempts, brute force attacks and phishing. Although we are certified under and compliant with International Organization for Standardization ("ISO") 27001:2013 standards for information security management systems to preserve the confidentiality, integrity and availability of data and also are certified on the Payment Card Industry ("PCI") security standard which provides a trustful e-commerce mechanism for customers, and that some of our cement plants received the ISO 27001 certification, we cannot assure that we will always be able to retain or renew this certification or that our systems will not be subject to certain intrusions. In a global business environment that relies on complex digital networks, cybercriminals are often outpacing a company's ability to prevent and manage cyberthreats. The digitalization of global supply chains creates new risks as they increasingly rely on technology and other third parties.

During 2021, there was a global trend of an increase in security threats, including, but not limited to, phishing and malware/ransomware campaigns, exploitation of video collaboration vulnerabilities, among other things. Furthermore, the increase in employees working from home in response to the COVID-19 pandemic increased cyber risk due to inadequate security configurations of domestic (home) networks and use of non-corporate devices. As of the date of this annual report, we have implemented additional cybersecurity controls designed to reduce such risks and mitigate the impact of such risks, but these may also not be sufficient, and we cannot assure you that intrusions will not occur.

In relation to our overall operations, particularly due to our digital transformation efforts and the implementation of CEMEX Go, our audit committee is informed of the cyber-security threats we face and is involved in approving general steps to try to mitigate any such cyber-security threats. As of December 31, 2021, CEMEX Go has more than 49,000 users across the countries in which we do business, and through CEMEX Go we receive approximately 51% of our main product orders and process 61% of our total global sales. As of December 31, 2021, we have not detected, and our third-party service providers have not informed us of, any relevant event that has materially damaged, disrupted or resulted in an intrusion of our systems. Any significant information leakages or theft of information, or any unlawful processing of personal data, could affect our compliance with data privacy laws and make us subject to regulatory action, including substantial fines and private litigation with potentially large costs, and could damage our relationship with our employees, customers and suppliers, which could have a material adverse impact on our business, financial condition, liquidity, results of operations and prospects.

Furthermore, in June 2021, our insurance program was renewed for 12 additional months. This program includes insurance coverage that, subject to its terms and conditions, is intended to address certain costs associated with cyber incidents, network failures and data privacy-related concerns. Nevertheless, this insurance coverage may not, depending on the specific facts and circumstances surrounding an incident, cover all losses or types of claims that may arise from an incident or the damage to our reputation or brands that may result from an incident. However, any significant disruption to our systems could have a material adverse effect on our business, financial condition, liquidity and results of operations, and could also harm our reputation.

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

We increasingly use in most of our business certain by-products of industrial processes produced by third parties, such as pet coke, fly ash, slag and synthetic gypsum, among others, as well as natural resources such as water. While we are not dependent on any particular suppliers, we try to secure the supply of the required materials, products or resources through long-term renewable contracts and framework agreements, which allow us to better manage supplies. Short-term contracts are entered into in certain countries where we operate. Should existing suppliers cease operations or reduce or eliminate production of these by-products, or should for any reason any suppliers not be able to deliver to us the contractual quantities, or should laws and/or regulations in

any region or country limit the access to these materials, products, reserves or resources, 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, liquidity, results of operations and prospects. In particular, scarcity and quality of natural resources (such as water and aggregates reserves) in some of the countries where we operate could have a material adverse effect on our operations, costs and results of operations. See "Item 3—Key Information—COVID-19 Pandemic" for more information on the impact of COVID-19 on supply chains.

We may not be able to realize the expected benefits from any acquisitions or joint ventures, some of which may have a material impact on our business, financial condition, liquidity and results of operations. Any failure to realize expected benefits from the bolt-on acquisitions of our "Operation Resilience" strategy heightens this risk.

Our ability to realize the expected benefits from any acquisitions, joint ventures, investments or partnerships depends, in large part, on our ability to integrate acquired operations with our existing operations in a timely and effective manner or on our ability to impact financial results or operations of or properly manage, together with any partners, any joint venture business, partnership or other business where we hold an investment. These efforts may not be successful. Although we have disposed of assets in the past and may continue to do so to reduce our overall leverage and rebalance our portfolio, certain of our debt instruments restrict our ability to acquire assets and enter into joint ventures. We may in the future acquire new operations or enter into joint ventures or investments and integrate such operations or assets into our existing operations, and some of such acquisitions, joint ventures or investments may have a material impact on our business, financial condition, liquidity and results of operations. We cannot assure you that we will be successful in identifying or acquiring suitable assets in the future, or that the terms under which we may acquire any assets or enter into joint ventures in the future would be favorable to us or that we will be able to find suitable partners for our joint ventures at all. We may also fail to achieve any anticipated cost savings from any acquisitions, joint ventures or investments. We have announced that the portfolio optimization efforts to grow Operating EBITDA that are a part of our "Operation Resilience" strategy are expected to include a variety of bolt-on investments, which included acquisitions in different geographies like France, Spain and Texas in 2021 and are expected to continue in 2022. See "Item 3—Key Information—Our General Evolution—Operation Resilience." Failure to realize the expected benefits from these acquisitions, if at all made, would cause us to not achieve certain of our "Operation Resilience" goals and, in turn, our business, financial condition, liquidity and results of operations could be materially and adversely affected.

The introduction of or failure to introduce substitutes or alternative forms of cement, ready-mix concrete or aggregates into the market and the development of or failure to develop new construction techniques and technologies could have a material adverse effect on our business, financial condition, liquidity and results of operations.

Materials such as plastic, aluminum, ceramics, glass, wood and steel can be used in construction as a substitute for cement, ready-mix concrete or aggregates. In addition, other construction techniques, such as the use of dry wall, and the integration of new technologies in the construction industry, such as 3-D printing, mini-mills and mobile plants, and changes in housing preferences could adversely impact the demand and price for our cement, ready-mix concrete and/or aggregates. Furthermore, research aimed at developing new construction techniques and modern materials and digitalizing the construction industry may introduce new products and technologies in the future that could reduce the demand for and prices of our products. Our efforts to introduce new products or products with non-traditional compositions (such as our *Vertua* brand and those with reduced cement or clinker content) or to develop and market new construction techniques and technologies (such as those that are part of our Urbanization Solutions) are not only aimed at increasing our operating results, but are also relevant to achieve the targets of our *Future in Action* climate action program and certain key performance indicators provided for in our sustainability-linked financing arrangements. Therefore, if our efforts to introduce these products and construction techniques and technologies are unsuccessful or unprofitable, among other

adverse effects, this would damage our operating results, reputation and give rise to an increase in our cost of capital. Any of this, individually or in the aggregate, could have a material adverse effect on our business, financial condition, liquidity and results of operations.

We operate in highly competitive markets with numerous players employing different competitive strategies and if we do not compete effectively, our revenues, market share and results of operations may be affected.

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 and increasing imports. Companies in these markets compete based on a variety of factors, often employing aggressive pricing strategies to gain market share. For example, in the relatively consolidated cement and ready-mix concrete industries, we generally compete based on quality, client segmentation, value proposition, and superior customer experience. In the more fragmented market for aggregates, we generally compete based on capacity, price for our products and our customer centric culture. 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 also dispose of assets, which could lead to new market entrants, increasing competition in our markets. Mergers and acquisitions transactions have played an important role in the last year in the United States. For example, in 2021, HeidelbergCement sold its Western United States business, including its California, Arizona, Oregon and Nevada operations, to Martin Marietta. We have substantial operations in California, Arizona and Nevada and it is unclear how competitive dynamics will change in these or other states following this transaction. Even though we have generally been able to compete effectively in the United States, these shifts in market participants in our largest market in terms of revenues could be detrimental to our position. In Mexico, one of our key markets and second largest market in terms of revenue, competitors have focused mainly on organic growth. For example, in 2021, Holcim inaugurated its new cement grinding plant in Yucatan with a capacity of 650,000 tons of cement per year, which enables Holcim to offer products and services mainly in Latin America. Also in 2021, Elementia announced a spinoff resulting in the formation of Fortaleza Materiales and Elementia Materiales. We believe that Elementia Materiales and Holcim, which have operations in Mexico, the United States and Latin America, offer products and services that could increase competition with our Urbanization Solutions business in those markets. In addition, if any of our major competitors divest assets in different parts of the world, this may lead to increased competition in the markets in which we operate. It is unclear how competitors that could potentially acquire those assets will compete in the markets in which we operate. Some may use aggressive competitive strategies based on imports and pricing that could be damaging to our industry's profitability and, as a consequence, our results of operations. In addition, asset optimization by buyers of the disposed assets could result in an operational cost advantage. As a result, if we are not able to compete effectively, we may lose market share, potentially substantially, in the countries in which we operate, and our revenues could decline or grow at a slower rate and our business and results of operations would be harmed, which could have a material adverse effect on our business, financial condition, liquidity and results of operations.

A substantial amount of our total assets consists of intangible assets, including goodwill. We have recognized charges for goodwill impairment in the past and in 2021, and if market or industry conditions deteriorate further, additional impairment charges may be recognized.

Our 2021 audited consolidated financial statements, included elsewhere in this annual report, have been prepared in accordance with IFRS as issued by the IASB, under which goodwill is not amortized and is tested for impairment. Tests for impairment are carried out when indicators exist or at least once a year during the fourth quarter of each year and are performed by determining the recoverable amount of the groups of cash-generating units ("CGUs") to which goodwill balances have been allocated. The recoverable amount of CGUs consist of the higher of such groups of cash-generating units' fair value, less cost to sell, and their corresponding value in use, represented by the discounted amount of estimated future cash flows expected to be generated by such groups of CGUs 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 CGUs to which goodwill has been allocated within other expenses, net. We determine the discounted amount of estimated future cash flows over periods of five years. 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 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 market transactions.

Impairment tests are significantly sensitive to, among other factors, the estimation of future prices of our products, in 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 national construction or cement producer chambers and/or in governmental economic expectations. Operating expenses are normally measured as a constant proportion of revenues, following experience. However, such operating expenses are also reviewed considering external information sources in respect of inputs that behave according to international prices, such as oil and gas. 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 rates in perpetuity applied. The higher the growth rate in perpetuity applied, the higher the amount of undiscounted future cash flows by group of CGUs obtained. Moreover, the amounts of discounted future cash flows are significantly sensitive to the weighted average cost of capital (discount rate) applied. The higher the discount rate applied, the lower the amount of discounted estimated future cash flows by group of CGUs obtained. During the third quarter of 2021, expected increasing input cost inflation, higher freight and supply chain disruptions led to a confirmation of impairment indicators in Spain, the UAE and other businesses. As a result, we recognized a non-cash aggregate goodwill impairment charge of $440 million comprised, of $317 million related to our business in Spain, $96 million related to our business in UAE, and $27 million related to our IT business segment due to reorganization. The impairment of goodwill in Spain and the UAE in 2021 resulted from an excess of the net book value of such businesses versus the discounted cash flow projections as of September 30, 2021 related to these reporting segments. Also, during the third quarter of 2021, we recognized non-cash impairment charges of intangible assets due to a technological revamp of certain internal use software of $49 million. See notes 8, 17.1 and 17.2 to our 2021 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 any 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, which could have a material adverse effect on our financial condition.

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

Most of our production facilities and units, as well as mineral extraction locations, require individuals to work with chemicals, equipment and other materials that have the potential to cause fatalities, harm and injury when used without due care. An accident or injury that occurs at our facilities could result in disruptions to our business and operations and could have legal and regulatory, as well as reputational, consequences. As a result, we may be required to compensate such individuals or incur other costs and liabilities, any and all of which could have a material adverse impact on our reputation, business, financial condition, liquidity, results of operations and prospects.

Additionally, 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 with regards to the management of silica and its health effects, as well as in relation to other substances and products. Nonetheless, any health issues related to cement and aggregates production can result in future claims related to exposure to these products or substances, which could have a material adverse impact on our reputation, business, financial condition, liquidity, results of operations and prospects.

Other health and safety issues related to our business include: burns arising from contact with hot cement kiln dust or dust on preheater systems; airborne 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 elevated heights 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. We may also be exposed to liability resulting from injuries or fatalities involving third-party service providers, such as drivers for our suppliers when delivering products or services to us. While we actively seek to minimize the risk posed by these issues, personal injury claims may be made, and substantial damages awarded, against us, which could have a material adverse impact on our reputation, business, financial condition, liquidity and results of operations. Additionally, we may also be required to change our operational practices, involving material capital expenditure.

Our operations and ability to source products and materials can be affected by adverse weather conditions and natural disasters.

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, or generally, in any rainy and snowy weather. Consequently, demand for our products is significantly lower during the winter or raining and snowing seasons in the countries in which we operate and do business. Generally, 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 and/or snow can also adversely affect our operations during these periods, as well as our access to products and materials used in our operations (as was the case in 2018 with regard to our operations in the Philippines, which was exacerbated by a natural landslide that affected our operations in the country). Natural disasters such as the earthquake in Mexico in 2019 and super typhoons, such as Odette in the Philippines in 2021, have had and in the future could have a negative impact on our sales volumes, which could also have a material adverse effect on our results of operations. Our operations in Florida and Texas, the Caribbean and certain parts of the Gulf of Mexico are particularly exposed to hurricanes and similar weather events. This decrease in sales volumes is usually counterbalanced by the increase in the demand for our products during the reconstruction phase, unless any of our operating units or facilities are impacted by the natural disaster. Such adverse weather conditions and natural disasters can have a material adverse effect on our business, financial condition, liquidity and results of operations if they occur with unusual intensity, during abnormal periods, or last longer than usual in our major markets, or if they cause scarcity and increases in the cost of the products we need to run our business, especially during peak construction periods.

We could 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, governmental or administrative actions, regulatory issues, civil unrest, industrial accidents, unavailability or excessively high cost of raw materials such as energy to the point of making it inefficient to run our production facilities, mechanical equipment failure, human error, natural disaster, cyberattack to our systems, public health threat or otherwise, could disrupt and adversely affect our operations. Additionally, any major or

sustained disruptions in the supply of utilities such as water, gas or electricity or any fire, flood, earthquake, hurricane, volcanic eruption, landslide, blizzard or other natural calamities or communal unrest or acts of terrorism may disrupt our operations or damage our production facilities or inventories and could have a material adverse effect on our business, financial condition, liquidity and results of operations. We typically shut down our facilities to undertake maintenance and repair work at scheduled intervals. Although we schedule shutdowns such that not all our facilities are shut down at the same time, the unexpected shutdown or closure of any facility may nevertheless materially affect our business, financial condition, liquidity and results of operations from one period to another. See "Item 3—Key Information—COVID-19 Pandemic" and "Item 5—Operating and Financial Review and Prospects—Recent Developments—Recent Developments Relating to Effects of COVID-19 on Our Business and Operations" for more information on government measures to temporarily suspend some of our operations to stop the spread of COVID-19.

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, liquidity, results of operations and prospects. Although most of our significant operations have not been affected by any significant labor disputes in the past, we cannot assure you that we will not experience labor unrest, activism, disputes or actions in the future, including as a result of labor laws and regulations that have recently been enacted or that could come into effect in the future, some of which may be significant and could adversely affect our business, financial condition, liquidity, results of operations and prospects. For example, the activity of labor unions in Mexico is expected to increase, as a result of a law that permits unions to actively seek sponsorship of collective bargaining agreements. For a description of our most relevant collective bargaining agreements, see "Item 6—Directors, Senior Management and Employees—Employees."

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

Among others, we face the risks of fatalities and injury of our employees and contractors, loss and damage to our products, property and machinery due to, among other things, public health threats, fire, theft and natural disasters such as floods, and also face risks related to cyber-security related matters. Such events may cause a disruption to, or cessation of, our operations and business. Our insurance coverage may not be sufficient to cover all of our potential losses and liabilities. In addition, our insurance coverage may not cover all the risks to which we may be exposed, such as all risks related to pandemics and/or epidemics (including COVID-19), and political risk. 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. Such circumstances could have a material adverse effect on our business, liquidity, financial condition and results of operations.

Our success depends on the leadership of CEMEX, S.A.B. de C.V.'s board of directors and on key members of our executive management team.

Our success depends largely on strategic vision and actions of CEMEX, S.A.B. de C.V.'s board of directors and on key members of our executive management team. The loss of some or all of CEMEX, S.A.B. de C.V.'s directors or our senior management could have a material adverse effect on our business, financial condition, liquidity and results of operations, as well as on our reputation. Although we have appointed new members (including to replace outgoing directors) and removed members from the board of directors in recent years, we cannot assure you that this will continue to occur nor that the current composition of CEMEX, S.A.B. de C.V.'s board of directors will be maintained.

The execution of our business strategy also depends on our ongoing ability to attract and retain highly skilled employees. For a variety of reasons, particularly due to the competitive environment and the limited

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, liquidity and results of operations could be materially and adversely affected.

Risks Relating to Our Indebtedness and Certain Other Obligations

The 2021 Credit Agreement, the indentures governing our outstanding Notes and our other debt agreements and/or instruments contain several restrictions and covenants. Our failure to comply with such restrictions and covenants or any inability to capitalize on business opportunities or refinance our debt resulting from them could have a material adverse effect on our business and financial conditions.

The 2021 Credit Agreement requires us to comply with several financial ratios and tests, including (i) a minimum Consolidated Coverage Ratio of Consolidated EBITDA to Consolidated Interest Expense and (ii) a maximum Consolidated Leverage Ratio of Consolidated Net Debt to consolidated EBITDA, in each case, as described in the 2021 Credit Agreement. The calculation and formulation of Consolidated EBITDA, Consolidated Interest Expense, Consolidated Net Debt, Consolidated Coverage Ratio and Consolidated Leverage Ratio are defined and set out in the 2021 Credit Agreement and may differ from the calculation and/or formulation of analogous terms in this annual report. Our ability to comply with these ratios may be affected by our results of operations, economic conditions and volatility in foreign exchange rates, by overall conditions in the financial and capital markets and the construction sector, and by any monetary penalties or fines we may have to pay as a result of any administrative or legal proceedings to which we may be exposed to. See “Item 4—Information on the Company—Regulatory Matters and Legal Proceedings” for more information. Additionally, the 2021 Credit Agreement requires us to comply with certain covenants and restrictions consistent with an investment grade capital structure. As of December 31, 2021, there were $4,902 million and €400 million aggregate principal amount of then-outstanding Notes under the indentures governing such notes. The indentures governing our Notes impose operating and financial restrictions on us, which are more stringent than those imposed by the 2021 Credit Agreement. These restrictions limit our ability, among other things, to: (i) incur debt, including restrictions on incurring debt at our subsidiaries, which are not parties to the indentures governing the Notes; (ii) pay dividends on stock; (iii) redeem stock or redeem subordinated debt; (iv) make investments; (v) guarantee indebtedness; and (vi) create or assume liens.

Most of the covenants and restrictions in the 2021 Credit Agreement and the indentures governing our Notes are subject to a number of exceptions and qualifications. Nevertheless, they still limit our ability to conduct business at our discretion and may, among other effects, potentially impede or restrict refinancing plans with respect to our debt limit, as well as our ability to seize opportunities for our business, particularly if we are unable to incur financing or make investments to take advantage of such opportunities. In addition, in connection with the entry into new financings or amendments to existing financing arrangements while our debt rating remains below investment grade, our 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. The breach of any of these covenants could result in a default under the 2021 Credit Agreement and/or the indentures governing our outstanding Notes, as well as certain other existing debt obligations, as a result of cross-default provisions contained in the instruments governing such debt obligations. In the event of a default under any of the 2021 Credit Agreement and/or the indentures governing our outstanding Notes, Lenders under the 2021 Credit Agreement and holders of our outstanding Notes could seek to declare all amounts outstanding under the 2021 Credit Agreements and such Notes, together with accrued and unpaid interest, if any, to be immediately due and payable. If the indebtedness under the 2021 Credit Agreement, our outstanding 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. We cannot guarantee that we will be able to comply with the covenants and limitations contained in the 2021 Credit Agreement or in the indentures governing our Notes, or that we will comply with other agreements which constitute financial indebtedness in excess of $50 million in which any non-compliance would trigger a cross-default. 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, liquidity and results of operations.

We have historically, when needed, sought and obtained waivers and amendments to several of our debt instruments relating to a number of financial ratios, restrictions and covenants. Our ability to comply with these could be affected by global economic conditions, foreign exchange rates and the financial and capital markets, among other factors. We may need to seek waivers or amendments to debt agreements or debt instruments in the future. However, we cannot assure you that any such waivers or amendments will be obtained. If we are unable to comply with the provisions of our debt agreements or debt instruments, and are unable to obtain a waiver or amendment, the indebtedness outstanding under such debt agreements and/or instruments could be accelerated. Acceleration of these debt agreements and/or instruments would have a material adverse effect on our business, liquidity or financial condition.

The elimination of LIBOR after June 2023 may affect our financial results.

On March 5, 2021, the United Kingdom Financial Conduct Authority (the "FCA"), which regulates LIBOR, announced that all LIBOR tenors relevant to the Company will cease to be published or will no longer be representative after June 30, 2023. The FCA's announcement coincided with the March 5, 2021 announcement of LIBOR's administrator, the ICE Benchmark Administration Limited (the "IBA"), indicating that, as a result of not having access to input data necessary to calculate LIBOR tenors relevant to the Company on a representative basis after June 30, 2023, IBA would cease publication of such LIBOR tenors immediately after the last publication on June 30, 2023. These announcements mean that any of our LIBOR-based borrowings that extend beyond June 30, 2023 will need to be converted to a replacement rate. Upon the occurrence of a Benchmark Transition Event (as defined in the 2021 Credit Agreement) in relation to the corresponding currency in place of the LIBOR benchmark interest rate, a benchmark replacement will replace the then-current benchmark in accordance with the "hardwired" replacement provisions of the 2021 Credit Agreement.

In the United States, the Alternative Reference Rates Committee (the "ARRC"), a committee of private sector entities with ex-officio official sector members convened by the Federal Reserve Board and the Federal Reserve Bank of New York, has recommended the Secured Overnight Financing Rate ("SOFR") plus a recommended spread adjustment as LIBOR's replacement. There are significant differences between LIBOR and SOFR, such as LIBOR being an unsecured lending rate while SOFR is a secured lending rate, and SOFR is an overnight rate while LIBOR reflects term rates at different maturities. As of December 31, 2021, 10% of our foreign currency-denominated non-current total debt including subordinated notes and leases bears floating rates at a weighted average interest rate of LIBOR plus 150 basis points. Additionally, as of December 31, 2021, 20% of our foreign currency-denominated non-current debt with a maturity beyond December 31, 2021 is referenced to LIBOR. A transition away from and/or changes to the LIBOR benchmark interest rate could adversely affect our business, financial condition, liquidity and results of operations. If our LIBOR-based borrowings are converted to SOFR, the differences between LIBOR and SOFR, plus the recommended spread adjustment, could result in interest costs that are higher than if LIBOR remained available, which could have a material adverse effect on our operating results. Although SOFR is the ARRC's recommended replacement rate, it is also possible that lenders may instead choose alternative replacement rates that may differ from LIBOR in ways similar to SOFR or in other ways that would result in higher interest costs for us. It is not yet possible to predict the magnitude of LIBOR's end on our borrowing costs given the remaining uncertainty about which rates will replace LIBOR.

We have a substantial amount of debt and other financial obligations. If we are unable to secure refinancing on favorable terms or at all, we may not be able to comply with our payment obligations upon their maturity. Our ability to comply with our principal maturities and financial covenants may depend on us implementing certain initiatives, including, but not limited to, "Operation Resilience," which may include making asset sales, and there is no assurance that we will be able to implement any such initiatives or execute such sales, if needed, on terms favorable to us or at all.

As of December 31, 2021, our total debt plus other financial obligations was $9,157 million (principal amount $9,210 million, excluding deferred issuance costs). Of such total debt plus other financial obligations, $940 million (principal amount $940 million) matures during 2022; $437 million (principal amount $437 million) matures during 2023; $510 million (principal amount $515 million) matures during 2024; $953 million (principal amount $964 million) matures during 2025; and $6,317 million (principal amount $6,354 million) matures after 2025. If we are unable to comply with, or refinance or extend, maturities under certain of our indebtedness, substantially all of our debt could be accelerated. Acceleration of our debt would have a material adverse effect on our business, financial condition, liquidity and results of operations. As a result of the potential failure to achieve the targets under our "Operation Resilience," the restrictions under the 2021 Credit Agreement, the indentures that govern our outstanding Notes (as defined below) and other debt instruments, the current global economic environment, volatility in the credit and capital markets and uncertain market conditions, we may not be able to generate enough cash or, if needed to repay our indebtedness, raise debt, equity and/or equity-linked capital on favorable terms or at all. These circumstances could also prevent us from securing extensions from relevant creditors and undertaking alternative actions to refinance, such as the completion of asset sales on terms that are economically attractive or at all, and could significantly limit the availability of funds to potential acquiring parties. If we fail to secure funds to repay our indebtedness in these or any other manners 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, which would have a material adverse effect on our business, financial condition, liquidity and results of operations.

Also, there can be no assurance that we will be able to implement our business strategy and initiatives and improve our results and revenues, which could affect our ability to refinance and/or comply with our payment obligations under our debt agreements and instruments. See "Item 3—Key Information—COVID-19 Pandemic" for more information on the impact of COVID-19 on our debt and cash levels.

We may not be able to generate sufficient cash to service our indebtedness or satisfy our short-term liquidity needs, and we may be forced to take other actions to do so, 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, mostly 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, 2021, we had $602 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 or generate sufficient cash to service our indebtedness or satisfy our short-term liquidity needs through the means we have historically used. This could adversely affect our liquidity and force us to take other actions to service our indebtedness or satisfy our short-term liquidity needs, which may be unsuccessful.

Specifically, we have periodically resorted and may continue to resort to the capital markets to raise debt, equity and equity-linked capital as our principal alternative to the means to obtain liquidity described in the paragraph above. A wide variety of factors may have adverse effects on our operating results and negatively affect our credit rating and the market value of our CPOs and ADSs, or that of our publicly listed subsidiaries, mainly CEMEX Latam Holdings, S.A. ("CLH") and CEMEX Holdings Philippines, Inc. ("CHP"). In such event, securities issued by us could be deemed undesirable in the capital markets, which could make traditional sources of capital unavailable to us on reasonable terms or at all. If the global economic environment deteriorates and our

operating results worsen, if we are unable to complete divestitures and/or debt or equity offerings on favorable terms or at all and/or our cash flow or capital resources prove inadequate, we could face liquidity problems and may not be able to comply with our principal payments under our indebtedness or refinance our indebtedness. See "Item 3—Key Information—COVID-19 Pandemic" for more information on the impact of COVID-19 on our liquidity.

CEMEX, S.A.B. de C.V.'s ability to repay debt and pay dividends is highly dependent on our subsidiaries' ability to transfer income and dividends to us. We control four publicly-listed companies, where this risk is heightened.

Aside from its operations in Mexico, CEMEX, S.A.B. de C.V. is a holding company that owns the stock of its direct subsidiaries and is the beneficial owner of the equity interests of its 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, as well as to make other payments, depends on the continued transfer to it of dividends and other income and funds from its subsidiaries. The ability of CEMEX, S.A.B. de C.V.'s subsidiaries to pay dividends and make other transfers to CEMEX, S.A.B. de C.V. is subject to various regulatory, contractual and legal constraints of the countries in which we operate, as well as our continued compliance with terms under our debt agreements and instruments under which certain covenants have been partially suspended. See "Item 3—Key Information—COVID-19 Pandemic" and "Item 5—Operating and Financial Review and Prospects—Recent Developments—Recent Developments Relating to Effects of COVID-19 on Our Business and Operations" for more information on the impact of the COVID-19 pandemic on our business.

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, 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 may declare and pay dividends only out of the profits reflected in the year-end financial statements approved by its stockholders. In addition, such payment can be approved by 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 corporation 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 its subsidiaries may be restricted by the debt instruments and other contractual obligations of these entities. The jurisdictions of organization of CEMEX, S.A.B. de C.V.'s current or future 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, or may not have access to Dollars in their respective countries, which, as of the date of this annual report, would be the preferred currency to be received by CEMEX, S.A.B. de C.V. Also, any decision to have any of CEMEX, S.A.B. de C.V.'s not wholly-owned subsidiaries declare and pay dividends or make loans or other transfers to us is subject to any rights that non-controlling shareholders may have in the corresponding subsidiary. Additional or more restrictive limitations on our subsidiaries could adversely affect CEMEX, S.A.B. de C.V.'s ability to service our debt, meet its other cash obligations and pay dividends to its shareholders. See "Item 3—Key Information—COVID-19 Pandemic" for more information on the impact of COVID-19 on our operating subsidiaries and the possibility of less income being generated by our operating subsidiaries.

We have to service part of our debt and other financial obligations denominated in Dollars and Euros with revenues generated in Mexican Pesos or other currencies, as we do not generate sufficient revenue in Dollars and Euros from our operations to service all our debt and other financial obligations denominated in Dollars and Euros. 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 Dollar and Euro. In addition, our consolidated reported results and outstanding indebtedness are significantly affected by fluctuations in exchange rates between the Dollar (our reporting currency) vis-à-vis the Mexican Peso and other significant currencies within our operations.

A substantial portion of our total debt plus other financial obligations is denominated in Dollars and Euros. As of December 31, 2021, our debt plus other financial obligations denominated in Dollars and Euros represented 82% and 8% of our total debt plus other financial obligations, respectively. Our Dollar-denominated and Euro-denominated debt must be serviced with funds generated mostly by our direct and indirect subsidiaries' operations outside the United States and Europe. Although we have substantial operations in the United States and Europe, we continue to strongly rely on our non-U.S. assets and non-European assets to generate revenues to service our Dollar-denominated and Euro-denominated debt. Consequently, we have to use revenues generated in Mexican Pesos or other currencies to service our Dollar-denominated and Euro-denominated obligations. See "Item 5—Operating and Financial Review and Prospects—Quantitative and Qualitative 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, Pound Sterling, Colombian Peso, Philippine Peso or any of the other currencies of the countries in which we operate, compared to the Dollar and Euro, could adversely affect our ability to service our Dollar-denominated and Euro-denominated debt. In 2021, our operations in Mexico, the United Kingdom, France, Germany, Poland, Spain, the Philippines, Israel, the Rest of EMEAA (as defined below) segment, Colombia, Caribbean TCL (as defined below), the Dominican Republic and the Rest of SCA&C (as defined below) segment, which are our main non-Dollar denominated operations, together generated 61% of our total revenues in Dollar terms (22%, 6%, 5%, 3%, 3%, 2%, 2%, 5%, 3%, 3%, 2%, 2% and 3%, respectively) before eliminations resulting from consolidation. In 2021, 27% of our revenues in Dollar terms were generated from our operations in the United States before eliminations resulting from consolidation.

During 2021, the Mexican Peso depreciated 3.1% against the Dollar, the Euro depreciated 7.4% against the Dollar and the Pound Sterling depreciated 1.1% against the Dollar. Currency hedges that we may be a party to or may enter into in the future 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 Dollar and other currencies, as those fluctuations influence the amount of our non-Dollar indebtedness when translated into Dollars 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. For a description of these impacts, see "Item 3—Key Information—Risk Factors—Risks Relating to Our Business and Operations—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." See "Item 3—Key Information—COVID-19 Pandemic" for more information on the impact of COVID-19 on the value of the Mexican Peso against the Dollar.

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

We have obligations under defined benefit pension and other benefit plans in certain countries in which we operate, mainly in North America and Europe. Our actual funding obligations will depend on benefit plan changes, government regulations and other factors, including changes in longevity and mortality statistics. Despite the fact that we support our projections with studies by external actuaries, it is difficult to predict pension liabilities and funding requirements due to the large number of variables and assumptions involved, which are difficult to predict because they change continuously as demographics evolve. We have a net projected liability recognized in our statement of financial position as of December 31, 2021 of $999 million. The future cash funding requirements for our defined benefit pension plans and other post-employment benefit plans could

significantly differ from the amounts estimated as of December 31, 2021. If so, these funding requirements, as well as our possible inability to properly fund, and/or provide sufficient guarantees for, such pension plans if we are unable to deliver the cash or equivalent funding requirements, could have a material adverse effect on our business, financial condition, liquidity, results of operations and prospects. See note 20 to our 2021 audited consolidated financial statements included elsewhere in this annual report for a detailed description of our pension obligations.

Risks Relating to Regulatory and Legal Matters

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

Our operations are subject to the laws and regulations of the countries where we operate and do business, and such laws and regulations, and/or governmental interpretations of such laws and regulations, may change. Because CEMEX, S.A.B. de C.V. is organized under Mexican laws, and because of the considerable size of our operations in the United States and the fact that the ADSs trade on the New York Stock Exchange (the "NYSE"), we have to comply with the laws and regulations, and/or governmental interpretations of such laws and regulations, of Mexico and the United States, whether or not we operate and do business through a subsidiary located in Mexico or the United States.

Any change in such laws and regulations, and/or governmental interpretations of such laws and regulations, may have a material adverse effect on our business, financial condition, liquidity and results of operations. Furthermore, changes in laws and regulations, and/or governmental interpretations of such laws and regulations, 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, liquidity 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, liquidity, results of operations and prospects. For more information, see "Item 3—Key Information—Risk Factors—Risks Relating to Our Business and Operations—Economic conditions in countries where we operate and in other regions or countries may adversely affect our business, financial condition, liquidity and results of operations," "Item 3—Key Information—Risk Factors—Risks Relating to Our Business and Operations—Political, social and geopolitical events, possible changes in public policies and other risks in some of the countries where we operate, which are inherent to the operations of an international company, could have a material adverse effect on our business, financial condition, liquidity and results of operations" and "Item 3—Key Information—Risk Factors—Risks Relating to Regulatory and Legal Matters—Our operations are subject to environmental laws and regulations that are increasingly stringent."

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

We and our third-party providers of goods and services, as applicable, require various approvals, licenses, permits, concessions and certificates in the conduct of our business. We cannot assure you that we, or our third- party providers of goods and services, will not encounter significant problems in obtaining new or renewing existing approvals, licenses, permits, concessions and certificates required in the conduct of our business, or that we, or our third-party providers of good and services, will continue to satisfy the current or new conditions to such approvals, licenses, permits, concessions and certificates that we currently have or may be granted in the future. There may also be delays on the part of regulatory and administrative bodies in reviewing our applications and granting approvals, which have become increasingly common since the beginning of the COVID-19 pandemic due to closures and/or reduced operations of public offices. The implementation of new laws and

regulations on environmental-related matters in the countries in which we operate or in the countries from which our third-party providers of goods and services source their deliverables to us, may create stricter requirements to comply with. This could delay our ability to obtain the related approvals, licenses, permits, concessions and certificates, or could result in us not being able to obtain them at all. If previously obtained approvals, licenses, permits and certificates are revoked and/or if we, or our third-party providers of goods and services, fail to obtain and/or maintain the necessary approvals, licenses, permits, concessions and certificates required for the conduct of our business, we may be required to incur substantial costs or temporarily suspend or alter the operation of one or more of our operating units, production facilities, mineral extraction locations or of any relevant component of them, which could affect the general production of these units, facilities or locations, which in turn could have a material adverse effect on our business, financial condition, liquidity, results of operations and prospects. See "Item 3—Key Information—COVID-19 Pandemic" and "Item 5—Operating and Financial Review and Prospects—Recent Developments—Recent Developments Relating to Effects of COVID-19 on Our Business and Operations" for more information on the impact of certain measures being taken by the governments of the countries in which we operate regarding temporary closures of our operating facilities to stop the spread of COVID-19.

We are subject to litigation proceedings, including government investigations relating to corruption and antitrust proceedings, that could harm our business and our reputation.

From time to time, we are and may become involved in litigation, investigations and other legal or administrative proceedings relating to claims arising from our operations, either in the normal course of business or not, or arising from violations or alleged violations of laws, regulations or acts. As described in, but not limited to, "Item 4—Information on the Company—Regulatory Matters and Legal Proceedings," as of December 31, 2021, we were subject to a number of significant legal proceedings, including, but not limited to, an SEC investigation concerning a new cement plant being built by CEMEX Colombia S.A. ("CEMEX Colombia") in the Municipality of Maceo in the department of Antioquia, Colombia (the "Maceo Plant"), as well as an investigation from the United States Department of Justice (the "DOJ") mainly relating to our operations in Colombia and other jurisdictions, and antitrust investigations in 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. Investigations and litigation, and in general any legal or administrative proceedings, are subject to inherent uncertainties and unfavorable rulings may occur. We cannot assure you that these or any of our other regulatory matters and legal proceedings, including any that may arise in the future, will not harm our reputation or materially affect our ability to conduct our business in the manner that we expect or otherwise materially adversely affect us should an unfavorable ruling occur, which could have a material adverse effect on our business, financial condition, liquidity and results of operations.

We are subject to anti-corruption, anti-bribery, anti-money laundering and antitrust laws and regulations in the countries in which we operate, some of which are considered high-risk countries. Any violation of any such laws or regulations could have a material adverse impact on our reputation, results of operations and financial condition.

We are subject to anti-corruption, anti-bribery, anti-money laundering, antitrust and other international laws and regulations and are required to comply with the applicable laws and regulations of the countries in which we operate, some of which, including Mexico, Jamaica, Trinidad and Tobago, Guyana, Barbados, Colombia, Panama, Egypt, the Philippines, the Dominican Republic, Guatemala, Nicaragua, Croatia, the Czech Republic and Haiti, are considered medium and high-risk countries with regard to corruption-related matters. In addition, we are subject to regulations on international trade that restrict dealings with certain sanctioned countries, individuals and entities, including regulations administered by the United States of America, the United Kingdom, and the European Union, and other international organizations and governments, including export control regulations, economic sanctions and trade embargoes. Given the large number of contracts that we are a party to around the world, the geographic distribution of our operations and the great variety of actors that we interact with in the course of business, we are subject to the risk that our affiliates, employees, directors, officers,

partners, agents and service providers may misappropriate our assets, manipulate our assets or information, make improper payments or engage in corruption, bribery, money laundering or other illegal activity; and, as a consequence, we may be held liable for such misconduct, even if we do not engage in or authorize such activities.

Although we have implemented policies and procedures, which include training certain groups of our employees, seeking to ensure compliance with anti-corruption and related laws, there can be no assurance that our internal policies and procedures will be sufficient to prevent or detect all inappropriate practices, fraud or violations of law by our affiliates, employees, directors, officers, partners, agents and service providers or that any such persons will not take actions in violation of our policies and procedures. If we fail to fully comply with applicable laws and regulations, the relevant government authorities of the countries where we operate have the power and authority to investigate us and, if necessary, impose fines, penalties and remedies, which could cause us to lose clients, suppliers and access to debt and capital markets. Any violations by us, or the third parties we transact with, of anti-bribery, anti-corruption, anti-money laundering, antitrust and international trade laws or regulations could have a material adverse effect on our business, liquidity, reputation, results of operations and financial condition. For further information regarding our ongoing proceedings with respect to anti-corruption laws, see "Item 3—Key Information—Risk Factors—Risks Relating to Our Business and Operations—We are subject to litigation proceedings, including government investigations relating to corruption and antitrust proceedings, that could harm our business and our reputation" and "Item 4—Information on the Company—Regulatory Matters and Legal Proceedings."

Certain tax matters may have a material adverse effect on our cash flow, financial condition and net income, as well as on our reputation.

We are subject to certain tax matters, mainly in Colombia and Spain, that, if adversely resolved, may have a material adverse effect on our operating results, liquidity and financial position, as well as on our reputation. See notes 3.14 and 21.4 to our 2021 audited consolidated financial statements included elsewhere in this annual report, "Item 4—Information on the Company—Regulatory Matters and Legal Proceedings—Tax Matters—Colombia," and "Item 4—Information on the Company—Regulatory Matters and Legal Proceedings—Tax Matters—Spain" for a description of the legal proceedings regarding these Colombian and Spanish tax matters, all included elsewhere in this annual report.

Our operations are subject to environmental laws and regulations that are increasingly stringent.

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, which in recent years have and in the future are expected to continue becoming progressively stricter regarding, among other things, air emissions, land use and biodiversity, use of alternative fuels, water availability, wastewater discharges, the use and handling of hazardous waste or materials, waste management practices and the remediation of environmental impact of our operations. These laws and regulations expose us to the risk of substantial environmental costs and liabilities, including taxes, higher investment in equipment and technology, fines and other sanctions, the payment of compensation to third parties, remediation costs, business disruption 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, which could result in a material decline in our profitability. Such may be the case, for example, if policy derived from Executive Order 14008, Tackling the Climate Crisis at Home and Abroad, signed by U.S. President Joe Biden on January 27, 2021, results in new regulatory or legislative initiatives relating to climate change, the application of regulatory criteria in relation to environmental matters stricter than that currently being applied, or in preferential treatment regarding pricing, contracting, the granting of operational permits or other economic activities being given to entities which may have environmental standards that are stricter than ours.

In late 2010, the United States Environmental Protection Agency ("EPA") issued the final Portland Cement National Emission Standard for Hazardous Air Pollutants ("Portland Cement NESHAP") 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. While we expect to meet all emissions standards imposed by the Portland Cement NESHAP, we estimate that we will continue to incur operating costs at each plant to comply and could incur penalties if we fail to do comply.

In February 2013, EPA issued revised final emissions standards under the CAA for commercial and industrial solid waste incinerators (the "CISWI rule"). 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 potentially more stringent emissions limits on certain pollutants that also are regulated under the Portland Cement NESHAP. EPA received petitions to further reconsider certain provisions of the CISWI rule. EPA granted reconsideration on four specific issues and finalized the reconsideration of the CISWI rule in June 2016. The CISWI rule was also challenged by both industrial and environmental groups in federal court. In July 2016, the D.C. Circuit issued a ruling upholding most of the rule and remanding several portions to EPA for further consideration. EPA has not issued a revised final rule after remand, but the portions of the rule upheld on appeal are final and in effect. The final CISWI rule established a compliance date of February 2018, which was not impacted by the appeal. As of December 31, 2021, none of our kilns at CEMEX plants in the United States have been determined to be CISWI kilns; but, if they 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 at which any hazardous substances or wastes generated by us were sent for treatment, storage or disposal, or any areas affected while any hazardous substances or wastes were transported. 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 the impact of our operations will not require us to make significant remediation or restoration expenditures, which could have a material adverse effect on our business, financial condition, liquidity and results of operations.

The cement manufacturing process requires the combustion of large amounts of fuel and creates CO_2 as a by-product of the calcination process. Therefore, efforts to address climate change through federal, state, regional, EU 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 paying higher energy costs or new CO_2-related taxes, the cost of installing equipment, adopting new technologies and employing non-clinker cementitious materials and other processes 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 or that certain laws and regulations limit our access to the financial markets or financial products due to environmental considerations, 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, EU 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, Europe, Mexico, United Kingdom and in other countries where we operate. In particular, rules and regulations that may come into effect to ensure the United States' achievement of its Nationally Determined Contribution (as defined below) following its reentering to the Paris Agreement, the potential approval of the European Commission's July 2021 proposal to implement measures to ensure the fulfillment of the goals contained in the EU's Green Deal (as defined below), the introduction in 2023 of GHG emission caps per industrial sector in Mexico and any further rules and regulations that may come into effect to complete the United Kingdom's implementation of the UK ETS (as defined below) may cause these risks to be realized. For more information on certain 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."

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. Any such liability may be deemed to be material to us and could have a material adverse effect on our business, financial condition, liquidity, results of operations and reputation.

It may be difficult to enforce civil liabilities against us or the members of CEMEX, S.A.B. de C.V.'s board of directors, our senior management and controlling persons.

CEMEX, S.A.B. de C.V. is a publicly traded variable stock corporation (*sociedad anónima bursátil de capital variable*) organized under the laws of Mexico. Most of the members of CEMEX, S.A.B. de C.V.'s board of directors and of our senior management reside in Mexico, and all or a significant portion of the assets of those persons may be, and a substantial part 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, Roger Saldaña Madero, 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.

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 variable stock corporation (*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, Mexico. CEMEX, S.A.B. de C.V.'s main phone number is +52 81 8888-8888.

Our website is located at www.cemex.com. The information on our website is not, and is not intended to be, part of this annual report and is not incorporated into this annual report by reference.

CEMEX, S.A.B. de C.V. started doing business 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, which as of the date of this annual report is for an indefinite period. Beginning April 2006, CEMEX's full legal and commercial name is CEMEX, Sociedad Anónima Bursátil de Capital Variable.

We are one of the largest cement companies in the world, based on annual installed cement production capacity. As of December 31, 2021, we had 88.5 million tons of annual installed cement production capacity and our cement sales volumes in 2021 were 67.0 million tons. We estimate we are one of the largest ready-mix concrete and aggregates companies in the world with annual sales volumes of 49.2 million cubic meters and 137.0 million tons, respectively, in each case, based on our annual sales volumes in 2021. In 2021, we traded 13.7 million tons of cementitious and non-cementitious materials, in 96 countries, including 11.4 million tons of cement and clinker and 2.3 million tons of cementitious and other materials. This information does not include discontinued operations. See note 5.2 to our 2021 audited consolidated financial statements included elsewhere in this annual report. CEMEX, S.A.B. de C.V. is an operating and a 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, other construction materials and urbanization solutions throughout the world. We also provide related services and reliable construction-related services to customers and communities and maintain business relationships in more than 50 countries throughout the world.

We operate in different parts of the world, with operations in Mexico, the United States, the EMEAA region and the SCA&C region. We had total assets of $26,650 million as of December 31, 2021, and an equity market capitalization of $6,422 million as of April 22, 2022.

As of December 31, 2021, our cement production facilities were located in Mexico, the United States, the United Kingdom, Germany, Spain, Poland, the Czech Republic, Croatia, Egypt, the Philippines, the UAE, Colombia, Panama, Costa Rica, Nicaragua, Guatemala, the Dominican Republic, Puerto Rico, Trinidad and Tobago, Jamaica and Barbados. On December 29, 2021, certain of our subsidiaries signed an agreement for the sale of our operations in Costa Rica and El Salvador with certain subsidiaries of Cementos Progreso Holdings, S.L. As of the date of this annual report, we expect to conclude the transaction during the first half of 2022, subject to the satisfaction of closing conditions, including the receipt of requisite regulatory approvals. As of December 31, 2021, the assets and liabilities related to our operations in Costa Rica and El Salvador were presented in the financial statements in the line item "Assets and liabilities directly related to assets held for sale." As of December 31, 2021, our assets (after eliminations), cement and grinding plants and installed capacity were set forth below on an unconsolidated basis by region. Installed capacity, which refers to theoretical annual production capacity, represents gray portland cement and white cement grinding capacity and includes installed capacity of cement and grinding plants that have been temporarily closed. Installed capacity may vary due to product mix changes in our production facilities.

	As of December 31, 2021		
	Consolidated assets (in Millions of Dollars)	Number of Cement and Grinding Plants	Installed Cement Grinding Capacity (Millions of Tons Per Annum)
Mexico	$ 3,785	15	26.4
United States[1]	12,810	10	14.1
EMEAA		23	34.9
United Kingdom[2]	1,591	3	3.6
France	993	—	—
Germany	401	2	3.1
Poland	322	3	3.8
Spain[3]	704	6	7.7
Philippines	777	2	5.7
Israel	776	—	—
Rest of EMEAA[4]	807	7	11.0
SCA&C		13	13.1
Colombia[5]	962	4	4.1
Panama	282	1	1.2
Caribbean TCL[6]	498	3	2.9
Dominican Republic	192	1	2.4
Rest of SCA&C[7]	262	4	2.5
Corporate and Other Operations	1,347	—	—
Continuing Operations	26,509	61	88.5
Assets held for sale[8]	141	2	0.8
Total	26,650	63	89.3

"—" Not applicable

The above table excludes our proportional interest in the installed capacity of companies in which we hold a non-controlling interest and reflects our organizational structure as of December 31, 2021.

(1) "Number of cement and grinding plants" and "installed cement grinding capacity" include two cement plants that are temporarily inactive with an aggregate annual installed grinding capacity of 2.0 million tons of cement.

(2) "Number of cement and grinding plants" and "installed cement grinding capacity" include one cement plant that is temporarily inactive with an annual installed capacity of 1.0 million tons of cement.

(3) "Number of cement and grinding plants" and "installed cement grinding capacity" include one cement plant that is temporarily inactive with an annual installed grinding capacity of 0.7 million tons of cement.
(4) "Rest of EMEAA" refers mainly to our operations in the Czech Republic, Croatia, Egypt and the UAE.
(5) "Number of cement and grinding plants" and "installed cement grinding capacity" include one grinding plant that is temporarily inactive with an annual installed grinding capacity of 0.4 million tons of cement.
(6) "Caribbean TCL" refers to TCL's operations mainly in Trinidad and Tobago, Jamaica, Barbados and Guyana.
(7) "Rest of SCA&C" refers mainly to our operations in Peru, Puerto Rico, Nicaragua, Jamaica, the Caribbean and Guatemala, excluding the operations of TCL.
(8) "Number of Cement and Grinding Plants" and "Installed Cement Grinding Capacity" classified under Assets held for sale refers mainly to our operations in Costa Rica.

Beginning in the late 1980s, we embarked on a major geographic expansion program intended to diversify our cash flows and enter into markets whose economic cycles within the cement industry operate largely independently from Mexico and which we believe offered 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. As part of our strategy, we also periodically review and reconfigure our operations in implementing our post-merger integration process, and we also divest assets that we believe are less fundamental to our portfolio. The following are our most significant acquisitions, divestitures and reconfigurations that we have announced or closed since 2019:

- On March 29, 2019, we closed the sale of our businesses in the Baltics and Nordics to the German building materials group Schwenk Zement KG ("Schwenk"), for a price in Euro equivalent to $387 million. The Baltic business divested consisted of one cement production plant in Broceni, Latvia with a production capacity of approximately 1.7 million tons, four aggregates quarries, two cement quarries, six ready-mix plants, one marine terminal and one land distribution terminal in Latvia. The assets divested also included our 37.8% indirect interest in one cement production plant in Akmene, Lithuania, with a production capacity of approximately 1.8 million tons, as well as the exports business to Estonia. The Nordic assets divested consisted of three import terminals in Finland, four import terminals in Norway and four import terminals in Sweden. Our operations of these disposed businesses for the period from January 1 to March 29, 2019, which include a gain on sale of $66 million, are reported in the statements of operations, net of income tax, as part of the single line item "Discontinued operations."

- On May 31, 2019, we concluded the sale of our aggregates and ready-mix business in the North and North-West regions of Germany to GP G✔nter Papenburg AG for a price in Euro equivalent to $97 million. The assets divested in Germany consisted of four aggregates quarries and four ready-mix facilities in North Germany, and nine aggregates quarries and 14 ready-mix facilities in North-West Germany. Our operations of these disposed assets for the period from January 1 to May 31, 2019, which include a gain on sale of $59 million, are presented in the statements of operations, net of income tax, as part of the single line item "Discontinued operations."

- On June 28, 2019, after obtaining customary authorizations, we concluded with several counterparties the sale of our ready-mix and aggregates business in the central region of France for an aggregate price in Euro equivalent to $36 million. Our operations of these disposed assets in France for the period from January 1 to June 28, 2019, which include a gain on sale of $17 million net of a proportional allocation of goodwill related to this reporting segment of $8 million, are presented in the statements of operations, net of income tax, as part of the single line item "Discontinued operations."

- On January 29, 2020, CHP announced the results of its stock rights offering pursuant to which 8,293,831,169 common shares of CHP were issued and listed on the Philippine Stock Exchange on March 4, 2020. As of December 31, 2019, CEMEX España indirectly held 66.78% of CHP's common

shares. After giving effect to the stock rights offering, CEMEX España's indirect ownership of CHP's common shares increased to 75.66%. As of December 31, 2021, CEMEX España's indirect ownership of CHP's outstanding common shares had further increased to 77.84%.

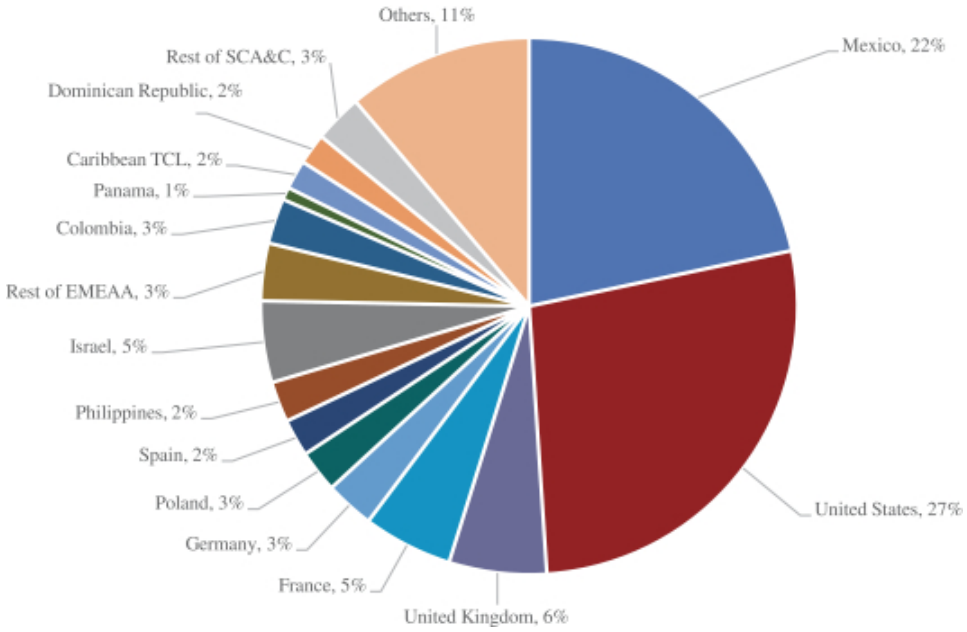
- During the first six months of 2020, one of our subsidiaries in Israel acquired a ready-mix concrete products business ("Netivei Noy") from Ashtrom Industries for an amount in Shekels equivalent to $33 million. After the conclusion of the purchase price allocation to the fair values of the assets acquired and liabilities assumed of this business, we determined goodwill of $2 million.
- On March 6, 2020, we concluded the sale of our U.S. affiliate Kosmos Cement Company ("Kosmos"), a partnership with a subsidiary of Buzzi Unicem S.p.A. in which we held a 75% interest, to Eagle Materials Inc. for $665 million. The share of proceeds to us from this transaction was $499 million before transactional and other costs and expenses. The assets that were divested consisted of Kosmos' cement plant in Louisville, Kentucky, as well as related assets which include seven distribution terminals and raw material reserves. The operations of these assets in the United States for the year ended December 31, 2019 and for the period from January 1, 2020 to March 6, 2020, which includes a gain on sale of $14 million, net of the proportional allocation of goodwill of $291 million, are presented in our statements of operations, net of income tax, as part of the single line item "Discontinued operations."
- On August 3, 2020, through an affiliate in the United Kingdom, we closed the sale of certain assets to Breedon Group plc ("Breedon") for an amount in Pounds equivalent to $230 million, including $30 million of debt. The assets included 49 ready-mix plants, 28 aggregate quarries, four depots, one cement terminal, 14 asphalt plants, four concrete products operations, as well as a portion of our paving solutions business in the United Kingdom. After completion of this divestiture, we maintain a significant footprint in key operating geographies in the United Kingdom related to the production and sale of cement, ready-mix, aggregates, asphalt and paving solutions, among others. Our operations of these assets in the United Kingdom for the year ended December 31, 2019 and for the period from January 1, 2020 to August 3, 2020, which includes a loss on sale of $57 million net of the proportional allocation of goodwill of $47 million, are presented in our statements of operations, net of tax, as part of the single line item "Discontinued operations."
- On November 9, 2020, the tender offer acceptance period commenced for the cash tender offer made by CEMEX España (the "CLH Tender Offer") for any and all outstanding ordinary shares of CLH registered with the National Register of Securities and Issuers (*Registro Nacional de Valores y Emisores*) ("RNVE") and the Colombian Securities Exchange (*Bolsa de Valores de Colombia*) (except for shares either owned by CEMEX España or CLH). The CLH Tender Offer expired on December 10, 2020. As a result of the CLH Tender Offer, CEMEX España purchased 108,337,613 shares of CLH at a purchase price of 3,250 Colombian Pesos per ordinary share of CLH. The CLH Tender Offer fully settled on December 18, 2020 for an aggregate amount of 352 billion Colombian Pesos (equivalent to $103 million). As of December 31, 2021, CEMEX España owns 92.26% of all outstanding shares in CLH (which exclude shares owned by CLH), which include shares purchased by us in the secondary market after the closing of the CLH Tender Offer.
- In January 2021, one of our subsidiaries in Israel acquired two ready-mix concrete plants from Kinneret and Beton-He'Emek for an amount in shekels equivalent to $6 million. After the conclusion of the purchase price allocation to the fair values of the assets acquired and liabilities assumed of this business, we determined goodwill of $5 million.
- On February 16, 2021, we announced that we acquired the ready-mix assets of Beck Readymix Concrete Co. LTD., including three ready-mix concrete plants and one portable plant to service the San Antonio, Texas metropolitan area and surrounding areas.
- On March 31, 2021, we sold 24 concrete plants and one aggregates quarry in France to Holcim for an amount in Euros equivalent to $44 million. These assets are located in the Rhone Alpes region in the

Southeast of France, east of our operations in Lyon, France. We will retain our business in Lyon, France. The operations related to these assets for the years ended December 31, 2019 and 2020 and for the three-month period ended March 31, 2021 are presented in our statements of operations, net of income tax, as part of the single line item "Discontinued operations."

- On April 12, 2021, we announced that we signed an agreement to acquire from Eqiom Granulats two aggregates quarries and one rail-enabled platform in the North Paris Metropolitan area.
- On July 9, 2021, we announced that we concluded the sale agreed in March 2019 of our white cement business, except for Mexico and the U.S., to Çimsa Çimento Sanayi Ve Ticaret A.Ş. for a total consideration of $155 million. Assets sold included our Buñol cement plant in Spain and white cement customer list. Our operations of these assets in Spain for the years ended December 31, 2019 and 2020 and for the period from January 1, 2021 to July 9, 2021 are reported in the statements of operations, net of income tax, as part of the single line item "Discontinued operations," including in 2021 a loss on sale of $67 million net of the proportional allocation of goodwill of $41 million.
- On October 4, 2021, we announced that we signed an agreement to acquire from HeidelbergCement a limestone quarry with a waste management operation near the Madrid metropolitan area and 3 concrete plants in the Balearic Islands.
- On December 29, 2021, certain of our subsidiaries signed an agreement for the sale of our operations in Costa Rica and El Salvador with certain subsidiaries of Cementos Progreso Holdings, S.L., for a total consideration of $335 million. The divested assets consist of one fully integrated cement plant, one grinding station, seven ready-mix plants, one aggregate quarry and one distribution center in Costa Rica, and one distribution center in El Salvador. As of the date of this annual report, we expect to conclude the transaction during the first half of 2022, subject to the satisfaction of closing conditions in Costa Rica and El Salvador, including the receipt of requisite regulatory approvals. As of December 31, 2021, the assets and liabilities related to our operations in Costa Rica and El Salvador were presented in the financial statements in the line item "Assets and liabilities directly related to assets held for sale." Our operations of these assets in Costa Rica and El Salvador for the years ended December 31, 2019, 2020 and 2021 are reported in the statements of operations, net of income tax, as part of the single line item "Discontinued operations."

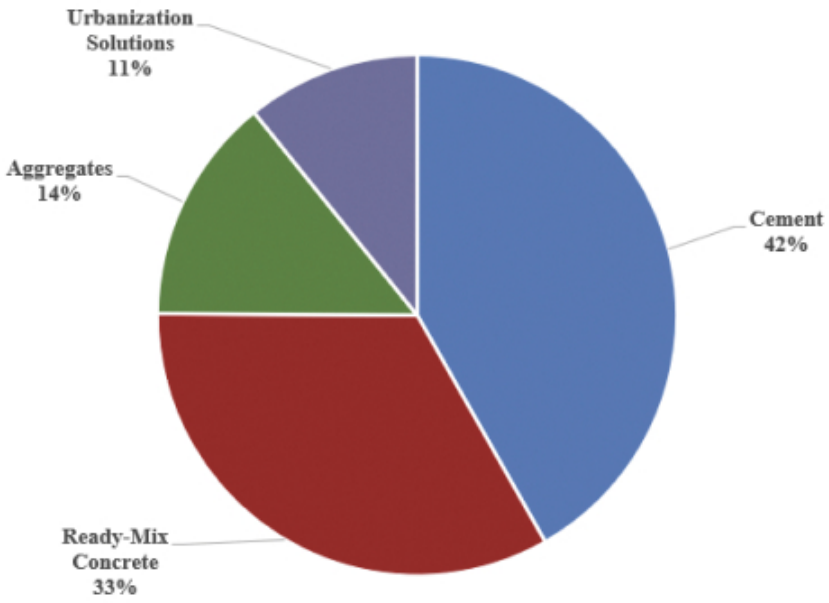
Geographic Breakdown of Revenues by Reporting Segment for the Year Ended December 31, 2021

The following chart indicates the geographic breakdown of our revenues by reporting segment, before eliminations resulting from consolidation, for the year ended December 31, 2021:



Breakdown of Revenues by Line of Business for the Year Ended December 31, 2021

The following chart indicates the breakdown of our revenues by product, before others and eliminations resulting from consolidation, for the year ended December 31, 2021:



Our Businesses

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 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 use our professional knowledge and experience to develop customized products designed to satisfy our clients' specific requirements and that also 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 at a point of sale in close proximity to where the product will be used. We seek 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 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 materials 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, 2021, 50 of our 52 operative cement production plants used the dry process and two used the wet process. Our operative production plants that use the wet process are in Nicaragua and Trinidad and Tobago. 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.

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, the 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: 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 forges 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 such as ground granulated blast furnace slag, fly ash, silica fume, calcined clay, hydrated limestone, 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 CO_2 footprint resulting from their lower clinker content due to the addition of supplementary cementitious materials. The use of blended cements reinforces our 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 our 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. CEMEX offers a special ready-mix concrete portfolio, comprised of such products as ultra-rapid hardening concrete, crack-resistant/low shrinkage concrete, self-consolidating concrete, architectural concrete, pervious concrete, antibacterial 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 offer 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.

The types of ready-mix concrete we offer our clients include, but are not limited to:

Standard Ready-Mix Concrete: Standard ready-mix concrete is the most common form of concrete. It is prepared for delivery at a concrete plant instead of mixed on the construction site.

Architectural and Decorative Concrete: This type of ready-mix concrete can provide a structural function, as well as an aesthetic or decorative finish. It can offer smooth or rough surfaces or textures, as well as a variety or range of colors.

Rapid-Setting Concrete: Designed to enhance early strength development, this type of ready-mix concrete allows fast formwork removal, accelerated construction sequencing, and rapid repair for such jobs as roads and airport runways. Typically used in low temperature (5-10°C) concreting during winter, this type of ready-mix concrete can also be used in buildings, railways, and precast applications. In addition to saving time, this type of ready-mix concrete technology offers improved durability and acid resistance.

Fiber-Reinforced Concrete: Ready-mix concrete designed with micro or macro fibers that can be used either for structural applications, where the fibers can potentially substitute for steel rebar reinforcement, or for reducing shrinkage, primarily early age shrinkage. Macro fibers can significantly increase the ductility of concrete, making it highly resistant to crack formation and propagation.

Fluid-Fill Concrete: Fluid mortar or ready-mix concrete simplifies the process of laying pipe and cable by surrounding the pipe or cable with a tightly packed shell that provides protection from the elements, prevents settling, and enables crews to work quickly.

Roller-Compacted Concrete: Compacted in place and cured, roller-compacted concrete is a zero-slump ready-mix concrete with the abrasion resistance to withstand high velocity water, making it the material of choice for spillways and other infrastructure subject to high flow conditions. It represents a competitive solution in terms of cost and durability when compared to asphalt.

Self-Consolidating Concrete: Self consolidating concrete has very high flow; therefore, it is self-leveling, eliminating the need for vibration. Due to the superplasticizers used, chemical admixtures that impart very high flow, self-consolidating concrete exhibits very high compaction as a result of its low air content. Consequently, self-consolidating concrete can have very high strengths, exceeding 50 megapascals.

Pervious Concrete: Because of its unique design mix, pervious concrete is a highly porous material that allows water, particularly rainwater, to filter through, reduces flooding and heat concentration by up to 4°C, and helps to prevent skidding on wet roads. This ready-mix concrete is ideally used in parking lots, footpaths, and swimming pool border applications.

Antibacterial Concrete: This type of ready-mix concrete helps to control bacteria growth and is used to help maintain clean environments in structures such as hospitals, laboratories, and farms.

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.

Aggregates are an indispensable ingredient in ready-mix concrete, asphalt, and mortar. Accounting for 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.

The types of aggregates we offer our clients include, but are not limited to:

Crushed Stone and Manufactured Sand: These products are obtained by mining rock and breaking it down to a preferred size. In the case of manufactured sand, the product is obtained by crushing rock to the selected shape or texture, ensuring product and project specifications are met. Sources of crushed stone can be igneous, sedimentary, or metamorphic.

Gravel: Gravel deposits are produced through a natural process of weathering and erosion. It can be used for roads, for concrete manufacturing, or for decorative purposes.

Sand: Sand occurs naturally and is composed of fine rock material and mineral particles. Its composition is variable depending on the source. It can be used for roads, concrete manufacturing, or sanitation.

Recycled Concrete: Recycled concrete is created by breaking, removing, and crushing existing concrete to a preferred size. It is commonly used as a base layer for other construction materials because it compacts to form a firm surface.

Urbanization Solutions

Urbanization Solutions is one of our four core businesses. It is a business that complements our value offering of products and solutions, looking to connect with the broader city ecosystem. It seeks to address

urbanization challenges and provide means to all stakeholders in the construction value chain to enable sustainable urbanization by focusing on four market segments:

Performance Materials.

Performance materials are used to modify or enhance the properties and usability of building materials and construction systems. Performance materials include admixtures, additives, mortars & special mortars (e.g., tiling adhesives, floor laying, renders & plasters, concrete repair, waterproofing) and asphalt. The following are examples of performance materials we offer to our customers:

- Admixtures ISOMILL 4000 Series grinding aids and cement enhancers provide significant carbon reduction, higher process efficiency and enhanced strength.
- Admixtures ISOFLOW 6000 Series high-performance superplasticiser technology for ready-mixed concrete producers allows water and carbon reduction of up to 50% in concrete mix designs.
- CEMEX dry silo mortar provides an innovative and efficient solution to mortar delivery, particularly to larger sites. There is no need for mixing areas on site as all the material is contained in the silo. The guaranteed color, consistency and controlled workability are backed up by CEMEX's excellent training and support. The dedicated CEMEX dry silo team can support with silo placement and specification.
- VIALOW is our low temperature asphalt, that allows the re-opening of a jobsite more quickly after completion of road works, as the asphalt reaches appropriate trafficking temperatures faster than conventional hot mix asphalt. VIALOW reduced carbon asphalt includes the option to offset residual CO_2 to provide a CarbonNeutral product, in accordance with The CarbonNeutral Protocol.

Waste Management.

We provide services for the efficient management of resources to improve the circularity of the construction value chain, ranging from reducing and managing waste to recycling it back into the construction lifecycle value chain. An example of the waste management solutions we offer to our customers is our resource efficiency and optimization through the recovery of energy from waste using alternative fuels to partially replace fossil fuels, such as coal and pet coke, to heat cement kilns, supporting the reduction of the carbon footprint. For instance, in Mexico, we offer our customers the ProAmbiente program, which provides solutions for the management of industrial, commercial, and domestic waste from collection to their reintegration back into the environment.

Related Services.

We provide certain services to offer integrated solutions through logistics and transportation, retail, pavement services and design and engineering, among others, that add value along the construction value chain and complement our offering in Performance Materials, Industrialized Construction and Waste Management. These services enable CEMEX to provide value for our customers by offering building solutions for their construction needs. The following are examples of related services we offer to our customers:

- Logistics services provide multi-faceted transportation solutions like the new line transport line servicing key U.S. markets. Pneumatic tank, dump truck and flatbed divisions with our strategically positioned on-site dispatchers are complemented by our team of Field Service Representatives promoting safety and customer centricity.
- Retail services like *Construrama*® allow us to partner with our cement distribution network to offer customers an extensive range of brand-name products at competitive prices. Through *Multiproducts*, we offer our customers a one-stop shopping experience by providing them with a full array of complementary construction-related supplies through our retail stores from plumbing and electrical supplies to paint, lumber and lighting fixtures.

- Pavement services specialize in surface schemes from major highways and airfield surfacing to business parks, car parks, storage and materials handling depots where we offer a comprehensive range of paving solutions to both private and public sector clients.
- Design and engineering services like *Construhub,* a Building Information Modeling ("BIM") platform based on BIM methodology that reduces risks, improves quality and facilitates the delivery of projects on time and within budget for our clients.

Industrialized Construction.

We manufacture finished building elements that are easy and safe to assemble and install on-site. Industrialized construction products range from precast components to complete structures, 2D panels, 3D modules, 3D structures, etc. The following are examples of industrialized construction products we offer to our customers:

- Precast elements for mobility and urban infrastructure: Sleepers, box culverts, bridges, drainage basins, barriers and parking curbs, as well as concrete pipes for various applications such as storm and sanitary sewers.
- High-end architectural concrete products with a range of styles for different building and urban landscaping projects: fully serviced façade panels, standard and architectural blocks, block paving and decorative paving solutions.
- Social infrastructure solutions for rapid response: Current needs like the fully equipped field COVID-19 hospitals sections.

Services

We continuously communicate and interact with our customers to identify and implement effective ways to meet their toughest challenges. We recognize that customer loyalty happens by design, not by chance. To better serve our customers, we not only need to have a clear understanding of what they need, but also the means and passion to fulfill those needs.

In each market and locality in which we operate, we do our best to provide our customers with the most compelling integrated building solutions. For example, to solve infrastructure needs in major cities, we not only provide ready-mix concrete, but for some projects we also design the project, define the best technical solution, offer different financial schemes and execute the project in collaboration with local builders. Similarly, we work alongside our neighbors in small, less-affluent communities to help them solve their housing needs and pave their streets and sidewalks.

The following are examples of the different services offered to our customers throughout our operations, which may vary from location to location:

Enhanced Loading Experience: This service offers our customers flexibility and efficiency by applying technologies and solutions in the loading process in order to, among other results, minimize loading time and improve truck efficiency. These technologies and solutions include: ATM-like Bulk-Cement, Fast lanes, Real time loading status, License Plate Recognition (LPR) and Radio-Frequency Identification (RIFD).

Customer-oriented Educational and Training Services: CEMEX customers can receive training through webinars on several topics including CEMEX Go trainings about new functionalities, new product releases, *Vertua* and sustainability. In 2021, we hosted 191 webinars to better engage with such customers throughout the pandemic.

Online Services: During 2021, we continued working on our customer-centricity and global business strategy, enhancing our customers' experience while using CEMEX Go. We have successfully deployed the

CEMEX Go digital platform by making it available in more than 21 countries and having 51% of our total recurring cement, ready-mix concrete, and aggregates customers conducting more than half of their purchases, or more than 61% of our global sales, through the platform.

In 2021, we released the Online Connection, enabled for Cement and Ready Mix, allowing our customers to receive an immediate response for a delivery request according to resources and capacity available for dispatch, allowing orders to be confirmed automatically and in real time. Ready-Mix Go App was also released, so that users can place, view, schedule, and manage orders, as well as to track deliveries, configure notifications, and view order history from their mobile devices. Moreover, we have been encouraging the digitalization of internal and customer processes to minimize the use of paper. Today, around 73% of our invoices are delivered in a fully digital manner, putting us on track to achieving our global paperless goal.

Service Centers: Our Service Centers globally play a key role in providing a superior customer experience to our customers. As part of our Service Delivery Model Transformation, we are evolving our Contact Centers to become Next Generation Service Centers, enabled by best-in-class processes and state of the art technology. Our customers will live a seamless omnichannel experience for all important touchpoints, from inquiring about product and services to placing and following up on orders and providing feedback for improvement.

Technical Support: We aim to provide our customers with top-level technical assistance through our state-of-the-art equipment and our highly professional, well-trained technical services staff. We look to take extra efforts and provide value above and beyond fulfilling our customers' need for cement, aggregates, ready-mix concrete, and related products such as mortar.

These services do not produce revenues on a stand-alone basis but are part of our comprehensive value proposition.

Description of Our Raw Materials Resources and Reserves

We are a leading global provider of building materials and solutions, including cement, ready-mix concrete, aggregates and Urbanization Solutions. 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 key components in the construction and maintenance of highways, walkways, and railways to indispensable ingredients in concrete, asphalt and mortar. Aggregates can be used in their natural state or crushed into smaller size pieces.

The types of mines 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 materials 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.

Raw materials for our own cement production processes are obtained mainly from our own sources. However, we may cover our aggregates and other raw materials needs through supply from third-parties. For the year ended December 31, 2021, approximately 3.6% of our total raw material needs were supplied by third parties.

Mineral resources are defined as a concentration or occurrence of material of economic interest in or on the earth's crust in such form, grade or quality, and quantity that there are reasonable prospects for its economic extraction. A mineral resource is a reasonable estimate of mineralization, taking into account relevant factors such as cut-off grade, likely mining dimensions, location or continuity, that, with the assumed and justifiable technical and economic conditions, is likely to, in whole or in part, become economically extractable.

Our resources estimates are prepared by CEMEX's engineers and geologists, some of which are considered qualified persons under sub-part 1300 of Regulation S-K of the Securities Act ("Regulation S-K 1300"), and such estimates are then analyzed and verified annually by other business units within the Company, jointly with the associated regional technical managers, once information is available. Our quarries must also be operated and maintained in accordance with applicable environmental permits and requirements (see "Item 4—Information on the Company—Regulatory Matters and Legal Proceedings—Environmental Matters" for details). In specific circumstances we have used the services of third-party geologists and/or engineers to validate our own estimates. The three categories of resources, in decreasing level of confidence, are the following:

1) A measured mineral resource is that part of a mineral resource for which quantity is estimated on the basis of conclusive geological evidence and sampling. A measured mineral resource has a higher level of confidence than the level of confidence of either an indicated mineral resource or an inferred mineral resource. It may be converted to a proven mineral reserve or to a probable mineral reserve.

2) An indicated resource is that part of a mineral resource for which quantity is estimated on the basis of adequate geological evidence and sampling. The level of geological certainty associated with an indicated mineral resource is sufficient to allow a qualified person to apply modifying factors in sufficient detail to support mine planning and evaluation of the economic viability of the deposit. An indicated mineral resource has a lower level of confidence than the level of confidence of a measured mineral resource and may only be converted to a probable mineral reserve.

3) An inferred mineral resource is that part of a mineral resource for which quantity is estimated on the basis of limited geological evidence and sampling. An inferred mineral resource has the lowest level of geological confidence of all mineral resources, which prevents the application of the modifying factors in a manner useful for evaluation of economic viability. An inferred mineral resource may not be converted to a mineral reserve.

Mineral reserves are defined as the economically mineable part of a measured or indicated mineral resource.

Our reserves estimates are prepared by CEMEX's engineers and geologists, some of which are considered qualified persons under Regulation S-K 1300, and such estimates are then analyzed and verified annually by other business units within the Company, jointly with the regional technical managers associated, once information is available. Our quarries must also be operated and maintained in accordance with applicable environmental permits and requirements. See "Item 4—Information on the Company—Regulatory Matters and Legal Proceedings—Environmental Matters" for more information. In specific circumstances we have used the services of third-party geologists and/or engineers to validate our own estimates. The two categories of reserves, in decreasing level of confidence, are the following:

1) Proven reserves are 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; (ii) the grade and/or quality are computed from the results of detailed sampling; and (iii) 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 the reserves are well-established. Reserves are considered as proven when all legal and environmental conditions have been met and required permits and approvals have been obtained to allow for the extraction of the material.

2) 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 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 within 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.

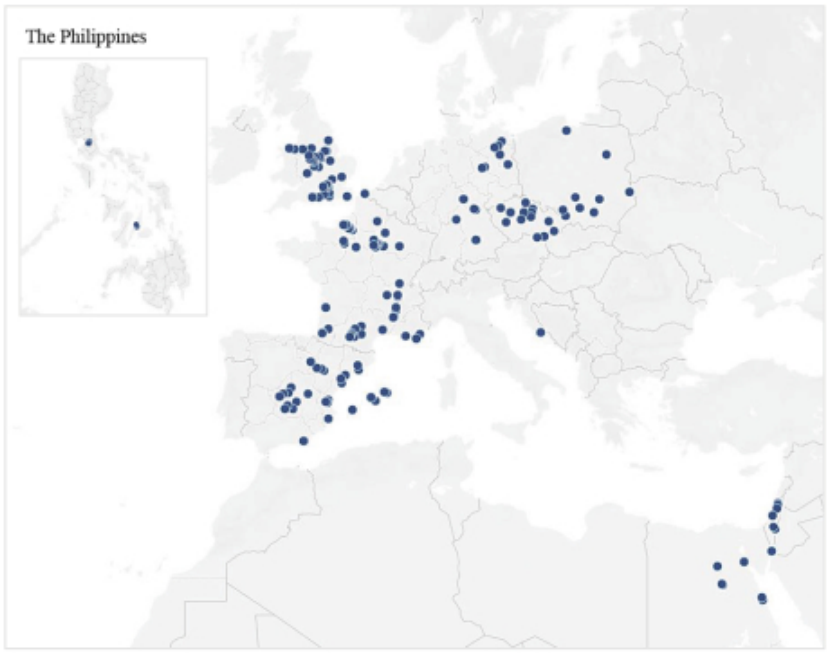
The main equipment utilized in our production sites consists of the following:

- 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.

Our estimates distinguish between owned and leased reserves, the latter being determined over the term of the lease contract, and including only those permitted reserves which are proven and probable. As of December 31, 2021, our total cement raw materials and aggregates resources and reserves were located in 414 sites, comprising a property surface of approximately 137,255 hectares. Of these sites, 267 are located on land owned by CEMEX, 114 are on land leased by CEMEX, and 33 are on land owned in part and leased in part. The following maps show our operating quarries' locations as of December 31, 2021:

Mexico, USA and SCA&C regions

EMEAA region[(1)]



(1) Excludes 15 marine extraction sites in the United Kingdom.

Our mining properties are classified as follows:

(1) *Production Stage*: Properties with reported proven or probable reserves where we have active mining operations,

(2) *Development Stage*: Properties with reported proven or probable reserves where we do not have active mining operations, and

(3) *Exploration Stage*: Properties with no reported reserves.

As of December 31, 2021, we have 342 cement raw materials and aggregates properties in the production stage, 52 properties in the development stage and 20 properties in the exploration stage.

As of December 31, 2021, we operated 161 cement raw materials quarries across our global operations, serving our facilities dedicated to cement production, which are commonly located at or near the cement plant facilities. Annualized production of cement raw materials totaled 75.5 million tons for 2021, 69.3 million tons for 2020, and 69.4 million tons for 2019. We estimate that our proven and probable cement raw material reserves, on a consolidated basis, have an average remaining life of approximately 79 years. Average remaining life, also known as years to depletion, is calculated based on total reserves divided by the average production of the five previous years; so, for the year ended December 31, 2021, total reserves are divided by the average annual cement raw materials production between the years ended December 31, 2017 and December 31, 2021. Immaterial volumes extracted from the quarry located in Maceo during its trial period and for the Maceo Plant road construction are excluded from this calculation. As of December 31, 2021, we operate substantially all of our cement raw materials quarries, some of which are jointly-operated with third-parties.

The tables set forth below present our total measured, indicated and inferred cement raw materials resources (exclusive of proven and probable reserves) and permitted proven and probable cement raw materials reserves by geographic segment and material type extracted or produced in our cement raw materials quarries operations:

		As of December 31, 2021			
		Resources (million tons)[4][5][7]			
Location	Mineral	Measured (M)	Indicated (I)	Total (M) + (I)	Inferred
Mexico[1]	Limestone	20	325	345	1,551
	Clay	7	1	8	105
	Others	1	7	8	20
United States[2]	Limestone	71	116	187	104
	Clay	0	0	0	0
	Others	0	0	0	0
EMEAA					
United Kingdom	Limestone	0	0	0	0
	Clay	0	0	0	0
Germany	Limestone	0	0	0	75
Poland	Limestone	0	0	0	174
Spain	Limestone	0	0	0	196
	Clay	0	0	0	0
	Others	0	0	0	0
Philippines[3]					
Property that supplies Solid Cement Plant	Limestone	494	394	888	0
Other properties	Limestone	194	190	384	0
	Clay	0	0	0	0
	Others	0	0	0	0
Rest of EMEAA	Limestone	272	0	272	89
	Clay	72	0	72	0
	Others	3	0	3	1
SCA&C					
Colombia	Limestone	208	47	255	731
	Clay	39	0	39	0
	Others	3	2	5	1
Panama	Limestone	16	3	19	0
	Clay	1	1	2	0
Caribbean TCL	Limestone	238	0	238	0
	Clay	0	0	0	0
	Others	0	0	0	0
Dominican Republic	Limestone	395	0	395	0
	Clay	4	30	34	0
	Others	0	50	50	0
Rest of SCA&C[7]	Limestone	202	6	208	0
	Clay	2	0	2	1
	Others	0	0	0	0
CEMEX Consolidated	**Limestone**	2,110	1,081	3,191	2,920
	Clay	125	32	157	106
	Others	7	59	66	22
	Totals	2,242	1,172	3,414	3,048

Location	Mineral	As of December 31, 2021 Number of quarries	Reserves (Million tons) (4)(5)(7) Proven	Probable	Total	2021 Annualized Production
Mexico(1)	Limestone	17	1,313	1,614	2,927	23.7
	Clay	13	158	148	306	2.7
	Others	17	5	4	9	0.7
United States(2)	Limestone	20	486	95	581	12.2
	Clay	2	15	17	32	0.4
	Others	2	1	3	4	0.0
EMEAA						
United Kingdom	Limestone	2	52	59	111	1.9
	Clay	2	21	5	26	0.6
Germany	Limestone	1	8	80	88	2.7
Poland	Limestone	2	118	84	202	3.0
Spain	Limestone	8	277	97	374	3.6
	Clay	4	15	0	15	0.2
	Others	2	1	14	15	0.0
Philippines(3)						
Property that supplies Solid Cement Plant	Limestone	1	260	0	260	1.6
Other properties	Limestone	6	95	38	133	3.9
	Clay	3	1	2	3	0.0
	Others	5	5	0	5	0.2
Rest of EMEAA	Limestone	4	77	214	291	5.9
	Clay	2	2	20	22	0.8
	Others	5	1	0	1	0.2
SCA&C						
Colombia	Limestone	13	68	126	194	3.5(8)
	Clay	3	11	0	11	0.0
	Others	1	1	5	6	0.1
Panama	Limestone	3	67	23	90	1.5
	Clay	2	5	1	6	0.2
Caribbean TCL	Limestone	4	2	24	26	2.2
	Clay	2	0	16	16	0.2
	Others	2	0	0	0	0.2
Dominican Republic	Limestone	1	90	0	90	1.7
	Clay	1	16	0	16	0.0
	Others	1	0	10	10	0.2
Rest of SCA&C(6)	Limestone	4	43	1	44	1.2
	Clay	3	2	6	8	0.2
	Others	3	1	4	5	0.0
CEMEX Consolidated	**Limestone**	86	2,956	2,455	5,411	68.6
	Clay	37	246	215	461	5.3
	Others	38	15	40	55	1.6
	Totals	161	3,217	2,710	5,927	75.5

(1) Our cement raw materials operations in Mexico include three limestone quarries that also produce hard rock aggregates.
(2) Our cement raw materials operations in the United States include one limestone quarry that also produces hard rock aggregates.
(3) Although we consolidate CHP into our consolidated financial statements under IFRS, we do not control the raw materials used in our operations in the Philippines. Such raw materials are primarily supplied by APO

Land & Quarry Corporation ("ALQC") and Island Quarry and Aggregates Corporation ("IQAC"). ALQC is wholly owned by Impact Assets Corporation, which is a corporation in which we own a 40% equity interest. IQAC is wholly owned by Albatross Holdings, Inc. ("Albatross Holdings"), which is a corporation in which we own a 40% equity interest. Values presented for properties in the Philippines have not been prorated by the 40% interest.

(4) Figures for Reserves and Resources are rounded up.

(5) Our 2021 cement raw materials resources and reserves were estimated based on an average sales price during 2021 for cement of $100.5 per metric ton, excluding freight. This price is impacted by product mix, location and exchange rates. One ton of limestone is used to produce 1.08 tons of cement.

(6) We have entered into an agreement for the sale of our operations in Costa Rica, which include the entirety of resources and reserves in Costa Rica, which are included in this table.

(7) Resources and reserves are reported excluding expected wastes, meaning its best estimation of final usable/saleable material.

(8) Immaterial volumes extracted from the quarry located in Maceo for the Maceo Plant road construction are excluded from this calculation.

As of December 31, 2021, we operated approximately 253 aggregates quarries across our global operations, mostly dedicated to serving our ready-mix concrete and aggregates businesses. Annualized production of aggregates totaled 116.1 million tons for 2021, 113.5 million tons for 2020, and 112.7 million tons for 2019. We estimate that our proven and probable aggregates reserves, on a consolidated basis, have an average remaining life of 33 years. Average remaining life, also known as years to depletion, is calculated based on total reserves divided by the average production of the five previous years; so, for the year ended December 31, 2021, total reserves are divided by the average annual cement raw materials production between the years ended December 31, 2017 and December 31, 2021. As of December 31, 2021, we operate substantially all of our aggregates quarries, some of which are jointly-operated with third-parties.

The tables set forth below present our total measured, indicated, and inferred aggregates resources (exclusive of proven and probable reserves) and permitted proven and probable aggregates reserves by geographic segment and material type extracted or produced in our aggregates quarries operations. We note that the locations of our aggregates reserves differ from those of our cement reserves:

		As of December 31, 2021			
		Resources (million tons)[10][11][13]			
Location	Mineral	Measured (M)	Indicated (I)	Total (M) + (I)	Inferred
Mexico	Hardrock	1	21	22	24
United States	Hardrock	62	181	243	401
	Sand & Gravel	54	461	515	50
	Others	0	1	1	0
EMEAA					
United Kingdom	Hardrock	0	0	0	0
	Sand & Gravel	0	0	0	0
France	Hardrock	70	33	103	0
	Sand & Gravel	154	11	165	33
Germany	Hardrock	24	0	24	0
	Sand & Gravel	66	30	96	4
Poland	Hardrock	18	0	18	0
	Sand & Gravel	6	1	7	0
Spain	Hardrock	145	49	194	12
	Sand & Gravel	43	0	43	0
	Others	3	3	6	0
Philippines[9]	Hardrock	140	0	140	0

Location	Mineral	As of December 31, 2021 Resources (million tons)[10][11][13] Measured (M)	Indicated (I)	Total (M) + (I)	Inferred
Israel	Hardrock	57	0	57	0
	Sand & Gravel	1	0	1	0
Rest of EMEAA	Hardrock	4	0	4	0
	Sand & Gravel	13	4	17	4
SCA&C					
Colombia	Sand & Gravel	85	20	105	379
Panama	Hardrock	0	0	0	0
	Others	0	0	0	0
Caribbean TCL	Hardrock	0	212	212	4,700
	Sand & Gravel	4	5	9	0
Dominican Republic	Hardrock	1	0	1	0
Rest of SCA&C[12]	Sand & Gravel	22	0	22	0
CEMEX Consolidated	**Hardrock**	522	496	1,018	5,137
	Sand & Gravel	448	532	980	470
	Others	3	4	7	0
	Totals	973	1,032	2,005	5,607

Location	Mineral	As of December 31, 2021 Number of quarries	Reserves (Million tons)[10][11][13] Proven	Probable	Total	2021 Annualized Production
Mexico	Hardrock	12	269	183	452	11.2
United States	Hardrock	16	691	145	836	29.7
	Sand & Gravel	41	271	109	380	18.2
	Others	2	1	0	1	0.2
EMEAA						
United Kingdom	Hardrock	3	295	74	369	7.1
	Sand & Gravel	45	183	307	490	9.9
France	Hardrock	10	66	36	102	3.5
	Sand & Gravel	37	148	26	174	6.6
Germany	Hardrock	1	12	12	24	0.2
	Sand & Gravel	12	35	61	96	2.9
Poland	Hardrock	2	8	0	8	1.6
	Sand & Gravel	4	4	0	4	2.7
Spain	Hardrock	18	254	99	353	2.0
	Sand & Gravel	3	45	0	45	1.4
	Others	2	2	4	6	0.2
Philippines[9]	Hardrock	2	140	0	140	0.0
Israel	Hardrock	6	55	2	57	13.9
	Sand & Gravel	1	1	1	2	0.8
Rest of EMEAA	Hardrock	5	4	0	4	0.7
	Sand & Gravel	9	13	9	22	1.9
SCA&C						
Colombia	Sand & Gravel	12	11	60	71	0.3
Panama	Hardrock	0	0	0	0	0.0
	Others	0	0	0	0	0.0
Caribbean TCL	Hardrock	2	8	12	20	0.3
	Sand & Gravel	2	0	4	4	0.6
Dominican Republic	Hardrock	1	18	0	18	0.0

Location	Mineral	As of December 31, 2021 Number of quarries	Reserves (Million tons) (10)(11)(13) Proven	Probable	Total	2021 Annualized Production
Rest of SCA&C(12)	Sand & Gravel	5	0	11	11	0.2
CEMEX Consolidated	**Hardrock**	78	1,820	563	2,383	70.2
	Sand & Gravel	171	711	588	1,299	45.5
	Others	4	3	4	7	0.4
	Totals	253	2,534	1,155	3,689	116.1

(9) Although we consolidate CHP into our consolidated financial statements under IFRS, we do not control the raw materials used in our operations in the Philippines. Such raw materials are primarily supplied by ALQC and IQAC. ALQC is wholly owned by Impact Assets Corporation, which is a corporation in which we own a 40% equity interest. IQAC is wholly owned by Albatross Holdings, which is a corporation in which we own a 40% equity interest. Values presented for properties on the Philippines have not been prorated by the 40% interest.

(10) Figures for Reserves and Resources are rounded up.

(11) Our 2021 aggregates resources and reserves were estimated based on an average sales price during 2021 for aggregates of $13.3 per ton, excluding freight. This price is impacted by product mix, location and exchange rates.

(12) We have entered into an agreement for the sale of our operations in Costa Rica, which include the entirety of resources and reserves in Costa Rica, which are included in this table.

(13) Resources and reserves are reported excluding expected wastes, meaning its best estimation of final usable/salable material.

See “Item 4—Information on the Company—Our Corporate Structure” for further details on our processing plants, other available facilities and operations.

Internal Controls

CEMEX has implemented controls and procedures designed for quality assurance and quality control on the Company’s production activities and associated information for the estimation of mineral resources and reserves.

The quality assurance and quality control measures are applied to exploration, quarry production and cement plant processing activities. CEMEX applies industry standards to evaluate the reliability of laboratory results that analyze exploration samples used in calculating mineral resource and reserve estimates, which are then analyzed and verified annually by other business units within the Company, jointly with the associated regional technical managers, once such information is available. Qualified persons and experts also verify the data resulting from analysis prior to using it in their work.

Additionally, CEMEX has implemented internal controls designed to ensure its mineral resources and reserves estimates are compliant with Regulation S-K 1300 requirements, including the preparation of resources and reserve estimates by qualified persons and experts on the matter in the different locations where CEMEX operates.

Our Strategic Priorities

Please see “Item 3—Key Information—COVID-19 Pandemic” and “Item 5—Operating and Financial Review and Prospects—Recent Developments—Recent Developments Relating to Effects of COVID-19 on Our Business and Operations” for more information on how COVID-19 has impacted our business strategy.

CEMEX has a general vision and value creation model comprised of the following six elements: (i) purpose, (ii) mission, (iii) values, (iv) strategic priorities, (v) operating model and (vi) stakeholders.

PURPOSE. We expect to build a better future for, among others, our employees, our customers, our shareholders and investors, our suppliers and the communities where we live and work.

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

VALUES. We intend to: (i) protect the safety of all our employees by being accountable to each other for our actions and behaviors and trying to be an industry leader by example; (ii) focus on our customers by aligning ourselves closely with their business and their needs and, following through with our commitments, resolving problems quickly and making it easy to do business with us; (iii) pursue excellence in all aspects of our business and interactions with customers by challenging ourselves to constantly improve and build upon our strong reputation around the world for quality and reliability; (iv) work as one CEMEX by leveraging our collective strength and global knowledge to share best practices, replicate good ideas and collaborate across boundaries; and (v) act with integrity by remaining honest and transparent in all our interactions, complying with our code of ethics and laws and regulations, and caring for our people, communities and natural resources.

STRATEGIC PRIORITIES. To achieve our mission, our strategy is to create value by building and managing a global portfolio of integrated cement, ready-mix concrete, aggregates and Urbanization Solutions businesses. Historically, our strategy incorporated several strategic pillars and strategic priorities that have now been consolidated into a single set of strategic priorities focused on those actions that move us closest to achieving our mission and create the most value for our stakeholders. The five priorities that underpin our strategy are, in no particular order, (i) Health & Safety, (ii) Customer Centricity, (iii) Innovation, (iv) Sustainability and (v) Operating EBITDA Growth.

In 2018, we embarked on an action plan to build "A Stronger CEMEX." This transformational plan was designed to fortify CEMEX's position as a leading global heavy building materials company, accelerate our path to investment grade, enhance our total shareholder return and generate long-term value for our stakeholders. Specifically, we believed that through this action plan, we could rebalance and streamline our existing portfolio in order to better position ourselves to deliver higher growth and greater stakeholder value over the mid-to-long-term by divesting between $1.5 billion and $2 billion in assets by the end of 2020; achieve recurring operational improvements of $230 million by 2020; accelerate our path to investment grade by further deleveraging CEMEX by reducing our debt by $3.5 billion between the launch of the "A Stronger CEMEX" plan on July 1, 2018 and the end of 2020; and, subject to our business performance and required approvals at CEMEX, S.A.B. de C.V.'s general ordinary shareholders' meeting for each applicable year, seek to return value to CEMEX, S.A.B. de C.V.'s shareholders through dividends and stock repurchase programs.

In light of the challenges of the COVID-19 pandemic, including the prioritization of the health and safety of employees, customers, and the community, the need to improve customer experience through our "One CEMEX" commercial model, supported by digital platforms, and the importance of minimizing financial risk, aiming to maintain ample liquidity, in 2020, under our medium-term strategy for the following three years, we developed "Operation Resilience," a decisive action plan designed to maximize shareholder value and reposition us for higher Operating EBITDA growth on a risk-adjusted basis. "Operation Resilience" is not only about deleveraging but also about building a lower risk and faster growing business. Initially, "Operation Resilience" was aimed at (i) growing the profitability of our business to achieve a consolidated Operating EBITDA margin equal to or greater than 20% by 2023, considering our then current portfolio, through cost reduction measures and other commercial and operational initiatives; (ii) optimizing our portfolio for Operating EBITDA growth through the execution of strategic divestments and reinvestments, thereby constructing a portfolio more weighted towards the United States and Europe, after which we expect we will be a heavy building materials company with a large part of its footprint represented by the United States, Europe and Mexico, focusing on vertically integrated positions near growing metropolises and developing Urbanization Solutions as one of our four core businesses; (iii) de-risking our capital structure, reducing our cost of funding and ultimately achieving investment grade capital structure by targeting additional net debt paydowns and a net leverage target equal to or below 3.0x

for December 2023, among other initiatives, including extending our debt maturity profile, minimizing our cost of funding and raising funds in local currency to better align our Operating EBITDA and debt; and (iv) leveraging sustainability and digital platforms as a competitive advantage by moving forward on achieving our 2030 target to reduce our cement CO_2 emissions by 35% compared to our 1990 baseline and our ambition to deliver net-zero CO_2 concrete by 2050.

During 2021, we made progress on our "Operation Resilience" targets mainly by achieving (i) a consolidated Operating EBITDA margin of 19.7%, despite rising inflation; (ii) incremental Operating EBITDA of $440 million, with $540 million of asset sales announced or closed, bolt-on acquisitions in different geographies like France, Spain and Texas, and Operating EBITDA growth of 22% in our Urbanization Solutions core business; (iii) net leverage of 2.73x, a total debt plus other financial obligations reduction of $2,028 million, average life of debt of 6.2 years and a realization of $141 million in recurrent interest expense savings; and (iv) a reduction in CO_2 emissions of 26% compared to our 1990 baseline. As a result of the progress made, in addition to our previously existing "Operation Resilience" targets not yet achieved, we now look to maintain our investment grade capital structure and ultimately regain an investment grade rating, and also replaced our previously existing 2030 target to reduce our cement CO_2 emissions by 35% compared to our 1990 baseline with a more ambitious 40% reduction goal. See "Item 3—Key Information—COVID-19 Pandemic" for more information on how COVID-19 has impacted our "Operation Resilience" strategy, and also see notes 2, 8, 16.1 and 17.2 to our 2021 audited consolidated financial statements included elsewhere in this annual report.

In addition, to further fortify our balance sheet, we continue to be focused mainly on the following three initiatives, while at all times remaining committed to building a better world and helping alleviate some of the biggest challenges communities are facing today: (i) growing our Operating EBITDA through further cost-reduction efforts, operating efficiencies and customer-centric commercial strategies across all our core businesses; (ii) maximizing our free cash flow, which is expected to be used mainly for debt reduction and our bolt-on investments; and (iii) continuing to execute selective accretive divestments by selling what we believe are non-essential assets, which could allow us to free up more free cash flow. See "Item 3—Key Information—COVID-19 Pandemic" for more information on how we have raised cash to be in a position to meet any liquidity requirements as a temporary measure to attend to the COVID-19 pandemic and its effect on our liquidity.

Health and Safety

Health and Safety ("H&S") remains our top value and priority. We are working towards developing a culture within which everyone in our organization embraces H&S. We believe that the health and safety of our employees, contractors and the people we interact with in our local communities on a day-to-day basis is of the utmost importance.

To help us meet our goals, four core principles guide our decisions and actions: (i) nothing comes before the health and safety of our employees, contractors, and communities; (ii) making health and safety a moral responsibility per employee by looking after ourselves and each other; (iii) looking to create safe workplaces; and (iv) maintaining accountability for health and safety practices.

Our Global Health and Safety Policy is the cornerstone of our HSMS and sets out clear expectations for our leaders and workforce to carry out their activities in a safe manner and to care for the well-being of our employees, contractors and other people with whom we interact. The HSMS is our main tool to establish performance requirements and goals for our operations by helping us assess potential risks and plan the measures needed to mitigate them in a coordinated manner. The HSMS is designed to empower our leaders to implement a successful health and safety strategy across our operations and guides us on how to adequately allocate resources to training programs for our employees. Furthermore, our line managers utilize our HSMS on an ongoing basis to make an annual review of further improvement opportunities and to formulate annual Health and Safety Improvement Plans.

We are constantly working towards our ultimate target of zero injuries worldwide, evidenced by our Zero4Life objective. In 2021, we maintained our low employee Lost Time Injuries ("LTI") frequency rate of 0.5, and we are working toward reducing this rate further to 0.3 and 0.2 by the end of 2022 and 2025, respectively. Our employee Total Recordable Injuries ("TRI") frequency rate remained the same at 2.6, and we also expect to reduce this rate by the end of 2022. While the number of contractor LTIs increased by four cases when compared to 2020, contractor TRIs decreased by 0.8% in 2021. In 2022, we continue to work on health-related actions to achieve a reduction in our employee sickness absence rate, which decreased by 9% in 2021.

In 2021, the number of fatal occurrences involving CEMEX employees decreased from three to one; however, the number of fatal occurrences involving contractors and third parties increased from four to eight and one to five, respectively, 57% of which occurred away from our premises. We continued to make progress in most countries, with 96% of our operations achieving zero fatalities and LTIs.

Most of the fatalities were due to incidents involving moving vehicles. In an effort aimed at eliminating those types of incidents, we continue to focus on specific initiatives ranging from innovative awareness campaigns and safety features to defensive driving training and workshops. In 2021, our operations utilized digital platforms to reinforce road safety with key stakeholders, allowing us to bolster strong communication while complying with social distancing measures. We will continue to work hard and drive forward with our initiatives so that our employees and contractors understand the importance of and become integral to our H&S culture.

The following table sets forth our performance indicators with respect to safety by geographic location for the year ended December 31, 2021:

	Mexico	United States	EMEAA	SCA&C	Total CEMEX
Total fatalities, employees, contractors and other third parties (#)	7	1	3	3	14
Fatalities employees (#)	0	1	0	0	1
Fatality rate employees[(1)]	0.0	1.1	0.0	0.0	0.2
Lost-Time injuries (LTI), employees (#)	21	13	12	3	49
Lost-Time injuries (LTI), contractors (#)	16	4	19	4	43
Lost-Time injury (LTI) frequency rate, employees per million hours worked	0.6	0.6	0.6	0.2	0.5

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

At CEMEX, training is a key part of our strategy to achieve our Zero4Life commitment. We continuously revise and seek to improve our training programs and strive for all our employees to possess the correct knowledge, skills, and experience to perform their jobs safely.

As part of our training program, executives, line managers, and supervisors must complete our Health and Safety Academy, designed to enhance their leadership skills in relation to our Health and Safety number one value and priority across our organization. The Health and Safety Academy was launched in 2016 with our Foundation Module, which prepares our line managers to lead by example and play a fundamental role in ensuring safety throughout our operations. Launched in 2017, Module 2 enables our line managers to utilize our HSMS tool to help achieve our Zero4Life commitment in their operations. Module 3, deployed in 2018, is designed to enhance the health and safety proficiency of our line managers in key topics.

In 2021, we strengthened our Health and Safety Academy training to address the new Pandemics and Epidemics element included in our HSMS. We delivered the newly designed training using CEMEX University's self-learning platform directed to supervisors to more than 660 employees in supervisory roles in 2021, reaching over 11,000 CEMEX leaders and regular contractors since its creation.

We continue to increase our local wellness initiatives throughout our global operations supported by medical professionals from our Global Health Forum of experts. We also remain focused on our employees'

occupational health and well-being by providing ongoing health checks and promoting our CEMEX Health Essentials, which is our global health campaign designed to reduce the prevalence of health risks and encourage employees to live a healthy lifestyle both inside and outside the workplace.

In 2020, we introduced three new CEMEX University learning pathways to help address new challenges emerging from the COVID-19 pandemic, including working remotely, building emotional and physical well-being, and building resilience. In 2021, we complemented these offerings by adding three new learning pathways: improving understanding of the COVID-19 pandemic and the Delta variant; digital citizenship; and a more in-depth pathway covering financial, emotional and physical well-being.

As part of our Contractor Health and Safety Verification Program, in 2021, we reached our goal of evaluating health and safety practices of at least 88% of our company's procurement contractors spend. To achieve this goal, we engaged our operations in different countries and worked closely with our Health and Safety Functional Network made up of national health and safety specialists.

See "Item 3—Key Information—COVID-19 Pandemic" for more information on how we have addressed the health and safety of our employees during the COVID-19 pandemic.

Customer Centricity

CEMEX is dedicated to helping our customers succeed and our efforts are focused on what success means to them. We are passionate about finding new ways to inspire and satisfy them by innovating around their needs to surpass their expectations in every interaction. Through our "One CEMEX" commercial model, we aim to provide our customers with a superior omnichannel experience everywhere and every time, and are creating new opportunities to serve them better. In 2021, we focused on four key efforts:

(1) An Integrated Service Delivery Model

In 2021, we set on a path to provide our customers with a frictionless, consistent, and personalized omnichannel experience to deliver fast responses to their needs. Our Service Delivery Model aims to leverage cost efficiencies and unleash revenue growth potential, while improving our customers' experience across geographies and within each of our customer segments.

(2) A Robust Voice of The Customer Program

We have been using the Net Promoter Score ("NPS"), a key experience indicator used to measure our customers' loyalty across all of our business units since 2018. In 2021, we maintained an outstanding annual global NPS result of 68, above the 45 benchmark for the construction and engineering industry and ahead of our then 2030 NPS target of 60, which, as of the date of this annual report, has been updated to 70.

This customer survey allows us to transform our customers' feedback into actionable improvements, leverage enhanced analytics to better understand them, and develop insights to design more targeted, data-based value propositions for them. In 2021, as part of our Voice of the Customer program, we enabled new means to measure customer satisfaction at a transactional level throughout the entire customer journey and added advanced capabilities such as text analytics, sentiment analysis, and touchpoint correlation analysis.

(3) An Empowered Sales Force

Our employees are at the core of our ability to deliver a superior customer experience and we are committed on empowering them with the right skills, tools and technology to deliver on our customer-centricity promise. In 2021, more than 2,300 employees from our global sales team took part in LEAP, a learning experience that will help them toward becoming trusted advisors for our customers, and more than 2,500 employees participated in the various CEMEX Go Online Certification Programs to achieve a data-driven mindset and be proficient in our digital platforms.

As part of our customer-centricity practice, we recognize excellence and best practices adopted across our business units that lead to a superior customer experience. In 2021, we also celebrated our Company's customer-centric culture and commitment toward our customers at CEMEX's Customer Experience Day. We will continue working toward making such programs part of our most valued CEMEX traditions.

(4) CEMEX: A Digitally Driven Company

We view the creation of a digital organization as essential to our customer-centricity and global business strategy. Technological applications we develop are designed to strengthen our competitive advantage by boosting our customers' productivity, positively impacting their bottom line and improving their experience when interacting with CEMEX. Our digital solutions continued to support our customers during the pandemic, safely and reliably, assisting them to seamlessly continue carrying out their work without interruptions.

Notably, Olivia, our artificial intelligence chatbot, was recognized at the 2021 Aivo Awards in the Featured Global Expansion category. Olivia is designed to help our Customer Service Centers in Mexico, the U.S., Colombia, Spain, the Philippines, and the U.K. to provide responses to our customers' most common questions.

(4)(a) Leading the Industry's Digital Transformation through CEMEX Go

CEMEX Go enables our customers to build more efficient operations and the use of our online store has grown remarkably since 2017. This innovative digital solution automates order-to-cash workflows, which looks to streamline customers' ability to achieve real-time management, from ordering to tracking to fulfillment. Additionally, CEMEX Go is designed to enhance decision-making capabilities by offering ready access to detailed information and in-depth analytics to make more informed decisions and to save time and money. As of December 31, 2021, more than 49,000 customers across 21 countries, have been onboarded to our CEMEX Go Online Store, and we received approximately 51% of our main product orders and processed 61% of our total global sales through this platform.

We continue to develop next generation functionalities of our CEMEX Go Online Store. In 2021, we released the Online Connection with dispatch capability so that orders are confirmed automatically and in real time, and the Ready-Mix Go App so that users can place, view, schedule and manage orders, as well as track deliveries, configure notifications and view order history from their mobile devices.

Moreover, we have been encouraging the digitalization of internal and customer processes to minimize the use of paper. As of the date of this annual report, around 73% of our invoices are delivered in a fully digital manner, putting us on track to achieving our global paperless goal.

(4)(b) CEMEX Go Developer Center: New Digital Connections with Our Customers

Our CEMEX Go Developer Center is a platform that allows customers to interact directly with our systems via digital platforms and Application Programming Interfaces ("APIs"). Since 2021, the CEMEX Go Developer Center is helping customers from the United States, Mexico, the United Kingdom, Germany, France, Spain, Poland and the Czech Republic have real-time status updates of the products they purchased and services they requested. In 2021, CEMEX joined a global initiative to develop OpenBuilt, a new platform designed to securely connect fragmented construction industry supply chains.

(4)(c) CEMEX Go CRM for Sales: The Digital Ally for Customer Relationship Service

CEMEX Go Customer Relationship Manager ("CRM") for Sales helps commercial teams save time in daily planning and managing activities across our global operations by personalizing daily follow-up activities with customers such as the creation of quotes and demand planning. Furthermore, CEMEX Go CRM for Customer Service, our core technological layer for strengthening our customer service center capabilities through an omnichannel experience, is now operating in Mexico, the United States and expanding throughout Europe.

(4)(d) Buying Construction Materials in the Digital Age

Construrama.com is the e-commerce solution boosting Construrama in Mexico, the largest construction materials distribution network in the country. Today, more than 78,000 online users can purchase from a wide catalog of products and construction materials.

CEMEX Professional and Self Builders ("PSB") platform offers a full e-commerce experience for self-builder customers through a simple and fast online solution that guides them to select the right concrete products, place orders and pay online. We first offered CEMEX PSB in the United States in 2018. As of the date of this annual report, CEMEX PSB is also available in Mexico and the United Kingdom.

Innovation

Innovation is key to remain at the forefront of our industry and advance in achieving our strategic goals as a forward-looking company.

Research & Development ("R&D"). Led by our Global R&D team in Switzerland, our team of experts works in close collaboration with our customers to offer them unique, integrated and cost-effective solutions that aim to fulfill their specific performance requirements, including a growing portfolio of value-added brands. To provide the same offering in all our operations, our salesforce is continually informed and trained on value-added brands.

Technologies developed by our Global R&D team are protected by more than 45 international patent families and over 55 trade secrets covering new types of cement, cementitious materials, concrete mix designs, admixtures formulations, construction systems and advanced manufacturing processes.

In addition, we have more than 40 core strategic trademarked software products, developed to enable new specific capabilities in CEMEX's Digital Commercial Model, which are protected by copyrights, which primarily cover Online Stores and Order to Fulfillment in our cement, ready-mix and aggregates businesses. This software includes proprietary developments in machine learning and vectorized algorithms to reduce response time, reduce costs and honor commitments made with customers, providing CEMEX with cutting edge competitive advantages.

Our Global R&D team is also currently engaged in projects addressing climate change to support CEMEX's *Future in Action* climate action program, which is built on four pillars: (i) developing sustainable products and solutions; (ii) decarbonizing CEMEX's operations; (iii) innovations and partnerships; and (iv) promoting a green economy. As a result of these efforts, in 2021 we developed a range of low embodied CO_2 cement and ready-mix products under the global brand *Vertua*, including Vertua® Ultra, a clinker-free ready-mix concrete that has up to 70% CO_2 reduction compared to conventional concrete. Our strategic R&D partnerships have generated technology opportunities that we believe have the potential to be groundbreaking in the reduction of CO_2 emissions. One of the companies we are collaborating with has developed the technology to achieve 1500°C heat using solar radiation for the first time. This technology would allow the manufacture of clinker using solely solar radiation, thereby reducing the use of fossil fuels, reducing carbon capture costs and increasing the captured CO_2 that can be converted into synthetic fuels. These aforementioned projects are examples of CEMEX's larger R&D portfolio designed to innovate in the areas of mitigation of CO_2 emissions, development of sustainable construction solutions and products and digitalization of the construction industry. Additionally, CEMEX is actively participating in a number of projects funded by the EU and U.S. Department of Energy evaluating novel carbon capture technologies, waste heat recovery and conversion of CO_2 into synthetic fuels.

Another initiative is to begin integrating Building Information Modeling technology into our interaction with customers, providing them with an overview of their projects and how our products can be incorporated.

Providing Superior and Sustainable Products, Solutions and Services. We aim to move from being a product-selling company to a comprehensive solutions provider.

To the best of our knowledge, as the only global building materials company that develops and manufactures its own chemical admixtures for cement, ready-mix concrete, and aggregates, we are able to design and develop novel, tailor-made product technologies with our proprietary chemicals. An increasing number of admixtures are being developed to enhance the sustainable attributes of our core products and solutions, such as increasing cement's strength; making concrete harden rapidly, improve its flow, give it self-curing properties, or develop water repellency, or helping recycle concrete into aggregates. Moreover, our experts in fields such as geology, chemistry, materials science and various other engineering disciplines work alongside behavioral scientists, cultural anthropologists and commercial strategists looking to anticipate and understand our customer needs and market trends in order to create innovative, sustainable construction solutions that seek to satisfy current and future needs. More than specific products or solutions, our value proposition is designed around a "Palette of Technologies" from which we can draw up new solutions based on the project specific and unique requirements. We expect our Urbanization Solutions core business to be well positioned to develop and grow in the performance materials market and be competitive, due to the growing range of admixture products. For instance, a range of new admixture products are being developed to address renovation and retrofitting requirements.

Our Global R&D team supported the design, creation and launch of our new value-added aggregates brand, Neogem. These products are specialized high-quality aggregates, whose intrinsic properties are designed to meet the essential needs of five market sectors—Agricultural, Environmental, Industrial, Landscaping and Sports. Neogem covers an extensive range of premium minerals that can add value to our customers' projects through particular functional or aesthetic features. Neogem products are innovative, carefully selected and tailor-made solutions designed to go beyond commonly known building materials.

An important share of our portfolio offers performance characteristics beyond traditional options. By 2030, our target, which we have already achieved, is for at least half of our cement and ready-mix concrete sales to come from solutions with outstanding sustainability attributes such as the conservation of resources, energy efficiency, resilience, and health and safety benefits. Our global brands of value-added ready-mix concrete and aggregates technologies are helping meet the challenges of the cities of the future.

Fostering Innovation and Enabling New Business Opportunities. Since its launch in 2017, our open innovation and corporate venture capital unit, CEMEX Ventures, continues to engage with startups, entrepreneurs, universities, and other stakeholders to shape the construction ecosystem of tomorrow by tackling our industry's toughest challenges.

Leveraging our knowledge of the industry and CEMEX's leading edge technologies and platforms, CEMEX Ventures develops collaboration opportunities and targets innovating partnerships and investments in the following four target areas connected to the execution of our strategic priorities, which we further subdivide as set forth below:

- Green Construction – CO_2 capture, utilization & storage; sustainable materials; circular economy; waste management & recycling; and new energy sources & solutions.
- Construction Supply Chain – Materials, resourced procurement and marketplaces; logistic tools & materials tracking; fleet management & dispatching; last mile & delivery marketplaces; inventory management & onsite handling.
- Enhanced Productivity – Project design, specification and budgeting; planning & scheduling; project monitoring & control; document management; H&S compliance; project quality; and asset management & maintenance.
- Construction's Future is Now – Advanced building materials; 3D printing; industrialized construction (offsite, modular and precast); robotics & machine assisted applications; and smart cities & buildings.

Jointly with the CEMEX Research and Development Centers based in Switzerland and Mexico (the "CEMEX Research Centers") and other functions, CEMEX Ventures promotes the expansion of our open

innovation ecosystem in search of opportunities in new construction trends and technologies, including construction materials, decarbonization and processes evolution.

CEMEX Ventures' main role is to look for strategic partnerships and investment opportunities that go beyond our core businesses. It also aims to identify and assess emerging technologies to bring CEMEX new ideas and perceptions of the construction ecosystem. To this end, CEMEX Ventures allocates resources to search, incubate, and deploy innovative construction-related opportunities and solutions.

As of December 2021, CEMEX Ventures has invested in 18 startups headquartered in eight countries and focused on developing the aforementioned target areas within the construction industry. During 2021, CEMEX Ventures invested in six new startups and three follow-on investments in its portfolio companies. Additionally, CEMEX Ventures unveiled its "TOP 50 ConTech Startups" list and held its 2021 Construction Startup Competition with other top industry partners, seeking entrepreneurs and startups to drive innovation in the construction industry. Almost 500 startups participated, closing the event with 10 winners.

In addition, in 2019 CEMEX Ventures launched the "Smart Innovation" platform, aiming to bolster internal innovation at CEMEX. A vehicle to foster innovation at all levels of the organization, the Smart Innovation platform seeks to challenge the status quo, promote a culture of innovation within CEMEX and facilitate the execution of ideas. As of the date of this annual report, the Smart Innovation platform has more than 150 projects in the experimentation phase which we expect to have a direct impact on CEMEX and the construction industry.

Sustainability

Our sustainability efforts begin with CEMEX, S.A.B. de C.V.'s board of directors and are then facilitated across our entire organization. CEMEX, S.A.B. de C.V.'s Sustainability Committee is comprised of four members of CEMEX, S.A.B. de C.V.'s Board of Directors. The Sustainability Committee reports directly to CEMEX, S.A.B. de C.V.'s Board of Directors. The Sustainability Committee is supported by our Corporate Sustainability function, which reports to the Executive Vice President of Sustainability, Commercial and Operations Development, who is also a member of our senior management. To help embed sustainability into our entire business strategy, we have coordinators representing each geographical region where we operate. In parallel, our Global Sustainability Functional Network works to implement our core sustainability initiatives across all our operating regions and business lines. On March 24, 2022, the members of CEMEX, S.A.B. de C.V.'s Sustainability Committee were elected at CEMEX, S.A.B. de C.V.'s general ordinary shareholders' meeting.

Our Climate Action Strategy. In 2020, we announced that we would move ahead with our Climate Action Strategy and continue advancing towards our vision of a carbon-neutral economy. At the time, we defined a 2030 target of a 35% reduction of net CO_2 emissions per ton of cementitious product compared with our 1990 baseline, established our ambition to deliver net-zero CO_2 concrete globally to all our customers by 2050 and developed a detailed CO_2 roadmap for each of our manufacturing plants aligned with a 2°C scenario.

In 2021, we announced our more ambitious Future in Action climate action program focused on developing low-carbon products, solutions and processes while increasing sustainability awareness and promoting a green economy. Under Future in Action, we are accelerating our short-term effort to reach our climate goals; our intermediate goals are to (i) achieve a 35% reduction of CO_2 emissions in cement compared to our 1990 baseline, increase our use of alternative fuels to 43% of our total fuel mix, reduce our clinker factor to 74% and reach 40% in clean electricity consumption, all by 2025; and (ii) achieve a greater than 40% reduction of CO_2 emissions in cement compared to our 1990 baseline, achieve a 35% reduction of CO_2 content in concrete compared to our 1990 baseline, increase our use of alternative fuels to 50% of our total fuel mix, reduce our clinker factor to 71% and reach 55% in clean electricity consumption, all by 2030. Our ultimate goal is to deliver net-zero CO_2 concrete globally to all our customers by 2050.

Our 2030 goals and commitments are aligned and have been validated by the SBTi according to the Well Below 2°C scenario. To achieve our 2030 goals, we have updated our detailed CO_2 roadmap for each of our manufacturing plants to accelerate the rollout of proven technologies worldwide. Our roadmap is mainly based on the following CO_2 reduction levers: (i) accelerating the use of alternative fuels with high biomass content, (ii) optimizing thermal efficiency in our cement kilns, (iii) increasing the use of decarbonated raw materials in clinker, (iv) using novel clinkers such as low-temperature clinker and low CO_2 clinker, (v) reducing clinker factor through blended cements, (vi) maximizing our clean electricity consumption. Additionally, we are currently working on our transport roadmap to reduce our transport related emissions. Our roadmap, including our direct (Scope 1) greenhouse gas emissions and indirect electricity (Scope 2) emissions, has been validated by Carbon Trust, an internationally recognized consulting company that provides a rigorous third-party assessment of carbon reduction plans.

The technology for some of the main CO_2 reduction levers on which our path to achieve our 2050 ambition will be based is still in the early stages of development, setting an open path for innovation that requires continuous work in our Research and Development Center, new investments by CEMEX Ventures, the formation of strategic partnerships, and cross-industry collaboration. Nevertheless, we anticipate that the main levers that will lead us towards our 2050 ambition will be: (i) our 2030 CO_2 reduction cement levers, (ii) carbon capture, utilization and storage, (iii) increasing clean electricity and energy efficiency, (iv) low-carbon transport, (v) extending circular economy principles, (vi) new concrete technologies, (vii) reforestation and carbon removal and (viii) concrete re-carbonation.

Improving Quality of Life and Well-being. As a company that looks to make a progressive impact through its innovative services and solutions, our ability to operate as a responsible business is fundamental to our business model. This enables us to understand stakeholders' material issues, map social impacts, and identify risks and opportunities to create shared value for us and society.

Furthermore, to reinforce our commitment with climate action, we have signed the Business Ambition for 1.5°C commitment led by the We Mean Business Coalition in partnership with the SBTi and the U.N. Global Compact, joined the Race to Zero Campaign of the UNFCCC launched to mobilize net-zero commitments from cities, businesses, and investors ahead of the COP26, joined the Corporate Leaders Group Europe convened by the Cambridge Institute for Sustainability Leadership in support of a climate neutral economy, and are founding members of both the First Movers Coalition launched at COP26 by the World Economic Forum and the U.S. State Department and of the United Nations Global Compact CFO Coalition for the Sustainable Development Goals, which provides a platform to interact with peers, investors, financial institutions, and the United Nations with the aim of attracting more capital towards sustainable development.

Our high impact social strategy directly contributes to our vision of building a better future and aims to understand our stakeholders' expectations by managing our impacts and creating value and well-being through three strategic priorities: (i) co-designing and implementing socially impactful inclusive business models with customers and entrepreneurs; (ii) implementing sustainable community engagement plans intended to improve quality of life; and (iii) designing and co-creating responsible cross-functional practices within our operations and our value chain.

To achieve these three priorities, our aim is to continue improving the quality of life and well-being of our employees and our communities by considering economic, social, and environmental criteria and focusing on: (i) education and development capabilities for employability; (ii) sustainable and resilient infrastructure and mobility; (iii) social and environmental innovation and entrepreneurship; and (iv) a culture of environmental protection, health and safety.

Although our social projects focus on our core business expertise to create value and well-being, we believe that we are also causing positive impacts on other global challenges. Thus, consistent with our commitment to the United Nations Sustainable Development Goals, we measure our progress and contributions to some of these goals.

Pursuing Excellence in Environmental Management. We believe the pursuit of excellent environmental practices benefits sustainable growth. In addition to CEMEX, S.A.B. de C.V. Board of Directors' Sustainability Committee, our primary environmental executives responsible for each of our operating regions, shares new trends, proposals and best practices to identify, inform, and tackle key environmental management concerns.

We are committed to contributing to climate change mitigation and its consequences. For years, as part of our carbon emissions reduction strategy, we have focused on using low-emission alternatives to traditional fossil fuels, decreasing our clinker factor, promoting clean energy and increasing energy efficiency across our operations. To this end, we have continuously sought to increase our use of low carbon alternative fuels, which represented 29.2% of our total fuel mix in 2021, and generated approximately $306 million in savings including fossil fuels costs and CO_2 emissions avoided in carbon regulated markets.

As a result of our efforts, we reduced our net CO_2 emissions per ton of cementitious products by 26.2% compared to our 1990 baseline—equivalent to the annual emissions generated by 2.2 million passenger vehicles. We actively seek to develop new technologies to reduce our carbon footprint. Most notably, as of December 31, 2021, we are participating in approximately 60 disruptive projects in the pipeline across our value chain to assess potential CO_2 emissions reduction solutions as well as carbon capture, utilization and storage technologies. Furthermore, we explore alternatives to traditional clinker and cement chemistry that enable the production of less CO_2-intensive cements.

To complement these technical measures, we participate in several forums and bilateral dialogues with key stakeholders. These activities are designed to disseminate knowledge about potential reduction measures in our sector and to promote a legislative framework that enables us to implement these measures. As an example, we have a long history of contributing our best practices through our work with the Cement Sustainable Initiative ("CSI"). The work done in CSI was transferred as of January 1, 2019 to the Global Cement and Concrete Association ("GCCA"). The GCCA is an initiative of more than 39 major producers that actively promotes the use of concrete as an essential material for construction.

We have the expertise to responsibly source, process, store and recover energy from alternative fuels and we strongly believe that increasing co-processing residues from other sectors in our cement plants will further contribute to overcoming challenges such as climate change, waste management and fossil fuel depletion, while utilizing the principles of a circular economy.

Our key contribution to a circular economy is our transformation of waste streams from other sectors into valuable materials. To reduce most of the waste generated from our processes, we maximize our reuse of clinker kiln dust in our production loop, largely avoiding landfill disposal. To realize the financial and environmental benefits of waste, we monitor, minimize, reuse and recycle our waste, whenever possible.

In 2021, 95% of the waste generated by our production processes was recovered, reused or recycled. The remaining material was sent to disposal sites. Additionally, last year alone, we managed close to 23 million tons of waste in our business, including alternative fuels and raw materials, alternative/secondary aggregates, own recycled material in our main businesses and other waste managed by the company. This is close to 57 times the amount of waste we sent to landfills and equivalent to the waste produced by more than 28 million people in one year.

CEMEX Environmental Management System ("EMS"). We use EMS to evaluate and facilitate consistent and complete implementation of risk-based environmental management tools across our operations. The EMS consists of key mechanisms for environmental performance enhancement and impact assessment, stakeholder engagement and accident response based on input from a range of environmental and biodiversity specialists.

As of December 31, 2021, 92% of our operations had implemented either the EMS or equivalent programs. As we approach full implementation of our global EMS, our goal is for all of CEMEX's operational facilities to be 100% compliant with our internal environmental criteria.

The release of nitrogen oxides, sulfur compounds and dust occurs during cement manufacturing. Other emissions, including dioxins, furans, volatile organic compounds and other heavy metals, are released in very small or negligible quantities. To control our stack emissions and ensure that we remain compliant with local and national regulations, we have steadily expanded emissions monitoring at our manufacturing operations even exceeding regulation requirements in many geographies.

Through our internal EMS and more specifically through our Atmospheric Emissions Global Procedure, we monitor major emissions which assists us with our compliance with local regulation limits. In 2020, we launched a new industry-benchmark online tool that allows operators and management teams to closely analyze major emissions, improve monitoring abilities from kilns with Continuous Emissions Monitoring System (CEMS) installed, and strengthen emissions performance. To further improve upon these efforts, we have updated the minimum performance levels to fulfill annually for major emissions. In addition, we are working on establishing more stringent environmental standards for air emissions that are expected to be based on EU Best Available Techniques.

In 2021, we invested $103 million in sustainability related projects at our global operations, including projects to monitor and control our air emissions, increase our operations efficiency and mitigate our carbon footprint through alternative fuels and clinker substitution efforts.

Our Environmental Incidents Management. We consistently work to minimize our environmental impact, and we believe we are generally prepared to respond to emergencies that may pose a potential threat to our operations and local communities: (i) we work with our neighbors, law enforcement officials, public agencies, and other stakeholders to develop contingency plans at each of our sites; (ii) we created emergency response teams that are specifically trained to address environmental incidents and hold annual emergency drills; and (iii) we consistently record and report incidents at every level of our business to identify recurring root causes and to share corrective actions.

Our Global Environmental and Social Incident Reporting process enables all our sites to maintain a proactive approach to respond to emergencies that could potentially impact our communities or our operations. The thorough application of this reporting procedure requires a timely registration of environmental and social impact events, identification and analysis of the root causes, and the implementation of corrective and preventive action plans as a first step toward avoiding their occurrence and reducing their severity. In 2021, our total reported incidents decreased by 52%, which is consistent with our permanent efforts for risks monitoring and transparency. There were no category 1 environmental events (major) registered in the year.

Preserving Land, Water and Biodiversity. The preservation of land, biodiversity and water plays a key role in our long-term resource management strategy.

To protect water and enable our business to succeed, we are increasing our water efficiency and minimizing our water waste through the implementation of our Corporate Water Policy. This policy includes standardization of our water measurement based on the water protocol developed in coordination with the International Union for Conservation of Nature. We also have the goal of developing a specific Water Action Plan ("WAP") comprised of a customized set of response actions to maximize water use efficiency and mitigate specific water risks for each community by adopting recommendations based on the Water Risk Filter tool from the World Wildlife Foundation, for each one of more than 1,500 of our cement, ready-mix concrete and aggregates sites in water-stressed zones. Results indicate that 1% of our operations are in extremely high water-stressed zones and 15% are in high water-stressed zones. In line with our 2030 targets, we plan to develop a specific WAP and follow the implementation roadmap for each of these sites. In 2021, we completed the implementation of WAPs in 100% of the sites located in extremely high water-stressed zones and the first pilot for a site located in high water-stressed zones.

Sustainable Finance. In September 2021, we launched a comprehensive Sustainability-Linked Financing Framework (the "Framework") that establishes our guiding principles when issuing new sustainability-linked

financing instruments, including public bonds, private placements, loans, derivatives, working capital solutions, and other financing instruments. The Framework includes three sustainability-linked key performance indicators, including net CO_2 emissions per ton of cementitious product, clean electricity consumption and alternative fuels rate. Additionally, Sustainalytics, a leading independent firm that specializes in providing ESG research, ratings, and data to institutional investors and companies, validated the Framework's alignment with the Sustainability-Linked Bond Principles, the International Capital Market Association's Climate Transition Finance Handbook, and the Loan Market Association's Sustainability-Linked Loan Principles. Furthermore, on November 8, 2021, we repaid in full all outstanding indebtedness under the 2017 Facilities Agreement. The funds used to repay the 2017 Facilities Agreement were sourced from the 2021 Credit Agreement. The 2021 Credit Agreement is our first borrowing issued under the Framework, which is aligned to the company's Future in Action climate action program and its ultimate vision of a carbon-neutral economy. The annual performance in respect of the three metrics referenced in the 2021 Credit Agreement, which are aligned with those provided for in the Framework, may result in an adjustment of the interest rate margin of up to plus or minus five basis points, in line with other sustainability-linked loans to investment grade rated borrowers.

Attracting and Retaining Talent. Our employees are our competitive advantage and the reason for our success. We aim to offer programs, benefits and a work environment that are designed to attract and retain talented employees. Our approach to talent management is founded on three pillars: (i) employ the right people, in the right place, at the right time to perform the right job to achieve our strategy; (ii) enable a high-performing and rewarding culture to deliver sustainable business value in a safe, ethical workplace and (iii) build and develop our workforce capabilities to confront challenges and pursue excellence.

As we transform and look to expand, one of our main objectives is to develop people with the potential to fill key leadership positions, increasing their experience and capabilities with the intention of having them succeed in increasingly challenging roles. Through this process, we work to improve our employees' commitment to us by helping them meet their own career development expectations and prepare them for key roles as they face critical challenges in their professional development. Our succession management process enables us to build a talented pool of leaders with the skills and understanding of our business fundamentals to continue our pursuit of reaching our goals. Through ongoing training and development opportunities, our employees are taught new skills and their expertise is deepened in several critical areas, including H&S, customer-centric capabilities, environmental conservation and awareness, leadership development and stakeholder engagement.

We look to foster a dynamic, high-performance environment where open dialogue is encouraged and rewarded. Apart from competitive compensation, more than 82% of our global workforce receives health and life insurance benefits beyond those required by local law in their respective countries. Approximately 79% of our global workforce receives retirement provision benefits above local requirements and more than 82% of our operations receive additional funds for disability and invalidity coverage beyond what is required by local laws in their respective countries.

In 2017, we began to integrate our current institutional academies, which include our Commercial, Health & Safety, Supply Chain, Digital, Cement Operations, and Culture & Values academies, under the concept of CEMEX University. CEMEX University aims to develop a digital continuous learning ecosystem for our employees and respond to our multi-region, multi-business learning needs. CEMEX University leverages traditional in-person training with new digital learning platforms to embed a growth mindset throughout our organization and fulfill our employees' potential. Considering the relevance of developing strategic business capabilities among our people, in 2021, CEMEX University released ten new modules of the LEAP Commercial Interactions program, along with two new modules for the Operations Academy providing in-depth perspectives of our production and maintenance processes. We continue to develop continuous learning pathways on current topics such as on COVID-19 variants, employee well-being and anti-corruption. Additionally, we are developing

a new Sustainability Academy and the second portion of our ETHOS "Doing the Right Thing" course which we plan to release in early 2022.

Our Human Rights Policy reflects our support and respect for the protection of internationally proclaimed human rights principles, as expressed in the International Bill of Human Rights and the International Labor Organization's Declaration on Fundamental Principles and Rights at Work. In addition, it recognizes employees, communities, contractors, and suppliers as main areas of impact and reaffirms our commitment to the promotion of and respect for human rights throughout our worldwide operations, local communities, and supply chain. This includes providing a workplace that is free from harassment and discrimination on the basis of race, gender, national origin, sexual orientation, disability and membership in any political, religious or union organization and, as reaffirmed in our Global Recruitment Policy launched in 2020, offering equal opportunities for training, personal development, individual recognition and promotion on the basis of merit. Employees who believe that there may have been a violation of the principles laid down in our Human Rights Policy can report it through various channels, including local Human Resources departments, Ethics Committees and our secured ETHOS line internet website. Community members, contractors and suppliers are also encouraged to submit a report through the ETHOS line if they believe there may have been a violation of our Human Rights Policy or any other guideline as stated in our Code of Ethics and Business Conduct.

Our four Leadership Development Programs—CONNECT, THRIVE, IGNITE, and Leader-to-Leader—allow us to provide new managers, newly appointed directors, and top-tier executives the foundational knowledge and necessary tools to support a successful transition and development in their roles. In 2021, more than 300 leaders across all our regions and business units participated in these programs.

In order to comprehensively measure the positive net balance of our employee experience, we build on the Employee Net Promoter Score ("eNPS") methodology, a straightforward statistic. When asked whether they would recommend CEMEX as a good place to work, our employees' responses generated an eNPS score of 48 in 2021, higher than the global benchmark score measured by our survey provider and above our recently updated 2030 annual goal of 43 points. We are using this indicator to identify areas for improvement and for structuring regional, local, and team-specific action plans to address employee concerns.

Additionally, our Workforce Experience (WEx) Survey helps us better understand from the perspective of our employees what organizational, digital, physical and interpersonal elements of our company require strengthening or developing so we can provide a consistently positive work experience for our employees worldwide. In 2021, 79% of our employees worldwide participated in this anonymous engagement survey, which yielded many important findings. The survey was 100% digital to promote hygiene protocols. To allow for a faster and consistent follow-up to the insights, we not only digitized much of the survey process but also empowered our "X Force" teams, a select group of employees who lead our coordinated follow-up and implementation of action plans that have been derived from our survey results.

Operating EBITDA Growth

We look to operate in markets where we can add value for our employees, our customers and our shareholders. We intend to focus on those markets that offer long-term profitability and Operating EBITDA growth potential, especially around high growth metropolitan areas, leveraging those assets that are best suited to achieve this. We believe that a geographically diverse portfolio of assets, in markets, regions or cities that we believe offer long-term profitability, provides us with the opportunity for significant value creation through profitable organic growth over the medium-to-long-term. Consequently, we intend to be selective and strategic about where we remain and where we operate. We believe our business portfolio should be particularly focused on high growth metropolitan areas that combine strong fundamentals, ranging from economic growth potential to strong construction investment, population growth, degree of urban development and political stability, all under the basis of sustainable urbanization. By identifying the needs of these markets and metropolises, we expect to be in a better position to offer a more complete value proposition of products and solutions to our clients and citizens of these markets and metropolises.

As of the date of this annual report, as part of our "Operation Resilience" strategy, we are undertaking actions that are designed to streamline and reposition our portfolio in order to enhance our diversification and achieve higher profitable growth. As such, we expect to rebalance our portfolio by focusing on the markets we believe offer long-term growth potential and retaining those assets that we believe are best suited to grow, offering us long-term profitability. While these actions are being undertaken, we could continue to complement our "Operation Resilience" strategy with organic, bolt-on investments, on a stand-alone basis or with other partners, using a metropolis-centric approach leveraging our related businesses and digital strategy.

We believe that by managing our core operations as one vertically integrated business, we capture a significant portion of the construction value chain and create value for our customers by offering comprehensive building products and solutions. Historically, this strategic focus has enabled us to grow our existing businesses, particularly in high-growth markets and with specialized, high-margin products.

In particular, as outlined in our "Operation Resilience" strategy, we believe that the United States, Europe and Mexico are well-suited for vertically integrated positions near growing metropolises; and, in addition to our traditional cement, aggregated and ready mix concrete core businesses, these metropolises exhibit a need for a value proposition we're well-positioned to deliver by means of our Urbanization Solutions, which has led us to consider it as a key component of our Operating EBITDA Growth strategic priority.

Urbanization Solutions. Urbanization Solutions is one of our four core businesses. It is a business that complements our value offering of products and solutions, looking to connect with the broader city ecosystem. It seeks to address urbanization challenges and provide means to all stakeholders in the construction value chain to enable sustainable urbanization by focusing on four market segments:

- Performance Materials.

They are used to modify or enhance the properties and usability of building materials and construction systems. Performance materials include construction chemicals, building finishes, admixtures and additives, mortars and special mortars, cellular concrete, asphalt, pavement solutions, etc.

- Waste Management.

Efficient management of resources to improve the circularity of the construction value chain, ranging from reducing and managing waste to its recycling into the construction lifecycle value chain.

- Related Services.

We provide certain services to offer integrated solutions through logistics and transportation, retail, pavement services, and design and engineering, among others, that add value along the construction value chain and complement our offering in Performance Materials, Industrialized Construction and Waste Management, while enabling CEMEX to provide value for our customers by offering building solutions for their construction needs.

- Industrialized Construction.

We manufacture finished building elements that are easy and safe to assemble and install on-site. Products of industrialized construction range from precast components to complete structures, 2D panels, 3D modules, 3D structures, etc.

OPERATING MODEL. We aim to operate effectively and achieve the greatest possible value by leveraging our knowledge and scale to establish best practices and common practices worldwide. Our operating model consists of: (i) working with global networks to market our products and solutions; (ii) providing modern support functions and technology to clients and customers; (iii) having clear and effective transactional functions at all levels of our business; and (iv) maintaining efficient governance controls.

STAKEHOLDERS. We value our: (i) employees by having plans and other resources that we believe provide a great workplace that helps them build skills, expertise and a strong sense of purpose; (ii) clients by tailoring our offerings to solve their construction needs while making it easy for them to work with us and by providing enhanced performance and reliability; (iii) shareholders and investors by focusing on plans designed to maximize revenue, reduce costs, optimize assets, reduce risk and enforce strong governance; and (iv) community and suppliers by serving as an engine of economic growth, building more capable, inclusive and resilient communities, striving to reduce local air, water and waste impacts in an effort to conserve biodiversity, encouraging the creation of innovative solutions to reduce costs while promoting sustainable goods and services, and being a reliable client throughout the value chain, adding a trustworthy reputation to the negotiation.

Environment and Biodiversity Partners. We work closely with several partners to protect the environment and biodiversity of the countries in which we operate by engaging in fruitful partnerships with global, national and local organizations. At a global level, we cooperate or have cooperated closely with UNESCO, Wild Foundation, Birdlife International, Wildlife Conservation Society, World Business Council for Sustainable Development, Wildlife Habitat Council, Conservation International and the International Union for Conservation of Nature, among others. These projects have led to a series of conservation and nature books that have proven widely successful.

Knowledge and Innovation Partners. We often leverage the knowledge and expertise of thought partners from varied perspectives such as consulting, research institutions, universities and technology partners.

Some of the most relevant partners we collaborate or have collaborated with include Deloitte Consulting, McKinsey & Company, IBM, ExperiencePoint, MIT Center for Information Systems, MIT Sloan School of Management, Cambridge University-Cambridge Service Alliance, Harvard Business Publishing, Degreed, NovoEd, London School of Economics, Ecole Polytechnique Fédéral de Lausanne and Tec de Monterrey. These collaborations enable the design, development, curation and delivery of relevant learning experiences aligned with our strategic capabilities and emerging practices.

Shared Value Partners. Through collaboration in responsible business processes, we can achieve better results through the co-creation of value for society. We believe that more than 500 partnerships and strategic alliances worldwide have proven to be a key factor in successfully multiplying our positive impact on society and in the creation of sustainable communities.

These collaborative alliances have made possible joint projects, best practices documentation and pilots of socially innovative solutions throughout different lines of action: resiliency, environment, education, social integration, health, women's economic empowerment in the communities, development of employability capabilities for youth and people in vulnerable situations in the communities, inclusive businesses, affordable housing, volunteering and CEMEX Foundation activities.

Regain our Investment Grade Rating

We remain committed to regaining our investment grade rating, which is one of our top priorities. We believe our "Operation Resilience" strategy should allow us to make progress in reaching this goal, as we expect that we should be able to increase our free cash flow, which would enable us to further reduce our debt, invest in our business and potentially return value to our shareholders.

As a result of implementing our "Operation Resilience" strategy, in June 2021, we reached our investment grade capital structure target of reducing our consolidated leverage ratio (as defined in the then-effective 2017 Facilities Agreement) below 3.0x. During 2021, we achieved a total debt plus other financial obligations reduction of $2,028 million.

Our financial strategy is designed to strengthen our capital structure by: (i) reducing refinancing risks, mainly by reducing short-term maturities and extending average life of debt, which reached 6.2 years as of the

end of 2021; (ii) lowering our financial costs, using available free cash flow and divestments to reduce our liabilities and/or optimizing our funding sources by looking for opportunities to issue new securities while redeeming other securities with higher costs, as well as managing our interest rate mix between fixed and floating rates; and (iii) maintaining ample liquidity through the revolving credit facility under the 2021 Credit Agreement and access to short-term credit lines. We believe that our debt portfolio currency mix, mainly in Dollars and Euros, allows us to balance exposures to currency fluctuations in our most important markets while allowing for optimization of our funding costs. In addition, since 2017, we began to hedge CEMEX's net investment in Mexican Pesos through derivative instruments.

Also, we have been focusing, and expect to continue to focus, on optimizing our operations by looking to grow our market positions in the markets that we believe offer the highest growth potential, and our core businesses and implementing our pricing policies for our products, on strengthening our capital structure and regaining financial flexibility through reducing our debt and cost of debt, on improving cash flow generation and on extending maturities. Our efforts in lowering our interest expense and our effective management of working capital have allowed us to support our free cash flow. As of the date of this annual report, we plan to continue with these efforts.

We have also introduced a comprehensive pricing strategy for our products that we expect 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 on 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.

In addition, we plan to maintain and grow our market positions in cement, ready-mix concrete, aggregates and Urbanization Solutions by being one of the most customer-centric companies in the industry. Among other actions, 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, as well as to operate in the most capital and cost-efficient manner possible. We may also seek to expand our presence in businesses related to cement, ready-mix concrete, aggregates and Urbanization Solutions, and potentially also implement similar pricing strategies in the markets related to these businesses.

We continue to look to reduce our overall production related costs for all our products and regional 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 and other digital-based solutions to achieve this. In addition, we implemented, and have been using, centralized management information systems throughout our operations, including administrative, accounting, purchasing, customer management, budget preparation and control systems, which have helped us achieve cost efficiencies. We also have agreements with several service providers 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 initiatives aimed at reducing the use of fossil fuels, consequently looking to reduce our overall energy costs.

Furthermore, significant economies of scale in key markets at times 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 plan to 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 to try and take advantage of demand opportunities. Should demand for our products in the United States improve, subject to any measures the current U.S. government could implement, 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 current ability to import into the United States.

Our industry relies heavily on natural resources and energy, and we use cutting-edge technology to increase energy efficiency, reduce CO_2 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 CO_2 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.

See "Item 3—Key Information—Risk Factors—Risks Relating to Our Business and Operations—The COVID-19 pandemic could materially adversely affect our financial condition and results of operations" and "Item 3—Key Information—COVID-19 Pandemic" for more information on how the COVID-19 pandemic may affect us regarding our debt and cash levels, which could considerably delay us in regaining our investment grade.

Operational Improvements

As a key lever to achieve our Operating EBITDA growth objective, we are constantly looking for ways to implement reductions in our cost structure. Throughout the years, such global cost-reduction initiatives have encompassed different undertakings, including headcount reductions, capacity closures across the cement value chain and a general reduction in global operating expenses. During the past years, CEMEX has launched company-wide programs aimed at enhancing competitiveness, providing a more agile and flexible organizational structure and supporting an increased focus on the Company's markets and customers.

Our latest significant initiative with operational improvement and cost-reduction implications is our Working Smarter digital transformation initiative. With Working Smarter, we leverage a combination of digital technologies, operative models, and innovation from leading service suppliers to reshape our business management services. As part of this initiative, in the first quarter of 2022, we signed separate multi-year contracts that range from 5 to 7 years that in the aggregate total $500 million with six service providers in the fields of finance and accounting, information technology, and human resources. We estimate that the combination of these next-generation service contracts and its internal delivery transformation should materially contribute towards a $100 million annual savings goal we have set once implementation is complete.

As part of our "Operation Resilience" strategy, we have implemented initiatives that seek to improve our operational performance and expense rationalization, increasing our use of alternative fuels in several of the countries in which we operate, serving our customers better and at lower costs, optimizing our production and logistics supply chain models and optimizing our procurement strategy. Also, in connection with the implementation of our cost-reduction initiatives, since 2017, we have implemented a low-cost sourcing initiative which is designed to maintain the continuity of our operations, while looking to provide attractive costs without materially affecting the quality of the products and services we acquire by using a strategic sourcing process empowered by our people's knowledge and quality management. This initiative is intended to reduce our cost of operations, while maintaining quality and timely delivery by acquiring goods and equipment from Mexico, India, Turkey and certain countries in Asia and Eastern Europe, among others.

Also, as part of these initiatives, at times we temporarily shut down (in some cases for a period of at least two months) some of our cement production lines in order to rationalize the use of our assets and reduce the accumulation of our inventories. In the past we have announced the permanent closure of some of our cement plants. Similar actions were taken in our ready-mix concrete and aggregates businesses. In the past, such rationalizations have included, among others, our operations in Mexico, the United States, including Puerto Rico, Spain and the United Kingdom. As of December 31, 2021, not including plants in our discontinued operations, we had five cement and grinding plants temporarily shut down (two cement plants in the United States, one cement plant in the United Kingdom, one cement plant in Spain and one grinding plant in Colombia).

Furthermore, we intend to achieve 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 could 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 also aim to better serve our customers at lower cost and to optimize our production and logistics supply chain models.

During different parts of the past years, we had reduced capital expenditures related to maintenance and expansion of our operations in response to weak demand for our products in some of the markets in which we do business. Such reductions were implemented with the intention of maximizing 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 2020 and 2021, our capital expenditures related to maintenance and expansion of our operations have been $795 million and $1,094 million, respectively, lower in 2020 than the $1,033 million expended in 2019. Pursuant to the 2017 Facilities Agreement, until November 8, 2021, we were prohibited from making aggregate annual capital expenditures in excess of $1.5 billion (which were temporarily limited to $1.2 billion pursuant to the May 2020 Facilities Agreement Amendments (as defined below) for as long as we failed to report two consecutive quarters with a Consolidated Leverage Ratio of 5.25:1 or below) in any financial year (excluding certain capital expenditures, joint venture investments and acquisitions by each of CLH and CHP and their respective subsidiaries and those funded by Relevant Proceeds (as defined in the 2017 Facilities Agreement)), which capital expenditures, joint venture investments and acquisitions at any time then incurred were subject to a separate aggregate limit of (i) $500 million (or its equivalent) for CLH and its subsidiaries and (ii) $500 million (or its equivalent) for CHP and its subsidiaries. In addition, the amount which we and our subsidiaries were allowed to put towards permitted acquisitions and investments in joint ventures was restricted from exceeding certain thresholds as set forth in the 2017 Facilities Agreement. However, no similar restrictions apply pursuant to the 2021 Credit Agreement. See “Item 3—Key Information—COVID-19 Pandemic” for more information on our reduction in capital expenditures intended to improve our liquidity during the COVID-19 pandemic.

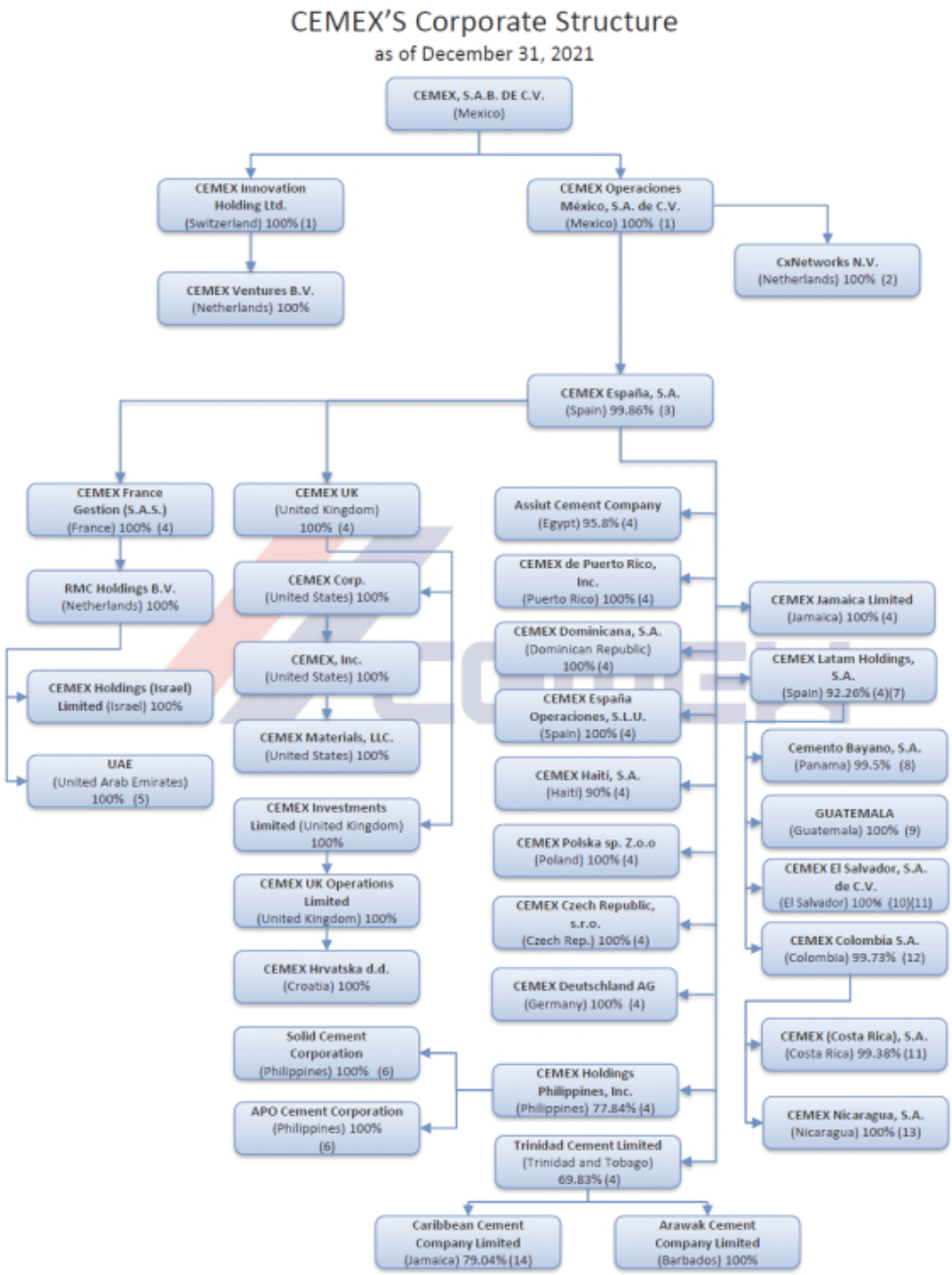
User Base

Cement is the primary building material in the industrial and residential construction sectors of the majority of markets in which we operate. We believe that the lack or shortage 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 have traditionally been 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. Our Urbanization Solutions have a wide user base which includes, but is not limited to, contractors, builders and developers in general, ready-mix concrete, cement, mortars and special mortars producers, governments, paving companies, architects and civil engineers. In summary, because of their many favorable qualities, a considerable number of builders and other users worldwide use our cement, ready-mix concrete, aggregates and Urbanization Solutions for almost every kind of construction project, from hospitals and highways to factories and family homes.

As of December 31, 2021, we did not depend on any single existing customer to conduct our business and the loss of any of our existing customers individually would not have had a material adverse effect on our financial condition or results of operations. For the period ended December 31, 2021, none of our individual customers represented more than 10% of our consolidated revenues.

Our Corporate Structure

CEMEX, S.A.B. de C.V. is an operating and a holding company that primarily operates its business through subsidiaries which, in turn, hold interests in CEMEX's cement, aggregates, ready-mix concrete and Urbanization Solutions operating companies, as well as other businesses. The following chart summarizes CEMEX's corporate structure as of December 31, 2021. The chart also shows for each company, unless otherwise indicated, CEMEX's approximate direct or indirect, or consolidated, 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 most of the main countries in which CEMEX operates, and/or relevant companies in which CEMEX holds a significant direct or indirect interest and does not include all of CEMEX's operating subsidiaries and its intermediate holding companies.



(1) Includes CEMEX's direct or indirect, or consolidated, interest.
(2) CxNetworks N.V. is the holding company of the global business and IT consulting entities, including Neoris N.V.
(3) Includes COM's, CIH's and CEMEX's interest, as well as shares held in CEMEX España's treasury.

(4) Includes CEMEX España's direct or indirect, or consolidated, interest.
(5) Represents CEMEX España's indirect economic interest in three companies incorporated in the United Arab Emirates: CEMEX Topmix LLC, CEMEX Supermix LLC and CEMEX Falcon LLC. CEMEX España indirectly owns a 49% equity interest in each of these companies and indirectly holds the remaining 51% of the economic benefits through agreements with other shareholders.
(6) Represents CEMEX Holdings Philippines, Inc.'s direct and indirect equity interest.
(7) Represents outstanding shares of CLH's capital stock and excludes treasury stock.
(8) Represents CLH's 99.483% indirect interest in ordinary shares, which excludes a 0.516% interest held in Cemento Bayano, S.A.'s treasury.
(9) Represents CLH's direct and indirect interest in four companies incorporated in Guatemala: CEMEX Guatemala, S.A., Global Concrete, S.A., Gestión Integral de Proyectos, S.A. and Cementos de Centroamérica, S.A.
(10) Represents CLH's direct and indirect interest.
(11) On December 29, 2021, through our subsidiaries, we signed an agreement for the sale of the interest in CEMEX (Costa Rica), S.A. and CEMEX El Salvador, S.A. de C.V. As of the date of this annual report, we expect to conclude the transaction during the first half of 2022, subject to the satisfaction of closing conditions in Costa Rica and El Salvador, including the receipt of requisite regulatory approvals.
(12) Represents CLH's direct and indirect interest in ordinary and preferred shares and includes shares held in CEMEX Colombia's treasury.
(13) Includes CEMEX Colombia's 99% interest and Corporación Cementera Latinoamericana, S.L.U.'s 1% interest.
(14) Includes Trinidad Cement Limited's direct and indirect 74.08% interest and CEMEX's indirect 4.96% interest held through other subsidiaries.

Mexico

Overview. For the year ended December 31, 2021, our operations in Mexico represented 22% of our revenues in Dollar terms before eliminations resulting from consolidation. As of December 31, 2021, our operations in Mexico represented 30% of our total installed cement capacity and 14% of our total assets.

As of December 31, 2021, CEMEX, S.A.B. de C.V. was both a holding company for some of our operating companies in Mexico and was involved in the production, marketing, sale and distribution of cement, ready-mix concrete, aggregates and other construction materials and urbanization solutions in Mexico, as well as a construction materials and related products service provider. CEMEX, S.A.B. de C.V., indirectly, is also the holding company of all our international operations. CEMEX, S.A.B. de C.V. accounts for a substantial part of the revenues and operating income of our operations in Mexico.

Our Tepeaca cement plant in Puebla, Mexico, as of December 31, 2021, had a production capacity of 3.1 million tons of cement per year. In December 2014, we announced the restart of the Tepeaca cement plant expansion, consisting of the construction of a new kiln and mill. Its total production capacity is expected to reach 4.7 million tons of cement per year by 2023 based on mill capacity. Additionally, we invested in the same region to increase our cement production capacity by 0.5 million tons of cement through a debottlenecking project for our operations in Huichapan. This project was completed during the first quarter of 2019. In May 2021, in order to generate enough supply to meet the increasing demand in the U.S. market and strengthen our position in the region, we resumed our operations in our CPN cement plant in Sonora, which has a production capacity of 0.8 million tons of cement per year.

In March 2022, following the successful restart of our operations in our CPN cement plant in Sonora, we announced the reactivation of our second CPN kiln in the Sonora plant. We expect to invest $29 million to reactivate the second kiln, and expect the line to be operational by the third quarter of 2022. We believe this investment will leverage CEMEX's regional trading network to meet growing cement demand throughout the western United States. Once operational, the recommissioned kiln is expected to provide nearly 800,000 additional metric tons of cement for customers across Arizona, California and Nevada.

In 2001, we launched the Construrama program, a registered brand name for construction material stores. Through this 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, 2021, 1,084 independent concessionaries with 2,282 stores were integrated into the Construrama program, with nationwide coverage.

Industry. For 2021, the National Institute of Statistics and Geography (*Instituto Nacional de Estadística y Geografía*) indicated that total construction activity in Mexico increased by 7.3% up to December 2021 (seasonally adjusted figures). Such growth has been attributed to the recovery of the formal construction industry from the adverse effects of the COVID-19 pandemic. In addition, bagged cement demand had a positive performance, particularly in the first half of the year, due to the increased demand from government social programs in anticipation of the mid-term elections held in June 2021, record high remittances inflow, and employment recovery.

Cement in Mexico is sold mainly 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 2021 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 believe that this large retail sales base is a factor that significantly contributes to the overall performance of the cement market in Mexico.

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," "Anahuac," "Campana," "Gallo," "Centenario," as well as certain sub-brands, such as "Extra," "Impercem" and "Optimo" for grey cements and mortar and, additionally, recently launched "Multiplast" for coatings. 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. We also have trademark registrations for our special concrete's brands such as "Promptis," "Resilia," "Pervia," "Insularis" and "Evolution." In Mexico, we introduced "Vertua" as a value cement and concrete brand. "Vertua" is CEMEX's global brand for low carbon footprint products. In addition, we own the registered trademark for the "Construrama" brand name for construction material stores and for our new digital solution we have trademark registrations for "CEMEX Go" and "Olivia."

Competition. In the early 1970s, the cement industry in Mexico was regionally fragmented. However, since that time, cement producers in Mexico have increased their production capacity and the cement industry in Mexico has consolidated into a national market, thus becoming increasingly competitive. As of December 31, 2021, the major cement producers in Mexico were CEMEX; Holcim; Sociedad Cooperativa Cruz Azul, a Mexican operator; Cementos Moctezuma, an associate of Cements Molins and Buzzi-Unicem; and GCC, S.A.B. de C.V. ("GCC," formerly Grupo Cementos de Chihuahua, S.A.B. de C.V.), a Mexican operator in whose majority holder, Camcem, S.A. de C.V. ("CAMCEM"), we hold a minority interest. During 2013, a then-new cement producer, Elementia (now *Fortaleza Materiales*), entered the market and in 2014 acquired two cement plants from Lafarge (prior to the Lafarge-Holcim merger). As of December 31, 2021, the major ready-mix concrete producers in Mexico were CEMEX, Holcim, Sociedad Cooperativa Cruz Azul and Cementos Moctezuma. In addition, as of December 31, 2021, the use of non-integrated ready-mixers has been increasing.

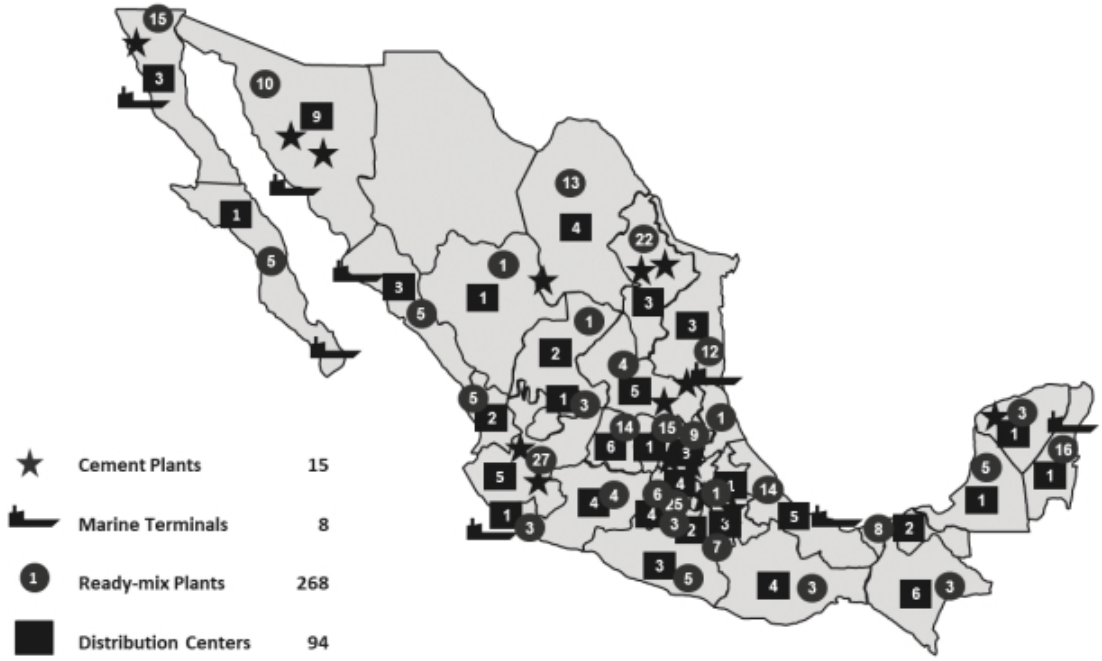
We believe potential entrants into the Mexican cement market face various barriers to entry, including, among other things: the time-consuming and expensive process of establishing a retail distribution network and developing the brand identification necessary to succeed in the retail market; the lack 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 we estimate is approximately two years. Nevertheless, Fortaleza Materiales started a stand-alone cement mill in the Yucatan Peninsula during October 2020. Additionally, at the end of the first quarter of 2021, Holcim started operating a stand-alone cement mill located in the Yucatan Peninsula, aiming to strengthen its market position and supply cost in this region.

Urbanization Solutions. In Mexico, for the year ended December 31, 2021, in terms of relevant revenues, our Urbanization Solutions business consisted primarily of Retail, Pavement Services and Alternative fuels among others. These businesses are located across Mexico.

Our Operating Network in Mexico

During 2021, we operated 14 out of our total of 15 cement plants (one was temporarily inactive) and 102 cement distribution centers (including eight marine terminals) located throughout Mexico.



We operate cement plants on the Gulf of Mexico and Pacific coasts of Mexico, most of the time allowing us to take advantage of attractive transportation costs to export to the United States and the SCA&C region, when possible.

Products and Distribution Channels

Cement. For the year ended December 31, 2021, our cement operations represented 58% of revenues for our operations in Mexico before eliminations resulting from consolidation in Dollar terms and our domestic cement sales volume represented 91% of our total cement sales volume in Mexico. 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 of the five most important distributors accounted for 13% of our total cement sales by volume in Mexico in 2021 (excluding our in-house channels).

Ready-Mix Concrete. For the year ended December 31, 2021, our ready-mix concrete operations represented 18% of revenues for our operations in Mexico before eliminations resulting from consolidation in Dollar terms. Our ready-mix concrete operations in Mexico purchase substantially 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. For the year ended December 31, 2021, our aggregates operations represented 5% of revenues for our operations in Mexico before eliminations resulting from consolidation in Dollar terms.

Urbanization Solutions and Others: For the year ended December 31, 2021, our Urbanization Solutions and other businesses operations represented 19% of revenues for our operations in Mexico before eliminations resulting from consolidation in Dollar terms.

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 by our operations in Mexico represented 11% of our total cement sales volume in Mexico for 2021. In 2021, 83% of our cement exports from Mexico were to the United States and 17% were to our Rest of SCA&C segment.

The cement and clinker exports by our operations in Mexico to the United States are mostly marketed through our trading network subsidiaries. Our cement and clinker transactions between CEMEX and its subsidiaries, 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 agreements with PEMEX, two under which PEMEX has agreed to supply us with pet coke for our cement plants through 2022 and 2023. However, during the past years, the volumes delivered by PEMEX to our operations in Mexico have been affected as a result of operational issues at PEMEX's refineries. In general, we believe our operations in Mexico would be able to purchase pet coke in the open market, if needed, to make up for any quantities not supplied by PEMEX. The PEMEX pet coke contracts have somewhat helped in reducing the volatility of our fuel costs for our operations in Mexico. In addition, in 1992, our operations in Mexico began using alternative fuels to further reduce the consumption of residual fuel oil and natural gas. These alternative fuels represented 26% of the total fuel consumption for our cement plant operations in Mexico in 2021. For additional information, see "Item 5—Operating and Financial Review and Prospects—Summary of Material Contractual Obligations and Commercial Commitments—Cash Requirements."

In 1999, we entered into an agreement with an international partnership, which financed, built and operated TEG, a 230 megawatt ("MW") energy plant in Tamuín, San Luis Potosí, Mexico. We entered into this agreement in order to reduce the volatility of our energy costs. The power plant commenced commercial operations in April 2004. In 2007, the original operator was replaced and the agreement was extended to 2027. For additional information, see "Item 5—Operating and Financial Review and Prospects—Summary of Material Contractual Obligations and Commercial Commitments—Cash Requirements."

In 2006, in order to take advantage of the high wind potential in the "Tehuantepec Isthmus," CEMEX and the Spanish company ACCIONA, S.A. ("ACCIONA"), formed an alliance to develop a wind farm project for the generation of 250 MW in the Mexican state of Oaxaca. 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—Cash Requirements."

In connection with the beginning of full commercial operations of Ventika, S.A.P.I. de C.V. and Ventika II S.A.P.I. de C.V. wind farms (jointly, "Ventikas"), located in the Mexican state of Nuevo León, with a combined generation capacity of 252 MW, we agreed to acquire a portion of the energy generated by Ventikas for our Mexican plants for a period of 20 years, which began in April 2016. During 2021, Ventikas supplied 7.5% of CEMEX's overall electricity needs in Mexico. This agreement is for CEMEX's own use and as of the date of this annual report, CEMEX does not intend to engage in energy trading. In 2017, we signed a contract with Energía Azteca X, a natural gas combined cycle plant located in Mexicali, Baja California. This plant supplied energy to the CEMEX Ensenada plant from November 2018 until November 2021. In 2021, CEMEX Ensenada consumed 47.2% of its electric energy needs from Energía Azteca X, which represented 1.1% of our electric energy needs in 2021.

On October 24, 2018, in order to take advantage of lower electric energy prices, we entered into agreements for a period of 20 years with Tuli Energía, S. de R.L. de C.V. ("Tuli Energía") and Helios Generación, S. de R.L. de C.V. ("Helios Generación") to acquire a portion of the energy generated by such solar projects. The solar plants located in the Mexican state of Zacatecas have a combined generation capacity of 300 MW. These solar plants started producing test energy in September 2019, and the effective commencement date of such agreements was December 21, 2019 for Tuli Energía and April 22, 2020 for Helios Generación.

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—Summary of Material Contractual Obligations and Commercial Commitments—Cash Requirements." Additionally, a CEMEX subsidiary participated as a buyer in the third long-term power auction organized in 2017 by the National Center for Energy Control (*Centro Nacional de Control de Energía*) ("CENACE") (the independent system operator) and has been allocated a 20-year contract, that started in November 2020. The contract is for 16,129 clean energy certificates per year for compliance with legal requirements and 14.9 GWh/a of electric power.

Description of Properties, Plants and Equipment. As of December 31, 2021, we had 15 wholly-owned cement plants (of which one was temporarily inactive) with a cement installed capacity of 26.4 million tons per year and proportional interests through associates in three other cement plants located throughout Mexico. 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, 2021, the limestone and clay permitted proven and probable reserves of our operations in Mexico had an average remaining life of 137 and 104 years, respectively, assuming 2017-2021 average annual production levels. As of December 31, 2021, all our producing plants in Mexico utilized the dry process. See "Item 3—Key Information—COVID-19 Pandemic" for more information on the impact of certain measures being taken by the governments of the countries in which we operate regarding temporary halts in production at our operating facilities to stop the spread of COVID-19.

As of December 31, 2021, we had a network of 94 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 eight marine terminals. In addition, we had 268 ready-mix concrete plants (66 were temporarily inactive) throughout 81 cities in Mexico, more than 2,200 ready-mix concrete delivery trucks and 12 aggregates quarries (one was temporarily inactive).

Capital Expenditures. We made capital expenditures of $199 million in 2019, $144 million in 2020 and $190 million in 2021. As of December 31, 2021, we expected to make capital expenditures of over $265 million in our operations in Mexico during 2022, however, this amount could change based on the development of the COVID-19 pandemic and other factors and any impact they could have on our business prospects. See "Item 3—Key Information—COVID-19 Pandemic" for more information on our capital expenditures.

United States

Overview. For the year ended December 31, 2021, our operations in the United States represented 27% of our revenues in Dollar terms before eliminations resulting from consolidation. As of December 31, 2021, our operations in the United States represented 16% of our total installed cement capacity and 48% of our total assets. As of December 31, 2021, CEMEX, Inc. was the main holding company of our operating subsidiaries in the United States.

As of December 31, 2021, we had a cement manufacturing capacity of 14.1 million tons per year in our operations in the United States. As of December 31, 2021, we operated a geographically diverse base of 10 cement plants (two were temporarily inactive) located in Alabama, California, Colorado, Florida, Georgia, Pennsylvania, Tennessee and Texas. As of that date, we also operated 35 (four were temporarily inactive) rail, truck or water-served active cement distribution terminals and 11 deep-water import terminals (two were temporarily inactive) in the United States. As of December 31, 2021, we had 340 ready-mix concrete plants (47 were temporarily inactive) located in Alabama, Arizona, California, Florida, Georgia, Louisiana, Nevada, Tennessee, Texas and Virginia and 59 aggregates facilities (15 were temporarily inactive) in Arizona, California, Florida, Georgia, Nevada, South Carolina and Texas.

On September 23, 2013, we and Concrete Supply Company, a leading producer of ready-mix concrete throughout North and South Carolina, entered into a joint venture agreement and formed a joint venture company named Concrete Supply Co. LLC, in which Concrete Supply Holdings Co. holds a majority ownership stake in

and 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.

Prior to the impact of the COVID-19 pandemic, the construction industry had showed signs of a slow recovery from the financial crisis experienced during 2008 and 2009, which was the worst downturn in over 70 years. The construction industry was hit particularly hard during this financial crisis due to the collapse of the housing sector. Housing starts fell 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 2005 to 2010. The economic recovery had proceeded at a relatively moderate pace, with real GDP average annual growth of 2.3% since 2011 through the end of 2019. 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 been absorbed and existing home inventories for sale have declined to below normal levels across the nation, which together have supported an increase in housing prices for 2017, 2018 and 2019 of about 16%. Housing starts increased by 223% from 554 thousand units in 2009 to 1.3 million units in 2019. Housing starts in 2019 increased by 3% from 2018 to 1.3 million units, which remains below the historical steady state level. The industrial-and-commercial sector had also been growing with nominal spending up 8% from 2014 to 2019. Industrial-and-commercial nominal spending decreased by 2% in 2019. The public sector, which has lagged compared to the other construction sectors in this recovery, recorded a spending increase of 9% in 2019. Cement demand had been increasing annually since 2014 with an estimated growth of 4% in 2021 after an increase of 13% from 2015 to 2020. As of December 31, 2021, the Portland Cement Association is forecasting a 2.5% increase in cement demand in the United States for 2022, but as of the date of this annual report we are not able to assess whether the cement demand in the United States will increase or not during 2022. See “Item 3—Key Information—Risk Factors—Risks Relating to Our Business—The COVID-19 pandemic could materially adversely affect our financial condition and results of operations” for more information on the risk of lower demand for our products and services.

Competition. As of December 31, 2021, the cement industry in the United States was highly competitive, including national and regional cement producers in the United States. As of December 31, 2021, our principal competitors in the United States were Holcim, Buzzi-Unicem, HeidelbergCement AG (“Heidelberg”) and CRH.

As of December 31, 2021, the independent U.S. ready-mix concrete industry was highly fragmented. According to the National Ready Mixed Concrete Association (“NRMCA”), it is estimated that as of December 31, 2021 there were about 6,500 ready-mix concrete plants that produce ready-mix concrete in the United States and about 65,000 ready-mix concrete mixer trucks that delivered the concrete to the point of placement. The NRMCA estimates that, as of December 31, 2021, the value of ready-mix concrete produced by the industry was approximately $35 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. See “Item 3—Key Information—Risk Factors—Risks Relating to Our Business—The COVID-19 pandemic could materially adversely affect our financial condition and results of operations” and “Item 3—Key Information—COVID-19 Pandemic” for more information on how the ready-mix concrete industry in the United States could be affected by the COVID-19 pandemic.

Aggregates are widely used throughout the United States for all types of construction because they are the most basic materials for building activity. The United States Geological Survey (“USGS”) estimates over 2.5 billion tons of aggregates were produced in 2021, an increase of about 4% over 2020. As of December 31, 2021, crushed stone accounted for 60% of aggregates consumed, sand & gravel 39%, and slag 1%. These products are produced in all 50 states and had a value of $29.4 billion as of December 31, 2021. The United States aggregates industry is

highly fragmented and geographically dispersed. The top ten producing states represented more than 50% of all production as of year-end 2021. According to the USGS, during 2021, an estimated 4,037 companies operated 7,388 sand and gravel sites and 1,410 companies operated 3,440 crushed stone quarries in the 50 states.

Urbanization Solutions. In the United States, for the year ended December 31, 2021, in terms of relevant revenues, our Urbanization Solutions business consisted primarily of logistic services, concrete block, fly ash and admixtures, among others. These businesses are located mainly in Florida, Texas and California.

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, 2021.

Products and Distribution Channels

Cement. For the year ended December 31, 2021, our cement operations represented 30% of revenues for our operations in the United States, before eliminations resulting from consolidation in Dollar terms. In the United States, we deliver a substantial portion of cement by rail, which occasionally goes 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 in the United States 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. For the year ended December 31, 2021, our ready-mix concrete operations represented 43% of revenues for our operations in the United States, before eliminations resulting from consolidation in Dollar terms. 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. For the year ended December 31, 2021, our aggregates operations represented 17% of revenues for our operations in the United States, before eliminations resulting from consolidation in Dollar terms. We estimate that, as of December 31, 2021, the hard rock quarries and sand/gravel pits permitted proven and probable reserves of our operations in the United States had an average remaining life of 32 and 22 years, respectively, assuming 2017-2021 average annual aggregates 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.

Urbanization Solutions and Others: For the year ended December 31, 2021, our Urbanization Solutions and other businesses operations represented 10% of revenues for our operations in the United States before eliminations resulting from consolidation in Dollar terms.

Production Costs. The largest cost components of our plants are usually electricity and fuel, which accounted for 11% of our total production costs of our cement operations in the United States in 2021. As of December 31, 2021, we had been implementing a program expected 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 believe we have gained more flexibility in supplying our energy needs and have become less vulnerable to potential price spikes in energy. Power costs in 2021 represented 8% of the cash manufacturing cost of our cement operations in the United States, which represents production cost before depreciation. We aim to improve 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.

Description of Properties, Plants and Equipment. As of December 31, 2021, we operated 10 cement manufacturing plants in the United States (two were temporarily inactive), and had a total installed cement capacity of 14.1 million tons per year. We estimate that, as of December 31, 2021, the limestone permitted proven and probable reserves of our operations in the United States had an average remaining life of 45 years, assuming 2017-2021 average annual production levels. As of that date, we operated a distribution network of 35 cement terminals (four were temporarily inactive) and 11 deep-water import terminals (two were temporarily inactive). All of our 10 cement production facilities in 2021 were wholly-owned by CEMEX, Inc. As of December 31, 2021, CEMEX, Inc. had 340 wholly-owned ready-mix concrete plants (47 were temporarily inactive) and operated a total of 59 aggregates quarries (15 were temporarily inactive). As of December 31, 2021, we distributed fly ash through four terminals. As of that date, we also owned 19 concrete block facilities. Considering mainly the negative effects of the COVID-19 pandemic on certain idle assets that will remain closed for the foreseeable future in relation to the estimated sales volumes and our ability to supply demand by achieving efficiencies in other operating assets, during 2021, we recognized non-cash impairment losses related to fixed assets of $18 million in the United States. See “Item 3—Key Information—COVID-19 Pandemic” for more information on the temporary shut-down of a few ready-mix concrete plants in the San Francisco area as a result of COVID-19.

In the United States, 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 concrete and block plants and aggregates quarries. As of December 31, 2021, we were utilizing approximately 86% of our ready-mix concrete plants, 74% of our block manufacturing plants and 75% of our aggregates quarries in the United States.

Capital Expenditures. We made capital expenditures of $398 million in 2019, $284 million in 2020 and $373 million in 2021 in our operations in the United States. As of December 31, 2021, we had expected to make capital expenditures of $430 million in our operations in the United States during 2022, however, this amount could change based on the development of the COVID-19 pandemic and other factors and any impact they could have on our business prospects. See "Item 3—Key Information—COVID-19 Pandemic" for more information on our capital expenditures.

EMEAA

For the year ended December 31, 2021, our business in the EMEAA region, which includes our operations in the EMEAA region and the Rest of EMEAA segment, as described below, represented 29% of our revenues before eliminations resulting from consolidation. As of December 31, 2021, our operations in the EMEAA region represented 39% of our total installed capacity and 25% of our total assets.

Our Operations in the United Kingdom

Overview. For the year ended December 31, 2021, our operations in the United Kingdom represented 6% of our revenues in Dollar terms, before eliminations resulting from consolidation in Dollar terms. As of December 31, 2021, our operations in the United Kingdom represented 6% of our total assets.

As of December 31, 2021, we were a leading provider of building materials in the United Kingdom with vertically integrated cement, ready-mix concrete, aggregates and asphalt operations, and we were also an important provider of concrete and precast materials solutions such as concrete blocks, concrete block paving, flooring systems and sleepers for rail infrastructure.

On August 3, 2020, through an affiliate in the United Kingdom, we closed the sale of certain assets to Breedon for an amount in Pounds equivalent to $230 million, including $30 million of debt. The assets included 49 ready-mix plants, 28 aggregate quarries, four depots, one cement terminal, 14 asphalt plants, four concrete products operations, as well as a portion of our paving solutions business in the United Kingdom. After completion of this divestiture, we maintain a significant footprint in key operating geographies in the United Kingdom related to the production and sale of cement, ready-mix, aggregates, asphalt and paving solutions, among others. Our operations of these assets in the United Kingdom for the period from January 1, 2020 to August 3, 2020, which includes a loss on sale of $57 million net of the proportional allocation of goodwill of $47 million, and the year ended December 31, 2019 are presented in our statements of operations, net of tax, as part of the single line item "Discontinued operations."

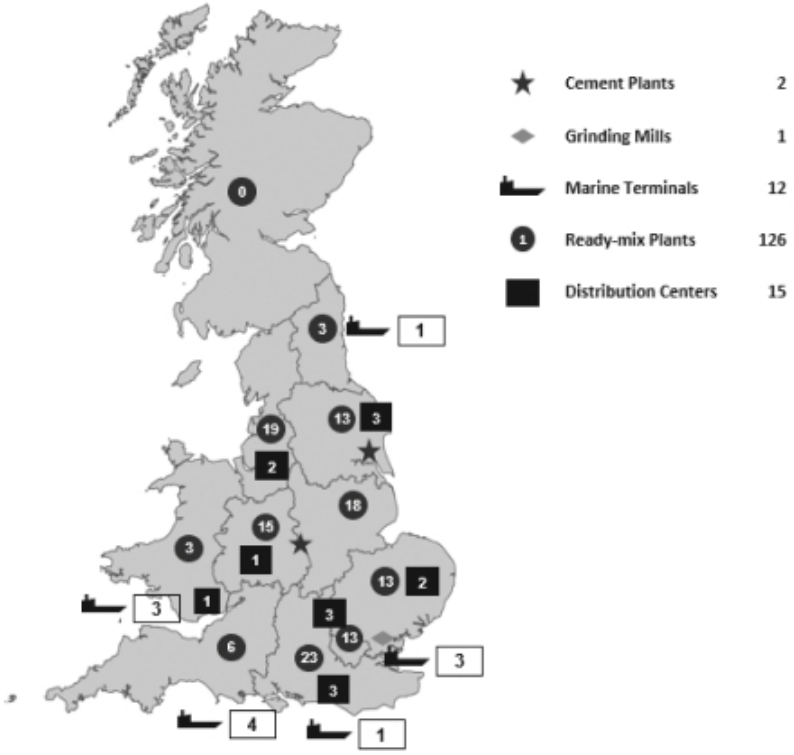
Industry. According to the U.K. Office for National Statistics, total construction output decreased by 14.9% in 2020, as compared to a 17.1% increase in 2021. New construction orders increased by 24% year to date up to September 2021. Private housing starts increased 31% in the full year 2021 according to the national House Building Council. The construction output of the commercial sector decreased 3.9% in 2021 as a result of Brexit-related uncertainty. Infrastructure increased 35.5% in 2021. As of December 31, 2021, the official data corresponding to 2021 has not been released by the Mineral Products Association, but as of the date of this annual report we estimate that domestic cement demand increased at double digit rates in 2021 compared to 2020. Ready-mix concrete consumption in the full year 2021 increased by 14.1%.

Competition. As of December 31, 2021, our primary competitors in the United Kingdom are: Tarmac (owned by CRH after divestments by Lafarge and Holcim during their merger), Hanson (a subsidiary of

Heidelberg), Aggregate Industries (a subsidiary of Holcim) and Breedon, which acquired Hope Construction Materials (owned by Mittal Investments). In addition, during 2021 an estimated 3.2 million tons of cement were imported to the United Kingdom by various players including CRH, Holcim, Heidelberg and other independents, with products that compete with ours increasingly arriving from over-capacity markets including Ireland, Spain and Greece.

Urbanization Solutions. In the United Kingdom, for the year ended December 31, 2021, in terms of relevant revenues, our Urbanization Solutions business consisted primarily of asphalt, concrete block and mortars, among others. These businesses are located across the United Kingdom.

Our Operating Network in the United Kingdom



Products and Distribution Channels

Cement. For the year ended December 31, 2021, our cement operations represented 22% of revenues for our operations in the United Kingdom before eliminations resulting from consolidation in Dollar terms. About 80% of our United Kingdom cement sales were of bulk cement, with the remaining 20% 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.

Ready-Mix Concrete. For the year ended December 31, 2021, our ready-mix concrete operations represented 26% of revenues for our operations in the United Kingdom before eliminations resulting from consolidation in Dollar terms. Special products, including self-compacting concrete, fiber-reinforced concrete, high strength concrete, flooring concrete and filling concrete, represented 21% of our 2021 United Kingdom sales volume. In 2021, our ready-mix concrete operations in the United Kingdom purchased 95% of its cement requirements from our cement operations in the United Kingdom and 76% of its 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. For the year ended December 31, 2021, our aggregates operations represented 31% of revenues for our operations in the United Kingdom before eliminations resulting from consolidation in Dollar terms. In 2021, our United Kingdom aggregates sales were divided as follows: 58% were sand and gravel and 42% were limestone. In 2021, 21% of our aggregates volumes were obtained from marine sources along the United Kingdom's coast. In 2021, 30% 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.

Urbanization Solutions and Others: For the year ended December 31, 2021, our Urbanization Solutions and other businesses operations represented 21% of revenues for our operations in the United Kingdom before eliminations resulting from consolidation in Dollar terms.

Cement Production Costs. In 2021, fixed production costs decreased by 5.5% driven by the closure of the South Ferriby cement plant. Variable costs increased by 53% in absolute terms, primarily as a result of increased purchased cement, clinker and energy costs. During 2021, we continued to implement our cost reduction programs through our use of alternative fuels.

Ready-Mix Concrete Production Costs. In 2021, fixed production costs increased by 6.7%, as compared to fixed production costs in 2020, due to increased maintenance spend following only essential spend in 2020.

Aggregates Production Costs. In 2021, fixed production costs increased by 6% as compared to 2020 fixed production costs due to a change in insurance allocation between U.K. businesses and increased spend on temporary labor and machine hire following lockdowns resulting from COVID-19 in 2020.

Description of Properties, Plants and Equipment. As of December 31, 2021, we had two cement plants (one was inactive) and one clinker grinding facility in the United Kingdom. Assets in operation at year-end 2021 represent an installed cement capacity of 3.6 million tons per year, the same level as 2020. We estimate that, as of December 31, 2021, the limestone and clay permitted proven and probable reserves of our operations in the United Kingdom had an average remaining life of 52 and 45 years, respectively, assuming 2017-2021 average annual production levels. As of December 31, 2021, we also owned two cement import terminals and operated 126 ready-mix concrete plants (all of them fixed, of which 14 were temporarily inactive), 33 aggregates quarries (10 were temporarily inactive), 15 marine licenses, 15 distribution centers, and 12 marine terminals 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 have access to blended cements, which are more sustainable based on their reduced clinker factor and use of by-products from other industries, our grinding and blending facility at the Port of Tilbury, located on the Thames River east of London has an annual grinding capacity of 0.9 million tons, which allows us to have access to blended cements.

Capital Expenditures. We made capital expenditures of $67 million in 2019, $55 million in 2020 and $94 million in 2021 in our operations in the United Kingdom. As of December 31, 2021, we expected to make capital expenditures of $94 million in our operations in the United Kingdom during 2022, however, this amount could change based on the development of the COVID-19 pandemic and other factors and any impact they could have on our business prospects. See “Item 3—Key Information—COVID-19 Pandemic” for more information on our capital expenditures.

Our Operations in France

Overview. As of December 31, 2021, we were a leading ready-mix concrete producer and a leading aggregates producer in France. For the year ended December 31, 2021, our ready-mix concrete operations represented 63%, aggregates represented 36% and Urbanization Solutions represented 1% of revenues for our operations in France before eliminations resulting from consolidation in Dollar terms. We distribute most 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, 2021, our operations in France represented 5% of our revenues in Dollar terms, before eliminations resulting from consolidation. As of December 31, 2021, our operations in France represented 4% of our total assets.

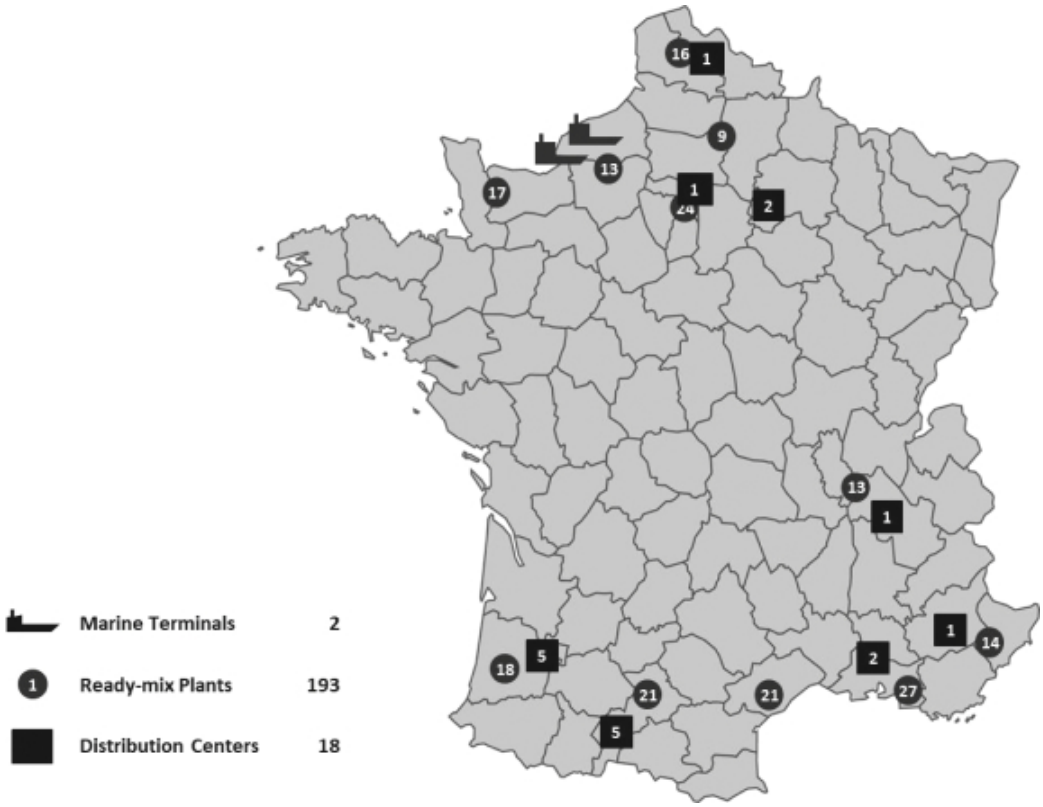
Industry. According to the National Institute of Statistics and Economic Studies, housing starts in the residential sector increased by 11% in 2021 compared to 2020. Non-residential starts (m2) increased by 5.3% in

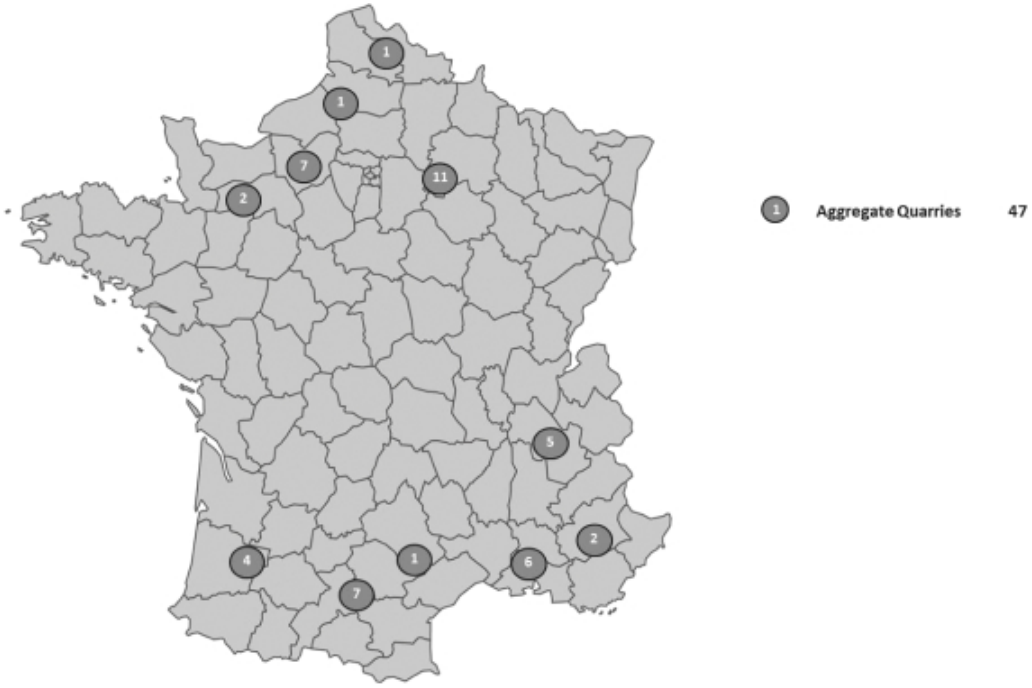
2021 compared to 2020 and demand from the public works sector increased by 10% over the same period. According to National Union of Quarrying and Building Materials Industries (French Association), ready-mix concrete consumption increased by 10.2% in 2021

Competition. As of December 31, 2021, our main competitors in the ready-mix concrete market in France included Holcim, Heidelberg, CRH and Vicat SA ("Vicat"), and our main competitors in the aggregates market in France included Holcim, Heidelberg, Colas (Bouygues) and Eurovia (Vinci). In France, we rely on sourcing cement from third parties, while many of our major competitors in ready-mix concrete are subsidiaries of French cement producers.

Urbanization Solutions. In France, for the year ended December 31, 2021, our Urbanization Solutions business consisted of admixtures. This business is located across France.

Our Operating Network in France





Description of Properties, Plants and Equipment. As of December 31, 2021, we operated 193 ready-mix concrete plants in France, two marine cement terminals located in Le Havre, on the northern coast of France, 18 land distribution centers, 47 aggregates quarries (six were temporarily inactive) and 11 river ports.

Capital Expenditures. We made capital expenditures of $38 million in 2019, $62 million in 2020 and $44 million in 2021 in our operations in France. As of December 31, 2021, we expected to make capital expenditures of $46 million in our operations in France during 2022, however, this amount could change based on the development of the COVID-19 pandemic and other factors and any impact they could have on our business prospects. See “Item 3—Key Information—COVID-19 Pandemic” for more information on our capital expenditures.

Our Operations in Germany

Overview. For the year ended December 31, 2021, our operations in Germany represented 3% of our revenues in Dollar terms, before eliminations resulting from consolidation. As of December 31, 2021, our operations in Germany represented 2% of our total assets. For the year ended December 31, 2021, cement represented 36%, ready-mix concrete represented 35%, aggregates represented 11%, Urbanization Solutions represented 5% and our other businesses represented 13% of revenues in Dollar terms from our operations in Germany before eliminations resulting from consolidation. As of December 31, 2021, we were a leading provider of building materials in Germany, with vertically integrated cement, ready-mix concrete and aggregates businesses.

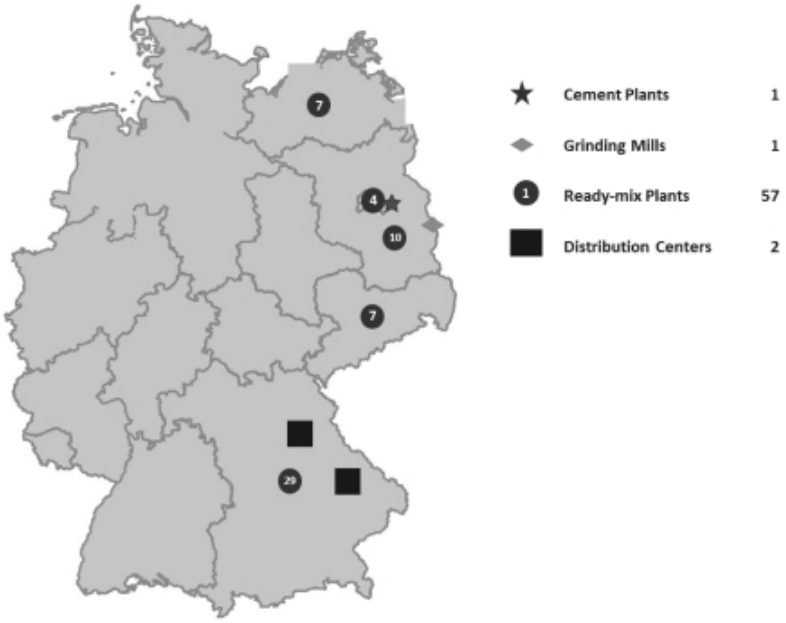
Industry. According to DESTATIS, the German Federal Statistical Office, total construction output in Germany increased by 1.0% in 2021 compared to 2020 with both infrastructure and buildings remaining relatively flat and slightly negative (1.2% and -0.5%, respectively).

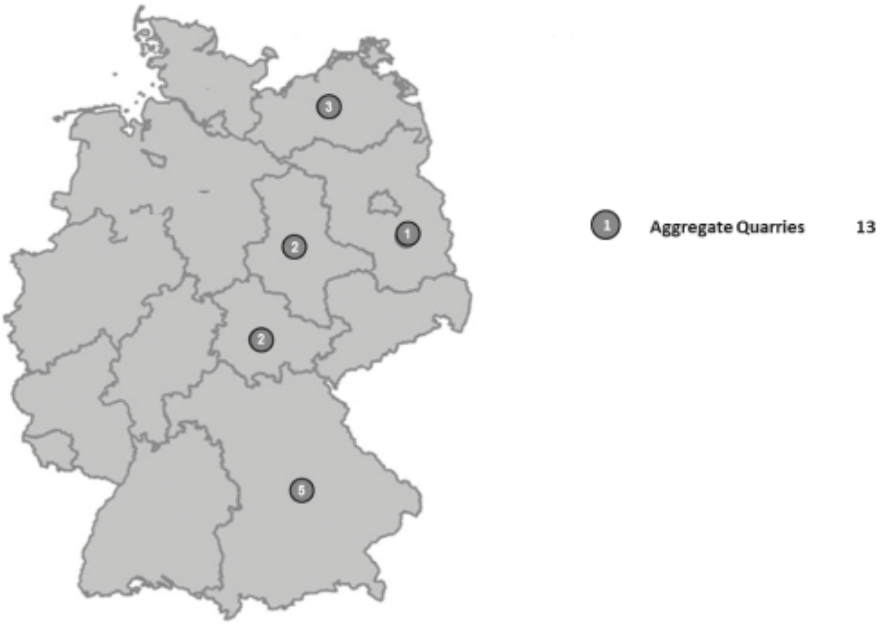
Competition. As of December 31, 2021, our primary competitors in the cement market in Germany were Heidelberg, Dyckerhoff (a subsidiary of Buzzi-Unicem), Holcim, CRH and Schwenk, a local German

competitor. These competitors, along with CEMEX in Germany, represented a market share of above 95%, as estimated by us, for 2021. 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.

Urbanization Solutions. In Germany, for the year ended December 31, 2021, our Urbanization Solutions business consisted of admixtures. This business is located mainly in the eastern and western regions of Germany.

Our Operating Network in Germany





Description of Properties, Plants and Equipment. As of December 31, 2021, we operated one cement plant and one cement grinding mill in Germany and our installed cement capacity was 3.1 million tons per year. We estimate that, as of December 31, 2021, the limestone permitted proven and probable reserves of our operations in Germany had an average remaining life up to 34 years, assuming 2017-2021 average annual production levels. As of December 31, 2021, our operations in Germany also included 57 ready-mix concrete plants (all of them active), 13 aggregates quarries (three were temporarily inactive) and two land distribution centers.

Capital Expenditures. We made capital expenditures of $25 million in 2019, $24 million in 2020 and $29 million in 2021 in our operations in Germany. As of December 31, 2021, we expected to make capital expenditures of $43 million in our operations in Germany during 2022, however, this amount could change based on the development of the COVID-19 pandemic and other factors and any impact they could have on our business prospects. See “Item 3—Key Information—COVID-19 Pandemic” for more information on our capital expenditures.

Our Operations in Poland

Overview. For the year ended December 31, 2021, our operations in Poland represented 3% of our revenues in Dollar terms, before eliminations resulting from consolidation. As of December 31, 2021, our operating business in Poland represented 1% of our total assets. As of December 31, 2021, we were a leading provider of building materials in Poland, serving the cement, ready-mix concrete and aggregates markets. As of December 31, 2021, we operated two cement plants and one grinding mill with an installed cement capacity of 3.8 million tons per year. As of December 31, 2021, we also operated 44 ready-mix concrete plants, six aggregates quarries, two distribution centers and two marine terminals in Poland. For the year ended December 31, 2021, cement represented 58%, ready-mix concrete represented 33%, aggregates represented 8% and Urbanization Solutions represented 1% of revenues in Dollar terms from our operations in Poland before eliminations resulting from consolidation.

Industry. Preliminary estimates suggest that total cement consumption in Poland increased approximately 2.7% in 2021 from 2020.

Competition. As of December 31, 2021, our primary competitors in the cement, ready-mix concrete and aggregates markets in Poland were Heidelberg, Holcim, CRH, Dyckerhoff and Miebach.

Capital Expenditures. We made capital expenditures of $32 million in 2019, $19 million in 2020 and $29 million in 2021 in our operations in Poland. As of December 31, 2021, we expected to make capital expenditures of $35.0 million in our operations in Poland during 2022, however, this amount could change based on the development of the COVID-19 pandemic and other factors and any impact they could have on our business prospects. See "Item 3—Key Information—COVID-19 Pandemic" for more information on our capital expenditures.

Urbanization Solutions. In Poland, for the year ended December 31, 2021, in terms of relevant revenues, our Urbanization Solutions business consisted primarily of admixtures, mortars and pavement services. These businesses are located across Poland.

Our Operations in Spain

Overview. For the year ended December 31, 2021, our operations in Spain represented 2% of our revenues in Dollar terms, before eliminations resulting from consolidation. As of December 31, 2021, our operating business in Spain represented 3% of our total assets.

On July 9, 2021, we announced that we concluded the sale agreed in March 2019 of our white cement business, except for Mexico and the U.S., to Çimsa Çimento Sanayi Ve Ticaret A.Ş. for a total consideration of $155 million. Assets sold included our Buñol cement plant in Spain and white cement customer list. Our operations of these assets in Spain for the period from January 1, 2021 to July 9, 2021 and for the years ended December 31, 2020 and 2019 are reported in the statements of operations, net of income tax, as part of the single line item "Discontinued operations," including in 2021 a loss on sale of $67 million net of the proportional allocation of goodwill of $41 million.

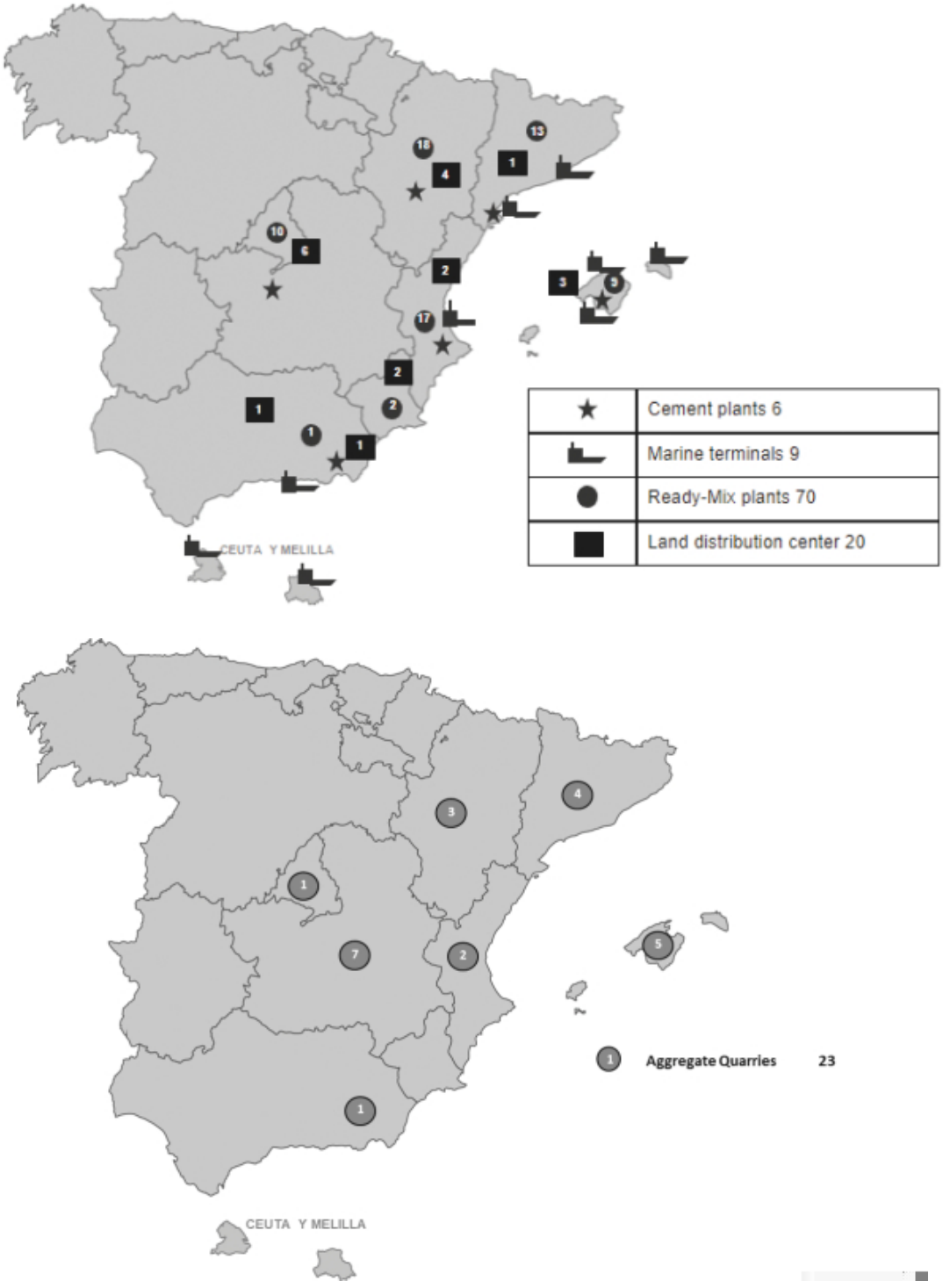
Industry. According to the Spanish Ministry of Industry, total cement consumption in Spain increased by 11% in 2021 compared to 2020.

As of December 31, 2021, cement exports from Spain amounted to 4.3 million tons. 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 the Spanish Ministry of Industry, these total export volumes decreased 23.5% in 2019, remained flat in 2020 and increased 9.2% in 2021 compared to 2020.

Competition. According to our estimates, as of December 31, 2021, we were one of the top four 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.

Urbanization Solutions. In Spain, for the year ended December 31, 2021, in terms of relevant revenues, our Urbanization Solutions business consisted primarily of Mortars, Admixtures and Pavement Services. These businesses are located across Spain.

Our Operating Network in Spain



Products and Distribution Channels

Cement. For the year ended December 31, 2021, our cement operations represented 64% of revenues for our operations in Spain before eliminations resulting from consolidation in Dollar terms. We offer various types of cement in Spain, targeting specific products to specific markets and users. In 2021, 18% of the domestic sales volume of our main operating subsidiary in Spain consisted of bagged cement, and the remainder of its 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. For the year ended December 31, 2021, our ready-mix concrete operations represented 23% of revenues for our operations in Spain before eliminations resulting from consolidation in Dollar terms. Our ready-mix concrete operations in Spain in 2021 purchased 90% of their cement requirements from our cement operations in Spain and 51% of their aggregates requirements from our aggregates operations in Spain.

Aggregates. For the year ended December 31, 2021, our aggregates operations represented 8% of revenues for our operations in Spain before eliminations resulting from consolidation in Dollar terms.

Urbanization Solutions and Others: For the year ended December 31, 2021, our Urbanization Solutions and other businesses operations represented 5% of revenues for our operations in Spain before eliminations resulting from consolidation in Dollar terms.

Exports. Exports of cement and clinker by our operations in Spain, which represented 9% of revenues for our operations in Spain before eliminations resulting from consolidation, increased 50% in 2021 compared to 2020, primarily as a result of better mix of cement/clinker mix and targeting markets with higher prices. Of our total exports from Spain in 2021, 53% consisted of gray portland cement and 47% of clinker.

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 2021, we used organic waste, tires and plastics as fuel, achieving a 46% 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, 2021, our operations in Spain included six cement plants (one was temporarily inactive) located in Spain with an annual installed cement capacity of 8 million tons. As of that date, we also had 29 operative distribution centers (three were temporarily inactive), including 20 land and nine marine terminals, 70 ready-mix concrete plants (29 were temporarily inactive), 23 aggregates quarries (eight were temporarily inactive), seven mortar plants and one admixture plant. We estimate that, as of December 31, 2021, the limestone and clay permitted proven and probable reserves of our operations in Spain had an average remaining life of 97 and 50 years, respectively, assuming 2017-2021 average annual production levels. Considering the negative effects of the COVID-19 pandemic on certain idle assets that will remain closed for the foreseeable future in relation to the estimated sales volumes and our ability to supply demand by achieving efficiencies in other operating assets, during 2020, we recognized non-cash impairment losses for $135 million referring to the Lloseta and Gador plants in Spain. During 2021, we did not recognize non-cash impairment related to long-lived assets. See “Item 3—Key Information—COVID-19 Pandemic” for more information on the impact on our operating facilities as a result of COVID-19.

Capital Expenditures. We made capital expenditures of $34 million in 2019, $22 million in 2020 and $34 million in 2021 in our operations in Spain. As of December 31, 2021, we expected to make capital expenditures of $29 million in our operations in Spain during 2022, however, this amount could change based on the development of the COVID-19 pandemic and other factors and any impact they could have on our business prospects. See “Item 3—Key Information—COVID-19 Pandemic” for more information on our capital expenditures.

Our Operations in the Philippines

Overview. As of December 31, 2021, on a consolidated basis, CEMEX España indirectly held 100% of CEMEX Asian South East Corporation ("CASE"), which in turn owned 77.84% of the outstanding share capital of CHP. As of December 31, 2021, CHP directly and indirectly owned 100% of our two principal operating subsidiaries in the Philippines, Solid Cement Corporation ("Solid Cement") and APO Cement Corporation ("APO"). For the year ended December 31, 2021, our operations in the Philippines represented 2% of our revenues before eliminations resulting from consolidation in Dollar terms. As of December 31, 2021, our operations in the Philippines represented 3% of our total assets.

As of December 31, 2021, CHP was investing in a new 1.5 million ton integrated cement production line at the Solid Cement Plant located in Luzon, Philippines (the "Solid Cement Plant") with an estimated total investment of $372 million. Upon completion, this new line should nearly double the capacity of the Solid Cement Plant and would represent a 26% increase in our cement capacity in the Philippines. In October 2018, we entered into principal project agreements with CBMI Construction Co., Ltd ("CBMI"), an affiliate of Sinoma International Engineering Co., Ltd., for the procurement, construction and installation of the new line. On April 25, 2019, Solid Cement held its ceremonial groundbreaking for the new line. Various work was already ongoing, including the mobilization of equipment and site development. In 2021, we continued work on the different superstructures of the new line and installation of various equipment. The new rotary kiln was lifted into position in January 2021. On December 7, 2021, Solid Cement served a notice of termination with respect to the construction contract with CBMI, which covered the construction and installation of Solid Cement's new line. Solid Cement's notice of termination, which applies to one of the principal project agreements with CBMI, was issued due to the delay in construction and installation work. Solid Cement is taking measures to address contingencies which may arise as a result of this termination, including engaging replacement contractors for the project. See "Item 3—Key Information—Risk Factors—Risks Relating to Our Business—The COVID-19 pandemic could materially adversely affect our financial condition and results of operations" and "Item 3—Key Information—COVID-19 Pandemic" for more information on our capital expenditures.

Industry. According to the Philippine Statistics Authority, Gross Fixed Capital Formation in construction grew by 10.6% in 2021 compared to 2020, driven by a 37.4% increase in infrastructure offsetting the 2.0% decline in private construction.

Competition. As of December 31, 2021, our major competitors in the Philippine cement market were Holcim, Republic, Eagle, Northern, Goodfound, Taiheiyo, Mabuhay and Big Boss.

Description of Properties, Plants and Equipment. As of December 31, 2021, our operations in the Philippines included two cement plants with an annual installed cement capacity of 5.7 million tons, exclusive access to four quarries to supply raw materials to our cement plants, two aggregate quarries (one was inactive), 24 land distribution centers (one was inactive) and six marine distribution terminals. We estimate that, as of December 31, 2021, the limestone and clay permitted proven and probable reserves accessed by our operations in the Philippines had an average remaining life of 174 years for Solid Cement and 36 years for APO, assuming 2017-2021 average annual production levels. See "Item 3—Key Information—COVID-19 Pandemic" for more information on the impact of certain measures being taken by the governments of the countries in which we operate regarding temporary halts in production at our operating facilities to stop the spread of COVID-19.

Cement. For the year ended December 31, 2021, our cement operations represented 99% of revenues for our operations in the Philippines before eliminations resulting from consolidation in Dollar terms.

Urbanization Solutions and Others: For the year ended December 31, 2021, our Urbanization Solutions and other businesses operations represented 1% of revenues for our operations in Philippines before eliminations resulting from consolidation in Dollar terms.

Capital Expenditures. We made capital expenditures of $84 million in 2019, $82 million in 2020 and $89 million in 2021 in our operations in the Philippines. As of December 31, 2021, we expected to make capital

expenditures of $121 million in our operations in the Philippines during 2022, however, this amount could change based on the development of the COVID-19 pandemic and other factors and any impact they could have on our business prospects. See "Item 3—Key Information—COVID-19 Pandemic" for more information on our capital expenditures.

Urbanization Solutions. In the Philippines, for the year ended December 31, 2021, in terms of relevant revenues, our Urbanization Solutions business consisted of admixtures. This business is located across the Philippines.

Our Operations in Israel

Overview. 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, 2021, we operated 59 ready-mix concrete plants, seven aggregates quarries, one sand pit, two concrete products plant, one admixtures plant and one limestone factory in Israel. For the year ended December 31, 2021, our operations in Israel represented 5% of our revenues before eliminations resulting from consolidation in Dollar terms and 3% of our total assets. For the year ended December 31, 2021, ready-mix concrete represented 68%, aggregates represented 20%, Urbanization Solutions represented 9% and our other businesses represented 3% of revenues in Dollar terms from our operations in Israel before eliminations resulting from consolidation.

Capital Expenditures. We made capital expenditures of $33 million in 2019, $28 million in 2020 and $45 million in 2021 in our operations in Israel. As of December 31, 2021, we expected to make capital expenditures of $33 million in our operations in Israel during 2022, however, this amount could change based on the development of the COVID-19 pandemic and other factors and any impact they could have on our business prospects. See "Item 3—Key Information—COVID-19 Pandemic" for more information on our capital expenditures.

Urbanization Solutions. In Israel, for the year ended December 31, 2021, in terms of relevant revenues, our Urbanization Solutions business consisted primarily of other concrete products and admixtures, among others. These businesses are located across Israel.

Rest of EMEAA

As of December 31, 2021, our operations in the Rest of EMEAA segment consisted primarily of our operations in the Czech Republic, Croatia, Egypt and the UAE. These operations represented 3% of our revenues, before eliminations resulting from consolidation in Dollar terms, for the year ended December 31, 2021, and 3% of our total assets as of December 31, 2021. As of December 31, 2021, we expected to make capital expenditures of 40 million in the Rest of EMEAA segment during 2022, however, this amount could change based on the development of the COVID-19 pandemic and other factors and any impact they could have on our business prospects. See "Item 3—Key Information—COVID-19 Pandemic" for more information on our capital expenditures.

Our Operations in the Czech Republic

Overview. As of December 31, 2021, we were 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, 2021, we operated one cement plant and one grinding mill with annual cement installed capacity of 1 million tons, one cement terminal and one admixtures plant in the Czech Republic. As of December 31, 2021, we also operated 71 ready-mix concrete plants (eight of which were temporarily inactive), two mobile equipment producing concrete and 14 aggregates quarries in the Czech Republic (one was inactive).

Industry. According to the Czech Statistical Office, total construction output in the Czech Republic grew 5.7% year-over-year in 2021 as buildings construction increased by 9.6% while civil engineering was down by 3.5% year-over-year.

According to the Czech Cement Association, total cement consumption in the Czech Republic reached year-over-year growth of 2.5% in the first half of 2021. Ready-mix concrete production in the Czech Republic grew by 5% year-over-year up to September 2021.

Competition. As of December 31, 2021, our main competitors in the cement, ready-mix concrete and aggregates markets in the Czech Republic were Heidelberg, Buzzi-Unicem, Holcim, Strabag and Skanska.

Capital Expenditures. We made capital expenditures of $16 million in 2019, $17 million in 2020 and $26 million in 2021, in our operations in the Czech Republic. As of December 31, 2021, we expected to make capital expenditures of $18 million in our operations in the Czech Republic during 2022, however, this amount could change based on the development of the COVID-19 pandemic and other factors and any impact they could have on our business prospects. See "Item 3—Key Information—COVID-19 Pandemic" for more information on our capital expenditures.

Urbanization Solutions. In the Czech Republic, for the year ended December 31, 2021, in terms of relevant revenues, our Urbanization Solutions business consisted of admixtures. This business is located in the northeastern region of the Czech Republic.

Our Operations in Croatia

Overview. We were the largest cement producer in Croatia based on installed capacity as of December 31, 2021, according to our estimates. As of December 31, 2021, we had three cement plants in Croatia with an annual cement installed capacity of 2.3 million tons. As of December 31, 2021, one cement plant in Croatia was temporarily inactive and one cement plant was permanently shut down. As of December 31, 2021, we also operated 11 land distribution centers, two marine cement terminals in Croatia, Bosnia and Herzegovina and Montenegro, six ready-mix concrete facilities in Croatia and Bosnia and Herzegovina, and one recycling yard in Croatia.

Industry. According to our estimates made as of the date of this annual report, total cement consumption in Croatia, Bosnia and Herzegovina and Montenegro decreased by 0.9% in 2021 compared to 2020.

Competition. As of December 31, 2021, our primary competitors in the cement market in Croatia were Nexe and Holcim.

Capital Expenditures. We made capital expenditures of $4 million in 2019, $8 million in 2020 and $15 million in 2021 in our operations in Croatia. As of December 31, 2021, we expected to make capital expenditures of $8 million in our operations in Croatia during 2022, however, this amount could change based on the development of the COVID-19 pandemic and other factors and any impact they could have on our business prospects. See "Item 3—Key Information—COVID-19 Pandemic" for more information on our capital expenditures.

Urbanization Solutions. In Croatia, for the year ended December 31, 2021, in terms of our relevant revenues, our Urbanization Solutions business consisted of pavement services. This business is located across Croatia.

Our Operations in Egypt

Overview. As of December 31, 2021, we operated one cement plant in Egypt with an annual installed cement capacity of 5.7 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, 2021, the limestone and clay permitted proven and probable reserves of our operations in Egypt had an average remaining life of 23 and 23 years, respectively, assuming 2017-2021 average annual production levels. In addition, as of December 31, 2021, we had seven ready-mix concrete plants (two were inactive) and five land distribution centers in Egypt. 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 Trade and Industry official figures and CEMEX's estimates, based on government data (local and imported cement), the Egyptian market cement consumption increased by 5.7% in 2021 compared to 2020, which was mainly attributed to the governmental construction ban in 2020. As of December 31, 2021, the cement industry in Egypt had a total of 23 cement producers, with an aggregate annual installed cement production capacity of approximately 90 million tons.

Competition. According to the Ministry of Investment official figures, during 2021, Holcim (Egyptian Cement Company), ACC and Heidelberg (Suez Cement, Torah Cement and Helwan Portland Cement) represented approximately 28% of the total cement production in Egypt. Other significant competitors in Egypt are Arabian (La Union), Titan (Alexandria Portland Cement and BeniSuef Cement), Amreyah (InterCement), Sinai (Vicat), South Valley, Nile Valley, El Seweedy, Arish Cement, National Company for Cement (Beni Suef plant), Aswan Medcom, Misr BeniSuef, Al Nahda and Misr Quena Cement Companies, Building Materials Industries Co. and ASEC Cement.

Capital Expenditures. We made capital expenditures of $9 million in 2019, $8 million in 2020 and $20 million in 2021 in our operations in Egypt. As of December 31, 2021, we expected to make capital expenditures of $10 million in our operations in Egypt during 2022, however, this amount could change based on the development of the COVID-19 pandemic and other factors and any impact they could have on our business prospects. See "Item 3—Key Information—COVID-19 Pandemic" for more information on our capital expenditures.

Urbanization Solutions. In Egypt, for the year ended December 31, 2021, in terms of relevant revenues, our Urbanization Solutions business consisted primarily of admixtures and pavement services. These businesses are located across Egypt.

Our Operations in the UAE

Overview. As of December 31, 2021, CEMEX España held a 49% equity interest (and a 100% economic interest) in all of our main UAE companies: CEMEX Topmix LLC and CEMEX Supermix LLC, ready-mix concrete manufacturing companies, and CEMEX Falcon LLC, which specializes in the production of cement and slag. We are not permitted to have a controlling interest in these companies (UAE Commercial Companies 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, 2021, we owned eight ready-mix concrete plants, three pugmill plants, one admixture plant and one cement and slag grinding facility in the UAE with an annual installed cement capacity of 1.3 million tons, serving the markets of Dubai and Abu Dhabi as well as neighboring countries such as Oman.

Capital Expenditures. We made capital expenditures of $4 million in 2019, $1 million in 2020 and $5 million in 2021 in our operations in the UAE. As of December 31, 2021, we expected to make capital expenditures of $4 million in our operations in the UAE during 2022, however, this amount could change based on the development of the COVID-19 pandemic and other factors and any impact they could have on our

business prospects. See "Item 3—Key Information—COVID-19 Pandemic" for more information on our capital expenditures.

Urbanization Solutions. In the UAE, for the year ended December 31, 2021, in terms of relevant revenues, our Urbanization Solutions business consisted of admixtures. This business is located across the UAE.

SCA&C

For the year ended December 31, 2021, our business in the SCA&C region, which included our operations in Colombia, Panama, Caribbean TCL, the Dominican Republic and the Rest of SCA&C segment, as described below, represented 11% of our revenues before eliminations resulting from consolidation in Dollar terms. As of December 31, 2021, our operations in the SCA&C region represented 15% of our total installed capacity and 9% of our total assets.

CLH is the main holding company for CEMEX's operations in Colombia, Panama, Costa Rica, Guatemala, Nicaragua and El Salvador.

On December 29, 2021, certain of our subsidiaries signed an agreement for the sale of our operations in Costa Rica and El Salvador with certain subsidiaries of Cementos Progreso Holdings, S.L., for a total consideration of $335 million. Our operations of these assets in Costa Rica and El Salvador for the years ended December 31, 2019, 2020 and 2021 are reported in the statements of operations, net of income tax, as part of the single line item "Discontinued operations."

Our Operations in Colombia

Overview. As of December 31, 2021, CEMEX Colombia was the second-largest cement producer in Colombia, based on installed cement capacity of 4.1 million tons per year as of December 31, 2021. For the year ended December 31, 2021, our operations in Colombia represented 3% of our revenues before eliminations resulting from consolidation in Dollar terms. As of December 31, 2021, our operating business in Colombia represented 4% 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 2021, these three metropolitan areas accounted for approximately 36.9% of Colombia's cement consumption. CEMEX Colombia's Ibagué plant, which is strategically located in the Urban Triangle, is CEMEX Colombia's largest plant as of December 31, 2021. CEMEX Colombia, through its Cúcuta plant and Clemencia grinding facility, is also an active participant in Colombia's northeastern and coastal markets.

Industry. According to our estimates made as of the date of this annual report, the installed capacity for cement in Colombia was 20 million tons in 2021. According to the Colombian National Statistical Administrative Department (*Departamento Administrativo Nacional de Estadística*), total cement consumption in Colombia reached 13 million tons during 2021, an increase of 15.7% from 2020, while cement exports from Colombia during 2021 reached 0.7 million tons (according to the global trade and market research platform, SICEX). We estimate that as of December 31, 2021, close to 62.1% of cement in Colombia was consumed by the housing and self-construction sector, while the infrastructure sector accounted for approximately 30.2% of total cement consumption and has been growing in recent years up to December 31, 2021. The other construction segments in Colombia, including the formal housing and commercial sectors, account for the balance of cement consumption in Colombia.

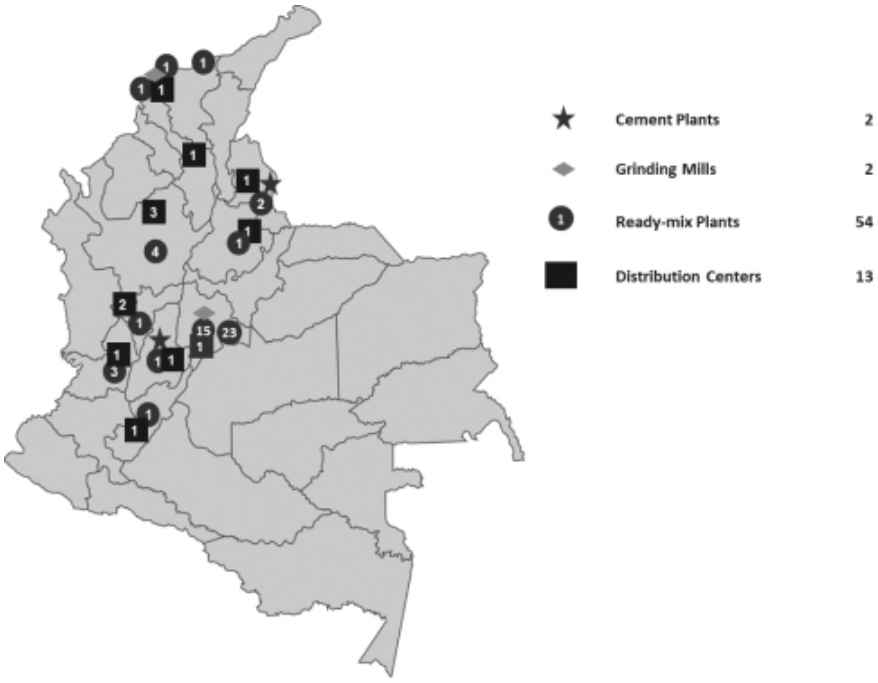
Competition. As of December 31, 2021, our two largest competitors in Colombia were Cementos Argos, which has established a leading position in the Colombian Caribbean coast, Antioquia and Southwest region markets, and Holcim in the central region of the country. We estimate that as of December 31, 2021 there were nine other local and regional competitors in Colombia.

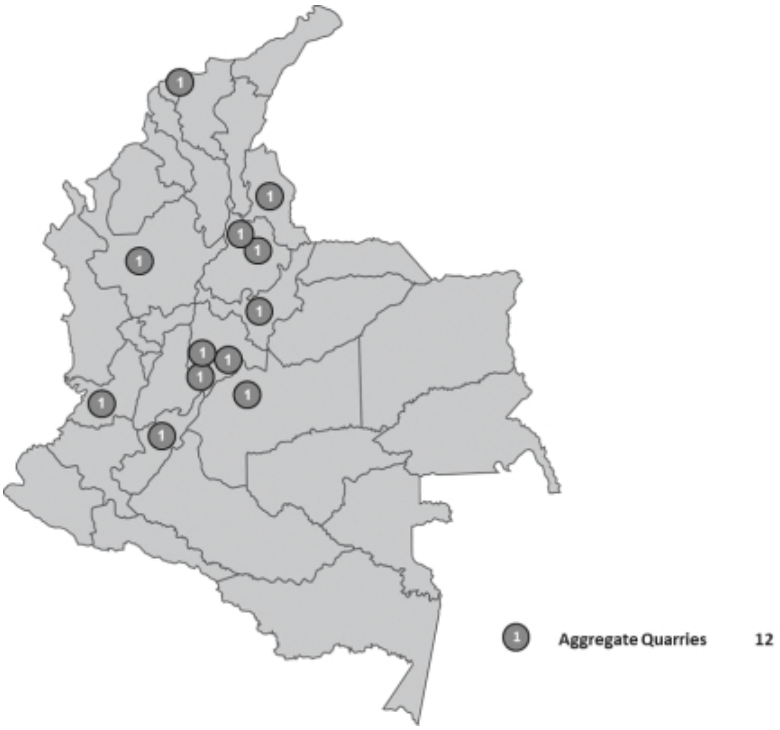
The ready-mix concrete industry in Colombia was fairly consolidated with the top three producers accounting for approximately 67.1% of the market as of December 31, 2021. CEMEX Colombia was the second-largest ready-mix concrete producer as of December 31, 2021. The first and third-largest producers were Cementos Argos and Holcim Colombia, respectively.

The aggregates market in Colombia is highly fragmented and is dominated by the informal market. Approximately 95.8% of the aggregates market in Colombia was comprised of small independent producers as of December 31, 2021.

Urbanization Solutions. In Colombia, for the year ended December 31, 2021, in terms of relevant revenues, our Urbanization Solutions business consisted primarily of energy, multiproducts and admixtures, among others. These businesses are located across Colombia.

Our Operating Network in Colombia





Products and Distribution Channels

Cement. For the year ended December 31, 2021, our cement operations represented 56% of revenues for our operations in Colombia before eliminations resulting from consolidation in Dollar terms.

Ready-Mix Concrete. For the year ended December 31, 2021, our ready-mix concrete operations represented 23% of revenues for our operations in Colombia before eliminations resulting from consolidation in Dollar terms.

Aggregates. For the year ended December 31, 2021, our aggregates operations represented 6% of revenues for our operations in Colombia before eliminations resulting from consolidation in Dollar terms.

Urbanization Solutions and Others: For the year ended December 31, 2021, our Urbanization Solutions and other businesses operations represented 15% of revenues for our operations in Colombia before eliminations resulting from consolidation in Dollar terms.

Description of Properties, Plants and Equipment. As of December 31, 2021, CEMEX Colombia owned two operating cement plants and two cement grinding mills (one of them inactive), having a total installed cement grinding capacity of 4.1 million tons. In 2021, we replaced 21.2% of our total fuel consumed in CEMEX Colombia with alternative fuels, and we had an internal electricity generating capacity of approximately 37 MW as of December 31, 2021. We estimate that, as of December 31, 2021, the limestone and clay permitted proven and probable reserves of our operations in Colombia had an average remaining life of 57 and 780 years, respectively, assuming 2017-2021 average annual production levels. The operating licenses for quarries in Colombia are renewed every 30 years; assuming renewal of such licenses, we estimate having sufficient cement raw materials reserves for our operations in Colombia for over 59 years assuming 2017-2021 average annual cement raw materials production levels. Immaterial volumes extracted from the quarry located in Maceo during its trial period and for the Maceo Plant road construction are excluded from this calculation. As of

December 31, 2021, CEMEX Colombia also operated 13 distribution centers, one mortar plant, one admixtures plant, 54 ready-mix concrete plants (23 of them inactive) and 12 aggregates operations (eight were temporarily inactive).

CEMEX Colombia continues its progress on the Maceo Plant Project, with 96% and 40% of the plant and road portions completed as of the year ended December 31, 2021, respectively. We expect the Maceo Plant Project to enter into commission in the second half of 2023. See "Item 4—Information on the Company—Regulatory Matters and Legal Proceedings—Regulatory Matters and Legal Proceedings—Other Legal Proceedings—Maceo, Colombia—Legal Proceedings in Colombia" for the status of that project.

Capital Expenditures. We made capital expenditures of $25 million in 2019, $14 million in 2020 and $27 million in 2021 in our operations in Colombia. As of December 31, 2021, we expected to make capital expenditures of $74 million in our operations in Colombia during 2022, however, this amount could change based on the development of the COVID-19 pandemic and other factors and any impact they could have on our business prospects. See "Item 3—Key Information—COVID-19 Pandemic" for more information on our capital expenditures.

Our Operations in Panama

Overview. For the year ended December 31, 2021, our operations in Panama represented 1% of our revenues before eliminations resulting from consolidation in Dollar terms. For the year ended December 31, 2021, cement represented 78%, ready-mix concrete represented 12%, aggregates represented 4%, Urbanization Solutions represented 5% and other businesses represented 1% of our revenues, respectively, in Dollar terms from our operations in Panama before eliminations resulting from consolidation. As of December 31, 2021, our operating business in Panama represented 1% of our total assets.

Industry. As of the date of this annual report, we estimate that approximately 0.77 million cubic meters of ready-mix concrete were sold in Panama during 2021. Cement consumption in Panama increased 38% in 2021 compared to 2020, mainly due to more steady resumption of construction in 2021 following significant suspensions in connection to COVID-19 lockdowns in 2020. However, cement consumption in Panama was still approximately 25% below in 2021 when compared to 2019, generally due to disruptions caused by intermittent suspensions and supply chain delays in connection to the continuing effects of the COVID-19 pandemic in 2021.

Competition. As of December 31, 2021, the cement industry in Panama included four cement producers: Cemento Bayano, Argos Panamá, an affiliate of Cementos Argos, Cemento Interoceánico, S.A., a company in which we were a minority shareholder until mid-November 2019 when we sold our shares to Cemento Progreso, S.A. and Cemento Chagres, a company that started operations during the second half of 2020 and is 100% owned by Panamanian investors.

Description of Properties, Plants and Equipment. As of December 31, 2021, our operations in Panama through Cemento Bayano operated one cement plant in Panama, with an installed cement capacity of 1.2 million tons and clinker capacity of 1.5 million tons. As of that date, Cemento Bayano also operated seven ready-mix concrete plants (four were temporarily inactive) and three distribution centers (including one location at the cement plant).

Capital Expenditures. We made capital expenditures of $10 million in 2019, $3 million in 2020 and $9 million in 2021 in our operations in Panama. As of the date of this annual report, we expect to make capital expenditures of $19 million in our operations in Panama during 2022, however, this amount could change based on the development of the COVID-19 pandemic and other factors and any impact they could have on our business prospects. See "Item 3—Key Information—COVID-19 Pandemic" for more information on our capital expenditures.

Urbanization Solutions. In Panama, for the year ended December 31, 2021, in terms of relevant revenues, our Urbanization Solutions business consisted primarily of admixtures, among others. These businesses are located across Panama.

Our Operations in Caribbean TCL

We started consolidating TCL and its subsidiaries for financial reporting purposes on February 1, 2017. In March 2017, TCL de-listed from the Jamaica and Barbados stock exchanges.

As of December 31, 2021, Caribbean TCL was one of the leading producers and marketers of cement and ready-mix concrete products in the Caribbean's construction sector, with operations strategically located in Jamaica, Trinidad and Tobago, Guyana and Barbados. For the year ended December 31, 2021, cement represented 92%, ready-mix concrete represented 2%, aggregates represented 2%, Urbanization Solutions represented 2% and our other businesses represented 2% of revenues, respectively, in Dollar terms from our operations in Caribbean TCL before intra-sector eliminations within the segment and before eliminations resulting from consolidation.

As of December 31, 2021, our focus with respect to Caribbean TCL will continue on attempting to maximize further synergies from TCL's integration with us. As of December 31, 2021, we intended to improve the productivity and capacity of our Caribbean TCL's cement plants, continue the vertical integration of Caribbean TCL's business, invest in developing its employees and offer strong value products to our customers in the region and elsewhere.

Capital Expenditures. We made capital expenditures of $21 million in 2019, $16 million in 2020 and $22 million in 2021 in Caribbean TCL. As of December 31, 2021, we expected to make capital expenditures of $18 million during 2022 in Caribbean TCL, however, this amount could change based on the development of the COVID-19 pandemic and other factors and any impact they could have on our business prospects. See "Item 3—Key Information—COVID-19 Pandemic" for more information on our capital expenditures.

Our Operations in Trinidad & Tobago

Description of Properties, Plants and Equipment. As of December 31, 2021, TCL operated one cement plant in Trinidad & Tobago, with a total annual cement installed capacity of 0.9 million tons. As of December 31, 2021, TCL had three operational ready-mix concrete plants (one was temporarily inactive), three aggregates quarries, three land distribution centers and one marine terminal. See "Item 3—Key Information—COVID-19 Pandemic" for more information on the impact of certain measures being taken by the governments of the countries in which we operate regarding temporary halts in production at our operating facilities to stop the spread of COVID-19.

Urbanization Solutions. In Trinidad & Tobago, for the year ended December 31, 2021, we did not have any Urbanization Solutions business.

Our TCL Operations in Jamaica

Overview. As of December 31, 2021, we held an indirect controlling position mainly through TCL in CCCL.

Description of Properties, Plants and Equipment. As of December 31, 2021, CCCL operated one cement plant in Jamaica, with a total cement installed capacity of 1.2 million tons. As of December 31, 2021, CCCL had four land distribution centers (including one location at the cement plant) and one marine terminal.

Urbanization Solutions. In Jamaica, for the year ended December 31, 2021, in terms of relevant revenues, our Urbanization Solutions business consisted primarily of lime. This business serves specific customers.

Our Operations in Barbados

Overview. As of December 31, 2021, through TCL, we held an indirect controlling position in Arawak Cement Company Limited ("Arawak") in Barbados.

Description of Properties, Plants and Equipment. As of December 31, 2021, Arawak operated one cement plant in Barbados, with a total cement installed capacity of 0.4 million tons. As of that date, Arawak had one ready-mix concrete plant (temporarily inactive), one land distribution center and one marine terminal.

Urbanization Solutions. In Barbados, for the year ended December 31, 2021, we did not have any Urbanization Solutions business.

Our Operations in the Dominican Republic

Overview. As of December 31, 2021, CEMEX Dominicana, S.A.'s ("CEMEX Dominicana") sales network covered the country's main consumption areas, which are Santo Domingo, Santiago de los Caballeros, La Altagracia, San Cristobal and San Pedro de Macoris. 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. For the year ended December 31, 2021, our operations in the Dominican Republic represented 2% of our revenues before eliminations resulting from consolidation in Dollar terms. As of December 31, 2021, our operations in the Dominican Republic represented 1% of our total assets. For the year ended December 31, 2021, cement represented 78%, ready-mix concrete represented 5%, Urbanization Solutions represented 14% and other businesses represented 3% of revenues, respectively, in Dollar terms from our operations in the Dominican Republic before eliminations resulting from consolidation.

Industry. According to figures from the Dominican Cement Producers Association (*Asociación Dominicana de Productores de Cemento Portland*), cement consumption in the Dominican Republic reached 5.5 million tons in 2021.

Competition. As of December 31, 2021, our principal competitors in the Dominican Republic were: Cementos Cibao, a local producer; Domicem, a mixed Italian/local cement producer; Cementos Argos, a grinding operation of a Colombian cement producer; Cementos Santo Domingo, a cement grinding partnership between a local investor and Cementos La Union from Spain; Cementos Panam, a local cement producer; and Cementos Andino, a grinding operation; and a partially constructed cement kiln of a Colombian cement producer, currently inactive.

Description of Properties, Plants and Equipment. As of December 31, 2021, CEMEX Dominicana operated one cement plant in the Dominican Republic, with an installed cement capacity of 2.4 million tons per year. As of that date, CEMEX Dominicana also owned 12 ready-mix concrete plants (eight were temporarily inactive), one aggregates quarry (currently inactive), two land distribution centers and leased two marine terminals.

Capital Expenditures. We made capital expenditures of $8 million in 2019, $2 million in 2020 and $15 million in 2021 in our operations in the Dominican Republic. As of December 31, 2021, we expected to make capital expenditures of $21 million in our operations in the Dominican Republic during 2022, however, this amount could change based on the development of the COVID-19 pandemic and other factors and any impact they could have on our business prospects. See "Item 3—Key Information—COVID-19 Pandemic" for more information on our capital expenditures.

Urbanization Solutions. In the Dominican Republic, for the year ended December 31, 2021, in terms of relevant revenues, our Urbanization Solutions business consisted primarily of Multiproducts, among others. This business is located across the country.

Rest of SCA&C

As of December 31, 2021, our operations in the Rest of SCA&C segment consisted primarily of our operations and activities in Peru, Puerto Rico, Nicaragua, Jamaica, the Caribbean and Guatemala, excluding our

Caribbean TCL segment. These operations represented 3% of our revenues, in Dollar terms, before eliminations resulting from consolidation. As of December 31, 2021, our business in the Rest of SCA&C segment represented 1% of our total assets. See "Item 3—Key Information—COVID-19 Pandemic" for more information on our capital expenditures.

Our Operations in Puerto Rico

Overview. As of December 31, 2021, CEMEX de Puerto Rico, Inc. ("CEMEX Puerto Rico") was our main subsidiary in Puerto Rico.

Industry. In 2021, cement consumption in Puerto Rico reached 0.67 million tons according to the Puerto Rico Economic Development Bank.

Competition. The cement industry in Puerto Rico in 2021 was comprised of two cement companies: CEMEX Puerto Rico and Cementos Argos (formerly Antilles Cement Co (Marine Terminal) and San Juan Cement Co (Cement Plant)).

Description of Properties, Plants and Equipment. As of December 31, 2021, CEMEX Puerto Rico operated one cement plant, which operated as a grinding mill only, with an installed cement capacity of 1.2 million tons per year. As of that date, CEMEX Puerto Rico also operated four ready-mix concrete plants (three were temporarily inactive), two land distribution centers (one was leased to a third party) and one marine terminal used for fly ash. As of that date, CEMEX Puerto Rico also owned an aggregates quarry, which is currently inactive.

Capital Expenditures. We made capital expenditures of $4 million in 2019, $0.2 million in 2020 and $2 million in 2021 in our operations in Puerto Rico. As of December 31, 2021, we expected to make capital expenditures of $4 million in our operations in Puerto Rico during 2022, however, this amount could change based on the development of the COVID-19 pandemic and other factors and any impact they could have on our business prospects. See "Item 3—Key Information—COVID-19 Pandemic" for more information on our capital expenditures.

Urbanization Solutions. In Puerto Rico, for the year ended December 31, 2021, we did not have any Urbanization Solutions business.

Our Operations in Nicaragua

Overview. As of December 31, 2021, CEMEX Colombia and Corporación Cementera Latinoamericana, S.L.U., both CLH subsidiaries, indirectly and directly owned 100% of CEMEX Nicaragua, S.A. ("CEMEX Nicaragua"), our operating subsidiary in Nicaragua. During the fourth quarter of 2021, CEMEX Costa Rica sold 99% of its shares in CEMEX Nicaragua to CEMEX Colombia, and 1% of its shares to Corporación Cementera Latinoamericana, S.L.U.

Industry. We estimate that 0.94 million tons of cement, 0.34 million cubic meters of ready-mix concrete and 4.68 million tons of aggregates were sold in Nicaragua during 2021.

Competition. As of December 31, 2021, two market participants compete in the Nicaraguan cement industry, CEMEX and Holcim.

Description of Properties, Plants and Equipment. As of December 31, 2021, we leased and operated one cement plant and owned one grinding mill with a total installed cement capacity of 0.6 million tons, seven ready-mix concrete plants (three were temporarily inactive) and two distribution centers 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 $5 million in 2019, $3 million in 2020 and $5 million in 2021 in our operations in Nicaragua. As of December 31, 2021, we expected to make capital expenditures of $4 million in our operations in Nicaragua during 2022, however, this amount could change based on the development of the COVID-19 pandemic and other factors and any impact they could have on our business prospects. See "Item 3—Key Information—COVID-19 Pandemic" for more information on our capital expenditures.

Urbanization Solutions. In Nicaragua, for the year ended December 31, 2021, in terms of relevant revenues, our Urbanization Solutions business consisted primarily of Multiproducts and Concrete Products. These businesses are located across Nicaragua.

Our Operations in Guatemala

Overview. As of December 31, 2021, CLH indirectly owned 100% of CEMEX Guatemala, our main operating subsidiary in Guatemala. As of December 31, 2021, we owned and operated one cement grinding mill in Guatemala with an installed cement capacity of 0.6 million tons per year. As of that date, we also owned and operated six land distribution centers (including one location at the cement plant), one clinker dome close to our leased marine terminal in the southern part of the country and three ready-mix concrete plants (two of which were active).

Capital Expenditures. We made capital expenditures of $1 million in 2019, $1 million in 2020 and $3 million in 2021 in Guatemala. As of December 31, 2021, we expected to make capital expenditures of $16 million in our operations in Guatemala during 2022, however, this amount could change based on the development of the COVID-19 pandemic and other factors and any impact they could have on our business prospects. See "Item 3—Key Information—COVID-19 Pandemic" for more information on our capital expenditures.

Urbanization Solutions. In Guatemala, for the year ended December 31, 2021, in terms of relevant revenues, our Urbanization Solutions business consisted primarily of Multiproducts, among others. These businesses are located across Guatemala.

Our Operations in Other Rest of SCA&C

Overview. As of December 31, 2021, we held a non-controlling position in National Cement Ltd. in the Cayman Islands, Maxcem Bermuda Ltd. in Bermuda and Societe des Ciments Antillais, a company with cement operations in Guadalupe and Martinique. As of December 31, 2021, CEMEX España additionally indirectly held a 100% interest in CEMEX Jamaica Limited, which operates one calcined limestone plant in Jamaica with a capacity of 120,000 tons per year and one hydrate line with a capacity of 4,800 tons per year.

As of December 31, 2021, we operated a network of seven marine terminals in these countries, which facilitated exports from our operations in Mexico, the Dominican Republic and Puerto Rico. Two of our marine terminals are in Haiti, and three are in the Bahamas. As of December 31, 2021, we also had a non-controlling interest in two other terminals, one in Bermuda and one in the Cayman Islands.

Capital Expenditures. In our operations in the Rest of SCA&C segment, we made capital expenditures of $4 million in 2019 and $3 million in 2020 and $4 million in 2021. As of December 31, 2021, we expected to make capital expenditures of $2 million in our operations in other SCA&C countries during 2022, however, this amount could change based on the development of the COVID-19 pandemic and other factors and any impact they could have on our business prospects. See "Item 3—Key Information—COVID-19 Pandemic" for more information on our capital expenditures.

Our Trading Operations

In 2021, we traded 13.7 million tons of cementitious and non-cementitious materials, in 96 countries, including 11.4 million tons of cement and clinker and 2.3 million tons of cementitious and other materials. This information includes discontinued operations. In addition, we traded 4.7 million tons of coal and pet coke. Slightly more than 4.5 million tons of the traded cement and clinker consisted of exports from our operations in Mexico, Croatia, Spain, Germany, Trinidad & Tobago, Barbados, Dominican Republic, Panama, and Poland, among others. Slightly above 6.5 million tons remaining were purchased from third parties in countries such as Vietnam, Turkey, Thailand, Saudi Arabia, Spain, Honduras, Greece, UAE and Angola. In 2021, we traded 1.5 million tons of granulated blast furnace slag, a non-clinker cementitious material, and 0.8 million tons of other products. This information does not include discontinued operations. Our trading network enables us to maximize the capacity utilization of our facilities worldwide while reducing our exposure to the inherent cyclicality of the cement industry. We are generally able to distribute excess capacity to regions around the world where there is demand. In addition, we believe that 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. We estimate, however, that our trading operations have obtained significant savings by contracting maritime transportation in due time and by using our own and chartered fleets, which transported more than 50% of our cement and clinker traded volume during 2021.

In addition, we provide freight service to third parties, which allows us to generate additional revenues.

Our Cement and Grinding Plants

The following table provides a summary of our cement and grinding plants, including location, grinding mill production and years of operation as of and for the year ended December 31, 2021:

Location[1]	Mill prod.	Years of Operation[2]
Atotonilco, Hidalgo, México	1,357,897	63
Barrientos, Estado de México, México	790,863	77
Ensenada, Baja California, México	495,892	46
Guadalajara, Jalisco, México	621,612	48
CPN, Sonora, México	173,052	41
Hidalgo, Nuevo León, México	171,303	116
Huichapan, Hidalgo, México	3,524,356	37
Mérida, Yucatán, México	806,177	68
Monterrey, Nuevo León, México	1,570,742	102
Tamuín, San Luis Potosí, México	1,800,402	57
Tepeaca, Puebla, México	2,825,976	27
Torreón, Coahuila, México	1,065,530	55
Valles, San Luis Potosí, México	406,842	56
Yaqui, Sonora, México	2,508,184	32
Zapotiltic, Jalisco, México	1,672,186	54
Balcones, TX, United States	1,761,227	41
Brooksville, FL (North), United States	0	46
Brooksville, FL (South), United States	1,239,089	34
Clinchfield, GA, United States	653,348	47
Demopolis, AL, United States	695,214	44
Knoxville, TN, United States	653,409	42
Miami, FL, United States	978,870	63

Location[1]	Mill prod.	Years of Operation[2]
Lyons, CO, United States	338,475	41
Victorville, CA, United States	2,717,238	56
Wampum, PA, United States	0	56
Rugby, United Kingdom	1,290,128	22
Ferriby, United Kingdom	0	55
Rudersdof, Germany	2,006,765	55
Alcanar, Spain	925,327	53
Castillejo, Spain	584,498	110
Lloseta, Spain	300	54
Morata, Spain	412,863	89
San Vicente, Spain	520,826	46
Gador, Spain	0	45
Chelm, Poland	1,489,784	61
Rudniki, Poland	815,659	56
Prachovice, Czech Republic	801,698	67
Kolovoz, Croatia	6,759	113
Juraj, Croatia	1,073,104	109
Kajo, Croatia	306,711	117
Cucuta, Colombia	295,273	38
Ibagué, Colombia	2,217,004	29
Calzada Larga, Panama	483,934	44
Claxton Bay, Trinidad y Tobago	723,381	68
Rockport, Jamaica	979,297	70
St. Lucy, Barbados	215,879	38
San Pedro de Macorís, Dominican Republic	2,104,842	31
San Rafael del Sur, Nicaragua[3]	367,292	79
Ponce, Puerto Rico	319,991	31
APO, Philippines	3,356,543	23
Solid Cement, Philippines	1,624,922	28
Assiut, Egypt	3,673,911	35
Detmaroviche, Czech Republic	143,233	18
Eisenh✔ttenstadt, Germany	486,509	69
Gdynia, Poland	224,618	21
Falcon, United Arab Emirates	658,427	14
Tilbury, United Kingdom	579,635	13
Clemencia, Colombia	182,899	8
Santa Rosa, Colombia	515,611	39
Arizona, Guatemala	593,605	16
Managua, Nicaragua	210,550	6

(1) Our Colorado de Abangares and Patarra plants in Costa Rica are not included in this table, as they are included in our discontinued operations.
(2) Approximate.
(3) Leased.

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

We have insurance coverage for our cement and grinding 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 and grinding plants may be exposed. See “Item 3—Key Information—Risk Factors—Risks Relating 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 matters and legal proceedings affecting us as of December 31, 2021 is provided below. Materiality is tested at a CEMEX, S.A.B. de C.V. consolidated level. See "Item 5—Operating and Financial Review and Prospects—Recent Developments—Recent Developments Relating to Our Regulatory Matters and Legal Proceedings" for more information.

Antitrust Proceedings

Polish Antitrust Investigation

On January 2, 2007, CEMEX Polska Sp. Z.O.O. ("CEMEX Polska") received a notification from the Polish Competition and Consumer Protection Office (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 Polish Zloty 115.56 million ($28.6 million as of December 31, 2021, based on an exchange rate of Polish Zloty 4.035 to $1.00), which was 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 regard to 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 Polish Zloty 93.89 million ($23.27 million as of December 31, 2021, based on an exchange rate of Polish Zloty 4.035 to $1.00), which was 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 of Warsaw. On March 27, 2018, after different hearings, the Appeals Court of Warsaw issued its final judgment reducing the fine imposed upon CEMEX Polska to Polish Zloty 69.4 million ($17.19 million as of December 31, 2021, based on an exchange rate of Polish Zloty 4.035 to $1.00). This fine, which was equal to 6% of CEMEX Polska's revenue in 2008, was paid. On November 19, 2018, CEMEX Polska filed before the Polish Supreme Court an extraordinary, narrow based cassation appeal against the Appeals Court of Warsaw's judgment specifically seeking the reduction of the imposed fine. On July 29, 2020, the Polish Supreme Court rendered a judgement cancelling the Appeals Court of Warsaw's decision with respect to the cement cartel process as it applied to CEMEX Polska and four other cement producers. The cancelation was based on arguments raised in cassation regarding the calculation of penalties and the time at which the alleged agreement between the cement producers actually ended. Furthermore, the fine paid by CEMEX Polska equal to Polish Zloty 69.4 million ($17.19 million as of December 31, 2021, based on an exchange rate of Polish Zloty 4.035 to $1.00) was returned to CEMEX Polska on January 7, 2021. On March 9, 2021, CEMEX Polska requested the Protection Office to pay CEMEX Polska interest over the amount of the fine returned to CEMEX Polska, for the period going from April 9, 2018 (the date of payment of the fine) to January 7, 2021 (the date on which the fine was returned). The Protection Office has rejected to pay the interests in its response to CEMEX Polska's request.

Following the judgment issued by the Polish Supreme Court, the proceeding was referred again to the Appeals Court of Warsaw. On May 21, 2021, the Appeals Court of Warsaw, due to procedural reasons, cancelled

the judgment of the First Instance Court issued on December 13, 2013 against 5 producers, including CEMEX Polska, and referred the case to re-examination by the District Court in Warsaw, which will now serve as the court of first instance. The new trial case is expected to last two to three years, depending on the priority given to it by the courts adjudicating the case.

As of December 31, 2021, given that the case will be re-examined, at this stage we are not able to assess if CEMEX Polska would receive an adverse resolution that could lead to any fines, penalties or remedies against our operations in Poland, but while we believe an adverse resolution is not probable, if adversely resolved, we do not expect that any fines, penalties or remedies would have a material adverse effect on our results of operations, liquidity or financial condition.

See "Item 5—Operating and Financial Review and Prospects—Recent Developments—Recent Developments Relating to Our Regulatory Matters and Legal Proceedings—Antitrust Proceedings—Polish Antitrust Investigation."

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*) ("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. ("CEMEX España Operaciones") 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*). On November 19, 2015, CEMEX España Operaciones was notified that the alleged anticompetitive practices covered the year 2013 for the cement market and the years 2008, 2009, 2012, 2013 and 2014 for the ready-mix market. On March 8, 2016, the Competition Directorate (*Dirección de Competencia*) notified CEMEX España Operaciones of a resolution proposal (*propuesta de resolución*) which considered that the alleged anti-competitive practices were carried out in the markets and years previously indicated. Thereafter, CEMEX España Operaciones submitted allegations rejecting the resolution proposal. On September 8, 2016, CEMEX España Operaciones was notified of a decision issued by the CNMC pursuant to which CEMEX España Operaciones was required to pay a fine of €5,865,480 ($6.66 million as of December 31, 2021, based on an exchange rate of €.8795 to $1.00). On November 7, 2016, CEMEX España Operaciones filed an appeal before the National Court (*Audiencia Nacional*) against the CNMC's decision. The National Court was requested to suspend the sanction, and, by a resolution issued on December 22, 2016, the National Court granted the requested suspension, subject to the issuance of a bank guarantee for the principal amount of the sanction. The CNMC was notified of both the interposition of the appeal and the request for suspension. On January 12, 2021, the National Court (*Audiencia Nacional*) notified the parties of its judgment upholding CEMEX España Operaciones' appeal. According to this judgment, the fine imposed by the CNMC is annulled for lack of evidence of the alleged anti-competitive practices. The State Attorney did not file an appeal against the National Court's (*Audiencia Nacional*) judgment within the legally prescribed term, and the judgment became final and definitive. As of December 31, 2021, this matter is finalized.

Antitrust Cases in Georgia and South Carolina

On July 24, 2017, two ready-mix concrete producers filed a lawsuit in a U.S. Federal Court in the state of Georgia against certain subsidiaries of CEMEX in the U.S. and other companies alleging customer allocation and price fixing in both the ready-mix concrete and cement markets in the coastal Georgia and southeastern coastal South Carolina areas. In addition, on January 22, 2020, new plaintiffs who were the prior owners of a ready-mix concrete producer, and the concrete producer, filed a lawsuit in the same court against the same subsidiaries of CEMEX making substantially similar allegations as the suit filed on July 24, 2017. As CEMEX does not participate in the ready-mix concrete market in these areas, the lawsuits do not allege any improper actions by CEMEX with respect to ready-mix concrete. On October 2, 2017, CEMEX filed a motion to dismiss the 2017

lawsuit. This motion to dismiss was denied on August 21, 2018, and, as a result, CEMEX will continue to defend the allegations. In response to a request to stay the proceedings made in the first quarter of 2021 by the United States Department of Justice, the lawsuit filed on July 24, 2017 was administratively closed and is expected to be reopened in the future. On March 31, 2021, a motion to dismiss the lawsuit filed on January 22, 2020 was granted with leave to file an amended complaint by the concrete producer plaintiff within 21 days following entry of the order to dismiss. The claims of the prior owners were dismissed. In April 2021, the concrete producer in the January 2020 lawsuit voluntary dismissed its claims. As of December 31, 2021, at this stage of the July 2017 lawsuit, while we cannot assess with certainty the likelihood of an adverse result in this lawsuit, we believe a final adverse resolution to this lawsuit is not probable; and, if adversely resolved, we believe an adverse resolution should not have a material adverse impact on our results of operations, liquidity and financial condition.

United States and its Territories Department of Justice Grand Jury Subpoena

Certain of our subsidiaries in the United States were notified of a grand jury subpoena dated March 29, 2018 issued by the DOJ in connection with an investigation of possible antitrust law violations in connection with our sales (and related sales practices) of grey portland cement and slag in the United States and its territories. This subpoena did not mean that the DOJ had concluded that we or any of our subsidiaries or employees had violated the law. Rather, the DOJ issued this grand jury subpoena to gather facts necessary to make an informed decision about whether violations of U.S. law have occurred. On December 10, 2021, the DOJ notified CEMEX that it has closed its investigation and the matter is now closed.

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*) ("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 December 11, 2017, the SIC's Chief Superintendent decided to impose a sanction against CEMEX Colombia, two other cement companies and six natural persons, for entering into an agreement to fix grey cement prices in Colombia. The fines imposed upon CEMEX Colombia, which were paid on January 5, 2018, amounted to $73.77 billion Colombian Pesos ($18.33 million as of December 31, 2021, based on an exchange rate of 4,022.46 Colombian Pesos to $1.00). CEMEX Colombia decided not to file a reconsideration request, and, instead, on June 7, 2018 it filed an annulment and reestablishment of right claim (*acción de nulidad y restablecimiento de derecho*) before the Administrative Court (*Tribunal Contencioso Administrativo*) requesting that the charges brought forth by the SIC be annulled and that the restitution is made to CEMEX Colombia of the fine it had paid, with any applicable adjustments as provided by Colombian Law. This claim could take up to six years to be resolved. As of December 31, 2021, we are not able to assess the likelihood of an adverse result of this matter, but if such matter is resolved adversely to us, and considering that the fines were paid in 2018, such adverse resolution should not have a material adverse impact on our results of operations, liquidity and financial condition.

Colombian Class Action Lawsuit

On August 2020, a class action lawsuit (*Acción Popular*) (the "Colombian Class Action") was filed with a Circuit Civil Court in Colombia against CEMEX Colombia and other gray portland cement market participants (the "Colombian Class Action Defendants"). The lawsuit seeks compensation for damages arising from alleged cartel actions for which the SIC fined the Colombian Class Action Defendants in December 2017. The complaint claims that the Colombian Class Action Defendants caused damages to all consumers of gray portland cement in Colombia during the period of 2010 to 2012. According to the plaintiff's claims, the Colombian Class Action Defendants should be ordered to pay damages due to the higher price set on gray portland cement. The plaintiff also claims that this amount should be indexed since 2013. The plaintiff's arbitrary calculation of the total

alleged damages caused by the Colombian Class Action Defendants is $1.32 trillion Colombian Pesos ($328.15 million as of December 31, 2021, based on an exchange rate of 4,022.46 Colombian Pesos to $1.00). The Colombian Class Action was initially dismissed by the Circuit Civil Court and the plaintiff filed an appeal, which, on April 9, 2021, was resolved by the Superior Court of Bogotá, reversing the decision by the Circuit Civil Court and ordered to review the admission of the claim again. On May 14, 2021, the Circuit Civil Court admitted the claim. As of December 31, 2021, CEMEX Colombia has been formally notified of and filed an appeal against the admission of the claim. As of December 31, 2021, we believe a final adverse resolution in this matter, which could take from five to seven years, is not probable, but if such matter is resolved adversely to us, such adverse resolution should not 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 that we own or operate. 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 policy requires 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 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 December 31, 2021, substantially all of our operating sites have completed the implementation of the EMS. The EMS is designed to be used to support sites and businesses across CEMEX globally to document, maintain and continuously improve our environmental performance. We believe that, as of December 31, 2021, substantially all of our cement plants already have some kind of EMS (most of have earned ISO 14000 certifications)), with most of the remaining implementation efforts directed mainly towards 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, 2019, 2020 and 2021, our sustainability-related capital expenditures (including our environmental expenditures and investments in alternative fuels and cementitious materials) were $79.6 million, $78 million and $103 million, respectively.

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*) (“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*), 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*) ("CIC") certifying that our cement plants are in full compliance with applicable environmental laws. The CICs are subject to renewal every two years. As of December 31, 2021, our operating cement plants in Mexico had CICs or were in the process of renewing them.

For almost three decades, the technology for co-processing used alternative fuels into an energy source has been employed in our cement plants in Mexico. By the end of 2019, all our operating cement plants in Mexico were using alternative fuels. Overall, 25.8% of the total fuel used in our operating cement plants in Mexico during 2021 was comprised of alternative fuels. In January 2021, a modification to the General Waste Law was published in the Official Gazette to include co-processing as part of the industrial process, providing that authorizations granted by the SEMARNAT under federal licenses will remove the need for authorizations at the State level.

In 2019, 2020 and 2021 our operations in Mexico invested $11.49 million, $7.58 million and $27.76 million respectively, in the acquisition of environmental protection equipment and the implementation of the integrated management system (ISO 9001, 14001 and 4500), for a total of $184.24 million since 1999 as of December 31, 2021. The audit to obtain the renewal of the ISO 14001:2015 certification took place during 2020 and our then operating cement plants in Mexico obtained the renewal of the ISO 14001:2015 certification for environmental management systems, which is valid until February 2024. As of December 31, 2021, our cement plant in Hermosillo, Mexico, is currently in the process of re-certification after having restarted production in 2021.

On June 6, 2012 the General Law on Climate Change (*Ley General de Cambio Climático*) (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. Important provisions of the Climate Change Law require the development of secondary legislation and depend on the publication of subsequent implementing regulations. For instance, the Climate Change Law provides, among other things, for (i) the elaboration of a registry of the emissions that are generated by fixed sources, (ii) companies to report their emissions, if required, and (iii) the application of fines to those companies that fail to report or that report false information. In this regard, on October 29, 2014, the Regulations to the General Law on Climate Change Regarding the National Registry of Emissions (*Reglamento de la Ley General de Cambio Climático en Materia del Registro Nacional de Emisiones*) (the "Regulations") became effective. As of December 31, 2021, CEMEX has been granted the positive dictums on GHG emission by a certified and approved third party for all its required plants and has reported them to the Mexican environmental agency. The purpose of the Regulations is to govern the Climate Change Law regarding the National Registry of Emissions, identifying the sectors and subsectors, which include among others, the cement industry, that must file the corresponding reports before the National Registry of Emissions. We had previously reported our direct and indirect CO_2 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. A Special Tax on Production and Services (*Impuesto Especial Sobre Producción y Servicios*) on the sale and import of fossil fuels was included in the tax reform that became effective on January 1, 2014. As of December 31, 2021, pet coke, a primary fuel widely used in our kilns in Mexico is taxed at a rate of Ps$20.3767 ($0.99 as of December 31, 2021, based on an exchange rate of Ps$20.49 to $1.00) per ton.

On August 12, 2014, a package of energy reform legislation became law in Mexico. The then newly enacted energy reform legislation, which included nine new laws, as well as amendments to existing laws, implemented the December 2013 constitutional energy reform and established a new legal framework for Mexico's energy industry. One of the new laws that was enacted is the Electric Industry Law (*Ley de la Industria Eléctrica*) (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. The clean energy procurement obligations for 2018 to 2022 were announced at 5%, 5.8%, 7.4%, 10.9% and 13.9%, respectively, and this requirement is expected to increase in 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, since 2018, we are 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. Over time, according to the penalty levels set by the Mexican Energy Regulatory Commission (*Comisión Reguladora de Energía*) ("CRE"), non-compliance with the clean energy procurement obligations could have a material adverse impact on our business or operations in Mexico, but as of December 31, 2021, we are not able to assess if any such impact would in turn have a material adverse impact on our liquidity and financial condition.

On September 8, 2015, the Electricity Market Rules (*Bases del Mercado Eléctrico*) (the "Rules") were published in the Federal Official Gazette and became effective on September 9, 2015. The Rules, which are an important step forward in the implementation of the reforms enacted regarding Mexico's energy industry, contain the design and operation principles of the different components of the wholesale electricity market (the "Electricity Market"). As of December 31, 2021, we are authorized participants in the Electricity Market. Additionally, CEMEX participated as a buyer in the third long-term power auction organized in 2017 by CENACE, the independent national electric system operator, and was allocated a 20-year contract for 16,129 clean energy certificates per year for compliance starting in 2020 and 14.9 GWh/a of electric power.

During 2016, a new electrical standards code was issued in Mexico (*Código de Red*) (the "Code"). The Code establishes new standards for electrical operation that begun to be enforced in 2019 against consumers connected to the national grid. On December 31, 2021, the CRE published a resolution in the Official Mexican Gazette (*Diario Oficial de la Federación*) through which it issued a revised version of the Code (the "2.0 Code"). The 2.0 Code came into force as of January 1, 2022, and pursuant thereto, load centers connected at medium and high tension must initiate the necessary actions to ensure compliance with the technical requirements thereunder. As of December 31, 2021, we do not foresee that compliance with the 2.0 Code would require material investments across our operating assets in Mexico.

On October 2, 2019, SEMARNAT published the basis for a trial emissions trading program (*programa de prueba del sistema de comercio de emisiones*). The trial program sets forth an initial 24-month pilot phase for the adoption of the program that started on January 1, 2020 and concluded on December 31, 2021, which is followed by a 12-month period to transition to the operative stage, which ends on December 31, 2022. The trial program will not have any economic consequences for the participants; but after December 2022, SEMARNAT will establish emission caps per industrial sector in line with Mexico's greenhouse gas emissions reduction targets. We will have to meet those caps through mitigation measures or acquire emission reduction certificates in the proposed market. As of December 31, 2021, we cannot anticipate the impact that this new cap-and-trade scheme and the mandatory emissions caps will have on our operations in Mexico, mainly due to the fact that the existing rules apply only to its current pilot phase, yet, we are participating with various lobbying groups within different industrial sectors and chambers to address our concerns towards a fair and robust operative phase.

On April 29, 2020, CENACE issued a resolution providing for the implementation of several restrictive measures on output in privately-owned wind and photovoltaic plants to guarantee the efficiency, quality, reliability, continuity and security of the Mexican electrical system during the period of reduced power demand caused by the COVID-19 pandemic (the "NES Resolution"). Additionally, on May 15, 2020, the Mexican Ministry of Energy (*Secretaría de Energía*, the "SENER") published in the Official Mexican Gazette (*Diario Oficial de la Federación*) a substantial revision to the Policy for the Reliability, Safety, Continuity and Quality of the Mexican Electrical System (the "SENER Policy," and together with the NES Resolution, the "Energy Publications"). The Energy Publications entailed significant deviations from the current Mexican Electricity Market Rules (*Bases y Reglas del Mercado Eléctrico*), among other laws and regulations in Mexico.

The SENER Policy imposes additional restrictions and conditions on the issuance and modification of generation permits for solar and wind facilities. Additionally, the SENER Policy expressly prioritizes reliability over economic efficiency in the dispatch of the electric grid, potentially affecting the production of solar and wind generation; transfers the value of the capacity recognized to the solar and wind plants to the load-serving entities; and mandates the creation of new ancillary services and infrastructure improvements, the costs of which are to be borne by wind and solar generators. Several private power generators and non-governmental organizations have filed constitutional challenges claiming that the Energy Publications are unconstitutional and restrict constitutionally protected rights and interests, such as the right to a healthy environment. Moreover, on June 22, 2020, Mexico's antitrust regulator (*Comisión Federal de Competencia Económica)* ("COFECE") filed a legal controversy claim (*controversia constitucional*) with Mexico's Supreme Court arguing that the SENER Policy violates several provisions of the Mexican Constitution and that it adversely affects the competitive nature of Mexico's energy market. On June 29, 2020, the Supreme Court granted an injunction against the effects and consequences of the SENER Policy until a final judgement is issued. In October and November 2020, federal judges issued final rulings on constitutional challenges filed by private generators nullifying the Energy Publications with respect to the private generators that filed the constitutional challenges, and also on a general basis for all participants in the Electricity Market. Moreover, on February 3, 2021, Mexico's Supreme Court issued a final ruling on the constitutional controversy claim filed by COFECE against the SENER Policy nullifying most of its provisions. Thereafter on March 4, 2021, SENER published in the Official Mexican Gazette a resolution abolishing the SENER Policy in its entirety.

Furthermore, on May 28, 2020, during an extraordinary meeting, the CRE approved two resolutions which call for increases to the transmission charges payable to the National Electricity Commission (*Comisión Federal de Electricidad*) ("CFE") by all electric power generators operating under grandfathered interconnection agreements ("Grandfathered Generators") which are subject to the laws and regulations that were applicable before the Mexican energy reform of 2013-2014 (the "CRE Resolutions"). Under the CRE Resolutions, these new wheeling charges for the transmission service constitute an exponential and immediate increase for Grandfathered Generators and were applied by CFE as of July 2020. While the entities legally obliged to pay for those transmission costs are Grandfathered Generators, depending on the structure agreed in the corresponding power supply agreements (which could consist of pass-through provisions for such transmission costs), end-users under the grandfathered self-supply (*autoabastecimiento*) scheme may run the risk of transmission costs and be obligated to pay the relevant grandfathered projects for said incremental costs. In the case of the three wind farms in Mexico with which CEMEX has entered into power supply agreements, the charges for transmission payable to CFE by the corresponding Grandfathered Generators associated with the wind farms increased by four to six times. Furthermore, we expect the transmission charges to increase by about 80% in the case of the grandfathered pet coke-fired self-supply thermal power plant in Tamuin, Mexico, with which CEMEX has a power supply agreement. As of December 31, 2021, the Grandfathered Generators that supply electric energy to our operations in Mexico have all obtained injunctions against the applicable CRE Resolutions. We are closely monitoring the progress of such constitutional challenges as certain contractual clauses regarding wheeling charges pass-through, which are typical of these types of agreements, expose CEMEX to the increases called for by the CRE Resolutions. On August 28, 2020, we filed a constitutional challenge against the CRE resolution applicable to Grandfathered Generators operating conventional power plants and we were granted an injunction against such CRE Resolution, though as of December 31, 2021, no final ruling on the appeal filed by the CRE against such injunction had been issued. As of December 31, 2021, we cannot assess with certainty the outcome of the legal challenges presented against the CRE Resolutions, or the impact that an adverse resolution on those could have on our business, operations and contractual obligations in Mexico.

On March 9, 2021, a decree amending several key provisions of the Electric Industry Law was published in the Official Mexican Gazette (the "Energy Industry Law Reform"). The Energy Industry Law Reform, among other consequences, (i) strengthens the National Electricity Commission's powers in Mexico's energy sector and grants its hydropower and conventional power plants preference on the use of transmission and distribution infrastructure over power plants owned by private parties; (ii) restricts the access to the national grid and general distribution network infrastructure by establishing new rules on open access for interconnection; (iii) subjects

applications for power generation permits to new requirements for meeting certain planning criteria discretionarily established by the Ministry of Energy; and (iv) allows the CRE to revoke power generation permits granted to Grandfathered Generators which are subject to the laws and regulations that were applicable before the Mexican energy reform of 2013-2014, if found to have been obtained fraudulently. Shortly thereafter, federal judges granted injunctions under constitutional challenges filed by several private generators (including the Grandfathered Generators that supply electric energy to our operations in Mexico) and other participants in the Electricity Market temporarily suspending the effects of the Energy Industry Law Reform not only with respect to the parties that filed the constitutional challenges, but also on a general basis for all participants in the Electricity Market, though SENER filed appeals to challenge such rulings. Moreover, on April 22, 2021, COFECE filed a legal controversy claim with Mexico's Supreme Court arguing that the Energy Industry Law Reform adversely affects the competitive nature of Mexico's energy market. The legal controversy claim was admitted by Mexico's Supreme Court on May 11, 2021, albeit without granting an injunction suspending the effects of the Energy Industry Law Reform. Furthermore, on July 1, 2021, a Federal Circuit Court of Appeals overturned one of the injunctions that had a general scope of application granted against the enforcement of the Energy Industry Law Reform. On August 10, 2021, the Energy Industry Law Reform was deemed unconstitutional by one federal judge under one of the constitutional challenges filed by private generators. This decision was immediately appealed by the Mexican Congress and final ruling on the appeal filed by the Mexican Congress has yet to be issued by the Mexican Supreme Court and therefore the matter is not yet resolved. As of December 31, 2021, we cannot anticipate the impact that the Energy Industry Law Reform could have on our business, operations, and contractual obligations in Mexico if it were to be upheld by the Mexican Supreme Court, nor we can anticipate the impact that such reform could have on our business, operations and contractual obligations in Mexico. However, if such reform were to limit the dispatch of renewable energy generators or impose new costs or charges to the renewable electric energy industry, and/or cause new regulatory burdens for participants in Mexico's wholesale Electricity Market, we could have an adverse effect on our business, operations and contractual obligations in Mexico, and our plans to reduce the use of fossil fuels and our CO_2 reduction commitments could be affected.

On May 21, 2021, the Ministry of Energy published in the Federal Official Gazette (*Diario Oficial de la Federación*) the "Decree by means of which several provisions of the Hydrocarbons Law are added and amended" (*Decreto por el que se reforman y adicionan diversas disposiciones de la Ley de Hidrocarburos* or the "Hydrocarbons Law Reform"). The Hydrocarbons Law Reform entered into force on May 5, 2021 and will, among other things, (i) increase requirements for obtaining new permits, (ii) impose new conditions on existing permits and (iii) impose new grounds for revocation of permits. We have not yet determined if the Hydrocarbons Law Reform would have a material adverse impact on our results of operations, liquidity or financial condition. As of December 31, 2021, several federal judges have issued injunctions against the Hydrocarbons Law Reform, which have generally suspended its effects.

On September 30, 2021, a draft bill amending several articles of the Mexican Constitution in matters concerning the legal framework for Mexico's energy industry (the "Energy Reform Bill") was submitted to the House of Representatives of the Mexican congress. The Energy Reform Bill aims to completely reverse the December 2013 constitutional energy reform in matters related to the electricity sector, although it also contemplates important changes for the oil & gas and the mining sectors, such as the disappearance of the National Hydrocarbons Commission (*Comisión Nacional de Hidrocarburos*), the elimination of all references to state productive enterprises conducting oil & gas exploration and production activities, and the prohibition to grant concessions for the exploitation of lithium. As for the regulatory framework concerning the electricity sector, some of the main amendments introduced by the Energy Reform Bill are: (i) the generation, conduction, transformation, distribution, and supply of electric power, including the exploitation of natural resources and assets, would become a strategic area of the state; (ii) CENACE would be re-integrated back into CFE and the latter would operate as a single and autonomous governmental entity taking over the current functions of CENACE, and the responsibility of operating the electric grid, and would be exclusively in charge of preserving energy security and sufficiency, as well as the supply of electric power to all the population; (iii) the CRE would disappear and SENER would assume the former's functions; (iv) power generation permits, together with all

power purchase agreements entered into with the private sector and all pending permit applications would be cancelled as of the date on which the amendments introduced by Energy Reform Bill become effective; and (v) all clean energy certificates would be cancelled. An open parliament session during which experts, business leaders and lawmakers are participating in discussions related to the main aspects of the Energy Reform Bill is expected to start during the second half of January of 2022. As of December 31, 2021, we are not able to assess if the Energy Reform Bill will be passed in its current form, or if the bill will be subject to further amendments.

See "Item 5—Operating and Financial Review and Prospects—Recent Developments—Recent Developments Relating to Our Regulatory Matters and Legal Proceedings—Environmental Matters—Mexico."

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. As of December 31, 2021, 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 also believe that we take appropriate precautions designed to protect employees and others from harmful exposure to hazardous materials.

As of December 31, 2021, CEMEX, Inc. and its subsidiaries had accrued liabilities specifically relating to environmental matters in the aggregate amount of $70.1 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 waste and (ii) the cleanup of hazardous substances or waste at sites used or operated by CEMEX, Inc. and its subsidiaries including discontinued operations, either individually or jointly with other parties. Most of these matters 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 as of December 31, 2021, 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. We have actively engaged with the EPA on its investigations, which involved multiple of our facilities in the United States, and have entered into four settlements involving a total of $6.1 million in civil penalties and a commitment to incur certain capital expenditures for pollution control equipment at our Victorville, California; Fairborn, Ohio (divested on February 10, 2017); Lyons, Colorado; Knoxville, Tennessee; Louisville, Kentucky (divested on March 6, 2020); Demopolis, Alabama; Odessa, Texas (divested on November 18, 2016); and New Braunfels, Texas plants. Based on our past experience with such matters and currently available information, as of December 31, 2021, we believe any further proceedings should 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. Furthermore, permits to extend the areas available to mine at the FEC and SCL quarries were received on May 7, 2020 and July 22, 2020, respectively. 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, meaning that no new aggregates would be quarried from wetland areas at Kendall Krome pending the resolution of the potential environmental issues, with the FEC and SCL quarries continuing to operate. On November 15, 2020, the Corps determined that the wetlands at the Kendall Krome quarry are not subject to the jurisdiction of the Clean Water Act. Therefore, Clean Water Act permits will not be required to resume mining at the Kendall Krome site. If CEMEX Florida is unable to maintain the new Lake Belt permits, to the extent available, CEMEX Florida would need to source aggregates from other locations in Florida or import aggregates. This would likely affect operating income from our operations in Florida. As of December 31, 2021, 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, the EPA proposed regulating Coal Combustion Residuals ("CCRs") generated by electric utilities and independent power producers as a hazardous or special waste under the United States Resource Conservation and Recovery Act. On December 19, 2014, the EPA issued a final rule on the regulation of CCRs. In the United States, we no longer use CCRs as a raw material in our cement manufacturing process, nor as a supplemental cementitious material in our ready-mix concrete products.

Our operations in the United States 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 ("Title V"). 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 CO_2 equivalent ("CO_2E"). 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 CO_2E 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 CO_2E or any existing source that emits 100,000 tons/year of CO_2E and undergoes modifications that would increase CO_2E emissions by at least 75,000 tons/year, must comply with PSD obligations. Complying with these PSD permitting requirements can involve significant costs and delay. As of December 31, 2021, 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, which in turn could have a material adverse impact in our results of operations, liquidity and financial condition.

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 CO_2 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, our Victorville cement plant met all of its compliance obligations for the second compliance period (2015-2017) without a material impact on its operating costs; and also met all of its compliance obligations for the third compliance period (2018-2020) without a material impact on its operating costs. Furthermore, as of December 31, 2021, for our operations in California, we are actively pursuing initiatives to substitute fossil fuels for lower carbon 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, as of December 31, 2021, the measures corresponding to future compliance periods of AB32, which may eventually require us to purchase emission allowances at increased prices due to their reduced availability, and the resulting overall costs of complying with a cap-and-trade program, could have an impact on our operations in California, which in turn could have an adverse impact on the results of operations, liquidity and financial condition of our operations in the U.S., and consequently on us.

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 require 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 December 31, 2021, compliance with the CARB regulations has resulted in equipment related expenses or capital investments, including overhauling engines and purchases of new equipment related to the CARB regulations, in excess of $76 million. As of December 31, 2021, we estimate that we may continue to incur substantial expenditures to comply with these requirements.

In 2019, Colorado adopted the Climate Action Plan to Reduce Pollution (House Bill 19-1261) ("CCAP"). The CCAP sets into law a goal to reduce the state's greenhouse gas pollution levels by 25% by 2025, 50% by 2030 and 90% by 2050 compared to 2005 levels. Rulemaking to implement CCAP is now ongoing by the Colorado Department of Public Health and Environment, Air Pollution Control Division, and the resulting rules and regulations might result in the requirement for additional emissions control technology and other changes in operating processes for cement manufacturers. Further, on October 22, 2021, the Colorado Air Quality Control Commission passed the Green Gas Emissions and Energy Management for Manufacturers in Colorado rule (the "GEMM"). The GEMM became effective on December 15, 2021. The GEMM intends to reduce air pollution, save energy, and improve air quality in communities near emitting facilities. It requires specific facilities in the

state that produce 50,000 tons or more in GHG emissions, including our construction materials facility in Lyons, to, among other things, prepare and submit to the Air Pollution Control Division an energy and GHG audit demonstrating that they are using GHG Best Available Control Technologies and Energy Best Management Practices. If the audit shows a facility is using GHG Best Available Control Technologies and Energy Best Management Practices, it will still be required to reduce its GHG emissions by 5%. On the other hand, if a facility's audit shows it is not using such best controls to save energy and reduce GHG emissions, it will need to reduce the same amount of emission that those best controls would achieve, plus reduce an additional 5% in total GHG emissions. Additionally, in July 2021, Colorado adopted the Environmental Justice Act (House Bill 21-1266) (the "EJA"), which requires Colorado's manufacturing sector as a whole to reduce GHG emissions 20% by 2030, based on 2015 reported emissions. The regulations to implement the EJA are expected to be addresses in a second phase of the GEMM rulemaking in 2022 and 2023. We are currently working to comply with the GEMM and following developments in any new regulations proposed to implement the EJA.

Europe

General overview of EU industrial regulation

As of December 31, 2021, the EU legal system operates differently compared to federal systems. The EU legal regime, referred to as supra-national law, sits above the legal systems of the different EU member states ("Member States"), which retain their independence subject to tight oversight from EU institutions, especially the Court of Justice and the European Commission. 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 EU legislation, the Member States must implement or transpose the EU law 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 legislation. This is of relevance to the cement sector since almost every aspect of its environmental regulation has its origins in EU legislation.

In the EU, the cement sector is subject to a range of environmental laws at EU and national Member States 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 further explained 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, even these more general laws indirectly impact our industry through permitting emissions control systems.

EU Industrial Permits and Emissions Controls

In the EU, the primary legal environmental controls applied to cement plants are those EU Directives which control operational activities and emissions from those activities. Initially, these controls were primarily derived from two EU Directives: (1) the so-called "IPPC Directives" (as described below) and (2) the Incineration Directive (as defined below).

The primary EU legislative control over the sector (until the transition to the IED, as described below) was the Directive on Integrated Pollution Prevention and Control (2008/1/EC) ("IPPC Directive"), which updated and

consolidated an earlier Directive first promulgated in 1996. Since 1996, these IPPC Directives adopted an integrated approach to regulation of various sectors of industrial plants, including cement, by taking into account and controlling/regulating the whole environmental performance of the plant.

The second earlier Directive, which was applied in direct control of cement operations (until the transition to the IED, as described below), 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 limestone 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.

On January 6, 2011, the Industrial Emissions Directive (2010/75/EU) ("IED") came into force. The IED recasts seven pieces of previously 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 and tightens some of its provisions. 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.

Since the adoption of the early IPPC Directives and 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. Under the IED, as with the IPPC Directive, these permits contain emission limit values and other conditions based on the application of a 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 is 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, their 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 and must address energy efficiency, waste minimization, prevention of accidental emissions and site restoration. Since the IPPC Directives were in effect, to assist the permitting authorities and companies in determining the BAT, the European Commission periodically organizes exchanges of information between experts from the Member States, industry and environmental organizations. This results in the adoption and publication by the European Commission of BAT Reference Documents ("BREFs") for the industry sectors covered by the IED. A key element of the BREFs are the conclusions on BAT ("BAT conclusions"), which are used as a reference for setting permit conditions.

However, there is an important difference regarding BREFs 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, pursuant to European Commission Decision No. 2013/163/EU, the European Commission published new BAT conclusions under the IED for production of cement, lime and magnesium oxide, together with specific emission levels. This document sets out an extensive list of technical requirements for most aspects of the cement manufacturing process in the EU, with a view to prevention and minimization of all polluting emissions.

It is a new requirement under the IED that permitting authorities must review and, if necessary, update permit conditions within four years of the European Commission publishing decisions on BAT conclusions for a particular activity. The European Commission describes review of the BREFs as a continuing process due to ongoing technological advances and so updates may be expected. As of December 31, 2021, a total of 15 BREFs of the existing 32 are being rewritten or revised for the IED. As of December 31, 2021, this has the potential to require our operations in Europe to be adapted to conform to the latest BAT, which in turn could impact our operations.

As of December 31, 2021, we believe that our operations in Member States will be impacted given the change in regulatory approach heralded by the legislation and its ongoing revision and the fact that it will be key to the permitting of the cement industry in the EU. As of December 31, 2021, we are not able to assess the degree of impact the requirements that come into effect under the IED will have on our operations in Member States.

EU Emissions Trading

In 1997, as part of the United Nations Framework Convention on Climate Change (the "UNFCCC"), 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 EU. Under the Kyoto Protocol, industrialized countries agreed to reduce their collective GHG emissions by 5% against 1990 levels over the five-year period going from 2008 to 2012 ("First Commitment Period"). In 2012, at the United Nations Climate Change Conference in Doha, Qatar, the Doha Amendment to the Kyoto Protocol was adopted. Certain parties, including the United Kingdom and the EU, committed to reduce GHG emissions by at least 18% below 1990 levels in the eight-year period going from 2013 to 2020 ("Second Commitment Period"). To compensate for the sting of binding targets, the Kyoto Protocol allowed 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 order to be able to maintain the international climate protection process after 2020, a new climate agreement was required. Negotiations were held in the framework of the yearly UNFCCC Climate Change Conferences on measures to be taken after the Second Commitment Period would end in 2020. This resulted in the adoption of an agreement known as the Paris Agreement in 2015, which is a separate instrument under the UNFCCC rather than an amendment of the Kyoto Protocol. Under the Paris Agreement, each country must determine, plan, and regularly report on the contribution that it undertakes to mitigate global warming ("Nationally Determined Contribution" or "NDC"). The Paris Agreement sets out a global framework to avoid dangerous climate change by limiting global warming to well below 2°C and pursuing efforts to limit it to 1.5°C. The EU's NDC under the Paris Agreement is to reduce GHG emissions by at least 55% by 2030 compared to 1990.

Initially in order to implement the Kyoto Protocol, and now to implement the Paris Agreement, the EU established an emissions trading system ("ETS") by means of Directive 2003/87/EC. Under the ETS, a cap or limit is set on the total amount of CO_2 emissions that can be emitted by the power plants, energy-intensive installations (including cement plants) and commercial airlines that are covered by the system. As of December 31, 2021, our operations in the European Union are subject to the binding caps on CO_2 emissions imposed pursuant to the ETS. 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. In general, failure to meet the emissions caps is subject to significant monetary penalties of €100 for each ton of CO_2E emitted by the installation for which the operator has not surrendered allowances.

The ETS consists of four 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, Phase III, which commenced on January 1, 2013 and ended on December 31, 2020, and Phase IV, which commenced on January 1, 2021 and will last until December 31, 2030. 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 set 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 had to be surrendered to account for one 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 was replaced by a single EU-wide, top-down, cap on CO_2 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 were introduced on the extent to which Kyoto Protocol units could be used to offset EU carbon emissions, and auctioning, not free allocation, became the default method for distributing allowances. During Phase IV of the ETS (2021-2030), the EU-wide overall cap on emission allowances will be reduced by 2.2% every year from 2021, benchmarks will be updated based on recent data twice during the 2021-2030 period, a more dynamic allocation based on recent production shall replace the "historical activity level" and less emission allowances will be available for auction due to their allocation to the EU's Market Stability Reserve. As of December 31, 2021, it is not possible to predict with certainty how CEMEX will be affected by the reform to the ETS in Phase IV and which regulations implementing the European Union's NDC and Green Deal (as defined below) will be approved; however, we currently expect that the aggregate amount of allowances that will be annually allocated for free to CEMEX in Phase IV, due to unused surplus from previous phases, should be sufficient for our operations in Europe until at least the end of 2025. If any emission allowances would need to be purchased, such emission allowances would likely be purchased at increased prices due to their reduced availability in auctions, since they would have been allocated to the Market Stability Reserve. If emission allowances for Phase IV were to be insufficient at some point which would trigger the need to purchase emission allowances, all of this could have a material impact on our results of operations, liquidity and financial condition.

EU policymakers have traditionally seen the free allocation of allowances as a principal 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 CO_2 emissions without any environmental benefits.

A list of ETS sectors deemed to be at significant risk of carbon leakage is periodically adopted by the European Commission, following agreement by Member States and the European Parliament. The main factors taken into account in determining whether a sector is at significant risk of carbon leakage include the extent to which direct and indirect costs induced by the implementation of the ETS would increase production cost,

calculated as a proportion of the gross value added and the sector's trade intensity with non-EU countries (imports and exports). This list has historically included the cement production sector.

Sectors classified as deemed to be at significant risk of carbon leakage continued to receive 100% of their benchmark allocation of allowances free of charge during Phase III, adjusted by a cross-sectoral correction factor applied uniformly upon all participating facilities in Europe in order to reduce the amount of free allocation that each installation received so that the total sum would not exceed the authorized EU-wide cap for free allocation. By contrast, sectors not considered at risk of carbon leakage received 80% of their benchmark allowances for free in 2013, declining to 30% by 2020. Although the cement industry is included in the list of sectors at significant risk of carbon leakage for Phase IV of the ETS; and, therefore, as of December 31, 2021, CEMEX has received free allocation during Phase IV of the ETS, a future decision that the cement industry should no longer be regarded at a significant risk of carbon leakage or the adoption of certain measures as part of the CBAM (as defined below) could have a material impact on our operations and our results of operations, liquidity and financial condition.

On April 27, 2011, the European Commission adopted Decision 2011/278/EU, which stated the rules, including the benchmarks of GHG emissions performance, to be used by the Member States in calculating the number of allowances to be annually allocated for free during Phase III of the ETS to industrial sectors (such as cement) deemed to be exposed to the risk of "carbon leakage." The number of allowances to be allocated to installations for free was 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 was calculated by taking the median of its annual production levels during the baseline period, either 2005 to 2008 or, where historic activity levels were higher, 2009 to 2010. The product benchmark was based on the average carbon emissions of the top 10% most "carbon efficient" EU installations for a particular product during 2007 and 2008, 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 which set the annual cross-sectoral correction factors for Phase III of the ETS. The cross-sectoral correction figure was used to adjust the levels of product benchmarks used to calculate the free allocation of allowances to each installation. This was to ensure that the total amount handed out for free did not exceed the maximum set in the ETS Directive. Each Member State was required to adjust its national allocation table of free allowances each year and submit this for approval to the European Commission prior to issuing allowances. The application of this cross-sectoral correction factor resulted in an important decrease in the quantity of allowances that our ETS-participant operations received for free in the 2013-2020 period. Also, during Phase III, if the activity level of a sub-installation and thus emissions therefrom decreased below a certain threshold than the activity level used to determine free allocation, rules known as the "partial cessation rules" would apply and the level of free allocation would be decreased. While the system for free allocation during Phase IV of the ETS doesn't differ fundamentally from that of Phase III, free allocation during Phase IV of the ETS will focus on sectors at the highest risk of relocating their production outside of the EU, a considerable number of free allowances will be set aside in the Market Stability Reserve for new and growing installations, more flexible rules in place of the "partial cessation rules" have been set to better align the level of free allocation with actual production levels, allocation to individual installations may be adjusted annually to reflect relevant increases and decreases in production, the 54 benchmark values determining the level of free allocation to each installation will be updated twice in Phase IV to avoid windfall profits and reflect technological progress since 2008, and an annual reduction rate varying from 0.2% to 1.6% will be determined for each benchmark. Furthermore, the free allowance mechanism may be affected as a result of the potential adoption of certain measures as part of the CBAM (as defined below).

In addition to carbon allowances, up to the end of its Phase III, the ETS allowed the use or exchange of Kyoto Protocol units by companies for compliance up to a certain limit to offset their carbon emissions in the EU: the Emission Reduction Unit, representing a metric ton of carbon saved by a project under the JI mechanism,

and the Certified Emission Reduction unit ("CERs") under the CDM. As of December 31, 2021, we have registered 19 CDM projects with a total potential to, according to our estimates, reduce 2.44 million tons of CO_2E emissions per year. Since July 2014, we do not verify the actual reductions, so we do not generate CERs on an annual basis since then. As of December 31, 2021, we have already used the maximum allowed number of CERs in all EU operations. Under Phase IV, Emission Reduction Units and CERs will no longer be usable or exchangeable for compliance purposes.

Despite having sold a substantial amount of allowances during Phase II of the ETS, the aggregate amount of allowances that were annually allocated for free to CEMEX in Phase III of the ETS (2013-2020) were sufficient to operate, which lead us to also sells a significant number of allowances that had been allocated to us in Phase III. This stems from various factors, notably our efforts to reduce emissions per unit of clinker produced and the stream of offset credits coming from our internal portfolio of CDM projects. As of December 31, 2021, we are taking measures intended to minimize our exposure to the ETS, while continuing to supply our products to our customers. As of December 31, 2021, it is not possible to predict with certainty how CEMEX will be affected by the ETS in Phase IV; however, we currently expect that the aggregate amount of allowances that will be annually allocated for free to CEMEX in Phase IV, due to unused surplus from previous phases, should be sufficient for our operations in Europe until at least the end of 2025. If any emission allowances would need to be purchased, such emission allowances would likely be purchased at increased prices due to their reduced availability in auctions, since they would have been allocated to the Market Stability Reserve. All of this could have a material impact on our results of operations, liquidity and financial condition. Also, although the cement industry is included in the list of leakage sectors which will receive free allocation of allowances during Phase IV of the ETS, a future decision that the cement industry should no longer be regarded at a significant risk of carbon leakage or the adoption of certain measures as part of the CBAM (as defined below) could have a material impact on our operations and our results of operations, liquidity and financial condition.

Additionally, as a result of the ongoing COVID 19 pandemic, some of CEMEX's plants in Europe temporarily reduced operations or halted production, in some cases, such as in Spain, following mandatory rules from governmental authorities. Given that the rules for Phase IV of the ETS provide for adjustment of free allocations as a result of actual production levels, this is expected to impact our CO_2 allocation for the remainder of the 2021-2030 period, as production in time will condition allocations for the following years. Since we do not know (i) if the EU will apply any special regulation for those situations, and/or (ii) the extent to which production levels will be affected in the future as a result of the COVID 19 pandemic, as of December 31, 2021, we are not able to assess the real impact this will have on our CO_2 allocation for the remainder of the 2021-2030 period. In general, as of December 31, 2021, us receiving free allocations is subject to conditioning due to reductions in levels of production, some of which may be temporary or circumstance-based; and, to the extent this results in our plants foregoing free carbon allowances, this could represent a significant loss of revenue to us, since carbon allowances are also tradable, which in turn could have a material adverse impact on our results of operations, liquidity and financial condition.

Furthermore, as a result of the 2019 United Nations Climate Change Conference, also known as "COP25" held in Madrid, Spain, the EU published its "Green Deal" setting out Europe's strategy to achieve its current NDC and carbon neutrality by 2050. Among the measures that make up the European Union's Green Deal, the following are expected to impact our industry in the coming years: (i) implementation of a carbon border adjustment to protect from imports, which may be an obstacle for our industry to preserve free allocation; (ii) stricter enforcement of the existing legislation on energy performance of buildings; (iii) extending the ETS to the maritime sector, and possibly also to other sectors, including those related to construction; (iv) implementation of measures to address pollution from industrial activities; (v) development of a new sustainable finance strategy; and (vi) a review of regulations that cover construction products, as well as other initiatives.

On July 14, 2021, the European Commission proposed the following in relation to the measures mentioned in the paragraph above to ensure the fulfillment of the goals contained in its Green Deal, among

others: (i) The implementation of the Carbon Border Adjustment Mechanism ("CBAM"), which would equalize the price of carbon between EU domestic products and imports mainly by making EU importers buy carbon certificates corresponding to the carbon price that would have been paid, had the goods been produced under the EU's carbon pricing rules. Conversely, once a non-EU producer can show that they have already paid a price for the carbon used in the production of the imported goods in a third country, the corresponding cost can be fully deducted for the EU importer. The CBAM should help reduce the risk of carbon leakage and is expected to eventually replace the ETS free allowances granted to EU producers. The initial CBAM proposal shortlisted clinker and portland cement, among others, as goods subject to the adjustment mechanism. According to the proposal, CBAM would be introduced progressively starting in 2023, having a transitional period consisting of data collection starting January 1, 2023, to and including December 31, 2025. The proposal envisions CBAM to be fully implemented in 2026 with the beginning of its definitive stage; (ii) A reduction of the overall emission cap and an increase in the overall annual rate of reduction of emissions under the ETS was proposed. The proposal also intends to reduce free allowances in the ETS for sectors covered by the CBAM at the rate of 10% per year from 2026 to 2035, when they would be completely eliminated; (iii) For the maritime sector, building sector relating to heating in buildings with outdated systems that use polluting fossil fuels, and road transport to be incorporated into the ETS; (iv) The implementation of a separate emissions trading system for fuel distribution for road transport and buildings; (v) To increase the size of the EU's Innovation and Modernization Funds, which are currently expected to be funded by the revenues from auctioning 450 million allowances from 2020 to 2030. If approved, this could potentially increase the amount of allowances to be auctioned, therefore reducing the price for such allowances; and (vi) An increase in its target to produce the EU's energy from renewable sources by 2030 from 32% to 40% of the total energy production.

As of December 31, 2021, none of the proposals described above has been approved, as they are still subject to consultation throughout the first half of 2022. As a result, as of December 31, 2021, we are not able to foresee the final form of these proposals or any future proposals to achieve the goals of the Green Deal; and, consequently, we are not able to assess if their approval and implementation would have a material adverse impact on our results of operations, liquidity, and financial condition.

As of January 1, 2021, an independent emissions trading system in the United Kingdom (the "UK ETS") replaced the ETS in the United Kingdom. The United Kingdom has already issued regulations establishing the structure of the UK ETS, including a cap on emissions each year to 2030. With some exceptions, the UK ETS is similar to the ETS and provides continuity after the transition from the ETS. Among these exceptions are the following: (i) a tighter annual cap than under the ETS, at 5% below the Phase IV ETS cap; and (ii) greater fines to apply, as a charge of £100 would be imposed for each ton of emissions not covered by allowances, which is higher than the €100 fine under the ETS. The United Kingdom cap is set to be revised in 2024 to fully align with a net-zero trajectory. As of December 31, 2021, although the UK ETS provides continuity after the transition from the ETS, it is not possible to predict with certainty how CEMEX will be affected by the UK ETS. As in Phase IV of the ETS and given the expected tighter caps and expected revision in 2024, the aggregate amount of allowances allocated to CEMEX under the UK ETS could not be sufficient for our operations in the UK, and, therefore, CEMEX could require to purchase emission allowances at some point in time. It could be necessary to purchase these emission allowances at increased prices due to potential insufficient liquidity and increased price volatility in the UK ETS compared to the ETS. All of this could have a material impact on our results of operations, liquidity and financial condition.

In furtherance of the Paris Agreement, countries are invited to deliver new NDCs every five years. During COP25, 41 countries, including the EU, representing 10.1% of global emissions committed to update their respective NDC during 2020. Furthermore, 80 countries signaled their intention to enhance ambition or action in an NDC by 2020, representing 10.5% of global emissions. Where satisfied, the aforementioned commitments and intentions were satisfied to varying degrees. All countries where CEMEX has operations, except for the Mexico and the Philippines updated and/or enhanced their 2030 NDC targets during COP26 held in Glasgow in November 2021. In addition, more than 130 countries have now set or are considering a target of reducing

emission to reaching carbon zero by 2050. As of December 31, 2021, it is uncertain if the delivery of new NDCs or these enhanced action plans for carbon reduction will lead to the implementation of any further regulations, and if any such implementation would have a material adverse impact on our results of operations, liquidity and financial condition.

EU Taxonomy

Further to the European Union's climate and energy targets and to reach the objectives of its Green Deal, the European Union has sought to establish a framework to facilitate sustainable development under Regulation (EU) 2020/852 (the "EU Taxonomy Regulation"), which was published in the Official Journal of the European Union on June 22, 2020 and entered into force on July 12, 2020 (although key provisions will be developed by delegated acts and will only come into force at later dates). Within the framework of the EU Taxonomy Regulation, the technical Expert Group on Sustainable Finance published a final report on a classification system that sets out a list of environmentally sustainable economic activities (the "EU Taxonomy"). In addition to imposing certain reporting obligations, the classification of a company's activities under the EU Taxonomy could, among other things, influence a company's ability to access funds for certain projects, the financial markets or financial products.

Great Britain 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 £178.0 million ($240.8 million as of December 31, 2021, based on an exchange rate of £.7391 to $1.00) as of December 31, 2021, and we made an accounting provision for this amount.

Philippines Environmental Class Action

On September 20, 2018, a landslide occurred in Sitio Sindulan, Barangay Tina-an, Naga City, Cebu, Philippines (the "Landslide"), a site located within an area covered by mining rights of ALQC.

We are an indirect minority shareholder in ALQC, the principal raw material supplier of one of our subsidiaries in the Philippines, APO.

On November 19, 2018, CHP and APO were served summons concerning an environmental class action lawsuit filed by 40 individuals and one legal entity (on behalf of 8,000 individuals allegedly affected by the Landslide) at the Regional Trial Court of Talisay, Cebu (the "Cebu Court"), against CHP, ALQC, APO, the Mines and Geosciences Bureau of the Department of Environment and Natural Resources, the City Government of Naga, and the Province of Cebu, for "Restitution of Damage of the Natural and Human Environment, Application for the Issuance of Environmental Protection Order against Quarry Operations in Cebu Island with Prayer for Temporary Protection Order, Writ of Continuing Mandamus for Determination of the Carrying Capacity of Cebu Island and Rehabilitation and Restoration of the Damaged Ecosystems."

In the complaint, among other allegations, plaintiffs claim that the Landslide occurred as a result of the defendants' gross negligence; and seek, among other relief, (i) monetary damages in the amount of 4.3 billion Philippine Pesos ($84.21 million as of December 31, 2021, based on an exchange rate of 51.05 Philippine Pesos to $1.00), (ii) the establishment of a 500 million Philippine Pesos ($9.79 million as of December 31, 2021, based on an exchange rate of 51.05 Philippine Pesos to $1.00) rehabilitation fund, and (iii) the issuance of a Temporary Environment Protection Order against ALQC aiming to prevent ALQC from performing further quarrying activities while the case is still pending.

As of December 31, 2021, among other defenses and based on a report by the Mines and Geosciences Bureau of the Department of Environment and Natural Resources, CHP, APO and ALQC (individually, each a "Private Defendant" and collectively, the "Private Defendants") deny liability and hold the position that the Landslide occurred due to natural causes.

In an order dated August 16, 2019, the Cebu Court denied plaintiffs' Application for Temporary Environment Protection Order. Plaintiffs moved for reconsideration, but the Cebu Court also denied plaintiffs' motion in an order dated September 30, 2019. Plaintiffs did not appeal this ruling, which became final as of December 5, 2020.

Likewise, in a separate order also dated September 30, 2019, the Cebu Court partially granted the affirmative defenses raised by Private Defendants in their respective answers, and ruled, among others, that the subject case against CHP and APO is dismissed for failure to state a cause of action. The Cebu Court also ruled that: (i) the 22 plaintiffs who failed to sign the verification and certification against forum shopping are dropped as party-plaintiffs; (ii) the subject case is not a proper class suit, and that the remaining 17 plaintiffs can only sue for their respective claims, but not as representatives of the more than 8,000 alleged victims of the landslide incident; (iii) plaintiffs' cause of action against ALQC for violation of Section 19(a) of Republic Act No. 10121 is dismissed; (iv) there is a misjoinder of causes of action between the environmental suit and the damage suit; and (v) the damage suit of the remaining plaintiffs will proceed separately upon payment of the required docket fees within 30 days from receipt of order, otherwise, the case for damages will be dismissed. A motion for reconsideration filed on November 26, 2019 by the plaintiffs was denied entirely in an order dated November 17, 2021. Additionally, in such order, the Cebu Court granted the motions of the Mines and Geosciences Bureau and the City Government of Naga and dismissed the case against them. As of December 31, 2021, only ALQC remains as a party-defendant in the case, as the Province of Cebu was dropped as party-defendant during the hearing that took place on September 11, 2020. This Cebu Court order can still be appealed by the plaintiffs before the Court of Appeals of the Philippines. As of December 31, 2021, we have not yet been notified of the filing of plaintiffs.

In the event that the latter order is reversed on appeal by the Court of Appeals of the Philippines, and a final adverse resolution is issued in this matter after trial, plaintiffs will have the option to proceed against any one of ALQC, APO or CHP for satisfaction of the entirety of the potential judgement award, without the need to proceed against any other Private Defendant beforehand. Thus, ALQC's, APO's or CHP's assets alone could be exposed to execution proceedings. As of December 31, 2021, at this stage of the overall proceedings and considering all possible defenses that could be available, while we cannot assess with certainty the likelihood of an adverse result in the overall proceedings, we believe a final adverse resolution in the overall proceeding is not probable, and, in turn, because we are not able to assess the outcome of the appeal that may still be filed by the plaintiffs to challenge the Cebu Court's latest order, we are not able to determine if a final adverse resolution, if any, would have a material adverse impact on the Company's consolidated results of operations, liquidity and financial condition.

See "Item 5—Operating and Financial Review and Prospects—Recent Developments—Recent Developments Relating to Our Regulatory Matters and Legal Proceedings—Environmental Matters—Philippines Environmental Class Action."

Tariffs

The following is a discussion of tariffs on imported cement in some of the countries and regions in which we operate.

Mexico

Mexican tariffs on imported goods vary by product and have historically been as high as 100%. Over the years, import tariffs have been substantially reduced and currently range from none at all for raw materials to

over 20% for finished products. As a result of North American Free Trade Agreement ("NAFTA"), starting January 1, 1998, the tariff on cement imported into Mexico from the United States or Canada was eliminated. A new agreement signed on November 30, 2019, called the United States-Mexico-Canada Agreement ("USMCA"), and which supersedes NAFTA, entered into force on July 1, 2020. The USMCA does not have any impact on tariffs on cement imported from the United States or Canada into Mexico.

While the lack of existence or reduction in tariffs could lead to increased competition from imports in the markets in Mexico in which we operate, it is possible that other factors, such as the cost of transportation incurred from most producers outside Mexico to central Mexico, traditionally the region of highest demand in Mexico, could be seen as a barrier to enter certain of the regions in Mexico in which we operate.

United States

In general, and aside from any other restrictions or prohibitions, as of December 31, 2021, any 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.

On September 18, 2018, the United States Trade Representative ("USTR") released a list of $200 billion worth of Chinese imports that were to be subject to additional tariffs. This list included cement, clinker, slag cement, and granulated slag from the manufacture of iron or steel. These additional tariffs were effective starting September 24, 2018 and initially were in the amount of 10%. The U.S. was expected to increase the additional tariffs to 25% starting January 1, 2019, but this increase was postponed for 90 days starting on December 1, 2018, to allow time for the United States and China to negotiate their trade disputes. Accordingly, absent a resolution of the trade disputes, the rate of additional duty for the products covered by the September 2018 tariff action increased to 25% on May 10, 2019. On August 23, 2019, the United States announced that the current 25% import tariff would be increased to 30% by October 1, 2019. On September 11, 2019, the United States announced that implementation of this increase would be delayed to October 15, 2019, however, the implementation of this increase has not yet occurred as of December 31, 2021, and the tariff remains at 25%.

Also, as of December 31, 2021, cement imports from countries other than Cuba, China and North Korea into the United States are currently duty free, however, certain 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 EU are subject to the uniform EU commercial policy. There is no tariff on cement imported into a country that is a member of the EU from another member country or on cement exported from an EU country to another member country. As of December 31, 2021, 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 EU is subject to the same tariffs as members of the EU. Most Eastern European producers exporting cement into EU countries currently pay no tariff.

United Kingdom

Following the United Kingdom's exit from the European Union Single Market and Customs Union in early 2021, the United Kingdom is no longer required to abide by the European Union's Common External Tariff and has introduced its own U.K. Global Tariff schedule (the "UKGT"), which determines duties and tariffs on goods on a "Most Favoured Nation" basis in line with World Trade Organization principles. Pursuant to the UKGT, tariffs of 1.7% to 2.7% have been removed on over 40 construction products, including portland cement, marble, granite, various other types of building stone and plaster boards.

The United Kingdom has also entered into a trade agreement with the European Union, known as the EU-UK Trade and Cooperation Agreement, which provides for continued trade without the imposition of tariffs and quotas.

Asia

On August 27, 2019, the Department of Trade and Industry ("DTI") of the Republic of the Philippines imposed a general safeguard measure on imported cement from various countries (Department Administrative Order 19-13 ("DAO"), Series of 2019) for a period of three years (October 2019 to October 2022). On December 5, 2020, this safeguard was updated in order to make cement imports of cement types 2523.29.90 and 2523.90.00 under ASEAN Harmonized Tariff Nomenclature from major exporting markets of China, Japan, Taiwan, Thailand and Vietnam, subject to a general safeguard duty of 245 Philippine Pesos per metric ton for the second year (i.e., from October 22, 2020 to October 21, 2021) of the aforementioned three-year period. On March 3, 2021, the DTI amended the DAO on cement safeguards, specifically removing certain countries from the list of developing countries and separate customs territories which are exempted from the safeguard measure that meet the de-minimis level of import volume share (less than 3%) to total cement importation. The countries that are no longer excluded from the imposition of the safeguard duty are Chile, Israel, Slovenia, Slovakia, Poland, Lithuania, Latvia, Hungary, Estonia, Czech Republic, Republic of Korea, and Indonesia. As of December 31, 2021, the general safeguard duty imposed under the DAO on cement safeguards for the final year of the aforementioned three-year period has been confirmed by the DTI at 200 Philippine Pesos per metric ton. The duty amount remains subject to regular review by the DTI.

In an order dated November 29, 2021, the DTI imposed provisional anti-dumping duties on specific Portland cement brands imported from Vietnam. Provisional anti-dumping duties on Type 1 cement will range from 2.69% to 31.87% of the export price. The nine exporters account for 82% of total imports of Type 1 cement. Meanwhile, provisional anti-dumping duties on Vietnam's Type 1P cement exports will range from 3.80% to 29.20% of the export price. The DTI announced the collection of duties in the form of a cash bond will cover the importations of Type-1 and Type-1P cement from Vietnam for four months from the issuance of the relevant order. The case has been forwarded to the Tariff Commission for a formal investigation to determine if a permanent anti-dumping duty may be imposed. The preliminary conference before the Tariff Commission was held on December 20, 2021, and subsequent hearings will be scheduled thereafter.

Tax Matters

United States

As of December 31, 2021, the United States Internal Revenue Service ("IRS") has concluded its audits for the years 2014 through 2018. The final findings did not alter the originally filed CEMEX returns in the United States, which had no reserves set aside for any potential tax issues. On February 14, 2019, the IRS commenced its audits of the 2019 tax year under the compliance assurance process. As of December 31, 2021, we have not identified any material audit issues and, as such, no reserves are recorded for the 2019 tax year audit in our financial statements.

Colombia

On April 6, 2018, the Colombian Tax Authority (*Dirección de Impuestos y Aduanas Nacionale*s) ("DIAN") notified CEMEX Colombia of a proceeding notice in which the DIAN rejected certain deductions taken by CEMEX Colombia in its 2012 year-end income tax return. The DIAN assessed an increase in taxes to be paid by CEMEX Colombia in the amount of 124.79 billion Colombian Pesos ($31.02 million as of December 31, 2021, based on an exchange rate of 4,022.46 Colombian Pesos to $1.00) and imposed a penalty in the amount of 124.79 billion Colombian Pesos ($31.02 million as of December 31, 2021, based on an exchange rate of 4,022.46 Colombian Pesos to $1.00). On June 22, 2018 CEMEX Colombia responded to the proceeding notice; and, on

December 28, 2018, CEMEX Colombia was notified of the issuance of an official liquidation confirming the information in the proceeding notice. CEMEX Colombia filed an appeal for reconsideration on February 21, 2019 within the legal term. On January 8, 2020, CEMEX Colombia was notified that the DIAN had, in response to the appeal filed by CEMEX Colombia, confirmed the DIAN's assessment that CEMEX Colombia is required to pay increased taxes and corresponding penalties, as previously notified on April 6, 2018. CEMEX Colombia had four months to appeal this resolution in the corresponding administrative courts in Colombia; however, the terms for administrative and judicial proceedings were suspended as a result of the government's measures in connection with the COVID-19 pandemic. On July 1, 2020, CEMEX Colombia filed an appeal against the aforementioned resolution in the Administrative Court of Cundinamarca. The Administrative Court of Cundinamarca admitted the appeal on September 20, 2021. No amounts are required to be paid by CEMEX Colombia until all available recourses have been filed and concluded. Additionally, on March 10, 2020, the DIAN issued a complementary administrative act "statement of objections" (*pliego de cargos*), in which the authority claims the payment of the credit balance that was originated in the tax declaration of the aforementioned year and that was offset by CEMEX Colombia with taxes from subsequent years. CEMEX Colombia filed its response on June 2, 2020. On October 25, 2021, the DIAN issued a resolution in relation to the "statement of objections" (*pliego de cargos*) confirming the imposed penalty due to inadmissible compensation. The aforementioned penalty comprises 56.82 billion Colombian Pesos ($14.12 million as of December 31, 2021, based on an exchange rate of 4,022.46 Colombian Pesos to $1.00) of the 124.79 billion Colombian Pesos ($31.02 million as of December 31, 2021, based on an exchange rate of 4,022.46 Colombian Pesos to $1.00) increase in taxes to be paid by CEMEX Colombia assessed in 2018. CEMEX Colombia filed the appeal before the Administrative Court of Cundinamarca on December 16, 2021. The Administrative Court of Cundinamarca has not responded to the filed appeal and it is estimated that the appeal procedure will last at least 2 years. Notwithstanding this resolution, as of December 31, 2021, CEMEX considers that an adverse resolution after conclusion of all available defense procedures is not probable. However, it is difficult to assess with certainty the likelihood of an adverse result in the proceeding. If this proceeding is adversely resolved, CEMEX believes this could have a material adverse impact on the operating results, liquidity, or financial position of CEMEX.

On September 5, 2018, the DIAN notified CEMEX Colombia of a proceeding notice in which the DIAN rejected certain deductions taken by CEMEX Colombia in its 2011 year-end income tax return. The DIAN assessed an increase in taxes to be paid by CEMEX Colombia in the amount of 85.17 billion Colombian Pesos ($21.17 million as of December 31, 2021, based on an exchange rate of 4,022.46 Colombian Pesos to $1.00) and imposed a penalty in the amount of 85.17 billion Colombian Pesos ($21.17 million as of December 31, 2021, based on an exchange rate of 4,022.46 Colombian Pesos to $1.00). On November 30, 2018, CEMEX Colombia responded to the proceeding notice. On May 15, 2019, CEMEX Colombia was notified of the issuance of a tax assessment maintaining the initial rejection of the deductions taken by CEMEX Colombia in its 2011 year-end income tax return. CEMEX Colombia filed an appeal on July 11, 2019. On July 6, 2020, CEMEX Colombia was notified about a resolution confirming the official liquidation. On October 22, 2020, CEMEX Colombia filed an appeal against such resolution in the Administrative Court of Cundinamarca. If a final adverse resolution to CEMEX Colombia is reached in this matter, in addition to any amounts to be paid in confirmation of the official liquidation, CEMEX Colombia would, as of the payment date, be required to pay interest on the amounts that would be declared due as of the dates they would have had to be paid. The Administrative Court of Cundinamarca admitted the appeal on September 13, 2021. Furthermore, on June 8, 2020, the DIAN issued a complementary administrative act "statement of objections" (*pliego de cargos*), in which the authority claims the payment of the credit balance that was originated in the tax declaration of the aforementioned year and that was offset by CEMEX Colombia with taxes from subsequent years. On December 17, 2020, CEMEX Colombia announced that the DIAN had archived such "statement of objections" (*pliego de cargos*), which means the DIAN issued an administrative act by which it closed the complementary statement of charges that had been issued within the income tax process for the fiscal year 2011 earlier in 2020. With the aforementioned administrative act, the complementary procedure within the income tax process for the fiscal year 2011 is concluded, since the value of 2011 is included within the complementary process for the fiscal year 2012. As of December 31, 2021, at this stage of the proceeding and considering all possible defenses available, while we cannot assess with certainty the likelihood of an adverse result in this special proceeding, we believe a final

adverse resolution to this special proceeding is not probable. However, if adversely resolved, we believe such adverse resolution could have a material adverse impact on our results of operations, liquidity and financial condition.

Spain

Tax Assessment for the years 2006 to 2009

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 €456 million ($518.47 million as of December 31, 2021, based on an exchange rate of €.8795 to $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 before the Tribunal Económico Administrativo Central ("TEAC") of the Spanish tax authorities. On September 20, 2017, CEMEX España was notified by the TEAC about an adverse resolution to such appeals. CEMEX España filed a recourse against such resolution on November 6, 2017 before the National Court (*Audiencia Nacional*) and applied for the suspension of the payment of the fines. The National Court (*Audiencia Nacional*) admitted the recourse; and, on January 31, 2018, it notified CEMEX España of the granting of the suspension of the payment, subject to the provision of guarantees on or before April 2, 2018. In this regard, CEMEX España provided the respective guarantees in the form of a combination of a liability insurance policy and a mortgage of several assets in Spain owned by its Spanish subsidiary CEMEX España Operaciones, S.L.U. On November 6, 2018, the National Court (*Audiencia Nacional*) confirmed the acceptance of the guarantees by the Spanish Tax Office, which ensures the suspension of the payment until the recourses are definitively resolved. On November 30, 2021, the National Court (*Audiencia Nacional*) issued a judgment rejecting the appeal filed by CEMEX España against the resolution of the TEAC, confirming the imposed fines. This adverse judgement was notified to CEMEX España on November 30, 2021. CEMEX España will request the Spanish Supreme Court to admit a cassation appeal against this judgement issued by the National Court (*Audiencia Nacional*). If the Supreme Court rejects the request to admit the cassation appeal, CEMEX currently believes the earliest any fines would need to be paid would be late 2022 or early 2023. If the Supreme Court accepts the request, a possible final resolution of the cassation appeal could come during 2024.

As of December 31, 2021, at this stage of the matter and considering all possible defenses available, while we cannot assess with certainty the likelihood of an adverse result in this matter, we believe a final adverse resolution to this matter is not probable. However, if adversely resolved, we believe such adverse resolution could have a material adverse impact on our results of operations, liquidity and financial condition.

See "Item 5—Operating and Financial Review and Prospects—Recent Developments—Recent Developments Relating to Our Regulatory Matters and Legal Proceedings—Tax Matters—Spain—Tax Assessment for the years 2006 to 2009."

Tax Assessment for the years 2010 to 2014

On March 26, 2021, the tax authorities in Spain notified CEMEX España of an assessment for income taxes in an amount of €48 million ($55 million as of December 31, 2021, based on an exchange rate of €.8795 to $1.00) plus late interest, derived from a tax audit process covering the tax years 2010 to 2014. This assessment has been appealed before the TEAC on April 26, 2021. In order for the suspension of the payment of the tax assessment to be granted, CEMEX España provided a payment guarantee which was approved by the Spanish tax authorities on May 12, 2021.

On November 30, 2021, the tax authorities in Spain notified CEMEX España of a penalty for an amount of €68 million ($78 million as of December 31, 2021, based on an exchange rate of €.8795 to $1.00) derived from

the tax audit process covering the same period from 2010 to 2014. This assessment was appealed before the TEAC on December 31, 2021. Until this appeal is resolved, no payment will be due and CEMEX España is not required to furnish a guarantee for the filing of the appeal.

As of December 31, 2021, at this stage of the matter and considering all possible defenses available, while we cannot assess with certainty the likelihood of an adverse result in this matter, we believe a final adverse resolution to this matter is not probable. However, if adversely resolved, we believe such adverse resolution should not 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 (the "Levy on Clay") applied to the Egyptian cement industry in the amount of: (i) 322 million Egyptian Pounds ($20.5 million as of December 31, 2021, based on an exchange rate of Egyptian Pounds 15.7 to $1.00) for the period from May 5, 2008 to August 31, 2011; and (ii) 50,235 Egyptian Pounds ($3,198.83 as of December 31, 2021, based on an exchange rate of Egyptian Pounds 15.7 to $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 of first instance ("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. In parallel, ACC has filed a request before the Ministerial Committee for Resolution of Investment Disputes (the "Ministerial Committee") claiming non-entitlement of the Egyptian tax authority to the 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. On September 28, 2015, ACC was notified by the Egyptian Cabinet that on September 2, 2015, it ratified an August 10, 2015 decision by the Ministerial Committee (the "Ministerial Committee's Decision") pursuant to which the Egyptian tax authority is instructed to cease claiming payment of the Levy on Clay from ACC. The Ministerial Committee's Decision applies to the years from 2008 up to the issuance date of Law No. 73/2010. It was further decided that the Levy on Clay should not be imposed on imported clinker. At this stage, as of December 31, 2021, the Ministerial Committee's Decision strongly supports ACC's position in this dispute, given the fact that the Ministerial Committee's Decision is legally binding on the Egyptian tax authority. The Ministerial Committee's Decision was submitted to the Egyptian tax authority and, accordingly, the Egyptian tax authority issued a settlement memorandum (the "Settlement Memorandum"), whereby it confirmed and recognized the Ministerial Committee's Decision. Furthermore, in application of the Settlement Memorandum and the Ministerial Committee's Decision, the Egyptian tax authority issued a new claim to ACC for an adjusted amount of 55,586 Egyptian Pounds ($3,539.56 as of December 31, 2021, based on an exchange rate of Egyptian Pounds 15.7 to $1.00). On a March 7, 2016 session of the North Cairo Court, ACC submitted the Settlement Memorandum and the Ministerial Committee's Decision. In a May 28, 2016 session, before the North Cairo Court, the expert's office appointed to review the case file submitted its report that confirmed and recognized the Ministerial Committee's Decision and at this session this case was reviewed jointly with the Egyptian tax authority case which was filed to challenge ACC's right to cancel the Levy on Clay. On December 27, 2016, the North Cairo Court ruled for referring the two jointly reviewed cases to the Cairo Administrative Judiciary Court for the former's lack of jurisdiction to review the same. We do not expect that such referral will prejudice what we believe is ACC's favorable legal position in this dispute. In parallel and in order to expedite the proceedings, ACC submitted, on December 27, 2018, a request to the Committee for Resolution of Tax Disputes to ratify the settlement. On November 2, 2020 the Commissioners of the Cairo Administrative Judiciary Court referred the two joint cases to the North Cairo Court. The first hearing session, after referral from the Commissioners, took place on February 15, 2021 and was adjourned to the May 31, 2021 session. During the session held on May 31, 2021, the North Cairo Court's chamber that is hearing the case decided to refer the case to another chamber within the same court due to jurisdiction *ratione materiae*. On October 4, 2021 ACC was notified that the first hearing session before the new Chamber would take place on October 28, 2021. On this session, the court postponed the hearing to the session of January 20, 2022 for ACC lawyers to submit a power of attorney

allowing the withdrawal of the court case. As of December 31, 2021, we do not expect our operations, liquidity, and financial condition to suffer a material adverse impact because of this matter.

See "Item 5—Operating and Financial Review and Prospects—Recent Developments—Recent Developments Relating to Our Regulatory Matters and Legal Proceedings—Tax Matters—Egypt."

Other Legal Proceedings

Colombian Construction Claims

On August 5, 2005, the Urban Development Institute (*Instituto de Desarrollo Urbano*) ("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* ("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 100 billion Colombian Pesos ($24.86 million as of December 31, 2021, based on an exchange rate of 4,022.46 Colombian Pesos to $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 ($83.97 million as of December 31, 2021, based on an exchange rate of 4,022.46 Colombian Pesos to $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 ($4.97 million as of December 31, 2021, based on an exchange rate of 4,022.46 Colombian Pesos to $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 ($7,955.33 as of December 31, 2021, based on an exchange rate of 4,022.46 Colombian Pesos to $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 ($2,187.72 as of December 31, 2021, based on an exchange rate of 4,022.46 Colombian Pesos to $1.00). Additionally, the UDI officers were sentenced to severally pay the amount of 108 billion Colombian Pesos ($26.84 million as of December 31, 2021, based on an exchange rate of 4,022.46 Colombian Pesos to $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 barred due to the passage of time. 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. On July 28, 2015, the Superior Court of Bogotá (*Tribunal Superior de Bogotá*) upheld this resolution and as such the action brought against CEMEX Colombia for the premature distress of the concrete slabs of the *Autopista Norte* trunk line has ended.

Related to the premature distress of the concrete slabs of the Autopista Norte trunk line of the TransMilenio bus rapid transit system six legal actions were brought against CEMEX Colombia. The Cundinamarca Administrative Court (*Tribunal Administrativo de Cundinamarca*) nullified five of these actions and, as of December 31, 2021, only one remains outstanding. On June 17, 2019, an administrative court, in the first instance, ruled against CEMEX Colombia and other concrete producers, because the judge found that there was a violation of consumer rights, for alleged faults in the roads. Consequently, the judge ordered CEMEX Colombia to issue a public statement acknowledging the alleged violation and a commit to not incur such violation in the future. This first instance decision did not contemplate any economic consequence for CEMEX Colombia. CEMEX Colombia jointly with thirteen of the defendants filed an appeal before the Administrative Tribunal of Cundinamarca. At this stage of the proceedings, as of December 31, 2021, regarding the remaining pending action filed before the Cundinamarca Administrative Court, if adversely resolved, we do not expect that such adverse resolution should 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 High 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"). A hearing was held on October 13, 2015 before the 8th Circuit of Cairo's State Council Administrative Judiciary Court in which the SCA's report was reviewed and the case was adjourned to January 26, 2016 for passing judgment. At the session held on January 26, 2016, the 8th Circuit of Cairo's State Council Administrative Judiciary Court issued a judgment ruling for the dismissal of this case considering the plaintiff's lack of standing. The legal prescription period for the plaintiff to challenge the judgment before the High Administrative Court of 60 calendar days from the date of issuance of the judgment expired without the plaintiff filing a challenge to the judgment. Accordingly, the January 26, 2016 judgment issued by the 8th Circuit of Cairo's State Council Administrative Judiciary Court is final and definitive. At a session held on September 3, 2015, the 7th Circuit of Cairo's State Council Administrative Judiciary Court accepted the SCA's report recommendation and ruled for staying the proceedings until the High Constitutional Court pronounces itself with regards to the challenges against the constitutionality of Law 32/2014. As of December 31, 2021, at this stage of the proceedings, we believe that the likelihood of an adverse result in this matter is not probable as we are not able to assess the likelihood of an adverse resolution regarding this lawsuit filed before the 7th Circuit of Cairo's State Council Administrative Judiciary Court, but if adversely resolved, we do not believe the resolution in the 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 (court case no. 670/2011), 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. On October 18, 2012, ACC filed an appeal (appeal no. 1197/87) against the First Instance Judgment, which was followed by the Holding Company's appeal filed on October 20, 2012 (appeal no. 1200/87) before the Appeal Court in Assiut, Egypt (the "Appeal Court"). At a November 17, 2013 hearing, the Appeal 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 Appeal Court issued a judgment (the "Appeal Judgment") accepting both 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 "Assiut Administrative Court") (Registered at Assiut Administrative Court under case no. 11842/41).

On March 12, 2014, ACC filed a challenge before the Cassation Court against the Appeal Judgment invoking economic court's jurisdiction and requested suspension of the Appeal Judgment execution until the Cassation Court renders its judgment (the "Cassation Challenge"). A hearing was held on April 12, 2016 in order to review the request to stay the execution the Appeal Judgment regarding the referral of the case to the Assiut Administrative Court. At this hearing, the Cassation Court rejected the summary request. As of December 31, 2021, ACC has not been notified of a session before the Cassation Court in order to review the subject matter of the Cassation Challenge.

On October 15, 2014, the Assiut Administrative Court ruled (in case no. 11842/41) for its non-jurisdiction to review the case and referred the case to the Assiut Administrative Judiciary Court (Registered at administrative judiciary court under case no. 5580/26J). On December 11, 2014, ACC filed an appeal against the Assiut Administrative Court ruling (appeal no. 165/26—challenging the referral ruling in case 11842) (the "Appeal"), requesting that its enforcement be suspended until a judgment is issued on the Cassation Challenge. Additionally, another appeal substantially on the same terms as the Appeal was filed on March 10, 2014 by the Holding Company against the same ruling (administrative judiciary appeal no. 164/26—challenging the referral ruling in case 11842) (the "Parallel Appeal").

In a session held on February 11, 2016 in order to review the Appeal, the Assiut Administrative Judiciary Court decided to refer the case to the First Circuit of Cairo's State Council Administrative Judiciary Court, which in turn decided to refer the Appeal to the Assiut Administrative Judiciary Court. On August 27, 2018, the Assiut Administrative Judiciary Court decided to refer the Parallel Appeal to the Cairo Administrative Judiciary Court that decided lack of jurisdiction and to send the Parallel Appeal back to Assiut Administrative Judiciary Court. On July 27, 2020, upon the request of ACC, Assiut Administrative Judiciary Court decided joinder of both the Appeal and the Parallel Appeal and to adjourn both to the hearing session of February 27, 2021, April 24, 2021, and then May 22, 2021 for submitting memos and documents.

The Assiut Administrative Judiciary Court held a hearing for the case (no. 5580/26) on February 24, 2016, in which it decided to refer the case to the First Circuit (formerly 7th Circuit) of "Economic and Investment Disputes" of Cairo's State Council Administrative Judiciary Court (Registers at Cairo's State Council Administrative Judiciary under Case no. 16348/71J). On February 24, 2021 Cairo's State Council Administrative Judiciary Court issued a judgment ruling for the dismissal of this case considering the plaintiff's lack of standing. This judgment is final and definitive, as the plaintiff failed to challenge it within the legally prescribed term. On February 27, 2021 Assiut Administrative Judiciary Court adjourned the hearing (of joined Appeal and Parallel Appeal) to the session of March 27, 2021 and then to April 24, 2021 for the parties to submit an official copy of Cairo's State Council Administrative Judiciary Court ruling of February 24, 2021 that dismissed the case considering the plaintiff's lack of standing. On May 22, 2021, ACC submitted to the Assiut Administrative

Judiciary Court a copy of Cairo's State Council Administrative Judiciary Court ruling of February 24, 2021 (dismissing case no. 16348/71J). The court decided to set the joined Appeal and Parallel Appeal for adjudication at the session of June 29, 2021, but the session has been adjourned for the sixth time and it is expected to be held on February 28, 2022. As of December 31, 2021, at this stage of the proceedings, we believe that an adverse judgment in the joined Appeal and Parallel Appeal is not probable.

Also, on February 23, 2014, three 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. The 7th Circuit of Cairo's State Council Administrative Judiciary Court decided to adjourn to July 25, 2015 in order to review the parties' pleadings. On this hearing held on July 25, 2015, the 7th Circuit of Cairo's State Council Administrative Judiciary Court adjourned the case to September 3, 2015 for passing judgment. At the session held on September 3, 2015, the 7th Circuit of Cairo's State Council Administrative Judiciary Court ruled for staying the proceedings until the High Constitutional Court pronounces itself with regards to the challenges against the constitutionality of Law 32/2014. As of December 31, 2021, we still 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 would affect us. However, 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, subject to its presentation, discussion and approval by the House of Representatives 15 days after it holds its first session. 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. During October and November 2015, parliamentary elections to the House of Representatives took place and the elected House of Representatives started to hold its sessions on January 10, 2016, as expected, and Law 32/2014 was discussed and ratified on January 20, 2016, as legally required. As of December 31, 2021, a constitutional challenge has been filed by a third party against Law 32/2014 before the High Constitutional Court. The High Constitutional Court scheduled a hearing for May 6, 2017 to proceed with the constitutional challenge that was filed against Law 32/2014 after the SCA had submitted its report with respect to the case. On May 6, 2017 the court decided to refer the case back to SCA to prepare and submit a complementary report on the merits. The SCA, if it deems it necessary, may schedule a hearing for reviewing the case before the SCA. After the SCA finishes the preparation of the complementary report, a new hearing will be scheduled before the High Constitutional Court. As of December 31, 2021, we are still not able to assess if the High Constitutional Court will dismiss Law 32/2014, but if the High Constitutional Court dismisses Law 32/2014, 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.

See "Item 5—Operating and Financial Review and Prospects—Recent Developments—Recent Developments Relating to Our Regulatory Matters and Legal Proceedings—Other Legal Proceedings—Egypt Share Purchase Agreement."

Maceo, Colombia—Legal Proceedings in Colombia

On August 28, 2012, CEMEX Colombia entered into a memorandum of understanding (the "MOU") with CI Calizas y Minerales S.A. ("CI Calizas") to acquire land, a mining concession, an environmental license, free trade zone benefits and related assets necessary to carry out the construction by CEMEX Colombia of a new integrated cement plant in the Antioquia department near the municipality of Maceo, Colombia (the "Maceo Project"). In connection with the MOU, CI Calizas was represented by a non-governmental individual (the "Representative").

After the execution of the MOU, one of CI Calizas' former shareholders was linked to a domain extinction by the Colombian Attorney General's Office (the "Attorney General's Office") that, among other measures, suspended CI Calizas' ability to transfer certain assets to CEMEX Colombia as required by the MOU (the "Affected Assets"). To protect its interests in the Affected Assets, CEMEX Colombia joined the domain extinction proceeding and cooperated with the Attorney General's Office. CEMEX Colombia also requested the dismissal of the domain extinction against the Affected Assets. On May 2, 2016, in order to collect further evidence, the Attorney General's Office denied CEMEX Colombia's request for the dismissal of the domain extinction proceeding. The domain extinction is in its evidence stage and we expect that the Attorney General's Office's final decision as to whether it will proceed with the domain extinction with respect to the Affected Assets could take five to ten years.

In July 2013, CEMEX Colombia entered into a five-year lease agreement (the "Lease Agreement") with a depository that had been designated by the Colombian National Narcotics Directorate (*Dirección Nacional de Estupefacientes*) (the "CNND") with respect to the Affected Assets. The Lease Agreement, along with an accompanying governmental mandate, authorized CEMEX Colombia to continue the work necessary for the construction and operation of the Maceo Project during the domain extinction proceeding. The Lease Agreement expired on July 15, 2018. Notwithstanding the expiration of the Lease Agreement, CEMEX Colombia was entitled to continue using the Affected Assets pursuant to the terms of the accompanying mandate.

On April 12, 2019, CEMEX Colombia reached a conciliatory agreement with the Colombian Administrator of Special Assets (Sociedad de Activos Especiales S.A.S) (the "SAE"), CI Calizas and Zona Franca Especial Cementera Del Magdalena Medio SAS ("ZOMAM") before the Public Prosecutor´s Office (*Procuraduría General de la Nación*) and signed a contract of Mining Operation, Manufacturing and Delivery Services and Leasing of Properties for Cement Production (the "New Lease Agreement"), allowing CEMEX Colombia to operate the Maceo Plant. CEMEX Colombia, under the terms of the New Lease Agreement, will lease the land portion of the Affected Assets for a term of 21 years, that can be extended by another 10 years. The New Lease Agreement will remain in full force and effect regardless of the outcome following the domain extinction proceeding over the Affected Assets unless the criminal judge grants CEMEX Colombia (and one of its subsidiaries) the ownership rights related to the Affected Assets. In such case, the New Lease Agreement will be terminated given that CEMEX Colombia and its subsidiary would be the owners of the Affected Assets and the New Lease Agreement would no longer be required to operate and manage them.

As of December 31, 2021, it is expected that the Maceo Plant will begin operating once the construction of the access road to the Maceo Plant is completed, for which certain permits are yet to be obtained.

Assuming that CEMEX Colombia conducted itself in good faith and considering that its investments in the Maceo Project were incurred with the consent of the SAE and CI Calizas under the Lease Agreement and the accompanying mandate, we believe the value of such investments is protected by Colombian law. We also believe that, during the term of the New Lease Agreement, CEMEX Colombia may use the Affected Assets in order to operate the Maceo Project. In the event that CEMEX Colombia's right to the Affected Assets is extinguished in favor of the government of Colombia, which we believe is unlikely, the SAE may decide not to sell the Affected Assets to CEMEX Colombia. In either case, under Colombian law, CEMEX Colombia would be entitled to compensation for the value of the investments made in the Maceo Project. On November 18, 2021, CEMEX filed a Letter of Intent requesting that the SAE commence the process of selling of ZOMAM, in which

CEMEX is interested in participating. If the SAE initiates the process, the sale will be carried out under objective parameters prescribed by law that apply to valuing entities undergoing domain extinction proceedings. As of December 31, 2021, the SAE has not responded to this request. As of December 31, 2021, at this stage of the proceedings, we believe that the likelihood of an adverse result in this matter is not probable, but we are not able to assess the likelihood of CEMEX Colombia receiving an adverse decision relating to the domain extinction proceedings or if the ownership of the assets subject to the MOU will be extinguished in favor of the Republic of Colombia. However, as of December 31, 2021, we believe that an adverse resolution in which CEMEX Colombia is not compensated for the value of its investments in the Maceo Project could have a material adverse effect on our results of operations, liquidity or financial condition.

On December 30, 2013, CEMEX Colombia and the Representative entered into a different memorandum of understanding (the "Land MOU"), pursuant to which the Representative would represent CEMEX Colombia in the acquisition of lands adjacent to the Maceo Project. In connection with the Maceo Project, CEMEX Colombia conveyed to the Representative 43.8 billion Colombian Pesos, including cash payments and interest, ($11.50 million as of December 31, 2021, based on an exchange rate of 3,807.80 Colombian Pesos to $1.00). Due to the domain extinction proceeding against the Affected Assets described above, the acquisition of the Affected Assets was not finalized.

On September 23, 2016, CLH disclosed that it had identified irregularities in the process for the purchase of the land related to the Maceo Project and submitted a criminal complaint with the Attorney General's Office. Further, on December 20, 2016, CLH enhanced such filing with additional information and findings obtained as of such date. On June 12, 2018, the Attorney General's Office formally charged two former officers of the Company and the Representative. One of the former officers of the Company entered into a plea bargain and cooperation agreement with the Attorney General's Office, which was approved by the Colombian criminal court in April of 2019. The hearings for the other two individuals will continue during 2022.

On September 23, 2016, CLH and CEMEX Colombia terminated the employment of the Vice President of Planning of CLH, who was also CEMEX Colombia's Director of Planning, and the Legal Counsel of CLH, who was also the General Counsel of CEMEX Colombia. In addition, effective September 23, 2016, the Chief Executive Officer of CLH, who was also the President of CEMEX Colombia, resigned from both positions. On October 4, 2016, in order to strengthen levels of leadership, management and corporate governance practices, the Board of Directors of CLH resolved to split the roles of Chairman of the Board of Directors of CLH, Chief Executive Officer of CLH and President of CEMEX Colombia, and appointed a new Chairman of the Board of Directors of CLH, a new Chief Executive Officer of CLH, a new President of CEMEX Colombia and a new Vice President of Planning of CLH and CEMEX Colombia. A new legal counsel for CLH and CEMEX Colombia was also appointed during the fourth quarter of 2016.

Additionally, pursuant to the requirements of CEMEX, S.A.B. de C.V.'s and CLH's audit committees, CEMEX Colombia retained external counsel to assist CLH and CEMEX Colombia to collaborate as necessary with the Attorney General's Office, as well as to assist on other related matters. A forensic investigator in Colombia was also engaged.

On December 7, 2020, CLH, acting as a shareholder of CEMEX Colombia, filed a lawsuit before the Colombian Business Superintendency (*Superintendencia de Sociedades de Colombia*) requesting a determination

of inefficacy and subsequent declaration of invalidity and nonexistence of the capitalization in kind made by CEMEX Colombia to ZOMAM on December 11, 2015. If a favorable resolution is obtained, the aforementioned capitalization would be reversed, and the assets contributed to ZOMAM, which had an approximate value of $43 million, would revert to CEMEX Colombia in exchange for the shares in ZOMAM that had been issued as a result of this capitalization. These effects would only be reflected in CEMEX Colombia's financial statements if a final favorable resolution is obtained. Given ZOMAM's consolidation, no effects in our consolidated financial statements would arise from a potential favorable resolution.

Investigations related to ongoing matters in Colombia and certain other countries

As discussed in "Item 4—Information on the Company—Regulatory Matters and Legal Proceedings—Other Legal Proceedings—Maceo, Colombia—Legal Proceedings in Colombia," internal audits and investigations by CEMEX, S.A.B. de C.V. and CLH had raised questions about payments relating to the Maceo Project. The payments made to the Representative in connection with the Maceo Project did not adhere to CEMEX, S.A.B. de C.V.'s and CLH's internal controls. As announced on September 23, 2016, the CLH and CEMEX Colombia officers responsible for the implementation and execution of the above-referenced payments were terminated and the then Chief Executive Officer of CLH resigned. In December 2016, CEMEX, S.A.B. de C.V. received subpoenas from the SEC seeking information to determine whether there have been any violations of the U.S. Foreign Corrupt Practices Act stemming from the Maceo Project. Subsequently, on March 12, 2018, the DOJ issued a grand jury subpoena to CEMEX, S.A.B. de C.V. relating to its operations in Colombia and other jurisdictions. These subpoenas do not mean that the SEC or DOJ have concluded that CEMEX, S.A.B. de C.V. or any of its affiliates violated the law. CEMEX, S.A.B. de C.V. has cooperated and intends to continue to cooperate fully with the SEC, the DOJ, the Attorney General's Office and any other investigatory entity. As of December 31, 2021, CEMEX, S.A.B. de C.V. is unable to predict the duration, scope, or outcome of the SEC or DOJ investigations, or any other investigation that may arise, or, because of the current status of the SEC and DOJ investigations, the potential sanctions which could be imposed on CEMEX, S.A.B. de C.V., or if such sanctions, if any, would have a material adverse impact on CEMEX, S.A.B. de C.V.'s consolidated results of operations, liquidity or financial position.

Maceo, Colombia—Operational Matters

On October 27, 2016, CLH decided to postpone the commencement of operations of the Maceo Plant. This decision was mainly due to the fact that CEMEX Colombia had not received the permits required to finalize road access to such cement plant. The only existing access to the Maceo Plant cannot guarantee safety or operations and could limit the capacity to transport products from the cement plant. As of December 31, 2021, the process to obtain the permits required to finalize the road access to the Maceo Plant is ongoing. CEMEX Colombia has provided all of the information the authorities have requested in order to grant such permits, but CEMEX Colombia is not able to assess if and when such permits will be received.

On May 21, 2021, CEMEX Colombia and ZOMAM submitted a new request to expand the free trade zone that covers the Maceo Project in order to commission a new clinker line at such cement plant. Failure to obtain such expansion would jeopardize ZOMAM´s capability to consolidate the benefits that would otherwise be available from the Maceo Project. As of December 31, 2021, the request has not been resolved by the corresponding authority.

CEMEX Colombia determined that the area covered by the environmental license related to the Maceo Project partially overlapped with a District of Integrated Management ("DIM") (*Distrito de Manejo Integrado*), which could limit the granting of the environmental license modification. On October 9, 2017, CEMEX Colombia filed a petition with the Regional Autonomous Corporation of Antioquia ("Corantioquia") to subtract from the DIM the zoning area covered by the environmental license related to the construction by CEMEX Colombia of the Maceo Project, in order to avoid any overlap between them.

On September 3, 2019, CEMEX Colombia was notified of a favorable decision issued by the Corantioquia Board of Directors to approve subtracting from the DIM an area of 169.2 hectares of the municipality of Maceo. CEMEX Colombia will be responsible for managing the execution of the environmental compensations requested by the Corantioquia Board of Directors, reaffirming its commitment to generate development, employment and community welfare, by preserving the ecosystem and the environment.

The mining concession and the environmental license related to the Maceo Project were held by different legal entities, which is contrary to typical procedure in Colombia. CI Calizas assigned the mining concession and the environmental license to Central de Mezclas S.A. ("Central de Mezclas"), a subsidiary of CEMEX Colombia, in October 2012 and December 2013, respectively. However, in December 2013, the mining concession was assigned back to CI Calizas as a result of the revocation of such mining concession by the Mining Secretariat (Secretaría de Minas) of Antioquia. During the second half of 2016, Corantioquia, the regional environmental agency with jurisdiction over the Maceo Project, requested authorization and consent from Central de Mezclas to reverse the assignment of the environmental license back to CI Calizas

On February 22, 2018, Central de Mezclas granted such authorization. CEMEX Colombia had previously requested a modification to the environmental license to 950,000 tons of cement per annum, which Corantioquia denied. On July 17, 2020, CEMEX Colombia submitted a new request to modify the environmental license to expand its production to 950,000 tons of cement per annum as initially planned. On February 2, 2021, Corantioquia issued a resolution authorizing CI Calizas' request to modify the environmental license and CI Calizas challenged such determination to further clarify the details and extent of the license. Following this challenge, on February 12, 2021, Corantioquia resolved to modify the environmental license, allowing the extraction of up to 990 thousand tons of minerals (clay and limestone) and up to 1,500,000 metric tons of cement annually. On October 22, 2021, a request for amendment of the Environmental License of Maceo Plant was filed, by means of which CEMEX Colombia requested to increase the scope of the production of exploding annually up to 1,300,000 tons of clay and limestone, among other requests.

On August 29, 2020, CEMEX Colombia received a favorable opinion from Corantioquia and the relevant municipality, which deems the industrial and mining use of the land where the Maceo Project is located as suitable. Further requirements are still in process of being fulfilled.

Regarding the permits to complete the construction of various sections of the access road: (i) on November 10, 2020, the Mayor's Office of Maceo issued the Road Infrastructure Intervention authorization and (ii) on December 11, 2020, the Major´s Office issued a decree declaring that the road project is of public utility. Therefore, we can now seek the necessary approvals to obtain the permits to acquire the required properties and build the remainder of the road. Additionally, in accordance with the Colombian Infrastructure Law (*Ley de Infraestructura)*, it is also necessary to obtain the authorization from each of the owners of the land adjacent to the road. As of December 31, 2021, CEMEX Colombia cannot determine with certainty the date when the access road will be completed.

CEMEX Colombia and Central de Mezclas plan to continue to work on solving the issues causing the postponement of the commissioning of the Maceo Plant in order to capture, as soon as reasonably possible, the full operating benefits of this facility in Colombia. CEMEX Colombia believes some of these issues could be related to the domain extinction proceeding against the Affected Assets. As of December 31, 2021, we do not expect to suffer a material adverse impact to our results of operations, liquidity, or financial condition as a result of the Maceo Plant not being commissioned to operate pending resolution of these issues.

Quarry matter in France

One of our subsidiaries in France, CEMEX Granulats Rhône Méditerranée ("CEMEX Granulats"), is a party to a contract executed in 1990 (the "Quarry Contract") with SCI La Quinoniere ("SCI"), pursuant to which CEMEX Granulats has drilling rights to extract reserves and conduct quarry remediation at a quarry in the Rhone region of

France. In 2012, SCI filed a claim against CEMEX Granulats for breach of the Quarry Contract, requesting the rescission of the Quarry Contract and damages plus interest, totaling an aggregate amount of €55 million ($62.35 million as of December 31, 2021, based on an exchange rate of €.8795 to $1.00), resulting from CEMEX Granulats having partially filled the quarry allegedly in breach of the terms of the Quarry Contract. On May 18, 2016, CEMEX Granulats was notified about an adverse judgment in this matter by the corresponding court in Lyon, France, primarily ordering the rescission of the Quarry Contract and damages plus interest, totaling an aggregate amount of €55 million ($62.35 million as of December 31, 2021, based on an exchange rate of €.8795 to $1.00). This judgment is not enforceable. CEMEX Granulats filed the notice of appeal with the appeal court in Lyon, France. SCI updated its claim for damages to an approximate aggregate amount of €67 million ($76.17 million as of December 31, 2021, based on an exchange rate of €.8795 to $1.00). The judgment of the appeal court was notified to CEMEX Granulats on March 13, 2018. It overrules the first instance judgment but orders the rescission of the Quarry Contract. It also appoints a judicial expert to (i) determine the volume of both excavated materials and backfilling materials and (ii) give their opinion on the potential damages suffered by SCI. This judgment is enforceable. CEMEX Granulats has filed the notice of appeal with the Court of Cassation. The decision was handed down on May 23, 2019, our appeal was dismissed, and the Court of Cassation declared that CEMEX Granulats breached the Quarry Contract. In connection with this matter, judicial experts were appointed by the Lyon Court of Appeals to (i) determine the volume of both excavated materials and backfilling materials at issue and (ii) provide their assessment of the potential damages suffered by SCI. On November 25, 2020, the judicial expert appointed by the Lyon Court of Appeals issued his final report, concluding that the volume of excavated materials and external backfilling materials were calculated at 3.04 million cubic meters and 1.41 million cubic meters, respectively. Based on these volumes, the expert calculated the loss of profits at €0.65 million ($.73 million as of December 31, 2021, based on an exchange rate of €.8795 to $1.00) and the cost of excavation of the external backfilling materials at €12.35 million ($14.04 million as of December 31, 2021, based on an exchange rate of €.8795 to $1.00). However, the judicial expert clearly states that in his opinion the damages suffered by SCI can only be set based on the loss of profits. SCI, within the proceedings on the merits of this case that have resumed before the Lyon Court of Appeals following the end of the expertise phase, has updated the amount of its claims to €27 million ($30.69 million as of December 31, 2021, based on an exchange rate of €.8795 to $1.00) on the grounds of the excavation of the external backfilling materials. The hearing on pleadings is expected to be held on June 29, 2022. The decision should be handed down by the Lyon Court of Appeals in the weeks after this hearing, finalizing the proceedings on any actions CEMEX Granulats has initiated regarding this matter. At this stage of the proceedings, as of December 31, 2021, we are not able to determine the final amount that we would pay in relation to this matter, but we expect that any amounts to be paid should not have a material adverse impact on our results of operations, liquidity and financial condition.

General

As of December 31, 2021, we are involved in various legal and administrative proceedings as well as investigations involving, but not limited to, product warranty claims, commercial claims, criminal claims, environmental claims, claims regarding the procurement and supply of products and services, patent and copyright infringement claims, claims and disputes regarding the transportation of goods and services, indemnification claims relating to divestments and acquisitions and similar types of claims brought against us that have arisen in the ordinary course of business, some of which we have determined do not merit disclosure based on the stage in which any such investigation is at the time of this report, and that we would disclose once the investigation has finalized and based on the results of any such investigation. In addition, the administrative authorities in the countries in which we operate perform periodic audits on our operations, at times, as a result of those audits, we may receive notices to remedy (i.e., pay a fine, pay an interest, modify tax returns, adjust social security payments, cover balances, etc.) certain discrepancies found in the audits, some of which we have determined do not merit disclosure based on either the stage in which any audit is at the time of this report and/or because we believe the corresponding remedy would not have a material adverse effect on our operations, financial position, and results of operations, or that we would disclose once the audit has finalized and based on the results of any such audit, if the results would have a material adverse effect on our operations, financial position, and results of operations. Also, as of December 31, 2021, we have been made aware of claims that have

been filed against us that have been either dismissed or rejected that lead to a recourse, appeal or legal action under the applicable legislation has been filed by the party that presented the claim, and in relation to which, consequently, we have not been formally notified, and that are not included in this report. We, and different organizations or associations to which we belong, also receive various information requests from various governmental and administrative authorities when such authorities are conducting periodic or general reviews of the markets in which we operate. 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, and the reports we will file or furnish in the future may contain, 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 within the meaning of the U.S. federal securities laws. In some cases, these statements can be identified by the use of forward-looking words such as "will," "may," "assume," "might," "should," "could," "continue," "would," "can," "consider," "anticipate," "estimate," "expect," "envision," "plan," "believe," "foresee," "predict," "potential," "target," "strategy," "intend," "aimed" or other similar terms. These forward-looking statements reflect, as of the date such forward-looking statements are made, or unless otherwise indicated, 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 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 consolidated entities, include, but are not limited to:

- the impact of pandemics, epidemics or outbreaks of infectious diseases and the response of governments and other third parties, including with respect to COVID-19, which have affected and may continue to adversely affect, among other matters, the ability of our operating facilities to operate at full or any capacity, supply chains, international operations, availability of liquidity, investor confidence and consumer spending, as well as availability of, and demand for, our products and services;
- the cyclical activity of the construction sector;
- our exposure to other sectors that impact our and our clients' businesses, such as, but not limited to, the energy sector;
- availability of raw materials and related fluctuating prices;
- volatility in pension plan asset values and liabilities, which may require cash contributions to the pension plans;

- the impact of environmental cleanup costs and other liabilities relating to existing and/or divested businesses;
- our ability to secure and permit aggregates reserves in strategically located areas;
- the timing and amount of federal, state and local funding for infrastructure;
- changes in the level of spending for private residential and private nonresidential construction;
- changes in our effective tax rate;
- competition in the markets in which we offer our products and services;
- general political, social, health, economic and business conditions in the markets in which we operate or that affect our operations and any significant economic, health, political or social developments in those markets, as well as any inherent risks to international operations;
- the regulatory environment, including environmental, energy, tax, antitrust, labor, and acquisition-related rules and regulations;
- our ability to satisfy our obligations under our material debt agreements, the indentures that govern our outstanding Notes and our other debt instruments and financial obligations;
- the availability of short-term credit lines or working capital facilities, which can assist us in connection with market cycles;
- the impact of our below investment grade debt rating on our cost of capital and on the cost of the products and services we purchase;
- loss of reputation of our brands;
- our ability to consummate asset sales, fully integrate newly acquired businesses, achieve cost-savings from our cost-reduction initiatives, implement our pricing initiatives for our products and generally meet our “Operation Resilience” strategy’s goals;
- the increasing reliance on information technology infrastructure for our sales invoicing, procurement, financial statements and other processes that can adversely affect our sales and operations in the event that the infrastructure does not work as intended, experiences technical difficulties or is subjected to cyber-attacks;
- changes in the economy that affect demand for consumer goods, consequently affecting demand for our products and services;
- weather conditions, including, but not limited to, excessive rain and snow, and disasters such as earthquakes and floods;
- trade barriers, including tariffs or import taxes and changes in existing trade policies or changes to, or withdrawals from, free trade agreements, including the USMCA;
- availability and cost of trucks, railcars, barges and ships, as well as their licensed operators, for transport of our materials;
- labor shortages and constraints;
- terrorist and organized criminal activities as well as geopolitical events, such as war and armed conflicts, including the current conflict between Russia and Ukraine;
- declarations of insolvency or bankruptcy, or becoming subject to similar proceedings;
- natural disasters and other unforeseen events (including global health hazards such as COVID-19); and
- the 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 and operations. 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 after the date hereof or to reflect the occurrence of anticipated or unanticipated events or circumstances. Readers should review future reports filed or furnished 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 and analysis should be read in conjunction with, and are qualified in their entirety by reference to, our audited consolidated financial statements for the years ended as of December 31, 2020 and 2021, and for each of the three years ended December 31, 2019, 2020 and 2021, included elsewhere in this annual report. Our financial statements have been prepared in accordance with IFRS as issued by IASB.

As previously described, our audited consolidated financial statements for the years ended December 31, 2020 and 2021, and for each of the three years ended December 31, 2019, 2020 and 2021 included elsewhere in this annual report include our presentation of several incurred and projected sales of assets as discontinued operations.

The regulations of the SEC do not require foreign private issuers that prepare their financial statements based on IFRS (as issued by IASB) to reconcile such financial statements to U.S. GAAP.

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 revenues financial information presented in this annual report for our operations in each country or region includes the Dollar amount of revenues 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 audited consolidated financial statements as of and for the year ended December 31, 2021 included elsewhere in this annual report.

The following table sets forth selected consolidated financial information as of December 31, 2020 and 2021 and for each of the three years ended December 31, 2019, 2020 and 2021 by principal geographic reporting segment expressed as a 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 operations, liquidity and financial condition, depending upon the depreciation or appreciation of the exchange rate of each country and region in which we operate compared to the Dollar and the rate of inflation of each of these countries and regions.

	Revenues For the Year Ended December 31,			Operating Earnings Before Other Expenses, Net For the Year Ended December 31,			Total Assets at December 31,		
	2019(1)	2020(1)	2021(1)	2019(2)	2020(2)	2021(2)	2019(2)	2020(2)	2021(2)
Mexico	21%	21%	22%	62%	60%	58%	14%	14%	14%
United States	28%	30%	27%	18%	23%	18%	49%	46%	48%
EMEAA									
United Kingdom	5%	5%	6%	4%	2%	4%	5%	6%	6%
France	6%	6%	5%	3%	2%	2%	3%	4%	4%
Germany	3%	4%	3%	3%	3%	2%	1%	2%	2%
Poland	3%	3%	3%	2%	4%	3%	1%	1%	1%
Spain	2%	2%	2%	(1)%	(1)%	(2)%	4%	4%	3%
Philippines	3%	3%	2%	6%	5%	4%	2%	3%	3%
Israel	5%	6%	5%	5%	7%	4%	2%	3%	3%
Rest of EMEAA	4%	4%	3%	2%	1%	2%	3%	3%	3%
SCA&C									
Colombia	4%	3%	3%	5%	5%	4%	4%	4%	4%
Panama	1%	1%	1%	2%	—	1%	1%	1%	1%
Caribbean TCL	2%	2%	2%	3%	3%	3%	2%	2%	2%
Dominican Republic	2%	2%	2%	6%	6%	7%	1%	1%	1%
Rest of SCA&C	3%	3%	3%	4%	6%	6%	1%	1%	1%
Corporate and Other Operations	8%	5%	11%	(24)%	(26)%	(16)%	7%	5%	4%
Continuing operations	13,735	13,516	16,083	1,299	1,311	1,734	28,524	27,238	26,509
Assets held for sale	—	—	—	—	—	—	839	187	141
Eliminations	(776)	(702)	(1,535)	—	—	—	—	—	—
Consolidated information	12,959	12,814	14,548	1,299	1,311	1,734	29,363	27,425	26,650

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

Critical Accounting Estimates

The preparation of financial statements in accordance with IFRS requires our management to make estimates and assumptions that affect the 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 significant estimates and assumptions by our management include lease accounting, impairment tests of long-lived assets, recognition of deferred income tax assets, the measurement of

financial instruments at fair value, the assets and liabilities related to employee benefits, as well as the analyses of contingent liabilities. Significant judgment by our management is required to appropriately assess the amounts of these assets and liabilities.

As of December 31, 2020 and 2021, and for the years ended December 31, 2019, 2020 and 2021, identified below are the accounting policies we have applied under IFRS that are critical to understanding our overall financial reporting.

Leases

Based on IFRS 16, at the inception of a lease contract, we assess whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period in exchange for consideration. We use the definition of a lease in IFRS 16, Leases ("IFRS 16") to assess whether a contract conveys the right to control the use of an identified asset, pursuant to which financial liabilities related to lease contracts are recognized against assets for the right-of-use, measured at their commencement date as the net present value of the future contractual fixed payments, using the interest rate implicit in the lease or, if that rate cannot be readily determined, our incremental borrowing rate. We determine our incremental borrowing rate by obtaining interest rates from our external financing sources and making certain adjustments to reflect the term of the lease, the type of the asset leased and the economic environment in which the asset is leased.

We do not separate the non-lease component from the lease component included in the same contract. Lease payments included in the measurement of the lease liability comprise contractual rental fixed payments, less incentives, fixed payments of non-lease components and the value of a purchase option, to the extent that option is highly probable to be exercised or is considered a bargain purchase option. Interest incurred under the financial obligations related to lease contracts is recognized as part of the line item "Interest expense" in the statement of operations.

At the commencement date or on modification of a contract that contains a lease component, we allocate the consideration in the contract to each lease component based on their relative stand-alone prices. We apply the recognition exception for lease terms of 12 months or less and contracts of low-value assets and recognize the lease payment of these leases as rental expense in the statement of operations over the lease term. We defined the lease contracts related to office and computer equipment as low-value assets.

The lease liability is amortized using the effective interest method as payments are incurred and is remeasured when: (a) there is a change in future lease payments arising from a change in an index or rate, (b) if there is a change in the amount expected to be payable under a residual guarantee, (c) if we change our assessment of whether we will exercise a purchase, extension or termination option, or (d) if there is a revised in-substance fixed lease payment. When the lease liability is remeasured, an adjustment is made to the carrying amount of the asset for the right-of-use or is recognized within "Financial income and other items, net" if such asset has been reduced to zero.

Deferred Income Taxes

Our operations are subject to taxation in many different jurisdictions throughout the world. The effects reflected in the statement 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, reflecting uncertainty in income tax treatments, if any. 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 and other recoverable 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 at the reporting

period reflects the tax consequences that follow the manner in which we expect 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 taxes 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. 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.

Deferred tax assets, mainly related to tax loss carryforwards, are reviewed at each reporting date and are reduced when it is not deemed probable that the related tax benefit will be realized, considering the aggregate amount of self-determined tax loss carryforwards that we believe will not be rejected by the tax authorities based on available evidence and the likelihood of recovering them prior to their expiration through an analysis of estimated future taxable income. If it is probable that the tax authorities would reject a self-determined deferred tax asset, we would decrease such asset. When it is considered that a deferred tax asset will not be recovered before its expiration, we 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 recovered, we take 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 and future reversals of existing temporary differences. Likewise, we analyze our actual results versus our estimates, and adjust, as necessary, our tax asset valuations. If actual results vary from our estimates, the deferred tax asset and/or valuations may be affected, in which case, necessary adjustments will be made based on relevant information in our statement of operations for such period.

Based on IFRIC 23, *Uncertainty over income tax treatments*, the income tax effects from an uncertain tax position are recognized when it is probable 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. The probability of each position has been considered on its own, regardless of its relation to any other broader tax settlement. The probability threshold represents a positive assertion by management that we are entitled to the economic benefits of a tax position. If it is improbable for a tax position 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 tax strategy is to structure our worldwide operations to reduce 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 in the past have 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.

Our current and deferred income tax amounts included in our consolidated statements of operations are highly variable and are subject, among other factors, to the amounts of taxable income determined in each jurisdiction in which we operate. Such amounts of taxable income depend on factors such as sale volumes and prices, costs and expenses, exchange rates fluctuations and interest on debt, among others, as well as on the estimated tax assets at the end of the period due to the expected future generation of taxable gains in each

jurisdiction. See our discussion of operations included elsewhere in this "Item 5—Operating and Financial Review and Prospects."

Financial instruments

Financial assets are classified as "Held to collect" and measured at amortized cost when they are not designated as at fair value through profit or loss and meet both of the following conditions: (a) are held within a business model whose objective is to hold assets to collect contractual cash flows and (b) its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Amortized cost represents the net present value ("NPV") of the consideration receivable or payable as of the transaction date. This classification of financial assets comprises the following captions:

- Cash and cash equivalents;
- Trade receivables, other current accounts receivable and other current assets. Due to their short-term nature, we initially recognize these assets at the original invoiced or transaction amount minus expected credit losses, as explained below;
- Trade receivables sold under securitization programs, in which certain residual interest in the trade receivables sold in case of recovery failure and continued involvement in such assets is maintained, do not qualify for derecognition and are maintained in the statement of financial position; and
- Investments and non-current accounts receivable. Subsequent changes in effects from amortized cost are recognized in the income statement as part of "Financial income and other items, net."

Certain strategic investments are measured at fair value through other comprehensive income within "Other equity reserves." We do not maintain financial assets "Held to collect and sell" whose business model has the objective the collection of contractual cash flows and the sale of those financial assets.

The financial assets that are not classified as "Held to collect" or that do not have strategic characteristics fall into the residual category of held at fair value through the income statement as part of "Financial income and other items, net."

Debt instruments and other financial obligations are classified as "Loans" and measured at amortized cost. Interest accrued on financial instruments is recognized within "Other accounts payable and accrued expenses" against financial expense. During the reported periods, we did not have financial liabilities voluntarily recognized at fair value or associated with fair value hedge strategies with derivative financial instruments.

Derivative financial instruments are recognized as assets or liabilities in the statement of financial position at their estimated fair values, and the changes in such fair values are recognized in the income statement within "Financial income and other items, net" for the period in which they occur, except in the case of hedging instruments as described below.

(a) Derivative financial instruments

In compliance with the guidelines established by our Risk Management Committee and the restrictions in our debt agreements and our hedging strategy, we use derivative financial instruments with the objectives of: (i) changing the risk profile or fixing the price of fuels; (ii) foreign exchange hedging; (iii) hedging forecasted transactions; (iv) changing the risk of changes in market interest rates; and (v) accomplishing other corporate objectives.

Derivative financial instruments are recognized as assets or liabilities in the balance sheet at their estimated fair values, and changes in such fair values are recognized in the statements of operations within "Financial income and other items, 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, fuel 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. 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. See note 18.4 to our 2021 audited consolidated financial statements included elsewhere in this annual report.

The estimated fair value 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.

In connection with hedge accounting under IFRS 9, *Financial Instruments: classification and measurement* ("IFRS 9"), among other changes, there is a relief for entities in performing: (a) the retrospective effectiveness test at inception of the hedging relationship and (b) the requirement to maintain a prospective effectiveness ratio between 0.8 and 1.25 at each reporting date for purposes of sustaining the hedging designation, both requirements under IAS 39, *Financial instruments: recognition and measurement* ("IAS 39"). Under IFRS 9, a hedging relationship can be established to the extent the entity considers, based on the analysis of the overall characteristics of the hedging and hedged items, that the hedge will be highly effective in the future and the hedge relationship at inception is aligned with the entity's reported risk management strategy. IFRS 9 maintains the same hedge accounting categories of cash flow hedge, fair value hedge and hedge of a net investment established in IAS 39, as well as the requirement of recognizing the ineffective portion of a cash flow hedge immediately in the statement of operations.

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—represents quoted prices (unadjusted) in active markets for identical assets or liabilities that we can access at the measurement date. A quoted 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—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 and credit spreads, among others, as well as inputs extrapolated from other observable inputs. In the absence of Level 1 inputs, we 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 Operating EBITDA, including risk assumptions consistent with what market participants would use to arrive at fair value.

Critical 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 18.4 to our 2021 audited consolidated financial statements included elsewhere in this annual report.

(b) Impairment of financial assets

Impairment losses of financial assets, including trade accounts receivable, are recognized using the Expected Credit Loss model ("ECL") for the entire lifetime of such financial assets on initial recognition, and at each subsequent reporting period, even in the absence of a credit event or if a loss has not yet been incurred, considering for their measurement past events and current conditions, as well as reasonable and supportable forecasts affecting collectability. For purposes of the ECL model, we segment our accounts receivable in a matrix by country, type of client or homogeneous credit risk and days past due and determine for each segment an average rate of ECL, considering actual credit loss experience over the last 24 months and analyses of future delinquency, that is applied to the balance of the accounts receivable. The average ECL rate increases in each segment of days past due until the rate is 100% for the segment of 365 days or more past due.

Impairment of long-lived assets

Our statement of financial position reflects significant amounts of long-lived assets (including property, machinery and equipment, goodwill, 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.

Property, machinery and equipment, assets for the right-of-use, intangible assets of definite life and other investments are tested for impairment upon the occurrence of factors such as the occurrence of internal or external indicators of impairment, such as changes in our operating business model or in technology that affects the asset, 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.

Largely due to the COVID-19 pandemic, certain idle assets will remain closed for the foreseeable future. As a result of such closures, in relation to our estimated sales volumes and our ability to satisfy demand by achieving efficiencies in other operating assets, we recognized non-cash impairment losses for these assets for an aggregate amount of $306 million in 2020, of which $76 million relate to assets in the United States, mainly the North Brooksville plant, $189 million to assets in the EMEAA region, mainly the Lloseta and Gador plants in Spain and the South Ferriby plant in the United Kingdom and minor adjustments in other countries, and $39 million to assets in the SCA&C region mainly in connection with land in Puerto Rico and kiln 1 in Panama. During 2021, there were no significant impairment losses of fixed assets. Generally, for all reported periods, we conduct impairment tests 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; (b) change of operating model of certain assets or the transferring of installed capacity to more efficient plants; as well as (c) for certain equipment, remaining idle for several periods. Any resulting impairment losses are recognized within the line item of "Other expenses, net." See note 16.1 to our 2021 audited consolidated financial statements included elsewhere in this annual report.

During 2019, 2020 and 2021, the breakdown of impairment losses of fixed assets by country was as follows:

	For the Year Ended December 31,		
	2019	2020	2021
	(in millions of Dollars)		
United States	$ 6	$ 76	$ 18
Colombia	3	2	10
United Kingdom	—	39	5
Czech Republic	—	—	5
Spain	—	135	—
Puerto Rico	52	20	—
Croatia	—	13	—
Panama	—	12	—
Others	3	9	5
	$64	$306	$43

See note 16.1 to our 2021 audited consolidated financial statements included elsewhere in this annual report.

We do not have intangible assets of indefinite life other than goodwill. As mentioned above, 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 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. We determine discounted cash flows generally over periods of five years. 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. We recognize an impairment loss of goodwill 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.

In addition to the periodic goodwill impairment tests performed at year end 2020, considering the negative effects on our operating results caused by the COVID-19 pandemic (see note 2 to our 2021 audited consolidated financial statements included elsewhere in this annual report), as well as the high uncertainty and lack of visibility in relation to the duration and consequences in certain markets where we operate, management considered that impairment indicators occurred during the third quarter of 2021 and 2020 in our operating segments in Spain and UAE in 2021 and in the United States, Spain, Egypt and the UAE in 2020, and consequently carried out impairment analyses of goodwill as of September 30, 2021 and 2020, respectively.

As a result of these impairment analyses, in the third quarter of 2021 and 2020, we recognized within other expenses, net in the statement of operations a non-cash goodwill impairment loss for an amount of $440 million and $1,020 million, respectively, related, in 2021, to the operating segments in Spain of $317 million, UAE of $96 million, representing the entire goodwill allocated to UAE's operating segment, as well as $27 million related to our information technology business, due to reorganization, and in 2020 in connection with our operating segment in the United States. See notes 8 and 17.2 to our 2021 audited consolidated financial statements included elsewhere in this annual report. No other impairment test of goodwill as of September 30, 2021 and 2020 resulted in additional goodwill impairment losses. Moreover, we did not determine additional impairment losses in our goodwill impairment test as of December 31, 2020 and 2021 in any of the groups of CGUs to which goodwill balances have been allocated. In 2019, we did not determine goodwill impairment losses.

The impairment loss of 2021 in Spain and UAE referred, in both cases, in the aftermath of the COVID-19 pandemic (see note 2 to our 2021 audited consolidated financial statements included elsewhere in this annual report), to disruptions in the supply chains that have generated increases in the estimated production and transportation costs that are considered will be sustained in the mid-term. These negative effects significantly reduced the value in use of the reporting segments in Spain and UAE as of September 30, 2021 as compared to the valuations determined as of December 31, 2020, entirely generated by reductions in the projected Operating EBITDA as a result of the aforementioned increases in costs, considering that discount rates and long-term growth rates remained unchanged, which were 7.7% and 1.5% in Spain, respectively, as well as 8.3% and 2.6% in UAE, respectively. Additionally, we recognized an impairment loss related to our information technology business due to reorganization.

The impairment loss in the United States in 2020 resulted from the high volatility, lack of visibility and reduced outlook associated with the effects of the COVID-19 pandemic which made us reduce our cash flows projections in the United States from seven to five years as well as reduce our long-term growth rate in the United States from 2.5% to 2%. Such changes significantly reduced the value in use as of September 30, 2020, which decreased by 25.7% as compared to December 31, 2019. Of this reduction, 51.5 percentage points ("p.p.") were related to the decrease of two years in the cash flows projections, 27.3 p.p. resulted from the reduction in the long-term growth rate used to determine the terminal value which changed from 2.5% in 2019 to 2.0% as of September 30, 2020, and 28.3 p.p. resulted from the slowdown of sales growth over the projected years, partially compensated by a positive effect of 7.1 p.p. associated with the reduction in the discount rate which decrease from 7.8% in 2019 to 7.7% as of September 30, 2020.

For the years ended December 31, 2019, 2020 and 2021, the reporting segments we presented in note 5.3 to our 2021 audited consolidated financial statements included elsewhere in this annual report represent our groups of CGUs to which goodwill has been allocated for purposes of testing goodwill for impairment. In arriving at this conclusion, we considered: (i) that after the acquisition, goodwill was allocated at the level of the reporting segment; (ii) that the operating components that comprise the reporting segment have similar economic characteristics; (iii) that the reporting segments are used by us to organize and evaluate its activities in its internal information system; (iv) the homogenous nature of the items produced and traded in each operative component, which are all used by the construction industry; (v) the vertical integration in the value chain of the products comprising each component; (vi) the type of clients, which are substantially similar in all components; (vii) the operative integration among components; and (viii) whether the compensation system of the specific country is based on the consolidated results of the reporting segment and not on the particular results of the components. In addition, the country level represents the lowest level within us 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 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 discount rates are determined using the approach of the weighted average cost of capital (WACC formula). The amounts of estimated undiscounted cash flows are significantly sensitive to the growth rate in perpetuity applied. The higher the growth rate in perpetuity applied, the higher the amount obtained of undiscounted future cash flows by group of CGUs obtained. Moreover, the amounts of discounted estimated future cash flows are significantly sensitive to the weighted average cost of capital (discount rate) applied. 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 useful 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.

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 in 2019, 2020 and 2021 were as follows:

	Discount rates			Long-term growth rate		
Groups of CGUs	**2019**	**2020**	**2021**	**2019**	**2020**	**2021**
United States	7.8%	7.3%	7.2%	2.5%	2.0%	2.0%
Spain	8.3%	7.7%	7.6%	1.6%	1.5%	1.5%
United Kingdom	8.0%	7.4%	7.3%	1.5%	1.6%	1.5%
France	8.0%	7.4%	7.3%	1.4%	1.7%	1.4%
Mexico	9.0%	8.3%	8.4%	2.4%	1.1%	1.0%
Colombia	8.9%	8.4%	8.5%	3.7%	2.5%	3.5%
United Arab Emirates	8.8%	8.3%	—	2.5%	2.6%	—
Egypt	10.3%	10.2%	10.7%	6.0%	5.6%	3.0%
Range of rates in other countries	8.1% - 11.5%	7.2% - 15.5%	7.4% - 11.7%	1.6% - 6.5%	(0.3%) - 6.5%	1.7% - 6.0%

The discount rates used in our cash flows projections to determine the value in use of our operating segments as of December 31, 2021 generally decreased as compared to 2020 in a range of -0.1% up to 0.5%, mainly generated for the effect that significantly increases the discount rate of the weighing of debt in the calculation of the discount rates that decreased from 34.6% in 2020 to 26.9% in 2021, as well as the market risk premium which increased from 5.7% in 2020 to 5.8% in 2021. These increases were partially offset by the decrease in the risk-free rate associated with us changed from 2.2% in 2020 to 1.8% in 2021, as well by the decrease in the public comparable companies' stock volatility (beta) that changed from 1.19 in 2020 to 1.12 in 2021. As of December 31, 2021, the funding cost observed in the industry of 4.1% remained flat against 2020, while the specific risk rates of each country experienced mixed non-significant changes in 2021 as compared to 2020 in the majority of the countries.

In addition, as preventive measure to consider the high uncertainty, volatility and reduced visibility related to the negative effects of the COVID-19 pandemic (see note 2 to our 2021 audited consolidated financial statements included elsewhere in this annual report), we significantly reduced in certain countries our long-term growth rates used in their cash flows projections as of December 31, 2021 as compared to 2020 such as in Mexico in 1.0% and Egypt in 2.8%. These long-term growth rates will be revised upwards or downwards again in the future as new economic data is available.

The discount rates used in our cash flows projections to determine the value in use of our operating segments as of December 31, 2020 generally decreased as compared to 2019 in a range of 0.1% up to 1.5%, mainly because of a decrease in 2020 in the funding cost observed in the industry that changed from 5.4% in 2019 to 4.1% in 2020, as well as the weighing of debt in the calculation of the discount rates that increased from 31.7% in 2019 to 34.6% in 2020. The risk-free rate associated with us changed from 2.9% in 2019 to 2.2% in 2020, while the country risk-specific rates increased slightly in 2020 in most cases. These reductions were partially offset by a slight increase in the public comparable companies' stock volatility (beta) that changed from 1.08 in 2019 to 1.19 in 2020. In addition, as preventive measure to consider the high uncertainty, volatility and reduced visibility related to the negative effects of the COVID-19 pandemic (see note 2 to our 2021 audited consolidated financial statements included elsewhere in this annual report), we significantly reduced in certain countries our long-term growth rates used in their cash flows projections as of December 31, 2020 as compared to 2019 such as in the United States in 0.5%, Mexico in 1.3% and Colombia in 1.2%.

In connection with the discount rates and long-term growth rates included in the table above, we verified the reasonableness of our conclusions using sensitivity analyses to changes in assumptions, affecting the value in use of all groups of CGUs with an independent reasonably possible increase of 1% in the pre-tax discount rate, an independent possible decrease of 1% in the long-term growth rate, as well as using multiples of Operating EBITDA, by means of which, we determined a weighted-average multiple of Operating EBITDA to enterprise value observed in recent mergers and acquisitions 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. We considered an industry average Operating EBITDA multiple of 11.5 times in 2021, 11.5 times in 2020 and 11.5 times in 2019.

As of December 31, 2021, except for the operating segments in the United States and Spain presented in the table below, none of the other sensitivity analyses indicated a potential impairment risk in our operating segments. We continually monitors the evolution of the group of CGUs to which goodwill has been allocated that have presented relative goodwill impairment risk in any of the reported periods and, if the relevant economic variables and the related value in use would be negatively affected, it may result in a goodwill impairment loss in the future. The table below shows the additional effects of the sensitivity analyses to the charges recognized from the changes in assumptions as of December 31, 2021.

Operating segment	Impairment losses recognized	Discount rate +1%	Long-term growth rate –1%	Multiples Operating EBITDA 11.5x
Spain	$ 317	57	42	—
United States	—	238	—	—

As of December 31, 2020 and 2021, goodwill allocated to our operating segment in the United States accounted for 81% and 76%, of our total amount of consolidated goodwill, respectively. In connection with our determination of value in use relative to our groups of CGUs in the United States in the reported periods, we have considered several factors, such as the historical performance of such operating segment, including the operating results in recent years, the long-term nature of our investment, the signs of recovery in the construction industry over the last years, 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. To improve our assurance, as mentioned above, we verified our conclusions using sensitivity analyses over Operating EBITDA multiples of recent sale transaction within the industry occurred in such country, as well as macroeconomic information regarding GDP and cement consumption over the projected periods issued by the International Monetary Fund and the U.S. Portland Cement Association, respectively.

Employee benefits

The costs associated with our employees' benefits for: (i) defined benefit pension plans and (ii) other post-employment benefits, primarily comprised of health care benefits, life insurance and seniority premiums, granted by us and/or pursuant to applicable law, are recognized as services rendered, based on actuarial estimations of the benefits' present value with the advice of external actuaries. For certain pension plans, we have created irrevocable trust funds to cover future benefit payments ("plan assets"). These plan assets are valued at their estimated fair value at the statement of financial position date. The actuarial assumptions and accounting policy consider: (i) the use of nominal rates; (ii) 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; (iii) a net interest is recognized on the net defined benefit liability (liability minus plan assets); and (iv) 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 items of comprehensive income, net" within stockholders' equity.

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 cost, resulting from the increase in obligations for changes in net present value and the change during the period in the estimated fair value of plan assets, is recognized within "Financial income and other items, net."

The effects from modifications to the pension plans that affect the cost of past services are recognized within operating costs and expenses in the period in which such modifications become effective 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 significantly reduce the population subject to pension benefits, respectively, are recognized within operating costs and expenses.

Contingent liabilities

Obligations or losses resulting from past events are recognized as liabilities in the statement of financial position only when present legal or constructive obligations exist, are probable to result in an outflow of resources and the amount can be measured reliably. We do not recognize a provision when a loss is less than probable or when it is considered probable, but it is not possible to estimate the amount of the outflow. In such cases, the entity discloses a contingent liability in the notes to the financial statements, unless the possibility of an outflow of resources is remote.

We conduct significant activities in all the countries we operate, and we are exposed to events that may create possible obligations that must be analyzed at each reporting period, in order to conclude whether we have a present obligation that could lead to an outflow of resources embodying economic benefits; or present obligations that do not meet the recognition criteria, according to IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

We are involved in various legal proceedings that have arisen in the ordinary course of business. These proceedings include (1) antitrust proceedings; (2) product warranty claims; (3) claims for environmental damages; (4) indemnification claims relating to acquisitions or divestitures; (5) claims to revoke permits and/or concessions; (6) tax matters; and (7) other diverse civil, administrative, commercial and legal actions. Some of the cases require significant judgment and estimates from management to appropriately assess the likelihood of the outcomes and whether a present obligation exists. We maintain regional, country and centralized in-house legal departments which follow up on each of these cases and assist with the evaluation of the likelihood of the outcomes. In certain circumstances, external legal advice is also engaged.

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 such cases, we disclose qualitative information with respect to the nature and characteristics of the contingency but do not disclose our estimate of the range of potential loss.

Revenue Recognition

Under IFRS 15, Revenues from contracts with customers ("IFRS 15"), 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 (agreement that creates enforceable rights and obligations); Step 2: Identify the different performance obligations (promises) in the contract and account for those separately; Step 3: Determine the transaction price (amount of consideration to which an entity expects to be entitled in

exchange for transferring promised goods or services); Step 4: Allocate the transaction price to each performance obligation based on the relative stand-alone selling prices of each distinct good or service; and Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation by transferring control of a promised good or service to the customer. A performance obligation may be satisfied at a point in time (typically for the sale of goods) or over time (typically for the sale of services and construction contracts).

We recognized revenues at a point in time or over time in the amount of the price, before tax on sales, expected to be received by our subsidiaries for goods and services supplied as a result of their ordinary activities, as contractual performance obligations are fulfilled, and control of goods and services passes to the customer. Revenues are decreased by any trade discounts or volume rebates granted to customers. Transactions between related parties are eliminated in consolidation.

We recognize variable consideration when it is highly probable that a significant reversal in the amount of cumulative revenue recognized for the contract will not occur and is measured using the expected value or the most likely amount method, whichever is expected to better predict the amount based on the terms and conditions of the contract.

Revenue and costs from trading activities, in which we acquire finished goods from a third party and subsequently sell the goods to another third-party, are recognized on a gross basis, considering that we assume the total risk on the goods purchased, not acting as agent or broker.

When revenue is earned over time as contractual performance obligations are satisfied, which is the case of construction contracts, we apply the stage of completion method to measure revenue, which represents: (i) the proportion that contract costs incurred for work performed to date bear to the estimated total contract costs; (ii) the surveys of work performed; or (iii) the physical proportion of the contract work completed, whichever better reflects the percentage of completion under the specific circumstances. Revenue related to construction contracts are recognized in the period in which the work is performed by reference to the contract's stage of completion at the end of the period, considering that the following have been defined: (i) each party's enforceable rights regarding the asset under construction; (ii) the consideration to be exchanged; (iii) the manner and terms of settlement; (iv) actual costs incurred and contract costs required to complete the asset are effectively controlled; and (v) it is probable that the economic benefits associated with the contract will flow to the entity. Progress payments and advances received from customers do not reflect the work performed and are recognized as a short- or long-term advance payments, as appropriate.

Results of Operations

Selected Consolidated Financial Information

The financial data set forth below as of December 31, 2020 and 2021, and for each of the three years ended December 31, 2019, 2020 and 2021 have been derived from, and should be read in conjunction with, and are qualified in their entirety by reference to, our 2021 audited consolidated financial statements included elsewhere in this annual report.

Our 2021 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 issued by the IASB) to reconcile such financial statements to U.S. GAAP.

CEMEX, S.A.B. DE C.V. AND SUBSIDIARIES

Selected Consolidated Financial Information

	As of and for the Year Ended December 31,		
	2019	2020	2021
	(in millions of Dollars, except ratios and share and per share amounts)		
Statement of Operations Information:			
Revenues	$12,959	$ 12,814	$14,548
Cost of sales[1]	(8,714)	(8,692)	(9,875)
Gross profit	4,245	4,122	4,673
Operating expenses	(2,946)	(2,811)	(2,939)
Operating earnings before other expenses, net[2]	1,299	1,311	1,734
Other expenses, net	(334)	(1,767)	(116)
Operating earnings (loss)[2]	965	(456)	1,618
Financial items[3]	(776)	(895)	(740)
Share of profit of equity accounted investees	49	49	54
Earnings (loss) before income tax	238	(1,302)	932
Discontinued operations[4]	98	(99)	(10)
Non-controlling interest net income	36	21	25
Controlling interest net income (loss)	143	(1,467)	753
Basic earnings (loss) per share[5][6]	0.0031	(0.0332)	0.0171
Diluted earnings (loss) per share[5][6]	0.0031	(0.0332)	0.0168
Basic earnings (loss) per share from continuing operations[5][6]	0.0010	(0.0310)	0.0173
Diluted earnings (loss) per share from continuing operations[5][6]	0.0010	(0.0310)	0.0170
Number of shares outstanding[5][7][8]	47,322	44,870	44,853
Statement of Financial Position Information:			
Cash and cash equivalents	788	950	613
Assets held for sale[9]	839	187	141
Property, machinery and equipment, net and assets for the right-of-use, net[13]	11,850	11,413	11,322
Total assets	29,363	27,425	26,650
Current debt	62	179	73
Non-current debt	9,303	9,160	7,306
Liabilities directly related to assets held for sale	37	6	39
Non-controlling interest and Perpetual Debentures[10]	1,503	877	444
Total controlling interest	9,321	8,075	9,827
Other Financial Information:			
Book value per share[5][8][11]	0.1970	0.1800	0.2191
Operating margin before other expenses, net	10.0%	10.2%	11.9%
Operating EBITDA[12]	2,338	2,421	2,861
Capital expenditures	1,033	795	1,094
Depreciation and amortization of assets	1,039	1,110	1,127
Cash flows provided by operating activities from continuing operations	2,117	2,368	2,517
Basic earnings (loss) per CPO from continuing operations[5][6]	0.0030	(0.0930)	0.0519
Basic earnings (loss) per CPO[5][6]	0.0093	(0.0996)	0.0513
Total debt plus other financial obligations[13]	11,790	11,185	9,157

(1) Cost of sales includes depreciation, amortization and depletion of assets involved in production, expenses related to storage in production plants, freight expenses of raw materials in plants and delivery expenses of our ready-mix concrete business. Our cost 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 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 the line item titled "Operating expenses."

(2) In the statements of operations, we include the line item titled "Operating earnings before other expenses, net" considering that is a relevant measure for our management as explained in note 3.1 to our 2021 audited consolidated financial statements included elsewhere in this annual report. Under IFRS, while there are line items that are customarily included in the statements of operations, such as revenues, 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 our financial expense and our financial income and other items, net, which includes our results in the sale of associates and remeasurement of previously held interest before change in control of associates, financial income, results from financial instruments, net (derivatives, fixed-income investments and other securities), foreign exchange results and effects of amortized cost on assets and liabilities and others, net. See notes 9.1 and 9.2 to our 2021 audited consolidated financial statements included elsewhere in this annual report.

(4) Considering the disposal of entire reporting segments as well as the sale of significant businesses, our statements of operations present as part of the single line item of "Discontinued operations" the results of: (a) the operating segment in Costa Rica and El Salvador for the years 2019, 2020 and 2021; (b) the white cement business held for sale in Spain for the years of 2019, 2020 and for the period from January 1 to July 9, 2021; (c) France assets related to Rhone Alpes region for the years 2019 and 2020 and for the period from January 1 to March 31, 2021; (d) the assets sold in the United Kingdom for the year 2019 and for the period from January 1 to August 3, 2020; (e) Kosmos' assets sold in the United States for the year 2019 and for the period from January 1 to March 6, 2020; (f) the French assets sold for the period from January 1 to June 28, 2019; (g) the German assets sold for the period from January 1 to May 31, 2019; and (h) the Baltics and Nordics businesses sold for the period from January 1 to March 29, 2019. See note 5.2 in our consolidated financial statements included elsewhere in this annual report.

(5) CEMEX, S.A.B. de C.V.'s capital stock consists of Series A shares and Series B shares. Each CPO represents two Series A shares and one Series B share. As of December 31, 2021, 99.88% of CEMEX, S.A.B. de C.V.'s outstanding share capital was represented by CPOs. Each ADS represents ten CPOs.

(6) Earnings per share is calculated based upon the weighted-average number of shares outstanding during the year, as described in note 24 to our 2021 audited consolidated financial statements included elsewhere in this annual report. Basic earnings per CPO is determined by multiplying the basic earnings per share for each period by three (the number of shares underlying each CPO). Basic earnings per CPO is presented solely for the convenience of the reader and does not represent a measure under IFRS. As shown in notes 5.2 and 24 to our 2021 audited consolidated financial statements included elsewhere in this annual report, and in connection with our discontinued operations mentioned above, for the years ended December 31, 2019 and 2020, "Basic earnings per share" and "Diluted earnings per share" include $0.0010 and ($0.0310), respectively from "Continuing operations" and for the year ended December 31, 2021, "Basic loss per share" and "Diluted loss per share" include $0.0170 from "Continuing operations." In addition, for the years ended December 31, 2019 and 2020, "Basic earnings per share" and "Diluted earnings per share" include $0.0021 and ($0.0022), respectively from "Discontinued operations" and for the year ended December 31, 2021, "Basic loss per share" and "Diluted loss per share" include ($0.0002), from "Discontinued operations." See note 24 to our 2021 audited consolidated financial statements included elsewhere in this annual report.

(7) CEMEX, S.A.B. de C.V. did not declare a dividend for fiscal years 2019, 2020 and 2021. For fiscal year 2018, CEMEX, S.A.B. de C.V. declared a cash dividend in the amount of $150 million, payable in Mexican Pesos in two equal installments, in June 2019 and December 2019. No recapitalization of retained earnings was approved at CEMEX, S.A.B. de C.V.'s annual general ordinary shareholders' meetings held on April 5, 2018 and March 28, 2019, respectively. No recapitalization of retained earnings or cash dividend was proposed for CEMEX, S.A.B. de C.V.'s annual general ordinary shareholders' meeting held on March 26, 2020, March 25, 2021 and March 24, 2022.

(8) Represents the weighted average number of shares diluted included in note 24 to our 2021 audited consolidated financial statements included elsewhere in this annual report.

(9) In 2019, includes assets held for sale in the United Kingdom, Kosmos' assets in the United States and the white cement assets in Spain. In 2020, includes assets held for sale in connection with the white cement assets in Spain. In 2021, includes assets held for sale in connection with the operating segments in Costa Rica and El Salvador.

(10) As of December 31, 2019 and 2020, the line item of "Non-controlling interest and perpetual debentures" included $443 million and $449 million, respectively, that represents the nominal amounts of Perpetual Debentures, denominated in Dollars and Euros, issued by consolidated entities. In June 2021, CEMEX redeemed all series of its outstanding Perpetual Debentures. In accordance with IFRS, these securities qualify as equity due to their perpetual nature and the option to defer the coupons.

(11) Book value per share is calculated by dividing the total controlling interest by the number of shares outstanding.

(12) "Operating EBITDA" equals operating earnings before other expenses, net, plus depreciation and amortization expenses. Operating EBITDA is calculated and presented because it is an indicator used by our management for decision-making purposes and it is included in our 2021 Credit Agreement) as a financial indicator of our ability to internally fund capital expenditures and service or incur debt. See note 18.1 to our 2021 audited consolidated financial statements included elsewhere in this annual report. Operating EBITDA is a non-IFRS measure and should not be considered an indicator of our financial performance as an alternative 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 revenues, 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. Our Operating EBITDA may not be comparable to similarly titled measures reported by other companies due to potential differences in the method of calculation. Operating EBITDA is reconciled below to operating earnings before other expenses, net, as reported in the statements of operations, and to cash flows provided by operating activities from continuing operations before financial expense, coupons on Perpetual Debentures and income taxes, as reported in the statement of cash flows. Financial expense under IFRS does not include coupon payments of the Perpetual Debentures and subordinated notes with no fixed maturity issued by consolidated entities of $29 million in 2019, $24 million in 2020, and $41 million in 2021, as described in note 22.2 and 22.4 to our 2021 audited consolidated financial statements included elsewhere in this annual report.

(13) From 2019 through 2021, other financial obligations include: (a) lease contracts as per IFRS 16; (b) liabilities secured with accounts receivable; and (c) from 2019 through 2020, the liability components associated with our financial instruments convertible into CEMEX's CPOs. See notes 16.2 and 18.2 to our 2021 audited consolidated financial statements included elsewhere in this annual report.

	For the Year Ended December 31,		
	2019	2020	2021
	(in millions of Dollars)		
Reconciliation of cash flows provided by operating activities from continuing operations to Operating EBITDA			
Cash flow provided by operating activities from continuing operations	$ 2,117	$ 2,368	$ 2,517
Plus/minus:			
Changes in working capital excluding income taxes	(98)	(198)	143
Depreciation and amortization of assets	(1,039)	(1,110)	(1,127)
Other items, net	319	251	201
Operating earnings before other expenses, net	1,299	1,311	1,734
Plus:			
Depreciation and amortization of assets	1,039	1,110	1,127
Operating EBITDA	$ 2,338	$ 2,421	$ 2,861

Consolidation of Our Results of Operations

Our 2021 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, and consolidation is required, only when we have all of the following: (a) the power, directly or indirectly, to direct the relevant activities of an entity; (b) the exposure to variable returns from our involvement with such entity; and (c) the ability to use our power over such entity to affect its returns.

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 balances and transactions between the group subsidiaries have been eliminated in consolidation.

Discontinued Operations

Considering the disposal of entire reporting segments as well as the sale of significant businesses, our statements of operations present as part of the single line item of "Discontinued operations" the results of operations, net of income tax, of the following transactions (as further described below): (a) CEMEX's operations in Costa Rica and El Salvador currently held for sale for the years 2019, 2020 and 2021; (b) the white cement business sold in Spain for the years 2019, 2020 and for the period from January 1 to July 9, 2021; (c) the France assets related to the Rhone Alpes region for the years ended December 31, 2019 and 2020 and for the period from January 1 to March 31, 2021; (d) the assets sold in the United Kingdom for the year 2019 and for the period from January 1 to August 3, 2020; (e) Kosmos' assets sold in the United States for the year 2019 and for the period from January 1 to March 6, 2020; (f) the French assets sold for the period from January 1 to June 28, 2019; (g) the German assets sold for the period from January 1 to May 31, 2019; and (h) the Baltics and Nordics businesses sold for the period from January 1 to March 29, 2019. See note 5.2 in our consolidated financial statements included elsewhere in this annual report.

Acquisition of Operations

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, 2019, 2020 and 2021 may not be comparable to that of prior periods.

Significant Transactions

For the years ended December 31, 2019, 2020 and 2021, our consolidated results reflect the following transactions:

- On December 29, 2021, certain of our subsidiaries signed an agreement for the sale of our operations in Costa Rica and El Salvador with certain subsidiaries of Cementos Progreso Holdings, S.L., for a total consideration of $335 million. As of the date of this annual report, we expect to conclude the transaction during the first half of 2022, subject to the satisfaction of closing conditions in Costa Rica and El Salvador, including the receipt of requisite regulatory approvals. As of December 31, 2021, the assets and liabilities related to our operations in Costa Rica and El Salvador were presented in the financial statements in the line item "Assets and liabilities directly related to assets held for sale." Our operations of these assets in Costa Rica and El Salvador for the years ended December 31, 2019, 2020 and 2021 are reported in the statements of operations, net of income tax, as part of the single line item "Discontinued operations."

- On October 4, 2021, we announced that we signed an agreement to acquire from HeidelbergCement a limestone quarry with a waste management operation near the Madrid metropolitan area and 3 concrete plants in the Balearic Islands.
- On July 9, 2021, we announced that we concluded the sale agreed in March 2019 of our white cement business, except for Mexico and the U.S., to Çimsa Çimento Sanayi Ve Ticaret A.Ş. for a total consideration of $155 million. Assets sold included our Buñol cement plant in Spain and white cement customer list. Our operations of these assets in Spain for the years ended December 31, 2019 and 2020 and the period from January 1, 2021 to July 9, 2021 are reported in the statements of operations, net of income tax, as part of the single line item "Discontinued operations," including in 2021 a loss on sale of $67 million net of the proportional allocation of goodwill of $41 million.
- On April 12, 2021, we announced that we signed an agreement to acquire from Eqiom Granulats two aggregates quarries and one rail-enabled platform in the North Paris Metropolitan area.
- On March 31, 2021, we sold 24 concrete plants and one aggregates quarry in France to Holcim for an amount in Euros equivalent to $44 million. These assets are located in the Rhone Alpes region in the Southeast of France, east of our operations in Lyon. We will retain our business in Lyon. The operations related to these assets for the years ended December 31, 2019 and 2020 and the three-month period ended March 31, 2021 are presented in our statements of operations, net of income tax, as part of the single line item "Discontinued operations."
- On February 16, 2021, we announced that we acquired the ready mix assets of Beck Readymix Concrete Co. LTD., including three ready-mix concrete plants and one portable plant to service the San Antonio, Texas metropolitan area and surrounding areas.
- In January 2021, one of our subsidiaries in Israel acquired two ready-mix concrete plants from Kinneret and Beton-He'Emek for an amount in shekels equivalent to $6 million. After the conclusion of the purchase price allocation to the fair values of the assets acquired and liabilities assumed of this business, we determined goodwill of $5 million.
- On November 9, 2020, the tender offer acceptance period commenced for the CLH Tender Offer for any and all outstanding ordinary shares of CLH registered with the National Register of Securities and Issuers (*Registro Nacional de Valores y Emisores*) and the Colombian Securities Exchange (*Bolsa de Valores de Colombia*) (except for shares either owned by CEMEX España or CLH). The CLH Tender Offer expired on December 10, 2020. As a result of the CLH Tender Offer, CEMEX España purchased 108,337,613 shares of CLH at a purchase price of 3,250 Colombian Pesos per ordinary share of CLH. The CLH Tender Offer fully settled on December 18, 2020 for an aggregate amount of 352 billion Colombian Pesos (equivalent to $103 million). As of December 31, 2021, CEMEX España owns 92.26% of all outstanding shares in CLH (which exclude shares owned by CLH), which includes shares purchased by us in the secondary market after the closing of the CLH Tender Offer.
- On August 3, 2020, through an affiliate in the United Kingdom, we closed the sale of certain assets to Breedon for an amount in Pounds equivalent to $230 million, including $30 million of debt. The assets included 49 ready-mix plants, 28 aggregate quarries, four depots, one cement terminal, 14 asphalt plants, four concrete products operations, as well as a portion of our paving solutions business in the United Kingdom. After completion of this divestiture, we maintain a significant footprint in key operating geographies in the United Kingdom related to the production and sale of cement, ready-mix, aggregates, asphalt and paving solutions, among others. Our operations of these assets in the United Kingdom for the year ended December 31, 2019 and for the period from January 1 to August 3, 2020, which includes a loss on sale of $57 million net of the proportional allocation of goodwill of $47 million, are presented in our statements of operations, net of tax, as part of the single line item "Discontinued operations."
- On March 6, 2020, we concluded the sale of our U.S. affiliate Kosmos, a partnership with a subsidiary of Buzzi Unicem S.p.A. in which we held a 75% interest, to Eagle Materials Inc. for $665 million. The

share of proceeds to us from this transaction was $499 million before transactional and other costs and expenses. The assets that were divested consisted of Kosmos' cement plant in Louisville, Kentucky, as well as related assets which include seven distribution terminals and raw material reserves. The operations of these assets in the United States for the year ended December 31, 2019 and for the period from January 1 to March 6, 2020, which includes a gain on sale of $14 million, net of the proportional allocation of goodwill of $291 million, and are presented in our statements of operations, net of income tax, as part of the single line item "Discontinued operations."

- During the first six months of 2020, one of our subsidiaries in Israel acquired Netivei Noy from Ashtrom Industries for an amount in Shekels equivalent to $33 million. After the conclusion of the purchase price allocation to the fair values of the assets acquired and liabilities assumed of this business, we determined goodwill of $2 million.
- On January 29, 2020, CHP announced the results of its stock rights offering pursuant to which 8,293,831,169 common shares of CHP were issued and listed on the Philippine Stock Exchange on March 4, 2020. As of December 31, 2019, CEMEX España indirectly held 66.78% of CHP's common shares. After giving effect to the stock rights offering, CEMEX España's indirect ownership of CHP's common shares increased to 75.66%. As of December 31, 2021, CEMEX España's indirect ownership of CHP's outstanding common shares had further increased to 77.84%.
- On June 28, 2019, after obtaining customary authorizations, we concluded with several counterparties the sale of our ready-mix and aggregates business in the central region of France for an aggregate price in Euro equivalent to $36 million. Our operations of these disposed assets in France for the period from January 1 to June 28, 2019, which include a gain on sale of $17 million net of a proportional allocation of goodwill related to this reporting segment of $8 million, are presented in the statements of operations, net of income tax, as part of the single line item "Discontinued operations."
- On May 31, 2019, we concluded the sale of our aggregates and ready-mix assets in the North and North-West regions of Germany to GP G✔nter Papenburg AG for a price in Euro equivalent to $97 million. The assets divested in Germany consisted of four aggregates quarries and four ready-mix facilities in North Germany, and nine aggregates quarries and 14 ready-mix facilities in North-West Germany. Our operations of these disposed assets for the period from January 1 to May 31, 2019, which include a gain on sale of $59 million, are presented in the statements of operations, net of income tax, as part of the single line item "Discontinued operations."
- On March 29, 2019, we closed the sale of our businesses in the Baltics and Nordics to the German building materials group Schwenk for a price in Euro equivalent to $387 million. The Baltic assets divested consisted of one cement production plant in Broceni, Latvia with a production capacity of approximately 1.7 million tons, four aggregates quarries, two cement quarries, six ready-mix plants, one marine terminal and one land distribution terminal in Latvia. The assets divested also included our 37.8% indirect interest in one cement production plant in Akmene, Lithuania with a production capacity of approximately 1.8 million tons, as well as the exports business to Estonia. The Nordic assets divested consisted of three import terminals in Finland, four import terminals in Norway and four import terminals in Sweden. Our operations of these disposed businesses for the period from January 1 to March 29, 2019, which include a gain on sale of $66 million, are reported in the statements of operations, net of income tax, as part of the single line item "Discontinued operations."

See notes 5.1 and 5.2 to our 2021 audited consolidated financial statements included elsewhere in this annual report.

Consolidated Statements of Operations Data

The following table sets forth our selected consolidated statements of operations data for each of the three years ended December 31, 2019, 2020 and 2021 expressed as a percentage of revenues.

	Year Ended December 31,		
	2019	2020	2021
Revenues	100%	100%	100%
Cost of sales	(67.2)	(67.8)	(67.9)
Gross profit	32.8	32.2	32.1
Operating expenses	(22.7)	(21.9)	(20.2)
Operating earnings before other expenses, net	10.0	10.2	11.9
Other expenses, net	(2.6)	(13.8)	(0.8)
Operating earnings	7.4	(3.6)	11.1
Financial expense	(5.5)	(6.1)	(4.6)
Financial income and other items, net	(0.5)	(0.9)	(0.5)
Share of profit on equity accounted investees	0.4	0.4	0.4
Earnings before income tax	1.8	(10.2)	6.4
Income tax	(1.2)	(0.4)	(1.0)
Net income from continuing operations	0.6	(10.5)	5.4
Discontinued operations	0.8	(0.8)	(0.1)
Consolidated net income	1.4	(11.3)	5.3
Non-controlling interest net income	0.3	0.2	0.2
Controlling interest net income	1.1	(11.4)	5.2

Key Components of Results of Operations

Revenues

Revenues are primarily comprised of cement, ready-mix concrete, aggregates, and Urbanization Solutions, which accounted for 91%, 93% and 90% of consolidated revenues before eliminations resulting from consolidation for the years ended December 31, 2019, 2020 and 2021, respectively. We recognized revenues at a point in time or overtime in the amount of the price, before tax on sales, expected to be received for goods and services supplied because of ordinary activities, as contractual performance obligations are fulfilled, and control of goods and services passes to the customer. Revenues are decreased by any trade discounts or volume rebates granted to customers. Transactions between related parties are eliminated in consolidation. Variable consideration is recognized when it is highly probable that a significant reversal in the amount of cumulative revenue recognized for the contract will not occur and is measured using the expected value or the most likely amount method, whichever is expected to better predict the amount based on the terms and conditions of the contract.

Cost of Sales

Cost of sales represents the production cost of goods sold, including raw materials and goods for resale, payroll related to the production phase, electricity, fuels, and other services, depreciation and amortization of assets involved in the production, maintenance, repairs and supplies, freight expenses of raw material in plants and delivery expenses of our ready-mix concrete business, among other production costs. Cost of sales does not include (i) expenses related to personnel, equipment and services involved in sales activities and storage of product at points of sales, which are included in administrative and selling expenses and (iii) 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 distribution expenses. Administrative and selling expenses and distribution expenses are included in operating expenses. As a percentage of revenues, cost of sales represented 67.2%, 67.8% and 67.9% for the years ended December 31, 2019, 2020 and 2021, respectively.

Operating Expenses

Operating expenses comprise administrative and selling expenses and distribution and logistics expenses. Administrative expenses represent the expenses associated with personnel, services and equipment, including depreciation and amortization, related to managerial activities and back-office for our management. Sales expenses represent the expenses associated with personnel, services and equipment, including depreciation and amortization, involved specifically in sales activities. Distribution and logistics expenses refer to storage expenses at points of sales, including depreciation and amortization, freight expenses of finished products between plants and points of sale and freight expenses between points of sales and the customers' facilities. As a percentage of revenues, operating expenses represented 22.7%, 21.9% and 20.2% for the years ended December 31, 2019, 2020, and 2021, respectively. The main operating expenses are comprised by transportation cost, payroll of personnel, depreciation and amortization of assets related to the operating expenses, as well as professional legal, accounting and advisory services and maintenance, repairs and supplies accounted for 94.0%, 96.2% and 96.3% of consolidated operating expenses for the years ended December 31, 2019, 2020 and 2021, respectively.

Other Expenses, Net

The line item Other expenses, net consists primarily of revenues and expenses not directly related to our main activities or which are of non-recurring nature, including impairment losses of long-lived assets, non-recurring sales of emission allowances, results on disposal of assets, which relates to sales of property plant and equipment, and restructuring costs, losses in connection with property damages and natural disasters, among others. For the years ended December 31, 2019, 2020, and 2021, Other Expenses, Net, amounted to $334 million, $1,767 million and $116 million, respectively. In 2020, include impairment losses of goodwill and other intangible assets of $1,020 and $194, respectively, related to our assets and the reporting Segment in the United States. As a percentage of revenues, Other expenses, net, represented 2.6%, 13.8% and 0.8% for the years ended December 31, 2019, 2020 and 2021, respectively.

Financial income and other items, net

Financial income and other items, net, includes (i) Effects of amortized cost on assets and liabilities and others, net; (ii) Net interest cost of pension liabilities; (iii) Results from financial instruments, net; (iv) Foreign exchange results, comprising foreign exchange gains and losses in connection with the effects of foreign exchange fluctuations on our assets and liabilities denominated in currencies other than the Dollar; (v) Financial income, which relates to income in connection with deposits and investments; and (vi) others. As a percentage of revenues, financial income, and other items, net, represented 0.5%, 0.9% and 0.5% for the years ended December 31, 2019, 2020 and 2021, respectively.

Income Tax

Income tax comprises current income taxes net of deferred income taxes. For the years ended December 31, 2019, 2020 and 2021, our statutory income tax rate was 30%. Our average effective tax rate equals the net amount of income tax revenue or expense divided by income or loss before income taxes, as these line items are reported in the statement of operations, was 66.0%, (3.5%) and 15.5%, for the years ended December 31, 2019, 2020 and 2021, respectively. The effects reflected in the statement 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, reflecting uncertainty in income tax treatments. Consolidated deferred income taxes represent the addition of the amounts determined in each subsidiary by applying the enacted statutory income tax rate or substantively enacted by the end of the reporting period to the total temporary differences resulting from comparing the book and taxable values of assets and liabilities, considering tax assets such as loss carryforwards and other recoverable taxes, 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 at

the reporting period reflects the tax consequences that follow how we expect 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 taxes at the beginning and the end of the period. Deferred income tax assets and liabilities relating to different tax jurisdictions are not offset. The effect of a change in enacted statutory tax rates is recognized in the period in which the change is officially enacted.

Year Ended December 31, 2021 Compared to Year Ended December 31, 2020

Summarized in the table below are the percentage (%) increases (+) and decreases (-) for the year ended December 31, 2021, compared to the year ended December 31, 2020, 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 reporting segments.

Reporting segments represent the components of CEMEX that engage in business activities from which we 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. We operate geographically and by line of business on a regional basis. For the reported periods, the Company's operations were organized in four geographical regions, each under the supervision of a regional president, as follows: 1) Mexico, 2) United States, 3) EMEAA and 4) SCA&C. The accounting policies applied to determine the financial information by reporting segment are consistent with those described in note 3 to our 2021 audited consolidated financial statements included elsewhere in this annual report.

As of December 31, 2021, considering similar regional and economic characteristics and/or materiality, certain countries have been aggregated and presented as single line items as follows: (i) "Rest of EMEAA" refers mainly to CEMEX's operations and activities in the Czech Republic, Croatia, Egypt and the UAE; (ii) "Rest of SCA&C" refers mainly to CEMEX's operations and activities in Puerto Rico, Nicaragua, Jamaica, the Caribbean and Guatemala, excluding the operations of TCL; and (iii) "Caribbean TCL" refers to TCL's operations mainly in Trinidad and Tobago, Jamaica, Guyana and Barbados. The segment "Others" refers to: (1) cement trade maritime operations, (2) Neoris N.V., our subsidiary involved in the business of information technology solutions, (3) CEMEX, S.A.B. de C.V., other corporate entities and finance subsidiaries and (4) other minor subsidiaries with different lines of business.

The table below and the other volume data presented by reporting segment in this "Item 5—Operating and Financial Review and Prospects—Results of Operations—Year Ended December 31, 2021 Compared to Year Ended December 31, 2020" section are presented before eliminations resulting from consolidation (including those shown in note 5.3 to our 2021 audited consolidated financial statements included elsewhere in this annual report).

	Domestic Sales Volumes		Export Sales Volumes	Average Domestic Sales Prices in Local Currency[1]	
Reporting Segment	Cement	Ready-Mix Concrete	Cement	Cement	Ready-Mix Concrete
Mexico	+8%	+8%	-1%	+7%	+3%
United States	+6%	+8%	—	+3%	+2%
EMEAA					
United Kingdom	+19%	+3%	—	+7%	+7%
France	—	+8%	—	—	+1%
Germany	-4%	-7%	+5%	+3%	+6%
Poland	+5%	+9%	-54%	+5%	-1%
Spain	+6%	+7%	+14%	-1%	+1%
Philippines	+7%	—	-14%	-2%	—
Israel	—	Flat	—	—	Flat
Rest of EMEAA	-11%	+2%	Flat	+9%	Flat
SCA&C					
Colombia	+8%	+11%	—	Flat	+1%
Panama	+41%	+22%	>100%	-5%	-8%
Caribbean TCL	+16%	-3%	-14%	Flat	+1%
Dominican Republic	+22%	-2%	-34%	+11%	+14%
Rest of SCA&C	+9%	+3%	-42%	+4%	+17%

"—" = Not Applicable

(1) Represents the average change in domestic cement and ready-mix concrete prices in local currency terms. For purposes of a reporting segment consisting of a region, the average prices in local currency terms for each individual country within the region are first translated into Dollar terms (except for the Rest of EMEA segment, in which they are 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 Dollar terms (except for the Rest of EMEAA segment, in which they represent the weighted average change of prices in Euros) based on total sales volumes in the region.

On a consolidated basis, our cement sales volumes increased 6%, from 63.2 million tons in 2020 to 67.0 million tons in 2021, and our ready-mix concrete sales volumes increased 6%, from 46.7 million cubic meters in 2020 to 49.2 cubic meters in 2021. Our revenues increased 14%, from $12,814 million in 2020 to $14,548 million in 2021, and our operating earnings before other expenses, net increased 32%, from $1,311 million in 2020 to $1,734 million in 2021. See the table below for a breakdown according to reporting segment.

The following tables present selected financial information for revenues and operating earnings before other expenses, net for each of our reporting segments for the years ended December 31, 2020 and 2021. The revenues information in the table below are presented before eliminations resulting from consolidation (including those shown in note 5.3 to our 2021 audited consolidated financial statements included elsewhere in this annual report). Variations in revenues determined on the basis of Dollars include the appreciation or depreciation which occurred during the period between the local currencies of the countries in the regions vis-à-vis the Dollar; therefore, such variations differ substantially from those based solely on the countries' local currencies:

Reporting Segment	Variation in Local Currency[1]	Approximate Currency Fluctuations	Variation in Dollars	Revenues For the Year Ended	
				2020	2021
			(in millions of Dollars)		
Mexico	+17%	+6%	+23%	2,812	3,466
United States	+9%	—	+9%	3,994	4,359
EMEAA					
United Kingdom	+19%	+8%	+27%	739	940
France	+12%	+3%	+14%	754	863
Germany	-6%	+2%	-3%	489	472
Poland	+5%	+3%	+7%	377	405
Spain	+9%	+3%	+13%	319	359
Philippines	+6%	+1%	+7%	398	424
Israel	-2%	+6%	+4%	754	785
Rest of EMEAA	+3%	+3%	+6%	582	618
SCA&C					
Colombia	+11%	-3%	+8%	404	437
Panama	+51%	—	+51%	80	121
Caribbean TCL	+11%	+1%	+12%	251	280
Dominican Republic	+31%	-1%	+31%	229	299
Rest of SCA&C	+18%	–	+18%	393	465
Others	+90%	–	+90%	941	1,790
Revenues from continuing operations before eliminations resulting from consolidation			+19%	$13,516	$16,083
Eliminations resulting from consolidation				(702)	(1,535)
Revenues from continuing operations			+14%	$12,814	$14,548

Reporting Segment	Variation in Local Currency[1]	Approximate Currency Fluctuations	Variation in Dollars	Operating Earnings Before Other Expenses, Net For the Year Ended December 31, 2020	2021
			(in millions of Dollars)		
Mexico	+22%	+6%	+28%	$ 783	$ 1,003
United States	+2%	—	+2%	307	314
EMEAA					
United Kingdom	+230%	+13%	+243%	21	72
France	+88%	-1%	+87%	23	43
Germany	+4%	+1%	+5%	39	41
Poland	-5%	+3%	-2%	49	48
Spain	-157%	-22%	-179%	(14)	(39)
Philippines	+2%	+1%	+3%	72	74
Israel	-35%	+14%	-21%	87	69
Rest of EMEAA	+60%	+3%	+63%	19	31
SCA&C					
Colombia	+2%	-2%	Flat	61	61
Panama	+504%	—	+504%	(4)	15
Caribbean TCL	+6%	+1%	+7%	43	46
Dominican Republic	+59%	Flat	+59%	76	121
Rest of SCA&C	+14%	—	+14%	85	97
Others	+22%	—	+22%	(336)	(262)
Operating earnings before other expenses, net from continuing operations			+32%	$ 1,311	$ 1,734

"—" = Not Applicable

(1) Represents the variation in local currency terms. For purposes of a reporting segment consisting of a region, the variation in local currency terms for each individual country within the region are first translated into Dollar terms (except for the Rest of EMEAA segment, in which they are 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 Dollar terms (except for the Rest of EMEAA segment, in which they represent the change in Euros), net, in the region.

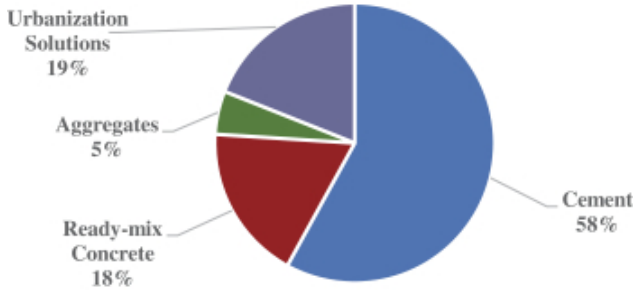
Revenues. Our consolidated revenues increased 14%, from $12,814 million in 2020 to $14,548 million in 2021. The increase in our revenues was mainly attributable to higher volumes in most of our regions, and higher prices of our products in local-currency terms in all of our regions. Set forth below is a quantitative and qualitative analysis of the various factors affecting our revenues on a reporting segment basis. The discussion of volume data and revenues information below is presented before eliminations resulting from consolidation as described in note 5.3 to our 2021 audited consolidated financial statements included elsewhere in this annual report.

Mexico

Our domestic cement sales volumes from our operations in Mexico increased 8% in 2021 compared to 2020, and ready-mix concrete sales volumes increased 8% over the same period. Our revenues from our operations in Mexico represented 22% of our total revenues for the year ended December 31, 2021, in Dollar terms, before eliminations resulting from consolidation. During the year, bagged cement grew double digits supported by government social programs and record level remittances. The country continues to experience a pickup in the formal economy, and bulk cement and ready-mix volumes benefited from higher formal housing and industrial activity. The latter was supported by growth in manufacturing and warehouses, onshoring, as well as the buildout of logistic networks. Our cement export volumes from our operations in Mexico, which represented 11% of our

Mexican cement sales volumes for the year ended December 31, 2021, decreased 1% in 2021 compared to 2020, due to lower export volume. Of our total cement export volumes from our operations in Mexico during 2021, 83% was shipped to the United States and 17% to our SCA&C segment. Our average sales price of domestic cement from our operations in Mexico increased 7%, in Mexican Peso terms, in 2021 compared to 2020, and our average sales price of ready-mix concrete increased 3%, in Mexican Peso terms, over the same period.

The following chart indicates the breakdown of Mexico revenues by product, before others, intra sector eliminations within the segment and eliminations resulting from consolidation, as applicable for the year ended December 31, 2021:

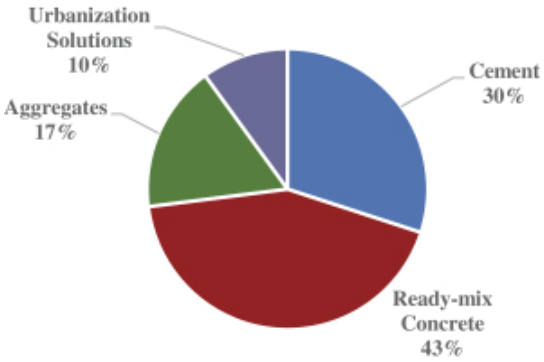


As a result of increases in domestic cement sales volumes and ready-mix concrete sales volumes and sales prices, partially offset by a decrease in cement exports sales, our revenues in Mexico, in Mexican Peso terms, increased 17% in 2021 compared to 2020.

United States

Our domestic cement sales volumes from our operations in the United States increased 6% in 2021 compared to 2020, and ready-mix concrete sales volumes increased 8% over the same period. The increase in domestic cement and ready-mix concrete sales volumes were primarily attributable to the strong demand momentum driven mainly by the residential sector. The region continued to enjoy strong demand across all products with most of our markets sold out. Our operations in the United States represented 27% of our total revenues for the year ended December 31, 2021, in Dollar terms, before eliminations resulting from consolidation. Our average domestic cement sales prices of our operations in the United States increased 3%, in Dollar terms, in 2021 compared to 2020, and our average ready-mix concrete sales price increased 2%, in Dollar terms, over the same period.

The following chart indicates the breakdown of United States revenues by product, before others, intra sector eliminations within the segment and eliminations resulting from consolidation, as applicable for the year ended December 31, 2021:

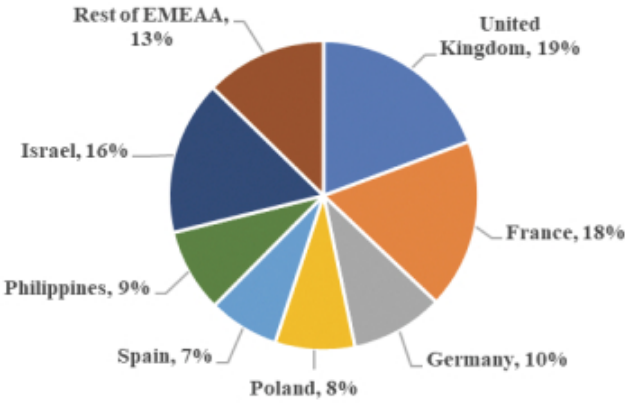


As a result of increases in domestic cement sales volumes and ready-mix concrete sales volumes and sales prices, revenues from our operations in the United States, in Dollar terms, increased 9% in 2021 compared to 2020.

EMEAA

In 2021, our operations in the EMEAA region consisted of our operations in the United Kingdom, France, Germany, Poland, Spain, Philippines and Israel, which represent the most significant operations in this region, in addition to the Rest of EMEAA segment. Our revenues from our operations in the EMEAA region represented 29% of our total revenues for the year ended December 31, 2021, in Dollar terms, before eliminations resulting from consolidation. As of December 31, 2021, our operations in the EMEAA region represented 25% of our total assets. Set forth below is a quantitative and qualitative analysis of the effects of the various factors affecting our revenues for our main operations in the EMEAA region.

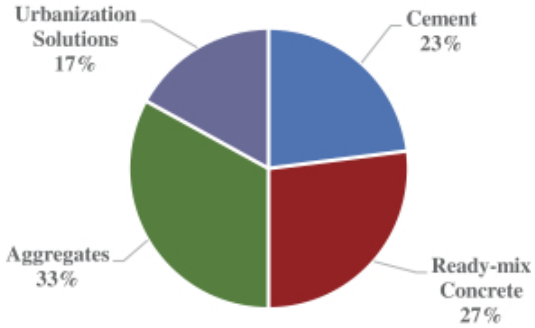
The following chart indicates the geographic breakdown of EMEAA region revenues by reporting segment, after others and eliminations resulting from consolidation, for the year ended December 31, 2021:



United Kingdom

Our domestic cement sales volumes from our operations in the United Kingdom increased 19% in 2021 compared to 2020, and ready-mix concrete sales volumes increased 3% over the same period. The increases in domestic cement and ready-mix concrete sales volumes reflected a back to normality in construction activity as a result of the implementation of stringent COVID-19 measures during 2020. Our operations in the United Kingdom represented 6% of our total revenues for the year ended December 31, 2021, in Dollar terms, before eliminations resulting from consolidation. Our average sales price of domestic cement from our operations in the United Kingdom increased 7%, in Pound terms, in 2021 compared to 2020, and our average sales price of ready-mix concrete increased 7%, in Pound terms, over the same period.

The following chart indicates the breakdown of United Kingdom revenues by product, before others, intra sector eliminations within the segment and eliminations resulting from consolidation, as applicable for the year ended December 31, 2021:

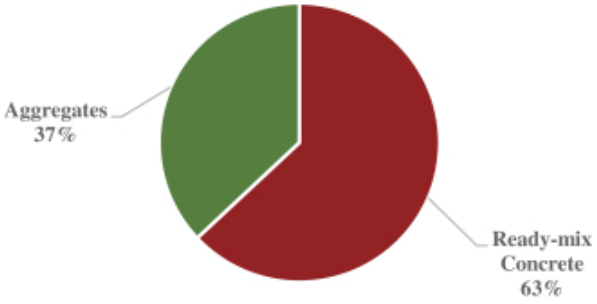


As a result of increases in domestic cement and ready-mix concrete sales volumes and sales prices, revenues from our operations in the United Kingdom, in Pound terms, increased 19% in 2021 compared to 2020.

France

Our ready-mix concrete sales volumes from our operations in France increased 8% in 2021 compared to 2020. The increase in volumes reflected a back to normality in construction activity as a result of the implementation of stringent COVID-19 measures during 2020. Our operations in France represented 5% of our total revenues for the year ended December 31, 2021, in Dollar terms, before eliminations resulting from consolidation. Our average sales price of ready-mix concrete of our operations in France increased 1%, in Euro terms, in 2021 compared to 2020.

The following chart indicates the breakdown of France revenues by product, before others, intra sector eliminations within the segment and eliminations resulting from consolidation, as applicable for the year ended December 31, 2021:



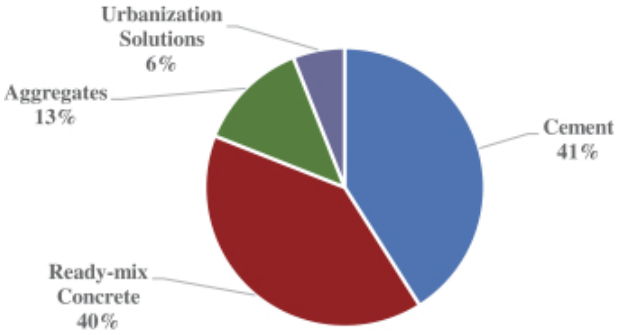
As a result of increases in ready-mix concrete sales volumes and by increases in ready-mix concrete sales prices, revenues from our operations in France, in Euro terms, increased 12% in 2021 compared to 2020.

Germany

Our domestic cement sales volumes from our operations in Germany decreased 4% in 2021 compared to 2020, and ready-mix concrete sales volumes decreased 7% over the same period. The decrease in domestic cement and ready-mix concrete sales volumes were mainly originated by unfavorable weather conditions in

2021. Our operations in Germany represented 3% of our total revenues for the year ended December 31, 2021, in Dollar terms, before eliminations resulting from consolidation. Our cement export volumes from our operations in Germany, which represented 31% of our Germany cement sales volumes for the year ended December 31, 2021 increased 5% in 2021 compared to 2020, mainly due to higher volumes exported to Poland. All of our total cement export volumes from our operations in Germany during 2021, were to our EMEAA region. Our average sales price of domestic cement from our operations in Germany increased 3%, in Euro terms, in 2021 compared to 2020, and our average sales price of ready-mix concrete increased 6%, in Euro terms, over the same period.

The following chart indicates the breakdown of Germany revenues by product, before others, intra sector eliminations within the segment and eliminations resulting from consolidation, as applicable for the year ended December 31, 2021:

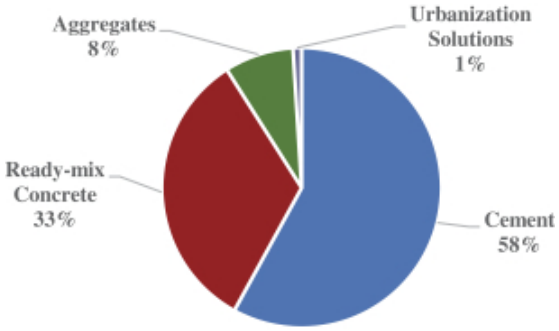


As a result of decreases in domestic cement sales volumes and in ready-mix concrete sales volumes, partially compensated by increases in sales prices, revenues from our operations in Germany, in Euro terms, decreased 6% in 2021 compared to 2020.

Poland

Our domestic cement sales volumes from our operations in Poland increased 5% in 2021 compared to 2020, and ready-mix concrete sales volumes increased 9% over the same period. The increase in domestic cement and ready-mix concrete sales volumes were mainly driven by higher infrastructure and residential activity. Our operations in Poland represented 3% of our total revenues for the year ended December 31, 2021, in Dollar terms, before eliminations resulting from consolidation. Our cement export volumes from our operations in Poland, which represented less than 1% of our Poland cement sales volumes for the year ended December 31, 2021 decreased 54% in 2021 compared to 2020. All of our total cement export volumes from our operations in Poland during 2021, were to our Rest of EMEAA segment. Our average sales price of domestic cement from our operations in Poland increased 5%, in Euro terms, in 2021 compared to 2020, and our average sales price of ready-mix concrete decreased 1%, in Euro terms, over the same period.

The following chart indicates the breakdown of Poland revenues by product, before others, intra sector eliminations within the segment and eliminations resulting from consolidation, as applicable for the year ended December 31, 2021:

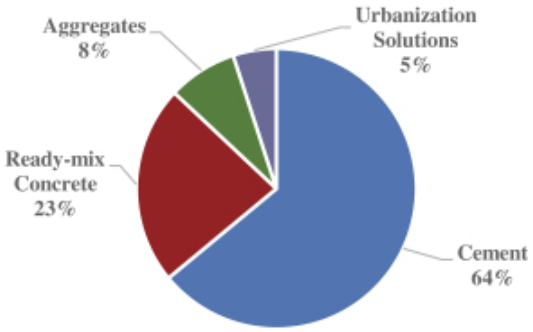


As a result of increases in domestic cement sales volumes and sales prices and increases in ready-mix concrete sales volumes, revenues from our operations in Poland, in Euro terms, increased 5% in 2021 compared to 2020.

Spain

Our domestic cement sales volumes from our operations in Spain increased 6% in 2021 compared to 2020, while ready-mix concrete sales volumes increased 7% over the same period. The increases in domestic cement and ready-mix concrete sales volumes were mainly driven by higher infrastructure and residential activity. Our operations in Spain represented 2% of our total revenues for the year ended December 31, 2021, in Dollar terms, before eliminations resulting from consolidation. Our cement export volumes from our operations in Spain, which represented 27% of our Spain cement sales volumes for the year ended December 31, 2021, increased 14% in 2021 compared to 2020, due to higher export volumes to United Kingdom. Of our total cement export volumes from our operations in Spain during 2021, 98% were to the United Kingdom and 2% were to United States. Our average sales price of domestic cement of our operations in Spain decreased 1%, in Euro terms, in 2021 compared to 2020, and our average sales price of ready-mix concrete increased 1%, in Euro terms, over the same period.

The following chart indicates the breakdown of Spain revenues by product, before others, intra sector eliminations within the segment and eliminations resulting from consolidation, as applicable for the year ended December 31, 2021:

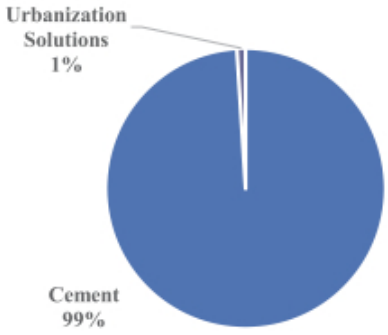


As a result of increases in domestic cement and ready-mix concrete sales volumes, partially offset by decreases in domestic cement sales prices, revenues from our operations in Spain, in Euro terms, increased 9% in 2021 compared to 2020.

The Philippines

Our domestic cement sales volumes from our operations in the Philippines increased 7% in 2021 compared to 2020. The increase in domestic cement volumes was mainly due to implementation of stringent COVID-19 lockdown measures imposed by the government and by the closure of our Solid Cement Plant in Luzon for two months in 2020 and resumption of operations without such measures during 2021. Our cement export volumes from our operations in the Philippines, which represented less than 1% of our Philippines cement sales volumes for the year ended December 31, 2021, decreased 14% in 2021 compared to 2020. All of our total cement exports from our operations in Philippines during 2021 were to the Rest of EMEAA segment. Our revenues from our operations in the Philippines represented 2% of our total revenues for the year ended December 31, 2021, in Dollar terms, before eliminations resulting from consolidation. Our average sales price of domestic cement from our operations in the Philippines decreased 2%, in Philippine Peso terms, in 2021 compared to 2020.

The following chart indicates the breakdown of Philippines revenues by product, before others, intra sector eliminations within the segment and eliminations resulting from consolidation, as applicable for the year ended December 31, 2021:

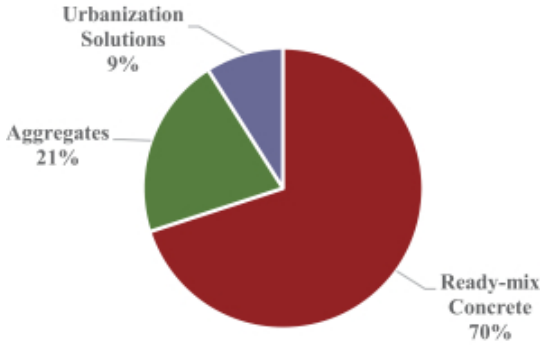


As a result of increase in domestic cement sales volumes, partially compensated by a decrease in sales prices, revenues of our operations in the Philippines, in Philippine Peso terms, increased 6% in 2021 compared to 2020.

Israel

Our ready-mix concrete sales volumes from our operations in Israel decreased slightly in 2021 compared to 2020. Our operations in Israel represented 5% of our total revenues for the year ended December 31, 2021, in Dollar terms, before eliminations resulting from consolidation. Our average sales price of ready-mix concrete of our operations in Israel decreased slightly, in Israeli New Shekel terms, in 2021 compared to 2020.

The following chart indicates the breakdown of Israel revenues by product, before others, intra sector eliminations within the segment and eliminations resulting from consolidation, as applicable for the year ended December 31, 2021:

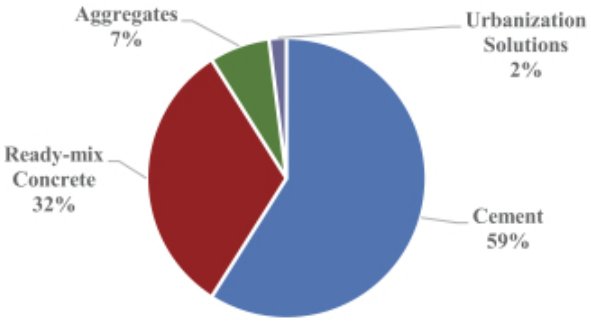


As a result of a small decrease in ready-mix concrete sales volumes and prices, revenues from our operations in Israel, in Israeli New Shekel terms, decreased 2% in 2021 compared to 2020.

Rest of EMEAA

Our domestic cement sales volumes from our operations in the Rest of EMEAA segment decreased 11% in 2021 compared to 2020, and ready-mix concrete sales volumes increased 2% over the same period. Our cement export volumes from our operations in the Rest of EMEAA segment, which represented 9% of our Rest of EMEAA segment cement sales volumes for the year ended December 31, 2021, remained flat in 2021 compared to 2020. Of our total cement export volumes from our operations in the Rest of EMEAA segment during 2021, 2% were to Poland and 98% were to countries in the EMEAA region. Our revenues from our operations in the Rest of EMEAA segment represented 3% of our total revenues for the year ended December 31, 2021, in Dollar terms, before eliminations resulting from consolidation. Our average sales price of domestic cement from our operations in the Rest of EMEAA segment increased 9%, in Euro terms, in 2021 compared to 2020, and our average sales price of ready-mix concrete remained flat, in Euro terms, over the same period.

The following chart indicates the breakdown of Rest of EMEAA revenues by product, before others, intra sector eliminations within the segment and eliminations resulting from consolidation, as applicable for the year ended December 31, 2021:

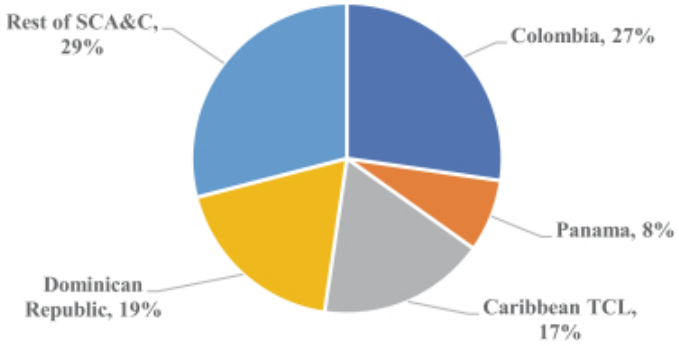


As a result of increases in ready-mix concrete sales volumes and sales prices, as well, as increases in domestic cement sales prices, partially offset by decreases in domestic cement sales volumes, revenues in the Rest of EMEAA segment, in Euro terms, increased 3%, in 2021 compared to 2020.

SCA&C

In 2021, our operations in the SCA&C region consisted of our operations in Colombia, Panama, the Dominican Republic, our Caribbean TCL operations, which represent our most significant operations in this region, and the Rest of SCA&C segment. Our revenues from our operations in the SCA&C region represented 11% of our total revenues in Dollar terms for the year ended December 31, 2021, before eliminations resulting from consolidation. As of December 31, 2021, our operations in the SCA&C region represented 9% of our total assets. Set forth below is a quantitative and qualitative analysis of the effects of the various factors affecting our revenues for our main operations in the SCA&C region.

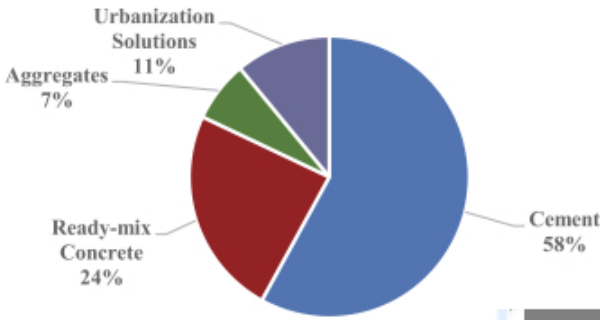
The following chart indicates the geographic breakdown of SCA&C region revenues by reporting segment, after others and eliminations resulting from consolidation, for the year ended December 31, 2021:



Colombia

Our domestic cement sales volumes from our operations in Colombia increased 8% in 2021 compared to 2020, and ready-mix concrete sales volumes increased 11% over the same period. Cement sales volume increase in Colombia was supported by housing, self-construction, and infrastructure projects. Our revenues from our operations in Colombia represented 3% of our total revenues for the year ended December 31, 2021, in Dollar terms, before eliminations resulting from consolidation. Our average sales price of domestic cement from our operations in Colombia remained flat, in Colombian Peso terms, in 2021 compared to 2020, and our average sales price of ready-mix concrete increased 1%, in Colombian Peso terms, over the same period.

The following chart indicates the breakdown of Colombia revenues by product, before others, intra sector eliminations within the segment and eliminations resulting from consolidation, as applicable for the year ended December 31, 2021:

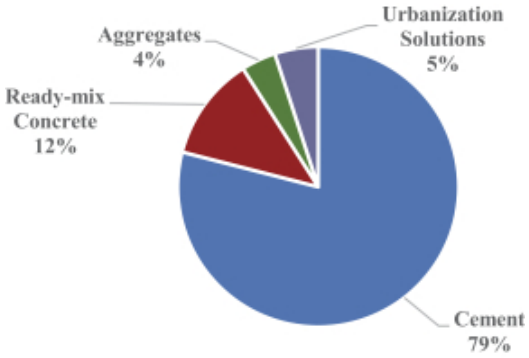


As a result of increases in domestic cement and ready-mix concrete sales volumes and an increase in ready-mix concrete sales prices, revenues of our operations in Colombia, in Colombian Peso terms, increased 11% in 2021 compared to 2020.

Panama

Our domestic cement sales volumes from our operations in Panama increased 41% in 2021 compared to 2020, and ready-mix concrete sales volumes increased 22% over the same period. The increases in domestic cement and ready-mix concrete sales volumes in Panama were mainly to the reopening of the construction industry, after suspension in 2020 due to COVID 19. Our cement export volumes from our operations in Panama, which represented 57% of our Panama cement sales volumes for the year ended December 31, 2021, increased more than 100% in 2021 compared to 2020, as exports began at the end of 2020. Our revenues from our operations in Panama represented 1% of our total revenues for the year ended December 31, 2021, in Dollar terms, before eliminations resulting from consolidation. Our average sales price of domestic cement from our operations in Panama decreased 5% in Dollar terms, in 2021 compared to 2020, and our average sales price of ready-mix concrete decreased 8%, in Dollar terms, over the same period.

The following chart indicates the breakdown of Panama revenues by product, before others, intra sector eliminations within the segment and eliminations resulting from consolidation, as applicable for the year ended December 31, 2021:

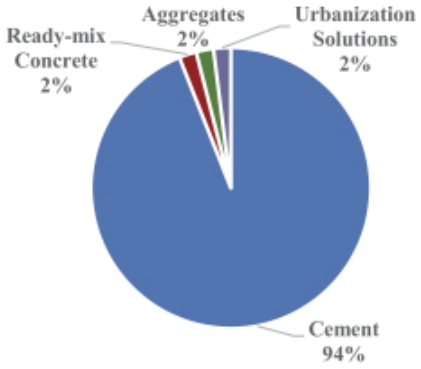


As a result of increases in domestic cement sales volumes and ready-mix concrete sales volumes, partially offset by decreases in sales prices, revenues of our operations in Panama, in Dollar terms, increased 51% in 2021 compared to 2020.

Caribbean TCL

Our domestic cement sales volumes from our operations in Caribbean TCL increased 16% in 2021 compared to 2020, while ready-mix concrete sales volumes decreased 3% over the same period. The increase in cement sales volume came from a higher demand. Our revenues from our operations in Caribbean TCL represented 2% of our total revenues for the year ended December 31, 2021, in Dollar terms, before eliminations resulting from consolidation. Our cement export volumes from our operations in Caribbean TCL segment represented 20% of our Caribbean TCL cement sales volumes for the year ended December 31, 2021, decreased 14% in 2021 compared to 2020. All of our total cement exports from our operations in Caribbean TCL during 2021 were to the Rest of SCA&C segment. Our average sales price of domestic cement of our operations in Caribbean TCL remained flat, in Trinidad and Tobago Dollar terms, in 2021 compared to 2020, and our average sales price of ready-mix concrete increased 1%, in Trinidad and Tobago Dollar terms, over the same period.

The following chart indicates the breakdown of Caribbean TCL revenues by product, before others, intra sector eliminations within the segment and eliminations resulting from consolidation, as applicable for the year ended December 31, 2021:

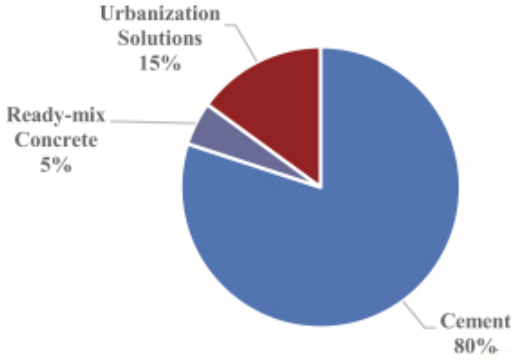


As a result of increases in domestic cement sales volumes, partially offset by decreases in ready-mix concrete sales volumes and sales prices, revenues of our operations in Caribbean TCL, in Trinidad and Tobago Dollar terms, increased 11% in 2021 compared to 2020.

Dominican Republic

Our domestic cement sales volumes from our operations in the Dominican Republic increased 22% in 2021 compared to 2020, while ready-mix concrete sales volumes decreased 2% over the same period. The increase in our domestic cement sales volumes in the Dominican Republic region was mainly driven by a recovery of a dynamic self-construction sector and the reactivation of delayed tourism projects. Domestic cement and ready-mix sales prices continued their positive trend. Our operations in the Dominican Republic represented 2% of our total revenues for the year ended December 31, 2021, in Dollar terms, before eliminations resulting from consolidation. Our cement export volumes from our operations in the Dominican Republic, which represented 5% of our Dominican Republic cement sales volumes for the year ended December 31, 2021, decreased 34% in 2021 compared to 2020. All of our total cement export volumes from our operations in the Dominican Republic during 2021, were to our Rest of SCA&C segment. Our average sales price of domestic cement of our operations in the Dominican Republic increased 11%, in Dominican Peso terms, in 2021 compared to 2020, and our average sales price of ready-mix concrete increased 14%, in Dominican Peso terms, over the same period.

The following chart indicates the breakdown of Dominican Republic revenues by product, before others, intra sector eliminations within the segment and eliminations resulting from consolidation, as applicable for the year ended December 31, 2021:

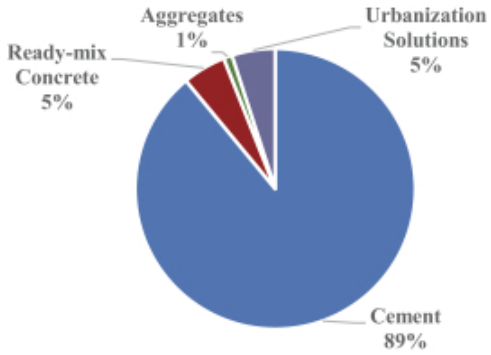


As a result of increases in domestic cement sales volume and sales price and ready-mix concrete sales price, partially offset by decreases in ready-mix concrete sales volumes, revenues from our operations in the Dominican Republic, in Dominican Peso terms, increased 31% in 2021 compared to 2020.

Rest of SCA&C

Our domestic cement volumes from our operations in the Rest of SCA&C segment increased 9% in 2021 compared to 2020, and ready-mix concrete sales volumes increased 3% over the same period. Our cement export volumes from our operations in the Rest of SCA&C segment, which represented less than 1% of our Rest of SCA&C segment cement sales volumes for the year ended December 31, 2021, decreased 42% in 2021 compared to 2020. All of our total cement export volumes from our operations in the Rest of SCA&C segment during 2021, were within the same region. Our revenues from our operations in the Rest of SCA&C segment represented 3% of our total revenues for the year ended December 31, 2021, in Dollar terms, before eliminations resulting from consolidation. Our average sales price of domestic cement from our operations in the Rest of SCA&C segment increased 4% in Dollar terms, in 2021 compared to 2020, and our average sales price of ready-mix concrete increased 17%, in Dollar terms, over the same period.

The following chart indicates the breakdown of Rest of SCA&C revenues by product, before others, intra sector eliminations within the segment and eliminations resulting from consolidation, as applicable for the year ended December 31, 2021:



As a result of increases in domestic cement and ready-mix concrete sales volumes and sales prices, revenues of our operations in the Rest of SCA&C segment, in Dollar terms, increased 18% in 2021 compared to 2020.

Others (Revenues)

Revenues from our Others segment increased 90% before intra-sector eliminations within the segment and before eliminations resulting from consolidation, as applicable, in 2021 compared to 2020, in Dollar terms. The increase resulted mainly from higher revenues in our information technology solutions company and trading operations. Our revenues from our Others segment represented 10% of our total revenues for the year ended December 31, 2021, in Dollar terms, before eliminations resulting from consolidation. For the year ended December 31, 2021, our information technology solutions company represented 31% and our trading operations represented 44% of our revenues in our Others segment, in Dollar terms.

Cost of Sales

Our cost of sales, including depreciation, increased 14%, from $8,692 million in 2020 to $9,875 million in 2021. As a percentage of revenues, cost of sales remained flat, at 68% in 2020 and in 2021. Our cost of sales includes freight expenses of raw materials used in our producing plants.

Gross Profit

For the reasons described above, our gross profit increased 13% from $4,122 million in 2020 to $4,673 million in 2021. As a percentage of revenues, gross profit remained flat, at 32% in 2020 and in 2021. 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 below, 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 operating expenses as part of distribution and logistics expenses.

Operating expenses

Our operating expenses, which are represented by administrative, selling and distribution and logistics expenses, increased 5%, from $2,811 million in 2020 to $2,939 million in 2021. As a percentage of revenues, operating expenses decreased from 22% in 2020 to 20% in 2021. The decrease as a percentage of revenues resulted primarily from lower administrative, sales, and corporate expense. Our operating expenses include expenses related to personnel, equipment and services involved in sales activities and storage of product at points of sale, which are included as part of the operating expenses, as well as freight expenses of finished products between plants and points of sale and freight expenses between points of sale and the customers' facilities, which are included as part of the line item "Distribution and logistics expenses." For the years ended December 31, 2020 and 2021, selling expenses included as part of the line item "Operating expenses" amounted to $330 million and $324 million, respectively. As discussed 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 and logistics expenses, which in the aggregate represented costs of $1,412 million in 2020 and $1,636 million in 2021. As a percentage of revenues, distribution and logistics expenses remained flat at 11% in 2020 and in 2021.

Operating Earnings Before Other Expenses, Net

For the reasons described above, our operating earnings before other expenses, net increased 32% from $1,311 million in 2020 to $1,734 million in 2021. As a percentage of revenues, operating earnings before other expenses, net increased 2%, from 10% in 2020 to 12% in 2021. 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 reporting segment basis.

Mexico

Our operating earnings before other expenses, net, from our operations in Mexico increased 22% in 2021 compared to 2020, in Mexican Peso terms. Our operating earnings before other expenses, net from our operations in Mexico represented 58% of our total operating earnings before other expenses, net for the year ended December 31, 2021, in Dollar terms. The increase resulted primarily from the increase in our revenues driven by formal construction activity.

United States

Our operating earnings before other expenses, net, from our operations in the United States increased 2% in 2021 compared to 2020, in Dollar terms. Our operating earnings before other expenses, net from our operations in the United States represented 18% of our total operating earnings before other expenses, net for the year ended December 31, 2021, in Dollar terms. The increase resulted primarily from the increase in our revenues in the United States segment, partially compensated by increases in our cost of sales due to higher costs of purchased clinker and fuel.

EMEAA

United Kingdom. Our operating earnings before other expenses, net, from our operations in the United Kingdom increased 230%, in Pound terms, in 2021 compared to 2020. Our operating earnings before other

expenses, net from our operations in the United Kingdom represented 4% of our total operating earnings before other expenses, net for the year ended December 31, 2021, in Dollar terms. The increase resulted primarily from the increase in our revenues in the United Kingdom.

France. Our operating earnings before other expenses, net, from our operations in France increased 88%, in Euro terms, in 2021 compared to 2020. Our operating earnings before other expenses, net from our operations in France represented 2% of our total operating earnings before other expenses, net for the year ended December 31, 2021, in Dollar terms. The increase resulted primarily from the increase in our revenues.

Germany. Our operating earnings before other expenses, net, from our operations in Germany increased 4%, in Euro terms, in 2021 compared to 2020. Our operating earnings before other expenses, net from our operations in Germany represented 2% of our total operating earnings before other expenses, net for the year ended December 31, 2021, in Dollar terms. The increase resulted primarily from our cost containment efforts.

Poland. Our operating loss before other expenses, net, from our operations in Poland decreased 5% in 2021 compared to 2020, in Euro terms. Our operating loss before other expenses, net from our operations in Poland represented 3% of our total operating earnings before other expenses, net for the year ended December 31, 2021, in Dollar terms. The decrease resulted primarily from operational costs.

Spain. Our operating loss before other expenses, net, from our operations in Spain decreased 157% in 2021 compared to 2020, in Euro terms. Our operating loss before other expenses, net from our operations in Spain represented a loss of $39 million, which was a negative impact of 2% of our total operating earnings before other expenses, net for the year ended December 31, 2021, in Dollar terms. The decrease resulted primarily from cost of sales, mainly higher electric power and fuel costs.

The Philippines. Our operating earnings before other expenses, net, from our operations in the Philippines increased 2% in 2021 compared to 2020, in Philippine Peso terms. Our operating earnings before other expenses, net from our operations in the Philippines represented 4% of our total operating earnings before other expenses, net for the year ended December 31, 2021, in Dollar terms. The increase resulted primarily from the increase in our revenues.

Israel. Our operating earnings before other expenses, net, from our operations in Israel decreased 35% in 2021 compared to 2020, in Israeli New Shekel terms. Our operating earnings before other expenses, net from our operations in Israel represented 4% of our total operating earnings before other expenses, net for the year ended December 31, 2021, in Dollar terms. The decrease in Israel operating earnings resulted primarily from the decrease in our revenues.

Rest of EMEAA. Our operating earnings before other expenses, net, from our operations in the Rest of EMEAA segment increased 60% in 2021 compared to 2020, in Euro terms. Our operating earnings before other expenses, net from our operations in the Rest of EMEAA segment represented 2% of our total operating earnings before other expenses, net for the year ended December 31, 2021, in Dollar terms. This increase relates primarily to an increase in our revenues.

SCA&C

Colombia. Our operating earnings before other expenses, net, from our operations in Colombia increased 2% in 2021 compared to 2020, in Colombian Peso terms. Our operating earnings before other expenses, net from our operations in Colombia represented 3% of our total operating earnings before other expenses, net for the year ended December 31, 2021, in Dollar terms. The increase resulted primarily from increase in our revenues.

Panama. Our operating earnings before other expenses, net, from our operations in Panama increased significantly in 2021 compared to 2020, from an operating loss before other expenses, net of $4 million to an

operating earnings before other expenses, net of $15 million. Our operating earnings before other expenses, net from our operations in Panama represented than 1% of our total operating earnings before other expenses, net for the year ended December 31, 2021, in Dollar terms. The increase resulted primarily from the increase in our revenues.

Caribbean TCL. Our operating earnings before other expenses, net, from our operations in Caribbean TCL increased 6% in 2021 compared to 2020, in Trinidad and Tobago Dollar terms. Our operating earnings before other expenses, net from our Caribbean TCL operations represented 3% of our total operating earnings before other expenses, net for the year ended December 31, 2021, in Dollar terms. The increase resulted primarily from an increase in our revenues.

Dominican Republic. Our operating earnings before other expenses, net, from our operations in the Dominican Republic increased 59% in 2021 compared to 2020, in Dominican Peso terms. Our operating earnings before other expenses, net from our operations in the Dominican Republic represented 7% of our total operating earnings before other expenses, net for the year ended December 31, 2021, in Dollar terms. The increase resulted primarily from an increase in our revenues.

Rest of SCA&C. Our operating earnings before other expenses, net, from our operations in the Rest of SCA&C segment increased 14% in 2021 compared to 2020, in Dollar terms. Our operating earnings before other expenses, net from our operations in the Rest of SCA&C segment represented 6% of our total operating earnings before other expenses, net for the year ended December 31, 2021, in Dollar terms. The increase resulted primarily from a benefit in Guatemala and Nicaragua derived mainly from higher sales, partially offset by an increase in operating costs.

Others. Our operating loss before other expenses, net, from our operations in our Others segment decreased 22% in 2021 compared to 2020, in Dollar terms. The decrease in the operating loss before other expenses resulted primarily from the increase in our revenues.

Other Expenses, Net. Our other expenses, net, decreased significantly, in Dollar terms, from an expense of $1,767 million in 2020 to an expense of $116 million in 2021. The decrease in our other expenses, net, in 2021 resulted primarily from an income for the sale of 12.3 million emission allowances for a total of $600 million and a reduction of non-cash impairment losses from $1,520 million in 2020, to $536 million in 2021. In 2021 impairment losses includes aggregate impairment losses of goodwill of $440 million related to the operating segments in Spain, the United Arab Emirates and the information technology business, impairment losses of internally developed software capitalized in prior years and other intangible assets of $53 million, as well as impairment losses of fixed assets of $43 million, while the aggregate non-cash impairment losses of 2020 included $1,020 million related to goodwill and $194 million impairment loss of other intangible assets in our operating segment in the United States In addition, during 2020, we recognized non-cash impairment losses of idle fixed assets for an aggregate amount of $306 million, mainly related to assets in the United States, Spain and the United Kingdom. Moreover, we had a decrease in our restructuring cost in the twelve-month period ended December 31, 2021, compared to the same period in 2020. See notes 3.4, 16.1, 17.1 and 17.2 to our 2021 audited consolidated financial statements included elsewhere in this annual report.

The most significant items included under this caption for the years ended December 31, 2020 and 2021, are as follows:

	For the Years Ended December 31,	
	2020	2021
	(in millions of Dollars)	
Sale of emission Allowances	$ —	$ 600
Impairment losses	(1,520)	(536)
Results from the sale of assets and others, net	(115)	(136)
Incremental costs and expenses related to the COVID-19 pandemic	(48)	(26)
Restructuring costs	(81)	(17)
Charitable contributions	(3)	(1)
	$ (1,767)	$ (116)

Financial expense. Our financial expense decreased 15%, from $777 million in 2020 to $662 million in 2021, primarily attributable to a decrease in our financial debt during 2021 compared to 2020, and by lower interest rates on our financial debt. See notes 2 and 18.1 to our 2021 audited consolidated financial statements included elsewhere in this annual report.

Financial income and other items, net. Our financial income and other items, net, in Dollar terms, decreased 34%, from an expense of $118 million in 2020 to an expense of $78 million in 2021. The decrease is mainly due to a decrease in effects of amortized cost of assets and liabilities generated from a decrease in the discount rates utilized by the Company to determine its environmental remediation liabilities in the United Kingdom in 2020, which was partially offset by an increase in the loss due to the foreign exchange results, mainly due to the fluctuation of the Mexican Peso against the Dollar. See notes 9.2 and 18.4 to our 2021 audited consolidated financial statements included elsewhere in this annual report.

The most significant items included under this caption for the years ended December 31, 2020 and 2021 are as follows:

	For the Year Ended December 31,	
	2020	2021
	(in millions of Dollars)	
Financial income and other items, net:		
Effects of amortized cost on assets and liabilities and others, net	$ (89)	$ (28)
Net interest cost of pension liabilities	(33)	(31)
Results from financial instruments, net	(17)	(6)
Foreign exchange results	(3)	(37)
Financial income	20	22
Other	4	2
	$ (118)	$ (78)

Income Taxes. Our income tax effect in the statements of operations, which is comprised of current income taxes plus deferred income taxes, increased significantly, from an expense of $45 million in 2020 to $144 million in 2021. Our current income tax expense increased from $167 million in 2020 to $179 million in 2021, mainly as a result of increases in taxes in Spain and Mexico, partially offset by tax refunds received in Poland. Our deferred income tax revenue decreased from a deferred income tax revenue of $122 million in 2020 to a deferred income tax revenue of $35 million in 2021, mainly associated with the recognition of deferred tax assets in 2020 related to the impairments of fixed assets in the United States, the United Kingdom and Spain, among other countries,

that generated an additional deferred income tax revenue in 2020 compared to 2021. See notes 21.1, 21.2, 21.3 and 21.4 to our 2021 audited consolidated financial statements included elsewhere in this annual report.

For each of the years ended December 31, 2020 and 2021, our statutory income tax rate in Mexico was 30%. Considering an increase in our earnings before income tax from a loss of $1,302 million in 2020 to an earnings before income tax of $932 million in 2021, as well as differences between accounting and tax expenses, our average effective income tax rate increased from a negative effective income tax rate of 3.5% in 2020 to an effective income tax rate of 15.5% in 2021. Our average effective tax rate equals the net amount of income tax expense divided by earnings before income taxes, as these line items are reported in our consolidated statements of operations. See "Item 3—Key Information—Risk Factors—Risks Relating to Our Business—Certain tax matters may have a material adverse effect on our cash flow, financial condition and net income, as well as on our reputation" and note 21.3 to our 2021 audited consolidated financial statements included elsewhere in this annual report.

Net Income from continuing operations. For the reasons described above, our net income from continuing operations for 2021 increased significantly, from a net loss from continuing operations of $1,347 million in 2020 to a net income from continuing operations of $788 million in 2021. As a percentage of revenues, net loss from continuing operations represented 11% for the year ended as of December 31, 2020, and a net income from continuing operations represented 5% for the year ended as of December 31, 2021.

Discontinued operations. For the years ended December 31, 2020 and 2021, our discontinued operations included in our consolidated statements of operations amounted to a net loss from discontinued operations of $99 million and a net loss from discontinued operations of $10 million, respectively. As a percentage of revenues, loss of discontinued operations, net of tax, represented 0.8% for the year ended as of December 31, 2020, and the loss of discontinued operations, net of tax, represented 0.1% for the year ended as of December 31, 2021. See note 5.2 to our 2021 audited consolidated financial statements included elsewhere in this annual report.

Consolidated Net Income. For the reasons described above, our consolidated net income (before deducting the portion allocable to non-controlling interest) for 2021 increased significantly, from a consolidated net loss of $1,446 million in 2020 to a consolidated net income of $778 million in 2021. As a percentage of revenues, consolidated net loss represented 11% for the year ended as of December 31, 2020, and consolidated net income represented 5% for the year ended as of December 31, 2021.

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 income attributable to those subsidiaries. Non-controlling interest net income increased 19%, from an income of $21 million in 2020 to an income of $25 million in 2021, primarily attributable to an increase in the net income of the consolidated entities in which others have a non-controlling interest. See note 22.4 to our 2021 audited consolidated financial statements included elsewhere in this annual report.

Controlling Interest Net Income. Controlling interest net income represents the difference between our consolidated net income and non-controlling interest net income, which is the portion of our consolidated net income attributable to those of our subsidiaries in which non-associated third parties hold interests. For the reasons described above, our controlling interest net income increased significantly, from a controlling interest net loss of $1,467 million in 2020 to a controlling interest net income of $753 million in 2021. As a percentage of revenues, controlling interest net loss, represented 11% for the year ended as of December 31, 2020, and controlling interest net income, represented 5% for the year ended as of December 31, 2021.

Year Ended December 31, 2020 Compared to Year Ended December 31, 2019

Summarized in the table below are the percentage (%) increases (+) and decreases (-) for the year ended December 31, 2020, compared to the year ended December 31, 2019, 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 reporting segments.

Reporting segments represent the components of CEMEX that engage in business activities from which we 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. We operate geographically and by line of business on a regional basis. On April 1, 2020 and for subsequent periods, the geographical regions Europe and Asia, Middle East and Africa were merged and reorganized under a single regional president and was denominated EMEAA. For the reported periods, the Company's operations were organized in four geographical regions, each under the supervision of a regional president, as follows: 1) Mexico, 2) United States, 3) EMEAA and 4) SCA&C. The accounting policies applied to determine the financial information by reporting segment are consistent with those described in note 3 to our 2021 audited consolidated financial statements included elsewhere in this annual report.

As of December 31, 2020, considering similar regional and economic characteristics and/or materiality, certain countries have been aggregated and presented as single line items as follows: (i) "Rest of EMEAA" refers mainly to CEMEX's operations and activities in the Czech Republic, Croatia, Egypt and the UAE; (ii) "Rest of SCA&C" refers mainly to CEMEX's operations and activities in Puerto Rico, Nicaragua, Jamaica, the Caribbean and Guatemala, excluding the operations of TCL; and (iii) "Caribbean TCL" refers to TCL's operations mainly in Trinidad and Tobago, Jamaica, Guyana and Barbados. The segment "Others" refers to: (1) cement trade maritime operations, (2) Neoris N.V., our subsidiary involved in the business of information technology solutions, (3) CEMEX, S.A.B. de C.V., other corporate entities and finance subsidiaries and (4) other minor subsidiaries with different lines of business.

The table below and the other volume data presented by reporting segment in this "Item 5—Operating and Financial Review and Prospects—Results of Operations—Year Ended December 31, 2020 Compared to Year Ended December 31, 2019" section are presented before eliminations resulting from consolidation (including those shown in note 5.3 to our 2021 audited consolidated financial statements included elsewhere in this annual report).

	Domestic Sales Volumes		Export Sales Volumes	Average Domestic Sales Prices in Local Currency[1]	
Reporting Segment	Cement	Ready-Mix Concrete	Cement	Cement	Ready-Mix Concrete
Mexico	+6%	-16%	+32%	+2%	Flat
United States	+8%	+1%	—	Flat	+1%
EMEAA					
United Kingdom	-16%	-13%	—	+3%	Flat
France	—	-19%	—	—	+2%
Germany	+12%	+3%	-12%	+1%	+4%
Poland	+9%	-2%	+95%	+7%	+5%
Spain	-5%	-7%	+28%	+2%	+2%
Philippines	-11%	—	+1%	-6%	—
Israel	—	+8%	—	—	Flat
Rest of EMEAA	+4%	-7%	+54%	-7%	-3%
SCA&C					
Colombia	-17%	-26%	—	+8%	+2%
Panama	-55%	-70%	—	-6%	-7%
Caribbean TCL	+5%	-38%	Flat	-3%	-5%
Dominican Republic	-5%	-42%	-38%	+15%	+5%
Rest of SCA&C	+6%	-34%	+5%	Flat	-5%

"—" = Not Applicable

(1) Represents the average change in domestic cement and ready-mix concrete prices in local currency terms. For purposes of a reporting segment consisting of a region, the average prices in local currency terms for each individual country within the region are first translated into Dollar terms (except for the Rest of EMEA segment, in which they are 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 Dollar terms (except for the Rest of EMEAA segment, in which they represent the weighted average change of prices in Euros) based on total sales volumes in the region.

On a consolidated basis, our cement sales volumes increased 2%, from 62.1 million tons in 2019 to 63.2 million tons in 2020, and our ready-mix concrete sales volumes decreased 7%, from 50.0 million cubic meters in 2019 to 46.7 cubic meters in 2020. Our revenues decreased 1%, from $12,959 million in 2019 to $12,814 million in 2020, and our operating earnings before other expenses, net increased less than 1%, from $1,299 million in 2019 to $1,311 million in 2020. See the table below for a breakdown according to reporting segment.

The following tables present selected financial information for revenues and operating earnings before other expenses, net for each of our reporting segments for the years ended December 31, 2019 and 2020. The revenues information in the table below are presented before eliminations resulting from consolidation (including those shown in note 5.3 to our 2021 audited consolidated financial statements included elsewhere in this annual report). Variations in revenues determined on the basis of Dollars include the appreciation or depreciation which occurred during the period between the local currencies of the countries in the regions vis-à-vis the Dollar; therefore, such variations differ substantially from those based solely on the countries' local currencies:

Reporting Segment	Variation in Local Currency(1)	Approximate Currency Fluctuations	Variation in Dollars	Revenues For the Year Ended 2019	2020
			(in millions of Dollars)		
Mexico	+7%	-10%	-3%	2,897	2,812
United States	+6%	—	+6%	3,780	3,994
EMEAA					
United Kingdom	-3%	+2%	-1%	749	739
France	-11%	+2%	-9%	825	754
Germany	+8%	+3%	+11%	439	489
Poland	+5%	+3%	+8%	350	377
Spain	-3%	+3%	Flat	319	319
Philippines	-17%	+4%	-13%	458	398
Israel	+10%	+4%	+14%	660	754
Rest of EMEAA	-7%	+3%	-4%	608	582
SCA&C					
Colombia	-10%	-10%	-20%	504	404
Panama	-56%	—	-56%	181	80
Caribbean TCL	+2%	-1%	+1%	248	251
Dominican Republic	+4%	-11%	-7%	245	229
Rest of SCA&C	+3%	–	+3%	383	393
Others	-14%	–	-14%	1,089	941
Revenues from continuing operations before eliminations resulting from consolidation			-2%	$13,735	$13,516
Eliminations resulting from consolidation				(776)	(702)
Revenues from continuing operations			-1%	$12,959	$12,814

Reporting Segment	Variation in Local Currency[1]	Approximate Currency Fluctuations	Variation in Dollars	Operating Earnings Before Other Expenses, Net For the Year Ended December 31, 2019	2020
				(in millions of Dollars)	
Mexico	+7%	-10%	-3%	$ 810	$ 783
United States	+30%	—	+30%	237	307
EMEAA					
United Kingdom	-61%	+3%	-58%	50	21
France	-48%	+4%	-44%	41	23
Germany	+9%	-4%	+5%	37	39
Poland	+36%	+17%	+53%	32	49
Spain	+22%	—	+22%	(18)	(14)
Philippines	-14%	+5%	-9%	79	72
Israel	+27%	+5%	+32%	66	87
Rest of EMEAA	-18%	-14%	-32%	28	19
SCA&C					
Colombia	+11%	-11%	Flat	61	61
Panama	-113%	—	-113%	31	(4)
Caribbean TCL	+32%	-2%	+30%	33	43
Dominican Republic	+13%	-12%	+1%	75	76
Rest of SCA&C	+60%	—	+60%	53	85
Others	-6%	—	-6%	(316)	(336)
Operating earnings before other expenses, net from continuing operations			+1%	$ 1,299	$ 1,311

"—" = Not Applicable

(1) Represents the variation in local currency terms. For purposes of a reporting segment consisting of a region, the variation in local currency terms for each individual country within the region are first translated into Dollar terms (except for the Rest of EMEAA segment, in which they are 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 Dollar terms (except for the Rest of EMEAA segment, in which they represent the change in Euros), net, in the region.

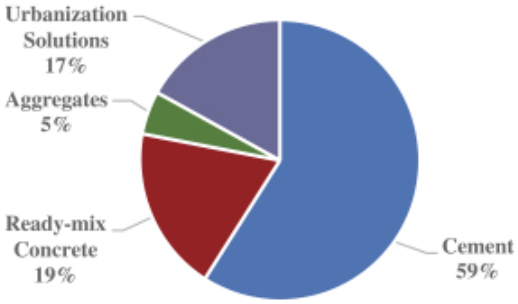
Revenues. Our consolidated revenues decreased 1%, from $12,959 million in 2019 to $12,814 million in 2020. The decrease in our revenues was mainly attributable to lower volumes in some of our regions, excluding mainly the United States, Mexico, Germany and Poland, and partially offset by higher prices of our products in local-currency terms in most of our regions. Set forth below is a quantitative and qualitative analysis of the various factors affecting our revenues on a reporting segment basis. The discussion of volume data and revenues information below is presented before eliminations resulting from consolidation as described in note 5.3 to our 2021 audited consolidated financial statements included elsewhere in this annual report.

Mexico

Our domestic cement sales volumes from our operations in Mexico increased 6% in 2020 compared to 2019, and ready-mix concrete sales volumes decreased 16% over the same period. Our revenues from our operations in Mexico represented 21% of our total revenues for the year ended December 31, 2020, in Dollar terms, before eliminations resulting from consolidation. Under the lockdown measures due to COVID-19, the industry was limited to bagged cement for the retail market and essential infrastructure, which significantly impacted formal construction demand. With the lifting of these lockdown measures, domestic cement continued its growth path supported by government social programs, home improvements and higher remittances. Formal construction activity increased as private sector and government infrastructure projects accelerate. Our cement export volumes

from our operations in Mexico, which represented 11% of our Mexican cement sales volumes for the year ended December 31, 2020, increased 32% in 2020 compared to 2019. Of our total cement export volumes from our operations in Mexico during 2020, 75% was shipped to the United States and 25% to our Rest of SCA&C segment. Our average sales price of domestic cement from our operations in Mexico increased 2%, in Mexican Peso terms, in 2020 compared to 2019, and our average sales price of ready-mix concrete remained flat, in Mexican Peso terms, over the same period.

The following chart indicates the breakdown of Mexico revenues by product, before others, intra sector eliminations within the segment and eliminations resulting from consolidation, as applicable for the year ended December 31, 2020:

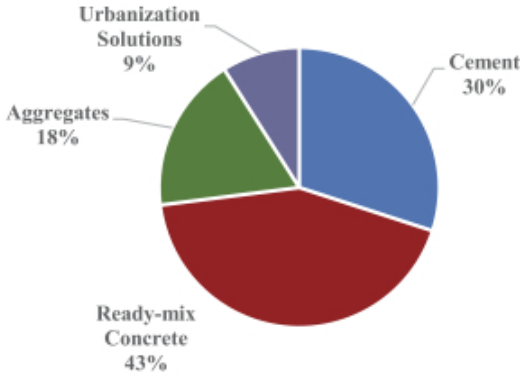


As a result of increases in domestic cement sales volumes and sales prices, partially offset by a decrease in ready-mix concrete sales, our revenues in Mexico, in Mexican Peso terms, increased 7% in 2020 compared to 2019.

United States

Our domestic cement sales volumes from our operations in the United States increased 8% in 2020 compared to 2019, and ready-mix concrete sales volumes increased 1% over the same period. Despite the lack of visibility and high uncertainty resulting from the COVID-19 pandemic, the increase in domestic cement and ready-mix concrete sales volumes were primarily attributable to the strong demand momentum driven by the infrastructure and residential sectors. Our operations in the United States represented 30% of our total revenues for the year ended December 31, 2020, in Dollar terms, before eliminations resulting from consolidation. Our average domestic cement sales prices of our operations in the United States remained flat, in Dollar terms, in 2020 compared to 2019, and our average ready-mix concrete sales price increased 1%, in Dollar terms, over the same period.

The following chart indicates the breakdown of United States revenues by product, before others, intra sector eliminations within the segment and eliminations resulting from consolidation, as applicable for the year ended December 31, 2020:

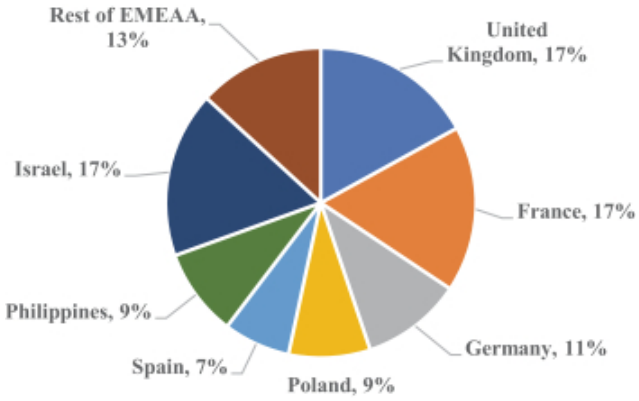


As a result of increases in domestic cement sales volumes and ready-mix concrete sales volumes and sales prices, revenues from our operations in the United States, in Dollar terms, increased 6% in 2020 compared to 2019.

EMEAA

In 2020, our operations in the EMEAA region consisted of our operations in the United Kingdom, France, Germany, Poland, Spain, Philippines and Israel, which represent the most significant operations in this region, in addition to the Rest of EMEAA segment. Our revenues from our operations in the EMEAA region represented 33% of our total revenues for the year ended December 31, 2020, in Dollar terms, before eliminations resulting from consolidation. As of December 31, 2020, our operations in the EMEAA region represented 26% of our total assets. Set forth below is a quantitative and qualitative analysis of the effects of the various factors affecting our revenues for our main operations in the EMEAA region.

The following chart indicates the geographic breakdown of EMEAA region revenues by reporting segment, after others and eliminations resulting from consolidation, for the year ended December 31, 2020:

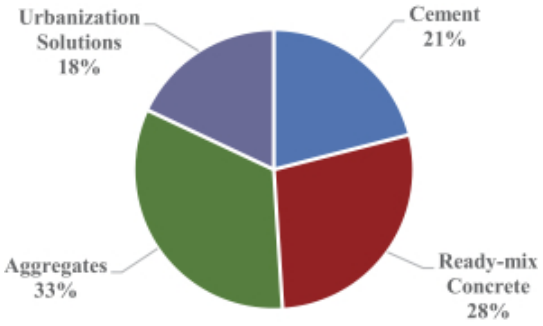


United Kingdom

Our domestic cement sales volumes from our operations in the United Kingdom decreased 16% in 2020 compared to 2019, and ready-mix concrete sales volumes decreased 13% over the same period. The decreases in

domestic cement and ready-mix concrete sales volumes reflected a deceleration in construction activity as a result of the implementation of stringent COVID-19 measures during 2020. Our operations in the United Kingdom represented 5% of our total revenues for the year ended December 31, 2020, in Dollar terms, before eliminations resulting from consolidation. Our average sales price of domestic cement from our operations in the United Kingdom increased 3%, in Pound terms, in 2020 compared to 2019, and our average sales price of ready-mix concrete remained flat, in Pound terms, over the same period.

The following chart indicates the breakdown of United Kingdom revenues by product, before others, intra sector eliminations within the segment and eliminations resulting from consolidation, as applicable for the year ended December 31, 2020:

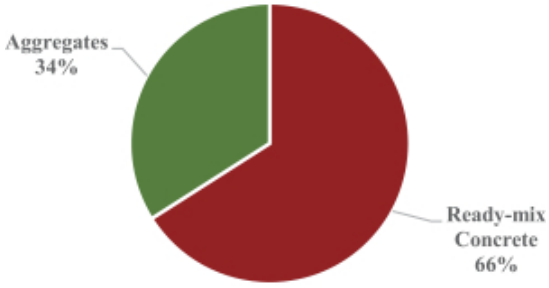


As a result of decreases in domestic cement and ready-mix concrete sales volumes, partially offset by increases in domestic cement sales prices, revenues from our operations in the United Kingdom, in Pound terms, decreased 3% in 2020 compared to 2019.

France

Our ready-mix concrete sales volumes from our operations in France decreased 19% in 2020 compared to 2019. The decrease in volumes reflected a deceleration in construction activity as a result of the implementation of stringent COVID-19 measures during 2020. Our operations in France represented 6% of our total revenues for the year ended December 31, 2020, in Dollar terms, before eliminations resulting from consolidation. Our average sales price of ready-mix concrete of our operations in France increased 2%, in Euro terms, in 2020 compared to 2019.

The following chart indicates the breakdown of France revenues by product, before others, intra sector eliminations within the segment and eliminations resulting from consolidation, as applicable for the year ended December 31, 2020:

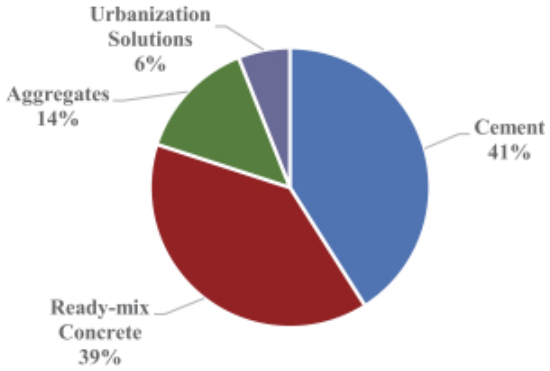


As a result of decreases in ready-mix concrete sales volumes, partially offset by increases in ready-mix concrete sales prices, revenues from our operations in France, in Euro terms, decreased 11% in 2020 compared to 2019.

Germany

Our domestic cement sales volumes from our operations in Germany increased 12% in 2020 compared to 2019, and ready-mix concrete sales volumes increased 3% over the same period. The increase in domestic cement and ready-mix concrete sales volumes were mainly by continued work in the infrastructure sector. Our operations in Germany represented 4% of our total revenues for the year ended December 31, 2020, in Dollar terms, before eliminations resulting from consolidation. Our cement export volumes from our operations in Germany, which represented 22% of our Germany cement sales volumes for the year ended December 31, 2020 decreased 12% in 2020 compared to 2019. All of our total cement export volumes from our operations in Germany during 2020, were to our Rest of EMEAA segment. Our average sales price of domestic cement from our operations in Germany increased 1%, in Euro terms, in 2020 compared to 2019, and our average sales price of ready-mix concrete increased 4%, in Euro terms, over the same period.

The following chart indicates the breakdown of Germany revenues by product, before others, intra sector eliminations within the segment and eliminations resulting from consolidation, as applicable for the year ended December 31, 2020:

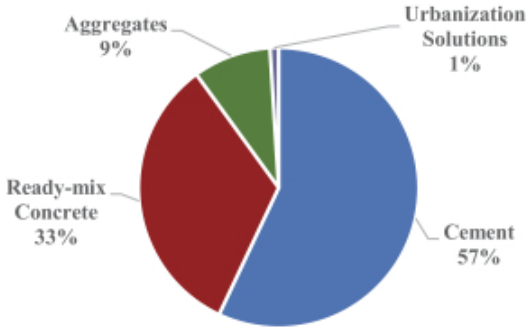


As a result of increases in domestic cement sales volumes and sales prices and increases in ready-mix concrete sales volumes and sales prices, revenues from our operations in Germany, in Euro terms, increased 8% in 2020 compared to 2019.

Poland

Our domestic cement sales volumes from our operations in Poland increased 9% in 2020 compared to 2019, and ready-mix concrete sales volumes decreased 2% over the same period. The increase in domestic cement sales volumes was mainly driven by improved weather conditions and the increase in infrastructure investments. Our operations in Poland represented 3% of our total revenues for the year ended December 31, 2020, in Dollar terms, before eliminations resulting from consolidation. Our cement export volumes from our operations in Poland, which represented 3% of our Poland cement sales volumes for the year ended December 31, 2020 increased 95% in 2020 compared to 2019. All of our total cement export volumes from our operations in Poland during 2020, were to our Rest of EMEAA segment. Our average sales price of domestic cement from our operations in Poland increased 7%, in Euro terms, in 2020 compared to 2021, and our average sales price of ready-mix concrete increased 5%, in Euro terms, over the same period.

The following chart indicates the breakdown of Poland revenues by product, before others, intra sector eliminations within the segment and eliminations resulting from consolidation, as applicable for the year ended December 31, 2020:

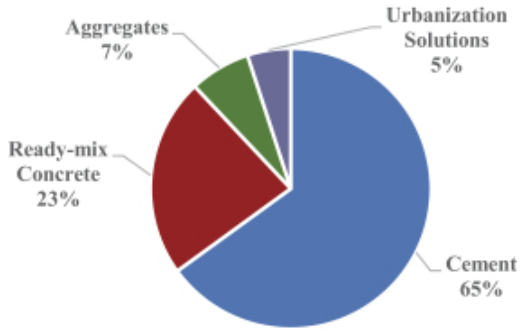


As a result of increases in domestic cement sales volumes and sales prices and increases in ready-mix sales price, revenues from our operations in Poland, in Euro terms, increased 5% in 2020 compared to 2019.

Spain

Our domestic cement sales volumes from our operations in Spain decreased 5% in 2020 compared to 2019, while ready-mix concrete sales volumes decreased 7% over the same period. The decreases in domestic cement and ready-mix concrete volumes reflected a deceleration in construction activity as a result of the implementation of stringent COVID-19 measures during 2020. Our operations in Spain represented 2% of our total revenues for the year ended December 31, 2020, in Dollar terms, before eliminations resulting from consolidation. Our cement export volumes from our operations in Spain, which represented 20% of our Spain cement sales volumes for the year ended December 31, 2020, increased 28% in 2020 compared to 2019. Of our total cement export volumes from our operations in Spain during 2020, 85% were to the United Kingdom and 15% were to the Rest of EMEAA segment. Our average sales price of domestic cement of our operations in Spain increased 2%, in Euro terms, in 2020 compared to 2019, and our average sales price of ready-mix concrete increased 2%, in Euro terms, over the same period.

The following chart indicates the breakdown of Spain revenues by product, before others, intra sector eliminations within the segment and eliminations resulting from consolidation, as applicable for the year ended December 31, 2020:

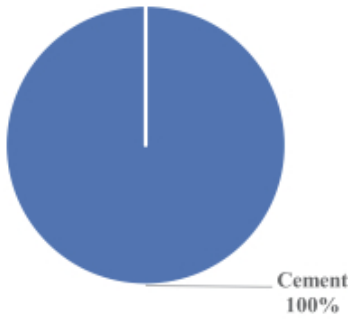


As a result of decreases in domestic cement and ready-mix concrete sales volumes, partially offset by increases in domestic cement and ready-mix concrete sales prices, revenues from our operations in Spain, in Euro terms, decreased 3% in 2020 compared to 2019.

The Philippines

Our domestic cement sales volumes from our operations in the Philippines decreased 11% in 2020 compared to 2019. The decrease in domestic cement volumes was mainly due to implementation of stringent COVID-19 lockdown measures imposed by the government and by the closure of our Solid Cement Plant in Luzon for two months, partially mitigated by the subsequent reopening of our Solid Cement Plant. Our cement export volumes from our operations in the Philippines, which represented less than 1% of our Philippines cement sales volumes for the year ended December 31, 2020, increased 1% in 2020 compared to 2019. All of our total cement exports from our operations in Philippines during 2020 were to the Rest of EMEAA segment. Our revenues from our operations in the Philippines represented 3% of our total revenues for the year ended December 31, 2020, in Dollar terms, before eliminations resulting from consolidation. Our average sales price of domestic cement from our operations in the Philippines decreased 6%, in Philippine Peso terms, in 2020 compared to 2019.

The following chart indicates the breakdown of Philippines revenues by product, before others, intra sector eliminations within the segment and eliminations resulting from consolidation, as applicable for the year ended December 31, 2020:

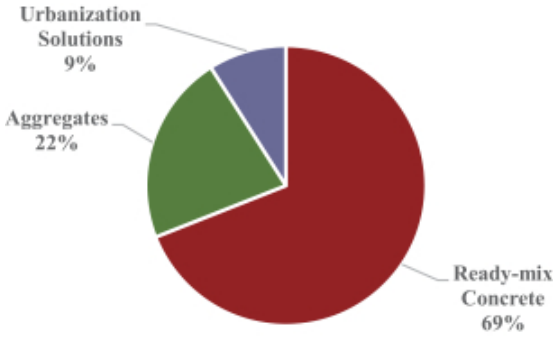


As a result of decreases in domestic cement sales volumes and sales prices, revenues of our operations in the Philippines, in Philippine Peso terms, decreased 17% in 2020 compared to 2019.

Israel

Our ready-mix concrete sales volumes from our operations in Israel increased 8% in 2020 compared to 2019. The increase in the ready-mix concrete sales volumes was mainly driven by continued construction activity in all sectors. Our operations in Israel represented 6% of our total revenues for the year ended December 31, 2020, in Dollar terms, before eliminations resulting from consolidation. Our average sales price of ready-mix concrete of our operations in Israel remained flat, in Israeli New Shekel terms, in 2020 compared to 2019.

The following chart indicates the breakdown of Israel revenues by product, before others, intra sector eliminations within the segment and eliminations resulting from consolidation, as applicable for the year ended December 31, 2020:

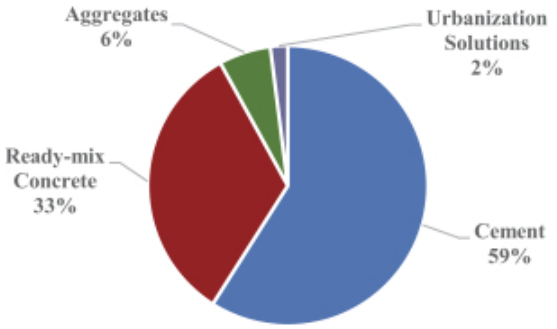


As a result of increases in ready-mix concrete sales volumes, revenues from our operations in Israel, in Israeli New Shekel terms, increased 10% in 2020 compared to 2019.

Rest of EMEAA

Our domestic cement sales volumes from our operations in the Rest of EMEAA segment increased 4% in 2020 compared to 2019, and ready-mix concrete sales volumes decreased 7% over the same period. Our cement export volumes from our operations in the Rest of EMEAA segment, which represented 8% of our Rest of EMEAA segment cement sales volumes for the year ended December 31, 2020, increased 54% in 2020 compared to 2019. Of our total cement export volumes from our operations in the Rest of EMEAA segment during 2020, 17% were to Poland, 5% were to Israel and 78% were to the Rest of EMEAA segment. Our revenues from our operations in the Rest of EMEAA segment represented 4% of our total revenues for the year ended December 31, 2020, in Dollar terms, before eliminations resulting from consolidation. Our average sales price of domestic cement from our operations in the Rest of EMEAA segment decreased 7%, in Euro terms, in 2020 compared to 2019, and our average sales price of ready-mix concrete decreased 3%, in Euro terms, over the same period.

The following chart indicates the breakdown of Rest of EMEAA revenues by product, before others, intra sector eliminations within the segment and eliminations resulting from consolidation, as applicable for the year ended December 31, 2020:

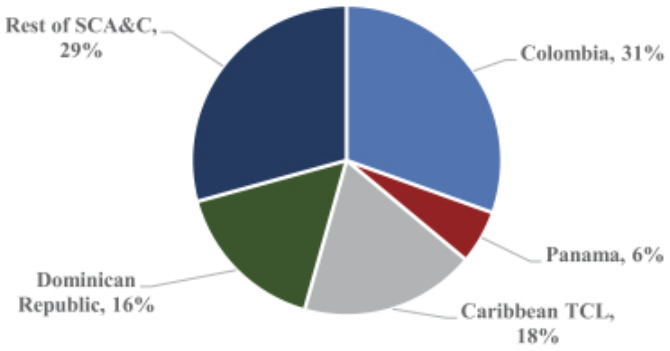


As a result of decreases in ready-mix concrete sales volumes and sales prices, as well, as decreases in domestic cement sales prices, partially offset by increases in domestic cement sales volumes, revenues in the Rest of EMEAA segment, in Euro terms, decreased 7%, in 2020 compared to 2019.

SCA&C

In 2020, our operations in the SCA&C region consisted of our operations in Colombia, Panama, the Dominican Republic, our Caribbean TCL operations, which represent our most significant operations in this region, and the Rest of SCA&C segment, excluding the acquired operations of the Caribbean TCL. Our revenues from our operations in the SCA&C region represented 11% of our total revenues in Dollar terms for the year ended December 31, 2020, before eliminations resulting from consolidation. As of December 31, 2020, our operations in the SCA&C region represented 9% of our total assets. Set forth below is a quantitative and qualitative analysis of the effects of the various factors affecting our revenues for our main operations in the SCA&C region.

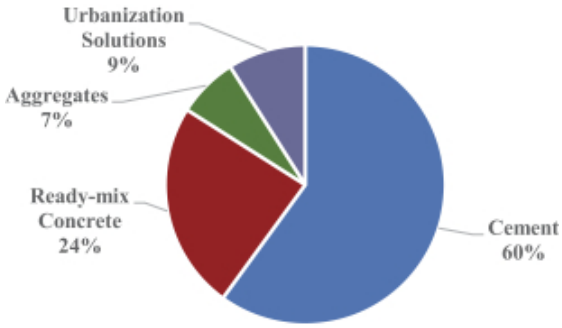
The following chart indicates the geographic breakdown of SCA&C region revenues by reporting segment, after others and eliminations resulting from consolidation, for the year ended December 31, 2020:



Colombia

Our domestic cement sales volumes from our operations in Colombia decreased 17% in 2020 compared to 2019, and ready-mix concrete sales volumes decreased 26% over the same period. Activity in Colombia was strong before the implementation of the government's COVID-19 restrictions. Upon reopening of the industry, our volumes recovered, mainly driven by the residential sector and 4G-highway projects. Our revenues from our operations in Colombia represented 3% of our total revenues for the year ended December 31, 2020, in Dollar terms, before eliminations resulting from consolidation. Our average sales price of domestic cement from our operations in Colombia increased 8%, in Colombian Peso terms, in 2020 compared to 2019, and our average sales price of ready-mix concrete increased 2%, in Colombian Peso terms, over the same period.

The following chart indicates the breakdown of Colombia revenues by product, before others, intra sector eliminations within the segment and eliminations resulting from consolidation, as applicable for the year ended December 31, 2020:

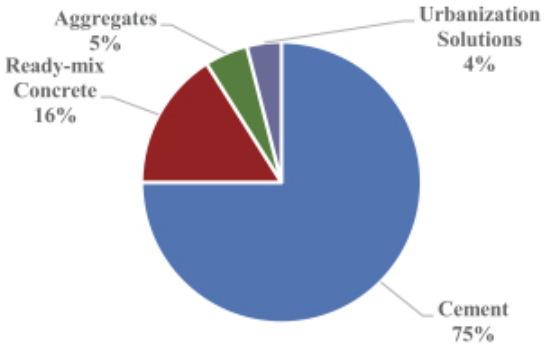


As a result of decreases in domestic cement and ready-mix concrete sales volumes, partially offset by increases in domestic cement and ready-mix concrete sales prices, revenues of our operations in Colombia, in Colombian Peso terms, decreased 10% in 2020 compared to 2019.

Panama

Our domestic cement sales volumes from our operations in Panama decreased 55% in 2020 compared to 2019, and ready-mix concrete sales volumes decreased 70% over the same period. The decreases in domestic cement and ready-mix concrete sales volumes in Panama were affected by the deceleration of the economy. The COVID-19 pandemic intensified an already weakened demand environment. Our revenues from our operations in Panama represented 1% of our total revenues for the year ended December 31, 2020, in Dollar terms, before eliminations resulting from consolidation. Our average sales price of domestic cement from our operations in Panama decreased 6% in Dollar terms, in 2020 compared to 2019, and our average sales price of ready-mix concrete decreased 7%, in Dollar terms, over the same period.

The following chart indicates the breakdown of Panama revenues by product, before others, intra sector eliminations within the segment and eliminations resulting from consolidation, as applicable for the year ended December 31, 2020:

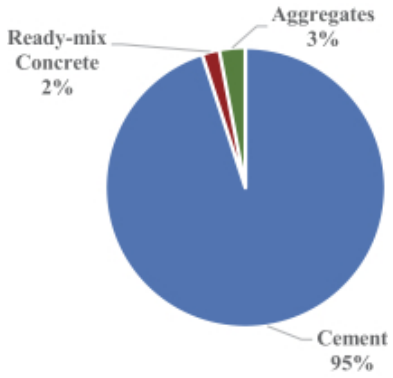


As a result of decreases in domestic cement sales volumes and sales prices and ready-mix concrete sales volumes and sales prices, revenues of our operations in Panama, in Dollar terms, decreased 56% in 2020 compared to 2019.

Caribbean TCL

Our domestic cement sales volumes from our operations in Caribbean TCL increased 5% in 2020 compared to 2019, while ready-mix concrete sales volumes decreased 38% over the same period. The decreases in ready-mix concrete volumes reflected a deceleration in construction activity as a result of the implementation of stringent COVID-19 measures. Our revenues from our operations in Caribbean TCL represented 2% of our total revenues for the year ended December 31, 2020, in Dollar terms, before eliminations resulting from consolidation. Our cement export volumes from our operations in Caribbean TCL segment represented 21% of our Caribbean TCL cement sales volumes for the year ended December 31, 2020, remained flat in 2020 compared to 2019. All of our total cement exports from our operations in Caribbean TCL during 2020 were to the Rest of SCA&C segment. Our average sales price of domestic cement of our operations in Caribbean TCL decreased 3%, in Trinidad and Tobago Dollar terms, in 2020 compared to 2019, and our average sales price of ready-mix concrete decreased 5%, in Trinidad and Tobago Dollar terms, over the same period.

The following chart indicates the breakdown of Caribbean TCL revenues by product, before others, intra sector eliminations within the segment and eliminations resulting from consolidation, as applicable for the year ended December 31, 2020:

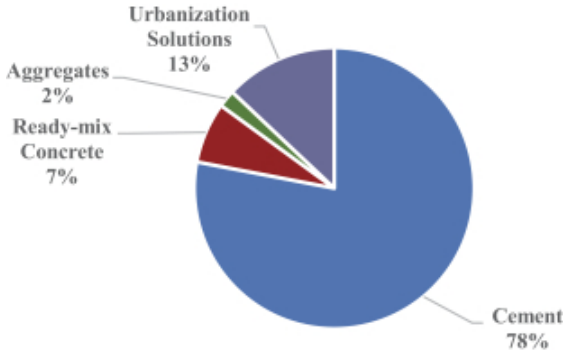


As a result of increases in domestic cement sales volumes, partially offset by decreases in ready-mix concrete sales volumes and sales prices and domestic cement sales prices, revenues of our operations in Caribbean TCL, in Trinidad and Tobago Dollar terms, increased 2% in 2020 compared to 2019.

Dominican Republic

Our domestic cement sales volumes from our operations in the Dominican Republic decreased 5% in 2020 compared to 2019, while ready-mix concrete sales volumes decreased 42% over the same period. The decreases in our domestic cement and ready-mix concrete sales volumes in the Dominican Republic region were mainly driven by government restrictions implemented since mid-March 2020 that slowed down the demand for our products. Domestic cement and ready-mix sales prices continued their positive trend. Our operations in the Dominican Republic represented 2% of our total revenues for the year ended December 31, 2020, in Dollar terms, before eliminations resulting from consolidation. Our cement export volumes from our operations in the Dominican Republic, which represented 9% of our Dominican Republic cement sales volumes for the year ended December 31, 2020, decreased 38% in 2020 compared to 2019. Of our total cement export volumes from our operations in the Dominican Republic during 2020, 99% were to our Rest of SCA&C segment and 1% were to the Rest of EMEAA segment. Our average sales price of domestic cement of our operations in the Dominican Republic increased 15%, in Dominican Peso terms, in 2020 compared to 2019, and our average sales price of ready-mix concrete increased 5%, in Dominican Peso terms, over the same period.

The following chart indicates the breakdown of Dominican Republic revenues by product, before others, intra sector eliminations within the segment and eliminations resulting from consolidation, as applicable for the year ended December 31, 2020:

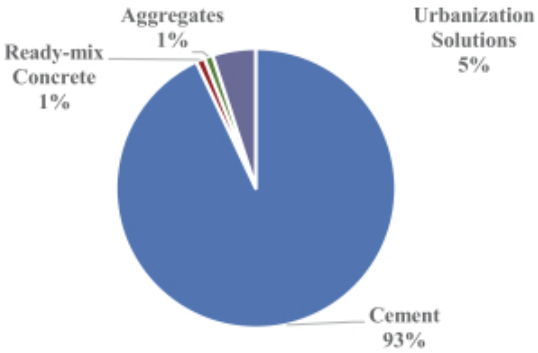


As a result of increases in domestic cement and ready-mix concrete sales prices, partially offset by decreases in domestic cement and ready-mix concrete sales volumes, revenues from our operations in the Dominican Republic, in Dominican Peso terms, increased 4% in 2020 compared to 2019.

Rest of SCA&C

Our domestic cement volumes from our operations in the Rest of SCA&C segment increased 6% in 2020 compared to 2019, and ready-mix concrete sales volumes decreased 34% over the same period. Our cement export volumes from our operations in the Rest of SCA&C segment, which represented 1% of our Rest of SCA&C segment cement sales volumes for the year ended December 31, 2020, increased 5% in 2020 compared to 2019. All of our total cement export volumes from our operations in the Rest of SCA&C segment during 2020, were within the same region. Our revenues from our operations in the Rest of SCA&C segment represented 3% of our total revenues for the year ended December 31, 2020, in Dollar terms, before eliminations resulting from consolidation. Our average sales price of domestic cement from our operations in the Rest of SCA&C segment remained flat in Dollar terms, in 2020 compared to 2019, and our average sales price of ready-mix concrete decreased 5%, in Dollar terms, over the same period.

The following chart indicates the breakdown of Rest of SCA&C revenues by product, before others, intra sector eliminations within the segment and eliminations resulting from consolidation, as applicable for the year ended December 31, 2020:



As a result of increases in domestic cement sales volumes, partially offset by decreases in ready-mix concrete sales volumes and sales prices, revenues of our operations in the Rest of SCA&C segment, in Dollar terms, increased 3% in 2020 compared to 2019.

Others (Revenues)

Revenues from our Others segment decreased 14% before intra-sector eliminations within the segment and before eliminations resulting from consolidation, as applicable, in 2020 compared to 2019, in Dollar terms. The decrease resulted from lower revenue in our information technology solutions company. Our revenues from our Others segment represented 5% of our total revenues for the year ended December 31, 2020, in Dollar terms, before eliminations resulting from consolidation. For the year ended December 31, 2020, our information technology solutions company represented 31% and our trading operations represented 41% of our revenues in our Others segment, in Dollar terms.

Cost of Sales

Our cost of sales, including depreciation, remained flat, recognizing $8,714 million in 2019 to $8,692 million in 2020. As a percentage of revenues, cost of sales increased from 67% in 2019 to 68% in 2020. The increase in cost of sales as a percentage of revenues was mainly driven by transportation cost, as well as purchased cement and clinker costs, partially offset by lower fuel costs. Our cost of sales includes freight expenses of raw materials used in our producing plants.

Gross Profit

For the reasons described above, our gross profit decreased 3% from $4,245 million in 2019 to $4,122 million in 2020. As a percentage of revenues, gross profit decreased from 33% in 2019 to 32% in 2020. 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 below, 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 operating expenses as part of distribution and logistics expenses.

Operating expenses

Our operating expenses, which are represented by administrative, selling and distribution and logistics expenses, decreased 5%, from $2,946 million in 2019 to $2,811 million in 2020. As a percentage of revenues, operating expenses decreased from 23% in 2019 to 22% in 2020. The decrease as a percentage of revenues resulted primarily from operational improvements due to "Operation Resilience" cost savings from reduction in fees, sales, travel and headcount expense. Our operating expenses include expenses related to personnel, equipment and services involved in sales activities and storage of product at points of sale, which are included as part of the operating expenses, as well as freight expenses of finished products between plants and points of sale and freight expenses between points of sale and the customers' facilities, which are included as part of the line item "Distribution and logistics expenses." For the years ended December 31, 2019 and 2020, selling expenses included as part of the line item "Operating expenses" amounted to $366 million and $330 million, respectively. As discussed 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 and logistics expenses, which in the aggregate represented costs of $1,476 million in 2019 and $1,412 million in 2020. As a percentage of revenues, distribution and logistics expenses remained flat at 11% in 2019 and in 2020.

Operating Earnings Before Other Expenses, Net

For the reasons described above, our operating earnings before other expenses, net increased 1% from $1,299 million in 2019 to $1,311 million in 2020. As a percentage of revenues, operating earnings before other

expenses, net remained flat at 10% in 2019 and in 2020. 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 reporting segment basis.

Mexico

Our operating earnings before other expenses, net, from our operations in Mexico increased 7% in 2020 compared to 2019, in Mexican Peso terms. Our operating earnings before other expenses, net from our operations in Mexico represented 58% of our total operating earnings before other expenses, net for the year ended December 31, 2020, in Dollar terms. The increase resulted primarily from the increase in our revenues driven by formal construction activity.

United States

Our operating earnings before other expenses, net, from our operations in the United States increased 30% in 2020 compared to 2019, in Dollar terms. Our operating earnings before other expenses, net from our operations in the United States represented 23% of our total operating earnings before other expenses, net for the year ended December 31, 2020, in Dollar terms. The increase resulted primarily from the increase in our revenues in the United States segment and due to operational improvements in the United States.

EMEAA

United Kingdom. Our operating earnings before other expenses, net, from our operations in the United Kingdom decreased 61%, in Pound terms, in 2020 compared to 2019. Our operating earnings before other expenses, net from our operations in the United Kingdom represented 2% of our total operating earnings before other expenses, net for the year ended December 31, 2020, in Dollar terms. The decrease resulted primarily from the decrease in our revenues in the United Kingdom.

France. Our operating earnings before other expenses, net, from our operations in France decreased 45%, in Euro terms, in 2020 compared to 2019. Our operating earnings before other expenses, net from our operations in France represented 2% of our total operating earnings before other expenses, net for the year ended December 31, 2020, in Dollar terms. The decrease resulted primarily from the decrease in our revenues.

Germany. Our operating earnings before other expenses, net, from our operations in Germany increased 9%, in Euro terms, in 2020 compared to 2019. Our operating earnings before other expenses, net from our operations in Germany represented 3% of our total operating earnings before other expenses, net for the year ended December 31, 2020, in Dollar terms. The increase resulted primarily from the increase in our revenues in Germany.

Poland. Our operating loss before other expenses, net, from our operations in Poland increased 36% in 2020 compared to 2019, in Euro terms. Our operating earnings before other expenses, net from our operations in Poland represented 4% of our total operating earnings before other expenses, net for the year ended December 31, 2020, in Dollar terms. The increase resulted primarily from lower operating costs and increase in revenues.

Spain. Our operating loss before other expenses, net, from our operations in Spain decreased 22% in 2020 compared to 2019, in Euro terms. Our operating loss before other expenses, net from our operations in Spain represented a loss of $14 million, which was a negative impact of 1% of our total operating earnings before other expenses, net for the year ended December 31, 2020, in Dollar terms. The decrease resulted primarily from operational improvements.

The Philippines. Our operating earnings before other expenses, net, from our operations in the Philippines decreased 14% in 2020 compared to 2019, in Philippine Peso terms. Our operating earnings before other

expenses, net from our operations in the Philippines represented 5% of our total operating earnings before other expenses, net for the year ended December 31, 2020, in Dollar terms. The decrease resulted primarily from the decrease in our revenues, partially offset by our cost containment efforts.

Israel. Our operating earnings before other expenses, net, from our operations in Israel increased 27% in 2020 compared to 2019, in Israeli New Shekel terms. Our operating earnings before other expenses, net from our operations in Israel represented 6% of our total operating earnings before other expenses, net for the year ended December 31, 2020, in Dollar terms. The increase in Israel operating earnings resulted primarily from the increase in our revenues.

Rest of EMEAA. Our operating earnings before other expenses, net, from our operations in the Rest of EMEAA segment decreased 18% in 2020 compared to 2019, in Euro terms. Our operating earnings before other expenses, net from our operations in the Rest of EMEAA segment represented 1% of our total operating earnings before other expenses, net for the year ended December 31, 2020, in Dollar terms. This decrease relates primarily to a decrease in our revenues, partially offset by costs and expenses reductions mainly in Croatia due to lower production costs, as well as a decrease in fuels costs.

SCA&C

Colombia. Our operating earnings before other expenses, net, from our operations in Colombia increased 11% in 2020 compared to 2019, in Colombian Peso terms. Our operating earnings before other expenses, net from our operations in Colombia represented 4% of our total operating earnings before other expenses, net for the year ended December 31, 2020, in Dollar terms. The increase resulted primarily from a reduction in production costs due to plant maintenance during 2019 as well as lower operating expenses for saving initiatives, partially offset by a decrease in our revenues.

Panama. Our operating earnings before other expenses, net, from our operations in Panama decreased significantly in 2020 compared to 2019, from an operating earnings before other expenses, net of $31 million to an operating loss before other expenses, net of $4 million. Our operating earnings before other expenses, net from our operations in Panama represented less than 1% of our total operating earnings before other expenses, net for the year ended December 31, 2020, in Dollar terms. The decrease resulted primarily from the decrease in our revenues.

Caribbean TCL. Our operating earnings before other expenses, net, from our operations in Caribbean TCL increased 32% in 2020 compared to 2019, in Trinidad and Tobago Dollar terms. Our operating earnings before other expenses, net from our Caribbean TCL operations represented 3% of our total operating earnings before other expenses, net for the year ended December 31, 2020, in Dollar terms. The increase resulted primarily from operational improvements and saving initiatives and by an increase in our revenues.

Dominican Republic. Our operating earnings before other expenses, net, from our operations in the Dominican Republic increased 13% in 2020 compared to 2019, in Dominican Peso terms. Our operating earnings before other expenses, net from our operations in the Dominican Republic represented 6% of our total operating earnings before other expenses, net for the year ended December 31, 2020, in Dollar terms. The increase resulted primarily from a decrease in maintenance costs, lower distribution expenses and other operating expenses for saving initiatives, as well as, increase in our revenues.

Rest of SCA&C. Our operating earnings before other expenses, net, from our operations in the Rest of SCA&C segment increased 60% in 2020 compared to 2019, in Dollar terms. Our operating earnings before other expenses, net from our operations in the Rest of SCA&C segment represented 6% of our total operating earnings before other expenses, net for the year ended December 31, 2020, in Dollar terms. The increase resulted primarily from a benefit in Guatemala and Puerto Rico derived from lower variable cost and a strong effort to minimize operating expenses and by an increase in our revenues.

Others. Our operating loss before other expenses, net, from our operations in our Others segment increased 6% in 2020 compared to 2019, in Dollar terms. The increase in the operating loss before other expenses resulted primarily from the decrease in our revenues.

Other Expenses, Net. Our other expenses, net, increased significantly, in Dollar terms, from an expense of $334 million in 2019 to an expense of $1,767 million in 2020, including in both years, expenses related to property damages and natural disasters of $55 million in 2019 and $11 million in 2020. In addition, other expenses, net, which includes impairment losses, restructuring cost, contingency expenses that were COVID-19 related, results from the sale of assets and others. The increase in our other expenses, net, in 2020 resulted primarily from aggregate non-cash impairment losses of $1,520 million, of which, $1,020 million relates to goodwill in our operating segment in the United States considering the high volatility, lack of visibility, the economic environment and reduced outlook associated with the effects of the COVID-19 pandemic. Moreover, in our operating segment in the United States, we recognized an impairment loss of other intangible assets for $194 million. In addition, during the year ended December 31, 2020, we recognized non-cash impairment losses of idle fixed assets for an aggregate amount of $306 million, mainly related to assets in the United States, Spain and the United Kingdom. Moreover, we had an increase in our restructuring cost in the twelve-month period ended December 31, 2020 compared to the same period in 2019. See notes 8, 16 and 17 to our 2021 audited consolidated financial statements included elsewhere in this annual report.

The most significant items included under this caption for the years ended December 31, 2019 and 2020, are as follows:

	For the Years Ended December 31,	
	2019	2020
	(in millions of Dollars)	
Sale of emission Allowances	$ —	$ —
Impairment losses	(64)	(1,520)
Results from the sale of assets and others, net	(217)	(115)
Incremental costs and expenses related to the COVID-19 pandemic	—	(48)
Restructuring costs	(48)	(81)
Charitable contributions	(5)	(3)
	$ (334)	$ (1,767)

Financial expense. Our financial expense increased 9%, from $711 million in 2019 to $777 million in 2020, primarily attributable to premium payments and an increase in our financial debt during 2020 compared to 2019. The increase in our financial debt was mainly to improve our liquidity in light of the uncertainty of the COVID-19 pandemic. Such increases were partially offset by lower interest rates on our financial debt during 2020 compared to 2019. See notes 2 and 19.1 to our 2021 audited consolidated financial statements included elsewhere in this annual report.

Financial income and other items, net. Our financial income and other items, net, in Dollar terms, increased 81%, from an expense of $65 million in 2019 to an expense of $118 million in 2020. The increase in 2020 is mainly a result of the decrease in the discount rates in the United Kingdom utilized by the Company to determine its environmental remediation liabilities and by a loss in connection with the results from financial instruments, partially offset by result of the foreign exchange results due to the fluctuation of the Mexican Peso against the Dollar. See notes 9.2 and 18.4 to our 2021 audited consolidated financial statements included elsewhere in this annual report.

The most significant items included under this caption for the years ended December 31, 2019 and 2020 are as follows:

	For the Year Ended December 31,	
	2019	2020
	(in millions of Dollars)	
Financial income and other items, net:		
Effects of amortized cost on assets and liabilities and others, net	$ (20)	$ (89)
Net interest cost of pension liabilities	(39)	(33)
Results from financial instruments, net	(1)	(17)
Foreign exchange results	(23)	(3)
Financial income	18	20
Other	—	4
	$ (65)	$ (118)

Income Taxes. Our income tax effect in the statements of operations, which is comprised of current income taxes plus deferred income taxes, decreased 71% from an expense of $157 million in 2019 to $45 million in 2020. Our current income tax expense increased from $138 million in 2019 to $167 million in 2020, mainly as a result of increases in taxes in Poland, Jamaica and Mexico. Our deferred income tax expense decreased from a deferred income tax expense of $19 million in 2019 to a deferred income tax revenue of $122 million in 2020, mainly associated with the recognition of deferred tax assets related to the impairments of fixed assets in the United States, the United Kingdom and Spain, among other countries. See notes 21.1, 21.2, 21.3 and 21.4 to our 2021 audited consolidated financial statements included elsewhere in this annual report.

For each of the years ended December 31, 2019 and 2020, our statutory income tax rate in Mexico was 30%. Considering a decrease in our earnings before income tax from $238 million in 2019 to a loss before income tax of $1,302 million in 2020, as well as differences between accounting and tax expenses, partially offset by the recognition of deferred tax assets during 2020, our average effective income tax rate decreased from an effective income tax rate of 66.0% in 2019 to a negative effective income tax rate of 3.5% in 2020. Our average effective tax rate equals the net amount of income tax expense divided by earnings before income taxes, as these line items are reported in our consolidated statements of operations. See “Item 3—Key Information—Risk Factors—Risks Relating to Our Business—Certain tax matters may have a material adverse effect on our cash flow, financial condition and net income, as well as on our reputation” and note 21.3 to our 2021 audited consolidated financial statements included elsewhere in this annual report.

Net Income from continuing operations. For the reasons described above, our net income from continuing operations for 2020 decreased significantly, from a net income from continuing operations of $81 million in 2019 to a net loss from continuing operations of $1,347 million in 2020. As a percentage of revenues, net income from continuing operations represented 1% for the year ended as of December 31, 2019 and a net loss from continuing operations represented 10% for the year ended as of December 31, 2020.

Discontinued operations. For the years ended December 31, 2019 and 2020, our discontinued operations included in our consolidated statements of operations amounted to a net income from discontinued operations of $98 million and a net loss from discontinued operations of $99 million, respectively. As a percentage of revenues, gain of discontinued operations, net of tax, represented 1% for the year ended as of December 31, 2019, and the loss of discontinued operations, net of tax, represented 1% for the year ended as of December 31, 2020. See note 5.2 to our 2021 audited consolidated financial statements included elsewhere in this annual report.

Consolidated Net Income. For the reasons described above, our consolidated net income (before deducting the portion allocable to non-controlling interest) for 2020 decreased significantly, from a consolidated net income

of $179 million in 2019 to a consolidated net loss of $1,446 million in 2020. As a percentage of revenues, consolidated net income represented 1% for the year ended as of December 31, 2019, and consolidated net loss represented 11% for the year ended as of December 31, 2020.

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 income attributable to those subsidiaries. Non-controlling interest net income decreased 42%, from an income of $36 million in 2019 to an income of $21 in 2020, primarily attributable to a decrease in the net income of the consolidated entities in which others have a non-controlling interest and to the decrease in non-controlling interest due to the repurchases shares in CLH and CHP. See note 22.4 to our 2021 audited consolidated financial statements included elsewhere in this annual report.

Controlling Interest Net Income. Controlling interest net income represents the difference between our consolidated net income and non-controlling interest net income, which is the portion of our consolidated net income attributable to those of our subsidiaries in which non-associated third parties hold interests. For the reasons described above, our controlling interest net income decreased significantly, from a controlling interest net income of $143 million in 2019 to a controlling interest net loss of $1,467 million in 2020. As a percentage of revenues, controlling interest net income, represented 1% for the year ended as of December 31, 2019, and controlling interest net loss, represented 11% for the year ended as of December 31, 2020.

Liquidity and Capital Resources

Operating Activities

We have satisfied our operating liquidity needs primarily through the operation 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, among other risks, any one of which may materially decrease our net income and 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, loans, proceeds of debt and equity offerings and proceeds from asset sales, including our account receivables securitizations. Our consolidated cash flows provided by operating activities from continuing operations were $2,117 million in 2019, $2,368 million in 2020 and $2,517 million in 2021. See our statements of cash flows included elsewhere in this annual report. CEMEX management is of the opinion that working capital is sufficient for our current requirements.

Sources and Uses of Cash

Our review of sources and uses of cash below refers to nominal amounts included in our consolidated statements of cash flows for 2019, 2020 and 2021.

Our primary sources and uses of cash during the years ended December 31, 2019, 2020 and 2021 were as follows:

	Year Ended December 31,		
	2019	2020	2021
	(in millions of Dollars)		
Operating Activities			
Consolidated net income (loss)	179	(1,446)	778
Discontinued operations	98	(99)	(10)
Net income (loss) from continuing operations	81	(1,347)	788
Adjustments to the cash flow other than changes in working capital	1,938	3,517	1,872
Changes in working capital, excluding income taxes	98	198	(143)
Cash flows provided by operating activities from continuing operations	2,117	2,368	2,517
Interest expense and income taxes paid	(833)	(803)	(694)
Net cash flows provided by operating activities from continuing operations	1,248	1,565	1,823
Net cash flows provided by operating activities from discontinued operations	71	48	32
Net cash flows provided by operating activities	1,355	1,613	1,855
Investing Activities			
Purchase of property, machinery and equipment, net	(651)	(536)	(801)
Acquisition and disposal of subsidiaries and other disposal groups, net	500	628	122
Sale of emission allowances	—	—	600
Intangible assets	(116)	(53)	(192)
Non-current assets and others, net	5	50	(10)
Net cash flows provided by (used in) investing activities from continuing operations	(262)	89	(281)
Net cash flows used in investing activities from discontinued operations	—	—	(4)
Net cash flows provided by (used in) investing activities	(262)	89	(285)
Financing Activities			
Proceeds from new debt instruments	3,331	4,210	3,960
Debt repayments	(3,284)	(4,572)	(5,897)
Issuance of 5.125% Subordinated Notes	—	—	994
Other financial obligations, net	(233)	(794)	(313)
Shares repurchase program	(50)	(83)	—
Decrease in non-controlling interests	(31)	(105)	(447)
Derivative financial instruments	(56)	12	(41)
Securitization of trade receivables	(6)	(26)	25
Dividends paid, coupons on perpetual debentures and subordinated notes	(179)	(24)	(24)
Non-current liabilities, net	(96)	(138)	(109)
Net cash flows used in financing activities	(604)	(1,520)	(1,852)
Increase (decrease) in cash and cash equivalents from continuing operations	418	134	(310)
Increase in cash and cash equivalents from discontinued operations	71	48	28
Foreign currency translation effect on cash	(10)	(20)	(55)
Cash and cash equivalents at beginning of period	309	788	950
Cash and cash equivalents at end of period	788	950	613

Year ended December 31, 2021

During 2021, excluding the negative foreign currency effect of our balances of cash and cash equivalents generated during the period of $55 million, there was a decrease in cash and cash equivalents from continuing operations of $310 million. This decrease was the result of our net cash flows used in financing activities of $1,852 million and our net cash flows used in investing activities from continuing operations of $281 million, partially offset by our net cash flows provided by operating activities from continuing operations, which, after interest expense and income taxes paid in cash of $694 million, amounted to $1,823 million.

For the year ended December 31, 2021, our net cash flows provided by operating activities included cash flows applied in working capital, excluding income taxes, of $143 million, which was primarily comprised of trade receivables, inventories and other accounts payable and accrued expenses, for an aggregate amount of $527 million, partially offset by proceeds from other accounts receivable and other assets and trade payables for an aggregate amount of $384 million.

During 2021, the decrease in cash and cash equivalents was the result of (i) our net cash flows used in financing activities of $1,852 million, which include debt repayments, other financial obligations, net, non-controlling interest, derivative financial instruments, coupons on Perpetual Debentures and subordinated notes, and non-current liabilities, net, for an aggregate amount of $6,831 million, partially offset by proceeds from new debt instruments, issuance of 5.125% Subordinated Notes, and securitization of trade receivables for an aggregate amount of $4,979 million; and (ii) our net cash flows used in investing activities from continuing activities of $281 million, which was primarily comprised of purchase of property, machinery and equipment, net, intangible assets, and non-current assets and others, net, for an aggregate amount of $1,003 million partially offset by proceeds from acquisition and disposal of subsidiaries and other disposal groups, net, and sale of emission allowance for an aggregate amount of $722 million, partially offset by our net cash flows provided by operating activities from continuing operations after interest and income taxes paid in cash of $694 million, amounted to $1,823 million.

Year ended December 31, 2020

During 2020, excluding the negative foreign currency effect of our balances of cash and cash equivalents generated during the period of $20 million, there was an increase in cash and cash equivalents from continuing operations of $134 million. This increase was the result of our net cash flows provided by operating activities from continuing operations, which, after interest and income taxes paid in cash of $803 million, amounted to $1,565 million and by our net cash flows provided by investing activities of $89 million, partially offset by our net cash flows used in financing activities of $1,520 million.

For the year ended December 31, 2020, our net cash flows provided by operating activities included cash flows generated from changes in working capital, excluding income taxes, of $198 million, which was primarily comprised of trade receivables, inventories, trade payables and other accounts payable and accrued expenses, for an aggregate amount of $220 million, partially offset by other accounts receivable and other assets for an amount of $22 million.

During 2020, our net cash flows provided by (i) our operating activities from continuing operations after interest and income taxes paid in cash of $803 million, amounted to $1,565 million and (ii) our net cash flows provided by investing activities from continuing operations of $89 million, which was primarily comprised of acquisition and disposal of subsidiaries and other disposal groups, net and by non-current assets and others, net for an aggregate amount of $678 million, partially offset by purchase of property, machinery and equipment, net, and intangible assets for an aggregate amount of $589 million, were disbursed in connection with our net cash flows used in financing activities of $1,520 million, which include debt repayments, other financial obligations, net, share repurchase program, non-controlling interest, securitization of trade receivables, coupons on Perpetual Debentures and non-current liabilities, net, for an aggregate amount of $5,742 million, partially offset by proceeds from new debt instruments and derivative instruments for an aggregate amount of $4,222 million.

Year ended December 31, 2019

During 2019, excluding the negative foreign currency effect of our balances of cash and cash equivalents generated during the period of $10 million, there was an increase in cash and cash equivalents from continuing operations of $418 million. This increase was the result of our net cash flows provided by operating activities from continuing operations, which, after interest and income taxes paid in cash of $833 million, amounted to $1,284 million, partially offset by our net cash flows used in financing activities of $604 million and our net cash flows used in investing activities from continuing operations of $262 million.

For the year ended December 31, 2019, our net cash flows provided by operating activities included cash flows generated from changes in working capital, excluding income taxes, of $98 million, which was primarily comprised of other accounts receivable and other assets, inventories and other accounts payable and accrued expenses, for an aggregate amount of $147 million, partially offset by trade payables and trade receivables, net for an aggregate amount of $49 million.

During 2019, our net cash flows provided by operating activities from continuing operations after interest and income taxes paid in cash of $833 million, amounted to $1,284 million, were mainly disbursed in connection with (i) our net cash flows used in financing activities of $604 million, which include debt repayments, other financial obligations, share repurchase program, non-controlling interest, derivative financial instruments, securitization of trade receivables, dividends paid and coupons on Perpetual Debentures and by non-current liabilities for an aggregate amount of $3,935 million, partially offset by proceeds from new debt instruments of $3,331 million and (ii) our net cash flows used in the investing activities from continuing operations of $262 million, which was primarily comprised of purchase of property, machinery and equipment, net, and intangible assets for an aggregate amount of $767 million, partially offset by net resources from acquisition and disposal of subsidiaries and other disposal groups, net and by non-current assets and others, net for an aggregate amount of $505 million.

As of December 31, 2021, we had the following lines of credit, of which the only committed portion refers to the revolving credit facility under the 2021 Credit Agreement, at annual interest rates ranging between 1.65% and 3.94%, depending on the negotiated currency:

	Lines of Credit	Available
	(in millions of Dollars)	
Other lines of credit in foreign subsidiaries	199	87
Other lines of credit from banks	540	339
Revolving credit facility 2021 Credit Agreement	1,750	1,750
	2,489	2,176

As of December 31, 2021, we had full availability in our committed revolving credit tranche under the 2021 Credit Agreement. In connection with other lines of credit from banks, such uncommitted amounts are subject to the Lenders' availability. We expect that this, in addition to our proven capacity to continually refinance and replace short-term obligations, will enable us to meet any liquidity risk in the short term. See "Item 3—Key Information—COVID-19 Pandemic" for more information on the impact of COVID-19 on our debt and cash levels.

Capital Expenditures

Our capital expenditures incurred for the years ended December 31, 2020 and 2021, and our expected capital expenditures during 2022, which include an allocation to 2022 of a portion of our total future committed amount, are as follows:

	Actual for the Year Ended December 31, Actual		Estimated in 2022[1][2][3]
	2020[2][3]	2021[2][3]	
	(in millions of Dollars)		
Mexico	144	190	265
United States	284	373	430
EMEAA			
United Kingdom	55	94	94
France	62	44	46
Germany	24	29	43
Poland	19	29	41
Spain	22	34	29
Philippines	82	89	121
Israel	28	45	33
Rest of EMEAA	32	66	40
SCA&C			
Colombia	14	27	74
Panama	3	9	19
Caribbean TCL	16	22	18
Dominican Republic	2	15	21
Rest of SCA&C	7	15	26
Others	1	13	0
Total consolidated	795	1,094	1,300
Of which:			
Expansion capital expenditures	225	380	700
Base capital expenditures	570	714	600

(1) See "Item 3—Key Information—COVID-19 Pandemic" for more information on the impact of COVID-19-related measures on our estimated capital expenditures for 2022.

(2) For the years ended as of December 31, 2020 and 2021, the capital expenditures do not include our operations in Costa Rica and El Salvador, which are considered assets held for sale. (see note 5.1 to our 2021 audited consolidated financial statements included elsewhere in this annual report). The projected capital expenditures estimated for 2022 also do not include our operations in Costa Rica and El Salvador.

(3) For the years ended as of December 31, 2020 and 2021, the capital expenditures include $41 million and $50 million, respectively, dedicated to climate-related projects. For the year ended December 31, 2022, the projected capital expenditures include approximately $100 million in connection with climate-related projects. This information does not include capital expenditures allocated for Air Quality related projects.

For the years ended December 31, 2020 and 2021, we recognized $795 million and $1,094 million in capital expenditures from our continuing operations, respectively. As of December 31, 2021, in connection with our significant projects, we had capital expenditure commitments of $1,300 million, including our capital expenditures estimated to be incurred during 2022. This amount is expected to be incurred during 2022, based on the evolution of the related projects. Pursuant to the 2017 Facilities Agreement, as of December 31, 2020, we were prohibited from making aggregate annual capital expenditures in excess of $1.5 billion (which were temporarily limited to $1.2 billion pursuant to the May 2020 Facilities Agreement Amendments for as long as we failed to report two consecutive quarters with a consolidated leverage ratio of 5.25:1 or below) in any financial

year (excluding certain capital expenditures, joint venture investments and acquisitions by each of CLH and CHP and their respective subsidiaries and those funded by Relevant Proceeds (as defined in the 2017 Facilities Agreement), which capital expenditures, joint venture investments and acquisitions at any time then incurred were subject to a separate aggregate limit of (i) $500 million (or its equivalent) for CLH and its subsidiaries and (ii) $500 million (or its equivalent) for CHP and its subsidiaries. In addition, the amount which we and our subsidiaries were allowed for permitted acquisitions and investments in joint ventures was restricted from exceeding certain thresholds as set out in the 2017 Facilities Agreement. However, after November 8, 2021, no similar restrictions apply pursuant to the 2021 Credit Agreement. See "Item 3—Key Information—COVID-19 Pandemic" for more information on the impact of COVID-19-related measures on our estimated capital expenditures for 2021.

Our Indebtedness

As of December 31, 2021, we had $9,157 million (principal amount $9,210 million, excluding deferred issuance costs) of total debt plus other financial obligations in our statement of financial position, which does not include $1,000 million of 5.125% Subordinated Notes. Of our total debt plus other financial obligations, 10% was current (including current maturities of non-current debt) and 90% was non-current. As of December 31, 2021, 82% of our total debt plus other financial obligations was Dollar-denominated, 8% was Euro-denominated, 2% was Pound Sterling-denominated, 4% was Mexican Peso-denominated, 2% was Philippine Peso-denominated and 2% was denominated in other currencies. See notes 18.1 and 18.2 to our 2021 audited consolidated financial statements included elsewhere in this annual report.

On July 19, 2017, CEMEX, S.A.B. de C.V. and certain of its subsidiaries entered into the 2017 Facilities Agreement for an amount in different currencies equivalent to $4.1 billion (in aggregate), the proceeds of which were used to refinance in full the indebtedness incurred under a credit agreement entered into with nine banks in 2014 and other debt repayment obligations, allowing us to increase the then average life of our syndicated bank debt to approximately 4.3 years with a final maturity in July 2022. The indebtedness incurred under the 2017 Facilities Agreement ranked equally in right of payment with certain of our other indebtedness, pursuant to the terms of an intercreditor agreement, dated September 17, 2012, among CEMEX, S.A.B. de C.V. and certain of its subsidiaries named therein, Citibank Europe PLC, UK Branch (formerly Citibank International plc), as facility agent, the financial institutions, noteholders and other entities named therein and Wilmington Trust (London) Limited, as security agent (as amended and restated from time to time, the "Intercreditor Agreement"). At the time, CEMEX, S.A.B. de C.V. and certain of its subsidiaries pledged collateral and all proceeds thereof to secure our payment obligations under the 2017 Facilities Agreement, our then-senior secured notes and under several other of our financing arrangements (the "Collateral"). The subsidiaries whose shares made up the Collateral collectively own, directly or indirectly, substantially all our operations worldwide. The Collateral has been released and the Intercreditor Agreement is no longer in effect, as described below.

On April 2, 2019, an amendment and restatement agreement to the 2017 Facilities Agreement was executed to, among other things, (i) extend the July 2020 and January 2021 repayment installments for a significant portion of the term loan tranches by three years; (ii) delay the scheduled tightening of the consolidated financial leverage ratio limit by one year; and (iii) make adjustments for the implementation of IFRS 16 and to compensate for its effects on certain financial ratios (together, the "April 2019 Facilities Agreement Amendments").

On November 4, 2019, we amended and restated by an amendment and restatement agreement the 2017 Facilities Agreement. These amendments (together, the "November 2019 Facilities Agreement Amendments") included: amendments providing for an additional basket of up to $500 million that can only be used for buy-backs of shares or securities that represent shares of CEMEX, S.A.B. de C.V.; amendments providing for a new allowance for disposals of non-controlling interest in subsidiaries that are not obligors (as defined in the 2017 Facilities Agreement) under the 2017 Facilities Agreement of up to $100 million per calendar year; amendments relating to the implementation of corporate reorganizations in Mexico, Europe and in the Trinidad Cement Group (as defined in the 2017 Facilities Agreement); and amendments to the consolidated leverage ratio

and the consolidated coverage ratio (as defined and calculated in the 2017 Facilities Agreement) to increase CEMEX's flexibility.

On May 22, 2020, we amended and restated by an amendment and restatement agreement the 2017 Facilities Agreement. These amendments (together, the "May 2020 Facilities Agreement Amendments") included: (a) modifications to the limits of the consolidated coverage ratio and the consolidated leverage ratio; (b) modifications to the applicable margin over LIBOR, or EURIBOR in relation to any Euro loan, depending on the consolidated leverage ratio, to accommodate for the increased leverage limits; and (c) certain temporary or circumstance-based limitations on our ability to execute certain capital expenditures, acquisitions, share buybacks and the granting of loans to third parties.

On October 13, 2020, we further amended and restated by an amendment and restatement agreement the 2017 Facilities Agreement. As a result of these amendments (together, the "October 2020 Facilities Agreement Amendments"), we extended $1.1 billion of term loan maturities by three years, from 2022 to 2025, and $1.1 billion of commitments under the revolving credit facility by one year from 2022 to 2023. In addition, on October 15, 2020, we prepaid $530 million corresponding to the July 2021 amortization under the new term loan facilities created pursuant to the October 2020 Facilities Agreement Amendments.

Under the October 2020 Facilities Agreement Amendments, we also redenominated $313 million of previous Dollar exposure under the term loans that are part of the 2017 Facilities Agreement to Mexican Pesos, as well as $82 million to Euros. Aside from the new Mexican Pesos tranche that was created under the 2017 Facilities Agreement, which included a lower interest rate margin grid, pricing for all other tranches under the 2017 Facilities Agreement remained unchanged.

Following the October 2020 Facilities Agreement Amendments, certain tranches under the 2017 Facilities Agreement amounting to $3.2 billion incorporated five sustainability-linked metrics, including reduction of net CO_2 emissions and use of power from green energy, among other indicators. Annual performance with respect to these five metrics could result in a total adjustment of the interest rate margin under these tranches of up to plus or minus five basis points.

Along with other technical amendments, under the October 2020 Facilities Agreement Amendments, we also tightened our consolidated leverage ratio covenant under the 2017 Facilities Agreement from 7.00:1 to a limit of 6.25:1 for the periods ending on September 30, 2020, December 31, 2020 and March 31, 2021. In addition, on December 17, 2020, commitments were increased by $93 million and $43 million under the new term loan facilities and the new revolving credit facility created pursuant to the October 2020 Facilities Agreement Amendments, respectively. Subsequently, we cancelled commitments in those same amounts under the term loan facilities and the revolving credit facility already existing before the October 2020 Facilities Agreement Amendments. Following the aforementioned increase and cancellation, the amount of commitments under the 2017 Facilities Agreement remained effectively unchanged, but maturity of the aforementioned amounts were effectively extended from 2022 to 2025 (for the term loan facility commitments) and to 2023 (for the revolving credit facility commitments). Additionally, effective December 24, 2020, an additional $14 million of commitments under the revolving facility existing prior to the October 2020 Facilities Agreement Amendments were cancelled.

On October 5, 2021, we further amended by an amendment agreement the 2017 Facilities Agreement. As a result of these amendments (the "October 2021 Facilities Agreement Amendments" and, together with the October 2020 Facilities Agreement Amendments, the April 2019 Facilities Agreement Amendments, the November 2019 Facilities Agreement Amendments and the May 2020 Facilities Agreement Amendments, the "Facilities Agreement Amendments"), the 2017 Facilities Agreement was modified so that when at any time CEMEX reported a Consolidated Leverage Ratio (as calculated pursuant to the Facilities Agreement) of 3.75x or less for two consecutive quarterly periods, the automatic release of the liens on the Collateral would be triggered. The terms of the indentures governing CEMEX's then-senior secured notes, which were also secured by liens on

the Collateral, also contain an automatic release of such liens when the Collateral is released under the 2017 Facilities Agreement.

As CEMEX reported a Consolidated Leverage Ratio of 3.75x or less for the quarterly periods ending on March 31, 2021 and June 30, 2021, CEMEX complied with all requirements for the automatic release of the liens on the Collateral securing its indebtedness under the 2017 Facilities Agreement and, in turn, its then-senior secured notes that benefited from the same Collateral. The Collateral was released on October 6, 2021 and, at the time, consisted of the shares of COM, CEMEX España and CIH. The then-senior secured notes that previously benefitted from the Collateral were the: (i) December 2024 Euro Notes issued by CEMEX, S.A.B. de C.V., which were subsequently redeemed in full; (ii) March 2026 Euro Notes issued by CEMEX, S.A.B. de C.V.; (iii) November 2029 Dollar Notes issued by CEMEX, S.A.B. de C.V.; (iv) June 2027 Dollar Notes issued by CEMEX, S.A.B. de C.V.; (v) September 2030 Dollar Notes issued by CEMEX, S.A.B. de C.V.; and (vi) July 2031 Dollar Notes issued by CEMEX, S.A.B. de C.V.

Additionally, the aforementioned Collateral release caused the automatic termination of the Intercreditor Agreement governing the rights of certain of CEMEX and its subsidiaries' creditors in accordance with its terms.

2021 Credit Agreement

On October 29, 2021, CEMEX, S.A.B. de C.V. entered into the 2021 Credit Agreement for $3.25 billion to refinance indebtedness (including the 2017 Facilities Agreement) and general corporate purposes. The 2021 Credit Agreement consists of a $1.5 billion 5-year amortizing term loan facility and a $1.75 billion 5-year committed revolving credit facility. The committed facility is roughly $600 million higher than the 2017 Facilities Agreement. The 2021 Credit Agreement has financial covenants consistent with an investment grade capital structure, with a maximum leverage ratio of 3.75x throughout the life of the facility, and a minimum interest coverage ratio of 2.75x. The 2021 Credit Agreement is denominated exclusively in Dollars and includes an interest rate margin grid that is about 25 basis points lower on average than that of the 2017 Facilities Agreement. Furthermore, the 2021 Credit Agreement is the first debt to be issued under the Framework, which is aligned to the company's Future in Action strategy and its ultimate vision of a carbon-neutral economy. The annual performance in respect of the three metrics referenced in the 2021 Credit Agreement, which are aligned with those provided for in the Framework, may result in an adjustment of the interest rate margin of up to plus or minus five basis points, in line with other sustainability-linked loans from investment grade rated borrowers.

As of December 31, 2021, we reported an aggregate amount of outstanding debt of $1,500 million under the 2021 Credit Agreement. As of December 31, 2021, we had $1,750 million of availability under the committed revolving credit tranche under the 2021 Credit Agreement. See "Item 3—Key Information—COVID-19 Pandemic" for more information on the impact of COVID-19 on our debt and cash levels.

Mexican Peso Banorte Agreement

On December 20, 2021, CEMEX, S.A.B. de C.V. entered into the Mexican Peso Banorte Agreement under terms and conditions substantially similar to those of the 2021 Credit Agreement. As of December 31, 2021 we had drawn the entirety of the only term loan thereunder for the then Mexican Peso equivalent of $250 million.

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. See "Item 3—Key Information—Risk Factors—Risks Relating to Our Business and Operations—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 implementing certain initiatives, including, but not limited to,

"Operation Resilience," which may include making asset sales, and there is no assurance that we will be able to implement any such initiatives or execute such sales, if needed, on terms favorable to us or at all." Some of our subsidiaries have issued or provided guarantees of certain of our indebtedness, as indicated in the table below.

	The Notes $5,179 million (principal amount $5,205 million)	2021 Credit Agreement $1,475 million (principal amount $1,500 million)	5.125% Subordinated Notes $1,000 million (principal amount $1,000 million)	Mexican Peso Banorte Agreement $254 million (principal amount $255 million)
Amount Outstanding as of December 31, 2021[1]				
CEMEX, S.A.B. de C.V.	✓	✓	✓	✓
CEMEX Operaciones México, S.A. de C.V.	✓	✓		✓
CEMEX Concretos, S.A. de C.V.	✓	✓		✓
CEMEX Corp.	✓	✓		✓
CEMEX Innovation Holding Ltd	✓	✓		✓

(1) Includes Notes held by CEMEX.

In addition, as of December 31, 2021, (i) CEMEX Materials LLC was a borrower of $152 million (principal amount $152 million) under an indenture which is guaranteed by CEMEX Corp. and (ii) several of our other operating subsidiaries were borrowers under debt facilities or debt arrangements aggregating $320 million.

Most of our current outstanding indebtedness was 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.

If (i) the global economic environment deteriorates, (ii) the effects of the COVID-19 pandemic on financial institutions extending maturities to companies that have our credit rating or that are highly leveraged like us becomes more restrictive and our operating results worsen significantly, (iii) we are unable to complete debt or equity offerings, (iv) we are unable to consummate asset sales, or (v) the proceeds of any divestitures and/or our cash flow or capital resources prove inadequate, among other events, 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.

Historically, we and our subsidiaries have sought and obtained waivers and amendments to several of our debt instruments relating to a number of financial ratios. 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, including the effects of the COVID-19 pandemic and the conflict between Russia and Ukraine on the financial sector and the ability of our lenders to grant waivers or amendments to companies that have our credit rating or that are highly leveraged like us. 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. See "Item 3—Key Information—COVID-19 Pandemic" and "Item 5—Operating and Financial Review and Prospects—Recent Developments—Recent Developments Relating to Effects of COVID-19 on Our Business and Operations" for more information on the impact of COVID-19.

Relevant Transactions Related to Our Indebtedness in 2021

The following is a description of our most important transactions related to our indebtedness in 2021:

- On January 12, 2021, we issued $1,750 million aggregate principal amount of our July 2031 Dollar Notes in transactions exempt from registration pursuant to Rule 144A and Regulation S under the Securities Act. The Refinancing Guarantors fully and unconditionally guarantee the performance of all of our obligations under the July 2031 Dollar Notes.
- On February 16, 2021, we redeemed $750 million of the $1,071 million aggregate principal amount of our 5.700% Senior Secured Notes due 2025 (the "January 2025 Dollar Notes").
- On February 16, 2021, we redeemed in full the $1,000 million aggregate principal amount of our 7.750% Senior Secured Notes due 2026.
- On April 21, 2021, we redeemed in full the remaining $321 million aggregate principal amount of the January 2025 Dollar Notes.
- On May 4, 2021, we made the following voluntary prepayments of the 2017 Facilities Agreement: (i) €6,493,506.48, the entirety of the loan due in July 2022 under the term loan facility described in paragraph (b) of Clause 2.1 (The Facilities) of the 2017 Facilities Agreement; (ii) £20,000,000.00, representing the installments due in July 2021 and January 2022 under the term loan facility described in paragraph (c) of Clause 2.1 (The Facilities) of the 2017 Facilities Agreement; (iii) £27,980,068.99, the entirety of the loan due in January 2024 under the term loan facility described in paragraph (h) of Clause 2.1 (The Facilities) of the 2017 Facilities Agreement; (iv) $134,759,848.87, representing the installment due in July 2023 under the term loan facility described in paragraph (j) of Clause 2.1 (The Facilities) of the 2017 Facilities Agreement; (v) $134,759,848.87, representing the installment due in July 2023 under the term loan facility described in paragraph (j) of Clause 2.1 (The Facilities) of the 2017 Facilities Agreement; (vi) €98,443,450.13, representing the installment due in July 2023 under the term loan facility described in paragraph (k) of Clause 2.1 (The Facilities) of the 2017 Facilities Agreement; and (vii) £27,660,298.01, representing the installment due in July 2023 under the term loan facility described in paragraph (l) of Clause 2.1 (The Facilities) of the 2017 Facilities Agreement.
- On June 8, 2021, we issued $1.0 billion aggregate principal amount of the 5.125% Subordinated Notes with no fixed maturity and subordinated to all senior obligations, and senior only to equity, in transactions exempt from registration pursuant to Rule 144A and Regulation S under the Securities Act.
- On June 30, 2021, the Perpetual Debentures that were outstanding (and, in each case, an equal aggregate principal amount of underlying dual-currency notes) were redeemed as follows: (i) $61.13 million issued by C5 Capital (SPV) Limited, (ii) $135.39 million issued by C8 Capital (SPV) Limited, (iii) $174.68 million issued by C10 Capital (SPV) Limited, and (iv) €63.73 million issued by C10-EUR Capital (SPV) Limited. For more information on the Perpetual Debentures and the dual-currency notes underlying them, see "Item 5—Operating and Financial Review and Prospects—Liquidity and Capital Resources—Perpetual Debentures."
- On July 22, 2021, we redeemed €450 million of the €650 million aggregate principal amount of our December 2024 Euro Notes.
- On October 6, 2021, the Collateral securing our payment obligations under the 2017 Facilities Agreement, our then-senior secured notes and under several other of our financing arrangements was released.
- On October 29, 2021, we entered into the 2021 Credit Agreement.
- On November 8, 2021, we repaid in full all outstanding indebtedness under the 2017 Facilities Agreement, which amounted to approximately $1.90 billion in different currencies. Following this repayment in full, the 2017 Facilities Agreement is no longer in effect and only the Refinancing Guarantors guarantee the 2021 Credit Agreement and our Notes.

- On December 20, 2021, we entered into the Mexican Peso Banorte Agreement.
- On December 29, 2021, we redeemed the remaining €200 million of the December 2024 Euro Notes.

During 2021, we conducted drawdowns and repayments under the revolving tranche of the 2017 Facilities Agreement and the 2021 Credit Agreement. As of December 31, 2021, the 2017 Facilities Agreement was no longer in effect and we had no amounts outstanding under the revolving tranche of the 2021 Credit Agreement. In addition, as of December 31, 2021, we had an aggregate amount of $1,750 million available under the revolving tranche of the 2021 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. For a description of the 2017 Facilities Agreement and the 2021 Credit Agreement, see "Item 5— Operating and Financial Review and Prospects—Liquidity and Capital Resources—Our Indebtedness."

Our Other Financial Obligations

Other financial obligations in the consolidated statement of financial position as of December 31, 2020 and 2021 are detailed as follows:

	2020			2021		
	Short-term	Long-term	Total	Short-term	Long-term	Total
	(in millions of Dollars)					
Leases	$ 293	967	1,260	$ 265	911	1,176
Liabilities secured with accounts receivable	586	—	586	602	—	602
	$ 879	967	1,846	$ 867	911	1,778

Leases

We have several operating and administrative assets under lease contracts. We apply the recognition exemption for short-term leases and leases of low-value assets. See notes 16.2 and 18.2 to our 2021 audited consolidated financial statements included elsewhere in the annual report.

Changes in the balance of lease financial liabilities during 2019, 2020 and 2021 were as follows:

(in millions of Dollars)	2019	2020	2021
Lease financial liability at beginning of year	$1,315	1,306	1,260
Additions from new leases	274	213	227
Reductions from payments	(239)	(276)	(313)
Cancellations and liability remeasurements	(54)	(9)	27
Foreign currency translation and accretion effects	10	26	(25)
Lease financial liability at end of year	$1,306	1,260	1,176

As of December 31, 2021, the maturities of non-current lease financial liabilities are as follows:

(in millions of Dollars)	Total
2023	$233
2024	137
2025	104
2026	70
2027 and thereafter	367
	$911

Total cash outflows for leases including the interest expense portion as disclosed in note 9.1 to our 2021 audited consolidated financial statements included elsewhere in this annual report in 2019, 2020 and 2021 were $316 million, $350 million and $381 million, respectively.

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, 2020 and 2021, trade accounts receivable included receivables of $677 million and $727 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. Nonetheless, in such programs, our subsidiaries retain certain residual interest in the programs and/or maintain continuing involvement with the accounts receivable. Therefore, the trade accounts receivable sold were not removed from the statement of financial position, and the funded amounts were recognized within the line item "Other financial obligations" and the difference in each year against the trade receivables sold was maintained as reserves. Trade accounts receivable qualifying for sale exclude amounts over a certain number of 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 $91 million and $125 million as of December 31, 2020 and 2021, respectively. Therefore, the funded amount to us was $586 million in 2020 and $602 million as of December 31, 2021. The discount granted to the acquirers of the trade accounts receivable is recorded as financial expense and amounted to $25 million in 2019, $13 million in 2020 and $11 million in 2021. Our securitization programs are usually negotiated for periods of one to two years and are usually renewed at their maturity. See notes 11 and 18.2 to our 2021 audited consolidated financial statements included elsewhere in this annual report.

Perpetual Debentures

We define the Perpetual Debentures, collectively, as the (i) Dollar-denominated 6.196% Fixed-to-Floating Rate Callable Perpetual Debentures issued by C5 Capital (SPV) Limited, (ii) Dollar-denominated 6.640% Fixed-to-Floating Rate Callable Perpetual Debentures issued by C8 Capital (SPV) Limited, (iii) Dollar-denominated 6.722% Fixed-to-Floating Rate Callable Perpetual Debentures issued by C10 Capital (SPV) Limited and (iv) Euro-denominated 6.277% Fixed-to-Floating Rate Callable Perpetual Debentures issued by C10-EUR Capital (SPV) Limited. Unless the context otherwise requires, when we refer to the Perpetual Debentures (as defined above), we also include our dual-currency notes that underlie the Perpetual Debentures.

As of December 31, 2019 and 2020, non-controlling interest stockholders' equity included $443 million and $449 million, respectively, representing the notional amount of Perpetual Debentures, which exclude any Perpetual Debentures held by subsidiaries. The Perpetual Debentures had no fixed maturity date and there were no contractual obligations for us to exchange any series of its outstanding Perpetual Debentures for financial assets or financial liabilities. As a result, these debentures, issued by special purpose vehicles ("SPVs"), qualified as equity instruments under applicable IFRS and were classified within non-controlling interest as they were issued by consolidated entities. Subject to certain conditions, we had the unilateral right to defer indefinitely the payment of interest due on the debentures. The different SPVs were established solely for purposes of issuing the Perpetual Debentures and were included in CEMEX's consolidated financial statements.

In June 2021, we redeemed all series of our outstanding Perpetual Debentures and, in each case, an equal aggregate amount of underlying dual-currency notes. See note 22.4 to our 2021 audited consolidated financial statements included elsewhere in this annual report.

Issuance costs, as well as the interest expense, which is accrued based on the principal amount of the Perpetual Debentures, were included within "Other equity reserves" and represented expenses of $29 million, $24 million and $11 million in 2019, 2020 and 2021, respectively.

Subordinated Notes

On June 8, 2021, we issued $1.0 billion aggregate principal amount of the 5.125% Subordinated Notes with no fixed maturity and subordinated to all senior obligations, and senior only to equity, in transactions exempt from registration pursuant to Rule 144A and Regulation S under the Securities Act. After issuance costs, we received $994 million. Considering that the 5.125% Subordinated Notes have no fixed maturity date, there is no contractual obligation for us to deliver cash or any other financial assets, the payment of principal and interest may be deferred indefinitely at the sole discretion of us and specific redemption events, are fully under our control, under applicable IFRS, the 5.125% Subordinated Notes qualify as equity instruments and are classified within controlling interest stockholders' equity. We have a repurchase option on the fifth anniversary of the 5.125% Subordinated Notes. In the event of liquidation of us due to commercial bankruptcy, the 5.125% Subordinated Notes would come to the liquidation process according to their subordination after all liabilities. Coupon payments on the 5.125% Subordinated Notes for the year ended December 31, 2021, were included within "Other equity reserves" and amounted to $30 million.

Stock Repurchase Program

Under Mexican law, CEMEX, S.A.B. de C.V.'s shareholders are the only ones authorized to approve the maximum amount of resources that can be allocated to the stock repurchase program at any 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 annual general ordinary shareholders' meetings held on March 26, 2020 and March 25, 2021, proposals were approved to set the amount of $500 million or its equivalent in Mexican Pesos, each year and until the next ordinary shareholders' meeting, as the maximum amount of resources that CEMEX, S.A.B. de C.V. can use to repurchase its own shares or securities that represent such shares. The board of directors of CEMEX, S.A.B. de C.V. approved the policy and procedures for the operation of the stock repurchase program, and is authorized to determine the basis on which the repurchase and placement of such shares is made, appoint the persons who will be authorized to make the decision of repurchasing or replacing such shares and appoint the persons responsible to make the transaction and furnish the corresponding notices to authorities. The board of directors of CEMEX, S.A.B. de C.V. and/or attorneys-in-fact or delegates designated in turn, or the persons responsible for such transactions, will determine, in each case, if the repurchase is made with a charge to stockholders' equity as long as the shares belong to CEMEX, S.A.B. de C.V. or with a charge to share capital if it is resolved to convert the shares into non-subscribed shares to be held in treasury. See "Item 5—Operating and Financial Review and Prospects—Recent Developments—Recent Developments Relating to CEMEX, S.A.B. de C.V.'s Shareholders' Meetings." We remain subject to certain restrictions regarding the repurchase of shares of our capital stock under the 2021 Credit Agreement and the indentures governing the outstanding Notes.

During 2019, under the repurchase program authorized at CEMEX, S.A.B. de C.V.'s ordinary general shareholders meeting held on March 28, 2019, CEMEX, S.A.B. de C.V. repurchased 157.7 million CPOs, at a weighted-average price in Mexican Pesos equivalent to $0.3164 per CPO. The total amount of these CPO repurchases was $49.9 million. The shares repurchased in 2019 under the 2019 repurchase program were cancelled at the CEMEX, S.A.B. de C.V. annual general ordinary shareholders' meeting held on March 26, 2020.

During 2020, under the repurchase program authorized at CEMEX, S.A.B. de C.V.'s ordinary general shareholders meeting held on March 28, 2019, CEMEX, S.A.B. de C.V. repurchased 378.2 million CPOs, at a weighted-average price in Mexican Pesos equivalent to $0.2200 per CPO. The total amount of these CPO repurchases, was $83.2 million. The shares repurchased in 2020 under the 2019 repurchase program were cancelled at the CEMEX, S.A.B. de C.V. annual general ordinary shareholders' meeting held on March 26, 2020.

During 2021, CEMEX did not use the repurchase program authorized at CEMEX, S.A.B. de C.V.'s ordinary general shareholders meeting held on March 25, 2021.

For information concerning repurchases by CEMEX, S.A.B. de C.V. of its CPOs so far in 2022, see "Item 5—Operating and Financial Review and Prospects—Recent Developments—Other Recent Developments—Our CPO Repurchase Program."

Research and Development, Patents and Licenses, etc.

Headed by CEMEX Research Center, Research and Development is increasingly assuming a key role as it is recognized as an important element in creating value for our products, which is important 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. We focus on creating tangible value for our customers by creating products designed to make their business more profitable, but more importantly, as leaders in the industry, CEMEX intends to elevate and accelerate the 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 the CEMEX Research Centers based in Switzerland and Mexico, which encompasses the areas of Global R&D, Intellectual Property Management, Cement Production Technology, Sustainability, Business Process & IT, Innovation, and Commercial & Logistics.

CEMEX's interaction and engagement with customers is growing and evolving through the exploration of novel interaction methodologies. CEMEX's R&D continues to develop and evolve in the area of customer centricity, but with complementary emphases on digitalization, development of digital-based business models, socio-urban dynamics, processes and technologies to mitigate CO_2, and evaluating, adopting and proposing methodologies to engage specific types of customers who are the key decision makers in the very early stages of a construction project. Such methodologies are defining innovative approaches to involve and expose existing, potential, and future customers (e.g., Engineering & Architectural students) to our value-added products (cement, aggregates, ready-mix concrete, and admixtures) and constructions solutions. In other words, we aspire to create a unique customer experience in which the customer can see, touch, interact and even stimulate the modification of our technologies.

The areas of Global R&D 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. These areas also address energy efficiency of buildings, comfort, novel and more efficient construction systems. Additionally, the Global R&D 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 CO_2 footprint and overall environmental impact through the usage of alternative or biomass fuels, the use of supplementary materials in substitution of clinker, as well as by managing our CO_2 footprint, mitigating it and processing it in the context of a circular economy. For example, we have developed processes and products that allow us to reduce heat consumption in our kilns, which in turn reduces energy costs. Special emphasis is placed on defining parameters by which we communicate our efforts to preserve resources for the future, reduce our CO_2 footprint and become more resilient with respect to our energy-related needs and potential supply constraints.

With respect to energy, the R&D team is focusing on energy storage, which represents the largest and most near-term opportunity to accelerate renewable energy deployments and bring us closer to replacing fossil fuels as the primary resource to meet the world's continual growth in energy demand. 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 footprint 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 should enable us to bring products, solutions and services to our customers in the most cost-effective and efficient manner, using what we believe to be the best available technologies to design a new standard in digital commercial models. As of December 31, 2021, CEMEX Research Center actively participates in several research projects (SOLPART, EPOS, LEILAC, GENESIS, DESTINY and eCOCO2), funded by the EU under the H2020 program, to develop new technologies aimed at reducing CEMEX's carbon footprint in Europe and other countries in which CEMEX operates.

There are nine laboratories supporting CEMEX's R&D efforts under a collaborative 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 laboratories located in Switzerland and Mexico are continually improving and consolidating our research and development efforts in the areas of cement, concrete, aggregates, admixtures, mortar and asphalt technology, sustainability and energy management. In addition, CEMEX Research Center actively generates and registers patents and pending applications in many of the countries in which CEMEX operates. Patents and trade secrets are managed strategically to achieve 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 information technology departments, CEMEX is continuously improving and innovating its business processes to adapt them to the dynamically evolving markets to better serve CEMEX's needs. The launch of CEMEX Go and its deployment throughout our operations is a testament to our commitment to evolve our digital commercial model to better serve the market and our customers.

R&D activities comprise part of the daily routine of the aforementioned departments and divisions. Therefore, the costs associated with such activities are expensed as incurred. In 2019, 2020 and 2021, total combined expenses of these departments recognized within administrative expenses were $38 million, $31 million and $35 million, respectively. We capitalize the costs incurred in the development of software for internal use which are amortized in operating results over the estimated useful life of the software, which is approximately five years. Capitalized direct costs incurred in the development stage of internal-use software, such as professional fees, direct labor and related travel expenses amounted to $102 million in 2019, $40 million in 2020 and $132 million in 2021. See notes 7 and 17.1 to our 2021 audited consolidated financial statements included elsewhere in this annual report.

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, 2021 that are reasonably likely to have a material and adverse effect on our revenues, 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 2021 Credit Agreement

On October 29, 2021, CEMEX, S.A.B. de C.V. entered into the 2021 Credit Agreement for $3.25 billion to refinance indebtedness (including the 2017 Facilities Agreement) and general corporate purposes. The 2021 Credit Agreement consists of a $1.5 billion 5-year amortizing term loan facility and a $1.75 billion 5-year committed revolving credit facility. The committed facility is roughly $600 million higher than the 2017 Facilities Agreement. The 2021 Credit Agreement has financial covenants consistent with an investment grade capital structure, with a maximum leverage ratio of 3.75x throughout the life of the facility, and a minimum interest coverage ratio of 2.75x. The 2021 Credit Agreement is denominated exclusively in Dollars and includes an interest rate margin grid that is about 25 basis points lower on average than that of the 2017 Facilities Agreement. Furthermore, the 2021 Credit Agreement is the first debt to be issued under the Framework, which is aligned to the company's Future in Action strategy and its ultimate vision of a carbon-neutral economy. The annual performance in respect of the three metrics referenced in the 2021 Credit Agreement, which are aligned with those provided for in the Framework, may result in an adjustment of the interest rate margin of up to plus or minus five basis points, in line with other sustainability-linked loans from investment grade rated borrowers.

As of December 31, 2021, we reported an aggregate principal amount of outstanding debt of $1,500 million under the 2021 Credit Agreement. As of November 8, 2021, commitments initially available under the 2021 Credit Agreement included $3.25 billion, out of which $1,750 million were in the committed revolving credit tranche under the 2021 Credit Agreement. As of December 31, 2021, the Term Loans under the 2021 Credit Agreement had an amortization profile of $300 million in semi-annual principal payments (as such payments may be reduced as a result of prepayments) commencing in November 2024, plus any applicable interest, in accordance with the 2021 Credit Agreement. For a discussion of restrictions and covenants under the 2021 Credit Agreement, see "Item 3—Key Information—Risk Factors—Risks Relating to Our Business and Operations—The 2021 Credit Agreement contains several restrictions and covenants. Our failure to comply with such restrictions and covenants could have a material adverse effect on our business and financial conditions."

Notes

We refer to the March 2026 Euro Notes, November 2029 Dollar Notes, June 2027 Dollar Notes, September 2030 Dollar Notes and July 2031 Dollar Notes collectively as the Notes.

The indentures governing our outstanding Notes impose operating and financial restrictions on us. These restrictions limit our ability, among other things, to: (i) incur debt, including restrictions on incurring debt at our subsidiaries, which are not parties to the indentures governing the Notes; (ii) pay dividends on stock; (iii) redeem stock or redeem subordinated debt; (iv) make investments; (v) guarantee indebtedness; and (ix) create or assume liens.

March 2026 Euro Notes. On March 19, 2019, CEMEX, S.A.B. de C.V. issued €400 million aggregate principal amount of its March 2026 Euro Notes in transactions exempt from registration pursuant to Rule 144A and Regulation S under the Securities Act. The Refinancing Guarantors fully and unconditionally guarantee the performance of all obligations of CEMEX, S.A.B. de C.V. under the March 2026 Euro Notes.

November 2029 Dollar Notes. On November 19, 2019, CEMEX, S.A.B. de C.V. issued $1.0 billion aggregate principal amount of its November 2029 Dollar Notes in transactions exempt from registration pursuant to Rule 144A and Regulation S under the Securities Act. The Refinancing Guarantors fully and unconditionally guarantee the performance of all obligations of CEMEX, S.A.B. de C.V. under the November 2029 Dollar Notes.

June 2027 Dollar Notes. On June 5, 2020, CEMEX, S.A.B. de C.V. issued $1.0 billion aggregate principal amount of its June 2027 Dollar Notes in transactions exempt from registration pursuant to Rule 144A and Regulation S under the Securities Act. The Refinancing Guarantors fully and unconditionally guarantee the performance of all of our obligations under the June 2027 Dollar Notes.

September 2030 Dollar Notes. On September 17, 2020, CEMEX, S.A.B. de C.V. issued $1.0 billion aggregate principal amount of its September 2030 Dollar Notes in transactions exempt from registration pursuant to Rule 144A and Regulation S under the Securities Act. The Refinancing Guarantors fully and unconditionally guarantee the performance of all of our obligations under the September 2030 Dollar Notes.

July 2031 Dollar Notes. On January 12, 2021, CEMEX, S.A.B. de C.V. issued $1.75 billion aggregate principal amount of its July 2031 Dollar Notes in transactions exempt from registration pursuant to Rule 144A and Regulation S under the Securities Act. The Refinancing Guarantors fully and unconditionally guarantee the performance of all of our obligations under the July 2031 Dollar Notes.

On November 8, 2021, concurrently with funding under the 2021 Credit Agreement and in accordance with the indentures governing the Notes, CEMEX entered into supplemental indentures to add COM and CIH as new guarantors to each of the Notes. CEMEX Corp. and CEMEX Concretos, S.A. de C.V. were already guarantors of the Notes. Also, concurrently with funding under the 2021 Credit Agreement and the full repayment of the 2017 Facilities Agreement, the provisions contained in the indentures governing the Notes that provide that any guarantor of the Notes shall be released of its guarantee obligations upon a refinancing of the 2017 Facilities Agreement with debt not guaranteed by the guarantor were triggered. As a result, both the 2021 Credit Agreement and the Notes are now guaranteed exclusively by the Refinancing Guarantors. The original note guarantors that are no longer guaranteeing the Notes were CEMEX España, CEMEX Asia B.V., CEMEX Finance LLC, CEMEX Africa & Middle East Investments B.V., CEMEX France Gestion (S.A.S.), CEMEX Research Group AG and CEMEX UK.

Subordinated Notes

5.125% Subordinated Notes. On June 8, 2021, CEMEX, S.A.B. de C.V. issued $1.0 billion aggregate principal amount of the 5.125% Subordinated Notes with no fixed maturity and subordinated to all senior obligations, and senior only to equity, in transactions exempt from registration pursuant to Rule 144A and Regulation S under the Securities Act.

Commercial Commitments

On July 27, 2012, we entered into a Master Professional Services Agreement with IBM (the "IBM 2012 MPSA"). The IBM 2012 MPSA provides the framework for the ordinary course of business-related services IBM provides to us on a global scale, including: information technology, application development and maintenance, finance and accounting services, and human resources administration. The term of the IBM 2012 MPSA began on July 27, 2012 and will end on August 31, 2022, unless terminated earlier. Our minimum required payment to IBM under the IBM 2012 MPSA is approximately $50 million per year. We have the right to negotiate a reduction of service fees every two years if, as a result of a third party's benchmarking assessment, it is determined that IBM's fees are greater than those charged by other providers for services of similar nature. We may terminate the IBM 2012 MPSA (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 IBM 2012 MPSA (or a portion of it) for cause without paying termination charges. Other termination rights may be available to us for a termination charge that varies depending on the reason for termination. IBM may terminate the IBM 2012 MPSA if we (i) fail to make payments when due or (ii) become bankrupt and do not pay in advance for the services.

On March 31, 2021, we signed an amendment to the IBM 2012 MPSA by which the finance and accounting services were removed from the scope of such agreement and, on the same date, we entered into a new Master Services Agreement with IBM for the provision of finance and accounting services previously provided under the IBM 2012 MPSA (the "IBM 2021 MSA"). On June 30, 2021, we signed an amendment to the IBM 2021 MSA by which advanced cybersecurity services were incorporated into the agreement. On September 30, 2021, we signed another amendment to the IBM 2021 MSA by which the finance and accounting services were modified

to incorporate advanced order-to-cash services. The cybersecurity services under the IBM 2021 MSA will end on June 30, 2026 and the finance and accounting services under the IBM 2021 MSA will end on December 31, 2028, unless terminated earlier. In comparison with the IBM 2012 MPSA, the IBM 2021 MSA includes provisions for automation, as well as provisions for increased consumption flexibility and a reassessment of service level requirements. As with the IBM 2012 MPSA, we may terminate the IBM 2021 MSA (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 the corresponding termination charges. Other termination rights may be available to us for a termination charge that varies depending on the reason for termination. IBM may terminate the IBM 2021 MSA if we (i) fail to make payments when due or (ii) become bankrupt and do not pay in advance for the services. See note 25.2 to our 2021 audited consolidated financial statements included elsewhere in this annual report.

As of December 31, 2021, we did not depend on any single one of our suppliers of goods or services to conduct our business.

Cash Requirements

As of December 31, 2021, we had material cash requirements as set forth in the table below.

	As of December 31, 2021				
Obligations	**Less than 1 year**	**1-3 years**	**3-5 years**	**More than 5 Years**	**Total**
Non-current debt	$ 68	583	2,023	4,753	7,427
Leases[1]	303	424	238	557	1,522
Total debt and other financial obligations[2]	371	1,007	2,261	5,310	8,949
Interest payments on debt[3]	283	709	639	1,014	2,645
Pension plans and other benefits[4]	155	139	140	992	1,426
Acquisition of property, plant and equipment[5]	126	70	–	–	196
Purchases of raw material, fuel and energy[6]	503	526	366	954	2,349
Total cash requirements	$ 1,438	2,451	3,406	8,270	15,565

(1) Represent nominal cash flows. As of December 31, 2021, the net present value of future payments under such leases was $1,222 million, of which, $531 million refers to payments from one to three years and $293 million refer to payments from three to five years. See note 25.1 to our 2021 audited consolidated financial statements included elsewhere in this annual report.
(2) 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, we have replaced our non-current obligations for others of a similar nature.
(3) Estimated cash flows on floating rate denominated debt were determined using the floating interest rates in effect as of December 31, 2021.
(4) Represents estimated annual payments under these benefits for the next 10 years (see note 20 to our 2021 audited consolidated financial statements included elsewhere in this annual report), including the estimate of new retirees during such future years.
(5) Refers mainly to the expansion of a cement-production line in the Philippines.
(6) 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 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, 2019, 2020 and 2021, 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:

On October 24, 2018, we entered into two fixed-for-floating energy financial hedge agreements in Mexico, for a period of 20 years starting in 2020 with the solar power plants Tuli Energía and Helios Generación.

Pursuant to these agreements, we fixed the megawatt-hour price (which increases at a fixed annual rate) over an electric energy volume per year and the differential between the agreed price and the market price is settled monthly. We consider these agreements to be a hedge for a portion of our aggregate consumption of electric energy in Mexico and recognize the result of the exchange of price differentials described previously in the statement of operations as a part of the costs of energy. During 2021, we paid $2.5 million as a result of these hedges. We do not record these agreements at fair value because there is not a deep market for electric power in Mexico that would effectively allow for their valuation.

In connection with the Ventikas, located in the Mexican state of Nuevo León with a combined generation capacity of 252 MW, we agreed to acquire a portion of the energy generated by Ventikas for our overall electricity needs in Mexico for a period of 20 years, which began in April 2016. As of December 31, 2021, the estimated annual cost of this agreement was $21 million, assuming energy generation at full capacity (energy supply from wind sources is variable in nature and final amounts can be determined only based on energy ultimately received at the agreed prices per unit).

Beginning in February 2010, for our overall electricity needs in Mexico, we reached an agreement with the EURUS Wind Farm ("EURUS") for the purchase of a portion of the electric energy generated for a period of no less than 20 years. EURUS is a wind farm with an installed capacity of 250 MW operated by ACCIONA in the Mexican state of Oaxaca. The estimated annual cost of this agreement is $70 million assuming that we receive all our energy allocation. Energy supply from wind sources is variable in nature and final amounts can be determined only based on energy ultimately received at the agreed prices per unit.

We maintain a commitment initiated in April 2004 to purchase the energy generated by TEG until 2027 for our overall electricity needs in Mexico. The estimated annual cost of this agreement is $171 million assuming we receive all our energy allocation. Nonetheless, final amounts will be determined considering the final megawatt hour effectively received at the agreed prices per unit.

In connection with the above, we also committed to supply TEG and another third-party electrical energy generating plant adjacent to TEG all fuel necessary for their operations until the year 2027, equivalent to approximately 1.2 million tons of pet coke per year. We cover our commitments under this agreement by acquiring the aforementioned volume of fuel from sources in the international markets and Mexico.

As of December 31, 2021, CEMEX Zement GmbH ("COZ"), a subsidiary of ours in Germany, holds an energy supply contract until the end of 2022 with Industriekraftwerk R✔dersdorf GmbH ("IKWR," a subsidiary of STEAG GmbH) in connection with the overall electricity needs of CEMEX's R✔dersdorf plant. Based on the contract, each year COZ has the option to fix in advance the volume of energy in terms of MW that it will acquire from IKWR, with the option to adjust the purchase amount one time on a monthly and quarterly basis. The estimated annual cost of this agreement is $18 million assuming that we receive all our energy allocation.

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.

Quantitative and Qualitative Market Disclosure

Our Derivative Financial Instruments

In the ordinary course of business, we are exposed to credit risk, interest rate risk, foreign exchange risk, equity risk, commodities risk and liquidity risk, considering the guidelines set forth by CEMEX, S.A.B. de

C.V.'s board of directors, which represent our risk management framework and are supervised by several of our committees. Our management establishes specific policies that determine strategies focused on obtaining natural hedges or risk diversification to the extent possible, such as avoiding customer concentration on a determined market or aligning the currencies portfolio in which we incur our debt with those in which we generate our cash flows. As of December 31, 2020 and 2021, these strategies were sometimes complemented by the use of derivative financial instruments. See notes 18.4 and 18.5 to our 2021 audited consolidated financial statements included elsewhere in this annual report.

During the reported periods, in compliance with the guidelines established by our risk management committee, the restrictions set forth by our debt agreements and our hedging strategy, we held derivative instruments, with the objectives of, as the case may be: (a) changing the risk profile or fixing the price of fuels; (b) foreign exchange hedging; (c) hedge of forecasted transactions; and (d) other corporate purposes. See note 18.4 to our 2021 audited consolidated financial statements included elsewhere in this annual report.

As of December 31, 2020 and 2021 the notional amounts and fair values of our derivative instruments were as follows:

	At December 31, 2020		At December 31, 2021		
(in millions of Dollars)	Notional Amount	Estimated Fair value	Notional Amount	Estimated Fair value	Maturity Date
					March 2023
Net investment hedge	741	(42)	1,511	3	November 2026
Interest Rate Swaps	1,334	(47)	1,005	(18)	November 2026
Equity forwards on third party shares	27	3	—	—	—
Fuel price hedging	128	5	145	30	December 2023
Foreign exchange options	—	—	250	6	September 2022
	2,230	(81)	2,911	21	

The caption "Financial income and other items, net" in the statement of operations includes gains and losses related to the recognition of changes in fair values of the derivative financial instruments during the applicable period, which represented net losses of $1 million in 2019, net losses of $17 million in 2020, net losses of $6 million in 2021. As described below, changes in fair value of our net investment hedge are recognized in other comprehensive income for the period as part of our currency translation results. In addition, changes in fair value of our outstanding interest rate swaps related to debt are recognized as part of our financial expense in the statement of operations. Changes in fair value of our fuel price hedging derivatives are temporarily recognized through other comprehensive income and are allocated to operating expenses as the related fuel volumes are consumed.

Our Net Investment Hedge. As of December 31, 2020 and 2021, there are Dollar/Mexican Peso foreign exchange forward contracts for a notional amount of $741 million and $761 million, respectively, under a program that started in 2017 with a notional of up to $1,250 million, which can be adjusted in relation to hedged risks, with forward contracts with tenors from one to eighteen months. We have designated this program as a hedge of our net investment in Mexican Pesos, pursuant to which changes in fair market value of these instruments are recognized as part of other comprehensive income in equity. For the years 2019, 2020 and 2021, these contracts generated losses of $126 million, gains of $53 million and losses of $4 million, respectively, which partially offset currency translation results in each year recognized in equity generated from our net assets denominated in Mexican Pesos due to the appreciation of the Peso in 2019 and the depreciation of the Peso in 2020 and 2021.

Moreover, as of December 31, 2021, there are Dollar/Euro cross currency swap contracts for a notional amount of $750 million, which were entered into in November 2021, with maturity in November 2026. We have

designated the foreign exchange forward component of this program as a hedge of our net investment in Euros, pursuant to which changes in fair market of such forward contracts are recognized as part of other comprehensive income in equity, while changes in fair value of the interest rate swap component are recognized within financial income and other items. For the year 2021, these contracts generated gains of $10 million, which partially offset currency translation results recognized in equity generated from our net assets denominated in Euros due to the depreciation of the Euro in 2021 against the Dollar, as well as losses in 2021 of $1 million related to the exchange of interest rates in the statement of operations.

See note 18.4 to our 2021 audited consolidated financial statements included elsewhere in this annual report.

Our Interest Rate Swaps. As of December 31, 2020 and 2021, we held interest rate swaps for a notional amount of $1,000 million and $750 million, respectively, with a fair value representing liabilities of $44 million in 2020 and $30 million in 2021, negotiated in June 2018 to fix interest payments of existing bank loans bearing Dollar floating rates. During September 2020, we amended one of the interest rate swap contracts to reduce the weighted strike from 3.05% to 2.56% paying $14 million and, in November 2021, we partially unwound its interest rate swap paying $5 million, recognized within "Financial income and other items, net" in the statement of operations. In November 2021, these contracts were extended, and they will mature in November 2026. For accounting purposes under IFRS, we designated these contracts as cash flow hedges, pursuant to which, changes in fair value are initially recognized as part of other comprehensive income in equity and are subsequently allocated through financial expense as interest expense on the related bank loans is accrued. For the years ended in 2020 and 2021, changes in fair value of these contracts generated losses of $9 million and gains of $23 million, respectively, recognized in other comprehensive income.

In addition, as of December 31, 2020 and 2021, we held interest rate swaps for a notional of $334 million and $255 million, respectively, negotiated to fix interest payments of existing bank loans referenced to Mexican Peso floating rates and that will mature in November 2023, which fair value represented a liability of $3 million in 2020 and an asset of $12 million in 2021. During December 2021, CEMEX partially unwound its interest rate swap receiving $3 million recognized within "Financial income and other items, net" in the statement of operations. We designated these contracts as cash flow hedges, pursuant to which, changes in fair value are initially recognized as part of other comprehensive income in equity and are subsequently allocated through financial expense as interest expense on the related bank loans is accrued. For the years ended December 31, 2020 and 2021 changes in fair value of these contracts generated losses of $3 million and gains of $15 million, respectively, recognized in other comprehensive income.

*Our Equity Forward Contracts on Third-Party Share*s. As of December 31, 2020, we maintained equity forward contracts with cash settlement in March 2022, over the price of 4.7 million shares of GCC. During 2020, we early settled portions of these contracts for 9.2 million shares. During 2021 we settled contracts for the remainder 4.7 million shares of GCC. Changes in the fair value of these instruments and early settlement effects generated gains of $2 million in 2019, of $1 million in 2020 and of $2 million in 2021 recognized within "Financial income and other items, net" in the statement of operations. See note 18.4 to our 2021 audited consolidated financial statements included elsewhere in this annual report.

Our Fuel Price Hedging Derivatives. As of December 31, 2020 and 2021, we maintained swap and option contracts negotiated to hedge the price of certain fuels, primarily diesel and gas, in several operations for aggregate notional amounts of $128 million and $145 million, respectively, with an estimated aggregate fair value representing assets of $5 million in 2020 and of $30 million in 2021. By means of these contracts, for its own consumption only, we either fixed the price of these fuels, or entered into option contracts to limit the prices to be paid for these fuels, over certain volumes representing a portion of the estimated consumption of such fuels in several operations. These contracts have been designated as cash flow hedges of diesel or gas consumption, and as such, changes in fair value are recognized temporarily through other comprehensive income and are recycled to operating expenses as the related fuel volumes are consumed. For the years 2019, 2020 and 2021, changes in fair value of these contracts recognized in other comprehensive income represented gains of $15 million, $7 million and $22 million, respectively.

Foreign Exchange Options. As of December 31, 2021, we held Dollar/Mexican Peso call spread option contracts for a notional amount of $250 million, maturing in September 2022, negotiated to maintain the value in Dollars over such notional amount over revenues generated in Mexican Pesos. Changes in the fair value of these instruments, generated losses of $5 million, recognized within "Financial income and other items, net" in the statement of operations.

Other Derivative Financial Instruments. During 2020, we negotiated Dollar/Peso, Dollar/Euro and Dollar/British Pound foreign exchange forward contracts to sell Dollars and Pesos and buy Euro and Pounds Sterling, negotiated in connection with the voluntary prepayment and currency exchanges under the 2017 Facilities Agreement, for a combined notional amount of $397 million. For the year 2020, the aggregate results from positions entered and settled, generated losses of $15 million recognized within "Financial income and other items, net" in the statements of operation. Additionally, during 2020, we negotiated Dollar/Euro foreign exchange forward contracts to sell Dollars and buy Euro, negotiated in connection with the redemption of the 4.625% Senior Secured Notes due 2024 previously issued by CEMEX, S.A.B. de C.V. For the year 2020, the aggregate results of these instruments from positions entered and settled, generated gains of $3 million, recognized within "Financial income and other items, net" in the statement of operations.

Moreover, in connection with the proceeds from the sale of certain assets in the United Kingdom, we negotiated British Pound/Euro foreign exchange forward contracts to sell Pounds Sterling and buy Euro for a notional amount of $186 million. We settled such derivatives on August 5, 2020. During the year 2020, changes in the fair value of these instruments and their settlement generated gains of $9 million recognized within "Financial income and other items, net" in the statement of operations. See notes 5.2 and 18.4 to our 2021 audited consolidated financial statements included elsewhere in this annual report.

With respect to our existing financial derivatives, we may incur net losses and be subject to margin calls that will require cash. Likewise, if we enter into new derivative financial instruments, we may incur net losses and be subject to margin calls. The cash required to cover the margin calls may be substantial and may reduce the funds available to us for our operations or other capital needs.

As with any derivative financial instrument, we assume the creditworthiness risk of the counterparty, including the risk that the counterparty may not honor its obligations to us. Before entering into any derivative financial instrument, 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. See notes 18.4 and 18.5 to our 2021 audited consolidated financial statements included elsewhere in this annual report.

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.

Interest Rate Risk, Foreign Currency Risk and Equity Risk

Interest Rate Risk. The table below presents tabular information of our fixed and floating rate non-current foreign currency-denominated debt as of December 31, 2021. Average floating interest rates are calculated based on forward rates in the yield curve as of December 31, 2021. Future cash flows represent contractual principal payments. The fair value of our floating rate non-current debt is determined by discounting future cash flows using borrowing rates available to us as of December 31, 2021 and is summarized as follows:

	Expected maturity dates as of December 31, 2021						
Non-Current Debt[1]	2022	2023	2024	2025	After 2026	Total	Fair Value
	(In millions of Dollars, except percentages)						
Variable rate	27	150	156	295	295	923	1,031
Average interest rate	2.72%	3.79%	2.36%	2.34%	2.34%		
Fixed rate	41	55	217	553	5,585	6,451	6,774
Average interest rate	5.37%	5.67%	3.49%	4.54%	4.92%		

(1) The information above includes the current maturities of the non-current debt. Total non-current debt as of December 31, 2021 does not include our other financial obligations and the subordinated notes for an aggregate amount of $2,778 million issued by consolidated entities. See notes 18.2 and 22.4 to our 2021 audited consolidated financial statements included elsewhere in this annual report.

As of December 31, 2021, 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, 2020, 17% of our long-term debt bore floating rates at a weighted average interest rate of LIBOR plus 294 basis points. As of December 31, 2021, 10% of our long-term debt bore floating rates at a weighted average interest rate of LIBOR plus 150 basis points. As of December 31, 2020 and 2021, if interest rates at that date had been 0.5% higher, with all other variables held constant, our net income for 2020 and 2021 would have been reduced by $17 million and reduced by $7 million, respectively, as a result of higher interest expense on variable-rate debt. However, this analysis does not include the interest rate swaps held by us during 2020 and 2021. See notes 18.4 and 18.5 to our 2021 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 between the Dollar and the other currencies in which we operate. For the year ended December 31, 2021, 22% of our revenues, before eliminations resulting from consolidation, were generated in Mexico, 27% in the United States, 6% in the United Kingdom, 5% in France, 3% in Germany, 3% in Poland, 2% in Spain, 2% in Philippines, 5% in Israel, 3% in the Rest of EMEAA segment, 3% in Colombia, 1% in Panama, 2% in Caribbean TCL, 2% in the Dominican Republic, 3% in the Rest of SCA&C segment and 11% from our Other operations.

Foreign exchange gains and losses occur by 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, 2020 and 2021, excluding from the sensitivity analysis the impact of translating the net assets of foreign operations into our reporting currency and considering a hypothetical 10% strengthening of the Dollar against the Mexican Peso, with all other variables held constant, our net income for 2020 and 2021 would have decreased by $87 million and decreased $9 million, respectively, as a result of higher foreign exchange losses on our Dollar-denominated net monetary liabilities held in consolidated entities with other functional currencies. Conversely, a hypothetical 10% weakening of the Dollar against the Mexican Peso would have had the opposite effect.

As of December 31, 2021, 82% of our total debt plus other financial obligations was Dollar-denominated, 8% was Euro-denominated, 2% was Pound Sterling-denominated, 4% was Mexican Peso-denominated, 2% was

Philippine Peso-denominated and 2% was denominated in other currencies. Therefore, we had a foreign currency exposure arising from the debt plus other financial obligations denominated in 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 Dollars and Euros from our operations to service these obligations. As of December 31, 2021, we had implemented a derivative financing hedging strategy using foreign exchange options for a notional amount of $250 million to hedge the value in Dollar terms of revenues generated in Pesos to partially address this foreign currency risk. See notes 18.4 and 18.5 to our 2021 audited consolidated financial statements included elsewhere in this annual report. Complementarily, we may negotiate other derivative financing hedging strategies in the future if either of our debt portfolio currency mix, interest rate mix, market conditions and/or expectations changes.

In addition, considering that CEMEX S.A.B. de C.V.'s functional currency for all assets, liabilities and transactions associated with its financial and holding company activities is the Dollar, there is foreign currency risk associated with the translation of subsidiaries' net assets denominated in different currencies (Mexican Peso, Euro, Pound Sterling and other currencies) into Dollars. When the Dollar appreciates, the value of CEMEX S.A.B. de C.V.'s net assets denominated in other currencies decreases in terms of Dollars, generating negative foreign currency translation and reducing stockholders' equity. Conversely, when the Dollar depreciates, the value of CEMEX S.A.B. de C.V.'s net assets denominated in other currencies would increase in terms of Dollars generating the opposite effect. As mentioned above in our derivative financial instruments section, we have implemented a Dollar/Mexican Peso foreign exchange forward contract program to hedge foreign currency translation in connection with our net assets denominated in Mexican Pesos. See notes 3.5 and 18.5 to our 2021 audited consolidated financial statements included elsewhere in this annual report.

Equity Risk. Equity risk represents 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.A.B. de C.V.'s and/or a third party's shares.

Considering specific objectives, we have negotiated equity forward contracts on third-party shares. Under these equity derivative instruments, there is a direct relationship from 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 the statement of operations as part of "Financial income and other items, net." During the reported periods effects were not significant. As of December 31, 2021, we do not have derivative financial instruments based on the price of the Parent Company's shares or any third-party's shares. See notes 18.4 to our 2021 audited consolidated financial statements included elsewhere in this annual report.

Liquidity Risk. Liquidity risk represents the risk that we will not have sufficient funds available to meet our obligations. In addition to cash flows provided by our operating activities, in order to meet our overall liquidity needs for operations, servicing debt and funding capital expenditures and acquisitions, we 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. We are 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 we operate, any one of which may materially affect our results and reduce cash from operations. As of December 31, 2021, we had $1,750 million available under the committed revolving credit tranche under the 2021 Credit Agreement. See "Item 3—Key Information—COVID-19 Pandemic" and our 2021 audited consolidated financial statements included elsewhere in this annual report for more information on the impact of COVID-19 on our debt and cash levels.

As of December 31, 2021, current liabilities, which included $940 million of current maturities of debt and other financial obligations, exceeded current assets by $1,155 million. It is noted that as part of our operating strategy implemented by our management, we operate with a negative working capital balance. For the year ended December 31, 2021, we generated net cash flows provided by operating activities of $1,855 million. In addition, as of December 31, 2021, we had $1,750 million available under the committed revolving credit facility under the

2021 Credit Agreement and had $426 million under other uncommitted lines of credit subject to the Lenders' availability. See notes 18.1, 18.2, 18.5 and 25.1 to our 2021 audited consolidated financial statements included elsewhere in this annual report.

See "Item 3—Key Information—Risk Factors—Risks Relating to Our Business—The COVID-19 pandemic could materially adversely affect our financial condition and results of operations" and "Item 3—Key Information—COVID-19 Pandemic" for more information on our liquidity position and on risks to our business mainly caused by the COVID-19 pandemic.

Investments, Acquisitions and Divestitures

The transactions described below represent our principal investments, acquisitions and divestitures completed during 2019, 2020 and 2021.

Investments and Acquisitions

On October 4, 2021, we announced that we signed an agreement to acquire from HeidelbergCement a limestone quarry with a waste management operation near the Madrid metropolitan area and 3 concrete plants in the Balearic Islands.

On April 12, 2021, we announced that we signed an agreement to acquire from Eqiom Granulats two aggregates quarries and one rail-enabled platform in the North Paris Metropolitan area.

On February 16, 2021, we announced that we acquired the ready-mix assets of Beck Readymix Concrete Co. LTD., including three ready-mix concrete plants and one portable plant to service the San Antonio, Texas metropolitan area and surrounding areas.

In January 2021, one of our subsidiaries in Israel acquired two ready-mix concrete plants from Kinneret and Beton-He'Emek for an amount in shekels equivalent to $6 million. As of December 31, 2021, based on the preliminary valuation of the fair values of the assets acquired and liabilities assumed, we determined goodwill in the amount of $5 million.

On November 9, 2020, the tender offer acceptance period commenced for the CLH Tender Offer for any and all outstanding ordinary shares of CLH registered with the National Register of Securities and Issuers (*Registro Nacional de Valores y Emisores*) and the Colombian Securities Exchange (*Bolsa de Valores de Colombia*) (except for shares either owned by CEMEX España or CLH). The CLH Tender Offer expired on December 10, 2020. As a result of the CLH Tender Offer, CEMEX España purchased 108,337,613 shares of CLH at a purchase price of 3,250 Colombian Pesos per ordinary share of CLH. The CLH Tender Offer fully settled on December 18, 2020 for an aggregate amount of 352 billion Colombian Pesos (equivalent to $103 million). As of December 31, 2021, CEMEX España owns 92.26% of all outstanding shares in CLH (which exclude shares owned by CLH), which includes shares purchased by us in the secondary market after the closing of the CLH Tender Offer.

From March 10, 2020 to March 24, 2020, under the repurchase program authorized at CEMEX, S.A.B. de C.V.'s ordinary general shareholders meeting held on March 28, 2019, CEMEX, S.A.B. de C.V. repurchased 378.2 million CPOs, which represented 2.5% of CEMEX, S.A.B. de C.V.'s outstanding share capital as of December 31, 2019, at a weighted-average price of 5.01 Mexican Pesos per CPO, which was equivalent to an amount of $83.2 million, excluding value-added tax. CEMEX, S.A.B. de C.V. did not repurchase any other CPOs between January 1, 2020 and March 10, 2020. On April 8, 2020, we announced that, to enhance our liquidity, we suspended the CEMEX, S.A.B. de C.V. share repurchase program for the remainder of 2020.

On January 29, 2020, CHP announced the results of its stock rights offering pursuant to which 8,293,831,169 common shares of CHP were issued and listed on the Philippine Stock Exchange on March 4, 2020. As of December 31, 2019, CEMEX España indirectly held 66.78% of CHP's common shares. After giving effect to the stock rights offering, CEMEX España's indirect ownership of CHP's common shares increased to 75.66%. As of December 31, 2021, CEMEX España's indirect ownership of CHP's outstanding common shares had further increased to 77.84%.

During the first six months of 2020, one of our subsidiaries in Israel acquired Netivei Noy from Ashtrom Industries for an amount in Shekels equivalent to $33 million. After the conclusion of the purchase price allocation to the fair values of the assets acquired and liabilities assumed of this business, we determined goodwill of $2 million.

Divestitures

During 2019, 2020 and 2021, we made divestitures of $621 million, $722 million and $211 million, respectively (which included fixed assets of $109 million, $44 million and $62 million, respectively).

On December 29, 2021, certain of our subsidiaries signed an agreement for the sale of our operations in Costa Rica and El Salvador with certain subsidiaries of Cementos Progreso Holdings, S.L., for a total consideration of $335 million. As of the date of this annual report, we expect to conclude the transaction during the first half of 2022, subject to the satisfaction of closing conditions in Costa Rica and El Salvador, including the receipt of requisite regulatory approvals. As of December 31, 2021, the assets and liabilities related to our operations in Costa Rica and El Salvador were presented in the financial statements in the line item "Assets and liabilities directly related to assets held for sale." Our operations of these assets in Costa Rica and El Salvador for the years ended December 31, 2019, 2020 and 2021 are reported in the statements of operations, net of income tax, as part of the single line item "Discontinued operations."

On July 9, 2021, we announced that we concluded the sale agreed in March 2019 of our white cement business, except for Mexico and the U.S., to Çimsa Çimento Sanayi Ve Ticaret A.Ş. for a total consideration of $155 million. Assets sold included our Buñol cement plant in Spain and white cement customer list. Our operations of these assets in Spain for the years ended December 31, 2019 and 2020 and for the period from January 1, 2021 to July 9, 2021 are reported in the statements of operations, net of income tax, as part of the single line item "Discontinued operations," including in 2021 a loss on sale of $67 million net of the proportional allocation of goodwill of $41 million.

On March 31, 2021, we sold 24 concrete plants and one aggregates quarry in France to Holcim for an amount in Euros equivalent to $44 million. These assets are located in the Rhone Alpes region in the Southeast of France, east of our operations in Lyon. We will retain our business in Lyon. The operations related to these assets for the years ended December 31, 2019 and 2020 and for the three-month period ended March 31, 2021 are presented in our statements of operations, net of income tax, as part of the single line item "Discontinued operations."

On August 3, 2020, through an affiliate in the United Kingdom, we closed the sale of certain assets to Breedon for an amount in Pounds equivalent to $230 million, including $30 million of debt. The assets included 49 ready-mix plants, 28 aggregate quarries, four depots, one cement terminal, 14 asphalt plants, four concrete products operations, as well as a portion of our paving solutions business in the United Kingdom. After completion of this divestiture, we maintain a significant footprint in key operating geographies in the United Kingdom related to the production and sale of cement, ready-mix concrete, aggregates, asphalt and paving solutions, among others. Our operations of these assets in the United Kingdom for the year ended December 31, 2019 and for the period from January 1, 2020 to August 3, 2020, which includes a loss on sale of $57 million net

of the proportional allocation of goodwill of $47 million, are presented in our statements of operations, net of tax, as part of the single line item "Discontinued operations."

On March 6, 2020, we concluded the sale of our U.S. affiliate Kosmos, a partnership with a subsidiary of Buzzi Unicem S.p.A. in which we held a 75% interest, to Eagle Materials Inc. for $665 million. The share of proceeds to us from this transaction was $499 million before transactional and other costs and expenses. The assets that were divested consisted of Kosmos' cement plant in Louisville, Kentucky, as well as related assets which include seven distribution terminals and raw material reserves. The operations of these assets in the United States for the year ended December 31, 2019 and for the period from January 1, 2020 to March 6, 2020, which includes a gain on sale of $14 million, net of the proportional allocation of goodwill of $291 million, are presented in our statements of operations, net of income tax, as part of the single line item "Discontinued operations."

On June 28, 2019, after obtaining customary authorizations, we concluded with several counterparties the sale of our ready-mix and aggregates business in the central region of France for an aggregate price in Euro equivalent to $36 million. Our operations of these disposed assets in France for the period from January 1 to June 28, 2019, which include a gain on sale of $17 million net of a proportional allocation of goodwill related to this reporting segment of $8 million, are presented in the statements of operations, net of income tax, as part of the single line item "Discontinued operations."

On May 31, 2019, we concluded the sale of our aggregates and ready-mix assets in the North and North-West regions of Germany to GP G✔nter Papenburg AG for a price in Euro equivalent to $97 million. The assets divested in Germany consisted of four aggregates quarries and four ready-mix facilities in North Germany, and nine aggregates quarries and 14 ready-mix facilities in North-West Germany. Our operations of these disposed assets for the period from January 1 to May 31, 2019, which include a gain on sale of $59 million, are presented in the statements of operations, net of income tax, as part of the single line item "Discontinued operations."

On March 29, 2019, we closed the sale of our businesses in the Baltics and Nordics to German building materials group Schwenk for a price in Euro equivalent to $387 million. The Baltic assets divested consisted of one cement production plant in Broceni, Latvia with a production capacity of approximately 1.7 million tons, four aggregates quarries, two cement quarries, six ready-mix plants, one marine terminal and one land distribution terminal in Latvia. The assets divested also included our 37.8% indirect interest in one cement production plant in Akmene, Lithuania with a production capacity of approximately 1.8 million tons, as well as the exports business to Estonia. The Nordic assets divested consisted of three import terminals in Finland, four import terminals in Norway and four import terminals in Sweden. Our operations of these disposed businesses for the period from January 1 to March 29, 2019, which include a gain on sale of $66 million, are presented in the statements of operations, net of income tax, as part of the single line item "Discontinued operations."

Recent Developments

Recent Developments Relating to Our Indebtedness

Tender Offer for Outstanding Notes of CEMEX, S.A.B. de C.V.

On March 28, 2022, CEMEX, S.A.B. de C.V. announced that it had commenced a tender offer (the "CX Tender Offer") to purchase up to $500 million of its September 2030 Dollar Notes, November 2029 Dollar Notes and July 2031 Dollar Notes (collectively, the "Tendered Notes"), subject to purchase in accordance with the acceptance priority level for each series of Tendered Notes and priority for early tenders and possible proration as described in CEMEX, S.A.B. de C.V.'s Offer to Purchase dated March 28, 2022 (the "Offer to Purchase"). The CX Tender Offer expired at 11:59 p.m., New York City time, on April 25, 2022 (the "Expiration Date"). Complete terms and conditions of the CX Tender Offer are set forth in the Offer to Purchase.

On April 11, 2022, CEMEX, S.A.B. de C.V. announced that $163,762,000 aggregate principal amount of the outstanding September 2030 Dollar Notes, $108,648,000 aggregate principal amount of the outstanding November 2029 Dollar Notes and $156,178,000 aggregate principal amount of the outstanding July 2031 Dollar Notes were validly tendered by holders of the Tendered Notes at or prior to the early tender deadline of 8:00 a.m., New York City time, on April 11, 2022 (the "Early Tender Date"). CEMEX, S.A.B. de C.V. accepted for purchase all of the Tendered Notes tendered by the Early Tender Date, and made a total payment of $419,293,717.35 (which included an early tender premium and accrued and unpaid interest) for such Tendered Notes on April 13, 2022, pursuant to the terms of the Offer to Purchase.

On April 26, 2022, CEMEX, S.A.B. de C.V. announced that $4,160,000 aggregate principal amount of the outstanding September 2030 Dollar Notes, $3,000,000 aggregate principal amount of the outstanding November 2029 Dollar Notes and $3,075,000 aggregate principal amount of the outstanding July 2031 Dollar Notes were validly tendered by holders of the Tendered Notes after the Early Tender Date and at or prior to the Expiration Date. CEMEX, S.A.B. de C.V. accepted for purchase all of the Tendered Notes tendered and not validly withdrawn after the Early Tender Date and at or prior to the Expiration Date, and made a total payment of $9,789,319.41 (which included accrued and unpaid interest) for such Tendered Notes on April 27, 2022, pursuant to the terms of the Offer to Purchase.

This description and other information in this annual report regarding the CX Tender Offer is solely for informational purposes. Nothing in this annual report should be construed as an offer to purchase nor a solicitation of an offer to sell or buy any securities in any transaction.

Recent Developments Relating to Effects of COVID-19 on Our Business and Operations

On March 22, 2022, the WHO informed that the Omicron subvariant BA.2 had become the dominant form of COVID-19 and, as of April 16, 2022, this variant was estimated to account for 90% of the active cases of COVID-19 in the United States. Nonetheless, mask mandates and other preventive measures previously imposed by local authorities have been lifted in several U.S. and Mexican states, as well as in other locations in which we operate worldwide. Future variants of COVID-19 may continue to emerge, and as of the date of this annual report, we are not able to fully assess the potential impact of a new variants, or if they may have a material adverse effect on our business, financial condition, liquidity and results of operations worldwide.

Recent Developments Relating to CEMEX, S.A.B. de C.V.'s Shareholders' Meetings

On March 24, 2022, CEMEX, S.A.B. de C.V. held an ordinary general shareholders' meeting followed by an extraordinary general shareholders' meeting. The most significant items that were approved by shareholders at the ordinary general shareholders' meeting were: (i) the appointment of the members of CEMEX, S.A.B. de C.V.'s board of directors, who for the first time stood for election on an individual basis, as opposed to on a "group slate" basis; (ii) the appointment of the members of the Audit Committee, the Corporate Practices and Finance Committee and the Sustainability Committee; (iii) from March 24, 2022 to the date of the next CEMEX, S.A.B. de C.V. ordinary general shareholders' meeting, setting the compensation, as honoraria, for each member of CEMEX, S.A.B. de C.V.'s board of directors for each meeting they attend, and the compensation, as honoraria, for each member of the Audit Committee, the Corporate Practices and Finance Committee, and the Sustainability Committee, for each committee meeting they attend; and (iv) setting the amount of $500 million or its equivalent in Mexican Pesos as the maximum amount of resources that during fiscal year 2022 (until the next ordinary general shareholders' meeting of CEMEX, S.A.B. de C.V. is held), CEMEX, S.A.B. de C.V. may use for the acquisition of its own shares or securities that represent such shares.

As a result of this ordinary general shareholders' meeting, (i) CEMEX, S.A.B. de C.V.'s board of directors was reduced from 15 to 12 members, resulting in the proportion of members of the board of directors considered independent under Mexican securities law criteria increasing to 75%; (ii) Rogelio Zambrano Lozano (Chairman), Fernando A. González Olivieri, Marcelo Zambrano Lozano, Armando J. García Segovia,

Rodolfo García Muriel, Francisco Javier Fernández Carbajal, Armando Garza Sada, David Martínez Guzmán, Everardo Elizondo Almaguer, Ramiro Gerardo Villarreal Morales, Gabriel Jaramillo Sanint and Isabel María Aguilera Navarro are the members of the board of directors of CEMEX, S.A.B. de C.V.; (iii) Everardo Elizondo Almaguer (President), Rodolfo García Muriel and Francisco Javier Fernández Carbajal are the members of the audit committee of CEMEX, S.A.B. de C.V.'s board of directors; (iv) Francisco Javier Fernández Carbajal (President), Rodolfo García Muriel and Armando Garza Sada are the members of the corporate practices and finance committee of CEMEX, S.A.B. de C.V.'s board of directors; (v) Armando J. García Segovia (President), Fernando A. González Olivieri, Francisco Javier Fernández Carbajal and Marcelo Zambrano Lozano are the members of the sustainability committee of CEMEX, S.A.B. de C.V.'s board of directors; (vi) the compensation amount, as honoraria, for each of the 12 members of CEMEX, S.A.B. de C.V.'s Board of Directors was set at Ps$481,000 for each meeting they attend; and (vii) the compensation amount, as honoraria, for each of the three members of the Audit Committee, each of the three members of the Corporate Practices and Finance Committee, and each of the four members of the Sustainability Committee was set at Ps$116,000 for each committee meeting they attend.

In addition, on March 24, 2022, CEMEX, S.A.B. de C.V. held an extraordinary general shareholders' meeting, in which its shareholders approved changes to Article 2 of CEMEX, S.A.B. de C.V.'s by-laws to detail CEMEX, S.A.B. de C.V.'s corporate purpose so that it will list only those activities it currently carries out, and cease contemplating those activities it does not perform or that are already included in another part of the by-laws.

Recent Developments Relating to Our Business and Operations

Execution of Agreements Relating to our Working Smarter Initiative

As part of our Working Smarter digital transformation initiative, on February 8, 2022, we announced that we signed separate multi-year contracts that range from five to seven years that in the aggregate total $500 million with six service providers in the fields of finance and accounting, information technology, and human resources. Certain services to be provided pursuant to these agreements will replace those rendered pursuant to the IBM 2012 MPSA expiring on August 31, 2022.

Restart of Second Kiln of CPN Plant

On March 7, 2022, we announced that we would restart the second kiln of our CPN cement plant located in northwest Mexico. Once operational, the recommissioned kiln is expected to provide nearly 800,000 additional metric tons of cement for customers across Arizona, California and Nevada. We expect to invest $29 million to bring on the second kiln and expect the line to be operational by the third quarter of 2022. This investment follows an earlier $15 million capital expenditure during 2021 to restart the first kiln.

SOLID Expansion Project

On February 11, 2022, CHP informed us that Solid Cement will be engaging Atlantic Gulf and Pacific Company of Manila, Inc. and Betonbau Phil., Inc. as the principal contractors to continue the construction and installation of the 1.5 million MT per year new integrated cement production line at Solid Cement's plant located in Antipolo City, Rizal, Philippines. As of the date of this annual report, the construction of the new line is expected to be completed not earlier than March 2024, and operations could commence in April 2024.

Recent Developments Relating to Our Regulatory Matters and Legal Proceedings

Antitrust Proceedings

Polish Antitrust Investigation

On January 10, 2022, an appeal with the Supreme Court of Poland was filed by CEMEX Polska against the last judgment of the Appeals Court. The appeal of CEMEX Polska concentrates on the wrongful appointment of

judges of the Supreme Court and selection of judges of the Appeals Court. The Protection Office has also filed an appeal with the Supreme Court against the last judgment of the Appeals Court, demanding that the Appeals Court conduct further proceedings, instead of the District Court in Warsaw.

Environmental Matters

Mexico

On April 7, 2022, Mexico's Supreme Court issued a ruling in which they deliberated on the unconstitutionality claim (*acción de inconstitucionalidad*) filed by a group of Senators against the decree dated March 9, 2021, which intended to amend several key provisions of the Electric Industry Law. Although the Supreme Court's ruling did not obtain the necessary votes to surpass the threshold to find the unconstitutionality claim founded, the Supreme Court did not declare the amendments as constitutionally compliant.

As of the date of this annual report, the ruling made by Mexico's Supreme Court will not revoke the currently granted injunctions (including those granted to Grandfathered Generators that supply electric energy to our operations in Mexico) and other injunction claims against the decree that are not resolved in a definite manner, as revision recourses have been filed by the corresponding authorities.

On April 17, 2022, the House of Representatives of the Mexican Congress voted on the Energy Reform Bill, which did not reach the qualified majority necessary for its approval and was therefore dismissed.

On April 18, 2022, Mexico's Supreme Court dismissed the legal controversy claim filed by COFECE arguing that the Energy Industry Law Reform adversely affects the competitive nature of Mexico's energy market.

Philippines Environmental Class Action

On January 31, 2022, the plaintiffs appealed the Cebu Court's latest order before the Court of Appeals of the Philippines. Defendants (including government defendants) opposed the plaintiff's appeal for being filed out of time.

Tax Matters

Spain - Tax Assessment for the Years 2006 to 2009

On February 25, 2022 CEMEX España filed with the Spanish Supreme Court a cassation appeal against the judgment issued by the National Court (*Audiencia Nacional*).

Egypt

On February 24, 2022, this case was dismissed by the relevant court and this matter is ended.

Other Legal Proceedings

Egypt Share Purchase Agreement

On February 28, 2022, the court dismissed the Appeal and Parallel Appeal.

Other Recent Developments

Our Derivative Financial Instruments

During March 2022, we executed Dollar interest rate swap lock contracts for a notional amount of $300 million, to mitigate risks of higher Dollar interest rates in relation with a potential issuance of notes in the future. Such contracts have a termination date on July 2023.

During the first quarter of 2022, we increased to $300 million the target notional under our Dollar/Mexican Peso call spread options program which started in 2021, and extended the tenor to up to 24 months.

Our CPO Repurchase Program

From February 23, 2022 to March 25, 2022, under the repurchase program authorized at CEMEX, S.A.B. de C.V.'s ordinary general shareholders meeting held on March 25, 2021 and at CEMEX, S.A.B. de C.V.'s ordinary general shareholders meeting held on March 24, 2022, CEMEX, S.A.B. de C.V. repurchased 220.6 million CPOs, which represented 1.5% of CEMEX, S.A.B. de C.V.'s outstanding share capital as of December 31, 2021, at a weighted-average price in Mexican Pesos equivalent to $0.5031 per CPO, which was equivalent to an amount of $111.0 million. The following table sets out information concerning repurchases by CEMEX, S.A.B. de C.V. of its CPOs so far in 2022:

Period	Total Number of CPOs Purchased	Average Price in Dollars per CPO	Total Number of CPOs Purchases as Part of Publicly Announced Plans or Programs	Approximate Peso Value of CPOs that May Yet be Purchased Under Plans
January 1 to January 31	—	—	—	$ 10,315,000,000.00
February 1 to February 28	50,000,000	0.5143	50,000,000	$ 9,698,501,927.90
March 1 to March 31	170,642,478	0.4997	170,642,478	$ 9,915,927,992.00
Total	**220,642,478**	**0.5031**	**220,642,478**	

Item 6 — Directors, Senior Management and Employees

Senior Management and Directors

Senior Management

Set forth below is the name, position and experience of each member of our senior management team as of December 31, 2021. The terms of office of the senior managers are indefinite.

Name:	Fernando A. González Olivieri.
Age:	67.
Citizenship:	Mexican.
Title:	Chief Executive Officer.
Seniority:	Since 1989
Tenure as CEMEX's Chief Executive Officer:	Since 2014.
Experience at CEMEX and Other Relevant Experience:	He is a member of the Board of Directors of GCC, S.A.B. de C.V. (formerly Grupo Cementos de Chihuahua, S.A.B. de C.V.), and of Axtel, S.A.B. de C.V. Mr. González Olivieri is a member of the Board of Trustees of Tecmilenio University, which forms part of the Instituto Tecnológico y de Estudios Superiores de Monterrey. He joined CEMEX in 1989 and held various positions in the Strategic Planning, Business Development and Human Resources departments through 1998. From 1998 through 2009, Mr. González Olivieri led various regions of CEMEX, including SCA&C, Europe, Asia and Oceania. He was appointed as CEMEX's Executive Vice President of Planning and Development in May 2009, and he was appointed CEMEX's Chief Financial Officer in 2011. Mr. González Olivieri held these positions until he was named Chief Executive Officer in 2014. With his comprehensive knowledge of CEMEX's organization and the markets where the company operates around the world, Mr. González Olivieri brings to CEMEX's Board of Directors and Senior Management a unique global perspective and innovative leadership, that directly contributes to formulating and implementing a results-oriented business strategy. With over 30 years of direct involvement in top management positions, and a detailed understanding of CEMEX's four main businesses (cement production, ready-mix concrete, aggregates and Urbanization Solutions), he has given particular attention to constantly improving CEMEX's Health and Safety policies, and to implementing a sustainability strategy aimed at achieving Net Zero Carbon growth and development.
Education:	He holds a B.A. degree in Business Administration, and an M.B.A. from the Instituto Tecnológico y de Estudios Superiores de Monterrey.

Name:	Jaime Muguiro Domínguez.
Age:	53.
Citizenship:	Spanish.
Title:	President of CEMEX USA.
Seniority:	Since 1996.
Tenure as President of CEMEX USA:	Since 2019.
Experience at CEMEX and Other Relevant Experience:	Mr. Muguiro Domínguez has held several executive positions in the Strategic Planning, Business Development, Ready-Mix Concrete, Aggregates and Human Resources areas. He headed CEMEX's operations in Egypt, our former Mediterranean Region, and more recently, our operations in the South, Central America, and the Caribbean region.
Education:	He holds a B.A. degree in Management from San Pablo CEU University in Spain, a Law degree from the Universidad Complutense de Madrid, and an MBA from the Massachusetts Institute of Technology.

Name:	Ricardo Naya Barba.
Age:	49.
Citizenship:	Mexican.
Title:	President of CEMEX Mexico.
Seniority:	Since 1996.
Tenure as President of CEMEX México:	Since 2019.
Experience at CEMEX and Other Relevant Experience:	Mr. Naya Barba has held several executive positions, including Vice President of Strategic Planning for the South, Central America and the Caribbean region, Vice President of Strategic Planning for the Europe, Middle East, Africa and Asia region, President of CEMEX Poland and the Czech Republic, Vice President of Strategic Planning for the United States, Vice President of Commercial and Marketing in Mexico, Vice President of Distribution Segment Sales in Mexico, and most recently, President of CEMEX Colombia.
Education:	He holds a B.A. degree in Economics from the Instituto Tecnológico y de Estudios Superiores de Monterrey and an M.B.A. from the Massachusetts Institute of Technology.

Name:	Sergio Mauricio Menéndez Medina.
Age:	51.
Citizenship:	Mexican.
Title:	President of CEMEX Europe, Middle East, Africa & Asia.
Seniority:	Since 1993.
Tenure as President of CEMEX Europe, Middle East, Africa & Asia:	Since 2020.
Experience at CEMEX and Other Relevant Experience:	Mr. Menéndez Medina has held several executive positions, including Director of Planning and Logistics in Asia, Corporate Director of Commercial Development, President of CEMEX Philippines, Vice President of Strategic Planning for the Europe, Middle East, Africa and Asia region, President of CEMEX Egypt, Vice President of Infrastructure Segment and Government Sales in Mexico, and most recently, as Vice President of Distribution Segment Sales in Mexico.
Education:	He holds a B.S. degree in Industrial Engineering from the Instituto Tecnológico y de Estudios Superiores de Monterrey and an M.B.A. from Stanford University.

Name:	José Antonio González Flores.
Age:	51.
Citizenship:	Mexican / Spanish.
Title:	Executive Vice President of Strategic Planning and Business Development.
Seniority:	Since 1998.
Tenure as Executive Vice President of Strategic Planning and Business Development:	Since 2020.
Experience at CEMEX and Other Relevant Experience:	Mr. González Flores has held executive positions in the Finance, Strategic Planning, and Corporate Communications and Public Affairs areas, and, prior to his current role, was our Executive Vice President of Finance and Administration (CFO). Additionally, Mr. González Flores is a member of the board of directors of GCC and is an alternate director of the board of directors of Axtel, S.A.B. de C.V.
Education:	He holds a B.S. degree in Industrial Engineering from the Instituto Tecnológico y de Estudios Superiores de Monterrey and an M.B.A. from Stanford University.

Name:	Luis Hernández Echávez.
Age:	58.
Citizenship:	Mexican.
Title:	Executive Vice President of Digital and Organization Development.
Seniority:	Since 1996.
Tenure as Executive Vice President of Digital and Organization Development:	Since 2020.
Experience at CEMEX and Other Relevant Experience:	Mr. Hernández Echávez has held senior management positions in Strategic Planning and Human Resources. In his current position, he heads the areas of Organization and Human Resources, Information Technology, Digital Innovation, as well as CEMEX Ventures and Neoris.
Education:	He holds a B.S. degree in Civil Engineering from the Instituto Tecnológico y de Estudios Superiores de Monterrey, a Master's degree in Civil Engineering, and an MBA from the University of Texas at Austin.

Name:	Maher Al-Haffar.
Age:	63.
Citizenship:	American.
Title:	Executive Vice President of Finance and Administration and Chief Financial Officer.
Seniority:	Since 2000.
Tenure as Executive Vice President of Finance and Administration and Chief Financial Officer:	Since 2020.
Experience at CEMEX and Other Relevant Experience:	Mr. Al-Haffar has held several executive positions, including Managing Director of Finance, Head of Investor Relations, and most recently, Executive Vice President of Investor Relations, Corporate Communications and Public Affairs. Additionally, he is a member of the NYSE Advisory Board and, before joining CEMEX, he spent nineteen years with Citicorp Securities Inc. and with Santander Investment Securities as an investment banker and capital markets professional.
Education:	He holds a B.S. degree in Economics from the University of Texas and a Master's degree in International Relations and Finance from Georgetown University.

Name:	Mauricio Doehner Cobián.
Age:	47.
Citizenship:	Mexican / German
Title:	Executive Vice President of Corporate Affairs, Enterprise Risk Management and Social Impact.
Seniority:	Since 1996.
Tenure as Executive Vice President of Corporate Affairs, Enterprise Risk Management and Social Impact:	Since 2021.
Experience at CEMEX and Other Relevant Experience:	Mr. Doehner Cobián 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, and most recently Executive Vice President of Corporate Affairs and Enterprise Risk Management. Additionally, he has also worked in the public sector within the office of the Mexican Presidency. Mr. Doehner was president of the Mexican National Cement Chamber (*Cámara Nacional del Cemento*) between 2017 and 2019, Vice President of the Transformation Industry Chamber (*CAINTRA – Cámara de la Industria de Transformación*) between 2012 and 2013. He's currently Vice President of Social Responsibility and Integration of the Mexican Employers Confederation (*COPARMEX – Confederación Patronal de la República Mexicana*), and member of the board of directors of Vista Oil & Gas, S.A.B. de C.V., Trust for the Americas and Museo de Arte Contemporáneo de Monterrey, A.C.
Education:	He holds a B.A. degree in Economics from the Instituto Tecnológico y de Estudios Superiores de Monterrey, an M.B.A. from Instituto Panamericano de Alta Dirección de Empresas (IPADE) and IESE Business School of the University of Navarra in Madrid, and a Master's in Public Administration from Harvard University.

Name:	Juan Romero Torres.
Age:	64.
Citizenship:	Spanish.
Title:	Executive Vice President of Sustainability, Commercial and Operations Development.
Seniority:	Since 1989.
Tenure as Executive Vice President of Sustainability, Commercial and Operations Development:	Since 2019.
Experience at CEMEX and Other Relevant Experience:	Mr. Romero Torres has held several senior positions, including head of operations in Colombia and Mexico, President of CEMEX's South America and the Caribbean Region, President of our Europe, Middle East, Africa and Asia Region, and, most recently, President of CEMEX México. He also assumed the Global Supply Chain Development functions at CEMEX effective as of October 1, 2020, and currently leads our Digital Marketing function as well. Additionally, Mr. Romero was appointed Vice President and representative of the board of directors of the National Chamber of Cement (*Cámara Nacional del Cemento*) in June 2011 and is also a member of the board of directors of GCC, S.A.B. de C.V.
Education:	He holds a Law degree and a B.S. degree in Economics and Business Administration, both from the University of Comillas in Spain.

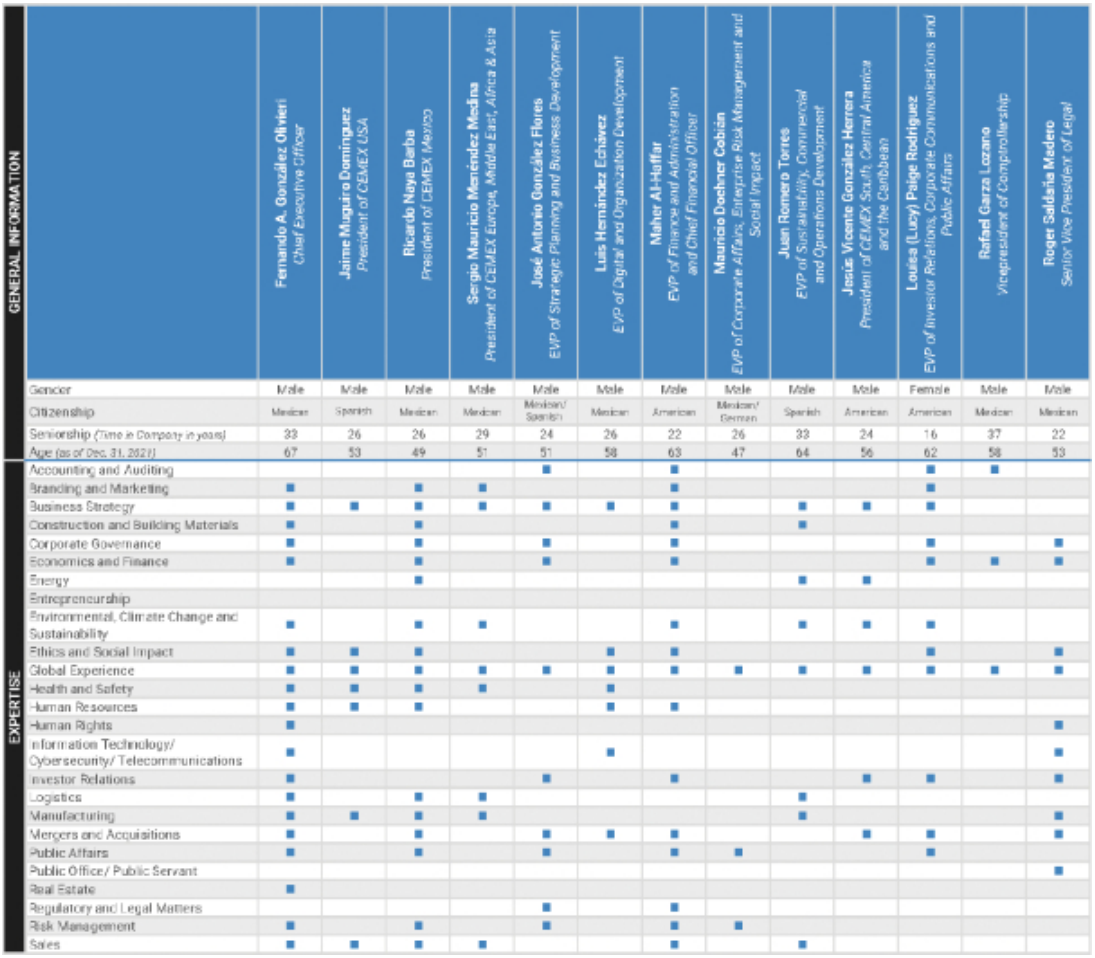
Name:	Jesús Vicente González Herrera.
Age:	56.
Citizenship:	American.
Title:	President of CEMEX South, Central America and the Caribbean.
Seniority:	Since 1998.
Tenure as President of CEMEX South, Central America and the Caribbean:	Since 2019.
Experience at CEMEX and Other Relevant Experience:	Mr. González Herrera has held several senior positions, including Corporate Director of Strategic Planning, Vice President of Strategic Planning in CEMEX USA, President of CEMEX Central America, President of CEMEX UK and, more recently, Executive Vice President of Sustainability and Operations Development. Additionally, he is the Chief Executive Officer of CLH and a member of CLH's board of directors.
Education:	He holds a B.S. and an M.Sc. in Naval Engineering, both from the Polytechnic University of Madrid and an M.B.A. from IESE—University of Navarra, Barcelona.

Name:	Louisa (Lucy) P. Rodriguez.
Age:	62.
Citizenship:	American.
Title:	Executive Vice President of Investor Relations, Corporate Communications and Public Affairs.
Seniority:	Since 2006.
Tenure as Executive Vice President of Investor Relations, Corporate Communications and Public Affairs:	Since 2021.
Experience at CEMEX and Other Relevant Experience:	Ms. Rodriguez has held several executive positions including Head of Investor Relations. She has over 25 years of experience in international finance and capital markets. Prior to CEMEX, Ms. Rodríguez spent 15 years at Citibank and Santander where she was a capital markets professional in Emerging Markets and held various senior management roles. In her early career, she also worked for KPMG, and she was previously a Certified Public Accountant.
Education:	She holds a B.A. degree in Economics from Trinity College (Hartford, CT.), an M.B.A. from New York University, and a Master's from Columbia University School of International and Public Affairs.

Name:	Rafael Garza Lozano.
Age:	58.
Citizenship:	Mexican.
Title:	Vice President of Comptrollership.
Seniority:	Since 1985.
Tenure as Vice President of Comptrollership:	Since 1999.
Experience at CEMEX and Other Relevant Experience:	Mr. Garza Lozano is a member of the board of directors of the Mexican Council for Research and Development of Financial Reporting Standards (*Consejo Mexicano para la Investigación y Desarrollo de Normas de Información Financiera*) and an alternate member of the board of directors of GCC, S.A.B. de C.V. Mr. Garza Lozano is a certified public accountant.
Education:	He has a Master's degree in Administration and Finance from the Instituto Tecnológico y de Estudios Superiores de Monterrey. He also attended executive programs at Instituto Tecnológico Autónomo de México (ITAM), Instituto Panamericano de Alta Dirección de Empresas (IPADE) and Harvard University.

Name:	Roger Saldaña Madero.
Age:	53.
Citizenship:	Mexican.
Title:	Senior Vice President of Legal.
Seniority:	Since 2000.
Tenure as Senior Vice President of Legal:	Since 2017.
Experience at CEMEX and Other Relevant Experience:	Joined CEMEX in 2000 and served as Legal Counsel of CEMEX and, from 2001 to 2011, as General Counsel of NEORIS, a CEMEX subsidiary specialized in providing information technology services. From 2005 and until 2017, Mr. Saldaña was Senior Corporate Counsel of CEMEX, and was responsible for, among other matters, corporate finance legal affairs and, since June 1, 2017, has served as CEMEX's Senior Vice President of Legal. On March 30, 2017, Mr. Saldaña was appointed Secretary of the Board of Directors of CEMEX, S.A.B. de C.V. and the committees to such Board of Directors. Prior to joining CEMEX, he served as Legal Counsel in CYDSA, S.A.B. de C.V. in the city of Monterrey, Nuevo León, Mexico, was a foreign associate in the law firm Fried, Frank, Harris, Shriver & Jacobson, in New York, N.Y., USA and previously was Chief of the Double Taxation Department in Mexico's Ministry of Finance and Public Credit (*Secretaría de Hacienda y Crédito Público*) in Mexico City, Mexico.
Education:	Mr. Saldaña is a graduate of the Universidad de Monterrey, A.C. (UDEM) with a degree in Law, holds a Master's degree in Law (LL.M.) from Harvard University, and a diploma from Harvard University's International Tax Program.

Senior Management Skill Matrix



		Fernando A. González Olivieri *Chief Executive Officer*	Jaime Muguiro Domínguez *President of CEMEX USA*	Ricardo Naya Barba *President of CEMEX Mexico*	Sergio Mauricio Menéndez Medina *President of CEMEX Europe, Middle East, Africa & Asia*	José Antonio González Flores *EVP of Strategic Planning and Business Development*	Luis Hernández Echávez *EVP of Digital and Organization Development*	Maher Al-Haffar *EVP of Finance and Administration and Chief Financial Officer*	Mauricio Doehner Cobián *EVP of Corporate Affairs, Enterprise Risk Management and Social Impact*	Juan Romero Torres *EVP of Sustainability, Commercial and Operations Development*	Jesús Vicente González Herrera *President of CEMEX South, Central America and the Caribbean*	Louisa (Lucy) Paige Rodríguez *EVP of Investor Relations, Corporate Communications and Public Affairs*	Rafael Garza Lozano *Vicepresident of Comptrollership*	Roger Saldaña Madero *Senior Vice President of Legal*
GENERAL INFORMATION	Gender	Male	Male	Male	Male	Male	Male	Male	Male	Male	Male	Female	Male	Male
	Citizenship	Mexican	Spanish	Mexican	Mexican	Mexican/ Spanish	Mexican	American	Mexican/ German	Spanish	American	American	Mexican	Mexican
	Seniority *(Time in Company in years)*	33	26	26	29	24	26	22	26	33	24	16	37	22
	Age *(as of Dec. 31, 2021)*	67	53	49	51	51	58	63	47	64	56	62	58	53
EXPERTISE	Accounting and Auditing					■		■				■	■	
	Branding and Marketing	■		■	■			■				■		
	Business Strategy	■	■	■	■	■	■	■		■	■	■		
	Construction and Building Materials	■		■				■		■				
	Corporate Governance	■		■		■		■				■		■
	Economics and Finance	■		■		■		■				■	■	■
	Energy			■						■	■			
	Entrepreneurship													
	Environmental, Climate Change and Sustainability	■		■	■			■		■	■	■		
	Ethics and Social Impact	■	■	■			■	■				■		■
	Global Experience	■	■	■	■	■	■	■	■	■	■	■	■	■
	Health and Safety	■	■	■	■		■							
	Human Resources	■	■	■			■	■						
	Human Rights	■												■
	Information Technology/ Cybersecurity/ Telecommunications	■					■							■
	Investor Relations	■				■		■			■	■		■
	Logistics	■		■	■					■				
	Manufacturing	■	■	■	■					■				■
	Mergers and Acquisitions	■		■		■	■	■			■	■		■
	Public Affairs	■		■		■		■	■			■		
	Public Office/ Public Servant													■
	Real Estate	■												
	Regulatory and Legal Matters					■		■						
	Risk Management	■		■		■		■	■					
	Sales	■	■	■	■			■		■				

Board of Directors

Set forth below are the names, positions and experiences of the members of CEMEX, S.A.B. de C.V.'s board of directors as of December 31, 2021. For information regarding the individuals that were appointed as members of CEMEX, S.A.B. de C.V.'s board of directors at CEMEX, S.A.B. de C.V.'s annual general ordinary shareholders' meeting held on March 24, 2022, see "Item 5—Operating and Financial Review and Prospects—Recent Developments Relating to CEMEX, S.A.B. de C.V.'s Shareholders' Meetings."

No alternate directors were elected at CEMEX, S.A.B. de C.V.'s annual general ordinary shareholders' meeting that took place on March 25, 2021. Members of CEMEX, S.A.B. de C.V.'s board of directors serve for one-year terms.

Name:	Rogelio Zambrano Lozano.
Age:	65.
Citizenship:	Mexican.
Type of Board Member:	Non-Independent.
Role within CEMEX's Board of Directors:	Chairman.
Tenure on CEMEX's Board of Directors:	Member since 1987, and Chairman since 2014.
Board Memberships at Listed Entities:	Mr. Zambrano Lozano is an alternate member of the Board of Directors of Banco Santander México, S.A.
Other Current Roles:	He is a member of the Board of Directors of Carza, S.A.P.I. de C.V. (a non-public corporation), a member of the Regional Council of Banco de México (Mexico's central bank), a member of the Mexican Business Council (*Consejo Mexicano de Negocios*) and he is also a member of the Board of Trustees of the Instituto Tecnológico y de Estudios Superiores de Monterrey, as well as a visiting professor at this same University.
Experience:	He was President of CEMEX's Finance Committee from 2009 until March 2015. Mr. Zambrano Lozano has been involved in the construction and building materials industries for over 40 years in Mexico and the United States, after founding and serving as President and Chief Executive Officer of Carza, S.A.P.I. de C.V., a leading real estate development company. With his vast experience and proven leadership, since his appointment as Chairman, Mr. Zambrano Lozano has been responsible for guiding the company's global business strategy, particularly focusing on strengthening best corporate governance practices, based on a commitment to create lasting value for all CEMEX's stakeholders.
Education:	He holds a B.S. degree in Industrial and Systems Engineering from the Instituto Tecnológico y de Estudios Superiores de Monterrey, and an M.B.A. from the Wharton Business School of the University of Pennsylvania.

Name:	Fernando A. González Olivieri.
Age:	67.
Citizenship:	Mexican.
Type of Board Member:	Non-Independent.
Tenure on CEMEX's Board of Directors:	Since 2015.
Experience and Education:	See "Item 6—Directors, Senior Management and Employees—Senior Management."

.Name:	Marcelo Zambrano Lozano.
Age:	66.
Citizenship:	Mexican.
Type of Board Member:	Non-Independent.
Tenure on CEMEX's Board of Directors:	Since 2017.
Tenure on CEMEX's Sustainability Committee:	Since 2017.
Board Memberships at Listed Entities:	He is a member of the executive management of one of Go Proyectos, S.A. de C.V.'s development trusts, known by its ticker symbol as CARZACK 18, which is listed in Mexico. He is a member of the Board of Directors of Fibra Inn, a Real Estate Investment Trust listed in Mexico and the United States.
Other Current Roles:	He is a founding partner and Executive Chairman of the Board of Directors of Carza, S.A.P.I. de C.V., a recognized real estate development non-public corporation in the residential, commercial and industrial sectors. He is a member of the Board of Directors of Grupo Vigia, S.A. de C.V. (a non-public corporation dedicated to distribution of gas, fuel, and other oil derivatives), as well as an alternate member of the Board of Directors of Regional, S.A.B. de C.V., a financial institution listed in Mexico. He is also a member of the General Board of Universidad de Monterrey, A.C. (UDEM), and of the General Board of Teléfonos de México, S.A.B. de C.V. (a non-public corporation).
Experience:	His ample knowledge of the real estate and construction industries in Mexico and the United States provides the Board of Directors with an insightful view of major trends shaping the sector globally, particularly in key areas such as logistics and supply-chain development, thus helping CEMEX to anticipate the evolving needs of its customers in the aforementioned markets.
Education:	He holds a B.A. degree in Marketing from the Instituto Tecnológico y de Estudios Superiores de Monterrey.

Name:	Ian Christian Armstrong Zambrano.
Age:	41.
Citizenship:	Mexican.
Type of Board Member:	Non-Independent.
Tenure on CEMEX's Board of Directors:	Since 2014.
Tenure on CEMEX's Sustainability Committee:	Since 2014.
Board Memberships at Listed Entities:	N/A
Other Current Roles:	He is a founding partner and President of Biopower (a non-public corporation), which provides the private and public sectors with voltage optimization solutions and services related to quality of energy, as well as a founding member and President of RIC Energy Mexico (a non-public corporation), which is a qualified energy services provider and power generator. Mr. Armstrong Zambrano is also member of the Boards of Directors of Tec Salud (a non-profit organization) and Fondo Zambrano Hellion (a non-profit organization).
Experience:	With his experience in the financial and energy sectors, Mr. Armstrong Zambrano has advised and carried out several projects with leading multinational companies in Mexico. Thus, in addition to contributing his knowledge to CEMEX's Sustainability Committee to evaluate energy projects, he provides strategic guidance to CEMEX's Board of Directors for the development and global expansion of the company.
Education:	He holds Business Administration degree from the Instituto Tecnológico y de Estudios Superiores de Monterrey and holds an M.B.A. from the IE Business School.

Name:	Tomás Milmo Santos.
Age:	57.
Citizenship:	Mexican.
Type of Board Member:	Non-Independent.
Tenure on CEMEX's Board of Directors:	Since 2006.
Board Memberships at Listed Entities:	He is co-chairman of the board of directors of Axtel, S.A.B. de C.V. and member of the board of directors of Promotora Ambiental, S.A.B. de C.V.
Other Current Roles:	He is chairman of the board of directors and CEO of Grupo Perseus (a non-public corporation), a company focused on the energy sector, as well as vice-president of the board of directors of Thermion Energy Group (a non-public corporation). Likewise, he is a member of the directive board of the Instituto Tecnológico y de Estudios Superiores de Monterrey and chairman of the board of directors of Tec Salud (a non-profit organization) and Alianza Educativa Ciudadana por Nuevo León (a non-profit organization).
Experience:	He served as an alternate member of CEMEX's Board of Directors from 2001 to 2006 and a member of CEMEX's Finance Committee from 2009 to 2015. Mr. Milmo Santos is an entrepreneur with decades of experience in the industrial, energy and telecommunications sectors, which provides to CEMEX's Board of Directors insight into the various markets where CEMEX operates around the world.
Education:	He holds B.A. in Economics from Stanford University.

Name:	Armando J. García Segovia.
Age:	69.
Citizenship:	Mexican.
Type of Board Member:	Independent.
Tenure on CEMEX's Board of Directors:	Since 1983.
Tenure on CEMEX's Sustainability Committee:	Since 2014, and President of the Sustainability Committee since 2014.
Board Memberships at Listed Entities:	He is a member of the Board of Directors of Hoteles City Express, S.A.B. de C.V., and an alternate member of the Board of Directors of GCC, S.A.B. de C.V., both of which are listed corporations in Mexico.
Other Current Roles:	He is a member of the Board of Directors of Innovación y Conveniencia, S.A. de C.V. (a non-public corporation) and of the Board of Directors of Universidad de Monterrey, A.C. (UDEM). He serves as Vice President of the Patronato del Museo de la Fauna y Ciencias Naturales, A.B.P. and he is a member of the Consejo de Participación Ciudadana de Parques y Vida Silvestre de Nuevo León, two not-for-profit entities with a sustainability agenda. Mr. García Segovia is the founder and Chairman of the Board of Directors of Comenzar de Nuevo, A.C., a non-profit organization focused on the treatment, education, prevention, and research of eating behavior disorders and related diseases. Mr. García Segovia also serves as honorary consul in Monterrey of the Kingdom of Denmark.
Experience:	He worked at Cydsa, S.A.B. de C.V. (a listed corporation) and Conek, S.A. de C.V. (a non-public corporation). From 1985 to 2010, he held several positions at CEMEX, including Director of Operations and Strategic Planning, Corporate Services, and Business Development, as well as Executive Vice President of Development, Technology, Energy and Sustainability. He was also Vice President of the Mexican Employers' Association (COPARMEX), Chairman of the Private Sector Center for Sustainable Development Studies (CESPEDES), and a member of the Board of Directors of the World Environmental Center (a non-profit organization). He brings to the Board of Directors a broad knowledge of the technical and production aspects of the global building-materials industry, along with a deep commitment to sustainability, climate action and nature conservancy, that provides valuable leadership to CEMEX's sustainability and climate action strategy, a core component to the company's long-term value creation objective.
Education:	He holds a B.S. degree in Mechanical Engineering and Administration from the Instituto Tecnológico y de Estudios Superiores de Monterrey, and an M.B.A. from the University of Texas.

Name:	Rodolfo García Muriel.
Age:	76.
Citizenship:	Mexican.
Type of Board Member:	Independent.
Tenure on CEMEX's Board of Directors:	Since 1985.
Tenure on CEMEX's Corporate Practices and Finance Committee:	Since 2015.
Tenure on CEMEX's Audit Committee:	Since 2016.
Board Memberships at Listed Entities:	N/A
Other Current Roles:	He is the Chief Executive Officer of Compañía Industrial de Parras, S.A. de C.V., Chairman of the Board of Directors of Grupo Romacarel, S.A.P.I de C.V., (both are non-public corporations) and a member of the Regional Board of Directors of Grupo Financiero Citibanamex (a non-public corporation).
Experience:	He was a member of CEMEX's Finance Committee from 2009 until March 2015. He is a Mexican business leader with decades of experience and an outstanding record as founder, director and president of major companies in the manufacturing, construction, transport and communications industries. His vast business experience brings to the Board of Directors useful knowledge in critical areas such as logistics and manufacturing as well as macroeconomic and market trends.
Education:	He holds a B.S. degree in Electric Mechanical Engineering from the Universidad Iberoamericana and completed specialized programs in Business Administration at both Harvard University, and the Anderson School of the University of California in Los Angeles (UCLA).

Name:	Dionisio Garza Medina.
Age:	67.
Citizenship:	Mexican.
Type of Board Member:	Independent.
Tenure on CEMEX's Board of Directors:	Since 1995.
Tenure on CEMEX's Corporate Practices and Finance Committee:	Since 2015.
Board Memberships at Listed Entities:	He member of the board of directors of Compañía Minera Autlán, S.A.B. de C.V.
Other Current Roles:	He is founder, chairman of the board of directors and CEO of Topaz Holding, S.A.P.I. de C.V. (a non-public corporation), a company dedicated to the energy, education and real estate sectors. He is also a member of the board of directors of ABC Holding, S.A.P.I. de C.V. and of Compañía Minera Autlán, S.A.B. de C.V.
Experience:	He served as Chairman of the Corporate Practices and Finance Committee of CEMEX from 2015 to 2021. With his extensive business experience and in-depth knowledge of the energy, oil and education sectors, the economy and global markets in general, Mr. Garza Medina brings to CEMEX's Board of Directors a strategic vision that contributes to the achievement of CEMEX's business objectives, including the constant strengthening and improvement of CEMEX's corporate governance practices. Mr. Garza Medina developed his professional career at Alfa, S.A.B. de C.V., where he held senior executive positions for 35 years, including Chief Executive Officer and chairman of the board of directors, until he retired in March 2010. He was also chairman of the board of the Universidad de Monterrey, A.C. (UDEM) for 13 years, as well as member of the Advisory Committee of the David Rockefeller Center for Latin American Studies at Harvard University, the Advisory Council of the Stanford University School of Engineering and the Latin American Advisory Board of the Harvard Business School, where he was President in 2009. He was also a member of the board of directors of ABC Holding, S.A.P.I. de C.V.
Education:	He holds a B.S. in Industrial Engineering and a Masters' degree in Industrial Engineering from Stanford University. He also holds an M.B.A. from Harvard University.

Name:	Francisco Javier Fernández Carbajal.
Age:	66.
Citizenship:	Mexican.
Type of Board Member:	Independent.
Tenure on CEMEX's Board of Directors:	Since 2012.
Tenure on CEMEX's Audit Committee:	Since 2015.
Tenure on CEMEX's Sustainability Committee:	Since 2016.
Tenure on CEMEX's Corporate Practices and Finance Committee:	Member of the Corporate Practices and Finance Committee since 2015, and President of the Corporate Practices and Finance Committee since 2019.
Board Memberships at Listed Entities:	He is a member of the Board of Directors of Alfa, S.A.B. de C.V., a listed corporation in Mexico and of two public corporations listed on the New York Stock Exchange: Fomento Económico Mexicano, S.A.B. de C.V. (also a listed corporation in Mexico), and VISA, Inc.
Other Current Roles:	Mr. Fernández Carbajal is the Chief Executive Officer of Servicios Administrativos Contry, S.A. de C.V. (a non-public corporation).
Experience:	Previously, he held positions at Grupo Financiero BBVA Bancomer, including Executive Vice President of Strategic Planning, Deputy President of Systems and Operations, Deputy President, and Chief Financial Officer. With a 38-year business career and in-depth knowledge of specialized areas like payment systems and complex financial services worldwide, Mr. Fernández Carbajal brings to the Board of Directors relevant insights in strategic planning and risk management, as well as in essential business functions, including financial reporting and competitive compensation mechanisms, which are central to attracting and retaining talent.
Education:	He holds a B.S. degree in Electric Mechanical Engineering from the Instituto Tecnológico y de Estudios Superiores de Monterrey, and an M.B.A. from the Harvard Business School.

Name:	Armando Garza Sada.
Age:	64.
Citizenship:	Mexican.
Type of Board Member:	Independent.
Tenure on CEMEX's Board of Directors:	Since 2015.
Tenure on CEMEX's Corporate Practices and Finance Committee:	Since 2015.
Board Memberships at Listed Entities:	Mr. Garza Sada is the Chairman of the Board of Directors of Alfa, S.A.B. de C.V., a listed corporation in Mexico with operations in 28 countries, and a business portfolio that includes refrigerated food, energy, petrochemicals, aluminum auto parts, IT and communications. He is also Chairman of the Board of Directors of Alpek, S.A.B. de C.V., and of Nemak, S.A.B. de C.V., a member of the Board of Directors of Axtel, S.A.B. de C.V., El Puerto de Liverpool, S.A.B. de C.V., Grupo Lamosa, S.A.B. de C.V., all of which are listed corporations in Mexico.
Other Current Roles:	He is an alternate member of the Board of Directors of Grupo Financiero BBVA México, S.A. de C.V. (non-public corporation). He is also a member of the Board of Trustees of the Instituto Tecnológico y de Estudios Superiores de Monterrey.
Experience:	Mr. Garza Sada's decades of experience at the highest corporate level in top-ranked companies provides the Board of Directors with a unique insight on the global economic landscape, and a hands-on experience to best align the company's business strategy with its day-to-day operations.
Education:	Mr. Garza Sada holds a B.S. degree in Industrial Engineering from the Massachusetts Institute of Technology and an M.B.A. from Stanford University.

Name:	David Martínez Guzmán.
Age:	64.
Citizenship:	British.
Type of Board Member:	Independent.
Tenure on CEMEX's Board of Directors:	Since 2015.
Board Memberships at Listed Entities:	He serves on the Board of Directors of Alfa, S.A.B. de C.V. and of Vitro, S.A.B. de C.V., both of which are listed corporations in Mexico, and of Sabadell Bank, a listed corporation in Spain.
Other Current Roles:	He is the founder and Principal of Fintech Advisory Inc., as well as Managing Director of its London subsidiary, Fintech Advisory, Ltd., and member of the Board of Directors of ICA Tenedora, S.A. de C.V.
Experience:	In 1984, Mr. Martínez Guzmán joined the Latin America Sovereign Restructuring unit of Citibank, N.A. in New York, where he helped coordinate the restructuring of Argentina's sovereign debt. In 1987, he formed Fintech in New York, which since then has participated in most of the sovereign debt restructurings around the world, starting with the Brady Plan in the 1980s. Over the past three decades, Mr. Martínez Guzmán has consistently pursued high-value investments through numerous corporate restructurings across various industries in Latin America, and over the last decade he has also conducted strategic investments in the Eurozone, participating in the recapitalization processes of systemically important banks in Greece, Spain and Italy. Mr. Martínez Guzmán brings a renowned worldwide expertise in the financial sector and global markets to the Board of Directors, providing significant guidance on CEMEX's proactive financial management for deleveraging and achieving an investment grade credit rating, as well as the company's sustainable growth strategy.
Education:	He holds a B.S. degree in Mechanical and Electrical Engineering from the Universidad Nacional Autónoma de México (UNAM), a B.A. degree in Philosophy from the Universitas Gregoriana in Rome, Italy, and an M.B.A. from Harvard Business School.

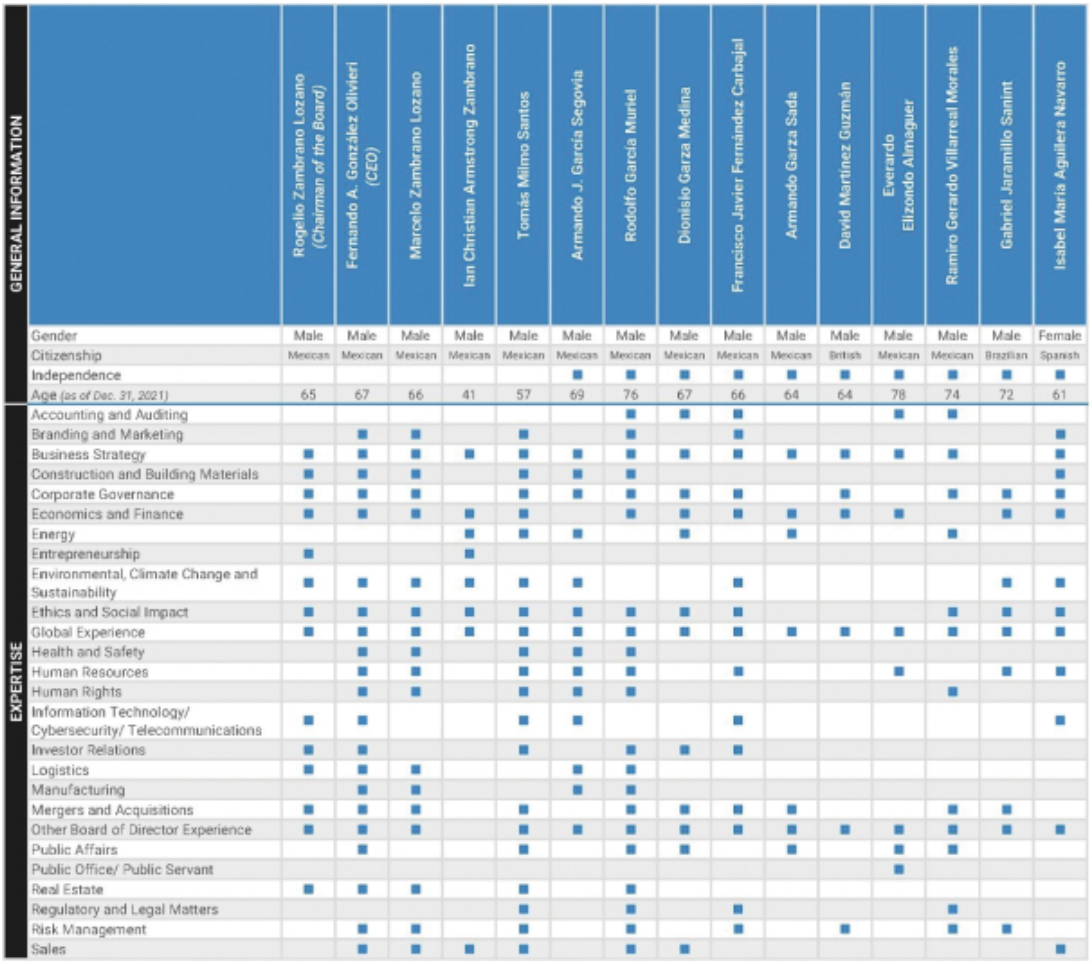
Name:	Everardo Elizondo Almaguer.
Age:	78.
Citizenship:	Mexican.
Type of Board Member:	Independent.
Tenure on CEMEX's Board of Directors:	Since 2016.
Tenure on CEMEX's Audit Committee:	Since 2018. President of the Audit Committee since 2019.
Board Memberships at Listed Entities:	He is a member of the Board of Directors of Grupo Financiero Banorte, S.A.B. de C.V., of Compañía Minera Autlán, S.A.B. de C.V., and of Gruma, S.A.B. de C.V., all of which are listed corporations in Mexico.
Other Current Roles:	Mr. Elizondo is a professor of Macroeconomics at EGADE Business School of the Instituto Tecnológico y de Estudios Superiores de Monterrey, and at the School of Economics of the Universidad Autónoma de Nuevo León (UANL), as well as a member of the Board of Directors of Afore XXI-Banorte, S.A., and of Rassini, S.A.B. de C.V. (these two are non-public corporations).
Experience:	Mr. Elizondo Almaguer qualifies as a "financial expert" for purposes related to the Sarbanes-Oxley Act. He served as deputy governor of the Banco de México (Mexico's central bank) from 1998 to 2008. Before that, he was the director for Economic Studies at Alfa, S.A.B. de C.V. (a listed corporation), and at Grupo Financiero BBVA Bancomer, S.A. de C.V. (a non-public corporation). He founded and was the director of the Graduate School of Economics of the UANL. With a distinguished professional career as a financial analyst, exemplary public official and academic scholar, Mr. Elizondo Almaguer brings to the Board of Directors extensive knowledge of the financial system and the international macroeconomic environment, providing insights to ensure the Company's full observance of best corporate practices, and identify new business opportunities.
Education:	Mr. Elizondo Almaguer holds a B.A. degree in Economics from the Universidad Autónoma de Nuevo León, a Master's in Economics from the University of Wisconsin-Madison, a certificate from Harvard University's International Tax Program and a Honoris Causa Doctorate from the Universidad Autónoma de Nuevo León.

Name:	Ramiro Gerardo Villarreal Morales.
Age:	74.
Citizenship:	Mexican.
Type of Board Member:	Independent.
Tenure on CEMEX's Board of Directors:	Since 2017.
Board Memberships at Listed Entities:	He is a member of the Board of Directors of GCC, S.A.B. de C.V. and Vinte Viviendas Integrales, S.A.B. de C.V., which are listed on the Mexican Stock Exchange.
Other Current Roles:	Mr. Villarreal Morales is a member of the Board of Directors of Banco Bancrea, S.A., Institución de Banca Múltiple (a non-public financial institution).
Experience:	He joined CEMEX in 1987 as General Legal Director, and subsequently served in various positions, including Executive Vice President of Legal and Advisor to the Chairman of the Board of Directors and the Chief Executive Officer until December 2017. Previously, he served as General Director of the regional bank division of Banpaís, where he was responsible for the operation of the bank's 121 branches, and, until February 2012, he was the Secretary of the Board of Directors of Enseñanza e Investigación Superior, A.C., a non-profit that manages the Instituto Tecnológico y de Estudios Superiores de Monterrey. He served as Secretary of CEMEX's Board of Directors from 1995 to March 30, 2017. With over 50 years of professional experience in different countries where CEMEX has operations, Mr. Villarreal Morales provides the Board of Directors with key guidance around regulatory and legal matters, as well as international financial transactions, helping to ensure strict observance of all applicable laws.
Education:	He holds a B.A. degree in Law from the Universidad Autónoma de Nuevo León, and a Master's in Finance from the University of Wisconsin-Madison.

Name:	Gabriel Jaramillo Sanint.
Age:	72.
Citizenship:	Brazilian.
Type of Board Member:	Independent.
Tenure on CEMEX's Board of Directors:	Since 2018.
Board Memberships at Listed Entities:	He is a member of the Board of Directors of Minerva Foods, a listed corporation in Brazil.
Other Current Roles:	Mr. Jaramillo Sanint is the founder and director of a sustainable economic development program in the Orinoco Basin in Colombia. He is also a member of the Board of Directors of Centro Hospitalario Tatama (Colombia) (a non-profit organization), and of Medicines For Malaria Ventures (a non-profit organization) based in Geneva, Switzerland.
Experience:	Previously, he served as Chairman of the Board of Directors and Chief Executive Officer of Santander USA (formerly Sovereign Bank), Banco Santander Brasil, and Banco Santander Colombia, and as CEO of Citibank Mexico, and Citibank Colombia. Since retiring, he has focused on health-related philanthropic work, leading the transformation of the Global Fund to Fight AIDS, Tuberculosis and Malaria, which raised $13 billion from 2017 to 2020. He was a member of the Board of Directors of CEMEX Latam Holdings, S.A., which is listed on the Colombian Securities Exchange, from October 2012 to April 2018. With an outstanding 35-year career in South America, Mexico and the United States, Mr. Jaramillo Sanint not only brings to CEMEX's Board of Directors extensive experience in complex financial matters, but also in sustainability, health and safety, as well as corporate social responsibility, a pillar of CEMEX's global strategy to achieve sustainable growth and create lasting value.
Education:	Mr. Jaramillo Sanint holds a B.A. degree in Marketing and an M.B.A. from California State University. In 2015, Mr. Jaramillo Sanint received honorary degrees from the Universidad Autónoma de Manizales in Colombia and Northeastern University.

Name:	Isabel María Aguilera Navarro.
Age:	61.
Citizenship:	Spanish.
Type of Board Member:	Independent.
Tenure on CEMEX's Board of Directors:	Since 2019.
Board Memberships at Listed Entities:	She is a member of the Board of Directors of Oryzon Genomics, S.A., Lar España Real Estate SOCIMI, S.A., and Clínica Baviera, all of which are listed corporations in Spain.
Other Current Roles:	She is an independent consultant and an associate professor at the ESADE Business School in Barcelona. She is a member of the Board of Directors of the Spanish multinational state-owned entity Canal de Isabel II, which manages the water supply infrastructure of Madrid, Spain and has operations in South America. She is also a member of the Board of Directors of Making Science, a non-public corporation.
Experience:	Mrs. Aguilera Navarro was President of General Electric Spain and Portugal from 2008 to 2009, General Manager of Google Inc. (now Alphabet) Spain and Portugal from 2006 to 2008, Operations Director of NH Hotel Group SA from May 2002 to June 2005, and General Director of Dell Computer Corporation for Spain, Italy and Portugal from March 1997 to May 2002. She has also served as an adviser to various Spanish non-profit organizations, including the Companies Institute (*Instituto de Empresa*), and the Association for Management Progress (*Asociación para el Progreso de la Gestión*). She was a member of the Advisory Board of Farmaindustria, Ikor, and Pelayo Mutua de Seguros, and a business entrepreneur from 2009 to 2012 at Twindocs International. Previously, she was a board member of Banca Farmafactoring S.p.A. and Hightech Payment System SA. With her experience in multinational corporations in Europe, Mrs. Aguilera Navarro brings to the Board of Directors guidance on the overall global business landscape and an informed view on innovation, entrepreneurship, technological and digitalization issues, from customer-centric platforms to organizational processes and essential corporate functions, a key element of the Company's digital strategy. In addition, she brings important insights in urban planning and a critical customer influencer, architects.
Education:	Mrs. Aguilera Navarro holds a B.A. degree in Architecture and Urban Planning from the Escuela Técnica Superior de Arquitectura de Sevilla (ETSA) and an M.B.A. from the IE Business School.

Board of Directors Skill Matrix



		Rogelio Zambrano Lozano (Chairman of the Board)	Fernando A. González Olivieri (CEO)	Marcelo Zambrano Lozano	Ian Christian Armstrong Zambrano	Tomás Milmo Santos	Armando J. García Segovia	Rodolfo García Muriel	Dionisio Garza Medina	Francisco Javier Fernández Carbajal	Armando Garza Sada	David Martínez Guzmán	Everardo Elizondo Almaguer	Ramiro Gerardo Villarreal Morales	Gabriel Jaramillo Sanint	Isabel María Aguilera Navarro
GENERAL INFORMATION	Gender	Male	Male	Male	Male	Male	Male	Male	Male	Male	Male	Male	Male	Male	Male	Female
	Citizenship	Mexican	Mexican	Mexican	Mexican	Mexican	Mexican	Mexican	Mexican	Mexican	Mexican	British	Mexican	Mexican	Brazilian	Spanish
	Independence						■	■	■	■	■	■	■	■	■	■
	Age (as of Dec. 31, 2021)	65	67	66	41	57	69	76	67	66	64	64	78	74	72	61
EXPERTISE	Accounting and Auditing							■	■	■			■	■		
	Branding and Marketing		■	■		■		■		■						■
	Business Strategy	■	■	■	■	■	■	■	■	■	■	■	■	■		■
	Construction and Building Materials	■	■	■		■	■	■								■
	Corporate Governance	■	■	■		■	■	■	■	■		■		■	■	■
	Economics and Finance	■	■	■	■	■		■	■	■	■	■	■		■	■
	Energy				■	■	■		■		■			■		
	Entrepreneurship	■			■											
	Environmental, Climate Change and Sustainability	■	■	■	■	■	■			■					■	■
	Ethics and Social Impact	■	■	■	■	■	■	■	■	■				■	■	■
	Global Experience	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■
	Health and Safety		■	■		■	■	■								
	Human Resources		■	■		■	■	■		■			■		■	■
	Human Rights		■	■		■	■	■						■		
	Information Technology/ Cybersecurity/ Telecommunications	■	■			■	■			■						■
	Investor Relations	■	■			■		■	■	■						
	Logistics	■	■	■			■	■								
	Manufacturing		■	■			■	■								
	Mergers and Acquisitions	■	■	■		■		■	■	■	■			■	■	
	Other Board of Director Experience	■	■	■		■	■	■	■	■	■	■	■	■	■	■
	Public Affairs		■			■		■	■		■		■	■		
	Public Office/ Public Servant												■			
	Real Estate	■	■	■		■		■								
	Regulatory and Legal Matters					■		■		■				■		
	Risk Management		■	■		■		■		■		■		■	■	
	Sales		■	■	■	■		■	■							■

Familial relationships among members of CEMEX, S.A.B. de C.V.'s Board of Directors

- Rogelio Zambrano Lozano

Mr. Rogelio Zambrano Lozano (Chairman of CEMEX's Board of Directors) has a familial relationship with Mr. Marcelo Zambrano Lozano.

- Marcelo Zambrano Lozano

Mr. Marcelo Zambrano Lozano has a familial relationship with Mr. Rogelio Zambrano Lozano (Chairman of CEMEX's Board of Directors).

- Armando J. García Segovia

Mr. Armando J. García Segovia has a familial relationship with Mr. Rodolfo García Muriel.

- Rodolfo García Muriel

Mr. Rodolfo García Muriel has a familial relationship with Mr. Armando J. García Segovia.

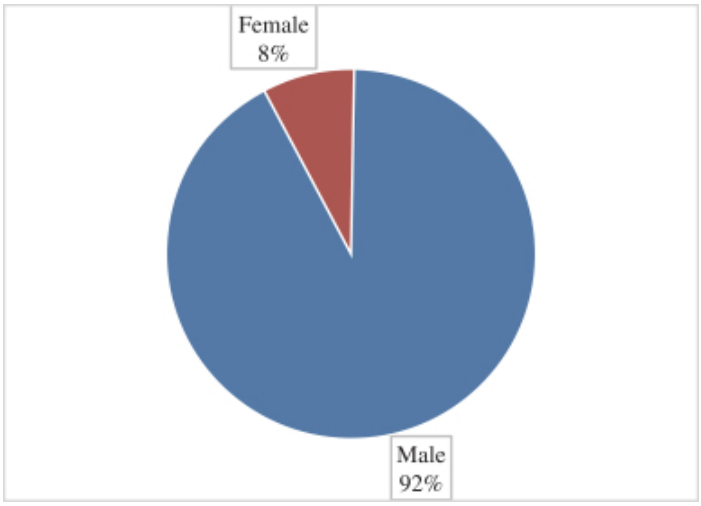
Senior Management and Board Composition

The composition of our senior management and board of directors, as well as certain information regarding the areas of expertise and seniority of their members as of December 31, 2021, is addressed in this section.

Senior Management

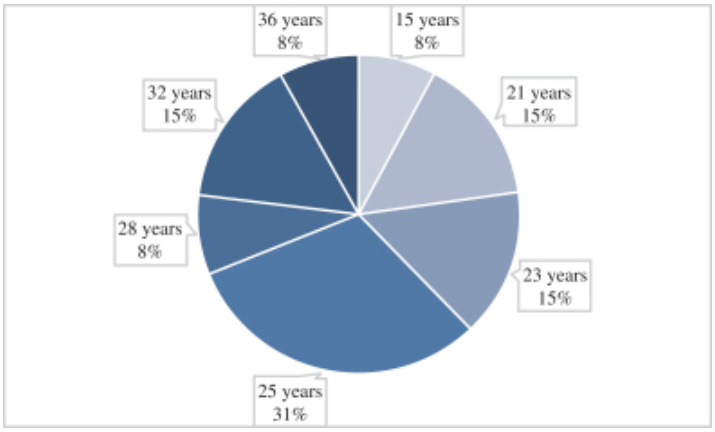
Gender

As of December 31, 2021, our senior management was comprised of 13 members, of which 92% were male and 8% were female.



Seniority (in years at the Company)

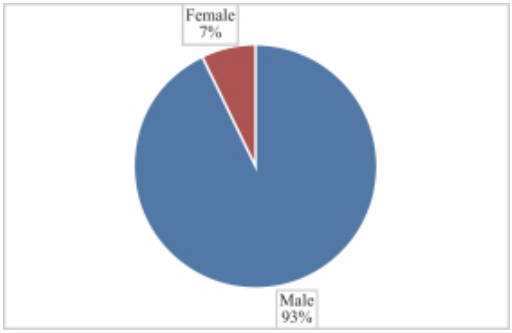
As of December 31, 2021, our senior management's average years at the Company was 26 years.



Board of Directors

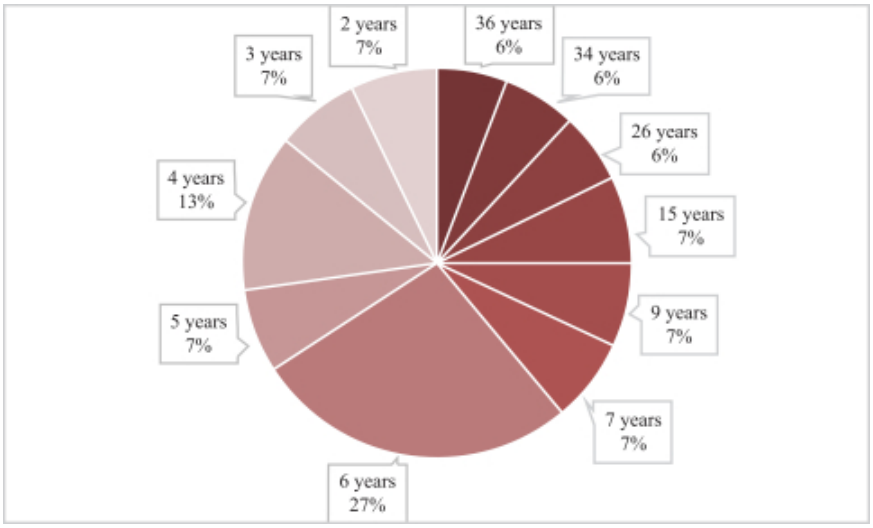
Gender

As of December 31, 2021, our Board of Directors was comprised of 15 members, of which 93% were male and 7% were female.



Seniority (in years at the Company)

As of December 31, 2021, our board of directors' average years at the Company was 11 years.



As of December 31, 2021, there were no alternate members of CEMEX, S.A.B. de C.V.'s board of directors.

Board Practices

Pursuant to the Mexican Securities Market Law (*Ley del Mercado de Valores*) (the "Mexican Securities Market Law"), CEMEX, S.A.B. de C.V.'s management is the responsibility of its board of directors and its chief executive officer. The Mexican Securities Market Law and CEMEX, S.A.B. de C.V.'s by-laws (*estatutos sociales*) together set forth the fiduciary duties of the members of CEMEX, S.A.B. de C.V.'s board of directors, who are 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;
- to maintain the confidentiality of the information and matters of which they become aware in their capacity as directors, when such information or matters are not of public knowledge;
- to abstain from discussions and voting relating to matters in which they have an interest;
- to abstain from engaging in illicit acts or activities; and
- to act in a manner consistent with the duty of care and the duty of loyalty.

The Mexican Securities Market Law also specifies that the duties of surveillance over our business are the responsibility of the board of directors, which are fulfilled by the corporate practices and finance committee and the audit committee, as well as through the external auditor who audits the entity's financial statements, each within its professional role.

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. As of December 31, 2021, CEMEX, S.A.B. de C.V.'s board of directors was comprised of 15 members, of which 10 were independent and 5 were non-independent under the standards of the Mexican Securities Market Law.

Other than any contractual arrangements entered into with any member of CEMEX, S.A.B. de C.V.'s board of directors while employed by us, which provide or may provide for retirement and pension benefits or other compensation upon termination of employment, CEMEX, S.A.B. de C.V. has not entered into any contracts with its directors that provide for benefits upon termination of their directorship.

The Audit Committee, the Corporate Practices and Finance Committee and Other Committees

The Mexican Securities Market Law requires CEMEX, S.A.B. de C.V.'s board of directors to have an audit committee and a corporate practices committee comprised entirely of independent directors. In compliance with such requirement, CEMEX, S.A.B. de C.V. has an audit committee and a corporate practices and finance committee.

CEMEX, S.A.B. de C.V.'s audit committee is responsible for:

- Evaluating internal controls and procedures and identifying deficiencies;
- Following up with corrective and preventive measures in response to any non-compliance with operation and accounting guidelines and policies;
- Evaluating the performance of external auditors and analyzing the reports, opinions and other information issued by such external auditors;
- Describing and valuing non-audit services performed by external auditors;
- Reviewing financial statements and determining if their approval should be recommended to the Board of Directors;

- Informing the Board of Directors of the state of the company's internal controls, internal audit and accounting systems, including any breaches detected;
- Supporting the Board of Directors in producing different reports submitted to the shareholders;
- 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 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;
- Supervising complaints raised by employees, third parties and other stakeholders to report ethical, corruption, and/or compliance matters utilizing confidential methods and other whistleblowing mechanisms;
- Ensuring compliance by the Chief Executive Officer with the resolutions adopted by the shareholders and Board of Directors; and
- Analyzing the risks identified by independent auditors, accounting, internal control and process assessment areas.

CEMEX, S.A.B. de C.V.'s corporate practices and finance committee is responsible for:

- Performing the role of a nomination and compensation committee, mainly by:
  - Evaluating the employment and compensation of the Chief Executive Officer and the Chairman of the Board; and
  - Reviewing the hiring and compensation policies for executive officers;
- Reviewing related party transactions and any conflicts of interest;
- Reviewing policies regarding use of corporate assets;
- Reviewing unusual or material transactions;
- Evaluating waivers granted to directors or executive officers regarding participation and benefiting of corporate opportunities;
- Identification, evaluation and follow up on the main risks affecting the company and its subsidiaries;
- Evaluating financial plans;
- Reviewing the financial strategy and its implementation; and
- Evaluating merger and acquisitions opportunities as well as asset sales, including financial and related transactions.

Under CEMEX, S.A.B. de C.V.'s by-laws and the Mexican Securities Market Law, all members of the audit committee and the corporate practices and finance committee, including their respective 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 a resolution of the shareholders adopted at a duly convened general shareholders' meeting, and the rest of the members may only be appointed or removed by a resolution of the shareholders adopted at a duly convened general shareholders' meeting or by resolution of the board of directors, following a recommendation from the president of the respective committee.

Set forth below are the names of the members of CEMEX, S.A.B. de C.V.'s audit committee and corporate practices and finance committee as of December 31, 2021. For information regarding the individuals that were appointed as members of CEMEX' S.A.B. de C.V.'s audit committee and corporate practices and finance committee at CEMEX, S.A.B. de C.V.'s annual general ordinary shareholders' meeting held on March 24, 2022, see "Item 5—Operating and Financial Review and Prospects—Recent Developments Relating to CEMEX, S.A.B. de C.V.'s Shareholders' Meetings." Each member of the committees is an independent director. The

terms of the members of the committees are indefinite. Everardo Elizondo Almaguer qualifies, as an "audit committee financial expert" for purposes of the Sarbanes Oxley Act of 2002. See "Part II—Item 16A—Audit Committee Financial Expert."

AUDIT COMMITTEE:

Everardo Elizondo Almaguer	President
Rodolfo García Muriel	Member
Francisco Javier Fernández Carbajal	Member

CORPORATE PRACTICES AND FINANCE COMMITTEE:

Francisco Javier Fernández Carbajal	President
Rodolfo García Muriel	Member
Armando Garza Sada	Member

In addition, CEMEX, S.A.B. de C.V. has had a sustainability committee since 2014. On March 26, 2020, CEMEX, S.A.B. de C.V. held an ordinary general shareholders' meeting in which the shareholders for the first time approved the appointment of the members of the sustainability committee. Since then, the appointment of the members of the sustainability committee has been approved annually at CEMEX, S.A.B. de C.V.'s ordinary general shareholders' meeting.

CEMEX, S.A.B. de C.V.'s sustainability committee is responsible for:

- Overseeing sustainability and social responsibility policies, strategies and programs;
- Overseeing climate action goals and evaluating progress against those goals;
- Evaluating the effectiveness of sustainability programs and initiatives;
- Providing assistance to the Chief Executive Officer and senior management team regarding the strategic direction on sustainability and social responsibilities model;
- Identifying the main risks concerning sustainability-related matters and overseeing mitigating actions; and
- Endorsing a model of sustainability, priorities, and key indicators.

Set forth below are the names of the members of CEMEX, S.A.B. de C.V.'s sustainability committee as of December 31, 2021. For information regarding the individuals that were appointed as members of CEMEX, S.A.B. de C.V.'s sustainability committee at CEMEX, S.A.B. de C.V.'s annual general ordinary shareholders' meeting held on March 24, 2022, see "Item 5—Operating and Financial Review and Prospects—Recent Developments Relating to CEMEX, S.A.B. de C.V.'s Shareholders' Meetings." The terms of the members of the committee are indefinite.

SUSTAINABILITY COMMITTEE:

Armando J. García Segovia	President
Francisco Javier Fernández Carbajal	Member
Marcelo Zambrano Lozano	Member
Ian Christian Armstrong Zambrano	Member

Compensation of CEMEX, S.A.B. de C.V.'s Directors and Members of Our Senior Management

For the year ended December 31, 2021, the aggregate amount of compensation we paid, or our subsidiaries paid, to all members of CEMEX, S.A.B. de C.V.'s management was $50 million, which amount includes the salaries paid to the members of our board of directors, including its Chairman, and the salaries of our senior management, including of our Chief Executive Officer. Of the $50 million that we paid to members of CEMEX, S.A.B. de C.V.'s management, $26 million was paid as base compensation and cash-based performance bonuses, including pension and post-employment benefits, and $24 million corresponds to stock-based long-term compensation. During 2021, we purchased 93.1 million CPOs to fund current and future requirements of the Restricted Stock Incentive Plan ("RSIP") described below under "Item 6—Directors, Senior Management and Employees—Compensation of CEMEX, S.A.B. de C.V.'s Directors and Members of Our Senior Management—Restricted Stock Incentive Plan (RSIP)."

Variable Compensation Plan ("VCP")

The terms of the VCP available to our senior management are based on cash value added ("CVA") and consider performance metrics that include a combination of the employee's business unit, regional and consolidated global results as compared to our specific annual target goals, including certain health and safety and sustainability-related factors. In addition, the evaluation process considers each member of senior management's Individual Performance Assessment, along with his or her supervisor's input.

We calculate CVA by subtracting depreciation and capital charge from our operating cash flow. A positive CVA means that revenues were greater than costs, including our cost of capital, whereas a negative CVA means that revenues were not sufficient to cover such costs. Members of senior management who achieve a positive CVA result with respect to our specific annual target goals will generally receive higher compensation under the VCP.

Each senior management position has a target variable compensation payout of his or her budgeted compensation, which is expressed as a percentage of such executive's annual base pay. This target variable compensation amount varies according to the executive's level in the Company.

Every year, specific annual target goals are set after considering local business expectations and volatility of each of our operations. This allows us to ensure we maintain an objective criteria across our operations. Depending on our results and executives' performance as compared to our objectives and specific annual target goals, the annual target variable compensation incentive can range from 0% for poor results and performance to up to a maximum of 200% for exceptional results and performance.

In 2021, Consolidated CVA resulted in a VCP payout of 118%.

Restricted Stock Incentive Plan ("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. CPOs to cover the RSIP are issued or purchased in the secondary market, in each case, pursuant to the corresponding approvals from the CEMEX, S.A.B. de C.V. ordinary general shareholders' meetings. The CPOs are held in an individual account with a third-party supplier. At the end of each year during such four-year period, the restrictions lapse with respect to 25% of the allocated CPOs and such CPOs become freely transferable and subject to withdrawal from the trust. This current variable compensation plan has been applied to all its applicable participants since 2009, and it constitutes a further development to the variable remuneration plan that started in 2005.

As of the date of this annual report, we have three compensation programs that conform the RSIP: the "Ordinary Plan," the "KVP Plan," and the "Performance Plan." Approximately 470 of our employees participate in the Ordinary Plan. Only our most senior executives in key value positions participate in the KVP Plan and the Performance Plan.

As of December 31, 2021, the Ordinary Plan included approximately 470 participants. The annual award under the Ordinary Plan is calculated based on the result of the gross annual guaranteed compensation of the participants in Dollars as of May 31 of each calendar year, times a management factor, that, depending on the level of the participant, ranges from 12% to 28% and divided by the last 90-day average closing price, converted into Dollars, of CPOs as of June 30 of such calendar year. No member of our senior management participated in the Ordinary Plan.

As of December 31, 2021, the KVP Plan included approximately 58 participants, all of which are executives in key value positions. The annual award under the KVP Plan is based on the result of the cash variable compensation bonus in Dollars paid in April 2021 to these participants and divided by the last 90-day average closing price, converted into Dollars, of CPOs as of April 15 of each calendar year. As of December 31, 2021, all members of our senior management participate in the KVP Plan, except for Louisa (Lucy) P. Rodriguez who assumed a key value position in 2021 and will receive her first KVP Plan award in 2022.

The total number of CPOs granted for the Ordinary Plan and the KVP Plan during 2021 were 23 million and 34 million, respectively, of which 19 million were related to our senior management. In 2021, 34 million net CPOs of the Ordinary Plan and 19 million net CPOs of the KVP Plan were purchased in the secondary market, representing the first 25% of the 2021 compensation program, the second 25% of the 2020 compensation program, the third 25% of the 2019 compensation program and the final 25% of the 2018 compensation program. Of these 46 million CPOs, 11 million CPOs corresponded to our senior management.

Finally, our executives in key value positions participate in an additional RSIP program known as the Performance Plan. The Performance Plan replaced the Ordinary Plan in 2017 in order to align long-term compensation of our most senior executives with those of our investors. The Performance Plan entails granting a specific target of CPOs for each plan participant. The final payout can range from 0% to 200% of the target of CPOs based on CEMEX, S.A.B. de C.V.'s three-year total shareholder return relative to two market references: one market reference is comprised of seven public companies from the global construction and materials industry, and the second market reference is comprised of the 107 companies of the Morgan Stanley Capital International (MSCI) of Emerging Markets – LATAM Industry Index.

Under the Performance Plan, the vesting period occurs at the end of three years in a single 100% block, at which time the resultant number of CPOs become unrestricted immediately. Approximately 12 million CPOs were granted during 2021 under the Performance Plan, out of which 7 million CPOs were granted to our senior management, with an estimated fair value of 150%, which are expected to vest on July 1, 2024. During 2020 and 2021, 0 and 12 million CPOs, respectively, were vested to our senior management. Since the Performance Plan only came into effect in 2017 and there is a three-year vesting period, prior to 2020 there were no CPOs awarded under the Performance Plan.

See note 23 to our 2021 audited consolidated financial statements included elsewhere in this annual report.

CLH Employee Stock-Ownership Plan

To better align CLH's executives' interests with those of its stockholders, on January 16, 2013, CLH's board of directors approved, effective as of January 1, 2013, a long-term incentive plan available to eligible executives of CLH, which consists of an annual compensation plan based on CLH shares. The underlying shares in this long-term incentive plan, which are held in CLH's treasury and subject to certain restrictions, are delivered fully vested under each annual program over a service period of four years. During 2021, 2020 and 2019, CLH delivered 713,927 shares, 1,383,518 shares and 393,855 shares, respectively, corresponding to the vested portion of prior years' grants, which were subscribed and held in CLH's treasury. As of December 31, 2021, there are 3,476,865 shares of CLH associated with these annual programs that are expected to be delivered in the following years as the executives render services.

CEMEX Holdings Philippines Employee Restricted Stock Incentive Plan

Starting in 2018, a CHP compensation plan was granted to Philippines eligible participants. While this plan replaced their ordinary CPO plan, the mechanics of the plan remain the same. As of December 31, 2021 and 2020, there were 10 eligible participants with a total award of 16 million and 18.5 million CHP shares, respectively.

Compensation of CEMEX, S.A.B. de C.V.'s Chief Executive Officer and senior management

Full Year 2021 - Chief Executive Officer	**%**
Salary	20%
Short Term Performance Bonus (Cash)	20%
Long Term Performance Bonus (Restricted Stock)	40%
Long Term Performance Shares	20%
	100%

Full Year 2021 - Senior Management	**%**
Salary	42%
Short Term Performance Bonus (Cash)	22%
Long Term Performance Bonus (Restricted Stock)	22%
Long Term Performance Shares	14%
	100%

For our Chief Executive Officer and our senior management, the short-term variable performance bonus is paid in cash. Long term restricted shares and the long-term variable performance bonus are paid in the form of restricted shares. As mentioned above, we use CVA to measure short- term performance bonus.

Additionally, all members of our Executive Committee have entered into change of control agreements that have been previously approved by the Corporate Practices and Finance Committee and the board of directors. Under these agreements, if during the term of the change of control agreement and while the executive remains an employee of CEMEX, we shall be subject to a change in control and (i) within one (1) year following such change in control CEMEX terminates the employment of the executive involuntarily and without business reasons or (ii) within six (6) months following such change in control the executive provides notice of intent to resign from employment with CEMEX then the executive should receive the executive's salary and vacation accrued unpaid through his or her termination date, a lump sum equal to two times the executive's annual salary, a lump sum equal to the executive's target cash payout opportunity under the annual incentive bonus plan for which the executive is eligible, and vesting of all outstanding restricted stock plans and other equity arrangements subject to vesting and held by the executive through his or her termination date.

The post-employment benefits that our senior management receive are aligned to the local practices in the countries where they are based.

The competitiveness of our executive compensation structure, as well as the mix between base and variable, as well as short- and long-term compensation, is reviewed every two years. This analysis measures competitiveness versus similar size firms in both the US and European markets. The most recent review was performed in October 2021 by WTW (formerly Willis, Towers, Watson), a firm specialized in multinational risk management, insurance brokerage and company advisory.

CEMEX, S.A.B. de C.V.'s board of directors is compensated in a fixed manner based on participation in board meetings. The compensation of the board of directors is approved each year at CEMEX, S.A.B. de C.V.'s general ordinary shareholders' meeting. In 2021, the amount approved by our shareholders was $22,400 per each board meeting attended and $5,400 per each committee meeting attended, and the actual amount paid for attendance to these meetings was approximately $1.8 million.

The Chairman of CEMEX, S.A.B. de C.V.'s board of directors, however, is compensated in a similar manner as CEMEX, S.A.B. de C.V.'s senior management, including through the long-term performance plan based on CEMEX's total shareholder return versus peer groups. The base salary of the Chairman of CEMEX, S.A.B. de C.V.'s board of directors is 27% fixed and the remaining 73% is variable compensation.

The total compensation (including fixed and variable compensation) of the Chairman of CEMEX, S.A.B. de C.V.'s board of directors and the Chief Executive Officer is approved every year by the Corporate Practices and Finance Committee of the board of directors, which is integrated by three (3) independent directors. The Corporate Practices and Finance Committee of the board of directors also reviews and approves the annual variable compensation of all members of senior management, key value position participants, and corporate and regional executives who are entitled to this benefit.

Employees

As of December 31, 2021, we had 46,210 employees worldwide, which represented an increase of approximately 11% from the total number of employees we had as of December 31, 2020. The following table sets forth the number of our employees and a breakdown of their geographic location as of December 31, 2019, 2020 and 2021:

Location	2019	2020	2021
Mexico	11,567	14,248	18,166
United States	8,906	8,555	9,031
EMEAA	13,659	12,679	12,483
United Kingdom	2,814	1,961	1,933
France	1,839	1,813	1,768
Germany	1,124	1,117	1,117
Spain	1,919	1,823	1,774
Poland	1,057	1,066	1,070
Egypt	517	509	505
Philippines	722	777	775
Rest of EMEAA	3,667	3,613	3,541
SCA&C	6,508	6,181	6,530
Colombia	2,788	2,675	2,974
Panama	536	395	389
Costa Rica	322	295	325
Caribbean TCL	702	766	707
Rest of SCA&C	2,160	2,050	2,135
Total	40,640	41,663	46,210

In Mexico, as of December 31, 2021, 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 2021, we renewed approximately 102 contracts with different labor unions in Mexico. Our labor unions have taken important actions to implement the new labor laws, including, but not limited to, voting collective contracts in Mexico and informing employees about the terms and conditions of the collective agreements.

In the United States, as of December 31, 2021, approximately 28% of our employees were represented by unions, with the largest number being members of the International Brotherhood of Teamsters, the Laborers' International Union of North America, United Steelworkers, International Union of Operating Engineers and the International Brotherhood of Boilermakers. 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 July 1, 2027.

As of December 31, 2021, our subsidiaries in Spain had 1,125 employees with collective bargaining agreements. Additionally, 740 of them, corresponding to employees in the cement business, had a company-specific collective bargaining agreement that has been renewed until December 31, 2022. The remaining 385, corresponding to the ready-mix concrete, mortar, aggregates and transport sectors, as well as non-cement office-based employees, have industry-specific collective bargaining agreements and are employees of different subsidiaries of ours in the country.

In the United Kingdom, as of December 31, 2021, our cement manufacturing and cement supply chain operations had collective bargaining agreements with Unite the Union. The rest of our operations in the United Kingdom are not part of collective bargaining agreements. However, there are local agreements for consultations and employees can be represented by a trade union official at specific types of meetings.

In Germany, as of December 31, 2021, most of our employees are working under collective bargaining agreements with the Industriegewerkschaft Bauen Agrar Umwelt—IG B.A.U. union. Most employees are subject to the in-house bargaining agreement with the IG B.A.U., which means salaries are negotiated between the applicable company and the trade union IG B.A.U. Collective bargaining agreement negotiations for cement operations employees occurred between employers' associations Arbeitgeberverband Zement e.V. and IG B.A.U. during the third quarter of 2021. Both negotiations led to the execution of agreements. The period of both agreements will end in 2023. Agreed salary increases are in line with our budget assumptions. In addition, there are internal company agreements, negotiated between the works council and the company itself. The next works council elections for most areas will take place during 2022.

In France, as of December 31, 2021, less than 0.1% of our employees were members of two of the five main unions. At least one representative from one of the five main unions was represented in the following legal entities: CEMEX Granulats (one representative) and Cemex Bétons Ile de France (one representative). All agreements are negotiated with unions and non-union representatives elected in the local workers council (*Comité social et économique*) for periods of four years.

In Israel, as of December 31, 2021, our aggregates manufacturing and lime manufacturing operations had existing special collective bargaining agreements with the Histadrut—the largest employee organization in Israel ("Histadrut"). In addition, our concrete product landscape plant, Netivei-Noy, has an existing special collective bargaining agreement with Histadrut that applies to the plant's employees. The rest of our operations in Israel are not part of collective bargaining agreements.

In the Philippines, as of December 31, 2021, approximately 31% of the non-managerial employees of our cement business were members of, and were represented by, labor unions. Their labor conditions including wages and benefits are governed by collective bargaining agreements negotiated at the plant level. The Solid Cement Plant has two unions and the collective bargaining agreements for these unions will expire on December 31, 2022 and February 28, 2023, respectively. APO Cement Plant also has two unions and the collective bargaining agreements for both these unions will expire on December 31, 2024.

In Egypt, as of December 31, 2021, the majority of our eligible employees were represented by the Assiut Cement Labor Union and the General Building Materials Union. The collective bargaining agreement, of which our employees are party to, governs annual profit share and productivity bonus payments. Such agreement will expire on December 31, 2024.

In Panama, as of December 31, 2021, approximately 55% of our workforce were members of Sindicato de Trabajadores de Cemento Bayano, a union 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 in full force and effect since January 2020 expires in December 2023.

In Colombia, as of December 31, 2021, there were 5 regional sectionals of a single industry union that represents our employees at the Caracolito, Clemencia, Bucaramanga, Cúcuta and Maceo cement plants and

mills, and a minority part of the logistics operations at the national level. As of the date of this annual report, the Bucaramanga and Clemencia regional sectionals are undergoing a dissolution process. Another union represented a minority of the employees in the ready-mix concrete operations, and there was also another union in the logistics operation which as of December 31, 2021 had no affiliated CEMEX employees. There were also collective agreements with non-union workers at the Santa Rosa cement plant, all aggregates operations and the majority of the logistics and ready-mix concrete operations in Colombia. We consider our relationships with labor unions representing our employees in Colombia to be satisfactory.

In Caribbean TCL, as of December 31, 2021, the majority of our employees are party to collective bargaining agreements with the exception of those in the Guyana operations. Collective bargaining agreements in Trinidad and Barbados have all expired, however negotiations are currently ongoing regarding new agreements to replace those that have expired. In Jamaica, as of December 31, 2021, approximately 57% of our employees were represented by unions, with the largest number being members of the Union of Clerical And Supervisory Employees ("UCASE") representing the hourly paid employees (26%), UCASE representing the monthly paid technicians and operators (15%) and STAFF Association representing the coordinators and administrative assistants 16%). Negotiations were finalized with the UCASE representing the hourly paid employees and STAFF Association in October and November 2020, respectively, and the collective bargaining agreement with these groups will end in June and December 2021, respectively. A collective bargaining agreement ending on December 31, 2021 is also in place with the UCASE representing the monthly paid technicians and operators.

Share Ownership

As of December 31, 2021, to the best of our knowledge, the members of the board of directors of CEMEX, S.A.B. de C.V. and our senior management, including their immediate families, owned, collectively, approximately 1.368% of CEMEX, S.A.B. de C.V.'s outstanding shares, including shares underlying stock options and restricted CPOs under our RSIP. 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, 2021, to the best of our knowledge, no individual member of the board of directors of CEMEX, S.A.B. de C.V. or individual 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. 12 to a statement on Schedule 13G filed with the SEC on February 7, 2022, stated that as of December 31, 2021, BlackRock, Inc. ("Blackrock") beneficially owned 1,579,282,399 CPOs, representing 10.4% 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 C.V.'s by-laws, CEMEX, S.A.B. de C.V.'s board of directors is required to approve BlackRock's beneficial ownership of CEMEX, S.A.B. de C.V.'s outstanding capital stock. Pursuant to the authorizations by CEMEX, S.A.B. de C.V.'s Board of Directors, BlackRock is authorized to acquire up to 13% of CEMEX, S.A.B. de C.V.'s capital stock with voting rights.

As of December 31, 2021, CEMEX, S.A.B. de C.V.'s outstanding capital stock consisted of 29,457,941,452 Series A shares and 14,728,970,726 Series B shares, in each case including shares held by our subsidiaries. These numbers are based on our records, which may differ from those recorded by Indeval (as defined below).

As of December 31, 2021, 99.88% of Series A shares and 99.88% of 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. As set forth in the Deposit Agreement, holders of ADSs do not have the right to instruct the depositary as to the exercise of voting rights in respect of Series A shares underlying CPOs held in the CPO trust. Under the terms of the CPO trust agreement, Series A shares underlying CPOs held by non-Mexican nationals, including all Series A shares underlying CPOs represented by ADSs, will be voted by the trustee according to the majority of all Series A shares held by Mexican nationals and Series B shares voted at the meeting. However, holders of ADSs will have the right to instruct the depositary to exercise the voting rights of the Series B shares underlying the CPOs represented by ADSs. Voting instructions may be given only with respect to ADSs representing an integral number of Series B shares. If the depositary shall not have received voting instructions from a holder of ADSs on or prior to the ADS voting instructions deadline, such holder shall be deemed, and the depositary and CEMEX, S.A.B. de C.V. shall deem such holder, subject to the terms of the Deposit Agreement, to have instructed the depositary to give a discretionary proxy to a person designated by CEMEX, S.A.B. de C.V. (or, if requested by CEMEX, S.A.B. de C.V., a person designated by the technical committee appointed pursuant to the CPO trust agreement) to vote the Series B shares underlying the CPOs represented by such holder's ADSs in his or her discretion. The Series B shares underlying the CPOs represented by ADSs for which no actual or deemed voting instructions have been received will be voted by the trustee for the CPO trust in cooperation with, and under the direction of, a technical committee appointed pursuant to the terms of the CPO trust agreement.

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 December 31, 2021, through CEMEX, S.A.B. de C.V.'s subsidiaries, we owned approximately 20.5 million CPOs, representing approximately 0.139% 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, through our subsidiaries that own those CPOs, 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 by-laws provide that its board of directors must authorize in advance any transfer of voting shares of its capital stock that would result in any persons, or groups acting in concert, becoming a holder of 2% or more of CEMEX, S.A.B. de C.V.'s voting shares. In the event this requirement is 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 Indeval (as defined below) shall not have any effect.

Mexican securities regulations provide that our majority-owned subsidiaries may neither directly nor 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 December 31, 2021, we had 491 ADS holders of record, holding 630,982,499 ADRs, representing 6,309,824,990 CPOs, or approximately 42.83% of CEMEX, S.A.B. de C.V.'s outstanding capital stock as of such date.

Related Party Transactions

From January 1, 2021 through the date of this annual report, there were no transactions or proposed transactions that were material to either CEMEX, S.A.B. de C.V. or, to the best of our knowledge, any related party, nor were there any transactions with any related party that were unusual in their nature or conditions. During the same period, we did not have any outstanding loans to any of CEMEX, S.A.B. de C.V.'s directors or members of senior management.

Item 8 — Financial Information

Consolidated Financial Statements and Other Financial Information

See "Part III—Item 18—Financial Statements."

Legal Proceedings

See "Item 4—Information on the Company—Regulatory Matters and Legal Proceedings."

Dividends

A declaration of any dividend can be made by CEMEX, S.A.B. de C.V.'s shareholders at any general ordinary shareholders' 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, at least 5% of annual earnings have been set aside in a legal reserve until such reserve equals 20% of its paid-in capital 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—General." Since CEMEX, S.A.B. de C.V. conducts its operations mainly through its subsidiaries, its most significant assets are its investments in those subsidiaries. Consequently, CEMEX, S.A.B. de C.V.'s ability to pay dividends to its shareholders is largely dependent upon its ability to receive funds from its subsidiaries in the form of dividends, management fees or otherwise. The 2021 Credit Agreement and the indentures governing our outstanding Notes effectively limit CEMEX, S.A.B. de C.V.'s ability to declare and pay cash dividends or make other cash distributions to its shareholders. See "Item 3—Key Information—Risk Factors—Risks Relating to Our Indebtedness and Certain Other Obligations—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. We control four publicly-listed companies, where this risk is heightened."

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.

Owners of ADSs on the applicable record date will be entitled to receive any dividends payable in respect of the Series A shares and the Series B shares underlying the CPOs represented by those ADSs. However, as permitted by the Deposit Agreement, CEMEX, S.A.B. de C.V. may instruct the ADS depositary not to extend the option to elect to receive cash in lieu of the stock dividend to the holders of ADSs. The ADS depositary will fix a record date for the holders of ADSs with respect to each dividend distribution. Unless otherwise stated, the ADS depositary has agreed to convert cash dividends received by it with respect to the Series A shares and the Series

B shares underlying the CPOs represented by ADSs from Mexican Pesos into Dollars and, after deduction or after payment of expenses of the ADS depositary, to pay those dividends to holders of ADSs in Dollars. CEMEX, S.A.B. de C.V. cannot assure holders of its ADSs that the ADS depositary will be able to convert dividends received in Mexican Pesos into Dollars or that any such conversion would be made using any particular exchange rate.

For fiscal year 2018 CEMEX, S.A.B. de C.V. declared a cash dividend of $150 million, to be paid in Mexican Pesos, payable in two installments. The first installment was paid on or around June 17, 2019 and the second installment was paid on or around December 17, 2019. CEMEX, S.A.B. de C.V. did not declare a dividend for fiscal years 2019, 2020 or 2021.

Significant Changes

Except as described herein, no significant change has occurred since the date of our 2021 consolidated financial statements included elsewhere in this annual report.

Item 9 — Offer and Listing

Listing Details

CEMEX, S.A.B. de C.V.'s CPOs are listed on the Mexican Stock Exchange ("MSE") 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 NYSE and trade under the symbol "CX."

Item 10 — Additional Information

Articles of Association and By-laws

General

Pursuant to the requirements of Mexican corporation 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 a 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, and Urbanization Solutions 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 ("Series A shares"), which can only be owned by Mexican nationals, and the Series B common stock, with no par value ("Series 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 Series 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 Series 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 Series 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 Series A shares and the Series 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 Series A shares and Series 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 April 29, 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 Series A shares, Series 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 then-effective Mexican Securities Market Law was amended, among other things, 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 then-effective 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 consisted of, among other things, protective measures to prevent share acquisitions, hostile takeovers, and direct or indirect changes of control.

On March 19, 2003, the Mexican securities authority issued new regulations designed to (i) further implement minority rights granted to shareholders by the then-effective 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 stock repurchases.
- The cancelation 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 "Item 10—Additional Information—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.

On December 30, 2005, the Mexican Securities Market Law was published to continue bringing corporate governance requirements of Mexican listed companies in line with international standards. This new law included 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 provided that each member of the audit committee must be an independent director and required the creation of corporate governance committees integrated by independent directors as well. In addition, the law clarified directors' duties, specified safe harbors for directors' actions, clarified what is deemed as a conflict of interest and clarified what are the confidentiality obligations for directors.

Under the then 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 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.*).
- The creation of a corporate practices committee, which was 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 then 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.

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 an extraordinary shareholders' meeting, at which its shareholders approved, among other items, 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; adopt provisions to improve corporate governance with respect to the presidency at shareholders' meetings and corporate bodies; separation of 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 formalize CEMEX, S.A.B. de C.V.'s restated by-laws; and authorization to exchange the share certificates that represent CEMEX, S.A.B. de C.V.'s then outstanding capital stock.

On March 28, 2019, CEMEX, S.A.B. de C.V. held an extraordinary shareholders' meeting, at which its shareholders approved, among other items, changes to Articles 2 and 28 of 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: broadening CEMEX, S.A.B. de C.V.'s corporate purpose, which would permit CEMEX to transport goods; amending the provision regarding seaport related services for its marine terminals; the manufacture and commercialization of cement bags, etc.; and clarifying that CEMEX, S.A.B. de C.V.'s Relevant Executives (as defined under the laws of Mexico) are entitled to indemnification and liability protection only for liability arising from the lack of diligence when acting in good faith and pursuant to our best interests.

On March 25, 2021, CEMEX, S.A.B. de C.V. held an extraordinary shareholders' meeting, at which its shareholders approved changes to Article 2 of CEMEX, S.A.B. de C.V.'s by-laws to further broaden CEMEX, S.A.B. de C.V.'s corporate purpose. The changes, among other things, adjust our written corporate purpose in order to allow us to conduct certain activities, directly or indirectly through third parties, in line with our current needs and corporate vision.

Lastly, on March 24, 2022, CEMEX, S.A.B. de C.V. held an extraordinary shareholders' meeting, in which its shareholders approved changes to Article 2 of CEMEX, S.A.B. de C.V.'s by-laws to detail CEMEX, S.A.B. de C.V.'s corporate purpose so that it will list only those activities it currently carries out, and cease contemplating those activities it does not perform or that are already included in another part of the by-laws. For more information, see "Item 5—Operating and Financial Review and Prospects—Recent Developments—Recent Developments Relating to CEMEX, S.A.B. de C.V.'s Shareholders' Meetings."

Changes in Capital Stock and Preemptive Rights

Subject to certain exceptions discussed 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 Series A shares, Series 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, Mexico.

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—Risks Relating to Our Business—Preemptive rights generally available under Mexican Law may be unavailable to ADS holders."

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 our 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, or 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, such shares shall not be taken into account for the determination of the quorums of attendance and voting at shareholders' meetings and the transfers shall not be recorded or have any effect in our share registry and the registry undertaken by S.D. Indeval, Institución para el Depósito de Valores, S.A. de C.V. ("Indeval"), the Mexican securities depositary.

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 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 U.S. Securities Exchange Act of 1934 ("Exchange Act")) 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 2021 Credit Agreement and other debt agreements of CEMEX.

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.

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 MSE 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 MSE 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 MSE, 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 cancelation 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 and audit committee;
- shareholders representing at least 10% of outstanding and fully paid shares, by making a request 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.

General shareholders' meetings can be ordinary or extraordinary. At every general shareholders' meeting, each qualified holder of Series A shares and Series 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 Series A shares represented by their CPOs, in which case, the CPO trustee will vote the underlying Series 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.' 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, which are voted on an individual basis;
- 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 corporate practices and finance and the audit committees;
- approve any transaction that represents 20% or more of CEMEX, S.A.B. de C.V.'s 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;
- issuing bonds to be registered in the Mexican National Securities Registry; 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 Indeval participants holding shares on behalf of the shareholders prepare prior to the 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.

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 shareholders' meeting, 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 required.

The attendance quorum for a general ordinary shareholders' meeting 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 shareholders' 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 and, 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 outstanding 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 reached at a shareholders' meeting by filing a petition with a court of law for a court order to suspend the resolution temporarily 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, 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.

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 MSE 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 as per the framework authorized by CEMEX, S.A.B. de C.V.'s board of directors and 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 MSE 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. 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 statement of financial position 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 each 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 "Part II—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, 66265, México
Attn: Louisa P. Rodriguez – Investor Relations
Telephone: +1 (212) 317-6011
Email: ir@cemex.com

The information on our website is not, and is not intended to be, part of this annual report and is not incorporated into this annual report by reference.

Share Capital

CEMEX, S.A.B. de C.V. did not declare a dividend for fiscal years 2020 or 2021. 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. As of December 31, 2021, CEMEX, S.A.B. de C.V.'s common stock was represented as follows:

	2021	
Shares[1]	Series A[2]	Series B[2]
Subscribed and paid shares	29,457,941,452	14,728,970,726
Unissued shares authorized for stock compensation programs	881,442,830	440,721,415
	30,339,384,282	15,169,692,141

(1) As of December 31, 2021, 13,068,000,000 shares correspond to the fixed portion, and 32,441,076,423 shares correspond to the variable portion.
(2) Series A or Mexican shares must represent at least 64% of CEMEX, S.A.B. de C.V.'s capital stock and Series B or free subscription shares must represent at most 36% of CEMEX, S.A.B. de C.V.'s capital stock.

Material Contracts

For a description of the material terms relating to the Notes, see "Item 5—Operating and Financial Review and Prospects—Summary of Material Contractual Obligations and Commercial Commitments—Notes."

For a description of the material terms relating to the 2021 Credit Agreement, see "Item 5— Operating and Financial Review and Prospects — Summary of Material Contractual Obligations and Commercial Commitments—The 2021 Credit Agreement."

For a description of the material terms relating to the 5.125% Subordinated Notes, see "Item 5—Operating and Financial Review and Prospects—Summary of Material Contractual Obligations and Commercial Commitments—Subordinated Notes."

Exchange Controls

Not applicable.

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 provisions of the Mexican Federal Income Tax Law (*Ley del impuesto Sobre la Renta*, or the "Mexican Income Tax Law") effect on the date of this annual report, which is subject to change (including with retroactive effect) or to new or different interpretations, which could affect the continued validity or correctness of this summary. 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 constitute tax advice and does not address all aspects of Mexican Income Tax Law. This summary does not describe any tax consequences arising under the laws, rules or regulations of any state or municipality of Mexico. Holders should 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.

Tax residency is a highly technical definition that involves the application of a number of factors that are specified in the Mexican Tax Code (*Código Fiscal de la Federación*). 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 calendar year comes from Mexican sources; or
- the individual's main center of professional activities is in Mexico.

A Mexican national that is employed by the Mexican government is deemed resident 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, and individuals or legal entities that fail to do so will not be considered non-residents for Mexican tax purposes. If a Mexican resident changes its tax residency to a country considered as a low tax rate territory under Mexican law and such country has not entered into a broad exchange of information agreement with Mexico, the taxpayer will maintain its Mexican tax residency status for the following five fiscal years.

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 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 Series A shares or Series 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.

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 Mexican individuals, capital gains of shares issued by Mexican companies on the MSE will be subject to a 10% withholding tax, which will be withheld by the intermediary acting as a withholding agent.

Under Mexican tax law, gains on the sale or disposition of CPOs or ADSs by a holder who is a non-resident of Mexico will not be subject to Mexican income tax, to the extent such sale is carried out through the MSE or other recognized securities market, as determined by Mexican tax authorities, and the non-resident's country of tax residency has a tax treaty in force with Mexico. An affidavit stating that the non-resident of Mexico is entitled to tax treaty benefits should be delivered to the intermediary operating the disposition. Gains realized on sales or other dispositions of CPOs or ADSs by non-residents of Mexico made in other circumstances would be subject to a 10% capital gain withholding tax.

In addition, 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 (together, the "Tax Treaty"), gains obtained by a U.S. Shareholder (as defined below) eligible for benefits under the Tax Treaty on the disposition of CPOs or ADSs will generally not 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. Furthermore, 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.

The term "U.S. Shareholder" shall have the same meaning ascribed below under the section "Item 10—Additional Information—U.S. Federal Income Tax Considerations."

As of January 1, 2022, transfers of shares issued by Mexican entities between non-residents of Mexico should be informed to the Mexican Tax Authorities by the Mexican issuer entity within the following month of the transaction. However, this new obligation is not applicable to shares or CPOs traded in the MSE.

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 considerations generally applicable to the ownership and disposition of CEMEX, S.A.B. de C.V.'s CPOs and ADSs.

This summary is based on provisions of Title 26 of the U.S. Code (Internal Revenue Code), as amended (the "Internal Revenue Code"), United States Department of the Treasury regulations promulgated under the Internal Revenue Code, administrative rulings, and judicial interpretations of the Internal Revenue 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, traders in securities that elect to use a mark-to-market method of accounting for securities holdings, 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 transaction" or other integrated investment, or as other than a capital asset). In addition, this summary does not address the Medicare tax imposed on certain net investment income or any aspect of state, local, foreign, gift, estate or alternative minimum tax considerations.

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 United States Department of the Treasury regulations to be treated as a U.S. person.

If a partnership (including any entity or 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 U.S. 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. For more on the treatment of capital gain with respect to the CPOs and ADSs, see "Taxation of capital gains on disposition of CPOs or ADSs" below.

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 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. However, we cannot assure you 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 generally 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 will generally be treated as 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.

Documents on Display

We are subject to the informational requirements of the Exchange Act 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 are available at the SEC's website www.sec.gov.

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 — Quantitative and Qualitative Disclosures About Market Risk

See "Item 5—Operating and Financial Review and Prospects—Quantitative and Qualitative Market Disclosure."

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

Depositary 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 depositary:

Services	Fees
Issuance of ADSs upon deposit of eligible securities	Up to 5¢ per ADS issued.
Surrender of ADSs for cancelation 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.

An ADS holder also is responsible to pay fees and expenses incurred by the ADS depositary 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 depositary. 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 depositary. ADS holders will receive notice of the changes. The fees described above may be amended from time to time.

Depositary Payments for the Year Ended December 31, 2021

In 2021, we received $1,678,398.26 (after applicable U.S. taxes and including payments to third parties) from our Depositary 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 CEMEX, S.A.B. de C.V.'s CEO and CFO, the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Exchange Act) as of the end of the period covered by this annual report, and has concluded that our disclosure controls and procedures were effective as of December 31, 2021.

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 Exchange Act). Internal control over financial reporting refers to a process designed by, or under the supervision of, the CEO and CFO and effected by CEMEX, S.A.B. de C.V.'s board of directors and our management 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 and includes those policies and procedures that:

- pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of our assets;

- provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that our receipts and expenditures are being made only in accordance with authorizations of our management and members of CEMEX, S.A.B. de C.V.'s board of directors; and
- provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on our financial statements.

Under the supervision and with the participation of our management, including the CEO and CFO and principal financial and accounting officers, we conducted an evaluation of the effectiveness of our internal control over financial reporting as of December 31, 2021, using the criteria established in "Internal Control—Integrated Framework (2013)" issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based on this evaluation, our management has concluded that our internal control over financial reporting was effective as of December 31, 2021.

Attestation Report of the Independent Registered Public Accounting Firm

The report on the audit of the effectiveness of our internal control over financial reporting issued by KPMG Cárdenas Dosal, S.C., a registered public accounting firm appears on page F-115 of this annual report.

Changes in Internal Control Over Financial Reporting

We have not identified changes in our internal control over financial reporting during 2021 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

CEMEX, S.A.B. de C.V.'s 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. Everardo Elizondo Almaguer meets the requisite qualifications.

Item 16B — Code of Ethics

We have adopted a written code of ethics that applies to all board members, employees, including our principal executive officer, principal financial officer and principal accounting officer, third parties (including but not limited to customers, suppliers, and contractors) and other stakeholders. All of our employees are expected to comply with this code in their daily interactions.

Our code of ethics provides the following main guidelines:

(i) Our purpose and scope: we look to act with integrity in our day-to-day work. This is important for CEMEX's sustained success and to create a workplace in which our people can thrive. Our code of ethics aims to provide guidance on what is expected from all of us as part of CEMEX;

(ii) Our people: we believe our people are our competitive advantage and the reason for our success. Therefore, we aim to provide a great place to work, we encourage an atmosphere of openness, courage, generosity and respect, so that all employees feel free to come forward with their questions, ideas, and concerns;

(iii) Health and safety in the workplace: we plan to prevent incidents and safeguard the health and safety of our workforce and are 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;

(iv) Human rights: we look to support and respect the protection of internationally proclaimed human rights principles and we do not tolerate any violation of human rights in our business, our supply chain or partnerships;

(v) Harassment and workplace respect: we look to foster an environment of mutual respect, and we promote supporting and encouraging each other;

(vi) Diversity and inclusion: we seek to support differences and provide an inclusive work environment for everyone. Recruitment, promotion, training, compensation and benefits should be based on ability, career experience and alignment with our values;

(vii) Customer relations: we work to be our customers' best option and aim to conduct our business dealings fairly, professionally and with integrity. We expect our customers to act with the same integrity;

(viii) Supplier relations: we look to manage our supplier relationships with honesty, respect and integrity, offering equal opportunities for all parties;

(ix) 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 seek to always conduct our interactions with these agencies in a manner consistent with our values, with a particular emphasis on integrity;

(x) 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. When considering CEMEX's participation in economic, social, and environmental programs, we should always comply with the law;

(xi) Environment: our business should be carried out in an environmentally responsible and sustainable manner, aiming to mitigate the environmental and social impacts of our business;

(xii) Antitrust compliance: we operate in many countries and are subject to different antitrust laws and regulations. Therefore, we are committed to conducting our business activities in compliance with local laws and regulations, and our policies;

(xiii) Anti-corruption: we forbid our personnel from promising or providing anything of value to government officials or any third parties to secure any undue advantage or unduly influence any decisions;

(xiv) Preventing money laundering: in order to prevent money laundering, we must recognize the signs of money laundering and procure that we do not facilitate or support the process of covering up the source of illicit funds of criminal activities through our legitimate business;

(xv) 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 should not engage in situations that present or could present a potential or actual conflict between their personal interests and our interests;

(xvi) Gifts and hospitalities: we avoid accepting or giving hospitalities of any kind that may influence, or appear to compromise, decision-making on current or future negotiations. We should never seek or structure a negotiation on the basis of any gift, service or hospitality from a customer, supplier, consultant, service provider or other third-party;

(xvii) Use of CEMEX's assets: employees should never use CEMEX assets for their own benefit, and we look to ensure that company assets are not misused by others, stolen or damaged. When using company devices it is prohibited for employees to create, view, store, request or distribute anything of an offensive, illegal or inappropriate nature;

(xviii) Political 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 in their jurisdiction. Employees are not allowed to conduct political activities at company facilities, use company resources for these activities or engage in these activities on company time. We can make political contributions as long as the contributions are allowed by local law and pre-approved internally;

(xix) Data privacy and protection: we are committed to protecting the confidentiality and integrity of personal data to foster trustworthy business relationships. We aim to process personal data fairly and lawfully and provide access to such data within our organization only on a need-to- know basis;

(xx) Insider trading: we should never transact with CEMEX securities while in possession of material non-public information about the company. We should never "tip" others or share material non-public information even if we do not intend to obtain profits for ourselves or others;

(xxi) Intellectual property: we look to ensure the protection of CEMEX's intellectual property and capture innovation to ensure added value and freedom to operate. CEMEX recognizes and respects the intellectual property of third parties and intends to prevent and avoid consequences of potential infringement of third parties' rights;

(xxii) Accurate records: we look to provide our stakeholders with correct and complete information in a timely manner. Anyone responsible for financial records, or any other CEMEX records or reporting, must aim to ensure that those records accurately reflect our business activities, are supported by evidence, and are complete, accurate, and timely; and

(xxiii) Communication and use of social media: we should not make any statements outside of CEMEX about company performance, initiatives or any other internal matters. We look to keep all confidential matters safe.

We promote 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 calling us at:

CEMEX, S.A.B. de C.V.
Avenida Ricardo Margáin Zozaya #325
Colonia Valle del Campestre
San Pedro Garza García, Nuevo León, 66265, México
Attn: Luis Hernández Echávez
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 $14 million in fiscal year 2021 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 2020, KPMG Cárdenas Dosal, S.C. in Mexico and KPMG firms worldwide charged us $14 million for these services.

Audit-Related Fees: KPMG Cárdenas Dosal, S.C. in Mexico and KPMG firms worldwide charged us $1 million in fiscal year 2021 for assurance and related services reasonably related to the performance of our audit. In fiscal year 2020, KPMG Cárdenas Dosal, S.C. in Mexico and KPMG firms worldwide charged us $1 million for audit-related services.

Tax Fees: KPMG Cárdenas Dosal, S.C. in Mexico and KPMG firms worldwide charged us $1 million in fiscal year 2021 for tax compliance, tax advice and tax planning. In fiscal year 2020, KPMG Cárdenas Dosal, S.C. in Mexico and KPMG firms worldwide charged us $1 million for tax-related services.

All other fees: KPMG Cárdenas Dosal, S.C. in Mexico and KPMG firms worldwide charged us $1 million in fiscal year 2021 for products and services other than those comprising audit fees, audit-related fees and tax fees. In fiscal year 2020, KPMG Cárdenas Dosal, S.C. in Mexico and KPMG firms worldwide charged us $1 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 for, among other things, 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 2021, 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 Mexican Securities Market Law (*Ley del Mercado de Valores*), the Mexican Regulation for Issuers (*Disposiciones de Carácter General aplicables a las Emisoras de Valores y a otros Participantes del Mercado de Valores*) issued by the Mexican Banking and Securities Commission (*Comisión*

Nacional Bancaria y de Valores) and the MSE Rules (*Reglamento Interior de la Bolsa Mexicana de Valores*) 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 Mexican Code of Best Corporate Practices (*Código de Mejores Prácticas Corporativas*) which, as indicated below, was promulgated by a committee established by the Mexican Corporate Coordination Board (*Consejo Coordinador Empresarial*). 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.

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	CEMEX CORPORATE GOVERNANCE PRACTICE
303A.01	
Listed companies must have a majority of independent directors.	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. As of December 31, 2021, CEMEX, S.A.B. de C.V.'s board of directors had 15 members, of which 66.66% are independent under the Mexican Securities Market Law. As of the date of this annual report, CEMEX, S.A.B. de C.V.'s board of directors has 12 members, of which 75% are independent under the Mexican Securities Market Law.
303A.02	
A listed company's board of directors must perform director independence tests and affirmatively determine a director has no material relationship with the listed company after broadly considering all relevant facts and circumstances.	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.
303A.03	
Non-management directors must meet at regularly scheduled executive sessions without management.	Under CEMEX, S.A.B. de C.V.'s by-laws and Mexican laws and regulations, our non-management and independent directors are not required to meet in executive sessions. CEMEX, S.A.B. de C.V.'s board of directors must meet at least once every three months.

NYSE LISTING STANDARDS	CEMEX CORPORATE GOVERNANCE PRACTICE
303A.04	
Listed companies must have a nominating/ corporate governance committee composed of independent directors.	Under CEMEX, S.A.B. de C.V.'s by-laws and Mexican laws and regulations, we are not required to have and do not have a nominating/corporate governance committee. However, our corporate practices and finance committee performs substantially similar functions as would be performed by a nominating/corporate governance 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 three independent directors. Our corporate practices and finance committee is responsible for performing the role of a nomination and compensation committee, mainly by (1) evaluating the employment and compensation of the Chief Executive Officer and the Chairman of the Board of Directors and (2) reviewing the hiring and compensation policies for executive officers; reviewing related party transactions and any conflicts of interest; reviewing policies regarding use of corporate assets; reviewing unusual or material transactions; evaluating waivers granted to directors or executive officers regarding participation and benefitting of corporate opportunities; identification, evaluation and follow up on the main risks affecting the company and its subsidiaries; evaluating financial plans; reviewing the financial strategy and its implementation; evaluating merger and acquisitions opportunities as well as asset sales, including financial and related transactions; and carrying out other 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 Mexican laws and regulations. For more information on our corporate practices and finance committee, see "Item 6—Directors, Senior Management and Employees—Board Practices—The Audit Committee, the Corporate Practices and Finance Committee and Other Committees."
303A.05	
Listed companies must have a compensation committee composed of independent directors.	Under CEMEX, S.A.B. de C.V.'s by-laws and Mexican laws and regulations, we are not required to have and do not have a compensation committee. However, our corporate practices and finance committee performs substantially similar functions as would be performed by a compensation committee. For more information on our corporate practices and finance committee, see "Item 6—Directors, Senior Management and Employees—Board Practices—The Audit Committee, the Corporate Practices and Finance Committee and Other Committees."
Compensation committee members must satisfy additional independence requirements specific to compensation committee membership.	See above.

NYSE LISTING STANDARDS	CEMEX CORPORATE GOVERNANCE PRACTICE
Listed companies must have an audit committee that satisfies the requirements of Rule 10A-3 under the Exchange Act.	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 three independent members. According to CEMEX, S.A.B. de C.V.'s by-laws and the Mexican Securities Market Law, all of the members must be independent. CEMEX, S.A.B. de C.V.'s audit committee is responsible for evaluating internal controls and procedures and identifying deficiencies; following up with corrective and preventive measures in response to any non-compliance with operation and accounting guidelines and policies; evaluating the performance of external auditors and analyzing the reports, opinions and other information issued by such external auditors; describing and valuing non-audit services performed by external auditors; reviewing financial statements and determining if their approval should be recommended to the Board of Directors; informing the Board of Directors of the state of the company's internal controls, internal audit and accounting systems, including any breaches detected; supporting the Board of Directors in producing different reports submitted to the shareholders; 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 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; supervising complaints raised by employees, third parties and other stakeholders to report ethical, corruption, and/or compliance matters utilizing confidential methods and other whistleblowing mechanisms; ensuring compliance by the Chief Executive Officer with the resolutions adopted by the shareholders and Board of Directors; and analyzing the risks identified by independent auditors, accounting, internal control and process assessment areas. 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 Mexican laws and regulations.
303A.09	
Listed companies must adopt and disclose corporate governance guidelines.	Under CEMEX, S.A.B. de C.V.'s by-laws and Mexican laws and regulations, we are not required to adopt corporate governance guidelines, but, on an annual basis, we file a report with the MSE regarding our compliance with the Mexican Code of Best Corporate Practices.

NYSE LISTING STANDARDS	CEMEX CORPORATE GOVERNANCE PRACTICE
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.	CEMEX, S.A.B. de C.V. has adopted and disclosed a written code of business conduct and ethics that applies to all of our directors, officers and employees.
Equity compensation plans	
Equity compensation plans require shareholder approval, subject to limited exemptions.	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, at our annual shareholders' meeting held on April 5, 2018, 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, 2023.

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.

Item 16I — Disclosure Regarding Foreign Jurisdictions that Prevent Inspections

Not applicable.

PART III

Item 17 — Financial Statements

Not applicable.

Item 18 — Financial Statements

See pages F-1 through F-116, incorporated herein by reference.

Item 19 — Exhibits

1.1	Amended and Restated By-laws of CEMEX, S.A.B. de C.V.(i)
1.2	Extract of the Resolutions of the Extraordinary General Shareholders' Meeting of CEMEX, S.A.B. de C.V. held on March 25, 2021.(i)
1.3	Extract of the Resolutions of the Ordinary General Shareholders' Meeting of CEMEX, S.A.B. de C.V. held on March 25, 2021.(i)
2.1	Form of Certificate for shares of Series A Common Stock of CEMEX, S.A.B. de C.V.(h)
2.2	Form of Certificate for shares of Series B Common Stock of CEMEX, S.A.B. de C.V.(h)
2.3	English Translation of Amended and Restated Agreement to the Trust Agreement, dated as of 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.(d)
2.4	Form of CPO Certificate.(h)
2.5	Form of Second Amended and Restated Deposit Agreement (Series A and Series B share CPOs), dated August 10, 1999, among CEMEX, S.A. de C.V., Citibank, N.A. and holders and beneficial owners of American Depositary Shares.(a)(k)
2.5.1	Amendment No. 1 to the Second Amended and Restated Deposit Agreement, dated as of July 1, 2005, by and among CEMEX, S.A. 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.(b)
2.5.2	Amendment No. 2 to the Second Amended and Restated Deposit Agreement, dated as of February 11, 2015, 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)
2.5.3	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.(b)
2.5.4	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.(c)
2.5.5	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 3.75% Subordinated Convertible Notes due 2018, and the Depositary is to issue ADSs upon deposit of such CPOs.(c)
2.5.6	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.(c)
2.6	Description of the Registrant's Securities Registered Pursuant to Section 12 of the Securities Exchange Act of 1934.(j)
2.7	Form of American Depositary Receipt evidencing American Depositary Shares.(e)

4.1	Indenture, dated as of March 19, 2019, among CEMEX, S.A.B. de C.V., the guarantors listed therein, and The Bank of New York Mellon, as trustee, in connection with the issuance of €400,000,000 aggregate principal amount of 3.125% Euro-Denominated Senior Secured Notes due 2026.(g)
4.1.1	Supplemental Indenture No. 1, dated as of November 8, 2021, by and among CEMEX, S.A.B. de C.V., the guarantors listed therein and The Bank of New York Mellon, as trustee, supplementing Indenture, dated as of March 19, 2019, among CEMEX, S.A.B. de C.V., the guarantors listed therein, and The Bank of New York Mellon, as trustee, relating to CEMEX, S.A.B. de C.V.'s 3.125% Euro-Denominated Senior Secured Notes due 2026.(j)
4.2	Indenture, dated as of November 19, 2019, among CEMEX, S.A.B. de C.V., the guarantors listed therein, and The Bank of New York Mellon, as trustee, in connection with the issuance of $1,000,000,000 aggregate principal amount of 5.450% Senior Secured Notes due 2029.(h)
4.2.1	Supplemental Indenture No. 1, dated as of November 8, 2021, by and among CEMEX, S.A.B. de C.V., the guarantors listed therein and The Bank of New York Mellon, as trustee, supplementing Indenture, dated as of November 19, 2019, among CEMEX, S.A.B. de C.V., the guarantors listed therein, and The Bank of New York Mellon, as trustee, relating to CEMEX, S.A.B. de C.V.'s 5.450% Senior Secured Notes due 2029.(j)
4.3	Indenture, dated as of June 5, 2020, among CEMEX, S.A.B. de C.V., the guarantors listed therein, and The Bank of New York Mellon, as trustee, in connection with the issuance of $1,000,000,000 aggregate principal amount of 7.375% Senior Secured Notes due 2027.(i)
4.3.1	Supplemental Indenture No. 1, dated as of November 8, 2021, by and among CEMEX, S.A.B. de C.V., the guarantors listed therein and The Bank of New York Mellon, as trustee, supplementing Indenture, dated as of June 5, 2020, among CEMEX, S.A.B. de C.V., the guarantors listed therein, and The Bank of New York Mellon, as trustee, relating to CEMEX, S.A.B. de C.V.'s 7.375% Senior Secured Notes due 2027.(j)
4.4	Indenture, dated as of September 17, 2020, among CEMEX, S.A.B. de C.V., the guarantors listed therein, and The Bank of New York Mellon, as trustee, in connection with the issuance of $1,000,000,000 aggregate principal amount of 5.200% Senior Secured Notes due 2030.(i)
4.4.1	Supplemental Indenture No. 1, dated as of November 8, 2021, by and among CEMEX, S.A.B. de C.V., the guarantors listed therein and The Bank of New York Mellon, as trustee, supplementing Indenture, dated as of September 17, 2020, among CEMEX, S.A.B. de C.V., the guarantors listed therein, and The Bank of New York Mellon, as trustee, relating to CEMEX, S.A.B. de C.V.'s 5.200% Senior Secured Notes due 2030.(j)
4.5	Indenture, dated as of January 12, 2021, among CEMEX, S.A.B. de C.V., the guarantors listed therein, and The Bank of New York Mellon, as trustee, in connection with the issuance of $1,750,000,000 aggregate principal amount of 3.875% Senior Secured Notes due 2031.(i)
4.5.1	Supplemental Indenture No. 1, dated as of November 8, 2021, by and among CEMEX, S.A.B. de C.V., the guarantors listed therein and The Bank of New York Mellon, as trustee, supplementing Indenture, dated as of January 12, 2021, among CEMEX, S.A.B. de C.V., the guarantors listed therein, and The Bank of New York Mellon, as trustee, relating to CEMEX, S.A.B. de C.V.'s 3.875% Senior Secured Notes due 2031.(j)
4.6	Indenture, dated as of June 8, 2021, among CEMEX, S.A.B. de C.V. and The Bank of New York Mellon, as trustee, in connection with the issuance of $1,000,000,000 aggregate principal amount of 5.125% Subordinated Notes.(j)

4.7	Credit Agreement, dated as of October 29, 2021, by and among CEMEX, S.A.B. de C.V., as borrower, Citibank, N.A., as administrative agent, ING Capital LLC, as sustainability structuring agent, BofA Securities Inc., BNP Paribas, Citigroup Global Markets Inc., and JPMorgan Chase Bank, N.A., as joint bookrunners and joint lead arrangers, and the other lenders party thereto.(j)
8.1	List of subsidiaries of CEMEX, S.A.B. de C.V.(j)
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.(j)
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.(j)
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.(j)
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.(j)
15.1	Mine safety and health administration safety data.(j)
101. INS	Inline XBRL Instance Document.
101. SCH	Inline XBRL Taxonomy Extension Schema Document.
101. CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document.
101. LAB	Inline XBRL Taxonomy Extension Label Linkbase Document.
101. PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document.
101. DEF	Inline XBRL Taxonomy Extension Definition Document.
104	Cover Page Interactive Data File (formatted in Inline XBRL and contained in Exhibit 101).

(a) 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.
(b) 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.
(c) 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.
(d) Incorporated by reference to the 2014 annual report on Form 20-F of CEMEX, S.A.B. de C.V. filed with the SEC on April 27, 2015.
(e) Incorporated by reference to the 2015 annual report on Form 20-F of CEMEX, S.A.B. de C.V. filed with the SEC on April 22, 2016.
(f) Incorporated by reference to the 2016 annual report on Form 20-F of CEMEX, S.A.B. de C.V. filed with the SEC on April 28, 2017.
(g) Incorporated by reference to the 2018 annual report on Form 20-F of CEMEX, S.A.B. de C. V. filed with the SEC on April 25, 2019.
(h) Incorporated by reference to the 2019 annual report on Form 20-F of CEMEX, S.A.B. de C. V. filed with the SEC on April 29, 2020.
(i) Incorporated by reference to the 2020 annual report on Form 20-F of CEMEX, S.A.B. de C. V. filed with the SEC on April 23, 2021.
(j) Filed herewith.
(k) This was a paper filing, and it is not available on the SEC website.

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.

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 Ángel González Olivieri
Name: Fernando Ángel González Olivieri
Title: Chief Executive Officer

Date: April 29, 2022

INDEX TO AUDITED CONSOLIDATED FINANCIAL STATEMENTS

CEMEX, S.A.B. de C.V. and Subsidiaries:

CEMEX, S.A.B. DE C.V. AND SUBSIDIARIES
Consolidated Statements of Operations
(Millions of U.S. dollars, except for earnings per share)

	Notes	Years ended December 31, 2021	2020	2019
Revenues	**4**	$ 14,548	12,814	12,959
Cost of sales	**3.17, 6**	(9,875)	(8,692)	(8,714)
Gross profit		**4,673**	**4,122**	**4,245**
Operating expenses	**3.17, 7**	(2,939)	(2,811)	(2,946)
Operating earnings before other expenses, net	**3.1**	**1,734**	**1,311**	**1,299**
Other expenses, net	**8**	(116)	(1,767)	(334)
Operating earnings (loss)		**1,618**	**(456)**	**965**
Financial expense	**9.1, 18**	(662)	(777)	(711)
Financial income and other items, net	**9.2**	(78)	(118)	(65)
Share of profit of equity accounted investees	**15.1**	54	49	49
Earnings (loss) before income tax		**932**	**(1,302)**	**238**
Income tax	**21**	(144)	(45)	(157)
Net income (loss) from continuing operations		**788**	**(1,347)**	**81**
Discontinued operations	**5.2**	(10)	(99)	98
CONSOLIDATED NET INCOME (LOSS)		**778**	**(1,446)**	**179**
Non-controlling interest net income	**22.4**	25	21	36
CONTROLLING INTEREST NET INCOME (LOSS)		$ **753**	**(1,467)**	**143**
Basic earnings (loss) per share	**24**	$ 0.0171	(0.0332)	0.0031
Basic earnings (loss) per share from continuing operations	**24**	$ 0.0173	(0.0310)	0.0010
Diluted earnings (loss) per share	**24**	$ 0.0168	(0.0332)	0.0031
Diluted earnings (loss) per share from continuing operations	**24**	$ 0.0170	(0.0310)	0.0010

The accompanying notes are part of these consolidated financial statements.

CEMEX, S.A.B. DE C.V. AND SUBSIDIARIES
Consolidated Statements of Comprehensive Income (Loss)
(Millions of U.S. dollars)

	Notes	Years ended December 31, 2021	2020	2019
CONSOLIDATED NET INCOME (LOSS)		$ **778**	**(1,446)**	**179**
Items that will not be reclassified subsequently to the statement of operations				
Net actuarial gains (losses) from remeasurements of defined benefit pension plans	**20**	263	(199)	(210)
Effects from strategic equity investments	**15.2**	(9)	(11)	(8)
Income tax recognized directly in other comprehensive income	**21**	(26)	41	29
		228	(169)	(189)
Items that are or may be reclassified subsequently to the statement of operations				
Derivative financial instruments designated as cash flow hedges	**18.4**	60	(5)	(137)
Currency translation results of foreign subsidiaries	**22.2**	(400)	(193)	60
Income tax recognized directly in other comprehensive income	**21**	70	19	49
		(270)	(179)	(28)
Total items of other comprehensive income, net		(42)	(348)	(217)
TOTAL COMPREHENSIVE INCOME (LOSS)		**736**	**(1,794)**	**(38)**
Non-controlling interest comprehensive income (loss)		14	(181)	(69)
CONTROLLING INTEREST COMPREHENSIVE INCOME (LOSS)		$ **722**	**(1,613)**	**31**

The accompanying notes are part of these consolidated financial statements.

CEMEX, S.A.B. DE C.V. AND SUBSIDIARIES
Consolidated Statements of Financial Position
(Millions of U.S. dollars)

	Notes	December 31, 2021	2020
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	**10**	$ 613	950
Trade accounts receivable	**11**	1,521	1,533
Other accounts receivable	**12**	558	477
Inventories	**13**	1,261	971
Assets held for sale	**14.1**	141	187
Other current assets	**14.2**	131	117
Total current assets		4,225	4,235
NON-CURRENT ASSETS			
Equity accounted investees	**15.1**	535	510
Other investments and non-current accounts receivable	**15.2**	243	275
Property, machinery and equipment, net and assets for the right-of-use, net	**16**	11,322	11,413
Goodwill and intangible assets, net	**17**	9,763	10,252
Deferred income tax assets	**21.2**	562	740
Total non-current assets		22,425	23,190
TOTAL ASSETS		$**26,650**	**27,425**
LIABILITIES AND STOCKHOLDERS' EQUITY			
CURRENT LIABILITIES			
Current debt	**18.1**	$ 73	179
Other financial obligations	**18.2**	867	879
Trade payables		2,762	2,571
Income tax payable		437	445
Other current liabilities	**19.1**	1,202	1,272
Liabilities directly related to assets held for sale	**14.1**	39	6
Total current liabilities		5,380	5,352
NON-CURRENT LIABILITIES			
Non-current debt	**18.1**	7,306	9,160
Other financial obligations	**18.2**	911	967
Employee benefits	**20**	999	1,339
Deferred income tax liabilities	**21.2**	485	658
Other non-current liabilities	**19.2**	1,298	997
Total non-current liabilities		10,999	13,121
TOTAL LIABILITIES		**16,379**	**18,473**
STOCKHOLDERS' EQUITY			
Controlling interest:			
Common stock and additional paid-in capital	**22.1**	7,810	7,893
Other equity reserves and subordinated notes	**22.2**	(1,371)	(2,453)
Retained earnings	**22.3**	3,388	2,635
Total controlling interest		9,827	8,075
Non-controlling interest and perpetual debentures	**22.4**	444	877
TOTAL STOCKHOLDERS' EQUITY		**10,271**	**8,952**
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY		$**26,650**	**27,425**

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 U.S. dollars)

	Notes	Years ended December 31, 2021	2020	2019
OPERATING ACTIVITIES				
Consolidated net income (loss)		$ **778**	**(1,446)**	**179**
Discontinued operations		(10)	(99)	98
Net income (loss) from continuing operations		788	(1,347)	81
Adjustments for:				
Gain on sale of emission allowances	**3.19, 8**	(600)	—	—
Depreciation and amortization of assets	**6, 7**	1,127	1,110	1,039
Impairment losses of longed-lived assets	**8**	536	1,520	64
Share of profit of equity accounted investees	**15.1**	(54)	(49)	(49)
Results on sale of subsidiaries, other disposal groups and others		(21)	(4)	(49)
Financial expense, financial income and other items, net		740	895	776
Income taxes	**21**	144	45	157
Changes in working capital, excluding income taxes		(143)	198	98
Cash flows provided by operating activities from continuing operations		**2,517**	**2,368**	**2,117**
Interest paid		(524)	(679)	(665)
Income taxes paid		(170)	(124)	(168)
Net cash flows provided by operating activities from continuing operations		1,823	1,565	1,284
Net cash flows provided by operating activities from discontinued operations		32	48	71
Net cash flows provided by operating activities		**1,855**	**1,613**	**1,355**
INVESTING ACTIVITIES				
Purchase of property, machinery and equipment, net	**16**	(801)	(536)	(651)
Disposal of subsidiaries and other disposal groups, net	**5, 15.1**	122	628	500
Sale of emission allowances	**3.19, 8**	600	—	—
Intangible assets	**17**	(192)	(53)	(116)
Non-current assets and others, net		(10)	50	5
Cash flows (used in) provided by investing activities from continuing operations		(281)	89	(262)
Net cash flows used in investing activities from discontinued operations		(4)	—	—
Net cash flows (used in) provided by investing activities		**(285)**	**89**	**(262)**
FINANCING ACTIVITIES				
Proceeds from new debt instruments	**18.1**	3,960	4,210	3,331
Debt repayments	**18.1**	(5,897)	(4,572)	(3,284)
Issuance of subordinated notes	**22.2**	994	—	—
Other financial obligations, net	**18.2**	(313)	(794)	(233)
Shares repurchase program	**22.1**	—	(83)	(50)
Changes in non-controlling interests and repayment of perpetual debentures	**22.4**	(447)	(105)	(31)
Derivative financial instruments		(41)	12	(56)
Securitization of trade receivables		25	(26)	(6)
Dividends paid and coupons on perpetual debentures and subordinated notes	**22.1, 22.2, 22.4**	(24)	(24)	(179)
Non-current liabilities, net		(109)	(138)	(96)
Net cash flows used in financing activities		**(1,852)**	**(1,520)**	**(604)**
Increase (decrease) in cash and cash equivalents from continuing operations		(310)	134	418
Increase in cash and cash equivalents from discontinued operations		28	48	71
Foreign currency translation effect on cash		(55)	(20)	(10)
Cash and cash equivalents at beginning of period		950	788	309
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**10**	$ **613**	**950**	**788**
Changes in working capital, excluding income taxes:				
Trade receivables		$ (20)	25	(8)
Other accounts receivable and other assets		94	(22)	33
Inventories		(341)	24	96
Trade payables		290	20	(41)
Other accounts payable and accrued expenses		(166)	151	18
Changes in working capital, excluding income taxes		$ **(143)**	**198**	**98**

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 U.S. dollars)

	Notes	Common stock	Additional paid-in capital	Other equity reserves and subordinated notes	Retained earnings	Total controlling interest	Non-controlling interest	Total stockholders' equity
Balance as of January 1, 2018		**$ 318**	**10,013**	**(2,472)**	**1,622**	**9,481**	**1,572**	**11,053**
Effects from adoption of IFRIC 23		—	—	—	6	6	—	6
Balance as of January 1, 2019		**318**	**10,013**	**(2,472)**	**1,628**	**9,487**	**1,572**	**11,059**
Net income for the period		—	—	—	143	143	36	179
Other comprehensive income (loss) for the period		—	—	(112)	—	(112)	(105)	(217)
Total other comprehensive income (loss) for the period	**22.2**	—	—	(112)	143	31	(69)	(38)
Dividends	**22.1**	—	—	—	(150)	(150)	—	(150)
Effects of mandatorily convertible securities		—	151	(151)	—	—	—	—
Own shares purchased under share repurchase program	**22.1**	—	(75)	25	—	(50)	—	(50)
Share-based compensation	**23**	—	17	15	—	32	—	32
Coupons paid on perpetual debentures	**22.4**	—	—	(29)	—	(29)	—	(29)
Balance as of December 31, 2019		**318**	**10,106**	**(2,724)**	**1,621**	**9,321**	**1,503**	**10,824**
Net loss for the period		—	—	—	(1,467)	(1,467)	21	(1,446)
Other comprehensive income (loss) for the period		—	—	(146)	—	(146)	(202)	(348)
Total of other comprehensive income (loss) for the period	**22.2**	—	—	(146)	(1,467)	(1,613)	(181)	(1,794)
Own shares purchased under share repurchase program	**22.1**	—	(50)	(33)	—	(83)	—	(83)
Restitution of retained earnings	**22.3**	—	(2,481)	—	2,481	—	—	—
Changes in non-controlling interest	**22.4**	—	—	445	—	445	(445)	—
Share-based compensation	**23**	—	—	29	—	29	—	29
Coupons paid on perpetual debentures	**22.4**	—	—	(24)	—	(24)	—	(24)
Balance as of December 31, 2020		**318**	**7,575**	**(2,453)**	**2,635**	**8,075**	**877**	**8,952**
Net income for the period		—	—	—	753	753	25	778
Other comprehensive income (loss) for the period		—	—	(31)	—	(31)	(11)	(42)
Total of other comprehensive income (loss) for the period	**22.2**	—	—	(31)	753	722	14	736
Own shares purchased under share repurchase program	**22.1**	—	(83)	83	—	—	—	—
Issuance of subordinated notes	**22.2**	—	—	994	—	994	—	994
Changes in non-controlling interest and repayment of perpetual debentures	**22.4**	—	—	—	—	—	(447)	(447)
Share-based compensation	**23**	—	—	77	—	77	—	77
Coupons paid on perpetual debentures and subordinated notes	**22.2, 22.4**	—	—	(41)	—	(41)	—	(41)
Balance as of December 31, 2021		**$ 318**	**7,492**	**(1,371)**	**3,388**	**9,827**	**444**	**10,271**

The accompanying notes are part of these consolidated financial statements.

CEMEX, S.A.B. DE C.V. AND SUBSIDIARIES
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1) DESCRIPTION OF BUSINESS

CEMEX, S.A.B. de C.V., entity that started doing business in 1906, is a publicly traded variable stock corporation *(Sociedad Anónima Bursátil de Capital Variable)* organized under the laws of the United Mexican States, or Mexico, and is a holding company (parent) of entities whose main activities are oriented to the construction industry, through the production, marketing, sale and distribution of cement, ready-mix concrete, aggregates and other construction materials and services, including urbanization solutions. In addition, CEMEX, S.A.B. de C.V. performs significant business and operational activities in Mexico.

The shares of CEMEX, S.A.B. de C.V. are listed on the Mexican Stock Exchange ("MSE") as Ordinary Participation Certificates ("CPOs") (*Certificados de Participación Ordinaria*) under the symbol "CEMEXCPO". 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.

The issuance of these consolidated financial statements was authorized by the Board of Directors of CEMEX, S.A.B. de C.V. on February 3, 2022 considering the favorable recommendation of its Audit Committee. These financial statements were approved by the Annual General Ordinary Shareholders' Meeting of the Parent Company on March 24, 2022.

2) RELEVANT EVENT DURING THE PERIOD AND AS OF THE ISSUANCE DATE OF THE FINANCIAL STATEMENTS

COVID-19 Pandemic

As of December 31, 2021, the outbreak of the Coronavirus SARS-CoV-2 and its strains that causes the disease known as COVID-19, declared as a pandemic by the World Health Organization on March 11, 2020 (the "COVID-19 Pandemic"), continued to affect the Company's operations in various aspects. During the year ended December 31, 2021, in general, the restrictive and confinement measures to contain the spread of the pandemic that affected the construction industry in the countries where the Company operates were not so significant. Conversely, in 2020, mainly during the second quarter, the impact caused by the pandemic on the Company's results was very significant, primarily attributable to the restrictive and confinement measures in effect from the middle of March 2020, much of the second quarter of 2020, and in some cases also during the third quarter of 2020. The recovery of the economic activity in general, and of the construction sector in particular, in most of the countries where the Company operates was very significant during the first half of 2021, however the recovery started to slow down during the third and fourth quarters of 2021. As of December 31, 2021, to a lesser degree than in 2020, the Company continues to be affected by the COVID-19 Pandemic, mainly by the closing of several corporate offices and certain production slowdowns or stoppages and disruptions in the delivery systems, as well as disruptions or delays in the supply chains.

From the beginning of the COVID-19 Pandemic and abiding by official dispositions in the countries in which CEMEX operates, CEMEX implemented strict hygiene, sanitary, and security measures guidelines in all its operations and modified its manufacturing, selling and distributions processes to assure physical distancing, aiming to protect the health and safety of its employees and their families, customers and communities. In this

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2) RELEVANT EVENT DURING THE PERIOD AND AS OF THE ISSUANCE DATE OF THE FINANCIAL STATEMENTS — continued

respect, for the years 2021 and 2020, since the start of the COVID-19 Pandemic, CEMEX has identified certain incremental costs and expenses associated with implementing and maintaining these measures of $26 and $48, respectively (note 8).

According to the measures implemented in each case by the local authorities, CEMEX's most important segments were affected as follows:

- In Mexico, the lockdown measures in place from the third week of March until May 13, 2020, except for certain sectors and construction activities of public works designated as essential by the government during the COVID-19 Pandemic, significantly impacted the economic activity in general and the Company's results. Beginning on May 14, 2020 the reopening of social, educational and economic activities was allowed. Therefore, companies dedicated to construction and mining industry activities were able to resume full operations as long they complied with the applicable health and safety protocols and guidelines established by the government. As of December 31, 2021 no additional official decrees were issued requiring the construction industry in Mexico to halt all or part of its operations.
- In the United States of America (the "United States"), except for a few ready-mix concrete plants in the San Francisco area that were temporarily shut down during part of 2020, all sites that were operational before the COVID-19 Pandemic have remained active. During November and December of 2020, certain states in the United States continued to implement certain degrees of lockdowns, which had an impact on the Company's operations and demand for its products and services. The main negative impacts from the COVID-19 Pandemic in the United States during 2021 and 2020 have been related to the shortage of freight services by reduced drivers and bottlenecks in certain maritime docks and distribution centers which have increased the costs of logistics, supplies, raw materials and fuels, among others.
- In CEMEX's Europe, Middle East, Africa and Asia ("EMEAA") region, the main effects were experienced in Spain, the Philippines and the United Arab Emirates, where operations either operated on a limited basis or were temporarily halted during portions of 2020. However, CEMEX's operations in the EMEAA region in general were not halted in 2021 and 2020. Other countries have experienced negative effects on the market side, with drops in demand resulting in temporary site closures. During November and December of 2020, certain countries like France, Germany and the United Kingdom implemented certain degrees of lockdowns, which affected the operations and demand for CEMEX's products and services. CEMEX's operations in the United Kingdom and other regions in Europe have also been significantly affected by the shortage of drivers which have increased the costs of logistics, supplies, raw materials and fuels, among others.
- In most of CEMEX's South America, Central America and Caribbean ("SCA&C") region, considering governmental requirements, the Company's operations were temporarily affected in 2020. In Colombia, CEMEX temporarily halted production and related activities beginning on March 25, 2020, partially resuming from April 13 to April 27, 2020 to attend to certain allowed needs and beginning on April 27, 2020 the supply of material and supplies for infrastructure works, public works and general construction was permitted. In Panama, the closing of the Company's operations was initially effective from March 25, 2020 through May 24, 2020, partially resuming for certain approved activities and finally, on September 4, 2020, the supply for construction works in general was allowed. In Trinidad and Tobago and Barbados operations were temporarily halted from the last week of March until May 14, 2020. There were no significant lockdowns in 2021 in the SCA&C region. Nonetheless, the COVID-19 Pandemic continues to affect several supply chains and has generated increases in fuels and transportation costs.

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2) RELEVANT EVENT DURING THE PERIOD AND AS OF THE ISSUANCE DATE OF THE FINANCIAL STATEMENTS — continued

During the year ended December 31, 2021, the Company's revenues increased 14% compared to the previous year. This increase in revenues was generated considering certain general economic recovery during 2021, and by the significant reduction in sales volumes during 2020 resulting from the aforementioned adverse effects of the COVID-19 Pandemic. The increase in revenues was partially offset by increases in costs of raw materials, fuels and transportation in the main countries in which CEMEX operates. However, these increases in costs were partially offset considering the measures implemented by the Company for the reduction and control of its operating costs and expenses. Considering the above, as well as the sale of CO2 emission allowances of $600 in 2021 (note 8) and the reduction in asset impairment losses from $1,520 in 2020 to $536 in 2021 described in the following paragraph, operating earnings increased from operating losses of $456 in 2020 to operating earnings of $1,618 in 2021. Moreover, during the year ended December 31, 2021, CEMEX's Operating EBITDA (operating earnings before other expenses, net, plus depreciation and amortization (note 3.1)) increased 18.1% from $2,421 in 2020 to $2,861 in 2021.

Considering in 2021 and 2020 the negative effects of the pandemic and its impact on the valuation of the Company's assets and the future operating plans of certain assets, CEMEX recognized non-cash impairment losses related to goodwill and other intangible assets in 2021 and idle assets, operating permits and goodwill in 2020 for aggregate amounts of $536 and $1,520, respectively (note 8). The Company considers that, taking into account that even with more persons being vaccinated around the world, the pandemic is still ongoing and new strains have caused infection numbers to grow as the negative impacts of such pandemic could remain and there would not be a significant global economic recovery, thus the significant negative effects occurred during 2021 and 2020 could be repeated in the future mainly in connection with: (i) increases in estimated credit losses on trade accounts receivable (note 11); as well as (ii) impairment of long-lived assets including goodwill (notes 16.1 and 17.1). The most relevant aspects regarding the potential negative effects mentioned above as of the date of approval of these consolidated financial statements as of December 31, 2021 are disclosed in the explanatory notes.

The degree to which the COVID-19 Pandemic would affect again the Company's liquidity, financial situation and results of operations will depend on the evolution of future developments that are highly uncertain, including among these, the duration and spread of the pandemic, its severity, the spread of even more infectious strains of the virus, the actions, in particular measures ordered by governments, to contain the virus or treat its impact and how fast and to which extent the economic and operational conditions can return, within a new normality with limited activities, until more effective vaccination initiatives are put in place in more countries around the world and how willing of the world's population is to receive the vaccines. In the countries where the Company operates, vaccination against COVID-19 generally maintained a positive rhythm in 2021 due to the availability of vaccines, which has helped to contain the level of outbreaks and severity of infections. The Company's management carries out proactive efforts with the authorities in each country to facilitate to the extent possible the vaccination of its employees and their families in order to mitigate the potential risk in the operation that could be affected by future waves of contagion.

During 2020, CEMEX dealt with liquidity risks during the deepest phase of suspension of activities within the COVID-19 Pandemic, maintaining sufficient cash, to the extent possible, through obtaining financing in the bonds market and with commercial banks. From March through September 2020, CEMEX issued notes, negotiated new loans and borrowed from its committed lines of credit a total of $3,478, of which, as of December 31, 2020 an aggregate of $2,785 had been repaid. In addition, CEMEX, S.A.B. de C.V. suspended its

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2) RELEVANT EVENT DURING THE PERIOD AND AS OF THE ISSUANCE DATE OF THE FINANCIAL STATEMENTS — continued

share repurchase program and did not pay dividends during 2021 and 2020. During 2021, CEMEX significantly continued to improve its capital structure seeking to reach an investment grade from rating agencies using cash flows provided by operations and the sale of assets to pay down debt and through the issuance on June 8, 2021 of $1,000 of its subordinated notes with no fixed maturity (note 22.2), proceeds that were applied fully to the repayment of debt. Furthermore, on October 29, 2021, CEMEX closed a new $3,250 syndicated sustainability-linked credit agreement (the "2021 Credit Agreement"), under terms consistent with an investment grade capital structure, and used a portion of the proceeds to fully repay its previous 2017 Facilities Agreement, as amended several times (note 18.1). In addition, on December 23, 2021, CEMEX closed a new credit agreement for the Mexican peso equivalent of $250 (the "2021 Pesos Credit Agreement"), under terms substantially similar to those of the 2021 Credit Agreement. The Company projects it will continue to generate sufficient cash flows from operations, which would enable the Company to meet its current obligations. Moreover, as of December 31, 2021, CEMEX had $1,750 available on its committed revolving line of credit under the 2021 Credit Agreement (note 18.1).

Other measures that contributed to easing liquidity risks that were applied beginning on April 8, 2020 and that were maintained in 2021 are as follows: a) all non-critical capital expenditures or not associated with the management of the COVID-19 Pandemic were streamlined; b) operating expenses were also streamlined strictly according to the Company's markets evolution and demand; c) the Company´s production was adjusted, to the extent permitted by quarantine measures, only to supply the volume of products required by the markets; and, d) all activities not related to managing basic operations were suspended.

3) SIGNIFICANT ACCOUNTING POLICIES

3.1) BASIS OF PRESENTATION AND DISCLOSURE

The consolidated financial statements as of December 31, 2021 and 2020 and for the years ended December 31, 2021, 2020 and 2019, 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 consolidated financial statements and the accompanying notes are presented in dollars of the United States of America ("United States"), except when specific reference is made to a different currency. When reference is made to U.S. dollars or "$" it means dollars of the United States. All amounts in the financial statements and the accompanying notes are stated in millions, except when references are made to earnings per share and/or prices per share. When reference is made to "Ps" or "pesos", it means Mexican pesos. When reference is made to "€" or "euros," it means the currency in circulation in a significant number of European Union ("EU") countries. When reference is made to "£" or "pounds", it means British pounds sterling. When it is deemed relevant, certain amounts in foreign currency presented in the notes to the financial statements include between parentheses a convenience translation into dollars and/or into pesos, as applicable. Previously reported convenience translations of prior years are not restated unless the transaction is still outstanding, in which case those are restated using the closing exchange rates as of the reporting date. These translations should not be construed as representations that the amounts in dollars or pesos, as applicable, represent those dollar or peso amounts or could be converted into dollar or peso at the rate indicated.

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3) SIGNIFICANT ACCOUNTING POLICIES — continued

Amounts disclosed in the notes in connection with outstanding tax and/or legal proceedings (notes 21.4 and 26), which are originated in jurisdictions where currencies are different from 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.

Discontinued operations (note 5.2)

Considering the disposal of entire reportable operating segments as well as the sale of significant businesses, CEMEX's Statements of Operations present in the single line item of "Discontinued operations," the results of: a) the operating segments in Costa Rica and El Salvador for the years 2021, 2020 and 2019; b) the white cement business sold in Spain for the period from January 1 to July 9, 2021 and for the years 2020 and 2019; c) the assets sold in the United Kingdom for the period from January 1 to August 3, 2020 and for the year 2019; d) the assets sold in the United States for the period from January 1 to March 3, 2020 and for the year 2019; e) the French assets sold for the period from January 1 to June 28, 2019; f) the German assets sold for the period from January 1 to May 31, 2019; and g) the Baltic and Nordic businesses sold for the period from January 1 to March 29, 2019.

Statements of operations

CEMEX includes the line item titled "Operating earnings before other expenses, net" considering that it is a relevant operating measure for CEMEX's management. The line item "Other expenses, net" consists primarily of revenues and expenses not directly related to CEMEX's main activities or which are of a non-recurring nature, including impairment losses of long-lived assets, non-recurring sales of emission allowances (note 3.19), results on disposal of assets and restructuring costs, among others (note 8). Under IFRS, the inclusion of certain subtotals such as "Operating earnings before other expenses, net" and the display of the statement of operations vary significantly by industry and company according to specific needs.

Considering that it is an indicator of CEMEX's ability to internally fund capital expenditures and to measure its ability to service or incur debt under financing agreements, for purposes of notes 5.3 and 18, CEMEX presents "Operating EBITDA" (operating earnings before other expenses, net, plus depreciation and amortization). This is not an indicator of CEMEX's financial performance, an alternative to cash flows, a measure of liquidity or comparable to other similarly titled measures of other companies. In addition, this indicator is used by CEMEX's management for decision-making purposes.

Statements of cash flows

The statements of cash flows exclude the following transactions that did not represent sources or uses of cash:

Financing activities:

- In 2021, 2020 and 2019, the increases in other financing obligations in connection with lease contracts negotiated during the year for $227, $213 and $274, respectively (note 18.2); and
- In 2019, in connection with the CPOs issued as part of the executive share-based compensation programs (note 23), the total increases in equity of $17.

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3) SIGNIFICANT ACCOUNTING POLICIES — continued

Investing activities:

- In 2021, 2020 and 2019, in connection with the leases negotiated during the year, the increases in assets for the right-of-use related to lease contracts for $227, $213 and $274, respectively (note 16.2).

Newly issued IFRS adopted in the reported periods

Beginning January 1, 2021, CEMEX adopted prospectively standard amendments that did not result in any material impact on its results or financial position, and which are explained as follows:

Standard	Main topic
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16, phases 1 and 2 —*The Reform of the Reference Interest Rates*	Beginning January 1, 2021, the amendments refer to the replacement of the Interbank Reference Rates (IBOR) and provide temporary relief in several aspects, such as hedge accounting, when an IBOR rate is replaced by an alternative nearly risk-free rate (PFR) (see note 18.5).

3.2) PRINCIPLES OF CONSOLIDATION

The consolidated financial statements include those of CEMEX, S.A.B. de C.V. and those of the entities over which the Parent Company exercises control, including structured entities (special purpose entities), by means of which the Parent Company, directly or indirectly, 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's relevant activities. Balances and operations between related parties are eliminated in consolidation.

Investments are accounted for by the equity method when CEMEX has significant influence which is generally presumed with a minimum equity interest of 20%. The equity method reflects the investee's original cost and CEMEX's share of the investee's equity and earnings after acquisition. The financial statements of joint ventures, which relate to those arrangements in which CEMEX and other third-party investors have joint control and have rights to the net assets of the arrangements, are recognized under the equity method. During the reported periods, CEMEX did not have joint operations, referring to those cases in which the parties that have joint control of the arrangement have rights over specific assets and obligations for specific liabilities relating to the arrangements. The equity method is discontinued when the carrying amount of the investment, including any long-term interest in the investee or joint venture, is reduced to zero, unless CEMEX has incurred or guaranteed additional obligations of the investee or joint venture.

3.3) USE OF ESTIMATES AND CRITICAL ASSUMPTIONS

The preparation of financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the 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 items subject to significant estimates and assumptions by management include impairment tests of long-lived assets, recognition of deferred income tax assets and uncertain tax positions, the measurement of financial instruments at fair value, the assets and liabilities related to employee benefits, legal proceedings and provisions regarding assets retirements obligations and environmental liabilities. Significant judgment is required by management to appropriately assess the amounts of these concepts.

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3) SIGNIFICANT ACCOUNTING POLICIES — continued

3.4) CLIMATE CHANGE AND COMMITMENTS FOR THE REDUCTION OF CARBON DIOXIDE ("CO_2") EMISSIONS

The cement industry releases CO_2 as part of the production process, mainly during the calcination of limestone, as well as CO_2 released through the use of fossil fuels in the kilns. It is estimated that currently the whole cement industry releases between 5% to 7% (unaudited) of global CO_2 emissions per year. In CEMEX, from approximately 50 million tons (unaudited) of gross CO_2 emissions per year, 60% (unaudited) are directly related to the production process (Scope 1), 20% (unaudited) are indirect emissions from electricity consumption (Scope 2) and the remaining 20% (unaudited) arise from activities of supply and transportation (Scope 3). CEMEX has an agenda of medium-term and long-term initiatives aiming at significantly reduce its CO_2 emissions in order to align the Company's efforts with the Paris Agreement objectives of limiting global warming to well-below 2ºC above pre-industrial levels and pursuing efforts to limit the temperature increase even further to 1.5 degrees Celsius. In 2021, CEMEX enhanced its goals by redefining its medium-term and long-term targets, which are mainly: 1) a 35% (unaudited) reduction in CO_2 emissions by 2025 and reaching a reduction greater than 40% (unaudited) by 2030, compared to its 1990 baseline in Scope 1 emissions; 2) achieve a 42% (unaudited) reduction in Scope 2 emissions by 2030 compared to a 2020 baseline, which represents reaching a 55% (unaudited) clean electricity consumption; and 3) delivery of net-zero CO_2 concrete for all geographies by 2050. CEMEX's targets for its cement business were verified by the Science-Based Targets initiative ("SBTi") to be in line with the well-below 2ºC scenario. SBTi, the foremost authority on science-based climate action goals, drives ambitious climate action in the private sector by enabling companies to set science-based emissions reductions targets. During 2021, CEMEX also signed its commitment to the Business Ambition for 1.5 Degrees program of the We Mean Business Coalition, establishing that CEMEX's future CO_2 reduction targets beyond 2030 will be aligned to the 1.5 degrees scenario, when such a scenario is available for the cement industry. Furthermore, CEMEX also joined the Race To Zero campaign of the United Nations Framework Convention on Climate Change ("UNFCCC") in the run-up to the UN Climate Change Conference 26 ("COP26") in Glasgow, Scotland, finalized on November 12, 2021. By doing this, CEMEX reaffirmed its ambition to deliver globally net-zero carbon concrete by 2050.

To meet CEMEX's 2030 targets, the objectives have been included in the variable compensation scheme of the Chief Executive Officer and top senior management and CEMEX has detailed yearly CO_2 roadmaps developed for each cement plant which include, among other factors: a) the increasing use of alternative fuels and electricity from clean sources as well as energy efficiency enhancers such as hydrogen, b) the increasing use of decarbonated raw materials and decarbonated cementitious materials to reduce the clinker factor, as well as, c) a roll-out of other proven CO_2 reduction technologies and the investments required for their implementation.

Furthermore, to achieve the net-zero CO_2 concrete target globally by 2050, CEMEX is working through an open innovation platform in which it partners and collaborates with start-ups, universities, other industry players and entities from other industries to develop a robust research and development portfolio of projects aimed at identifying the most promising technologies to capture, store and utilize CO_2. These new technologies will contribute beyond 2030 to fully decarbonize CEMEX's operations and its value chain. To build this portfolio, CEMEX is tapping into government funding in Europe and the United States, where there are well established programs to foster innovation in the green technologies of the future. CEMEX continues to pursue its strategy in the different markets where it operates.

As of the reporting date, there are no internal plans or commitments with local authorities to shut down operating assets due to climate change issues or concerns.

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3) SIGNIFICANT ACCOUNTING POLICIES — continued

3.5) FOREIGN CURRENCY TRANSACTIONS AND TRANSLATION OF FOREIGN CURRENCY FINANCIAL STATEMENTS

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 statement of financial position date, and the resulting foreign exchange fluctuations are recognized in earnings, except for exchange fluctuations arising from: 1) foreign currency indebtedness associated with the acquisition of foreign entities; and 2) fluctuations associated with related parties' balances denominated in foreign currency, whose 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 22.2) until the disposal of the foreign net investment, at which time, the accumulated amount is recognized 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 U.S. dollars at the closing exchange rate for statement of financial position 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 for the period as part of the foreign currency translation adjustment (note 22.2) until the disposal of the net investment in the foreign subsidiary.

Considering its integrated activities, for purposes of functional currency, the Parent Company is considered to have two divisions, one related with its financial and holding company activities, in which the functional currency is the dollar for all assets, liabilities and transactions associated with these activities, and another division related with the Parent Company's operating activities in Mexico, in which the functional currency is the peso for all assets, liabilities and transactions associated with these activities.

The most significant closing exchange rates for statement of financial position accounts and the approximate average exchange rates (as determined using the closing exchange rates of each month within the period) for income statement accounts for the main functional currencies to the U.S. dollar as of December 31, 2021, 2020 and 2019, were as follows:

	2021		2020		2019	
Currency	Closing	Average	Closing	Average	Closing	Average
Mexican peso	20.5000	20.4266	19.8900	21.5766	18.9200	19.3500
Euro	0.8789	0.8467	0.8183	0.8736	0.8917	0.8941
British Pound Sterling	0.7395	0.7262	0.7313	0.7758	0.7550	0.7831
Colombian Peso	3,981	3,783	3,433	3,730	3,277	3,300

3.6) CASH AND CASH EQUIVALENTS (note 10)

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 readily convertible into known amounts of 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

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are recorded at cost plus accrued interest. Accrued interest is included in the income statement as part of "Financial income and other items, net."

To the extent that any restriction will be lifted in less than three months from the statement of financial position reporting date, the amount of cash and cash equivalents in the statement of financial position includes restricted cash and investments, when applicable, comprised of deposits in margin accounts that guarantee certain of CEMEX's obligations, except when contracts contain provisions for net settlement, in which case, these restricted amounts of cash and cash equivalents are offset against the liabilities that CEMEX has with its counterparties. When the restriction period is greater than three months, any restricted balance of cash and investments is not considered cash equivalents and is included within short-term or long-term "Other accounts receivable," as appropriate.

3.7) FINANCIAL INSTRUMENTS

Classification and measurement of financial instruments

Financial assets are classified as "Held to collect" and measured at amortized cost when they meet both of the following conditions and are not designated as at fair value through profit or loss: a) are held within a business model whose objective is to hold assets to collect contractual cash flows; and b) its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Amortized cost represents the net present value ("NPV") of the consideration receivable or payable as of the transaction date. This classification of financial assets comprises the following captions:

- Cash and cash equivalents (notes 3.6 and 10).
- Trade receivables, other current accounts receivable and other current assets (notes 11 and 12). Due to their short-term nature, CEMEX initially recognizes these assets at the original invoiced or transaction amount less expected credit losses, as explained below.
- Trade receivables sold under securitization programs, in which certain residual interest in the trade receivables sold in case of recovery failure and continued involvement in such assets is maintained, do not qualify for derecognition and are maintained in the statement of financial position (notes 11 and 18.2).
- Investments and non-current accounts receivable (note 15.2). Subsequent changes in effects from amortized cost are recognized in the income statement as part of "Financial income and other items, net".

Certain strategic investments are measured at fair value through other comprehensive income within "Other equity reserves" (note 15.2). CEMEX does not maintain financial assets "Held to collect and sell" whose business model has the objective of collecting contractual cash flows and then selling those financial assets.

The financial assets that are not classified as "Held to collect" or that do not have strategic characteristics fall into the residual category of held at fair value through the income statement as part of "Financial income and other items, net" (note 15.2).

Debt instruments and other financial obligations are classified as "Loans" and measured at amortized cost (notes 18.1 and 18.2). Interest accrued on financial instruments is recognized 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 with fair value hedge strategies with derivative financial instruments.

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Derivative financial instruments are recognized as assets or liabilities in the statement of financial position at their estimated fair values, and the changes in such fair values are recognized in the income statement within "Financial income and other items, net" for the period in which they occur, except in the case of hedging instruments as described below (note 18.4).

Impairment of financial assets

Impairment losses of financial assets, including trade accounts receivable, are recognized using the Expected Credit Loss model ("ECL") for the entire lifetime of such financial assets on initial recognition, and at each subsequent reporting period, even in the absence of a credit event or if a loss has not yet been incurred, considering for their measurement past events and current conditions, as well as reasonable and supportable forecasts affecting collectability. For purposes of the ECL model of trade accounts receivable, CEMEX segments its accounts receivable in a matrix by country, type of client or homogeneous credit risk and days past due and determines for each segment an average rate of ECL, considering actual credit loss experience over the last 24 months and analyses of future delinquency, that is applied to the balance of the accounts receivable. The average ECL rate increases in each segment of days past due until the rate is 100% for the segment of 365 days or more past due.

Costs incurred in the issuance of debt or borrowings

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 that the holders and the relevant economic terms of the new instrument are not substantially different to the replaced instrument, adjust the carrying amount of the related debt and are amortized as interest expense as part of the effective interest rate of each instrument 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 from the old instrument according to a qualitative and quantitative analysis, are recognized in the income statement as incurred.

Leases (notes 3.9, 16 and 18.2)

At the inception of a contract, CEMEX assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period in exchange for consideration. CEMEX uses the definition of a lease in IFRS 16, *Leases* ("IFRS 16") to assess whether a contract conveys the right to control the use of an identified asset.

Based on IFRS 16, leases are recognized as financial liabilities against assets for the right-of-use, measured at their commencement date as the net present value ("NPV") of the future contractual fixed payments, using the interest rate implicit in the lease or, if that rate cannot be readily determined, CEMEX´s incremental borrowing rate. CEMEX determines its incremental borrowing rate by obtaining interest rates from its external financing sources and makes certain adjustments to reflect the term of the lease, the type of the asset leased and the economic environment in which the asset is leased.

CEMEX does not separate the non-lease component from the lease component included in the same contract. Lease payments included in the measurement of the lease liability comprise contractual rental fixed payments,

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less incentives, fixed payments of non-lease components and the value of a purchase option, to the extent that option is highly probable to be exercised or is considered a bargain purchase option. Interest incurred under the financial obligations related to lease contracts is recognized as part of the "Interest expense" line item in the income statement.

At commencement date or on modification of a contract that contains a lease component, CEMEX allocates the consideration in the contract to each lease component based on their relative stand-alone prices. CEMEX applies the recognition exception for lease terms of 12 months or less and contracts of low-value assets and recognizes the lease payment of these leases as rental expense in the income statement over the lease term. CEMEX defined the lease contracts related to office and computer equipment as low-value assets.

The lease liability is measured at amortized cost using the effective interest method as payments are incurred and is remeasured when: a) there is a change in future lease payments arising from a change in an index or rate, b) if there is a change in the amount expected to be payable under a residual guarantee, c) if the Company changes its assessment of whether it will exercise a purchase, extension or termination option, or d) if there is a revised in-substance fixed lease payment. When the lease liability is remeasured, an adjustment is made to the carrying amount of the asset for the right-of-use or is recognized within "Financial income and other items, net" if such asset has been reduced to zero.

Hedging instruments (note 18.4)

A hedging relationship is established to the extent the entity considers, based on the analysis of the overall characteristics of the hedging and hedged items, that the hedge will be highly effective in the future and the hedge relationship at inception is aligned with the entity's reported risk management strategy (note 18.5). The accounting categories of hedging instruments are: a) cash flow hedge; b) fair value hedge of an asset or forecasted transaction; and c) hedge of a net investment in a subsidiary.

In cash flow hedges, the effective portion of changes in fair value of derivative instruments are recognized in stockholders' equity within other equity reserves 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. 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 within "Other equity reserves" (note 3.4), whose reversal to earnings would take place upon disposal of the foreign investment. During the reported periods, CEMEX did not have derivatives designated as 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.

Embedded derivative financial instruments

CEMEX reviews its 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 statement of financial position 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

Under IFRS 9, represent agreements by means of which a non-controlling interest has the right to sell, at a future date using a predefined price formula or at fair market value, its shares in a consolidated subsidiary. When the obligation should be settled in cash or through the delivery of another financial asset, an entity should recognize a liability for the NPV of the redemption amount as of the reporting date against the controlling interest within stockholders' equity. A liability is not recognized under these agreements when the redemption amount is determined at fair market value at the exercise date and the entity has the election to settle using its own shares. As of December 31, 2021 and 2020, CEMEX did not have written put options.

Fair value measurements (note 18.3)

Under IFRS, 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 are no market and/or market participants willing to make a market, IFRS establishes a fair value hierarchy that 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. — represent quoted prices (unadjusted) in active markets for identical assets or liabilities that CEMEX can access at the measurement date. A quoted 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. — 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 and credit spreads, among others, as well as 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 Operating EBITDA, including risk assumptions consistent with what market participants would use to arrive at fair value.

3.8) INVENTORIES (note 13)

Inventories are valued using the lower of cost or net realizable value. The cost of inventories is based on weighted average cost formula and 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, because 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

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value. In such cases, these adjustments are recognized against the results of the period. Advances to suppliers of inventory are presented as part of other current assets.

3.9) PROPERTY, MACHINERY AND EQUIPMENT AND ASSETS FOR THE RIGHT-OF-USE (note 16)

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 (notes 6 and 7) 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, 2021, the average useful lives by category of fixed assets, which are reviewed at each reporting date, were as follows:

	Years
Administrative buildings	29
Industrial buildings	26
Machinery and equipment in plant	16
Ready-mix trucks and motor vehicles	9
Office equipment and other assets	6

As of December 31, 2021, to the best of its knowledge, management considers that the commitments and climate actions will not affect the estimated average useful lives of its property, machinery and equipment described above (note 3.4).

Assets for the right-of-use related to leases are initially measured at cost, which comprises the initial amount of the lease liability adjusted by any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle, remove or restore the underlaying asset, less any lease incentives received. The asset for the right-of-use is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlaying asset to CEMEX by the end of the lease term or if the cost of the asset for the right-of-use reflects that CEMEX will exercise a purchase option. In that case the asset for the right-of-use would be depreciated over the useful life of the underlying asset, on the same basis as those of property, plant and equipment. In addition, assets for the right-of-use may be reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

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.

All waste removal costs or stripping costs incurred in the operative phase of a surface mine to access the 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.

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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 of fixed assets is expensed as incurred. Advances to suppliers of fixed assets are presented as part of other long-term accounts receivable.

3.10) BUSINESS COMBINATIONS, GOODWILL AND OTHER INTANGIBLE ASSETS (notes 5.1 and 17)

Business combinations are recognized using the acquisition 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 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 3.11). Goodwill may be adjusted for any change 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 income statement as incurred.

CEMEX capitalizes intangible assets acquired, as well as costs incurred in the development of intangible assets, when probable future economic benefits associated are identified and there is evidence of control over such benefits. Intangible assets are recognized at their acquisition or development cost, as applicable. Indefinite life intangible assets are not amortized since the period in which the benefits associated with such intangibles will terminate cannot be accurately established. Definite life intangible assets are amortized on a straight-line basis as part of operating costs and expenses (notes 6 and 7).

Startup costs are recognized in the income statement 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. 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 probable 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 weighted-average useful lives of 83 years, depending on the sector and the expected life of the related reserves. As of December 31, 2021, 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.

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3.11) IMPAIRMENT OF LONG-LIVED ASSETS (notes 16 and 17)

Property, machinery and equipment, assets for the right-of-use, intangible assets of definite life and other investments

These assets are tested for impairment upon the occurrence of internal or external indicators of impairment, such as changes in CEMEX's operating business model or in technology that affect the asset, or expectations of lower operating results, to determine whether their carrying amounts may not be recovered. An impairment loss is recorded in the income statement for the period within "Other expenses, net," for the excess of the asset's carrying amount over its recoverable amount, corresponding to the higher of the fair value less costs to sell the asset, as generally determined by an external appraiser, and the asset's value in use, the latter represented by the NPV of estimated cash flows related to the use and eventual disposal of the asset. The main assumptions utilized to develop estimates of NPV are a discount rate that reflects the risk of the cash flows associated with the assets 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.

When impairment indicators exist, for each intangible asset, CEMEX determines its projected revenue streams over the estimated useful life of the asset. To obtain discounted cash flows attributable to each intangible asset, such revenue is adjusted for operating expenses, changes in working capital and other expenditures, as applicable, and discounted to NPV using the risk adjusted discount rate of return. The most significant economic assumptions 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 these assets are significantly sensitive to changes in such relevant assumptions. Certain key assumptions are more subjective than others. In respect of trademarks, CEMEX considers that the most subjective key assumption 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. Significant judgment by management is required to appropriately assess the fair values and values in use of the related assets, as well as to determine the appropriate valuation method and select the significant economic assumptions.

Goodwill is tested for impairment when required upon the occurrence of internal or external indicators of impairment or at least once a year, during the last quarter of such year. CEMEX determines the recoverable amount of the group of cash-generating units ("CGUs") to which goodwill balances were allocated, which consists of the higher of such group of CGUs fair value less cost to sell and its value in use, the latter represented by the NPV of estimated future cash flows to be generated by such CGUs to which goodwill was allocated, which are determined over periods of 5 years. 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. 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. Impairment charges recognized on goodwill are not reversed in subsequent periods.

The reportable segments reported by CEMEX (note 5.3), represent CEMEX's groups of CGUs to which goodwill has been allocated for purposes of testing goodwill for impairment, considering: a) that after the acquisition, goodwill was allocated at the level of the reportable segment; b) that the operating components that comprise the

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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 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 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 experience. However, such operating expenses are also reviewed considering external information sources in respect of inputs that behave according to international prices, such as oil and gas. 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. The higher the growth rate in perpetuity applied, the higher the amount of undiscounted future cash flows by group of CGUs obtained. Moreover, the amounts of discounted estimated future cash flows are significantly sensitive to the weighted average cost of capital (discount rate) applied. The higher the discount rate applied, the lower the amount of discounted estimated future cash flows by group of CGUs obtained.

3.12) PROVISIONS

CEMEX recognizes provisions when it has a legal or constructive obligation resulting from past events, whose resolution would require cash outflows, or the delivery of other resources owned by the Company. As of December 31, 2021 and 2020, 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 26.1.

Considering guidance under IFRS, CEMEX recognizes provisions for levies imposed by governments when the obligating event or the activity that triggers the payment of the levy has occurred, as defined in the legislation.

Restructuring

CEMEX recognizes provisions for restructuring when the restructuring detailed 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 statement of financial position's date. These provisions may include costs not associated with CEMEX's ongoing activities.

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Asset retirement obligations (note 19)

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 NPV 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 adjustments to NPV by the passage of time is charged to the line item "Financial income and other items, 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 19 and 26)

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 25 and 26)

Obligations or losses related to contingencies are recognized as liabilities in the statement of financial position only when present obligations exist resulting from past events that are probable to result in an outflow of resources and the amount 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 recognizes contingent revenues, income or assets only when their realization is virtually certain.

3.13) PENSIONS AND OTHER POST-EMPLOYMENT BENEFITS (note 20)

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 and other post-employment benefits

The costs associated with employees' benefits for defined benefit pension plans and other post-employment benefits, generally 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 by the employees based on actuarial estimations of the benefits' present value considering the advice of external actuaries. For certain pension plans,

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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 statement of financial position 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 items of comprehensive income, net" within stockholders' equity.

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 cost, resulting from the increase in obligations for changes in NPV and the change during the period in the estimated fair value of plan assets, is recognized within "Financial income and other items, net."

The effects from modifications to the pension plans that affect the cost of past services are recognized within operating costs and expenses over the period in which such modifications become effective 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 significantly reduce the population subject to pension benefits, respectively, are recognized within operating costs and expenses.

Termination benefits

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.

3.14) INCOME TAXES (note 21)

The effects reflected in the income statement 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, reflecting uncertainty in income tax treatments, if any. Consolidated deferred income taxes represent the addition of the amounts determined in each subsidiary by applying the enacted statutory income tax rate or substantively enacted by the end of the reporting period to the total temporary differences resulting from comparing the book and taxable values of assets and liabilities, considering tax assets such as loss carryforwards and other recoverable taxes, 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 at the reporting period reflects the tax consequences that follow the way in which CEMEX expects 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 taxes 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.

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3) SIGNIFICANT ACCOUNTING POLICIES — continued

Deferred tax assets are reviewed at each reporting date and are reduced when it is not deemed probable that the related tax benefit will be realized, considering the aggregate amount of self-determined tax loss carryforwards that CEMEX believes will not be rejected by the tax authorities based on available evidence and the likelihood of recovering them prior to their expiration through an analysis of estimated future taxable income. If it is probable that the tax authorities would reject a self-determined deferred tax asset, CEMEX would decrease such asset. When it is considered that a deferred tax asset will not be recovered before its expiration, 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. To determine whether it is probable that deferred tax assets will ultimately be recovered, 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. Likewise, 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 in CEMEX's income statement for such period.

The income tax effects from an uncertain tax position are recognized when it is probable 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. For each position is considered individually its probability, regardless of its relation to any other broader tax settlement. The probability threshold represents a positive assertion by management that CEMEX is entitled to the economic benefits of a tax position. If a tax position is considered not probable of being sustained, no benefits of the position are recognized. Interest and penalties related to unrecognized tax benefits are recorded as part of the income tax in the consolidated statements of operations.

The effective income tax rate is determined dividing the line item "Income tax" by the line item "Earnings before income tax." This effective tax rate is further reconciled to CEMEX's statutory tax rate applicable in Mexico (note 21.3). A significant effect in CEMEX's effective tax rate and consequently in the reconciliation of CEMEX's effective tax rate, relates to the difference between the statutory income tax rate in Mexico of 30% against the applicable income tax rates of each country where CEMEX operates.

For the years ended December 31, 2021, 2020 and 2019, the statutory tax rates in CEMEX's main operations were as follows:

Country	2021	2020	2019
Mexico	30.0%	30.0%	30.0%
United States	21.0%	21.0%	21.0%
United Kingdom	19.0%	19.0%	19.3%
France	28.4%	32.0%	34.4%
Germany	28.2%	28.2%	28.2%
Spain	25.0%	25.0%	25.0%
Philippines	25.0%	30.0%	30.0%
Israel	23.0%	23.0%	23.0%
Colombia	31.0%	32.0%	33.0%
Others	5.5% – 30.0%	9.0% – 30.0%	7.8% – 35.0%

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3) SIGNIFICANT ACCOUNTING POLICIES — continued

CEMEX's current and deferred income tax amounts included in the income statement for the period are highly variable, and are subject, among other factors, to taxable income determined in each jurisdiction in which CEMEX operates. Such amounts of taxable income depend on factors such as sale volumes and prices, costs and expenses, exchange rate fluctuations and interest on debt, among others, as well as to the estimated tax assets at the end of the period due to the expected future generation of taxable gains in each jurisdiction.

3.15) STOCKHOLDERS' EQUITY

Common stock and additional paid-in capital (note 22.1)

These items represent the value of stockholders' contributions and include the recognition of executive compensation programs in CEMEX, S.A.B. de C.V.'s CPOs as well as decreases associated with the restitution of retained earnings.

Other equity reserves and subordinated notes (note 22.2)

Groups the cumulative effects of items and transactions that are, temporarily or permanently, recognized directly to stockholders' equity, and includes the comprehensive income (loss), which reflects certain changes in stockholders' equity that do not result from investments by owners and distributions to owners.

Beginning in June 2021, this line item includes the balance of subordinated notes with no fixed maturity issued by the Parent Company. Considering that the Parent Company's subordinated notes have no fixed maturity date, there is no contractual obligation for the Parent Company to deliver cash or any other financial assets, the payment of principal and interest may be deferred indefinitely at the sole discretion of CEMEX and specific redemption events, are fully under the Parent Company's control, under applicable IFRS, these subordinated notes issued by the Parent Company qualify as equity instruments and are classified within controlling interest stockholders' equity.

The most significant items within "Other equity reserves and subordinated notes" during the reported periods are as follows:

Items of "Other equity reserves and subordinated notes" included within other comprehensive income:

- Currency translation effects from the translation of foreign subsidiaries, 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 non-current investment class (note 3.5);
- The effective portion of the valuation and liquidation effects from derivative financial instruments under cash flow hedging relationships, which are recorded temporarily in stockholders' equity (note 3.7);
- Changes in fair value of other investments in strategic securities (note 3.7); and
- Current and deferred income taxes during the period arising from items whose effects are directly recognized in stockholders' equity.

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Items of "Other equity reserves and subordinated notes" not included in comprehensive income:

- 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 balance of subordinated notes with no fixed maturity and any interest accrued thereof; and
- The cancellation of the Parent Company's shares held by consolidated entities.

Retained earnings (note 22.3)

Retained earnings represent the cumulative net results of prior years, net of: a) dividends declared; b) capitalization of retained earnings; c) restitution of retained earnings when applicable; and d) cumulative effects from adoption of new IFRS.

Non-controlling interest and perpetual debentures (note 22.4)

This caption includes the share of non-controlling stockholders in the results and equity of consolidated subsidiaries. This caption also includes the nominal amounts of financial instruments (perpetual debentures) 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. In June 2021, CEMEX redeemed all its perpetual debentures.

3.16) REVENUE RECOGNITION (note 4)

Revenue is recognized at a point in time or over time in the amount of the price, before tax on sales, expected to be received for goods and services supplied because of ordinary activities, as contractual performance obligations are fulfilled, and control of goods and services passes to the customer. Revenues are decreased by any trade discounts or volume rebates granted to customers. Transactions between related parties are eliminated in consolidation. Variable consideration is recognized when it is highly probable that a significant reversal in the amount of cumulative revenue recognized for the contract will not occur and is measured using the expected value or the most likely amount method, whichever is expected to better predict the amount based on the terms and conditions of the contract.

Revenue and costs 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 ownership risks on the goods purchased, not acting as agent or broker.

When revenue is earned over time as contractual performance obligations are satisfied, which is the case of construction contracts, CEMEX applies the stage of completion method to measure revenue, which represents: a) the proportion that contract costs incurred for work performed to date bear to the estimated total contract costs; b) the surveys of work performed; or c) the physical proportion of the contract work completed; whichever better

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reflects the percentage of completion under the specific circumstances. Revenue related to such construction contracts is recognized in the period in which the work is performed by reference to the contract's stage of completion at the end of the period, considering that the following have been defined: a) each party's enforceable rights regarding the asset under construction; 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.

Progress payments and advances received from customers do not reflect the work performed and are recognized as short-term or long-term advanced payments, as appropriate.

3.17) COST OF SALES AND OPERATING EXPENSES (notes 6 and 7)

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, expenses related to storage in production plants and freight expenses of raw material in plants and delivery expenses of CEMEX's ready-mix concrete business.

Administrative expenses represent the expenses associated with personnel, services and equipment, including depreciation and amortization, related to managerial activities and back office for the Company's management.

Sales expenses represent the expenses associated with personnel, services and equipment, including depreciation and amortization, involved specifically in sales activities.

Distribution and logistics expenses refer to expenses of storage at points of sales, including depreciation and amortization, as well as freight expenses of finished products between plants and points of sale and freight expenses between points of sales and the customers' facilities.

3.18) EXECUTIVE SHARE-BASED COMPENSATION (note 23)

Share-based payments to executives are defined as equity instruments when services received from employees are settled by delivering shares of the Parent Company and/or a subsidiary; 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 the Parent Company and/or subsidiary'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 income statement 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.

3.19) ALLOWANCES RELATED TO EMISSIONS OF CO_2

According to the Paris Agreement objectives (note 3.4), in certain countries where CEMEX operates, such as European Union ("EU") countries and the United Kingdom, among others, mechanisms aimed at reducing carbon dioxide emissions have been established, such as the EU's Emissions Trading System ("EU ETS"), by means of which, the relevant environmental authorities grant annually certain number of emission rights ("Allowances") so far free of cost to the different industries releasing CO_2. Entities in turn must submit to such

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environmental authorities at the end of the compliance period, Allowances for a volume equivalent to the tons of CO_2 released. Companies must buy additional Allowances to meet deficits between actual CO_2 emissions during the compliance period and Allowances received. Entities may also dispose of any surplus of Allowances in the market. In general, failure to meet the emissions caps is subject to significant monetary penalties. The trend is that Allowances received free of cost will be reduced over time so that entities are compelled to act and gradually reduce the aggregate volume of emissions.

As of December 31, 2021, according to management estimates (unaudited), CEMEX held excess Allowances received for no consideration in prior years sufficient to allow the Company offsetting CO_2 costs in the EU and the United Kingdom operations until the end of 2025. Moreover, the increasing use of decarbonated raw materials, although far more expensive than traditional raw materials, among other strategies to reduce CO_2 emissions such as the use of alternative fuels and decarbonated cementitious materials, may allow CEMEX, according to internal estimates, to extend its consolidated surplus of Allowances beyond 2025.

CEMEX accounts for the effects associated with CO_2 emission reduction mechanisms as follows:

- Certificates received through government grants for no consideration paid are recognized at zero cost in the statement of financial position.
- Revenues from the sale of excess Allowances are recognized in the statement of operations in the period in which they occur.
- Allowances acquired to hedge current CO_2 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 certificates.
- CEMEX accrues a provision against cost of sales when the estimated annual emissions of CO_2 are expected to exceed the number of emission rights.
- In addition, in certain countries, the environmental authorities impose levies per ton of CO_2 or other greenhouse gases released. Such expenses are recognized as part of cost of sales as incurred.

3.20) 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, 2021, 2020 and 2019, 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.

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3.21) NEWLY ISSUED IFRS NOT YET ADOPTED

There are several amendments or new IFRS issued but not yet effective which are under analysis and the Company's management expects to adopt in their specific effective dates considering preliminarily without any significant effect in the Company's financial position or operating results, and which are summarized as follows:

Standard	Main topic	Effective date
Amendments to IFRS 10, *Consolidated financial statements and IAS 28*	Clarify the recognition of gains or losses in the Parent's financial statements for the sale or contribution of assets between an investor and its associate or joint venture	Has yet to be set
Amendments to IAS 37, *Provisions, Contingent Liabilities and Contingent Assets – Onerous Contracts – Cost of Fulfilling a Contract*	Clarifies that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract or an allocation of other costs that relate directly to fulfilling contracts.	January 1, 2022
Amendments to IAS 16, *Property, Plant and Equipment – Proceeds before Intended Use*	Clarifies the prohibition of deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management.	January 1, 2022
Annual improvements to IFRS (2018-2020 cycle): IFRS 9, *Financial Instruments* – Fees in the '10 per cent' Test for Derecognition of Financial Liabilities	The amendment clarifies which fees an entity includes when it applies the '10 per cent' test in assessing whether to derecognize a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.	January 1, 2022

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3) SIGNIFICANT ACCOUNTING POLICIES — continued

Standard	Main topic	Effective date
Amendments to IAS 1, *Presentation of Financial Statements*– Classification of Liabilities as Current or Non-current	Clarifies the requirements to be applied in classifying liabilities as current and non-current.	January 1, 2023
Amendments to IAS 8,*Definition of Accounting Estimates*	The amendment makes a distinction between how an entity should present and disclose different types of accounting changes in its financial statements. Changes in accounting policies must be applied retrospectively while changes in accounting estimates are accounted for prospectively.	January 1, 2023
Amendments to IAS 1 and IFRS Practice Statement *2,Disclosure of Accounting Policies*	The amendment requires entities to disclose their material accounting policies rather than their significant accounting policies. To support this amendment the Board has also developed guidance and examples to explain and demonstrate the application of the 'four-step materiality process' described in IFRS Practice Statement 2 *Making Materiality Judgements to accounting policy disclosures*.	January 1, 2023
Amendments to IAS 12, *Income Taxes* – Deferred Tax related to Assets and Liabilities arising from a Single Transaction	The amendment clarifies that companies should account for deferred tax assets and liabilities on transactions such as leases and decommissioning obligations. CEMEX has always applied these criteria.	January 1, 2023
IFRS 17, *Insurance Contracts*	The new Standard establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and supersedes IFRS 4, *Insurance contracts*. The Standard outlines a General Model, which is modified for insurance contracts with direct	January 1, 2023

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Standard	Main topic	Effective date
	participation features, described as the Variable Fee Approach. The General Model is simplified if certain criteria are met by measuring the liability for remaining coverage using the Premium Allocation Approach.	

4) REVENUE AND CONSTRUCTION CONTRACTS

CEMEX's revenues are mainly originated from the sale and distribution of cement, ready-mix concrete, aggregates and other construction materials and services, including urbanization solutions. CEMEX grants credit for terms ranging from 15 to 90 days depending on the type and risk of each customer. For the years ended December 31, 2021, 2020 and 2019, revenue is as follows:

	2021	2020	2019
From the sale of goods associated to CEMEX's main activities[1]	$ 14,009	12,344	12,446
From the sale of services[2]	169	145	147
From the sale of other goods and services[3]	370	325	366
	$ 14,548	12,814	12,959

1 Includes in each period revenue generated under construction contracts that are presented in the table below.
2 Refers mainly to revenue generated by Neoris N.V. and its subsidiaries, 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.

Information of revenues by reportable segment and line of business for the years 2021, 2020 and 2019 is presented in note 5.3

As of December 31, 2021 and 2020, amounts receivable for progress billings to and advances received from customers of construction contracts were not significant. For 2021, 2020 and 2019, revenues and costs related to construction contracts in progress were as follows:

	Accrued[1]	2021	2020	2019
Revenue from construction contracts included in consolidated revenues[2]	$ 81	77	101	79
Costs incurred in construction contracts included in consolidated cost of sales[3]	(85)	(79)	(101)	(79)
Construction contracts gross operating profit	$ (4)	(2)	—	—

1 Revenues and costs recognized from inception of the contracts until December 31, 2021 in connection with those projects still in progress.

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4) REVENUE AND CONSTRUCTION CONTRACTS — continued

2 Revenues from construction contracts during 2021, 2020 and 2019, were mainly obtained in Mexico and Colombia.
3 Refers to actual costs incurred during the periods.

Certain promotions and/or discounts and rebates offered as part of the sale transaction, result in a portion of the transaction price should be allocated to such commercial incentives as separate performance obligations, recognized as contract liabilities with customers, and deferred to the income statement during the period in which the incentive is exercised by the customer or until it expires. For the years ended December 31, 2021, 2020 and 2019 changes in the balance of contract liabilities with customers are as follows:

	2021	2020	2019
Opening balance of contract liabilities with customers	$ 201	225	234
Increase during the period for new transactions	1,626	1,536	1,931
Decrease during the period for exercise or expiration of incentives	(1,574)	(1,561)	(1,946)
Currency translation effects	4	1	6
Closing balance of contract liabilities with customers	$ 257	201	225

For the years 2021, 2020 and 2019, CEMEX did not identify any significant costs required to be capitalized as contract fulfilment assets and released over the contract life according to IFRS 15, *Revenues from contracts with customers*.

5) BUSINESS COMBINATIONS, DISCONTINUED OPERATIONS, SALE OF OTHER DISPOSAL GROUPS AND SELECTED FINANCIAL INFORMATION BY REPORTABLE SEGMENT AND LINE OF BUSINESS

5.1) BUSINESS COMBINATIONS

In January 2021, a subsidiary of CEMEX in Israel acquired two ready-mix concrete plants from Kinneret and Beton-He'Emek for an amount in shekels equivalent to $6. As of December 31, 2021, based on the preliminary valuation of the fair values of the assets acquired and liabilities assumed, CEMEX determined goodwill of $5.

During the first 6 months of 2020, a subsidiary of CEMEX in Israel acquired a ready-mix concrete products business from Ashtrom Industries for an amount in shekels equivalent to $33. After the conclusion of the purchase price allocation to the fair values of the assets acquired and liabilities assumed of this business, CEMEX determined goodwill of $2.

5.2) DISCONTINUED OPERATIONS

On December 29, 2021, through subsidiaries in Colombia and Spain, CEMEX signed an agreement for the sale on a joint-basis-only of its entire operations in Costa Rica and El Salvador with Cementos Progreso Holdings, S.L., for a total consideration of $335 subject to final adjustments. The assets for divestment consist of one cement plant, one grinding station, seven ready-mix plants, one aggregates quarry, as well as one distribution center in Costa Rica and one distribution center in El Salvador. The transaction is subject to satisfaction of closing conditions in Costa Rica and El Salvador, including approvals by competition authorities, CEMEX

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5) BUSINESS COMBINATIONS, DISCONTINUED OPERATIONS, SALE OF OTHER DISPOSAL GROUPS AND SELECTED FINANCIAL INFORMATION BY REPORTABLE SEGMENT AND LINE OF BUSINESS — continued

currently expects to finalize this transaction during the first half of 2022. As of December 31, 2021 the assets and liabilities associated with the operations in Costa Rica and El Salvador were presented in the Statement of Financial Position within the line items of "Assets and liabilities directly related to assets held for sale", as correspond. CEMEX's operations of these operations for the years ended December 31, 2021, 2020 and 2019 are reported in the statements of operations, net of income tax, in the single line item "Discontinued operations."

On July 9, 2021, CEMEX closed the sale agreed with Çimsa Çimento Sanayi Ve Ticaret A.Ş. on March 29, 2019, of its white cement business, except for Mexico and the U.S., for a total consideration of $155, including its Buñol cement plant in Spain and its white cement customer list. As of December 31, 2020 the assets and liabilities associated with the white cement business were presented in the Statement of Financial Position within the line items of "Assets and liabilities directly related to assets held for sale", as correspond. CEMEX's operations of these assets in Spain for the period from January 1 to July 9, 2021 and for the years ended December 31, 2020 and 2019 are reported in the statements of operations, net of income tax, in the single line item "Discontinued operations," including in 2021 a loss on sale of $67 net of the proportional allocation of goodwill of $41.

On March 31, 2021, CEMEX closed the sale of 24 concrete plants and one aggregates quarry in France to LafargeHolcim for $44. These assets are located in the Rhone Alpes region in the Southeast of France, east of CEMEX´s Lyon operations, which the company retained. CEMEX's operations of these assets in France for the three-month period ended on March 31, 2021 and the years ended December 31, 2020 and 2019 are reported in the statements of operations, net of income tax, in the single line item "Discontinued operations."

On August 3, 2020, through a subsidiary in the United Kingdom, CEMEX concluded the sale to Breedon Group plc of certain assets for an amount in Pounds equivalent to $230, including $30 of debt. The assets sold consisted of 49 ready-mix plants, 28 aggregate quarries, four depots, one cement terminal, 14 asphalt plants, four concrete products operations, as well as a portion of CEMEX's paving solutions business in the United Kingdom. CEMEX retained significant operations in the United Kingdom related with the production and sale of cement, ready-mix concrete, aggregates, asphalt and paving solutions, among others. CEMEX's operations of these assets in the United Kingdom for the period from January 1 to August 3, 2020, including in 2020 a loss on sale of $57 net of the proportional allocation of goodwill of $47, and the year ended December 31, 2019 are reported in the statements of operations, net of tax, in the single line item "Discontinued operations."

On March 6, 2020, CEMEX concluded the sale to Eagle Materials Inc. of its U.S. subsidiary Kosmos Cement Company ("Kosmos"), a partnership with a subsidiary of Buzzi Unicem S.p.A. in which CEMEX held a 75% interest, for a total consideration of $665, of which the proceeds to CEMEX were $499. The assets sold consisted of Kosmos' cement plant in Louisville, Kentucky, as well as related assets which include seven distribution terminals and raw material reserves. CEMEX's operations of these assets in the United States for the period from January 1 to March 6, 2020, including in 2020 a gain on sale of $14 net of the proportional allocation of goodwill of $291, and the year ended December 31, 2019 are reported in the statements of operations, net of income tax, in the single line item "Discontinued operations."

On June 28, 2019, CEMEX concluded with several counterparties the sale of its ready-mix and aggregates business in the central region of France for an aggregate price in euro equivalent to $36. CEMEX's operations of

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these disposed assets in France for the period from January 1 to June 28, 2019 are reported in the statements of operations, net of income tax, in the single line item "Discontinued operations," including in 2019 a gain on sale of $17 net of a proportional allocation of goodwill related to this reporting segment of $8.

On May 31, 2019, CEMEX concluded the sale of its aggregates and ready-mix assets in the North and North-West regions of Germany to GP G✔nter Papenburg AG for a price in euro equivalent to $97. The assets divested in Germany consisted of four aggregates quarries and four ready-mix facilities in North Germany, and nine aggregates quarries and 14 ready-mix facilities in North-West Germany. CEMEX's operations of these assets in Germany for the period from January 1 to May 31, 2019 are reported in the statements of operations, net of income tax, in the single line item "Discontinued operations," including in 2019 a gain on sale of $59.

On March 29, 2019, CEMEX closed the sale of assets in the Baltics and Nordics to the German building materials group Schwenk Zement KG for a price in euro equivalent to $387. The Baltic assets divested consisted of one cement production plant in Broceni, four aggregates quarries, two cement quarries, six ready-mix plants, one marine terminal and one land distribution terminal in Latvia. The assets divested also included CEMEX's 37.8% non-controlling interest in Akmenes Cementas AB owner of a cement production plant in Akmene in Lithuania, as well as the exports business to Estonia. The Nordic assets divested consisted of three import terminals in Finland, four import terminals in Norway and four import terminals in Sweden. CEMEX's operations of these disposed assets for the period from January 1 to March 29, 2019 are reported in the statements of operations, net of income tax, in the single line item "Discontinued operations," including in 2019 a gain on sale of $66.

The following table presents condensed combined information of the statement of financial position for the assets held for sale in 2021 related to the operating segments in Costa Rica and El Salvador and in 2020 related to the white cement business in Spain, as mentioned above:

	2021	2020
Current assets	$ 29	4
Non-current assets	48	103
Total assets of the disposal group	77	107
Current liabilities	31	—
Non-current liabilities	8	—
Total liabilities directly related to disposal group	39	—
Total net assets of disposal group	$ 38	107

In addition, the following table presents condensed combined information of the statements of operations of CEMEX's discontinued operations previously mentioned in: a) Costa Rica and El Salvador for the years ended December 31, 2021, 2020 and 2019; b) Spain related to the white cement business for the period from January 1 to July 9, 2021 and for the years ended December 31, 2020 and 2019; c) France related to the Rhone Alpes region for the three-month period ended March 31, 2021 and the years ended December 31, 2020 and 2019; d) the United Kingdom for the period from January 1 to August 3, 2020 and for the year ended December 31, 2019; e) the United States for the period from January 1 to March 6, 2020 and for the year ended December 31, 2019; f)

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France related to the central region for the period from January 1 to June 28, 2019; g) Germany for the period from January 1 to May 31, 2019; and h) the Baltics and Nordics for the period from January 1 to March 29, 2019.

	2021	2020	2019
Revenues	$ 185	346	744
Cost of sales and operating expenses	(150)	(308)	(673)
Other income (expenses), net	(12)	(18)	(11)
Financial expenses, net and others	11	9	(6)
Earnings before income tax	34	29	54
Income tax	(40)	(83)	(11)
Result of discontinued operations	(6)	(54)	43
Net disposal result	(4)	(45)	55
Net result of discontinued operations	$ (10)	(99)	98

5.3) SELECTED FINANCIAL INFORMATION BY REPORTABLE SEGMENT AND LINE OF BUSINESS

Reportable segments represent the components of CEMEX that engage in business activities from which CEMEX 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 operates geographically and by business on a regional basis.

Beginning April 1, 2020 and for subsequent periods, the geographical regions Europe and Asia, Middle East and Africa ("AMEA") were merged and reorganized under a single regional president and was denominated Europe, Middle East, Africa and Asia ("EMEAA"). For the reported periods, the Company's operations were organized in four geographical regions, each under the supervision of a regional president, as follows: 1) Mexico, 2) United States, 3) EMEAA and 4) South, Central America and the Caribbean ("SCA&C"). The accounting policies applied to determine the financial information by reportable segment are consistent with those described in note 3.

Considering similar regional and economic characteristics and/or materiality, certain countries have been aggregated and presented as single line items as follows: a) "Rest of EMEAA" refers mainly to CEMEX's operations and activities in the Czech Republic, Croatia, Egypt and the United Arab Emirates; b) "Rest of SCA&C" refers mainly to CEMEX's operations and activities in Costa Rica, Puerto Rico, Nicaragua, Jamaica, the Caribbean, Guatemala and El Salvador, excluding the operations of Trinidad Cement Limited ("TCL") and TCL's subsidiaries; and c) "Caribbean TCL" refers to TCL's operations mainly in Trinidad and Tobago, Jamaica, Guyana and Barbados. The segment "Others" refers to: 1) cement trade maritime operations, 2) Neoris N.V., CEMEX's subsidiary involved in the business of information technology solutions, 3) the Parent Company, other corporate entities and finance subsidiaries, and 4) other minor subsidiaries with different lines of business. As of December 31, 2021 and 2020 and for the years ended December 31, 2021, 2020 and 2019 and the selected financial information by reportable segment and line of business included in the tables below, CEMEX's

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reportable segments in Costa Rica and El Salvador, part of the SCA&C region, are presented in the line items of discontinued operations and/or assets held for sale and related liabilities, as correspond, jointly with the other discontinued operations previously described (note 5.2). As of the reporting date, the operating segment in Poland has been separated from the Rest of EMEAA considering its materiality within this region. The tables of financial information by reportable segment and line of business as of December 31, 2020 and for the years 2020 and 2019 were reformulated to consider this new presentation.

Selected information of the consolidated statements of operations by reportable segment for the years 2021, 2020 and 2019, excluding the share of profits of equity accounted investees by reportable segment that is included in the note 15.1, was as follows:

2021	Revenues (including intragroup transactions)	Less: Intragroup transactions	**Revenues**	**Operating EBITDA**	Less: Depreciation and amortization	**Operating earnings before other expenses, net**	Other expenses, net	Financial expense	Other financing items, net
Mexico	$ 3,466	(142)	3,324	1,164	161	1,003	(43)	(29)	2
United States	4,359	(4)	4,355	778	464	314	(127)	(47)	(19)
EMEAA									
United Kingdom	940	—	940	141	69	72	(3)	(8)	(17)
France	863	—	863	93	50	43	(6)	(11)	—
Germany	472	(43)	429	69	28	41	—	(2)	(2)
Poland	405	(6)	399	73	25	48	(4)	(2)	1
Spain	359	(25)	334	(6)	33	(39)	(331)	(3)	51
Philippines[1]	424	—	424	114	40	74	(1)	17	(2)
Israel	785	—	785	114	45	69	(1)	(4)	2
Rest of EMEAA	618	(5)	613	87	56	31	(110)	(3)	1
SCA&C									
Colombia[2]	437	—	437	87	26	61	(19)	(7)	(12)
Panama[2]	121	(23)	98	31	16	15	(2)	—	—
Caribbean TCL[3]	280	(7)	273	65	19	46	(1)	(6)	(6)
Dominican Republic	299	(8)	291	128	7	121	3	—	(1)
Rest of SCA&C[2]	465	(21)	444	110	13	97	(5)	(2)	(3)
Others	1,790	(1,251)	539	(187)	75	(262)	534	(555)	(73)
Continuing operations	16,083	(1,535)	14,548	2,861	1,127	1,734	(116)	(662)	(78)
Discontinued operations	185	—	185	44	9	35	(12)	—	11
Total	$ 16,268	(1,535)	14,733	2,905	1,136	1,769	(128)	(662)	(67)

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2020	Revenues (including intragroup transactions)	Less: Intragroup transactions	Revenues	Operating EBITDA	Less: Depreciation and amortization	Operating earnings before other expenses, net	Other expenses, net	Financial expense	Other financing items, net
Mexico	$ 2,812	(134)	2,678	931	148	783	(46)	(31)	(4)
United States	3,994	(1)	3,993	747	440	307	(1,350)	(53)	(20)
EMEAA									
United Kingdom	739	—	739	88	67	21	(73)	(9)	(77)
France	754	—	754	71	48	23	(1)	(12)	3
Germany	489	(37)	452	67	28	39	(3)	(2)	(3)
Poland	377	(7)	370	74	25	49	(1)	(2)	1
Spain	319	(16)	303	25	39	(14)	(195)	(3)	(9)
Philippines[1]	398	—	398	118	46	72	(1)	2	2
Israel	754	—	754	115	28	87	—	(4)	1
Rest of EMEAA	582	(9)	573	75	56	19	(26)	(3)	(22)
SCA&C									
Colombia[2]	404	—	404	86	25	61	(14)	(5)	(13)
Panama[2]	80	(7)	73	12	16	(4)	(19)	(1)	1
Caribbean TCL[3]	251	(7)	244	65	22	43	(9)	(6)	(8)
Dominican Republic	229	(11)	218	84	8	76	(5)	(1)	4
Rest of SCA&C[2]	393	(3)	390	100	15	85	(38)	(2)	7
Others	941	(470)	471	(237)	99	(336)	14	(645)	19
Continuing operations	13,516	(702)	12,814	2,421	1,110	1,311	(1,767)	(777)	(118)
Discontinued operations	360	(14)	346	53	15	38	(18)	—	9
Total	$ 13,876	(716)	13,160	2,474	1,125	1,349	(1,785)	(777)	(109)

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2019	Revenues (including intragroup transactions)	Less: Intragroup transactions	Revenues	Operating EBITDA	Less: Depreciation and amortization	Operating earnings before other expenses, net	Other expenses, net	Financial expense	Other financing items, net
Mexico	$ 2,897	(105)	2,792	969	159	810	(48)	(36)	(1)
United States	3,780	—	3,780	629	392	237	(22)	(64)	(13)
EMEAA									
United Kingdom	749	—	749	119	69	50	(2)	(11)	(17)
France	825	—	825	89	48	41	(5)	(11)	1
Germany	439	(25)	414	65	28	37	3	(3)	(4)
Poland	350	(2)	348	56	24	32	—	(2)	—
Spain	319	(25)	294	16	34	(18)	(8)	(2)	2
Philippines[1]	458	—	458	117	38	79	1	6	4
Israel	660	—	660	89	23	66	–	(2)	1
Rest of EMEAA	608	(12)	596	74	46	28	(7)	(5)	26
SCA&C									
Colombia[2]	504	—	504	90	29	61	(21)	(4)	(3)
Panama[2]	181	(2)	179	48	17	31	(9)	(1)	—
Caribbean TCL[3]	248	(8)	240	56	23	33	(2)	(6)	(4)
Dominican Republic	245	(17)	228	84	9	75	(1)	—	—
Rest of SCA&C[2]	383	(3)	380	68	15	53	(57)	(3)	1
Others	1,089	(577)	512	(231)	85	(316)	(156)	(567)	(58)
Continuing operations	13,735	(776)	12,959	2,338	1,039	1,299	(334)	(711)	(65)
Discontinued operations	759	(15)	744	128	57	71	(11)	—	(6)
Total	$ 14,494	(791)	13,703	2,466	1,096	1,370	(345)	(711)	(71)

1 CEMEX's operations in the Philippines are mainly conducted through CEMEX Holdings Philippines, Inc. ("CHP"), a Philippine company whose shares trade on the Philippines Stock Exchange. As of December 31, 2021 and 2020, there is a non-controlling interest in CHP of 22.16% of its ordinary shares (note 22.4).

2 CEMEX Latam Holdings, S.A. ("CLH"), a company incorporated in Spain, trades its ordinary shares on the Colombian Stock Exchange. CLH is the indirect holding company of CEMEX's operations in Colombia, Panama, Costa Rica, Guatemala, Nicaragua and El Salvador. At year end 2021 and 2020, there is a non-controlling interest in CLH of 7.74% and 7.63%, respectively, of its ordinary shares, excluding shares held in CLH's treasury (note 22.4).

3 The shares of TCL trade on the Trinidad and Tobago Stock Exchange. As of December 31, 2021 and 2020, there is a non-controlling interest in TCL of 30.17% of its ordinary shares in both years (note 22.4).

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Debt by reportable segment is disclosed in note 18.1. As of December 31, 2021 and 2020, selected statement of financial position information by reportable segment was as follows:

2021	Equity accounted investees	Other segment assets	Total assets	Total liabilities	Net assets by segment	Additions to fixed assets[1]
Mexico	$ —	3,785	3,785	1,513	2,272	190
United States	159	12,651	12,810	2,707	10,103	373
EMEAA						
United Kingdom	6	1,585	1,591	1,220	371	94
France	41	952	993	476	517	44
Germany	3	398	401	287	114	29
Poland	1	321	322	126	196	29
Spain	—	704	704	240	464	34
Philippines	—	777	777	153	624	89
Israel	—	776	776	526	250	45
Rest of EMEAA	9	798	807	287	520	66
SCA&C						
Colombia	—	962	962	477	485	27
Panama	—	282	282	88	194	9
Caribbean TCL	—	498	498	219	279	22
Dominican Republic	—	192	192	87	105	15
Rest of SCA&C	—	262	262	173	89	15
Others	316	1,031	1,347	7,761	(6,414)	13
Total	535	25,974	26,509	16,340	10,169	1,094
Assets held for sale and related liabilities (note 14.1)	—	141	141	39	102	5
Total consolidated	$ 535	26,115	26,650	16,379	10,271	1,099

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2020	Equity accounted investees	Other segment assets	Total assets	Total liabilities	Net assets by segment	Additions to fixed assets[1]
Mexico	$ —	3,837	3,837	1,523	2,314	144
United States	146	12,296	12,442	2,490	9,952	284
EMEAA						
United Kingdom	6	1,507	1,513	1,368	145	55
France	53	999	1,052	585	467	62
Germany	4	412	416	357	59	24
Poland	1	319	320	134	186	19
Spain	—	1,023	1,023	230	793	22
Philippines	—	761	761	158	603	82
Israel	—	769	769	507	262	28
Rest of EMEAA	8	853	861	283	578	32
SCA&C						
Colombia	—	1,105	1,105	514	591	14
Panama	—	295	295	78	217	3
Caribbean TCL	—	493	493	258	235	16
Dominican Republic	—	158	158	66	92	2
Rest of SCA&C	—	333	333	162	171	7
Others	292	1,568	1,860	9,754	(7,894)	1
Total	510	26,728	27,238	18,467	8,771	795
Assets held for sale and related liabilities (note 14.1)	—	187	187	6	181	—
Total consolidated	$ 510	26,915	27,425	18,473	8,952	795

1 In 2021 and 2020, the column "Additions to fixed assets" includes capital expenditures, which comprises acquisitions of property, machinery and equipment as well as additions of assets for the right-of-use, for combined amounts of $1,099 and $795, respectively (note 16).

As of the reporting date, the Urbanization Solutions line of business, comprising complementary solutions to solve urban needs such as admixtures for decoration, building, landscaping and renovation purposes as well as variety of mortars and water-repelling and water-retaining agents and stabilizers, among others, was separated from "Others" considering its materiality for CEMEX's management. The tables of revenues by line of business for the years 2020 and 2019 were reformulated to consider this new presentation.

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Revenues by line of business and reportable segment for the years ended December 31, 2021, 2020 and 2019 were as follows:

2021	Cement	Concrete	Aggregates	Urbanization solutions	Others	Eliminations	Revenues
Mexico	$2,412	733	208	810	14	(853)	3,324
United States	1,731	2,479	1,005	558	13	(1,431)	4,355
EMEAA							
United Kingdom	270	311	377	200	53	(271)	940
France	—	682	397	6	—	(222)	863
Germany	210	204	65	30	69	(149)	429
Poland	272	154	38	6	1	(72)	399
Spain	256	93	31	23	—	(69)	334
Philippines	423	—	—	4	1	(4)	424
Israel	—	657	199	89	27	(187)	785
Rest of EMEAA	423	232	47	14	21	(124)	613
SCA&C							
Colombia	309	130	36	58	21	(117)	437
Panama	103	16	5	7	1	(34)	98
Caribbean TCL	271	5	7	4	6	(20)	273
Dominican Republic	240	16	—	44	8	(17)	291
Rest of SCA&C	400	20	6	24	1	(7)	444
Others	—	—	—	—	1,790	(1,251)	539
Continuing operations	7,320	5,732	2,421	1,877	2,026	(4,828)	14,548
Discontinued operations	156	23	7	3	3	(7)	185
Total	$7,476	5,755	2,428	1,880	2,029	(4,835)	14,733

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2020	Cement	Concrete	Aggregates	Urbanization solutions	Others	Eliminations	Revenues
Mexico	$2,001	628	172	590	14	(727)	2,678
United States	1,599	2,255	954	468	13	(1,296)	3,993
EMEAA							
United Kingdom	201	274	314	176	53	(279)	739
France	—	647	340	—	—	(233)	754
Germany	210	202	69	31	69	(129)	452
Poland	244	142	39	6	1	(62)	370
Spain	233	83	24	18	—	(55)	303
Philippines	398	—	—	2	1	(3)	398
Israel	—	623	195	81	27	(172)	754
Rest of EMEAA	400	220	42	11	21	(121)	573
SCA&C							
Colombia	294	119	34	44	21	(108)	404
Panama	67	14	4	4	1	(17)	73
Caribbean TCL	245	5	7	2	6	(21)	244
Dominican Republic	185	15	5	31	8	(26)	218
Rest of SCA&C	359	3	6	19	1	2	390
Others	—	—	—	—	947	(476)	471
Continuing operations	6,436	5,230	2,205	1,483	1,183	(3,723)	12,814
Discontinued operations	167	90	77	3	56	(47)	346
Total	$6,603	5,320	2,282	1,486	1,239	(3,770)	13,160

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2019	Cement	Concrete	Aggregates	Urbanization solutions	Others	Eliminations	Revenues
Mexico	$2,009	798	196	542	76	(829)	2,792
United States	1,608	2,189	917	437	15	(1,386)	3,780
EMEAA							
United Kingdom	227	310	290	141	126	(345)	749
France	—	720	355	—	20	(270)	825
Germany	192	184	62	29	93	(146)	414
Poland	209	141	43	5	7	(57)	348
Spain	228	86	23	20	4	(67)	294
Philippines	457	—	—	2	1	(2)	458
Israel	—	554	166	59	43	(162)	660
Rest of EMEAA	400	237	47	10	14	(112)	596
SCA&C							
Colombia	363	176	53	43	25	(156)	504
Panama	141	49	15	13	2	(41)	179
Caribbean TCL	241	9	5	—	12	(27)	240
Dominican Republic	194	27	8	24	10	(35)	228
Rest of SCA&C	329	36	8	16	2	(11)	380
Others	—	—	—	(1)	1,091	(578)	512
Continuing operations	6,598	5,516	2,188	1,340	1,541	(4,224)	12,959
Discontinued operations	348	157	174	2	89	(26)	744
Total	$6,946	5,673	2,362	1,342	1,630	(4,250)	13,703

6) COST OF SALES

The detail of consolidated cost of sales by nature for the years 2021, 2020 and 2019 is as follows:

	2021	2020	2019
Raw materials and goods for resale	$4,875	4,108	4,213
Payroll	1,498	1,372	1,413
Electricity, fuels and other services	1,174	1,052	1,180
Depreciation and amortization	936	915	859
Maintenance, repairs and supplies	722	648	738
Transportation costs	573	352	336
Change in inventory	(911)	(712)	(967)
Other production costs	1,008	957	942
	$9,875	8,692	8,714

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7) OPERATING EXPENSES

Consolidated operating expenses during 2021, 2020 and 2019 by function are as follows:

	2021	2020	2019
Administrative expenses[1, 2]	$ 979	1,069	1,104
Selling expenses[2]	324	330	366
Total administrative and selling expenses	1,303	1,399	1,470
Distribution and logistics expenses	1,636	1,412	1,476
Total operating expenses	$2,939	2,811	2,946

1 All significant R&D activities are executed by several internal areas of CEMEX as part of their daily activities. In 2021, 2020 and 2019, total combined expenses of these departments recognized within administrative expenses were $35, $31 and $38, respectively.

2 In 2021, 2020 and 2019, administrative expenses include depreciation and amortization of $142, $145 and $132, respectively, and selling expenses include depreciation and amortization of $49 in 2021, $50 in 2020 and $48 in 2019.

Consolidated operating expenses during 2021, 2020 and 2019 by nature are as follows:

	2021	2020	2019
Transportation costs	$1,502	1,313	1,371
Payroll	915	945	961
Depreciation and amortization	191	195	180
Professional legal, accounting and advisory services	145	176	180
Maintenance, repairs and supplies	78	74	78
Other operating expenses	108	108	176
	$2,939	2,811	2,946

8) OTHER EXPENSES, NET

The detail of the line item “Other expenses, net” for the years 2021, 2020 and 2019 is as follows:

	2021	2020	2019
Sale of emission Allowances (note 3.19)[1]	$ 600	—	—
Impairment losses[2]	(536)	(1,520)	(64)
Results from the sale of assets and others[3]	(136)	(115)	(217)
Incremental costs and expenses related to the COVID-19 Pandemic (note 2)	(26)	(48)	—
Restructuring costs[4]	(17)	(81)	(48)
Charitable contributions	(1)	(3)	(5)
	$(116)	(1,767)	(334)

1 During March 2021, considering CEMEX’s targets for the reduction of CO_2 emissions (note 3.4), as well as the innovative technologies and considerable capital investments that have to be deployed to achieve such

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8) OTHER EXPENSES, NET — continued

goals, CEMEX sold 12.3 million Allowances in several transactions for $600. The Company had accrued such Allowances as of the end of Phase III under the EU ETS, which finalized on December 31, 2020.

2 In 2021, includes aggregate impairment losses of goodwill of $440 related to the operating segments in Spain, the United Arab Emirates and the Information Technology business (note 17.2), impairment losses of internally developed software capitalized in prior years and other intangible assets of $53 (note 17.1), as well as impairment losses of fixed assets of $43 (note 16.1). In 2020, include impairment losses of goodwill and other intangible assets of $1,020 and $194, respectively, related to CEMEX's assets and its Reporting Segment in the United States (notes 17.1 and 17.2), as well as impairment losses of fixed assets of $306, mainly related to idle assets in the United States, Spain and the United Kingdom (note 16.1). In 2019, includes impairment losses of fixed assets of $64 (note 16.1).

3 In 2021, 2020 and 2019, includes $29, $11 and $55, respectively, in connection with property damages and natural disasters (note 26.1).

4 Restructuring costs mainly refer to severance payments and the definite closing of operating sites.

9) FINANCIAL ITEMS

9.1) FINANCIAL EXPENSE

Consolidated financial expense in 2021, 2020 and 2019 includes $67, $74 and $77 of interest expense from financial obligations related to lease contracts (notes 16.2 and 18.2).

9.2) FINANCIAL INCOME AND OTHER ITEMS, NET

The detail of financial income and other items, net in 2021, 2020 and 2019 was as follows:

	2021	2020	2019
Effects of amortized cost on assets and liabilities and others, net[1]	$(28)	(89)	(20)
Net interest cost of pension liabilities (note 20)	(31)	(33)	(39)
Results from financial instruments, net (notes 15.2 and 18.4)	(6)	(17)	(1)
Foreign exchange results	(37)	(3)	(23)
Financial income	22	20	18
Others	2	4	—
	$(78)	(118)	(65)

1 The increase in 2020 is mainly a result of the decrease in the discount rates in the United Kingdom utilized by the Company to determine its environmental remediation liabilities.

10) CASH AND CASH EQUIVALENTS

As of December 31, 2021 and 2020, consolidated cash and cash equivalents consisted of:

	2021	2020
Cash and bank accounts	$367	501
Fixed-income securities and other cash equivalents	246	449
	$613	950

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10) CASH AND CASH EQUIVALENTS — continued

Based on net settlement agreements, the balance of cash and cash equivalents excludes deposits in margin accounts that guarantee several obligations of CEMEX of $15 in 2021 and $32 in 2020, 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.

11) TRADE ACCOUNTS RECEIVABLE

As of December 31, 2021 and 2020, consolidated trade accounts receivable consisted of:

	2021	2020
Trade accounts receivable	$1,622	1,654
Allowances for expected credit losses	(101)	(121)
	$1,521	1,533

As of December 31, 2021 and 2020, trade accounts receivable include receivables of $727 and $677, respectively, sold under outstanding trade receivables securitization programs and/or factoring programs with recourse, established in Mexico, the United States, France and the United Kingdom, in which CEMEX effectively surrenders control associated with the trade accounts receivable sold and there is no guarantee or obligation to reacquire the assets; nonetheless, in such programs, CEMEX retains certain residual interest in the programs and/or maintains continuing involvement with the accounts receivable. Therefore, the trade accounts receivable sold were not removed from the statement of financial position and the funded amounts to CEMEX of $602 in 2021 and $586 in 2020, were recognized within the line item of "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 discount granted to the acquirers of the trade accounts receivable is recorded as financial expense and amounted to $11 in 2021, $13 in 2020 and $25 in 2019. CEMEX's securitization programs are usually negotiated for periods of one to two years and are usually renewed at their maturity.

As of December 31, 2021, the balances of trade accounts receivable and the allowance for Expected Credit Losses ("ECL") were as follows:

	Accounts receivable	ECL allowance	ECL average rate
Mexico	$ 253	31	12.3%
United States	503	6	1.2%
Europe, Middle East, Africa and Asia	742	47	6.3%
South, Central America and the Caribbean	82	13	15.9%
Others	42	4	9.5%
	$ 1,622	101	

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11) TRADE ACCOUNTS RECEIVABLE — continued

Changes in the allowance for expected credit losses in 2021, 2020 and 2019, were as follows:

	2021	2020	2019
Allowances for expected credit losses at beginning of period	$121	116	119
Charged to selling expenses	1	23	12
Deductions	(16)	(19)	(16)
Reclassification to assets held for sale (note 5.2)	(2)	—	—
Foreign currency translation effects	(3)	1	1
Allowances for expected credit losses at end of period	$101	121	116

As of December 31, 2021, in relation to the COVID-19 Pandemic (note 2) and the potential increase in expected credit losses on trade accounts receivable because of the negative economic effects associated with the COVID-19 Pandemic, CEMEX maintains continuous communication with its customers as part of its collection management, in order to anticipate situations that could represent an extension in the portfolio's recovery period or in some cases the risk of non-recovery. As of this same date, the Company considers that these negative effects do not yet have a significant impact on the estimates of expected credit losses and will continue to monitor the development of relevant events that may eventually have effect because of a deepening or extension of the COVID-19 Pandemic.

12) OTHER ACCOUNTS RECEIVABLE

As of December 31, 2021 and 2020, consolidated other accounts receivable consisted of:

	2021	2020
Advances of income taxes and other refundable taxes	$396	304
Non-trade accounts receivable[1]	84	117
Interest and notes receivable	31	39
Current portion of valuation of derivative financial instruments	36	7
Loans to employees and others	11	10
	$558	477

1 Non-trade accounts receivable are mainly attributable to the sale of assets.

13) INVENTORIES

As of December 31, 2021 and 2020, the consolidated balance of inventories was summarized as follows:

	2021	2020
Finished goods	$ 343	309
Materials and spare parts	372	271
Raw materials	242	192
Work-in-process	225	164
Inventory in transit	79	35
	$1,261	971

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13) INVENTORIES — continued

For the years ended December 31, 2021, 2020 and 2019, CEMEX recognized within "Cost of sales" in the income statement, inventory impairment losses of $4, $9 and $6, respectively.

14) ASSETS HELD FOR SALE AND OTHER CURRENT ASSETS

14.1) ASSETS HELD FOR SALE (note 5.2)

As of December 31, 2021 and 2020, assets held for sale, which are measured at the lower of their estimated realizable value, less costs to sell, and their carrying amounts, as well as liabilities directly related with such assets are detailed as follows:

	2021			2020		
	Assets	Liabilities	Net assets	Assets	Liabilities	Net assets
Costa Rica and El Salvador	$ 77	39	38	$ —	—	—
White cement assets in Spain	—	—	—	107	—	107
Other assets held for sale[1]	64	—	64	80	6	74
	$ 141	39	102	$ 187	6	181

1 In 2020, includes assets and liabilities of $26 and $6, respectively, associated with a committed sale of certain assets in France negotiated in December 2020.

CEMEX recognized within the line item "Other expenses, net" adjustments in the fair value of its assets held for sale representing losses of $23 in 2020.

14.2) OTHER CURRENT ASSETS

As of December 31, 2021 and 2020, other current assets of $131 and $117, respectively, are mainly comprised of advance payments to vendors.

15) EQUITY ACCOUNTED INVESTEES, OTHER INVESTMENTS AND NON-CURRENT ACCOUNTS RECEIVABLE

15.1) EQUITY ACCOUNTED INVESTEES

As of December 31, 2021 and 2020, the investments in common shares of associates were as follows:

	Activity	Country	%	2021	2020
Camcem, S.A. de C.V.	Cement	Mexico	40.1	$269	244
Concrete Supply Co. LLC	Concrete	United States	40.0	90	81
Lehigh White Cement Company	Cement	United States	36.8	69	62
Société d'Exploitation de Carrières	Aggregates	France	50.0	22	21
Société Méridionale de Carrières	Aggregates	France	33.3	12	14
Other companies	—	—	—	73	88
				$535	510
Out of which:					
Book value at acquisition date				$303	311
Changes in stockholders' equity				$232	199

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15) EQUITY ACCOUNTED INVESTEES, OTHER INVESTMENTS AND NON-CURRENT ACCOUNTS RECEIVABLE — continued

Combined condensed statement of financial position information of CEMEX's equity accounted investees as of December 31, 2021 and 2020 is set forth below:

	2021	2020
Current assets	$1,424	1,240
Non-current assets	1,718	1,662
Total assets	3,142	2,902
Current liabilities	532	496
Non-current liabilities	737	766
Total liabilities	1,269	1,262
Total net assets	$1,873	1,640

Combined selected information of the statements of operations of CEMEX's equity accounted investees in 2021, 2020 and 2019 is set forth below:

	2021	2020	2019
Sales	$1,801	1,759	1,600
Operating earnings	312	296	237
Income before income tax	219	175	158
Net income	153	128	118

The share of equity accounted investees by reportable segment in the statements of operations for 2021, 2020 and 2019 is detailed as follows:

	2021	2020	2019
Mexico	$ 28	30	23
United States	18	15	18
EMEAA	8	6	10
Corporate and others	—	(2)	(2)
	$ 54	49	49

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15) EQUITY ACCOUNTED INVESTEES, OTHER INVESTMENTS AND NON-CURRENT ACCOUNTS RECEIVABLE — continued

15.2) OTHER INVESTMENTS AND NON-CURRENT ACCOUNTS RECEIVABLE

As of December 31, 2021 and 2020, consolidated other investments and non-current accounts receivable were summarized as follows:

	2021	2020
Non-current accounts receivable[1]	$204	246
Investments in strategic equity securities[2]	14	23
Non-current portion of valuation of derivative financial instruments (note 18.4)	22	3
Investments at fair value through the income statement[3]	3	3
	$243	275

1 Includes, among other items: a) accounts receivable from investees and joint ventures of $21 million in 2021 and $36 in 2020, b) advances to suppliers of fixed assets of $35 in 2021 and $47 in 2020, c) employee prepaid compensation of $7 in 2021 and $6 in 2020, and d) warranty deposits of $27 in 2021 and $29 in 2020.
2 These investments are recognized at fair value through other comprehensive income.
3 Refers to investments in private funds. In 2021 and 2020, no contributions were made to such private funds.

16) PROPERTY, MACHINERY AND EQUIPMENT, NET AND ASSETS FOR THE RIGHT-OF-USE, NET

As of December 31, 2021 and 2020, property, machinery and equipment, net and assets for the right-of-use, net were summarized as follows:

	2021	2020
Property, machinery and equipment, net	$ 10,202	10,170
Assets for the right-of-use, net	1,120	1,243
	$ 11,322	11,413

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16) PROPERTY, MACHINERY AND EQUIPMENT, NET AND ASSETS FOR THE RIGHT-OF-USE, NET — continued

16.1) PROPERTY, MACHINERY AND EQUIPMENT, NET

As of December 31, 2021 and 2020, consolidated property, machinery and equipment, net and the changes in this line item during 2021, 2020 and 2019, were as follows:

	2021				
	Land and mineral reserves	Building	Machinery and equipment	Construction in progress[1]	Total
Cost at beginning of period	$ 4,741	2,438	11,929	1,188	20,296
Accumulated depreciation and depletion	(1,177)	(1,474)	(7,475)	—	(10,126)
Net book value at beginning of period	3,564	964	4,454	1,188	10,170
Capital expenditures	81	159	609	—	849
Stripping costs	18	—	—	—	18
Total capital expenditures	99	159	609	—	867
Disposals[2]	(20)	(6)	(80)	—	(106)
Reclassifications[3]	(4)	(8)	(29)	(3)	(44)
Depreciation and depletion for the period	(108)	(74)	(542)	—	(724)
Impairment losses	(11)	(9)	(15)	(8)	(43)
Foreign currency translation effects	55	12	(70)	85	82
Cost at end of period	4,801	2,532	11,727	1,262	20,322
Accumulated depreciation and depletion	(1,226)	(1,494)	(7,400)	—	(10,120)
Net book value at end of period	$ 3,575	1,038	4,327	1,262	10,202

	2020					
	Land and mineral reserves	Building	Machinery and equipment	Construction in progress[1]	Total	2019 [1, 2]
Cost at beginning of period	$ 4,606	2,374	11,519	1,209	19,708	20,642
Accumulated depreciation and depletion	(968)	(1,326)	(6,849)	—	(9,143)	(9,410)
Net book value at beginning of period	3,638	1,048	4,670	1,209	10,565	11,232
Capital expenditures	47	35	482	—	564	737
Stripping costs	18	—	—	—	18	22
Total capital expenditures	65	35	482	—	582	759
Disposals[2]	(26)	(7)	(30)	—	(63)	(96)
Reclassifications[3]	(10)	(2)	(6)	—	(18)	(402)
Business combinations (note 5.1)	—	—	11	—	11	—
Depreciation and depletion for the period	(134)	(99)	(515)	—	(748)	(633)
Impairment losses	(87)	(54)	(165)	—	(306)	(64)
Foreign currency translation effects	118	43	7	(21)	147	(231)
Cost at end of period	4,741	2,438	11,929	1,188	20,296	19,708
Accumulated depreciation and depletion	(1,177)	(1,474)	(7,475)	—	(10,126)	(9,143)
Net book value at end of period	$ 3,564	964	4,454	1,188	10,170	10,565

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16) PROPERTY, MACHINERY AND EQUIPMENT, NET AND ASSETS FOR THE RIGHT-OF-USE, NET — continued

1 As of December 31, 2021, the Maceo plant in Colombia, finalized significantly in 2017, with an annual capacity of approximately 1.3 million tons, has not initiated commercial operations. As of the reporting date, the works related to the access road to the plant remain suspended and the beginning of commercial operations is subject to the successful conclusion of several ongoing processes for the proper operation of the assets and other legal proceedings (note 26.3). As of December 31, 2021, the carrying amount of the plant, is for an amount in Colombian pesos equivalent to $240.

2 In 2021 includes sales of non-strategic fixed assets in Spain, the United States and the United Kingdom for $51, $29 and $12, respectively, among others. In 2020, includes sales of non-strategic fixed assets in the United Kingdom and the United States for $28 and $18, respectively, among others. In 2019, includes sales of non-strategic fixed assets in Germany, France and the United Kingdom for $32, $12 and $6, respectively, among others.

3 In 2021, refers to the reclassification to held-for-sale of the assets in Costa Rica and El Salvador for $43 and $1, respectively. In 2020, refers to the reclassification of the assets in France, Puerto Rico, Colombia and Dominican Republic for $8, $5, $3 and $2, respectively. In 2019, refers to the reclassification to held-for-sale of the assets in the United States, United Kingdom and Spain for $134, $182 and $86, respectively.

During 2020, considering mainly the negative effects of the COVID-19 Pandemic on certain idle assets that will remain closed for the foreseeable future in relation to the estimated sales volumes and the Company's ability to supply demand by achieving efficiencies in other operating assets, CEMEX recognized non-cash impairment losses for these assets for an aggregate amount of $306, of which $76 relate to assets in the United States mainly the North Brooksville plant, $189 to assets in EMEAA mainly referring to the Lloseta and Gador plants in Spain and the South Ferriby plant in the United Kingdom, and minor adjustments in other countries and $39 to assets in SCA&C mainly in connection with land in Puerto Rico and the kiln 1 in Panama. In 2019 due to the continued adverse outlook and the overall uncertain economic conditions in Puerto Rico after hurricane "Maria" in 2017, CEMEX recognized an impairment loss of $52. During 2021, there were no significant impairment losses of fixed assets. Moreover, during 2021 there were no reversal of impairment charges of the COVID-19 Pandemic' related adjustments of 2020 due to assets being recommissioned.

For the years ended December 31, 2021, 2020 and 2019, 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 within the line item of "Other expenses, net" (notes 3.11 and 8).

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16) PROPERTY, MACHINERY AND EQUIPMENT, NET AND ASSETS FOR THE RIGHT-OF-USE, NET — continued

During the years ended December 31, 2021, 2020 and 2019 impairment losses of fixed assets by country are as follows:

	2021	2020	2019
United States	$ 18	76	6
Colombia	10	2	3
United Kingdom	5	39	—
Czech Republic	5	—	—
Spain	—	135	—
Puerto Rico	—	20	52
Croatia	—	13	—
Panama	—	12	—
Others	5	9	3
	$ 43	306	64

16.2) ASSETS FOR THE RIGHT-OF-USE, NET

As of December 31, 2021 and 2020, consolidated assets for the right-of-use, net and the changes in this caption during 2021, 2020 and 2019, were as follows:

	2021				
	Land	Buildings	Machinery and equipment	Others	Total
Assets for the right-of-use at beginning of period	$ 409	457	1,502	21	2,389
Accumulated depreciation	(139)	(253)	(744)	(10)	(1,146)
Net book value at beginning of period	270	204	758	11	1,243
Additions of new leases	59	22	143	3	227
Cancellations and remeasurements	(28)	(19)	(87)	–	(134)
Depreciation	(17)	(37)	(226)	(3)	(283)
Foreign currency translation effects	(36)	26	80	(3)	67
Assets for the right-of-use at end of period	395	401	1,513	21	2,330
Accumulated depreciation	(147)	(205)	(845)	(13)	(1,210)
Net book value at end of period	$ 248	196	668	8	1,120

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16) PROPERTY, MACHINERY AND EQUIPMENT, NET AND ASSETS FOR THE RIGHT-OF-USE, NET — continued

	2020					
	Land	Buildings	Machinery and equipment	Others	Total	2019
Assets for the right-of-use at beginning of period	$ 366	471	1,417	11	2,265	2,073
Accumulated depreciation	(117)	(233)	(625)	(5)	(980)	(851)
Net book value at beginning of period	249	238	792	6	1,285	1,222
Additions of new leases	42	38	127	6	213	274
Cancellations and remeasurements	(7)	(17)	(51)	(1)	(76)	(52)
Business combinations (note 5.1)	13	—	—	—	13	—
Reclassifications	—	—	—	—	—	35
Depreciation	(28)	(35)	(173)	(3)	(239)	(288)
Foreign currency translation effects	1	(20)	63	3	47	94
Assets for the right-of-use at end of period	409	457	1,502	21	2,389	2,265
Accumulated depreciation	(139)	(253)	(744)	(10)	(1,146)	(980)
Net book value at end of period	$ 270	204	758	11	1,243	1,285

For the years ended December 31, 2021, 2020 and 2019, the combined rental expense related with short-term leases, leases of low-value assets and variable lease payments were $94, $97 and $104, respectively, and were recognized in cost of sales and operating expenses, as correspond. During the reported periods, CEMEX did not have any material revenue from sub-leasing activities. Moreover, during 2021 and 2020, CEMEX did not have significant rent concessions related to the COVID-19 Pandemic (note 2).

17) GOODWILL AND INTANGIBLE ASSETS, NET

17.1) BALANCES AND CHANGES DURING THE PERIOD

As of December 31, 2021 and 2020, consolidated goodwill, intangible assets and deferred charges were summarized as follows:

	2021			2020		
	Cost	Accumulated amortization	Carrying amount	Cost	Accumulated amortization	Carrying amount
Intangible assets of indefinite useful life:						
Goodwill	$ 7,984	—	7,984	$ 8,506	—	8,506
Intangible assets of definite useful life:						
Extraction rights	1,781	(431)	1,350	1,774	(416)	1,358
Industrial property and trademarks	45	(22)	23	44	(20)	24
Customer relationships	196	(196)	—	196	(196)	—
Mining projects	52	(7)	45	49	(6)	43
Internally developed software	689	(461)	228	636	(423)	213
Others intangible assets	351	(218)	133	398	(290)	108
	$11,098	(1,335)	9,763	11,603	(1,351)	10,252

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17) GOODWILL AND INTANGIBLE ASSETS, NET — continued

Changes in consolidated goodwill for the years ended December 31, 2021, 2020 and 2019, were as follows:

	2021	2020	2019
Balance at beginning of period	$8,506	9,562	9,912
Impairment losses	(440)	(1,020)	—
Business combinations (note 5.1)	5	2	—
Reclassification to assets held for sale (notes 5.2, 5.3 and 14.1)	(2)	(9)	(371)
Foreign currency translation effects	(85)	(29)	21
Balance at end of period	$7,984	8,506	9,562

Changes in intangible assets of definite life in 2021, 2020 and 2019, were as follows:

	2021					
	Extraction rights	Industrial property and trademarks	Mining projects	Internally developed software[1]	Others	Total
Balance at beginning of period	$ 1,358	24	43	213	108	1,746
Impairment losses (note 2)	—	—	—	(49)	(4)	(53)
Amortization for the period	(24)	(2)	(1)	(71)	(22)	(120)
Additions (disposals), net[1]	27	—	2	132	53	214
Foreign currency translation effects	(11)	1	1	3	(2)	(8)
Balance at the end of period	$ 1,350	23	45	228	133	1,779

	2020						
	Extraction rights	Industrial property and trademarks	Mining projects	Internally developed software[1]	Others	Total	2019
Balance at beginning of period	$ 1,590	24	43	253	118	2,028	2,024
Impairment losses (note 2)	(181)	–	–	–	(13)	(194)	—
Amortization for the period	(21)	(2)	(1)	(79)	(27)	(130)	(124)
Additions (disposals), net[1]	(33)	–	–	40	26	33	81
Business combinations (note 5.1)	—	2	—	—	5	7	—
Reclassifications	—	—	—	—	—	—	(2)
Foreign currency translation effects	3	–	1	(1)	(1)	2	49
Balance at the end of period	$ 1,358	24	43	213	108	1,746	2,028

1 Includes the capitalized direct costs incurred in the development stage of internal-use software, such as professional fees, direct labor and related travel expenses. The capitalized amounts are amortized to the statement of operations over a period ranging from 3 to 5 years.

In 2021, CEMEX recognized impairment losses in connection with its internally developed software of $49 considering certain obsolescence generated by the significant replacement of the applications platform during the period. In 2020, in connection with the idle status of North Brooksville plant in the United States (notes 2 and

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17) GOODWILL AND INTANGIBLE ASSETS, NET — continued

16.1), CEMEX also recognized a non-cash impairment charge of $181 associated with the operating permits related to such plant considering that the book value of such permits will not be recovered through normal use before their expiration and $13 of other intangible assets.

17.2) ANALYSIS OF GOODWILL IMPAIRMENT

At least once a year during the last quarter or when impairment indicators exist, CEMEX analyses the possible impairment of goodwill by means of determining the value in use of its Cash Generating Units ("CGUs") to which goodwill balances have been allocated. The value in use is represented by the discounted cash flows projections for the next five years related to such CGUs using risk adjusted discount rates. In addition to the periodic goodwill impairment tests performed at year end 2020, considering the negative effects on its operating results caused by the COVID-19 Pandemic (note 2), as well as the high uncertainty and lack of visibility in relation to the duration and consequences in the different markets where the Company operates, management considered that impairment indicators occurred during the third quarter of 2021 and 2020 in its operating segments in Spain and the United Arab Emirates ("UAE") in 2021, and in the United States, Spain, Egypt and the United Arab Emirates in 2020, and consequently carried out impairment analyses of goodwill as of September 30, 2021 and 2020 in these operating segments.

As a result of these impairment analyses, in the third quarter of 2021 and 2020, the Company recognized within Other expenses, net (note 8) in the statement of operations, non-cash goodwill impairment losses for aggregate amounts of $440 and $1,020, respectively, related, in 2021, to the operating segments in Spain of $317, UAE of $96, representing the entire goodwill allocated to UAE's operating segment, as well as $27 related to CEMEX's Information Technology business due to reorganization, and in 2020, related with its operating segment in the United States. No other impairment test of goodwill as of September 30, 2021 and 2020 resulted in additional goodwill impairment losses.

Furthermore, CEMEX did not determine additional impairment losses in its goodwill impairment test as of December 31, 2021 and 2020 in any of the groups of CGUs to which goodwill balances have been allocated. In 2019, CEMEX did not determine goodwill impairment losses.

In 2021, the impairment losses in Spain and UAE referred, in both cases, in the aftermath of the COVID-19 Pandemic (note 2), to disruptions in the supply chains that have generated increases in the estimated production and transportation costs that are considered will be sustained in the mid-term. These negative effects significantly reduced the value in use of the reporting segments in Spain and UAE as of September 30, 2021 as compared to the valuations determined as of December 31, 2020, entirely generated by reductions in the projected Operating EBITDA as a result of the aforementioned increases in costs, considering that discount rates and long-term growth rates remained unchanged, which were 7.7% and 1.5% in Spain, respectively, as well as 8.3% and 2.6% in UAE, respectively.

In 2020, the impairment loss in the United States resulted from the high volatility, lack of visibility and reduced outlook associated with the effects of the COVID-19 Pandemic which made CEMEX reduce its cash-flows projections in such country from 7 to 5 years as well as reduce its long-term growth rate from 2.5% to 2%. Such changes significantly reduced the value in use as of September 30, 2020, which decreased by 25.7% as compared to December 31, 2019. Of this reduction, 51.5 percentage points ("p.p.") were related to the decrease of two years in the cash flows projections, 27.3 p.p. resulted from the reduction in the long-term growth rate used to determine the terminal value which changed from 2.5% in 2019 to 2.0% as of September 30, 2020, and 28.3 p.p. resulted from the

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slowdown of sales growth over the projected years, partially compensated by a positive effect of 7.1 p.p. associated with the reduction in the discount rate which decreased from 7.8% in 2019 to 7.7% as of September 30, 2020.

As of December 31, 2021 and 2020, goodwill balances allocated by Operating Segment were as follows:

	2021	2020
Mexico	$ 361	372
United States	6,449	6,449
EMEAA		
United Kingdom	280	292
France	213	229
Spain	158	463
Philippines	89	95
United Arab Emirates	—	96
Rest of EMEAA[1]	48	44
SCA&C		
Colombia	244	283
Caribbean TCL	83	92
Rest of SCA&C[2]	59	64
Others		
Other reporting segments[3]	—	27
	$7,984	8,506

1 This caption refers to the operating segments in Israel, the Czech Republic and Egypt.
2 This caption refers to the operating segments in the Dominican Republic, the Caribbean and Panama.
3 This caption is primarily associated with Neoris N.V., CEMEX's subsidiary involved in the sale of information technology and services.

As of December 31, 2021, 2020 and 2019, 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:

	Discount rates			Long-term growth rates [1]		
Groups of CGUs	2021	2020	2019	2021	2020	2019
United States	7.2%	7.3%	7.8%	2.0%	2.0%	2.5%
Spain	7.6%	7.7%	8.3%	1.5%	1.5%	1.6%
United Kingdom	7.3%	7.4%	8.0%	1.5%	1.6%	1.5%
France	7.3%	7.4%	8.0%	1.4%	1.7%	1.4%
Mexico	8.4%	8.3%	9.0%	1.0%	1.1%	2.4%
Colombia	8.5%	8.4%	8.9%	3.5%	2.5%	3.7%
United Arab Emirates	—	8.3%	8.8%	—	2.6%	2.5%
Egypt	10.7%	10.2%	10.3%	3.0%	5.6%	6.0%
Range of rates in other countries	7.4% – 11.7%	7.2% – 15.5%	8.1% – 11.5%	1.7% – 6.0%	(0.3%) – 6.5%	1.6% – 6.5%

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17) GOODWILL AND INTANGIBLE ASSETS, NET — continued

1 The long-term growth rates are generally based on projections issued by the International Monetary Fund ("IMF").

The discount rates used by CEMEX in its cash flows projections to determine the value in use of its operating segments as of December 31, 2021 changed slightly as compared to 2020 in a range of -0.1% up to 0.5%. This was mainly generated for the effect that significantly increases the discount rates of the weighing of debt in the calculation of the discount rates that decreased from 34.6% in 2020 to 26.9% in 2021 as well as the market risk premium which increased from 5.7% in 2020 to 5.8% in 2021. These increasing effects were offset by the decrease in the risk-free rate associated to CEMEX changed from 2.2% in 2020 to 1.8% in 2021, as well as by the reduction in the public comparable companies' stock volatility (beta) that changed from 1.19 in 2020 to 1.12 in 2021. As of December 31, 2021, the funding cost observed in the industry of 4.1% remained unchanged against 2020, while the specific risk rates of each country experienced mixed non-significant changes in 2021 as compared to 2020 in the majority of the countries. In addition, as preventive measures to continue considering the relative prevailing high uncertainty, volatility and reduced visibility in the aftermath of the COVID-19 Pandemic (note 2), CEMEX reduced in certain countries its long-term growth rates used in their cash flows projections as of December 31, 2021 as compared to the International Monetary Fund ("IMF") projections such as in Mexico in 1.0% and Egypt in 2.8%. These long-term growth rates will be revised upwards or downwards again in the future as new economic data is available.

The discount rates used by CEMEX in its cash flows projections to determine the value in use of its operating segments as of December 31, 2020 generally decreased as compared to 2019 in a range of 0.1% up to 1.5%, mainly as a result of a decrease in 2020 in the funding cost observed in the industry that changed from 5.4% in 2019 to 4.1% in 2020 as well as the weighing of debt in the calculation of the discount rates that increased from 31.7% in 2019 to 34.6% in 2020. The risk-free rate associated to CEMEX changed from 2.9% in 2019 to 2.2% in 2020, nonetheless, increases in the specific risk rates of each country and in the market risk premium which changed from 5.6% in 2019 to 5.7% in 2020, resulted in that total cost of equity remained significantly flat in 2020 as compared to 2019 in the majority of the countries. These reductions were partially offset by a slight increase in the public comparable companies' stock volatility (beta) that changed from 1.08 in 2019 to 1.19 in 2020. Moreover, in 2020, as preventive measure to consider the then high uncertainty, volatility and reduced visibility related to the negative effects of the COVID-19 Pandemic, CEMEX significantly reduced in certain countries its long-term growth rates used in their cash flows projections as of December 31, 2020 as compared to the IMF projections such as in the United States in 0.5%, Mexico in 1.3% and Colombia in 1.2%.

In addition, the discount rates used by CEMEX in its cash flows projections to determine the value in use of its operating segments as of December 31, 2019 generally decreased as compared to 2018 in a range of 0.6% up to 2.6%, mainly because of a decrease in 2019 in the funding cost observed in the industry that changed from 7.3% in 2018 to 5.4% in 2019. The risk-free rate associated to CEMEX remained significantly flat in the level of 2.9%, while the country risk-specific rates decreased slightly in 2019 in most cases. These reductions were partially offset by a slight increase in the public comparable companies' stock volatility (beta) that changed from 1.06 in 2018 to 1.08 in 2019 and the decrease in the weighing of debt in the calculation of the discount rates that changed from 33.5% in 2018 to 31.7% in 2019.

In connection with the discount rates and long-term growth rates included in the table above, CEMEX verified the reasonableness of its conclusions using sensitivity analyses to changes in assumptions, affecting the value in use of all groups of CGUs with an independent reasonably possible increase of 1% in the pre-tax discount rate, an independent possible decrease of 1% in the long-term growth rate, as well as using multiples of Operating

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EBITDA, by means of which, CEMEX determined a weighted-average multiple of Operating EBITDA to enterprise value observed in recent mergers and acquisitions 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 average Operating EBITDA multiple of 11.5 times in 2021, 2020 and 2019.

In relation to the economic assumptions used by the Company described above, the additional impairment losses that would have resulted from the sensitivity analyses derived from independent changes in each of the relevant assumptions, as well as the multiples of Operating EBITDA, in those operating segments that presented impairment charges or relative impairment risk during 2021, are as follows:

		Additional effects of the sensitivity analyses to the charges recognized from the changes in assumptions as of December 31, 2021		
Operating segment	Impairment losses recognized	Discount rate +1%	Long-term growth rate –1%	Multiples Operating EBITDA 11.5x
Spain	$ 317	57	42	—
United States	—	238	—	—

The factors considered by the Company's management that could cause the hypothetical scenarios of the previous sensitivity analysis in Spain and the United States are, in relation to the discount rate, an independent increase of 300 bps in the industry funding cost observed as of December 31, 2021 of 4.1% or, an independent increase in the risk-free rate of 190bps over the rates of 2.4% in Spain and 1.8% in the United States. Nonetheless, such assumptions did not seem reasonable as of December 31, 2021.

As of December 31, 2021, except for the operating segments in Spain and the United States presented in the table above, none of the other sensitivity analyses indicated a potential impairment risk in CEMEX's operating segments. CEMEX continually monitors the evolution of the group of CGUs to which goodwill has been allocated that have presented relative goodwill impairment risk in any of the reported periods and, if the relevant economic variables and the related value in use would be negatively affected, it may result in a goodwill impairment loss in the future.

As of December 31, 2021 and 2020, goodwill allocated to its operating segment in the United States accounted for 81% and 76%, 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 the operating results in recent years, the long-term nature of CEMEX's investment, the signs of recovery in the construction industry over the last years, 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. To improve its assurance, as mentioned above, CEMEX verified its conclusions using sensitivity analyses over Operating EBITDA multiples of recent sale transaction within the industry occurred in such country, as well as macroeconomic information regarding gross domestic product and cement consumption over the projected periods issued by the International Monetary Fund and the U.S. Portland Cement Association, respectively.

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18) FINANCIAL INSTRUMENTS

18.1) CURRENT AND NON-CURRENT DEBT

As of December 31, 2021 and 2020, CEMEX's consolidated debt summarized by interest rates and currencies, was as follows:

	2021			2020		
	Current	Non-current	Total [1, 2]	Current	Non-current	Total [1, 2]
Floating rate debt	$ 27	896	923	$ 172	2,538	2,710
Fixed rate debt	46	6,410	6,456	7	6,622	6,629
	$ 73	7,306	7,379	$ 179	9,160	9,339
Effective rate [3]						
Floating rate	2.7%	2.6%		3.1%	4.0%	
Fixed rate	5.2%	4.8%		4.7%	5.6%	

	2021				2020			
Currency	Current	Non-current	Total	Effective rate [3]	Current	Non-current	Total	Effective rate [3]
Dollars	$ 6	6,375	6,381	4.4%	$ 6	6,089	6,095	5.8%
Euros	1	453	454	3.1%	73	2,078	2,151	2.7%
Pounds	—	—	—	—	55	329	384	2.5%
Philippine pesos	66	109	175	4.4%	3	220	223	4.1%
Mexican pesos	—	254	254	7.2%	—	334	334	6.8%
Other currencies	—	115	115	4.1%	42	110	152	4.9%
	$ 73	7,306	7,379		$ 179	9,160	9,339	

1 As of December 31, 2021 and 2020, from total debt of $7,379 and $9,339, respectively, 94% in 2021 and 93% in 2020 was held in the Parent Company and 6% in 2021 and 7% in 2020 was in subsidiaries of the Parent Company.

2 As of December 31, 2021 and 2020, cumulative discounts, fees and other direct costs incurred in CEMEX's outstanding debt borrowings and the issuance of notes payable (jointly "Issuance Costs") for $53 and $66, respectively, are presented reducing debt balances and are amortized to financial expense over the maturity of the related debt instruments under the amortized cost method.

3 In 2021 and 2020, represents the weighted-average nominal interest rate of the related debt agreements determined at the end of each period.

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18) FINANCIAL INSTRUMENTS — continued

As of December 31, 2021 and 2020, CEMEX's consolidated debt summarized by type of instrument, was as follows:

2021	Current	Non-current	2020	Current	Non-current
Bank loans			**Bank loans**		
Loans in foreign countries, 2023 to 2024	$ —	289	Loans in foreign countries, 2021 to 2024	$ 67	371
Syndicated loans, 2023 to 2026	—	1,728	Syndicated loans, 2021 to 2025	—	2,383
	—	2,017		67	2,754
Notes payable			**Notes payable**		
Medium-term notes, 2024 to 2031	—	5,179	Medium-term notes, 2024 to 2030	—	6,327
Other notes payable, 2022 to 2027	5	178	Other notes payable, 2021 to 2027	7	184
	5	5,357		7	6,511
Total bank loans and notes payable	5	7,374	Total bank loans and notes payable	74	9,265
Current maturities	68	(68)	Current maturities	105	(105)
	$ 73	7,306		$ 179	9,160

As of December 31, 2021, bank loans included a balance of $1,500 outstanding under CEMEX's 2021 Credit Agreement signed on October 29, 2021 and a balance of $255 outstanding under the 2021 Pesos Credit Agreement. In addition, as of December 31, 2020, CEMEX's bank loans included $2,420 of balance outstanding under the previous CEMEX's facilities agreement entered on July 19, 2017, as amended and restated several times as described below (the "2017 Facilities Agreement").

Changes in consolidated debt for the years ended December 31, 2021, 2020 and 2019 were as follows:

	2021	2020	2019
Debt at beginning of year	$ 9,339	9,365	9,311
Proceeds from new debt instruments	3,960	4,210	3,331
Debt repayments	(5,897)	(4,572)	(3,284)
Foreign currency translation and accretion effects	(23)	336	7
Debt at end of year	$ 7,379	9,339	9,365

As a result of debt issuances, exchange offers and tender offers incurred to refinance, replace and/or repurchase existing debt instruments, as applicable, CEMEX paid Issuance Costs as well as premiums and/or redemption costs for a total of $142 in 2021, $98 in 2020 and $63 in 2019. Of these incurred Issuance Costs, $37 in 2021, $38 in 2020 and $24 in 2019, corresponding to new debt instruments or the refinancing of old debt, adjusted the carrying amount of the related debt instruments and are amortized over the remaining term of each instrument,

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while $99 in 2021, $60 in 2020 and $39 in 2019 of such Issuance Costs, associated with the extinguished portion of the related debt, were recognized in the statement of operations in each year within “Financial expense”. In addition, Issuance Costs pending for amortization related to extinguished debt instruments for $27 in 2021, $19 in 2020 and $1 in 2019 were also recognized in the statement of operations of each year within “Financial expense.”

As of December 31, 2021 and 2020, non-current notes payable for $5,357 and $6,511, respectively, were detailed as follows:

Description	Date of issuance	Issuer[1]	Currency	Principal amount	Rate	Maturity date	Redeemed amount[2] $	Outstanding amount[2] $	2021	2020
July 2031 Notes[3]	12/Jan/21	CEMEX, S.A.B. de C.V.	Dollar	1,750	3.875%	11/Jul/31	—	1,750	$1,741	—
September 2030 Notes	17/Sep/20	CEMEX, S.A.B. de C.V.	Dollar	1,000	5.2%	17/Sep/30	—	1,000	995	995
November 2029 Notes	19/Nov/19	CEMEX, S.A.B. de C.V.	Dollar	1,000	5.45%	19/Nov/29	—	1,000	994	993
June 2027 Notes	05/Jun/20	CEMEX, S.A.B. de C.V.	Dollar	1,000	7.375%	05/Jun/27	—	1,000	995	994
April 2026 Notes[3]	16/Mar/16	CEMEX, S.A.B. de C.V.	Dollar	1,000	7.75%	16/Apr/26	(1,000)	—	—	997
March 2026 Notes	19/Mar/19	CEMEX, S.A.B. de C.V.	Euro	400	3.125%	19/Mar/26	—	455	454	487
July 2025 Notes	01/Apr/03	CEMEX Materials LLC	Dollar	150	7.70%	21/Jul/25	—	150	152	153
January 2025 Notes[3]	11/Sep/14	CEMEX, S.A.B. de C.V.	Dollar	1,100	5.70%	11/Jan/25	(1,100)	—	—	1,069
December 2024 Notes	05/Dec/17	CEMEX, S.A.B. de C.V.	Euro	650	2.75%	05/Dec/24	(650)	—	—	792
Other notes payable									26	31
									$5,357	6,511

1 As of December 31, 2021, after closing the 2021 Credit Agreement, all notes issued are fully and unconditionally guaranteed by CEMEX Concretos, S.A. de C.V., CEMEX Operaciones México, S.A. de C.V., Cemex Innovation Holding Ltd. and CEMEX Corp.

2 Presented net of all outstanding notes repurchased and held by CEMEX. As of December 31, 2021 there are no repurchased notes outstanding.

3 CEMEX used the proceeds from the July 2031 Notes to redeem in full the April 2026 Notes and partially the January 2025 Notes.

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The maturities of consolidated long-term debt as of December 31, 2021, were as follows:

	Bank loans	Notes payable	Total
2023	$ 199	6	205
2024	368	5	373
2025	691	157	848
2026	691	460	1,151
2027 and thereafter	—	4,729	4,729
	$ 1,949	5,357	7,306

As of December 31, 2021, CEMEX had the following lines of credit, of which, the only committed portion refers to the revolving credit facility under the 2021 Credit Agreement, at annual interest rates ranging between 1.65% and 3.94%, depending on the negotiated currency:

	Lines of credit	Available
Other lines of credit in foreign subsidiaries[1]	$ 199	87
Other lines of credit from banks[1]	540	339
Revolving credit facility 2021 Credit Agreement	1,750	1,750
	$2,489	2,176

1 Uncommitted amounts subject to the banks' availability.

2021 Credit Agreement

On October 29, 2021, CEMEX, S.A.B. de C.V. closed a new $3,250 syndicated sustainability-linked credit agreement, which proceeds were mainly used to fully repay its previous 2017 Facilities Agreement. The 2021 Credit Agreement consists of a $1,500 five-year amortizing term loan and a $1,750 five-year committed Revolving Credit Facility. The committed Revolving Credit Facility under CEMEX's new 2021 Credit Agreement is $600 larger than the one under the previous 2017 Facilities Agreement, resulting in a stronger liquidity position which is favorable for CEMEX from a risk and credit rating perspective.

The 2021 Credit Agreement is exclusively Dollar denominated and includes an interest rate margin grid over LIBOR that is about 25 basis points lower on average than that of the 2017 Facilities Agreement. All tranches under the 2021 Credit Agreement include a margin over LIBOR from 100 bps to 175 bps, depending on the ratio of debt to Operating EBITDA ("Consolidated Leverage Ratio") ranging from less than 2.25 times in the lower end to greater than 3.25 times in the higher end. The 2021 Credit Agreement includes the Loan Market Association replacement screen rate provisions in anticipation of the discontinuation of LIBOR rates.

Moreover, on December 23, 2021, CEMEX closed the 2021 Pesos Credit Agreement, under terms substantially similar to those of the 2021 Credit Agreement. The 2021 Pesos Credit Agreement has the same guarantor structure as the 2021 Credit Agreement.

The London Inter-Bank Offered Rate ("LIBOR") and the Euro Inter-Bank Offered Rate ("EURIBOR") represent variable rates used in international markets for debt denominated in U.S. dollars and Euros, respectively. The

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Tasa de Interés Interbancaria de Equilibrio ("TIIE") is the variable rate used for debt denominated in Mexican Pesos. As of December 31, 2021 and 2020, 3-Month LIBOR rate was 0.21% and 0.24%, respectively, meanwhile 3-Month EURIBOR rate was -0.57% and -0.545%, respectively. As of December 31, 2021, 28-day TIIE rate was 5.72%. The contraction "bps" means basis points. One hundred basis points equal 1%. See note 18.5 for developments on the undergoing interest rate benchmark reform.

Furthermore, the 2021 Credit Agreement is the first debt instrument issued by CEMEX under the Sustainability-linked Financing Framework (the "Framework"), which is aligned to CEMEX's strategy of CO_2 emissions reduction and its ultimate vision of a carbon-neutral economy (note 3.4). The annual performance in respect to the three metrics referenced in the Framework may result in a total adjustment of the interest rate margin of plus or minus 5 basis points, in line with other sustainability-linked loans from investment grade rated borrowers.

Additionally, the 2021 Credit Agreement has a simpler guarantor structure, replicated in all senior notes of the Parent Company, than that of the previous 2017 Facilities Agreement. The balance of debt under the 2021 Credit Agreement, which debtor is CEMEX, S.A.B. de C.V., is guaranteed by CEMEX Concretos, S.A. de C.V., CEMEX Operaciones México, S.A. de C.V., Cemex Innovation Holding Ltd. and CEMEX Corp.

Under the 2021 Credit Agreement, as compared to the 2017 Facilities Agreement, CEMEX has no limits or permitted baskets to incur capital expenditures, acquisitions, dividends, share buybacks and sale of assets, among others, as long as certain limited circumstances, such as non-compliance with financial covenants or specific fundamental changes, would not arise therefrom.

As of December 31, 2021 and 2020, CEMEX was in compliance with the limitations, restrictions and financial covenants contained in the 2021 Credit Agreement, in the 2021 Pesos Credit Agreement and in the 2017 Facilities Agreement, as applicable. CEMEX cannot assure that in the future it will be able to comply with such restrictive covenants and limitations. 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.

2017 Facilities Agreement

On July 19, 2017, the Parent Company and certain subsidiaries entered into the 2017 Facilities Agreement for an amount in different currencies equivalent to $4,050 at the origination date. The proceeds were used to repay the $3,680 then outstanding under the former facilities agreements and other debt repayments. After the amendments to the 2017 Facilities Agreement that became effective on October 13, 2020, debt outstanding would amortize between July 2021 and July 2025, except for the commitments under the revolving credit which would mature in July 2023. All tranches under the 2017 Facilities Agreement included a margin of LIBOR or EURIBOR from 125 bps to 475 bps, and TIIE from 100 bps to 425 bps, depending on the Consolidated Leverage Ratio ranging from less than 2.50 times in the lower end to greater than 6.00 times in the higher end.

In the amendment process to the 2017 Facilities Agreement that became effective on October 13, 2020, among other aspects, CEMEX negotiated new modifications to the financial covenants and the inclusion of sustainability-linked metrics, as well as the Loan Market Association replacement screen rate provisions in anticipation of the discontinuation of LIBOR and potentially EURIBOR. Moreover, as part of amendment process to the 2017 Facilities Agreement that became effective on May 22, 2020, among other aspects, CEMEX negotiated modifications to the financial covenants considering the adverse effects arising during the COVID-19

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Pandemic (note 2) in exchange of a one-time fee of $14 (35 bps), and agreed to certain temporary restrictions with respect to permitted capital expenditures, the extension of loans to third parties, acquisitions and/or the use of proceeds from asset sales and fundraising activities, as well as the suspension of share repurchases whenever and for as long as the Company failed to report a consolidated leverage ratio of 4.50 times or less.

Until October 29, 2021, debt under the 2017 Facilities Agreement was guaranteed by CEMEX Concretos, S.A. de C.V., CEMEX España, S.A. ("CEMEX España"), CEMEX Asia B.V., CEMEX Corp., CEMEX Africa & Middle East Investments B.V., CEMEX Finance LLC, CEMEX France Gestion (S.A.S.), CEMEX Research Group AG and CEMEX UK. In addition, debt under this agreement (together with all other senior debt) was also secured by a first-priority security interest in: (a) substantially all the shares of CEMEX Operaciones México, S.A. de C.V, CEMEX Innovation Holding Ltd. and CEMEX España (the "Collateral"); and (b) all proceeds of such Collateral. At this respect, on October 6, 2021, after compliance with all relevant conditions of the 2017 Facilities Agreement and the then-in effect intercreditor agreement governing the rights of certain of CEMEX's creditors, the liens on the Collateral were released.

During 2021 until October 29 and the years 2020 and 2019, under the 2017 Facilities Agreement, CEMEX was required to: a) not exceed an aggregate amount for capital expenditures of $1,500 per year, excluding certain capital expenditures, joint venture investments and acquisitions by CHP and its subsidiaries and CLH and its subsidiaries, which had a separate limit of $500 (or its equivalent) each; and b) not exceed the amount for permitted acquisitions and investments in joint ventures of $400 per year. Nonetheless, such limitations did not apply if capital expenditures or acquisitions did not exceed free cash flow generation or were funded with proceeds from equity issuances or asset disposals.

Financial Covenants

Under the 2021 Credit Agreement, at the end of each quarter for each period of four consecutive quarters, CEMEX must comply with a maximum Consolidated Leverage Ratio of 3.75 times throughout the life of the Credit Agreement, and a minimum ratio of Operating EBITDA to interest expense ("Consolidated Coverage Ratio") of 2.75 times. These financial ratios are calculated using the consolidated amounts under IFRS.

Under the 2017 Facilities Agreement, CEMEX had to comply with a Consolidated Coverage Ratio equal or greater than 1.75 times as of December 31, 2020 and March 31, 2021; and equal or greater than 2.25 times as of June 30, 2021 and September 30, 2021.

Moreover, under the 2017 Facilities Agreement and until its expiration, CEMEX had to comply with a Consolidated Leverage Ratio as follows:

Period	Leverage Ratio
For the period ending on December 31, 2020 up to and including the period ending on March 31, 2021	< = 6.25
For the period ending on June 30, 2021	< = 6.00
For the period ending on September 30, 2021	< = 5.75

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Consolidated Leverage Ratio

- Under the 2021 Credit Agreement, the ratio is calculated dividing "Consolidated Net Debt" by "Consolidated EBITDA" for the last twelve months as of the calculation date. Consolidated Net Debt equals debt, as reported in the statement of financial position, net of cash and cash equivalents, excluding any existing or future obligations under any securitization program, and any subordinated debt of CEMEX, adjusted for net mark-to-market of all derivative instruments, as applicable, among other adjustments including in relation for business acquisitions or disposals.
- Under the 2017 Facilities Agreement, the ratio was calculated dividing "Funded Debt" by pro forma Operating EBITDA for the last twelve months as of the calculation date including a permanent fixed adjustment from the adoption of IFRS 16. Funded Debt equals debt, as reported in the statement of financial position, net of cash and cash equivalents, excluding components of liability of convertible subordinated notes, plus lease liabilities, perpetual debentures and guarantees, plus or minus the fair value of derivative financial instruments, as applicable, among other adjustments for business acquisitions or disposals.

Consolidated EBITDA: Under the 2021 Credit Agreement, represents Operating EBITDA for the last twelve months as of the calculation date, as adjusted for any discontinued EBITDA, and solely for the purpose of calculating the Consolidated Leverage Ratio on a pro forma basis for any material disposition and/or material acquisition.

Pro forma Operating EBITDA: Under the 2017 Facilities Agreement, represented Operating EBITDA for the last twelve months as of the calculation date, after IFRS 16 effects, 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.

Consolidated Coverage Ratio

- Under the 2021 Credit Agreement, the ratio is calculated by dividing Consolidated EBITDA by the financial expense for the last twelve months as of the calculation date.
- Under the 2017 Facilities Agreement, the ratio was calculated by dividing pro forma Operating EBITDA by the financial expense for the last twelve months as of the calculation date, both including IFRS 16 effects. Financial expense included coupons accrued on the perpetual debentures.

As of December 31, 2021, 2020 and 2019, under the 2021 Credit Agreement and the 2017 Facilities Agreement, as applicable, the main consolidated financial ratios were as follows:

Consolidated financial ratios		Refers to the compliance limits and calculations that were effective on each date		
		2021	2020	2019
Leverage ratio	**Limit**	<=3.75	<=6.25	<=5.25
	Calculation	2.73	4.07	4.17
Coverage ratio	**Limit**	>=2.75	>=1.75	>=2.50
	Calculation	5.99	3.82	3.86

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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.

CEMEX will classify all of its non-current debt as current debt if: 1) as of any measurement date CEMEX fails to comply with the aforementioned financial ratios; or 2) the cross default clause that is part of the 2021 Credit Agreement is triggered by the provisions contained therein; 3) as of any date prior to a subsequent measurement date 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) an agreement to refinance the relevant debt on a long-term basis. As a result of such classification of debt as current for noncompliance with the agreed upon financial ratios 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 2021 Credit Agreement. That scenario would have a material adverse effect on CEMEX's operating results, liquidity or financial position.

18.2) OTHER FINANCIAL OBLIGATIONS

As of December 31, 2021 and 2020, other financial obligations in the consolidated statement of financial position were detailed as follows:

	2021			2020		
	Current	Non-current	Total	Current	Non-current	Total
I. Leases	$ 265	911	1,176	$ 293	967	1,260
II. Liabilities secured with accounts receivable	602	—	602	586	—	586
	$ 867	911	1,778	$ 879	967	1,846

I. Leases (notes 3.6, 9.1, 16.2 and 25.1)

CEMEX has several operating and administrative assets under lease contracts (note 16.2). As mentioned in note 3.6, CEMEX applies the recognition exemption for short-term leases and leases of low-value assets. Changes in the balance of lease financial liabilities during 2021, 2020 and 2019 were as follows:

	2021	2020	2019
Lease financial liability at beginning of year	$1,260	1,306	1,315
Additions from new leases	227	213	274
Reductions from payments	(313)	(276)	(239)
Cancellations and liability remeasurements	27	(9)	(54)
Foreign currency translation and accretion effects	(25)	26	10
Lease financial liability at end of year	$1,176	1,260	1,306

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As of December 31, 2021, the maturities of non-current lease financial liabilities are as follows:

	Total
2023	$233
2024	137
2025	104
2026	70
2027 and thereafter	367
	$911

Total cash outflows for leases in 2021, 2020 and 2019, including the interest expense portion as disclosed at note 9.1, were $381, $350 and $316, respectively. Future payments associated with these contracts are presented in note 25.1.

II. Liabilities secured with accounts receivable

As mentioned in note 11, as of December 31, 2021 and 2020, the funded amounts of sale of trade accounts receivable under securitization programs and/or factoring programs with recourse of $602 and $586, respectively, were recognized in “Other financial obligations” in the statement of financial position.

18.3) FAIR VALUE OF FINANCIAL INSTRUMENTS

Financial assets and liabilities

The book values of cash, trade receivables, other accounts receivable, trade payables, other accounts payable and accrued expenses, as well as short-term debt, approximate their corresponding estimated fair values due to the revolving nature of these financial assets and liabilities in the short-term.

The estimated fair value of CEMEX´s non-current debt is level 1 and 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.

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 such 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 or of its counterparties.

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 to fluctuations in interest rates and foreign exchange rates. The notional amounts of derivative instruments do not represent amounts of cash 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 notional amounts and other terms included in the derivative instruments.

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18) FINANCIAL INSTRUMENTS — continued

As of December 31, 2021 and 2020, the carrying amounts of financial assets and liabilities and their respective fair values were as follows:

	2021		2020	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Derivative financial instruments (notes 15.2 and 18.4)	$ 22	22	$ 3	3
Other investments and non-current accounts receivable (note 15.2)	221	221	272	272
	$ 243	243	$ 275	275
Financial liabilities				
Long-term debt (note 18.1)	$ 7,306	7,629	$ 9,160	9,687
Other financial obligations (note 18.2)	911	919	967	1,012
Derivative financial instruments (notes 18.4 and 19.2)	30	30	53	53
	$ 8,247	8,578	$ 10,180	10,752

As of December 31, 2021 and 2020, assets and liabilities carried at fair value in the consolidated statements of financial position are included in the following fair value hierarchy categories (note 3.6):

2021	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Derivative financial instruments (notes 15.2 and 18.4)	$ —	22	—	22
Investments in strategic equity securities (note 15.2)	14	–	—	14
Other investments at fair value through earnings (note 15.2)	—	3	—	3
	$ 14	25	—	39
Liabilities measured at fair value				
Derivative financial instruments (notes 18.4 and 19.2)	$ —	30	—	30

2020	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Derivative financial instruments (notes 15.2 and 18.4)	$ —	3	—	3
Investments in strategic equity securities (note 15.2)	23	—	—	23
Other investments at fair value through earnings (note 15.2)	—	3	—	3
	$ 23	6	—	29
Liabilities measured at fair value				
Derivative financial instruments (notes 18.4 and 19.2)	$ —	53	—	53

18.4) DERIVATIVE FINANCIAL INSTRUMENTS

During the reported periods, in compliance with the guidelines established by its Risk Management Committee, the restrictions set forth by its debt agreements and its hedging strategy (note 18.5), CEMEX held derivative instruments with the objectives explained in the following paragraphs.

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As of December 31, 2021 and 2020, the notional amounts and fair values of CEMEX's derivative instruments were as follows:

	2021		2020	
	Notional amount	Fair value	Notional amount	Fair value
I. Net investment hedge	$ 1,511	3	741	(42)
II. Interest rate swaps	1,005	(18)	1,334	(47)
III. Equity forwards on third party shares	—	—	27	3
IV. Fuel price hedging	145	30	128	5
V. Options	250	6	—	—
	$ 2,911	21	2,230	(81)

The caption "Financial income and other items, net" in the income statement includes certain gains and losses related to the recognition of changes in fair values of the derivative financial instruments during the applicable period, which represented net losses of $6 in 2021, of $17 in 2020 and of $1 in 2019.

I. Net investment hedge

As of December 31, 2021 and 2020, there are Dollar/Mexican peso foreign exchange forward contracts for a notional amount of $761 and $741, respectively, under a program that started in 2017 with a notional of up to $1,250, which can be adjusted in relation to hedged risks, with forward contracts with tenors from 1 to 18 months. CEMEX has designated this program as a hedge of CEMEX's net investment in Mexican pesos, pursuant to which changes in fair market value of these instruments are recognized as part of other comprehensive income in equity. For the years 2021, 2020 and 2019, these contracts generated losses of $4, gains of $53 and losses of $126, respectively, which partially offset currency translation results in each year recognized in equity generated from CEMEX's net assets denominated in Mexican pesos due to the depreciation of the peso in 2021 and 2020 and the appreciation of the peso in 2019.

Moreover, as of December 31, 2021, there are Dollar/Euro cross currency swap contracts for a notional amount of $750, which were entered into in November 2021, with maturity in November 2026. CEMEX has designated the foreign exchange forward component of this program as a hedge of CEMEX's net investment in Euros, pursuant to which changes in fair market of such forward contracts are recognized as part of other comprehensive income in equity, while changes in fair value of the interest rate swap component are recognized within "Financial income and other items, net". For the year 2021, these contracts generated gains of $10, which partially offset currency translation results recognized in equity generated from CEMEX's net assets denominated in Euros due to the depreciation of the Euro in 2021 against the dollar, as well as losses in 2021 of $1 related to the exchange of interest rates in the statement of operations.

II. Interest rate swap contracts

As of December 31, 2021 and 2020, CEMEX held interest rate swaps for a notional amount of $750 and $1,000, respectively, with a fair value representing liabilities of $30 in 2021 and $44 in 2020, negotiated in June 2018 to fix interest payments of existing bank loans bearing Dollar floating rates. During September 2020, CEMEX amended one of the interest rate swap contracts to reduce the weighted strike from 3.05% to 2.56% paying $14

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and, in November 2021, CEMEX partially unwound its interest rate swap paying $5, recognized within "Financial income and other items, net" in the statement of operations. In November 2021, these contracts were extended, and they will mature in November 2026. For accounting purposes under IFRS, CEMEX designated these contracts as cash flow hedges, pursuant to which, changes in fair value are initially recognized as part of other comprehensive income in equity and are subsequently allocated through financial expense as interest expense on the related bank loans is accrued. For the years 2021 and 2020, changes in fair value of these contracts generated gains of $23 and losses of $9, respectively, recognized in other comprehensive income.

In addition, as of December 31, 2021 and 2020, CEMEX held interest rate swaps for a notional of $255 and $334, respectively, negotiated to fix interest payments of existing bank loans referenced to Mexican Peso floating rates and that will mature in November 2023, which fair value represented an asset of $12 in 2021 and a liability of $3 in 2020. During December 2021, CEMEX partially unwound its interest rate swap receiving $3 recognized within "Financial income and other items, net" in the statement of operations. CEMEX designated these contracts as cash flow hedges, pursuant to which, changes in fair value are initially recognized as part of other comprehensive income in equity and are subsequently allocated through financial expense as interest expense on the related bank loans is accrued. For the years ended December 31, 2021 and 2020 changes in fair value of these contracts generated gains of $15 and losses of $3, respectively, recognized in other comprehensive income.

III. Equity forwards on third party shares

As of December 31, 2020, CEMEX maintained equity forward contracts with cash settlement in March 2022, over the price of 4.7 million shares of Grupo Cementos de Chihuahua, S.A.B. de C.V. ("GCC"). During 2020 and 2019, CEMEX early settled portions of these contracts for 9.2 and 6.9 million shares, respectively. During 2021 CEMEX settled contracts for the remainder 4.7 million shares of GCC. Changes in the fair value of these instruments and early settlement effects generated gains of $2 in 2021, of $1 in 2020 and of $2 in 2019 recognized within "Financial income and other items, net" in the income statement.

IV. Fuel price hedging

As of December 31, 2021 and 2020, CEMEX maintained swap and option contracts negotiated to hedge the price of certain fuels, primarily diesel and gas, in several operations for aggregate notional amounts of $145 and $128, respectively, with an estimated aggregate fair value representing assets of $30 in 2021 and of $5 in 2020. By means of these contracts, for its own consumption only, CEMEX either fixed the price of these fuels, or entered into option contracts to limit the prices to be paid for these fuels, over certain volumes representing a portion of the estimated consumption of such fuels in several operations. These contracts have been designated as cash flow hedges of diesel or gas consumption, and as such, changes in fair value are recognized temporarily through other comprehensive income and are recycled to operating expenses as the related fuel volumes are consumed. For the years 2021, 2020 and 2019, changes in fair value of these contracts recognized in other comprehensive income represented gains of $22, $7 and $15, respectively.

V. Foreign Exchange Options

As of December 31, 2021, CEMEX held Dollar/Mexican peso call spread option contracts for a notional amount of $250, maturing in September 2022, negotiated to maintain the value in dollars over such notional amount over revenues generated in pesos. Changes in the fair value of these instruments, generated losses of $5, recognized within "Financial income and other items, net" in the statement of operations.

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Other derivative financial instruments negotiated during the periods

During 2020, CEMEX negotiated Dollar/Peso, Dollar/Euro and Dollar/British Pound foreign exchange forward contracts to sell Dollars and Pesos and buy Euro and British Pounds, negotiated in connection with the voluntary prepayment and currency exchanges under the 2017 Facilities Agreement, for a combined notional amount of $397. For the year 2020, the aggregate results from positions entered and settled, generated losses of $15 recognized within "Financial income and other items, net" in the statements of operation. Additionally, during 2020, CEMEX negotiated Dollar/Euro foreign exchange forward contracts to sell Dollars and buy Euro, negotiated in connection with the redemption of the 4.625% April 2024 Notes. For the year 2020, the aggregate results of these instruments from positions entered and settled, generated gains of $3, recognized within "Financial income and other items, net" in the statement of operations.

Moreover, in connection with the proceeds from the sale of certain assets in the United Kingdom (note 5.2), the Company negotiated British Pound/Euro foreign exchange forward contracts to sell British Pounds and buy Euro for a notional amount of $186. CEMEX settled such derivatives on August 5, 2020. During the year 2020, changes in the fair value of these instruments and their settlement generated gains of $9 recognized within "Financial income and other items, net" in the statement of operations.

18.5) RISK MANAGEMENT

Enterprise risks may arise from any of the following situations: i) the potential change in the value of assets owned or reasonably anticipated to be owned, ii) the potential change in value of liabilities incurred or reasonably anticipated to be incurred, iii) the potential change in value of services provided, purchase or reasonably anticipated to be provided or purchased in the ordinary course of business, iv) the potential change in the value of assets, services, inputs, products or commodities owned, produced, manufactured, processed, merchandised, leased or sold or reasonably anticipated to be owned, produced, manufactured, processed, merchandised, leased or sold in the ordinary course of business, or v) any potential change in the value arising from interest rate or foreign exchange rate exposures arising from current or anticipated assets or liabilities.

In the ordinary course of business, CEMEX is exposed to commodities risk, including the exposure from inputs such as fuel, coal, petcoke, fly-ash, gypsum and other industrial materials which are commonly used by CEMEX in the production process, and expose CEMEX to variations in prices of the underlying commodities. To manage this and other risks, such as credit risk, interest rate risk, foreign exchange risk, equity risk and liquidity risk, considering the guidelines set forth by the Parent Company's Board of Directors, which represent CEMEX's risk management framework and that are supervised by several Committees, CEMEX's management establishes specific policies that determine strategies oriented to obtain natural hedges to the extent possible, such as avoiding customer concentration on a determined market or aligning the currencies portfolio in which CEMEX incurred its debt, with those in which CEMEX generates its cash flows.

As of December 31, 2021 and 2020, these strategies are sometimes complemented with the use of derivative financial instruments as mentioned in note 18.4, such as the commodity forward contracts on fuels negotiated to fix the price of these underlying commodities.

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The main risk categories are mentioned below:

Credit risk

Credit risk is the risk of financial loss faced by CEMEX if a customer or counterparty to a financial instrument does not meet its contractual obligations and originates mainly from trade accounts receivable. As of December 31, 2021 and 2020, 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. Exposure to credit risk is monitored constantly according to the payment behavior of 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 regarding financial assets.

The Company's management has established a policy of low risk tolerance 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. Thresholds of purchase limits 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, 2021, considering CEMEX's best estimate of potential expected losses based on the ECL model developed by CEMEX (note 11), the allowance for expected credit losses was $101.

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 accounting exposure to the risk of changes in market interest rates relates primarily to its long-term debt obligations with floating interest rates, which, if such rates were to increase, may adversely affect its financing cost and the results for the period.

Nonetheless, it is not economically efficient to concentrate on fixed rates at a high point when the interest rates market expects a downward trend. That is, there is an opportunity cost for continuing to pay a determined fixed interest rate when the market rates have decreased, and the entity may obtain improved interest rate conditions in a new loan or debt issuance. CEMEX manages its interest rate risk by balancing its exposure to fixed and variable rates while attempting to reduce its interest costs. CEMEX could renegotiate the conditions or repurchase the debt, particularly when the net present value of the estimated future benefits from the interest rate reduction are expected to exceed the cost and commissions that would have to be paid in such renegotiation or repurchase of debt.

As of December 31, 2021 and 2020, 10% and 17%, respectively, of CEMEX's long-term debt was denominated in floating rates at a weighted-average interest rate of LIBOR plus 150 basis points in 2021 and 294 basis points in 2020. These figures reflect the effect of interest rate swaps held by CEMEX during 2021 and 2020. As of December 31, 2021 and 2020, if interest rates at that date had been 0.5% higher, with all other variables held constant, CEMEX's net income for 2021 and 2020 would have reduced by $7 and $17, respectively, because of higher interest expense on variable rate denominated debt. This analysis does not include the effect of interest rate swaps held by CEMEX during 2021 and 2020.

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18) FINANCIAL INSTRUMENTS — continued

Managing interest rate benchmark reform

A fundamental reform of major interest rate benchmarks is being undertaken globally, including the replacement of some interbank offered rates (IBORs) with alternative nearly risk-free rates (referred to as the "IBOR reform"). CEMEX has exposures to IBORs on its financial instruments that will be replaced or reformed as part of these market-wide initiatives. There is uncertainty over the timing and the methods of transition in some jurisdictions in which CEMEX operates. The Company anticipates that the IBOR reform will imply adjustments to its risk management and hedge accounting practices. Nonetheless, in anticipation of this transition, the 2021 Credit Agreement already incorporates a benchmark rate replacement mechanism. Moreover, CEMEX's derivative instrument contracts contain standard definitions to incorporate robust fallbacks for instruments linked to certain IBORs, with the changes coming into effect from January, 2021. From that date, all new cleared and non-cleared derivatives that reference the definitions include the fallbacks. As of December 31, 2021, with the exemption of certain instrument that have migrated automatically to the alternate risk-free rates under the fallback protocol, CEMEX still has the majority of its debt and derivatives instruments, when applicable, linked to the LIBOR rate. There is no definite date to migrate to the alternate risk-free rates, although CEMEX considers to gradually migrate its financial instruments with no effect in the financial statements.

CEMEX's respective risk management committee monitors and manages the Company's transition to alternative rates. The committee evaluates the extent to which contracts reference IBOR cash flows, whether such contracts will need to be amended as a result of IBOR reform and how to manage communication about IBOR reform with counterparties. The committee reports to the Parent Company's Board of Directors quarterly and collaborates with other business functions as needed. It provides periodic reports to management of interest rate risk and risks arising from IBOR reform.

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, 2021, 22% of CEMEX's revenues, before eliminations resulting from consolidation, were generated in Mexico, 27% in the United States, 6% in the United Kingdom, 5% in France, 3% in Germany, 3% in Poland, 2% in Spain, 2% in the Philippines, 5% in Israel and 3% in the Rest of EMEAA region, 3% in Colombia, 1% in Panama, 2% in Dominican Republic, 2% in Caribbean TCL, 3% in the Rest of SCA&C, and 11% in CEMEX's other operations.

Foreign exchange results incurred through monetary assets or liabilities in a currency different from its functional currency are recorded in the consolidated statements of operations. Exchange fluctuations associated with foreign currency indebtedness directly related to the acquisition of foreign entities and exchange fluctuations in related parties' long-term balances denominated in foreign currency that are not expected to be settled in the foreseeable future, are recognized in the statement of other comprehensive income. As of December 31, 2021, excluding from the sensitivity analysis the impact of translating the net assets denominated in currencies different from CEMEX's presentation currency, considering a hypothetic 10% strengthening of the dollar against the Mexican peso, with all other variables held constant, CEMEX's net income for 2021 would have decreased by $9, as a result of higher foreign exchange losses on CEMEX's dollar-denominated net monetary liabilities held in consolidated entities with other functional currencies. Conversely, a hypothetic 10% weakening of the U.S. dollar against the Mexican peso would have the opposite effect.

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As of December 31, 2021, 86% of CEMEX's financial debt was Dollar-denominated, 6% was Euro-denominated, 3% was Mexican peso-denominated, 2% was Philippine peso-denominated and 3% was in other currencies. Therefore, CEMEX had a foreign currency exposure arising mainly from the Dollar-denominated versus the several 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 from its operations to service these obligations. As of December 31, 2021, CEMEX had implemented a derivative financing hedging strategy using foreign exchange options for a notional amount of $250 to hedge the value in dollar terms of revenues generated in pesos to partially address this foreign currency risk (note 18.4). Complementarily, CEMEX may negotiate other derivative financing hedging strategies in the future if either of its debt portfolio currency mix, interest rate mix, market conditions and/or expectations changes.

As of December 31, 2021 and 2020, CEMEX's consolidated net monetary assets (liabilities) by currency are as follows:

	2021					
	Mexico	United States	EMEAA	SCA&C	Others[1]	Total
Monetary assets	$ 873	605	1,255	262	193	3,188
Monetary liabilities	1,644	2,701	3,279	659	7,544	15,827
Net monetary assets (liabilities)	$ (771)	(2,096)	(2,024)	(397)	(7,351)	(12,639)
Out of which:						
Dollars	$ (166)	(2,096)	23	(87)	(6,254)	(8,580)
Pesos	(601)	—	—	—	(17)	(618)
Euros	—	—	(762)	1	(384)	(1,145)
Pounds	—	—	(1,191)	—	28	(1,163)
Other currencies	(4)	—	(94)	(311)	(724)	(1,133)
	$ (771)	(2,096)	(2,024)	(397)	(7,351)	(12,639)

	2020					
	Mexico	United States	EMEAA	SCA&C	Others[1]	Total
Monetary assets	$ 856	550	1,452	240	419	3,517
Monetary liabilities	1,420	2,480	3,534	680	9,625	17,739
Net monetary assets (liabilities)	$ (564)	(1,930)	(2,082)	(440)	(9,206)	(14,222)
Out of which:						
Dollars	$ (161)	(1,930)	17	(37)	(6,065)	(8,176)
Pesos	(403)	—	—	—	(87)	(490)
Euros	—	—	(743)	—	(2,451)	(3,194)
Pounds	—	—	(1,174)	—	26	(1,148)
Other currencies	—	—	(182)	(403)	(629)	(1,214)
	$ (564)	(1,930)	(2,082)	(440)	(9,206)	(14,222)

1 Includes the Parent Company, CEMEX's financing subsidiaries, as well as Neoris N.V., among other entities.

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Considering that the Parent Company's functional currency for all assets, liabilities and transactions associated with its financial and holding company activities is the dollar (note 3.4), there is foreign currency risk associated with the translation into dollars of subsidiaries' net assets denominated in different currencies. When the dollar appreciates, the value of these net assets denominated in other currencies decreases in terms of Dollars, generating negative foreign currency translation and reducing stockholders' equity. Conversely, when the dollar depreciates, the value of such net assets denominated in other currencies would increase in terms of dollars generating the opposite effect. CEMEX has implemented a Dollar/Mexican peso foreign exchange forward contracts program to hedge foreign currency translation in connection with its net assets denominated in pesos (note 18.4).

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.A.B. de C.V.'s and/or third party's shares. As described in note 18.4, considering specific objectives, CEMEX has negotiated equity forward contracts on third-party shares. Under these equity derivative instruments, there is a direct relationship from 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 the income statement as part of "Financial income and other items, net." During the reported periods effects were not significant. As of December 31, 2021, CEMEX does not have derivative financial instruments based on the price of the Parent Company's shares or any third-party's shares.

Liquidity risk

Liquidity risk is the risk that CEMEX will not have sufficient funds available to meet its obligations. In addition to cash flows provided by its operating activities, to meet CEMEX's overall liquidity needs for operations, servicing debt and funding capital expenditures and acquisitions, CEMEX relies 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 affect CEMEX's results and reduce cash from operations. The maturities of CEMEX's contractual obligations are included in note 25.1.

As of December 31, 2021, current liabilities, which included $940 of current debt and other financial obligations, exceed current assets by $1,155. It is noted that as part of its operating strategy implemented by management, the Company operates with a negative working capital balance. For the year ended December 31, 2021, CEMEX generated net cash flows provided by operating activities of $1,855. The Company's management considers that CEMEX will generate sufficient cash flows from operations in the following twelve months to meet its current obligations and trusts in its proven capacity to continually refinance and replace its current obligations, which will enable CEMEX to meet any liquidity risk in the short-term. In addition, as of December 31, 2021, CEMEX has committed lines of credit under the revolving credit facility in its 2021 Credit Agreement for a total amount of $1,750.

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19) OTHER CURRENT AND NON-CURRENT LIABILITIES

19.1) OTHER CURRENT LIABILITIES

As of December 31, 2021 and 2020, consolidated other current liabilities were as follows:

	2021	2020
Provisions[1]	$ 620	718
Interest payable	92	86
Other accounts payable and accrued expenses[2]	233	267
Contract liabilities with customers (note 4)[3]	257	201
	$1,202	1,272

1 Current provisions primarily consist of accrued employee benefits, insurance payments, accruals for legal assessments and others. These amounts are revolving in nature and are expected to be settled and replaced by similar amounts within the next 12 months.
2 As of December 31, 2021 and 2020, includes $7 and $19, respectively, of the current portion of other taxes payable in Mexico.
3 As of December 31, 2021 and 2020, contract liabilities with customers included $219 and $161, respectively, of advances received from customers, as well as in 2021 and 2020 the current portion of deferred revenues in connection with advances under long-term clinker supply agreements of $4 and $4, respectively.

19.2) OTHER NON-CURRENT LIABILITIES

As of December 31, 2021 and 2020, consolidated other non-current liabilities were as follows:

	2021	2020
Asset retirement obligations[1]	$ 553	369
Accruals for legal assessments and other responsibilities[2]	48	27
Non-current liabilities for valuation of derivative instruments	30	53
Environmental liabilities[3]	276	275
Other non-current liabilities and provisions[4, 5]	391	273
	$1,298	997

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. The increase in 2021 mainly refers to the decrease in the discount rate as well as update in estimates in CEMEX's operations in the United States.
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.
4 As of December 31, 2021 and 2020, includes $6 and $12, respectively, of the non-current portion of taxes payable in Mexico.
5 As of December 31, 2021 and 2020, the balance includes deferred revenues of $32 and $42, respectively, that are amortized to the income statement as deliverables are fulfilled over the maturity of long-term clinker supply agreements.

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19) OTHER CURRENT AND NON-CURRENT LIABILITIES — continued

Changes in consolidated other current and non-current liabilities for the years ended December 31, 2021 and 2020, were as follows:

	2021						
	Asset retirement obligations	Environmental liabilities	Accruals for legal proceedings	Valuation of derivative instruments	Other liabilities and provisions	Total	2020
Balance at beginning of period	$ 369	275	27	91	994	1,756	1,524
Additions or increase in estimates	267	1	31	—	2,474	2,773	2,397
Releases or decrease in estimates	(62)	(2)	(9)	(23)	(2,442)	(2,538)	(2,168)
Reclassifications	(19)	—	17	—	6	4	113
Accretion expense	(1)	—	(1)	—	(26)	(28)	(122)
Foreign currency translation	(1)	2	(17)	(31)	37	(10)	12
Balance at end of period	$ 553	276	48	37	1,043	1,957	1,756
Out of which:							
Current provisions	$ —	—	—	7	652	659	759

20) PENSIONS AND POST-EMPLOYMENT BENEFITS

Defined contribution pension plans

The consolidated costs of defined contribution plans for the years ended December 31, 2021, 2020 and 2019 were $47, $48 and $50, 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 financial statements' date.

Defined benefit pension plans

Most of CEMEX's defined benefit plans have been closed to new participants for several years. Actuarial results related to pension and other post-employment benefits are recognized in earnings and/or in "Other comprehensive income" for the period in which they are generated, as appropriate. For the years ended

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20) PENSIONS AND POST-EMPLOYMENT BENEFITS — continued

December 31, 2021, 2020 and 2019, the effects of pension plans and other post-employment benefits are summarized as follows:

	Pensions			Other benefits			Total		
Net period cost (income):	2021	2020	2019	2021	2020	2019	2021	2020	2019
Recorded in operating costs and expenses									
Service cost	$ 9	10	10	3	2	2	12	12	12
Past service cost	—	(2)	1	—	1	—	—	(1)	1
Settlements and curtailments	(1)	—	(3)	(1)	(1)	—	(2)	(1)	(3)
	8	8	8	2	2	2	10	10	10
Recorded in other financial expenses									
Net interest cost	26	28	34	5	5	5	31	33	39
Recorded in other comprehensive income									
Actuarial (gains) losses for the period	(257)	181	203	(6)	18	7	(263)	199	210
	$(223)	217	245	1	25	14	(222)	242	259

As of December 31, 2021 and 2020, the reconciliation of the actuarial benefits' obligations and pension plan assets, are presented as follows:

	Pensions		Other benefits		Total	
	2021	2020	2021	2020	2021	2020
Change in benefits obligation:						
Projected benefit obligation at beginning of the period	$2,928	2,651	105	87	3,033	2,738
Service cost	9	10	3	2	12	12
Interest cost	62	70	5	5	67	75
Actuarial (gains) losses	(134)	258	(6)	18	(140)	276
Additions through business combinations	—	1	—	—	—	1
Settlements and curtailments	(1)	—	(1)	(1)	(2)	(1)
Plan amendments	—	(2)	—	1	—	(1)
Benefits paid	(132)	(140)	(7)	(6)	(139)	(146)
Foreign currency translation	(47)	80	(1)	(1)	(48)	79
Projected benefit obligation at end of the period	2,685	2,928	98	105	2,783	3,033
Change in plan assets:						
Fair value of plan assets at beginning of the period	1,693	1,599	1	1	1,694	1,600
Return on plan assets	36	42	—	—	36	42
Actuarial gains	123	77	—	—	123	77
Employer contributions	78	75	7	6	85	81
Benefits paid	(132)	(140)	(7)	(6)	(139)	(146)
Foreign currency translation	(15)	40	—	—	(15)	40
Fair value of plan assets at end of the period	1,783	1,693	1	1	1,784	1,694
Net projected liability in the statement of financial position	$ 902	1,235	97	104	999	1,339

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20) PENSIONS AND POST-EMPLOYMENT BENEFITS — continued

For the years 2021, 2020 and 2019, actuarial (gains) losses for the period were generated by the following main factors as follows:

	2021	2020	2019
Actuarial (gains) losses due to experience	$ (87)	1	5
Actuarial (gains) losses due to demographic assumptions	20	18	(11)
Actuarial (gains) losses due financial assumptions	(196)	180	216
	$(263)	199	210

In 2021, net actuarial gains due to financial assumptions were mainly driven by moderate increases in the discount rates applicable to the calculation of the benefits' obligations in the United Kingdom, the United States, Germany and Mexico, as market interest rates increased in 2021 as compared to 2020. In addition, there were significant reduction effects in the net projected liability related to adjustments due to experience in the United Kingdom, the United States and Germany for a combined amount of $81. Moreover, the net projected liability significantly decreased by actual returns in plan assets higher than estimated returns for a total of $122, of which $86 refers to the United Kingdom, $13 to the United States and $23 to other countries, partially offset by actuarial losses due to demographic assumption of $20, of which $12 refers to the United Kingdom.

In 2020, net actuarial losses due to financial assumptions were mainly driven by a general decrease in the discount rates applicable to the calculation of the benefits' obligations mainly in the United Kingdom, the United States, and Mexico, as market interest rates decrease globally in 2020 as compared to 2019, partially offset by actual returns in plan assets higher than estimated in the United Kingdom and the United States. In addition, the United Kingdom Government confirmed on November 25, 2020, with effect from February 2030 onwards, Retail Prices Index ("RPI") will be aligned with Consumer Prices Index ("CPI"). The RPI is used to set pension increase assumptions for the United Kingdom pension plans. As a result of this change, in 2020, CEMEX had an increase in its United Kingdom pension liabilities of $54. In 2019, such net actuarial losses were also mainly driven by a general decrease in the discount rates applicable to the calculation of the benefits' obligations mainly in the United Kingdom, the United States, Germany and Mexico, as market interest rates decrease globally in 2019 as compared to 2018, partially offset by actual returns in plan assets higher than estimated in the United Kingdom and the United States.

As of December 31, 2021 and 2020, based on the hierarchy of fair values, plan assets are detailed as follows:

	2021				2020			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Cash	$ 33	—	—	33	$ 44	—	—	44
Investments in corporate bonds	1	432	—	433	1	474	—	475
Investments in government bonds	85	393	—	478	86	371	—	457
Total fixed-income securities	119	825	—	944	131	845	—	976
Investment in marketable securities	380	109	—	489	341	89	—	430
Other investments and private funds	163	88	100	351	146	55	87	288
Total variable-income securities	543	197	100	840	487	144	87	718
Total plan assets	$ 662	1,022	100	1,784	$ 618	989	87	1,694

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20) PENSIONS AND POST-EMPLOYMENT BENEFITS — continued

The most significant assumptions used in the determination of the benefit obligation were as follows:

	2021				2020			
	Mexico	United States	United Kingdom	Range of rates in other countries	Mexico	United States	United Kingdom	Rates ranges in other countries
Discount rates	9.25%	2.90%	1.90%	0.4% – 9.3%	7.80%	2.60%	1.50%	0.2% – 9.0%
Rate of return on plan assets	9.25%	2.90%	1.90%	0.4% – 9.3%	7.80%	2.60%	1.50%	0.2% – 9.0%
Rate of salary increases	4.50%	—	3.35%	2.3% – 7.3%	4.50%	—	3.00%	2.3% – 6.8%

As of December 31, 2021, estimated payments for pensions and other post-employment benefits over the next 10 years were as follows:

	Estimated payments
2022	$ 155
2023	139
2024	140
2025	142
2026 – 2031	850

As of December 31, 2021 and 2020, the aggregate projected benefit obligation ("PBO") for pension plans and other post-employment benefits and the plan assets by country were as follows:

	2021			2020		
	PBO	Assets	Deficit	PBO	Assets	Deficit
Mexico	$ 200	38	162	$ 216	29	187
United States	270	226	44	305	222	83
United Kingdom[1]	1,794	1,273	521	1,925	1,214	711
Germany	180	7	173	219	8	211
Other countries	339	240	99	368	221	147
	$2,783	1,784	999	$3,033	1,694	1,339

1 Applicable regulation in the United Kingdom requires to maintain plan assets at a level similar to that of the obligations. Beginning in 2012, the pension fund started to receive annual dividends from a limited partnership (the "Partnership"), whose assets, transferred by CEMEX UK of an approximate value of $553, are leased back to CEMEX UK. The Partnership is owned, controlled and consolidated by CEMEX UK. The annual dividends received by the pension funds in 2021, 2020 and 2019, which increase at a 5% rate per year, were £22.3 ($30), £21.3 ($29) and £20.3 ($27), respectively. In 2037, on expiry of the arrangement, the Partnership will be terminated and under the terms of the agreement, the remaining assets will be distributed to CEMEX UK. Distributions from the Partnership to the pension fund are considered as employer contributions to plan assets in the period in which they occur.

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20) PENSIONS AND POST-EMPLOYMENT BENEFITS — continued

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, 2021 and 2020, the projected benefits obligation related to these benefits was $69 and $78, respectively, included within other benefits liability. The medical inflation rates used to determine the projected benefits obligation of these benefits in 2021 and 2020 for Mexico were 7% and 8% respectively, for Puerto Rico 3.8% and 6.4%, respectively, for the United Kingdom were 6.9% in both years and for TCL was a rate range between 5.0% and 10.5%, for both years.

Significant events of settlements or curtailments related to employees' pension benefits and other post-employment benefits during the reported periods

In 2021, as an effect of a sale of assets in France (note 5.2), there was a curtailment gain of $1 in its pension plan recognized in the statement of operations for the period. In addition, one of the participating companies in other postretirement benefits of TCL ceased operations in February 2021, resulting in a curtailment gain in other postretirement benefits of $1 reflected in the statement of operations for the period.

During 2020, in connection with the divestiture of Kosmos' assets in the United States (note 5.1), CEMEX recognized a curtailment gain of $1 related to its medical plan. Moreover, in France, CEMEX changed certain formulas of the pension benefits resulting in a past service gain of $2. In addition, in Mexico, CEMEX changed some postretirement benefits resulting in an expense for past services of $1 in 2020. These effects were recognized in the income statement for the year.

During 2019, CEMEX in France closed two legal entities resulting in a curtailment gain of $3, which was recognized in the income statement for the period.

Sensitivity analysis of pension and other post-employment benefits

For the year ended December 31, 2021, 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 post-employment benefits as of December 31, 2021 are shown below:

	Pensions		Other benefits		Total	
Assumptions:	**+50 bps**	**-50 bps**	**+50 bps**	**-50 bps**	**+50 bps**	**-50 bps**
Discount Rate Sensitivity	$ (178)	200	(5)	5	(183)	205
Salary Increase Rate Sensitivity	6	(5)	1	(1)	7	(6)
Pension Increase Rate Sensitivity	124	(121)	—	—	124	(121)

Multiemployer defined benefit pension plans

In addition to the Company's sponsored plans, certain union employees in the United States and the United Kingdom are covered under multiemployer defined benefit plans administered by their unions. The Company's funding arrangements, rate of contributions and funding requirements were made in accordance with the contractual multiemployer agreements. The combined amounts contributed to the multiemployer plans were $58 in 2021, $56 in 2020 and $64 in 2019. The Company expects to contribute $59 to the multiemployer plans in 2022.

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20) PENSIONS AND POST-EMPLOYMENT BENEFITS — continued

In addition to the funding described in the preceding paragraph, CEMEX negotiated with a union managing a multiemployer plan in the United States the change of the plan from defined benefit to defined contribution beginning on September 29, 2019. This change generated a one-time settlement obligation of $24 recognized in the income statement in 2019 as part of "Other expenses, net," against an accrued liability. Payments are expected to be made over the next 20 years though lump sum payment is allowable.

21) INCOME TAXES

21.1) INCOME TAXES FOR THE PERIOD

The amounts of income tax expense in the statements of operations for 2021, 2020 and 2019 are summarized as follows:

	2021	2020	2019
Current income tax expense	$179	167	138
Deferred income tax expense (income)	(35)	(122)	19
	$144	45	157

21.2) DEFERRED INCOME TAXES

As of December 31, 2021 and 2020, the main temporary differences that generated the consolidated deferred income tax assets and liabilities are presented below:

	2021	2020
Deferred tax assets:		
Tax loss carryforwards and other tax credits	$ 662	777
Accounts payable and accrued expenses	808	558
Intangible assets, net	138	49
Total deferred tax assets, gross	1,608	1,384
Presentation offset regarding same legal entity	(1,046)	(644)
	562	740
Deferred tax liabilities:		
Property, machinery and equipment and right-of-use asset, net	(1,502)	(1,273)
Investments and other assets	(29)	(29)
Total deferred tax liabilities, gross	(1,531)	(1,302)
Presentation offset regarding same legal entity	1,046	644
Total deferred tax liabilities, net in the statement of financial position	(485)	(658)
Net deferred tax assets (liabilities)	$ 77	82
Out of which:		
Net deferred tax liabilities in Mexican entities[1]	$ (81)	(77)
Net deferred tax assets in foreign entities[2]	158	159
Net deferred tax assets	$ 77	82

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21) INCOME TAXES — continued

1 Net deferred tax liabilities in Mexico at the reporting date mainly refer to a temporary difference resulting when comparing the carrying amount of property, machinery and equipment, against their corresponding tax values (remaining tax-deductible amount), partially offset by certain deferred tax assets from tax loss carryforwards that are expected to be recovered in the future against taxable income. When the book value is greater than the related tax value results in a deferred tax liability. In 2011, upon transition to IFRS, CEMEX elected to measure its fixed assets at fair value, which resulted in a significant increase in book value, mainly associated with the revaluation of mineral reserves. Such restated amounts are depleted to the income statement in a period close to 35 years, generating accounting expense that is not tax-deductible; hence the temporary difference will gradually reverse over time but does not represent a payment obligation to the tax authority at the reporting date.

2 Net deferred tax assets in foreign entities in 2021 and 2020 are mainly related to tax loss carryforwards recognized in prior years, mainly in the United States, that are expected to be recovered in the future against taxable income.

As of December 31, 2021 and 2020, balances of the deferred tax assets and liabilities included in the statement of financial position are located in the following entities:

	2021			2020		
	Assets	Liabilities	Net	Assets	Liabilities	Net
Mexican entities	$ 191	(272)	(81)	$ 152	(229)	(77)
Foreign entities	371	(213)	158	588	(429)	159
	$ 562	(485)	77	$ 740	(658)	82

The breakdown of changes in consolidated deferred income taxes during 2021, 2020 and 2019 was as follows:

	2021	2020	2019
Deferred income tax expense (income) in the income statement	$(35)	(122)	19
Deferred income tax revenue in stockholders' equity	(38)	(41)	(59)
Reclassifications[1]	78	(12)	3
Change in deferred income tax during the period	$ 5	(175)	(37)

1 In 2021, 2020 and 2019, refers to the effects of the reclassification of balances to assets held for sale and related liabilities (note 5.2).

Current and/or deferred income tax relative to items of other comprehensive income during 2021, 2020 and 2019 were as follows:

	2021	2020	2019
Revenue related to foreign exchange fluctuations from intercompany balances (note 22.2)	$ (6)	(19)	(19)
Expense (revenue) associated to actuarial results (note 22.2)	26	(41)	(29)
Revenue related to derivative financial instruments (note 18.4)	(1)	14	(34)
Expense (revenue) from foreign currency translation and other effects	(63)	(14)	4
	$(44)	(60)	(78)

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21) INCOME TAXES — continued

As of December 31, 2021, consolidated tax loss and tax credits carryforwards expire as follows:

	Amount of carryforwards	Amount of unrecognized carryforwards	Amount of recognized carryforwards
2022	$ 4,341	4,340	1
2023	274	258	16
2024	426	195	231
2025	185	148	37
2026 and thereafter	9,569	7,221	2,348
	$ 14,795	12,162	2,633

As of December 31, 2021, in connection with CEMEX's deferred tax loss carryforwards presented in the table above, to realize the benefits associated with such deferred tax assets that have been recognized, before their expiration, CEMEX would need to generate $2,633 in consolidated pre-tax income in future periods. 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, along with the implementation of feasible tax strategies, CEMEX believes that it will recover the balance of its tax loss carryforwards that have been recognized before their expiration. In addition, CEMEX concluded that, the deferred tax liabilities that were considered in the 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 refers 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.

The Parent Company does not recognize a deferred income tax liability related to its investments in subsidiaries considering that CEMEX controls the reversal of the temporary differences arising from these investments and management is satisfied that such temporary differences will not reverse in the foreseeable future.

21.3) RECONCILIATION OF EFFECTIVE INCOME TAX RATE

For the years ended December 31, 2021, 2020 and 2019, the effective consolidated income tax rates were as follows:

	2021	2020	2019
Earnings before income tax	$ 932	(1,302)	238
Income tax expense	(144)	(45)	(157)
Effective consolidated income tax expense rate[1]	15.5%	(3.5)%	66.0%

1 The average effective tax rate equals the net amount of income tax revenue or expense divided by income or loss before income taxes, as these line items are reported in the income statement.

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

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21) INCOME TAXES — continued

differences between the statutory tax rate applicable in Mexico, and the effective tax rate presented in the consolidated statements of operations, which in 2021, 2020 and 2019 were as follows:

	2021		2020		2019	
	%	$	%	$	%	$
Mexican statutory tax rate	30.0	280	30.0	(391)	30.0	71
Difference between accounting and tax expenses, net[1]	4.8	45	(18.4)	240	111.2	265
Non-taxable sale of equity securities and fixed assets	(3.8)	(35)	1.3	(17)	(13.4)	(32)
Difference between book and tax inflation	23.9	223	(7.1)	92	38.1	91
Differences in the income tax rates in the countries where CEMEX operates[2]	4.7	44	(0.9)	12	(31.9)	(76)
Changes in deferred tax assets[3]	(48.7)	(454)	(9.6)	125	(59.8)	(142)
Changes in provisions for uncertain tax positions	2.6	24	0.2	(3)	(5.2)	(12)
Others	2.0	17	1.0	(13)	(3.0)	(8)
Effective consolidated income tax expense rate	15.5	144	(3.5)	45	66.0	157

1 In 2020 includes $312, related to the effects of the impairment charges which are basically non-deductible (note 8). In 2019, includes $117 of difference between book and tax foreign exchange fluctuations of the Parent Company.
2 Refers mainly to the effects of the differences between the statutory income tax rate in Mexico of 30% against the applicable income tax rates of each country where CEMEX operates and includes the effect related to the change in statutory tax rate in Colombia from 30% to 35%.
3 Refers to the effects in the effective income tax rate associated with changes during the period in the amount of deferred income tax assets related to CEMEX's tax loss carryforwards.

The following table compares variations between the line item "Changes in deferred tax assets" as presented in the table above against the changes in deferred tax assets in the statement of financial position for the years ended December 31, 2021 and 2020:

	2021		2020	
	Changes in the statement of financial position	Amounts in reconciliation	Changes in the statement of financial position	Amounts in reconciliation
Tax loss carryforwards generated and not recognized during the year	$ —	9	—	178
Derecognition related to tax loss carryforwards recognized in prior years	(145)	—	(70)	12
Recognition related to unrecognized tax loss carryforwards	19	(460)	82	(84)
Foreign currency translation and other effects	11	(3)	8	19
Changes in deferred tax assets	$ (115)	(454)	20	125

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21) INCOME TAXES — continued

21.4) UNCERTAIN TAX POSITIONS AND SIGNIFICANT TAX PROCEEDINGS

Uncertain tax positions

As of December 31, 2021 and 2020, as part of current provisions and non-current other liabilities (note 19), 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, 2021, 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. A summary of the beginning and ending amount of unrecognized tax benefits for the years ended December 31, 2021, 2020 and 2019, excluding interest and penalties, is as follows:

	2021	2020	2019
Balance of tax positions at beginning of the period	$ 27	28	44
Adoption effects of IFRIC 23 credited to retained earnings (note 3.1)	—	—	(6)
Additions for tax positions of prior periods	4	—	—
Additions for tax positions of current period	27	3	4
Reductions for tax positions related to prior periods and other items	(2)	(1)	(13)
Settlements and reclassifications	(5)	(3)	—
Expiration of the statute of limitations	(2)	(2)	(2)
Foreign currency translation effects	(1)	2	1
Balance of tax positions at end of the period	$ 48	27	28

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 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.

Significant tax proceedings

As of December 31, 2021, the Company's most significant tax proceedings are as follows:

- The tax authorities in Spain ("the Spanish Tax Authorities") challenged part of the tax loss carryforwards reported by CEMEX España covering the tax years from and including 2006 to 2009. During 2013, the Spanish Tax Authorities notified CEMEX España of fines in the aggregate amount of $518. In April 2014, CEMEX España filed appeals against such resolution before the *Tribunal Económico Administrativo Central* ("TEAC") of the Spanish Tax Authorities. On September 20, 2017, CEMEX España was notified by the TEAC about an adverse resolution to such appeals. CEMEX España filed a recourse against such

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resolution in November 2017 before the National Court (*Audiencia Nacional*) and applied for the suspension of the payment before the National Court until the case is finally resolved. On January 31, 2018, the National Court notified CEMEX España of the granting of the suspension of the payment, subject to the provision of guarantees on or before April 2, 2018. In this regard, CEMEX España provided the respective guarantees in the form of a combination of a liability insurance policy and a mortgage of several assets in Spain. In November 2018, the National Court confirmed the acceptance of the guarantees by the Spanish Tax Authorities, which ensures the suspension of the payment until the recourses are definitively resolved. On November 30, 2021, the National Court issued a judgment rejecting the appeal filed by CEMEX España against the resolution of the TEAC, confirming the imposed fines. CEMEX España will request the Spanish Supreme Court to admit a cassation appeal against this judgement issued by the National Court. As of December 31, 2021, CEMEX believes an adverse resolution in these proceedings is not probable and no accruals have been created in connection with these proceedings. Nonetheless, it is difficult to assess with certainty the likelihood of an adverse result, and the appeals that CEMEX España has filed could take an extended amount of time to be resolved, but if adversely resolved, these proceedings could have a material adverse impact on CEMEX's results of operations, liquidity or financial position.

- On March 26, 2021, the Spanish Tax Authorities notified CEMEX España of an assessment for Income Taxes in an amount in euros equivalent to $55 as of December 31, 2021, plus late interest, derived from a tax audit process covering the tax years 2010 to 2014. This assessment has been appealed before the TEAC. In order for the suspension of the payment of the tax assessment to be granted, CEMEX España provided a payment guarantee which was approved by such tax authorities. Moreover, on December 3, 2021, the Spanish Tax Authorities notified CEMEX España of a penalty for an amount in euros equivalent to $78, derived from the tax audit process covering the same period from 2010 to 2014. This assessment is expected to be appealed before the TEAC. Until this appeal is resolved, no payment will be made and the company is not required to furnish a guarantee for the filing of the appeal. As of December 31, 2021, CEMEX believes an adverse resolution in these proceedings are not probable and no accruals have been created in connection with these proceedings. Nonetheless, it is difficult to assess with certainty the likelihood of an adverse result, and the appeals that CEMEX España has filed could take an extended amount of time to be resolved, but if adversely resolved, these proceedings could have a material adverse impact on CEMEX's results of operations, liquidity or financial position.
- On April 6, 2018, CEMEX Colombia received a special proceeding from the Colombian Tax Authority (the "Tax Authority"), where certain deductions included in the 2012 income tax return were rejected. The Tax Authority assessed an increase in the income tax payable by CEMEX Colombia and imposed an inaccuracy penalty for amounts in Colombian pesos equivalent to $31 of income tax and $31 of penalty. On June 22, 2018, CEMEX Colombia filed a response to the special proceeding within the legal term. On December 28, 2018, CEMEX Colombia received an official review settlement ratifying the rejected deductible items and amounts. CEMEX Colombia filed a reconsideration request on February 21, 2019. On January 8, 2020, CEMEX Colombia was notified that, in response to the appeal filed by it, the Tax Authority had confirmed its assessment that CEMEX Colombia is required to pay increased taxes and corresponding penalties, as previously notified on April 6, 2018. On July 1, 2020, CEMEX Colombia filed an appeal against the aforementioned resolution in the Administrative Court of Cundinamarca. In addition, on March 10, 2020, the Tax Authority issued a complementary administrative act, in which the authority claims the payment of the credit balance that was originated in the 2012 tax declaration and that was offset with taxes from subsequent years. CEMEX Colombia filed its response on June 2, 2020. On October 25, 2021, the Tax Authority issued a resolution confirming the imposed penalty due to inadmissible compensation. The

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penalty is an amount in Colombian pesos equivalent to $14 as of December 31, 2021. CEMEX Colombia filed an appeal before the Administrative Court of Cundinamarca on December 16, 2021. The Administrative Court of Cundinamarca has not responded to the filed appeal, and it is estimated that the procedure will last at least 2 years If the proceeding is adversely resolved in the final stage, CEMEX Colombia must pay the amounts determined in the official settlement plus interest accrued on the amount of the income tax adjustment until the payment date. As of December 31, 2021, at this stage of the proceeding, CEMEX considers that an adverse resolution in this proceeding after conclusion of all available defense procedures is not probable, however, it is difficult to assess with certainty the likelihood of an adverse result in the proceeding; if adversely resolved, CEMEX believes this proceeding could have a material adverse impact on the operating results, liquidity or financial position of CEMEX.

- In September 2012, the Tax Authority requested CEMEX Colombia to amend its income tax return for the year 2011 in connection with several deductible expenses including the amortization of goodwill. CEMEX Colombia rejected the arguments of the ordinary request and filed a motion requesting the case to be closed. The 2011 income tax return was under audit of the Tax Authority from August 2013 until September 5, 2018, when CEMEX Colombia was notified of a special proceeding in which the Tax Authority rejected certain deductions included in such income tax return of the year 2011 and determined an increase in the income tax payable and imposed a penalty for amounts in Colombian pesos equivalent to $21 of income tax and $21 of penalty. CEMEX Colombia filed a response to the special proceeding on November 30, 2018 and the Tax Authority notified the official review liquidation on May 15, 2019, maintaining the claims of the special proceeding; therefore, CEMEX Colombia filed an appeal within the legal term on July 11, 2019. On July 6, 2020, CEMEX Colombia was notified about a resolution confirming the official liquidation. On October 22, 2020, CEMEX Colombia filed an appeal against such resolution in the Administrative Court of Cundinamarca and on September 13, 2021 the appeal was admitted. If the proceeding is adversely resolved in its final stage, CEMEX Colombia would have to pay the amounts determined in the official settlement plus interest accrued on the amount of the income tax adjustment until the date of payment. As of December 31, 2021, at this stage of the proceeding, CEMEX considers that an adverse resolution in this proceeding after conclusion of all available defense procedures is not probable, however, it is difficult to assess with certainty the likelihood of an adverse result in the proceeding; if adversely resolved, CEMEX believes this proceeding could have a material adverse impact on the operating results, liquidity or financial position of CEMEX.

22) STOCKHOLDERS' EQUITY

The consolidated financial statements are presented in dollars based on IAS 21, *The Effects of Changes in Foreign Exchange Rates* ("IAS 21"), while the reporting currency of the Parent Company is the Mexican Peso. As a result, for the consolidated entity, transactions of common stock, additional paid-in capital and retained earnings are translated and accrued using historical exchange rates of the dates in which the transactions occurred. As a result, although the amounts of total non-controlling interest in the consolidated financial statements and total stockholders' equity of the Parent Company are the same, IAS 21 methodology results in differences between line-by-line items within CEMEX's controlling interest and the Parent Company's stockholders' equity. The official stockholders' equity for statutory purposes is that of the Parent Company as expressed in Mexican pesos. As of December 31, 2021, the line-by-line reconciliation between CEMEX's controlling interest, as reported using the dollar as presentation currency, and the Parent Company's

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stockholders' equity, using a convenience translation of the balances in pesos translated using the exchange rate of 20.50 pesos per dollar as of December 31, 2021, is as follows:

	As of December 31, 2021	
	Consolidated	Parent Company
Common stock and additional paid-in capital[1]	$ 7,810	5,150
Other equity reserves[1,2]	(1,371)	2,289
Retained earnings[2]	3,388	2,388
Total controlling interest	$ 9,827	9,827

1 The difference relates to the method of accruing dollars using the historical exchange rates to translate each common stock and additional paid-in capital transaction denominated in Mexican pesos to dollars. The cumulative effect from these changes in exchange rates is recognized against other equity reserves.

2 The difference relates with the method of accruing dollars using the exchange rates of each month during the period for income statement purposes. The cumulative effect from these changes in exchange rates is recognized against other equity reserves.

As of December 31, 2021 and 2020, stockholders' equity excludes investments in CPOs of the Parent Company held by subsidiaries of $14 (20,541,277 CPOs) and $11 (20,541,277 CPOs), respectively, which were eliminated within "Other equity reserves."

22.1) COMMON STOCK AND ADDITIONAL PAID-IN CAPITAL

As of December 31, 2021 and 2020, the breakdown of consolidated common stock and additional paid-in capital was as follows:

	2021	2020
Common stock	$ 318	318
Additional paid-in capital	7,492	7,575
	$ 7,810	7,893

Effective as of December 31, 2020, the Company's management approved a restitution to the consolidated line item of "Retained earnings" for $2,481, 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.

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As of December 31, 2021 and 2020 the common stock of CEMEX, S.A.B. de C.V. was presented as follows:

	2021		2020	
Shares[1]	Series A[2]	Series B[2]	Series A[2]	Series B[2]
Subscribed and paid shares	29,457,941,452	14,728,970,726	29,457,941,452	14,728,970,726
Unissued shares authorized for executives' stock compensation programs	881,442,830	440,721,415	881,442,830	440,721,415
Repurchased shares[3]	—	—	756,323,120	378,161,560
Shares that guarantee/guaranteed the issuance of convertible securities[4]	—	—	1,970,862,596	985,431,298
Shares authorized for the issuance of stock or convertible securities[5]	—	—	302,144,720	151,072,360
	30,339,384,282	15,169,692,141	33,368,714,718	16,684,357,359

1 As of December 31, 2021 and 2020, 13,068,000,000 shares correspond to the fixed portion, and 32,441,076,423 shares as of December 31, 2021 and 36,985,072,077 shares as of December 31, 2020, correspond to the variable portion.
2 Series "A" or Mexican shares must represent at least 64% of CEMEX's capital stock; Series "B" or free subscription shares must represent at most 36% of CEMEX's capital stock.
3 Shares repurchased under the share repurchase program authorized by the Company's shareholders (note 22.2).
4 Refers to those shares that guaranteed the conversion of a series of then outstanding convertible securities (note 18.2).
5 Shares that were authorized for issuance in a public offering or private placement and/or by issuance of new convertible securities.

On March 25, 2021, stockholders at the annual ordinary shareholders' meeting (the "Shareholders' Meeting") of CEMEX, S.A.B. de C.V. approved: (i) setting the amount of $500 or its equivalent in Mexican Pesos as the maximum amount of resources through year 2021 and until the next ordinary general shareholders' meeting of the Parent Company is held for the acquisition of its own shares or securities that represent such shares; (ii) the decrease of the variable part of the Parent Company's share capital through the cancellation of (a) 1,134 million shares repurchased during the 2020 fiscal year, under the share repurchase program and (b) an aggregate of 3,409.5 million shares that were authorized to guarantee the conversion of then existing convertible securities, as well as for any new issuance of convertible securities and/or to be subscribed and paid for in a public offering or private subscription; and (iii) the appointment of the members of the Board of Directors, the Audit Committee, the Corporate Practices and Finance Committee (which reduced its members from four to three) and the Sustainability Committee of the Parent Company.

On March 26, 2020, the Shareholders' Meeting of CEMEX, S.A.B. de C.V. approved: (i) setting the amount of $500 or its equivalent in Mexican Pesos as the maximum amount of resources through year 2020 and until the next ordinary Shareholders' Meeting is held for the acquisition of its own shares or securities that represent such shares; and (ii) the cancellation of shares of repurchased during the 2019 fiscal year and the remained in the Parent Company's treasury after the maturities of the November 2019 Mandatory Convertible Notes and the 3.72% Convertible Notes, except for the minimal conversion. Under the 2020 share repurchase program, the

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Parent Company repurchased 378.2 million CEMEX CPOs, at a weighted-average price in pesos equivalent to 0.22 dollars per CPO. The total amount of these CPO repurchases, excluding value-added tax, was $83. On April 8, 2020, the Parent Company announced that, to enhance its liquidity, it suspended the share repurchase program for the remainder of 2020 (note 2).

On March 28, 2019, the Shareholders' Meeting of CEMEX, S.A.B. de C.V. approved: (i) a cash dividend of $150 paid in two installments, the first installment, for half of the dividend was paid on June 17, 2019 and the second installment for the remainder of the dividend was paid on December 17, 2019; (ii) the acquisition of own shares of up to $500 or its equivalent in Mexican pesos, as the maximum amount of resources that through fiscal year 2019, and until the next ordinary annual shareholder's meeting is held, the Parent Company may be used for the acquisition of its own shares or securities that represent such shares; (iii) a decrease of the Parent Company's share capital, in its variable part for the amount in pesos equivalent to $0.2826, through the cancellation of 2 billion ordinary, registered and without par-value, treasury shares; (iv) a decrease of the Parent Company's share capital, in its variable part for the amount in pesos equivalent to $0.0670 by the cancellation of 461 million ordinary, registered and without par-value, treasury shares; (v) the increase of the Parent Company's share capital in its variable part for the amount of $22 thousands, through the issuance of 150 million ordinary shares. The subscription of shares representing the capital increase was made at a theoretical value of $0.000143 dollars per share. Until December 31, 2019, under the 2019 repurchase program, the Parent Company repurchased 157.7 million CEMEX CPOs, at a weighted-average price in pesos equivalent to 0.3164 dollars per CPO. The total amount of these CPO repurchases, excluding value-added tax, was $50.

In connection with the long-term executive share-based compensation programs (note 23), in 2021 and 2020 CEMEX did not issue shares, in 2019, CEMEX issued 27.4 million CPOs generating an additional paid-in capital of $17 associated with the fair value of the compensation received by executives.

22.2) OTHER EQUITY RESERVES AND SUBORDINATED NOTES

As of December 31, 2021 and 2020, the caption of other equity reserves and subordinated notes was integrated as follows:

	2021	2020
Other equity reserves	$(2,365)	(2,453)
Subordinated notes	994	—
	$(1,371)	(2,453)

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As of December 31, 2021 and 2020, other equity reserves are detailed as follows:

	2021	2020
Cumulative translation effect, net of effects from deferred income taxes recognized directly in equity (note 21.2) and derivative financial instruments designated as cash flow hedges	$ (722)	(508)
Cumulative actuarial losses	(529)	(792)
Cumulative coupon payments under perpetual debentures (note 22.4)	(1,070)	(1,059)
Treasury shares repurchased under share repurchase program (note 22.1)	—	(83)
Cumulative coupon payments under subordinated notes[1]	(30)	—
Treasury shares held by subsidiaries	(14)	(11)
	$(2,365)	(2,453)

1 Interest accrued under the Parent Company's subordinated notes described below are recognized as part of other equity reserves.

For the years ended December 31, 2021, 2020 and 2019, the translation effects of foreign subsidiaries included in the statements of comprehensive income were as follows:

	2021	2020	2019
Foreign currency translation result[1]	$(476)	352	88
Foreign exchange fluctuations from debt[2]	89	(126)	19
Foreign exchange fluctuations from intercompany balances[3]	(13)	(419)	(47)
	$(400)	(193)	60

1 These effects refer to the result from the translation of the financial statements of foreign subsidiaries and include the changes in fair value of foreign exchange forward contracts designated as hedge of a net investment (note 18.4).
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 (note 3.4).
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.

Subordinated notes

On June 8, 2021, the Parent Company issued one series of $1,000 million 5.125% subordinated notes with no fixed maturity. After issuance costs, the Parent Company received $994. Considering that the Parent Company's subordinated notes have no fixed maturity date, there is no contractual obligation for the Parent Company to deliver cash or any other financial assets, the payment of principal and interest may be deferred indefinitely at the sole discretion of CEMEX and specific redemption events, are fully under the Parent Company's control, under applicable IFRS, these subordinated notes issued by the Parent Company qualify as equity instruments and are

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classified within controlling interest stockholders' equity. The Parent Company has a repurchase option on the fifth anniversary of the subordinated notes. In the event of liquidation of the Parent Company's due to commercial bankruptcy, the subordinated notes would come to the liquidation process according to its subordination after all liabilities.

Coupon payments on the subordinated notes were included within "Other equity reserves" and amounted to $30 in 2021.

22.3) RETAINED EARNINGS

The Parent Company's 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, 2021, the legal reserve amounted to $95. As mentioned in note 22.1, effective as of December 31, 2020, CEMEX incurred a restitution of retained earnings from additional paid-in capital for $2,481.

22.4) NON-CONTROLLING INTEREST AND PERPETUAL DEBENTURES

Non-controlling interest

Non-controlling interest represents the share of non-controlling stockholders in the equity and results of consolidated subsidiaries. As of December 31, 2021 and 2020, non-controlling interest in equity amounted to $444 and $428, respectively. In 2021, 2020 and 2019, non-controlling interests in consolidated net income were $25, $21 and $36, respectively. These non-controlling interests arise mainly from the following CEMEX's subsidiaries:

- In February 2017, CEMEX acquired a controlling interest in TCL, whose shares trade in the Trinidad and Tobago Stock Exchange. As of December 31, 2021 and 2020, there is a non-controlling interest in TCL of 30.17% of its common shares (see note 5.3 for certain relevant condensed financial information).
- In July 2016, CHP closed its initial offering of 45% of its common shares. Pursuant to the repurchase of CHP's shares in the market and a public stock right offering. CEMEX's reduced the non-controlling interest in CHP from 45% in 2018 to 33.22% in 2019 and to 22.16% in 2020 considering the results of a public stock rights offering. CHP's assets consist primarily of CEMEX's cement manufacturing assets in the Philippines.
- In November 2012, CLH, a direct subsidiary of CEMEX España, concluded its initial offering of common shares. CLH's assets include substantially all of CEMEX's assets in Colombia, Panama, Costa Rica, Guatemala and El Salvador. In December 2020, by means of a public share tender offer, CEMEX España increased its ownership in CLH by acquiring 108,337,613 shares of CLH in exchange of $103. As of December 31, 2021 and 2020, there is a non-controlling interest in CLH of 7.74% and 7.63%, respectively, of CLH's outstanding common shares, excluding shares held in treasury

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Perpetual debentures

As of December 31, 2020, the line item "Non-controlling interest and perpetual debentures" included $449, representing the notional amount of perpetual debentures, which exclude any perpetual debentures held by subsidiaries. In June 2021, considering the issuance of the subordinated notes described above, CEMEX repurchased all series of its outstanding perpetual notes.

Until its repurchase, coupon payments on the perpetual debentures were included within "Other equity reserves" and amounted to $11 in 2021, $24 in 2020 and $29 in 2019, excluding in all the periods the coupons accrued by perpetual debentures held by subsidiaries.

CEMEX's perpetual debentures had no fixed maturity date and there were 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 by Special Purpose Vehicles ("SPVs"), qualified as equity instruments under applicable IFRS and were classified within non-controlling interest as they were issued by consolidated entities. Subject to certain conditions, CEMEX had the unilateral right to defer indefinitely the payment of interest due on the debentures. The different SPVs were established solely for purposes of issuing the perpetual debentures and were included in CEMEX's consolidated financial statements.

23) EXECUTIVE SHARE-BASED COMPENSATION

CEMEX has long-term restricted share-based compensation programs providing for the grant of the CEMEX's CPOs to a group of eligible executives, pursuant to which, according to CEMEX's election, either new CPOs are issued, or CEMEX provides funds to the administration trust owned by the executives for the purchase of a portion or all of the required CPOs in the market for delivery to such executives under each annual program over a service period of four years (the "Ordinary Program"). The Parent Company's CPOs of the annual grant (25% of each annual Ordinary Program) are placed at the beginning of the service period in the executives' accounts to comply with a one-year restriction on sale. Moreover, beginning in 2017, for a group of key executives the conditions of the program were modified for new awards by reducing the service period from four to three years and implementing tri-annual internal and external performance metrics, which depending on their weighted achievement, may result in a final payment of the Parent Company's CPOs at the end of the third year between 0% and 200% of the target for each annual program (the "Key Executives Program").

Under the Ordinary Program and the Key Executives Program (jointly the "Compensation Programs"), the Parent Company provided funds to a broker for the purchase of 93.4 million CPOs in 2021 and 83.8 million CPOs in 2020 and 21.2 million CPOs in 2019 on behalf and for delivery to the eligible executives and issued new shares for 27.4 million CPOs in 2019, that were subscribed and pending for payment in the Parent Company's treasury. As of December 31, 2021, there are 243.0 million CPOs associated with these annual programs that are required to be delivered in the following years as the executives render services.

Beginning January 1, 2013, most of those eligible executives belonging to the operations of CLH and subsidiaries ceased to receive Parent Company's CPOs and instead started receiving shares of CLH, significantly sharing the same conditions of CEMEX's plan also over a service period of four years. During 2021, 2020 and 2019, CLH physically delivered 713,927 shares, 1,383,518 shares and 393,855 shares, respectively, corresponding to the vested portion of prior years' grants, which were subscribed and held in CLH's treasury. As of December 31, 2021, there are 3,476,865 shares of CLH associated with these annual programs that are expected to be delivered in the following years as the executives render services.

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Beginning in 2018, those eligible executives belonging to the operations of CHP and subsidiaries ceased to receive Parent Company's CPOs and instead started receiving shares of CHP, significantly sharing the same conditions of CEMEX's plan. During 2021 and 2020, CHP provided funds to a broker for the purchase of 16,511,882 and 11,546,350 CHP's shares in the market, respectively, on behalf and for delivery to the eligible executives.

The combined compensation expense related to the programs described above as determined considering the fair value of the awards at the date of grant in 2021, 2020 and 2019, was recognized in the operating results against other equity reserves or a cash outflow, as applicable, and amounted to $77, $29 and $32, respectively, including the cost of CEMEX's CPOs and the CHP's shares, as correspond, acquired in the market on behalf of the executives. The weighted-average price per CEMEX CPO granted during the period was determined in pesos and was equivalent to $0.8117 dollars in 2021, $0.3379 dollars in 2020 and $0.6263 dollars in 2019. Moreover, the weighted-average price per CLH share granted during the period as determined in Colombian pesos was equivalent to $0.25 dollars in 2021, $0.72 dollars in 2020 and $1.31 dollars in 2019. As of December 31, 2021 and 2020, there were no options or commitments to make payments in cash to the executives based on changes in the market price of the Parent Company's CPO, CLH's shares and/or CHP's shares.

24) EARNINGS (LOSS) PER SHARE

Basic earnings (loss) per share is calculated by dividing net income attributable to ordinary equity holders of the Parent Company (the numerator) by the weighted-average number of shares outstanding (the denominator) during the period. Shares that would be issued depending only on 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.

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24) EARNINGS (LOSS) PER SHARE — continued

The amounts considered for calculations of earnings (loss) per share in 2021, 2020 and 2019 were as follows:

		2021	2020	2019
Denominator (thousands of shares)				
Weighted-average number of shares outstanding[1]		44,123,654	44,125,288	45,393,602
Capitalization of retained earnings[1]		—	—	—
Effect of dilutive instruments – mandatorily convertible securities (note 18.2)[2]		—	—	—
Weighted-average number of shares – basic		44,123,654	44,125,288	45,393,602
Effect of dilutive instruments – share-based compensation (note 23)[2]		729,292	745,163	470,985
Effect of potentially dilutive instruments – optionally convertible securities (note 18.2)[2]		—	—	1,457,554
Weighted-average number of shares – diluted		44,852,946	44,870,451	47,322,141
Numerator				
Net income (loss) from continuing operations	$	788	(1,347)	81
Less: non-controlling interest net income (loss)		25	21	36
Controlling interest net income (loss) from continuing operations		763	(1,368)	45
Plus: after tax interest expense on mandatorily convertible securities		—	—	1
Controlling interest net income (loss) from continuing operations – for basic earnings per share calculations		763	(1,368)	46
Plus: after tax interest expense on optionally convertible securities		—	4	18
Controlling interest net income (loss) from continuing operations – for diluted earnings per share calculations	$	763	(1,364)	64
Net income (loss) from discontinued operations	$	(10)	(99)	98
Basic earnings per share				
Controlling interest basic earnings (loss) per share	$	0.0171	(0.0332)	0.0031
Controlling interest basic earnings (loss) per share from continuing operations		0.0173	(0.0310)	0.0010
Controlling interest basic earnings (loss) per share from discontinued operations		(0.0002)	(0.0022)	0.0021
Controlling interest diluted earnings per share[3]				
Controlling interest diluted earnings (loss) per share	$	0.0168	(0.0332)	0.0031
Controlling interest diluted earnings (loss) per share from continuing operations		0.0170	(0.0310)	0.0010
Controlling interest diluted earnings (loss) per share from discontinued operations		(0.0002)	(0.0022)	0.0021

1 In 2019, shareholders approved the delivery of a cash dividend (note 22.1).

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24) EARNINGS (LOSS) PER SHARE — continued

2 The number of Parent Company CPOs to be issued under the executive share-based compensation programs, as well as the total amount of Parent Company CPOs committed for issuance in the future under the mandatorily and optionally convertible securities, are computed from the beginning of the reporting period. The number of shares resulting from the executives' stock-based compensation programs is determined under the inverse treasury method.

3 For 2020 and 2019, the effects on the denominator and numerator of potential dilutive shares generate antidilution; therefore, there is no change between the reported basic earnings per share and diluted earnings per share.

25) COMMITMENTS

25.1) CONTRACTUAL OBLIGATIONS

As of December 31, 2021, CEMEX had the following contractual obligations:

	2021				
Obligations	Less than 1 year	1-3 years	3-5 years	More than 5 years	Total
Long-term debt	$ 68	583	2,023	4,753	7,427
Leases[1]	303	424	238	557	1,522
Total debt and other financial obligations[2]	371	1,007	2,261	5,310	8,949
Interest payments on debt[3]	283	709	639	1,014	2,645
Pension plans and other benefits[4]	155	139	140	992	1,426
Acquisition of property, plant and equipment[5]	126	70	—	—	196
Purchases of raw materials, fuel and energy[6]	503	526	366	954	2,349
Total contractual obligations	$ 1,438	2,451	3,406	8,270	15,565

1 Represent nominal cash flows. As of December 31, 2021, the NPV of future payments under such leases was $1,222, of which, $531 refers to payments from 1 to 3 years and $293 refers to payments from 3 to 5 years.

2 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.

3 Estimated cash flows on floating rate denominated debt were determined using the floating interest rates in effect as of December 31, 2021.

4 Represents estimated annual payments under these benefits for the next 10 years (note 20), including the estimate of new retirees during such future years.

5 Refers mainly to the expansion of a cement-production line in the Philippines.

6 Future payments for the purchase of raw materials are presented based on contractual nominal cash flows. Future nominal payments for energy were estimated for all contractual commitments based on an aggregate average expected consumption 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.

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25) COMMITMENTS — continued

25.2) OTHER COMMITMENTS

As of December 31, 2021 and 2020, CEMEX was party to other commitments for several purposes, including the purchase of fuel and energy, the estimated future cash flows over maturity of which are presented in note 25.1. A description of the most significant contracts is as follows:

- Beginning in April 2016, in connection with the Ventika S.A.P.I. de C.V. and the Ventika II S.A.P.I. de C.V. wind farms (jointly "Ventikas") located in the Mexican state of Nuevo Leon with a combined generation capacity of 252 Megawatts ("MW"), CEMEX agreed to acquire a portion of the energy generated by Ventikas for its overall electricity needs in Mexico for a period of 20 years. The estimated annual cost of this agreement is $21 (unaudited) if CEMEX receives all its energy allocation. Nonetheless, energy supply from wind is variable in nature and final amounts are determined considering the final MW per hour ("MWh") effectively received at the agreed prices per unit.
- On July 27, 2012, CEMEX signed a 10-year strategic agreement with International Business Machines Corporation ("IBM") pursuant to which IBM provides, among others, data processing services (back office) in finance, accounting and human resources; as well as Information Technology ("IT") infrastructure services, support and maintenance of IT applications in the countries in which CEMEX operates.
- Beginning in February 2010, for its overall electricity needs in Mexico CEMEX agreed with EURUS the purchase a portion of the electric energy generated for a period of no less than 20 years. EURUS is a wind farm with an installed capacity of 250 MW operated by ACCIONA in the Mexican state of Oaxaca. The estimated annual cost of this agreement is $70 (unaudited) if CEMEX receives all its energy allocation. Nonetheless, energy supply from wind source is variable in nature and final amounts will be determined considering the final MWh effectively received at the agreed prices per unit.
- CEMEX maintains a commitment initiated in April 2004 to purchase the energy generated by Termoeléctrica del Golfo ("TEG") until 2027 for its overall electricity needs in Mexico. The estimated annual cost of this agreement is $171 (unaudited) if CEMEX receives all its energy allocation. Nonetheless, final amounts will be determined considering the final MWh effectively received at the agreed prices per unit.
- In regards with the above, CEMEX also committed to supply TEG and another third-party electrical energy generating plant adjacent to TEG all fuel necessary for their operations until the year 2027, equivalent to approximately 1.2 million tons of petroleum coke per year. CEMEX covers its commitments under this agreement acquiring the volume of fuel from sources in the international markets and Mexico.
- CEMEX Zement GmbH ("CZ"), CEMEX's subsidiary in Germany, held a long-term energy supply contract until 2022 with STEAG—Industriekraftwerk R✔dersdorf GmbH ("SIKW") in connection with the overall electricity needs of CEMEX's R✔dersdorf plant. Based on the contract, each year CZ has the option to fix in advance the volume of energy in terms of MW that it will acquire from SIKW, with the option to adjust the purchase amount one time on a monthly and quarterly basis. The estimated annual cost of this agreement is $18 (unaudited) if CEMEX receives all its energy allocation.
- On October 24, 2018, CEMEX, S.A.B. de C.V. entered into an energy financial hedge agreement in Mexico, commencing October 1, 2019 and for a period of 20 years. Through the contract, the Company fixed the megawatt hour cost over an electric energy volume of 400 thousand megawatts hour per year, through the payment of 25.375 dollars per megawatt hour of electric power in exchange for a market price. The committed price to pay will increase 1.5% annually. The differential between the agreed price and the

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25) COMMITMENTS — continued

market price is settled monthly. CEMEX considers this agreement as a hedge for a portion of its aggregate consumption of electric energy in Mexico and recognizes the result of the exchange of price differentials described previously in the Income Statement as a part of the costs of energy. During 2021, the Company received $2.5. CEMEX, S.A.B. de C.V. does not record this agreement at fair value since there is not a deep market for electric power in Mexico that would effectively allow for its valuation.

25.3) 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, 2021, 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 550 thousand dollars. In other plans, CEMEX has established stop-loss limits per employee regardless of the number of events ranging from 100 thousand dollars to 2.5 million dollars. The contingency for CEMEX if all employees qualifying for health care benefits required medical services simultaneously is significantly. However, CEMEX believes this scenario is remote. The amount expensed through self-insured health care benefits was $59 in 2021, $61 in 2020 and $62 in 2019.

26) LEGAL PROCEEDINGS

26.1) PROVISIONS RESULTING FROM LEGAL PROCEEDINGS

CEMEX is involved in various significant legal proceedings, the adverse resolutions of which are deemed probable and imply the incurrence of losses and/or cash outflows or the delivery of other resources owned by CEMEX. As a result, certain provisions and/or losses have been recognized in the financial statements, representing the best estimate of cash outflows. CEMEX believes that it will not make significant expenditure in excess of the amounts recorded. As of December 31, 2021, the details of the most significant events giving effect to provisions or losses are as follows:

- As of December 31, 2021, CEMEX had accrued environmental remediation liabilities through its subsidiaries in the United Kingdom pertaining to closed and current landfill sites for the confinement of waste, representing the NPV of such obligations for an amount in pounds sterling equivalent to $241. Expenditure was assessed and quantified over the period in which the sites have the potential to cause environmental harm, which is generally consistent with the views taken 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, 2021, CEMEX had accrued environmental remediation liabilities through its subsidiaries in the United States for $70, 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. CEMEX 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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26) LEGAL PROCEEDINGS — continued

- In 2012, in connection with a contract entered into in 1990 (the "Quarry Contract") by CEMEX Granulats Rhône Méditerranée ("CEMEX GRM"), one of CEMEX's subsidiaries in France, with SCI La Quinoniere ("SCI") pursuant to which CEMEX GRM had drilling rights to extract reserves and do quarry remediation at a quarry in the Rhône region of France, SCI filed a claim against CEMEX GRM for breach of the Quarry Contract, requesting the rescission of such contract and damages plus interest for a revised amount in euros equivalent to $76, arguing that CEMEX GRM partially filled the quarry allegedly in breach of the terms of the Quarry Contract. After many hearings, resolutions and appeals over the years, on November 25, 2020, the expert appointed by the court of appeals determined an amount of loss of profits of $0.73 and a cost of backfilling the quarry in $14. In 2020, CEMEX had accrued a provision through its subsidiaries in France for $8 in connection with the best estimate of the remediation costs resulting from this claim. As of December 31, 2021, CEMEX is waiting for the next hearing and final judgement of the Court of Appeal scheduled in June 2022, the provision remains unchanged. Although the final amount may differ, CEMEX considers that any such amount should not have a material adverse impact on CEMEX's results of operations, liquidity and financial condition.

26.2) CONTINGENCIES FROM LEGAL PROCEEDINGS

CEMEX is involved in various legal proceedings, which have not required the recognition of accruals, considering that the probability of loss is less than probable. Nonetheless, until all stages in the procedures are exhausted in each proceeding, CEMEX cannot assure the achievement of a final favorable resolution.

As of December 31, 2021, the most significant contingencies 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 July 2020, an individual filed a class action lawsuit (*Acción de Grupo*) with a Circuit Civil Court in Colombia against CEMEX Colombia and other two gray Portland cement market participants (the "Colombian Class Action Defendants"). The lawsuit seeks compensation for damages arising from alleged cartel actions for which the Colombian Class Action Defendants were fined in December 2017. The complaint claims that the Colombian Class Action Defendants caused damages to all consumers of gray Portland cement in Colombia during the period of 2010 to 2012. According to the plaintiff's claims, the Colombian Class Action Defendants should be ordered to pay damages due to the higher price set on gray Portland cement in an amount in Colombian pesos equivalent to $328 determined considering the sales of the three market participants in such period. The Colombian Class Action was initially dismissed, but the plaintiff filed an appeal and, in May 2021, the Circuit Civil Court admitted the claim. Moreover, CEMEX Colombia filed an appeal against the admission of the claim which is pending for resolution. As of December 31, 2021, CEMEX believes that a final adverse resolution in this matter, which could take from five to seven years, is not probable, but if such matter is resolved adversely to CEMEX, such adverse resolution should not have a material adverse impact on CEMEX's results of operations, liquidity and financial condition.
- On September 20, 2018, triggered by heavy rainfall, a landslide causing damages and fatalities (the "Landslide") occurred in a site located within an area covered by mining rights of APO Land & Quarry Corporation ("ALQC") in Naga City, Cebu, Philippines. ALQC is a principal raw material supplier of APO Cement Corporation ("APO"), a wholly owned subsidiary of CHP. CEMEX indirectly owns a minority 40% stake in ALQC. On November 19, 2018, 40 individuals and one legal entity (on behalf of 8,000 individuals allegedly affected by the Landslide) filed an environmental class action lawsuit at the Regional Trial Court

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(the "Court") of Talisay, Cebu, against CHP, ALQC, APO, the Mines and Geosciences Bureau of the Department of Environment and Natural Resources, the City Government of Naga, and the Province of Cebu. Plaintiffs claim that the Landslide occurred because of the defendants' gross negligence and seek, among other relief, (a) damages for an amount in Philippine Pesos equivalent to $84, (b) a rehabilitation fund for an amount in Philippine Pesos equivalent to $10, and (c) the issuance of a Temporary Environment Protection Order against ALQC aiming to prevent ALQC from performing further quarrying activities while the case is still pending. This last request was rejected by the Court on August 16, 2019 and after reconsideration, the resolution became final on December 5, 2020. Moreover, on September 30, 2019 the Court dismissed the case against CHP and APO, order that is not yet final and that was appealed by the plaintiffs on November 26, 2019 and that was denied entirely in an order dated November 17, 2021. In such order, the Court dismissed the case against the other parties. As of December 31, 2021, only ALQC remains as a party-defendant in the case. This Court order can still be appealed by the Plaintiffs before the Court of Appeals. As of December 31, 2021, in this stage of the lawsuit, CEMEX is not able to assess with certainty the likelihood of an adverse result in this lawsuit; and CEMEX is neither able to assess if a final adverse result in this lawsuit would have a material adverse impact on its results of operations, liquidity and financial position.

- Certain of CEMEX's subsidiaries in the United States were notified of a grand jury subpoena dated March 29, 2018 issued by the United States Department of Justice ("DOJ") related to an investigation of possible antitrust law violations in connection with CEMEX's sales (and related sales practices) of gray Portland cement and slag in the United States and its territories. The objective of this subpoena is to gather facts necessary to make an informed decision about whether violations of U.S. law have occurred. CEMEX cooperated with the DOJ and complied with the subpoena. On December 10, 2021, the DOJ notified CEMEX that it has closed its investigation and the matter is now closed.

- In December 2016, the Parent Company received subpoenas from the SEC seeking information to determine whether there have been any violations of the U.S. Foreign Corrupt Practices Act stemming from the Maceo Project. These subpoenas do not mean that the SEC has concluded that the Parent Company or any of its affiliates violated the law. The Parent Company has been cooperating with the SEC and intends to continue cooperating fully with the SEC. The DOJ also opened an investigation into this matter. In this regard, on March 12, 2018, the DOJ issued a grand jury subpoena to the Parent Company relating to its operations in Colombia and other jurisdictions. The Parent Company intends to cooperate fully with the SEC, the DOJ and any other investigatory entity. As of December 31, 2021, the Parent Company is unable to predict the duration, scope, or outcome of either the SEC investigation or the DOJ investigation, or any other investigation that may arise, or, because of the current status of the SEC investigation and the preliminary nature of the DOJ investigation, the potential sanctions which could be borne by the Parent Company, or if such sanctions, if any, would have a material adverse impact on CEMEX results of operations, liquidity or financial position.

- In February 2014, the Egyptian Tax Authority requested Assiut Cement Company ("ACC"), a subsidiary of CEMEX in Egypt, the payment of a development levy on clay used in the Egyptian cement industry for an amount equivalent as of December 31, 2021 to $21 for the period from May 5, 2008 to November 30, 2011. In March 2014, ACC appealed the levy and on September 2014 it was notified that it obtained a favorable resolution from the Ministerial Committee for Resolution of Investment Disputes, which instructed the Egyptian Tax Authority to cease claiming from ACC the payment of the levy on clay. It was further decided that the levy on clay should not be imposed on imported clinker. Nonetheless, in May 2016, the Egyptian Tax Authority challenged ACC´s right to cancel the levy on clay before the North Cairo Court, which

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referred the cases to Cairo's Administrative Judiciary Court. These cases have been adjourned by the Commissioners of the Cairo Administrative Judiciary Court, which on November 2, 2020 referred the cases to the Court and established a first hearing session for February 15, 2021 and was adjourned to the May 31, 2021 session. During the session held on May 31, 2021, the Court that is hearing the case decided to refer the case to another Chamber within the same Court considering the nature of the subject. On October 28, 2021 ACC held the first hearing session before the new Chamber. On this session, the court postponed the hearing to the session of January 20, 2022 for ACC lawyers to submit a power of attorney allowing the withdrawal of the court case. CEMEX does not expect that such referral will prejudice ACC's favorable legal position in this dispute. As of December 31, 2021, CEMEX does not expect a material adverse impact due to this matter in its results of operations, liquidity or financial position.

- In September 2012, in connection with a lawsuit submitted to a first instance court in Assiut, Egypt in 2011, the first instance court of Assiut issued a resolution to nullify the Share Purchase Agreement (the "SPA") pursuant to which CEMEX acquired in 1999 a controlling interest in Assiut Cement Company. In addition, during 2011 and 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. After several appeals, hearings and resolutions over the years, the cases are held in Cairo's 7th Circuit State Council Administrative Judiciary Court awaiting the High Constitutional Court to pronounce regarding the challenges against the constitutionality of Law 32/2014 filed by the plaintiffs, which protects CEMEX's investments in Egypt. These matters are complex and take several years to be resolved. As of December 31, 2021, 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, 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, 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.

In addition to the legal proceedings described above in notes 26.1 and 26.2, as of December 31, 2021, 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 or divestitures; 4) claims to revoke permits and/or concessions; and 5) other diverse civil, administrative, commercial and lawless 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.

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26.3) OTHER SIGNIFICANT PROCESSES

In connection with the cement plant located in the municipality of Maceo in Colombia (the "Maceo Plant"), as described in note 16.1, as of December 31, 2021, the plant has not initiated commercial operations considering several significant processes for the profitability of the investment. The evolution and status of the main issues related to such plant are described as follows:

Maceo Plant – Memorandums of understanding

- In August 2012, CEMEX Colombia signed a memorandum of understanding (the "MOU") with the representative of CI Calizas y Minerales S.A. ("CI Calizas"), for the acquisition and transfer of assets mainly comprising land, the mining concession and the shares of Zona Franca Especial Cementera del Magdalena Medio S.A.S. ("Zomam") (holder of the free trade zone concession). In addition, in December 2013, CEMEX Colombia engaged the same representative of CI Calizas to also represent in the name and on behalf of CEMEX Colombia in the acquisition of certain land plots adjacent to the plant, signing a new memorandum of understanding (the "Land MOU"). Under the MOU and the Land MOU, CEMEX Colombia made cash advances to this representative for amounts in Colombian Pesos equivalent to $13.4 of a total of $22.5, and paid interest accrued over the unpaid committed amount for $1.2, considering the exchange rate as of December 31, 2016 of 3,000.75 Colombian Pesos per Dollar. In September 2016, after confirming irregularities in the acquisition processes by means of investigations and internal audits initiated in response to complaints received, which were reported to Colombia's Attorney General (the "Attorney General"), providing the findings obtained, and considering that such payments were made in breach of the Parent Company's and CLH's policies, the Company decided to terminate the employment relationship with then those responsible for the Planning and Legal areas and accepted the resignation of the then Chief Executive Officer. In December 2016, CEMEX Colombia write off such advances from its investments in progress and cancelled the remaining advance payable.

Maceo Plant – Expiration of property process and other related matters

- After the signing of the MOU, in December 2012, a former shareholder of CI Calizas, who presumptively transferred its shares of CI Calizas two years before the signing of the MOU, was linked to a process of expiration of property initiated by the Attorney General. Amongst other measures, the Attorney General suspended the sale and ordered the seizure of the assets subject to the MOU, including the shares of Zomam acquired by CEMEX Colombia before the beginning of such process. As a third party acting in good faith and free of guilt, CEMEX Colombia joined the expiration of property process cooperating with the Attorney General. As of December 31, 2021, a final resolution in the expiration of property process, currently under the evidentiary phase, may take between 10 and 15 years from its beginning. As of December 31, 2021, pursuant to the expiration of property process of the assets subject to the MOU and the failures to formalize the purchases under the Land MOU, CEMEX Colombia does not have the legal representation of Zomam, is not the rightful owner of the land and is not the assigned entity of the mining concession.
- In addition, there is an ongoing criminal investigation that resulted in a legal resolution by means of which an indictment was issued to two of the Company's former officers and to CI Calizas' representative. CEMEX is not able to anticipate the actions that criminal judges may impose against these people. Moreover, CEMEX Colombia filed a legal recourse for accountability (Rendición de Cuentas) against the representative, in connection with the responsibilities agreed under the Land MOU for the acquisition of certain land plots adjacent to the plant. This legal recourse finalized in 2021 with a definitive resolution

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favorable to CEMEX Colombia in which it was ordered the transfer to CEMEX Colombia of those land plots acquired by the representative, as well as the return of unused cash advances, equivalent to $1. As of the reporting date, CEMEX Colombia has initiated the corresponding actions to materialize the effects of the aforementioned resolution.

Maceo Plant – Lease contract, mandate agreement and operation contract

- In July 2013, CEMEX Colombia signed with the provisional depository designated by the former Drugs National Department (then depository of the assets subject to the expiration of property process), which functions after its liquidation were assumed by the Administrator of Special Assets (*Sociedad de Activos Especiales S.A.S.* or the "SAE"), a lease contract for a period of five years by means of which CEMEX Colombia was duly authorized to build and operate the plant (the "Lease Contract"). Moreover, in 2014, the provisional depository granted a mandate (the "Mandate") to CEMEX Colombia for an indefinite period for the same purpose of continuing the construction and operation of the plant. On July 15, 2018, the Lease Contract expired.
- On April 12, 2019, CEMEX Colombia, CCL and another of its subsidiaries reached a conciliatory agreement with the SAE and CI Calizas before the Attorney General's Office and signed a contract of Mining Operation, Manufacturing and Delivery Services and Leasing of Properties for Cement Production (the "Operation Contract"), which will allow CEMEX Colombia to continue using the assets subject to the aforementioned expiration of property process for an initial term of 21 years that can be renewed for 10 additional years, provided that the extension of the mining concession is obtained. The Operation Contract was signed by CI Calizas and Zomam with the authorization of the SAE as delegate of these last two companies. In addition to certain one-time initial payments in Colombian pesos equivalent to $1.5 settled in 2019 and 2020 and an annual payment equivalent to 15 thousand dollars to CI Calizas for the use of land adjusted annually for inflation, the Operation Contract includes the following payments:
  - Once the Maceo Plant begins commercial operations, CEMEX Colombia and/or a subsidiary will pay on a quarterly basis: a) 0.9% of the net sales resulting from the cement produced in the plant as compensation to CI Calizas for the right of CEMEX Colombia to extract and use the mineral reserves; and b) 0.8% of the net sales resulting from the cement produced in the plant as payment to Zomam for cement manufacturing and delivery services, as long as Zomam maintains the Free Zone benefit, or, 0.3% of the aforementioned net sales exclusively for the use of equipment, in case that Zomam losses the benefits as Free Trade Zone.
  - The Operation Contract will continue in force regardless of the result in the expiration of property process, except that the applicable criminal judge would recognize ownership rights of the assets under expiration of property to CEMEX Colombia and its subsidiary, in which case the Operation Contract would no longer be needed and would be early terminated.
- Under the presumption that CEMEX Colombia conducted itself in good faith, CEMEX considers that it will be able to keep ownership of the plant, and that the rest of its investments are protected by Colombian law, under which, if a person builds on the property of a third party, with full knowledge of such third party, this third party may: a) take ownership of the plant, provided a corresponding indemnity to CEMEX Colombia, or otherwise, b) oblige CEMEX Colombia to purchase the land. Nonetheless, had this not be the case, CEMEX Colombia would take all necessary actions to safeguard its rights. If the expiration of property over the assets subject to the MOU is ordered in favor of the State, if the assets were adjudicated to a third party in a public tender offer, considering the signing of the Operation Contract, such third party would have to

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subrogate to the Operation Contract. As of December 31, 2021, CEMEX is not able to estimate whether the expiration of property over the assets subject to the MOU will be ordered in favor of the State, or, if applicable, if the assets would be adjudicated to a third party in a public tender offer.

Maceo Plant – Resource against the capitalization of Zomam

- On December 7, 2020, the Parent Company, acting as shareholder of CEMEX Colombia, filed a lawsuit before the Business Superintendency of Colombia (*Superintendencia de Sociedades de Colombia* or the "Business Superintendency"), requesting a declaration of inefficiency and subsequent declaration of invalidity and inexistence of the equity contribution in-kind carried out by CEMEX Colombia to Zomam on December 11, 2015. In the event of a favorable resolution, all the effects of the equity contribution would roll back. As a consequence, the assets contributed to Zomam, which had a value of $43, would revert to CEMEX Colombia in exchange for the shares in Zomam it received as a result of the capitalization. As a result of the current consolidation of Zomam, such favorable resolution would not have any effect in CEMEX's consolidated financial statements. As of December 31, 2021, the legal claim has not yet been admitted by the Business Superintendency.

Maceo Plant – Status in connection with the commissioning of the plant

- On September 3, 2019, CEMEX Colombia was notified of the resolution issued by Corantioquia's Directive Council, the regional environmental authority ("Corantioquia"), regarding the approval for the subtraction of a portion of the plant from the Integrated Management District of the Canyon of the Alicante River ("IMD"). On February 16, 2021, Corantioquia notified CI Calizas of the modification of the environmental license by means of the Company may extract up to 990 thousand tons of minerals (clay and limestone) and may produce up to 1,500 thousand metric tons of cement per year, requiring in addition, the modification of the Program of Works and Projects (PWP) of the mining title that is currently in progress in the Secretary of Mines of the Antioquia's Government, condition that was timely resolved in a favorable manner for the company through authorization issued by that entity on April 8, 2021. On October 22, 2021, a request for amendment of the Environmental License of Maceo Plant was filed, by means of which CEMEX Colombia request to increase the scope of the production of exploding annually up to 1,300 thousand tons of clay and limestone, among other requests. As of December 31, 2021, the Company works with the authorities to expand the mineral extraction license mentioned above so the approved 1,500,000 tons can be produced from Maceo's own quarry without the need to bring minerals from other locations. Regarding the permits to conclude the construction of several sections of the access road, on November 10, 2020, Maceo's municipality issued the approval of the Road Infrastructure Intervention project and, on December 11, 2020, issued a decree establishing the public utility of the access road, required authorizations for both, building the road and acquire the required land. In respect to the modification of the permitted land use where the project is located, CEMEX Colombia received favorable criteria from Corantioquia regarding the change of land use because of the approval for the subtraction from the IMD, which was endorsed by the municipality of Maceo on August 29, 2020, which allows for an industrial and mining use compatible with the project. As of December 31, 2021, CEMEX continues working to resolve these matters as soon as possible and limits its activities to those for which it has the relevant authorizations.

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27) 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 are conducted on arm's length terms based on market prices and conditions. When market prices and/or market conditions are not readily available, CEMEX conducts transfer pricing studies in the countries in which it operates to assure compliance with regulations applicable to transactions between related parties.

The definition of related parties includes entities or individuals outside the CEMEX group, which, due 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.

For the years ended December 31, 2021, 2020 and 2019, in ordinary course of business, CEMEX has entered into transactions with related parties for the sale and/or purchase of products, sale and/or purchase of services or the lease of assets, all of which are not significant for CEMEX and to the best of CEMEX's knowledge are not significant to the related party, are incurred for non-significant amounts for CEMEX and are executed under market terms and conditions following the same commercial principles and authorizations applied to other third parties. These identified transactions, as applicable, are approved or ratified at least annually by the Parent Company's Board of Directors. For CEMEX, none of these transactions are material to be disclosed separately.

In addition, for the years ended December 31, 2021, 2020 and 2019, the aggregate amount of compensation of CEMEX, S.A.B. de C.V. Board of Directors, including alternate directors, and CEMEX's top management executives was $50, $35 and $40, respectively. Of these amounts, $26 in 2021, $29 in 2020, $34 in 2019, were paid as base compensation plus performance bonuses, including pension and post-employment benefits. In addition, $24 in 2021, $6 in 2020 and $6 in 2019 of the aggregate amounts in each year, corresponded to allocations of Parent Company CPOs under CEMEX's executive share-based compensation programs.

28) SUBSEQUENT EVENTS

On January 4 and 18, 2022, in connection with the committed revolving facility under the 2021 Credit Agreement described in note 18.1, CEMEX drew down $180 and $90, respectively, as part of normal operations for the financing of working capital needs.

In January 2022, the Company entered into several multi-year strategic service agreements for an aggregate amount of $500 with six providers over a period of 7 years beginning in January, 2022 for back-office services in the fields of finance, accounting, information technology and human resources services, among others, in the countries in which CEMEX operates. The services to be provided pursuant to these agreements are expected to replace and go beyond those provided pursuant to the strategic agreement signed with IBM in 2012 (note 25.2).

From February 23, 2022, to March 25, 2022, under the repurchase program authorized at CEMEX, S.A.B. de C.V.'s ordinary general shareholders' meeting held on March 25, 2021, and at CEMEX, S.A.B. de C.V.'s ordinary general shareholders' meeting held on March 24, 2022, CEMEX, S.A.B. de C.V. repurchased 220.6 million of CEMEX's CPOs for a total amount of $111 (note 22.1).

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28) SUBSEQUENT EVENTS — continued

On March 24, 2022, CEMEX, S.A.B. de C.V. held its ordinary general shareholders' meeting followed by an extraordinary general shareholders' meeting. The most significant items that were approved by shareholders at the ordinary general shareholders' meeting were: (a) setting the amount of $500 or its equivalent in Mexican Pesos as the maximum amount of resources that during fiscal year 2022 (until the next ordinary general shareholders' meeting of CEMEX, S.A.B. de C.V. is held), CEMEX, S.A.B. de C.V. may use this amount for the acquisition of its own shares or securities that represent such shares; b) Authorize the Company's Board of Directors to determine the bases on which the acquisition and placement of said shares shall be instructed, designate the persons that shall make the decisions to acquire or place them, appoint those responsible for carrying out the transaction and giving the corresponding notices to the authorities; (c) members of CEMEX's Board of Directors, as well as members of the Audit, Corporate Practices and Finance, and Sustainability Committees, were elected.

On March 28, 2022, CEMEX announced that it had commenced a tender offer to purchase up to $500 of the outstanding September 2030 Notes, November 2029 Notes, and July 2031 (note 18.1). On April 11, 2022, CEMEX announced the early tender results, in which the aggregate principal amount tendered and whose Notes have been accepted for purchase were $429. The total cash payment to purchase the mentioned Notes represented $419.

In connection with the derivative financial instruments described in note 18.4, during March 2022, CEMEX executed interest rate swap contracts for a $300 to mitigate risks concerning a forecasted transaction. CEMEX designated these contracts as cash flow hedges. In addition, during the first quarter of 2022, CEMEX increased $300, the notional amount under its foreign exchange options.

The accompanying consolidated financial statements were authorized for issuance in the Company´s annual report on Form 20-F, by the Chief Executive Officer of CEMEX, S.A.B. de C.V. on April 29, 2022, hereby updated for subsequent events, to be filed with the United States Securities and Exchange Commission.

29) MAIN SUBSIDIARIES

As mentioned in notes 5.3 and 22.4, as of December 31, 2021 and 2020, there are non-controlling interests on certain consolidated entities that are in turn holding companies of relevant operations. The main subsidiaries as

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29) MAIN SUBSIDIARIES — continued

of December 31, 2021 and 2020, which ownership interest is presented according to the interest maintained by CEMEX, were as follows:

Subsidiary	Country	% Interest 2021	% Interest 2020
CEMEX España, S.A.1	Spain	99.9	99.9
CEMEX, Inc.	United States of America	100.0	100.0
CEMEX Latam Holdings, S.A.2	Spain	92.3	92.4
CEMEX (Costa Rica), S.A.3	Costa Rica	99.4	99.2
CEMEX Nicaragua, S.A.4	Nicaragua	100.0	100.0
Assiut Cement Company	Egypt	95.8	95.8
CEMEX Colombia, S.A.5	Colombia	99.7	99.7
Cemento Bayano, S.A.6	Panama	99.5	99.5
CEMEX Dominicana, S.A.	Dominican Republic	100.0	100.0
Trinidad Cement Limited	Trinidad and Tobago	69.8	69.8
Caribbean Cement Company Limited7	Jamaica	79.0	79.0
CEMEX de Puerto Rico Inc.	Puerto Rico	100.0	100.0
CEMEX France Gestion (S.A.S.)	France	100.0	100.0
CEMEX Holdings Philippines, Inc.8	Philippines	77.8	77.8
Solid Cement Corporation9	Philippines	100.0	100.0
APO Cement Corporation9	Philippines	100.0	100.0
CEMEX U.K.	United Kingdom	100.0	100.0
CEMEX Deutschland, AG.	Germany	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 Holdings (Israel) Ltd.	Israel	100.0	100.0
CEMEX Topmix LLC, CEMEX Supermix LLC and CEMEX Falcon LLC10	United Arab Emirates	100.0	100.0
Neoris N.V.11	The Netherlands	99.8	99.8
CEMEX International Trading LLC12	United States of America	100.0	100.0
Sunbulk Shipping Limited13	Bahamas	100.0	100.0

1 CEMEX España is the direct or indirect holding company of most of CEMEX's international operations.
2 The interest reported excludes own shares held in CLH's treasury. CLH, incorporated in Spain, trades its ordinary shares in the Colombian Stock Exchange under the symbol CLH, and is the indirect holding company of CEMEX's operations in Colombia, Panama, Costa Rica, Guatemala, Nicaragua and El Salvador (note 22.4).
3 An agreement for the sale of the interest in CEMEX (Costa Rica), S.A. was executed, and closing may take place during the first half of 2022.
4 Represents CEMEX Colombia, S.A.'s 99% interest and CLH´s 1% interest held indirectly through another subsidiary of CLH.
5 Represents CLH's direct and indirect interest in ordinary and preferred shares, including own shares held in CEMEX Colombia, S.A.'s treasury.
6 Represents CLH's 99.483%indirect interest in ordinary shares, which excludes a 0.516% interest held in Cemento Bayano, S.A.'s treasury.

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29) MAIN SUBSIDIARIES — continued

7 Represents the aggregate ownership interest of CEMEX in this entity of 79.04%, which includes TCL's 74.08% direct and indirect interest and CEMEX's 4.96% indirect interest held through other subsidiaries.
8 CEMEX's operations in the Philippines are conducted through CHP, a subsidiary incorporated in the Philippines which since July 2016 trades its ordinary shares on the Philippines Stock Exchange under the symbol CHP (note 22.4)
9 Represents CHP´s direct and indirect interest.
10 CEMEX España indirectly owns a 49% equity interest in each of these entities and indirectly holds the remaining 51% of the economic benefits, through agreements with other shareholders.
11 Neoris N.V. is the holding company of the entities involved in the sale of information technology solutions and services.
12 CEMEX International Trading LLC is involved in the international trading of CEMEX's products.
13 Sunbulk Shipping Limited is involved mainly in maritime and land transportation and/or shipping of goods worldwide and the handling, administration, hiring of shipments and cargo at ports, terminals and other loading and unloading destinations worldwide, as well as the offering and contracting of services in relation thereto for CEMEX's trading entities and operations.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Stockholders and Board of Directors
CEMEX, S.A.B. de C.V.:

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated statements of financial position of CEMEX, S.A.B. de C.V. and subsidiaries (the Company) as of December 31, 2021 and 2020, the related consolidated statements of operations, comprehensive income (loss), changes in stockholders' equity, and cash flows for each of the years in the three-year period ended December 31, 2021, and the related notes (collectively, the consolidated financial statements). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2021 and 2020, and the results of its operations and its cash flows for each of the years in the three-year period ended December 31, 2021, 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) (PCAOB), the Company's internal control over financial reporting as of December 31, 2021, based on criteria established in Internal Control — Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission, and our report dated April 29, 2022 expressed an unqualified opinion on the effectiveness of the Company's internal control over financial reporting.

Basis for Opinion

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 are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the consolidated financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the consolidated financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Evaluation of the goodwill impairment analysis for certain groups of cash-generating units

As discussed in Notes 3.11 and 17.2 to the consolidated financial statements, the goodwill balance as of December 31, 2021 was $7,984 million, of which $6,449 million relate to the groups of Cash-Generating Units

(CGUs) in the United States of America (USA), and $158 million to the groups of CGUs in Spain. The goodwill balance represents 30% of the Company's total consolidated assets as of December 31, 2021. During 2021, management of the Company recognized impairment of goodwill for $440 million, of which $317 million related to the groups of CGUs in Spain. Goodwill is tested for impairment when required upon the occurrence of internal or external indicators of impairment or at least once a year, during the last quarter of such year.

We have identified the evaluation of the goodwill impairment analysis for these two groups of CGUs as a critical audit matter. The estimated value in use involved a high degree of subjectivity. Specifically, the evaluation of the discount rate and the long-term growth rate used to calculate the value in use of the two groups of CGUs was challenging and changes to these assumptions had a significant impact on the value in use.

The following are the primary procedures we performed to address this critical audit matter. We evaluated the design and tested the operating effectiveness of certain internal controls related to the goodwill impairment assessment process, including controls related to the determination of the value in use of the groups of CGUs, and the development of the long-term growth rate and discount rate assumptions. We performed sensitivity analyses over the discount rate and long-term growth rate assumptions to assess their impact on the determination of the value in use of the two groups of CGUs. We evaluated the Company's forecasted long-term growth rates for these two groups of CGUs by comparing the growth assumptions to publicly available data. We compared the Company's historical cash flows forecasts to actual results to assess the Company's ability to accurately forecast. We involved valuation professionals with specialized skills and knowledge, who assisted in: (1) Evaluating the discount rates for these two groups of CGUs, by comparing them with a discount rate range that was independently developed using publicly available data for comparable entities; and (2) Developing an estimate of the value in use of the groups of CGUs using the Company's cash flow forecasts and determining an independently developed discount rate and comparing the results of our estimates to the Company's estimates of value in use.

Evaluation of a tax proceeding in Spain

As discussed in Notes 3.14 and 21.4 to the consolidated financial statements, the Company is involved in a significant tax proceeding in Spain related to uncertain tax treatments. The Company recognizes the effect of an uncertain tax treatment when it is probable that it would be accepted by the tax authorities. If an uncertain tax treatment is considered not probable of being accepted, the Company recognizes the effect of such uncertainties in its tax liabilities.

We have identified the evaluation of a tax proceeding in Spain and the related disclosures made as a critical audit matter. It required challenging auditor judgment and significant audit effort, due to the nature of the estimates and assumptions, including judgments about the likelihood of loss and the amounts that would be paid in the event of loss.

The following are the primary procedures we performed to address this critical audit matter. We evaluated the design and tested the operating effectiveness of certain internal controls related to the evaluation of tax proceedings, including controls related to the evaluation of information from external and internal legal counsel, the determination of the likelihood of loss and the amounts that would be paid in the event of loss, as well as controls over the financial statement disclosures. We evaluated the competence and capabilities of the internal and external tax advisers and legal counsel of the Company that assessed the likelihood of loss and the estimate of the outflow of resources. Together with tax professionals with specialized skills and knowledge, we assessed the amounts disclosed by: (1) Inspecting letters received directly from the Company's internal and external tax advisers and legal counsel that assessed the likelihood of loss and the amounts that would be paid in the event of loss to the tax proceeding, comparing these assessments and estimates to those made by the Company; and (2) Inspecting the latest correspondence between the Company, internal and external tax advisers of the Company and the various tax authorities, as applicable. We assessed that the disclosures reflect the underlying facts and circumstances of the tax proceeding.

Evaluation of certain legal proceedings

As discussed in Notes 3.12 and 26 to the consolidated financial statements, the Company is involved in legal proceedings in Mexico (Corporate) and Colombia. The Company records provisions for legal proceedings when it is probable that an outflow of resource will be required to settle a present obligation and when the outflow can be reliably estimated. The Company discloses a contingency for legal proceedings whenever the likelihood of loss from the proceedings is considered possible or when it is considered probable but it is not possible to reliably estimate the amount of the outflow of resources.

We have identified the evaluation of certain of these legal proceedings in Mexico (Corporate) and Colombia and the related disclosures made as a critical audit matter. The assessment required significant challenging auditor judgment and audit effort, due to the nature of the estimates and assumptions, including judgments about the likelihood of loss and the amounts that would be paid in the event of loss.

The following are the primary procedures we performed to address this critical audit matter. We evaluated the design and tested the operating effectiveness of certain internal controls related to the evaluation of legal proceedings, including controls related to the evaluation of information from external and internal legal counsel, the determination of the likelihood of loss and the amounts that would be paid in the event of loss, as well as controls over the financial statement disclosures. We evaluated the competence and capabilities of the internal and external legal counsel that assessed the likelihood of loss and the estimate of the outflow of resources. Together with our legal professionals with specialized skills and knowledge, we assessed the amounts disclosed by: (1) Inspecting letters received directly from the Company's internal and external legal counsel that assessed the likelihood of loss and the amounts that would be paid in the event of loss of these legal proceedings and comparing these assessments and estimates to those made by the Company; and (2) Inspecting the latest correspondence between the Company, internal and external legal counsel of the Company and the various authorities or plaintiffs, as applicable. We assessed that the disclosures reflect the underlying facts and circumstances of each legal proceeding.

/s/ KPMG Cárdenas Dosal, S.C.

We have not been able to determine the specific year that we began serving as the Company´s auditor, however we are aware that we have served as the Company´s auditor since at least 1998.

Monterrey, Nuevo León, México
April 29, 2022

INTERNAL CONTROL REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Stockholders and Board of Directors
CEMEX, S.A.B. de C.V.

Opinion on Internal Control Over Financial Reporting

We have audited CEMEX, S.A.B. de C.V. and subsidiaries' (the Company) internal control over financial reporting as of December 31, 2021, based on criteria established in Internal Control — Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission. In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2021, based on criteria established in Internal Control — Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated statements of financial position of the Company as of December 31, 2021 and 2020, the related consolidated statements of operations, comprehensive income (loss), changes in stockholders' equity, and cash flows for each of the years in the three-year period ended December 31, 2021, and the related notes (collectively, the consolidated financial statements), and our report dated April 29, 2022 expressed an unqualified opinion on those consolidated financial statements.

Basis for Opinion

The Company's 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 are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. 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 of internal control over financial reporting 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.

Definition and Limitations of Internal Control Over Financial Reporting

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.

/s/ KPMG Cardenas Dosal, S. C.

Monterrey, Nuevo León, Mexico
April 29, 2022

DESCRIPTION OF THE REGISTRANT'S SECURITIES REGISTERED PURSUANT TO SECTION 12 OF THE SECURITIES EXCHANGE ACT OF 1934

As of the date of our annual report on Form 20-F of which this exhibit is a part, we have the following classes of securities registered under Section 12 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"): (1) the Series A common stock, with no par value (the "Series A shares"), (2) the Series B common stock, with no par value (the "Series B shares"), (3) Ordinary Participation Certificates (*Certificados de Participación Ordinarios*), (the "CPOs"), and (4) American Depositary Shares (the "ADSs"). Our CPOs are listed on the Mexican Stock Exchange (*Bolsa Mexicana de Valores*; the "MSE") under the symbol "CEMEX CPO." Our ADSs are listed on the New York Stock Exchange under the symbol "CX."

As of December 31, 2021, CEMEX, S.A.B. de C.V. had outstanding 14,711,512,721 CPOs, 29,457,941,452 Series A shares (including Series A shares underlying CPOs) and 14,728,970,726 Series B shares (including Series B shares underlying CPOs), in each case including shares held by our subsidiaries.

Except as otherwise indicated or the context otherwise requires, the terms "CEMEX," "we," "us" or "our" refer to CEMEX, S.A.B. de C.V. and its consolidated entities.

Description of Common Stock

The following description of our common stock is a summary of the material terms of CEMEX, S.A.B. de C.V.'s articles of association and by-laws (*estatutos sociales*) (the "By-Laws") and applicable Mexican law in effect as of the date of our annual report on Form 20-F of which this exhibit is a part. Because it is a summary, it does not describe every aspect of our common stock, the By-Laws or Mexican law and may not contain all of the information that is important to you. References to provisions of the By-Laws are qualified in their entirety by reference to the full By-Laws, an English translation of which has been filed as an exhibit to our annual report on Form 20-F of which this exhibit is a part.

General

Pursuant to the requirements of Mexican corporations law, the By-Laws 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 a 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, and Urbanization Solutions throughout the world. CEMEX, S.A.B. de C.V.'s full corporate purpose can be found in article 2 of the By-Laws.

CEMEX, S.A.B. de C.V. has two series of common stock, the Series A shares, which can only be owned by Mexican nationals, and the Series B shares, which can be owned by both Mexican and non-Mexican nationals. The By-Laws state that the Series 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. The By-Laws also state that the Series 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 Series 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 Series A shares and the Series 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 Series A shares and Series B shares. Under the Mexican Securities Market Law and the 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 April 29, 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 Series A shares, Series 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 then-effective Mexican Securities Market Law was amended, among other things, 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 the By-Laws to incorporate additional provisions to comply with the then new provisions of the then-effective 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 the By-Laws to incorporate these additional provisions, which consisted of, among other things, protective measures to prevent share acquisitions, hostile takeovers, and direct or indirect changes of control.

On March 19, 2003, the Mexican securities authority issued new regulations designed to (i) further implement minority rights granted to shareholders by the then-effective 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 the 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 stock repurchases.
- The cancelation 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.

On December 30, 2005, the Mexican Securities Market Law was published to continue bringing corporate governance requirements of Mexican listed companies in line with international standards. This new law included 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 provided that each member of the audit committee must be an independent director and required the creation of corporate governance committees integrated by independent directors as well. In addition, the law clarified directors' duties, specified safe harbors for directors' actions, clarified what is deemed as a conflict of interest and clarified what are the confidentiality obligations for directors.

Under the then new Mexican Securities Market Law, CEMEX, S.A.B. de C.V. was required to adopt specific amendments to the 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 extraordinary shareholders' meeting held on April 27, 2006, CEMEX, S.A.B. de C.V. amended and restated the By-Laws to incorporate these amendments. The amendments to the 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.*).

- The creation of a corporate practices committee, which was 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 then 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.

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 an extraordinary shareholders' meeting, at which its shareholders approved, among other items, changes to the 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; adopt provisions to improve corporate governance with respect to the presidency at shareholders' meetings and corporate bodies; separation of 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 formalize CEMEX, S.A.B. de C.V.'s restated By-Laws; and authorization to exchange the share certificates that represent CEMEX, S.A.B. de C.V.'s then outstanding capital stock.

On March 28, 2019, CEMEX, S.A.B. de C.V. held an extraordinary shareholders' meeting, at which its shareholders approved, among other items, changes to articles 2 and 28 of the By-Laws, incorporating additional provisions and removing some restrictions. The changes, among other items, are the following: broadening CEMEX, S.A.B. de C.V.'s corporate purpose, which would permit CEMEX to transport goods; amending the provision regarding seaport related services for its marine terminals; the manufacture and commercialization of cement bags, etc.; and clarifying that CEMEX, S.A.B. de C.V.'s Relevant Executives (as defined under the laws of Mexico) are entitled to indemnification and liability protection only for liability arising from the lack of diligence when acting in good faith and pursuant to our best interests.

On March 25, 2021, CEMEX, S.A.B. de C.V. held an extraordinary shareholders' meeting, at which its shareholders approved changes to Article 2 of CEMEX, S.A.B. de C.V.'s by-laws to further broaden CEMEX, S.A.B. de C.V.'s corporate purpose. The changes, among other things, adjust our written corporate purpose in order to allow us to conduct certain activities, directly or indirectly through third parties, in line with our current needs and corporate vision.

On March 24, 2022, CEMEX, S.A.B. de C.V. held an extraordinary shareholders' meeting, at which its shareholders approved changes to Article 2 of CEMEX, S.A.B. de C.V.'s by-laws to detail CEMEX, S.A.B. de C.V.'s corporate purpose so that it will list only those activities it currently carries out; and cease contemplating those activities it does not perform or that are already included in another part of the by-laws.

Changes in Capital Stock and Preemptive Rights

Subject to certain exceptions discussed below, the 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 the 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. The 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 Series A shares, Series 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 the 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 U.S. may be restricted in their ability to participate in the exercise of such preemptive rights.

Pursuant to the 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 the 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, or the transfer had been authorized on the basis of false or incorrect information or information had been withheld or the requirements established in the 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, such shares shall not be taken into account for the determination of the quorums of attendance and voting at shareholders' meetings and the transfers shall not be recorded or have any effect in our share registry and the registry undertaken by S.D. Indeval, Institución para el Depósito de Valores, S.A. de C.V. ("Indeval"), the Mexican securities depositary.

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 Indeval shall not have any effect. The By-Laws require the stock certificates representing shares of its capital stock to make reference to the provisions in the 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 Securities and Exchange Commission (the "SEC") under the Exchange Act) 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 2021 Credit Agreement and other debt agreements of CEMEX.

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.

The 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 MSE 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 MSE 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 MSE, 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 cancelation 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 and audit committee;
- shareholders representing at least 10% of outstanding and fully paid shares, by making a request 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, the 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.

General shareholders' meetings can be ordinary or extraordinary. At every general shareholders' meeting, each qualified holder of Series A shares and Series 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 Series A shares represented by their CPOs, in which case the CPO trustee (as defined below) will vote the underlying Series 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.' 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, which are voted on an individual basis;
- 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 corporate practices and finance and the audit 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 the By-Laws; and
- issuing bonds to be registered in the Mexican National Securities Registry
- any other matter for which a special quorum is required by law or by the By-Laws.

In order to vote at a meeting of shareholders, shareholders must (i) appear on the list that Indeval and Indeval participants holding shares on behalf of the shareholders prepare prior to the 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.

The 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, the 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 shareholders' meeting, 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 the By-Laws, the affirmative vote of at least 75% of the voting stock is required.

The attendance quorum for a general ordinary shareholders' meeting 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 shareholders' 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 and, 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. The By-Laws provide that holders of at least 10% of its outstanding 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 are entitled to vote on a particular matter they oppose on any resolution at a shareholders' meeting by filing a petition with a court of law for a court order to suspend the resolution temporarily 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 the By-Laws, 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.

Under the 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 MSE 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 as per the framework authorized by CEMEX, S.A.B. de C.V.'s board of directors and 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 MSE 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. 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 statement of financial position 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 each 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.

Description of CPOs

The following description of our CPOs is a summary of the material terms of our CPOs. Because it is a summary, it does not describe every aspect of our CPOs and may not contain all of the information that is important to you. For more information, please see the Bylaws, an English translation of which has been filed as an exhibit to our annual report on Form 20-F of which this exhibit is a part. References to provisions of the By-Laws are qualified in their entirety by reference to the full By-Laws.

General

Our CPOs are issued under the terms of a CPO trust agreement. The CPOs and the CPO trust agreement are governed by Mexican law. The CPO trust agreement established a master trust that, among other things, enables non-Mexican investors to acquire CPOs representing financial interests in our common stock, of which the Series A shares may otherwise be acquired directly only by Mexican investors. CPOs, which are negotiable instruments under Mexican law, are issued by Banco Nacional de México, S.A., which is the trustee of the CPO trust (the "CPO trustee") pursuant to the terms of the CPO trust agreement. As of December 31, 2021, a total of 29,457,941,452 Series A shares and 14,728,970,726 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.

Transfer and Withdrawal of CPOs

Under the terms of the CPO trust agreement, the CPO trustee may accept Series A shares and Series B shares against the issuance and release of CPOs. Each CPO represents two Series A shares and one Series B share. All Series A shares and Series B shares underlying the CPOs are held in trust by the CPO trustee in accordance with the terms and conditions of the CPO trust agreement. Those shares are registered in the name of the CPO trustee. The CPO trust operates through Indeval, the central depository for participants trading on the Mexican Securities Exchange, which maintains ownership records of the CPOs in book-entry form.

The CPO trustee will deliver CPOs in respect of the shares as described above. All CPOs are evidenced by a single certificate, the global CPO. CPOs are issued to and deposited in accounts maintained by the purchasers at Indeval. Ownership of CPOs deposited with Indeval is shown on, and transfer of the ownership of CPOs is effected through, records maintained by Indeval and Indeval participants. Holders of CPOs are not entitled to receive physical certificates evidencing their CPOs but may request certificates issued by Indeval and the relevant Indeval participants indicating ownership of CPOs. Holders of CPOs, including Mexican nationals, are not entitled to withdraw the Series A shares or Series B shares that are held in the CPO trust.

Dividends, Other Distributions and Rights

Holders of CPOs are entitled to receive the economic benefits to which they would be entitled if they were the holders of the Series A shares and Series B shares underlying those CPOs at the time that we declare and pay dividends or make distributions to holders of Series A shares and Series B shares. The CPO trustee will distribute cash dividends and other cash distributions received by it in respect of the Series A shares and Series B shares held in the CPO trust to the holders of CPOs in proportion to their respective holdings, in each case in the same currency in which they were received. The CPO trustee will distribute those cash dividends and other cash distributions through Indeval as custodian of the CPOs. Dividends paid with respect to CPOs deposited with Indeval will be distributed to the holders on the business day following the date on which the funds are received by Indeval.

If we pay a dividend in shares of our stock, those shares will be distributed to the CPO trustee who will hold those shares in the CPO trust for the benefit of CPO holders entitled thereto, and the CPO trustee, if the shares so received constitute units identical to the unit of securities then represented by a CPO, will distribute to the holders of outstanding CPOs, in proportion to their holdings, additional CPOs representing economic interests in the total number of shares received by the CPO trustee as that dividend. If the shares of stock so received do not constitute units of securities identical to the unit of securities then represented by a CPO, the CPO trustee will cause the securities received to be delivered to the CPO holders entitled thereto and as permitted under applicable law.

If we offer the holders of Series A shares and Series B shares the right to subscribe for additional Series A shares or Series B shares, the CPO trustee, subject to applicable laws, will offer to each holder of CPOs the right to instruct the CPO trustee to subscribe for that holder's proportionate share of those additional Series A shares or Series B shares, subject to that holder's providing the CPO trustee with the funds necessary to subscribe for those additional shares. The CPO trustee will offer those rights to a CPO holder only if that offer is legal and valid under the provisions of the laws of the country of residence of that CPO holder. Neither we nor the CPO trustee is obligated to register those rights, the CPOs or the underlying shares under the Securities Act. If CPO trust holders are offered those rights and if CPO holders provide the CPO trustee with the necessary funds, the CPO trustee will subscribe for the corresponding number of shares, which will be held in the CPO trust for the benefit of the subscribing holders, and if the shares so received constitute units identical to the unit of securities then represented by a CPO it will deliver additional CPOs representing those underlying shares to the applicable CPO holders.

Changes Affecting Underlying Shares

If as a result of a redemption of our common stock any underlying shares held in the CPO trust are called for redemption, the CPO trustee will proceed in accordance with the resolutions adopted by shareholders at the meeting of shareholders that authorizes the redemption and repurchase of the corresponding CPOs. See "—Description of Common Stock—Redemption."

Voting of Series A Shares

Mexican holders of CPOs shall be entitled to attend our shareholders' meetings for purposes of representing and exercising the voting rights of the Series A shares underlying their CPOs.

Under the CPO trust agreement, holders of CPOs who are not Mexican nationals cannot exercise voting rights with respect to the Series A shares represented by their CPOs. At our shareholders' meetings the Series A shares of non-Mexican holders held in the CPO trust will be voted by the CPO trustee in the same manner as the votes cast by the majority of Mexican holders of Series A shares and holders of Series B shares voting at the meeting. The nationality of a holder of CPOs is established by reference to the information contained in the CPO registry book of the CPO trust. A Mexican national constitutes either:

- an individual of Mexican nationality; or
- a Mexican corporation whose articles of association exclude foreign investors from owning or controlling, either directly or indirectly, a majority of its capital stock.

CPOs represented by ADSs will be deemed owned by non-Mexican nationals.

The CPO trustee shall attend our shareholders' meetings to represent and vote the Series A shares underlying the CPOs held by Mexicans for which no instructions were received from the holders of those CPOs. The technical committee under the trust shall have the power to cooperate with the CPO trustee's exercise of its corporate rights with respect to the Series A shares underlying the CPOs.

Voting of Series B Shares

All holders of CPOs shall be entitled to attend our shareholders' meetings for purposes of representing and exercising the voting rights of the Series B shares underlying their CPOs. The CPO trustee shall attend our shareholders' meetings to represent and vote the Series B shares underlying the CPOs for which no instructions were received from the holders of the CPOs. The technical committee under the trust shall have the power to cooperate with the CPO trustee's exercise of its corporate rights with respect to the Series B shares underlying the CPOs.

Voting at CPO Holders' Meetings

Whenever we call a meeting of holders of CPOs, Mexican and non-Mexican holders of CPOs, whether they hold their CPOs directly or in the form of ADSs, will have the right to give instructions to vote the CPOs at the meeting.

The following table sets forth the method of voting for each security contained in a CPO:

Securities Contained in a CPO	Method For Voting
Series A shares represented by CPOs held by non-Mexican nationals (all CPOs represented by ADSs are deemed held by non-Mexican persons).	CPO trustee will vote the Series A shares in accordance with the majority of all Series A shares held by Mexican nationals and Series B shares voted at the meeting.
Series A shares represented by CPOs held by Mexican nationals:	
• If the CPO holder timely instructs the trustee as to voting	CPO trustee will vote the Series A shares in accordance with the CPO holder's instructions.
• If the CPO holder makes timely arrangements with the CPO trustee to attend the shareholders' meeting in person	CPO holder may attend the shareholders' meeting and vote the Series A shares in person.
• If the CPO holder does not timely instruct the CPO trustee as to voting or does not make timely arrangements with the CPO trustee to attend the shareholders' meeting in person	CPO trustee will vote the Series A shares in cooperation with the technical committee.
Series B shares represented by CPOs, whether held by Mexican or non-Mexican persons:	
• If the CPO holder timely instructs the CPO trustee as to voting	CPO trustee will vote the Series B shares in accordance with the CPO holder's instructions.
• If the CPO holder makes timely arrangements with the CPO trustee to attend the shareholders' meeting in person	CPO holder may attend the shareholders' meeting and vote the Series B shares in person.
• If the CPO holder does not timely instruct the CPO trustee as to voting or does not make timely arrangements with the CPO trustee to attend the shareholders' meeting in person	CPO trustee will vote the Series B shares in cooperation with the technical committee.

Administration of the CPO Trust

Under the terms of the CPO trust agreement, the CPO trust is managed by the CPO trustee under the direction of a technical committee, which must consist of at least three members. Substitute members may also be appointed, who may substitute for any of the members. Technical committee meetings may also be attended by the CPO trustee, by the CPO common representative and by our statutory auditors, who may participate in any debate but may not vote. Resolutions adopted by the technical committee are required to be approved by a majority of the members of the technical committee present at the respective meeting; *provided, however*, that at least the chairman and two other members of the technical committee must be present at a meeting in order validly to adopt resolutions. The technical committee has the authority to instruct the CPO trustee to increase the maximum number of additional CPOs which may be issued and delivered for the purposes contemplated under the CPO trust agreement.

Termination of the CPO Trust and Establishment of Successor Trust

The CPO trust term is 30 years from the date of execution, expiring on September 6, 2029. Upon termination, the trustee and the common representative of the CPO holders shall constitute a successor CPO trust with the same terms and conditions set forth in the CPO trust agreement, other than the provisions pertaining to the exchange of CPOs for successor trust CPOs. We refer to that successor CPO trust as the successor trust. Upon termination of the CPO trust, which we call the "conversion date," investors holding CPOs, subject to the provisions of the By-Laws, will receive in exchange for their CPOs, the successor trust CPOs issued by the successor trustee. Each successor trust CPO will represent the economic interests in two Series A shares and one Series B share.

The CPO trust cannot be terminated if any dividends or other distributions previously received by the CPO trustee remain unpaid to any CPO holder.

Upon termination of the CPO trust, any transfer of Series A shares or Series B shares which would result in any person or group of persons acting in concert becoming a holder of 2% or more of our voting shares will be subject, as provided in the By-Laws, to prior approval of CEMEX, S.A.B. de C.V.'s board of directors. See "—Description of Common Stock—Changes in Capital Stock and Preemptive Rights."

We will be obligated to pay any cost or expense incurred in connection with the transfer of the shares from the CPO trust to the successor trust and the exchange of CPOs for successor trust CPOs.

Charges of the CPO Trustee and Indeval

Under the CPO trust agreement, we will be obligated to pay the fees of the CPO trustee for the administration of the CPO trust and the fees of Indeval as depository.

Description of ADSs

The following description of our ADSs is a summary of the material terms of our ADSs. Because it is a summary, it does not describe every aspect of our ADSs and may not contain all of the information that is important to you. For more information, please see the Bylaws and the ADS deposit agreement (as defined below), each of which has been filed as an exhibit to our annual report on Form 20-F of which this exhibit is a part. References to provisions of the By-Laws or the ADS deposit agreement are qualified in their entirety by reference to the full By-Laws or the ADS deposit agreement, as applicable.

General

Each ADS represents ten CPOs. Holders of ADSs will, on and after the conversion date, have the right to receive ten successor trust CPOs for every ADS held. The CPOs and successor trust CPOs eligible for deposit with the custodian are sometimes known as "eligible securities," and the eligible securities once deposited with the custodian are sometimes known as "deposited securities" against which the ADS depositary issues the ADSs. Please note that an ADS also represents any other property received by the ADS depositary or the custodian on behalf of the owner of the ADS but not distributed to that owner because of legal or practical restrictions. The ADSs are issuable in registered form by the depositary pursuant to the ADS deposit agreement. As of December 31, 2021, we had 491 ADS holders of record, holding 630,982,499 ADRs (as defined below), representing 6,309,824,990 CPOs, or approximately 42.83% of CEMEX, S.A.B. de C.V.'s outstanding capital stock as of such date.

The ADS deposit agreement, as amended (the "ADS deposit agreement"), and the related ADRs contain our rights and obligations as well as your rights and obligations and those of the depositary. The ADS deposit agreement is governed by New York law. Each of CEMEX and the depositary has agreed that federal and state courts in the City of New York will have non-exclusive jurisdiction over any actions, proceedings or disputes that arise out of or in connection with the ADS deposit agreement and submits to that jurisdiction. However, our obligations to the holders of deposited securities will continue to be governed by the laws of Mexico, which may be very different from the laws in the United States.

We have appointed Citibank, N.A. as ADS depositary pursuant to the ADS deposit agreement. Citibank's depositary offices are located at 388 Greenwich Street, New York, New York 10013. The ADSs represent ownership interests in securities that are on deposit with the depositary. The depositary typically appoints a custodian to safekeep the securities on deposit. Citibank has appointed Banco Nacional de México, S.A., División Fiduciaria as custodian for the deposited securities represented by the ADSs. ADSs may be represented by certificates that are commonly known as American Depositary Receipts (the "ADRs").

Registration and Transfer

If you become an owner of ADSs, you may hold your ADSs in the form of an ADR certificate registered in your name, through a brokerage or safekeeping account or through an account established by the ADS depositary in your name reflecting registration of uncertificated ADSs directly on the books of the ADS depositary (commonly referred to as the "direct registration system" or "DR System"). The direct registration system reflects the uncertificated (book-entry) registration of ownership of ADSs by the ADS depositary. Under the direct registration system, ownership of ADSs is evidenced by periodic statements issued by the ADS depositary to the holders of ADSs. The direct registration system includes automated transfers between the ADS depositary and The Depositary Trust Company, or DTC, the central book-entry clearing and settlement system for equity securities in the United States. If you decide to hold your ADSs through your brokerage or safekeeping account, you must rely on the procedures of your broker or custodian to assert your rights as an ADS owner. This summary description assumes you have opted to own the ADSs directly by means of an ADR registered in your name and, as such, we will refer to you as "holder."

Dividends and distributions

If you become a holder of ADSs, you will usually have the right to receive the distributions we make on the securities deposited with the custodian. Your receipt of these distributions may be limited, however, by practical considerations and legal restrictions. Holders will receive distributions they are entitled to receive under the terms of the ADS deposit agreement in proportion to the number of ADSs they hold as of a specified record date.

Distributions of cash

Whenever we make a cash distribution payment for the securities on deposit with the custodian and the ADS depositary receives confirmation of our deposit of the distribution, the ADS depositary will convert the cash distribution into Dollars and distribute the proceeds of the conversion to the holders, so long as the conversion is reasonable and the Dollars are transferable to the United States. The amounts distributed to holders will be net of the fees, expenses, taxes and governmental charges payable by holders under the terms of the ADS deposit agreement. The ADS depositary will distribute the proceeds of the sale of any property held by the custodian in respect of the securities on deposit in the same manner.

Distributions of eligible securities

Whenever we make a free distribution of eligible securities for the securities on deposit with the custodian, we will cause the eligible securities to be deposited with the custodian. When the ADS depositary receives confirmation of such deposit with the custodian, the ADS depositary will either distribute to holders new ADSs representing the eligible securities deposited or modify the ADS-to-deposited securities ratio, in which case each ADS you hold will represent rights and interests in the additional eligible securities so deposited. The ADS depositary will distribute only whole numbers of ADSs. The ADS depositary will sell any remaining fractional entitlements and distribute the proceeds of that sale as in the case of a cash distribution.

The distribution of the new ADSs or the modification of the ADS-to-deposited securities ratio upon distribution of eligible securities will be made net of the fees, expenses, taxes and governmental charges payable by holders under the terms of the ADS deposit agreement. In order to pay those taxes and governmental charges, the ADS depositary may sell all or a portion of the eligible securities so distributed.

The ADS depositary will not make a distribution of ADSs if the distribution would engender a breach of law. If the ADS depositary does not distribute ADSs as described above, it may sell the securities received and will distribute the proceeds of the sale as in the case of a cash distribution.

Distributions of rights

Whenever we intend to distribute rights to subscribe for additional eligible securities, we will give prior notice to the ADS depositary and will indicate whether we wish such rights to be made available to ADS holders. In such cases, we will assist the ADS depositary in determining whether it is lawful and reasonably practicable to distribute rights to purchase additional ADSs to holders and, if so, provide the ADS depositary with the documentation required under the ADS deposit agreement.

If the above conditions are satisfied, the ADS depositary will establish procedures to distribute such rights and to enable holders to exercise those rights. Holders of ADSs will have to pay the subscription price and may have to pay fees, expenses, taxes and other governmental charges to subscribe for the ADSs when they exercise their rights. We cannot assure you that any holder of ADSs will be able to exercise rights on the same terms as holders of eligible securities or that any holder of ADSs will be able to exercise its rights at all. The ADS depositary has no obligation to provide you with the means to exercise rights to subscribe for new eligible securities rather than ADSs.

The ADS depositary will not distribute the rights to any holder of ADSs if:

- we do not timely request that the rights be distributed to such holders or if we ask that the rights not be distributed to such holders;
- we fail to deliver the required documents to the ADS depositary; or
- it is not reasonably practicable to distribute the rights to such holders.

The ADS depositary will sell the rights that are not exercised or not distributed if such a sale is lawful and reasonably practicable. The proceeds of that sale will be distributed to holders as in the case of a distribution in cash. If the ADS depositary is unable to sell the rights, it will allow the rights to lapse.

Elective distributions

Whenever we intend to distribute a dividend payable at the election of shareholders either in cash or in additional eligible securities, we will give prior notice thereof to the ADS depositary and will indicate whether we wish the elective distribution to be made available to holders of ADSs. In that case, we will assist the ADS depositary in determining whether that distribution is lawful and reasonably practicable.

The ADS depositary will make the election available to holders of ADSs only if it is reasonably practicable and if we have provided all the documentation contemplated in the ADS deposit agreement. In that case, the ADS depositary will establish procedures to enable holders of ADSs to elect to receive either cash or additional ADSs, in each case as described in the ADS deposit agreement.

If the election is not made available to holders of ADSs, such holders will receive either cash or additional ADSs, depending on what a shareholder in Mexico would receive for failing to make an election, as more fully described in the ADS deposit agreement.

Redemption

Whenever we decide to redeem any of the securities on deposit with the custodian, we will notify the ADS depositary. If it is reasonably practicable and if we provide all of the documentation contemplated in the ADS deposit agreement, the ADS depositary will mail notice of the redemption to the holders.

The custodian will be instructed to surrender the deposited securities being redeemed against payment of the applicable redemption price. The ADS depositary will convert the redemption funds received into Dollars upon the terms of the ADS deposit agreement and will establish procedures to enable holders to receive the net proceeds from the redemption upon surrender of their ADSs to the ADS depositary. Holders of ADSs may have to pay fees, expenses, taxes and other governmental charges upon the redemption of their ADSs. If less than all ADSs are being redeemed, the ADSs to be retired will be selected by lot or on a pro rata basis, as the ADS depositary may determine.

Other distributions

Whenever we intend to distribute property other than cash, eligible securities or rights to purchase additional eligible securities, we will give prior notice thereof to the ADS depositary and will indicate whether we wish the distribution to be made to holders of ADSs. In that case, we will assist the ADS depositary in determining whether the distribution to holders is lawful and reasonably practicable.

If it is reasonably practicable to distribute the property to holders of ADSs and if we provide all the documentation required under the ADS depositary agreement, the ADS depositary shall distribute that property to the holders in a manner it deems practicable for accomplishing the distribution.

The distribution of the property will be made net of fees, expenses, taxes and governmental charges payable by holders under the terms of the ADS deposit agreement. In order to pay those taxes and governmental charges, the ADS depositary may sell all or a portion of the property.

The ADS depositary will not distribute the property to holders of ADSs and will sell the property if:

- we do not request that the property be distributed to such holders or if we ask that the property not be distributed to such holders;
- we do not deliver satisfactory documents to the ADS depositary; or
- such distribution is not reasonably practicable.

The proceeds of any sale of the property will be distributed to holders as in the case of a cash distribution. If the ADS depositary is unable to sell the property, the ADS depositary may dispose of the property in any way it deems reasonably practicable under the circumstances.

Preemptive Rights

ADS holders may be unable to exercise preemptive rights granted to our shareholders, in which case ADS holders could be substantially diluted following future equity or equity-linked offerings. Under Mexican law, whenever we issue new shares for payment in cash or in kind, we are generally required to grant preemptive rights to our 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.

Changes Affecting Deposited Securities

The deposited securities held on deposit in respect of ADSs may change from time to time as a result, for example, of a change in nominal or par value, a split-up, cancellation, consolidation or re-classification of deposited securities or a recapitalization, reorganization, merger, consolidation or sale of our assets.

If any such change were to occur, ADSs will, to the extent permitted by law, represent the right to receive the property received or exchanged in respect of the deposited securities held on deposit. The ADS depositary may in such circumstances deliver additional ADSs to holders of ADSs or call for the exchange of ADSs for replacement ADSs. If the ADS depositary may not lawfully distribute such property to holders of ADSs, the ADS depositary shall use its best efforts to sell such property and distribute the net proceeds to such holders as in the case of a cash distribution.

Issuance of ADSs Upon Deposit of Eligible Securities

If permitted by applicable law, the ADS depositary will create ADSs if eligible securities are deposited with the custodian. The ADS depositary will deliver the ADSs representing the eligible securities deposited to the person indicated after payment of the applicable issuance fees and all charges and taxes payable for the transfer of the eligible securities to the custodian.

Please note that the issuance of ADSs in all cases, other than the distribution of the appreciation value, may be delayed until the ADS depositary or the custodian receives confirmation that all required approvals have been given and that the eligible securities have been duly transferred. The ADS depositary will only issue ADSs in whole numbers.

When a deposit of eligible securities is made, the depositor will be responsible for transferring good and valid title to the ADS depositary. In addition, the depositor will be deemed to represent and warrant that:

- the eligible securities are duly authorized, validly issued, fully paid, non-assessable and legally obtained;
- all preemptive and similar rights, if any, with respect to the eligible securities have been validly waived or exercised;
- the depositor is duly authorized to deposit the eligible securities;
- the eligible securities presented for deposit are free and clear of any lien, encumbrance, security interest, charge, mortgage or adverse claim, and are not, and the ADSs issuable upon such deposit will not be, "restricted securities" (as defined in the ADS deposit agreement); and
- the eligible securities presented for deposit have not been stripped of any rights or entitlements.

If any of these representations or warranties are false in any way, we and the ADS depositary may, at the depositor's cost and expense, take any and all actions necessary to correct the consequences thereof.

Withdrawal of Deposited Securities Upon Cancellation of ADSs

A holder of ADSs is entitled to present its ADSs to the ADS depositary for cancellation and to receive delivery of the deposited securities represented by its ADSs from the custodian. In order to withdraw the deposited securities represented by such ADSs, the holder withdrawing ADSs will be required to pay the fees of the ADS depositary for cancellation of its ADSs and the charges and taxes payable for the transfer of the deposited securities being withdrawn. The holder withdrawing ADSs assumes the risk of delivery of all funds and securities upon withdrawal. Once cancelled, ADSs shall not have any rights under the ADS deposit agreement.

The ADS depositary may ask for proof of identity and the genuineness of signatures before canceling ADSs. The withdrawal of the deposited securities represented by ADSs may be delayed until the ADS depositary receives satisfactory evidence of compliance with all applicable laws and regulations. Under Mexican law, a holder of ADSs is not entitled to withdraw the shares underlying CPOs. When ADSs are surrendered prior to the conversion date, the holder will be entitled to receive CPOs; after the conversion date, the holder will be entitled to receive successor trust CPOs. The ADS depositary will only accept ADSs for cancellation that represent a whole number of deposited securities.

A holder will have the right to withdraw the deposited securities represented by its ADSs at any time except for:

- temporary delays that may arise because the transfer books for the shares, CPOs, successor trust CPOs or ADSs are closed, or the deposited securities are immobilized on account of a shareholders' meeting or a payment of dividends;

- obligations to pay fees, taxes and similar charges; and
- restrictions imposed on account of laws or regulations applicable to ADSs or the withdrawal of the securities deposited.

Please note that the ADS deposit agreement may not be modified to impair withdrawal rights in respect of deposited securities represented by ADSs except to comply with mandatory provisions of law.

Voting Rights

A holder of ADSs generally has the right to instruct the ADS depositary to exercise the voting rights for the deposited securities represented by its ADSs. However, the By-Laws prohibit non-Mexican nationals from directly holding or voting Series A shares. A holder of ADSs is deemed to be a non-Mexican national and accordingly, has no right to instruct the ADS depositary to cause the CPO trustee to vote the Series A shares held in the CPO trust or the successor trust. Under the terms of the ADS depositary agreement, holders of ADSs may have the right to instruct the depositary to cause the CPO trustee to exercise the voting rights attributable to the Series B Shares held in the CPO trust. The voting rights of holders of deposited securities are described in "Description of CPOs—Voting of Series A shares" and "Description of CPOs—Voting of Series B shares" above.

At our request, the ADS depositary will coordinate with us the mailing to holders of ADSs of any notice of shareholders' meeting together with information explaining how to instruct the depositary to exercise the voting rights, if any, pertaining to the deposited securities represented by ADSs. We will use our best efforts to deliver the notice of shareholders' meeting to the ADS depositary 20 days prior to the date of the meeting. The ADS depositary will coordinate with us the mailing of the notice to ADS holders to coincide as closely as is reasonably practicable with the publication of the notice of shareholders' meeting in Mexico.

Prior to the conversion date, at any meeting of shareholders, ADS holders have the right to instruct the ADS depositary to exercise their voting rights only in respect of the Series B shares held in the CPO trust. The terms of the CPO trust require the CPO trustee to vote the Series A shares held in the CPO trust in the same manner as the votes cast by the holders of the majority of all Series A shares held by Mexican nationals and Series B shares voted at the meeting.

On and after the conversion date, at any meeting of shareholders, ADS holders have the right to instruct the ADS depositary to exercise their voting rights in respect of the Series B shares in the successor trust. The terms of the successor trust are expected to require the successor trustee to vote the Series A shares held in the successor trust in substantially the same manner as Series A shares are voted under the CPO trust.

Whenever we call a meeting of holders of CPOs or successor trust CPOs, holders of ADSs have the right, as holders of ADSs representing CPOs or successor trust CPOs, to instruct the ADS depositary to vote the CPOs or successor trust CPOs according to their instructions.

If the ADS depositary timely receives an ADS holder's voting instructions, it will endeavor to vote the deposited securities represented by ADSs for which holders of ADSs are entitled to give voting instructions according to those voting instructions or to cause the custodian to transmit to the CPO trustee the voting instructions received, as applicable.

If the ADS depositary 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 depositary to give a proxy to a person we designate to vote the Series B shares underlying the CPOs represented by the ADSs in his/her discretion. The ADS depositary will not deliver the discretionary proxy if:

- we do not provide the ADS depositary with the requisite materials pertaining to the meeting on a timely basis;
- we request that the discretionary proxy not be given;

- we do not deliver to the ADS depositary a satisfactory opinion of counsel providing legal comfort under Mexican laws on the subject of the discretionary proxy; or

- we do not deliver a satisfactory representation and indemnity letter to the ADS depositary.

Please note that the ability of the ADS depositary to carry out voting instructions may be limited by practical and legal limitations and the terms of the securities on deposit. We cannot assure holders of ADSs that they will receive voting materials in sufficient time to enable them to return voting instructions to the ADS depositary in a timely manner.

The ADS depositary 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 Series A shares and the Series B shares represented by the CPOs at any meeting of holders of Series A shares or Series B shares even if no voting instructions have been received. By so attending, the ADS depositary, the custodian or the CPO trustee, as applicable, may contribute to the establishment of a quorum at a meeting of holders of CPOs, Series A shares or Series B shares, as appropriate.

Fees and Charges

An ADS holder is required to pay the following service fees to the ADS depositary:

Service	Fees
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

An ADS holder also is responsible to pay fees and expenses incurred by the ADS depositary 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 depositary. 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 depositary. ADS holders will receive notice of the changes. The fees described above may be amended from time to time.

Amendments and Termination

We may agree with the ADS depositary to modify or supplement the ADS deposit agreement at any time without the consent of ADS holders. We undertake to provide ADS holders with 30 days' prior notice of any modifications or supplements that would materially prejudice the substantial rights of ADS holders under the ADS deposit agreement. We will not consider to be materially prejudicial to the substantial rights of ADS holders any modifications or supplements that are reasonably necessary for the ADSs to be registered under the Securities Act or to be eligible for book-entry settlement, in each case without imposing or increasing the fees and charges ADS holders are required to pay. In addition, we may not be able to provide ADS holders with prior notice of any modifications or supplements that are required to accommodate compliance with applicable provisions of law, whether or not those modifications or supplements could be considered to be materially prejudicial to the substantial rights of ADS holders.

ADS holders will be bound by the modifications to the ADS deposit agreement if they continue to hold ADSs after the modifications to the ADS deposit agreement become effective. The ADS deposit agreement cannot be amended to prevent ADS holders from withdrawing the deposited securities represented by ADSs, except to comply with mandatory provisions of applicable law.

We have the right to direct the ADS depositary to terminate the ADS deposit agreement. Similarly, the ADS depositary may in some circumstances on its own initiative terminate the ADS deposit agreement. In either case, the ADS depositary must give notice to the holders at least 30 days before termination.

Upon termination, the following will occur under the ADS deposit agreement:

- For a period of three (3) months after termination, ADS holders will be able to request the cancellation of their ADSs and the withdrawal of the deposited securities represented by their ADSs and the delivery of all other property held by the ADS depositary in respect of their deposited securities on the same terms as prior to the termination. During this three-month period, the ADS depositary will continue to collect all distributions received on the deposited securities, such as dividends, but will not distribute any such property to ADS holders until they request the cancellation of their ADSs.

- After the expiration of the three-month period, the ADS depositary may sell the deposited securities held on behalf of the remaining holders with the custodian. The ADS depositary will hold the proceeds from the sale and any other funds then held for the holders of ADSs in a non-interest bearing account. At that point, the ADS depositary will have no further obligations to holders other than to account for the funds then held for the holders of ADSs still outstanding.

Books of ADS Depositary

The ADS depositary will maintain ADS holder records at its depositary office. Holders of ADSs may inspect those records at that office during regular business hours but solely for the purpose of communicating with other holders in the interest of business matters relating to the ADSs and the ADS deposit agreement.

The ADS depositary will maintain facilities in New York to record and to process the issuance, cancellation, combination, split-up and transfer of ADSs. These facilities may be closed from time to time, to the extent not prohibited by law.

Limitations On Obligations and Liabilities

The ADS deposit agreement limits our obligations and liability and the ADS depositary's obligations and liability to holders of ADSs. Please note the following:

- We and the ADS depositary are only obligated to take the actions specifically stated in the ADS deposit agreement without gross negligence or bad faith.

- The ADS depositary disclaims any liability for any failure to carry out voting instructions, for any manner in which a vote is cast or for the effect of any vote, provided it acts in good faith and in accordance with the terms of the ADS deposit agreement.

- The ADS depositary disclaims any liability for any failure to determine the lawfulness or reasonable practicality of any action, for the content of any document forwarded to ADS holders on their behalf or for the accuracy of any translation of such document, for the investment risks associated with investing in deposited securities, for the validity or worth of the deposited securities, for any tax consequences that result from the ownership of ADSs, for allowing any rights to lapse under the terms of the ADS deposit agreement, for the timeliness of any of our notices or for our failure to give notice.

- We and the ADS depositary will not be obligated to perform any act that is inconsistent with the terms of the ADS deposit agreement.

- We and the ADS depositary disclaim any liability if we are prevented or forbidden from acting on account of any law or regulation, any provision of our articles of association, any provision of any securities on deposit or by reason of any act of God or war or other circumstances beyond our control.

- We and the ADS depositary disclaim any liability by reason of any exercise of, or failure to exercise, any discretion provided for in the ADS deposit agreement or in our articles of association or in any provisions of the securities on deposit.

- We and the ADS depositary further disclaim any liability for any action or inaction in reliance upon the advice of or information from legal counsel, accountants, any person presenting eligible securities for deposit, any holder of ADSs or authorized representative thereof, or any other person believed by us in good faith to be competent to give such advice or information.

- We and the ADS depositary also disclaim liability for the inability by a holder to benefit from any distribution, offering, right or other benefit which is made available to holders of eligible securities but is not, under the terms of the ADS deposit agreement, made available to the holders of the ADSs.

- We and the ADS depositary may rely without any liability upon any written notice, request or other document believed by the ADS depositary to be genuine and to have been signed or presented by the proper parties.

- We and the ADS depositary disclaim any liability for any consequential or punitive damages.

Pre-Release Transactions

The ADS depositary may, in some circumstances, issue ADSs before receiving a deposit of eligible securities or release deposited securities before receiving ADSs. These transactions are commonly referred to as "pre-release transactions." The ADS deposit agreement limits the aggregate size of pre-release transactions and imposes a number of conditions on such transactions including the need to receive collateral, the type of collateral required, and the representations required from brokers. The ADS depositary may retain the compensation received from the pre-release transactions.

Taxes

Holders of ADSs will be responsible for the taxes and other governmental charges payable on the ADSs and the securities represented by the ADSs. We, the ADS depositary and the custodian may deduct from any distribution the taxes and governmental charges payable by holders and may sell any and all property on deposit to pay the taxes and governmental charges payable by holders. Holders of ADSs will be liable for any deficiency if the sale proceeds do not cover the taxes that are due.

The ADS depositary may refuse to issue ADSs and to deliver, transfer, split and combine ADRs or to release securities on deposit until all applicable taxes and charges are paid by the holder. The ADS depositary and the custodian may take reasonable administrative actions to obtain tax refunds and reduced tax withholding for any distributions on behalf of ADS holders. However, ADS holders may be required to provide to the ADS depositary and to the custodian proof of taxpayer status and residence and any other information as the ADS depositary and the custodian may reasonably require to fulfill legal obligations. Holders of ADSs are required to indemnify us, the ADS depositary and the custodian for any claims with respect to taxes based on any tax benefit obtained for such holders.

Foreign Currency Conversion

Whenever the ADS depositary or the custodian receives foreign currency and the ADS depositary can reasonably convert all foreign currency received into Dollars, the ADS depositary will distribute the Dollars according to the terms of the ADS deposit agreement. ADS holders may have to pay fees and expenses incurred in converting foreign currency, such as fees and expenses incurred in complying with currency exchange controls and other governmental requirements.

If the conversion of foreign currency is not practical or lawful, or if any required approvals are denied or not obtainable at a reasonable cost or within a reasonable period, the ADS depositary may take the following actions in its discretion:

- convert the foreign currency to the extent practicable and lawful and distribute the Dollars to the holders of ADSs for whom such conversion and distribution is lawful and practicable;
- distribute the foreign currency to holders of ADSs for whom such distribution is lawful and practicable; or
- hold the foreign currency, without liability for interest, for holders of ADSs.

SUPPLEMENTAL INDENTURE NO. 1

SUPPLEMENTAL INDENTURE No. 1, dated as of November 8, 2021, 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 existing guarantors under the Indenture (as defined below) listed on Schedule I hereto (collectively, the "Existing Guarantors"), CEMEX Operaciones México, S.A. de C.V., a corporation with variable capital (*sociedad anónima de capital variable*) organized under the laws of the United Mexican States ("CEMEX Operaciones México"), Cemex Innovation Holding Ltd., a limited company organized under the laws of Switzerland (together with CEMEX Operaciones México, the "New Guarantors", and, each, a "New Guarantor" and, together with the Existing Guarantors, the "Note Guarantors") and The Bank of New York Mellon, as trustee (the "Trustee").

W I T N E S S E T H:

WHEREAS, the Issuer, the Existing Guarantors and the Trustee previously have entered into an indenture, dated as of March 19, 2019 (the "Indenture"), providing for the issuance of the Issuer's 3.125% Euro-Denominated Senior Secured Notes due 2026 (the "Notes");

WHEREAS, Section 9.1(a)(iv) of the Indenture provides that the Issuer, the Existing Guarantors and the Trustee may enter into a supplemental indenture without notice to or consent of any Holder to add guarantees with respect to the Notes;

WHEREAS, the Issuer desires to amend and supplement the Indenture as provided in Article II hereof to provide for the guarantee by each New Guarantor of the Issuer's Obligations under the Notes and the Indenture on the terms and conditions set forth herein;

WHEREAS, the Issuer and the Note Guarantors are authorized to execute and deliver this Supplemental Indenture No. 1;

WHEREAS, the Issuer has requested that the Trustee join in the execution of this Supplemental Indenture No. 1 pursuant to Section 9.6 of the Indenture; and

WHEREAS, all things necessary to make this Supplemental Indenture No. 1 a valid agreement of the parties and a valid supplement to the Indenture have been done.

NOW, THEREFORE, for and in consideration of the premises and the mutual covenants contained herein and in the Indenture and for other good and valuable consideration, the receipt and sufficiency of which are herein acknowledged, the Issuer, the Note Guarantors and the Trustee hereby agree, for the benefit of all Holders, as follows:

ARTICLE I

DEFINITIONS

Section 1.01 Defined Terms. All capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Indenture, as supplemented and amended hereby. All definitions in the Indenture shall be read in a manner consistent with the terms of this Supplemental Indenture No. 1.

ARTICLE II

NOTE GUARANTEES

Section 2.01 Agreement to Guarantee. Each New Guarantor hereby agrees, jointly and severally with the other Note Guarantors, irrevocably, fully and unconditionally, to guarantee the Obligations under the Indenture and the Notes on the terms and subject to the conditions set forth in Article X of the Indenture and to be bound by (and shall be entitled to the benefits of) all other applicable provisions of the Indenture as a Note Guarantor.

ARTICLE III

MISCELLANEOUS

Section 3.01 Effect of This Supplemental Indenture No. 1. This Supplemental Indenture No. 1 supplements the Indenture and shall be a part, and subject to all the terms, thereof. The Indenture, as supplemented and amended by this Supplemental Indenture No. 1, is in all respects ratified and confirmed, and the Indenture and this Supplemental Indenture No. 1 shall be read, taken and construed as one and the same instrument. All provisions included in this Supplemental Indenture No. 1 supersede any conflicting provisions included in the Indenture, unless not permitted by law.

Section 3.02 Governing Law. This Supplemental Indenture No. 1 shall be governed by, and construed in accordance with, the laws of the State of New York.

Section 3.03 Effect of Headings. The section headings herein are for convenience only and shall not affect the construction of this Supplemental Indenture No. 1.

Section 3.04 Counterparts. The parties may sign any number of copies of this Supplemental Indenture No. 1. Each signed copy shall be an original, but all of them shall represent the same agreement.

Section 3.05 The Trustee. The Trustee shall not be responsible in any manner whatsoever for or in respect of the validity or sufficiency of this Supplemental Indenture No. 1 or for or in respect of the recitals contained herein, all of which are made solely by the Issuer and the Note Guarantors. In entering into this Supplemental Indenture No. 1, the Trustee shall be entitled to the benefit of every provision of the Indenture relating to the conduct or affecting the liability or affording protection to the Trustee whether or not elsewhere herein so provided. The Issuer and the Note Guarantors expressly reaffirm and confirm their obligations to indemnify the Trustee in connection with the Indenture and all the actions contemplated hereby, all in accordance with the terms of the Indenture.

[SIGNATURE PAGE TO FOLLOW IMMEDIATELY]

IN WITNESS WHEREOF, the parties have caused this Supplemental Indenture No. 1 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 Landa
Name: Fernando J. Reiter Landa
Title: Attorney-in-fact

CEMEX Concretos, S.A. de C.V., as Note Guarantor

By: /s/ Fernando J. Reiter Landa
Name: Fernando J. Reiter Landa
Title: Attorney-in-fact

CEMEX Operaciones México, S.A. de C.V., as Note Guarantor

By: /s/ Fernando J. Reiter Landa
Name: Fernando J. Reiter Landa
Title: Attorney-in-fact

CEMEX Corp., as Note Guarantor

By: /s/ Fernando J. Reiter Landa
Name: Fernando J. Reiter Landa
Title: Attorney-in-fact

Cemex Innovation Holding Ltd., as Note Guarantor

By: /s/ Fernando J. Reiter Landa
Name: Fernando J. Reiter Landa
Title: Attorney-in-fact

THE BANK OF NEW YORK MELLON, as Trustee

By: /s/ Wanda Camacho
Name: Wanda Camacho
Title: Vice President

[Signature page to Supplemental Indenture No. 1 (3.125% Euro-Denominated Senior Secured Notes due 2026)]

SCHEDULE I

EXISTING GUARANTORS

1. CEMEX Concretos, S.A. de C.V.
2. CEMEX Corp.

SUPPLEMENTAL INDENTURE NO. 1

SUPPLEMENTAL INDENTURE No. 1, dated as of November 8, 2021, 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 existing guarantors under the Indenture (as defined below) listed on Schedule I hereto (collectively, the "Existing Guarantors"), CEMEX Operaciones México, S.A. de C.V., a corporation with variable capital (*sociedad anónima de capital variable*) organized under the laws of the United Mexican States ("CEMEX Operaciones México"), Cemex Innovation Holding Ltd., a limited company organized under the laws of Switzerland (together with CEMEX Operaciones México, the "New Guarantors", and, each, a "New Guarantor" and, together with the Existing Guarantors, the "Note Guarantors") and The Bank of New York Mellon, as trustee (the "Trustee").

W I T N E S S E T H:

WHEREAS, the Issuer, the Existing Guarantors and the Trustee previously have entered into an indenture, dated as of November 19, 2019 (the "Indenture"), providing for the issuance of the Issuer's 5.450% U.S. Dollar Denominated Senior Secured Notes due 2029 (the "Notes");

WHEREAS, Section 9.1(a)(iv) of the Indenture provides that the Issuer, the Existing Guarantors and the Trustee may enter into a supplemental indenture without notice to or consent of any Holder to add guarantees with respect to the Notes;

WHEREAS, the Issuer desires to amend and supplement the Indenture as provided in Article II hereof to provide for the guarantee by each New Guarantor of the Issuer's Obligations under the Notes and the Indenture on the terms and conditions set forth herein;

WHEREAS, the Issuer and the Note Guarantors are authorized to execute and deliver this Supplemental Indenture No. 1;

WHEREAS, the Issuer has requested that the Trustee join in the execution of this Supplemental Indenture No. 1 pursuant to Section 9.6 of the Indenture; and

WHEREAS, all things necessary to make this Supplemental Indenture No. 1 a valid agreement of the parties and a valid supplement to the Indenture have been done.

NOW, THEREFORE, for and in consideration of the premises and the mutual covenants contained herein and in the Indenture and for other good and valuable consideration, the receipt and sufficiency of which are herein acknowledged, the Issuer, the Note Guarantors and the Trustee hereby agree, for the benefit of all Holders, as follows:

ARTICLE I

DEFINITIONS

Section 1.01 Defined Terms. All capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Indenture, as supplemented and amended hereby. All definitions in the Indenture shall be read in a manner consistent with the terms of this Supplemental Indenture No. 1.

ARTICLE II

NOTE GUARANTEES

Section 2.01 Agreement to Guarantee. Each New Guarantor hereby agrees, jointly and severally with the other Note Guarantors, irrevocably, fully and unconditionally, to guarantee the Obligations under the Indenture and the Notes on the terms and subject to the conditions set forth in Article X of the Indenture and to be bound by (and shall be entitled to the benefits of) all other applicable provisions of the Indenture as a Note Guarantor.

ARTICLE III

MISCELLANEOUS

Section 3.01 Effect of This Supplemental Indenture No. 1. This Supplemental Indenture No. 1 supplements the Indenture and shall be a part, and subject to all the terms, thereof. The Indenture, as supplemented and amended by this Supplemental Indenture No. 1, is in all respects ratified and confirmed, and the Indenture and this Supplemental Indenture No. 1 shall be read, taken and construed as one and the same instrument. All provisions included in this Supplemental Indenture No. 1 supersede any conflicting provisions included in the Indenture, unless not permitted by law.

Section 3.02 Governing Law. This Supplemental Indenture No. 1 shall be governed by, and construed in accordance with, the laws of the State of New York.

Section 3.03 Effect of Headings. The section headings herein are for convenience only and shall not affect the construction of this Supplemental Indenture No. 1.

Section 3.04 Counterparts. The parties may sign any number of copies of this Supplemental Indenture No. 1. Each signed copy shall be an original, but all of them shall represent the same agreement.

Section 3.05 The Trustee. The Trustee shall not be responsible in any manner whatsoever for or in respect of the validity or sufficiency of this Supplemental Indenture No. 1 or for or in respect of the recitals contained herein, all of which are made solely by the Issuer and the Note Guarantors. In entering into this Supplemental Indenture No. 1, the Trustee shall be entitled to the benefit of every provision of the Indenture relating to the conduct or affecting the liability or affording protection to the Trustee whether or not elsewhere herein so provided. The Issuer and the Note Guarantors expressly reaffirm and confirm their obligations to indemnify the Trustee in connection with the Indenture and all the actions contemplated hereby, all in accordance with the terms of the Indenture.

[SIGNATURE PAGE TO FOLLOW IMMEDIATELY]

IN WITNESS WHEREOF, the parties have caused this Supplemental Indenture No. 1 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 Landa
Name: Fernando J. Reiter Landa
Title: Attorney-in-fact

CEMEX Concretos, S.A. de C.V., as Note Guarantor

By: /s/ Fernando J. Reiter Landa
Name: Fernando J. Reiter Landa
Title: Attorney-in-fact

CEMEX Operaciones México, S.A. de C.V., as Note Guarantor

By: /s/ Fernando J. Reiter Landa
Name: Fernando J. Reiter Landa
Title: Attorney-in-fact

CEMEX Corp., as Note Guarantor

By: /s/ Fernando J. Reiter Landa
Name: Fernando J. Reiter Landa
Title: Attorney-in-fact

Cemex Innovation Holding Ltd., as Note Guarantor

By: /s/ Fernando J. Reiter Landa
Name: Fernando J. Reiter Landa
Title: Attorney-in-fact

THE BANK OF NEW YORK MELLON, as Trustee

By: /s/ Wanda Camacho
Name: Wanda Camacho
Title: Vice President

[Signature page to Supplemental Indenture No. 1 (5.450% U.S.$ Denominated Senior Secured Notes due 2029)]

SCHEDULE I

EXISTING GUARANTORS

1. CEMEX Concretos, S.A. de C.V.
2. CEMEX Corp.

SUPPLEMENTAL INDENTURE NO. 1

SUPPLEMENTAL INDENTURE No. 1, dated as of November 8, 2021, 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 existing guarantors under the Indenture (as defined below) listed on Schedule I hereto (collectively, the "Existing Guarantors"), CEMEX Operaciones México, S.A. de C.V., a corporation with variable capital (*sociedad anónima de capital variable*) organized under the laws of the United Mexican States ("CEMEX Operaciones México"), Cemex Innovation Holding Ltd., a limited company organized under the laws of Switzerland (together with CEMEX Operaciones México, the "New Guarantors", and, each, a "New Guarantor" and, together with the Existing Guarantors, the "Note Guarantors") and The Bank of New York Mellon, as trustee (the "Trustee").

W I T N E S S E T H:

WHEREAS, the Issuer, the Existing Guarantors and the Trustee previously have entered into an indenture, dated as of June 5, 2020 (the "Indenture"), providing for the issuance of the Issuer's 7.375% U.S. Dollar Denominated Senior Secured Notes due 2027 (the "Notes");

WHEREAS, Section 9.1(a)(iv) of the Indenture provides that the Issuer, the Existing Guarantors and the Trustee may enter into a supplemental indenture without notice to or consent of any Holder to add guarantees with respect to the Notes;

WHEREAS, the Issuer desires to amend and supplement the Indenture as provided in Article II hereof to provide for the guarantee by each New Guarantor of the Issuer's Obligations under the Notes and the Indenture on the terms and conditions set forth herein;

WHEREAS, the Issuer and the Note Guarantors are authorized to execute and deliver this Supplemental Indenture No. 1;

WHEREAS, the Issuer has requested that the Trustee join in the execution of this Supplemental Indenture No. 1 pursuant to Section 9.6 of the Indenture; and

WHEREAS, all things necessary to make this Supplemental Indenture No. 1 a valid agreement of the parties and a valid supplement to the Indenture have been done.

NOW, THEREFORE, for and in consideration of the premises and the mutual covenants contained herein and in the Indenture and for other good and valuable consideration, the receipt and sufficiency of which are herein acknowledged, the Issuer, the Note Guarantors and the Trustee hereby agree, for the benefit of all Holders, as follows:

ARTICLE I

DEFINITIONS

Section 1.01 Defined Terms. All capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Indenture, as supplemented and amended hereby. All definitions in the Indenture shall be read in a manner consistent with the terms of this Supplemental Indenture No. 1.

ARTICLE II

NOTE GUARANTEES

Section 2.01 Agreement to Guarantee. Each New Guarantor hereby agrees, jointly and severally with the other Note Guarantors, irrevocably, fully and unconditionally, to guarantee the Obligations under the Indenture and the Notes on the terms and subject to the conditions set forth in Article X of the Indenture and to be bound by (and shall be entitled to the benefits of) all other applicable provisions of the Indenture as a Note Guarantor.

ARTICLE III

MISCELLANEOUS

Section 3.01 Effect of This Supplemental Indenture No. 1. This Supplemental Indenture No. 1 supplements the Indenture and shall be a part, and subject to all the terms, thereof. The Indenture, as supplemented and amended by this Supplemental Indenture No. 1, is in all respects ratified and confirmed, and the Indenture and this Supplemental Indenture No. 1 shall be read, taken and construed as one and the same instrument. All provisions included in this Supplemental Indenture No. 1 supersede any conflicting provisions included in the Indenture, unless not permitted by law.

Section 3.02 Governing Law. This Supplemental Indenture No. 1 shall be governed by, and construed in accordance with, the laws of the State of New York.

Section 3.03 Effect of Headings. The section headings herein are for convenience only and shall not affect the construction of this Supplemental Indenture No. 1.

Section 3.04 Counterparts. The parties may sign any number of copies of this Supplemental Indenture No. 1. Each signed copy shall be an original, but all of them shall represent the same agreement.

Section 3.05 The Trustee. The Trustee shall not be responsible in any manner whatsoever for or in respect of the validity or sufficiency of this Supplemental Indenture No. 1 or for or in respect of the recitals contained herein, all of which are made solely by the Issuer and the Note Guarantors. In entering into this Supplemental Indenture No. 1, the Trustee shall be entitled to the benefit of every provision of the Indenture relating to the conduct or affecting the liability or affording protection to the Trustee whether or not elsewhere herein so provided. The Issuer and the Note Guarantors expressly reaffirm and confirm their obligations to indemnify the Trustee in connection with the Indenture and all the actions contemplated hereby, all in accordance with the terms of the Indenture.

[SIGNATURE PAGE TO FOLLOW IMMEDIATELY]

IN WITNESS WHEREOF, the parties have caused this Supplemental Indenture No. 1 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 Landa
Name: Fernando J. Reiter Landa
Title: Attorney-in-fact

CEMEX Concretos, S.A. de C.V., as Note Guarantor

By: /s/ Fernando J. Reiter Landa
Name: Fernando J. Reiter Landa
Title: Attorney-in-fact

CEMEX Operaciones México, S.A. de C.V., as Note Guarantor

By: /s/ Fernando J. Reiter Landa
Name: Fernando J. Reiter Landa
Title: Attorney-in-fact

CEMEX Corp., as Note Guarantor

By: /s/ Fernando J. Reiter Landa
Name: Fernando J. Reiter Landa
Title: Attorney-in-fact

Cemex Innovation Holding Ltd., as Note Guarantor

By: /s/ Fernando J. Reiter Landa
Name: Fernando J. Reiter Landa
Title: Attorney-in-fact

THE BANK OF NEW YORK MELLON, as Trustee

By: /s/ Wanda Camacho
Name: Wanda Camacho
Title: Vice President

[Signature page to Supplemental Indenture No. 1 (7.375% U.S.$ Denominated Senior Secured Notes due 2027)]

SCHEDULE I

EXISTING GUARANTORS

1. CEMEX Concretos, S.A. de C.V.
2. CEMEX Corp.

SUPPLEMENTAL INDENTURE NO. 1

SUPPLEMENTAL INDENTURE No. 1, dated as of November 8, 2021, 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 existing guarantors under the Indenture (as defined below) listed on Schedule I hereto (collectively, the "Existing Guarantors"), CEMEX Operaciones México, S.A. de C.V., a corporation with variable capital (*sociedad anónima de capital variable*) organized under the laws of the United Mexican States ("CEMEX Operaciones México"), Cemex Innovation Holding Ltd., a limited company organized under the laws of Switzerland (together with CEMEX Operaciones México, the "New Guarantors", and, each, a "New Guarantor" and, together with the Existing Guarantors, the "Note Guarantors") and The Bank of New York Mellon, as trustee (the "Trustee").

W I T N E S S E T H:

WHEREAS, the Issuer, the Existing Guarantors and the Trustee previously have entered into an indenture, dated as of September 17, 2020 (the "Indenture"), providing for the issuance of the Issuer's 5.200% U.S. Dollar Denominated Senior Secured Notes due 2030 (the "Notes");

WHEREAS, Section 9.1(a)(iv) of the Indenture provides that the Issuer, the Existing Guarantors and the Trustee may enter into a supplemental indenture without notice to or consent of any Holder to add guarantees with respect to the Notes;

WHEREAS, the Issuer desires to amend and supplement the Indenture as provided in Article II hereof to provide for the guarantee by each New Guarantor of the Issuer's Obligations under the Notes and the Indenture on the terms and conditions set forth herein;

WHEREAS, the Issuer and the Note Guarantors are authorized to execute and deliver this Supplemental Indenture No. 1;

WHEREAS, the Issuer has requested that the Trustee join in the execution of this Supplemental Indenture No. 1 pursuant to Section 9.6 of the Indenture; and

WHEREAS, all things necessary to make this Supplemental Indenture No. 1 a valid agreement of the parties and a valid supplement to the Indenture have been done.

NOW, THEREFORE, for and in consideration of the premises and the mutual covenants contained herein and in the Indenture and for other good and valuable consideration, the receipt and sufficiency of which are herein acknowledged, the Issuer, the Note Guarantors and the Trustee hereby agree, for the benefit of all Holders, as follows:

ARTICLE I

DEFINITIONS

Section 1.01 Defined Terms. All capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Indenture, as supplemented and amended hereby. All definitions in the Indenture shall be read in a manner consistent with the terms of this Supplemental Indenture No. 1.

ARTICLE II

NOTE GUARANTEES

Section 2.01 Agreement to Guarantee. Each New Guarantor hereby agrees, jointly and severally with the other Note Guarantors, irrevocably, fully and unconditionally, to guarantee the Obligations under the Indenture and the Notes on the terms and subject to the conditions set forth in Article X of the Indenture and to be bound by (and shall be entitled to the benefits of) all other applicable provisions of the Indenture as a Note Guarantor.

ARTICLE III

MISCELLANEOUS

Section 3.01 Effect of This Supplemental Indenture No. 1. This Supplemental Indenture No. 1 supplements the Indenture and shall be a part, and subject to all the terms, thereof. The Indenture, as supplemented and amended by this Supplemental Indenture No. 1, is in all respects ratified and confirmed, and the Indenture and this Supplemental Indenture No. 1 shall be read, taken and construed as one and the same instrument. All provisions included in this Supplemental Indenture No. 1 supersede any conflicting provisions included in the Indenture, unless not permitted by law.

Section 3.02 Governing Law. This Supplemental Indenture No. 1 shall be governed by, and construed in accordance with, the laws of the State of New York.

Section 3.03 Effect of Headings. The section headings herein are for convenience only and shall not affect the construction of this Supplemental Indenture No. 1.

Section 3.04 Counterparts. The parties may sign any number of copies of this Supplemental Indenture No. 1. Each signed copy shall be an original, but all of them shall represent the same agreement.

Section 3.05 The Trustee. The Trustee shall not be responsible in any manner whatsoever for or in respect of the validity or sufficiency of this Supplemental Indenture No. 1 or for or in respect of the recitals contained herein, all of which are made solely by the Issuer and the Note Guarantors. In entering into this Supplemental Indenture No. 1, the Trustee shall be entitled to the benefit of every provision of the Indenture relating to the conduct or affecting the liability or affording protection to the Trustee whether or not elsewhere herein so provided. The Issuer and the Note Guarantors expressly reaffirm and confirm their obligations to indemnify the Trustee in connection with the Indenture and all the actions contemplated hereby, all in accordance with the terms of the Indenture.

[SIGNATURE PAGE TO FOLLOW IMMEDIATELY]

IN WITNESS WHEREOF, the parties have caused this Supplemental Indenture No. 1 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 Landa
Name: Fernando J. Reiter Landa
Title: Attorney-in-fact

CEMEX Concretos, S.A. de C.V., as Note Guarantor

By: /s/ Fernando J. Reiter Landa
Name: Fernando J. Reiter Landa
Title: Attorney-in-fact

CEMEX Operaciones México, S.A. de C.V., as Note Guarantor

By: /s/ Fernando J. Reiter Landa
Name: Fernando J. Reiter Landa
Title: Attorney-in-fact

CEMEX Corp., as Note Guarantor

By: /s/ Fernando J. Reiter Landa
Name: Fernando J. Reiter Landa
Title: Attorney-in-fact

Cemex Innovation Holding Ltd., as Note Guarantor

By: /s/ Fernando J. Reiter Landa
Name: Fernando J. Reiter Landa
Title: Attorney-in-fact

THE BANK OF NEW YORK MELLON, as Trustee

By: /s/ Wanda Camacho
Name: Wanda Camacho
Title: Vice President

[Signature page to Supplemental Indenture No. 1 (5.200% U.S.$ Denominated Senior Secured Notes due 2030)]

SCHEDULE I

EXISTING GUARANTORS

1. CEMEX Concretos, S.A. de C.V.

2. CEMEX Corp.

Exhibit 4.5.1

SUPPLEMENTAL INDENTURE NO. 1

SUPPLEMENTAL INDENTURE No. 1, dated as of November 8, 2021, 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 existing guarantors under the Indenture (as defined below) listed on Schedule I hereto (collectively, the "Existing Guarantors"), CEMEX Operaciones México, S.A. de C.V., a corporation with variable capital (*sociedad anónima de capital variable*) organized under the laws of the United Mexican States ("CEMEX Operaciones México"), Cemex Innovation Holding Ltd., a limited company organized under the laws of Switzerland (together with CEMEX Operaciones México, the "New Guarantors", and, each, a "New Guarantor" and, together with the Existing Guarantors, the "Note Guarantors") and The Bank of New York Mellon, as trustee (the "Trustee").

W I T N E S S E T H:

WHEREAS, the Issuer, the Existing Guarantors and the Trustee previously have entered into an indenture, dated as of January 12, 2021 (the "Indenture"), providing for the issuance of the Issuer's 3.875% U.S. Dollar Denominated Senior Secured Notes due 2031 (the "Notes");

WHEREAS, Section 9.1(a)(iv) of the Indenture provides that the Issuer, the Existing Guarantors and the Trustee may enter into a supplemental indenture without notice to or consent of any Holder to add guarantees with respect to the Notes;

WHEREAS, the Issuer desires to amend and supplement the Indenture as provided in Article II hereof to provide for the guarantee by each New Guarantor of the Issuer's Obligations under the Notes and the Indenture on the terms and conditions set forth herein;

WHEREAS, the Issuer and the Note Guarantors are authorized to execute and deliver this Supplemental Indenture No. 1;

WHEREAS, the Issuer has requested that the Trustee join in the execution of this Supplemental Indenture No. 1 pursuant to Section 9.6 of the Indenture; and

WHEREAS, all things necessary to make this Supplemental Indenture No. 1 a valid agreement of the parties and a valid supplement to the Indenture have been done.

NOW, THEREFORE, for and in consideration of the premises and the mutual covenants contained herein and in the Indenture and for other good and valuable consideration, the receipt and sufficiency of which are herein acknowledged, the Issuer, the Note Guarantors and the Trustee hereby agree, for the benefit of all Holders, as follows:

ARTICLE I

DEFINITIONS

Section 1.01 Defined Terms. All capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Indenture, as supplemented and amended hereby. All definitions in the Indenture shall be read in a manner consistent with the terms of this Supplemental Indenture No. 1.

ARTICLE II

NOTE GUARANTEES

Section 2.01 Agreement to Guarantee. Each New Guarantor hereby agrees, jointly and severally with the other Note Guarantors, irrevocably, fully and unconditionally, to guarantee the Obligations under the Indenture and the Notes on the terms and subject to the conditions set forth in Article X of the Indenture and to be bound by (and shall be entitled to the benefits of) all other applicable provisions of the Indenture as a Note Guarantor.

ARTICLE III

MISCELLANEOUS

Section 3.01 Effect of This Supplemental Indenture No. 1. This Supplemental Indenture No. 1 supplements the Indenture and shall be a part, and subject to all the terms, thereof. The Indenture, as supplemented and amended by this Supplemental Indenture No. 1, is in all respects ratified and confirmed, and the Indenture and this Supplemental Indenture No. 1 shall be read, taken and construed as one and the same instrument. All provisions included in this Supplemental Indenture No. 1 supersede any conflicting provisions included in the Indenture, unless not permitted by law.

Section 3.02 Governing Law. This Supplemental Indenture No. 1 shall be governed by, and construed in accordance with, the laws of the State of New York.

Section 3.03 Effect of Headings. The section headings herein are for convenience only and shall not affect the construction of this Supplemental Indenture No. 1.

Section 3.04 Counterparts. The parties may sign any number of copies of this Supplemental Indenture No. 1. Each signed copy shall be an original, but all of them shall represent the same agreement.

Section 3.05 The Trustee. The Trustee shall not be responsible in any manner whatsoever for or in respect of the validity or sufficiency of this Supplemental Indenture No. 1 or for or in respect of the recitals contained herein, all of which are made solely by the Issuer and the Note Guarantors. In entering into this Supplemental Indenture No. 1, the Trustee shall be entitled to the benefit of every provision of the Indenture relating to the conduct or affecting the liability or affording protection to the Trustee whether or not elsewhere herein so provided. The Issuer and the Note Guarantors expressly reaffirm and confirm their obligations to indemnify the Trustee in connection with the Indenture and all the actions contemplated hereby, all in accordance with the terms of the Indenture.

[SIGNATURE PAGE TO FOLLOW IMMEDIATELY]

IN WITNESS WHEREOF, the parties have caused this Supplemental Indenture No. 1 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 Landa
Name: Fernando J. Reiter Landa
Title: Attorney-in-fact

CEMEX Concretos, S.A. de C.V., as Note Guarantor

By: /s/ Fernando J. Reiter Landa
Name: Fernando J. Reiter Landa
Title: Attorney-in-fact

CEMEX Operaciones México, S.A. de C.V., as Note Guarantor

By: /s/ Fernando J. Reiter Landa
Name: Fernando J. Reiter Landa
Title: Attorney-in-fact

CEMEX Corp., as Note Guarantor

By: /s/ Fernando J. Reiter Landa
Name: Fernando J. Reiter Landa
Title: Attorney-in-fact

Cemex Innovation Holding Ltd., as Note Guarantor

By: /s/ Fernando J. Reiter Landa
Name: Fernando J. Reiter Landa
Title: Attorney-in-fact

THE BANK OF NEW YORK MELLON, as Trustee

By: /s/ Wanda Camacho
Name: Wanda Camacho
Title: Vice President

[Signature page to Supplemental Indenture No. 1 (3.875% U.S.$ Denominated Senior Secured Notes due 2031)]

SCHEDULE I

EXISTING GUARANTORS

1. CEMEX Concretos, S.A. de C.V.
2. CEMEX Corp.

Exhibit 4.6

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

as Issuer

and

THE BANK OF NEW YORK MELLON,

as Trustee

INDENTURE

DATED AS OF JUNE 8, 2021

SUBORDINATED HYBRID NOTES

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INDENTURE, dated as of June 8, 2021, between CEMEX, S.A.B. de C.V., a publicly traded variable stock corporation (*sociedad anónima bursátil de capital variable*) (the "Company"), organized under the laws of the United Mexican States ("Mexico") and The Bank of New York Mellon, as trustee (the "Trustee").

Each party agrees as follows for the benefit of the other party and for the equal and ratable benefit of the Holders of the Company's Subordinated Hybrid Notes issued hereunder (the "Notes"):

ARTICLE I

DEFINITIONS AND INCORPORATION BY REFERENCE

Section 1.01. Definitions.

"*Accounting Event*" means that a recognized accounting firm, acting upon the Company's instructions, has delivered a letter, opinion or report to the Company, stating that, as a result of a change after the Issue Date (a "Change") in the accounting rules, methodology (or the application thereof) or official interpretations of the IASB or similar governing body effective in Mexico, the Notes, in whole or in part, may not or may no longer, from the implementation of the relevant new IFRS or any other accounting standards that may replace IFRS for the purposes of the Company's consolidated financial statements, be recorded as "equity" pursuant to IFRS as in effect in Mexico or any other accounting standards that may replace IFRS for the purposes of the Company's consolidated financial statements; *provided* that, the Company may give a notice of redemption of the Notes as a result of the occurrence of an Accounting Event at any time from and including the earlier of (x) the date such Change is officially announced or (y) the date such Change is officially adopted, which may be before such Change has come into effect.

"*Additional Amounts*" has the meaning assigned to it in Section 4.04(b).

"*Additional Note Board Resolutions*" means resolutions duly adopted by the Board of Directors of the Company and delivered to the Trustee in an Officer's Certificate providing for the issuance of Additional Notes.

"*Additional Note Certificate*" has the meaning assigned to it in Section 2.13(b).

"*Additional Notes*" means the Company's Subordinated Hybrid Notes originally issued after the Issue Date pursuant to Section 2.13, including any replacement Notes as specified in the relevant Additional Note Board Resolutions or Additional Note Supplemental Indenture issued therefor in accordance with this Indenture.

"*Additional Note Supplemental Indenture*" means a supplement to this Indenture duly executed and delivered by the Company and the Trustee pursuant to Article VIII providing for the issuance of Additional Notes.

"*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.

"*Agents*" means any Paying Agent, Transfer Agent, Authenticating Agent, Registrar, co-Registrar or other agent appointed pursuant to this Indenture.

"*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.

"*Arrears of Interest*" has the meaning assigned to it in Section 2.16(b).

"*Authentication Order*" has the meaning assigned to it in Section 2.02(c).

"*Authenticating Agent*" has the meaning assigned to it in Section 2.02(b).

"*Authorized Agent*" has the meaning assigned to it in Section 9.07(c).

"*Authorized Officers*" has the meaning assigned to it in Section 9.01(d).

A "*Bankruptcy Event*" shall have occurred if a decree or order by a court having jurisdiction shall have been entered (i) declaring the Company to be bankrupt or in *concurso mercantil* or adjudging the Company as in *quiebra* or insolvent; (ii) approving as properly filed a petition seeking the Company's reorganization, *concurso mercantil* or *quiebra* under any Bankruptcy Law, or (iii) for the appointment of a receiver or liquidator or *conciliador* or similar official or for the Company's liquidation or dissolution under any Bankruptcy Law, and with respect to each of the preceding clauses, such decree or order shall have continued undischarged and unstayed for a period of one hundred and twenty (120) days.

"*Bankruptcy Law*" means Title 11 of the U.S. Code, the Mexican *Ley de Concursos Mercantiles* or any similar federal, state or non-U.S. law for the relief of debtors.

"*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.

"*Board Resolution*" means a copy of a resolution certified by the Secretary or an Assistant Secretary of the Company to have been duly adopted by the Board of Directors of the Company and to be in full force and effect on the date of such certification.

"*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, regulation or other governmental action to remain closed.

"*Capital Stock*" means (i) each class of the Company's Common Stock and Preferred Stock, and (ii) any warrants, rights or options to purchase any of the Company's Common Stock and Preferred Stock, but excluding any Convertible Indebtedness.

"*Certificated Note*" means any Note issued in fully-registered certificated form (other than a Global Note), which shall be substantially in the form of Exhibit A, with appropriate legends as specified in Section 2.07 and Exhibit A.

"*Change of Control*" means the beneficial ownership (within the meaning of Rule 13d-3 promulgated by the Commission) of twenty percent (20%) or more in voting power of the outstanding Voting Stock of the Company is acquired by any Person. Notwithstanding the foregoing, a transaction will not be deemed to constitute a Change of Control if (1) the Company becomes a direct or indirect Wholly-Owned Subsidiary of a holding company and (2)(A) the direct or indirect holders of the Voting Stock of such holding company immediately following that transaction are substantially the same as the holders of the Company's Voting Stock immediately prior to that transaction or (B) immediately following that transaction no Person (other than a holding company satisfying the requirements of this sentence) has beneficial ownership of twenty percent (20%) or more in voting power of the Voting Stock of such holding company.

"*Change of Control Event*" means the occurrence of both a Change of Control and a Rating Downgrade Event.

"*Clearstream*" means Clearstream Banking, *société anonyme*, or the successor to its securities clearance and settlement operations.

"*Code*" has the meaning assigned to it in Section 4.04(b).

"*Commission*" means the U.S. Securities and Exchange Commission.

"*Common Stock*" means any and all shares, interests or other participations in, and other equivalents (however designated and whether voting or non-voting) of the Company'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. For the avoidance of doubt, "Common Stock" will be deemed to include the Company's ordinary participation certificates (*certificados de participación ordinaria*) and American depositary shares.

"*Company*" means the party named as such in this Indenture until a successor replaces it pursuant to the applicable provisions hereof and, thereafter, means the successor thereof.

"*Comparable Treasury Issue*" means the United States Treasury security or securities selected by an Independent Investment Banker 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 of a maturity through the First Call Date.

"*Comparable Treasury Price*" means, with respect to any Redemption Date (1) the average of the Reference Treasury Dealer Quotations for such Redemption Date, after excluding the highest and lowest such Reference Treasury Dealer Quotation or (2) if the Independent Investment Banker obtains fewer than four such Reference Treasury Dealer Quotations, the average of all such quotations.

A *"Compulsory Arrears of Interest Settlement Event*" shall have occurred if:

(1) a cash dividend, other cash distribution or payment in cash of any nature is validly declared, paid or made in respect of any Capital Stock or Parity Security (other than the Notes); or

(2) the Company, or any of its Subsidiaries, have repurchased (including repurchases in the open market), redeemed or otherwise acquired any Capital Stock or Parity Security (other than the Notes);

except, in each case, (x) where the Company, or any of its Subsidiaries is, obligated under the terms of such securities to make such declaration, distribution, payment, redemption, repurchase or acquisition, (y) upon any purchase of Capital Stock undertaken in connection with any existing or future buy-back program, share option, employee stock option plan or other employee participation plan or free share allocation program reserved for directors, officers and/or employees of the Company, its Subsidiaries, its Affiliates and its and their respective investees or any associated hedging transaction or the hedging of any Convertible Indebtedness, or (z) in respect of the redemption, repurchase or acquisition of Parity Securities (other than the Notes), where such redemption, repurchase or acquisition is effected as a cash tender offer or exchange offer at a purchase price per security which is below its par value.

"*Convertible Indebtedness*" means any financial obligations the terms of which provide for conversion into, or exchange for, the Company's Common Stock, cash in lieu thereof and/or a combination of the Company's Common Stock and cash in lieu thereof.

"*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 240 Greenwich Street, Floor 7 East, 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 Company.

"*Defaulted Interest*" has the meaning assigned to it in paragraph 1 of the Form of Reverse Side of Note contained in Exhibit A.

"*Deferred Interest*" means interest payments payable upon the Notes deferred at the option of the Company pursuant to the provisions set forth in Section 2.16.

"*Distribution Compliance Period*" means, in respect of any Regulation S Global Note, 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 under the Securities Act) pursuant to Regulation S and (b) the issue date for such Notes.

"*DTC*" means The Depository Trust Company, its nominees and their respective successors and assigns, or such other depositary institution hereinafter appointed by the Company that is a clearing agency registered under the Exchange Act.

"*DTC Participants*" has the meaning assigned to it in Section 2.06(b).

"*Euroclear*" means Euroclear Bank SA/NV, as operator of the Euroclear System, or its successor in such capacity.

"*Exchange Act*" means the Securities Exchange Act of 1934, as amended, or any successor statute or statutes thereto.

"*FATCA*" has the meaning assigned to it in Section 4.04(b).

"*Federal Reserve*" means the Board of Governors of the United States Federal Reserve System.

"*First Call Date*" means June 8, 2026, the date that is three months prior to First Reset Date.

"*First Reset Date*" means September 8, 2026.

"*First Step-up Date*" means September 8, 2026.

"*First Step-up Margin*" means 0.25% *per annum*.

"*Fitch*" means Fitch Ratings, Ltd. or any successor to the rating agency business thereof.

"*Global Note*" means any Note issued in fully-registered certificated form to DTC (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 2.07 and Exhibit A.

"*Holder*" means the Person in whose name a Note is registered in the Note Register, and not those who own beneficial interests in Notes issued in book-entry form through DTC or in Notes registered in street name.

"*H.15*" means the daily statistical release designated as such, or any successor publication, published by the Federal Reserve and "most recent H.15" means the H.15 published closest in time but prior to the close of business on the applicable Reset Interest Determination Date. H.15 may be currently obtained at the following website: https://www.federalreserve.gov/releases/h15.

"*IFRS*" means the standards and interpretations issued by the IASB which includes the (i) International Financial Reporting Standards, (ii) International Accounting Standards, (iii) the interpretations of the International Financial Reporting Interpretations Committee, and (iv) the interpretations of the former Committee of Interpretation.

"*IASB*" means the International Accounting Standards Board.

"*Indenture*" means this Indenture as amended or supplemented from time to time.

"*Independent Investment Banker*" means one of the Reference Treasury Dealers appointed by the Company.

"*Initial Margin*" means 4.284% per annum.

"*Instructions*" has the meaning assigned to it in Section 9.01(d).

"*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.

"*Investment Grade Rating*" means a rating equal to or higher than BBB- (or the equivalent) by S&P.

"*Issue Date*" means June 8, 2021.

"*Issue Date Notes*" means the U.S.$1,000,000,000 aggregate principal amount of Notes originally issued on the Issue Date, and any replacement Notes issued therefor in accordance with this Indenture.

A "*Liquidation Event*" shall have occurred if the Company is liquidated for any reason other than pursuant to a consolidation, amalgamation or merger or other reorganization.

"*Make-Whole Amount*" has the meaning assigned to it in Section 3.01(a).

"*Mandatory Payment Date*" means the earlier of:

(a) as soon as reasonably practical, but in no event later than the tenth Business Day following the occurrence of a Compulsory Arrears of Interest Settlement Event;

(b) the date on which the Notes are redeemed in whole or repaid in full in accordance with the terms of this Indenture;

(c) an Interest Payment Date in respect of which the Company has not elected to defer payment of the relevant scheduled interest payment with respect to the Notes;

(d) the date on which a Liquidation Event occurs; or

(e) the date on which a Substitution or Variation Event occurs.

"*Moody's*" means Moody's Investors Service, Inc. or any successor to the rating agency business thereof.

"*Notes*" has the meaning assigned to it in the second introductory paragraph of this Indenture.

"*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 Register*" has the meaning assigned to it in Section 2.03(a).

"*Officer*" means, when used in connection with any action to be taken by the Company, 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 Company, 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 may be an employee of or counsel for the Company, and who shall be reasonably acceptable to the Trustee.

"*Optional Redemption*" has the meaning assigned to it in Section 3.01(b).

"*Outstanding*" means, as of the date of determination, all Notes theretofore authenticated and delivered under this Indenture, except:

(a) Notes theretofore canceled by the Trustee or delivered to the Trustee for cancellation;

(b) Notes, or portions thereof, for the payment, redemption or purchase of which money in the necessary amount has been theretofore deposited with the Trustee or any Paying Agent (other than the Company or an Affiliate of the Company) in trust or set aside and segregated in trust by the Company or an Affiliate of the Company (if the Company or such Affiliate of the Company is acting as 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; and

(c) Notes which have been replaced or surrendered pursuant to Section 2.08 or in exchange for 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 Company;

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 Company or any other obligor upon the Notes or any Affiliate of the Company or of such other obligor shall be disregarded and deemed not to be Outstanding and shall not be eligible to vote, 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 Company or any other obligor upon such Notes or any Affiliate of the Company or of such other obligor.

"*Parity Securities*" means, at any time, the Notes, and any securities which rank *pari passu* with the Notes. The term Parity Securities shall apply *mutatis mutandis* to any instruments issued by any of the Company's Subsidiaries, where relevant, provided that each such instrument shall qualify as Parity Securities only to the extent such instrument is guaranteed by the Company or the Company otherwise assumes liability for it, and the obligations of the Company under the relevant guarantee or other assumption of liability rank *pari passu* with the Company's obligations under Parity Securities.

"*Paying Agent*" has the meaning assigned to it in Section 2.03(a).

"*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.

"*Preferred Stock*" means any and all shares, interests or other participations in, and other equivalents (however designated and whether voting or non-voting) of corporate stock that have preferential rights over any other Capital Stock with respect to dividends, distributions or mandatory redemptions or upon liquidation.

"*Primary Treasury Dealer*" means a primary United States government securities dealer in New York City.

"*Private Placement Legend*" has the meaning assigned to it in Section 2.07(b).

"*QIB*" means any "qualified institutional buyer" (as defined in Rule 144A).

"*Qualifying Equivalent Securities*" means securities that have terms not materially less favorable to Holders, as reasonably determined by the Company in consultation with an independent investment bank, independent financial advisor or legal counsel of international standing on the subject, and which:

(a) contain terms providing for the same interest rate and interest payment dates applying to the Notes;

(b) rank senior to or have the same ranking as the Notes;

(c) contain new terms providing for deferral of payments of interest only if such terms are not materially less favorable to Holders than the deferral provisions contained in the Notes;

(d) preserve all obligations (including the obligations arising from the exercise of any right) as to principal and as to repayment of the Notes, including (without limitation) as to timing of, and amounts payable upon, such repayment;

(e) do not contain terms providing for loss absorption through principal write-down or conversion to ordinary shares;

(f) preserve any rights to any accrued and unpaid interest, and any existing rights to other amounts payable under the Notes, which have accrued to Holders and not been paid; and

(g) may include a feature which contains a term for the mandatory repayment of such equivalent securities on a specified date which shall not be earlier than the next following date on which the Notes may otherwise be redeemed (and the inclusion of such feature shall be deemed not to be materially less favorable to Holders as compared with the terms of the Notes).

"*Rating Agencies*" means S&P and Fitch.

"*Rating Downgrade Event*" means that the rating of the Notes by both Rating Agencies, or if the Notes are rated by a single Rating Agency, the rating of the Notes by such Rating Agency, is decreased by one or more gradations (including gradations within rating categories as well as between rating categories) at any time within ninety (90) days after the earlier of the date of public notice of the occurrence of a Change of Control or of the Company's intention to effect a Change of Control (which period shall be extended so long as the rating of the Notes is under publicly announced consideration for possible downgrade by any of the Rating Agencies); *provided* that a Rating Downgrade Event otherwise arising by virtue of a particular reduction in rating shall not be deemed to have occurred in respect of a particular Change of Control (and thus shall not be deemed a Rating Downgrade Event for purposes of the definition of Change of Control Event hereunder) if the Rating Agencies making the reduction in rating to which this definition would otherwise apply do not announce or publicly confirm or inform the trustee in writing at its request that the reduction was the result, in whole or in part, of any event or circumstance comprised of or arising as a result of, or in respect of, the applicable Change of Control (whether or not the applicable Change of Control shall have occurred at the time of the Rating Downgrade Event); *provided further* that a Rating Downgrade Event shall be deemed to have occurred to the extent that the Notes are not rated by any Rating Agency.

"*Rating Methodology Event*" means that the Company certifies in a notice to the Trustee that, due to an amendment, clarification or change in the assessment criteria of any Rating Agency under its hybrid capital methodology or in the interpretation thereof, in each case occurring or becoming effective after the Issue Date (or, if "equity credit" is not assigned to the Notes by the relevant Rating Agency on the Issue Date, the date on which "equity credit" is assigned by such Rating Agency for the first time), any or all of the Notes will no longer be eligible (or if the Notes have been partially or fully re-financed since the issue date and are no longer eligible for "equity credit" from such Rating Agency in part or in full as a result of such re-financing, and some or all of the Notes would no longer have been eligible as a result of such amendment to, clarification of, or change in the assessment criteria or in the interpretation thereof had they not been so re-financed) for the same or a higher amount of "equity credit" as was attributed to the Notes as at the Issue Date (or, if "equity credit" is not assigned to the Notes by the relevant Rating Agency on the Issue Date, the date on which "equity credit" is assigned by such Rating Agency the first time).

"*Record Date*" has the meaning assigned to it in the Form of Face of Note contained in Exhibit A.

"*Redemption Price*" means:

(i) in the case of a Rating Methodology Event, a Tax Deductibility Event or an Accounting Event, either:

(1) a redemption price equal to 101% of the principal amount of the Notes to be redeemed, if the date fixed for redemption falls prior to the First Call Date;

(2) a redemption price equal to 100% of the principal amount of the Notes to be redeemed, if the date fixed for redemption falls on or after the First Call Date;

(ii) in the case of a Withholding Tax Event, a Substantial Repurchase Event or a Change of Control Event, a redemption price equal to 100% of the principal amount of the Notes to be redeemed;

in each case, plus accrued and unpaid interest (including any Deferred Interest and Arrears of Interest) and any Additional Amounts due up to (but not including) the Redemption Date of the Notes, and Additional Amounts, if any, with respect to such payment.

"*Redemption Date*" means, with respect to any redemption of Notes, the date fixed for such redemption pursuant to this Indenture and such Notes.

"*Reference Rate*" means, for any Reset Interest Determination Date, as applicable, (a) an interest rate (expressed as a decimal) determined to be the *per annum* rate equal to the weekly average yield to maturity for U.S. Treasury securities with a maturity of five years from the next Reset Date and trading in the public securities markets or (b) if there is no such published U.S. Treasury security with a maturity of five years from the next Reset Date and trading in the public securities markets, then the rate will be determined by interpolation between the most recent weekly average yield to maturity for two series of U.S. Treasury securities trading in the public securities market, (i) one maturing as close as possible to, but earlier than, the Reset Date following the next succeeding Reset Interest Determination Date, and (ii) the other maturity as close as possible to, but later than the Reset Date following the next succeeding Reset Interest Determination Date, in each case as published in the most recent statistical release designated H.15 or any successor publication which is published by the Federal Reserve as of 5:00 p.m. (Eastern Time) on the applicable Reset Interest Determination Date. If the Reference Rate cannot be determined pursuant to the methods described in clauses (a) or (b) above, then the Reference Rate will be the same interest rate determined for the prior Reset Interest Determination Date.

"*Reference Treasury Dealer*" means any one of BofA Securities, Inc., Citigroup Global Markets Inc. and HSBC Securities (USA) Inc. 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 Company; provided, however, that if any of the foregoing shall cease to be a Primary Treasury Dealer, the Company 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 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 by such Reference Treasury Dealer at 3:30 p.m. New York time on the third Business Day preceding such Redemption Date.

"*Registrar*" has the meaning assigned to it in Section 2.03(a).

"*Regulation S*" means Regulation S under the Securities Act (or any successor rule), as amended.

"*Regulation S Global Note*" has the meaning assigned to it in Section 2.01(e).

"*Resale Restriction Termination Date*" means, for any Restricted Note (or beneficial interest therein), one year from the Issue Date or, if any Additional Notes that are Restricted Notes have been issued before the Resale Registration Termination Date for any Restricted Notes, from the latest such original issue date of such Additional Notes.

"*Reset Date*" means the First Reset Date and each date falling on the fifth anniversary thereafter.

"*Reset Interest Determination Date*" means, in respect of any Reset Period, the day falling two Business Days prior to the beginning of the relevant Reset Period.

"*Reset Period*" means the period from (and including) the First Reset Date to (but excluding) the next succeeding Reset Date and subsequently each period from (and including) a Reset Date to (but excluding) the next succeeding Reset Date.

"*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:

(a) the Resale Restriction Termination Date therefor has passed;

(b) such Note is a Regulation S Global Note and the Distribution Compliance Period therefor has terminated; or

(c) the Private Placement Legend therefor has otherwise been removed pursuant to Section 2.08(d) 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.

"*Rule 144*" means Rule 144 under the Securities Act (or any successor rule), as amended.

"*Rule 144A*" means Rule 144A under the Securities Act (or any successor rule), as amended.

"*Rule 144A Global Note*" has the meaning assigned to it in Section 2.01(d).

"*S&P*" means S&P Global Ratings, a division of S&P Global Inc., or any successor to its rating agency business thereof.

"*Second Step-up Date*" means (i) if by the thirtieth (30th) calendar day preceding the First Step-up Date the Company is assigned an Investment Grade Rating by S&P, September 8, 2046; and, if not, (ii) September 8, 2041.

"*Second Step-up Margin*" means 0.75% *per annum*.

"*Securities Act*" means the U.S. Securities Act of 1933, as amended, or any successor statute or statutes thereto.

"*Senior Indebtedness*" means all of the Company's financial obligations other than financial obligations in respect of Capital Stock and Parity Securities.

"*Special Record Date*" has the meaning assigned to it in Section 2.12(a).

"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 "Subsidiaries" shall refer to the Company's Subsidiaries.

A "*Substantial Repurchase Event*" shall have been deemed to have occurred if, prior to the giving of the relevant notice of redemption, at least 75% of the initial aggregate principal amount of the Notes has been purchased by the Company or on behalf of the Company.

"*Substitution or Variation Event*" has the meaning assigned to it in Section 3.11(a).

"*Tax Law Change*" means any amendment to, or change in, the laws (or any rules or regulations thereunder) of Mexico or any political subdivision thereof affecting taxation, or any amendment to or change in an official interpretation or application of such laws, rules or regulations, which amendment to or change of such laws, rules or regulations becomes effective on or after the Issue Date.

A "*Tax Deductibility Event*" shall be deemed to have occurred with respect to the Notes if, as a result of a Tax Law Change (even if such change is not yet effective), payments of interest by the Company in respect of the Notes are no longer, or within ninety (90) calendar days of the date of any opinion provided pursuant to Section 3.06 of this Indenture will no longer be, deductible in whole or in part for corporate income tax purposes in Mexico or any political subdivision or taxing authority thereof or therein affecting taxation, and the Company cannot avoid the foregoing by taking reasonable measures available to the Company.

"*Taxes*" has the meaning assigned to it in Section 4.04(a).

"*Taxing Jurisdiction*" has the meaning assigned to it in Section 4.04(a).

"*TIA*" means the Trust Indenture Act of 1939 (15 U.S.C. §§ 77aaa-77bbbb) as in effect on the date of this Indenture; provided, however, that, in the event the TIA is amended after such date, "*TIA*" means, to the extent required by any such amendments, the Trust Indenture Act of 1939 as so amended.

"*Transfer Agent*" has the meaning assigned to it in Section 2.03(a).

"*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, assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such Redemption Date.

"*Trustee*" means the party named as such in this Indenture until a successor replaces it and, thereafter, means the successor thereof.

"*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.

"*Uniform Commercial Code*" means the New York Uniform Commercial Code as in effect from time to time.

"*USA PATRIOT Act*" has the meaning assigned to it in Section 9.14.

"*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 Company'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.

"*Voting Stock*" with respect to any Person, means any and all shares, interests, participations or other equivalents (however designated) of corporate 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.

A "*Withholding Tax Event*" shall be deemed to have occurred with respect to the Notes if, as a result of any amendment to, or change in, the laws (or any rules or regulations thereunder) of a Taxing Jurisdiction (or any political subdivision thereof) 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 later of (x) the Issue Date and, in the case of a merger, consolidation or other transaction permitted and described under Section 4.02, the date of such transaction, we would be obligated, after taking all reasonable measures to avoid this requirement, to pay Additional Amounts in excess of those attributable to a Mexican withholding tax rate of 4.9% with respect to such Notes

"*Wholly-Owned Subsidiary*" means, for any Person, any Subsidiary 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 1.02. 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 IFRS;

(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;

(6) references to the payment of principal on the Notes shall include applicable premium, if any; and

(7) the principal amount of any non-interest bearing or other discount security at any date shall be the principal amount thereof that would be shown on a balance sheet of the Company dated such date prepared in accordance with IFRS.

ARTICLE II

THE NOTES

Section 2.01. Form and Dating.

(a) The Issue Date Notes are being originally offered and sold by the Company pursuant to a Purchase Agreement, dated as of June 3, 2021, among the Company, and BofA Securities, Inc., Citigroup Global Markets Inc. and HSBC Securities (USA) Inc., as initial purchasers. The Notes will be issued in fully-registered certificated form without interest coupons, and only in minimum denominations of U.S.$200,000 and 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 and the Trustee's certificate of authentication shall be substantially in the form of Exhibit A.

(b) The terms and provisions of the Notes, the form of which is in Exhibit A, shall constitute, and are hereby expressly made, a part of this Indenture, and, to the extent applicable, the Company 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 any 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, except as otherwise provided in this Indenture.

(c) The Notes may have notations, legends or endorsements reasonably acceptable to the Company as specified in Section 2.07 or as otherwise required by law, stock exchange rule or DTC, Euroclear or Clearstream rule or usage. The Company 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) 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.

(f) Notes originally offered and sold to persons 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").

(g) 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 2.02. Execution and Authentication.

(a) Any Officer of the Company may sign the Notes for the Company by manual, facsimile or electronic 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 electronically or manually authenticated by an authorized signatory of the Trustee or an agent appointed by the Trustee (and reasonably acceptable to the Company) for such purpose (an "Authenticating Agent"). The electronic or manual 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 Company signed by an Officer of the Company (the "Authentication Order"). An Authentication 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 Section 4.02, 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 Authentication 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 2.02 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 2.03. Registrar, Paying Agent and Transfer Agent.

(a) The Company 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 payments (the "Paying Agent") and for the service of notices and demands to or upon the Company in respect of the Notes and this Indenture. The Company may have one or more co-Registrars and one or more additional paying agents. The term "Paying Agent" includes any additional paying agent.

(b) The Company shall enter into an appropriate agency agreement with any Registrar, Paying Agent, co-Registrar or Transfer Agent not a party to this Indenture. The agreement shall implement the provisions of this Indenture that relate to such agent. The Company shall notify the Trustee of the name and address of each such agent. If the Company 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 6.07. The Company or any Affiliate of the Company may act as Transfer Agent, Paying Agent, Registrar, co-Registrar or Transfer Agent.

(c) The Company initially designates the Corporate Trust Office of the Trustee as such office or agency of the Company as required by Section 2.03(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.

(d) The Company may change the Paying Agent, Transfer Agent and the Registrar without notice to Holders.

Section 2.04. Paying Agent to Hold Money in Trust(a) . The Company 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 if the Company fails to make any such payment. If the Company or an Affiliate of the Company acts as Paying Agent, it shall segregate the money held by it as Paying Agent and hold it as a separate trust fund. The Company 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 2.04, the Paying Agent (if other than the Company or any Affiliate of the Company) shall have no further liability for the money delivered to the Trustee. Upon any proceeding under any Bankruptcy Law with respect to the Company or any Affiliate of the Company, if the Company or such Affiliate is then acting as Paying Agent, the Trustee shall replace the Company or such Affiliate as Paying Agent. With respect to Certificated Notes, such Notes shall be surrendered to the Paying Agent by the Holders thereof in order for such Holders to receive principal payment thereon.

Section 2.05. Holder Lists(a) . 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 Company 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 Holder.

Section 2.06. 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 legend, as set forth in Section 2.08 and Exhibit A. Any Global Note may be represented by more than one certificate. The aggregate principal amount of each Global Note may from time to time be increased or decreased by adjustments made on the Schedule of Increases and Decreases in Global Note attached to such Global Note (the form of which is attached hereto) and on the records of the Note Custodian, as provided in this Indenture.

(b) Ownership of beneficial interests in each Global Note will be limited to members of, or participants in, DTC ("DTC Participants") or persons who hold interests through DTC participants (including Euroclear and Clearstream). Under procedures established by DTC:

(1) upon deposit of each Global Note with DTC's custodian, DTC will credit portions of the principal amount of the Global Note to the accounts of the DTC Participants designated by the Holders; and

(2) ownership of beneficial interests in each Global Note will be shown on, and transfer of ownership of those interests will be effected only through, records maintained by DTC (with respect to interests of DTC Participants) and the records of DTC Participants (with respect to other owners of beneficial interests in the Global Note).

(c) Except as provided in clause (iii) of Section 2.07(d), DTC Participants shall have no rights under this Indenture with respect to any Global Note held on their behalf by DTC or by the Note Custodian under such Global Note, and DTC may be treated by the Company, the Trustee, and 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 Company, the Trustee, the Paying Agent, the Transfer Agent, the Note Custodian, the Registrar and 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 DTC Participants, 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 Participants and Persons that may hold interests through DTC Participants, to take any action that a Holder is entitled to take under this Indenture or the Notes.

(d) Except as provided below, owners of beneficial interests in Global Notes will not be entitled to receive Certificated Notes in exchange for such beneficial interests.

(1) Certificated Notes shall be issued to all owners of beneficial interests in a Global Note in exchange for such interests if (A) DTC notifies the Company that it is unwilling or unable to continue as depositary for such Global Note or (B) DTC ceases to be registered as a clearing agency under the Exchange Act, at a time when DTC is required to be so registered in order to act as depositary, and in each case a successor depositary is not appointed by the Company within 90 days of such notice. In connection with the exchange of an entire Global Note for Certificated Notes pursuant to this clause (1) of this Section 2.7(d), such Global Note shall be deemed to be surrendered to the Trustee for cancellation, and the Company shall execute, and upon an Authentication 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.

(2) If an event described in clause (1) of Section 2.07(d) occurs and Certificated Notes are not issued promptly to all beneficial owners, the Company expressly acknowledges, with respect to the right of any Holder to pursue a remedy pursuant to Section 5.03 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.

(e) In connection with any proposed transfer outside of a book-entry system, there shall be provided to the Trustee all information necessary to allow the Trustee to comply with any applicable tax reporting obligations, including without limitation any cost basis reporting obligations under Section 6045 of the Code. The Trustee may conclusively rely on the information provided to it and shall have no responsibility to verify or ensure the accuracy of such information.

Section 2.07. Legends.

(a) Each Global Note shall bear the legend specified therefor in Exhibit A on the face thereof.

(b) Each Restricted Note shall bear the private placement legend specified therefor in Exhibit A on the face thereof (the "Private Placement Legend").

Section 2.08. 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:

(1) upon receipt by the Registrar of::

(A) instructions from a DTC Participant 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;

(2) 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:

(1) upon receipt by the Registrar of:

(A) instructions from a DTC Participant 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,

(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 C hereto, duly executed by the transferor;

(2) 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 the Company in order to ensure compliance with the Securities Act or in accordance with paragraph (d) of this Section 2.08.

(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 2.06(d)) 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:

(1) 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 D and an Opinion of Counsel reasonably satisfactory to the Registrar;

(2) 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 Company has complied with the applicable procedures for delegending in accordance with Section 2.08(h); or

(3) 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 Company 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 2.08(d).

(e) Consolidation of 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 2.08(h), any interests in a Global Note delegended pursuant to Section 2.08(h) shall be exchanged for interests in such Outstanding Global Note, subject to the proviso at the end of Section 2.13(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 Company 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 notice to the Registrar or the Trustee, as the case may be.

(g) General Provisions Relating to Transfers and Exchanges.

(1) Subject to the other provisions of this Section 2.08, 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.

(2) To permit registrations of transfers and exchanges and subject to the other terms and conditions of this Article II, the Company will execute, and upon an Authentication Order, the Trustee will authenticate and make available for delivery, Certificated Notes and Global Notes at the Registrar's or co-Registrar's request.

(3) No service charge shall be made to a Holder for any registration of transfer or exchange, but the Company and the Trustee may require payment of a sum sufficient to cover any transfer tax, assessments, or similar governmental charge payable in connection therewith.

(4) The Registrar or co-Registrar shall not be required to register the transfer of or exchange of (x) any Note for a period beginning 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.

(5) Prior to the due presentation for registration of transfer of any Note, the Company, 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 Company, 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.

(6) 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.

(7) Subject to Section 2.06 and this Section 2.08 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 Company shall execute, and upon an Authentication 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.

(1) Promptly after one year has elapsed following (A) the Issue Date or (B) if the Company 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 Company 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 Company may, at its sole option:

(A) 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;

(B) notify Holders of such Notes that the Private Placement Legend has been removed or deemed removed; and

(C) instruct DTC to change the CUSIP number for such Notes to the unrestricted CUSIP number for the Notes.

(2) 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 Company shall notify the Trustee in writing upon occurrence of the Resale Restriction Termination Date for any Note.

(3) In the case of a Regulation S Global Note, after the Resale Restriction Termination Date of any such Regulation S Global Note, the Company may, at its sole option:

(A) 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

(B) instruct DTC to change the CUSIP number for such Notes to the unrestricted CUSIP number for the Notes.

(4) 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 2.08(h) to "one year" and in the Private Placement Legend described in Section 2.08(b) and Exhibit A 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 2.08(h) shall apply to successive amendments to Rule 144 (or any successor rule) changing the holding period thereunder

(i) No Obligation of the Trustee or Agents.

(1) The Trustee shall have no responsibility or obligation to any beneficial owner of an interest in a Global Note, DTC Participants or any other Persons with respect to the accuracy of the records of DTC or its nominee or of DTC Participants, with respect to any ownership interest in the Notes or with respect to the delivery to any DTC Participant, 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 DTC Participants and any beneficial owners.

(2) 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 DTC Participants 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 2.09. 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 Company shall execute, and upon an Authentication 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:

(1) the requirements of Section 8-405 of the Uniform Commercial Code are met,

(2) the Holder satisfies any other reasonable requirements of the Trustee, and

(3) neither the Company 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 Company, such Holder shall furnish an affidavit of loss and indemnity bond sufficient in the judgment of the Company and the Trustee to protect the Company, 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 2.09, the Company 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 2.09 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 Company 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 2.10. Temporary Notes. Until definitive Notes are ready for delivery, the Company may execute, and upon an Authentication 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 Company considers appropriate for temporary Notes. Without unreasonable delay, the Company will prepare and execute, and upon an Authentication 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 any office or agency maintained by the Company pursuant to Section 2.03 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 Company will execute and upon an Authentication 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 2.11. Cancellation. The Company 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 canceled Notes in accordance with its policy of disposal or upon written request of the Company, return to the Company of all Notes surrendered for registration of transfer, exchange, payment or cancellation. The Company 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 an Authentication Order.

Section 2.12. Defaulted Interest. Subject to the Company's right to defer interest payments on the Notes as set forth in Section 2.16, payment of which has not become mandatory under this Indenture, when any installment of interest payable under the Notes becomes 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) may be paid by the Company, at its election, as provided in Section 2.12(a) or (b).

(a) The Company 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 Company 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 Company 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 by the Company to be held in trust for the benefit of the Holders entitled to such Defaulted Interest as provided in this Section 2.12(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 Company of such Special Record Date and, in the name and at the expense of the Company, 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 Section 2.12(b).

(b) The Company 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 Company to the Trustee of the proposed payment pursuant to this Section 2.12(b), such manner of payment shall be deemed practicable by the Trustee. The Trustee shall in the name and at the expense of the Company 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 2.13. Additional Notes. The Company 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 having terms and conditions set forth in Exhibit A identical to those of the other Outstanding Notes, except with respect to:

(1) the Issue Date;

(2) the amount of interest payable on the first Interest Payment Date therefor;

(3) the issue price; and

(4) 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 2.08(h).

(b) With respect to any Additional Notes, the Company will set forth in an Officer's Certificate of the Company (the "Additional Note Certificate"), copies of which will be delivered to the Trustee, the following information:

(1) the aggregate principal amount of such Additional Notes to be authenticated and delivered pursuant to this Indenture;

(2) the Issue Date and the issue price of such Additional Notes; and

(3) whether such Additional Notes will be subject to transfer restrictions under the Securities Act (or other applicable securities laws).

Section 2.14. CUSIP and ISIN Numbers. The Company in issuing the Notes may use "CUSIP" and "ISIN" numbers, as applicable (if then generally in use), and, if so, the Trustee shall use for the Notes "CUSIP" and "ISIN" numbers in notices of redemption to the Holders as a convenience to such Holders; *provided*, *however*, that neither the Company nor the Trustee shall have any responsibility for any defect in the "CUSIP" or "ISIN" number that appears on any Note, check, advice of payment or redemption notice, and 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 of a redemption 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 Company shall promptly notify the Trustee in writing of any changes in the "CUSIP" or "ISIN" numbers.

Section 2.15. Subordination. (a) Upon any liquidation of the Company, (i) all Senior Indebtedness must be paid in full before the holders of Parity Securities (including the Notes) are entitled to receive or retain any payment in respect thereof, and (ii) the holders of Parity Securities (including the Notes) will be entitled to receive *pari passu* among themselves any payment in respect thereof. In any such event, the Notes and any other Parity Securities will be senior to all classes of the Company's Capital Stock.

(b) Each Holder (for itself and on behalf of the beneficial owners of the Notes), by purchasing the Notes, whether in connection with the initial offering of the Notes or a subsequent purchase at a later date, shall be deemed to agree with the Company, for the benefit of all of the Company's present and future creditors, to the fullest extent permitted under applicable law, (i) to subordinate their rights to collect any amount of principal, premium, if any, and interest due or to become due in respect of the Notes as described in (a) above; (ii) that the Trustee shall be the only party entitled to receive and distribute amounts paid in respect of the Notes in the event of the liquidation of the Company and (iii) in the event that, in connection with such proceedings, notwithstanding the subordination provisions set forth in clause (i) this Section 2.15(b), any amount is allocated for payment to the Holders prior to the payment of all of the Senior Indebtedness of the Company, any such amount received by the Trustee will be required to be distributed by the Trustee, on behalf of the Holders, to the creditors of any of the unsatisfied Senior Indebtedness of the Company as instructed in writing to the Trustee by such creditors of such unsatisfied Senior Indebtedness, subject to proof of claim satisfactory to the Trustee and if such proof 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.

(c) To the fullest extent permitted under applicable law, if a payment or distribution is made to Holders that, pursuant to this Section 2.15, should not have been made to them, such Holders shall be required to hold such payment or distribution in trust for the holders of Senior Indebtedness of the Company to which such distribution should have been made and shall pay such distributions over to them as their interests may require.

(d) The Trustee shall have the exclusive right, to the fullest extent permitted under applicable law, to file in any Bankruptcy Event or Liquidation Event to which the Company is a party for the recognition of the claims of all Holders. Each Holder hereby irrevocably instructs the Trustee to file, on behalf of such Holder, a claim for recognition of the claims of all of the Notes in such event.

(e) Each Holder hereby irrevocably instructs the Trustee to abstain from voting during the course of any Bankruptcy Event or Liquidation Event to which the Company is a party in any matter submitted for approval by the general unsecured creditors of the Company in any such proceeding.

(f) Each Holder by purchasing the Notes, whether in connection with the initial offering of the Notes or a subsequent purchase at a later date, shall be deemed to waive any right of set-off, counterclaim or combination of accounts with respect to the Notes (or between obligations of the Company regarding the Notes and any liability owed by a Holder or the Trustee to the Company) that such Holder might otherwise have against the Company.

(g) Each Holder by purchasing the Notes authorizes and directs the Trustee on behalf of such Holder to take such action as may be necessary or appropriate to effectuate the subordination as between such Holder and holders of Senior Indebtedness as provided in this Section 2.15, and appoints the Trustee as its attorney-in-fact for all such purposes.

(h) The Trustee and each Paying Agent will not be deemed to owe any fiduciary duty to the holders of Senior Indebtedness, and will not be liable to any such holders if the Trustee or any Paying Agent pays over or distributes to or on behalf of Holders or the Company or any other person money or assets to which any holders of Senior Indebtedness are then entitled by virtue of this Section 2.15.

(i) The Company will promptly notify the Trustee of any facts known to the Company that would cause a payment of any obligations with respect to the Notes to violate this Section 2.15.

(j) Notwithstanding the provisions of this Section 2.15 or any other provision of this Indenture, the Trustee will not be charged with knowledge of the existence of any facts that would prohibit the making of any payment or distribution by the Trustee or any Paying Agent, and the Trustee and any Paying Agent may continue to make payments on the Notes, unless a Trust Officer of the Trustee has received at its Corporate Trust Office at least three (3) Business Days prior to the date of such payment notice by the Company or a representative of facts that would cause the payment of any obligations with respect to the Notes to violate this Section 2.16, except for any acceleration of the Notes prior to making any such payment or distribution which is known by the Trustee prior to making any such payment or distribution.

(k) Notwithstanding anything to the contrary contained herein, the fees and expenses of the Trustee shall not be subordinated in any way.

Section 2.16. Deferral of Interest. (a) The Company, in its sole discretion, may defer payment of interest on the Notes that would otherwise be payable on any Interest Payment Date in whole, or in part. Interest may be so deferred by the Company giving notice of its decision to do so to the Trustee and Holders of such Notes pursuant to Section 9.01, not less than seven (7) and not more than fourteen (14) Business Days before the applicable Interest Payment Date. If the Company elects not to make any payment of interest on an Interest Payment Date, then the Company shall have no obligation to do so, and the failure of the Company to pay interest shall not be an event of default or any other breach of the obligations of the Company under the Notes or this Indenture.

(b) (i) Any and all Deferred Interest shall bear interest as if it constituted principal of the Notes at a rate which corresponds to the interest rate applicable to the Notes (such further interest together with the Deferred Interest, being "Arrears of Interest"); and (ii) Arrears of Interest shall accrue from the deferred date, and Arrears of Interest shall be compounded on subsequent Interest Payment Dates, semi-annually, at the rate of interest applicable to the Notes.

(c) The Company may elect, in its sole discretion, to pay Deferred Interest at any time, together with any related Arrears of Interest in whole or in part, with respect to the Notes. If the Company elects to pay such interest, the Company shall give not less than seven (7) and not more than fourteen (14) Business Days' notice thereof to the Trustee and the Holders pursuant to Section 9.01. On the payment date specified by the Company in any such notice, all outstanding Deferred Interest and related Arrears of Interest with respect to the Notes that the Company has elected to pay shall become due and payable. Such notice shall also specify the record date for determining the registered Holders to which such amounts shall be paid.

(d) The Company shall pay any Deferred Interest and all related Arrears of Interest in respect of the Notes, in whole but not in part, on the first occurring Mandatory Payment Date following the Interest Payment Date on which such Deferred Interest first arose. The Company shall give notice to the Holders and the Trustee of any Compulsory Arrears of Interest Settlement Event that occurs while Deferred Interest is outstanding no later than the tenth Business Day preceding the Mandatory Payment Date in relation to the same. Such previously Deferred Interest and related Arrears of Interest shall be paid: in relation to each of clauses (a), (d) and (e) in the definition of Mandatory Payment Date, to the registered Holders on the date on which such event shall have occurred; in relation to clause (b) in the definition of Mandatory Payment Date, to the Holders of the Notes being redeemed in whole or repaid; and in relation to clause (c) in definition of Mandatory Payment Date, to the Holders on the Record Date therefor in accordance with the terms of this Indenture.

ARTICLE III

OPTIONAL REDEMPTIONS

Section 3.01. Optional Redemption.

(a) Prior to the First Call Date, the Company shall have the right, at its option, to redeem any of the Notes, in whole or in part, 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 on the First Call Date plus each remaining

scheduled payment of interest thereon during the period between the Redemption Date and the First Call Date (exclusive of interest accrued to, but not including, 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 plus 50 basis points (the "Make-Whole Amount"), plus, in each case, any accrued and unpaid interest on the principal amount of the Notes, if any, to, but not including, the date of redemption and any deferred interest and arrears of interest thereon.

(b) On (i) any day during the period commencing on (and including) the First Call Date and ending on (and including) the First Reset Date, and (ii) on any Interest Payment Date thereafter, the Company shall have the right to redeem all, but not less than all, of the Notes at the option of the Company (an "Optional Redemption"), at a redemption price equal to 100% of the principal amount of the Notes to be redeemed plus, in each case, any accrued and unpaid interest on the principal amount of the Notes, if any, to, but not including, the date of redemption and any deferred interest and arrears of interest thereon upon giving not less than ten (10) and not more than sixty (60) calendar days' irrevocable notice of redemption to the Trustee and the Holders as set forth under Section 9.01.

Section 3.02. Notice of Redemption.

(a) The Company shall give or cause the Trustee to give notice of redemption, in the manner provided for in Section 9.01, not less than ten (10) and not more than sixty (60) days prior to the Redemption Date to each Holder of Notes to be redeemed at its registered address. If the Company itself gives the notice, it shall also deliver a copy to the Trustee.

(b) If the Company elects to have the Trustee give notice of redemption, then the Company shall deliver to the Trustee, at least fifteen (15) days prior to the Redemption Date (unless the Trustee agrees to a shorter period), an Officer's Certificate requesting that the Trustee give notice of redemption and setting forth the information required by paragraph (c) of this Section 3.02. If the Company elects to have the Trustee give notice of redemption, the Trustee shall give the notice in the name of the Company and at the Company's expense.

(c) All notices of redemption shall state:

(1) the Redemption Date,

(2) the redemption price and the amount of any accrued interest payable as provided in Section 3.04,

(3) that on the Redemption Date the redemption price and any accrued interest payable to the Redemption Date as provided in Section 3.04 will become due and payable in respect of each Note, or the portion of each Note, to be redeemed, and, unless the Company 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,

(4) the place or places where a Holder must surrender the Holder's Notes for payment of the redemption price, and

(5) the CUSIP or 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 CUSIP or ISIN number.

(d) Any redemption and notice thereof pursuant to this Article III may, in the Company's discretion, be subject to the satisfaction of one or more conditions precedent, in which case such notice will describe each such condition. If any such condition precedent has not been satisfied (or waived), the Company shall provide notice to the Trustee prior to the Redemption Date (or such shorter period as may be acceptable to the Trustee). Upon receipt of such notice, the notice of redemption shall be rescinded or delayed, and the redemption of the Notes shall be rescinded or delayed as provided in such notice. Upon receipt, the Trustee shall provide such notice to each Holder in the same manner in which the notice of redemption was given.

(e) Failure to give notice or any defect in the notice to any Holder shall not affect the validity of notice to any other Holder.

Section 3.03. Deposit of Redemption Price. On or prior to 10:00 a.m. New York City time one Business Day prior to the relevant Redemption Date, the Company shall deposit with the Trustee or with a Paying Agent (or, if the Company is acting as Paying Agent, segregate and hold in trust as provided in Section 2.04) an amount of money in immediately available funds sufficient to pay the redemption price of, and accrued interest on, all the Notes that the Company is redeeming on that date.

Section 3.04. Notes Payable on Redemption Date. If the Company, or the Trustee on behalf of the Company, gives notice of redemption in accordance with this Article III, the Notes, or the portions of the 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 Company shall default in the payment of the redemption price and accrued interest) such Notes or such portions of Notes shall cease to bear interest. Upon surrender of any Note for redemption in accordance with the notice, the Company shall pay such 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 Company 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 3.05. Optional Redemption for a Rating Methodology Event.

(a) If a Rating Methodology Event occurs with respect to the Notes, the Company may redeem all, but not less than all, of the Notes at any time at the applicable Redemption Price upon giving not less than ten (10) and not more than sixty (60) calendar days' irrevocable notice of redemption to the Trustee and the Holders pursuant to Section 9.01.

(b) Prior to giving such notice to the Holders following a Rating Methodology Event, the Company shall deliver to the Trustee in a form reasonably satisfactory to the Trustee an Officer's Certificate stating that the Company is, or at the time of redemption will be, entitled to effect such redemption as a result of the Rating Methodology Event and setting forth a statement of facts showing that the conditions precedent to the right of the Company to redeem the Notes in accordance with this Indenture have been satisfied, and the Trustee shall be entitled to accept and conclusively rely on the above Officer's Certificate as sufficient evidence of the satisfaction of the conditions precedent set out above and the facts set out therein, in which event the same shall be conclusive and binding on Holders of such Notes.

Section 3.06. Optional Redemption for a Tax Deductibility Event.

(a) If a Tax Deductibility Event occurs with respect to the Notes, the Company may redeem all, but not less than all, of the Notes at any time at the applicable Redemption Price upon giving not less than ten (10) and not more than sixty (60) calendar days' irrevocable notice of redemption to the Trustee and the Holders pursuant to Section 9.01.

(b) Prior to giving such notice to the Holders, the Company shall deliver to the Trustee in a form reasonably satisfactory to the Trustee:

(1) an Officer's Certificate stating that the Company is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Company to redeem the Notes in accordance with this Indenture have been satisfied; and

(2) an opinion of an independent legal or tax adviser, appointed by the Company at the expense of the Company, of recognized standing in Mexico to the effect that payments of interest by the Company in respect of the Notes are no longer, or within ninety (90) calendar days of the date of that opinion shall no longer be, deductible in whole or in part for corporate income tax purposes in Mexico or any political subdivision or taxing authority thereof or therein affecting taxation as a result of a Tax Law Change (even if such change is not yet effective).

(c) The Trustee shall be entitled to accept and conclusively rely on the above Officer's Certificate and opinion as sufficient evidence of the satisfaction of the conditions precedent set out above and the facts set out therein in which event the same shall be conclusive and binding on the Holders.

Section 3.07. Optional Redemption for Changes in Withholding Taxes.

(a) If a Withholding Tax Event occurs with respect to the Notes, then, at the option of the Company, all, but not less than all, of the Notes may be redeemed at any time at the applicable Redemption Price upon giving not less than ten (10) and not more than sixty (60) calendar days' irrevocable notice of redemption to the Trustee and the Holders pursuant to

Section 9.01; *provided*, *however*, that (x) no notice of redemption for tax reasons may be given earlier than ninety (90) days prior to the earliest date on which the Company would be obligated to pay these Additional Amounts if a payment on the Notes were then due and (y) at the time such notice of redemption is given, such obligation to pay such Additional Amounts remains in effect.

(b) Prior to the publication of any notice of redemption pursuant to Section 3.07(a) above, the Company shall deliver to the Trustee:

(1) an Officer's Certificate stating that the Company is entitled to effect the redemption and setting forth a statement of facts showing that the conditions precedent to the right of redemption of the Company for taxation reasons have occurred; and

(2) an opinion of an independent legal or tax adviser (which may be the Company's outside legal counsel) of recognized standing in the affected Taxing Jurisdiction to the effect that the Company has or shall become obligated to pay Additional Amounts as a result of such change or amendment.

(c) The Trustee shall be entitled to accept and conclusively rely on the above Officer's Certificate and Opinion of Counsel as sufficient evidence of the satisfaction of the conditions precedent set out above and the facts set out therein in which event the same shall be conclusive and binding on the Holders.

Section 3.08. Optional Redemption upon a Substantial Repurchase Event.

(a) In the event that a Substantial Repurchase Event occurs, the Company may redeem all, but not less than all, of the Notes at any time at the applicable Redemption Price upon giving not less than ten (10) and not more than sixty (60) calendar days' irrevocable notice of redemption to the Trustee and the Holders pursuant to Section 9.01.

(b) Prior to giving such notice to the Holders, the Company shall deliver to the Trustee in a form reasonably satisfactory to the Trustee an Officer's Certificate stating that the Company is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Company to redeem the Notes in accordance with this Indenture have been satisfied and the Trustee shall be entitled to accept and conclusively rely on the above Officer's Certificate as sufficient evidence of the satisfaction of the conditions precedent set out above and the facts set out therein, in which event the same shall be conclusive and binding on Holders of such Notes.

Section 3.09. Optional Redemption for an Accounting Event.

(a) If an Accounting Event occurs, then the Company may redeem all, but not less than all, of the Notes at any time at the applicable Redemption Price upon giving not less than ten (10) and not more than sixty (60) calendar days' irrevocable notice of redemption to the Trustee and the Holders pursuant to Section 9.01.

(b) Prior to giving such notice to the Holders following an Accounting Event, the Company shall deliver to the Trustee in a form reasonably satisfactory to the Trustee:

(1) an Officer's Certificate stating that the Company is or at the time of the redemption will be entitled to effect such a redemption pursuant to this Indenture and setting forth in reasonable detail the circumstances giving rise to such right of redemption; and

(2) a copy of the letter, opinion or the report referred to in the definition of "Accounting Event" relating to the applicable Accounting Event, and the Trustee shall be entitled to accept and rely conclusively upon the above certificate and a copy of such letter or report as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event the same shall be conclusive and binding on the Holders.

Section 3.10. Optional Redemption upon a Change of Control that Results in a Ratings Downgrade Event.

(a) If a Change of Control Event occurs, then the Company may redeem all, but not less than all, of the Notes at any time at the applicable Redemption Price upon giving not less than ten (10) and not more than sixty (60) calendar days' irrevocable notice of redemption to the Trustee and the Holders pursuant to Section 9.01.

(b) Prior to giving such notice to the Holders, the Company will deliver to the Trustee an Officer's Certificate stating that the Company is entitled to effect such redemption pursuant to this Indenture and setting forth a statement of facts showing that the conditions precedent to the right of the Company to redeem the Notes in accordance with this Indenture have been satisfied and the Trustee shall be entitled to accept and conclusively rely on such certificate as sufficient evidence of the satisfaction of the conditions precedent set out above and the facts set out therein, in which event the same shall be conclusive and binding on the Holders.

(c) If, upon the occurrence of any Change of Control Event, the Company does not redeem the Notes pursuant to the provisions of this Indenture, the Company will permanently pay additional interest on the Notes at a rate of 5.0% *per annum*. Unless the Company has redeemed the Notes in connection with the occurrence of such event, the additional interest will become effective on the ninetieth (90^{th}) day after the date on which a Change of Control Event occurred. Accrued additional interest will be payable on the same dates and in the same manner as interest is generally paid on the Notes.

Section 3.11. Substitution or Variation.

(a) If at any time the Company determines that a Rating Methodology Event, a Tax Deductibility Event, a Withholding Tax Event or an Accounting Event has occurred and is continuing (a "Substitution or Variation Event"), then the Company may, as an alternative to redemption of the Notes as described in this Article III, subject to Section 3.11(c) and subject to having given not less than ten (10) and not more than sixty (60) calendar days' irrevocable notice

of redemption to the Trustee and the Holders in accordance with Section 9.01, either (i) substitute all, but not less than all, of the Notes for Qualifying Equivalent Securities, or (ii) vary any term or condition of the Notes with the effect that they remain or become (as the case may be) Qualifying Equivalent Securities, and the Holders shall be bound by such substitution or variation.

(b) Upon the date provided for in such notice, the Company shall either vary the terms of or, as the case may be, substitute the Notes in accordance with this Section 3.11.

(c) Prior to any substitution or variation of the Notes in accordance with the provisions set forth above, the Company will deliver to the Trustee an Officer's Certificate in form and substance reasonably satisfactory to the Trustee to the effect that:

(1) the relevant requirement or circumstance giving rise to the right to substitute or vary the Notes has been satisfied;

(2) the Company has determined that the terms of the Qualifying Equivalent Securities are not materially less favorable to Holders than the terms of the Notes and that determination was reasonably reached by the Company in consultation with an independent investment bank, independent financial adviser or legal counsel of recognized standing;

(3) the criteria specified in paragraphs (a) to (g) of the definition of Qualifying Equivalent Securities will be satisfied upon issuance thereof; and

(4) the relevant substitution or variation (as the case may be) will not result in the occurrence of a Rating Methodology Event, a Tax Deductibility Event, a Withholding Tax Event or an Accounting Event.

Section 3.12. Selection of Notes to Be Redeemed in Part.

(a) If the Company 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 in accordance with the applicable provisions of DTC, Euroclear or Clearstream, as applicable, or at the discretion of the Company. The Trustee shall make the selection from the then Outstanding Notes not previously called for redemption. The Trustee shall promptly notify the Company 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 ten (10) nor more than sixty (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 in part Notes of a principal amount in excess of U.S.$200,000, which may be redeemed in part in integral multiples of U.S.$1,000 in excess thereof (provided that the unredeemed portion will be in a minimum denomination of at least U.S.$200,000).

(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 3.13. Unredeemed Portions of Partially Redeemed Note. Upon surrender of a Note that is to be redeemed in part, the Company shall execute, and the Trustee shall authenticate and make available for delivery to the Holder, at the expense of the Company, 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.

Section 3.14. No Limitation. Notwithstanding the foregoing provisions of this Article III, the Company and its Subsidiaries are not prohibited from acquiring the Notes by means other than a redemption, whether pursuant to a tender offer, open market purchase, private transaction or otherwise.

Section 3.15. No Scheduled Maturity. The Notes have no scheduled maturity date.

ARTICLE IV

COVENANTS

Section 4.01. Payment of Notes. Subject to the Company's right to defer interest on the Notes as set forth in Section 2.16, the Company shall pay the principal of and interest (including Defaulted Interest) on the Notes 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 Redemption Date (if any), the Company shall deposit with the Paying Agent in immediately available funds U.S. Dollars sufficient to make cash payments due on such Interest Payment Date or Redemption Date, as the case may be. If the Company or an Affiliate of the Company is acting as Paying Agent, the Company or such Affiliate shall, prior to 10:00 a.m. (New York City time) on each Interest Payment Date and the Redemption Date (if any), segregate and hold in trust U.S. Dollars sufficient to make cash payments due on such Interest Payment Date or Redemption 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 Company or an Affiliate of the Company) 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.

Section 4.02. Merger, Consolidation or Sale of Assets.

(a) The Company shall not, in a single transaction or series of related transactions, consolidate or merge with or into any Person (whether or not the Company is the surviving or continuing Person), or sell, assign, transfer, lease, convey or otherwise dispose of all or substantially all of the Company's properties and assets (determined on a consolidated basis), to any Person unless:

(1) the Company shall be the surviving or continuing corporation, or

(2) the Person (if other than the Company) formed by such consolidation or into which the Company is merged or the Person which acquires by sale, assignment, transfer, lease, conveyance or other disposition all or substantially all of the properties and assets of the Company (determined on a consolidated basis) substantially as an entirety (the "Successor Issuer"):

(A) 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; and

(B) shall expressly assume, by a supplemental indenture, executed and delivered to the Trustee, the Company's obligations under the Notes and this Indenture and provide the Trustee with an Officer's Certificate and Opinion of Counsel, each stating that such transaction is in compliance with this Section 4.02 and that all conditions precedent to such transaction provided for in this Indenture have been satisfied.

The Successor Issuer will succeed to, and be substituted for, the Company under this Indenture and the Notes, as applicable.

(b) If the conditions of paragraph (a) above are satisfied, the Company will not have to obtain the approval of the Holders of the majority Notes in order to merge or consolidate or to sell, assign, transfer, lease, convey or otherwise dispose of all or substantially all of the Company's properties and assets (determined on a consolidated basis). The Company will not need to satisfy these conditions if the Company enters into other types of transactions, including any transaction in which the Company acquires the stock or assets of another Person, any transaction that involves a Change of Control (but in which the Company does not merge or consolidate) and any transaction in which the Company sells, assigns, transfers, leases, conveys or otherwise disposes of less than all or substantially all of its properties and assets (determined on a consolidated basis).

Section 4.03. Reports to Holders.

(a) Notwithstanding that the Company 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 Company shall:

(1) 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 Company 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

(2) file with the Commission, to the extent permitted, the information, documents and reports referred to in clause (1) within the periods specified for such filings under the Exchange Act (whether or not applicable to the Company).

(b) In addition, at any time when the Company is not subject to or is not current in its reporting obligations under clause (2) of Section 4.03(a), the Company shall make available, upon request, to any Holder and any prospective purchaser of Notes the information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act so long as the Notes are not freely transferable under the Securities Act.

(c) Notwithstanding anything in this Indenture to the contrary, the Company shall not be deemed to have failed to comply with any of its obligations in this Section 4.03 until seventy-five (75) days after the date any item under this Section 4.03 is due.

(d) Delivery of such reports, information and documents to the Trustee pursuant to this Section 4.03 is for informational purposes only and the Trustee's receipt of such shall not constitute constructive notice of any information contained therein or determinable from information contained therein, including the Company's compliance with any of its covenants hereunder (as to which the Trustee is entitled to rely exclusively on Officer's Certificates).

Section 4.04. Payment of Additional Amounts.

(a) All payments made by the Company 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 authority in or of the United States, Mexico, any jurisdiction in

which the Company is, or any successor of the Company is, organized (wherein any successor assumes the obligations of the Notes and this Indenture following a consolidation or merger or a transfer, conveyance, sale, lease or disposition of all or substantially all of the Company's assets and properties), or any other jurisdiction through which payments on the Notes are made (a "Taxing Jurisdiction"), unless the Company is required to withhold or deduct Taxes by law or by the official interpretation or administration thereof.

(b) If the Company 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 Company 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:

(1) any Taxes imposed solely because at any time there is or was a connection between the Holder or beneficial owner of the Notes, as the case may be, and a Taxing Jurisdiction, including such Holder or beneficial owner being or having been a citizen or resident of such Taxing Jurisdiction or treated as a resident thereof or being or having been physically present or engaged in a trade or business or having had a permanent establishment therein (other than the mere purchase of the Notes, or receipt of a payment or the ownership or holding of the Notes);

(2) any estate, inheritance, gift, sales, transfer, personal property or similar Tax imposed with respect to the Notes;

(3) 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, regulation or by an applicable income tax treaty 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 Company has given the Holders at least thirty (30) days' notice that Holders shall be required to provide such information and identification;

(4) any Taxes payable otherwise than by deduction or withholding from payments on the Notes;

(5) any Taxes that would have been avoided by presenting for payment (where presentation is required) the relevant Note to another Paying Agent;

(6) any Taxes with respect to such Note presented for payment more than thirty (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;

(7) 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;

(8) any Taxes withheld or deducted on or in respect of any Note pursuant to Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986, as amended (the "Code"), as amended (commonly referred to "FATCA"), any treaty, law, regulation or other official guidance enacted by the United States implementing FATCA, any agreement between the Company and the United States implementing FATCA pursuant to Section 1471(b)(1) of the Code, as amended, or any law of any jurisdiction implementing an intergovernmental approach to FATCA; or

(9) any combination of the foregoing.

(c) The obligations in Section 4.45(a) and Section 4.04(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 Company. The Company 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 Company 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 thirty (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 Company, furnish such other documentation that provides reasonable evidence of such payment by the Company.

(d) The exception to the Company's obligations to pay Additional Amounts pursuant to clause (iii) of Section 4.04(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 4.04(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 Company 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 Company would not otherwise meet the requirements for application of the applicable Mexican laws and regulations.

(e) Clause (iii) of Section 4.04(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 Mexican 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 Company shall be deemed to include all Additional Amounts, if any 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) In the event that Additional Amounts actually paid with respect to the Notes pursuant to this Section 4.04 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 Company. However, by making such assignment, the Holder makes no representation or warranty that the Company shall be entitled to receive such claim for a refund or credit and incurs no other obligation with respect thereto.

(h) Notwithstanding anything to the contrary contained in this Indenture, the Company 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 payments.

Section 4.05. Further Instruments and Acts. Upon request of the Trustee, the Company shall execute and deliver such further instruments and do such further acts as may be reasonably necessary or proper to carry out the purpose of this Indenture.

ARTICLE V

NO EVENTS OF DEFAULT; REMEDIES

Section 5.01. No Defaults or Events of Default. There are no defaults or events of default under the Notes and there are no cross defaults under the Notes.

(a) Subject to Section 6.01 of this Indenture relating to the duties of the Trustee, in case the Company shall fail to comply with its obligations under this Indenture or the Notes and such failure shall be continuing, the Trustee will be under no obligation to exercise any of its rights or powers under this Indenture if requested or directed by any of the Holders acting in accordance with, and as expressly permitted by, this Indenture, 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 5.02. Acceleration. (a) There is no right of acceleration of the payment of principal of the Notes if the Company fails to pay interest, Arrears of Interest and Additional Amounts thereon when any such payment becomes due pursuant to this Indenture.

(b) The entire principal amount of all the Notes and any accrued interest, Arrears of Interest and Additional Amounts thereon will be automatically accelerated, without any action by the Trustee or any Holder and any principal, interest or Additional Amounts will become immediately due and payable, in case of a Bankruptcy Event or a Liquidation Event. No payments will be made to holders of any class of the Company's Capital Stock before all amounts due, but unpaid, to all Holders have been paid by the Company. The Company shall provide the Trustee prompt notice of a Bankruptcy Event or Liquidation Event.

Section 5.03. Remedies. If any of the events described in Section 5.02(a) shall occur and be continuing, the Trustee may or, at the written request of the Holders of not less than 25% in principal amount of the Outstanding Notes, shall (subject to the Trustee's rights under this Indenture) (a) pursue any available remedy under this Indenture (excluding acceleration of principal, except pursuant to Section 5.02(b) in case of a Bankruptcy Event or a Liquidation Event) to collect the payment of any such amounts due and unpaid, or (b) enforce the performance of any provision of the Notes or this Indenture.

Section 5.04. [Reserved.]

Section 5.05. Control by Majority. Subject to the provisions of this Indenture and applicable law, the Holders of a majority in aggregate principal amount of the 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 with respect to the Notes. However, the Trustee may refuse to follow any direction that conflicts with law or this Indenture or, subject to Section 6.01, that the Trustee determines is unduly prejudicial to the rights of other Holders or would involve the Trustee in personal liability (it being understood that the Trustee does not have an affirmative duty to ascertain whether or not any such directions are unduly prejudicial to such Holders); *provided, however*, that the Trustee may take any other action deemed proper by the Trustee that is not inconsistent with such direction. Prior to taking any action hereunder, the Trustee shall be entitled to security or indemnity reasonably satisfactory to it against any loss, liability and expense caused by taking or not taking such action.

Section 5.06. Limitation on Suits. (a) The Trustee will have exclusive right, to the fullest extent permitted under applicable law, to file in any liquidation, dissolution, winding up, reorganization, assignment for the benefit of creditors, marshaling of assets or any bankruptcy, insolvency, *concurso mercantil*, *quiebra* or similar proceeding to which the Company is a party for the recognition of the claims of all Holders, and Holders will not be permitted to bring their lawsuit or other formal legal action under any of these circumstances.

(b) Subject to the limitations set forth in Section 2.15, no Holder shall have any right to institute any proceeding, judicial or otherwise, with respect to this Indenture or the Notes, or for the appointment of a receiver or trustee, or for any other remedy with respect to this Indenture or the Notes, unless:

(1) such Holder shall have previously given to the Trustee written notice of the event in respect of which the applicable remedy is being sought;

(2) the Holders of at least 25% in aggregate principal amount of the Outstanding Notes shall have made a written request that the Trustee take action with respect to the Notes;

(3) such Holder or Holders have offered to the Trustee indemnity reasonably satisfactory to it against the cost, expenses and liabilities to be incurred in compliance with such request;

(4) the Trustee for sixty (60) days after its receipt of such notice, request and offer of indemnity has failed to institute any such action or proceeding; and

(5) during those 60 days, the Holders of a majority in principal amount of the Notes must not have given the Trustee directions that are inconsistent with the written request of the Holders of not less than 25% in principal amount of the Notes.

(c) (1) In no event shall the Company, by virtue of any proceedings or otherwise, be obligated to pay any sum or sums sooner than the same would otherwise have been payable by the Company and (2) no one or more Holders shall have any right in any manner whatever by virtue of, or by availing of, any provision of this Indenture or the Notes (x) to affect, disturb or prejudice the rights of any other Holder, or (y) to obtain or to seek to obtain priority or preference over any other Holder or (z) to enforce any right under this Indenture or the Notes, except as expressly provided in this Article V and for the equal and ratable benefit of all Holders (it being understood that the Trustee does not have an affirmative duty to ascertain whether or not such actions or forbearances are unduly prejudicial to any Holders). For the protection and enforcement of the provisions of this Section 5.06, each and every Holder and the Trustee shall be entitled, subject to Section 2.15 and this Section 5.06, to such relief as may be granted at law or in equity.

Section 5.07. Rights of Holders to Receive Payment. Notwithstanding any other provision of this Indenture (including, without limitation, Section 5.06), the right of any Holder to receive payment of principal (including Additional Amounts, if any) of or interest on the Notes held by such Holder, subject to the Company's right to defer interest payments on the Notes as set forth in Section 2.16, on or after the respective due dates, Redemption Dates or repurchase date expressed in 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 5.08. Trustee May File Proofs of Claim.

(a) The Trustee may (irrespective of whether the principal of the Notes is then due):

(1) 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 Event or Liquidation Event to which the Company is a party; and

(2) collect and receive any moneys or other property payable or deliverable in respect of any such claims and distribute them in accordance with this Indenture.

(b) The Trustee shall be entitled and empowered to participate as a member of any official committee of creditors appointed in such matter. Any receiver, trustee, assignee, liquidator, sequestrator, custodian 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 6.07.

(c) 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 5.09. Priorities. If the Trustee collects any money or property pursuant to this Article V, it shall pay out the money or property in the following order:

FIRST: to the Trustee for amounts due under Section 6.07;

SECOND: if the Holders proceed against the Company 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 Company or to such party as a court of competent jurisdiction shall direct.

The Trustee may fix a record date and payment date for any payment to Holders pursuant to this Section 5.09. At least five (5) days before such record date, the Company shall instruct the Trustee to give notice to each Holder that states the record date, the payment date and amount to be paid.

Section 5.10. 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 and expenses, 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 does not apply to a suit by the Trustee, a suit by the Company, a suit by a Holder pursuant to Section 5.10 or a suit by Holders of more than 10% in principal amount of the Outstanding Notes.

Section 5.11. Waiver of Stay or Extension Laws. The Company (to the fullest extent permitted by applicable law) shall not at any time insist upon, or plead, or in any manner whatsoever claim or take the benefit or advantage of, any stay or extension law wherever enacted, now or at any time hereafter in force, that may affect the covenants or the performance of this Indenture; and the Company (to the fullest extent permitted by applicable law) hereby expressly waives all benefit or advantage of any such law, and shall not hinder, delay or impede the execution of any power herein granted to the Trustee, but shall suffer and permit the execution of every such power as though no such law had been enacted.

Section 5.12. No Additional Remedies. No remedy against the Company, other than as referred to in this Article V shall be available to the Holders, whether for the recovery of amounts owing in respect of the Notes or in respect of any other breach by the Company of any of its other obligations under or in respect of the Notes or this Indenture.

ARTICLE VI

TRUSTEE

Section 6.01. Duties of Trustee.

(a) If any of the events specified in Section 5.02 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 Person would exercise or use under the circumstances in the conduct of such Person's own affairs.

(b) Except during the continuance of an event specified in Section 5.02:

(1) 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

(2) 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:

(1) this paragraph (c) does not limit the effect of paragraph (b) of this Section 6.01;

(2) 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

(3) 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 5.06.

(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 Company.

(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 the Trustee 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 VI, and the provisions of this Article VI shall apply to the Trustee in its role as Registrar, Paying Agent, Transfer Agent and Note Custodian.

(h) Unless otherwise specifically provided in this Indenture, any demand, request, direction, instruction or notice from the Company shall be sufficient if signed by an Officer of the Company.

(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 acting in accordance with, and as expressly permitted by, this Indenture, 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.

(j) Every provision of this Indenture that in any way relates to the Trustee is subject to this Section 6.01.

Section 6.02. Rights of Trustee.

(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 Company, it may require an Officer's Certificate or 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 an Officer's Certificate or Opinion of Counsel.

(c) The Trustee may act through agents and attorneys 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 and 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 Company, personally or by agent or attorney.

(g) The permissive rights of the Trustee to do things enumerated in this Indenture shall not be construed as duties.

(h) 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.

(i) The Trustee shall not be deemed to have notice of any event specified in Section 5.02 unless written notice of any such event is received by a Trust Officer of the Trustee at the Corporate Trust Office of the Trustee, and such notice references the Notes and this Indenture.

(j) 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 each Agent and each agent, custodian and other Person employed to act hereunder.

(k) The Trustee may request that the Company 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, 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.

(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.

Section 6.03. 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 Company or any of its Affiliates 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 6.10.

Section 6.04. Trustee's Disclaimer. The Trustee shall not be responsible for and makes no representation as to the validity, priority or adequacy of any offering materials, this Indenture, the Notes, it shall not be accountable for the Company's use of the proceeds from the Notes, and it shall not be responsible for any statement of the Company 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 6.05. Notice of Certain Events. If any event mentioned in Section 5.02 occurs and is continuing and if it is known to the Trustee, the Trustee shall deliver to each Holder notice of such event within 90 days after it is known to a Trust Officer or written notice of it is received by the Trustee. The Trustee may withhold the notice if and so long as it in good faith determines that withholding the notice is in the interests of Holders.

Section 6.06. [Reserved].

Section 6.07. Compensation and Indemnity.

(a) The Company shall pay to the Trustee from time to time reasonable compensation for its acceptance of this Indenture and services hereunder as the Company 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 Company 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 giving 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 Company shall indemnify the Trustee against any and all loss, liability, fees, cost or expense (including reasonable attorneys' fees and expenses of counsel) 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 6.07) and of defending itself against any claims (whether asserted by any Holder, the Company or otherwise). The Trustee shall notify the Company promptly of any claim for which it may seek indemnity. Failure by the Trustee to so notify the Company shall not relieve the Company of its obligations hereunder. The Company shall defend the claim and the Trustee may have separate counsel and the Company shall pay the fees and expenses of such counsel; *provided*, that the Company 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 Company and the Trustee in connection with such defense. The Company 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 payment obligations of the Company in this Section 6.07, 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 6.07 shall not be subordinate to any other liability or indebtedness of the Company.

(d) The Company's obligations pursuant to this Section 6.07 shall survive the discharge of this Indenture and the resignation or removal of the Trustee. When the Trustee incurs expenses after the occurrence of the events specified in Section 5.02 with respect to the Company, the expenses (including the fees and expenses of its counsel) are intended to constitute expenses of administration under any Bankruptcy Law; *provided*, *however*, that this shall not affect the Trustee's right as set forth in this Section 6.07 or Section 5.09.

Section 6.08. Replacement of Trustee.

(a) The Trustee may resign at any time by so notifying the Company. The Holders of a majority in principal amount of the then Outstanding Notes may remove the Trustee by so notifying the Company and the Trustee in writing not less than thirty (30) days prior to the effective date of such removal. The Company shall remove the Trustee if:

(1) the Trustee fails to comply with Section 6.10;

(2) the Trustee is adjudged bankrupt or insolvent;

(3) a receiver or other public officer takes charge of the Trustee or its property; or

(4) the Trustee otherwise becomes incapable of acting.

(b) If the Trustee resigns, is removed by the Company or by the Holders of a majority in principal amount of the Outstanding Notes and such Holders do not reasonably promptly appoint a successor Trustee, or if a vacancy exists in the office of Trustee for any reason (the Trustee in such event being referred to herein as the retiring Trustee), the Company 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 Company. 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 give or send a notice of its succession to the 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 6.07.

(d) If a successor Trustee does not take office within thirty (30) days after the retiring Trustee resigns or is removed, the retiring Trustee, the Company or the Holders of 10% in aggregate principal amount of the then Outstanding Notes may petition, at the Company's expense, any court of competent jurisdiction for the appointment of a successor Trustee.

(e) If the Trustee fails to comply with Section 6.10, 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 6.08, the Company's obligations under Section 6.07 shall continue for the benefit of the retiring Trustee.

Section 6.09. Successor Trustee by Merger. 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 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 such 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 shall be valid for purposes of this Indenture.

Section 6.10. 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.

ARTICLE VII

DISCHARGE OF INDENTURE

Section 7.01. [Reserved].

Section 7.02. [Reserved].

Section 7.03. 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 VII. It shall apply the deposited U.S. Legal Tender and the U.S. Legal Tender received from 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 7.04. Repayment to Company. The Trustee and the Paying Agent shall promptly turn over to the Company upon written request any excess money or securities held by them upon payment of all the obligations under this Indenture. Subject to any applicable abandoned property law, the Trustee and the Paying Agent shall pay to the Company upon request any money held by them for the payment of principal of or interest on the Notes that remains unclaimed for two years, and, thereafter, Holders entitled to the money must look to the Company for payment as general creditors (and not to the Trustee or any Paying Agent).

Section 7.05. Indemnity for U.S. Government Obligations. The Company 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 7.06. 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 VII 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 Company's obligations under this Indenture and the Notes shall be revived and reinstated as though no deposit had occurred pursuant to this Article VII 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 VII; *provided*, *however*, that, if the Company has made any payment of principal of or interest on any Notes because of the reinstatement of its obligations, the Company 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 7.07. 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 of the Notes, as expressly provided for herein) as to all Outstanding Notes when:

(a) either:

(1) 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 Company and thereafter repaid to the Company or discharged from such trust) have been delivered to the Trustee for cancellation; or

(2) (x) all Notes not theretofore delivered to the Trustee for cancellation have become due and payable by reason of the giving of one or more notices of redemption or otherwise (in the case that such Notes have become due and payable as a result of the giving of a notice of redemption, after any conditions precedent to redemption have been satisfied or waived in writing by the Company), will become due and payable within one year or may be called for redemption within one year under arrangements satisfactory to the Trustee for the giving of notice of redemption by the Trustee in the name, and at the expense, of the Company, and the Company has irrevocably deposited or caused to be deposited with the Trustee, in trust, for the benefit of the Holders, cash in U.S. Legal Tender, U.S. Government Obligations, or a combination thereof, in such amounts as will be sufficient without reinvestment, in the opinion of a nationally recognized investment bank, appraisal firm or firm of independent public accountants, 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 (including Additional Amounts) on the Notes to the stated date of deposit thereof or on the applicable redemption date, as the case may be; *provided* that (1) upon any redemption that requires the payment of a Make-Whole Amount, the amount deposited will be sufficient for purposes of the Indenture to the extent that an amount is deposited with the Trustee equal to the Make-Whole Amount calculated as of the date of the notice of redemption, with any deficit as of the date of redemption only required to be deposited with the Trustee on or prior to the date of redemption and (2) such deficit amount will be set forth in an Officer's Certificate delivered to the Trustee simultaneously with the deposit of such deficit amount that confirms that such deficit amount will be applied toward such redemption; and (y) the Company has delivered irrevocable instructions directing the Trustee to apply such funds to the payment of the Notes at maturity or the redemption date, as the case may be;

(b) the Company has paid all other sums payable under this Indenture and the Notes by the Company; and

(c) the Company 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 VIII

AMENDMENTS

Section 8.01. Without Consent of Holders.

(a) The Company and the Trustee may amend or supplement this Indenture or the Notes without notice to or consent of any Holder:

(1) to cure any ambiguity, or to cure, correct or supplement any omission, defect or inconsistency;

(2) to issue additional notes;

(3) to comply with Section 4.02 in respect of the assumption by a Successor Issuer of the obligations of the Company under the Notes and this Indenture;

(4) 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 or in a manner such that the uncertificated Notes are described in Section 163(f)(2)(B) of the Code;

(5) to add guarantees with respect to the Notes or to secure the Notes;

(6) to add to the covenants of the Company for the benefit of the Holders or to surrender any right or power herein conferred upon the Company;

(7) to conform the text of this Indenture or the Notes to any provision of the section "Description of Notes" in the offering memorandum issued in relation to the Notes to the extent that such provision in such "Description of Notes" was intended to be a verbatim recitation or a provision of this Indenture or the Notes;

(8) to comply with the requirements of any applicable securities depositary;

(9) to provide for a successor Trustee in accordance with the terms of this Indenture or to otherwise comply with any requirement of this Indenture;

(10) to provide for and effect a substitution or variation in accordance with Section 3.11; and

(11) to make any change that is determined by the Company to not adversely affect the Holders in any material respect.

(b) After an amendment under this Section 8.01 becomes effective, the Company shall give 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 8.01.

Section 8.02. With Consent of Holders.

(a) The Company 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, the Notes). However, without the consent each Holder affected thereby, an amendment may not:

(i) reduce the amount of Notes whose Holders must consent to an amendment, supplement or waiver;

(ii) reduce the rate of interest, including Defaulted Interest, on any Notes;

(iii) reduce the principal of any Notes 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 described under Section 4.04 that in the Company's determination adversely affects the rights of any Holder or amend the terms of the Notes in any way that would result in a loss of exemption from Taxes; or

(vi) impair the right of any Holder to institute suit for the enforcement of any payment of any amount on or with respect to such Holder's Notes.

(b) It shall not be necessary for the consent of the Holders under this Section 8.02 to approve the particular form of any proposed amendment, but it shall be sufficient if such consent approves the substance thereof.

(c) After an amendment or supplement under this Section 8.02 becomes effective, the Company shall give 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 8.02.

(d) The Notes issued on the Issue Date, and any Additional Notes that are 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.

Section 8.03. Revocation and Effect of Consents and Waivers.

(a) A consent to an amendment or a 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 or waiver becomes effective, it shall bind every Holder except as provided in this Article VIII. An amendment, supplement or waiver shall become effective upon the receipt by Trustee of the requisite number of consents under Section 8.02.

(b) The Company 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 8.04. 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 such Note to the Trustee. The Trustee may place an appropriate notation on the Note regarding the changed terms and return such Note to the Holder. Alternatively, if the Company or the Trustee so determines, the Company in exchange for the Note, will execute and upon an Authentication Order shall issue and the Trustee shall 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 8.05. Trustee to Sign Amendments. The Trustee shall sign any amendment, supplement or waiver authorized pursuant to this Article VIII 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 6.01) shall be fully protected in relying upon, in addition to the documents required by Section 9.04, an Officer's Certificate and an Opinion of Counsel 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.

Section 8.06. Payment for Consent. Neither the Company nor any Affiliate of the Company shall, directly or indirectly, pay or cause to be paid any consideration, whether by way of interest, fee or otherwise, to any Holder for or as an inducement to any consent, waiver or amendment of any of the terms or provisions of this Indenture or the Notes unless such consideration is offered to be paid to all Holders that so consent, waive or agree to amend in the time frame set forth in solicitation documents relating to such consent, waiver or agreement.

ARTICLE IX

MISCELLANEOUS

Section 9.01. 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 Company:

c/o CEMEX, S.A.B. de C.V.
Avenida Ricardo Margáin Zozaya #325
Colonia Valle del Campestre
San Pedro Garza García, Nuevo León
México 66265
Attention: Finance Department - Chief Financial Officer
Fax: +1 (212)-317-6047

with a copy to:

Skadden, Arps, Slate, Meagher & Flom LLP
One Manhattan West
New York, New York 10001
Facsimile: +1 212-735-2000/1
Attention: Gregory Fernicola and Adam Waitman

if to the Trustee:

The Bank of New York Mellon
240 Greenwich Street, Floor 7 East
New York, NY 10286
Attention: International Corporate Trust
Fax: 724-540-6330

The Company or the Trustee by notice to the other may designate additional or different addresses for subsequent notices or communications.

(b) All notices to Holders will be validly given if mailed or otherwise delivered to them at their respective addresses in the register of Holders, if any, maintained by the Registrar. For so long as any Notes are represented by Global Notes, all notices to Holders will be given to DTC in accordance with its procedures, 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, transmission 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 give 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 given in the manner provided above, it is duly given, whether or not the addressee receives it.

(d) The Trustee shall have the right to accept and act upon instructions, including funds transfer instructions ("Instructions") given pursuant to the Indenture and delivered using Electronic Means; provided, however, that the Company shall provide to the Trustee an incumbency certificate listing officers with the authority to provide such Instructions ("Authorized Officers") and containing specimen signatures of such Authorized Officers, which incumbency certificate shall be amended by the Company whenever a person is to be added or deleted from the listing. If the Company elects to give the Trustee Instructions using Electronic Means and the Trustee in its discretion elects to act upon such Instructions, the Trustee's understanding of such Instructions shall be deemed controlling. The Company understands and agrees that the Trustee cannot determine the identity of the actual sender of such Instructions, and that the 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 have been sent by such Authorized Officer. The Company shall be responsible for ensuring that only Authorized Officers transmit such Instructions to the Trustee and that the Company and all Authorized Officers are solely responsible to safeguard the use and confidentiality of the applicable user and authorization codes, passwords and/or authentication keys upon receipt by the Company. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such Instructions notwithstanding such directions conflict or are inconsistent with a subsequent written instruction, except for any such losses, costs or expenses due to the Trustee's gross negligence or willful misconduct. The Company agrees: (i) to assume all risks arising out of the use of Electronic Means to submit Instructions to the Trustee, including without limitation the risk of the 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 that there may be more secure methods of transmitting Instructions than the method(s) selected by the Company; (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 immediately upon learning of any compromise or unauthorized use of the security procedures.

Section 9.02. Communication by Holders with Other Holders. Holders may communicate with other Holders with respect to their rights under this Indenture or the Notes.

Section 9.03. Certificate and Opinion as to Conditions Precedent. Upon any request or application by the Company to the Trustee to take or refrain from taking any action under this Indenture, the Company 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; *provided*, *however*, that such Officer's Certificate shall not be given in connection with the original issuance of the Issue Date Notes; 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; *provided*, *however* that such Opinion of Counsel shall not have been given in connection with the original issuance of the Issue Date Notes.

Notwithstanding the foregoing, no such Officer's Certificate or Opinion of Counsel shall be given with respect to the authentication and delivery of any Issue Date Notes.

Section 9.04. 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 substantially:

(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 9.05. Rules by Trustee, Paying Agent, Transfer Agent and Registrar. The Trustee may make reasonable rules for action by or a meeting of Holders. The Registrar, Transfer Agent and Paying Agent may make reasonable rules for their functions.

Section 9.06. Legal Holidays. A "*Legal Holiday*" is a Saturday, a Sunday or other day on which commercial banking institutions are authorized or required to be closed in New York City or Mexico City. 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 9.07. Governing Law, etc.

(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 EACH HEREBY WAIVE ANY RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THIS INDENTURE OR THE NOTES OR ANY TRANSACTION RELATED HERETO OR THERETO TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW.

(b) Each of the parties hereto hereby:

(1) 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 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;

(2) 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 the right to any other jurisdiction to which it may be entitled on account of law, of its present or future place of residence or domicile or for any other reason;

(3) irrevocably submits to the jurisdiction of such courts in any suit, action or proceeding;

(4) 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

(5) 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, 27th 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 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 Notes remain outstanding. The Company 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 Company of a successor agent in the City of New York, as its 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 Company.

(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 to the fullest extent permitted by applicable law 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 9.07 shall affect the right of the Trustee or any Holder to serve process in any other manner permitted by law.

Section 9.08. No Recourse Against Others. An incorporator, director, officer, employee, stockholder or controlling person, as such, of the Company shall not have any liability for any obligations of the Company under the Notes or this Indenture or for any claim 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 9.09. Successors. All agreements of the Company in this Indenture and the Notes shall bind its successors. All agreements of the Trustee in this Indenture shall bind its successors.

Section 9.10. 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. The exchange of copies of this Indenture and of signature pages by facsimile or PDF transmission shall constitute effective execution and delivery of this Indenture as to the parties hereto and may be used in lieu of the original Indenture for all purposes. Signatures of the parties hereto transmitted by facsimile or PDF shall be deemed to be their original signatures for all purposes.

Section 9.11. 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 9.12. 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 9.13. 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 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 Company, any Subsidiary or otherwise) by any Holder in respect of any sum expressed to be due to such Holder from the Company 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 Company shall 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 9.13, 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 9.13, to the extent permitted by law: (i) constitute a separate and independent obligation from the other obligations of the Company under this Indenture and the Notes; (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 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 9.14. U.S.A. 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.

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 the Company

By: /s/ Fernando Jose Reiter Landa
Name: Fernando Jose Reiter Landa
Title: Attorney-in-fact

[*Signature Page to Indenture*]

THE BANK OF NEW YORK MELLON, as Trustee

By: /s/ Teresa H. Wyszomierski
Name: Teresa H. Wyszomierski
Title: Vice Presiden

[*Signature Page to Indenture*]

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"), 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 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 NOTE 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 NOTE 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 U.S. 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 THE ISSUER, (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 UNDER THE SECURITIES ACT) 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 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 THEREFORE MAY NOT BE OFFERED OR SOLD PUBLICLY IN MEXICO, EXCEPT THAT THE NOTES MAY BE OFFERED IN MEXICO TO INVESTORS THAT QUALIFY AS INSTITUTIONAL AND QUALIFIED 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]

Subordinated Hybrid Notes

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 variable stock corporation (*sociedad anónima bursátil de capital variable*) organized under the laws of the United Mexican States (together with its successors and assigns), promises to pay to CEDE & CO., or registered assigns, the principal sum of [_____] U.S. Dollars [*If this Note is a Global Note, add the following:*, as revised by the Schedule of Increases and Decreases in Global Note attached hereto,] upon redemption, if any, of this Note.

Interest Payment Dates: March 8 and September 8.

Record Dates: February 21 or August 24.

The Notes are subordinated to all Senior Indebtedness to the extent and in the manner provided for in the Indenture, including Section 2.15 thereof. In addition, each Holder is making the agreements with the Company specified in Section 2.15(b) and elsewhere in the Indenture.

Additional provisions of this Note are set forth on the other side of this Note.

[*Signature page follows*]

1 CUSIP No. for Rule 144A Note: 151290 CA9; CUSIP No. for Regulation S Note: P2253T JS9.
2 ISIN No. for Rule 144A Note: US151290CA97; ISIN No. for Regulation S Note: USP2253TJS98.

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: _____ Date: _____
Authorized Signatory

[FORM OF REVERSE SIDE OF NOTE]

SUBORDINATED HYBRID NOTES

1. Interest.

Subject to Section 3 hereof and unless previously redeemed or repurchased and cancelled or substituted and varied, CEMEX, S.A.B. de C.V., a publicly traded variable stock corporation (*sociedad anónima bursátil de capital variable*) organized under the laws of the United Mexican States (such corporation, and its successors and assigns under the Indenture, being referred to herein as the "Company"), promises to pay interest semi-annually on the principal amount of this Note as follows:

(i) from and including June 8, 2021 to but excluding September 8, 2026 (or the applicable date of redemption if redeemed prior to such date), the Notes will bear interest at a rate of 5.125% *per annum*;

(ii) from and including September 8, 2026 to, but excluding, the last day of the applicable Reset Period specified below (or the applicable date of redemption if redeemed prior to such date), at an interest rate *per annum* which shall be equal to the applicable Reference Rate of the relevant Reset Period expressed as a percentage *plus*:

i. 0.25% per annum in respect of Reset Periods commencing on and after September 8, 2026 but before the Second Step-up Date (as defined below); and

ii. 1.00% per annum in respect of Reset Periods commencing on and after the Second Step-up Date.

As used herein "*Second Step-up Date*" means (i) September 8, 2046, if by August 8, 2026 the Company is assigned an Investment Grade Rating by S&P; and, if not, (ii) September 8, 2046.

The Company will give notice of the applicable Reference Rate as soon as practicable to each paying agent, the Holders of the Notes and the Trustee.

The Company will pay interest semi-annually in arrears on March 8 and September 8 of each year, commencing September 8, 2021; *provided* that if any such Interest Payment Date is not a Business Day or is not a day where banks are open for business in a particular place of payment, then such payment shall be made on the next succeeding Business Day. There will be a short first interest period, from and including June 8, 2021 to, but excluding, September 8, 2021. Interest on the Notes will accrue from the most recent date to which interest has been paid or, if no interest has been paid, from June 8, 2021. Interest shall be computed on the basis of a 360-day year of twelve 30-day months. Subject to the Company's right to defer interest payments on the Notes as set forth in Section 3, the Company 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.

All payments made by the Company 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 Company will pay to each Holder Additional Amounts as provided in the Indenture subject to the limitations set forth in the Indenture.

2. Maturity

The Notes have no scheduled maturity date.

3. Option to Defer Interest Payments

The Company, in its sole discretion, may defer payment of interest on the Notes that would otherwise be payable as provided in the Indenture.

4. Payment of Deferred Interest

The Company may elect, in its sole discretion, to pay Deferred Interest at any time, together with any related Arrears of Interest in whole or in part, with respect to the Notes, as provided in the Indenture. The Company shall pay any Deferred Interest and the related Arrears of Interest, in respect of the Notes, on the first occurring Mandatory Payment Date following the Interest Payment Date on which such Deferred Interest first arose, as provided in the Indenture.

5. Method of Payment.

The Company will pay interest on this Note (except Defaulted Interest) to the Persons who are registered Holders of this Note at the close of business on the February 21 or August 24 (each a "Record Date") next preceding the Interest Payment Date even if Notes are canceled, repurchased or redeemed after the Record Date and on or before the Interest Payment Date. For the purpose of determining the Holder at the close of business on a regular record date when business is not being conducted, the close of business will mean 5:00 p.m., New York City time, on that day. Holders must surrender this Note to a Paying Agent to collect principal payments. The Company will pay principal and interest in U.S. Legal Tender.

Prior to 11:00 a.m. New York City time on the Business Day prior to the date on which any principal of or interest on this Note is due and payable, the Company shall irrevocably deposit with the Trustee or the Paying Agent money sufficient to pay such principal and/or interest. Payments in respect of this Note if represented by a Global Note (including principal, premium and interest) will be made by wire transfer of immediately available funds to the accounts specified by DTC. Payments on this Note will be made at the office or agency of the Paying Agent in the United States unless the Company elects to make interest payments by check mailed to the Holders at their address set forth in the Note Register; *provided*, *however*, that payments on this Note may also be made, in the case of a Holder of at least U.S.$1,000,000

in aggregate principal amount of Notes, by wire transfer to a U.S. dollar account maintained by the payee with a bank in the City of New York if such Holder elects payment by wire transfer by giving written notice to the Company to such effect designating such account no later than ten (10) Business Days immediately preceding the relevant due date for payment (or such other date as the Trustee may accept in its discretion).

6. Paying Agent and Registrar.

Initially, The Bank of New York Mellon (the "Trustee"), will act as Paying Agent and Registrar. The Company may appoint and change any Paying Agent, Transfer Agent Registrar or co-Registrar without prior notice to the Holders of this Note. The Company may act as Paying Agent, Transfer Agent or Registrar.

7. Indenture.

The Company issued this Note under an Indenture, dated as of June 8, 2021 (as it may be amended or supplemented from time to time in accordance with the terms thereof, the "Indenture"), among the Company and the Trustee. The terms of this Note include those stated in the Indenture. Capitalized terms used herein and not defined herein have the meanings ascribed thereto in the Indenture. This Note is 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.

This Note is a subordinated unsecured obligation of the Company unlimited in principal amount. Subject to the conditions set forth in the Indenture and without the consent of the Holders, the Company may issue Additional Notes. All Notes will be treated as a single class of securities under the Indenture.

8. Optional Redemption.

The Company may redeem the Notes in the circumstances, in the manner and at the prices described in the Indenture.

9. Sinking Fund.

The Notes are not subject to any sinking fund.

10. Denominations; Transfer, Exchange.

The Notes are in fully registered form without coupons in denominations of U.S.$200,000 and integral multiples of U.S.$1,000 in excess thereof. A Holder may transfer or exchange Notes in accordance with the Indenture. In connection with any transfer or exchange, the Company, the Registrar and the Trustee may require a Holder, among other things, to furnish appropriate endorsements or transfer documents and to pay any Taxes required by law or permitted by the Indenture. The Company and the Registrar are not required to transfer or exchange any Notes selected for redemption (except, in the case of a Note to be redeemed in

part, the portion of the Note not to be redeemed) or to transfer or exchange any Notes from the record date to the due date for any payment of principal of, or interest on, the Notes or for a period of 15 days prior to the giving of a notice of redemption of Notes to be redeemed through the Redemption Date, except the unredeemed portion thereof, if any.

10. Persons Deemed Owners.

The registered Holder of this Note may be treated as the owner of it for all purposes.

11. 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 Company at its written request unless an abandoned property law designates another Person. After any such payment, Holders entitled to the money must look only to the Company and not to the Trustee for payment.

12. Amendment, Waiver.

Subject to certain exceptions set forth in the Indenture, the Indenture or the Notes may be amended (for the provisions thereof waived) with the consent of the Holders of at least a majority in aggregate principal amount of the then Outstanding Notes.

13. Defaults and Remedies.

There are no defaults or events of default in respect of the Notes. There is no cross default under the Notes. However, the entire principal amount of all the Notes and any accrued interest, arrears of interest and Additional Amounts thereon will be automatically accelerated, without any action by the Trustee or any holder and any principal, interest or Additional Amounts will become immediately due and payable, in case of a Bankruptcy Event or a Liquidation Event. No payments will be made to holders of any class of the Company's Capital Stock before all amounts due, but unpaid, to all holders of the Notes have been paid by the Company.

There is no right of acceleration of the payment of principal of the Notes if the Company fails to pay interest, Arrears of Interest and Additional Amounts thereon when any such payment becomes due pursuant to the Indenture. The rights of Holders to enforce the provisions of the Indenture and the Notes are expressly limited by the provisions of the Indenture.

14. Trustee Dealings with the Company.

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 Company or its Affiliates and may otherwise deal with the Company or its Affiliates with the same rights it would have if it were not Trustee.

15. No Recourse Against Others.

An incorporator, director, officer, employee, stockholder or controlling person, as such, of the Company or any Subsidiary shall not have any liability for any obligations of the Company under the Notes or the Indenture or for any claim 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.

16. Authentication.

Any Officer of the Company may sign the Notes for the Company by manual, facsimile or electronic signature. This Note shall not be valid until an authorized signatory of the Trustee (or an Authenticating Agent) electronically or manually signs the certificate of authentication on the other side of this Note.

17. 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 entireties), JT TEN (=joint tenants with rights of survivorship and not as tenants in common), CUST (=custodian), and U/GIMIA (=Uniform Gift to Minors Act).

18. Governing Law, etc.

THIS NOTE SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

19. CUSIP Number.

Pursuant to a recommendation promulgated by the Committee on Uniform Security Identification Procedures, the Company has caused CUSIP or other similar numbers to be printed on the Notes and has directed the Trustee to use CUSIP number 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.

20. Currency of Account; Conversion of Currency.

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 Notes or the Indenture, including damages. The Company will indemnify the Holders as provided in respect of the conversion of currency relating to the Notes and the Indenture.

21. Agent for Service; Submission to Jurisdiction; Waiver of Immunities.

The Company has agreed that any suit, action or proceeding against the Company 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 Company has 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 they may now or hereafter have to the laying of venue of any such proceeding, and any claim they may now or hereafter have that any proceeding in any such court is brought in an inconvenient forum and irrevocably waived the right to any other jurisdiction to which it may be entitled on account of law, of its present or future place of residence or domicile or for any other reason. The Company has appointed CEMEX NY Corporation, 590 Madison Avenue, 27th Floor, New York, NY 10022, its 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 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 has, to the fullest extent permitted by applicable law, irrevocably waived and agreed not to plead or claim such immunity in respect of its obligations under the Indenture or the Notes.

The Company 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.
Avenida Ricardo Margáin Zozaya #325
Colonia Valle del Campestre
San Pedro 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 Social Security or Tax I.D. Number)

and irrevocably appoint agent to transfer this Note on the books of the Company. 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 AND DECREASES IN GLOBAL NOTE

The following increases or decreases in this Global Note have been made:

Date of Exchange	Amount of decrease in Principal Amount of this Global Note	Amount of increase in Principal Amount of this Global Note	Principal Amount of this Global Note following such decrease or increase	Signature of authorized signatory of Trustee or Note Custodian

EXHIBIT B

FORM OF CERTIFICATE FOR TRANSFER PURSUANT TO REGULATION S

[Date]

The Bank of New York Mellon
240 Greenwich Street, Floor 7 East
New York, NY 10286
Attention: International Corporate Trust

Re: Subordinated Hybrid Notes (the "Notes")
of CEMEX, S.A.B. de C.V. (the "Company")

Ladies and Gentlemen:

Reference is hereby made to the Indenture, dated as of June 8, 2021 (as amended and supplemented from time to time, the "Indenture"), among the Company 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 sale 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 sale 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 and the Company 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.

EXHIBIT C

FORM OF CERTIFICATE FOR TRANSFER PURSUANT TO RULE 144

[Date]

The Bank of New York Mellon
240 Greenwich Street, Floor 7 East
New York, NY 10286
Attention: International Corporate Trust

Re: Subordinated Hybrid Notes (the "Notes")
of CEMEX, S.A.B. de C.V. (the "Company")

Ladies and Gentlemen:

Reference is hereby made to the Indenture, dated as of June 8, 2021 (as amended and supplemented from time to time, the "Indenture"), among the Company 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 sale 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 sale has been effected pursuant to and in accordance with Rule 144 under the Securities Act.

You and the Company are entitled to conclusively 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

EXHIBIT D

FORM OF CERTIFICATION FOR TRANSFER PURSUANT TO RULE 144A

[Date]

The Bank of New York Mellon
240 Greenwich Street, Floor 7 East
New York, NY 10286
Attention: International Corporate Trust

Re: Subordinated Hybrid Notes (the "Notes")
of CEMEX, S.A.B. de C.V. (the "Company")

Ladies and Gentlemen:

Reference is hereby made to the Indenture, dated as of June 8, 2021 (as amended and supplemented from time to time, the "Indenture"), among the Company 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 and the Company 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.

Exhibit 4.7

CREDIT AGREEMENT

DATED AS OF OCTOBER 29, 2021

among

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

as the Borrower,

Citibank, N.A.,

as Administrative Agent,

ING Capital LLC,

as Sustainability Structuring Agent,

BofA Securities Inc.,
BNP Paribas,
Citigroup Global Markets Inc., and
JPMorgan Chase Bank, N.A.,

as Joint Bookrunners and Joint Lead Arrangers

and

The Other Lenders Party Hereto

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CREDIT AGREEMENT

This CREDIT AGREEMENT ("Agreement") is entered into as of October 29, 2021, among CEMEX, S.A.B. de C.V., a *sociedad anónima bursátil de capital variable* (the "Borrower"), Citibank, N.A., a national banking association organized and existing under the laws of the United States and acting through its Agency & Trust Division, not in its individual capacity but solely in its capacity as administrative agent for the Lenders (the "Administrative Agent"), ING Capital LLC, solely in its capacity as sustainability structuring agent (the "Sustainability Structuring Agent"), BofA Securities Inc., BNP Paribas, Citigroup Global Markets Inc., and JPMorgan Chase Bank, N.A., as joint bookrunners and joint lead arrangers (collectively, the "Lead Arrangers" and individually, a "Lead Arranger"), and each lender from time to time party hereto (collectively, the "Lenders" and individually, a "Lender").

The Borrower has requested that the Lenders provide a term credit facility and a revolving credit facility, and the Lenders are willing to do so on the terms and conditions set forth herein.

In consideration of the mutual covenants and agreements herein contained, the parties hereto covenant and agree as follows:

ARTICLE I **DEFINITIONS AND ACCOUNTING TERMS**

Section 1.1 **Defined Terms**. As used in this Agreement, the following terms shall have the meanings set forth below:

"Acceptable Assumption Agreement" means an Assumption Agreement with respect to the Obligations of the Borrower or a Guarantor, as applicable, in substantially the form of Exhibit H.

"Additional Guarantor" means any Person that, with the written acknowledgment of the Borrower, executes a guaranty in favor of the Administrative Agent and the Lenders, substantially in the form of Exhibit F, and who shall, promptly following any request from the Administrative Agent or any Lender, provide information and documentation reasonably requested by the Administrative Agent or such Lender for purposes of compliance with applicable "know your customer" and anti-money-laundering rules and regulations, including, without limitation, the PATRIOT Act and the Beneficial Ownership Regulation.

"Administrative Agent" has the meaning set forth in the preamble of this Agreement.

"Administrative Agent's Office" means the Administrative Agent's address and, as appropriate, account as set forth on Schedule 10.2, or such other address or account as the Administrative Agent may from time to time notify to the Borrower and the Lenders.

"Administrative Questionnaire" means an Administrative Questionnaire in substantially the form of Exhibit E-2.

"Affected Financial Institution" means (a) any EEA Financial Institution or (b) any UK Financial Institution.

"Affiliate" means, with respect to a specified Person, another Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified.

"Aggregate Commitments" means the Revolving Commitments of all the Lenders.

"Agreement" means this Credit Agreement.

"Alternative Fuels" are defined following the Global Cement and Concrete Association Sustainability Guidelines, as in effect on the Effective Date, for co-processing fuels and raw materials in cement manufacturing and include, but are not limited to, industrial waste, municipal solid waste, biomass residues and tires.

"Annual Period" means each calendar year.

"Applicable Law" means, as to any Person, all applicable Laws binding upon such Person or to which such a Person is subject.

"Applicable Margin" means the percentage per annum, based on the Consolidated Leverage Ratio, applicable to each Loan as set forth in Schedule 1.1 hereto, and after giving effect to any Sustainability Margin Adjustment.

"Applicable Percentage" means, (a) with respect to any Lender in respect of the Revolving Facility, the percentage (carried out to the ninth decimal place) of the Aggregate Commitments represented by such Lender's Revolving Commitment at such time; provided, however, that if the Revolving Commitments have terminated pursuant to Section 8.2 or expired, the Applicable Percentage of each Lender shall be determined based upon the Revolving Commitments of each Lender most recently in effect, giving effect to any subsequent assignments and to any Revolving Lender's status as a Defaulting Lender at the time of determination and (b) with respect to any Lender in respect of the Term Facility, (i) on or prior to the Initial Funding Date, the percentage of the total Initial Term Loan Commitments of all Term Lenders represented by such Lender's Initial Term Loan Commitment at such time and (ii) thereafter, the percentage of the aggregate outstanding Term Loans under the Term Facility of all Term Lenders represented by the aggregate outstanding Term Loans under the Term Loan Facility of such Lender at such time. The initial Applicable Percentage of each Lender with respect to the Revolving Facility and the Term Loan Facility, as applicable, is set forth opposite the name of such Lender on Schedule 2.1 or in the Assignment and Assumption pursuant to which such Lender becomes a party hereto, as applicable.

"Approved Fund" means any Fund that is administered or managed by (a) a Lender, (b) an Affiliate of a Lender or (c) an entity or an Affiliate of an entity that administers or manages a Lender.

"Assignment and Assumption" means an assignment and assumption entered into by a Lender and an Eligible Assignee (with the consent of any party whose consent is required by Section 10.7), and acknowledged by the Administrative Agent, in substantially the form of Exhibit E-1.

"Audited Financial Statements" means the audited consolidated balance sheet of the Borrower and its Subsidiaries for the fiscal year ended December 31, 2020**,** and the related consolidated statements of income or operations, shareholders' equity and cash flows for such fiscal year of the Borrower and its Subsidiaries, including the notes thereto.

"Available Tenor" means, as of any date of determination and with respect to the then-current Benchmark, as applicable, (x) if the then-current Benchmark is a term rate, any tenor for such Benchmark that is or may be used for determining the length of an Interest Period or (y) otherwise, any payment period for interest calculated with reference to such Benchmark, as applicable, pursuant to this Agreement as of such date.

"Bail-In Action" means the exercise of any Write-Down and Conversion Powers by the applicable Resolution Authority in respect of any liability of an Affected Financial Institution.

"Bail-In Legislation" means (a) with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law, regulation, rule or requirement for such EEA Member Country from time to time that is described in the EU Bail-In Legislation Schedule and (b) with respect to the United Kingdom, Part I of the United Kingdom Banking Act 2009 (as amended from time to time) and any other law, regulation or rule applicable in the United Kingdom relating to the resolution of unsound or failing banks, investment firms or other financial institutions or their Affiliate (other than through liquidation, administration or other insolvency proceedings).

"Base Rate" means for any day a fluctuating rate per annum equal to the highest of (a) the Federal Funds Rate plus ½ of 1%, (b) the rate of interest in effect for such day as publicly announced from time to time by the Administrative Agent as its "prime rate," and (c) the Eurodollar Rate plus 1.00%. The "prime rate" is a rate set by the Administrative Agent based upon various factors including the Administrative Agent's costs and desired return, general economic conditions and other factors, and is used as a reference point for pricing some loans, which may be priced at, above, or below such announced rate. Any change in such prime rate announced by the Administrative Agent shall take effect at the opening of business on the day specified in the public announcement of such change. If the Base Rate is being used as an alternate rate of interest pursuant to Section 3.3 hereof, then the Base Rate shall be the greater of clauses (a) and (b) above and shall be determined without reference to clause (c) above.

"Base Rate Loan" means a Loan that bears interest based on the Base Rate.

"Benchmark" means, initially, LIBOR; provided that if a replacement of the Benchmark has occurred pursuant to Section 3.3 then "Benchmark" means the applicable Benchmark Replacement to the extent that such Benchmark Replacement has replaced such prior benchmark rate. Any reference to "Benchmark" shall include, as applicable, the published component used in the calculation thereof.

"Benchmark Replacement" means, for any Available Tenor:

(1) For purposes of Section 3.3(a), the first alternative set forth below that can be determined by the Administrative Agent (acting at the written direction of the Required Lenders):

(a) the sum of: (i) Term SOFR and (ii) 0.11448% (11.448 basis points) for an Available Tenor of one-month's duration, 0.26161% (26.161 basis points) for an Available Tenor of three-months' duration, and 0.42826% (42.826 basis points) for an Available Tenor of six-months' duration, or

(b) the sum of: (i) Daily Simple SOFR and (ii) 0.26161% (26.161 basis points);

provided that, if initially LIBOR is replaced with the rate contained in clause (b) above (Daily Simple SOFR *plus* the applicable spread adjustment) and subsequent to such replacement, the Required Lenders determine that Term SOFR has become available, and the Administrative Agent (acting at the direction of the Required Lenders) notifies the Borrower and each Lender of such availability, then from and after the beginning of the Interest Period, relevant interest payment date or payment period for interest calculated, in each case, commencing no less than thirty (30) days after the date of such notice, the Benchmark Replacement shall be as set forth in clause (a) above; and

(2) For purposes of Section 3.3(b), the sum of (a) the alternate benchmark rate and (b) an adjustment (which may be a positive or negative value or zero), in each case, that has been selected by the Administrative Agent (acting at the written direction of the Required Lenders) and the Borrower as the replacement for such Available Tenor of such Benchmark giving due consideration to any evolving or then-prevailing market convention, including any applicable recommendations made by the Relevant Governmental Body, for U.S. dollar-denominated syndicated credit facilities at such time; provided that, if the Benchmark Replacement as determined pursuant to clause (1) or (2) above would be less than the Floor, the Benchmark Replacement will be deemed to be the Floor for the purposes of this Agreement and the other Loan Documents.

"Benchmark Replacement Conforming Changes" means, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of "Base Rate," the definition of "Business Day," the definition of "Interest Period," timing and frequency of determining rates and making payments of interest, timing of borrowing requests or prepayment, conversion or continuation notices, the applicability and length of lookback periods, the applicability of breakage provisions, and other technical, administrative or operational matters) that the Required Lenders decide may be appropriate to reflect the adoption and implementation of such Benchmark Replacement and to permit the administration thereof by the Administrative Agent in a manner substantially consistent with market practice as determined by the Required Lenders (or, if the Required Lenders decide that adoption of any portion of such market practice is not administratively feasible or that no market practice for the administration of such Benchmark Replacement exists, in such other manner of administration as the Required Lenders decide is reasonably necessary in connection with the administration of this Agreement and the other Loan Documents).

"Benchmark Transition Event" means, with respect to any then-current Benchmark other than LIBOR, the occurrence of a public statement or publication of information by or on behalf of the administrator of the then-current Benchmark, the regulatory supervisor for the administrator of such Benchmark, the Board of Governors of the Federal Reserve System, the Federal Reserve Bank of New York, an insolvency official with jurisdiction over the administrator for such

Benchmark, a resolution authority with jurisdiction over the administrator for such Benchmark or a court or an entity with similar insolvency or resolution authority over the administrator for such Benchmark, announcing or stating that (a) such administrator has ceased or will cease on a specified date to provide all Available Tenors of such Benchmark, permanently or indefinitely; provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark or (b) all Available Tenors of such Benchmark are or will no longer be representative of the underlying market and economic reality that such Benchmark is intended to measure and that representativeness will not be restored.

"Beneficial Ownership Certification" means a certification regarding beneficial ownership required by the Beneficial Ownership Regulation.

"Beneficial Ownership Regulation" means 31 C.F.R. § 1010.230.

"Benefit Plan" means any of (a) an "employee benefit plan" (as defined in ERISA) that is subject to Title I of ERISA, (b) a "plan" as defined in and subject to Section 4975 of the Code or (c) any Person whose assets include (for purposes of ERISA Section 3(42) or otherwise for purposes of Title I of ERISA or Section 4975 of the Code) the assets of any such "employee benefit plan" or "plan".

"Borrower" has the meaning specified in the preamble hereto.

"Borrower Materials" has the meaning specified in Section 6.2.

"Borrowing" means a borrowing of Term Loans or Revolving Loans under this Agreement.

"Business Day" means any day other than a Saturday, Sunday or other day on which commercial banks are authorized to close under the Laws of, or are in fact closed in, Mexico or New York, New York and, if such day relates to any Eurodollar Rate Loan, means any such day that is also a London Banking Day.

"Capital Stock" means:

(a) with respect to any Person that is a corporation, any and all shares, equity quotas (*partes sociales*), 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; and

(b) with respect to any Person that is not a corporation, any and all partnership or other equity or ownership interests of such Person.

"Cash" means the amount of "*Cash and cash equivalents*" as set out in the relevant line in the relevant financial statements as determined in accordance with IFRS.

"Cementitious Product" means all clinker volumes produced by a company for cement making or direct clinker sale, *plus* gypsum, limestone, cement kiln dust and all clinkers consumed for blending, *plus* all cement substitutes produced. Clinker bought from third parties for the production of cement shall not constitute Cementitious Product.

"Change in Law" means the occurrence, after the Effective Date, of any of the following: (a) the adoption or taking effect of any law, rule, regulation or treaty, (b) any change in any law, rule, regulation or treaty or in the administration, interpretation, implementation or application thereof by any Governmental Authority or (c) the making or issuance of any request, rule, guideline or directive (whether or not having the force of law) by any Governmental Authority; provided that notwithstanding anything herein to the contrary, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith or in the implementation thereof and (y) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a "Change in Law", regardless of the date enacted, adopted, issued or implemented.

"Change of Control" means the beneficial ownership (within the meaning of Rule 13d-3 promulgated by the SEC under the Securities and Exchange Act of 1934, as amended) of twenty percent (20%) or more in voting power of the outstanding Voting Stock of the Borrower is acquired by any Person. Notwithstanding the foregoing, a transaction will not be deemed to constitute a Change of Control if (1) the Borrower becomes a direct or indirect Wholly Owned Subsidiary of a holding company and (2)(A) the direct or indirect holders of the Voting Stock of such holding company immediately following that transaction are substantially the same as the holders of the Borrower's Voting Stock immediately prior to that transaction or (B) immediately following that transaction no Person (other than a holding company satisfying the requirements of this sentence) has beneficial ownership of twenty percent (20%) or more in voting power of the Voting Stock of such holding company.

"Code" means the Internal Revenue Code of 1986.

"Commitment" means an Initial Term Loan Commitment or a Revolving Commitment, as the context may require.

"Commitment Fee" has the meaning specified in Section 2.7.

"Committed Loan Notice" means a request for a Borrowing or a conversion or continuation of any Loan, which shall be substantially in the form of Exhibit A, duly completed and signed by a Responsible Officer of the Borrower.

"Common Stock" of any Person means any and all shares, equity quotas (*partes sociales*), 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 Effective Date or issued after the Effective Date, and includes, without limitation, all series and classes of such common equity interests. For the avoidance of doubt, "Common Stock" of the Borrower will be deemed to include the Borrower's American Depositary Receipts and Ordinary Participation Certificates (*Certificados de Participación Ordinarios*).

"Compliance Certificate" means a certificate substantially in the form of Exhibit C.

"Connection Income Taxes" means Other Connection Taxes that are imposed on or measured by net income (however denominated) or that are franchise Taxes or branch profits Taxes.

"Consolidated Coverage Ratio" means, on any date of determination, the ratio of (a) ratio Consolidated 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 Financial Debt of the Borrower and its Subsidiaries on a consolidated basis at such date, *plus or minus, as applicable,* (b) to the extent not included in Financial Debt, the aggregate net mark-to-market amount, which may be positive or negative, of all Swap Contracts (except to the extent such exposure is cash collateralized to the extent permitted under, or not restricted by, the Loan Documents). Notwithstanding the foregoing, Consolidated Debt shall exclude any existing or future obligations under any Securitization, any subordinated notes with no fixed maturity (which shall include, for the avoidance of doubt, the Borrower's U.S.$1.0 billion 5.125% subordinated notes with no fixed maturity), and any Indebtedness (whether in the form of perpetual, convertible, hybrid or similar securities or financial instruments) that is subordinated to the Obligations.

"Consolidated EBITDA" means, for any period, for the Borrower and its Subsidiaries on a consolidated basis, operating earnings before other (expenses) income, *plus* net depreciation and amortization expense, in each case determined in accordance with IFRS, as adjusted for any Discontinued EBITDA, and solely for the purpose of calculating the Consolidated Leverage Ratio on a Pro Forma Basis for any Material Disposition and/or Material Acquisition.

"Consolidated Interest Expense" means, for any period, for the Borrower and its Subsidiaries on a consolidated basis, the sum of: (a) consolidated interest expense, to the extent such expense was deducted (and not added back) in computing consolidated net income (or loss), including (i) amortization of original issue discount resulting from the issuance of indebtedness at less than par, (ii) all commissions, discounts and other fees and charges owed with respect to letters of credit and bankers' acceptances, (iii) non-cash interest payments (but excluding any non-cash interest expense attributable to the movement in the mark-to-market valuation of obligations under any hedge agreements or other derivative instruments pursuant to IFRS), (iv) net payments, if any, made (less net payments, if any, received) pursuant to interest rate obligations under any hedge agreements with respect to indebtedness, (v) penalties and interest relating to taxes, (vi) any expensing of bridge, commitment or other financing fees, and excluding amortization of deferred financing fees, debt issuance costs, commissions, fees and expenses; *plus* (b) consolidated capitalized interest and the interest component of Leases that constitute Indebtedness of such person for such period, whether paid or accrued.

"Consolidated Leverage Ratio" means, on any date of determination, the ratio of (a) Consolidated Net Debt on such date to (b) Consolidated EBITDA for the one (1) year period ending on such date.

"Consolidated Net Debt" means, at any date, for the Borrower and its Subsidiaries on a consolidated basis, the Consolidated Debt net of Cash of the Borrower and its Subsidiaries that would not appear as "restricted" on a balance sheet in accordance with IFRS on such date.

"Contractual Obligation" means, as to any Person, any provision of any security issued by such Person or of any agreement, instrument or other undertaking to which such Person is a party or by which it or any of its property is bound.

"Control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise. "Controlling" and "Controlled" have meanings correlative thereto.

"Convertible Indebtedness" means any (a) Indebtedness the terms of which provide for conversion into, or exchange for, Common Stock of the Borrower, cash in lieu thereof and/or a combination of Common Stock of the Borrower and cash in lieu thereof or (b) contingent convertible units and related note purchase contracts.

"Corporate Office" means the Borrower's corporate office located at Avenida Ricardo Margain Zozaya 325, Colonia Valle del Campestre, San Pedro Garza Garcia, Nuevo Leon, Mexico 66265, or any other office that might be notified from time to time to the Administrative Agent.

"Custodian" means any custodian of the Notes acting as agent for and on behalf of the Lenders for the time being appointed on behalf of the Lenders by the Administrative Agent (acting at the direction of the Required Lenders) with the Borrower's prior written consent (not to be unreasonably withheld, conditioned or delayed) provided that such Custodian must maintain an office in the metropolitan area of Monterrey, Nuevo León, Mexico.

"Daily Simple SOFR" means, for any day, SOFR, with the conventions for this rate (which will include a lookback) being established by the Administrative Agent (acting at the direction of the Required Lenders) in accordance with the conventions for this rate recommended by the Relevant Governmental Body for determining "Daily Simple SOFR" for syndicated business loans; provided that if the Required Lenders decide that any such convention is not administratively feasible, then the Required Lenders may establish another convention in their reasonable discretion.

"Debtor Relief Laws" means the Bankruptcy Code of the United States, the Mexican Bankruptcy Law (*Ley de Concursos Mercantiles*), and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, *concurso mercantil*, *quiebra* or similar debtor relief Laws of the United States, Mexico or other applicable jurisdictions from time to time in effect.

"Default" means any event or condition that constitutes an Event of Default or that, with the giving of any notice, the passage of time, or both, would be an Event of Default.

"Default Rate" means (a) with respect to any principal payable under or in respect of the Facilities not paid when due, the applicable interest rate *plus* 2.00% per annum and (b) with respect to other overdue amounts (including overdue interest), the interest rate applicable to Base Rate Loans *plus* 2.00% per annum.

"Defaulting Lender" means, subject to Section 2.12(b), any Lender that has failed to (a) fund all or any portion of its Loans on the date such Loans were required to be funded hereunder unless such Lender notifies the Administrative Agent and the Borrower in writing prior to such date that such failure is the result of such Lender's determination that one or more conditions precedent to funding (each of which conditions precedent, together with any applicable default, shall be specifically identified in such writing) has not been satisfied, or (b) pay to the Administrative Agent, or any other Lender any other amount required to be paid by it hereunder within two (2) Business Days of the date when due, or has notified the Borrower or the Administrative Agent, in writing that it does not intend to comply with its funding obligations hereunder, or has made a public statement to that effect (unless such writing or public statement relates to such Lender's obligation to fund a Loan hereunder and states that such position is based on such Lender's determination that a condition precedent to funding (which condition precedent, together with any applicable default, shall be specifically identified in such writing or public statement) cannot be satisfied); (c) has failed, within three (3) Business Days after written request by the Administrative Agent or the Borrower, to confirm in writing to the Administrative Agent and the Borrower that it will comply with its prospective funding obligations hereunder (provided that such Lender shall cease to be a Defaulting Lender pursuant to this clause (c) upon receipt of such written confirmation by the Administrative Agent and the Borrower), or (d) has, or has a direct or indirect parent company that has, (i) become the subject of a proceeding under any Debtor Relief Law, (ii) had appointed for it a receiver, custodian, conservator, trustee, administrator, *visitador, conciliador, síndico,* assignee for the benefit of creditors or similar Person charged with reorganization or liquidation of its business or assets, including the Federal Deposit Insurance Corporation or any other state or federal regulatory authority acting in such a capacity, or (iii) become the subject of a Bail-In Action; provided that a Lender shall not be a Defaulting Lender solely by virtue of (i) an Undisclosed Administration and (ii) the ownership or acquisition of any Equity Interest in that Lender or any direct or indirect parent company thereof by a Governmental Authority so long as such ownership interest does not result in or provide such Lender with immunity from the jurisdiction of courts within the United States or from the enforcement of judgments or writs of attachment on its assets or permit such Lender (or such Governmental Authority) to reject, repudiate, disavow or disaffirm any contracts or agreements made with such Lender. Any determination by the Administrative Agent (in each case, acting at the written direction of the Required Lenders) that a Lender is a Defaulting Lender under any one or more of clauses (a) through (d) above, shall be conclusive and binding absent manifest error, and such Lender shall be deemed to be a Defaulting Lender (subject to Section 2.12(b)) upon written notice of such determination to the Borrower and each other Lender.

"Designated Jurisdiction" means any country or territory to the extent that such country or territory itself is the subject of any comprehensive Sanction (at the time of this Agreement, Cuba, Iran, North Korea, Syria, and the Crimea region).

"Discontinued EBITDA" means, for any period, the sum for Discontinued Operations of the operating income for such period plus, without duplication and to the extent deducted in determining such discontinued operating income, depreciation, amortization expense and impairment of assets of the Discontinued Operations. For the avoidance of doubt, the Discontinued EBITDA will be added to the Consolidated EBITDA for any period for which the Disposition of the Discontinued Operations has not yet occurred.

"Discontinued Operations" means operations that are accounted for as discontinued operations for which the Disposition of such assets has not yet occurred.

"Disposition" or "Dispose" means the sale, transfer, license, lease or other disposition (in one transaction or in a series of transactions and whether effected pursuant to a Division or otherwise) of any property by any Person (including any sale and leaseback transaction and any issuance of Equity Interests by a Subsidiary of such Person), including any sale, assignment, transfer or other disposal, with or without recourse, of any notes or accounts receivable or any rights and claims associated therewith.

"Disqualified Lender" means (a) certain financial institutions and other institutional lenders that have been specified to the Administrative Agent by the Borrower in writing at any time prior to the Effective Date, (b) any of the Borrower's competitors that have been specified to the Administrative Agent by the Borrower in writing at any time and from time to time, and (c) in the case of each of clauses (a) and (b), any of their respective Affiliates that are either (x) identified in writing by the Borrower from time to time, or (y) clearly identifiable on the basis of such Affiliate's name.

"Dividing Person" has the meaning assigned to it in the definition of "Division."

"Division" means the division of the assets, liabilities and/or obligations of a Person (the "Dividing Person") among two or more Persons (whether pursuant to a "plan of division" or similar arrangement), which may or may not include the Dividing Person and pursuant to which the Dividing Person may or may not survive.

"Dollar" and "$" mean lawful money of the United States.

"Early Opt-in Effective Date" means, with respect to any Early Opt-in Election, the sixth (6th) Business Day after the date notice of such Early Opt-in Election is provided to the Lenders, so long as the Administrative Agent has not received, by 5:00 p.m. (New York City time) on the fifth (5th) Business Day after the date notice of such Early Opt-in Election is provided to the Lenders, written notice of objection to such Early Opt-in Election from Lenders comprising the Required Lenders.

"Early Opt-in Election" means the occurrence of:

(1) a notification by the Required Lenders to (or the request by the Borrower to the Administrative Agent to notify) each of the other parties hereto that at least fifteen currently outstanding U.S. dollar-denominated syndicated credit facilities with corporate borrowers having a final maturity no earlier than the Maturity Date at such time contain (as a result of amendment or as originally executed) a SOFR-based rate (including SOFR, a term SOFR or any other rate based upon SOFR) as a benchmark rate (and such syndicated credit facilities are identified in such notice and are publicly available for review), and

(2) the joint election by the Required Lenders and the Borrower to trigger a fallback from USD LIBOR and the provision by the Administrative Agent (acting at the written direction of the Required Lenders) of written notice of such election to the Lenders.

"EEA Financial Institution" means (a) any credit institution or investment firm established in any EEA Member Country which is subject to the supervision of an EEA Resolution Authority, (b) any entity established in an EEA Member Country which is a parent of an institution described in clause (a) of this definition, or (c) any financial institution established in an EEA Member Country which is a Subsidiary of an institution described in clauses (a) or (b) of this definition and is subject to consolidated supervision with its parent.

"EEA Member Country" means any of the member states of the European Union, Iceland, Liechtenstein, and Norway.

"EEA Resolution Authority" means any public administrative authority or any Person entrusted with public administrative authority of any EEA Member Country (including any delegee) having responsibility for the resolution of any EEA Financial Institution.

"Effective Date" means the first date all the conditions precedent in Section 4.1 are satisfied or waived in accordance with Section 10.1.

"Eligible Assignee" means any Person that meets the requirements to be an assignee under Section 10.7 (subject to such consents, if any, as may be required under Section 10.7).

"Environmental Laws" means any and all Federal, state, local, and foreign statutes, laws (including common law), official standards (*normas técnicas*), regulations, ordinances, rules, applicable judgments, applicable orders, applicable decrees, permits and licenses relating to pollution and the protection of human health and safety with respect to exposure to Hazardous Materials, protection of the environment and natural resources or the release of Hazardous Materials into the environment, including any of the foregoing related to hazardous substances or wastes, air emissions and discharges to waste or public systems.

"Environmental Liability" means any liability, contingent or otherwise (including any liability for damages, costs of environmental remediation, fines, penalties or indemnities), whether based in contract, tort, implied or express warranty, strict liability, criminal or civil statute or common law, pursuant to or arising from (a) any Environmental Law, (b) the generation, use, handling, transportation, storage, treatment or disposal of any Hazardous Materials, (c) exposure to any Hazardous Materials, (d) the release or threatened release of any Hazardous Materials into the environment or (e) any contract, agreement or other consensual arrangement pursuant to which liability is assumed or imposed with respect to any of the foregoing.

"Equity Interests" means, with respect to any Person, all of the shares of Capital Stock of such Person and any warrants, rights or options to purchase any of the foregoing (but excluding any Convertible Indebtedness), whether voting or nonvoting, and whether or not such shares, warrants, options, rights or other interests are outstanding on any date of determination.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended, and the rules and regulations promulgated thereunder.

"ERISA Affiliate" means any trade or business (whether or not incorporated) under common control with the Borrower within the meaning of Section 414(b) or (c) of the Code (and Sections 414(m) and (o) of the Code for purposes of provisions relating to Section 412 of the Code).

"ERISA Event" means (a) a Reportable Event with respect to a Pension Plan; (b) the withdrawal of the Borrower or any ERISA Affiliate from a Pension Plan subject to Section 4063 of ERISA during a plan year in which such entity was a "substantial employer" as defined in Section 4001(a)(2) of ERISA or a cessation of operations that is treated as such a withdrawal under Section 4062(e) of ERISA; (c) a complete or partial withdrawal by the Borrower or any ERISA Affiliate from a Multiemployer Plan (if any resulting liability has not been satisfied or payments of such liability are delinquent) or notification that a Multiemployer Plan is in reorganization; (d) the filing of a notice of intent to terminate, the treatment of a Pension Plan amendment as a termination under Section 4041 or 4041A of ERISA; (e) the institution by the PBGC of proceedings to terminate a Pension Plan; (f) any event or condition which constitutes grounds under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Pension Plan; (g) the determination that any Pension Plan is considered an at-risk plan or a plan in endangered or critical status within the meaning of Sections 430, 431 and 432 of the Code or Sections 303, 304 and 305 of ERISA; or (h) the imposition of any liability under Title IV of ERISA, other than for PBGC premiums due but not delinquent under Section 4007 of ERISA, upon the Borrower or any ERISA Affiliate.

"Erroneous Payment" has the meaning assigned to it in Section 9.5(a).

"Erroneous Payment Deficiency Assignment" has the meaning assigned to it in Section 9.5(d).

"Erroneous Payment Impacted Class" has the meaning assigned to it in Section 9.5(d).

"Erroneous Payment Return Deficiency" has the meaning assigned to it in Section 9.5(d).

"EU Bail-In Legislation Schedule" means the EU Bail-In Legislation Schedule published by the Loan Market Association (or any successor person), as in effect from time to time.

"Eurodollar Rate" means:

(a) for any Interest Period with respect to a Eurodollar Rate Loan, the rate per annum equal to the London Interbank Offered Rate as administered by ICE Benchmark Administration (or any other Person that takes over the administration of such rate for U.S. Dollars) for a period equal in length to such Interest Period ("LIBOR") as published on the LIBOR01 page of the Reuters screen (or on any successor or substitute page or service or such other commercially available source providing such quotations as may be designated by the Administrative Agent from time to time) at approximately 11:00 a.m., London time, two (2) Business Days prior to the commencement of such Interest Period, for Dollar deposits (for delivery on the first day of such Interest Period) with a term equivalent to such Interest Period;

(b) for any interest calculation with respect to a Base Rate Loan on any date, the rate per annum equal to LIBOR, at or about 11:00 a.m., London time determined two London Banking Days prior to such date for U.S. Dollar deposits with a term of one month commencing that day; and

(c) if the Eurodollar Rate (or LIBOR) shall be less than zero, for purposes of this Agreement such rate shall be deemed to be equal to zero.

"Eurodollar Rate Loan" means a Loan that bears interest at a rate based on clause (a) of the definition of "Eurodollar Rate."

"Event of Default" has the meaning specified in Section 8.1.

"Excluded Taxes" means any of the following Taxes imposed on or with respect to any Recipient or required to be withheld or deducted from a payment to a Recipient, (a) Taxes imposed on or measured by net income (however denominated), franchise Taxes, and branch profits Taxes, in each case, (i) imposed as a result of such Recipient being organized under the laws of, or having its principal office or, in the case of any Lender, its Lending Office located in, the jurisdiction imposing such Tax (or any political subdivision thereof) or (ii) that are Other Connection Taxes, (b) in the case of a Lender, U.S. federal withholding Taxes imposed on amounts payable to or for the account of such Lender with respect to an applicable interest in a Loan or Commitment pursuant to a law in effect on the date on which (i) such Lender acquires such interest in the Loan or Commitment (other than pursuant to an assignment request by the Borrower under Section 10.13) or (ii) such Lender changes its Lending Office, except in each case to the extent that, pursuant to Section 3.1, amounts with respect to such Taxes were payable either to such Lender's assignor immediately before such Lender became a party hereto or to such Lender immediately before it changed its Lending Office, (c) any Mexican withholding Taxes imposed on amounts payable under any Loan Document to or for the account of any Lender, in excess of the withholding Taxes that would have been imposed had such recipient been a Qualified Entity at the time of payment, and (d) any U.S. federal withholding Taxes imposed pursuant to FATCA.

"Executive Compensation Plan" means any stock option plan, restricted stock plan or retirement plan which the Borrower or any of its Subsidiaries, any other obligor customarily provides to its employees, consultants and directors.

"Facilities" means the Term Facility and the Revolving Facility, together.

"Facilities Agreement" means that certain facilities agreement, dated as of July 19, 2017, entered into by and among the Borrower and certain of its Subsidiaries named therein, the financial institutions party thereto, as original lenders, Citibank Europe PLC, UK Branch, as agent, and Wilmington Trust (London) Limited, as security agent (as amended, amended and restated, supplemented or otherwise modified from time to time, including as amended and/or restated pursuant to an amendment and restatement agreement, dated April 2, 2019, an amendment and restatement agreement, dated November 4, 2019, an amendment agreement, dated May 22, 2020, an amendment and restatement agreement, dated October 13, 2020, and an amendment confirmation dated October 5, 2021).

"FATCA" means Sections 1471 through 1474 of the Code, as of the Effective Date (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof, any agreements entered into pursuant to Section 1471(b)(1) of the Code and any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement, treaty or convention among Governmental Authorities entered into in connection with the implementation of the foregoing.

"Federal Funds Rate" means, for any day, the rate per annum calculated by the Federal Reserve Bank of New York based on such day's federal funds transactions by depository institutions (as determined in such manner as the Federal Reserve Bank of New York shall set forth on its public website from time to time) and published on the next succeeding Business Day by the Federal Reserve Bank of New York as the federal funds effective rate; provided that if the Federal Funds Rate as so determined would be less than zero, such rate shall be deemed to be zero for purposes of this Agreement.

"Fee Letters" means, collectively, (a) the letter agreement, dated October 29, 2021, between the Borrower and the Lead Arrangers and (b) the letter agreement, dated September 24, 2021, between the Borrower and the Administrative Agent.

"Financial Debt" means, at any date with respect to any Person, the sum (without duplication) of the following, in each case, as determined in accordance with IFRS:

(a) Indebtedness of such Person pursuant to clause (a) of the definition thereof;

(b) Indebtedness of such Person pursuant to clause (b) of the definition thereof;

(c) Indebtedness of such Person pursuant to clause (c) of the definition thereof;

(d) Indebtedness of such Person pursuant to clause (e) of the definition thereof;

(e) Indebtedness of such Person pursuant to clause (f) of the definition thereof; and

(f) all Guarantees of such Person in respect of any of the foregoing.

"Floor" means the benchmark rate floor, if any, provided in this Agreement initially (as of the execution of this Agreement, the modification, amendment or renewal of this Agreement or otherwise) with respect to the Eurodollar Rate (or LIBOR).

"FRB" means the Board of Governors of the Federal Reserve System of the United States.

"Fund" means any Person (other than a natural Person) that is (or will be) engaged in making, purchasing, holding or otherwise investing in commercial loans and similar extensions of credit in the ordinary course of its activities.

"Governmental Authority" means the government of the United States, Mexico or any other nation, or of any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any supra-national bodies such as the European Union or the European Central Bank).

"Guarantee" means, as to any Person, (a) any obligation, contingent or otherwise, of such Person guaranteeing or having the economic effect of guaranteeing any Indebtedness or other obligation payable or performable by another Person (the "primary obligor") in any manner, whether directly or indirectly, and including any obligation of such Person, direct or indirect, (i) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or other obligation, (ii) to purchase or lease property, securities or services for the purpose of assuring the obligee in respect of such Indebtedness or other obligation of the payment or performance of such Indebtedness or other obligation, (iii) to maintain working capital, equity capital or any other financial statement condition or liquidity or level of income or cash flow of the primary obligor so as to enable the primary obligor to pay such Indebtedness or other obligation, or (iv) entered into for the purpose of assuring in any other manner the obligee in respect of such Indebtedness or other obligation of the payment or performance thereof or to protect such obligee against loss in respect thereof (in whole or in part), or (b) any Lien on any assets of such Person securing any Indebtedness or other obligation of any other Person, whether or not such Indebtedness or other obligation is assumed by such Person (or any right, contingent or otherwise, of any holder of such Indebtedness to obtain any such Lien). The amount of any Guarantee shall be deemed to be an amount equal to the stated or determinable amount of the related primary obligation, or portion thereof, in respect of which such Guarantee is made or, if not stated or determinable, the maximum reasonably anticipated liability in respect thereof as determined by the guaranteeing Person in good faith. The term "Guarantee" as a verb has a corresponding meaning.

"Guarantors" means (a) as of the Initial Funding Date, the Initial Guarantors, and (b) after the Initial Funding Date, the Initial Guarantors together with any Additional Guarantor.

"Guaranty" means the Guaranty made by the Guarantors in favor of the Administrative Agent and the Lenders, substantially in the form of Exhibit F.

"Hazardous Materials" means all explosive or radioactive substances or wastes and all hazardous or toxic substances, wastes or other pollutants, including petroleum or petroleum distillates, asbestos or asbestos-containing materials, polychlorinated biphenyls, radon gas, infectious or medical wastes and all other substances or wastes of any nature regulated pursuant to any Environmental Law.

"IFRS" means international accounting standards within the meaning of International Accounting Standards Regulation 1606/2002 to the extent applicable to the relevant financial statements delivered under or referred to herein.

"Indebtedness" means, as to any Person at a particular time, without duplication, all of the following, whether or not included as indebtedness or liabilities in accordance with IFRS (except as expressly set forth below):

(a) all obligations of such Person for borrowed money and all obligations of such Person evidenced by bonds, debentures, notes, loan agreements or other similar instruments;

(b) all direct or contingent obligations of such Person arising under letters of credit (including standby and commercial), bankers' acceptances, bank guaranties, surety bonds and similar instruments which, for the avoidance of doubt, shall not deemed Indebtedness until they are required to be funded;

(c) net obligations of such Person under any Swap Contract (as determined in accordance with IFRS);

(d) all obligations of such Person to pay the deferred purchase price of property or services (other than trade accounts payable in the ordinary course of business) if (i) one of the primary reasons behind entering into such obligation 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 90 days after the date of supply;

(e) Indebtedness (excluding prepaid interest thereon) secured by a Lien on property owned or being purchased by such Person (including indebtedness arising under conditional sales or other title retention agreements) but only to the extent of the fair market value of the property secured thereby, whether or not such indebtedness shall have been assumed by such Person or is limited in recourse;

(f) the aggregate amount of all financial obligations arising under any Leases of such Person recognized in the consolidated statement of financial position of such Person in accordance with IFRS less the sum (without duplication) of (i) all obligations of such Person to pay the deferred purchase price of property or services and (ii) all obligations of such Person with respect to product invoices incurred in connection with export financing;

(g) all obligations of such Person to purchase, redeem, retire, defease or otherwise make any payment before the Maturity Date (other than at the option of such Person) in respect of any Equity Interest in such Person or any other Person, valued, in the case of a redeemable preferred interest, at the greater of its voluntary or involuntary liquidation preference *plus* accrued and unpaid dividends; and

(h) all Guarantees of such Person in respect of any of the foregoing.

For all purposes hereof, the Indebtedness of any Person shall include the Indebtedness of any partnership or joint venture (other than a joint venture that is itself a corporation or limited liability company) in which such Person is a general partner or a joint venturer, unless such Indebtedness is expressly made non-recourse to such Person, and in any case only to the extent of the recourse to such Person.

"Indemnified Taxes" means (a) Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any obligation of any Loan Party under any Loan Document and (b) to the extent not otherwise described in (a), Other Taxes.

"Indemnitees" has the meaning specified in Section 10.5(a).

"Information" has the meaning specified in Section 10.8.

"Initial Funding Date" means the first date on which any Loans are funded.

"Initial Guarantors" means, collectively, CEMEX Concretos, S.A. de C.V., CEMEX Operaciones México, S.A. de C.V., CEMEX Corp. and Cemex Innovation Holding Ltd. (formerly known as CEMEX TRADEMARKS HOLDING Ltd.).

"Initial Term Loan Commitment" means, as to each Term Lender, its obligation to make a Term Loan on the Initial Funding Date in the amount of such Term Lender's Initial Term Loan Commitment set forth on Schedule 2.1, as such commitment shall be terminated pursuant to Section 2.4.

"Interest Payment Date" means, (a) as to any Loan other than a Base Rate Loan, the last day of each Interest Period applicable to such Loan and the Maturity Date; and (b) as to any Base Rate Loan, the last Business Day of each March, June, September and December of a fiscal year and the Maturity Date.

"Interest Period" means as to each Eurodollar Rate Loan, the period commencing on the date such Eurodollar Rate Loan is disbursed or converted to or continued as a Eurodollar Rate Loan and ending on the date one, three or six months thereafter, as selected by the Borrower in its Committed Loan Notice; provided that:

(a) any Interest Period that would otherwise end on a day that is not a Business Day shall be extended to the next succeeding Business Day unless, in the case of a Eurodollar Rate Loan, such Business Day falls in another calendar month, in which case such Interest Period shall end on the next preceding Business Day;

(b) any Interest Period pertaining to a Eurodollar Rate Loan that begins on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) shall end on the last Business Day of the calendar month at the end of such Interest Period; and

(c) no Interest Period shall extend beyond the Maturity Date.

"Inventory Financing" means any arrangement pursuant to which the Borrower or any of its Subsidiaries sells or otherwise disposes of inventory to a counterparty (including 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.

"IP Rights" has the meaning specified in Section 5.17.

"IRS" means the United States Internal Revenue Service.

"KPI Metrics" means:

(a) direct CO2 emissions measured in kg of CO2 per ton of Cementitious Product (excluding on site electricity production) *minus* emissions from biomass fuel sources and Alternative Fuels;

(b) power consumption from clean energy sources in cement, including renewable energy sources such as solar, wind, hydro, and biomass, and power generated from waste heat recovery systems; and

(c) the percentage of fuel consumption from Alternative Fuels compared to the total fuel consumption for cement plant operations in a given period.

"KPI Metrics Auditor" means, with respect to any KPI Metric, KPMG Cárdenas Dosal, S.C.; provided that the Borrower may from time to time designate any independent public accountants of recognized national standing reasonably acceptable to the Sustainability Structuring Agent as a replacement KPI Metric Auditor, it being understood that any "big four" auditing firm or other auditing firm of recognized national standing acting in its capacity as an independent auditor of the Borrower shall be acceptable to the Sustainability Structuring Agent; provided, further, that the Borrower shall use commercially reasonable efforts to cause such replacement KPI Metric Auditor to apply substantially the same auditing standards and methodology used in the first KPI Metrics Report delivered by the Borrower.

"KPI Metrics Report" means a report that may take the form of any nonfinancial disclosure of the Borrower's performance of one or more KPI Metrics, prepared by or on behalf of the Borrower for one or more KPI Metrics for a specific Annual Period, and published on an Internet or intranet website to which each Lender and the Administrative Agent have been granted access free of charge (or at the expense of the Borrower). Such KPI Metrics Report shall be audited by the KPI Metrics Auditor.

"Laws" means, collectively, all international, foreign, Federal, state and local statutes, treaties, rules, official standards (*normas técnicas*), regulations, ordinances, codes, and all applicable administrative orders, directed duties, licenses, authorizations and permits issued by any Governmental Authority.

"Lease" means, as to any Person, the obligations of such Person under a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration. For the avoidance of doubt, for purposes of this definition and its application to the Borrower, short-term and low-value leases as defined by the Borrower's policy under IFRS are excluded.

"Lender" means a Term Lender or a Revolving Lender, as the context may require.

"Lending Office" means, as to any Lender, the office or offices of such Lender described as such in such Lender's Administrative Questionnaire, or such other office or offices as a Lender may from time to time notify the Borrower and the Administrative Agent, which office may include any Affiliate of such Lender or any domestic or foreign branch of such Lender or such Affiliate. Unless the context otherwise requires each reference to a Lender shall include its applicable Lending Office.

"LIBOR" has the meaning specified in the definition of Eurodollar Rate.

"Lien" means any mortgage, pledge, hypothecation, assignment, deposit arrangement, encumbrance, easement, right-of-way or other encumbrance on title to real property, lien (statutory or other), charge, or preference, priority or other security interest or preferential arrangement in the nature of a security interest of any kind or nature whatsoever (including any conditional sale or other title retention agreement, and any financing lease having substantially the same economic effect as any of the foregoing); provided, however, that the following shall only constitute a Lien in circumstances where the arrangement or transaction is entered into primarily as a method of raising Indebtedness or of financing the acquisition of an asset:

(i) the sale, transfer or other Disposition of any of the assets of the Borrower or its Subsidiaries on terms whereby they are or may be leased to or re-acquired the Borrower or its Subsidiaries;

(ii) the sale, transfer or other Disposition of any of the Borrower's or its Subsidiaries' receivables on recourse terms;

(iii) the entering 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) the entering into any other preferential arrangement having a similar effect as those described in (i) to (iii) above.

"Loan" means an extension of credit by a Lender to the Borrower under Article II.

"Loan Documents" means this Agreement, including schedules and exhibits hereto, each Note, the Guaranty, the Fee Letters (other than for purposes of Section 10.1), each Committed Loan Notice, and any amendments, modifications or supplements hereto or to any other Loan Document or waivers hereof or to any other Loan Document.

"Loan Parties" means, collectively, the Borrower and each Guarantor.

"London Banking Day" means any day on which dealings in Dollar deposits are conducted by and between banks in the London interbank eurodollar market.

"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 Equity Interests 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 U.S.$250.0 million (or the equivalent in other currencies).

"Material Adverse Effect" means (a) a material adverse change in the business, financial condition, operations, performance or properties of the Borrower and its Subsidiaries taken as a whole; or (b) a material adverse effect on (i) the ability of any Loan Party to perform its payment Obligations under any Loan Document or (ii) the legality, validity, binding effect or enforceability against any Loan Party of any Loan Document to which it is a party or (iii) the rights, remedies and benefits available to, or conferred upon, the Administrative Agent or any Lender under any Loan Documents.

"Material Disposition" means any Disposition of property or series of related Dispositions of property that yields gross proceeds to the Borrower or any of its Subsidiaries in excess of U.S.$250.0 million (or the equivalent in other currencies).

"Maturity Date" means the date that is five years from the Initial Funding Date; provided, however, that if such date is not a Business Day, the Maturity Date shall be the immediately preceding Business Day.

"Mexico" means the United Mexican States (*Estados Unidos Mexicanos*).

"Multiemployer Plan" means any employee benefit plan of the type described in Section 4001(a)(3) of ERISA, to which the Borrower or any ERISA Affiliate makes or is obligated to make contributions, or during the preceding five plan years, has made or been obligated to make contributions.

"Multiple Employer Plan" means a Plan which has two or more contributing sponsors (including the Borrower or any ERISA Affiliate) at least two of whom are not under common control, as such a plan is described in Section 4064 of ERISA.

"Non-Consenting Lender" means any Lender that does not approve any consent, waiver or amendment that (a) requires the approval of all Lenders or all affected Lenders in accordance with the terms of Section 10.1 and (b) has been approved by the Required Lenders.

"Non-Defaulting Lender" means, at any time, each Lender that is not a Defaulting Lender at such time.

"Note" means a non-negotiable promissory note (*pagaré no negociable*) made by the Borrower as issuer (*suscriptor*), and by each Guarantor organized under the laws of Mexico as guarantor (*avalista*), in favor of a Lender evidencing Loans made by such Lender, substantially in the form of Exhibit B or any other form reasonably satisfactory to the Required Lenders in the case of a Benchmark Replacement, delivered pursuant to Section 2.9, Section 4.2(a), Section 4.2(b) or Section 6.13.

"Notice of Loan Prepayment" means a notice of prepayment with respect to a Loan, which shall be substantially in the form of Exhibit G, duly completed and signed by a Responsible Officer.

"Obligations" means all advances to, and debts, liabilities, obligations, covenants and duties of, any Loan Party arising under any Loan Document or otherwise with respect to any Loan, whether direct or indirect (including those acquired by assumption), absolute or contingent, due or to become due, now existing or hereafter arising and including interest and fees that accrue after the commencement by or against any Loan Party or any Affiliate thereof of any proceeding under any Debtor Relief Laws naming such Person as the debtor in such proceeding, regardless of

whether such interest and fees are allowed claims in such proceeding. Without limiting the foregoing, the Obligations include (a) the obligation to pay principal, interest, charges, expenses, fees, indemnities, reimbursements and other amounts (including all fees, charges, expenses and disbursements of counsel to the Administrative Agent or any Lender) payable by any Loan Party under any Loan Document to the Administrative Agent or any Lender and (b) the obligation of the Loan Parties to reimburse any amount in respect of any of the foregoing that the Administrative Agent or any Lender, in each case in its sole discretion, may elect to pay or advance on behalf of the Loan Parties in accordance with the terms and conditions of the Loan Documents.

"OFAC" means the Office of Foreign Assets Control of the United States Department of the Treasury.

"Organization Documents" means, as applicable (a) with respect to any corporation, the charter or certificate or articles of incorporation (including *acta constitutiva*) and the bylaws (*estatutos sociales* or equivalent or comparable constitutive documents with respect to any non-U.S. jurisdiction); (b) with respect to any limited liability company, the certificate or articles of formation or organization and operating or limited liability agreement; and (c) with respect to any partnership, joint venture, trust or other form of business entity, the partnership, joint venture or other applicable agreement of formation or organization and any agreement, instrument, filing or notice with respect thereto filed in connection with its formation or organization with the applicable Governmental Authority in the jurisdiction of its formation or organization and, if applicable, any certificate or articles of formation or organization of such entity.

"Other Connection Taxes" means, with respect to any Recipient, Taxes imposed as a result of a present or former connection between such Recipient and the jurisdiction imposing such Tax (other than connections arising from such Recipient having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced any Loan Document, or sold or assigned an interest in any Loan or Loan Document).

"Other Rate Early Opt-in" means the Required Lenders and the Borrower have elected to replace LIBOR with a Benchmark Replacement other than a SOFR-Based Rate pursuant to (1) an Early Opt-in Election and (2) Section 3.3 and paragraph (2) of the definition of "Benchmark Replacement".

"Other Taxes" means all present or future stamp, court or documentary, intangible, recording, filing or similar Taxes that arise from any payment made under, from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to, any Loan Document, except any such Taxes that are Other Connection Taxes imposed with respect to an assignment (other than an assignment made pursuant to Section 3.6).

"Outstanding Amount" means, with respect to Revolving Loans on any date, the aggregate outstanding principal amount thereof after giving effect to any borrowings and prepayments or repayments of Revolving Loans occurring on such date.

"Participant" has the meaning specified in Section 10.7(d).

"Participant Register" has the meaning specified in Section 10.7(d).

"PATRIOT Act" has the meaning specified in Section 10.21.

"Payment Recipient" has the meaning assigned to it in Section 9.5(a).

"PBGC" means the Pension Benefit Guaranty Corporation.

"Pension Funding Rules" means the rules of the Code and ERISA regarding minimum funding standards with respect to Pension Plans and set forth in Sections 412, 430, 431, 432 and 436 of the Code and Sections 302, 303, 304 and 305 of ERISA.

"Pension Plan" means any employee pension benefit plan (including a Multiple Employer Plan and other than a Multiemployer Plan) that is maintained by the Borrower and any ERISA Affiliate or with respect to which the Borrower or any ERISA Affiliate has any liability and is either covered by Title IV of ERISA or is subject to the minimum funding standards under Section 412 of the Code.

"Person" means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

"Plan" means any employee benefit plan within the meaning of Section 3(3) of ERISA (including a Pension Plan), maintained by the Borrower and any Pension Plan maintained by an ERISA Affiliate.

"Platform" has the meaning specified in Section 6.2.

"Preferred Stock" of any Person means any Equity Interests of such Person that has preferential rights over any other Equity Interests of such Person with respect to dividends, distributions or mandatory redemptions or upon liquidation.

"Pricing Certificate" means a certificate substantially in the form of Exhibit D signed by a Responsible Officer of the Borrower attaching (a) true and correct copies of each KPI Metrics Report for the immediately preceding Annual Period and setting forth the Sustainability Margin Adjustment for the period covered thereby and for the KPI Metrics disclosed therein, and computations in reasonable detail in respect thereof and (b) if any KPI Metrics Report was audited or reviewed by the KPI Metrics Auditor, a review report of the KPI Metrics Auditor containing its customary limited assurances with respect to the computations in such KPI Metrics Report.

"Process Agent" means (a) as of the Effective Date, CEMEX NY Corporation, and (b) after the Effective Date, such other Person as the Borrower may appoint from time to time pursuant to provisions substantially similar to Section 10.15(d) and designated in writing to the Administrative Agent.

"Pro Forma Basis" means, with respect to compliance with any test or covenant hereunder in respect of a specified measurement period, compliance with such covenant or test after giving effect to any Material Acquisition or Material Disposition, using, for purposes of determining such compliance, the historical financial statements of all entities or assets so acquired or disposed of and the consolidated financial statements of the Borrower and its Subsidiaries which shall be reformulated as if such Material Acquisition or Material Disposition which has been consummated during such period had been consummated on the first day of such period.

"PTE" means a prohibited transaction class exemption issued by the U.S. Department of Labor, as any such exemption may be amended from time to time.

"Public Lender" has the meaning specified in Section 6.2.

"Qualified Entity" means any Lender (or, if such Lender acts through a branch, agency, the principal office of such Lender) that (a) is the effective beneficiary of the payments made by any Loan Party organized under the laws of Mexico hereunder, (b) meets the requirements imposed by article 166-I, paragraph (a), Section (2) (or any other successor provision) of the Mexican Income Tax Law (*Ley del Impuesto Sobre la Renta*) and delivers to the Borrower the information described in Sections 3.18.18. and/or 3.18.19, as applicable, of the *Resolución Miscelánea Fiscal para 2021* (Tax Resolution for 2021) (or any substitute or successor provisions), and (c) is a resident for tax purposes of a country with which Mexico has entered into a treaty for the avoidance of double taxation that is in effect.

"Recipient" means the Administrative Agent, any Lender or any other recipient of any payment to be made by or on account of any obligation of any Loan Party hereunder.

"Register" has the meaning specified in Section 10.7(c).

"Regulation U" means Regulation U of the FRB, as in effect from time to time and all official rulings and interpretations thereunder or thereof.

"Related Parties" means, with respect to any Person, such Person's Affiliates and the directors, officers, employees, agents, and advisors of such Person and of such Person's Affiliates.

"Relevant Governmental Body" means the Federal Reserve Board and/or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Federal Reserve Board and/or the Federal Reserve Bank of New York for the purpose of recommending a benchmark rate to replace LIBOR in loan agreements similar to this Agreement.

"Reportable Event" means any of the events set forth in Section 4043(c) of ERISA, other than events for which the 30-day notice period has been waived.

"Required Lenders" means, at any time, Lenders having Total Credit Exposures representing more than 50% of the Total Credit Exposures of all Lenders. The Total Credit Exposure of any Defaulting Lender shall be disregarded in determining Required Lenders at any time.

"Resolution Authority" means an EEA Resolution Authority or, with respect to any UK Financial Institution, a UK Resolution Authority.

"Responsible Officer" means the chairman of the board, the chief executive officer, president, chief financial officer, any vice president, treasurer, assistant treasurer, controller, secretary, assistant secretary or attorney-in-fact of a Loan Party, and solely for purposes of the delivery of incumbency certificates pursuant to Section 4.1 or Section 4.2 and notices given pursuant to Article II, any other officer or employee of the applicable Loan Party so designated by any of the foregoing officers in a notice to the Administrative Agent or any other officer or employee of the applicable Loan Party designated in or pursuant to an agreement between the applicable Loan Party and the Administrative Agent. Any document delivered hereunder that is signed by a Responsible Officer of a Loan Party shall be conclusively presumed to have been authorized by all necessary corporate, partnership and/or other action on the part of such Loan Party and such Responsible Officer shall be conclusively presumed to have acted on behalf of such Loan Party.

"Restricted Payment" means any dividend or other distribution (whether in cash, securities or other property) with respect to any Equity Interest of the Borrower or any Subsidiary, or any payment (whether in cash, securities or other property), including any sinking fund or similar deposit, on account of the purchase, redemption, retirement, acquisition, cancellation or termination of any such Equity Interest, or on account of any return of capital to the Borrower's stockholders, partners or members (or the equivalent Person thereof).

"Revolving Availability Period" means the period from and including the Effective Date to the earliest of (a) the Maturity Date and (b) the date of termination of the commitment of each Revolving Lender to make Revolving Loans.

"Revolving Commitment" means, as to each Revolving Lender, its obligation to make Revolving Loans to the Borrower pursuant to Section 2.1(b), in an aggregate principal amount at any one time outstanding not to exceed the amount set forth opposite such Revolving Lender's name on Schedule 2.1 or in the Assignment and Assumption pursuant to which such Revolving Lender becomes a party hereto, as applicable, as such amount may be adjusted from time to time in accordance with this Agreement.

"Revolving Credit Exposure" means, as to any Lender at any time, the aggregate principal amount at such time of its outstanding Revolving Loans.

"Revolving Facility" means the senior unsecured revolving credit facility in an aggregate principal amount of U.S.$1.75 billion provided under this Agreement.

"Revolving Lender" means the Persons listed on Schedule 2.1 holding a Revolving Loan under the Revolving Facility and any other Person that shall have become party hereto holding Revolving Loans under the Revolving Facility pursuant to an Assignment and Assumption, other than any such Person that ceases to be a party hereto holding Revolving Loans under the Revolving Facility pursuant to an Assignment and Assumption.

"Sanctioned Lender" means any Person reasonably believed by the Borrower to be either a sanctioned person or any Person an assignment to which could put the Borrower and/or any of its Affiliates in a position of actual or potential non-compliance with Applicable Law (including, but not limited to, Sanctions).

"Sanctions" means any economic or financial sanction administered or enforced by the United States Government (including without limitation, OFAC), the United Nations Security Council, the European Union, or Her Majesty's Treasury.

"Sanctions Target" means any Person that is (a) listed on, or 50% or more owned or Controlled by a Person listed on, a Sanctions list, (b) the government of a Designated Jurisdiction or a member of the government of a Designated Jurisdiction, or (c) located in or incorporated under the laws of any Designated Jurisdiction.

"SEC" means the Securities and Exchange Commission, or any Governmental Authority succeeding to any of its principal functions.

"Securitization" means a transaction or series of related transactions providing for the securitization 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 the Borrower or any of its Subsidiaries in a manner that satisfies the requirements for an absolute conveyance (or, where the originator is organized under the laws of Mexico, a true sale), and not merely a pledge, under the laws and regulations of the jurisdiction in which such originator is organized; and (ii) except for customary representations, warranties, covenants and indemnities, such sale, transfer or other securitization 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 the Applicable Laws or regulations in any jurisdiction).

"SOFR" means a rate per annum equal to the secured overnight financing rate for such Business Day published by the Federal Reserve Bank of New York (or a successor administrator of the secured overnight financing rate) on the website of the Federal Reserve Bank of New York, currently at http://www.newyorkfed.org (or any successor source for the secured overnight financing rate identified as such by the administrator of the secured overnight financing rate from time to time).

"SOFR-Based Rate" means SOFR or Term SOFR.

"Solvent" means, with respect to the Borrower, that as of the date of determination, (a) the sum of the debt (including contingent liabilities) of the Borrower and its Subsidiaries on a consolidated basis does not exceed the present fair saleable value of the present assets of the Borrower and its Subsidiaries on a consolidated basis; (b) the capital of the Borrower and its Subsidiaries on a consolidated basis is not unreasonably small in relation to its business as contemplated on the date of determination; or (c) the Borrower and its Subsidiaries on a consolidated basis do not intend to incur, or believe that they will incur, debts beyond their ability to pay such debts as they become due in the ordinary course of business. For purposes of this definition, the amount of any contingent liability at any time shall be computed as the amount that, in light of all of the facts and circumstances existing at such time, represents the amount that can reasonably be expected to become an actual or matured liability (irrespective of whether such contingent liabilities meet the criteria for accrual under FASB Accounting Standards Codification Topic 450-20).

"Subsidiary" of a Person means a corporation, partnership, joint venture, limited liability company or other business entity of which a majority of the shares of securities or other interests having ordinary voting power for the election of directors or other governing body (other than securities or interests having such power only by reason of the happening of a contingency) are at the time beneficially owned, or the management of which is otherwise Controlled, directly, or indirectly through one or more intermediaries, or both, by such Person. Unless otherwise specified, all references herein to a "Subsidiary" or to "Subsidiaries" shall refer to a Subsidiary or Subsidiaries of the Borrower.

"Sustainability Margin Adjustment" means an adjustment to the Applicable Margin for any KPI Metric as provided by this Agreement.

"Sustainability Structuring Agent" has the meaning set forth in the preamble of this Agreement.

"Swap Contract" means (a) any and all rate swap transactions, basis swaps, credit derivative transactions, forward rate transactions, commodity swaps, commodity options, forward commodity contracts, equity or equity index swaps or options, bond or bond price or bond index swaps or options or forward bond or forward bond price or forward bond index transactions, interest rate options, forward foreign exchange transactions, cap transactions, floor transactions, collar transactions, currency swap transactions, cross-currency rate swap transactions, currency options, spot contracts, or any other similar transactions or any combination of any of the foregoing (including any options to enter into any of the foregoing), whether or not any such transaction is governed by or subject to any master agreement, and (b) any and all transactions of any kind, and the related confirmations, which are subject to the terms and conditions of, or governed by, any form of master agreement published by the International Swaps and Derivatives Association, Inc., any International Foreign Exchange Master Agreement, or any other master agreement (any such master agreement, together with any related schedules, a "Master Agreement"), including any such obligations or liabilities under any Master Agreement.

"Swiss Federal Tax Administration" means the tax authorities referred to in article 34 of the Swiss Federal Act on Withholding Tax of 13 October 1965, as from time to time amended (*Bundesgesetz über die Verrechnungssteuer*).

"Swiss Guarantor" means a Guarantor which is incorporated in Switzerland.

"Taxes" means all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

"Term Credit Exposure" means, as to any Lender at any time, the aggregate principal amount at such time of its outstanding Term Loans.

"Term Facility" means the senior unsecured term loan facility in an aggregate principal amount of U.S.$1.5 billion provided under this Agreement.

"Term Lender" means the Persons listed on Schedule 2.1 holding an Initial Term Loan Commitment or Term Loans under the Term Facility and any other Person that shall have become party hereto holding Term Loans under the Term Facility pursuant to an Assignment and Assumption, other than any such Person that ceases to be a party hereto holding Term Loans under the Term Facility pursuant to an Assignment and Assumption.

"Term Loan" has the meaning specified in Section 2.1(a).

"Term SOFR" means, for the applicable corresponding tenor, the forward-looking term rate based on SOFR that has been selected or recommended by the Relevant Governmental Body.

"Termination and Release" means the existing commitments under the Facilities Agreement being cancelled, all principal, interest, fees and other amounts payable thereunder (other than contingent obligations for which no claim has been made) being paid in full, and all liens on collateral (including, without limitation, under the security trust (*fideicomiso de garantía*) number No. F/111517-9) and guarantees under the Facilities Agreement and the Borrower's existing high yield notes (other than guarantees from the Guarantors thereunder) being terminated.

"Total Credit Exposure" means, as to any Lender at any time, the unused Commitments, Term Credit Exposure and Revolving Credit Exposure of such Lender at such time.

"Transfer and Inconvertibility Event" means any action by Mexico, Banco de México or any other Governmental Authority of Mexico asserting or exercising *de jure* governmental, legislative, regulatory, administrative, judicial or police powers which (a) renders any Loan Party unable legally to convert Pesos to make any payment in Dollars to the Administrative Agent or any Lender in respect of any Obligation in accordance with the Loan Documents, or (b) restricts the availability of Dollars through the Mexican banking system or authorized exchange bureaus ("*casas de cambio*" as defined by Banco de México) to enable each Loan Party to lawfully perform its payment Obligations under the Loan Documents.

"Type" means, with respect to a Term Loan or a Revolving Loan, its character as a Base Rate Loan or a Eurodollar Rate Loan.

"UK Financial Institution" shall mean any BRRD Undertaking (as such term is defined under the PRA Rulebook (as amended form time to time) promulgated by the United Kingdom Prudential Regulation Authority) or any person subject to IFPRU 11.6 of the FCA Handbook (as amended from time to time) promulgated by the United Kingdom Financial Conduct Authority, which includes certain credit institutions and investment firms, and certain Affiliates of such credit institutions or investment firms.

"UK Resolution Authority" means the Bank of England or any other public administrative authority having responsibility for the resolution of any UK Financial Institution.

"Undisclosed Administration" means, in relation to a Lender or its direct or indirect parent company, the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian, or other similar official by a supervisory authority or regulator under or based on the law in the country where such Lender or such parent company is subject to home jurisdiction, if applicable law requires that such appointment not be disclosed.

"United States" and "U.S." mean the United States of America.

"USD LIBOR" means the London interbank offered rate for U.S. dollars.

"Voting Stock" with respect to any Person, means securities of any class of Equity Interests of such Person entitling the holders thereof (whether pursuant to contract or otherwise, or 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.

"Wholly Owned Subsidiary" means, for any Person, any Subsidiary of which at least 99.5% of the outstanding Equity Interests (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.

"Withholding Agent" means the Borrower, the Guarantors organized under the laws of Mexico and the Administrative Agent.

"Write-Down and Conversion Powers" means, (a) with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country, which write-down and conversion powers are described in the EU Bail-In Legislation Schedule, and (b) with respect to the United Kingdom, any powers of the applicable Resolution Authority under the Bail-In Legislation to cancel, reduce, modify or change the form of a liability of any UK Financial Institution or any contract or instrument under which that liability arises, to convert all or part of that liability into shares, securities or obligations of that person or any other person, to provide that any such contract or instrument is to have effect as if a right had been exercised under it or to suspend any obligation in respect of that liability or any of the powers under that Bail-In Legislation that are related to or ancillary to any of those powers.

Section 1.2 **Other Interpretive Provisions**. With reference to this Agreement and each other Loan Document, unless otherwise specified herein or in such other Loan Document:

(a) The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include," "includes" and "including" shall be deemed to be followed by the phrase "without limitation." The word "will" shall be construed to have the same meaning and effect as the word "shall." Unless the context requires otherwise, (i) any definition of or reference to any agreement, instrument or other document (including any Organization Document) shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein or in any other Loan Document), (ii) any reference herein to any Person shall be construed to include such Person's successors and assigns, (iii) the words "hereto," "herein," "hereof" and "hereunder," and words of similar import when used in any Loan Document, shall be construed to refer to such Loan Document in its entirety and not to any particular provision thereof, (iv) all references in a Loan Document to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, the Loan

Document in which such references appear, (v) any reference to any law shall include all statutory and regulatory provisions consolidating, amending, replacing or interpreting such law and any reference to any law, rule or regulation shall, unless otherwise specified, refer to such law, rule or regulation as amended, modified or supplemented from time to time, and (vi) the words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights.

(b) Unless the context otherwise requires, in the computation of periods of time from a specified date to a later specified date, the word "from" means "from and including;" the words "to" and "until" each mean "to but excluding;" and the word "through" means "to and including."

(c) Section headings herein and in the other Loan Documents are included for convenience of reference only and shall not affect the interpretation of this Agreement or any other Loan Document.

(d) Any reference herein to a merger, transfer, consolidation, amalgamation, consolidation, assignment, sale, disposition or transfer, or similar term, shall be deemed to apply to a statutory division of or by a limited liability company, or an allocation of assets to a series of a limited liability company (or the unwinding of such a division or allocation), as if it were a merger, transfer, consolidation, amalgamation, consolidation, assignment, sale, disposition or transfer, or similar term, as applicable, to, of or with a separate Person. Any statutory division of a limited liability company shall constitute a separate Person hereunder (and each such division of any limited liability company that is a Subsidiary, joint venture or any other like term shall also constitute such a Person or entity).

Section 1.3 **Accounting Terms**.

(a) Generally. All accounting terms not specifically or completely defined herein shall be construed in conformity with, and all financial data (including financial ratios and other financial calculations) required to be submitted pursuant to this Agreement shall be prepared in conformity with, IFRS applied on a consistent basis, as in effect from time to time, applied in a manner consistent with that used in preparing the Audited Financial Statements, except as otherwise specifically prescribed herein.

(b) Changes in IFRS. If at any time any change in IFRS or the application thereof would affect the computation or interpretation of any financial ratio, basket, requirement or other provision set forth in any Loan Document, and either the Borrower or the Required Lenders shall so request, the Lenders and the Borrower shall negotiate in good faith to amend such ratio, basket, requirement or other provision to preserve the original intent thereof in light of such change in IFRS (subject to the approval of the Required Lenders); provided that, until so amended, (A) such ratio, basket, requirement or other provision shall continue to be computed or interpreted in accordance with IFRS or the application thereof prior to such change therein and (B) the Borrower shall provide to the Administrative Agent (for distribution to the Lenders) financial statements and other documents required under this Agreement or as reasonably requested hereunder setting forth a reconciliation between calculations of such ratio, basket, requirement or other provision made before and after giving effect to such change in IFRS.

Section 1.4 **Rounding**. Any financial ratios required to be maintained by the Borrower pursuant to this Agreement shall be calculated by dividing the appropriate component by the other component, carrying the result to one place more than the number of places by which such ratio is expressed herein and rounding the result up or down to the nearest number (with a rounding-up if there is no nearest number).

Section 1.5 **Times of Day**. Unless otherwise specified, all references herein to times of day shall be references to Eastern time (daylight or standard, as applicable).

Section 1.6 **Interest Rates**. The Administrative Agent does not warrant, nor accept responsibility, nor shall the Administrative Agent have any liability with respect to the administration, submission or any other matter related to the rates in the definition of "Eurodollar Rate" or with respect to any rate that is an alternative or replacement for or successor to any of such rate (including, without limitation, any Benchmark Replacement) or the effect of any of the foregoing, or of any Benchmark Replacement Conforming Changes.

ARTICLE II **THE COMMITMENTS AND LOANS**

Section 2.1 **Loans**.

(a) Subject to the terms and conditions set forth herein, each Term Lender severally agrees to make a loan (each, a "Term Loan" and, collectively, the "Term Loans") to the Borrower, on the Initial Funding Date, in an aggregate amount equal to such Term Lender's Initial Term Loan Commitment. Any amount borrowed under this Section 2.1(a) and repaid or prepaid may not be reborrowed. The Term Loans may take the form of a Base Rate Loan or a Eurodollar Rate Loan, as further provided herein.

(b) Subject to the terms and conditions set forth herein, each Revolving Lender severally agrees to make revolving loans (each such loan, a "Revolving Loan") to the Borrower from time to time, on any Business Day during the Revolving Availability Period, in an aggregate amount not to exceed at any time outstanding the amount of such Revolving Lender's Revolving Commitment; provided, however, that after giving effect to any Borrowing, (i) the Outstanding Amount shall not exceed the Aggregate Commitments, and (ii) the Revolving Credit Exposure of any Revolving Lender shall not exceed such Revolving Lender's Revolving Commitment. Within the limits of each Revolving Lender's Commitment, and subject to the other terms and conditions hereof, the Borrower may borrow under this Section 2.1, prepay under Section 2.5, and reborrow under this Section 2.1. Revolving Loans may be Base Rate Loans or Eurodollar Rate Loans, as further provided herein.

Section 2.2 **Borrowings, Conversions and Continuations of Loans**.

(a) Each Borrowing, each conversion of Loans from one Type to the other, and each continuation of Eurodollar Rate Loans shall be made upon the Borrower's irrevocable notice to the Administrative Agent, which shall be given by a Committed Loan Notice. Each such Committed Loan Notice must be received by the Administrative Agent not later than 11:00 a.m. New York City time (i) three (3) Business Days prior to the requested date of any Borrowing of, conversion to or continuation of Eurodollar Rate Loans or of any conversion of Base Rate Loans to Eurodollar Rate Loans, and (ii) one (1) Business Day prior to the requested date of any

Borrowing of or conversion to Base Rate Loans. Each Borrowing of, conversion to or continuation of Eurodollar Rate Loans shall be in a principal amount of U.S.$5.0 million or a whole multiple of U.S.$1.0 million in excess thereof. Except as provided in Section 2.3(b), each Borrowing of or conversion to Base Rate Loans shall be in a principal amount of U.S.$500,000 or a whole multiple of U.S.$100,000 in excess thereof. Each Committed Loan Notice shall specify (i) whether the Borrower is requesting a Borrowing, a conversion of Loans from one Type to the other, or a continuation of Eurodollar Rate Loans, (ii) the requested date of the Borrowing, conversion or continuation, as the case may be (which shall be a Business Day), (iii) the principal amount of Loans to be borrowed, converted or continued, (iv) the Type of Loans to be borrowed or to which existing Loans are to be converted, and (v) if applicable, the duration of the Interest Period with respect thereto. If the Borrower fails to specify a Type of Loan in a Committed Loan Notice or if the Borrower fails to give a timely notice requesting a conversion or continuation, then the applicable Loans shall be made as, or converted to, Eurodollar Rate Loans with an Interest Period of one month. Any such automatic conversion to Eurodollar Rate Loans shall be effective as of the last day of the Interest Period then in effect with respect to the applicable Base Rate Loans. If the Borrower requests a Borrowing of, conversion to, or continuation of Eurodollar Rate Loans in any such Committed Loan Notice, but fails to specify an Interest Period, it will be deemed to have specified an Interest Period of three months.

(b) Following receipt of a Committed Loan Notice, the Administrative Agent shall promptly notify each Lender of the amount of its Applicable Percentage of the applicable Loans, and if no timely notice of a conversion or continuation is provided by the Borrower, the Administrative Agent shall notify each Lender of the details of any automatic conversion to Base Rate Loans described in the preceding subsection. In the case of a Borrowing, each Lender shall make the amount of its Loan available to the Administrative Agent in immediately available funds at the Administrative Agent's Office not later than 11:00 a.m. New York City time on the Business Day specified in the applicable Committed Loan Notice. Upon satisfaction of the applicable conditions set forth in Section 4.2 (or waiver thereof by the Lenders), the Administrative Agent shall make all funds so received available to the Borrower by crediting the account of the Borrower designated by the Borrower in the Committed Loan Notice.

(c) Except as otherwise provided herein, a Eurodollar Rate Loan may be continued or converted only on the last day of an Interest Period for such Eurodollar Rate Loan. During the existence of a Default, no Loans may be requested as, converted to or continued as Eurodollar Rate Loans without the consent of the Required Lenders.

(d) The Administrative Agent shall promptly notify the Borrower and the Lenders of the interest rate applicable to any Interest Period for Eurodollar Rate Loans upon determination of such interest rate.

(e) After giving effect to all Borrowings, all conversions of Loans from one Type to the other, and all continuations of Loans as the same Type, there shall not be more than ten Interest Periods in effect with respect to Loans.

(f) Notwithstanding anything to the contrary in this Agreement, any Lender may exchange, continue or rollover all or a portion of its Loans in connection with any refinancing, extension, loan modification or similar transaction permitted by the terms of this Agreement, pursuant to a cashless settlement mechanism approved by the Borrower, the Administrative Agent (acting at the direction of the Required Lenders), and such Lender.

Section 2.3 **Prepayments**.

(a) The Borrower may, upon notice to the Administrative Agent pursuant to delivery to the Administrative Agent of a Notice of Loan Prepayment, at any time or from time to time voluntarily prepay Loans in whole or in part without premium or penalty; provided that (i) such notice must be received by the Administrative Agent not later than 11:00 a.m. New York City time (A) three (3) Business Days prior to any date of prepayment of Eurodollar Rate Loans and (B) one (1) Business Day prior to any date of prepayment of Base Rate Loans; (ii) any prepayment of Eurodollar Rate Loans shall be in a principal amount of U.S.$5.0 million or a whole multiple of U.S.$1.0 million in excess thereof; and (iii) any prepayment of Base Rate Loans shall be in a principal amount of U.S.$500,000 or a whole multiple of U.S.$100,000 in excess thereof or, in each case, if less, the entire principal amount thereof then outstanding; provided, further, that such notice may be conditioned upon the effectiveness of other transactions, in which case such notice may be revoked by the Borrower (by notice to the Administrative Agent no later than 5:00 p.m. New York City time one (1) Business Day prior to the specified effective date) if such condition is not satisfied. Each such notice shall specify the date and amount of such prepayment and the Type(s) of Loans to be prepaid and, if Eurodollar Rate Loans are to be prepaid, the Interest Period(s) of such Loans. The Administrative Agent will promptly notify each Lender of its receipt of each such notice, and of the amount of such Lender's Applicable Percentage of such prepayment. If such notice is given by the Borrower, the Borrower shall make such prepayment and the payment amount specified in such notice shall be due and payable on the date specified therein. Any prepayment of a Eurodollar Rate Loan shall be accompanied by all accrued interest on the amount prepaid, together with any additional amounts required pursuant to Section 3.5. Subject to Section 2.13, each such prepayment shall be applied to the Loans of the Lenders in accordance with their respective Applicable Percentages in the order selected by the Borrower.

(b) If for any reason the Outstanding Amount at any time exceeds the Aggregate Commitments then in effect, the Borrower shall prepay Revolving Loans in an aggregate amount equal to such excess within one (1) Business Day.

(c) Eurodollar Rate Loans may be prepaid at any time without premium or penalty, other than the payment of breakage costs reasonably determined by the Lenders and notified in writing to the Administrative Agent in the case of such a prepayment before the last day of an Interest Period. Base Rate Loans may be prepaid at any time without premium or penalty.

(d) Upon the occurrence of a Change of Control, (i) the Facilities will be immediately payable in full, (ii) any outstanding Commitments will be immediately terminated and (iii) any prepayment of Eurodollar Rate Loans and Base Rate Loans shall be accompanied by all accrued interest on the amount prepaid, together with, in the case of a Eurodollar Rate Loan, any additional amounts required pursuant to Section 3.5. Subject to Section 2.13, each such prepayment shall be applied to the Loans of the Lenders in accordance with their respective Applicable Percentages.

Section 2.4 **Termination or Reduction of Commitments.**

(a) Termination of Term Loan Commitments. The Initial Term Loan Commitments shall automatically and permanently terminate on the Initial Funding Date upon the funding of the Term Loans under the Term Facility.

(b) Optional Termination or Reduction of Revolving Commitments. The Borrower may, upon notice to the Administrative Agent, terminate the Revolving Commitments, or from time to time permanently reduce the Revolving Commitments; provided that (i) any such notice shall be received by the Administrative Agent not later than 11:00 a.m. New York City time, three (3) Business Days prior to the date of termination or reduction, (ii) any such partial reduction shall be in an aggregate amount of U.S.$5.0 million or any whole multiple of U.S.$1.0 million in excess thereof, and (iii) the Borrower shall not terminate or reduce the Revolving Commitments if, after giving effect thereto and to any concurrent prepayments hereunder, the Outstanding Amount would exceed the aggregate Revolving Commitments; provided, further, that such notice may be conditioned upon the effectiveness of other transactions, in which case such notice may be revoked by the Borrower (by notice to the Administrative Agent no later than 5:00 p.m. New York City time one (1) Business Day prior to the specified effective date) if such condition is not satisfied. The Administrative Agent will promptly notify the Lenders of any such notice of termination or reduction of the Revolving Commitments. Any reduction of the Revolving Commitments shall be applied to the Commitment of each Lender according to its Applicable Percentage. All fees accrued until the date of any termination of the Revolving Commitments shall be paid on the date of such termination.

Section 2.5 **Repayment of Loans**.

(a) Term Facility. The Borrower shall repay to the Administrative Agent for the ratable account of the Term Lenders the aggregate principal amount of all Term Loans outstanding under the Term Facility on the following dates in the respective amounts set forth opposite such dates (which amounts shall be reduced as a result of the application of prepayments in accordance with the order of priority set forth in Section 2.3):

Date	Amount
36 months after the Initial Funding Date	20%
42 months after the Initial Funding Date	20%
48 months after the Initial Funding Date	20%
54 months after the Initial Funding Date	20%
Maturity Date	The aggregate principal amount of all Term Loans outstanding under the Term Facility on the Maturity Date

(b) Revolving Facility. Any outstanding Revolving Loans will be due and payable on the Maturity Date.

Section 2.6 **Interest**.

(a) Subject to the provisions of subsection (i) below, (i) each Eurodollar Rate Loan shall bear interest on the outstanding principal amount thereof for each Interest Period at a rate per annum equal to the Eurodollar Rate for such Interest Period *plus* the Applicable Margin; and (ii) each Base Rate Loan shall bear interest on the outstanding principal amount thereof from the applicable borrowing date at a rate per annum equal to the Base Rate *plus* the Applicable Margin.

(i) If any amount of principal of any Loan is not paid when due, whether at stated maturity, by acceleration or otherwise, then such amount shall thereafter bear interest at a fluctuating interest rate per annum at all times equal to the applicable Default Rate.

(ii) If any amount (other than principal of any Loan) payable by the Borrower under any Loan Document is not paid when due (without regard to any applicable grace periods), whether at stated maturity, by acceleration or otherwise, then such amount shall thereafter bear interest at a fluctuating interest rate per annum at all times equal to the applicable Default Rate.

(b) Interest on each Loan shall be due and payable in arrears on each Interest Payment Date applicable thereto and at such other times as may be specified herein. Interest hereunder shall be due and payable in accordance with the terms hereof before and after judgment, and before and after the commencement of any proceeding under any Debtor Relief Law.

Section 2.7 **Fees**. Commitment Fees. The Borrower shall pay to the Administrative Agent for the account of each Revolving Lender (other than Defaulting Lenders), in accordance with its Applicable Percentage with respect to Revolving Commitments, a fee equal to 35% of the Applicable Margin times the actual daily amount (commencing with the Initial Funding Date) by which the Aggregate Commitments exceed the Outstanding Amount (the "Commitment Fee"). The Commitment Fee shall accrue at all times during the period commencing with the Initial Funding Date and ending upon the expiration of the Revolving Availability Period, including at any time during which one or more of the conditions in Article IV is not met, and shall be due and payable quarterly in arrears on the last Business Day of each March, June, September and December, commencing with the first such date to occur after the Initial Funding Date, and on the last day of the Revolving Availability Period. The Commitment Fee shall be calculated quarterly in arrears, and if there is any change in the Applicable Margin during any quarter, the actual daily amount shall be computed and *multiplied by* the Applicable Margin separately for each period

during such quarter that such Applicable Margin was in effect. For the avoidance of doubt, (i) the Commitment Fee will always be calculated utilizing the Applicable Margin for Eurodollar Rate Loans, regardless of the amount of Eurodollar Rate Loans outstanding at such time, and (ii) the calculation of the Commitment Fee payable for the account of any Lender shall not include any day on which such Lender is or was a Defaulting Lender.

(b) Other Fees. The Borrower shall pay to the Administrative Agent and the Lead Arrangers the fees and expenses payable in the amounts and at the times separately agreed upon in the applicable Fee Letter between the Borrower and such Person, together with the expenses of the Administrative Agent and the Lead Arrangers as specified in Section 10.5.

(c) Payment of Fees. All fees payable hereunder shall be paid on the dates due, in immediately available funds, for distribution, in the case of the fees set forth in Section 2.7(a), to the Lenders. Fees paid shall not be refundable under any circumstances.

Section 2.8 **Computation of Interest and Fees; Retroactive Adjustments of Applicable Margin**.

(a) All computations of interest for Base Rate Loans (including Base Rate Loans determined by reference to the Eurodollar Rate) shall be made on the basis of a year of 365 or 366 days, as the case may be, and actual days elapsed. All other computations of fees and interest shall be made on the basis of a 360-day year and actual days elapsed (which results in more fees or interest, as applicable, being paid than if computed on the basis of a 365-day year). Interest shall accrue on each Loan for the day on which the Loan is made, and shall not accrue on a Loan, or any portion thereof, for the day on which the Loan or such portion is paid; provided that any Loan that is repaid on the same day on which it is made shall, subject to Section 2.11(a), bear interest for one day. The computation of interest rate shall be determined by the Administrative Agent, and such determination shall be conclusive and binding for all purposes, absent manifest error.

(b) If, as a result of any restatement of or other adjustment to the financial statements of the Borrower or for any other reason, the Borrower or the Lenders determine that (i) the Consolidated Leverage Ratio as calculated by the Borrower as of any applicable date was inaccurate and (ii) a proper calculation of the Consolidated Leverage Ratio would have resulted in higher pricing for such period, the Borrower shall immediately and retroactively be obligated to pay to the Administrative Agent for the account of the applicable Lenders promptly on demand by the Administrative Agent (or, after the occurrence of an actual or deemed entry of an order for relief with respect to the Borrower under the Bankruptcy Code of the United States, automatically and without further action by the Administrative Agent or any Lender), an amount equal to the excess of the amount of interest and fees that should have been paid for such period over the amount of interest and fees actually paid for such period. This clause (b) shall not limit the rights of the Administrative Agent or any Lender, as the case may be, under Section 2.6(a)(i) or under Article VIII; provided that any inaccuracy described in this clause (b) shall not constitute a Default or Event of Default with respect to Section 8.1(a) or Section 8.1(c) so long as (x) the Borrower complies with the terms of this clause (b) and (y) the Borrower was in compliance with the covenants in Section 7.5 at the date the Consolidated Leverage Ratio was inaccurately calculated (as evidenced by a proper calculation of the Consolidated Leverage Ratio as of such date). The Borrower's obligations under this clause (b) shall survive the termination of the Aggregate Commitments and the repayment of all other Obligations hereunder.

Section 2.9 **Evidence of Debt**.

(a) The Loans made by each Lender shall be evidenced by one or more accounts or records maintained by such Lender in the ordinary course of business. The Administrative Agent shall maintain the Register in accordance with Section 10.7(c). The accounts, records and Register maintained pursuant to this clause (a) shall be conclusive absent manifest error of the amount of the Loans made by the Lenders to the Borrower and the interest and payments thereon. Any failure to so record or any error in doing so shall not, however, limit or otherwise affect the obligation of the Borrower hereunder to pay any amount owing with respect to the Obligations. In the event of any conflict between the accounts and records maintained by any Lender and the Register, the Register shall control in the absence of manifest error. Upon the request of any Lender, including due to an assignment or transfer of Loans, made through the Administrative Agent, the Borrower as issuer (*suscriptor*) and each Guarantor organized under the laws of Mexico, as guarantor (*avalista*), shall execute and deliver to such Lender a Note (*pagaré*), which shall evidence such Lender's Loans in addition to such accounts or records. It is the intent of the Loan Parties and the Lenders that the Notes qualify as *pagarés* under Mexican law.

(b) In the event that the Applicable Margin increases or a Benchmark Replacement occurs in accordance with the provisions herein with respect to a Loan held by such Lender, the Borrower shall, within ten (10) Business Days of the request of such Lender and only upon the receipt by the Borrower at the Corporate Office or through the Custodian at the Lender's election, of any then-existing Notes evidencing such Loan, execute and deliver to such Lender one or more replacement Notes with respect to each such existing Note, reflecting the new Applicable Margin or Benchmark Replacement as of the date of such increase or replacement, as applicable. Any such replacement Notes shall, at the Lender's election, be made available at the Corporate Office or delivered to the Custodian on behalf of such Lender, and if the applicable Lender shall assume full liability and provide customary indemnification for the loss thereof in a manner reasonably acceptable to the Borrower, such Lender may elect for the Borrower to deliver such replacement Note by courier or other nationally recognized delivery service.

Section 2.10 **Payments Generally; Administrative Agent's Clawback**.

(a) Payments by Borrower. All payments to be made by the Borrower shall be made free and clear of and without condition or deduction for any counterclaim, defense, recoupment or setoff. Except as otherwise expressly provided herein, all payments by the Borrower hereunder shall be made to the Administrative Agent, for the account of the respective Lenders to which such payment is owed, at the Administrative Agent's Office (or to such other account as the Administrative Agent may from time to time specify in writing) in Dollars and in immediately available funds not later than 12:00 noon New York City time on the date specified herein. The Administrative Agent will, to the extent funds are received from the Borrower as provided herein, promptly distribute to each Lender its Applicable Percentage (or other applicable share as provided herein) of such payment in like funds as received by wire transfer to such Lender's Lending Office. All payments received by the Administrative Agent after 12:00 noon New York City time shall be deemed received on the next succeeding Business Day and any applicable interest or fee shall

continue to accrue. If any payment to be made by the Borrower shall come due on a day other than a Business Day, payment shall be made on the next following Business Day, and such extension of time shall be reflected in computing interest or fees, as the case may be. All payments hereunder shall be made in Dollars.

(b) Funding by Lenders; Presumption by Administrative Agent. Unless the Administrative Agent shall have received notice from a Lender prior to the proposed date of any Borrowing of Eurodollar Rate Loans (or, in the case of any Borrowing of Base Rate Loans, prior to 12:00 noon on the date of such Borrowing) that such Lender will not make available to the Administrative Agent such Lender's share of such Borrowing, the Administrative Agent may (but shall not be obligated to) assume that such Lender has made such share available on such date in accordance with Section 2.2 (or, in the case of a Borrowing of Base Rate Loans, that such Lender has made such share available in accordance with and at the time required by Section 2.2) and may (but shall not be obligated to), in reliance upon such assumption, make available to the Borrower a corresponding amount. In such event, if a Lender has not in fact made its share of the applicable Borrowing available to the Administrative Agent, then the applicable Lender and the Borrower severally agree to pay to the Administrative Agent forthwith on demand such corresponding amount in immediately available funds with interest thereon, for each day from and including the date such amount is made available to the Borrower to but excluding the date of payment to the Administrative Agent, at (A) in the case of a payment to be made by such Lender, the greater of the Federal Funds Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation, *plus* any administrative, processing or similar fees customarily charged by the Administrative Agent in connection with the foregoing, and (B) in the case of a payment to be made by the Borrower, the interest rate applicable to Base Rate Loans. If the Borrower and such Lender shall pay such interest to the Administrative Agent for the same or an overlapping period, the Administrative Agent shall promptly remit to the Borrower the amount of such interest paid by the Borrower for such period. If such Lender pays its share of the applicable Borrowing to the Administrative Agent, then the amount so paid shall constitute such Lender's Loan included in such Borrowing. Any payment by the Borrower shall be without prejudice to any claim the Borrower may have against a Lender that shall have failed to make such payment to the Administrative Agent.

(c) Presumption by Administrative Agent. Unless the Administrative Agent shall have received notice from the Borrower prior to the date on which any payment is due to the Administrative Agent for the account of the Lenders hereunder that the Borrower will not make such payment, the Administrative Agent may (but shall not be obligated to) assume that the Borrower has made such payment on such date in accordance herewith and may (but shall not be obligated to), in reliance upon such assumption, distribute to the Lenders the amount due. In such event, if the Borrower has not in fact made such payment, then each of the Lenders severally agrees to repay to the Administrative Agent forthwith on demand the amount so distributed to such Lender in immediately available funds with interest thereon, for each day from and including the date such amount is distributed to it to but excluding the date of payment to the Administrative Agent, at the greater of the Federal Funds Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation.

(d) Obligations of Lenders Several. The obligations of the Lenders hereunder to make Loans and to make payments pursuant to Section 10.5(c) are several and not joint. The failure of any Lender to make any Loan or to make any payment under Section 10.5(c) on any date required hereunder shall not relieve any other Lender of its corresponding obligation to do so on such date, and no Lender shall be responsible for the failure of any other Lender to so make its Loan or to make its payment under Section 10.5(c).

(e) Funding Source. Nothing herein shall be deemed to obligate any Lender to obtain the funds for any Loan in any particular place or manner or to constitute a representation by any Lender that it has obtained or will obtain the funds for any Loan in any particular place or manner.

Section 2.11 **Sharing of Payments by Lenders**. If any Lender shall, by exercising any right of setoff or counterclaim or otherwise, obtain payment in respect of any principal of or interest on any of the Loans made by it, resulting in such Lender's receiving payment of a proportion of the aggregate amount of such Loans and accrued interest thereon greater than its pro rata share thereof as provided herein, then the Lender receiving such greater proportion shall notify the Administrative Agent of such fact and make such other adjustments as shall be equitable, so that the benefit of all such payments shall be shared by the Lenders ratably in accordance with the aggregate amount of principal of and accrued interest on their respective Loans and other amounts owing them; provided that:

(a) if any such participations or subparticipations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations or subparticipations shall be rescinded and the purchase price restored to the extent of such recovery, without interest; and

(b) the provisions of this Section 2.11 shall not be construed to apply to (x) any payment made by or on behalf of the Borrower pursuant to and in accordance with the express terms of this Agreement (including the application of funds arising from the existence of a Defaulting Lender), or (y) any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Loans to any assignee or participant, other than an assignment to the Borrower or any Subsidiary thereof (as to which the provisions of this Section 2.11 shall apply).

The Borrower consents to the foregoing and agrees, to the extent it may effectively do so under Applicable Law, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against the Borrower rights of setoff and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of the Borrower in the amount of such participation.

Section 2.12 **Defaulting Lenders**.

(a) Adjustments. Notwithstanding anything to the contrary contained in this Agreement, if any Lender becomes a Defaulting Lender, then, until such time as that Lender is no longer a Defaulting Lender, to the extent permitted by Applicable Law:

(i) Waivers and Amendments. Such Defaulting Lender's right to approve or disapprove any amendment, waiver or consent with respect to this Agreement shall be restricted as set forth in the definition of "Required Lenders" and Section 10.1.

(ii) Defaulting Lender Waterfall. Any payment of principal, interest, fees or other amounts received by the Administrative Agent for the account of such Defaulting Lender (whether voluntary or mandatory, at maturity, pursuant to Article VIII or otherwise) or received by the Administrative Agent from a Defaulting Lender pursuant to Section 10.9 shall be applied at such time or times as follows: *first*, to the payment of any amounts owing by such Defaulting Lender to the Administrative Agent hereunder; *second*, as the Borrower may request (so long as no Default or Event of Default exists), to the funding of any Loan in respect of which such Defaulting Lender has failed to fund its portion thereof as required by this Agreement; *third*, to be held in a deposit account and released pro rata in order to satisfy such Defaulting Lender's potential future funding obligations with respect to Loans under this Agreement; *fourth*, so long as no Default or Event of Default exists, to the payment of any amounts owing to the Borrower as a result of any judgment of a court of competent jurisdiction obtained by the Borrower against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement; and *fifth*, to such Defaulting Lender or as otherwise directed by a court of competent jurisdiction; provided that if (x) such payment is a payment of the principal amount of any Loans and (y) such Loans were made at a time when the applicable conditions set forth in Section 4.2 were satisfied or waived, such payment shall be applied solely to pay the Loans of all Non-Defaulting Lenders on a pro rata basis prior to being applied to the payment of any Loans of such Defaulting Lender until such time as all Loans are held by the Lenders pro rata in accordance with the Commitments hereunder. Any payments, prepayments or other amounts paid or payable to a Defaulting Lender that are applied (or held) to pay amounts owed by a Defaulting Lender shall be deemed paid to and redirected by such Defaulting Lender, and each Lender irrevocably consents hereto.

(b) Defaulting Lender Cure. If the Borrower determines that a Lender is no longer a Defaulting Lender, the Borrower will instruct the Administrative Agent to notify the parties hereto, whereupon as of the date specified in such notice and subject to any conditions set forth therein, that Lender will, to the extent applicable, purchase at par that portion of outstanding Loans of the other Lenders or take such other actions necessary to cause the Loans to be held pro rata by the Lenders in accordance with the Commitments, whereupon such Lender will cease to be a Defaulting Lender; provided that no adjustments will be made retroactively with respect to fees accrued or payments made by or on behalf of the Borrower while that Lender was a Defaulting Lender; and provided, further, that except to the extent otherwise expressly agreed by the affected parties, no change hereunder from Defaulting Lender to Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender's having been a Defaulting Lender.

Section 2.13 **Sustainability Adjustments**.

(a) Following the date on which the Borrower provides a Pricing Certificate pursuant to Section 6.14(a) in respect of its most recently ended Annual Period, the Applicable Margin (including for purposes of determining the Commitment Fee) shall be increased or decreased (or neither increased nor decreased), as applicable, pursuant to the Sustainability Margin Adjustment as set forth in such Pricing Certificate. For purposes of the foregoing, (A) the Sustainability Margin Adjustment shall be determined as of the fifth (5th) Business Day following receipt by the Administrative Agent of a Pricing Certificate based upon the KPI Metrics set forth in such Pricing Certificate and the calculation of the Sustainability Margin Adjustment therein (such day, the

"Sustainability Pricing Adjustment Date") and (B) each change in the Applicable Margin (including for purposes of determining the Commitment Fee) resulting from a Pricing Certificate shall be effective during the period commencing on and including the applicable Sustainability Pricing Adjustment Date and ending on the date immediately preceding the next such Sustainability Pricing Adjustment Date (or, in the case of non-delivery of a Pricing Certificate, the last day such Pricing Certificate could have been delivered pursuant to Section 6.14(a)); provided that if any Sustainability Pricing Adjustment Date shall occur before the last day of an Interest Period, no change to the Applicable Margin as a result of the Sustainability Margin Adjustment shall be effective for purposes of Section 2.6 until the first day of the immediately succeeding Interest Period.

(b) For the avoidance of doubt, it is understood and agreed that (i) only one Pricing Certificate may be delivered in respect of any Annual Period, (ii) any Sustainability Margin Adjustment shall be iterative and shall not be cumulative year-over-year and (iii) Sustainalytics delivered a second party opinion to the Borrower on August 17, 2021.

(c) It is hereby understood and agreed that if no Pricing Certificate is delivered by the Borrower within the period set forth in Section 6.14(a), the Sustainability Margin Adjustment will be positive five (5) basis points, commencing on the last day such Pricing Certificate could have been delivered pursuant to the terms of Section 6.14(a) and continuing until the Borrower delivers a Pricing Certificate to the Administrative Agent and a new Applicable Margin is determined pursuant to Section 2.13(a) above and, pending delivery of a Pricing Certificate no Default or Event of Default shall occur in relation to the failure to deliver such Pricing Certificate.

(d) If (i)(A) any of the Borrower or any Lender becomes aware of any material inaccuracy in the Sustainability Margin Adjustment or the KPI Metrics as reported on the applicable Pricing Certificate (a "Pricing Certificate Inaccuracy") and, not later than thirty (30) Business Days after obtaining knowledge thereof delivers a written notice to the Administrative Agent describing such Pricing Certificate Inaccuracy in reasonable detail (who shall furnish a copy to each of the Lenders and the Borrower) or (B) the Borrower and the Lenders agree that there was a Pricing Certificate Inaccuracy at the time of delivery of the relevant Pricing Certificate and (ii) a proper calculation of the Sustainability Margin Adjustment or the KPI Metrics would have resulted in an increase in the Applicable Margin and the Commitment Fee for such period, then the Borrower shall be obligated to pay to the Administrative Agent for the account of the Lenders, promptly on demand by the Administrative Agent (acting at the direction of the Required Lenders) (or, after the occurrence of an actual or deemed entry of an order for relief with respect to the Borrower under any Debtor Relief Law, automatically and without further action by the Administrative Agent or any Lender), but in no event less than ten (10) Business Days after the Borrower has received written notice of, or has agreed in writing that there was, a Pricing Certificate Inaccuracy, an amount equal to: (x) the excess of the amount of interest and fees that should have been paid for such period over (y) the amount of interest and fees actually paid for such period (the "True-Up Amount"). If the Borrower becomes aware of any Pricing Certificate Inaccuracy and, in connection therewith, if a proper calculation of the Sustainability Margin Adjustment or the KPI Metrics would have resulted in a decrease in the Applicable Margin and the Commitment Fee for such period, then, upon receipt by the Administrative Agent of notice from the Borrower of such Pricing Certificate Inaccuracy (which notice shall include corrections to the calculations of the Sustainability Margin Adjustment or the KPI Metrics, as applicable), commencing on the Business Day following receipt by the Administrative Agent of such notice, the Applicable Margin and the Commitment Fee shall be adjusted to reflect the corrected calculations of the Sustainability Margin Adjustment or the KPI Metrics, as applicable.

(e) To the extent any event occurs (which would include, without limitation, a material disposal or material acquisition) which, in the opinion of the Borrower and the Sustainability Structuring Agent, acting reasonably and in good faith, means that one or more of the KPI Metrics is no longer appropriate, then the Borrower and the Sustainability Structuring Agent will report to the Lenders that such KPI will no longer apply in relation to the Loans for the remainder of the Facilities. In such a scenario, the Borrower will then cease to refer to the applicable KPI Metrics in the Pricing Certificate for such period and the Applicable Margin shall be adjusted to reflect the corrected calculations of such KPI Metrics.

(f) To the extent the Sustainability Structuring Agent ceases to be a Lender, the Borrower undertakes to use reasonable endeavors to seek to appoint another entity that is a Lender to fulfil the role of Sustainability Structuring Agent.

(g) It is understood and agreed that any Pricing Certificate Inaccuracy shall not constitute a Default or Event of Default under this Agreement, provided that the Borrower complies with the terms of this Section 2.13 with respect to such Pricing Certificate Inaccuracy. Notwithstanding anything to the contrary herein, unless such amounts shall be due upon the occurrence of an actual or deemed entry of an order for relief with respect to the Borrower under any Debtor Relief Law, (i) any additional amounts required to be paid pursuant to clause (d) above shall not be due and payable until a written demand is made for such payment by the Administrative Agent in accordance with clause (d) above, (ii) any nonpayment of such additional amounts prior to such demand for payment by Administrative Agent shall not constitute a Default (whether retroactively or otherwise), and (iii) none of such additional amounts shall be deemed overdue prior to such a demand or shall accrue interest at the Default Rate prior to such a demand.

(h) The Administrative Agent and Sustainability Structuring Agent shall not have any responsibility for (or liability in respect of) reviewing, auditing or otherwise evaluating any calculation by the Borrower of any Sustainability Margin Adjustment (or for the KPI Metrics or any of the other data or computations that are part of or related to any such calculation) set forth in any Pricing Certificate, or for evaluating or determining any Pricing Certificate Inaccuracy (and the Administrative Agent may rely conclusively, and shall not incur any liability in so relying, on any such certificate or related notice, without further inquiry).

ARTICLE III **TAXES, YIELD PROTECTION AND ILLEGALITY**

Section 3.1 **Taxes**.

(a) Defined Terms. For purposes of this Section 3.1, the term "Applicable Law" includes FATCA.

(b) Payments Free of Taxes. Any and all payments by or on account of any obligation of any Loan Party under any Loan Document shall be made without deduction or withholding for any Taxes, except as required by Applicable Law. If any Applicable Law (as determined in the good faith discretion of an applicable Withholding Agent) requires the deduction or withholding

of any Tax from any such payment by a Withholding Agent, then the applicable Withholding Agent shall be entitled to make such deduction or withholding and shall timely pay the full amount deducted or withheld to the relevant Governmental Authority in accordance with Applicable Law and, if such Tax is an Indemnified Tax, then the sum payable by the applicable Loan Party shall be increased as necessary so that after such deduction or withholding has been made (including such deductions and withholdings applicable to additional sums payable under this Section 3.1) the applicable Recipient receives an amount equal to the sum it would have received had no such deduction or withholding been made.

(c) Payment of Other Taxes by Borrower. The Borrower shall timely pay to the relevant Governmental Authority any Other Taxes in accordance with Applicable Law.

(d) Indemnification by Borrower. The Borrower shall indemnify each Recipient, within 10 days after demand therefor, for the full amount of any Indemnified Taxes (including Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Section 3.1) payable or paid by such Recipient or required to be withheld or deducted from a payment to such Recipient and any reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to the Borrower by a Lender (with a copy to the Administrative Agent), or by the Administrative Agent on its own behalf or on behalf of a Lender, shall be conclusive absent manifest error. A payment shall not be increased under this clause (d) by reason of a tax deduction on account of Tax imposed by Switzerland if so required under Applicable Law (including double tax treaties), to the extent that on the date on which payment falls due, increasing such payment in such way would breach any Swiss law; provided that the Borrower or a Swiss Guarantor, as applicable, shall use commercially reasonable efforts to avoid such tax deduction on account of Tax imposed by Switzerland or to prevent such increase in payment from breaching any Swiss law, including, without limitation, by causing such payment to a Recipient to be made by or through an entity which is not a tax resident in Switzerland.

(e) Indemnification by the Lenders. Each Lender shall severally indemnify the Administrative Agent, within 10 days after demand therefor, for (i) any Indemnified Taxes attributable to such Lender (but only to the extent that the Borrower has not already indemnified the Administrative Agent for such Indemnified Taxes and without limiting the obligation of the Borrower to do so), (ii) any Taxes attributable to such Lender's failure to comply with the provisions of Section 10.7(d) relating to the maintenance of a Participant Register and (iii) any Excluded Taxes attributable to such Lender, in each case, that are payable or paid by the Administrative Agent in connection with any Loan Document, and any reasonable expenses arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to any Lender by the Administrative Agent shall be conclusive absent manifest error. Each Lender hereby authorizes the Administrative Agent to set off and apply any and all amounts at any time owing to such Lender under any Loan Document or otherwise payable by the Administrative Agent to the Lender from any other source against any amount due to the Administrative Agent under this clause (e).

(f) Evidence of Payments. As soon as practicable after any payment of Taxes by the Borrower to a Governmental Authority as provided in this Section 3.1, the Borrower shall deliver to the Administrative Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent (acting at the direction of the Required Lenders).

(g) Status of Lenders; Tax Documentation.

(i) Any Lender that is entitled to an exemption from or reduction of withholding Tax with respect to payments made under any Loan Document shall deliver to the Borrower and the Administrative Agent, at the time or times reasonably requested by the Borrower or the Administrative Agent, such properly completed and executed documentation and information reasonably requested by the Borrower or the Administrative Agent as will permit such payments to be made without withholding or at a reduced rate of withholding, including the information set forth in Sections 3.18.18 and/or 3.19.19 of the *Resolución Miscelánea Fiscal para 2021* (or any substitute or successor provisions). In addition, any Lender, if reasonably requested by the Borrower or the Administrative Agent, shall deliver such other documentation prescribed by Applicable Law or reasonably requested by the Borrower or the Administrative Agent as will enable the Borrower or the Administrative Agent to determine whether or not such Lender is subject to backup withholding or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation shall not be required if in the Lender's reasonable judgment such completion, execution or submission would subject such Lender to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Lender.

(ii) Each Lender agrees that if any form or certification it previously delivered pursuant to this Section 3.1 expires or becomes obsolete or inaccurate in any respect, it shall update such form or certification or promptly notify the Borrower and the Administrative Agent in writing of its legal inability to do so.

(h) Treatment of Certain Refunds. Unless required by Applicable Laws, at no time shall the Administrative Agent have any obligation to file for or otherwise pursue on behalf of a Lender or have any obligation to pay to any Lender any refund of Taxes withheld or deducted from funds paid for the account of such Lender. If any Recipient determines, in its sole discretion exercised in good faith, that it has received a refund of any Taxes as to which it has been indemnified by the Borrower or with respect to which the Borrower has paid additional amounts pursuant to this Section 3.1, it shall pay to the Borrower an amount equal to such refund (but only to the extent of indemnity payments made, or additional amounts paid, by the Borrower under this Section 3.1 with respect to the Taxes giving rise to such refund), net of all out-of-pocket expenses (including Taxes) incurred by such Recipient, and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund); provided that the Borrower, upon the request of the Recipient, agrees to repay the amount paid over to the Borrower (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) to the Recipient in the event the Recipient is required to repay such refund to such Governmental

Authority. Notwithstanding anything to the contrary in this clause (h), in no event will the applicable Recipient be required to pay any amount to the Borrower pursuant to this clause (h) the payment of which would place the Recipient in a less favorable net after-Tax position than such Recipient would have been in if the Tax subject to indemnification and giving rise to such refund had not been deducted, withheld or otherwise imposed and the indemnification payments or additional amounts with respect to such Tax had never been paid. This subsection shall not be construed to require any Recipient to make available its Tax returns (or any other information relating to its Taxes that it deems confidential) to the Borrower or any other Person.

(i) Survival. Each party's obligations under this Section 3.1 shall survive the resignation or replacement of the Administrative Agent or any assignment of rights by, or the replacement of a Lender, the termination of the Commitments and the repayment, satisfaction or discharge of all other Obligations.

Section 3.2 **Illegality**. If any Lender determines that any Law has made it unlawful, or that any Governmental Authority has asserted that it is unlawful, for any Lender or its applicable Lending Office to make, maintain or fund Loans whose interest is determined by reference to the Eurodollar Rate, or to determine or charge interest rates based upon the Eurodollar Rate, or any Governmental Authority has imposed material restrictions on the authority of such Lender to purchase or sell, or to take deposits of, Dollars in the London interbank market, then, upon notice thereof by such Lender to the Borrower and the Administrative Agent, (a) any obligation of such Lender to make or continue Eurodollar Rate Loans or to convert Base Rate Loans to Eurodollar Rate Loans shall be suspended, and (b) if such notice asserts the illegality of such Lender making or maintaining Base Rate Loans the interest rate on which is determined by reference to the Eurodollar Rate component of the Base Rate, the interest rate on which Base Rate Loans of such Lender shall, if necessary to avoid such illegality, be determined by the Administrative Agent without reference to the Eurodollar Rate component of the Base Rate, in each case until such Lender notifies the Administrative Agent and the Borrower that the circumstances giving rise to such determination no longer exist. Upon receipt of such notice, (i) the Borrower shall, upon demand from such Lender (with a copy to the Administrative Agent), prepay or, if applicable, convert all Eurodollar Rate Loans of such Lender to Base Rate Loans (the interest rate on which Base Rate Loans of such Lender shall, if necessary to avoid such illegality, be determined by the Administrative Agent without reference to the Eurodollar Rate component of the Base Rate), either on the last day of the Interest Period therefor, if such Lender may lawfully continue to maintain such Eurodollar Rate Loans to such day, or immediately, if such Lender may not lawfully continue to maintain such Eurodollar Rate Loans and (ii) if such notice asserts the illegality of such Lender determining or charging interest rates based upon the Eurodollar Rate, the Administrative Agent shall during the period of such suspension compute the Base Rate applicable to such Lender without reference to the Eurodollar Rate component thereof until the Administrative Agent is advised in writing by such Lender that it is no longer illegal for such Lender to determine or charge interest rates based upon the Eurodollar Rate. Upon any such prepayment or conversion, the Borrower shall also pay accrued interest on the amount so prepaid or converted., together with any additional amounts required pursuant to Section 3.5.

Section 3.3 **Benchmark Replacement**. Notwithstanding anything to the contrary herein or in any other Loan Document:

(a) On March 5, 2021 the Financial Conduct Authority ("FCA"), the regulatory supervisor of LIBOR's administrator ("IBA"), announced in a public statement the future cessation or loss of representativeness of overnight/Spot Next, 1-week, 1-month, 2-month, 3-month and 6-month USD LIBOR tenor settings. On the earliest of (A) the date that all Available Tenors of USD LIBOR have permanently or indefinitely ceased to be provided by IBA or have been announced by the FCA pursuant to public statement or publication of information to be no longer representative and (B) the Early Opt-in Effective Date, if the then-current Benchmark is LIBOR, the Benchmark Replacement will replace such Benchmark for all purposes hereunder and under any Loan Document in respect of any setting of such Benchmark on such day and all subsequent settings without any amendment to, or further action or consent of any other party to this Agreement or any other Loan Document. If the Benchmark Replacement is Daily Simple SOFR, all interest payments will be payable on a quarterly basis.

(b) Upon the occurrence of a Benchmark Transition Event, the Benchmark Replacement will replace the then-current Benchmark for all purposes hereunder and under any Loan Document in respect of any Benchmark setting at or after 5:00 p.m. on the fifth (5th) Business Day after the date notice of such Benchmark Replacement is provided by the Administrative Agent (acting at the direction of the Required Lenders) to the Lenders without any amendment to, or further action or consent of any other party to, this Agreement or any other Loan Document so long as the Administrative Agent has not received, by such time, written notice of objection to such Benchmark Replacement from Lenders comprising the Required Lenders (and any such objection shall be conclusive and binding absent manifest error); provided that solely in the event that the then-current Benchmark at the time of such Benchmark Transition Event is not a SOFR-Based Rate, the Benchmark Replacement therefor shall be determined in accordance with clause (1) of the definition of Benchmark Replacement unless the Required Lenders determine that neither of such alternative rates is available. On the Early Opt-in Effective Date in respect of an Other Rate Early Opt-in, the Benchmark Replacement will replace LIBOR for all purposes hereunder and under any Loan Document in respect of any setting of such Benchmark on such day and all subsequent settings without any amendment to, or further action or consent of any other party to this Agreement or any other Loan Document.

(c) At any time that the administrator of the then-current Benchmark has permanently or indefinitely ceased to provide such Benchmark or such Benchmark has been announced by the regulatory supervisor for the administrator of such Benchmark pursuant to public statement or publication of information to be no longer representative of the underlying market and economic reality that such Benchmark is intended to measure and that representativeness will not be restored, the Borrower may revoke any request for a borrowing of, conversion to or continuation of Loans to be made, converted or continued that would bear interest by reference to such Benchmark until the Borrower's receipt of notice from the Administrative Agent (acting at the direction of the Required Lenders) that a Benchmark Replacement has replaced such Benchmark, and, failing that, the Borrower will be deemed to have converted any such request into a request for a borrowing of or conversion to Base Rate Loans. During the period referenced in the foregoing sentence, the component of Base Rate based upon the Benchmark will not be used in any determination of Base Rate.

(d) In connection with the implementation and administration of a Benchmark Replacement, the Administrative Agent (acting at the direction of the Required Lenders) will have the right to make Benchmark Replacement Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Loan Document, any amendments implementing such Benchmark Replacement Conforming Changes will become effective without any further action or consent of any other party to this Agreement.

(e) The Administrative Agent (acting at the direction of the Required Lenders) will promptly notify the Borrower and the Lenders of (A) the implementation of any Benchmark Replacement and (B) the effectiveness of any Benchmark Replacement Conforming Changes. Any determination, decision or election that may be made by the Administrative Agent or, if applicable, any Lender (or group of Lenders) pursuant to this Section 3.3, including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action, (x) in the case of any determination, decision or election by the Administrative Agent pursuant to this Section 3.3 will be made at the written direction of the Required Lenders, and (y) in the case of any determination, decision or election by any Lender (or group of Lenders), if applicable, pursuant to this Section 3.3, may be made in its or their sole discretion, and, in each case will be conclusive and binding absent manifest error and without consent from any other party hereto, except, in each case, as expressly required pursuant to this Section 3.3.

(f) At any time (including in connection with the implementation of a Benchmark Replacement), (A) if the then-current Benchmark is a term rate (including Term SOFR or LIBOR), then the Administrative Agent (acting at the direction of the Required Lenders) may remove any tenor of such Benchmark that is unavailable or non-representative for Benchmark (including Benchmark Replacement) settings and (B) the Administrative Agent (acting at the direction of the Required Lenders) may reinstate any such previously removed tenor for Benchmark (including Benchmark Replacement) settings.

(g) Notwithstanding anything herein or in any other Loan Document to the contrary, the Administrative Agent shall not be under any obligation (i) to monitor, determine or verify the unavailability or cessation of LIBOR (or any other applicable Benchmark), or whether or when there has occurred, or to give notice to any other party to this Agreement or any other Loan Document of, the occurrence of, any Benchmark Transition Event, Early Opt-in Election, or matter related to any of the foregoing, (ii) to select, determine or designate any Benchmark Replacement or Benchmark Replacement Conforming Changes, or any other successor or replacement benchmark index, or whether any conditions to the designation of such a rate have been satisfied, or (iii) to select, determine or designate any modifier to any replacement or successor index.

(h) The Administrative Agent does not warrant or accept any responsibility for, and shall not have any liability with respect to, (i) the administration, submission or any other matter related to the definition of "LIBOR", the London interbank offered rate or with respect to any alternative or successor rate thereto, or replacement rate thereof (including, without limitation any Benchmark Replacement implemented hereunder), (ii) the composition or characteristics of any Benchmark Replacement, including whether it is similar to, or produces the same value or economic equivalence to LIBOR (or any other Benchmark) or have the same volume or liquidity as did LIBOR (or any other Benchmark), (iii) any actions or use of its discretion or other decisions or determinations made with respect to any matters covered by this Section 3.3, including, without limitation, whether or not a Benchmark Transition Event has occurred, the removal or lack thereof of unavailable or non-representative tenors, the implementation or lack thereof of any Benchmark Replacement Conforming Changes, the delivery or non-delivery of any notices required by clause (e) above or otherwise in accordance herewith, and (iv) the effect of any of the foregoing provisions of this Section 3.3.

(i) The Administrative Agent shall not be liable for any inability, failure or delay on its part to perform any of its duties set forth in this Agreement or any other Loan Document as a result of the unavailability of LIBOR (or other applicable Benchmark) and absence of a designated replacement Benchmark, including as a result of any inability, delay, error or inaccuracy on the part of any other party to this Agreement or any other Loan Document, including, without limitation, the Borrower or the Lenders, in providing any direction, instruction, notice or information required or contemplated by the terms of this Agreement or any other Loan Document and reasonably required for the performance of such duties.

(j) The Administrative Agent shall not be bound to follow or agree to any amendment or supplement to this Agreement (including any Benchmark Replacement Conforming Changes) that would increase or materially change or affect the duties, obligations or liabilities of the Administrative Agent (including the opposition or expansion of discretionary authority), or reduce, eliminate, limit or otherwise change any right, privilege or protection of the Administrative Agent, or would otherwise materially and adversely affect the Administrative Agent, in each case in its sole judgment, without the Administrative Agent's express written consent.

Section 3.4 **Increased Costs; Reserves on Eurodollar Rate Loans**.

(a) Increased Costs Generally. If any Change in Law shall:

(i) impose, modify or deem applicable any reserve, special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or credit extended or participated in by, any Lender (except any reserve requirement contemplated by Section 3.4(e));

(ii) subject any Recipient to any Taxes (other than (A) Indemnified Taxes, (B) Taxes described in clauses (b) through (d) of the definition of Excluded Taxes and (C) Connection Income Taxes) on its loans, loan principal, letters of credit, commitments, or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto; or

(iii) impose on any Lender or the London interbank market any other condition, cost or expense affecting this Agreement or Eurodollar Rate Loans made by such Lender;

and the result of any of the foregoing shall be to increase the cost to such Lender of making, converting to, continuing or maintaining any Loan (or of maintaining its obligation to make any such Loan), or to reduce the amount of any sum received or receivable by such Lender hereunder (whether of principal, interest or any other amount) then, upon request of such Lender, the Borrower will pay to such Lender such additional amount or amounts as will compensate such Lender for such additional costs incurred or reduction suffered; provided that the Borrower shall not be required to compensate a Lender pursuant to this Section 3.4(a) for any increased costs or reductions incurred more than one hundred eighty (180) days prior to the date that such Lender notifies the Borrower of the Change in Law giving rise to such increased costs or reductions and of such Lender's intention to claim compensation therefor; provided, further, that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the 180-day period referred to above shall be extended to include the period of retroactive effect thereof.

(b) Capital Requirements. If any Lender determines that any Change in Law affecting such Lender or any Lending Office of such Lender or such Lender's holding company, if any, regarding capital or liquidity requirements has or would have the effect of reducing the rate of return on such Lender's capital or on the capital of such Lender's holding company, if any, as a consequence of this Agreement, the Commitments of such Lender or the Loans made by such Lender, to a level below that which such Lender or such Lender's holding company could have achieved but for such Change in Law (taking into consideration such Lender's policies and the policies of such Lender's holding company with respect to capital adequacy), then from time to time the Borrower will pay to such Lender such additional amount or amounts as will compensate such Lender or such Lender's holding company for any such reduction suffered.

(c) Certificates for Reimbursement. A certificate of a Lender setting forth the amount or amounts necessary to compensate such Lender or its holding company, as the case may be, as specified in clauses (a) or (b) of this Section 3.4 and delivered to the Borrower shall be conclusive absent manifest error. The Borrower shall pay such Lender the amount shown as due on any such certificate within 10 days after receipt thereof.

(d) Delay in Requests. Failure or delay on the part of any Lender to demand compensation pursuant to the foregoing provisions of this Section 3.4 shall not constitute a waiver of such Lender's right to demand such compensation; provided that the Borrower shall not be required to compensate a Lender pursuant to the foregoing provisions of this Section 3.4 for any increased costs incurred or reductions suffered more than nine months prior to the date that such Lender notifies the Borrower of the Change in Law giving rise to such increased costs or reductions and of such Lender's intention to claim compensation therefor (except that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the nine-month period referred to above shall be extended to include the period of retroactive effect thereof).

(e) Reserves on Eurodollar Rate Loans. The Borrower shall pay to each Lender, as long as such Lender shall be required to maintain reserves with respect to liabilities or assets consisting of or including eurocurrency funds or deposits, additional interest on the unpaid principal amount of each Eurodollar Rate Loan equal to the actual costs of such reserves allocated to such Loan by such Lender (as determined by such Lender in good faith, which determination shall be conclusive), which shall be due and payable on each date on which interest is payable on such Loan, provided the Borrower shall have received at least 10 days' prior notice (with a copy to the Administrative Agent) of such additional interest from such Lender. If a Lender fails to give notice 10 days prior to the relevant Interest Payment Date, such additional interest shall be due and payable 10 days from receipt of such notice.

Section 3.5 **Compensation for Losses**. Upon demand of any Lender (with a copy to the Administrative Agent) from time to time, the Borrower shall promptly compensate such Lender for and hold such Lender harmless from any loss, cost or expense incurred by it as a result of:

(a) any continuation, conversion, payment or prepayment of any Loan other than a Base Rate Loan on a day other than the last day of the Interest Period for such Loan (whether voluntary, mandatory, automatic, by reason of acceleration, or otherwise);

(b) any failure by the Borrower (for a reason other than the failure of such Lender to make a Loan) to prepay, borrow, continue or convert any Loan other than a Base Rate Loan on the date or in the amount notified by the Borrower; or

(c) any assignment of a Eurodollar Rate Loan on a day other than the last day of the Interest Period therefor as a result of a request by the Borrower pursuant to Section 10.14; including any loss of anticipated profits and any loss or expense arising from the liquidation or reemployment of funds obtained by it to maintain such Loan or from fees payable to terminate the deposits from which such funds were obtained. The Borrower shall also pay any customary administrative fees charged by such Lender in connection with the foregoing.

For purposes of calculating amounts payable by the Borrower to the Lenders under this Section 3.5, each Lender shall be deemed to have funded each Eurodollar Rate Loan made by it at the Eurodollar Rate for such Loan by a matching deposit or other borrowing in the London interbank eurodollar market for a comparable amount and for a comparable period, whether or not such Eurodollar Rate Loan was in fact so funded.

Section 3.6 **Mitigation Obligations; Replacement of Lenders**.

(a) Designation of a Different Lending Office. Each Lender may make any Loan to the Borrower through any Lending Office; provided that the exercise of this option shall not affect the obligation of the Borrower to repay the Loan in accordance with the terms of this Agreement. If any Lender requests compensation under Section 3.4, or requires the Borrower to pay any Indemnified Taxes or additional amounts to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 3.1, or if any Lender gives a notice pursuant to Section 3.2, then at the request of the Borrower such Lender shall use reasonable efforts to designate a different Lending Office for funding or booking its Loans hereunder or to assign its rights and obligations hereunder to another of its offices, branches or Affiliates, if, in the judgment of such Lender, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to Section 3.1 or 3.4, as the case may be, in the future, or eliminate the need for the notice pursuant to Section 3.2, as applicable, and (ii) in each case, would not subject such Lender to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender. The Borrower hereby agrees to pay all reasonable costs and expenses incurred by any Lender in connection with any such designation or assignment.

(b) Replacement of Lenders. If any Lender requests compensation under Section 3.4, or if the Borrower is required to pay any Indemnified Taxes or additional amounts to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 3.1 and, in each case, such Lender has declined or is unable to designate a different lending office in accordance with Section 3.6(a), the Borrower may replace such Lender in accordance with Section 10.14.

Section 3.7 **Survival**. All of the Borrower's obligations under this Article III shall survive termination of the Aggregate Commitments, repayment of all other Obligations hereunder, and resignation of the Administrative Agent.

Section 3.8 **Inability to Determine Rates**. Notwithstanding anything to the contrary herein or in any other Loan Document, but subject to Section 3.3, if in connection with any request for a Eurodollar Rate Loan or a conversion to or continuation thereof, the Required Lenders reasonably determine that adequate and reasonable means do not exist for determining the Eurodollar Rate for any requested Interest Period with respect to a proposed Eurodollar Rate Loan, the Required Lenders will instruct the Administrative Agent to promptly so notify the Borrower and each Lender. Thereafter, the obligation of the Lenders to make or maintain Eurodollar Rate Loans shall be suspended (to the extent of the affected Eurodollar Rate Loans or Interest Periods), and in the event of a determination described in the preceding sentence with respect to the Eurodollar Rate component of the Base Rate, the utilization of the Eurodollar Rate component in determining the Base Rate shall be suspended, in each case, until the Administrative Agent (upon the instruction of the Required Lenders) revokes such notice. Upon receipt of such notice, the Borrower may revoke any pending request for a Borrowing of, conversion to or continuation of Eurodollar Rate Loans (to the extent of the affected Eurodollar Rate Loans or Interest Periods) or, failing that, will be deemed to have converted such request into a request for a Borrowing of Base Rate Loans in the amount specified therein.

ARTICLE IV **CONDITIONS PRECEDENT TO LOANS**

Section 4.1 **Conditions to Effective Date**. The effectiveness of this Agreement and the obligation of each Lender to make its initial Loans hereunder is subject to satisfaction to each Lender (or waiver by each Lender in accordance with Section 10.1) of the following conditions precedent:

(a) The Administrative Agent's receipt of the following (in the case of certificates of governmental officials, dated no earlier than a recent date before the Effective Date), each in form and substance satisfactory to the Lenders:

(i) an executed counterpart of this Agreement, properly executed by a duly authorized signatory (*apoderado*) of the Borrower and a duly authorized signatory of each other party hereto, dated the Effective Date;

(ii) with respect to the Borrower, true, correct and complete copies of (A) the resolutions of the board of directors authorizing the execution and delivery of this Agreement, (B) incorporation deed (*escritura constitutiva*) and current bylaws (*estatutos sociales vigentes*) evidencing that the execution of this Agreement is contemplated within the corporate purpose of the Borrower, and (C) the public deeds containing the powers of attorney granted to the individuals executing this Agreement on behalf of the Borrower (including *poderes para actos de administración* and *poderes para suscribir títulos de crédito conforme al artículo 9 de la Ley General de Títulos y Operaciones de Crédito*);

(iii) favorable opinions of (A) Skadden, Arps, Slate, Meagher & Flom LLP, New York counsel to the Borrower and (B) the Borrower's General Counsel, addressed to the Administrative Agent and each Lender, as to such customary matters concerning the Borrower and this Agreement as the Required Lenders may reasonably request;

(iv) a certificate signed by a Responsible Officer of the Borrower certifying (A) that the representations and warranties of the Borrower contained in Article V are true and correct on and as of the Effective Date, except to the extent that such representations and warranties specifically refer to another date, in which case they shall be true and correct as of such other date and (B) that no Default exists, or would occur immediately after giving effect to this Agreement, on the Effective Date;

(v) evidence that, upon the payment of a specified amount, the Termination and Release shall occur;

(vi) the acceptance by the Process Agent of an irrevocable appointment to act as agent for service of process for the Borrower in connection with any proceeding relating to the Loan Documents brought in the State of New York

(vii) a copy certified by a Mexican notary public of the irrevocable special power of attorney for lawsuits and collections (*poder especial irrevocable para pleitos y cobranzas*) granted by the Borrower before a Mexican notary public in favor of the Process Agent; and

(viii) the Audited Financial Statements and the unaudited financial statements of the Borrower referred to in Section 5.5(a) and (b) required to be delivered prior to the Effective Date.

(b) (i) Upon the reasonable request of any Lender or the Administrative Agent made at least ten (10) Business Days prior to the Effective Date, the Borrower shall have provided to such Lender or the Administrative Agent, as applicable, the documentation and other information so requested in connection with applicable "know your customer" and anti-money-laundering rules and regulations, including, without limitation, the PATRIOT Act, in each case at least three (3) Business Days prior to the Effective Date and (ii) if the Borrower qualifies as a "legal entity customer" under the Beneficial Ownership Regulation, the Borrower shall have delivered to each Lender that so requests a Beneficial Ownership Certification in relation to the Borrower at least ten (10) Business Days prior to the Effective Date.

Without limiting the generality of the provisions of the last paragraph of Section 9.3, for purposes of determining compliance with the conditions specified in this Section 4.1, each Lender that has signed this Agreement shall be deemed to have consented to, approved or accepted or to be satisfied with, each document or other matter required thereunder to be consented to or approved by or acceptable or satisfactory to a Lender unless the Administrative Agent shall have received notice from such Lender prior to the proposed Effective Date specifying its objection thereto.

Section 4.2 **Conditions to all Loans**.

(a) The obligation of each Lender to honor any Committed Loan Notice on the Initial Funding Date is subject to satisfaction of the following conditions precedent satisfactory to each Lender (unless waived by each Lender in accordance with Section 10.1):

(i) The Administrative Agent shall have received:

(1) an executed counterpart of the Guaranty, properly executed by a Responsible Officer of each Initial Guarantor organized under the laws of a country other than Mexico and by a duly authorized signatory (*apoderado*) of each Initial Guarantor organized under the laws of Mexico, dated the Initial Funding Date;

(2) with respect to each Loan Party organized under the laws of Mexico, true, correct and complete copies of (A) incorporation deed (*escritura constitutiva*) and current bylaws (*estatutos sociales vigentes*) and (B) the public deeds containing the powers of attorney granted to the individuals executing on behalf of the relevant Loan Party, the Loan Documents to which such Loan Party is a party (including *poderes para actos de administración* and *poderes para suscribir títulos de crédito conforme al artículo 9 de la Ley General de Títulos y Operaciones de Crédito*);

(3) with respect to each Loan Party other than a Loan Party organized under the laws of Mexico, a certificate of a Responsible Officer of the Borrower evidencing (A) the identity, authority and capacity of each Responsible Officer thereof authorized to act as a Responsible Officer in connection with this Agreement and the other Loan Documents to which such Loan Party is a party and (B) that each Loan Party is duly organized or formed, and that each such Loan Party is validly existing, in good standing (to the extent such concept exists in the relevant jurisdiction) and qualified to engage in business in each jurisdiction where its ownership, lease or operation of properties or the conduct of its business requires such qualification, except to the extent that failure to do so would not reasonably be expected to have a Material Adverse Effect;

(4) favorable opinions favorable opinions of (i) Skadden, Arps, Slate, Meagher & Flom LLP, New York counsel to the Borrower, (ii) the Borrower's General Counsel, and (iii) GHR Rechtsanwälte AG, special Swiss counsel to the Borrower, addressed to the Administrative Agent and each Lender, as to such customary matters concerning the Loan Parties and the Loan Documents as the Required Lenders may reasonably request;

(5) the acceptance by the Process Agent of an irrevocable appointment to act as agent for service of process for the Loan Parties in connection with any proceeding relating to the Loan Documents brought in the State of New York;

(6) a copy certified by a Mexican notary public of the irrevocable special power of attorney for lawsuits and collections (*poder especial irrevocable para pleitos y cobranzas*) granted by each of the Loan Parties organized under the laws of Mexico before a Mexican notary public in favor of the Process Agent; and

(7) a Committed Loan Notice in accordance with the requirements hereof.

(ii) The representations and warranties of the Loan Parties contained in Article V or any other Loan Document, or which are contained in any document furnished at any time under or in connection herewith or therewith, shall be true and correct on and as of the date of the proposed Borrowing, except to the extent that such representations and warranties specifically refer to another date, in which case they shall be true and correct as of such other date.

(iii) No Default shall exist, or would result from the proposed Borrowing, or from the application of the proceeds thereof.

(iv) Any fees of the Lenders, the Lead Arrangers and the Administrative Agent required to be paid on or before the Initial Funding Date shall have been (or, substantially simultaneously with the initial funding of the Loans on the Initial Funding Date, shall be) paid.

(v) To the extent invoiced at least three (3) Business Days prior to the Initial Funding Date, the Borrower shall have paid (or, substantially simultaneously with the initial funding of the Loans on the Initial Funding Date, shall pay) all fees, charges and disbursements of counsel to the Administrative Agent (directly to such counsel if requested by the Administrative Agent), *plus* such additional amounts of such fees, charges and disbursements as shall constitute its reasonable estimate of such fees, charges and disbursements incurred or to be incurred by it through the closing proceedings (provided that such estimate shall not thereafter preclude a final settling of accounts between the Borrower and the Administrative Agent).

(vi) Upon the request of any Lender at least one (1) Business Day prior to the date of the proposed Loan, the Borrower shall issue and make available a Note to that Lender at the Corporate Office or deliver a Note to the Custodian on behalf of that Lender, at the Lender's election, setting forth the amount of the Loan to be disbursed by that Lender and the relevant Applicable Margin, on the date of the relevant Loan.

(vii) The Termination and Release shall have occurred.

(viii) Not more than five (5) Business Days (or such greater number of days as the Required Lenders may reasonably agree) shall have elapsed since the Effective Date.

Without limiting the generality of the provisions of the last paragraph of Section 9.3, for purposes of determining compliance with the conditions specified in this Section 4.2(a), each Lender that has signed this Agreement shall be deemed to have consented to, approved or accepted or to be satisfied with, each document or other matter required thereunder to be consented to or approved by or acceptable or satisfactory to a Lender unless the Administrative Agent shall have received notice from such Lender prior to the proposed Initial Funding Date specifying its objection thereto.

(b) The obligation of each Lender to honor any Committed Loan Notice after the Initial Funding Date (other than a Committed Loan Notice requesting only a conversion of Loans to the other Type, or a continuation of Eurodollar Rate Loans) is subject to satisfaction of the following conditions precedent (unless waived in accordance with Section 10.1):

(i) The representations and warranties of the Borrower contained in Article V or any other Loan Document, or which are contained in any document furnished at any time under or in connection herewith or therewith, shall be true and correct on and as of the date of the proposed Borrowing, conversion or continuation, except to the extent that such representations and warranties specifically refer to another date, in which case they shall be true and correct as of such other date, and except that for purposes of this Section 4.2(b), the representations and warranties contained in subsections (a) and (b) of Section 5.5 shall be deemed to refer to the most recent statements furnished pursuant to subsections (a) and (b), respectively, of Section 6.1.

(ii) No Default shall exist, or would result from the proposed Borrowing, conversion or continuation or from the application of the proceeds thereof.

(iii) The Administrative Agent shall have received a Committed Loan Notice in accordance with the requirements hereof. Such notice shall include a certification by a Responsible Officer of the Borrower (upon which the Administrative Agent may conclusively rely) that the conditions specified in Sections 4.2(b)(i), 4.2(b)(ii) and 4.2(b)(iv) will be fulfilled on the date of the proposed Borrowing.

(iv) Upon the request of any Lender at least one (1) Business Day prior to the date of the proposed Borrowing, conversion or continuation, the Borrower shall issue and make available a Note to that Lender at the Corporate Office or deliver a Note to the Custodian on behalf of that Lender, at the Lender's election, setting forth the amount of the Loan to be disbursed by that Lender and the relevant Applicable Margin, on the date of the relevant Loan.

ARTICLE V **REPRESENTATIONS AND WARRANTIES**

The Borrower represents and warrants to the Administrative Agent and the Lenders on the Effective Date (other than with respect to Section 5.22) and on each other occasion to the extent required by the Loan Documents, that:

Section 5.1 **Existence, Qualification and Power**. Each Loan Party and each Subsidiary thereof (a) is (i) duly organized or formed, validly existing and (ii) as applicable, in good standing under the Laws of the jurisdiction of its incorporation or organization, (b) has all

requisite power and authority and all requisite governmental licenses, authorizations, consents and approvals to (i) own or lease its assets and carry on its business and (ii) execute, deliver and perform its obligations under the Loan Documents to which it is a party, if any, and (c) is duly qualified and is licensed and, as applicable, in good standing under the Laws of each jurisdiction where its ownership, lease or operation of properties or the conduct of its business requires such qualification or license; except in each case referred to in clause (a)(ii), (b)(i) or (c), to the extent that failure to do so would not reasonably be expected to have a Material Adverse Effect.

Section 5.2 **Authorization; No Contravention**. The execution, delivery and performance by each Loan Party of each Loan Document to which such Person is party, have been duly authorized by all necessary corporate or other organizational action, and do not and will not (a) contravene the terms of any of such Person's Organization Documents; (b) except as would not reasonably be expected to have a Material Adverse Effect, conflict with or result in any breach or contravention of, or the creation of (or the requirement to create) any Lien under, or require any payment to be made under (i) any Contractual Obligation to which such Person is a party or affecting such Person or the properties of such Person or any of its Subsidiaries or (ii) any order, injunction, writ or decree of any Governmental Authority or any arbitral award to which such Person or its property is subject; or (c) violate any Applicable Law in any material respect.

Section 5.3 **Governmental Authorization; Other Consents**. No approval, consent, exemption, authorization, or other action by, or notice to, or filing with, any Governmental Authority or any other Person is necessary or required in connection with the execution, delivery or performance by, or enforcement against, any Loan Party of this Agreement or any other Loan Document, except for those which have been already obtained, approved, granted, taken, given or made, as the case may be.

Section 5.4 **Binding Effect**. This Agreement has been, and each other Loan Document, when delivered hereunder, will have been, duly executed and delivered by each Loan Party that is party thereto. This Agreement constitutes, and each other Loan Document when so delivered will constitute, a legal, valid and binding obligation of such Loan Party, enforceable against each Loan Party that is party thereto in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium, capital impairment, recognition of judgments, recognition of choice of law, enforcement of judgments or other similar laws or other laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law and other matters which are set out as qualifications or reservations as to matters of law of general application in any legal opinion delivered to the Administrative Agent in connection with the Loan Documents.

Section 5.5 **Financial Statements; No Material Adverse Effect**.

(a) The Audited Financial Statements (i) were prepared in accordance with IFRS consistently applied throughout the period covered thereby, except as otherwise expressly noted therein; (ii) fairly present the financial condition of the Borrower and its Subsidiaries as of the date thereof and their results of operations for the period covered thereby in accordance with IFRS consistently applied throughout the period covered thereby, except as otherwise expressly noted therein; and (iii) show all material indebtedness and other liabilities, direct or contingent, of the Borrower and its Subsidiaries as of the date thereof, including liabilities for taxes, material commitments and Indebtedness.

(b) The unaudited consolidated balance sheet of the Borrower and its Subsidiaries dated June 30, 2021, and the related consolidated statements of income or operations, shareholders' equity and cash flows for the fiscal quarter ended on that date (i) were prepared in accordance with IFRS consistently applied throughout the period covered thereby, except as otherwise expressly noted therein, and (ii) fairly present the financial condition of the Borrower and its Subsidiaries as of the date thereof and their results of operations for the period covered thereby, subject, in the case of clauses (i) and (ii), to the absence of footnotes and to normal year-end audit adjustments.

(c) Since the date of the Audited Financial Statements, there has been no event or circumstance, either individually or in the aggregate, that has had or would reasonably be expected to have a Material Adverse Effect.

Section 5.6 **Litigation**. There are no actions, suits, proceedings, claims or disputes pending or, to the knowledge of the Borrower, threatened, at law, in equity, in arbitration or before any Governmental Authority, by or against the Borrower or any of its Subsidiaries or against any of their properties or revenues that (a) purport to affect or pertain to this Agreement or any other Loan Document, or any of the transactions contemplated hereby or (b) would reasonably be expected to have a Material Adverse Effect if determined adversely, except as specifically disclosed in Schedule 5.6.

Section 5.7 **No Default**. Neither any Loan Party nor any Subsidiary thereof is in default under or with respect to any Contractual Obligation that would, either individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. No Default has occurred and is continuing or would result from the consummation of the transactions contemplated by this Agreement or any other Loan Document.

Section 5.8 **Ownership of Property; Liens**. Each of the Borrower and each Subsidiary has good record and marketable title in fee simple to, or valid leasehold interests in or other rights to use, all real property necessary or used in the ordinary conduct of its business, except for such defects in title as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

Section 5.9 **Environmental Compliance**. The Borrower and its Subsidiaries conduct in the ordinary course of business a review of the effect of existing Environmental Laws and claims alleging potential liability or responsibility for violation of any Environmental Law on their respective businesses, operations and properties. Except as specifically disclosed in Schedule 5.6 or as would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, to the knowledge of the Borrower: (a) the Borrower and its Subsidiaries have been and are in compliance with such Environmental Laws; (b) there are no claims, disputes, proceedings or actions against the Borrower or its Subsidiaries, or threatened claims, disputes, proceedings or actions against the Borrower or its Subsidiaries, pursuant to such Environmental Laws; and (c) there are no facts and circumstances relating to the business or operations of the Borrower and its Subsidiaries that are reasonably likely to cause the Borrower or its Subsidiaries to incur Environmental Liabilities.

Section 5.10 **Insurance**. The properties of the Borrower and its Subsidiaries are insured by financially sound companies (which may be Affiliates of the Borrower), in such amounts, with such deductibles and covering such risks as are customarily carried by companies engaged in similar businesses and owning similar properties in localities where the Borrower or the applicable Subsidiary operates.

Section 5.11 **Taxes**. The Borrower and its Subsidiaries have filed all Federal, state and other tax returns and reports required to be filed, and have paid all Federal, state and other taxes, assessments, fees and other governmental charges levied or imposed upon them or their properties, income or assets otherwise due and payable, except (a) Taxes which are being contested in good faith by appropriate proceedings diligently conducted and for which adequate reserves have been provided to the extent required by IFRS, or (b) to the extent that the failure to do so would not have a Material Adverse Effect.

Section 5.12 **ERISA Compliance**.

(a) Each Plan is in compliance in all material respects with the applicable provisions of ERISA, the Code and other Federal or state laws. Each Pension Plan that is sponsored by the Borrower or an ERISA Affiliate and that is intended to be a qualified plan under Section 401(a) of the Code has received a favorable determination letter from the IRS to the effect that the form of such Pension Plan is qualified under Section 401(a) of the Code and the trust related thereto has been determined by the IRS to be exempt from federal income tax under Section 501(a) of the Code, or an application for such a letter is currently being processed by the IRS. To the best knowledge of the Borrower, nothing has occurred that would prevent or cause the loss of such tax-qualified status.

(b) There are no pending or, to the best knowledge of the Borrower, threatened claims, actions or lawsuits, or action by any Governmental Authority, with respect to any Plan that would reasonably be expected to have a Material Adverse Effect. There has been no prohibited transaction or violation of the fiduciary responsibility rules with respect to any Plan that has resulted or would reasonably be expected to result in a Material Adverse Effect.

(c) (i) No ERISA Event has occurred, and neither the Borrower nor any ERISA Affiliate is aware of any fact, event or circumstance that would reasonably be expected to constitute or result in an ERISA Event with respect to any Pension Plan; (ii) the Borrower and each ERISA Affiliate has met all applicable requirements under the Pension Funding Rules in respect of each Pension Plan, and no waiver of the minimum funding standards under the Pension Funding Rules has been applied for or obtained; (iii) neither the Borrower nor any ERISA Affiliate has incurred any liability to the PBGC other than for the payment of premiums, and there are no premium payments which have become due that are unpaid; (iv) neither the Borrower nor any ERISA Affiliate has engaged in a transaction that would reasonably be expected to be subject to Section 4069 or Section 4212(c) of ERISA; and (v) no Pension Plan has been terminated by the plan administrator thereof nor by the PBGC, and no event or circumstance has occurred or exists that would reasonably be expected to cause the PBGC to institute proceedings under Title IV of

ERISA to terminate any Pension Plan, except where any events set forth in clauses (i)-(v) would not individually or in the aggregate reasonably be expected to have a Material Adverse Effect. As of the most recent valuation date for any Pension Plan, the funding target attainment percentage (as defined in Section 430(d)(2) of the Code) is 60% or higher and neither the Borrower nor any ERISA Affiliate knows of any facts or circumstances that would reasonably be expected to cause the funding target attainment percentage for any such plan to drop below 60% as of the most recent valuation date.

(d) The Borrower represents and warrants as of the Effective Date that the Borrower's assets are not and will not be deemed to constitute "plan assets" (within the meaning of 29 CFR § 2510.3-101, as modified by Section 3(42) of ERISA).

Section 5.13 **Subsidiaries; Equity Interests**. As of the Effective Date: (a) the Borrower has no Subsidiaries other than those specifically disclosed in Part (a) of Schedule 5.13, and except as indicated in Part (a) of Schedule 5.13 all of the outstanding Equity Interests in such Subsidiaries have been validly issued, are fully paid and nonassessable and are owned by the Borrower and/or one or more Subsidiaries of the Borrower free and clear of all Liens (other than non-consensual Liens which may arise by operation of law), (b) the Borrower has no equity investments in any other corporation or entity other than those specifically disclosed in Part (b) of Schedule 5.13, and (c) all of the outstanding Equity Interests in the Borrower have been validly issued and are fully paid and nonassessable.

Section 5.14 **Margin Regulations; Investment Company Act**.

(a) The Borrower is not engaged and will not engage, principally or as one of its important activities, in the business of purchasing or carrying margin stock (within the meaning of Regulation U), or extending credit for the purpose of purchasing or carrying margin stock.

(b) None of the Borrower or any Subsidiary is required to be registered as an "investment company" under the Investment Company Act of 1940.

Section 5.15 **Disclosure**.

(a) No written report, financial statement, certificate or other written information furnished by or on behalf of any Loan Party as of the Effective Date to the Administrative Agent or any Lender in connection with the transactions contemplated hereby and the negotiation of this Agreement (in each case, as modified or supplemented by other information furnished by or on behalf of any Loan Party) contains any material misstatement of material fact or omits to state any material fact necessary to make the statements therein, when furnished and after giving effect to all supplements thereto, in the light of the circumstances under which they were made, not misleading in any material respect; provided that, with respect to projected financial information and other projections, the Borrower represents only that such projections were prepared in good faith based upon assumptions believed to be reasonable at the time such projections were furnished (it being understood by the Administrative Agent and the Lenders that such projections are as to future events and are not to be viewed as facts, such projections are subject to significant uncertainties and contingencies, many of which are beyond the control of the Borrower and its Subsidiaries, that no assurance can be given that any particular projections will be realized and that actual results during the period or periods covered by any such projections may significantly differ from the projected results and such differences may be material).

(b) As of the Effective Date, the information included in the Beneficial Ownership Certification, if applicable, is true and correct in all respects.

Section 5.16 **Compliance with Laws**. Each Loan Party and each Subsidiary thereof is in compliance in all material respects with the requirements of all Applicable Laws and all orders, writs, injunctions and decrees applicable to it or to its properties, except in such instances in which (a) such requirement of Law or order, writ, injunction or decree is being contested in good faith by appropriate proceedings diligently conducted or (b) the failure to comply therewith, either individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect.

Section 5.17 **Intellectual Property; Licenses, Etc**. The Borrower and its Subsidiaries own, license or possess the right to use, all of the trademarks, service marks, trade names, copyrights, patents, patent rights, trade secrets, know-how and other intellectual property rights (collectively, "IP Rights") that are reasonably necessary for the operation of their respective businesses as currently conducted, without, to the knowledge of the Borrower, infringement, misappropriation or other violation of the IP Rights of any other Person, except for any such failure to own, license or possess, or such infringement, that would not reasonably be expected to have a Material Adverse Effect. To the knowledge of the Borrower, no product, service, process, method, substance, part or other material now used by the Borrower or any Subsidiary in the conduct of their business as currently conducted infringes, misappropriates or otherwise violates upon any IP Rights held by any other Person, except for any such infringement, misappropriation or violation which would not reasonably be expected to have a Material Adverse Effect. No claim or litigation regarding any of the foregoing is pending or, to the knowledge of the Borrower, threatened against the Borrower or any Subsidiary, which, either individually or in the aggregate, would reasonably be expected to have a Material Adverse Effect. To the knowledge of the Borrower, in the two (2) year period preceding the Effective Date, there has been no unauthorized use, access, interruption, modification, or corruption of any information technology systems (or any sensitive or personal information stored or contained therein or transmitted thereby) owned or controlled by the Borrower or any of its Subsidiaries, which, either individually or in the aggregate, would reasonably be expected to have a Material Adverse Effect.

Section 5.18 **Sanctions**. None of the Borrower, any of its Subsidiaries, or the directors of the Borrower or, to the knowledge of the Borrower, any director, officer, agent, employee, or Affiliate or other person acting on behalf of the Borrower or any of its Subsidiaries is, or is controlled or 50% or more owned in the aggregate by or is acting on behalf of, one or more individuals or entities that are currently the subject or the target of any Sanctions (including the designation as a "specially designated national" or "blocked person"), nor is the Borrower, any of its Subsidiaries located, organized or resident in a Designated Jurisdiction; and the Borrower will not directly or knowingly indirectly use the proceeds of the Agreement hereunder, or lend, contribute or otherwise make available such proceeds to any subsidiary, joint venture partner or other person or entity (i) to fund or facilitate any activities of or business with any person that, at the time of such funding or facilitation, is the subject or the target of Sanctions, (ii) to fund or facilitate any activities of or business in any Designated Jurisdiction or (iii) in any other manner that will result in a violation by any person participating in the transaction, whether as an Initial Purchaser, advisor, investor or otherwise, of Sanctions. The Borrower and its Subsidiaries are not now knowingly engaged in any dealings or transactions with any person that is the subject or the target of Sanctions or with any Designated Jurisdiction.

Section 5.19 **Anti-Corruption Laws**. During the five (5) years prior to the Effective Date, none of the Borrower, any of its Subsidiaries, or the directors of the Borrower or, to the knowledge of the Borrower, any director, officer, agent, employee or Affiliate or other person acting on behalf of the Borrower or any of its Subsidiaries has (i) used any funds for any unlawful contribution, gift, entertainment or other unlawful expense relating to political activity; (ii) made or taken an act in furtherance of an offer, promise or authorization of any direct or indirect unlawful payment or benefit to any foreign or domestic government or regulatory official or employee, including of any government-owned or -controlled entity or of a public international organization, or any person acting in an official capacity for or on behalf of any of the foregoing, or any political party or party official or candidate for political office; (iii) except for any violation of Applicable Law resulting from matters under investigation on the Effective Date as disclosed in the Borrower's annual report on Form 20-F for 2020, violated or is in violation of any provision of the Foreign Corrupt Practices Act of 1977, as amended, the Mexican *Ley General del Sistema Nacional Anticorrupción*, the Mexican Federal Criminal Code (*Código Penal Federal*), the Mexican *Ley General de Responsabilidades Administrativas*, or any applicable law or regulation implementing the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, or committed an offence under the Bribery Act 2010 of the United Kingdom, or any other applicable anti-bribery or anti-corruption laws; or (iv) made, offered, agreed, requested or taken an act in furtherance of any unlawful bribe or other unlawful benefit, including, without limitation, any rebate, payoff, influence payment, kickback or other unlawful or improper payment or benefit; except, in each case, for matters under investigation by the U.S. Department of Justice and the staff of the SEC. During the five (5) years prior to the Effective Date, the Borrower and its Subsidiaries have instituted, and maintain and enforce, policies and procedures reasonably designed to promote and ensure compliance with all applicable anti-bribery and anti-corruption laws.

Section 5.20 **EEA Financial Institutions**. No Loan Party is an EEA Financial Institution.

Section 5.21 **Covered Entities**. No Loan Party is a Covered Entity.

Section 5.22 **Solvency.** As of the Initial Funding Date, immediately after the consummation of the Transactions to occur on such date, the Borrower is Solvent.

Section 5.23 **Immunity**. Each Loan Party is subject to civil and commercial law with respect to its obligations under the Loan Documents to which it is a party, and the execution, delivery and performance by it of such Loan Documents constitute private and commercial acts rather than public or governmental acts. None of the Loan Parties nor any of their respective properties is entitled to any right of immunity on the grounds of sovereignty or otherwise from the jurisdiction of any court or from any action, suit, set-off or proceeding, or service of process in connection therewith, arising under the Loan Documents.

Section 5.24 **Pari Passu Status**. The obligations of the Borrower and each Guarantor under the Loan Documents to which such Person is a party constitute direct, senior, unsecured, and unsubordinated obligations of the Borrower or such Guarantor, as applicable, and, under current law, rank at least *pari passu* in right of payment with all other direct, senior, unsecured, and unsubordinated obligations of the Borrower or such Guarantor resulting from any Indebtedness of the Borrower or such Guarantor (other than Indebtedness having priority by operation of law).

ARTICLE VI **AFFIRMATIVE COVENANTS**

Commencing on the Initial Funding Date and for so long as any Lender shall have any Commitment hereunder or any Loan or other Obligation hereunder (other than contingent obligations for which no claim has been made) shall remain unpaid or unsatisfied, the Borrower shall, and shall (except in the case of the covenants set forth in Sections 6.1, 6.2, and 6.3) cause each Subsidiary to:

Section 6.1 **Financial Statements**. Deliver to the Administrative Agent:

(a) as soon as available, but in any event within 120 days after the end of each fiscal year of the Borrower (commencing with the fiscal year ended December 31, 2021), a consolidated balance sheet of the Borrower and its Subsidiaries as at the end of such fiscal year, and the related consolidated statements of income or operations, changes in shareholders' equity, and cash flows for such fiscal year, setting forth in each case in comparative form the figures for the previous fiscal year, all in reasonable detail and prepared in accordance with IFRS, such consolidated statements to be audited and accompanied by a report and opinion of an independent certified public accountant of nationally recognized standing, which report and opinion shall be prepared in accordance with generally accepted auditing standards and shall not be subject to any "going concern" or like qualification or exception as to the scope of such audit (except for any such qualification pertaining to the maturity of the Facilities occurring within twelve (12) months of the relevant audit or any breach or anticipated breach of any financial covenant); and

(b) as soon as available, but in any event within 60 days after the end of each of the first three fiscal quarters of each fiscal year of the Borrower, a consolidated balance sheet of the Borrower and its Subsidiaries as at the end of such fiscal quarter, the related consolidated statements of income or operations for such fiscal quarter and for the portion of the Borrower's fiscal year then ended, and the related consolidated statements of changes in shareholders' equity, and cash flows for the portion of the Borrower's fiscal year then ended, in each case setting forth in comparative form, as applicable, the figures for the corresponding fiscal quarter of the previous fiscal year and the corresponding portion of the previous fiscal year, all in reasonable detail, such consolidated statements to be certified by the chief executive officer, chief financial officer, treasurer or controller of the Borrower as fairly presenting the financial condition, results of operations, shareholders' equity and cash flows of the Borrower and its Subsidiaries in accordance with IFRS, subject only to normal year-end audit adjustments and the absence of footnotes.

As to any information contained in materials furnished pursuant to Section 6.2(c), the Borrower shall not be separately required to furnish such information under subsection (a) or (b) above, but the foregoing shall not be in derogation of the obligation of the Borrower to furnish the information and materials described in subsection (a) or (b) above at the times specified therein.

Section 6.2 **Certificates; Other Information**. Deliver to the Administrative Agent:

(a) concurrently with the delivery of the financial statements referred to in Sections 6.1(a) and (b), a duly completed Compliance Certificate signed by the chief executive officer, chief financial officer, treasurer or controller of the Borrower (which delivery may be by electronic communication including email and shall be deemed to be an original authentic counterpart thereof for all purposes);

(b) promptly after any request by the Administrative Agent (acting at the direction of the Required Lenders), copies of any detailed audit reports, management letters or recommendations submitted to the board of directors (or the audit committee of the board of directors) of the Borrower by independent accountants in connection with the accounts or books of the Borrower or any Subsidiary, or any audit of any of them;

(c) promptly after the same are available, copies of each annual report, proxy or financial statement or other report or communication sent to the stockholders of the Borrower, and copies of all annual, regular, periodic and special reports and registration statements which the Borrower may file or be required to file with the SEC under Section 13 or 15(d) of the Securities Exchange Act of 1934, and not otherwise required to be delivered to the Administrative Agent pursuant hereto;

(d) promptly after the furnishing thereof, copies of any financial statements, compliance certificate, and notice of default furnished to any holder of debt securities of any Loan Party or any Subsidiary thereof pursuant to the terms of any indenture, loan or credit or similar agreement relating to debt for borrowed money and not otherwise required to be furnished to the Lenders pursuant to any other clause of this Section 6.2; provided that this clause (d) shall not apply to any such indenture, loan or credit or similar agreement with an outstanding principal amount or unused commitments less than U.S.$50.0 million; and

(e) promptly following any request therefor, provide information and documentation reasonably requested by the Administrative Agent or any Lender for purposes of compliance with applicable "know your customer" and anti-money-laundering rules and regulations, including, without limitation, the PATRIOT Act and the Beneficial Ownership Regulation.

Documents required to be delivered pursuant to Section 6.1 or Section 6.2 (whether or not any such documents are included in materials otherwise filed with the SEC) may be delivered electronically and if so delivered, shall be deemed to have been delivered on the date (i) on which the Borrower posts such documents, or provides a link thereto on the Borrower's website on the Internet at the website address listed on Schedule 10.2; or (ii) on which such documents are posted on the Borrower's behalf on an Internet or intranet website, if any, to which each Lender and the Administrative Agent have access (whether a commercial, third-party website or whether sponsored by the Administrative Agent); provided that the Borrower shall notify the Administrative Agent (by electronic mail) of the posting of any such documents and provide to the Administrative Agent by electronic mail electronic versions (i.e., soft copies) of such

documents. The Administrative Agent shall have no obligation to request the delivery of or to maintain paper copies of the documents referred to above, and in any event shall have no responsibility to monitor compliance by the Borrower with any such request by a Lender for delivery, and each Lender shall be solely responsible for requesting delivery to it or maintaining its copies of such documents.

The Borrower hereby acknowledges that (a) the Administrative Agent and/or the Lead Arrangers may, but shall not be obligated to, make available to the Lenders materials and/or information provided by or on behalf of the Borrower hereunder (collectively, "Borrower Materials") by posting the Borrower Materials on Debt Domain, IntraLinks, Syndtrak, ClearPar, or a substantially similar electronic transmission system (the "Platform") and (b) certain of the Lenders (each, a "Public Lender") may have personnel who do not wish to receive material non-public information with respect to the Borrower or its Affiliates, or the respective securities of any of the foregoing, and who may be engaged in investment and other market-related activities with respect to such Persons' securities. The Borrower hereby agrees that (w) all Borrower Materials that are to be made available to Public Lenders shall be clearly and conspicuously marked "PUBLIC" which, at a minimum, shall mean that the word "PUBLIC" shall appear prominently on the first page thereof; (x) by marking Borrower Materials "PUBLIC," the Borrower shall be deemed to have authorized the Administrative Agent, the Lead Arrangers and the Lenders to treat such Borrower Materials as not containing any material non-public information with respect to the Borrower or its securities for purposes of United States Federal and state securities laws (provided, however, that to the extent such Borrower Materials constitute Information, they shall be treated as set forth in Section 10.7); (y) all Borrower Materials marked "PUBLIC" are permitted to be made available through a portion of the Platform designated "Public Side Information;" and (z) the Administrative Agent and the Lead Arrangers shall be entitled to treat any Borrower Materials that are not marked "PUBLIC" as being suitable only for posting on a portion of the Platform not designated "Public Side Information."

Section 6.3 **Notices**. Promptly notify the Administrative Agent:

(a) of the occurrence of any Default or Event of Default;

(b) of any matter that has resulted or would reasonably be expected to result in a Material Adverse Effect; and

(c) of any material change in accounting policies or financial reporting practices by the Borrower or any Subsidiary.

Each notice pursuant to this Section 6.3 shall be accompanied by a statement of a Responsible Officer of the Borrower setting forth details of the occurrence referred to therein in reasonable particularity and stating what action, if any, the Borrower has taken and proposes to take with respect thereto. Each notice pursuant to Section 6.3(a) shall describe with reasonable particularity any and all provisions of this Agreement and any other Loan Document that have been breached.

Section 6.4 **Pari Passu Obligations**. Ensure that its Obligations hereunder and under the Notes at all times constitute direct, senior, unsecured and unsubordinated obligations of the Borrower ranking at least pari passu in right of payment with all other present or future direct, senior, unsecured and unsubordinated obligations of the Borrower resulting from any Indebtedness of the Borrower (other than Indebtedness having priority by operation of law).

Section 6.5 **Payment of Obligations**. Generally pay and discharge as the same shall become due and payable (a) all Tax liabilities, assessments and governmental charges or levies upon it or its properties or assets, unless the same are being contested in good faith by appropriate proceedings diligently conducted and adequate reserves to the extent required by IFRS are being maintained by the Borrower or such Subsidiary; (b) all lawful claims which, if unpaid, would by law become a Lien upon its property, unless the same are being contested in good faith by appropriate proceedings diligently conducted and adequate reserves to the extent required by IFRS are being maintained by the Borrower or such Subsidiary; and (c) all Indebtedness, as and when due and payable, but subject to any subordination provisions contained in any instrument or agreement evidencing such Indebtedness, except in each case to the extent that the failure to do so could not reasonably be expected to have a Material Adverse Effect.

Section 6.6 **Preservation of Existence, Etc**. (a) Preserve, renew and maintain in full force and effect its legal existence and good standing under the Laws of the jurisdiction of its organization except (i) in a transaction not prohibited by Section 7.3 or (ii) to the extent that failure of any Subsidiary that is not a Loan Party to do so would not reasonably be expected to have a Material Adverse Effect; (b) take all reasonable action to maintain all rights, privileges, permits, licenses and franchises necessary or desirable in the normal conduct of its business, except to the extent that failure to do so would not reasonably be expected to have a Material Adverse Effect; and (c) to the extent reasonably able to do so under Applicable Law, preserve or renew all of its issued patents and registered trademarks and service marks, the non-preservation or non-renewal of which would reasonably be expected to have a Material Adverse Effect.

Section 6.7 **Maintenance of Properties**. (a) Maintain, preserve and protect all of its material tangible properties and equipment necessary in the operation of its business in good working order and condition, ordinary wear and tear excepted; and (b) make all necessary repairs thereto and renewals and replacements thereof except, in the case of (a) and (b) where the failure to do so would not reasonably be expected to have a Material Adverse Effect.

Section 6.8 **Maintenance of Insurance**. Maintain with financially sound companies (which may be Affiliates of the Borrower), insurance with respect to its properties and business against loss or damage of the kinds customarily insured against by Persons engaged in the same or similar business, of such types and in such amounts as are customarily carried under similar circumstances by such other Persons.

Section 6.9 **Compliance with Laws**. Comply in all material respects with the requirements of all Applicable Laws and all orders, writs, injunctions and decrees applicable to it or to its business or property, except in such instances in which (a) such requirement of Law or order, writ, injunction or decree is being contested in good faith by appropriate proceedings diligently conducted; or (b) the failure to comply therewith would not reasonably be expected to have a Material Adverse Effect.

Section 6.10 **Books and Records**. Maintain proper books of record and account, in which full, true and correct entries in all material respects in conformity with IFRS consistently applied shall be made of all material financial transactions and matters involving the assets and business of the Borrower or such Subsidiary, as the case may be.

Section 6.11 **Use of Proceeds**. Use the proceeds of the Facilities to refinance existing indebtedness under the Facilities Agreement, pay related transaction costs, fees and expenses, and for general corporate purposes (including refinancing other financial obligations of the Borrower and its Affiliates). The Borrower (a) shall procure that no payments received under the Facilities will be directly or indirectly used in Switzerland or be, directly or indirectly, remitted to any Swiss tax resident company or Swiss tax resident permanent establishment unless a written confirmation or countersigned tax ruling application from the Swiss Federal Tax Administration has been obtained confirming that such use does not result in interest payments under the Agreement being subject to Swiss withholding tax, (b) shall not permit or authorize any Person to use, directly or knowingly indirectly, of all or any part of the Loans to finance any transaction, business or activity (i) involving any Sanctions Target or Designated Jurisdiction, in each case, in violation of Sanctions or (ii) that would result in the Borrower failing to comply with any Sanctions applicable to it or becoming a Sanctions Target and (c) shall not finance, directly or knowingly indirectly, any payments in respect of this Agreement to any of the Administrative Agent or the Lenders with income from or involving (i) a Sanctions Target or a Designated Jurisdiction, in each case, in violation of Sanctions or (ii) any activity that would result in the Borrower failing to comply with any Sanctions applicable to it or becoming a Sanctions Target.

Section 6.12 **Anti-Corruption Laws; Sanctions**. Conduct its businesses in compliance in all material respects with the United States Foreign Corrupt Practices Act of 1977, as amended, the UK Bribery Act 2010, and other applicable anti-corruption legislation and with all applicable Sanctions, and maintain policies and procedures reasonably designed to promote and achieve compliance with such laws and Sanctions (it being understood that any violation of Applicable Law resulting from matters under investigation on the Effective Date as disclosed in the Borrower's annual report on Form 20-F for 2020 shall not constitute a violation of this Section 6.12).

Section 6.13 **Delivery of Notes and Appointment of Custodian**. Subject to the terms of Section 2.9, the Borrower shall deliver a Note executed by the Borrower as issuer (*suscriptor*) and each Guarantor organized under the laws of Mexico, as guarantor (*avalista*) in favor of each Lender that requests a Note within ten (10) Business Days of such request. Any such Note shall be made available at the Corporate Office or delivered to the Custodian on behalf of the applicable Lender, at such Lender's election, and if the applicable Lender shall assume full liability and provide customary indemnification for the loss thereof in a manner reasonably acceptable to the Borrower, such Lender may elect for the Borrower to deliver such Note by courier or other nationally recognized delivery service.

Section 6.14 **Sustainability Reporting**. The Borrower shall:

(a) promptly after becoming available and in any event within 150 days following the end of each fiscal year of the Borrower (commencing with the fiscal year ending December 31, 2021), a Pricing Certificate for the most recently ended Annual Period for each KPI Metric; provided that, in any fiscal year the Borrower may elect not to deliver a Pricing Certificate, and such election shall not constitute a Default or Event of Default (but such failure to so deliver a Pricing Certificate by the end of such 150-day period shall result in the Sustainability Margin Adjustment being applied as set forth in Section 2.13(c)).

(b) The Borrower shall provide the KPI Metrics Auditor with all information the KPI Metrics Auditor may reasonably request in order to perform the tasks contemplated to be performed by it under the Loan Documents.

ARTICLE VII **NEGATIVE COVENANTS**

Commencing on the Initial Funding Date, and for so long as any Lender shall have any Commitment hereunder or any Loan or other Obligation hereunder (other than contingent obligations for which no claim has been made) shall remain unpaid or unsatisfied:

Section 7.1 **Liens**. The Borrower shall not, nor shall it permit any Subsidiary to, directly or indirectly create, incur, assume or suffer to exist any Liens upon any of its owned property, assets or revenues, whether now owned or hereafter acquired, other than the following Liens:

(a) 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 appropriate provision, if any, as shall be required by IFRS of the Borrower or the applicable Subsidiary shall have been made;

(b) Liens granted pursuant to or in connection with (i) 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 with a bank or financial institution) or (ii) any intragroup loans granted or any intragroup Indebtedness incurred or entered into or any cash pooling or cash management arrangements entered into by and between the Borrower and its Subsidiaries or between Subsidiaries (for so long as such Persons continue to be Subsidiaries);

(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 IFRS of the Borrower or the applicable Subsidiary shall have been made;

(d) 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 Borrower or any of its Subsidiaries in accordance with Section 6.8;

(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) Liens existing as of the Effective Date and set forth on Schedule 7.1 and Liens in relation to any Indebtedness that is refinancing or replacing any Indebtedness over which Liens are in place; provided that the principal amount secured thereby is not increased, save that principal amounts secured by Liens in respect of (i) Swap Contracts where there are fluctuations in the mark-to-market exposures of those Swap Contracts and (ii) Indebtedness where principal may increase by virtue of capitalization of interest, may be increased by the amount of such fluctuations or capitalizations, as the case may be;

(g) any Liens permitted by the Administrative Agent, acting on the instructions of the Required Lenders;

(h) licenses of, or other grants of rights to use, IP Rights granted by Borrower or any Subsidiary (i) in the ordinary course of business and not materially interfering with the business of Borrower and its Subsidiaries, taken as a whole, (ii) existing as of the Initial Funding Date, or (iii) between or among Borrower and any of its Subsidiaries or between or among any of its Subsidiaries;

(i) any Liens created or deemed created pursuant to a Securitization;

(j) any Liens granted in connection with any Swap Contract; provided that the aggregate value of the assets that are the subject of such Liens does not exceed U.S.$200.0 million (or its equivalent in other currencies) at any time;

(k) Liens granted or arising over receivables, inventory, plant or equipment that fall within Section 7.2(d);

(l) (i) any Liens over bank accounts arising under clause 24 or clause 25 of the general terms and conditions (*algemene bankvoorwaarden*) of any member of the Dutch Bankers' Association (*Nederlandse Vereniging van Banken*) and (ii) other Liens granted to any financial institution with whom it maintains accounts to the extent required by the relevant institution's (or custodian's or trustee's, as applicable) standard terms and conditions, in each case, which are within the general parameters customary in the banking industry;

(m) any Liens that are created or deemed created on shares of the Borrower or any of its Subsidiaries, pursuant to an obligation in respect of an Executive Compensation Plan by virtue of such shares being held on trust for the holders of the convertible securities pending exercise of any conversion option, where such Lien is customary for such transaction;

(n) any Liens granted in connection with any Indebtedness referred to Section 7.2(f);

(o) other Liens securing obligations of the Borrower and its Subsidiaries at any one time outstanding equal to the greater of (x) 10% of consolidated tangible assets of the Borrower and its Subsidiaries based on the last balance sheet delivered pursuant to Section 6.1, and (y) U.S.$1.5 billion; and

(p) Liens granted in connection with or arising out of a Lease; provided that such Liens are over the right to use the asset or equipment that is the subject of the Lease pursuant to the terms of the Lease, or the rights of the Borrower or any of its Subsidiaries over the asset or equipment which is the subject of the Lease.

Section 7.2 **Subsidiary Debt.** The Borrower will not permit any of its Subsidiaries that is not a Loan Party to create, incur, assume or suffer to exist or otherwise become or be liable in respect of any Indebtedness, except:

(a) Indebtedness outstanding on the Effective Date and set forth on Schedule 7.2 and any renewals, extensions, replacements or refinancings thereof; provided that Indebtedness of any Loan Party shall not be refinanced with Indebtedness of a Subsidiary that is not a Loan Party and that the aggregate principal amount of such Indebtedness is not increased except by the amount of any capitalized interest under any facility or instrument that provided for capitalization of interest on those terms as at the Effective Date or by an amount equal to a reasonable premium or other reasonable amount paid, and fees and expenses reasonably incurred, in connection with any renewal, extension or refinancing thereof and by an amount equal to any existing commitments unutilized thereunder;

(b) Indebtedness owed by any Subsidiary to the Borrower or to any other Subsidiary (which shall include, without limitation, liabilities arising from cash management obligations, tax and accounting operations); provided that such Indebtedness shall not have been transferred or assigned to any Person other than the Borrower or any Subsidiary;

(c) Indebtedness constituting a Securitization;

(d) Indebtedness arising under factoring arrangements, Inventory Financing arrangements or export credit facilities or any similar arrangements (including Leases) for the purchase of equipment (provided that any Lien 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 Indebtedness of members of the Borrower and its Subsidiaries, which are not Loan Parties under such transactions does not exceed U.S.$500.0 million at any time (disregarding, for the purpose of such limit, any amount of Indebtedness of the Borrower and its Subsidiaries arising under such arrangements permitted under this paragraph (d) and in place as at the Initial Funding Date including any amounts under such Indebtedness which has been repaid and reborrowed whether pursuant to the terms of the arrangement constituting such Indebtedness when originally advanced or otherwise);

(e) Indebtedness of the Borrower and its Subsidiaries pursuant to any acquisition provided that: (i) such 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 Indebtedness of the Borrower and its Subsidiaries which are not Loan Parties does not exceed U.S.$200.0 million at any time;

(f) Indebtedness incurred pursuant to or in connection with any cash pooling or other cash management agreements with a bank or financial institution, but only to the extent of offsetting credit balances of the Borrower and its Subsidiaries which are not Loan Parties pursuant to such cash pooling or other cash management arrangement;

(g) 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; and

(h) additional Indebtedness, if, after giving effect to the incurrence of any such Indebtedness, the aggregate outstanding amount of Indebtedness of all non-guarantor Subsidiaries would not exceed the greater of (x) 15% of consolidated tangible assets of the Borrower and its Subsidiaries based on the last balance sheet delivered pursuant to Section 6.1, and (y) U.S.$2.0 billion.

For the avoidance of doubt, the aggregate amount of any Indebtedness will be calculated for purposes of this Section 7.2 solely by reference to such Indebtedness of each of the Borrower's Subsidiaries that is not a Loan Party.

Section 7.3 **Fundamental Changes and Asset Dispositions**.

(a) The Borrower will not, nor will it permit any of its Subsidiaries, whether in a single transaction or in a series of related transactions to enter into any consolidation or merger with any other Person, unless no Default would exist and such transaction would not be prohibited by clause (b) below; provided that (i) in the case of a merger or consolidation involving the Borrower, the surviving entity thereof (1) is the Borrower or (2) (A) assumes the Obligations of the Borrower pursuant to an Acceptable Assumption Agreement and (B) is a Person organized and validly existing under the laws of Mexico, the United States, 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 or any other jurisdiction reasonably acceptable to the Required Lenders and (ii) in the case of a merger or consolidation involving a Guarantor, (1) the surviving entity thereof is the Borrower, is (or will concurrently become) a Guarantor or otherwise assumes the Obligations of a Guarantor pursuant to an Acceptable Assumption Agreement or (2) such transaction (A) results in the Guarantor no longer being a direct or indirect Subsidiary of the Borrower and (B) is not prohibited by Section 7.3(b).

(b) The Borrower will not, nor will it permit any of its Subsidiaries to, whether in a single transaction or in a series or related transactions (including through liquidation, division, administration or other insolvency proceedings), Dispose all or substantially all of the assets of the Borrower and its Subsidiaries, taken as a whole, other than through a contribution of assets to a newly-formed Wholly Owned Subsidiary of the Borrower.

Section 7.4 **Restricted Payments**.

The Borrower will not, nor will it permit any of its Subsidiaries, to make, directly or indirectly, any Restricted Payment, or incur any obligation (contingent or otherwise) to do so**,** except that:

(a) each Subsidiary may make Restricted Payments to the Borrower, any Subsidiary of the Borrower and any other Person that owns an Equity Interest in such Subsidiary, ratably according to their respective holdings of the type of Equity Interest in respect of which such Restricted Payment is being made;

(b) the Borrower and each Subsidiary may make Restricted Payments payable solely in the Common Stock or other common Equity Interests of such Person;

(c) the Borrower and each Subsidiary may purchase, redeem or otherwise acquire Equity Interests issued by it with the proceeds received from the substantially concurrent issue of new shares of its Common Stock or other common Equity Interests;

(d) the Borrower may make Restricted Payments to comply with any obligation in respect of any Executive Compensation Plan of the Borrower; and

(e) the Borrower and each Subsidiary may make any Restricted Payment, so long as (i) no Default shall have occurred and be continuing at the time of such Restricted Payment, or would result therefrom and (ii) the Borrower shall be in compliance with the covenants in Section 7.5 after giving pro forma effect to such Restricted Payment.

Section 7.5 **Financial Covenants**.

(a) The Borrower will not permit the Consolidated Leverage Ratio to be greater than 3.75:1.0 on the last day of any fiscal quarter of the Borrower, commencing with the last day of the first fiscal quarter of the Borrower ended after the Initial Funding Date.

(b) The Borrower will not permit the Consolidated Coverage Ratio to be less than 2.75:1.0 on the last day of any fiscal quarter of the Borrower, commencing with the last day of the first fiscal quarter of the Borrower ended after the Initial Funding Date.

Each of the ratios referred to above will be calculated for the Borrower and its Subsidiaries on a consolidated basis for each consecutive four fiscal quarter period.

ARTICLE VIII **EVENTS OF DEFAULT AND REMEDIES**

Section 8.1 **Events of Default**. Any of the following shall constitute an event of default (each, an "Event of Default"):

(a) Non-Payment. The Borrower or any other Loan Party fails to pay (i) when and as required to be paid herein, any amount of principal of any Loan, or (ii) within three (3) Business Days after the same becomes due, any interest on any Loan, or any fee due hereunder, or (iii) within three (3) Business Days after the same becomes due, any other amount payable hereunder or under any other Loan Document; or

(b) Specific Covenants. The Borrower fails to perform or observe any term, covenant or agreement contained in Article VI (and such failure shall continue uncured for a period of 30 days after the Borrower becomes aware of such failure) or Article VII; or

(c) Representations and Warranties. Any representation, warranty, certification or statement of fact made or deemed made by or on behalf of the Borrower or any other Loan Party herein, in any other Loan Document, or in any document delivered in connection herewith or therewith shall be incorrect or misleading, in any material respect, when made or deemed made; provided that any such representation, warranty, certification or statement of fact that is curable by its nature may be cured within a period of 30 days after the Borrower becomes aware of such representation, warranty, certification or statement of fact being incorrect or misleading; or

(d) Cross Payment Default. The Borrower or any Subsidiary fails to make any payment when due (whether by scheduled maturity, required prepayment, acceleration, demand, or otherwise) in respect of any Indebtedness or Guarantee (other than Indebtedness hereunder), after giving effect to any applicable grace period, having an outstanding aggregate principal amount equal to or greater than U.S.$50.0 million (or the equivalent thereof in other currencies); provided that such failure is unremedied and is not waived by the holders of such Indebtedness prior to any termination of Commitments or acceleration of the Loans pursuant to Section 8.2; or

(e) Cross-Default. The Borrower or any of its Subsidiaries shall default in the observance or performance of any agreement, covenant or condition relating to any Indebtedness in an outstanding principal amount equal to or greater than U.S.$50.0 million, individually or in the aggregate, or contained in any agreement or instrument evidencing, securing, governing or relating thereto, or any other event shall occur or condition exist, the effect of which default or other event or condition is to cause, or to permit the holder or holders of such Indebtedness (or a trustee or agent on behalf of such holder or holders) to cause, any such Indebtedness to become due prior to its stated maturity and such default shall continue unremedied beyond the applicable period of grace set forth in the documents evidencing such Indebtedness; or any such Indebtedness in an outstanding principal amount equal to or greater than U.S.$50.0 million, individually or in the aggregate, of the Borrower or any of its Subsidiaries shall be declared to be due and payable, or required to be prepaid other than by a regularly scheduled required prepayment, prior to the stated maturity thereof; provided that this clause (e) shall not apply to (i) secured Indebtedness that becomes due as a result of the Disposition (including as a result of a casualty or condemnation event) of the property or assets securing such Indebtedness, (ii) Guarantees of Indebtedness that are satisfied promptly on demand or (iii) with respect to Indebtedness incurred under any Swap Contract, termination events or equivalent events pursuant to the terms of the relevant Swap Contract which are not the result of any default thereunder by the Borrower or any of its Subsidiaries; provided, further, that such default is unremedied and is not waived by the holders of such Indebtedness prior to any termination of Commitments or acceleration of the Loans pursuant to Section 8.2; or

(f) Insolvency Proceedings, Etc. (i) Any Loan Party or any of its Subsidiaries institutes, or consents to the institution of any proceeding under any Debtor Relief Law, including, but not limited to, reorganization, *concurso mercantil, quiebra* or bankruptcy, or makes an assignment for the benefit of creditors; or applies for or consents to the appointment of any receiver, trustee, custodian, conservator, liquidator, rehabilitator, *visitador, conciliador, síndico* or similar officer for it or for all or substantially all of its property; or

(ii) (1) A court of competent jurisdiction shall enter a decree or order for relief in respect of any Loan Party in an involuntary case under any Debtor Relief Laws, which decree or order is not stayed; or any other similar relief shall be granted under any Applicable Law; or (2) an involuntary case shall be commenced against any Loan Party under any Debtor Relief Laws; or a decree or order of a court having jurisdiction for the appointment of a receiver, trustee, custodian, conservator, liquidator, rehabilitator, *visitador, conciliador, síndico* or similar officer for any Loan Party or for all or substantially all of its property over any Loan Party, or over all or substantially all of its property, shall have been entered, and any such event described in clauses (1) and (2) above shall continue for 60 consecutive calendar days; or

(iii) any Loan Party shall become unable, admit in writing its inability or fail generally to pay its debts as they become due or any Loan Party organized under the laws of Mexico becomes in a generalized default of its payment obligations (*incumplimiento generalizado en el pago de sus obligaciones*) within the meaning of Section I of Article 10 of the Mexican Bankruptcy Law (*Ley de Concursos Mercantiles*); or

(g) Judgments. There is entered against the Borrower or any Subsidiary one or more final non-appealable judgments or orders for the payment of money in an aggregate amount (as to all such judgments or orders) exceeding U.S.$100.0 million (to the extent not (i) covered by independent third-party insurance as to which the insurer does not dispute coverage or (ii) paid, discharged or bonded within 60 days after the entry of such judgment); or

(h) ERISA. (i) An ERISA Event occurs with respect to a Pension Plan or Multiemployer Plan which has resulted or would reasonably be expected to result in liability of the Borrower or any of its Subsidiaries under Title IV of ERISA to the Pension Plan, Multiemployer Plan or the PBGC in an aggregate amount that would reasonably be expected to have a Material Adverse Effect, or (ii) the Borrower or any ERISA Affiliate fails to pay when due, after the expiration of any applicable grace period, any installment payment with respect to its withdrawal liability under Section 4201 of ERISA under a Multiemployer Plan in an aggregate amount that would reasonably be expected to have a Material Adverse Effect; or

(i) Invalidity of Loan Documents. Any provision of any Loan Document, at any time after its execution and delivery and for any reason other than as expressly permitted hereunder or thereunder or satisfaction in full of all the Obligations, ceases to be in full force and effect; or any Loan Party contests, in writing, in any manner the validity or enforceability of any provision of any Loan Document for any reason other than as expressly permitted hereunder or thereunder prior to the satisfaction in full of all the Obligations; or any Loan Party denies that it has any or further liability or obligation under any Loan Document, or purports to revoke, terminate or rescind any provision of any Loan Document for any reason other than as expressly permitted hereunder or thereunder prior to the satisfaction in full of all the Obligations; or

(j) Invalidity of Guarantees. Any guarantee issued under any Loan Document ceases to be in full force and effect; or any Loan Party contests, in writing, in any manner the validity or enforceability of any guarantee issued under any Loan Document for any reason other than as expressly permitted hereunder or thereunder prior to the satisfaction in full of all the Obligations; or

(k) Exchange Controls. There occurs any Transfer and Inconvertibility Event and shall continue for 60 or more consecutive days; or

(l) Condemnation; Nationalization. Any Governmental Authority asserting or exercising governmental or police powers or any Person acting or purporting to act under such Governmental Authority shall condemn, seize or appropriate, or shall assume custody or control of, all or a substantial portion of the property of the Loan Parties, taken as a whole, such that, based on the value of the asset attached, expropriated or seized, such action would reasonably be expected to have a Material Adverse Effect; or

(m) Moratorium. Any Governmental Authority shall, by moratorium laws or other similar laws (except for any such law relating to matters of public health or national emergency), cancel, suspend or defer any material payment Obligation when the same becomes due and payable and such cancellation, suspension or deferral shall continue for 60 or more consecutive days.

For the avoidance of doubt, no Default or Event of Default shall occur solely by reason of a failure by the Borrower to comply with its obligations under clause (a) of Section 6.14 (Sustainability Reporting).

Section 8.2 **Remedies Upon Event of Default**.

If any Event of Default occurs and is continuing, the Administrative Agent upon the request of the Required Lenders, shall, by notice to the Borrower, (a) declare the unpaid principal amount of all outstanding Loans, all interest accrued and unpaid thereon, and all other amounts owing or payable hereunder or under any other Loan Document to be immediately due and payable and (b) terminate the Revolving Commitments (and thereupon the Revolving Commitments shall terminate immediately), in each case, without presentment, demand, protest or other notice of any kind, all of which are hereby expressly waived by the Borrower; provided, however, that upon the occurrence of an event described in Section 8.1(f), the obligation of each Lender to make Loans and any obligation shall automatically terminate, the unpaid principal amount of all outstanding Loans and all interest and other amounts as aforesaid shall automatically become due and payable and exercise any other remedy available under the Loan Documents, in each case without further act of the Administrative Agent or any Lender.

Section 8.3 **Application of Funds**.

After the exercise of remedies provided for in Section 8.2 (or after the Loans have automatically become immediately due and payable), any amounts received on account of the Obligations shall, subject to the provisions of Section 2.13, be applied by the Administrative Agent in the following order:

First. to payment of that portion of the Obligations constituting fees, indemnities, expenses and other amounts (including fees, charges and disbursements of counsel to the Administrative Agent and amounts payable under Article III) payable to the Administrative Agent in its capacity as such;

Second. to payment of that portion of the Obligations constituting fees, indemnities and other amounts (other than principal and interest) payable to the Lenders and (including fees, charges and disbursements of counsel to the respective Lenders and amounts payable under Article III), ratably among them in proportion to the respective amounts described in this clause Second payable to them;

Third. to payment of that portion of the Obligations constituting accrued and unpaid interest on the Loans and other Obligations, ratably among the Lenders in proportion to the respective amounts described in this clause Third payable to them;

Fourth. payment of that portion of the Obligations constituting unpaid principal of the Loans, ratably among the Lenders in proportion to the respective amounts described in this clause Fourth held by them; and

Last, the balance, if any, after all of the Obligations have been indefeasibly paid in full, to the Borrower or as otherwise required by Law.

ARTICLE IX **ADMINISTRATIVE AGENT**

Section 9.1 **Appointment and Authority**. Each of the Lenders hereby irrevocably appoints Citibank, N.A. to act on its behalf as the Administrative Agent hereunder and under the other Loan Documents to which the Administrative Agent is a party and authorizes the Administrative Agent to take such actions on its behalf and to exercise such rights, powers, authorities and privileges as are expressly delegated to the Administrative Agent by the terms hereof or thereof. For such purposes, each Lender hereby appoints and authorizes the Administrative Agent as its agent (*comisionista*) pursuant to articles 273 and 274 of the Mexican Commerce Code (*Código de Comercio*) to exercise the rights, powers, and authorities specifically given to the Administrative Agent under or in connection with the Loan Documents. The provisions of this Article IX are solely for the benefit of the Administrative Agent, the Lenders and neither the Borrower nor any other Loan Party shall have rights as a third-party beneficiary of any of such provisions. It is understood and agreed that the use of the term "agent" herein or in any other Loan Documents (or any other similar term) with reference to the Administrative Agent is not intended to connote any fiduciary or other implied (or express) obligations arising under agency doctrine of any Applicable Law. Instead such term is used as a matter of market custom, and is intended to create or reflect only an administrative relationship between contracting parties.

Section 9.2 **Rights as a Lender**. If any Person serving as the Administrative Agent hereunder is or becomes a Lender, it shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not the Administrative Agent and the term "Lender" or "Lenders" shall, unless otherwise expressly indicated or unless the context otherwise requires, include the Person serving as the Administrative Agent hereunder in its individual capacity. Such Person and its Affiliates may accept deposits from, lend money to, own securities of, act as the financial advisor or in any other advisory capacity for and generally engage in any kind of business with the Borrower or any Subsidiary or other Affiliate thereof as if such Person were not the Administrative Agent hereunder and without any duty to account therefor to the Lenders.

Section 9.3 **Exculpatory Provisions**. The Administrative Agent and the Sustainability Structuring Agent, as applicable, shall not have any duties or obligations except those expressly set forth herein and in the other Loan Documents to which it is a party, and its duties hereunder shall be administrative in nature.

(a) Without limiting the generality of the foregoing, the Administrative Agent and the Sustainability Structuring Agent, as applicable:

(i) shall not be subject to any fiduciary or other implied duties, regardless of whether a Default has occurred and is continuing;

(ii) shall not have any duty to take any discretionary action or exercise any discretionary powers (including providing any request, consent, approval, waiver or authorization), except discretionary rights and powers expressly contemplated hereby or by the other Loan Documents that the Administrative Agent is required to exercise as directed in writing by the Required Lenders (or such other number or percentage of the Lenders as shall be expressly provided for herein or in the other Loan Documents); provided that the Administrative Agent shall not be required to take any action that, in its opinion or the opinion of its counsel, may expose the Administrative Agent to liability or that is contrary to any Loan Document or Applicable Law, including for the avoidance of doubt any action that may be in violation of the automatic stay under any Debtor Relief Law or that may effect a forfeiture, modification or termination of property of a Defaulting Lender in violation of any Debtor Relief Law;

(iii) shall not have any duty or responsibility to disclose, and shall not be liable for the failure to disclose, to any Lender, any credit or other information concerning the business, prospects, operations, property, financial and other condition or creditworthiness of any of the Loan Parties or any of their Affiliates, that is communicated to, obtained or in the possession of, the Administrative Agent, Lead Arrangers or any of their Related Parties in any capacity, except for notices, reports and other documents expressly required to be furnished to the Lenders by the Administrative Agent herein;

(iv) shall not be liable for any action taken or not taken by it (i) with the consent or at the request of the Required Lenders (or such other number or percentage of the Lenders expressly provided for herein or in the other Loan Documents to which the Administrative Agent is a party) or (ii) in the absence of its own gross negligence or willful misconduct as determined by a court of competent jurisdiction by final non-appealable judgment. In no event shall the Administrative Agent be liable under or in connection with this Agreement or any other Loan Document for indirect, special, incidental, punitive, or consequential losses or damages of any kind whatsoever, including, but not limited to, lost profits, whether or not foreseeable, even if the Administrative Agent has been advised of the possibility thereof and regardless of the form of action. The Administrative Agent shall be deemed not to have knowledge of any Default unless and until notice describing such Default is given in writing to the Administrative Agent by the Borrower or a Lender; and

(v) shall not be responsible for or have any duty to ascertain or inquire into (i) any recital, statement, warranty or representation made in or in connection with this Agreement or any other Loan Document, (ii) the contents or accuracy of any certificate, report or other document delivered hereunder or thereunder or in connection herewith or therewith (including recalculating or determining, confirming or verifying any calculation or information set forth therein), (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein or therein or the

occurrence of any Default, (iv) the legality, validity, enforceability, effectiveness, genuineness or sufficiency of this Agreement, any other Loan Document or any other agreement, instrument or document, (v) the satisfaction of any condition set forth in Article IV or elsewhere herein, other than to confirm receipt of items expressly required to be delivered to the Administrative Agent or (vi) the properties, books or records of the Borrower.

(b) The Administrative Agent shall not be required to expend or risk any of its own funds or otherwise incur any liability, financial or otherwise, in the performance of any of its duties hereunder or under any Loan Document to which it is a party, or be required to take any action that is contrary to this Agreement or Applicable Law.

(c) The Administrative Agent shall not incur any liability for not performing any act or fulfilling any duty, obligation or responsibility hereunder by reason of any occurrence beyond the control of the Administrative Agent (including but not limited to any act or provision of any present or future law or regulation or governmental authority, any act of God or war, civil unrest, local or national disturbance or disaster, any act of terrorism, or the unavailability of the Federal Reserve Bank wire or facsimile or other wire or communication facility).

(d) The authorizations, rights, privileges, protections and benefits given to the Administrative Agent are extended to, and shall be enforceable by, the Administrative Agent, under any Loan Document to which it is a party. In the event any claim of inconsistency between this Agreement and the terms of any Loan Document arises with respect to the duties, liabilities and rights of the Administrative Agent, the terms of this Agreement shall control.

(e) In no event shall the Administrative Agent be responsible or liable for the actions or omissions of the Sustainability Structuring Agent or the Custodian.

Section 9.4 **Reliance by Administrative Agent.** (a) The Administrative Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing (including any electronic message, Internet or intranet website posting or other distribution) believed by it to be genuine and to have been signed, sent or otherwise authenticated by the proper Person. The Administrative Agent also may (but shall not be obligated to) rely upon any statement made to it orally or by telephone and believed by it to have been made by the proper Person, and shall not incur any liability for relying thereon. In determining compliance with any condition hereunder to the making of a Loan, that by its terms must be fulfilled to the satisfaction of a Lender, the Administrative Agent may presume that such condition is satisfactory to such Lender unless the Administrative Agent shall have received notice to the contrary from such Lender prior to the making of such Loan. The Administrative Agent may consult with legal counsel (who may be counsel for the Borrower), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts. Whenever reference is made in this Agreement or any other Loan Document to any discretionary action by consent, designation, specification, requirement or approval of, notice, request or other communication from, or other direction given or action to be undertaken or to be (or not to be) suffered or omitted by the Administrative Agent or to any election, decision, opinion, acceptance, use of judgment, expression of satisfaction or other

exercise of discretion, rights or remedies to be made (or not to be made) by the Administrative Agent, it is understood that in all cases that the Administrative Agent shall be fully justified in failing or refusing to take any action under this Agreement or any other Loan Document unless it shall first receive such written instruction, advice or concurrence from the Required Lenders (or such other number or percentage of the Lenders as shall be expressly provided for herein or in the other Loan Documents to which the Administrative Agent is a party), in each case as it deems appropriate. Notwithstanding anything else to the contrary herein, the Administrative Agent may refrain from acting in accordance with any instructions or requests unless it shall first be indemnified to its satisfaction by the Lenders against any and all liability, cost and expense that may be incurred by it by reason of taking or continuing to take any such action in compliance with the instruction or request. The Administrative Agent shall in all cases be fully protected in acting, or in refraining from acting, under this Agreement and the other Loan Documents in accordance with a request of the Required Lenders, and such request and any action taken or failure to act pursuant thereto shall be binding upon all the Lenders and all future Lenders.

Section 9.5 **Erroneous Payments**.

(a) If the Administrative Agent (x) notifies a Lender or any Person who has received funds on behalf of a Lender (any such Lender or other recipient (and each of their respective successors and assigns), a "Payment Recipient") that the Administrative Agent has determined in its sole discretion (whether or not after receipt of any notice under immediately succeeding clause (b)) that any funds (as set forth in such notice from the Administrative Agent) received by such Payment Recipient from the Administrative Agent or any of its Affiliates were erroneously or mistakenly transmitted to, or otherwise erroneously or mistakenly received by, such Payment Recipient (whether or not known to such Lender or other Payment Recipient on its behalf) (any such funds, whether transmitted or received as a payment, prepayment or repayment of principal, interest, fees, distribution or otherwise, individually and collectively, an "Erroneous Payment") and (y) demands in writing the return of such Erroneous Payment (or a portion thereof), such Erroneous Payment shall at all times remain the property of the Administrative Agent pending its return or repayment as contemplated below in this Section 9.5 and held in trust for the benefit of the Administrative Agent, and such Lender shall (or, with respect to any Payment Recipient who received such funds on its behalf, shall cause such Payment Recipient to) promptly, but in no event later than two (2) Business Days thereafter (or such later date as the Administrative Agent may, in its sole discretion, specify in writing), return to the Administrative Agent the amount of any such Erroneous Payment (or portion thereof) as to which such a demand was made, in same day funds (in the currency so received), together with interest thereon (except to the extent waived in writing by the Administrative Agent) in respect of each day from and including the date such Erroneous Payment (or portion thereof) was received by such Payment Recipient to the date such amount is repaid to the Administrative Agent in same day funds at the greater of the Federal Funds Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation from time to time in effect. A notice of the Administrative Agent to any Payment Recipient under this clause (a) shall be conclusive, absent manifest error.

(b) Without limiting immediately preceding clause (a), each Lender or any Person who has received funds on behalf of a Lender (and each of their respective successors and assigns), agrees that if it receives a payment, prepayment or repayment (whether received as a payment, prepayment or repayment of principal, interest, fees, distribution or otherwise) from the

Administrative Agent (or any of its Affiliates) (x) that is in a different amount than, or on a different date from, that specified in this Agreement or in a notice of payment, prepayment or repayment sent by the Administrative Agent (or any of its Affiliates) with respect to such payment, prepayment or repayment, (y) that was not preceded or accompanied by a notice of payment, prepayment or repayment sent by the Administrative Agent (or any of its Affiliates), or (z) that such Lender, or other such recipient, otherwise becomes aware was transmitted, or received, in error or by mistake (in whole or in part), then in each such case:

(ii) it acknowledges and agrees that (A) in the case of immediately preceding clauses (x) or (y), an error and mistake shall be presumed to have been made (absent written confirmation from the Administrative Agent to the contrary) or (B) an error and mistake has been made (in the case of immediately preceding clause (z)), in each case, with respect to such payment, prepayment or repayment; and

(iii) such Lender shall (and shall use commercially reasonable efforts to cause any other recipient that receives funds on its respective behalf to) promptly (and, in all events, within one (1) Business Day of its knowledge of the occurrence of any of the circumstances described in immediately preceding clauses (x), (y) and (z)) notify the Administrative Agent of its receipt of such payment, prepayment or repayment, the details thereof (in reasonable detail) and that it is so notifying the Administrative Agent pursuant to this Section 9.5(b).

For the avoidance of doubt, the failure to deliver a notice to the Administrative Agent pursuant to this Section 9.5(b) shall not have any effect on a Payment Recipient's obligations pursuant to Section 9.5(a) or on whether or not an Erroneous Payment has been made.

(c) Each Payment Recipient hereby authorizes the Administrative Agent to set off, net and apply any and all amounts at any time owing to such Payment Recipient under any Loan Document, or otherwise payable or distributable by the Administrative Agent to such Payment Recipient under any Loan Document with respect to any payment of principal, interest, fees or other amounts, against any amount that the Administrative Agent has demanded to be returned.

(d) In the event that an Erroneous Payment (or portion thereof) is not recovered by the Administrative Agent for any reason, after demand therefor by the Administrative Agent in accordance with immediately preceding clause (a), from any Lender that has received such Erroneous Payment (or portion thereof) (and/or from any Payment Recipient who received such Erroneous Payment (or portion thereof) on its respective behalf) (such unrecovered amount, an "Erroneous Payment Return Deficiency"), upon the Administrative Agent's notice to such Lender at any time, (i) such Lender shall be deemed to have assigned its Loans (but not its Commitments) with respect to which such Erroneous Payment was made (the "Erroneous Payment Impacted Class") in an amount equal to the Erroneous Payment Return Deficiency (or such lesser amount as the Administrative Agent may specify) (such assignment of the Loans (but not Commitments) of the Erroneous Payment Impacted Class, the "Erroneous Payment Deficiency Assignment") at par *plus* any accrued and unpaid interest (with the assignment fee to be waived by the Administrative Agent in such instance), and is hereby (together with the Borrower) deemed to execute and deliver an Assignment and Assumption (or, to the extent applicable, an agreement incorporating an Assignment and Assumption by reference pursuant to the Platform as to which

the Administrative Agent and such parties are participants) with respect to such Erroneous Payment Deficiency Assignment, and such Lender shall deliver any Notes evidencing such Loans to the Borrower or the Custodian, at the Lender's election, (ii) the Administrative Agent as the assignee Lender shall be deemed to acquire the Erroneous Payment Deficiency Assignment, (iii) upon such deemed acquisition, the Administrative Agent as the assignee Lender shall become a Lender, as applicable, hereunder with respect to such Erroneous Payment Deficiency Assignment and the assigning Lender shall cease to be a Lender, as applicable, hereunder with respect to such Erroneous Payment Deficiency Assignment, excluding, for the avoidance of doubt, its obligations under the indemnification provisions of this Agreement and its applicable Commitments which shall survive as to such assigning Lender and (iv) the Administrative Agent will reflect in the Register its ownership interest in the Loans subject to the Erroneous Payment Deficiency Assignment. The Administrative Agent may, in its discretion, sell any Loans acquired pursuant to an Erroneous Payment Deficiency Assignment and upon receipt of the proceeds of such sale, the Erroneous Payment Return Deficiency owing by the applicable Lender shall be reduced by the net proceeds of the sale of such Loan (or portion thereof), and the Administrative Agent shall retain all other rights, remedies and claims against such Lender (and/or against any recipient that receives funds on its respective behalf). For the avoidance of doubt, no Erroneous Payment Deficiency Assignment will reduce the Commitments of any Lender and such Commitments shall remain available in accordance with the terms of this Agreement. In addition, each party hereto agrees that, except to the extent that the Administrative Agent has sold a Loan (or portion thereof) acquired pursuant to an Erroneous Payment Deficiency Assignment, and irrespective of whether the Administrative Agent may be equitably subrogated, the Administrative Agent shall be contractually subrogated to all the rights and interests of the applicable Lender under the Loan Documents with respect to each Erroneous Payment Return Deficiency.

(e) The parties hereto agree that an Erroneous Payment shall not pay, prepay, repay, discharge or otherwise satisfy any Obligations owed by the Borrower or any other Loan Party, except, in each case, to the extent such Erroneous Payment is, and solely with respect to the amount of such Erroneous Payment that is, comprised of funds received by the Administrative Agent from the Borrower or any other Loan Party for the purpose of making such Erroneous Payment.

(f) To the extent permitted by Applicable Law, no Payment Recipient shall assert any right or claim to an Erroneous Payment, and hereby waives, and is deemed to waive, any claim, counterclaim, defense or right of set-off or recoupment with respect to any demand, claim or counterclaim by the Administrative Agent for the return of any Erroneous Payment received, including, without limitation, any defense based on "discharge for value" or any similar doctrine.

(g) Each party's obligations, agreements and waivers under this Section 9.5 shall survive the resignation or replacement of the Administrative Agent, any transfer of rights or obligations by, or the replacement of, a Lender the termination of the Commitments and/or the repayment, satisfaction or discharge of all Obligations (or any portion thereof) under any Loan Document.

Section 9.6 **Delegation of Duties**. The Administrative Agent may perform any and all of its duties and exercise its rights and powers hereunder or under any other Loan Document by or through any one or more sub-agents appointed by the Administrative Agent. The Administrative Agent and any such sub-agent may perform any and all of its duties and exercise its rights and

powers by or through their respective Related Parties. The exculpatory provisions of this Article IX shall apply to any such sub-agent and to the Related Parties of the Administrative Agent and any such sub-agent, and shall apply to their respective activities in connection with the syndication of the credit facilities provided for herein as well as activities as Administrative Agent. The Administrative Agent shall not be responsible for the negligence or misconduct of any sub-agents except to the extent that a court of competent jurisdiction determines in a final non-appealable judgment that the Administrative Agent acted with gross negligence or willful misconduct in the selection of such sub-agents.

Section 9.7 **Resignation of Administrative Agent**.

(a) The Administrative Agent may at any time give notice of its resignation to the Lenders and the Borrower. Upon receipt of any such notice of resignation, the Required Lenders shall have the right, in consultation with the Borrower, to appoint a successor, which shall be a bank with an office in the United States, or an Affiliate of any such bank with an office in the United States. If no such successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within 30 days after the retiring Administrative Agent gives notice of its resignation (or such earlier day as shall be agreed by the Required Lenders) (the "Resignation Date"), then the retiring Administrative Agent may (but shall not be obligated to) on behalf of the Lenders, appoint a successor Administrative Agent meeting the qualifications set forth above; provided that in no event shall any such successor Administrative Agent be a Defaulting Lender. Whether or not a successor has been appointed, such resignation shall become effective in accordance with such notice on the Resignation Date.

(b) If the Person serving as Administrative Agent is a Defaulting Lender pursuant to clause (d) of the definition thereof, the Required Lenders may, to the extent permitted by Applicable Law, by notice in writing to the Borrower and such Person remove such Person as Administrative Agent and, in consultation with the Borrower, appoint a successor. If no such successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within 30 days (or such earlier day as shall be agreed by the Required Lenders) (the "Removal Date"), then such removal shall nonetheless become effective in accordance with such notice on the Removal Date.

(c) With effect from the Resignation Date or the Removal Date (as applicable) (1) the retiring or removed Administrative Agent shall be discharged from its duties and obligations hereunder and under the other Loan Documents and (2) except for any indemnity payments or other amounts then owed to the retiring or removed Administrative Agent, all payments, communications and determinations provided to be made by, to or through the Administrative Agent shall instead be made by or to each Lender directly, until such time, if any, as the Required Lenders appoint a successor Administrative Agent as provided for above. Upon the acceptance of a successor's appointment as Administrative Agent hereunder, such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring (or removed) Administrative Agent (other than as provided in Section 3.1(f) and other than any rights to indemnity payments or other amounts owed to the retiring or removed Administrative Agent as of the Resignation Date or the Removal Date, as applicable), and the retiring or removed Administrative Agent shall be discharged from all of its duties and obligations hereunder or under the other Loan Documents (if not already discharged therefrom as provided above in this Section

9.6). The fees payable by the Borrower to a successor Administrative Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Borrower and such successor. After the retiring or removed Administrative Agent's resignation or removal hereunder and under the other Loan Documents, the provisions of this Article IX and Section 10.5 shall continue in effect for the benefit of such retiring or removed Administrative Agent, its sub-agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while the retiring or removed Administrative Agent was acting as Administrative Agent. Any corporation or entity into which the Administrative Agent may be merged or converted or with which it may be consolidated or any corporation or entity resulting from any merger, conversion or consolidation to which the Administrative Agent shall be a party, or any corporation or entity succeeding to the business of the Administrative Agent or its corporate trust operations shall be the successor of the Administrative Agent hereunder and under the other Loan Documents to which the Administrative Agent is a party without the execution or filing of any paper with any party hereto or thereto or any further act on the part of any of the parties hereto or thereto, anything herein or in any other Loan Document to the contrary notwithstanding.

Section 9.8 **Non-Reliance on the Administrative Agent, the Lead Arrangers and the Other Lenders**. Each Lender expressly acknowledges that none of the Administrative Agent nor the Lead Arrangers has made any representation or warranty to it, and that no act by the Administrative Agent or the Lead Arrangers hereafter taken, including any consent to, and acceptance of any assignment or review of the affairs of any Loan Party of any Affiliate thereof, shall be deemed to constitute any representation or warranty by the Administrative Agent or the Lead Arrangers to any Lender as to any matter, including whether the Administrative Agent or the Lead Arrangers have disclosed material information in their (or their Related Parties') possession. Each Lender represents to the Administrative Agent and the Lead Arrangers that it has, independently and without reliance upon the Administrative Agent, the Lead Arrangers, any other Lender or any of their Related Parties and based on such documents and information as it has deemed appropriate, made its own credit analysis of, appraisal of, and investigation into, the business, prospects, operations, property, financial and other condition and creditworthiness of the Loan Parties and their Subsidiaries, and all applicable bank or other regulatory Laws relating to the transactions contemplated hereby, and made its own decision to enter into this Agreement and to extend credit to the Borrower hereunder. Each Lender also acknowledges that it will, independently and without reliance upon the Administrative Agent, the Lead Arrangers, any other Lender or any of their Related Parties and based on such documents and information as it shall from time to time deem appropriate, continue to make its own credit analysis, appraisals and decisions in taking or not taking action under or based upon this Agreement, any other Loan Document or any related agreement or any document furnished hereunder or thereunder, and to make such investigations as it deems necessary to inform itself as to the business, prospects, operations, property, financial and other condition and creditworthiness of the Loan Parties. Each Lender represents and warrants that (i) the Loan Documents set forth the terms of a commercial lending facility and (ii) it is engaged in making, acquiring or holding commercial loans in the ordinary course and is entering into this Agreement as a Lender for the purpose of making, acquiring or holding commercial loans and providing other facilities set forth herein as may be applicable to such Lender, and not for the purpose of purchasing, acquiring or holding any other type of financial instrument, and each Lender agrees not to assert a claim in contravention of the foregoing. Each Lender represents and warrants that it is sophisticated with respect to decisions to make, acquire and/or hold commercial loans and to provide other facilities set forth herein, as may be applicable to such Lender, and either it, or the Person exercising discretion in making its decision to make, acquire and/or hold such commercial loans or to provide such other facilities, is experienced in making, acquiring or holding such commercial loans or providing such other facilities.

Section 9.9 **No Other Duties, Etc**. Anything herein to the contrary notwithstanding, none of the Lead Arrangers or the Sustainability Structuring Agent shall have any powers, duties or responsibilities under this Agreement or any of the other Loan Documents, except in its capacity, as applicable, as the Administrative Agent or a Lender hereunder.

Section 9.10 **Guaranty Matters.**(a) The Administrative Agent shall, upon the written instructions of the Required Lenders, release any Guarantor from its obligations under the Guaranty. If any Guarantor ceases to be a Subsidiary as a result of a transaction permitted under the Loan Documents, then such Guarantor shall automatically be released from its obligations under the Guaranty. The Administrative Agent shall, promptly upon the written request of the Borrower and at the Borrower's sole cost, execute all such documentation as may reasonably requested to evidence or confirm such release.

Section 9.11 **Certain ERISA Matters**.

(a) Each Lender (x) represents and warrants, as of the date such Person became a Lender party hereto, to, and (y) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of, the Administrative Agent and not, for the avoidance of doubt, to or for the benefit of the Borrower or any other Loan Party, that at least one of the following is and will be true:

(i) such Lender is not using "plan assets" (within the meaning of Section 3(42) of ERISA or otherwise) of one or more Benefit Plans with respect to such Lender's entrance into, participation in, administration of and performance of the Loans, the Commitments or this Agreement,

(ii) the transaction exemption set forth in one or more PTEs, such as PTE 84-14 (a class exemption for certain transactions determined by independent qualified professional asset managers), PTE 95-60 (a class exemption for certain transactions involving insurance company general accounts), PTE 90-1 (a class exemption for certain transactions involving insurance company pooled separate accounts), PTE 91-38 (a class exemption for certain transactions involving bank collective investment funds) or PTE 96-23 (a class exemption for certain transactions determined by in-house asset managers), is applicable with respect to such Lender's entrance into, participation in, administration of and performance of the Loans, the Commitments and this Agreement,

(iii) (A) such Lender is an investment fund managed by a "Qualified Professional Asset Manager" (within the meaning of Part VI of PTE 84-14), (B) such Qualified Professional Asset Manager made the investment decision on behalf of such Lender to enter into, participate in, administer and perform the Loans, the Commitments and this Agreement, (C) the entrance into, participation in, administration of and performance of the Loans, the Commitments and this Agreement satisfies the requirements

of sub-sections (b) through (g) of Part I of PTE 84-14 and (D) to the best knowledge of such Lender, the requirements of subsection (a) of Part I of PTE 84-14 are satisfied with respect to such Lender's entrance into, participation in, administration of and performance of the Loans, the Commitments and this Agreement, or

(iv) such other representation, warranty and covenant as may be agreed in writing between the Administrative Agent (acting at the direction of the Required Lenders), and such Lender.

(b) In addition, unless either (1) sub-clause (i) in the immediately preceding clause (a) is true with respect to a Lender or (2) a Lender has provided another representation, warranty and covenant in accordance with sub-clause (iv) in the immediately preceding clause (a), such Lender further (x) represents and warrants, as of the date such Person became a Lender party hereto, to, and (y) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of, the Administrative Agent and not, for the avoidance of doubt, to or for the benefit of the Borrower or any other Loan Party, that the Administrative Agent is not a fiduciary with respect to the assets of such Lender involved in such Lender's entrance into, participation in, administration of and performance of the Loans, the Commitments and this Agreement (including in connection with the reservation or exercise of any rights by the Administrative Agent under this Agreement, any Loan Document or any documents related hereto or thereto).

Section 9.12 **Administrative Agent May File Proofs of Claim.**

(a) In case of the pendency of any proceeding under any Debtor Relief Law or any other judicial proceeding relative to any Loan Party, the Administrative Agent (irrespective of whether the principal of any Loan shall then be due and payable as herein expressed or by declaration or otherwise and irrespective of whether the Administrative Agent shall have made any demand on any Loan Party) shall be entitled and empowered (but not obligated) by intervention in such proceeding or otherwise:

(i) to file and prove a claim for the whole amount of the principal and interest owing and unpaid in respect of the Loans and all other obligations of the Loan Parties under any Loan Document that are owing and unpaid and to file such other documents as may be necessary or advisable in order to have the claims of the Lenders and the Administrative Agent (including any claim for the reasonable compensation, expenses, disbursements and advances of the Lenders and the Administrative Agent and their respective agents and counsel and all other amounts due the Lenders and the Administrative Agent under Section 10.5) allowed in such judicial proceeding; and

(ii) to collect and receive any monies or other property payable or deliverable on any such claims and to distribute the same.

(b) Any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Lender to make such payments to the Administrative Agent and, in the event that the Administrative Agent shall consent to the making of such payments directly to the Lenders, to pay to the Administrative Agent any amount due for the reasonable compensation, expenses, disbursements and advances of the Administrative Agent and its agents and counsel, and any other amounts due the Administrative Agent under Section 10.5.

ARTICLE X **MISCELLANEOUS**

Section 10.1 **Amendments, Etc**. Subject to Section 3.3(c), no amendment or waiver of any provision of this Agreement or any other Loan Document, and no consent to any departure by the Borrower or any other Loan Party therefrom, shall be effective unless in writing signed by the Required Lenders (or by the Administrative Agent on behalf and at the written direction of the Required Lenders) and the Borrower or the applicable Loan Party, as the case may be, and each such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given; provided, however, that no such amendment, waiver or consent shall:

(a) waive any condition set forth in Section 4.1(a), Section 4.2(a) and Section 4.2(b) (other than clause (iv) thereof) without the written consent of each Lender;

(b) extend or increase the Commitment of any Lender (or reinstate any Commitment terminated pursuant to Section 8.2) without the written consent of such Lender;

(c) postpone any date fixed by this Agreement or any other Loan Document for any payment of principal, interest, fees or other amounts due to the Lenders (or any of them) hereunder or under any other Loan Document without the written consent of each Lender directly affected thereby;

(d) reduce the principal of, or the rate of interest specified herein on, any Loan or any fees or other amounts payable hereunder or under any other Loan Document, or change the manner of computation of any financial ratio (including any change in any applicable defined term) used in determining the Applicable Margin that would result in a reduction of any interest rate on any Loan or any fee payable hereunder without the written consent of each Lender directly affected thereby; provided, however, that only the consent of the Required Lenders shall be necessary to (i) amend the definition of "Default Rate" or to waive any obligation of the Borrower to pay interest at the Default Rate or (ii) amend the definition of "KPI Metrics" or any related provision of this Agreement;

(e) change Section 8.3 in a manner that would alter the pro rata sharing of payments required thereby without the written consent of each Lender;

(f) change any provision of this Section or the definition of "Required Lenders" or any other provision hereof specifying the number or percentage of Lenders required to amend, waive or otherwise modify any rights hereunder or make any determination or grant any consent hereunder, without the written consent of each Lender; or

(g) release all or substantially all of the value of the Guaranty without the written consent of each Lender, except to the extent the release of any Guarantor is permitted pursuant to Section 9.9 (in which case such release may be made by the Administrative Agent acting alone);

provided, further, no amendment, waiver or consent shall, unless in writing and signed by the Administrative Agent, amend, modify or otherwise affect the rights or duties of the Administrative Agent under this Agreement or any other Loan Document (including any fees, expenses, indemnities or other amounts payable to, or any other provisions expressly for the benefit of Administrative Agent); and any Fee Letter may be amended, or rights or privileges thereunder waived, in a writing executed only by the parties thereto. Notwithstanding anything to the contrary herein, no Defaulting Lender shall have any right to approve or disapprove any amendment, waiver or consent hereunder (and any amendment, waiver or consent which by its terms requires the consent of all Lenders or each affected Lender may be effected with the consent of the applicable Lenders other than Defaulting Lenders), except that (x) the Commitment of any Defaulting Lender may not be increased or extended or the maturity of any of its Loans may not be extended, the rate of interest on any of its Loans may not be reduced and the principal amount of any of its Loans may not be forgiven, in each case without the consent of such Defaulting Lender and (y) any waiver, amendment, consent or modification requiring the consent of all Lenders or each affected Lender that by its terms affects any Defaulting Lender more adversely relative to other affected Lenders shall require the consent of such Defaulting Lender.

Section 10.2 **Notices; Effectiveness; Electronic Communication**.

(a) Notices Generally. All notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by facsimile or electronic mail as follows:

(i) if to the Borrower or any other Loan Party, or the Administrative Agent, to the address or electronic mail address specified for such Person on Schedule 10.2; and

(ii) if to any other Lender, to the address, facsimile number, electronic mail address specified in its Administrative Questionnaire (including, as appropriate, notices delivered solely to the Person designated by a Lender on its Administrative Questionnaire then in effect for the delivery of notices that may contain material non-public information relating to the Borrower).

Notices and other communications sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received; notices and other communications sent by facsimile shall be deemed to have been given when sent (except that, if not given during normal business hours for the recipient, shall be deemed to have been given at the opening of business on the next Business Day for the recipient). Notices and other communications delivered through electronic communications to the extent provided in sub clause (b) below, shall be effective as provided in such clause (b). All notices from or to a Loan Party shall be sent through the Administrative Agent. The Borrower may make and/or deliver as agent of each Loan Party notices and/or requests on behalf of each Loan Party.

(b) Electronic Communications. Notices and other communications to the Lenders hereunder may be delivered or furnished by electronic communication (including e-mail, and Internet or intranet websites) pursuant to procedures approved by the Administrative Agent. The Administrative Agent or the Borrower may each, in its discretion, agree to accept notices and

other communications to it hereunder by electronic communications pursuant to procedures approved by it; provided that approval of such procedures may be limited to particular notices or communications; provided, further, that any notice or other communication delivered by e-mail to the Administrative Agent shall include and contain a scanned or imaged attachment (such as .pdf or similar widely used format). Unless the Administrative Agent otherwise prescribes, (i) notices and other communications sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgment from the intended recipient (such as by the "return receipt requested" function, as available return e-mail or other written acknowledgment), and (ii) notices or communications posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient at its e-mail address as described in the foregoing clause (i) of notification that such notice or communication is available and identifying the website address therefor; provided that, for both clauses (i) and (ii), if such notice, email or other communication is not sent during the normal business hours of the recipient, such notice, email or communication shall be deemed to have been sent at the opening of business on the next business day for the recipient.

(c) The Platform. THE PLATFORM IS PROVIDED "AS IS" AND "AS AVAILABLE." THE AGENT PARTIES (AS DEFINED BELOW) DO NOT WARRANT THE ACCURACY OR COMPLETENESS OF THE BORROWER MATERIALS OR THE ADEQUACY OF THE PLATFORM, AND EXPRESSLY DISCLAIM LIABILITY FOR ERRORS IN OR OMISSIONS FROM THE BORROWER MATERIALS. NO WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR STATUTORY, INCLUDING ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT OF THIRD-PARTY RIGHTS OR FREEDOM FROM VIRUSES OR OTHER CODE DEFECTS, IS MADE BY ANY AGENT PARTY IN CONNECTION WITH THE BORROWER MATERIALS OR THE PLATFORM. In no event shall the Administrative Agent or any of its Related Parties (collectively, the "Agent Parties") have any liability to the Borrower, any Lender or any other Person for losses, claims, damages, liabilities or expenses of any kind (whether in tort, contract or otherwise) arising out of the Borrower's, any Loan Party's or the Administrative Agent's transmission of Borrower Materials or notices through the Platform, any other electronic platform or electronic messaging service, or through the Internet.

(d) Change of Address, Etc. Each of the Borrower and the Administrative Agent may change its address or email address (and the department or officer, if any, for whose attention a communication is to be made) for notices and other communications hereunder by notice to the other parties hereto. Each other Lender may change its address or telecopy number for notices and other communications hereunder by notice to the Borrower and the Administrative Agent. In addition, each Lender agrees to notify the Administrative Agent from time to time to ensure that the Administrative Agent has on record (i) an effective address, contact name, telephone number, facsimile number and electronic mail address to which notices and other communications may be sent and (ii) accurate wire instructions for such Lender. Furthermore, each Public Lender agrees to cause at least one individual at or on behalf of such Public Lender to at all times have selected the "Private Side Information" or similar designation on the content declaration screen of the Platform in order to enable such Public Lender or its delegate, in accordance with such Public Lender's compliance procedures and Applicable Law, including United States Federal and state securities Laws, to make reference to Borrower Materials that are not made available through the "Public Side Information" portion of the Platform and that may contain material non-public information with respect to the Borrower or its securities for purposes of United States Federal or state securities laws.

(e) Guarantor Agent. Each Guarantor by its execution of any Loan Document (as the case may be) irrevocably appoints the Borrower to act on its behalf as its agent in relation to the Loan Documents and irrevocably authorizes:

(i) the Borrower on its behalf to supply all information concerning itself contemplated by any Loan Document to the Administrative Agent and the Lenders 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 Guarantor notwithstanding that they may affect such Guarantor, without further reference to or consent of such Guarantor;

(ii) the Borrower on its behalf as its agent (*comisionista*) pursuant to articles 273 and 274 of the Mexican Commerce Code (*Código de Comercio*) to exercise the rights, powers, authorities and discretions specifically given to it under or in connection with the Loan Documents; and

(iii) each of the Administrative Agent and the Lenders to give any notice, demand or other communication to such Guarantor pursuant to the Loan Documents to the Borrower on its behalf,

and in each case such Guarantor shall be bound thereby as though such Guarantor itself had given such notices and instructions or executed or made such agreements or received any notice, demand or other communication.

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 this clause (e), in connection with any Loan Document shall be binding for all purposes on such Guarantor as if such Guarantor 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 Guarantor, those of the Borrower shall prevail.

Section 10.3 **Reliance by Administrative Agent and Lenders**. The Administrative Agent and the Lenders shall be entitled to rely and act upon any notices (including Committed Loan Notices) purportedly given by or on behalf of the Borrower even if (i) such notices were not made in a manner specified herein, were incomplete or were not preceded or followed by any other form of notice specified herein, or (ii) the terms thereof, as understood by the recipient, varied from any confirmation thereof.

Section 10.4 **No Waiver; Cumulative Remedies; Enforcement**. No failure by any party hereto to exercise, and no delay by any such Person in exercising, any right, remedy, power or privilege hereunder or under any other Loan Document shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges herein provided, and provided under each other Loan Document, are cumulative and not exclusive of any rights, remedies, powers and privileges provided by law.

Notwithstanding anything to the contrary contained herein or in any other Loan Document, the authority to enforce rights and remedies hereunder and under the other Loan Documents against the Loan Parties or any of them shall be vested exclusively in, and all actions and proceedings at law in connection with such enforcement shall be instituted and maintained exclusively by, the Administrative Agent in accordance with Section 8.2 for the benefit of all the Lenders; provided, however, that the foregoing shall not prohibit (a) the Administrative Agent from exercising on its own behalf the rights and remedies that inure to its benefit (solely in its capacity as Administrative Agent) hereunder and under the other Loan Documents, (b) any Lender from exercising setoff rights in accordance with Section 10.9 (subject to the terms of Section 2.12), or (c) any Lender from filing proofs of claim or appearing and filing pleadings on its own behalf during the pendency of a proceeding relative to any Loan Party under any Debtor Relief Law; and provided, further, that if at any time there is no Person acting as Administrative Agent hereunder and under the other Loan Documents, then (i) the Required Lenders shall have the rights otherwise ascribed to the Administrative Agent pursuant to Section 8.2 and (ii) in addition to the matters set forth in clause (b) of the preceding proviso and subject to Section 2.12, any Lender may, with the consent of the Required Lenders, enforce any rights and remedies available to it and as authorized by the Required Lenders.

Section 10.5 **Expenses; Indemnity; Damage Waiver**.

(a) Costs and Expenses. Each Loan Party agrees, jointly and severally, to pay (i) (1) all reasonable and documented out-of-pocket expenses of the Administrative Agent (including the reasonable and documented out-of-pocket fees, disbursements and other charges of one firm of United Stated legal counsel) associated with the preparation, execution, delivery and administration of this Agreement and the other Loan Documents and any amendment, modification or waiver with respect thereto (whether or not the transactions contemplated hereby or thereby shall be consummated); provided that, except with respect to any fees, disbursements and other charges of one firm of United States legal counsel to the Administrative Agent, such expenses incurred prior to the Effective Date will be limited to U.S.$25,000 *plus* VAT, as applicable, taken together with any such expenses incurred in the Administrative Agent's (or its Affiliate's) capacity as a Lead Arranger for the Facilities, and (2) all reasonable and documented out-of-pocket fees, disbursements and other charges of one firm of United States legal counsel and one firm of Mexican legal counsel to the Lenders, taken as a whole, as applicable, and (ii) all out-of-pocket costs and expenses of the Administrative Agent and the Lenders (including the fees, disbursements and other charges of one firm of counsel to each of (1) the Lenders, taken as a whole, and (2) the Administrative Agent, in each relevant jurisdiction) in connection with the enforcement or protection of its rights in connection with this Agreement or any other Loan Documents, including its rights under this Section 10.5, or in connection with the Loans hereunder, including all such out-of-pocket expenses incurred during any workout, restructuring or negotiations in respect of such Loans.

(b) Indemnification by the Borrower. Each Loan Party shall jointly and severally indemnify the Administrative Agent (and any sub-agent thereof), the Sustainability Structuring Agent, each Lender and each Related Party of any of the foregoing Persons (each such Person being called an "Indemnitee") against, and hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities and related expenses (including the reasonable and documented out-of-pocket fees, charges and disbursements of any counsel for any Indemnitee), of any kind or nature whatsoever which may at any time be imposed on, incurred by, or asserted against any Indemnitee by any Person (including the Borrower or any other Loan Party) arising out of, in connection with, or as a result of (i) the execution or delivery of this Agreement, any other Loan Document or any agreement or instrument contemplated hereby or thereby, the performance by the parties hereto of their respective obligations hereunder or thereunder, the consummation of the transactions contemplated hereby or thereby, or, in the case of the Administrative Agent (and any sub agent thereof) and its Related Parties only, the administration of this Agreement and the other Loan Documents (including in respect of any matters addressed in Section 3.1), (ii) any Loan or the use or proposed use of the proceeds therefrom, (iii) any actual or alleged presence or release of Hazardous Materials on or from any property owned or operated by the Borrower or any of its Subsidiaries, or any Environmental Liability related in any way to the Borrower or any of its Subsidiaries, or (iv) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory, whether brought by a third party or by the Borrower or any other Loan Party, and regardless of whether any Indemnitee is a party thereto; provided that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses (x) are determined by a court of competent jurisdiction by final non-appealable judgment to have resulted from the gross negligence or willful misconduct of such Indemnitee or (y) result from a claim not involving an act or omission of the Borrower or any Subsidiary and that is solely among Indemnitees (other than against the Administrative Agent in its capacity as such). Without limiting the provisions of Section 3.1(c), this Section 10.5(a) shall not apply with respect to Taxes other than any Taxes that represent losses, claims, damages, etc. arising from any non-Tax claim.

(c) Reimbursement by Lenders. To the extent that the Borrower for any reason fails to indefeasibly pay any amount required under clauses (a) or (b) of this Section 10.5 to be paid by it to the Administrative Agent (or any sub-agent thereof) or any Related Party of any of the foregoing, each Lender severally agrees to pay to the Administrative Agent (or any such sub-agent) or such Related Party, as the case may be, such Lender's pro rata share (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought based on each Lender's share of the Total Credit Exposure at such time) of such unpaid amount (including any such unpaid amount in respect of a claim asserted by such Lender), such payment to be made severally among them based on such Lenders' Applicable Percentage (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought); provided that the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against the Administrative Agent (or any such sub-agent) or against any Related Party of any of the foregoing acting for the Administrative Agent (or any such sub-agent) in connection with such capacity. The obligations of the Lenders under this clause (c) are subject to the provisions of Section 2.10(d).

(d) Waiver of Consequential Damages, Etc. To the fullest extent permitted by Applicable Law, no party hereto shall assert, and each party hereto hereby waives, and acknowledges that no other Person shall have, any claim against any other party hereto, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any other

Loan Document or any agreement or instrument contemplated hereby, the transactions contemplated hereby or thereby, any Loan or the use of the proceeds thereof; *provided, however*, that this provision shall not apply to any damages in respect of any indemnity obligations to the Administrative Agent under the terms of this Agreement. No Indemnitee referred to in clause (b) above shall be liable for any damages arising from the use by unintended recipients of any information or other materials distributed to such unintended recipients by such Indemnitee through telecommunications, electronic or other information transmission systems in connection with this Agreement or the other Loan Documents or the transactions contemplated hereby or thereby.

(e) Payments. All amounts due under this Section 10.5 shall be payable not later than ten (10) Business Days after demand therefor. To the extent that any undertaking in paragraph (b) of this Section 10.5 may be unenforceable because it contravenes any Applicable Law or public policy, the Loan Parties shall contribute the maximum portion that it is permitted to pay and satisfy under Applicable Law to the payment and satisfaction of such undertaking.

(f) Survival. The agreements in this Section 10.5 and the indemnity provisions of Section 10.5 shall survive the resignation or removal of the Administrative Agent, the replacement of any Lender, the termination of the Aggregate Commitments and the repayment, satisfaction or discharge of all the other Obligations.

(g) No Personal Liability. If an individual signs a certificate on behalf of the Borrower or any of its Subsidiaries 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.

Section 10.6 **Payments Set Aside**. To the extent that any payment by or on behalf of the Borrower is made to the Administrative Agent or any Lender, or the Administrative Agent or any Lender exercises its right of setoff, and such payment or the proceeds of such setoff or any part thereof is subsequently invalidated, declared to be fraudulent or preferential, set aside or required (including pursuant to any settlement entered into by the Administrative Agent or such Lender in its discretion) to be repaid to a trustee, receiver or any other party, in connection with any proceeding under any Debtor Relief Law or otherwise, then (a) to the extent of such recovery, the obligation or part thereof originally intended to be satisfied shall be revived and continued in full force and effect as if such payment had not been made or such setoff had not occurred, and (b) each Lender severally agrees to pay to the Administrative Agent upon demand its applicable share (without duplication) of any amount so recovered from or repaid by the Administrative Agent, *plus* interest thereon from the date of such demand to the date such payment is made at a rate per annum equal to the Federal Funds Rate from time to time in effect. The obligations of the Lenders under clause (b) of the preceding sentence shall survive the resignation or removal of the Administrative Agent and the payment in full of the Obligations and the termination of this Agreement.

Section 10.7 **Successors and Assigns**.

(a) Successors and Assigns Generally. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that neither the Borrower nor any other Loan Party may assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of the Administrative Agent and each Lender (except as otherwise permitted pursuant to Section 7.3) and no Lender may assign or otherwise transfer any of its rights or obligations hereunder except (i) to an assignee in accordance with the provisions of subsection (b) of this Section, (ii) by way of participation in accordance with the provisions of subsection (d) of this Section, or (iii) by way of pledge or assignment of a security interest subject to the restrictions of subsection (e) of this Section (and any other attempted assignment or transfer by any party hereto shall be null and void). Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby, Participants to the extent provided in clause (d) of this Section 10.7 and, to the extent expressly contemplated hereby, the Related Parties of each of the Administrative Agent and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) Assignments by Lenders. Any Lender may at any time assign to one or more assignees all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans at the time owing to it), subject to the consent of the Borrower (not to be unreasonably withheld or delayed; it being understood that withholding or delaying consent with respect to an assignment to any Disqualified Lender or any Sanctioned Lender shall not be deemed unreasonable) unless (a) an event of default has occurred and is continuing, in which case such assignment may be made to any Person other than a Disqualified Lender or a Sanctioned Lender, or (b) the assignment is to a Lender, an Affiliate of a Lender or an Approved Fund in each case that is not a Disqualified Lender. Each such assignment (other than an assignment to a Lender, Affiliate of a Lender or an Approved Fund) shall (i) not be less than U.S.$5.0 million in respect of loans and commitments under the Revolving Facility and (ii) U.S.$1.0 million in respect of loans and commitments under the Term Facility. For any assignments for which the Borrower's consent is required, such consent shall be deemed to have been given if the Borrower shall not have responded within ten (10) Business Days of a written request for such consent.

Neither the Administrative Agent nor any Lead Arranger shall be responsible or have any liability for, or have any duty to ascertain, inquire into, monitor or enforce, compliance with the provisions hereof relating to Disqualified Lenders or Sanctioned Lenders. Without limiting the generality of the foregoing, the Administrative Agent shall not (x) be obligated to ascertain, monitor or inquire as to whether any Lender or prospective Lender is a Disqualified Lender or Sanctioned Lender or (y) have any liability with respect to or arising out of any assignment, or disclosure of confidential information, to any Disqualified Lender or Sanctioned Lender.

The parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Assumption, together with a processing and recordation fee of U.S.$3,500; provided that the Administrative Agent may, in its sole discretion, elect to waive such processing and recordation fee in the case of any assignment**.** The assignee, if it is not a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire.

No such assignment shall be made to (i) any Loan Party or any Loan Party's Affiliates or Subsidiaries or (ii) to any Defaulting Lender or any of its Subsidiaries, or any Person who, upon becoming a Lender hereunder, would constitute a Defaulting Lender or a Subsidiary thereof.

No such assignment shall be made to a natural Person (or a holding company, investment vehicle or trust for, or owned and operated for the primary benefit of, a natural Person).

(c) Register. The Administrative Agent, acting solely for this purpose as an agent of the Borrower (and such agency being solely for Tax purposes), shall maintain at the Administrative Agent's Office a copy of each Assignment and Assumption delivered to it (or the equivalent thereof in electronic form) and a register for the recordation of the names and addresses of the Lenders, and the Commitments of, and principal amounts (and stated interest) of the Loans owing to, each Lender pursuant to the terms hereof from time to time (the "Register"). The entries in the Register shall be conclusive absent manifest error, and the Borrower, the Administrative Agent and the Lenders shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement. The Register shall be available for inspection by the Borrower and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

(d) Participations. Any Lender may at any time, without the consent of, or notice to, the Borrower or the Administrative Agent, sell participations to any Person (other than a natural Person, or a holding company, investment vehicle or trust for, or owned and operated for the primary benefit of one or more natural Persons, a Defaulting Lender or the Borrower or any of the Borrower's Affiliates or Subsidiaries) (each, a "Participant") in all or a portion of such Lender's rights and/or obligations under this Agreement (including all or a portion of its Commitment and/or the Loans owing to it); provided that (i) such Lender's obligations shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties for the performance of such obligations and (iii) the Borrower, the Administrative Agent and the Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations. A participant shall have the same benefits as the Lender granting such participation with respect to (a) yield protection and increased cost (but not requiring payments in excess of those payable to such Lender in the absence of such participation), (b) with respect to pro rata treatment provisions and (c) Section 3.1, except such Participant shall not be entitled to receive any greater payment under Section 3.1, with respect to any participation, than its participating Lender would have been entitled to receive, except to the extent such entitlement to receive a greater payment results from a Change in Law that occurs after the Participant acquired the applicable participation. Voting rights of participants shall be limited to those matters with respect to which the affirmative vote of each affected Lender or all Lenders are required as described in Section 10.1. Each Lender that sells a participation shall, acting solely for this purpose as a non-fiduciary agent of the Borrower, maintain a register on which it enters the name and address of each Participant and the principal amounts (and stated interest) of each Participant's interest in the Loans or other obligations under the Loan Documents (the "Participant Register"); provided that no Lender shall have any obligation to disclose all or any portion of the Participant Register (including the identity of any Participant or any information relating to a Participant's interest in any commitments, loans, letters of credit or its other obligations under any Loan Document) to any Person except to the extent that such disclosure is necessary to establish that such commitment, loan, letter of credit or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations. The entries in the Participant Register shall be conclusive absent manifest error, and such Lender shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary. For the avoidance of doubt, the Administrative Agent shall have no responsibility for maintaining a Participant Register.

(e) Certain Pledges. Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement (including under its Note, if any) to secure obligations of such Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank or other central banks; provided that no such pledge or assignment of a security interest shall release a Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

Section 10.8 **Treatment of Certain Information; Confidentiality**. Each of the Administrative Agent and the Lenders agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to its Affiliates, its auditors and its Related Parties on a need-to-know basis (it being understood that (i) the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential pursuant to the terms hereof and (ii) the Borrower's prior written consent shall be required prior to providing any such Information to any controlling persons or equity holders of any Arranger or Lender), (b) to the extent required or requested by any regulatory authority having jurisdiction over such Person or its Related Parties (including any self-regulatory authority, such as the National Association of Insurance Commissioners), in which case the disclosing Person agrees to inform the Borrower promptly thereof prior to such disclosure, unless such Person is prohibited by Applicable Law from so informing the Borrower, or except in connection with any request as part of any audit or regulatory examination, (c) to the extent required by Applicable Laws or regulations or by any subpoena or similar legal process, in which case the disclosing Person (except in connection with any order or request as part of any routine audit or examination conducted by bank accountants or any regulatory examination or audit) agrees to inform the Borrower promptly thereof prior to disclosure, (d) to any other party hereto, (e) to the extent necessary in connection with the exercise of any remedies hereunder or under any other Loan Document or any action or proceeding relating to this Agreement or any other Loan Document or the enforcement of rights hereunder or thereunder, (f) subject to an agreement containing provisions substantially the same as those of this Section 10.8, to (i) any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights and obligations under this Agreement, (ii) potential investors and re-insurance and insurance brokers or (iii) any actual or prospective party (or its Related Parties) to any swap, derivative or other transaction under which payments are to be made by reference to the Borrower and its obligations, this Agreement or payments hereunder, (g) on a confidential basis to (i) any rating agency in connection with rating the Borrower or its Subsidiaries or the credit facilities provided hereunder or (ii) the CUSIP Service Bureau or any similar agency in connection with the application, issuance, publishing and monitoring of CUSIP numbers or other market identifiers with respect to the credit facilities provided hereunder, (h) with the prior written consent of the Borrower or (i) to the extent such Information (x) becomes publicly available other than as a result of a breach of this Section 10.8, (y) becomes available to the Administrative Agent, any Lender or any of their respective Affiliates from a source other than the Borrower that is not to the recipient's (or any of its Related Party's) knowledge subject to confidentiality obligations to the Borrower or any of its Related Parties or (z) is independently discovered or developed by a party hereto without utilizing any Information received from the Borrower or violating the terms of this Section 10.8. In addition, the Administrative Agent and the Lenders may disclose the existence of this Agreement and information limited solely to economic and structural terms of the Loans to market data collectors, similar service providers to the lending industry and service providers to the Administrative Agent and the Lenders in connection with the administration of this Agreement, the other Loan Documents, and the Commitments.

For purposes of this Section 10.8, "Information" means all information received from the Borrower or any Subsidiary relating to the Borrower or any Subsidiary or any of their respective businesses, other than any such information that is available to the applicable disclosing party on a nonconfidential basis prior to disclosure by the Borrower or any Subsidiary. Any Person required to maintain the confidentiality of Information as provided in this Section 10.8 shall be principally liable on a several basis to the extent any confidentiality restrictions set forth herein are violated by one or more of its Related Parties.

Section 10.9 **Right of Setoff**. If an Event of Default shall have occurred and be continuing, each Lender and each of their respective Affiliates is hereby authorized at any time and from time to time, to the fullest extent permitted by Applicable Law, to set off and apply any and all deposits (general or special, time or demand, provisional or final, in whatever currency) at any time held and other obligations (in whatever currency) at any time owing by such Lender or any such Affiliate to or for the credit or the account of the Borrower or any other Loan Party against any and all of the obligations of the Borrower or such Loan Party now or hereafter existing under this Agreement or any other Loan Document to such Lender or their respective Affiliates, irrespective of whether or not such Lender or Affiliate shall have made any demand under this Agreement or any other Loan Document and although such obligations of the Borrower or such Loan Party may be contingent or unmatured or are owed to a branch, office or Affiliate of such Lender different from the branch, office or Affiliate holding such deposit or obligated on such indebtedness; provided that in the event that any Defaulting Lender shall exercise any such right of setoff, (x) all amounts so set off shall be paid over immediately to the Administrative Agent for further application in accordance with the provisions of Section 2.13 and, pending such payment, shall be segregated on its books and records by such Defaulting Lender from its other funds and deemed held in trust for the benefit of the Administrative Agent and the Lenders, and (y) the Defaulting Lender shall provide promptly to the Administrative Agent a statement describing in reasonable detail the Obligations owing to such Defaulting Lender as to which it exercised such right of setoff. The rights of each Lender and their respective Affiliates under this Section 10.8 are in addition to other rights and remedies (including other rights of setoff) that such Lender or their respective Affiliates may have. Each Lender agrees to notify the Borrower and the Administrative Agent promptly after any such setoff and application; provided that the failure to give such notice shall not affect the validity of such setoff and application.

Section 10.10 **Interest Rate Limitation**. Notwithstanding anything to the contrary contained in any Loan Document, the interest paid or agreed to be paid under the Loan Documents shall not exceed the maximum rate of non-usurious interest permitted by Applicable Law (the "Maximum Rate"). If the Administrative Agent or any Lender shall receive interest in an amount that exceeds the Maximum Rate, the excess interest shall be applied to the principal of the Loans or, if it exceeds such unpaid principal, refunded to the Borrower. In determining whether the interest contracted for, charged, or received by the Administrative Agent or a Lender exceeds the Maximum Rate, such Person may, to the extent permitted by Applicable Law, (a) characterize any payment that is not principal as an expense, fee, or premium rather than interest, (b) exclude voluntary prepayments and the effects thereof, and (c) amortize, prorate, allocate, and spread in equal or unequal parts the total amount of interest throughout the contemplated term of the Obligations hereunder.

Section 10.11 **Counterparts; Integration; Effectiveness**. This Agreement may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement, the other Loan Documents, and any separate letter agreements with respect to fees payable to the Administrative Agent constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Except as provided in Section 4.1, this Agreement shall become effective when it shall have been executed by the Administrative Agent and when the Administrative Agent shall have received counterparts hereof that, when taken together, bear the signatures of each of the other parties hereto. Delivery of an executed counterpart of a signature page of this Agreement by facsimile or other electronic imaging means (e.g., "pdf" or "tif") shall be effective as delivery of a manually executed counterpart of this Agreement.

Section 10.12 **Survival of Representations and Warranties**. All covenants, agreements, representations and warranties of the Loan Parties made hereunder and in any other Loan Document or other document delivered pursuant hereto or thereto or in connection herewith or therewith shall survive the execution and delivery hereof and thereof and the making of any Loans. Such representations and warranties have been or will be relied upon by the Administrative Agent and each Lender, regardless of any investigation made by the Administrative Agent or any Lender or on their behalf and notwithstanding that the Administrative Agent or any Lender may have had notice or knowledge of any Default at the time of any Loan, and shall continue in full force and effect as long as any Loan or any other Obligation hereunder shall remain unpaid or unsatisfied. The provisions of Section 3.1, Section 10.5, Section 10.8, Section 10.15, Section 10.16, Section 10.17, Section 10.18 and Article IX shall survive and remain in full force and effect regardless of the consummation of the transactions contemplated hereby, the repayment of the Loans, the expiration or termination of the Commitments or the termination of this Agreement or any provision hereof or the resignation or removal of the Administrative Agent.

Section 10.13 **Severability**. If any provision of this Agreement or the other Loan Documents is held to be illegal, invalid or unenforceable, (a) the legality, validity and enforceability of the remaining provisions of this Agreement and the other Loan Documents shall not be affected or impaired thereby and (b) the parties shall endeavor in good faith negotiations to replace the illegal, invalid or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the illegal, invalid or unenforceable provisions. The invalidity of a provision in a particular jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. Without limiting the foregoing provisions of this Section 10.13, if and to the extent that the enforceability of any provisions in this Agreement relating to Defaulting Lenders shall be limited by Debtor Relief Laws, as determined by the Administrative Agent (acting at the direction of the Required Lenders, acting in good faith), then such provisions shall be deemed to be in effect only to the extent not so limited.

Section 10.14 **Replacement of Lenders**. If the Borrower is entitled to replace a Lender pursuant to the provisions of Section 3.6, or if any Lender is a Defaulting Lender or a Non-Consenting Lender, then the Borrower may, at its sole expense and effort, upon notice to such Lender and the Administrative Agent, require such Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in, and consents required by, Section 10.7), all of its interests, rights (other than its existing rights to payments pursuant to Sections 3.1 and 3.4) and obligations under this Agreement and the related Loan Documents to an Eligible Assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment); provided that:

(a) the Borrower shall have paid to the Administrative Agent the assignment fee (if any) specified in (b);

(b) such Lender shall have received payment of an amount equal to the outstanding principal of its Loans, accrued interest thereon, accrued fees and all other amounts payable to it hereunder and under the other Loan Documents (including any amounts under Section 3.5) from the assignee (to the extent of such outstanding principal and accrued interest and fees) or the Borrower (in the case of all other amounts);

(c) in the case of any such assignment resulting from a claim for compensation under Section 3.4 or payments required to be made pursuant to Section 3.1, such assignment will result in a reduction in such compensation or payments thereafter;

(d) such assignment does not conflict with Applicable Laws; and

(e) in the case of an assignment resulting from a Lender becoming a Non-Consenting Lender, the applicable assignee shall have consented to the applicable amendment, waiver or consent.

A Lender shall not be required to make any such assignment or delegation if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling the Borrower to require such assignment and delegation cease to apply.

Each party hereto agrees that (a) an assignment required pursuant to this Section 10.13 may be effected pursuant to an Assignment and Assumption executed by the Borrower and the assignee, and acknowledged by the Administrative Agent and (b) the Lender required to make such assignment need not be a party thereto in order for such assignment to be effective and shall be deemed to have consented to be bound by the terms thereof; provided that, following the effectiveness of any such assignment, the other parties to such assignment agree to execute and deliver such documents necessary to evidence such assignment as reasonably requested by the applicable Lender; provided, further, that any such documents shall be without recourse to or warranty by the parties thereto.

Notwithstanding anything in this Section 10.14 to the contrary, the Lender that acts as the Administrative Agent may not be replaced hereunder except in accordance with the terms of Section 9.6.

Section 10.15 **Governing Law; Jurisdiction; Etc**.

(a) Governing Law. This Agreement and the other Loan Documents (except, as to any Note, as expressly set forth therein) and any claims, controversy, dispute or cause of action (whether in contract or tort or otherwise) based upon, arising out of or relating to this Agreement or any other Loan Document (except, as to any other Loan Document, as expressly set forth therein) and the transactions contemplated hereby and thereby shall be governed by, and construed in accordance with, the law of the State of New York.

(b) **SUBMISSION TO JURISDICTION. EACH PARTY IRREVOCABLY AND UNCONDITIONALLY AGREES THAT IT WILL NOT COMMENCE ANY ACTION, LITIGATION OR PROCEEDING OF ANY KIND OR DESCRIPTION, WHETHER IN LAW OR EQUITY, WHETHER IN CONTRACT OR IN TORT OR OTHERWISE, AGAINST ANOTHER PARTY TO THIS AGREEMENT IN ANY WAY RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS RELATING HERETO OR THERETO, IN ANY FORUM OTHER THAN THE COURTS OF THE STATE OF NEW YORK SITTING IN NEW YORK COUNTY AND OF THE UNITED STATES DISTRICT COURT OF THE SOUTHERN DISTRICT OF NEW YORK, AND ANY APPELLATE COURT FROM ANY THEREOF, AND EACH OF THE PARTIES HERETO IRREVOCABLY AND UNCONDITIONALLY SUBMITS TO THE EXCLUSIVE JURISDICTION OF SUCH COURTS AND AGREES THAT ALL CLAIMS IN RESPECT OF ANY SUCH ACTION, LITIGATION OR PROCEEDING MAY BE HEARD AND DETERMINED IN SUCH NEW YORK STATE COURT OR, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, IN SUCH FEDERAL COURT AND EXPRESSLY AND IRREVOCABLY WAIVES ANY RIGHT TO ANY OTHER JURISDICTION TO WHICH IT MAY BE ENTITLED ON ACCOUNT OF PLACE OF RESIDENCE OR DOMICILE OR OTHERWISE. EACH OF THE PARTIES HERETO AGREES THAT A FINAL JUDGMENT IN ANY SUCH ACTION, LITIGATION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW.**

(c) **WAIVER OF VENUE. EACH PARTY IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT IN ANY COURT REFERRED TO IN CLAUSE (b) OF THIS SECTION 10.15. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, THE DEFENSE OF AN INCONVENIENT FORUM TO THE MAINTENANCE OF SUCH ACTION OR PROCEEDING IN ANY SUCH COURT.**

(d) **SERVICE OF PROCESS. EACH PARTY HERETO IRREVOCABLY CONSENTS TO SERVICE OF PROCESS IN THE MANNER PROVIDED FOR NOTICES IN SECTION 10.2. NOTHING IN THIS AGREEMENT WILL AFFECT THE RIGHT OF ANY PARTY HERETO TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY APPLICABLE LAW. THE BORROWER (I) IRREVOCABLY APPOINTS THE PROCESS AGENT FOR A PERIOD ENDING TWELVE (12) MONTHS AFTER THE**

MATURITY DATE, HAVING OFFICES ON THE EFFECTIVE DATE AT 590 MADISON AVENUE, 27TH FLOOR, NEW YORK, NY 10022 AS ITS AGENT TO RECEIVE ON BEHALF OF SUCH LOAN PARTY SERVICE OF PROCESS IN ANY PROCEEDINGS (WITH RESPECT TO THIS AGREEMENT AND THE LOAN DOCUMENTS GOVERNED BY NEW YORK LAW) IN NEW YORK, NEW YORK; AND (II) DESIGNATES AS ITS CONVENTIONAL ADDRESS THE ADDRESS OF THE PROCESS AGENT REFERRED TO ABOVE OR ANY OTHER ADDRESS NOTIFIED IN THE FUTURE BY THE PROCESS AGENT TO THE BORROWER. SUCH SERVICE MAY BE MADE BY MAILING OR DELIVERING A COPY OF SUCH PROCESS TO THE BORROWER, IN CASE OF THE PROCESS AGENT AT THE ADDRESS SPECIFIED ABOVE, AND THE BORROWER HEREBY IRREVOCABLY AUTHORIZES AND DIRECTS THE PROCESS AGENT TO ACCEPT SUCH SERVICE ON ITS BEHALF.

Section 10.16 **WAIVER OF JURY TRIAL. EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 10.16.**

Section 10.17 **Waiver of Immunities.** To the extent permitted by Applicable Law, if the Borrower 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 prior to judgment, attachment in aid of execution of judgment, execution of judgment or otherwise) with respect to itself or any of its property, the Borrower hereby irrevocably waives and agrees not to plead or claim such immunity in respect of its obligations under this Agreement and the Notes. The Borrower agrees that the waivers set forth above shall have the fullest extent permitted under the Foreign Sovereign Immunities Act of 1976 of the United States of America and are intended to be irrevocable and not subject to withdrawal for purposes of such Act.

Section 10.18 **Judgment Currency**. The obligation of the Borrower hereunder to make payments in Dollars shall not be discharged or satisfied by any tender or recovery pursuant to any judgment expressed in or converted into any currency other than Dollars, except to the extent to which such tender or recovery shall result in the effective receipt by the Lenders or, as the case may be, the Administrative Agent of the full amount of Dollars expressed to be payable hereunder, and the Borrower agrees to indemnify the Administrative Agent and the Lenders (as an alternative or additional cause of action) for the amount (if any) by which such effective receipt shall fall short of the full amount of Dollars expressed to be payable hereunder and such obligation to indemnify shall not be affected by judgment being obtained for any other sums due hereunder.

Section 10.19 **No Advisory or Fiduciary Responsibility**. In connection with all aspects of each transaction contemplated hereby (including in connection with any amendment, waiver or other modification hereof or of any other Loan Document), the Borrower and each other Loan Party acknowledges and agrees, and acknowledges its Affiliates' understanding, that: (i) (A) the arranging and other services regarding this Agreement provided by the Administrative Agent, the Lead Arrangers, the Sustainability Structuring Agent and the Lenders are arm's-length commercial transactions between the Borrower, each other Loan Party and their respective Affiliates, on the one hand, and the Administrative Agent, the Lead Arrangers and the Lenders, on the other hand, (B) each of the Borrower and the other Loan Parties has consulted its own legal, accounting, regulatory and tax advisors to the extent it has deemed appropriate, and (C) the Borrower and each other Loan Party is capable of evaluating, and understands and accepts, the terms, risks and conditions of the transactions contemplated hereby and by the other Loan Documents; (ii) (A) the Administrative Agent, the Lead Arrangers and each Lender is and has been acting solely as a principal and, except as expressly agreed in writing by the relevant parties, has not been, is not, and will not be acting as an advisor, agent or fiduciary for the Borrower, any other Loan Party or any of their respective Affiliates, or any other Person and (B) neither the Administrative Agent, the Lead Arrangers nor any Lender has any obligation to the Borrower, any other Loan Party or any of their respective Affiliates with respect to the transactions contemplated hereby except those obligations expressly set forth herein and in the other Loan Documents; and (iii) the Administrative Agent, the Lead Arrangers and the Lenders and their respective Affiliates may be engaged in a broad range of transactions that involve interests that differ from those of the Borrower, the other Loan Parties and their respective Affiliates, and neither the Administrative Agent, the Lead Arrangers nor any Lender has any obligation to disclose any of such interests to the Borrower, any other Loan Party or any of their respective Affiliates. To the fullest extent permitted by law, each of the Borrower and each other Loan Party hereby waives and releases any claims that it may have against the Administrative Agent, the Lead Arrangers or any Lender with respect to any breach or alleged breach of agency or fiduciary duty in connection with any aspect of any transaction contemplated hereby.

Section 10.20 **Electronic Execution of Assignments and Certain Other Documents**. The words "execute," "execution," "signed," "signature," and words of like import in or related to any document to be signed in connection with this Agreement and the transactions contemplated hereby (including without limitation Assignment and Assumptions, amendments or other modifications, Committed Loan Notices, waivers and consents) shall be deemed to include electronic signatures, the electronic matching of assignment terms and contract formations on electronic platforms approved by the Administrative Agent, or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any Applicable Law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act; provided that notwithstanding anything contained herein to the contrary the Administrative Agent is under no obligation to agree to accept electronic signatures in any form or in any format unless expressly agreed to by the Administrative Agent pursuant to procedures approved by it.

Section 10.21 **USA PATRIOT Act**. Each Lender that is subject to the PATRIOT Act (as hereinafter defined) and the Administrative Agent (for itself and not on behalf of any Lender) hereby notifies the Borrower that pursuant to the requirements of the USA PATRIOT Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the "Act"), it is required to obtain, verify and record information that identifies the Borrower and each other Loan Party, which information includes the name and address of the Borrower and each other Loan Party and other information that will allow such Lender or the Administrative Agent, as applicable, to identify the Borrower and each other Loan Party in accordance with the PATRIOT Act. The Borrower and each other Loan Party shall, promptly following a request by the Administrative Agent or any Lender, provide all documentation and other information that the Administrative Agent or such Lender requests in order to comply with its ongoing obligations under applicable "know your customer" and anti-money laundering rules and regulations, including the PATRIOT Act.

Section 10.22 **Acknowledgement and Consent to Bail-In of Affected Financial Institutions**. Solely to the extent any Lender that is an Affected Financial Institution is a party to this Agreement and notwithstanding anything to the contrary in any Loan Document or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any Lender that is an Affected Financial Institution arising under any Loan Document, to the extent such liability is unsecured, may be subject to the Write-Down and Conversion Powers of the applicable Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

(a) the application of any Write-Down and Conversion Powers by the applicable Resolution Authority to any such liabilities arising hereunder which may be payable to it by any Lender that is an Affected Financial Institution; and

(b) the effects of any Bail-In Action on any such liability, including, if applicable:

(c) a reduction in full or in part or cancellation of any such liability;

(d) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such Affected Financial Institution, its parent undertaking, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Loan Document; or

(e) the variation of the terms of such liability in connection with the exercise of the Write-Down and Conversion Powers of the applicable Resolution Authority.

Section 10.23 **Acknowledgement Regarding Any Supported QFCs.** To the extent that the Loan Documents provide support, through a guarantee or otherwise, for any Swap Contract or any other agreement or instrument that is a QFC (such support, "QFC Credit Support", and each such QFC, a "Supported QFC"), the parties acknowledge and agree as follows with respect to the resolution power of the Federal Deposit Insurance Corporation under the Federal Deposit Insurance Act and Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act (together with the regulations promulgated thereunder, the "U.S. Special Resolution Regimes") in respect of such Supported QFC and QFC Credit Support (with the provisions below applicable

notwithstanding that the Loan Documents and any Supported QFC may in fact be stated to be governed by the laws of the State of New York and/or of the United States or any other state of the United States):

(a) In the event a Covered Entity that is party to a Supported QFC (each, a "Covered Party") becomes subject to a proceeding under a U.S. Special Resolution Regime, the transfer of such Supported QFC and the benefit of such QFC Credit Support (and any interest and obligation in or under such Supported QFC and such QFC Credit Support, and any rights in property securing such Supported QFC or such QFC Credit Support) from such Covered Party will be effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regime if the Supported QFC and such QFC Credit Support (and any such interest, obligation and rights in property) were governed by the laws of the United States or a state of the United States. In the event a Covered Party or a BHC Act Affiliate of a Covered Party becomes subject to a proceeding under a U.S. Special Resolution Regime, Default Rights under the Loan Documents that might otherwise apply to such Supported QFC or any QFC Credit Support that may be exercised against such Covered Party are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if the Supported QFC and the Loan Documents were governed by the laws of the United States or a state of the United States. Without limitation of the foregoing, it is understood and agreed that rights and remedies of the parties with respect to a Defaulting Lender shall in no event affect the rights of any Covered Party with respect to a Supported QFC or any QFC Credit Support.

(b) As used in this Section 10.23, the following terms have the following meanings:

"BHC Act Affiliate" of a party means an "affiliate" (as such term is defined under, and interpreted in accordance with, 12 U.S.C. 1841(k)) of such party.

"Covered Entity" means any of the following: (i) a "covered entity" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 252.82(b); (ii) a "covered bank" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 47.3(b); or (iii) a "covered FSI" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 382.2(b).

"Default Right" has the meaning assigned to that term in, and shall be interpreted in accordance with, 12 C.F.R. §§ 252.81, 47.2 or 382.1, as applicable.

"QFC" has the meaning assigned to the term "qualified financial contract" in, and shall be interpreted in accordance with, 12 U.S.C. 5390(c)(8)(D).

Section 10.24 **Use of English Language.**(a) This Agreement has been negotiated and executed in the English language, which such English language version shall be the original instrument and shall govern among the parties hereto. Except for any Notes and such documents required to be delivered in connection with the Effective Date or the Initial Funding Date in a different language, all certificates, reports, notices and other documents and communications given or delivered pursuant to this Agreement (including any modifications or supplements hereto) shall be in the English language, or accompanied by an English translation thereof. Except in the case of (i) laws or official communications of Mexico, (ii) documents filed with any Governmental Authority in Mexico or (iii) corporate documents of the Borrower or any Guarantor, and (iv) any

other document originally issued in a language other than English, the English language version of any such document shall for purposes of this Agreement, and absent manifest error, control the meaning of the matters set out therein; provided that, the Administrative Agent's sole obligation in respect of any documents delivered in a language other than English (without limiting its obligations under any corresponding document in the English language) shall be to make such documents available to the Lenders on the Platform, and the Administrative Agent shall have no duties or obligations in respect of such documents.

Section 10.25 **Swiss Guarantee Limitation.**(a) Any guarantee, indemnity or other obligation provided under this Agreement or any other Loan Document by a Swiss Guarantor shall be deemed not to be provided by such Swiss Guarantor to the extent that the same would constitute a breach of the financial assistance prohibitions under Swiss law. Under Swiss law, the following restrictions shall be applicable to each Swiss Guarantor:

(a) Any guarantee, indemnity or other obligation and liability by a Swiss Guarantor under this Agreement or any Loan Documents in relation to the obligations, undertakings, indemnities or liabilities of a Guarantor other than that Swiss Guarantor or any of its fully owned or controlled subsidiaries (the "Restricted Obligations") shall be limited to the amount of that Swiss Guarantor's Free Reserves Available for Distribution at the time payment is requested or the maximum amount permitted by Swiss law applicable at such time. Such limitations shall only apply to the extent it is a requirement under Applicable Law (including any case law) at the point in time payment is requested. Such limitation (as may apply from time to time or not) shall not free such Swiss Guarantor from payment obligations under this Agreement or any other Loan Documents in excess thereof, but merely postpone the payment date therefor until such times as payment is again permitted notwithstanding such limitation.

(b) For the purpose of this Section 10.25, "Free Reserves Available for Distribution" means an amount equal to the maximum amount in which the relevant Swiss Guarantor can make a dividend payment to its shareholder(s) (being the year to date balance sheet profit and any freely disposable equity available for this purpose, in each case in accordance with applicable Swiss law). The freely disposable equity represents, inter alia, but not by way of limitation, the total shareholder equity less the total of: (i) the aggregate share capital, (ii) the statutory reserves (including reserves for own shares and revaluations), to the extent such reserves cannot be transferred into unrestricted, distributable reserves, and (iii) any freely disposable equity that has to be blocked for any loans granted by the Swiss Guarantor to a direct or indirect shareholder or a direct or indirect subsidiary of such shareholder.

(c) As soon as reasonably practicable after having been requested to discharge a Restricted Obligation, the respective Swiss Guarantor shall provide the Administrative Agent with an interim statutory balance sheet audited by the statutory auditors of such Swiss Guarantor setting out the Free Reserves Available for Distribution and, promptly thereafter, pay the lesser of (i) the Restricted Obligation and (ii) the amount corresponding to the Free Reserves Available for Distribution or the maximum amount permitted by Swiss law applicable at the time payment is requested to the Administrative Agent (acting at the written direction of the Required Lenders) (save to the extent provided below).

(d) In case a Swiss Guarantor who must make a payment in respect of the Restricted Obligations under this Agreement or any other Loan Document is obliged to withhold Swiss withholding tax in respect of such payment, such Swiss Guarantor shall:

(i) if and to the extent required by Applicable Law in force at the relevant time:

(1) procure that such payments can be made without deduction of Swiss withholding tax, or with deduction of Swiss withholding tax at a reduced rate, by discharging the liability to such tax by notification (*Meldeverfahren*) pursuant to Applicable Law (including double tax treaties) rather than payment of the Tax;

(2) if the notification procedure (*Meldeverfahren*) pursuant to paragraph (1) above does not apply, deduct Swiss withholding tax at the rate of 35% (or such other rate as in force from time to time), or if the notification procedure (*Meldeverfahren*) pursuant to paragraph (1) above applies for a part of the Swiss withholding tax only, deduct Swiss withholding tax at the reduced rate resulting after the discharge of part of such Tax by notification under Applicable Law, from any payment made by it in respect of Restricted Obligations and promptly pay any such Taxes to the Swiss Federal Tax Administration; and

(3) notify the Administrative Agent that such notification or, as the case may be, deduction has been made and provide evidence to the Administrative Agent that such a notification of the Swiss Federal Tax Administration has been made, or, as the case may be, that such 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 Lenders for the deduction of the Swiss withholding tax notwithstanding anything to the contrary contained in the Loan 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 Guarantors under the Loan Documents to indemnify the Lenders in respect of the deduction of the Swiss withholding tax.

(e) The Swiss 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 (d) above will, as soon as possible after the deduction of the Swiss withholding tax: (i) request a refund of the Swiss withholding tax under any Applicable Law (including double taxation treaties) and (ii) pay to the Administrative Agent upon receipt any amount so refunded. The Administrative Agent (acting at the written direction of the Required Lenders) shall take all reasonable steps to cooperate with the Swiss Guarantor to secure such refund.

(f) In case the proceeds irrevocably received by the Administrative Agent and any Lender pursuant to paragraph (e)(ii) above have the effect that the proceeds received by the Administrative Agent and any Lender exceed the amount of obligations guaranteed by the relevant Swiss Guarantor, then the Administrative Agent (acting at the written direction of the Required Lenders) or the relevant Lender, as the case may be, shall promptly return such overcompensation to the relevant Swiss Guarantor.

(g) The Swiss Guarantor will take, and cause to be taken, as soon as reasonably practicable, all and any other action, including, without limitation, the passing of any shareholders' resolutions to approve any payment or other performance under this Agreement or any other Loan Document and the receipt of any confirmations from the Swiss 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 this Agreement or any other Loan Document in order to allow a prompt payment of amounts owed by the Swiss Guarantor or the prompt performance of other obligations under this Agreement or any other Loan Document.

(h) If the enforcement of the Restricted Obligations would be limited due to the effects referred to in this Section 10.25 and if any asset of the Swiss Guarantor has a book value that is less than its market value (an "Undervalued Asset"), the Swiss 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 Administrative Agent under this Agreement or any other Loan Document, the Swiss Guarantor will only be required to realize an Undervalued Asset if such asset is not necessary for the Swiss Guarantor's business (*nicht betriebsnotwendig*).

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IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first above written.

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

By: /s/ Fernando J. Reiter Landa
Name: Fernando J. Reiter Landa
Title: Attorney-in-fact

CITIBANK, N.A.,
as Administrative Agent

By: /s/ Kelvin Vargas
Name: Kelvin Vargas
Title: Senior Trust Officer

ING CAPITAL LLC,
as the Sustainability Structuring Agent

By: /s/ Ana Carolina de Oliveira
Name: Ana Carolina de Oliveira
Title: Director

By: /s/ Bill James
Name: Bill James
Title: MD

BANK OF AMERICA, N.A.,
as a Lender

By: /s/ Gonzalo Isaacs
Name: Gonzalo Isaacs
Title: Managing Director

BOFA SECURITIES INC.,
as a Lender and Lead Arranger

By: /s/ Jorge Ortiz de la Peña
Name: Jorge Ortiz de la Peña
Title: Managing Director

BNP PARIBAS,
as a Lender and Lead Arranger

By: /s/ Julien-Pecoud-Bouvet
Name: Julien-Pecoud-Bouvet
Title: Director - Latin America Capital Markets

By: /s/ Karim Remtoula
Name: Karim Remtoula
Title: Vice President

CITIGROUP GLOBAL MARKETS INC.
as Lead Arranger

By: /s/ Adrian Guzzoni
Name: Adrian Guzzoni
Title: Managing Director

BANCO NACIONAL DE MEXICO, S.A., INTEGRANTE DEL GRUPO FINANCIERO BANAMEX,
as a Lender

By: /s/ Salvador David Guerra Perez
Name: Salvador David Guerra Perez
Title: Vice President

By: /s/ Eduardo Aldaco Borboa
Name: Eduardo Aldaco Borboa
Title: Vice President

CITIBANK N.A.,
as a Lender

By: /s/ Leslie Munroe
Name: Leslie Munroe
Title: Attorney-In-Fact

JPMORGAN CHASE BANK, N.A.,
as a Lender and Lead Arranger

By: /s/ Christophe Vohmann
Name: Christophe Vohmann
Title: Executive Director

BANCO SANTANDER, S.A.

By: /s/ Lucas Visela
Name: Lucas Visela
Title: Executive Director

By: /s/ Luis Casero Ynfiesta
Name: Luis Casero Ynfiesta
Title: Vice President

BANK OF CHINA MEXICO, S.A.,
INSTITUCIÓN DE BANCA MÚLTIPLE

By: /s/ Peng Zhou
Name: Peng Zhou
Title: Assistant Director

BANCO MERCANTIL DEL NORTE, S.A., INSTITUCIÓN DE BANCA MÚLTIPLE, GRUPO FINANCIERO BANORTE

By: /s/ Fidel Gaiza Chapa
Name: Fidel Gaiza Chapa
Title: Attorney in fact

By: /s/ Manuel Ramirez Garcia
Name: Manuel Ramirez Garcia
Title: Attorney in fact

BBVA MÉXICO, S.A. INSTITUCIÓN DE BANCA MÚLTIPLE, GRUPO FINANCIERO BBVA MÉXICO

By: /s/ Ismael De La Garza Plancarte
Name: Ismael De La Garza Plancarte
Title: Attorney-in-fact

By: /s/ Juan German Voss
Name: Juan German Voss
Title: Attorney-in-fact

CITIZENS BANK, N.A.

By: /s/ Christopher Domanico
Name: Christopher Domanico
Title: Senior Vice President

CITY NATIONAL BANK

By: /s/ Brian Myers
Name: Brian Myers
Title: Senior Vice President

CRÉDIT AGRICOLE CORPORATE AND INVESTMENT BANK

By: /s/ Rose Mary Perez
Name: Rose Mary Perez
Title: Managing Director

By: /s/ Jaime Frontera
Name: Jaime Frontera
Title: Managing Director

CREDIT SUISSE AG, NEW YORK BRANCH

By: /s/ Doreen Barr
Name: Doreen Barr
Title: Authorized Signatory

By: /s/ Jessica Gavarkos
Name: Jessica Gavarkos
Title: Authorized Signatory

ING BANK N.V., DUBLIN BRANCH

By: /s/ Barry Fehily
Name: Barry Fehily
Title: Managing Director

By: /s/ Cormac Langford
Name: Cormac Langford
Title: Director

INTESA SANPAOLO S.P.A., NEW YORK BRANCH

By: /s/ Javier Richard Cook
Name: Javier Richard Cook
Title: Managing Director

By: /s/ Alessandro Toigo
Name: Alessandro Toigo
Title: Head of Corporate Desk

SOCIÉTÉ GÉNÉRALE

By: /s/ Richard Bernal
Name: Richard Bernal
Title: Managing Director

SUMITOMO MITSUI BANKING CORPORATION

By: /s/ Luis Fernando Perdigon

Name: Luis Fernando Perdigon

Title: Managing Director & General Manager

MIZUHO BANK LTD.

By: /s/ Brian T. Caldwell
Name: Brian T. Caldwell
Title: Managing Director

HSBC MÉXICO, S.A., INSTITUCIÓN DE BANCA MÚLTIPLE, GRUPO FINANCIERO HSBC

By: /s/ Ines Vargas Barrera
Name: Ines Vargas Barrera
Title: Attorney-in-fact

By: /s/ Sergio Enrique Gallegos David
Name: Sergio Enrique Gallegos David
Title: Attorney-in-fact

CRÉDIT INDUSTRIEL ET COMMERCIAL, LONDON BRANCH

By: /s/ Geoff Murison
Name: Geoff Murison
Title: Director, Corporate Finance

By: /s/ Ben Travers
Name: Ben Travers
Title: Manager, Corporate Finance

INDUSTRIAL AND COMMERCIAL BANK OF CHINA LTD. (PANAMA BRANCH)

By: /s/ Mr. Wu Wan
Name: Mr. Wu Wan
Title: General Manager

BANK OF CHINA LTD. (PANAMA BRANCH)

By: /s/ Qian Hongguang
Name: Qian Hongguang
Title: Executive Vice President

Exhibit 8.1

The following is a list of subsidiaries of CEMEX, S.A.B. de C.V. as of December 31, 2021, including the name of each subsidiary and its country of incorporation.

1	CEMEX Operaciones México, S.A. de C.V.	Mexico
2	CEMEX Energía S.A.P.I. de C.V.	Mexico
3	TEG Energía, S.A. de C.V.	Mexico
4	Servicios Profesionales Cemex, S.A. de C.V.	Mexico
5	Sinergia Deportiva, S.A. de C.V.	Mexico
6	Inmobiliaria Ferri, S.A. de C.V.	Mexico
7	Pro Ambiente, S.A. de C.V.	Mexico
8	Servicios Para La Autoconstrucción, S.A. de C.V.	Mexico
9	CEMEX Concretos, S.A. de C.V.	Mexico
10	CEMEX Internacional, S.A. de C.V.	Mexico
11	Comercializadora Construrama, S.A. de C.V.	Mexico
12	Proveedora Mexicana de Materiales, S.A. de C.V.	Mexico
13	Mercis, S.A. de C.V.	Mexico
14	Construrama Supply, S.A. de C.V.	Mexico
15	CEMEX Transporte, S.A. de C.V.	Mexico
16	Servicios Promexma, S.A. de C.V.	Mexico
17	BIM Infraestructura, S.A. de C.V.	Mexico
18	CEMEX Vivienda, S.A. de C.V.	Mexico
19	RMC Holdings B.V.	The Netherlands
20	CEMEX Ventures B.V.	The Netherlands
21	APO Cement Corporation	Philippines
22	CEMEX Holdings Philippines, Inc.	Philippines
23	Solid Cement Corporation	Philippines
24	CEMEX Asia Holdings Ltd.	Singapore
25	CEMEX Construction Materials Pacific, LLC	USA
26	CEMEX International Trading LLC	USA
27	CEMEX Materials, LLC	USA

28	CEMEX Construction Materials Florida, LLC	USA
29	CEMEX, Inc.	USA
30	CEMEX Finance LLC	USA
31	CEMEX Corp.	USA
32	Transenergy, Inc.	USA
33	CEMEX Holdings, Inc.	USA
34	Sunbelt Investments Inc.	USA
35	CEMEX Global Sourcing, Inc.	USA
36	CEMEX Admix USA, LLC	USA
37	CEMEX Construction Materials South, LLC	USA
38	CEMEX Construction Materials Atlantic, LLC	USA
39	CEMEX Cement of Louisiana, Inc.	USA
40	RMC Pacific Materials, LLC	USA
41	Cement Transit Company	USA
42	CEMEX Nevada, LLC	USA
43	New Line Transport, LLC	USA
44	CEMEX Construction Materials Houston, LLC	USA
45	CEMEX Leasing LLC	USA
46	Readymix Materials Holdings, LLC	USA
47	Twin Mountain Rock Company	USA
48	Guernsey Stone Co.	USA
49	Western Equipment Co.	USA
50	CEMEX Steel Framing, Inc.	USA
51	CEMEX AM Holdings, LLC	USA
52	CEMEX Caribbean, LLC	USA
53	CEMEX SW Florida Limestone Holdings, LLC	USA
54	CEMEX SW Florida Sand Holdings, LLC	USA
55	Hogan Island Limestone, LLC	USA
56	Immokalee Sand, LLC	USA
57	MILI, L.L.C.	USA
58	OXI, L.L.C.	USA

59	Mineral Resource Technologies, Inc.	USA
60	VAPPS, LLC	USA
61	ALC Las Vegas Mining Claims, LLC	USA
62	LV Western Mining Claims, LLC	USA
63	CEMEX Southeast Holdings LLC	USA
64	CEMEX Southeast LLC	USA
65	Ready Mix USA, LLC	USA
66	Cemento Bayano, S.A.	Panama
67	Pavimentos Especializados, S.A.	Panama
68	CEMEX Colombia S.A.	Colombia
69	Cemex Premezclados de Colombia S.A.	Colombia
70	Cemex Transportes de Colombia S.A.	Colombia
71	Central de Mezclas S.A.	Colombia
72	Neoris Colombia S.A.S.	Colombia
73	ZONA FRANCA ESPECIAL CEMENTERA DEL MAGDALENA MEDIO S.A.S. (ZOMAM S.A.S.)	Colombia
74	CEMEX España, S.A.	Spain
75	CEMEX ESPAÑA OPERACIONES, S.L.U.	Spain
76	CEMEX LatamATAM HOLDINGS Holdings, S.A.	Spain
77	CEMEX Jamaica Limited	Jamaica
78	CEMEX (Costa Rica), S.A.	Costa Rica
79	CEMEX Nicaragua, S.A.	Nicaragua
80	CEMEX El Salvador, S.A. de C.V.	Salvador
81	CEMEX Haití	Haiti
82	Assiut Cement Company	Egypt
83	CEMEX Deutschland AG	Germany
84	CEMEX Holdings (Israel) Ltd.	Israel
85	Chemocrete Ltd.	Israel
86	Lime & Stone Production Company Ltd.	Israel
87	Readymix Industries (Israel) Ltd.	Israel
88	Kadmani Readymix Concrete Ltd.	Israel
89	CEMEX UK	UK

90	CEMEX Investments Limited	UK
91	CEMEX UK Operations Limited	UK
92	CEMEX UK Cement Limited	UK
93	CEMEX UK Marine Limited	UK
94	CEMEX Paving Solutions Limited	UK
95	CEMEX UK Materials Limited	UK
96	CEMEX UK Services Limited	UK
97	CEMEX UK Properties Limited	UK
98	RMC Explorations Ltd	UK
99	The Rugby Group Ltd	UK
100	RMC Russell Ltd	UK
101	Mineral And Energy Resources (UK) Limited	UK
102	CEMEX Hrvatska d.d.	Croatia
103	Menkent, S. de R.L. de C.V.	Mexico
104	Cemex de Puerto Rico Inc.	Puerto Rico
105	CEMEX Dominicana, S.A.	Dominican Republic
106	CEMEX Polska Sp. z.o.o.	Poland
107	CEMEX Czech Republic, s.r.o.	Czech Republic
108	CxNetworks N.V.	The Netherlands
109	Neoris N.V.	The Netherlands
110	Sunbulk Shipping Limited	Barbados
111	Cemex LAN Trading Corporation	Barbados
112	Arawak Cement Company Limited	Barbados
113	Cemex France Gestion (Societe Par Actions Simplifiee)	France
114	Gestión Integral de Proyectos S.A.	Guatemala
115	Cementos de Centroamérica, S.A.	Guatemala
116	Cemex Guatemala, S.A.	Guatemala
117	Global Concrete, S.A.	Guatemala
118	CEMEX Perú, S.A.	Peru
119	Cemex Supermix L.L.C.	United Arab Emirates
120	Cemex Topmix L.L.C.	United Arab Emirates

121	Cemex Falcon L.L.C.	United Arab Emirates
122	Lomez International B.V.	The Netherlands
123	Cemex Asia B.V.	The Netherlands
124	Cemex Africa & Middle East Investments B.V.	The Netherlands
125	Interamerican Investments, Inc.	USA
126	Cemex Innovation Holding Ltd.	Switzerland
127	CEMEX Argentina, S.A.	Argentina
128	Trinidad Cement Limited	Trinidad and Tobago
129	Caribbean Cement Company Limited	Jamaica
130	Mustang Re Limited	Bermuda
131	Falcon Re Ltd.	Barbados
132	Apollo Re Ltd.	Barbados
133	Torino Re Ltd.	Barbados
134	CEMEX NY Corporation	USA
135	CEMEX Imports, Inc.	Puerto Rico
136	Cemex Finance Latam B.V.	The Netherlands
137	Louisville Cement Assets Transition Company	USA
138	CEMEX ASIAN SOUTHEAST CORPORATION	The Philippines
139	CCL BUSINESS HOLDINGS, S.L.U. (Sociedad Unipersonal)	Spain
140	Inversiones Secoya, Sociedad Anónima	Nicaragua
141	SUPERQUIMICOS DE CENTROAMERICA, S. A.	Panama
142	TCL Guyana Inc.	Guyana
143	Cemex Luxembourg Holdings S.a.r.l.	Luxembourg

Exhibit 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

CERTIFICATIONS

I, Fernando Ángel 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

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 29, 2022

By: /s/ Fernando Ángel González Olivieri
Fernando Ángel González Olivieri
Chief Executive Officer
CEMEX, S.A.B. de C.V.

Exhibit 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

CERTIFICATIONS

I, Maher Al-Haffar, 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 29, 2022

By: /s/ Maher Al-Haffar

Maher Al-Haffar,
Executive Vice President of Finance and Administration, and Chief Financial Officer
CEMEX, S.A.B. de C.V.

Exhibit 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

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, 2021, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Fernando Ángel González Olivieri, as Chief Executive Officer of the Company, and Maher Al-Haffar, 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.

By: /s/ Fernando Ángel González Olivieri
Name: Fernando Ángel González Olivieri
Title: Chief Executive Officer
Date: April 29, 2022

By: /s/ Maher Al-Haffar
Name: Maher Al-Haffar
Title: Executive Vice President of Finance and Administration, and Chief Financial Officer
Date: April 29, 2022

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.

Exhibit 14.1

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the registration statements (Nos. 333 83962, 333-86090, and 333-128657) on Form S-8 of our reports dated April 29, 2022, with respect to the consolidated financial statements of CEMEX, S.A.B. de C.V. and subsidiaries and the effectiveness of internal control over financial reporting.

/s/ KPMG Cardenas Dosal, S.C.

Monterrey, Nuevo León, México

April 29, 2022

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 "Dodd-Frank 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 various U.S. subsidiaries of the Company during the year ended December 31, 2021. The data was compiled primarily from the data maintained on MSHA's public website, the Mine Data Retrieval System ("MDRS"), as of March 6, 2022. 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
0801000	474 Sand Mine	0	0	0	0	0	125	0	no	no
0800078	Alico Road Quarry	3	0	0	0	0	2362	0	no	no
4102885	Balcones Plant	10	0	0	0	0	153,126	0	no	no
4100994	Balcones Quarry	3	0	0	0	0	52,647	0	no	no
0405701	Black Mountain Quarry	27	0	0	0	1	117,484	0	no	no
0800800	Brooksville Cement Plant	0	0	0	0	0	125	0	no	no
0800024	Brooksville Quarry	0	0	0	0	0	500	1	no	no
0801287	Brooksville South Cement Plant	14	0	0	0	0	107,255	0	no	no
0103539	Brierfield	0	0	0	0	0	250	0	no	no
0402763	Cache Creek Quarry	9	0	0	0	0	9162	0	no	no
0200988	CEMEX - 19th Ave	0	0	0	0	0	125	0	no	no
0200758	CEMEX - Bullhead	1	0	0	0	0	1750	0	no	no
0202606	CEMEX - Camp Verde	0	0	0	0	0	125	0	no	no
0200717	CEMEX – Casa Grande	0	0	0	0	0	125	0	no	no
0202896	CEMEX – Coolidge	1	0	0	0	0	845	0	no	no
0202851	CEMEX - Gray Mountain	0	0	0	0	0	133	0	no	no
0200722	CEMEX - Hwy 95	2	0	0	0	0	974	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
2600789	CEMEX - Paiute Pit	0	0	0	0	0	1500	0	no	no
0202849	CEMEX - Prescott / Fain	1	0	0	0	0	1339	0	no	no
2602082	CEMEX – Sierra Stone Quarry	1	0	0	0	0	1479	0	no	no
0201037	CEMEX – West Plant #72	0	0	0	0	0	125	0	no	no
0202753	CEMEX – West Valley	0	0	0	0	0	250	0	no	no
08800750	Center Hill Mine	1	0	0	0	0	916	0	no	no
4104827	Chico Quarry	6	0	0	0	0	46,731	0	no	no
0400173	Clayton Plant	1	0	0	0	0	1278	0	no	no
0900053	Clinchfield Plant	13	0	0	0	0	57,526	0	no	no
0801271	Davenport Sand Mine	0	0	0	0	0	250	0	no	no
3800127	Deerfield Sand	0	0	0	0	0	271	0	no	no
0100016	Demopolis Plant Cemex Inc	9	0	0	0	0	65,257	0	no	no
0401891	Eliot Plant	0	0	0	0	0	500	0	no	no
0800519	FEC Quarry	0	0	0	0	0	250	0	no	no
0801308	Gator Sand Mine	1	0	0	0	0	555	0	no	no
4000840	Knoxville Cement Plant	6	0	0	0	0	16,573	0	no	no
0801015	Krome Quarry	0	0	0	0	0	375	0	no	no
0801269	Lake Wales Sand Mine	0	0	0	0	0	125	0	no	no
0402843	Lapis Plant	0	1	0	0	0	125	0	no	no
0500344	Lyons Cement Plant Cemex Inc	9	2	0	0	0	113,015	0	no	no
0405216	Lytle Creek Pit	3	0	0	0	0	1962	0	no	no
0800046	Miami Cement Plant^	3	0	0	0	0	22,476	0	no	no
0404140	Moorpark Quarry	0	0	0	0	0	250	0	no	no
0801216	Palmdale Sand Mine	0	0	0	0	0	125	0	no	no
0404869	Redlands Quarry	0	0	0	0	0	250	0	no	no
0401897	Rockfield Plant	0	0	0	0	0	956	0	no	no
0900912	Union Sand Mine	0	0	0	0	0	133	0	no	no
0400281	Victorville Cement Plant	2	0	0	0	0	3395	0	no	no

^ The Company consolidated prior mine ID number 0800918, SCL Quarry, into mine ID number 080046.

(1) The definition of a mine under section 3 of the Mine Act includes the mine, as well as other items used in, or to be used in, or resulting from, the work of extracting minerals, such as land, structures, facilities, equipment, machines, and tools. 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. It should be noted that for purposes of this table, S&S citations that are included in another column, such as Section 104(b) citations, are not also included as Section 104 S&S citations in this column.

(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 on the MDRS and do not necessarily relate to the citations or orders issued by MSHA during the period or to the pending or resolved legal actions reported below. Specific orders or citations may not have had proposed assessments on the MDRS as of the date identified above, and as a result, those citations or orders not yet assessed are not included in this column.

The table below sets forth the total number of reportable legal actions for the twelve months ended December 31, 2021.

Mine ID Number	Mine or Operating Name	Legal Actions Pending as of Last Day of Period (#)(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		
4100994	Balcones Quarry	6	6	0	0	0	0	9	9
4102885	Balcones Plant	8	8	0	0	0	0	8	0
0801287	Brooksville South Cement Plant	0	0	0	1	0	0	0	44
0900053	Clinchfield Plant	0	0	0	0	0	0	0	23

(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 Dodd-Frank Act. This data represents legal action activity as derived from the MDRS on the date identified above

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" and "Legal Actions Resolved During Year" for current reporting period.