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, 2017

OR

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

OR

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

Date of event requiring this shell company report

For the transition period from to

Commission file number 1-14946

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

(Exact name of Registrant as specified in its charter)

CEMEX PUBLICLY TRADED STOCK CORPORATION WITH VARIABLE CAPITAL
(Translation of Registrant's name into English)

United Mexican States
(Jurisdiction of incorporation or organization)

Avenida Ricardo Margáin Zozaya #325, Colonia Valle del Campestre, San Pedro Garza García, Nuevo León, 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	Name of each exchange on which registered
Ordinary Participation Certificates (*Certificados de Participación Ordinarios*), or CPOs, each CPO representing two Series A shares and one Series B share, traded in the form of American Depositary Shares, or ADSs, each ADS representing ten CPOs.	**New York Stock Exchange**

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.

15,085,567,391 CPOs
30,214,469,912 Series A shares (including Series A shares underlying CPOs)
15,107,234,956 Series B shares (including Series B shares underlying CPOs)

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

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

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

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

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

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. ☐

† 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.

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 ☒

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PART I

INTRODUCTION

CEMEX, S.A.B. de C.V. is incorporated as a publicly traded stock corporation with variable capital (*sociedad anónima bursátil de capital variable*) organized under the laws of the United Mexican States ("Mexico"). Except as the context otherwise may require, references in this annual report to "CEMEX," "we," "us" or "our" refer to CEMEX, S.A.B. de C.V. and its consolidated entities. See note 1 to our 2017 audited consolidated financial statements included elsewhere in this annual report.

PRESENTATION OF FINANCIAL INFORMATION

Our consolidated financial statements included elsewhere in this annual report have been prepared in accordance with International Financial Reporting Standards ("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 published by the IASB) to reconcile such financial statements to U.S. Generally Accepted Accounting Principles ("U.S. GAAP").

References in this annual report to "U.S.$" and "Dollars" are to U.S. Dollars, references to "€" are to Euros, references to "£" and "Pounds" are to British Pounds, and, unless otherwise indicated, references to "Ps," "Mexican Pesos" and "Pesos" are to Mexican Pesos. References to "billion" mean one thousand million. References in this annual report to "CPOs" are to CEMEX, S.A.B. de C.V.'s *Certificados de Participación Ordinarios*. The Dollar amounts provided below, unless otherwise indicated elsewhere in this annual report, are translations of Peso amounts at an exchange rate of Ps19.65 to U.S.$1.00, the CEMEX accounting rate (as defined herein) as of December 31, 2017. However, in the case of transactions conducted in Dollars, we have presented the U.S. Dollar amount of the transaction and in most cases, when such amounts are presented in our consolidated financial statements, the corresponding Peso amount is presented in our consolidated financial statements. These translations have been prepared solely for the convenience of the reader and should not be construed as representations that the Mexican Peso amounts actually represent those Dollar amounts or could be converted into Dollars at the rate indicated. Between January 1, 2018 and April 20, 2018, the Mexican Peso appreciated by approximately 6% against the U.S. Dollar, based on the noon buying rate for Pesos. See "Item 3—Key Information—Selected Consolidated Financial Information."

The noon buying rate for Mexican Pesos on December 31, 2017 was Ps19.64 to U.S.$1.00 and on April 20, 2018, was Ps18.61 to U.S.$1.00.

References in this annual report to total debt plus other financial obligations (which include debt under the 2017 Credit Agreement (as defined herein)) do not include debt and other financial obligations of ours held by us. See notes 2.6 and 16.2 to our 2017 audited consolidated financial statements included elsewhere in this annual report for a detailed description of our other financial obligations. Total debt plus other financial obligations differs from the calculation of debt under the 2017 Credit Agreement.

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 3—Key Information—Selected Consolidated Financial Information." The presentation of these non-IFRS measures is not meant to be considered in isolation or as a substitute for our 2017 audited consolidated financial results 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 herein, the terms set forth below mean the following:

- **Aggregates** are sand and gravel, which are mined from quarries. 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 metric tons of gravel and sand.
- **Clinker** is an intermediate cement product made by sintering limestone, clay, and iron oxide in a kiln at around 1,450 degrees Celsius. One metric ton of clinker is used to make approximately 1.1 metric tons of gray portland cement.
- **Gray portland cement**, used for construction purposes, is a hydraulic binding agent with a composition by weight of at least approximately 95% clinker and up to 5% of a minor component (usually calcium sulfate) which, when mixed with sand, stone or other aggregates and water, produces either concrete or mortar.
- **Petroleum coke (pet coke)** is a by-product of the oil refining coking process.
- **Ready-mix concrete** is a mixture of cement, aggregates, and water.
- **Tons** means metric tons. One metric ton equals 1.102 short tons.
- **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

Summary of Most Important Transactions since the 2009 Refinancing

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

On September 17, 2012, CEMEX, S.A.B. de C.V. and certain of its subsidiaries successfully completed the refinancing transactions contemplated by the 2012 Exchange Offer and Consent Request (collectively, the "2012 Refinancing Transaction"), and CEMEX, S.A.B. de C.V. and certain of its subsidiaries entered into (a) an amendment and restatement agreement, dated September 17, 2012 (the "2012 Amendment and Restatement Agreement"), pursuant to which the 2012 Amendment Consents with respect to the 2009 Financing Agreement were given effect, and (b) a facilities agreement, dated September 17, 2012 (as amended from time to time, the "2012 Facilities Agreement"), pursuant to which CEMEX, S.A.B. de C.V. and certain of its subsidiaries were deemed to borrow loans from those Participating Creditors participating in the 2012 Exchange Offer and Consent Request in principal amounts equal to the principal amounts of indebtedness subject to the 2009 Financing Agreement that was extinguished by such Participating Creditors. As a result of the 2012 Refinancing Transaction, Participating Creditors received (i) U.S.$6,155 million in aggregate principal amount of new loans and new private placement notes and (ii) U.S.$500 million aggregate principal amount of the June 2018 U.S. Dollar Notes. In addition, U.S.$525 million aggregate principal amount of loans and private placement notes, which had remained outstanding under the 2009 Financing Agreement as of September 17, 2012, were subsequently repaid in full, as a result of prepayments made in accordance with the 2012 Facilities Agreement.

On September 29, 2014, CEMEX, S.A.B. de C.V. and certain of its subsidiaries entered into a facilities agreement, as amended and restated (the "2014 Credit Agreement") for U.S.$1.35 billion with nine of the main lending banks from its 2012 Facilities Agreement. On November 3, 2014, five additional banks joined the 2014 Credit Agreement as lenders with aggregate commitments of U.S.$515 million, increasing the total amount of the 2014 Credit Agreement from U.S.$1.35 billion to U.S.$1.87 billion (increasing the revolving tranche of the 2014 Credit Agreement proportionally to U.S.$746 million).

On July 30, 2015, CEMEX, S.A.B. de C.V. repaid in full the total amount outstanding of U.S.$1.94 billion under the 2012 Facilities Agreement with new funds from 17 financial institutions, which joined new tranches under the 2014 Credit Agreement.

In February 2016, CEMEX, S.A.B. de C.V. and certain of its subsidiaries launched a consent request to lenders under the 2014 Credit Agreement, pursuant to which lenders were requested to consent to certain amendments to the 2014 Credit Agreement, including certain amendments in relation to the implementation of CEMEX's plan to divest certain assets in the Philippines, certain amendments to financial covenants, and other related technical amendments (together, the "2016 Credit Agreement Amendments"). On March 7, 2016, CEMEX, S.A.B. de C.V. and certain of its subsidiaries obtained the requisite consents from lenders under the 2014 Credit Agreement to make the 2016 Credit Agreement Amendments. The 2016 Credit Agreement Amendments became effective when certain customary conditions precedent were fulfilled on March 17, 2016.

On November 30, 2016, CEMEX, S.A.B. de C.V. prepaid U.S.$373 million outstanding under the 2014 Credit Agreement and corresponding to the September 2017 amortization thereunder. In addition to this prepayment, and as part of an agreement reached with a group of lenders under the 2014 Credit Agreement, U.S.$664 million (Ps13,758 million) of funded commitments under the 2014 Credit Agreement maturing in 2018 were exchanged into a revolving facility, maintaining their original amortization schedule and the same terms and conditions.

On July 19, 2017, CEMEX, S.A.B. de C.V. and certain of its subsidiaries entered into a facilities agreement (the "2017 Credit Agreement") for an amount in different currencies equivalent to U.S.$4.1 billion (in aggregate), the proceeds of which were used to refinance in full the indebtedness incurred under the 2014 Credit Agreement and other debt repayment obligations. As of December 31, 2017, the outstanding indebtedness incurred under the 2017 Credit Agreement was U.S.$2.5 billion. The indebtedness incurred under the 2017 Credit Agreement ranks equally in right of payment with certain of our other existing and future indebtedness, pursuant to the terms of the 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 by an amendment agreement, dated October 31, 2014, and as amended and restated by an amendment and restatement agreement dated on or about July 23, 2015 and an amendment and restatement agreement dated July 19, 2017 (the "Intercreditor Agreement"). As of July 19, 2017, total commitments initially available under the 2017 Credit Agreement included (i) €741 million, (ii) £344 million and (iii) U.S.$2,746 million, out of which U.S.$1,135 million were in the revolving credit facility tranche of the 2017 Credit Agreement. As of December 31, 2017, the 2017 Credit Agreement had an amortization profile, considering all commitments of U.S.$4.1 billion under the 2017 Credit Agreement, of U.S.$583 million in 2020, U.S.$1,166 million in 2021 and U.S.$2,301 million in 2022. See note 16.1 to our 2017 audited consolidated financial statements included elsewhere in this annual report.

CEMEX, S.A.B. de C.V. and certain of its subsidiaries have pledged under pledge agreements or transferred to trustees under a security trust, substantially all the shares of CEMEX México, S.A. de C.V. ("CEMEX México"), Cemex Operaciones México, S.A. de C.V. ("Cemex Operaciones México"), CEMEX TRADEMARKS HOLDING Ltd. ("CTH"), New Sunward Holding B.V. ("New Sunward") and CEMEX España, S.A. ("CEMEX España"), as collateral (together, the "Collateral"), and all proceeds of such Collateral, to secure our obligations under the 2017 Credit Agreement, the Senior Secured Notes (as defined herein) and under a number of other financing arrangements for the benefit of the creditors and holders of debt and other obligations that benefit from provisions in their agreements or instruments requiring that their obligations be equally and ratably secured. These subsidiaries whose shares were pledged or transferred as part of the Collateral collectively own, directly or indirectly, substantially all our operations worldwide. See "Item 3—Key Information—Risk Factors—Risks Relating to Our Business—We pledged the capital stock of subsidiaries that represent substantially all of our business as collateral to secure our payment obligations under the 2017 Credit Agreement, the Senior Secured Notes and other financing arrangements."

Since 2012, CEMEX, S.A.B. de C.V. and certain of its subsidiaries have completed a number of capital markets transactions, the majority of the proceeds of which have been used to repay indebtedness, to improve our liquidity position and for general corporate purposes. The most relevant capital markets transactions we completed consisted of:

- in March 2012, the issuance by CEMEX España, acting through its Luxembourg branch, of U.S.$703,861,000 aggregate principal amount of its 9.875% U.S. Dollar-Denominated Senior Secured Notes Due 2019 (the "April 2019 U.S. Dollar Notes") and €179,219,000 aggregate principal amount of its 9.875% Euro-Denominated Senior Secured Notes Due 2019 (together with the April 2019 U.S. Dollar Notes, the "April 2019 U.S. Dollar and Euro Notes"), in exchange for certain Perpetual Debentures (as defined in "Item 5—Operating and Financial Review and Prospects—Liquidity and Capital Resources—Perpetual Debentures") and 4.75% Notes due 2014 (the "Eurobonds") issued by CEMEX Finance Europe B.V. pursuant to separate private placement exchange offers directed to the holders of Perpetual Debentures and Eurobonds;
- in September 2012, the issuance by CEMEX, S.A.B. de C.V. of U.S.$500 million aggregate principal amount of the June 2018 U.S. Dollar Notes;
- in October 2012, the issuance by CEMEX Finance LLC ("CEMEX Finance") of U.S.$1.5 billion aggregate principal amount of its 9.375% Senior Secured Notes due 2022 (the "October 2022 U.S. Dollar Notes");
- in November 2012, CEMEX Latam Holdings, S.A. ("CEMEX Latam"), a then wholly-owned subsidiary of CEMEX España, completed the sale of newly issued common shares in a concurrent public offering to investors in Colombia and a private placement to eligible investors outside of Colombia (together, the "CEMEX Latam Offering"), representing 26.65% of CEMEX Latam's outstanding common shares. CEMEX Latam's common shares are listed on the Colombian Stock Exchange (*Bolsa de Valores de Colombia S.A.*) under the ticker "CLH". The net proceeds to CEMEX Latam from its public offering were U.S.$960 million after deducting estimated underwriting discounts and commissions, and other estimated offering expenses payable by CEMEX Latam. CEMEX Latam used the net proceeds from the offering to repay a portion of the indebtedness owed to us, which we used for general corporate purposes, including the repayment of indebtedness. As of the date of this annual report, CEMEX Latam is the holding company for CEMEX's most significant operations in Brazil, Colombia, Costa Rica, Guatemala, Nicaragua, Panama and El Salvador. As of December 31, 2017, CEMEX España owned 73.25% of CEMEX Latam's outstanding common shares, excluding shares held in treasury;
- in March 2013, the issuance by CEMEX, S.A.B. de C.V. of U.S.$600 million aggregate principal amount of its 5.875% Senior Secured Notes due 2019 (the "March 2019 U.S. Dollar Notes");
- in August 2013, the issuance by CEMEX, S.A.B. de C.V. of U.S.$1.0 billion aggregate principal amount of its 6.5% Senior Secured Notes due 2019 (the "December 2019 U.S. Dollar Notes");
- in October 2013, the issuance by CEMEX, S.A.B. de C.V. of U.S.$1.0 billion aggregate principal amount of its 7.25% Senior Secured Notes due 2021 (the "January 2021 U.S. Dollar Notes") and U.S.$500 million aggregate amount of its Floating Rate Senior Secured Notes due 2018 (the "October 2018 U.S. Dollar Notes" and, together with the January 2021 U.S. Dollar Notes, the "January 2021 and October 2018 U.S. Dollar Notes");
- in April 2014, CEMEX Finance issued U.S.$1.0 billion aggregate principal amount of its 6.000% U.S. Dollar-Denominated Senior Secured Notes due 2024 (the "April 2024 U.S. Dollar Notes") and €400 million aggregate principal amount of its 5.250% Euro-Denominated Senior Secured Notes due 2021 (the "April 2021 Euro Notes");
- in September 2014, the issuance by CEMEX, S.A.B. de C.V. of U.S.$1.1 billion aggregate principal amount of its 5.7% Senior Secured Notes due 2025 (the "January 2025 U.S. Dollar Notes") and €400 million aggregate principal amount of its 4.750% Senior Secured Notes due 2022 (the "January 2022

Euro Notes" and, together with the January 2025 U.S. Dollar Notes, the "January 2025 U.S. Dollar and January 2022 Euro Notes");

- in October 2014, the private offering by CEMEX, S.A.B. de C.V. of 200,000 Contingent Convertible Units ("CCUs"), each with a stated amount of U.S.$1,000. The proceeds of the CCUs were applied to subscribe for the First March 2020 Optional Convertible Subordinated U.S. Dollar Notes (as defined below), the proceeds of which, in turn, were used to finance payment of U.S.$200 million of the principal amount of its 4.875% Convertible Subordinated Notes due 2015 issued in March 2010 that matured without conversion;
- in March 2015, the issuance by CEMEX, S.A.B. de C.V. of U.S.$750 million aggregate principal amount of its 6.125% Senior Secured Notes due 2025 (the "May 2025 U.S. Dollar Notes") and €550 million aggregate amount of its 4.375% Senior Secured Notes due 2023 (the "March 2023 Euro Notes" and, together with the May 2025 U.S. Dollar Notes, the "May 2025 U.S. Dollar and March 2023 Euro Notes");
- in March 2015, the issuance by CEMEX, S.A.B. de C.V. of U.S.$200 million aggregate principal amount of its 3.72% Convertible Subordinated Notes due March 2020 (the "First March 2020 Optional Convertible Subordinated U.S. Dollar Notes") subscribed with the proceeds of the CCUs;
- in May 2015, a series of private exchange transactions by CEMEX, S.A.B. de C.V. in respect of U.S.$626 million aggregate principal amount of its 3.250% Convertible Subordinated Notes due 2016 issued in March 2011 (the "March 2016 Optional Convertible Subordinated U.S. Dollar Notes") held by certain institutional investors for (i) U.S.$321 million aggregate principal amount of its 3.72% Convertible Subordinated Notes due March 2020 (the "Second March 2020 Optional Convertible Subordinated U.S. Dollar Notes") and, together with the First March 2020 Optional Convertible Subordinated U.S. Dollar Notes, the "March 2020 Optional Convertible Subordinated U.S. Dollar Notes") and (ii) approximately 42 million American Depositary Shares of CEMEX, S.A.B. de C.V. ("ADSs");
- in March 2016, the repayment of the full outstanding amount (U.S.$352 million) of the March 2016 Optional Convertible Subordinated U.S. Dollar Notes;
- in March 2016, the issuance by CEMEX, S.A.B. de C.V. of U.S.$1.0 billion aggregate principal amount of its 7.75% Senior Secured Notes due 2026 (the "April 2026 U.S. Dollar Notes"). A portion of the net proceeds from the offering of the April 2026 U.S. Dollar Notes of U.S.$830 million were used to fund the redemption of the remaining April 2019 U.S. Dollar and Euro Notes, and the remaining net proceeds from the issuance of the April 2026 U.S. Dollar Notes were used to fund the redemption of the remaining June 2018 U.S. Dollar Notes (the "June 2018 U.S. Dollar Notes Redemption");
- in April 2016, CEMEX España, acting through its Luxembourg branch, redeemed the remaining U.S.$603.7 million aggregate principal amount of the April 2019 U.S. Dollar Notes;
- in April 2016, the cancelation of U.S.$217.3 million aggregate principal amount of Perpetual Debentures;
- in May 2016, the cancelation of U.S.$7.8 million and €6.1 million aggregate principal amount of Perpetual Debentures;
- in May 2016, the purchase of U.S.$178.5 million aggregate principal amount of the October 2018 U.S. Dollar Notes and U.S.$218.9 million aggregate principal amount of the December 2019 U.S. Dollar Notes through a cash tender offer (the "May 2016 Tender Offer");
- in June 2016, the issuance by CEMEX Finance of €400 million of 4.625% Senior Secured Notes due 2024 denominated in Euros (the "June 2024 Euro Notes");
- in June 2016, the June 2018 U.S. Dollar Notes Redemption;
- in July 2016, the purchase of U.S.$355.3 million aggregate principal amount of the October 2022 U.S. Dollar Notes through a cash tender offer;

- in July 2016, CEMEX Holdings Philippines, Inc. ("CHP") closed its initial public offering of 45% of its common shares in the Philippines, and 100% of CHP's common shares started trading on the Philippine Stock Exchange under the ticker "CHP." As of December 31, 2017, CEMEX Asian South East Corporation ("CASE"), an indirect subsidiary of CEMEX, S.A.B. de C.V., directly owned 55% of CHP's outstanding common shares. The net proceeds to CHP from its initial public offering were U.S.$507 million after deducting estimated underwriting discounts and commissions, and other estimated offering expenses payable by CHP. CHP used the net proceeds from the initial public offering to repay existing indebtedness owed to BDO Unibank, Inc. ("BDO Unibank") and to an indirect subsidiary of CEMEX, S.A.B. de C.V.;
- in August 2016, the redemption of the remaining March 2019 U.S. Dollar Notes;
- in October 2016, the purchase of U.S.$241.9 million aggregate principal amount of the January 2021 U.S. Dollar Notes through a cash tender offer (the "October 2016 Tender Offer");
- in December 2016, Sierra Trading ("Sierra"), one of CEMEX, S.A.B. de C.V.'s indirect subsidiaries, presented an offer and takeover bid (as amended and revised, the "Offer") to all shareholders of Trinidad Cement Limited ("TCL"), a company then publicly listed in Trinidad and Tobago, Jamaica and Barbados, to acquire up to 132,616,942 ordinary shares in TCL, pursuant to which Sierra offered 5.07 Trinidad and Tobago Dollars ("TT$") in cash per TCL share (the "Offer Price") payable, at the option of shareholders of TCL except for shareholders of TCL in Barbados, in either TT$ or U.S.$ in Trinidad, and Jamaican Dollars or U.S.$ in Jamaica. The Offer Price represented a premium of 50% over the December 1, 2016 closing price of TCL's shares on the Trinidad and Tobago Stock Exchange. The total number of TCL shares tendered and accepted in response to the Offer was 113,629,723 which, together with Sierra's pre-existing shareholding in TCL (147,994,188 shares), represent 69.83% of the outstanding TCL shares. The total cash payment by Sierra for the tendered shares was U.S.$86 million. CEMEX started consolidating TCL for financial reporting purposes on February 1, 2017. In March 2017, TCL de-listed from the Jamaica and Barbados stock exchanges. TCL's subsidiaries include, but are not limited to, Caribbean Cement Company Limited ("CCCL"), a publicly listed company in Jamaica, and Arawak Cement Company Limited ("Arawak"), which as of December 31, 2017, owned cement plants in Jamaica and Barbados, respectively;
- in 2016, the repurchase of U.S.$198.5 million aggregate principal amount of Senior Secured Notes (as defined herein) on the open market (all of which as of the date of this annual report have been canceled);
- in February 2017, CHP announced that it had entered into a senior unsecured Peso term loan facility agreement (the "Facility Agreement") with BDO Unibank for an amount of up to the Philippine Peso denominated amount equal to U.S.$280 million, to refinance a majority of CHP's outstanding long-term loan with New Sunward. The term loan provided by BDO Unibank has a tenor of seven years and consists of a fixed rate tranche and a floating rate tranche. CHP drew the full amount of the term loan during the first quarter of 2017 to repay a portion of its then existing indebtedness as described below;
- in February 2017, CEMEX, S.A.B. de C.V. sold 45,000,000 shares of common stock of Grupo Cementos de Chihuahua, S.A.B. de C.V. ("GCC"), representing 13.53% of the equity capital of GCC, at a price of Ps95 per share in a public offering to investors in Mexico and in a concurrent private placement to eligible investors outside of Mexico. Prior to the GCC shares offerings, CEMEX, S.A.B. de C.V. owned a 23% direct interest in GCC and a minority interest in CAMCEM, S.A. de C.V. ("CAMCEM"), an entity which owns a majority interest in GCC. After the GCC offerings, CEMEX, S.A.B. de C.V. owned a 9.47% direct interest in GCC and a minority interest in CAMCEM. Proceeds from the sale were Ps4,094 million (U.S.$210 million). We used the proceeds of the GCC shares offerings for general corporate purposes;
- in March 2017, the purchase of U.S.$89.9 million aggregate principal amount of the December 2019 U.S. Dollar Notes and U.S.$385.1 million aggregate principal amount of the January 2021 U.S. Dollar Notes through a cash tender offer (the "March 2017 Tender Offer");

- on May 31, 2017, the redemption of the remaining €400 million aggregate principal amount of the April 2021 Euro Notes;
- on June 19, 2017, the conversion of U.S.$325 million aggregate principal amount of the 3.750% Convertible Subordinated Notes due 2018 issued by CEMEX, S.A.B. de C.V. in March 2011 (the "March 2018 Optional Convertible Subordinated U.S. Dollar Notes") in exchange for 43 million ADSs;
- on September 25, 2017, the purchase of U.S.$700.6 million aggregate principal amount of the October 2022 U.S. Dollar Notes through a cash tender offer (the "September 2017 Tender Offer");
- on September 28, 2017, CEMEX, S.A.B. de C.V. sold its then remaining direct interest in GCC, consisting of 31,483,332 shares of common stock of GCC, which represented the remaining 9.47% of the equity capital of GCC previously held by CEMEX, S.A.B. de C.V. Proceeds from the sale were U.S.$168 million (Ps3,012 million), which we used for debt reduction and general corporate purposes;
- on October 12, 2017, the redemption of the remaining U.S.$343.5 million aggregate principal of the October 2022 U.S. Dollar Notes;
- on December 5, 2017, the issuance by CEMEX, S.A.B. de C.V of €650 million of its 2.750% Euro-Denominated Senior Secured Notes due 2024 (the "December 2024 Euro Notes"). A portion of the net proceeds from the offering of the December 2024 Euro Notes was used to fund the redemption of the remaining U.S.$611 million aggregate principal amount of the December 2019 U.S. Dollar Notes on December 10, 2017 (the "December 2019 U.S. Dollar Notes Redemption"), and the remaining net proceeds from the issuance of the December 2024 Euro Notes were used to fund the redemption of the remaining €400 million aggregate principal amount of the January 2022 Euro Notes on January 10, 2018 (the "January 2022 Euro Notes Redemption") and for general corporate purposes;
- on December 10, 2017, the December 2019 U.S. Dollar Notes Redemption; and
- during 2017, we repurchased U.S.$35.4 million aggregate principal amount of the Senior Secured Notes (as defined herein) on the open market (all of which as of the date of this annual report have been canceled).

As of December 31, 2017, our reported total debt plus other financial obligations in our statement of financial position were Ps226,216 million (U.S.$11,512 million) (principal amount Ps231,621 million (U.S.$11,787 million), excluding deferred issuance costs), which does not include Ps8,784 million (U.S.$447 million), which represents the nominal amount of outstanding Perpetual Debentures.

Since the beginning of 2018, we have engaged in the following significant capital markets transactions and debt related activities, which are not reflected in our 2017 audited consolidated financial statements included elsewhere in this annual report:

- on January 10, 2018, the January 2022 Euro Notes Redemption;
- on February 14, 2018, the drawdown of U.S.$377 million aggregate principal amount under the previously undrawn term loan tranche of the 2017 Credit Agreement;
- on February 14, 2018, we agreed, through one of our subsidiaries in the United States, to increase our ownership interest in Lehigh White Cement Company from 24.5% to 36.75%. On March 29, 2018, we closed the acquisition and paid a total of U.S.$34 million.
- on March 15, 2018, the redemption of the full outstanding amount (U.S.$365 million) of the March 2018 Optional Convertible Subordinated U.S. Dollar Notes;
- on March 15, 2018, the redemption of the remaining U.S.$341 million aggregate principal amount of the January 2021 U.S. Dollar Notes;
- during the first quarter of 2018, we conducted drawdowns and repayments under the revolving tranche of the 2017 Credit Agreement, resulting in a principal outstanding amount under the revolving tranche the 2017 Credit Agreement of Ps12,817 million (U.S.$700 million) as of March 31, 2018. In addition, as of March 31, 2018, we had an aggregate amount of Ps7,965 million (U.S.$435 million) available under the revolving tranche of the 2017 Credit Agreement.

We refer to the October 2018 U.S. Dollar Notes, January 2021 U.S. Dollar Notes, March 2023 Euro Notes, April 2024 U.S. Dollar Notes, June 2024 Euro Notes, January 2025 U.S. Dollar Notes, May 2025 U.S. Dollar Notes, April 2026 U.S. Dollar Notes and December 2024 Euro Notes collectively, as the "Senior Secured Notes." For a more detailed description of these transactions, see "Item 5—Operating and Financial Review and Prospects—Summary of Material Contractual Obligations and Commercial Commitments—Senior Secured Notes."

As of March 31, 2018, our total debt plus other financial obligations were Ps210,527 million (U.S.$11,498 million) (principal amount Ps215,726 million (U.S.$11,782 million)), which does not include Ps8,232 million (U.S.$450 million), which represents the nominal amount of Perpetual Debentures.

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, results of operations or financial condition.

Risks Relating To Our Business

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

The economic conditions in some of the countries where we operate have had and may continue to have a material adverse effect on our business, financial condition and results of operations throughout our operations worldwide. Our results of operations are highly dependent on the results of our operating subsidiaries mainly in the United States, Mexico, South, Central America and the Caribbean, Europe, Asia, Middle East and Africa. Accordingly, 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 and results of operations throughout our operations worldwide.

While upside and downside risks to the short-term global economic growth outlook seem to be broadly balanced, we believe the scenario is not risk free. We believe that as of the date of this annual report, the possible main downside concerns include risks of a shift toward protectionist policies in a context of growing trade tensions among the U.S. and China; a possibly sharp tightening of financial conditions and its impact on the global economy, emerging markets, risk aversion, foreign exchange markets, volatility and financial markets; economic vulnerability of emerging market economies; elections in in some Latin American countries, in particular in Mexico; economic and political uncertainties in Europe; China´s economic performance; and geopolitical risks in the Middle East, and other regions experiencing political turmoil, including the current situation in Syria. The materialization of any of these concerns may have and may continue to have a material adverse effect on our business, financial condition and results of operations.

A worsening of trade tensions and the imposition of broader barriers to cross-border trade could not only take a direct toll on economic activity but could also weaken confidence. The recent escalating cycle of trade restrictions and retaliation among the U.S. and China could have negative consequences to the global economy, including the countries in which we operate.

The equity market correction in March 2018 following the U.S. tariff announcement on steel and aluminum and a range of Chinese products, as well as the announcement by China of retaliatory tariffs on imports from the U.S., are examples showing that asset prices can correct rapidly and trigger potentially disruptive portfolio adjustments. Financial conditions that exist of the date of this annual report could tighten sharply and expose vulnerabilities that have accumulated over the years, with potential adverse repercussions for economic growth. High asset valuations, both in emerging and advance economies, and very compressed term premiums raise the possibility of a financial market correction, which could dampen growth and confidence.

The U.S. Federal Reserve System has increased short-term interest rates at a measured pace since December 2015. There is a risk that further interest rate hikes could cause Dollar appreciation, a manufacturing slowdown and economic deceleration on the back of a slower housing investment. However, a slower than warranted pace of increase in interest rates could result in inflation acceleration and the disanchoring of inflation expectations, possibly leading to swift monetary policy tightening and a potential recession in the U.S. The recently legislated tax code overhaul and bipartisan agreement on the federal budget in the U.S. could further add to rising fiscal deficits and unsustainable debt dynamics over the next five years. Also, the current account deficit could increase given the projected impact of the fiscal stimulus on domestic demand in the U.S. High fiscal and current account deficits could affect both economic activity and exchange rates. The U.S. housing sector supply constraints, associated in part with labor shortages, could result in a slower pace of growth in housing starts in the U.S.

In the U.S., continuing federal budget disputes, including delays in passing the 2019 fiscal year budget, could lead to lesser than Fast Act-authorization spending levels in highways and streets. The global market volatility and consumer spending retrenchment in the U.S. trade (North American Free Trade Agreement ("NAFTA"), China tariffs, Trans-Pacific Partnership, etc.), immigration (Deferred Action for Childhood Arrivals, the U.S.-Mexico border wall initiative, etc.) policy uncertainty and geopolitical concerns (heightened tensions between the U.S. with Russia and Iran), could undermine consumer confidence and investment prospects in the U.S. In all, these uncertainties can have a material adverse impact not only to our financial condition, business and results of operations in the U.S., but also worldwide.

Many emerging market economies have gone through bouts of financial volatility over the past few years. Some large commodity exporters and other stressed economies weathered also substantial exchange rate movements. Though it proved short lived for most countries, many countries in this group remain vulnerable to sudden shifts in global market sentiment. There is a risk of new episodes of market volatility, increased risk aversion and capital outflows from emerging markets, which could cause emerging markets currencies to further depreciate. The high level of U.S. Dollar denominated corporate indebtedness in emerging markets constitutes an additional source of instability. Emerging markets would face higher global risk premiums and substantial capital outflows, putting particular pressure on economies with domestic debt imbalances. The risk of contagion effect across emerging markets could be significant and have an adverse effect to our business.

Domestic demand in Mexico is gradually softening and may continue to soften. Any deterioration in the growth perspectives of the U.S. or in the global financial conditions and risk perception could negatively affect Mexico. Regarding NAFTA, an agreement in principle is expected to be reached during 2018, though we cannot rule out a scenario where the NAFTA renegotiation finally do not take place, which could negatively affect investment, foreign exchange rates and confidence in Mexico. Other risks that could negatively affect Mexico are if inflation fails to continue decelerating towards the central banks of Mexico's target range; oil production in Mexico continues strongly declining, dragging mining production in Mexico; manufacturing production does not positively react to a global manufacturing boost; and there is higher than expected domestic demand deceleration.

As of the date of this annual report, Mexico faces a high level of uncertainty with regard to its national presidential elections scheduled to occur in the summer of 2018. The uncertainty about what type of president the candidate that wins the elections would be is a short-term risk that might influence foreign exchange depreciation, capital outflows, and lower levels of investment in Mexico.

In China, the reliance on stimulus measures to maintain high rates of growth continues. Regulators in China have taken important measures to reduce shadow banking and bring financial activity back onto bank balance sheets. However, total credit growth remains high. External triggers, such as a shift toward protectionism in advanced economies or domestic shocks, could lead to a broader tightening of financial conditions in China, possibly exacerbated by capital outflow pressures, with an adverse impact on demand and output. The consequences for emerging market economies of weaker economic performance and increased policy uncertainty in China could be significant.

In Colombia, the correction of macroeconomic imbalances, such as inflation, is making progress, but still needs to advance further. While consumer and producer expectations are gradually recovering, domestic demand remains weak. Activity is expected to improve slightly from the low levels seen in recent years supported by the recovery of external demand, higher oil prices, the effect of lower interest rates and civil works investment. But any deterioration in external demand, global financial conditions or oil prices would negatively affect Colombian activity. Civil works investment, mainly with private financing, could be lower than anticipated and coming presidential elections may generate some uncertainty. The new government would probably face the need of another fiscal reform (to increase revenues).

In Europe, the environment of negative deposit rates is distorting financial markets and creates uncertain consequences for the banking sector. There is a risk that negative rates would erode bank profitability and curb lending across Eurozone borders, creating other systemic risks to European economies. The economic activity in the Eurozone last year outperformed and inflation expectations had recovered, but was still below European Central Bank's (the "ECB") objective. There is a risk that the ECB finish its easing policy too early. Uncertainty about the Euro's performance remains, which could affect our operations in European Union member states.

The Eurozone's economic growth and European integration are challenged by a number of uncertainties, including but not limited to delays in implementing the needed structural reforms in some European countries; unresolved political and financial risks associated with Greece; uncertainty regarding the profitability of the European banking system in general and the Italian banking sector in particular; the process of United Kingdom's exit from the EU; and the ongoing refugee crisis. Also, the renewed popularity of nationalistic policies in Europe is another aftereffect of the financial crisis and its prolonged aftermath. All these factors could impact market confidence and could limit the benefit of the economic tailwinds and monetary policy stimulus for Europe and possibly worldwide.

Regarding our operations in Europe, the United Kingdom's expected exit from the European Union is already affecting financial markets and increasing foreign exchange volatility. The United Kingdom's exit from the European Union is having an adverse impact on its economic activity. The substantial uncertainty about post-Brexit arrangements is weighing on investment and import cost. This situation could impact our business and results of operations in the United Kingdom.

In Spain, the Catalan region conflict has resulted in social unrest, and although it seems to have a transitory impact in the local economy, an escalation of the conflict could affect to the Spanish economy and to the construction sector performance. On the other hand, given that the Spanish national government seems to lack legislative support, early elections cannot be ruled out. These factors could adversely affect our operations and result of operations in Spain.

Significant trade links with western Europe render some of the eastern European countries susceptible to economic and political pressures from western Europe. Additionally, central European countries might experience a reduction in the proceeds they receive from the European Union's structural funds over the coming years, which could hinder infrastructure investment in such countries, and adversely affect our European operations and results of operations.

In the Middle East, political risk could moderate economic growth and adversely affect construction investments. The U.S. recognition of Jerusalem as Israel's capital early this year has increased the tension among Israelis and Palestinians. The conflict between Israel and Palestine continues to generate instability and the overall situation in Syria could worsen. Any escalation of these conflict or social unrest in this region may affect our operations and it cannot be ruled out.

In Egypt, we cannot be certain if the new government that was elected in 2018 will continue to successfully implemented the reforms needed to bring political and economic stability to the country. Any premature easing of monetary policy before inflation expectations are fully anchored, or opposition to reforms by vested interests,

could undermine stabilization efforts in Egypt. External risks relate to a worsening of the security situation that could slow the recovery of tourism, a sustained rise of global oil prices, lower growth in Egypt's main trading partners, or any unexpected tightening of global financial conditions cannot be ruled out. If they materialize, all of this factors could adversely affect our operations in Egypt.

In the Philippines, there are some factors, such as delays on infrastructure projects, local currency weakness, the country's central bank not implementing its policies at a sufficient pace, and investors fatigue, that could adversely affect the country's economy. The current government's foreign policy and the potential change in the constitution towards federalism could have a negative political effect to the country, which could jeopardize the development of the country's infrastructure plan and eventually affect its economic growth, and adversely affect our business in the country.

In general, demand for our products and services is strongly related to construction levels and depends, in large part, on residential and commercial construction activity, as well as private and public infrastructure spending, in almost all of the countries where we operate. Public and private infrastructure spending in countries dependent on revenue generated by the energy sector is exposed to decreases in energy prices. Therefore, decreases in energy prices could affect public and private infrastructure spending which, in turn, could affect the construction industry. Declines in the construction industry are usually correlated with declines in general economic conditions. As a result, deterioration in economic conditions in the countries where we operate could have a material adverse effect on our business, financial condition and results of operations. In addition, we cannot assure you that growth in the gross domestic product of the countries where we operate will translate into a correlated increase in demand for our products.

We are subject to the effects of general global economic and market conditions that are beyond our control. If these conditions remain challenging or deteriorate, our business, financial condition and results of operations could be adversely affected. Possible consequences from macroeconomic global challenges could have an adverse impact on our business, financial condition and results of operations.

Political and social events and possible changes in governmental policies in some of the countries where we operate could have a material adverse effect on our business, financial condition and results of operations.

In recent years, some of the governments in the countries where we operate, such as in the United States, have implemented and may continue to implement significant changes in laws, public policy or regulations that could affect the political, economic and social conditions in the countries where we operate, as well as in other countries. Any such changes may have a material adverse effect on our business, financial condition and results of operations.

Furthermore, national presidential and legislative, as well as state and local, elections have taken place or are scheduled to take place in 2018 in several of the countries where we operate, including Mexico, Colombia, Brazil, and certain countries in Europe, as well as mid-term elections in the United States. In Mexico, national presidential and legislative elections are scheduled to take place in July 2018, with the elected presidential candidate assuming his duties in December 2018, and a presidential election will take place in Colombia in May 2018, with the elected candidate entering office in August 2018. For these countries, as is mostly the case when there is a change in governments, a change in federal government and the political party in control of the legislature in such countries could result in sharp changes to such countries' economic, political or social conditions, and in changes in laws, regulations and public policies, which may contribute to economic uncertainty in some of the countries in which we operate and could also materially impact our business, financial condition 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 occur.

We cannot assure you that political or social developments in the countries where we operate or elsewhere, such as the election of new administrations, changes in laws, public policy or regulations, political

disagreements, civil disturbances and the rise in violence and perception of violence, will not have a corresponding material adverse effect on the countries in which we operate, on global financial markets, or on our business, financial condition, results of operations.

The 2017 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.

The 2017 Credit Agreement requires us to comply with several financial ratios and tests, including (i) a minimum consolidated coverage ratio of EBITDA to interest expense (including interest accrued on Perpetual Debentures and cash payments on preferred stock) and (ii) a maximum consolidated leverage ratio of total debt (including Perpetual Debentures and guarantees, excluding convertible/exchangeable obligations, the principal amount of subordinated optional convertible securities and finance leases and plus or minus the fair value of derivative financial instruments, among other adjustments) to EBITDA (in each case, as described in the 2017 Credit Agreement). The calculation and formulation of EBITDA, interest expense, total debt, the consolidated coverage ratio and the consolidated leverage ratio are set out in the 2017 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 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 on our regulatory matters and legal proceedings. The 2017 Credit Agreement requires us to comply with a minimum consolidated coverage ratio of EBITDA to interest expense (including interest accrued on Perpetual Debentures and cash payments on preferred stock), for the following periods, measured quarterly, of not less than (i) 2.50:1 for each 12-month period ending on December 31, 2017, March 31, 2018, June 30, 2018, September 30, 2018, December 31, 2018, March 31, 2019, June 30, 2019, September 30, 2019, December 31, 2019 and March 31, 2020 and (ii) 2.75:1 for the 12-month period ending on June 30, 2020 and on each subsequent quarterly date. In addition, the 2017 Credit Agreement requires us to comply with a maximum consolidated leverage ratio of total debt (including Perpetual Debentures and guarantees, excluding convertible / exchangeable obligations, the principal amount of subordinated optional convertible securities and finance leases and plus or minus the fair value of derivative financial instruments, among other adjustments) to EBITDA for the following periods, measured quarterly, not to exceed (i) 5.25:1 for the 12-month period ending December 31, 2017 and the 12-month period ending on March 31, 2018, (ii) 5.00:1 for the 12-month period ending June 30, 2018 and the 12-month period ending September 30, 2018, (iii) 4.75:1 for the 12-month period ending December 31, 2018 and the 12-month period ending March 31, 2019, (iv) 4.50:1 for each 12-month period ending June 30, 2019, September 30, 2019, December 31, 2019 and March 31, 2020 and (v) 4.25:1 for the 12-month period ending June 30, 2020 and on each subsequent quarterly date. For the period ended December 31, 2017, we reported to the lenders under the 2017 Credit Agreement a consolidated coverage ratio of 3.46 and a consolidated leverage ratio of 3.85, each as calculated pursuant to the 2017 Credit Agreement. See "Item 5—Operating and Financial Review and Prospects—Liquidity and Capital Resources—Our Indebtedness."

Pursuant to the 2017 Credit Agreement, we are limited in relation to making aggregate annual capital expenditures in excess of U.S.$1 billion in any financial year (excluding certain capital expenditures, joint venture investments and acquisitions to be made by each of CEMEX Latam and/or CHP and their respective subsidiaries, and those funded by Relevant Proceeds (as defined in the 2017 Credit Agreement)), which capital expenditures, joint venture investments and acquisitions at any time then incurred are subject to a separate aggregate limit of (a) U.S.$500 million (or its equivalent) for each of CEMEX Latam and its subsidiaries and (b) U.S. $500 million (or its equivalent) for each of CHP and its subsidiaries. In addition, in each case, the amounts of which we and our subsidiaries are allowed for permitted acquisitions and investments in joint ventures cannot exceed certain thresholds as set out in the 2017 Credit Agreement.

We are also subject to a number of negative covenants under the 2017 Credit Agreement that, among other things, restrict or limit (subject to certain exceptions) our ability and the ability of each obligor (as defined in the

2017 Credit Agreement) to: (i) create liens, (ii) incur additional debt, (iii) change our business or the business of any obligor (as defined in the 2017 Credit Agreement, taken as a whole), (iv) enter into mergers, (v) enter into agreements that restrict our subsidiaries' ability to pay dividends or repay intercompany debt, (vi) acquire assets, (vii) enter into or invest in joint venture agreements, (viii) dispose of certain assets, (ix) grant additional guarantees or indemnities, (x) declare or pay cash dividends or make share redemptions, and (xi) enter into certain derivatives transactions.

The 2017 Credit Agreement also contains a number of affirmative covenants that, among other things, require us to provide periodic financial information to our creditors. Pursuant to the 2017 Credit Agreement, a number of covenants and restrictions will, if CEMEX so elects, cease to apply (including the capital expenditure limitations mentioned above) or become less restrictive if (i) our consolidated leverage ratio for the two most recently completed quarterly testing periods is less than 3.75:1; or, for the three most recently completed quarterly testing periods, our consolidated leverage ratio for the first and third of those quarterly testing periods is 3.75:1 or less and in the second quarterly testing period would have been 3.75:1 or less but for the proceeds of certain permitted financial indebtedness being included in the calculation of debt and (ii) no default under the 2017 Credit Agreement is continuing. At that point, the existing consolidated coverage ratio and consolidated leverage ratio tests will be replaced by a requirement that the consolidated leverage ratio must not exceed 4.25:1 and consolidated coverage ratio must not be less than 2.75:1. However, we cannot assure you that we will be able to meet the conditions for these restrictions to cease to apply prior to the final maturity date under the 2017 Credit Agreement.

The 2017 Credit Agreement contains events of default, some of which may occur and are outside of our control. Such events of default include defaults (subject to certain exceptions) and grace periods, based on (i) non-payment, (ii) material inaccuracy of representations and warranties, (iii) breach of covenants, (iv) bankruptcy (*quiebra*) or insolvency (*concurso mercantil*) of CEMEX, S.A.B. de C.V., any other obligor under the 2017 Credit Agreement or any other of our material subsidiaries (as defined in the 2017 Credit Agreement), (v) inability to pay debts as they fall due or by reason of actual financial difficulties, suspension or threatened suspension of payments on debts exceeding U.S.$50 million or commencement of negotiations to reschedule debt exceeding U.S.$50 million, (vi) a cross-default in relation to financial indebtedness in excess of U.S.$50 million, (vii) certain changes to the ownership of any of the obligors under the 2017 Credit Agreement, (viii) enforcement of any security against an obligor or material subsidiary, (ix) any attachment, distress or execution affects any asset of an obligor or material subsidiary, (x) restrictions not in effect on July 19, 2017 are imposed that limit the ability of obligors to transfer foreign exchange for purposes of performing material obligations under the 2017 Credit Agreement, (xi) any material adverse change arising in the financial condition of CEMEX, which creditors representing two thirds or more of the total commitments under the 2017 Credit Agreement determine would result in our failure, taken as a whole, to perform payment obligations under the 2017 Credit Agreement, and (xii) it becomes unlawful for us to comply with its laws or our obligations under the 2017 Credit Agreement. If an event of default occurs and is continuing, upon the authorization of creditors representing two thirds or more of the total commitments under the 2017 Credit Agreement, the agent has the ability to accelerate all outstanding amounts due under the 2017 Credit Agreement. Acceleration is automatic in the case of insolvency.

We cannot assure you that in the future we will be able to comply with the restrictive covenants and limitations contained in the 2017 Credit Agreement. Our failure to comply with such covenants and limitations could result in an event of default, which could materially and adversely affect our business, financial condition and results of operation.

We pledged the capital stock of some of our subsidiaries that represent substantially all of our business as collateral to secure our payment obligations under the 2017 Credit Agreement, the indentures governing our outstanding Senior Secured Notes and other financing arrangements.

In connection with the 2017 Credit Agreement, we pledged under pledge agreements or transferred to trustees under a security trust, the Collateral and all proceeds of the Collateral, to secure our obligations under the

2017 Credit Agreement, our Senior Secured Notes (as defined herein) and under a number of other financing arrangements for the benefit of the creditors and holders of debt and other obligations that benefit from provisions in their agreements or instruments requiring that their obligations be equally and ratably secured.

As of December 31, 2017, the Collateral and all proceeds of such Collateral secured (i) Ps184,226 million (U.S.$9,377 million) (principal amount Ps185,969 million (U.S.$9,464 million)) aggregate principal amount of debt under the 2017 Credit Agreement, our Senior Secured Notes and other financing arrangements and (ii) Ps8,784 million (U.S.$447 million) aggregate principal amount of Perpetual Debentures. These subsidiaries whose shares are part of the Collateral collectively own, directly or indirectly, substantially all of our operations worldwide. Provided that no default has occurred which is continuing under the 2017 Credit Agreement, the Collateral will be released automatically if we meet specified financial covenant targets in accordance with the terms of the Intercreditor Agreement.

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, 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, 2017, our total debt plus other financial obligations were Ps226,216 million (U.S.$11,512 million) (principal amount Ps231,621 million (U.S.$11,787 million)), which does not include Ps8,784 million (U.S.$447 million), which represents the nominal amount of Perpetual Debentures. Of such total debt plus other financial obligations amount, Ps36,335 million (U.S.$1,849 million) (principal amount Ps36,061 million (U.S.$1,835 million)) matures during 2018; Ps1,118 million (U.S.$57 million) (principal amount Ps4,874 million (U.S.$248 million)) matures during 2019; Ps21,002 million (U.S.$1,069 million) (principal amount Ps21,256 million (U.S.$1,082 million)) matures during 2020; Ps27,550 million (U.S.$1,402 million) (principal amount Ps27,638 million (U.S.$1,407 million)) matures during 2021; and Ps140,212 million (U.S.$7,135 million) (principal amount Ps141,792 million (U.S.$7,216 million)) matures after 2021.

If we are unable to comply with our principal maturities under certain of our indebtedness, or refinance or extend maturities of certain of our indebtedness, our debt could be accelerated. Acceleration of our debt would have a material adverse effect on our business, financial condition and results of operations. As a result of the restrictions under the 2017 Credit Agreement, the indentures that govern our outstanding Senior Secured Notes and other debt instruments, the current global economic environment and uncertain market conditions, we may not be able to, if we need to do so to repay our indebtedness, complete asset sales on terms that we find economically attractive or at all. Volatility in the credit and capital markets could significantly affect us due to its effect on the availability of funds to potential acquiring parties, including industry peers. In addition, high levels of consolidation in our industry in some jurisdictions may further limit potential assets sales to interested parties due to antitrust considerations. If we need to sell assets to repay our indebtedness but are unable to complete asset sales and our cash flow or capital resources prove inadequate, we could face liquidity problems and may not be able to comply with financial covenants and payment obligations under our indebtedness.

In addition, our levels of debt, contractual restrictions and our need to deleverage may limit our planning flexibility and our ability to react to changes in our business and the industry, and may place us at a competitive disadvantage compared to competitors who may have no need to deleverage or who may have lower leverage ratios and fewer contractual restrictions. There can also be no assurance that, because of our leverage ratio and contractual restrictions, we will be able to maintain our operating margins and deliver financial results comparable to the results obtained in the past under similar economic conditions. Also, there can be no assurance that we will be able to implement our business strategy and improve our results and sales, which could affect our ability to comply with our payment obligations under our debt agreements and instruments.

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

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

As of December 31, 2017, we had U.S.$576 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, if needed, roll over or renew these programs, which could adversely affect our liquidity.

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 CEMEX, S.A.B. de C.V.'s CPOs and ADSs. If current economic pressures continue or worsen, we may be dependent on the issuance of equity as a source to repay our existing indebtedness. Although we have been able to raise debt, equity and equity-linked capital in the recent past, conditions in the capital markets could be such that traditional 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 successfully raise additional debt and/or equity capital on terms that are favorable to us or at all.

We have historically, when needed, 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 could be affected by global economic conditions and volatility in foreign exchange rates and the financial and capital markets, among other factors. If necessary, we may need to seek waivers or amendments to one or more of our debt agreement or debt instruments in the future. However, we cannot assure you that any future waivers or amendments, if requested, 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 agreement and/or instruments could be accelerated. Acceleration of these debt agreements and/or instruments would have a material adverse effect on our business and financial condition.

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

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

As of March 31, 2018, there were U.S.$4,124 million and €1,600 million aggregate principal amount of then-outstanding Senior Secured Notes outstanding under the indentures governing such notes. Mostly all of the indentures governing our outstanding Senior Secured Notes and the other instruments governing our consolidated indebtedness impose significant operating and financial restrictions on us. These restrictions will limit our ability, among other things, to: (i) incur debt; (ii) pay dividends on stock; (iii) redeem stock or redeem subordinated debt; (iv) make investments; (v) sell assets, including capital stock of subsidiaries; (vi) guarantee indebtedness; (vii) enter into agreements that restrict dividends or other distributions from restricted subsidiaries; (viii) enter into transactions with affiliates; (ix) create or assume liens; (x) engage in mergers or consolidations; and (xi) enter into a sale of all or substantially all of our assets.

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

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

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

Furthermore, upon the occurrence of any event of default under the 2017 Credit Agreement, the indentures governing our outstanding Senior Secured Notes or any of our other debt, the lenders could elect to declare all amounts outstanding thereunder, together with accrued interest, to be immediately due and payable. If the lenders accelerate payment of those amounts, we cannot assure you that our assets would be sufficient to repay in full those amounts or to satisfy our other liabilities.

In addition, in connection with the entry into new financings or amendments to existing financing arrangements and 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.

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

Aside from operating certain assets in Mexico, CEMEX, S.A.B. de C.V. is a holding company that owns the stock of its direct 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 generally make other payments, depends on the continued transfer to it of dividends and other income and funds from its wholly-owned and non-wholly-owned subsidiaries. Even though our debt agreements and instruments restrict us from entering into any agreement or arrangement that limits the ability of any subsidiary of CEMEX, S.A.B. de C.V. to declare or pay dividends or repay or capitalize intercompany indebtedness, the ability of CEMEX, S.A.B. de C.V.'s subsidiaries to pay dividends and make other transfers to it is subject to various regulatory, contractual and legal constraints of the countries in which we operate. The 2017 Credit Agreement restricts CEMEX, S.A.B. de C.V.'s ability to declare or pay cash dividends. In addition, the indentures governing our outstanding Senior Secured Notes also limit CEMEX, S.A.B. de C.V.'s ability to pay dividends.

The ability of CEMEX, S.A.B. de C.V.'s direct and indirect subsidiaries to pay dividends, and make loans and other transfers to it is generally subject to various regulatory, legal and economic limitations. Depending on the jurisdiction of organization of the relevant subsidiary, such limitations may include solvency and legal reserve requirements, dividend payment restrictions based on interim financial results or minimum net worth and withholding taxes on loan interest payments. For example, our subsidiaries in Mexico are subject to Mexican legal requirements, which provide that a corporation may declare and pay dividends only out of the profits reflected in the year-end financial statements that are or have been approved by its stockholders. In addition, such payment can be approved by a subsidiary's stockholders only after the creation of a required legal reserve (equal to one fifth of the relevant company's capital) and compensation or absorption of losses, if any, incurred by such subsidiary in previous fiscal years.

CEMEX, S.A.B. de C.V. may also be subject to exchange controls on remittances by its subsidiaries from time to time in a number of jurisdictions. In addition, CEMEX, S.A.B. de C.V.'s ability to receive funds from

these subsidiaries may be restricted by covenants in the debt instruments and other contractual obligations of those entities.

CEMEX, S.A.B. de C.V. currently does not expect that existing regulatory, legal and economic restrictions on its current direct and indirect subsidiaries' ability to pay dividends and make loans and other transfers to it will negatively affect its ability to meet its cash obligations. However, the jurisdictions of organization of CEMEX, S.A.B. de C.V.'s current direct or indirect subsidiaries, or of any future subsidiary, 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. to service the majority of its debt payments. Any material additional future limitations on our subsidiaries could adversely affect CEMEX, S.A.B. de C.V.'s ability to service our debt and meet its other cash obligations.

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

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

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

A substantial portion of our total debt plus other financial obligations is denominated in Dollars. As of March 31, 2018, our debt plus other financial obligations denominated in Dollars represented 65% of our total debt plus other financial obligations, which does not include U.S.$371 million of Dollar-denominated Perpetual Debentures. Our Dollar-denominated debt must be serviced with funds generated by CEMEX, S.A.B. de C.V.'s direct and indirect subsidiaries. Although we have substantial operations in the U.S., we continue to strongly rely on our non-U.S. assets to generate revenues to service our Dollar-denominated debt. Consequently, we have to use revenues generated in Mexican Pesos, Euros or other currencies to service our Dollar-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, Euro, British Pound, Colombian Peso, Philippine Peso or any of the other currencies of the countries in which we operate, compared to the U.S. Dollar, could adversely affect our ability to service our Dollar-denominated debt. In 2017, our operations in Mexico, the United Kingdom, France, Germany, Spain, Poland, the Rest of Europe (as described in "Item 4—Information on the Company—Business Overview"), Colombia, Costa Rica, Caribbean TCL, the Philippines, Egypt, the Rest of Asia, Middle East and Africa (as described in "Item 4—Information on the Company—Business Overview"), which are our main non-Dollar-denominated operations, together generated 61% of our total net sales in Mexican Peso terms (21%, 7%, 6%, 4%, 2%, 2%, 3%, 4%, 1%, 2%, 3%, 1% and 5%, respectively) before eliminations resulting from consolidation. In 2017, 24% of our net sales in Mexican Peso terms were generated in the United States. During 2017, the Mexican Peso appreciated 5% against the U.S. Dollar, the Euro appreciated 12% against the U.S. Dollar and the British Pound appreciated 9% against the U.S. Dollar. Currency hedges that we may be a party to or may enter 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 Mexican Peso and other currencies, as those fluctuations influence the amount of our indebtedness when translated into Mexican Pesos and also result in foreign exchange gains and losses as well as gains and losses on derivative contracts, including those entered into to hedge our exchange rate exposure. For a description of these restrictions, see "Item 3—Key Information—Risk Factors—Risks Relating to Our Business—Our use of derivative instruments has negatively affected, and any new derivative financial instruments could negatively affect, our operations, especially in volatile and uncertain markets."

In addition, as of March 31, 2018, our Euro-denominated total debt plus other financial obligations represented 25% of our total debt plus other financial obligations, which does not include the €64 million aggregate principal amount of Euro-denominated Perpetual Debentures.

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

We have used, and may continue to use, derivative financial instruments to manage the risk profile associated with interest rates and currency exposure of our debt, to reduce our financing costs, to access alternative sources of financing and to hedge some of our financial 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.

As of December 31, 2017, our derivative financial instruments consisted of equity forwards on third party shares, foreign exchange forward contracts, interest rate derivatives related to energy projects and fuel price hedging, which had an impact on our financial position. The fair value changes of our derivative financial instruments are reflected in our income statement, which could introduce volatility in our controlling interest net income and our related ratios. For the years ended December 31, 2016 and 2017, the recognition of changes in the fair value of derivative financial instruments during the applicable period represented net gains of Ps317 million (U.S.$17 million) and net gains of Ps161 million (U.S.$9 million), respectively.

For the majority of the last ten years, CEMEX has significantly decreased its use of derivatives instruments related to debt, both currency and interest rate derivatives, thereby reducing the risk of cash margin calls. However, 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 cover such margin calls. If we enter into new derivative financial instruments, we may incur net losses and be subject to margin calls in which the cash required to cover margin calls may be substantial and may reduce the funds available to us for our operations or other capital needs. In addition, as with any derivative position, CEMEX assumes the creditworthiness risk of the counterparty, including the risk that the counterparty may not honor its obligations to us.

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

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

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

We require various approvals, licenses, permits and certificates in the conduct of our business. We cannot assure you that we will not encounter significant problems in obtaining new or renewing existing approvals, licenses, permits and certificates required in the conduct of our business, or that we will continue to satisfy the conditions to which such approvals, licenses, permits and certificates 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. If previously obtained approvals, licenses, permits and certificates are revoked and/or if we fail to obtain and/or maintain the necessary approvals, licenses, permits and certificates required for the conduct of our business, we may be required to incur substantial costs or temporarily suspend 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, results of operations and prospects.

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. While we are not dependent on our suppliers and while we try to secure the supply of the required materials through long-term renewable contracts and framework agreements, which ensure better management of supplies, short-term contracts are however entered into in certain countries where we operate. Should existing suppliers cease operations or reduce or eliminate production of these by-products, or should laws and/or regulations in any region or country limit the access to these materials, sourcing costs for these materials could increase significantly or require us to find alternative sources for these materials, which could have a material adverse effect on our business, financial condition, results of operations and prospects. Additionally, 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 costs and results of operations.

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

Even though we have not made any major acquisitions in recent years, our ability to realize the expected benefits from acquisitions depends, in large part, on our ability to integrate acquired operations with our existing operations in a timely and effective manner. These efforts may not be successful. Although we have had disposed of assets in the past through our recently concluded divestment program to reduce our overall leverage, the 2017 Credit Agreement and other debt instruments restrict our ability to acquire assets, and we may in the future acquire new operations and integrate such operations into our existing operations, and some of such acquisitions may have a material impact on our business, financial condition and results of operations. We cannot assure you that we will be successful in identifying or acquiring suitable assets in the future, or that the terms under which we may acquire any assets in the future would be favorable to us. If we fail to achieve the anticipated cost savings from any acquisitions, our business, financial condition and results of operations could be materially and adversely affected.

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

Electric energy and fuel costs represent an important part of our overall cost structure. The price and availability of electric energy and fuel are generally subject to market volatility and, therefore, may have an adverse impact on our costs and operating results. Furthermore, 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 certain contractual commitments. In addition, governments in

several of the countries where we operate are working to reduce energy subsidies, introduce clean energy obligations or impose new excise taxes, which could further increase energy costs, which could adversely affect us.

Furthermore, 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 increase our energy and fuel costs and could have a material adverse effect on our business, financial condition and results of operations.

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

Materials such as plastic, aluminum, ceramics, glass, wood and steel can be used in construction as a substitute for cement, concrete or aggregates. In addition, other construction techniques, such as the use of dry wall, 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 cement, concrete and/or aggregates. Further, 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 and prices for our products.

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

The markets in which we operate are highly competitive and are served by a variety of established companies with recognized brand names, as well as new market entrants and increasing imports. Companies in these markets compete based on a variety of factors, often employing aggressive pricing strategies to gain market share. Our ability to increase our net sales depends, in part, on our ability to compete effectively. We compete with different types of companies and based on different factors in each market. For example, in the relatively consolidated cement and ready-mix concrete industries, we generally compete based on quality and value proposition available to our clients. In the more fragmented market for aggregates, we generally compete based on capacity and our price for our products. In certain areas of the markets in which we compete, some of our competitors may be more established, benefit from greater brand recognition or have greater manufacturing and distribution channels and other resources than we do. In addition, if our competitors were to combine, they may be able to compete more effectively with us and they may dispose of assets, which could lead to new market entrants that increase competition in our markets. For example, Lafarge, S.A. (“Lafarge”) and Holcim Ltd. (“Holcim”) finalized their merger in 2015, and Ireland’s CRH plc (“CRH”) acquired the vast majority of the assets disposed by Lafarge and Holcim pursuant to the requirements of regulators. Another example is HeidelbergCement AG’s (“Heidelberg”) acquisition of Italcementi S.p.A. (“Italcementi”), which was completed in July 2016.

If we are not able to compete effectively, we may lose substantial market share, our net sales 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 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 if market or industry conditions deteriorate further, additional impairment charges may be recognized.

Our 2017 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 when impairment indicators exist or at least once a year during the fourth quarter of each year, by

determining the recoverable amount of the groups of cash-generating units to which goodwill balances have been allocated, which consists 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 cash-generating units to which goodwill has been allocated. An impairment loss is recognized under IFRS if the recoverable amount is lower than the net book value of the groups of cash-generating units to which goodwill has been allocated within other expenses, net. We determine the discounted amount of estimated future cash flows over periods of five years. In specific circumstances, when, according to our experience, actual results for a given cash-generating unit do not fairly reflect historical performance and most external economic variables provide us with confidence that a reasonably determinable improvement in the mid-term is expected in their operating results, management uses cash flow projections over a period of up to ten years, to the point in which future expected average performance resembles the historical average performance and to the extent we have detailed, explicit and reliable financial forecasts and is confident and can demonstrate its ability, based on past experience, to forecast cash flows accurately over that longer period. If the value in use of a group of cash-generating units to which goodwill has been allocated is lower than its corresponding carrying amount, we determine its corresponding fair value using methodologies generally accepted in the markets to determine the value of entities, such as multiples of Operating EBITDA and/or by reference to other market transactions, among others. Impairment tests are significantly sensitive to, among other factors, the estimation of future prices of our products, trends in operating expenses, local and international economic trends in the construction industry, the long-term growth expectations in the different markets, as well as the discount rates and the growth rates in perpetuity applied, among others. We use specific pre-tax discount rates for each group of cash-generating units to which goodwill is allocated, which are applied to pre-tax cash flows. The amounts of estimated undiscounted cash flows are significantly sensitive to the growth rates in perpetuity applied. Likewise, the amounts of discounted future cash flows are significantly sensitive to the weight average cost of capital (discount rate) applied. The higher the growth rate in perpetuity applied, the higher the amount of undiscounted future cash flows by group of cash-generating units obtained. Conversely, the higher the discount rate applied, the lower the amount of discounted estimated future cash flows by group of cash-generating units obtained. During the last quarters of each of 2015, 2016 and 2017, we performed our annual goodwill impairment test. For the years ended as of December 31, 2015 and 2016, we did not determine any goodwill impairments. During 2017, in connection with our operating segment in Spain and considering the uncertainty over the improvement indicators affecting the country's construction industry (and consequently the expected consumption of cement, ready-mix concrete and aggregates), partially a result of the country's complex prevailing political environment, which results in limited expenditure in infrastructure projects, as well as the uncertainty in the expected price recovery and the effects of increased competition and imports, our management considered a future reduction of the related cash flows projections from 10 to five years and determined that the net book value of our operating segment in Spain exceeded the amount of the net present value of projected cash flows by Ps1,920 million (U.S.$98 million). As a result, we recognized a goodwill impairment in the aforementioned amount as part of "Other expenses, net" in the income statement against the related goodwill balance. See note 15.2 to our 2017 audited consolidated financial statements included elsewhere in this annual report.

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

We are subject to litigation proceedings, including government investigations relating to corruption related matters and antitrust proceedings, that could harm our business if an unfavorable ruling were to occur.

From time to time, we are and may become involved in litigation and other legal or administrative proceedings relating to claims arising from our operations, either in the normal course of business or not. As described in, but not limited to, "Item 4—Information on the Company—Regulatory Matters and Legal Proceedings," we are currently subject to a number of significant legal proceedings, including, but not limited to,

those relating to an SEC investigation concerning a new cement plant being built by CEMEX Colombia, S.A. ("CEMEX Colombia") in the Antioquia department of the Municipality of Maceo, Colombia, as well as an investigation from the U.S. 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 proceeding, 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 will not 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 and results of operations.

We have concluded that our internal control over financial reporting was not effective as of December 31, 2017, and our remediation efforts are ongoing. As a result, our ability to report our results of operations accurately, including our ability to make required filings with government authorities, may be adversely affected if our remediation efforts are not adequate. In addition, the trading price of our securities may be adversely affected by a related negative market reaction.

We have identified a material weakness in our internal control over financial reporting. Our management, including CEMEX, S.A.B. de C.V.'s Chief Executive Officer and Executive Vice President of Finance and Chief Financial Officer, has concluded that our disclosure controls and procedures were not effective as of December 31, 2017 to achieve their intended objectives. We have identified the following material weakness in our internal control over financial reporting: our risk assessment process did not operate effectively to implement controls that would prevent, or detect and correct, misstatements resulting from apparent collusion or management override of controls in relation to significant unusual transactions. In addition, we did not design and operate effective monitoring controls to detect non-compliance with our policies related to the financial reporting of significant unusual transactions. This material weakness relates, in part, to the previously disclosed irregular payments to a non-governmental individual made in connection with the construction by CEMEX Colombia of a new integrated cement plant in the Antioquia department near the municipality of Maceo, Colombia (the "Maceo Project"). As of December 31, 2017, the implementation of our remediation plan to address this material weakness was not far enough advanced to provide a sufficient level of assurance that such circumvention or override of controls and misuse of funds by management would be prevented. For more information, see "Item 15—Controls and Procedures." As of the date of this annual report, the process of designing, implementing and validating remedial measures related to the material weakness is ongoing. If our efforts to remediate this material weakness are not successful, we may be unable to report our results of operations accurately and make our required filings with government authorities, including the SEC. Furthermore, our business and operating results and the price of our securities may be adversely affected by related negative market reactions. We cannot be certain that in the future additional material weaknesses will not exist or otherwise be discovered.

Our operations are subject to environmental laws and regulations.

Our operations are subject to a broad range of environmental laws and regulations in each of the jurisdictions in which we operate. These laws and regulations impose stringent environmental protection standards regarding, among other things, air emissions, wastewater discharges, the use and handling of hazardous waste or materials, waste disposal practices and the remediation of environmental damage or contamination. These laws and regulations expose us to the risk of substantial environmental costs and liabilities, including fines and other sanctions, the payment of compensation to third parties, remediation costs and damage to reputation. Moreover, the enactment of stricter laws and regulations, stricter interpretation of existing laws or regulations, or new enforcement initiatives, may impose new risks or costs on us or result in the need for additional investments in pollution control equipment, which could result in a material decline in our profitability.

In late 2010, the U.S. Environmental Protection Agency ("EPA") issued the final Portland Cement National Emission Standard ("Portland Cement NESHAP") for Hazardous Air Pollutants under the federal Clean Air Act ("CAA"). This rule required Portland cement plants to limit mercury emissions, total hydrocarbons, hydrochloric acid and particulate matter by September 2013. The rule was challenged in federal court, and in December 2011, the D.C. Circuit Court of Appeals remanded the Portland Cement NESHAP to EPA and directed the agency to recompute the standards. In February 2013, EPA issued a revised final Portland Cement NESHAP rule that relaxed emissions limits for particulate matter and moved the compliance deadline to September 2015. In April 2013, environmental groups again challenged the revised Portland Cement NESHAP rule in federal court. In April 2014, the D.C. Circuit issued a ruling upholding both the revised particulate matter emission limits and the September 2015 compliance deadline. Portland Cement NESHAP compliance-related work continues in 2018 in several of our plants, for which we have received extensions to the compliance deadline. Compliance could require us to utilize significant resources, which could have a material adverse impact on our results of operations, liquidity and financial condition; however, we expect that such impact would be consistent with the impact on the cement industry as a whole.

In February 2013, EPA issued revised final emissions standards under the CAA for commercial and industrial solid waste incinerators ("CISWI"). Under the CISWI rule, if a material being used in a cement kiln as an alternative fuel is classified as a solid waste, the plant must comply with CISWI standards. The CISWI rule covers nine pollutants, and imposes more stringent emissions limits on certain pollutants that also are regulated under the Portland Cement NESHAP. The CISWI rule was challenged by both industrial and environmental groups in federal court. In July 2016, the D.C. Circuit issued a ruling upholding portions of the rule and remanding other portions to EPA for further consideration. In December 2016, the D.C. Circuit rejected the motions for reconsideration. If the CISWI rule takes effect in its current form, and if kilns at CEMEX plants are determined to be CISWI kilns due to the use of certain alternative fuels, the emissions standards imposed by the CISWI rule could have a material impact on our business operations.

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

The cement manufacturing process requires the combustion of large amounts of fuel and creates carbon dioxide ("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 installing equipment to reduce emissions to comply with GHG limits or required technological standards, decreased profits or losses arising from decreased demand for our goods and higher production costs resulting directly or indirectly from the imposition of legislative or regulatory controls. To the extent that financial markets view climate change and GHG emissions as a financial risk, this could have a material adverse effect on our cost of and access to capital. Given the uncertain nature of the actual or potential statutory and regulatory requirements for GHG emissions at the federal, state, regional, 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 and in other countries. 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."

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

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

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

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

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

As of December 31, 2017, we mostly had operations in Mexico, the United States, the United Kingdom, France, Germany, Spain, the Rest of Europe, Colombia, Panama, Costa Rica, Caribbean TCL, the Rest of South, Central America and the Caribbean, the Philippines, Egypt, and the Rest of Asia, Middle East and Africa (as described in "Item 4—Information on the Company—Business Overview").

For a geographic breakdown of our net sales for the year ended December 31, 2017, see "Item 4—Information on the Company—Geographic Breakdown of Net Sales for the Year Ended December 31, 2017."

In recent years, concerns over global economic conditions, protectionist trade policies, energy costs, geopolitical issues, political uncertainty, the availability and cost of credit and the international financial markets have contributed to economic uncertainty and reduced expectations for the global economy.

Our operations in Egypt, the United Arab Emirates ("UAE") and Israel have experienced instability as a result of, among other things, 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 Egypt, Iran, Iraq, Syria, Libya, Yemen and other countries in Africa, the Middle East and Asia will abate in the near future or that neighboring countries will not be drawn 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 in Egypt have since 2011 been exposed political and social turmoil in the country. In March 2018, Egypt held a new presidential election and President Abdel Fattah el-Sisi was re-elected for a second term (2018 – 2022). CEMEX's operations in Egypt have been adversely affected by the turbulence in Egypt and CEMEX continues with its cement production, dispatch and sales activities as of the date of this annual report. We cannot assure you that the reelected regime will be able to avoid further political and social turbulence. Risks to CEMEX's operations in Egypt include a potential reduction in overall economic activity, exchange rate volatility, increased cost of energy, cement oversupply and threat of terrorist attacks which could have a material adverse effect on our operations in the country.

Our operations are also exposed to the Israeli-Palestinian conflict. Confrontations between Israeli Defense Force and Palestinians in the Gaza have continued generating sporadic events of violence in the region. Progress on peace is stalled, as neither side has shown intentions for making concessions. If the conflicts escalate, it could have a negative impact on the geopolitics and economy in the region, which in turn could adversely affect our operations, financial condition and results of operations.

Military activities in Ukraine and on its borders, including Russia effectively taking control of Crimea, followed by Crimea's independence vote and absorption by Russia, have combined with Ukraine's weak economic conditions to create uncertainty in Ukraine and the global markets. In response to the annexation of the Crimean region of Ukraine by Russia and also related to Russia's intervention in the conflicts in Syria, other nations, including the U.S., have imposed and may continue to impose economic sanctions on Russia. While not directly impacting territories in which we had operations as of December 31, 2017, this dispute could negatively affect the economies of the countries in which we operate and their access to Russian energy supplies, and could negatively impact the global economy. Further, potential responses by Russia to those sanctions could adversely affect European economic conditions, which could have a material adverse effect on our operations mainly in Europe, and if conflicts with Russia escalate to military conflict, it could also have a material adverse effect on our business, financial condition and results of operations.

In the Middle East region, during 2017, the Gulf Cooperation Council split in a way not seen since its foundation in 1981, after Saudi Arabia, the UAE and Bahrain launched a boycott of Qatar in June 2017, alleging Qatar's support to Islamist groups. The end of the conflict does not appear to be imminent, as Qatar refuses to accept demands from Gulf Cooperation Council countries. The Qatar-Gulf crisis may have a negative economic impact on the region. Additionally, as previously mentioned, the civil war in Syria could escalate tensions between the U.S. and Russia, Israel and Iran, and their corresponding allies. Increased tensions among these countries could lead to a risk of a military action that could have the potential to have a material adverse effect on our business, financial condition and results of operations.

In Asia, there is considerable political instability in Taiwan related to its disputes with China and in South Korea related to its disputes with North Korea, which also include the disputes between the U.S. and North Korea. Similarly, mutually exclusive territorial disputes among several Southeast Asian countries in the South China Sea amplify the potential for an outbreak of hostilities. A major outbreak of hostilities or other political upheaval in China, Taiwan, North Korea or South Korea could adversely affect the global economy, which could have a material adverse effect on our business, financial condition or results of operations. A potential sharp and unexpected reduction of economic growth in China, or an economic contraction of this country, could affect the global economy to an extent that have a material adverse effect on our business, financial condition and results of operations.

Other regions are also exposed to political turmoil, including the continued political unrest in Venezuela, which may similarly affect the results of our operations in those regions.

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

Our operations 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 in general any rainy and snowy weather. Consequently, demand for our products is significantly lower during the winter or raining and snowing seasons in temperate countries and during the rainy season in tropical countries. 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 adversely affect our operations during these periods as well, such as was the case in 2017 for our operations in the Philippines. Natural disasters, like the earthquake in Mexico and Hurricanes Harvey and Irma in the United States in 2017, could also have a negative impact on our sales volumes, which could also be material. This decrease in sales volumes is usually compensated by the increase in the demand of our products during the reconstruction phase, unless any of our operating units or facilities are impacted because of the natural disaster. Such adverse weather conditions and natural disasters can have a material adverse effect on our business, financial condition and results of operations if they occur with unusual intensity, during abnormal periods, or last longer than usual in our major markets, especially during peak construction periods.

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

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

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

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 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. In addition, these systems and technologies may require modifications or upgrades as a result of technological changes or growth in our business. 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, may be vulnerable to damage, disruption or intrusion caused by circumstances beyond our control, such as physical or electronic break-ins, catastrophic events, power outages, natural disasters, computer system or network failures, viruses or malware, unauthorized access and cyber-attacks. For example, our development and implementation of digital solutions to improve sales, customer experience, enhance our operations and increase our business efficiencies could be impeded by such damages, disruptions or intrusions. Although we take actions to secure our systems and electronic information and also have disaster recovery plans in case of incidents that could cause major disruptions to our business, these measures may not be sufficient, and our systems have in the past been subject to certain minor intrusions. As of December 31, 2017, 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 could affect our compliance with data privacy laws and damage our relationship with our employees, customers and suppliers, and also have a material adverse impact on our business, financial condition and results of operations. As of December 31, 2017, our insurance does not cover any risk associated with cyber security risks. In addition, any significant disruption to our systems could have a material adverse effect on our business, financial condition and results of operations.

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

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

Labor activism and unrest may adversely affect our operations and thereby adversely affect our business, financial condition, results of operations and prospects. Although most of our significant operations have not been affected by any significant labor dispute in the past, we cannot assure you that we will not experience labor unrest, activism, disputes or actions in the future, some of which may be significant and could adversely affect our business, financial condition, results of operations and prospects. For a description of our most relevant collective bargaining agreements, see “Item 6—Directors, Senior Management and Employees—Employees.”

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. Due to the large number of variables and assumptions that determine pension liabilities and funding requirements, which

are difficult to predict because they change continuously as demographics evolve despite the fact that we support our projections with studies by external actuaries, our net projected liability recognized in the statement of financial position of Ps23,653 million (U.S.$1,204 million) as of December 31, 2017 and the future cash funding requirements for our defined benefit pension plans and other postemployment benefit plans could significantly differ from the amounts estimated as of December 31, 2017. If so, these funding requirements, as well as our possible inability to properly fund 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, results of operations and prospects.

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

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

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

Our success depends largely on the efforts and strategic vision of CEMEX, S.A.B. de C.V.'s board of directors and of our executive management team. The loss of the services of some or all of the members of CEMEX, S.A.B. de C.V.s board of directors or our executive management could have a material adverse effect on our business, financial condition and results of operations.

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

We are subject to anti-corruption, anti-bribery, anti-money laundering and antitrust laws and regulations in the countries in which we operate. Any violation of any such laws or regulations could have a material adverse impact on our reputation and 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. In addition, we are subject to regulations on economic sanctions that restrict our dealings with certain sanctioned countries, individuals and entities. 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 within 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, for such person's personal or business advantage.

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 impose fines and other penalties. Any violations by us of anti-bribery and anti-corruption laws or sanctions regulations could have a material adverse effect on our business, 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—We are subject to litigation proceedings, including antitrust proceedings, that could harm our business if an unfavorable ruling were to occur" and "Item 4—Information on the Company—Regulatory Matters and Legal Proceedings."

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

We are subject to certain tax matters, mainly in Mexico, Colombia and Spain, that, if adversely resolved, may have a material adverse effect on our cash flow, financial condition and net income. See notes 2.13 and 19.4 to our 2017 audited consolidated financial statements, "Item 4—Information on the Company—Regulatory Matters and Legal Proceedings—Tax Matters—Mexico," "—Regulatory Matters and Legal Proceedings—Tax Matters—Colombia," and "—Regulatory Matters and Legal Proceedings—Tax Matters—Spain" for a description of the legal proceedings regarding these Mexican, Colombian and Spanish tax matters, all included elsewhere in this annual report.

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

CEMEX, S.A.B. de C.V. is a publicly traded stock corporation with variable capital (sociedad anónima bursátil de capital variable) organized under the laws of Mexico. Substantially all members of CEMEX, S.A.B. de C.V.'s board of directors and the majority of the members of our senior management reside in Mexico, and all or a significant portion of the assets of those persons may be, and the majority of our assets are, located outside the United States. As a result, it may not be possible for you to effect service of process within the United States upon such persons or to enforce against them or against us in U.S. courts judgments predicated upon the civil liability provisions of the federal securities laws of the United States. We have been advised by our General Counsel, 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.

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

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

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.

Under the terms of the ADSs, the corresponding deposit agreement pursuant to which CEMEX, S.A.B. de C.V.'s ADSs are issued (the "Deposit Agreement"), and CEMEX, S.A.B. de C.V.'s by-laws, 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 on 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 (as defined in the Deposit Agreement). 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.

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

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

Preemptive rights may be unavailable to ADS holders.

ADS holders may be unable to exercise preemptive rights granted to CEMEX, S.A.B. de C.V.'s shareholders, in which case ADS holders could be substantially diluted following future equity or equity-linked offerings. Under Mexican law, whenever CEMEX, S.A.B. de C.V. issues new shares for payment in cash or in kind, CEMEX,

S.A.B. de C.V. is generally required to grant preemptive rights to CEMEX, S.A.B. de C.V.'s shareholders, except if the shares are issued in respect of a public offering or if the relevant shares underlie convertible securities. However, ADS holders may not be able to exercise these preemptive rights to acquire new shares unless both the rights and the new shares are registered in the United States or an exemption from registration is available. We cannot assure you that we would file a registration statement in the United States at the time of any rights offering.

Mexican Peso Exchange Rates

Mexico has had no exchange control system in place since the dual exchange control system was abolished in November 1991. The Mexican Peso has floated freely in foreign exchange markets since December 1994, when the Mexican Central Bank (*Banco de México*) abandoned its prior policy of having an official devaluation band. Since then, the Mexican Peso has been subject to substantial fluctuations in value. The Mexican Peso depreciated against the U.S. Dollar by approximately 2% in 2013, 11% in 2014, 14% in 2015 and 20% in 2016, and appreciated against the U.S. Dollar by approximately 5% in 2017. These percentages are based on the exchange rate that we use for accounting purposes (the "CEMEX accounting rate"). The CEMEX accounting rate on any given date is determined based on the closing exchange rate reported by certain sources, such as Reuters. For any given date, the CEMEX accounting rate may differ from the noon buying rate for Mexican Pesos in New York City published by the U.S. Federal Reserve Bank of New York.

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

	CEMEX Accounting Rate				Noon Buying Rate			
Year Ended December 31,	End of the period	Average(1)	High	Low	End of the period	Average(1)	High	Low
2013	13.05	12.85	13.39	11.98	13.10	12.76	13.43	11.98
2014	14.74	13.37	14.78	12.84	14.75	13.31	14.79	12.85
2015	17.23	15.98	17.23	14.95	17.20	15.87	17.36	14.56
2016	20.72	18.72	20.72	17.18	20.62	18.66	20.84	17.19
2017	19.65	18.88	20.83	17.81	19.64	18.89	21.89	17.48
Monthly (2017)								
September	18.25				18.15		18.24	17.65
October	19.16				19.13		19.18	18.21
November	18.60				18.63		19.26	18.51
December	19.65				19.64		19.73	18.62
Monthly (2018)								
January	18.58				18.62		19.48	18.49
February	18.84				18.84		18.90	18.36
March	18.31				18.17		18.86	18.17
April(2)	18.53				18.61		18.61	17.97

(1) The average of the CEMEX accounting rate or the noon buying rate for Mexican Pesos, as applicable, on the last day of each full month during the relevant period.

(2) April noon buying rates and CEMEX accounting rates are through April 20, 2018.

Between January 1, 2018 and April 20, 2018, the Mexican Peso appreciated by approximately 6% against the U.S. Dollar, based on the noon buying rate for Mexican Pesos.

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

Selected Consolidated Financial Information

The financial data set forth below as of and for each of the five years ended December 31, 2017, have been derived from our 2017 audited consolidated financial statements. The financial data set forth below as of December 31, 2016 and 2017 and for each of the three years ended December 31, 2015, 2016 and 2017 have been derived from, and should be read in conjunction with, and are qualified in their entirety by reference to, our 2017 audited consolidated financial statements included elsewhere in this annual report. Our 2017 audited consolidated financial statements prepared under IFRS for the year ended December 31, 2017, were approved by our shareholders at the annual general ordinary shareholders' meeting held on April 5, 2018. See "Item 5—Operating and Financial Review and Prospects—Recent Developments—Recent Developments Relating to Our Shareholders."

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, 2015, 2016, and 2017 may not be comparable to that of prior periods.

Our 2017 audited consolidated financial statements included elsewhere in this annual report, have been prepared in accordance with IFRS, which differ in significant respects from U.S. GAAP. The regulations of the SEC do not require foreign private issuers that prepare their financial statements on the basis of IFRS (as published by the IASB) to reconcile such financial statements to U.S. GAAP.

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

The Dollar amounts provided below, unless otherwise indicated elsewhere in this annual report, are translations of Mexican Peso amounts at an exchange rate of Ps19.65 to U.S.$1.00, the CEMEX accounting rate as of December 31, 2017. However, in the case of transactions conducted in Dollars, we have presented the U.S. Dollar amount of the transaction and the corresponding Mexican Peso amount that is presented in our 2017 audited consolidated financial statements. These translations have been prepared solely for the convenience of the reader and should not be construed as representations that the Mexican Peso amounts actually represent those Dollar amounts or could be converted into Dollars at the rate indicated. The noon buying rate for Mexican Pesos on December 31, 2017 was Ps19.64 to U.S.$1.00. Between January 1, 2018 and April 20, 2018, the Mexican Peso appreciated by approximately 6% against the U.S. Dollar, based on the noon buying rate for Mexican Pesos.

CEMEX, S.A.B. DE C.V. AND SUBSIDIARIES
Selected Consolidated Financial Information

	As of and For the Year Ended December 31,				
	2013	2014	2015	2016	2017
	(in millions of Mexican Pesos, except ratios and share and per share amounts)				
Income Statement Information:					
Net sales	Ps 190,370	Ps 199,942	Ps 219,299	Ps 249,945	Ps 258,131
Cost of sales(1)	(130,686)	(134,742)	(144,513)	(160,433)	(169,534)
Gross profit	59,684	65,200	74,786	89,512	88,597
Operating expenses	(40,404)	(43,347)	(47,910)	(53,969)	(56,026)
Operating earnings before other expenses, net(2)	19,280	21,853	26,876	35,543	32,571
Other expense, net	(4,863)	(5,045)	(3,032)	(1,670)	(3,815)
Operating earnings(2)	14,417	16,808	23,844	33,873	28,756
Financial items(3)	(18,195)	(18,952)	(21,117)	(16,998)	(15,685)
Share of profit of equity accounted investees	232	294	737	688	588
Earnings (loss) before income tax	(3,546)	(1,850)	3,464	17,563	13,659
Discontinued operations(4)(5)	97	90	1,028	768	3,499
Non-controlling interest net income	1,223	1,103	923	1,173	1,417
Controlling interest net income (loss)	(10,834)	(6,783)	1,201	14,033	15,221
Basic earnings (loss) per share(6)(7)	(0.28)	(0.16)	0.03	0.32	0.34
Diluted earnings (loss) per share(6)(7)	(0.28)	(0.16)	0.03	0.32	0.34
Basic earnings (loss) per share from continuing operations(6)(7)	(0.29)	(0.16)	0.01	0.30	0.26
Diluted earnings (loss) per share from continuing operations(6)(7)	(0.29)	(0.16)	0.01	0.30	0.26
Number of shares outstanding(6)(8)(9)	34,270	37,370	49,124	48,668	48,439
Statement of Financial Position Information:					
Cash and cash equivalents	15,176	12,589	15,322	11,616	13,741
Assets from discontinued operations held for sale(4)(5)	—	—	1,945	21,029	1,378
Property, machinery and equipment, net	205,717	202,928	216,694	230,134	232,160
Total assets	496,130	514,961	542,264	599,728	567,581
Short-term debt including current maturities of long-term debt	3,959	14,507	223	1,222	16,973
Long-term debt	187,021	191,327	229,125	235,016	177,022
Liabilities from operations held for sale	—	—	—	815	—
Non-controlling interest and perpetual debentures(10)	14,939	17,068	20,289	28,951	30,879
Total controlling interest	133,379	131,103	143,479	167,774	179,539
Other Financial Information:					
Net working capital(11)	20,754	20,757	16,806	7,920	2,902
Book value per share(6)(9)(12)	3.89	3.51	2.92	3.45	3.71
Operating margin before other expense, net	10.1%	10.9%	12.3%	14.2%	12.6%
Operating EBITDA from continuing operations(13)	33,447	35,556	41,534	51,534	48,563
Ratio of Operating EBITDA to interest expense(13)	1.7	1.7	2.1	2.4	2.5
Capital expenditures	8,409	9,486	12,313	13,279	12,419
Depreciation and amortization	14,167	13,703	14,658	15,991	15,992
Net cash flow provided by operating activities from continuing operations before financial expense, coupons on perpetual debentures and income taxes	26,400	35,445	43,441	61,267	51,389
Basic earnings (loss) per CPO of continuing operations(6)(7)	(0.87)	(0.48)	0.03	0.90	0.78
Basic earnings (loss) per CPO(6)(7)	(0.84)	(0.48)	0.09	0.96	1.02
Total debt plus other financial obligations	230,298	244,429	268,203	273,868	226,216

(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 income statements, CEMEX includes the line item titled "Operating earnings before other expenses, net" considering that is a relevant measure for CEMEX's management as explained in note 2.1 to our 2017 audited

consolidated financial statements included elsewhere in this annual report. Under IFRS, while there are line items that are customarily included in the income statements, such as net sales, operating costs and expenses and financial revenues and expenses, among others, the inclusion of certain subtotals such as "Operating earnings before other expenses, net" and the display of such income statements varies significantly by industry and company according to specific needs.

(3) Financial items include financial expenses and our financial income (expense) 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 net present value on assets and liabilities and others, net. See notes 7 and 16 to our 2017 audited consolidated financial statements included elsewhere in this annual report.

(4) On October 31, 2015, after all agreed upon conditions precedent were satisfied, we completed the sale of our operations in Austria and Hungary to the Rohrdorfer Group for €165 million (U.S.$179 million or Ps3,090 million) after final adjustments for changes in cash and working capital balances as of the transfer date. Our combined operations in Austria and Hungary consisted of 29 aggregates quarries and 68 ready-mix plants. The operations in Austria and Hungary for the ten-month period ended October 31, 2015, included in our consolidated income statements, were reclassified to the single line item "Discontinued operations." As per IFRS, our statement of financial position as of December 31, 2014 was not restated as a result of the sale of our operations in Austria and Hungary. On May 26, 2016, we closed the sale of our operations in Bangladesh and Thailand to Siam City Cement Public Company Ltd. ("SIAM Cement") for U.S.$70 million. As per IFRS, our statement of financial position as of December 31, 2015 was not restated as a result of the sale of our operations in Thailand and Bangladesh. The operations in Bangladesh and Thailand for the period from January 1, 2016 to May 26, 2016 and the year 2015, included in our consolidated statement of operations, were reclassified to the single line item "Discontinued operations". In addition, as of December 31, 2016, the Concrete Pipe Business was reclassified to assets held for sale and directly related liabilities on our consolidated statement of financial position, including U.S.$260 million (Ps5,369 million) of goodwill associated with the reporting segment in the United States that was proportionally allocated to these net assets based on their relative fair values. On January 31, 2017, one of CEMEX, S.A.B. de C.V.'s subsidiaries in the U.S. closed the sale of our U.S. Reinforced Concrete Pipe Manufacturing Business (the "Concrete Pipe Business") to Quikrete Holdings, Inc. ("Quikrete") for U.S.$500 million plus an additional U.S.$40 million contingent consideration based on future performance. Considering that we disposed of our entire concrete pipe division, the operations of the Concrete Pipe Business, as included in our consolidated income statements for the years ended December 31, 2015 and 2016 and for the one-month period ended January 31, 2017, were reclassified to the single line item "Discontinued Operations." On June 30, 2017, one of our subsidiaries in the U.S. closed the divestment of its Pacific Northwest Materials Business (the "Pacific Northwest Materials Business"), consisting of aggregates, asphalt and ready mix concrete operations in Oregon and Washington, to Cadman Materials, Inc. ("Cadman Materials"), a Lehigh Hanson Inc. company and a subsidiary of HeidelbergCement Group, for U.S.$150 million. Considering the disposal of our Pacific Northwest Materials Business, these operations, as included in our consolidated income statements for the years ended December 31, 2015, 2016 and 2017, were reclassified to the single line item "Discontinued Operations." The information related to our consolidated income statement for the year ended December 31, 2013 has not been reclassified to present the financial results of that year of our operations in Bangladesh and Thailand, the Concrete Pipe Business and the Pacific Northwest Materials Business in a single line item as discontinued operations. Also, the information related to our consolidated income statement for the year ended December 31, 2014 has not been reclassified to present the financial results of that year of our operations from the Pacific Northwest Materials Business in a single line item as discontinued operations. See "Item 4—Information on the Company—Business Overview" and note 4.2 to our 2017 audited consolidated financial statements included elsewhere in this annual report.

(5) On August 12, 2015, we entered into an agreement for the sale of our operations in Croatia, including assets in Bosnia and Herzegovina, Montenegro and Serbia, to Duna-Dráva Cement Kft. for €231 million (U.S.$243 million or Ps5,032 million). Those operations mainly consist of three cement plants with aggregate annual production capacity of approximately 2.4 million tons of cement, two aggregates quarries and seven ready-mix plants. On April 5, 2017, we announced that the European Commission issued a decision that restricted completion of the sale. Therefore, the sale of our operations in Croatia did not close, and we maintained our operations in Croatia, including assets in Bosnia and Herzegovina, Montenegro and Serbia (our "Croatian Operations"). As of December 31, 2017 and 2016 and for the years ended December 31, 2017, 2016 and 2015, the Croatian Operations are consolidated line-by-line in the financial statements. The information related to our consolidated financial statements for the years ended December 31, 2014 and 2013 in which we previously reported the Croatian Operations as "Discontinued Operations" and "Assets held for sale", has not been reclassified to present the Croatian Operations as part of continuing operations in our consolidated income statements or line-by-line in our consolidated statements of financial position. We believe that the effects are not significant. See note 4.2 to our 2017 audited consolidated financial statements included elsewhere in this annual report.

(6) 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, 2017, approximately 99.86% of CEMEX, S.A.B. de C.V.'s outstanding share capital was represented by CPOs. Each ADS represents ten CPOs.

(7) Earnings (loss) per share is calculated based upon the weighted average number of shares outstanding during the year, as described in note 22 to our 2017 audited consolidated financial statements included elsewhere in this annual report. Basic loss per CPO is determined by multiplying the basic loss per share for each period by three (the number of shares

underlying each CPO). Basic loss per CPO is presented solely for the convenience of the reader and does not represent a measure under IFRS. As shown in notes 4.2 and 22 to our 2017 audited consolidated financial statements included elsewhere in this annual report, and in connection with the sale of our operations in Austria, Hungary, Thailand, Bangladesh and the sales of Concrete Pipe Business and Pacific Northwest Materials Business, for the year ended December 31, 2015, "Basic earnings per share" includes Ps0.01 from "Continuing operations," for the year ended December 31, 2016, "Basic earnings per share" includes Ps0.30 from "Continuing operations," and for the year ended December 31, 2017, "Basic earnings per share" includes Ps0.26 from "Continuing operations." In addition, for the years ended December 31, 2015, 2016 and 2017, "Basic earnings per share" includes Ps0.02, Ps0.02 and Ps0.08, respectively, from "Discontinued operations." Likewise, for the year ended December 31, 2015, "Diluted earnings per share" includes Ps0.01 from "Continuing operations", for the year ended December 31, 2016, "Diluted earnings per share" includes Ps0.30 from "Continuing operations" and for the year ended December 31, 2017, "Diluted earnings per share" includes Ps0.26 from "Continuing operations." In addition, for the years ended December 31, 2015, 2016 and 2017, "Diluted earnings per share" includes Ps0.02, Ps0.02 and Ps0.08, respectively, from "Discontinued operations." See note 22 to our 2017 audited consolidated financial statements included elsewhere in this annual report.

(8) CEMEX, S.A.B. de C.V. did not declare a dividend for fiscal years 2013, 2014, 2015, 2016 and 2017. At each of CEMEX, S.A.B. de C.V.'s 2013, 2014, 2015 and 2016 annual general ordinary shareholders' meetings, held on March 20, 2014, March 26, 2015, March 31, 2016 and March 30, 2017, respectively, CEMEX, S.A.B. de C.V.'s shareholders approved a recapitalization of retained earnings. New CPOs issued pursuant to each such recapitalization were allocated to shareholders on a pro-rata basis. As a result, shares equivalent to approximately 468 million CPOs, approximately 500 million CPOs, approximately 539 million CPOs and approximately 562 million CPOs were allocated to shareholders on a pro-rata basis in connection with the 2013, 2014, 2015 and 2016 recapitalizations, respectively. In each case, CPO holders received one new CPO for each 25 CPOs held and ADS holders received one new ADS for each 25 ADSs held. There was no cash distribution and no entitlement to fractional shares. No recapitalization of retained earnings was approved at CEMEX, S.A.B. de C.V.'s 2017 annual general ordinary shareholders' meeting held on April 5, 2018.

(9) Based upon the total number of shares outstanding at the end of each period, expressed in millions of shares, and includes shares subject to financial derivative transactions, but does not include shares held by our subsidiaries.

(10) As of December 31, 2013, 2014, 2015, 2016 and 2017 non-controlling interest includes U.S.$477 million (Ps6,223 million), U.S.$466 million (Ps6,869 million), U.S.$440 million (Ps7,581 million), U.S.$438 million (Ps9,075 million) and U.S.$447 million (Ps8,784 million), respectively, that represents the nominal amount of Perpetual Debentures, denominated in Dollars and Euros, issued by consolidated entities. In accordance with IFRS, these securities qualify as equity due to their perpetual nature and the option to defer the coupons.

(11) Net working capital equals trade receivables, less allowance for doubtful accounts plus inventories, net, less trade payables.

(12) Book value per share is calculated by dividing the total controlling interest by the number of shares outstanding.

(13) Operating EBITDA equals operating earnings before other expenses, net, plus amortization and depreciation expenses. Operating EBITDA is calculated and presented because we believe that it is widely accepted as a financial indicator of our ability to internally fund capital expenditures and service or incur debt, and the consolidated ratio of Operating EBITDA to interest expense is calculated and presented because it is used to measure our performance under certain of our financing agreements. Operating EBITDA and such ratio are non-IFRS measures and should not be considered as indicators of our financial performance as alternatives to cash flow, as measures of liquidity or as being comparable to other similarly titled measures of other companies. Under IFRS, while there are line items that are customarily included in income statements prepared pursuant to IFRS, such as net sales, operating costs and expenses and financial revenues and expenses, among others, the inclusion of certain subtotals, such as operating earnings before other expenses, net, and the display of such income statement 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 income statements, and to net cash flows provided by operating activities 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 issued by consolidated entities of Ps405 million in 2013, Ps420 million in 2014, Ps432 million in 2015, Ps507 million in 2016 and Ps482 million in 2017, as described in note 20.4 to our 2017 audited consolidated financial statements included elsewhere in this annual report.

	For the Year Ended December 31,				
	2013	2014	2015	2016	2017
	(in millions of Mexican Pesos)				
Reconciliation of Operating EBITDA to net cash flows provided by operations activities from continuing operations before financial expense, coupons on perpetual debentures and income taxes					
Operating EBITDA	Ps 33,447	Ps 35,556	Ps 41,534	Ps 51,534	Ps 48,563
Less:					
Depreciation and amortization expense	14,167	13,703	14,658	15,991	15,992
Operating earnings before other expenses, net	19,280	21,853	26,876	35,543	32,571
Plus/minus:					
Changes in working capital excluding income taxes	(4,237)	1,475	3,596	11,017	8,040
Depreciation and amortization expense	14,167	13,703	14,658	15,991	15,992
Other items, net	(2,810)	(1,586)	(1,689)	(1,284)	(5,214)
Net cash flow provided by operations activities from continuing operations before financial expense, coupons on perpetual debentures and income taxes	Ps 26,400	Ps 35,445	Ps 43,441	Ps 61,267	Ps 51,389

Item 4—Information on the Company

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

Business Overview

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

CEMEX, S.A.B. de C.V. was founded in 1906 and was registered with the Mercantile Section of the Public Registry of Property and Commerce in Monterrey, Nuevo León, Mexico, on June 11, 1920 for a period of 99 years. At CEMEX, S.A.B. de C.V.'s 2002 ordinary general shareholders' meeting, this period was extended to the year 2100 and in 2015 this period changed to be indefinite. Beginning April 2006, CEMEX's full legal and commercial name is CEMEX, *Sociedad Anónima Bursátil de Capital Variable*.

CEMEX is one of the largest cement companies in the world, based on annual installed cement production capacity and sales volumes as of December 31, 2017, of approximately 92.4 million tons and 68.5 million tons, respectively. After the merger of Holcim with Lafarge during 2015, which resulted in the company LafargeHolcim Ltd. ("LafargeHolcim"), we are the next largest ready-mix concrete company in the world with annual sales volumes of approximately 51.7 million cubic meters and one of the largest aggregates companies in the world with annual sales volumes of approximately 147.4 million tons, in each case, based on our annual sales volumes in 2017. We are also one of the world's largest traders of cement and clinker, having traded approximately 10 million tons of cement and clinker in 2017. This information does not include discontinued operations. See note 4.2 to our 2017 audited consolidated financial statements included elsewhere in this annual report. CEMEX, S.A.B. de C.V. is an operating and holding company engaged, directly or indirectly, through its operating subsidiaries, primarily in the production, distribution, marketing and sale of cement, ready-mix

concrete, aggregates, clinker and other construction materials throughout the world, and that provides reliable construction-related services to customers and communities in more than 50 countries throughout the world, and maintains business relationships in over 100 countries worldwide.

We operate globally, with operations in Mexico, the United States, Europe, South America, Central America, the Caribbean, Asia, the Middle East and Africa. We had total assets of Ps567,581 million (U.S.$28,885 million) as of December 31, 2017, and an equity market capitalization of approximately Ps193,367 million (U.S.$10,435 million) as of April 20, 2018.

As of December 31, 2017, our cement production facilities were located in Mexico, the United States, the United Kingdom, Germany, Spain, Poland, Latvia, Czech Republic, Croatia, Colombia, Panama, Costa Rica, the Dominican Republic, Puerto Rico, Nicaragua, Trinidad and Tobago, Jamaica, Barbados, Egypt, and the Philippines. As of December 31, 2017, our assets (after eliminations), cement plants and installed capacity, on an unconsolidated basis by region, were as set forth below. Installed capacity, which refers to theoretical annual production capacity, represents gray portland cement and white cement equivalent capacity, which counts each ton of white cement capacity as approximately two tons of gray portland cement capacity, and includes installed capacity of cement plants that have been temporarily closed.

	As of December 31, 2017		
	Assets After Eliminations (in Billions of Mexican Pesos)	Number of Cement Plants	Installed Cement Production Capacity (Millions of Tons Per Annum)
Mexico(1)	Ps 72	15	29.5
United States(2)	268	11	15.2
Europe			
United Kingdom	35	2	2.4
France	20	—	—
Germany	9	1	2.4
Spain	26	7	10.4
Poland	5	2	3.0
Rest of Europe(3)	16	5	5.7
South, Central America and the Caribbean ("SAC")			
Colombia	24	2	4.0
Panama	7	1	2.1
Costa Rica	2	1	0.9
Caribbean TCL(4)	11	3	2.5
Rest of South, Central America and the Caribbean(5)	11	3	4.4
Asia, Middle East and Africa			
Philippines	12	2	4.5
Egypt	5	1	5.4
Rest of Asia, Middle East and Africa(6)	14	—	—
Corporate and Other Operations	30	—	—
Continuing Operations	567	—	—
Assets held for sale	1	—	—
Total	Ps 568	56	92.4

"—" Not applicable

The above table includes 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, 2017.

(1) "Number of cement plants" and "installed cement production capacity" includes two cement plants that were temporarily inactive with an aggregate annual installed capacity of 2.8 million tons of cement. "Installed cement production capacity" includes 0.5 million tons of cement representing our proportional interests through associates in three other cement plants.
(2) "Number of cement plants" and "installed cement production capacity" includes two cement plants that were temporarily inactive with an aggregate annual installed capacity of 2.1 million tons of cement. "Installed cement production capacity" includes 1.8 million tons of cement representing our proportional interests through associates in six other cement plants.
(3) "Rest of Europe" refers primarily to our operations in the Czech Republic, Croatia and Latvia, as well as trading activities in Scandinavia and Finland. "Installed cement production capacity" includes 0.7 million tons of cement representing our proportional interest in a Lithuanian cement producer that operated one other cement plant.
(4) "Installed cement production capacity" includes 1.7 million tons of cement representing our proportional interests through associates in Barbados, Jamaica and Trinidad and Tobago in three other cement plants. "Caribbean TCL" refers to our operations acquired in the Caribbean, mainly in Trinidad and Tobago, Jamaica and Barbados, as part of the purchase of TCL.
(5) "Rest of South, Central America and the Caribbean" refers primarily to our operations in Puerto Rico, the Dominican Republic, Nicaragua, Jamaica and other countries in the Caribbean, excluding our Caribbean TCL segment, Guatemala, and small ready-mix concrete operations in Argentina.
(6) "Rest of Asia, Middle East and Africa" includes our operations Israel and UAE.

During the majority of the last 27 years, we embarked on a major geographic expansion program to diversify our cash flows and enter markets whose economic cycles within the cement industry largely operate independently from those of Mexico and which offer long-term growth potential. We have built an extensive network of marine and land-based distribution centers and terminals that give us marketing access around the world. 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 important to our strategic objectives. The following are our significant acquisitions and our most significant divestitures and reconfigurations that we have announced or closed since 2014:

- On October 31, 2015, after all conditions precedent were satisfied, we completed the sale of our operations in Austria and Hungary to the Rohrdorfer Group for €165 million (U.S.$179 million or Ps3,090 million) after final adjustments for changes in cash and working capital balances as of the transfer date. Our combined operations in Austria and Hungary consisted of 29 aggregates quarries and 68 ready-mix plants. The operations in Austria and Hungary for the ten-month period ended October 31, 2015, included in our consolidated income statements, were reclassified to the single line item "Discontinued operations," which includes, in 2015, a gain on sale of U.S.$45 million (Ps741 million). Such gain on sale includes the reclassification to the income statement of foreign currency translation effects accrued in equity until October 31, 2015 for an amount of U.S.$10 million (Ps215 million). See note 4.2 to our 2017 audited consolidated financial statements included elsewhere in this annual report.

- On May 26, 2016, we closed the sale of our operations in Bangladesh and Thailand to SIAM Cement for U.S.$70 million (Ps1,450 million). Our operations in Bangladesh and Thailand for the period from January 1, 2016 to May 26, 2016 and the year ended December 31, 2015 included in our consolidated income statements were reclassified to the single line item "Discontinued operations," which includes, in 2016, a gain on sale of U.S.$24 million (Ps424 million). See note 4.2 to our 2017 audited consolidated financial statements included elsewhere in this annual report.

- On July 18, 2016, CHP closed its initial public offering of 45% of its common shares in the Philippines, and 100% of CHP's common shares started trading on the Philippine Stock Exchange under the ticker "CHP." As of December 31, 2017, CASE, an indirect subsidiary of CEMEX, S.A.B. de C.V., directly owned 55% of CHP's outstanding common shares. The net proceeds to CHP from its

initial public offering were U.S.$507 million after deducting estimated underwriting discounts and commissions, and other estimated offering expenses payable by CHP. CHP used the net proceeds from the initial public offering to repay existing indebtedness owed to BDO Unibank and to an indirect subsidiary of CEMEX, S.A.B. de C.V.

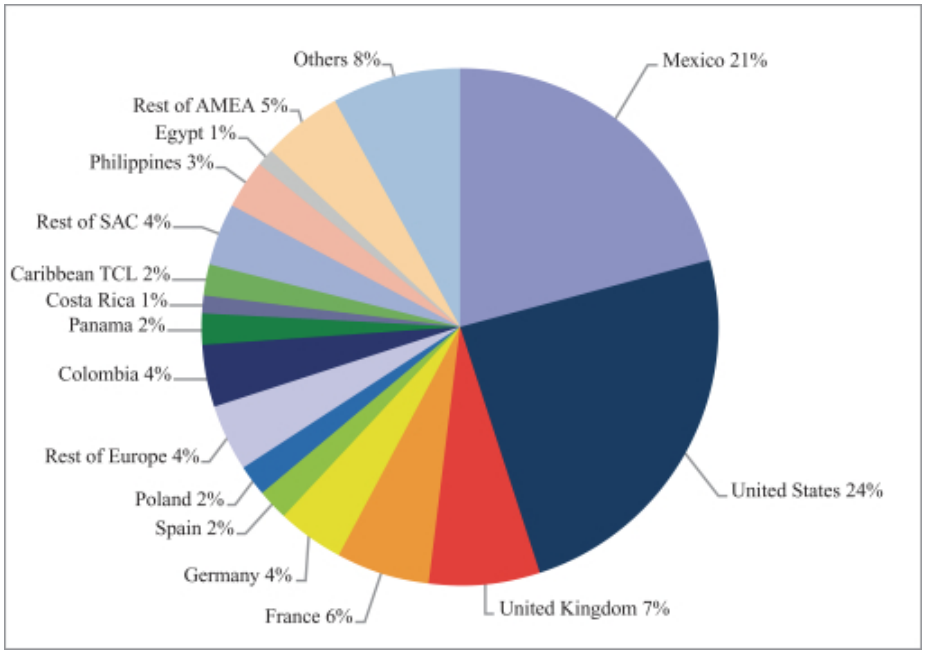
- On November 18, 2016, after all conditions precedent were satisfied, we announced that we had closed the sale of certain assets in the U.S. to GCC for U.S.$306 million (Ps6,340 million). The assets were sold by an affiliate of ours to an affiliate of GCC in the U.S., and mainly consisted of our cement plant in Odessa, Texas, two cement terminals and the building materials business in El Paso, Texas and Las Cruces, New Mexico.
- On December 2, 2016, we agreed to the sale of our assets and operations related to our ready-mix concrete pumping business in Mexico to Cementos Españoles de Bombeo, S. de R.L., subsidiary in Mexico of Pumping Team S.L.L. ("Pumping Team"), a specialist in the supply of ready-mix concrete pumping services based in Spain, for Ps1,649 million. This agreement included the sale of fixed assets upon closing of the transaction for Ps309 million plus administrative and client and market development services. Under this agreement, we will also lease facilities in Mexico to Pumping Team over a period of ten years with the possibility to extend for three additional years, for an aggregate initial amount of Ps1,340 million, plus a contingent revenue subject to results for up to Ps557 million linked to annual metrics beginning in the first year and up to the fifth year of the agreement. On April 28, 2017, after receiving the approval by the Mexican authorities, we concluded the sale.
- On December 5, 2016, Sierra, one of CEMEX, S.A.B. de C.V.'s indirect subsidiaries, presented the Offer to all shareholders of TCL, a company then publicly listed in Trinidad and Tobago, Jamaica and Barbados, to acquire up to 132,616,942 ordinary shares in TCL, pursuant to which Sierra offered the Offer Price payable, at the option of shareholders of TCL except for shareholders of TCL in Barbados, in either TT$ or U.S.$ in Trinidad, and Jamaican Dollars or U.S.$ in Jamaica TCL. The Offer Price represented a premium of 50% over the December 1, 2016 closing price of TCL's shares on the Trinidad and Tobago Stock Exchange. The total number of TCL shares tendered and accepted in response to the Offer was 113,629,723 which, together with Sierra's pre-existing shareholding in TCL (147,994,188 shares), represent 69.83% of the outstanding TCL shares. The total cash payment by Sierra for the tendered shares was U.S.$86 million. CEMEX started consolidating TCL for financial reporting purposes on February 1, 2017. In March 2017, TCL de-listed from the Jamaica and Barbados stock exchanges. TCL's subsidiaries include, but are not limited to CCCL, a publicly listed company in Jamaica, and Arawak, which, as of December 31, 2017, owned cement plants in Jamaica and Barbados, respectively;
- On January 31, 2017, one of our subsidiaries in the U.S. closed the sale of our Concrete Pipe Business to Quikrete for U.S.$500 million plus an additional U.S.$40 million contingent consideration based on future performance.
- On February 10, 2017, one of our subsidiaries in the United States sold its Fairborn, Ohio cement plant and cement terminal in Columbus, Ohio to Eagle Materials Inc. ("Eagle Materials") for U.S.$400 million (Ps8,288 million). The proceeds obtained from this transaction were used mainly for debt reduction and for general corporate purposes.
- On February 15, 2017, CEMEX, S.A.B. de C.V. sold 45,000,000 shares of common stock of GCC, representing 13.53% of the equity capital of GCC, at a price of Ps95 per share in a public offering to investors in Mexico and in a concurrent private placement to eligible investors outside of Mexico. Prior to the GCC shares offerings, CEMEX, S.A.B. de C.V. owned a 23% direct interest in GCC and a minority interest in CAMCEM, an entity which owns a majority interest in GCC. After the GCC offerings, CEMEX, S.A.B. de C.V. owned a 9.47% direct interest in GCC and a minority interest in CAMCEM. Proceeds from the sale were U.S. $210 million (Ps4,094 million). We used the proceeds of the GCC shares offerings for general corporate purposes;

- On June 30, 2017, one of our subsidiaries in the U.S. closed the divestment of the Pacific Northwest Materials Business, consisting of aggregate, asphalt and ready mix concrete operations in Oregon and Washington, to Cadman Materials for U.S.$150 million. The proceeds obtained from this sale were used mainly for debt reduction and general corporate purposes.
- On September 28, 2017, CEMEX, S.A.B de C.V. sold its then remaining direct interest in GCC, consisting of 31,483,332 shares of common stock of GCC, representing 9.47% of the equity capital of GCC for U.S.$168 million (Ps3,012 million), which was used for debt reduction and for general corporate purposes. Following this sale of shares, CEMEX, S.A.B de C.V. no longer held a direct interest in GCC but continued to hold an indirect interest of 20% in GCC through its minority interest in CAMCEM.
- On September 29, 2017, one of our subsidiaries in the U.S. closed the divestment of the Block USA Materials Business (the "Block USA Materials Business"), consisting of concrete block, architectural block, concrete pavers, retaining walls and building material operations in Alabama, Georgia, Mississippi and Florida, to Oldcastle APG South, Inc. ("Oldcastle") for U.S.$38 million. The proceeds obtained from this sale were used mainly for debt reduction and general corporate purposes.

From January 1, 2016 to December 31, 2017, we sold assets for approximately U.S.$2.7 billion, thereby achieving our goal of U.S.$2.5 billion in asset sales by the end of 2017.

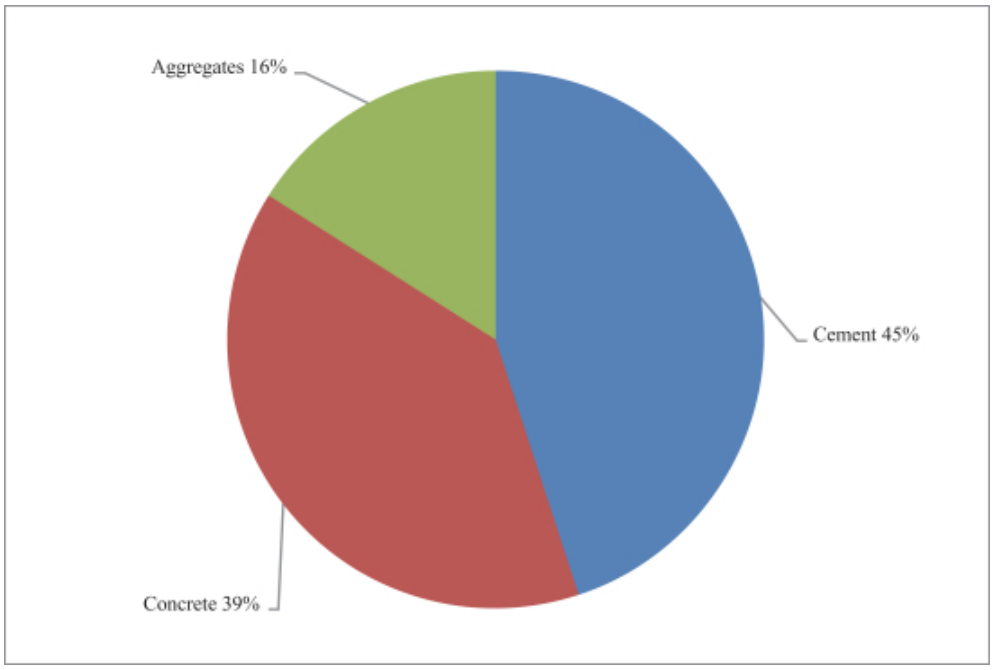
Geographic Breakdown of Net Sales for the Year Ended December 31, 2017

The following chart indicates the geographic breakdown of our net sales, before eliminations resulting from consolidation, for the year ended December 31, 2017:



Breakdown of Net Sales by Product for the Year Ended December 31, 2017

The following chart indicates the breakdown of our net sales by product, after eliminations resulting from consolidation, for the year ended December 31, 2017:



Our Products

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

Cement

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

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

the production process. For cement limestone, clay and gypsum, we run chemical tests to prepare the mining plan of the quarry, to confirm material quality and reduce variations in the mineral content. We consider that limestone and clay quality of our cement raw material quarries are adequate for the cement production process.

There are two primary processes used to manufacture cement: the dry process and the wet process. The dry process is more fuel efficient. As of December 31, 2017, 53 of our 56 operative production plants used the dry process and three used the wet process. Our operative production plants that use the wet process are in the United Kingdom, 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, Dominican Republic and Egypt. Our main types of cement include the following:

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

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

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

Oil-well Cement: Our oil-well cement is a specially designed variety of hydraulic cement produced with gray portland clinker. It usually 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 lime, and other pozzolans. The use of blended cements in ready-mix concrete reduces mixing water and bleeding, improves workability and finishing, inhibits sulfate attack and the alkali-aggregate reaction, and reduces the heat of hydration. CEMEX offers an array of blended cements which have a lower CO_2 footprint resulting from their lower clinker content due to the addition of supplementary cementitious materials. The use of blended cements reinforces our strong dedication to sustainable practices and furthers our objective of offering an increasing range of more sustainable products.

Ready-Mix Concrete

Ready-mix concrete is a combination of cement, fine and coarse aggregates, admixtures (which control properties of the concrete including plasticity, pumpability, freeze-thaw resistance, strength and setting time), and water. We tailor our ready-mix concrete to fit our clients' specific needs. By changing the proportion of

water, aggregates, and cement in the mix, we modify our concrete's resistance, manageability, and finish. We also use additives to customize our concrete consistent with the transportation time from our plant to the project, weather conditions at the construction site, and the project's specifications. From our water-resistant to our self-compacting concrete, we produce a great variety of specially designed concrete to meet the many challenges of modern construction.

We develop solutions based on the thorough knowledge and application of ready-mix concrete technology. Leveraging years of experience, a global pool of knowledge, and state-of-the-art expertise about the different ready-mix concrete constituents and their interaction, we offer our customers tailor-designed concrete. CEMEX ready-mix concrete technologists are able to modify the properties of concrete through the use of innovative chemical admixtures, combined with the proper proportions of the various concrete constituents. For example, depending on the type of application and jobsite requirements, we can design ready-mix concrete that is more fluid, stronger, develops strength faster, and also retains workability longer. Through the development of chemical admixtures solutions, our researchers design special concretes that fulfill the construction industry's increasingly demanding performance requirements. 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, 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 MPa.

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

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, for 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.

Related Products

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

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

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

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

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

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

Other Precast Products: Among our other precast products, we offer rail products, concrete floors, box culverts, bridges, drainage basins, barriers, and parking curbs. In selected markets, we further complement our commercial offer with admixtures, gypsum, and cementitious materials such as fly ash and blast furnace slag.

Building Solutions

We help build the homes people live in, the roads that connect them, and the infrastructure that makes their cities vibrant. With over a century of experience delivering tailor-made building solutions, we work with our customers around the world to build sustainable structures that will thrive today and well into the future.

Housing: We integrate our cutting-edge design, building materials, and construction systems into flexible and replicable housing solutions for our clients and communities across the globe.

Paving: As the world's leader in concrete-based pavement solutions, we help connect cities and their surrounding communities through safer, more durable, and energy-efficient highways, mass transit systems, airport runways, rural roadways, and city streets.

Green Building Consultancy: We are focused on delivering sustainable building solutions to the increasingly complex needs of a society with limited natural resources.

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. The following are examples of the different services offered to our customers throughout our operations, all of which services are provided in substantially all our operations and may vary from location to location:

24/7 LOAD®: Our delivery service offers customers the ease of receiving products mostly whenever they need them, allowing our customers to optimize their project schedules according to their specific needs.

ATM-like Bulk Cement Dispatch System: This service offers our customers greater flexibility and efficiency. It enables them to get cement at their convenience, shortening their logistics schedules by minimizing loading and unloading times and also cutting back on more traditional transactional practices.

Construrama®: We partner with our cement distribution network to offer customers an extensive range of brand-name products at competitive prices. Our retailers also receive integral training to better manage all aspects of their business, including inventory management, product promotion, salesforce programs, product-delivery and sourcing logistics.

Customer-oriented Educational and Training Services: In several of the countries where we operate, customers can receive training on specific topics related to the use of building materials. By sharing knowledge and best practices, our educational and training services guide and teach our customers. Topics range from teaching customers about the characteristics and uses of white cement, to showing retailers how to improve their inventory management and increase their sales.

Construction Financing Services: Most of our customers can receive financing on certain projects and product purchases through various innovative financing programs that vary from country to country. For example, since 1998, our United Nations award-winning low-income housing program, *Patrimonio Hoy*, has assisted more than 587,000 families with affordable services and building materials through financing mechanisms and technical assistance. Additionally, in certain countries where we operate, such as Mexico, we offer turn-key solutions for developers and partner with governments and local authorities to identify, coordinate, and develop public infrastructure projects.

Mobile Solutions: Through automated messages sent via short message services (SMS), most of our customers can be notified each time an order of cement or ready-mix concrete is ready for delivery. This free-of-charge service keeps our customers well informed of their specific project logistics. Most of our customers can also receive information about their pending invoice payments.

Multiproducts: We offer our customers in most of the countries in which we operate 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.

Online Services: Most of our customers have all day online access to information, from account balances to new products and services releases through online services such as CEMEX Go, CEMEX Connect, CEMEX One, eSelling, CEMEXNet, Commercial Portal. Our customers can place online cement orders, and in some countries, they are able to review their order status at any time during the day or night. The online service is also an open communication channel to receive feedback from our customers.

Service Centers: We offer a one-stop contact call center where customers can manage their business and find fast, reliable service, place orders, make inquiries, review order status, or request technical assistance, all in one single call.

Smart Silo®: We work together with our customers, so they always have the appropriate quantity of cement in their silos. Through 24-hour monitoring of our customers' silos' cement stock levels, our SmartSilo® technology allows us to anticipate and respond to their product replenishment needs ahead of time.

Technical Support: We look 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.

Description of our Raw Materials Reserves

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

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

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

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

Aggregates and other raw materials for our own production processes are obtained mainly from our own sources. However, we may cover our aggregates and other raw material needs through the supply from third-parties. For the year ended December 31, 2017, approximately 17% of our total raw material needs were supplied by third-parties.

Reserves are considered as proven when all legal and environmental conditions have been met and permits have been granted. Proven reserves are those for which (i) the quantity is computed from dimensions revealed by

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

Our reserve estimates are prepared by CEMEX's engineers and geologists and are subject to annual review by our corporate staff jointly with the regional technical managers associated to our business units. On specific circumstances we have used the services of third-party geologists and/or engineers to validate our own estimates. Over the three-year period ended December 31, 2017, we have employed third-parties to review (i) our cement raw materials reserves estimates in Mexico, Colombia, Nicaragua, Costa Rica, the United Kingdom, Germany, Latvia and Spain, and (ii) our aggregates reserves estimates in France, Poland, the Czech Republic, the United Kingdom, Germany and Mexico.

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

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

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

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

During 2017, our total quarry material production was approximately 189.1 million tons, of which approximately 63% was used for our own consumption to produce cement, ready-mix concrete, and/or other products which are later sold to the public and the remaining 37% was directly sold to customers.

Our estimates distinguish between owned and leased reserves, the later determined over the term of the lease contract, and include only those permitted reserves which are proven and probable. As of December 31, 2017, the total surface of property in our quarries operations (including cement raw materials quarries and aggregates quarries), was approximately 87,639 hectares, of which approximately 80% was owned by us and approximately 20% was managed through lease contracts.

As of December 31, 2017, we operated 172 cement raw materials quarries across our global operations, serving our facilities dedicated to cement production, which are located at or near the cement plant facilities. We estimate that our proven and probable cement raw material reserves, on a consolidated basis, have an average remaining life of approximately 80 years, assuming 2013-2017 average annual cement production (last five years average production).

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

Location	Mineral	Number of quarries	Property Surface (hectares) Owned	Property Surface (hectares) Leased	Reserves (Million tons) Proven	Reserves (Million tons) Probable	Reserves (Million tons) Total	Years to depletion	2017 Annualized Production	5 years aver. Annualized Production	Own Use
Mexico(1)	Limestone	18	9,771	48	1,252	1,665	2,917	140	19.9	20.8	96%
	Clay	15	8,912	—	161	148	309	89	3.2	3.5	100%
	Others	15	1,729	150	8	22	30	98	0.3	0.3	100%
United States(2)	Limestone	11	18,787	—	444	54	498	39	13.0	12.7	100%
	Clay	2	132	7	22	—	22	—	0.3	—	0%
Europe											
United Kingdom	Limestone	3	431	107	74	43	117	52	24	2.3	100%
	Clay	2	98	—	14	18	32	49	0.7	0.7	100%
Germany	Limestone	1	298	—	5	101	106	36	3.1	2.9	88%
Spain	Limestone	12	726	117	298	131	429	82	4.5	5.2	100%
	Clay	6	64	72	18	—	18	26	0.5	0.7	96%
	Others	2	102	9	1	14	15	—	—	—	0%
Poland	Limestone	2	288	—	70	—	70	26	3	3	96%
Rest of Europe	Limestone	4	745	50	202	47	249	55	4.6	4.5	98%
	Clay	1	70	—	10	2	12	49	0.2	0.2	100%
	Others	1	4	5	—	—	—	60	—	—	100%
SAC											
Colombia	Limestone	13	3,026	1,751	51	191	242	59	3.8	4.1	92%
	Clay	3	183	250	—	12	12	102	—	0.1	100%
	Others	1	86	52	—	2	2	20	0.1	0.1	100%
Panama	Limestone	3	110	—	32	50	82	33	2	2	100%
	Clay	2	179	—	—	15	15	50	—	—	100%
Costa Rica	Limestone	1	48	—	37	—	37	40	1	1	98%
	Clay	2	94	60	4	6	11	42	—	—	100%
	Others	1	27	—	5	—	5	199	—	—	100%
Caribbean TCL	Limestone	3	103	40	3	248	251	108	2.1	2.3	100%
	Clay	2	135	—	17	—	17	139	0.1	0.1	100%
	Others	2	7	—	—	—	—	3	0.2	0.2	100%
Rest of South, Central America and the Caribbean	Limestone	15	681	221	316	397	713	244	2.8	2.9	100%
	Clay	2	242	—	21	30	51	429	—	01	100%
	Others	5	—	1,566	12	50	62	26	0.1	2.3	60%
Asia, Middle East and Africa											
Philippines(3)	Limestone	5	238	—	28	180	208	37	6.2	5.7	100%
	Clay	3	37	—	1	2	3	17	0.1	0.2	100%
	Others	5	76	9	6	3	8	11	0.4	0.7	100%
Egypt	Limestone	2	—	203	286	—	286	53	4.5	5.4	100%
	Clay	3	—	404	76	1	77	59	0.9	1.3	100%
	Others	4	—	26	2	—	2	25	—	0.1	100%
CEMEX Consolidated	**Limestone**	**93**	**35,252**	**2,537**	**3,096**	**3,108**	**6,204**	**83**	**73.2**	**74.9**	**98%**
	Clay	**43**	**10,145**	**793**	**344**	**235**	**579**	**78**	**6.6**	**7.5**	**95%**
	Others	**36**	**2,030**	**1,818**	**34**	**91**	**125**	**33**	**1.2**	**3.8**	**96%**
	Totals	**172**	**47,427**	**5,148**	**3474**	**3,433**	**6,907**	**80**	**81.1**	**86.2**	

(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 U.S. 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, which is a corporation in which we own a 40% equity interest.

As of December 31, 2017, we operated approximately 295 aggregates quarries across our global operations dedicated to serving our ready-mix and aggregates businesses. We estimate that our proven and probable aggregates reserves, on a consolidated basis, have an average remaining life of 37 years, assuming 2013-2017 average production (last five years average aggregates production).

The table set forth below presents our total 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.

Location	Mineral	Number of quarries	Property Surface (hectares)		Reserves (Million tons)			Years to depletion	2017 Annualized Production	5 years aver. Annualized Production	Own Use
			Owned	Leased	Proven	Probable	Total				
Mexico	Hardrock	13	1,395	135	216	293	508	48	10.7	10.5	13%
	Others	1	—	48	2	10	13	7	1.9	1.8	46%
United States	Hardrock	16	7,989	1,250	546	155	701	32	23.1	22.1	34%
	Sand & Gravel	50	4,820	4,527	402	41	443	28	15.8	15.9	46%
	Others	2	163	88	1	—	1	3	0.3	0.3	37%
Europe											
United Kingdom	Hardrock	10	450	754	410	—	410	45	9.6	9.1	48%
	Sand & Gravel	2	157	—	2	—	2	8	0.3	0.2	48%
	Others	59	2,556	1,560	115	88	203	21	8.6	9.7	46%
France	Hardrock	11	96	272	116	4	119	31	3.1	3.9	19%
	Sand & Gravel	28	666	976	109	28	137	23	4.9	5.8	31%
	Others	6	386	746	31	4	35	156	1.4	2.3	63%
Germany	Hardrock	2	26	235	26	18	44	30	1.2	1.5	23%
	Sand & Gravel	22	1,616	502	51	76	127	17	5.8	7.3	38%
	Others	1	32	—	—	—	1	4	0.1	0.1	80%
Spain	Hardrock	12	457	169	228	184	412	533	0.7	0.8	22%
	Sand & Gravel	3	432	110	50	1	51	471	—	0.1	10%
Poland	Hardrock	1	5	36	5	22	27	54	0.3	0.5	38%
	Sand & Gravel	4	324	176	9	8	17	4	3.5	4.1	47%
	Others	1	6	6	—	—	—	—	—	0.1	10%
Rest of Europe	Hardrock	11	443	84	118	92	210	16	12.3	13.4	56%
	Sand & Gravel	7	8	170	4	2	6	8	0.5	0.7	31%
	Others	16	442	71	30	23	54	13	3.9	4.0	29%
SAC											
Colombia	Hardrock	2	58	—	1	9	10	25	0.4	0.4	100%
	Sand & Gravel	1	—	—	—	—	—	3	—	—	100%
Panama	Hardrock	2	31	20	5	12	17	24	0.3	0.7	43%
	Others	1	—	56	—	1	1	6	0.1	0.1	48%
Rest of South, Central America and the Caribbean											
	Hardrock	4	—	145	17	605	621	806	0.4	0.8	13%
	Sand & Gravel	3	150	120	23	6	29	71	0.2	0.4	21%
	Others	1	—	—	—	1	1	—	—	—	47%
Asia, Middle East and Africa											
Philippines(1)	Hardrock	3	77	24	151	—	151	61	0.4	2.5	11%
CEMEX Consolidated	**Hardrock**	**87**	**11,027**	**3,125**	**1,837**	**1,394**	**3,231**	**49**	**63**	**66**	**36%**
	Sand & Gravel	**120**	**8,173**	**6,581**	**651**	**162**	**812**	**23**	**31**	**35**	**42%**
	Others	**88**	**3,585**	**2,574**	**180**	**128**	**308**	**17**	**16**	**18**	**44%**
	Totals	**295**	**22,785**	**12,279**	**2,668**	**1,684**	**4,352**	**37**	**110**	**119**	**39%**

(1) 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.

Our Vision

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

PURPOSE. We expect to build a better future for our employees, our customers, our shareholders, 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) ensure 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 on 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 caring for our people, communities and natural resources.

STRATEGY. 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 related businesses. The four pillars that underpin our strategy are (i) valuing our employees as our main competitive advantage and primary asset, (ii) helping our customers succeed, (iii) pursuing markets that offer long-term profitability, and (iv) looking to have sustainability fully embedded in our business.

We value people as our main competitive advantage

We aspire to hire top-class employees, and our team's health, safety and professional growth are top priorities. We develop leaders and encourage them to create new ways of thinking and acting, while assessing risks and opportunities. We look to foster an open dialogue in our interactions to align and achieve greater results.

Placing Health and Safety First.

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.

We are working towards our ultimate target of zero injuries in our operations worldwide. In 2017, our Employee Lost-Time Injury ("LTI") Frequency Rate was 0.5 (based on number of employees per million hours worked), bringing us closer to our goal of reducing such rate to 0.3 or less by 2020. We are encouraged to see that 95% of CEMEX operations experienced no fatalities or lost-time-injuries in 2017. We recognize the remaining 5% is still considerable. However, we consider that the overall direction is positive. Also in 2017, CEMEX Total Recordable Injury ("TRI")

Frequency Rate continued to decline, reaching 3.4 compared to 4.1 in 2016 and 4.5 in 2015. Four regions and 17 countries reduced their TRI Rates, with seven countries maintaining a rate of zero. In addition, the global Employee Sickness Absence Rate for CEMEX improved from 1.8 to 1.6 in 2017.

There were 20 fatalities in 2017 related to our business: three employees, seven contractors and 10 third parties, 13 of which were road traffic related. Our goal is to have zero injuries and fatalities. To reach this objective, we are actively working to identify and mitigate risks. Each injury and fatality is analyzed to identify risks and prevent future incidents.

Most of these fatalities were caused by moving vehicle incidents (i.e., collisions involving contractors' trucks). To prevent further fatalities, we have invested in technology and training programs to encourage our employees and contractors to use proper driving techniques for their safety and the safety of others. For example, we are reinforcing our defensive driver training and we have introduced a stronger driver certification scheme.

The following table sets forth our performance indicators with respect to safety by geographic location for the year ended December 31, 2017 and accounts for information that became available in March 2018:

	Mexico	United States	Europe	SAC	Asia, Middle East and Africa	Total CEMEX
Total fatalities, employees, contractors and other third parties (#)	8	1	6	3	2	20
Fatalities employees (#)	—	—	2	1	—	3
Fatality rate employees(1)	—	—	1.9	1.5	—	0.7
Lost-Time injuries (LTI), employees (#)	—	18	19	9	2	50
Lost-Time injuries (LTI), contractors (#)	6	9	24	13	7	68
Lost-Time injury (LTI) frequency rate, employees per million hours worked	—	0.9	1.0	0.5	0.3	0.5

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

We attempt to achieve the goal that all of our employees have the correct knowledge, skills, and experience to perform their jobs safely through our investments in programs that provide employees with health and safety training. As part of our manager-training program, executives and supervisors must complete our Health and Safety ("H&S") Academy, which is designed to enhance the leadership skills of our line managers and supervisors and so that H&S is our top priority across our organization, from our production plants to our corporate offices. In 2017, we trained over 4,800 line managers through a "Foundation" module. And have expanded this through the launch of a "Module 2." Each module is available in all five of our regions, which enables our line managers to utilize the 14 tools of our H&S Management System (HSMS) to achieve our Zero4Life goal in their operations.

In addition, we have continued to train our employees in Hazard Identification, which was a global initiative in 2017.

Furthermore, we have continued to support our global networks with respect to H&S. We have a dedicated H&S Track that sits within each network to promote working together through a coordinated, consistent, and collaborative approach to reach our company-wide goal of zero injuries: (i) the H&S Functional Network; (ii) the Global H&S Council; (iii) 6 global network H&S tracks; and (iv) a Global Health Forum.

We continue to enhance our health practices and reduce our safety risks to strengthen our H&S culture. H&S is considered in product development, from design to disposal. We look to abide by applicable legislation and H&S requirements when designing our products and have developed material safety data sheets that describe potential hazards and precautions to take when handling each of our products. For instance, countries in which

we operate have the 12 CEMEX Safety Essentials embedded into everyday operations, and the first CEMEX Safety Essential is to ensure that we look after ourselves and each other. Beyond focusing on their own safety, this guideline encourages our employees to warn their colleagues of potential safety risks, while encouraging such employees to report unsafe conditions to their managers, as well.

In an effort to reduce safety challenges related to road transportation, our Ready-Mix Track launched an initiative to combat mixer truck rollovers. This initiative is designed to raise awareness among managers and drivers on actions that can cause rollovers and imposes requirements on our operations to prevent these incidents.

In our aggregates operations, we analyzed and identified that, over consecutive weeks, a number of incidents occurred on the first day of the week, so we decided to implement "first day back to work" training. While the content of each training session is decided by our local operations, the concept is to target the most relevant areas of each particular operation in order to proactively remind people of correct procedures and to ensure they know how to adopt them.

During 2017, we implemented a global electronic system to support our efforts in H&S, especially around incident management, reporting, leadership engagement visits, Near Miss/Hazard Alert reporting and action plans. This system was developed by a third party, and we anticipate its full implementation during 2018.

We also continued to embed several global standards that are targeted at specific areas to prevent common causes of injuries and ill health, including Pedestrians on Urban Sites, Mobile Equipment, and Working at Height.

Attracting and Retaining Talent. We aim to offer the programs, benefits, and work environment that 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 to equip them to succeed in increasingly challenging roles. Through this process, we work to improve our employees' commitment to our company by helping them meet their own career development expectations and preparing 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 80% of our global workforce receives health and life insurance benefits beyond those required by local law in their respective countries. Approximately half of our global workforce receives retirement provision benefits above local requirements, and more than 60% 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—Commercial, Health & Safety, Supply Chain, and Culture & Values—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.

In April 2018, our Chief Executive Officer approved our Human Rights Policy, applicable to all CEMEX employees, directors and officers, which states that, among other things, CEMEX intends to provide a workplace that is free from harassment and discrimination on the basis of race, gender, national origin, sexual orientation, disability, membership to any political, religious or union organization and offering them 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 the Human Rights Policy can report it through various channels, including local Human Resources departments, Ethics Committees and our ETHOS line secured 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 the Human Rights Policy.

Helping our customers succeed

We aim to place our customers at the center of everything we do. We achieve this by delivering a superior customer experience driven by a bold digital transformation.

Delivering A Superior Customer Experience.

Our Customer Centricity Global Network has implemented various initiatives to place our customer at the center of everything we do. Additionally, through the creation of CEMEX Ventures, we are developing new sources of revenue by developing ideas that we expect will revolutionize our industry through the use of technology. Among these efforts, CEMEX Go is at the center of our transformation.

We want our customers to view us as reliable, easy to work with, innovative, expert and professional. We have organized our company and redesigned our processes in an effort to ensure that we create the best possible experience for our customers. Our customer centricity initiatives have focused on pricing policies, sales management, and customer segmentation.

Through our Commercial Academy and related initiatives, we are reinforcing focus on customers as a core organizational value and priority that meets both our customers' and our need for growth and profitability. To date, we have delivered approximately 5,700 training sessions to our professionals, reaching approximately 2,000 employees worldwide. Additionally, we enjoy a wide reach in the markets where we operate, with what we believe to be the facilities and logistical capabilities to serve our customers accurately, consistently, and rapidly.

Moreover, we are strategically expanding our manufacturing and distribution capabilities to serve our customers' and communities' increasing demand for high-quality public infrastructure, commercial buildings, and housing projects more efficiently, effectively, and reliably. For example, in 2017, we successfully acquired and consolidated a majority stake in TCL. As one of the leading producers and distributors of cement and ready-mix concrete products in the Caribbean, TCL significantly bolsters our regional operations and trading network—enabling us to deliver a strong experience for our new and existing customers in the area.

One example of our operational effectiveness is our work with Mexico City's New International Airport. Given the large scale of the project, one of its most significant challenges is to organize the supply chain efficiently. The raw materials required to produce the concrete for this project will come from different sources and will be transported in trucks, trains, and ships; all of which are part of the logistics solution that we offer our customers. Additionally, we are installing several concrete plants on the airport construction site to guarantee continuous supply throughout the project.

Digital Transformation. Beyond changing the way we operate internally, we are leveraging digital technologies to transform our customers experience with CEMEX. We are embracing digital technologies to both streamline and simplify the way our customers engage with us and enhance how we operate. To this end, we launched a digital transformation strategy during 2016.

Over the past few years, we developed and implemented several digital solutions that are being used by our customers. Specifically, in November 2016, we announced a partnership with International Business Machines Corporation (IBM) and Neoris, Inc. to develop digital solutions to help us transform how we interact with customers. Following the initial deployment, we are continuously updating and adding capabilities to continually improve the functionality and stay ahead of our customers' expectations.

We intend to transform the global building materials industry with the launch of CEMEX Go, an innovative, fully digital customer integration platform. CEMEX Go is a multi-device offering that provides a seamless experience for order placement, live tracking of shipments, and managing invoices and payments for our main products.

During 2017, we started the rollout of CEMEX Go in the United States and Mexico. Its deployment across the rest of our geographies will continue in 2018.

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

As the only global building materials company with its own concrete admixtures business, we are able to design and develop novel, tailor-made concrete technologies with our proprietary chemicals. 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 to anticipate and understand society's trends to create innovative, sustainable construction solutions that seek to satisfy our customers' current and future needs, while truly challenging the current state of the art. Among other benefits, our concrete solutions help improve land use, increase water and energy efficiency, mitigate noise pollution, and lower buildings' carbon footprint.

Led by Global R&D in Switzerland, our team of experts works in close collaboration with our customers to offer them unique, integrated, cost-effective solutions that aim to fulfill their specific performance requirements, including a growing portfolio of value-added brands. In order to provide the same offering in all of our operations, our salesforce is continually informed and trained on value-added brands, with material shared by Global R&D through our internal Global Networks. Another initiative is to begin integrating Building Information Modeling (BIM) technology into our interaction with customers, providing them an overview of their projects and how our products can be incorporated.

Technologies developed by our Global R&D are protected by more than 50 international patent families, covering new cements, cementitious materials, concrete mix designs, admixtures formulations, and construction systems.

Together with members of our Aggregates Global Network, our Global R&D supported the design, creation, and launch of our new value-added aggregates brand: neogem. These products are specialized high-quality aggregates, whose intrinsic properties 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 that go beyond commonly known building materials.

CEMEX Building Award: Honoring the best of the best. Through our annual CEMEX Building Award, one of the most renowned competitions in the construction field, we not only honor engineers, architects, and other building professionals, but also encourage creativity in the application of new concrete technology to improve our communities. The CEMEX Building Award recognizes projects in Mexico and the rest of the world in five categories and with four special prizes. For the XXVI Edition, a total of 545 projects competed in the national awards, while 70 projects from 17 different countries competed in the international awards.

CEMEX Obtains Environmental Product Declarations For 80 Types Of Concrete. CEMEX earned the National Ready Mixed Concrete Association's certification of 80 Environmental Product Declarations (EPDs) from four of its ready-mix concrete operations in Mexico, the U.S., and Panama. This certification reaffirms CEMEX's commitment to sustainable development, while reinforcing its vision to build a better future for all of its stakeholders.

An EPD is a voluntary declaration that provides quantitative information on the environmental impact of a product using a life cycle assessment (LCA) methodology, verified by an independent third party. It also serves as a mechanism to score points on sustainable building certifications such as LEED. EPDs are designed to meet the world market demand for scientifically based, transparent, and reliable information, enabling organizations to communicate their products' environmental performance in a credible and understandable way.

Pursue markets that offer long-term profitability

We look to operate in markets where we can add value for our employees, our customers and CEMEX, S.A.B. de C.V.'s shareholders. We intend to focus on those markets that offer long-term profitability. We believe that a geographically diverse portfolio of assets 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 operate. Our business portfolio is particularly focused on geographies that combine strong fundamentals, ranging from economic growth potential to per-capita cement consumption, population growth, degree of urban development and political stability.

Leveraging our global presence and extensive operations worldwide, we intend to continue focusing on our core cement, aggregates, ready-mix concrete and related businesses. By managing our core operations as one vertically integrated business, we not only capture a significant portion of the cement value chain, but also create value for our customers by offering comprehensive building solutions. Historically, this strategic focus has enabled us to grow our existing businesses, particularly in high-growth markets and with specialized, high-margin products.

Complementary Businesses. We participate selectively in complementary businesses, including, but not limited to, the development of alternative and renewable sources of energy, concrete pavement solutions, housing, prefabricated concrete products, admixtures. We believe such projects allows us to provide valuable services to our customers, grow our core markets, develop our competitive advantage, and improve our overall performance.

New Businesses Enabled By Digital Technologies. During 2017, we launched our open innovation and corporate venture capital unit, CEMEX Ventures, which focuses on engaging startups, entrepreneurs, universities, and other stakeholders expected to shape the construction ecosystem of tomorrow by tackling our industry's toughest challenges.

Leveraging our knowledge of the industry with new, leading edge technologies and platforms, CEMEX Ventures is developing opportunities in key focus areas outside of our core business, including urban development, connectivity improvements across the construction value chain, and new construction trends and technologies, while developing new project finance resources.

CEMEX Ventures' main role is to look for investment opportunities that go beyond our core business. 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.

During 2017, CEMEX Ventures analyzed more than 2,000 potential businesses, invested in three startups, and developed and engaged in six deep dives with CEMEX employees. Furthermore, CEMEX Ventures held its

Open Challenge, its first competition for startups, entrepreneurs, innovators, businesses, and employees that are exploring new opportunities in any of its focus areas. Following its success, CEMEX Ventures is preparing its Construction Startup Competition 2018.

Look to have stainability fully embedded in our business

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 of CEMEX, S.A.B. de C.V.'s board of directors members reporting 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 a member of our Executive Committee. 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 of our operating regions and business lines.

Improving Quality of Life and Well-being. As a company that strives 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 in order to create shared value for us and society.

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 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; (ii) sustainable and resilient infrastructure and mobility; (iii) social and environmental entrepreneurship; and (iv) culture of environment protection and health.

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 our board of directors-level Sustainability Committee, our Global Environmental Council, which is composed of 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 contribute to climate change mitigation and its consequences. For decades, 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 26.2% of our total fuel mix in 2017, and generated U.S. $123 million in savings.

As a result of our efforts, we avoided more than seven million tons of CO_2 emissions in 2017 compared to our 1990 baseline. That is comparable to offsetting the yearly average carbon emissions from 1.3 million passenger vehicles.

We actively seek to develop new technologies to reduce our carbon footprint. Most notably, we are currently involved in four European research projects that aim to directly and indirectly reduce our carbon emissions. 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. For example, these activities include our leading role in the Cement Sustainability Initiative, a cement sector project under the World Business Council for Sustainable Development, and the World Bank-led Carbon Pricing Leadership Coalition.

We have the expertise to responsibly source, process, store, and recover energy from alternative fuels, and we are confident 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 2017, 95% of the waste generated by our production processes was recovered, reused or recycled. The remaining material was sent to disposal sites. Moreover, as a result of our efforts, the disposal of our non-hazardous waste, which comprises the majority of the waste created in our operations, decreased approximately 9% in 2017 compared to 2016.

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 impact assessment, stakeholder engagement, and accident response based on input from a range of environmental and biodiversity specialists.

As of December 31, 2017, 88% of our operations had implemented either the CEMEX EMS or equivalent pro- grams. As we approach full implementation of our global EMS in 2020, our goal is for all CEMEX facilities to be 100% compliant with our internal environmental criteria.

Through our Recycle R8 strategy, we conducted a comprehensive audit process across over 300 sites—from our quarries to our cement and concrete plants and corporate offices—put in place the right waste and recycling facilities at each site, and completely changed the culture among our employees. Before Recycle R8, we diverted 27% waste away from landfills; today it is 80%, with us moving towards our target of 100%.

The release of nitrogen oxides (NOX), sulfur compounds (SOX), and dust occurs during cement manufacturing. Other emissions, including dioxins, furans, volatile organic compounds, and heavy metals, are released in very small or negligible quantities. To control our stack emissions and 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 to ensure compliance with local regulation limits. To further improve upon these efforts, we have updated the minimum performance levels to fulfill annually for major emissions. In addition, we are establishing more stringent environmental standards for air emissions that will be based on EU Best Available Techniques.

In 2017, we invested U.S. $83 million in sustainability related projects at our global operations, including projects to monitor and reduce our air emissions, mitigate our carbon footprint and increase our operations efficiency, from the replacement of electro filters with bag filters to the acquisition of continuous emissions monitoring systems.

Our environmental incidents management. We consistently work to minimize our environmental impact, and we are prepared to respond to any emergency 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.

We have updated our Global Environmental Incident Reporting Tool to include social incidents—consolidating our holistic approach to the integral management of incidents. We believe that reporting environmental incidents is the first step to reducing their occurrence and severity. Our rigorous efforts to standardize the implementation of our environmental management processes enabled us to avoid the occurrence of Category 1 incidents during 2017. Moreover, our Category 2 incidents decreased significantly, from 64 in 2016 to 37 in 2017. This significant drop was mainly due to updating the CEMEX Environmental Incident Reporting Procedure, wherein the circumstances of specific incidents were recorded in the context of their corrective action to ensure better follow-up and corresponding remediation.

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.

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) ensuring clear and effective transactional functions at all levels of our business; and (iv) maintaining efficient governance controls.

STAKEHOLDERS. We value our: (i) employees by providing 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 by focusing on maximizing revenue, reducing costs, optimizing assets and reducing risk; and (iv) community and suppliers by serving as an engine of economic growth, building more capable, inclusive and resilient communities and striving to reduce local air, water and waste impacts in an effort to conserve biodiversity.

Cement and concrete promotion partners. We actively participate in different industrial associations at regional, national, and local levels to develop partnerships, gain knowledge, provide a voice, and in the case of our sector, promote cement and concrete. Our business units also engage with international stakeholders such as intergovernmental organizations or sub-regional alliances, which have an impact on our operations.

We are increasingly involved in global bodies—which help to coordinate these worldwide topics—such as the Cement Sustainability Initiative. The Cement Sustainability Initiative is a sector initiative within the World Business Council for Sustainable Development.

Environment 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 closely with UNESCO, Wild Foundation, Birdlife International, Wildlife Conservation Society, Conservation International, and the International Union for Conservation of Nature.

Knowledge and learning partners. We often leverage the knowledge and expertise from our partnerships with academic and research institutions.

We continue to support the Massachusetts Institute of Technology (MIT) Concrete Sustainability Hub (CSHub). By conducting ongoing research, the mission of the MIT CSHub is to develop breakthroughs that will achieve sustainable and durable homes, buildings, and infrastructure through advances in concrete technology. MIT results show that inter-industry competition means lower prices for both concrete and asphalt and that a diversified network provides better performance.

Social impact partners. Our more than 500 partnerships and strategic alliances worldwide have proven a key success factor in multiplying our positive impact on society.

Financial Strategy

Regain our Investment Grade.

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

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

We have a long history of successfully operating world-class cement production facilities in developed and emerging markets and have demonstrated our ability to produce cement at a lower cost compared to industry standards in most of these markets. We continue to look to reduce our overall production related costs for all of our products and corporate overhead through disciplined cost management policies and through improving efficiencies by removing redundancies. We have implemented several worldwide standard platforms as part of this process and have also started different initiatives, such as a system designed to improve our operating processes worldwide. In addition, we implemented centralized management information systems throughout our operations, including administrative, accounting, purchasing, customer management, budget preparation and control systems, which have helped us achieve cost efficiencies, and we also have a strategic agreement with IBM expected to improve some of our business processes. We have also transferred key processes, such as procurement and trading, from a centralized model to a regional model and are simplifying and delayering our business to accelerate decision-making and maximize efficiency. In a number of our core markets, such as Mexico, we launched aggressive initiatives aimed at reducing the use of fossil fuels, consequently reducing our overall energy costs.

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

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

Global Cost-Reduction and Pricing Initiatives

In response to decreased demand in most of our markets as a result of the global economic recession, in 2008 we identified and began implementing global cost-reduction initiatives intended to reduce our annual cost structure to a level consistent with the decline in demand for our products. Such global cost-reduction initiatives encompass different undertakings, including headcount reductions, capacity closures across the cement value chain and a general reduction in global operating expenses. During the past years, CEMEX has launched a company-wide program aimed at enhancing competitiveness, providing a more agile and flexible organizational structure and supporting an increased focus on the company's markets and customers. For the year ended December 31, 2017, we reached our target that had been set out for the 2017 year of approximately U.S.$150 million in annualized cost savings through the implementation of our cost reduction program, which contemplated an improvement in underperforming operations, a reduction in selling, general and administrative costs and the optimization of our organizational structure.

In connection with the implementation of our cost-reduction initiatives, and as part of our ongoing efforts to eliminate redundancies at all levels and streamline corporate structures to increase our efficiency and reduce operating expenses, as well as our divestitures, we have reduced our global headcount by approximately 28%, from 56,791 employees as of December 31, 2008 (excluding personnel from our operations in Australia sold in 2009 and our operations in Venezuela, which were expropriated in 2008) to approximately 40,878 employees as of December 31, 2017.

Also as part of these initiatives, since 2009, we have temporarily shut down (some for a period of at least two months) several cement production lines in order to rationalize the use of our assets and reduce the accumulation of our inventories. We have also announced the permanent closure of some of our cement plants, such as our Davenport cement plant located in northern California in 2010. Similar actions were taken in our ready-mix concrete and aggregates businesses. Such rationalizations included, among others, our operations in Mexico, the United States, Spain and the United Kingdom.

Furthermore, during 2017, we achieved energy cost-savings by actively managing our energy contracting and sourcing, and by increasing our use of alternative fuels. We believe that these cost-saving measures better position us to quickly adapt to potential increases in demand and thereby benefit from the operating leverage we have built into our cost structure.

We have also introduced a comprehensive pricing strategy for our products that is expected to more fully reflect and capture the high value-creating capability of our products and services. Our strategy focuses on value

enhancement, optimizing gains in customer relationships and in generating sufficient returns that would allow us to reinvest in our business. Under this strategy we are establishing internal procedures and guidelines that are expected to support our approach to pricing our different products and services.

Optimizing Capital Expenditures

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. Such reductions were implemented to maximize our free cash flow generation available for debt service and debt reduction, consistent with our ongoing efforts to strengthen our capital structure, improve our conversion of Operating EBITDA to free cash flow and regain our financial flexibility. During 2016 and 2017, we decreased capital expenditures related to maintenance and expansion of our operations to U.S.$685 million and U.S.$656 million, respectively, from U.S.$762 million in 2015. Pursuant to the 2017 Credit Agreement, we are limited in our ability to make aggregate annual capital expenditures in excess of U.S.$1 billion in any financial year (excluding certain capital expenditures, joint venture investments and acquisitions to be made by each of CEMEX Latam and/or CHP and their respective subsidiaries and those funded by Relevant Proceeds (as defined in the 2017 Credit Agreement)), which capital expenditures, joint venture investments and acquisitions at any time then incurred are subject to a separate aggregate limit of (a) U.S.$500 million (or its equivalent) for each of CEMEX Latam and its subsidiaries and (b) U.S. $500 million (or its equivalent) for each of CHP and its subsidiaries. In addition, the amounts of which we and our subsidiaries allowed for permitted acquisitions and investments in joint ventures cannot exceed certain thresholds as set forth in the 2017 Credit Agreement. We believe that these restrictions on capital expenditures may still allow us to opportunistically increase capital expenditures in some of the markets in which we operate, if necessary, to take advantage of improved market conditions, if any.

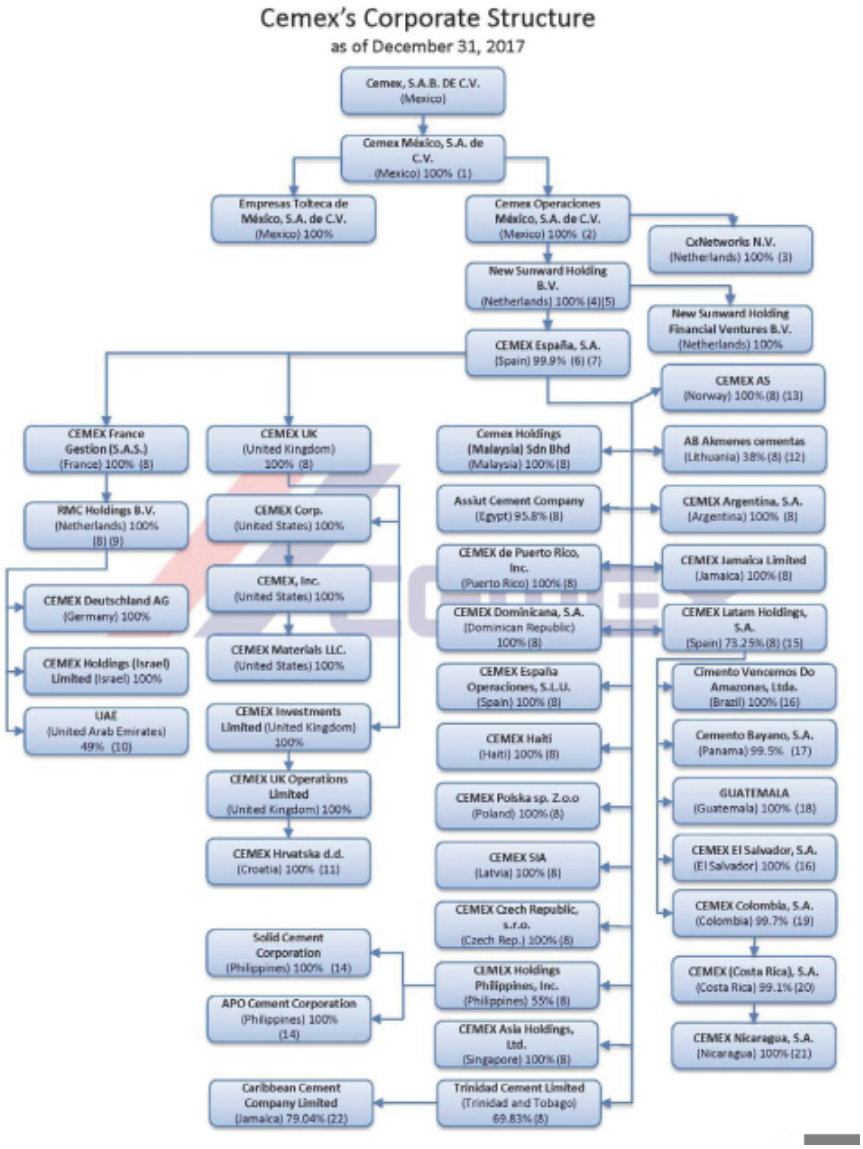
User Base

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

As of December 31, 2017, we did not depend on any of our existing customers to conduct our business and the loss of any of our existing customers individually would not have a material adverse effect on our financial condition or results of operations. For the period ended December 31, 2017, none of our customers represented more than 10% of our consolidated net sales.

Our Corporate Structure

CEMEX, S.A.B. de C.V. is an operating and also a holding company, and in general CEMEX operates its business through subsidiaries that, in turn, hold interests in CEMEX's cement and ready-mix concrete operating companies, as well as other businesses. The following chart summarizes CEMEX's corporate structure as of December 31, 2017. The chart also shows, for each company, CEMEX's approximate direct or indirect percentage equity ownership or economic interest. The chart has been simplified to show only some of CEMEX's major holding companies and/or operating companies in the main countries in which CEMEX operates, and/or relevant companies in which we hold a significant interest, and does not include all of CEMEX's intermediary holding companies and all CEMEX's operating subsidiaries.



(1) Includes an approximately 99.88% interest pledged or transferred to a security trust as collateral for the benefit of certain secured creditors of CEMEX and certain of its subsidiaries.
(2) Includes an approximately 99.99% interest pledged or transferred to a security trust as collateral for the benefit of certain secured creditors of CEMEX and certain of its subsidiaries.
(3) CxNetworks N.V. is the holding company of the global business and IT consulting entities, including Neoris N.V.
(4) Includes a 100% interest pledged or transferred to a security trust as collateral for the benefit of certain secured creditors of CEMEX and certain of its subsidiaries.
(5) Includes Cemex Operaciones México's 59.64% interest and CTH's 40.36% interest. CEMEX indirectly holds 100% of Cemex Operaciones México and CTH.
(6) Includes New Sunward and CEMEX's interest, and shares held in CEMEX España's treasury.
(7) Includes an approximately 99.63% interest pledged or transferred to a security trust as collateral for the benefit of certain secured creditors of CEMEX and certain of its subsidiaries.
(8) Includes CEMEX España's direct or indirect interest.
(9) Includes CEMEX France Gestion (S.A.S.)'s ("CEMEX France") 94.75% interest and CEMEX UK's 5.25% interest.
(10) Represents CEMEX España's indirect economic interest in three companies incorporated in the UAE, CEMEX Topmix LLC, CEMEX Supermix LLC and CEMEX Falcon LLC. CEMEX España indirectly owns a 49% equity interest in each of these companies, and CEMEX España indirectly holds the remaining 51% of the economic benefits through agreements with other shareholders.
(11) Divestment of CEMEX Hrvatska d.d. was expected to be completed during the first half of 2017, but the divestment will not be made and CEMEX Hrvatska d.d. remains one of our subsidiaries.
(12) Represents CEMEX España's indirect 37.84% and 11.76% interest in ordinary and preferred shares, respectively.
(13) CEMEX AS is an operating company and also the holding company for CEMEX's operations in Finland, Norway and Sweden.
(14) Represents CHP's direct and indirect equity interest.
(15) Represents outstanding shares of CEMEX Latam's capital stock and excludes treasury stock.
(16) Represents CEMEX Latam's indirect interest.
(17) Represents CEMEX Latam's 99.483% indirect interest in ordinary shares, and excludes: (i) a 0.516% interest held in Cemento Bayano, S.A.'s ("Cemento Bayano") treasury, and (ii) a 0.001% interest held by third parties.
(18) Represents CEMEX Latam's direct and indirect interest in five companies incorporated in Guatemala, CEMEX Guatemala, S.A. ("CEMEX Guatemala"), Global Concrete, S.A., Gestión Integral de Proyectos, S.A., Equipos para uso de Guatemala, S.A., and Cementos de Centroamérica, S.A.
(19) Represents CEMEX Latam's 99.75% and 98.94% indirect interest in ordinary and preferred shares, respectively.
(20) Represents CEMEX Colombia's indirect interest.
(21) Includes CEMEX (Costa Rica), S.A.'s 98% interest and CEMEX Colombia's 2% indirect interest.
(22) Includes Trinidad Cement Limited's direct and indirect 74.08% interest and CEMEX, S.A.B. de C.V.'s indirect 4.96% interest.

Mexico

Overview. For the year ended December 31, 2017, our operations in Mexico represented 21% of our net sales in Mexican Peso terms before eliminations resulting from consolidation. As of December 31, 2017, our business in Mexico represented approximately 32% of our total installed cement capacity and 13% of our total assets.

As of December 31, 2017, CEMEX, S.A.B. de C.V. was both a holding company for some of our operating companies in Mexico and an operating company involved in the manufacturing and distribution of cement, aggregates and other construction materials in Mexico. CEMEX, S.A.B. de C.V., indirectly, is also the holding

company for substantially 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 currently has a production capacity of approximately 3.4 million tons of cement per year. In December 2014, we announced the restart of the Tepeaca cement plant expansion, consisting in the construction of a new kiln. Its total production capacity is expected to reach approximately 4.9 million tons of cement per year by 2019 and 7.8 million tons of cement per year by 2022. Additionally, we are currently investing 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. The project is expected to be completed in the second quarter of 2018.

In 2001, we launched the Construrama program, a registered brand name for construction material stores. Through the Construrama program, we offer to an exclusive group of our Mexican distributors the opportunity to sell a variety of products under the Construrama brand name, a concept that includes the standardization of stores, image, marketing, products and services. As of December 31, 2017, approximately 778 independent concessionaries with more than 1,842 stores were integrated into the Construrama program, with nationwide coverage.

Industry. For 2017, the National Institute of Statistics and Geography (*Instituto Nacional de Estadística y Geografía*) indicated that total construction activity in Mexico contracted by 1.1% up to December (seasonally adjusted figures). Such contraction has been attributed to the steep decline in infrastructure activity of 10.3%, which was only slightly offset by the slow performance in the building sector (0.5%).

Cement in Mexico is sold principally through distributors, with the remaining balance sold through ready-mix concrete producers, manufacturers of pre-cast concrete products and construction contractors. Cement sold through distributors is mixed with aggregates and water by the end user at the construction site to form concrete. Ready-mix concrete producers mix the ingredients in plants and deliver it to local construction sites in mixer trucks, which pour the concrete. Unlike more developed economies, where purchases of cement are concentrated in the commercial and industrial sectors, retail sales of cement through distributors in 2017 accounted for approximately 62% 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 Mexican cement market.

The retail nature of the Mexican cement market also enables us to foster brand loyalty, which distinguishes us from other worldwide producers selling primarily in bulk. We own the registered trademarks for our brands in Mexico, such as "Tolteca," "Monterrey," "Maya," "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. In addition, we own the registered trademark for the "Construrama" brand name for construction material stores.

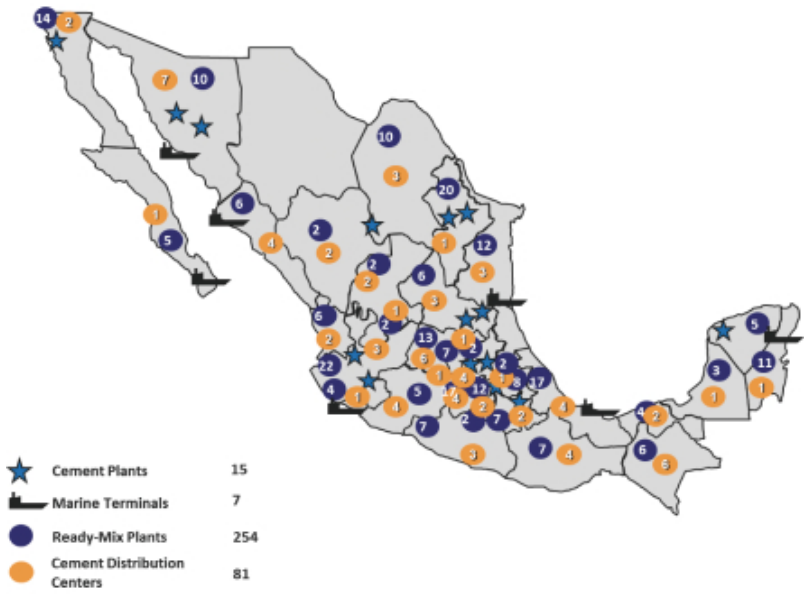
Competition. In the early 1970s, the cement industry in Mexico was regionally fragmented. However, for over more than the past 45 years, cement producers in Mexico have increased their production capacity and the Mexican cement industry has consolidated into a national market, thus becoming increasingly competitive. The major cement producers in Mexico are CEMEX; LafargeHolcim; Sociedad Cooperativa Cruz Azul, a Mexican operator; Cementos Moctezuma, an associate of Cements Molins; and GCC, a Mexican operator in whose majority holder, CAMCEM, we hold a minority interest. During 2013, a then new cement producer, Elementia (Cementos Fortaleza), entered the market and in 2014 merged with Lafarge (prior to the Lafarge-Holcim merger) within the Mexican market. The major ready-mix concrete producers in Mexico are CEMEX, LafargeHolcim, Sociedad Cooperativa Cruz Azul and Cementos Moctezuma. In addition, the use of non-integrated ready-mixers has been increasing.

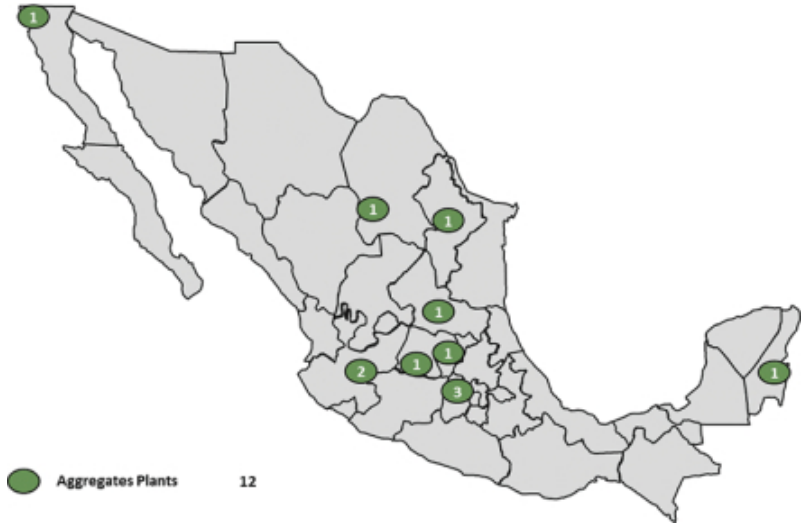
We believe potential entrants into the Mexican cement market face various impediments to entry, including, among other things, the time-consuming and expensive process of establishing a retail distribution network and developing the brand identification necessary to succeed in the retail market; the 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 is approximately two years.

Our Operating Network in Mexico

During 2017, we operated 13 out of our total of 15 cement plants (two were temporarily inactive) and 88 cement distribution centers (including seven marine terminals) located throughout Mexico.

We operate modern cement plants on the Gulf of Mexico and Pacific coasts, allowing us to take advantage of attractive transportation costs to export to the United States, the Caribbean, and Central and South America.





Products and Distribution Channels

Cement. For the year ended December 31, 2017, our cement operations represented 59% of net sales for our operations in Mexico before eliminations resulting from consolidation in Mexican Peso terms and our domestic cement sales volume represented 96% 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 approximately 12% of our total cement sales by volume in Mexico in 2017 (excluding our in-house channels).

Ready-Mix Concrete. For the year ended December 31, 2017, our ready-mix concrete operations represented 21% of net sales for our operations in Mexico before eliminations resulting from consolidation in Mexican Peso terms. Our ready-mix concrete operations in Mexico purchase all their cement requirements from our cement operations in Mexico. Ready-mix concrete is sold through our own internal sales force and facilities network.

Aggregates. For the year ended December 31, 2017, our aggregates operations represented 5% of net sales for our operations in Mexico before eliminations resulting from consolidation in Mexican Peso 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 approximately 4% of our total cement sales volume in Mexico for 2017. In 2017, approximately 53% of our cement exports from Mexico were to the United States, 45% were to the Rest of South, Central America and the Caribbean region and 2% were to Costa Rica.

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 Petróleos Mexicanos ("PEMEX") pursuant to which PEMEX has agreed to supply us with pet coke, including Termoeléctrica del Golfo's ("TEG") coke consumption, through 2022/2023. In 2017, due to operational issues at their refineries, PEMEX supplied us with approximately a total of 0.7 million tons of pet coke, less than half of the minimum annual volume committed. The PEMEX pet coke contracts have reduced 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 approximately 20% of the total fuel consumption for our operations in Mexico in 2017. For additional information, see "Item 5—Operating and Financial Review and Prospects—Summary of Material Contractual Obligations and Commercial Commitments—Contractual Obligations."

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 contract was extended to 2027. For additional information, see "Item 5—Operating and Financial Review and Prospects—Summary of Material Contractual Obligations and Commercial Commitments—Contractual Obligations."

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—Contractual Obligations."

In connection with the beginning of full commercial operations of 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 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 2017, Ventikas supplied approximately 9.79% of CEMEX's overall electricity needs in Mexico. This agreement is for CEMEX's own use and CEMEX does not intend to engage in energy trading.

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—Contractual Obligations." Additionally, in 2015, we created CEMEX Energía, an energy division seeking to develop a portfolio of power projects in Mexico, which is in the process of becoming a participant in the wholesale electricity market through a subsidiary. This subsidiary participated as a buyer in the third long-term power auction organized in 2017 by CENACE (the independent system operator) and has been 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 to be supplied to CEMEX's own operations in Mexico.

Description of Properties, Plants and Equipment. As of December 31, 2017, we had 15 wholly-owned cement plants and proportional interests through associates in three other cement plants located throughout Mexico, with a total potential capacity of 29.5 million tons per year, of which two were temporarily inactive. 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, 2017, the limestone and clay permitted proven and probable reserves of our operations in Mexico had an average remaining life of approximately 140 and 89 years, respectively, assuming 2013-2017 average annual cement production levels. As of December 31, 2017, all our production plants in Mexico utilized the dry process.

As of December 31, 2017, we had a network of 81 land distribution centers in Mexico, which are supplied through a fleet of our own trucks and rail cars, as well as leased trucks and rail facilities, and operated seven marine terminals. In addition, we had 254 (46 were temporarily inactive) ready-mix concrete plants throughout 77 cities in Mexico, more than 2,500 ready-mix concrete delivery trucks and 12 aggregates quarries.

Capital Expenditures. We made capital expenditures of U.S.$68 million in 2015, U.S.$84 million in 2016 and U.S. $113 million in 2017 in our operations in Mexico. We currently expect to make capital expenditures of over U.S.$136 million in our operations in Mexico during 2018.

United States

Overview. For the year ended December 31, 2017, our operations in the United States represented 24% of our net sales in Mexican Peso terms before eliminations resulting from consolidation. As of December 31, 2017, our business in the United States represented 16% of our total installed cement capacity and approximately 47% of our total assets. As of December 31, 2017, CEMEX, Inc. was the main holding company of our operating subsidiaries in the United States.

As of December 31, 2017, we had a cement manufacturing capacity of approximately 15.2 million tons per year in our operations in the United States, including 0.6 million tons in proportional interests through non-controlling holdings. As of December 31, 2017, we operated a geographically diverse base of 11 cement plants (two were temporarily inactive) located in Alabama, California, Colorado, Florida, Georgia, Kentucky, Louisiana, Pennsylvania, Tennessee and Texas. As of that date, we also operated 46 rail, truck or water served active cement distribution terminals in the United States. As of December 31, 2017, we had 335 ready-mix concrete plants located in Alabama, Arizona, California, Florida, Georgia, Louisiana, Nevada, Tennessee and Texas and aggregates facilities in Arizona, California, Florida, Georgia, Nevada, and Texas.

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

In February 2015, we completed an asset swap with Vulcan Materials Company, under which CEMEX exchanged its asphalt plants in Arizona and Sacramento for 12 ready-mix concrete plants in California. Under the agreement, CEMEX continues supplying aggregates to the exchanged asphalt plants. Also, CEMEX is able to capture incremental cement sales to the acquired ready-mix concrete plants. Given the operations and strategic focus in these markets, we expect each party should earn a higher return on the exchanged assets and continue serving its customers efficiently. This swap was a cash-free transaction.

On November 18, 2016, after all conditions precedent were satisfied, CEMEX, S.A.B. de C.V. announced that it had closed the sale of certain assets in the U.S. to GCC for U.S.$306 million. The assets were sold by an affiliate of CEMEX to an affiliate of GCC in the U.S., and mainly consisted of CEMEX's cement plant in Odessa, Texas, two cement terminals and the building materials business in El Paso, Texas and Las Cruces, New Mexico.

On January 31, 2017, one of CEMEX, S.A.B. de C.V.'s subsidiaries in the U.S. closed the sale of our Concrete Pipe Business to Quikrete for U.S.$500 million plus an additional U.S.$40 million contingent consideration based on future performance.

On February 10, 2017, one of our subsidiaries in the United States sold its Fairborn, Ohio cement plant and cement terminal in Columbus, Ohio to Eagle Materials for U.S.$400 million. The proceeds obtained from this transaction were used mainly for debt reduction and for general corporate purposes.

On June 30, 2017, one of our subsidiaries in the U.S. closed the divestment of the Pacific Northwest Materials Business, consisting of aggregates, asphalt and ready mix concrete operations in Oregon and Washington, to Cadman Materials for U.S.$150 million. The proceeds obtained from this sale were used mainly for debt reduction and general corporate purposes.

On September 29, 2017, one of our subsidiaries in the U.S. closed the divestment of the Block USA Materials Business, consisting of concrete block, architectural block, concrete pavers, retaining walls and building material operations in Alabama, Georgia, Mississippi and Florida, to Oldcastle for U.S.$38 million. The proceeds obtained from this sale were used mainly for debt reduction and general corporate purposes.

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.

The construction industry is still continuing to recover from the recession experienced during 2008 and 2009, which was the worst downturn in over 70 years. The construction industry was hit particularly hard during this recession due to the collapse of the housing sector. 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 has proceeded at a relatively moderate pace, with real gross domestic product average annual growth of 2.1% since 2011 to full year 2017. 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 inventories have declined to below normal levels across the nation, which together have supported an increase in housing prices for 2015, 2016 and 2017 of about 17%. Housing starts increased by 112% from 0.554 million units in 2009 to 1.174 million units in 2016. Housing starts in 2017 increased by 2.4% from 2016 to 1.202 million units, which remains well below the historical steady state level. The industrial and commercial sector has also been growing with nominal spending up 68% from 2013 to 2017. Industrial and commercial nominal spending increased by 2% in 2017. The public sector, which has lagged the other construction sectors in this recovery, recorded a spending decline of 2.1% in 2017. Cement demand has been increasing annually since 2013 with an estimated growth of 2.4% in 2017 after an increase of 20% from 2012 to 2016. The Portland Cement Association is forecasting a 2.6% increase in cement demand in the U.S. for 2018.

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

The independent U.S. ready-mix concrete industry is highly fragmented. According to the National Ready Mixed Concrete Association (“NRMCA”), it is estimated that there are about 5,500 ready-mix concrete plants that produce ready-mix concrete in the United States and about 55,000 ready-mix concrete mixer trucks that deliver the concrete to the point of placement. The NRMCA estimates that the value of ready-mix concrete produced by the industry is approximately U.S.$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.

Aggregates are widely used throughout the United States for all types of construction because they are the most basic materials for building activity. The U.S. Geological Survey (“USGS”) estimates over 2.2 billion tons of aggregates were produced in 2017, a decrease of about 1% over 2016. Crushed stone accounted for 60% of aggregates consumed, sand & gravel 40%, and slag 1%. These products are produced in all 50 states and have a value of U.S.$23 billion. The U.S. aggregates industry is highly fragmented and geographically dispersed. The top ten producing states represent approximately 50% of all production. According to the USGS, during 2017, an estimated 3,600 companies operated approximately 9,760 sand and gravel sites and 1,400 companies operated 3,700 crushed stone quarries and 82 underground mines in the 50 U.S. states.

Our Operating Network in the United States

The maps below reflect the location of our operating assets, including our cement plants and cement terminals in the United States as of December 31, 2017.

Products and Distribution Channels

Cement. For the year ended December 31, 2017, our cement operations represented 33% of our operations in the United States' net sales before eliminations resulting from consolidation in Mexican Peso terms. In the United States, we deliver a substantial portion of cement by rail, which occasionally those go directly to customers. Otherwise, shipments go to distribution terminals where customers pick up the product by truck or we deliver the product by truck. The majority of our cement sales 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, 2017, our ready-mix concrete operations represented 42% of our operations in the United States' net sales before eliminations resulting from consolidation in Mexican Peso 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, 2017, our aggregates operations represented 17% of our operations in the United States' net sales before eliminations resulting from consolidation in Mexican Peso terms. We estimate that, as of December 31, 2017, the crushed stone quarries and sand/gravel pits permitted proven and probable reserves of our operations in the United States had an average remaining life of approximately 30 years, assuming 2013-2017 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.

Production Costs. The largest cost components of our plants are usually electricity and fuel, which accounted for approximately 26% of our total production costs of our cement operations in the United States in 2017. We are currently 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 have gained more flexibility in supplying our energy needs and have become less vulnerable to potential price spikes. In 2017, the increased use of alternative fuels helped to offset the effect on our fuel costs of increasing coal prices. Power costs in 2017 represented approximately 11% of our cash manufacturing cost of our cement operations in the United States, which represents production cost before depreciation. We have improved the efficiency of our electricity usage of our cement operations in the United States, concentrating our manufacturing activities in off-peak hours and negotiating lower rates with electricity suppliers.

Description of Properties, Plants and Equipment. As of December 31, 2017, we operated 11 cement manufacturing plants in the United States (two were temporarily inactive), and had a total installed capacity of 15.2 million tons per year including 0.6 million tons representing our proportional interests through associates in six other cement plants. We estimate that, as of December 31, 2017, the limestone permitted proven and probable reserves of our operations in the United States had an average remaining life of approximately 39 years, assuming 2013-2017 average annual cement production levels. As of that date, we operated a distribution network of 39 cement terminals. All of our 11 cement production facilities in 2017 were wholly-owned by CEMEX, Inc., except for the Louisville, Kentucky plant, which is owned by Kosmos Cement Company, a joint venture in which we own a 75% interest and a subsidiary of Dyckerhoff AG (a subsidiary of Buzzi-Unicem) owns a 25% interest. As of December 31, 2017, CEMEX Inc. had 335 wholly-owned ready-mix concrete plants (66 were temporarily inactive) and operated 49 aggregates quarries. As of December 31, 2017, we distributed fly ash through six terminals and two third-party-owned utility plants, which operate both as sources of fly ash and distribution terminals. As of that date, we also owned 12 concrete block facilities.

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 and block plants and aggregates quarries. We are currently utilizing approximately 80% of our ready-mix plants, 55% of our block manufacturing plants and 77% of our aggregates quarries in the United States.

Capital Expenditures. We made capital expenditures of U.S.$216 million in 2015, U.S.$197 million in 2016 and U.S.$185 million in 2017 in our operations in the United States. We currently expect to make capital expenditures of approximately U.S.$233 million in our operations in the United States during 2018.

Europe

For the year ended December 31, 2017, our business in Europe, which includes our operations in the United Kingdom, France, Germany, Spain, Poland and the Rest of Europe, as described below, represented

25% of our net sales before eliminations resulting from consolidation. As of December 31, 2017, our business in Europe represented 26% of our total installed capacity and 20% of our total assets.

Our Operations in the United Kingdom

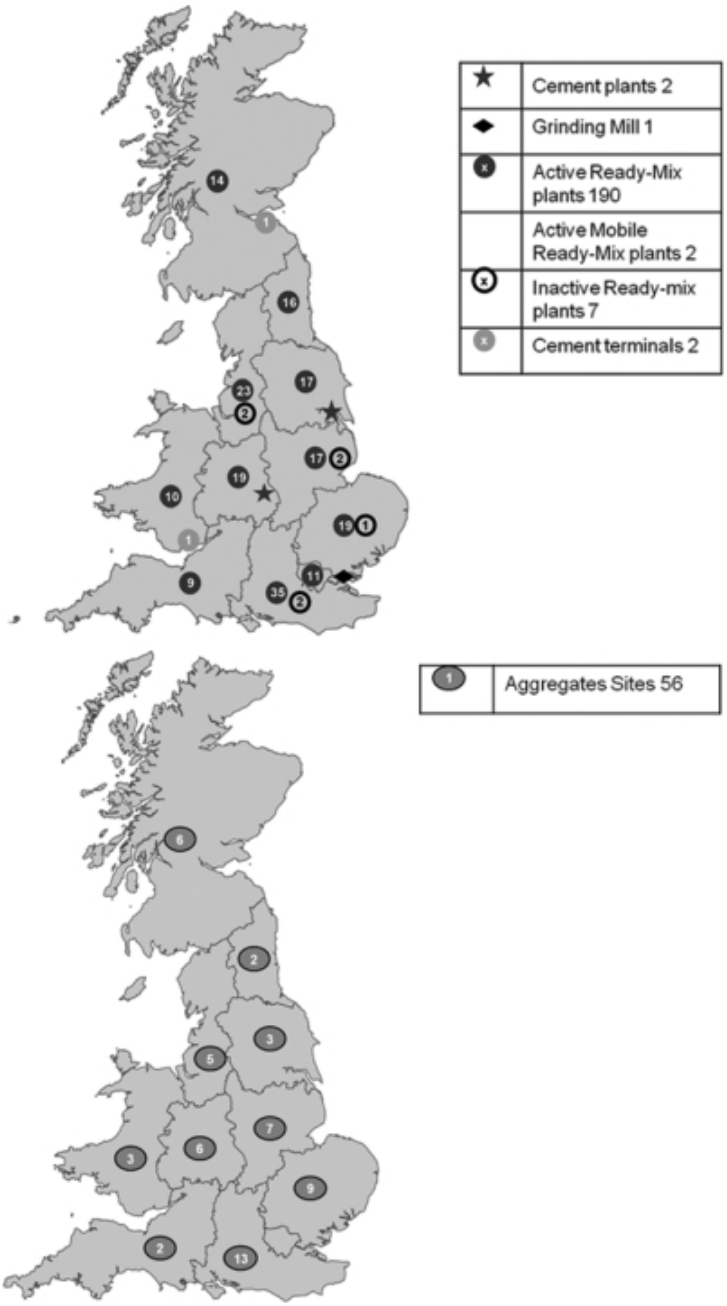
Overview. For the year ended December 31, 2017, our operations in the United Kingdom represented 7% of our net sales in Mexican Peso terms, before eliminations resulting from consolidation in Mexican Peso terms. As of December 31, 2017, our operations in the United Kingdom represented 6% of our total assets.

As of December 31, 2017, CEMEX Investments Limited was the main holding company of our operating subsidiaries in the United Kingdom. We are a leading provider of building materials in the United Kingdom with vertically integrated cement, ready-mix concrete, aggregates and asphalt operations. We are also an important provider of concrete and precast materials solutions such as concrete blocks, concrete block paving, flooring systems and sleepers for rail infrastructure.

Industry. According to the United Kingdom's Construction Products Association, in 2017, the gross domestic product of the United Kingdom was estimated to have grown by 1.8% compared to 1.9% growth in 2016. Total construction output is estimated to have increased by 5.1% in 2017, as compared to a 3.9% increase in 2016 over the preceding year. Whilst public housing grew by 10%, the private housing sector is estimated to have grown by 5% in 2017, with the private housing market continuing to be stimulated by the government's Help to Buy scheme. Public non-housing sector is estimated to have decreased by 1.4% in 2017. The industrial sector fell by 3.6%, affected by lower activity in factories and warehouses subsectors. In 2017, the commercial sector increased by 3%, boosted by office and retail subsectors. The infrastructure sector grew by 4.1% driven by rail and gas, air and communications subsectors. As of April 27, 2018, the official data corresponding to 2017 has not been released by the Mineral Products Association, but we estimate that domestic cement demand remained flat in 2017 compared to 2016.

Competition. Our primary competitors in the United Kingdom are: Tarmac (now owned by CRH after divestments by Lafarge and Holcim during their merger), Hanson (a subsidiary of HeidelbergCement), Aggregate Industries (a subsidiary of LafargeHolcim) and Breedon Group, formerly Breedon Aggregates, which acquired Hope Construction Materials (owned by Mittal Investments and formed three years ago from enforced divestments by Lafarge and Tarmac when they created Lafarge Tarmac). The Lafarge Tarmac business was divested to CRH (except for two cement plants to be retained by LafargeHolcim). In addition, an estimated 2.9 million tons of cement were imported to the United Kingdom by various players including CRH, LafargeHolcim, HeidelbergCement and other independents, with material increasingly arriving from over-capacity markets including Ireland, Spain and Greece.

Our Operating Network in the United Kingdom



Products and Distribution Channels

Cement. For the year ended December 31, 2017, our cement operations represented 17% of net sales for our operations in the United Kingdom before eliminations resulting from consolidation in Mexican Peso terms.

About 83% of our United Kingdom cement sales were of bulk cement, with the remaining 17% 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, 2017, our ready-mix concrete operations represented 26% of net sales for our operations in the United Kingdom before eliminations resulting from consolidation in Mexican Peso terms. Special products, including self-compacting concrete, fiber-reinforced concrete, high strength concrete, flooring concrete and filling concrete, represented 24% of our 2017 United Kingdom sales volume. In 2017, our ready-mix concrete operations in the United Kingdom purchased 100% of its cement requirements from our cement operations in the United Kingdom and approximately 89% 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 2017, our aggregates operations represented 28% of net sales for our operations in the United Kingdom before eliminations resulting from consolidation in Mexican Peso terms. In 2017, our United Kingdom aggregates sales were divided as follows: 45% were sand and gravel, 48% limestone and 7% hard stone. In 2017, 16% of our aggregates volumes were obtained from marine sources along the United Kingdom's coast. In 2017, approximately 40% of our United Kingdom aggregates production was consumed by our own ready-mix concrete operations as well as our asphalt, concrete block and precast operations. We also sell aggregates to major contractors to build roads and other infrastructure projects.

Production Costs

Cement. In 2017, fixed production costs increased by 20% driven by annual increases in hired manpower, maintenance and services as a result of a major kiln overhaul, which was not performed in 2016. Variable costs increased by 12%, primarily as a result of annual increases in fuel, refractory bricks and balls and crushers. We continued to implement our cost reduction programs through our use of alternative fuels. In March 2015, our partner Suez opened its Malpass factory, adjacent to our Rugby plant, to supply us with Refuse Derived Fuels.

Ready-Mix Concrete. In 2017, fixed production costs increased by 1%, as compared to fixed production costs in 2016, due to annual increases in hired manpower, services and insurance.

Aggregates. In 2017, fixed production costs increased by 1% as compared to 2016 fixed production costs.

Description of Properties, Plants and Equipment. As of December 31, 2017, we operated two cement plants and one clinker grinding facility in the United Kingdom. Assets in operation at year-end 2017 represent an installed cement capacity of 2.4 million tons per year. We estimate that, as of December 31, 2017, the limestone and clay permitted proven and probable reserves of our operations in the United Kingdom had an average remaining life of approximately 52 and 49 years, respectively, assuming 2013-2017 average annual cement production levels. As of December 31, 2017, we also owned two cement import terminals and operated 199 ready-mix fixed concrete plants (seven were temporarily inactive) and 56 aggregates quarries in the United Kingdom. In addition, we had operating units dedicated to the asphalt, concrete blocks, concrete block paving, sleepers and flooring businesses in the United Kingdom.

In order to 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 approximately 1.2 million tons, which allows us to have access to blended cements. Blended cements are more sustainable based on their reduced clinker factor and use of by-products from other industries.

Capital Expenditures. We made capital expenditures of U.S.$57 million in 2015, U.S.$30 million in 2016 and U.S.$53 million in 2017 in our operations in the United Kingdom. We currently expect to make capital expenditures of approximately U.S.$44 million in our operations in the United Kingdom during 2018.

Our Operations in France

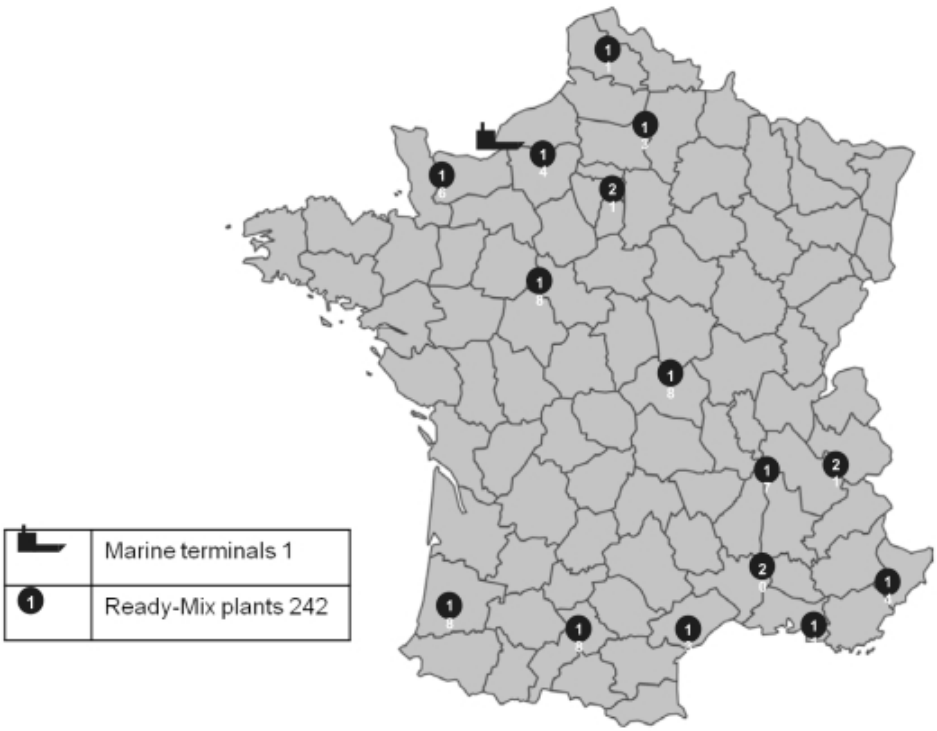
Overview. As of December 31, 2017, CEMEX France was our main subsidiary in France. We are a leading ready-mix concrete producer and a leading aggregates producer in France. We distribute most of our materials by road and a significant quantity by waterways, seeking to maximize the use of this efficient and sustainable alternative. For the year ended December 31, 2017, our operations in France represented 6% of our net sales in Mexican Peso terms, before eliminations resulting from consolidation. As of December 31, 2017, our operations in France represented 3% of our total assets.

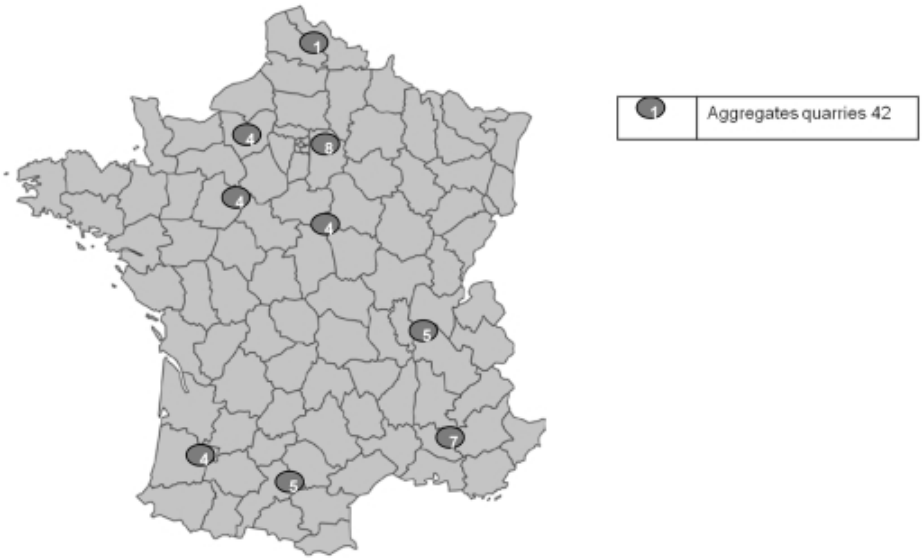
Industry. According to the French Building Association, housing starts in the residential sector increased by 15.7% in 2017 compared to 2016. Non-residential buildings starts increased by 5.8% in 2017 compared to 2016 and demand from the public works sector increased by approximately 4.4% over the same period.

According to the Building Materials Association, total ready-mix concrete consumption in France in 2017 reached approximately 5.6 million of cubic meters, a 7.2% increase/decrease compared to 2016, and total aggregates production amounted to approximately 16.7 million tons, a 9.6% increase/decrease compared to 2016.

Competition. Our main competitors in the ready-mix concrete market in France include LafargeHolcim, Italcementi and Vicat. Our main competitors in the aggregates market in France include LafargeHolcim, Italcementi, 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.

Our Operating Network in France





Description of Properties, Plants and Equipment. As of December 31, 2017, we operated 242 ready-mix concrete plants (one was temporarily inactive) in France, 1 maritime cement terminal located in Le Havre, on the northern coast of France, 21 land distribution centers, 42 quarries and 10 river ports.

Capital Expenditures. We made capital expenditures of U.S.$32 million in 2015, U.S.$19 million in 2016 and U.S. $20 million in 2017 in our operations in France. We currently expect to make capital expenditures of approximately U.S.$25 million in our operations in France during 2018.

Our Operations in Germany

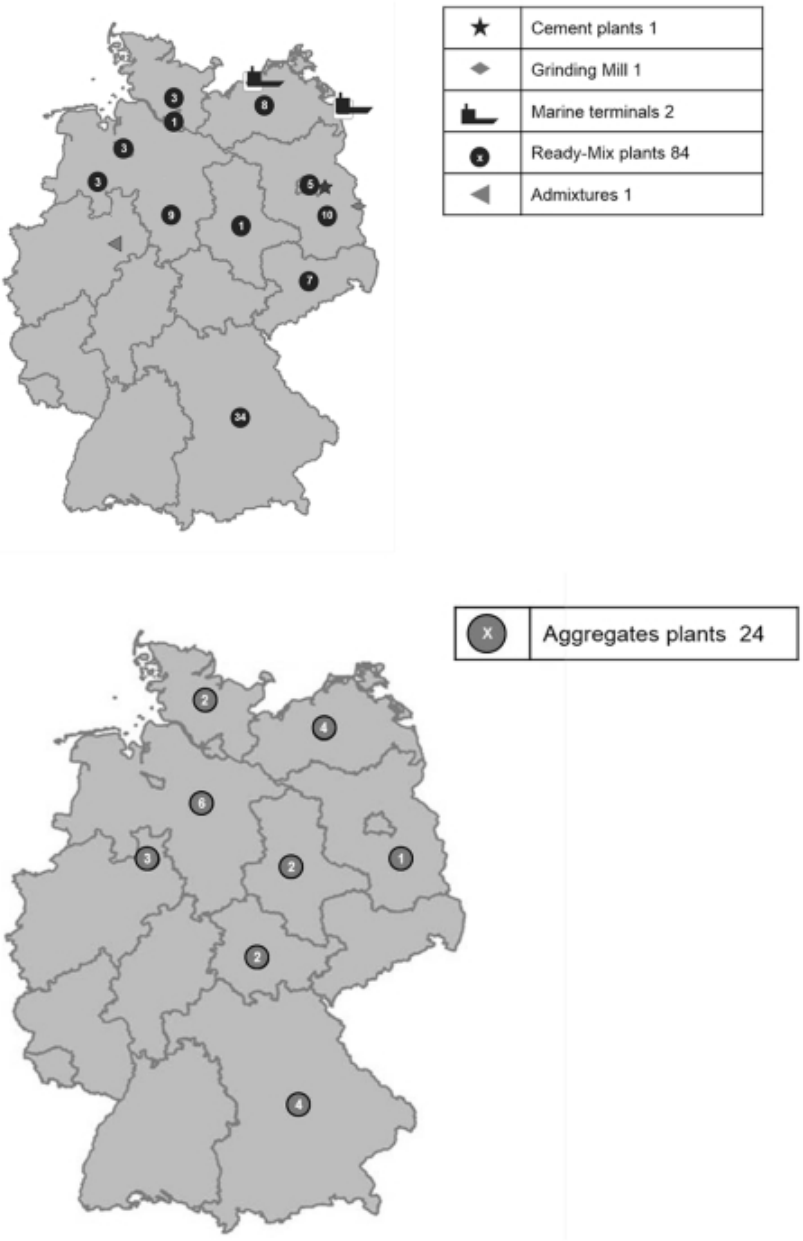
Overview. For the year ended December 31, 2017, our operations in Germany represented 4% of our net sales in Mexican Peso terms, before eliminations resulting from consolidation. As of December 31, 2017, our operations in Germany represented 2% of our total assets. As of December 31, 2017, CEMEX Deutschland AG was our main subsidiary in Germany. We are a leading provider of building materials in Germany, with vertically integrated cement, ready-mix concrete and aggregates businesses.

On January 5, 2015, we closed a series of transactions with Holcim, pursuant to which, we sold to Holcim assets in the western region of Germany consisting of one cement plant, two cement grinding mills, one slag granulator, 22 aggregates quarries and 79 ready-mix plants, while we maintained our operations in the north, east and south of Germany.

Industry. According to EUROCONSTRUCT Institute, the total construction output in Germany increased by 2.6% in 2017, compared to 2016. The main driver of such increase was the residential sector. According to the German Cement Association, in 2017, the national cement consumption in Germany increased by 4.6% to 28.8 million tons, while the ready-mix concrete market and the aggregates market each increased by approximately 4.8%.

Competition. Our primary competitors in the cement market in Germany are Heidelberg, Dyckerhoff (a subsidiary of Buzzi-Unicem), LafargeHolcim, CRH and Schwenk, a local German competitor. These competitors, along with CEMEX in Germany, represent a market share of about 80%, as estimated by us for 2017. The ready-mix concrete and aggregates markets in Germany are fragmented and regionally heterogeneous, with many local competitors. The consolidation process in the ready-mix concrete and aggregates markets is moderate.

Our Operating Network in Germany



Description of Properties, Plants and Equipment. As of December 31, 2017, we operated one cement plant in Germany and our installed cement capacity was 2.4 million tons per year. We estimate that, as of December 31, 2017, the limestone permitted proven and probable reserves of our operations in Germany had an average remaining life up to 36 years, assuming 2013-2017 average annual cement production levels. As of that date, our operations in Germany included one cement grinding mill, 84 ready-mix concrete plants (four were

temporarily inactive), 24 aggregates quarries (three were temporarily inactive), two land distribution centers for cement and two maritime terminals.

Capital Expenditures. We made capital expenditures of U.S.$22 million in 2015, U.S.$26 million in 2016 and U.S.$23 million in 2017 in our operations in Germany. We currently expect to make capital expenditures of approximately U.S.$10 million in our operations in Germany during 2018.

Our Operations in Spain

Overview. As of December 31, 2017, we held approximately 99.9% of CEMEX España (including shares held in treasury), a holding company for most of our international operations, including our operations in Spain. For the year ended December 31, 2017, our operations in Spain represented 2% of our net sales in Mexican Peso terms, before eliminations resulting from consolidation. As of December 31, 2017, our operating business in Spain represented 5% of our total assets.

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

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

On January 5, 2015, we closed a series of transactions with Holcim, pursuant to which we acquired from Holcim the Gador cement plant (with an annual installed cement production capacity of approximately 0.97 million tons, which production capacity was reassessed after managing and operating the plant in the first quarter of 2015) and the Yeles cement grinding station (with an annual installed cement production capacity of 0.90 million tons). By the end of 2015, CEMEX España Operaciones decided to dismantle the Yeles cement grinding station to optimize its production capacity footprint in central Spain.

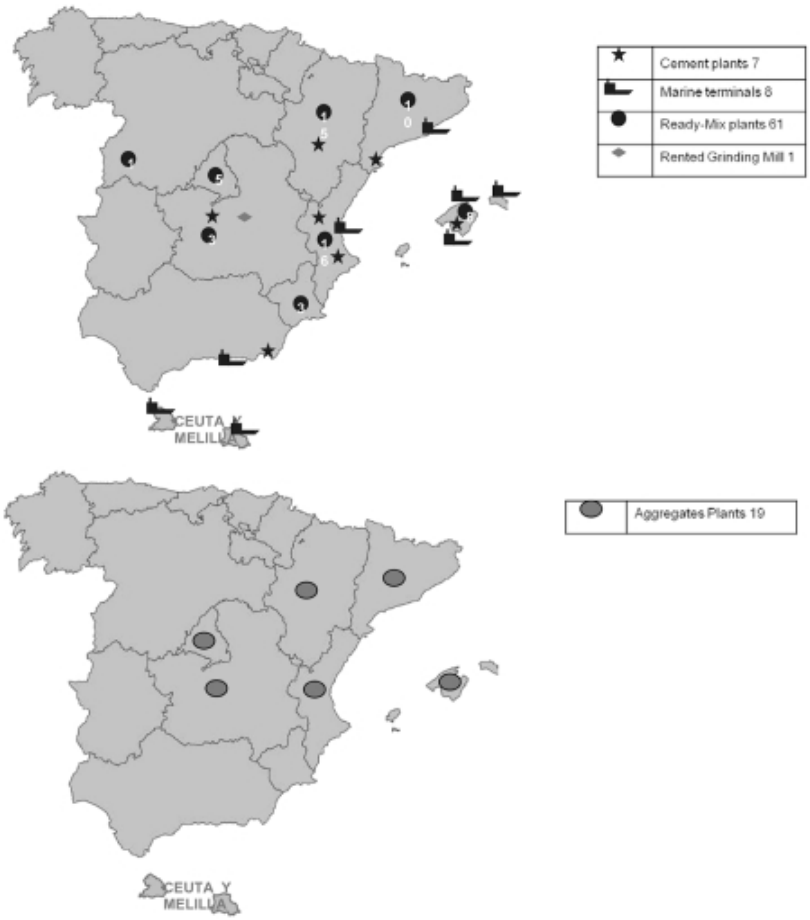
Industry. In 2017, the investment in the construction sector in Spain is estimated to have increased by 4.6% compared to 2016, primarily driven by the investment in the residential construction sector, which is estimated to have increased by 7.8% in 2017. According to the Spanish Cement Producers Association (*Agrupación de Fabricantes de Cemento de España*) ("OFICEMEN"), cement consumption in Spain increased by 11% in 2017 compared to 2016.

According OFICEMEN, cement imports increased 14.8% in 2014, increased 15.1% in 2015, decreased 11.6% in 2016. For 2017 cement imports increased by 0.3% compared to 2016. Clinker imports declined 26% in 2013, 2.4% in 2014, 50.4% in 2015, 86.1% in 2016 and increased 3.9% in 2017.

In the early 1980s, Spain was one of the leading exporters of cement in the world, exporting up to 13 million tons per year. However, as of December 31, 2017, cement exports amounted to approximately 4.1 million tons per year. In recent years, Spanish cement and clinker export volumes have fluctuated, reflecting the rapid changes in demand in the Mediterranean basin as well as the strength of the Euro and changes in the domestic market. According to OFICEMEN, these total export volumes increased 17.8% in 2013, 32.5% in 2014, decreased 4.1% in 2015, increased 5.6% in 2016, and decreased 10.4% in 2017.

Competition. According to our estimates, as of December 31, 2017, we were one of the largest multinational producers of clinker and cement in Spain. Competition in the ready-mix concrete industry is intense in large urban areas. The overall high degree of competition in the Spanish ready-mix concrete industry is reflected in the multitude of offerings from a large number of concrete suppliers. We have focused on developing value added products and attempting to differentiate ourselves in the marketplace. The distribution of ready-mix concrete remains a key component of our business strategy in Spain.

Our Operating Network in Spain



Products and Distribution Channels

Cement. For the year ended December 31, 2017, our cement operations represented 75% of net sales for our operations in Spain before eliminations resulting from consolidation in Mexican Peso terms. We offer various types of cement in Spain, targeting specific products to specific markets and users. In 2017, approximately 19% of the domestic sales volume of CEMEX España Operaciones consisted of bagged cement, and the remainder of CEMEX España Operaciones's 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, 2017, our ready-mix concrete operations represented 13% of net sales for our operations in Spain before eliminations resulting from consolidation in Mexican Peso terms. Our ready-mix concrete operations in Spain in 2017 purchased almost 95% of their cement requirements from our cement operations in Spain and approximately 52% of their aggregates requirements from our aggregates operations in Spain.

Aggregates. For the year ended December 31, 2017, our aggregates operations represented 4% of net sales for our operations in Spain before eliminations resulting from consolidation in Mexican Peso terms.

Exports. Exports of cement and clinker by our operations in Spain, which represented approximately 27% of net sales for our operations in Spain before eliminations resulting from consolidation, decreased approximately 19% in 2017 compared to 2016, primarily as a result of a decrease in volume sold to Algeria, Ghana, Togo, Brazil and Greece, offset by higher sales to the United States, the United Kingdom and Guinea. Export prices are lower than domestic market prices, and costs are usually higher for export sales. Of our total exports from Spain in 2017, 15% consisted of white cement, 40% of gray portland cement and 45% of clinker. Of our total cement export volumes from our operations in Spain during 2017, 4% were to our South, Central America and the Caribbean region, 33% were to the United States, 9% were to the United Kingdom, 1% were to Poland, 7% were to the Rest of Europe region and 46% were to the Rest of Asia, Middle East and Africa region.

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 2017, we used organic waste, tires and plastics as fuel, achieving a 33% 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, 2017, our operations in Spain included seven cement plants located in Spain, with an annual installed cement capacity of 10.4 million tons. As of that date, we also had 25 operative distribution centers, including 17 land and eight marine terminals, 61 ready-mix concrete plants (42 were temporarily inactive), 19 aggregates quarries (15 were temporarily inactive) and eight mortar plants. As of December 31, 2017, we owned 12 limestone quarries located in close proximity to our cement plants and six clay quarries in our cement operations in Spain. We estimate that, as of December 31, 2017, the limestone and clay permitted proven and probable reserves of our operations in Spain had an average remaining life of approximately 82 and 26 years, respectively, assuming 2013-2017 average annual cement production levels.

Capital Expenditures. We made capital expenditures of U.S.$17 million in 2015, U.S.$25 million in 2016 and U.S.$29 million in 2017 in our operations in Spain. We currently expect to make capital expenditures of approximately U.S.$27 million in our operations in Spain during 2018.

Our Operations in Poland

Overview. As of December 31, 2017, CEMEX Polska Sp. Z.O.O. (“CEMEX Polska”) was our main subsidiary in Poland. We are a leading provider of building materials in Poland, serving the cement, ready-mix concrete and aggregates markets. As of December 31, 2017, we operated two cement plants with an installed cement capacity of three million tons per year and one grinding mill in Poland. As of December 31, 2017, we also operated 41 ready-mix concrete plants (one was temporarily inactive), seven aggregates quarries (two were temporarily inactive) and two maritime terminals in Poland.

Industry. According to our estimates, total cement consumption in Poland reached approximately 17 million tons in 2017, increasing compared to 2016.

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

Capital Expenditures. We made capital expenditures of U.S.$12 million in 2015, U.S.$10 million in 2016 and U.S.$12 million in 2017 in our operations in Poland. We currently expect to make capital expenditures of approximately U.S.$42 million in our operations in Poland during 2018.

Rest of Europe

As of December 31, 2017, our operations in the Rest of Europe segment consisted primarily of our operations in the Czech Republic, Croatia and Latvia, as well as trading activities in Scandinavia and Finland.

These operations represented 4% of our net sales in Mexican Peso terms, before eliminations resulting from consolidation in Mexican Peso terms, for the year ended December 31, 2017, and 3% of our total assets as of December 31, 2017.

Our Operations in the Czech Republic

Overview. As of December 31, 2017, CEMEX Czech Republic, s.r.o. was our main subsidiary in the Czech Republic. We are a leading producer of ready-mix concrete and aggregates in the Czech Republic. We also distribute cement in the Czech Republic. As of December 31, 2017, we operated 77 ready-mix concrete plants (one was temporarily inactive), 16 aggregates quarries in the Czech Republic (one was temporarily inactive) and three aggregates quarries in Slovakia. As of that date, we also operated one cement plant with annual cement installed capacity of one million tons, one cement grinding mill, one cement terminal and one admixtures plant in the Czech Republic.

Industry. According to the Czech Statistical Office, total construction output in the Czech Republic increased by approximately 2.3% in 2017. The increase was driven by an acceleration in the building development segment. The main drivers behind the increase were private investments in industrial as well as housing development, and most of the growth occurred over the first half of 2017. For 2017, the increase in building construction is estimated at 5.6%, while a decrease in civil engineering construction is estimated at 5.4%. The decline in civil engineering construction was mainly due to the delayed start of large planned infrastructure projects. According to the Czech Cement Association, total cement consumption in the Czech Republic reached year-over-year growth of 3.7% in the first half of 2017. Full year growth is estimated around 4%. Specific full-year data for 2017 will be provided by the Czech Cement Association in July 2018 due to limitations imposed by EU competition laws. In 2017, growth of each of total ready-mix concrete production and of the aggregates market in the Czech Republic is estimated at 4.0%.

Competition. Our main competitors in the cement, ready-mix concrete and aggregates markets in the Czech Republic are Heidelberg, Buzzi, LafargeHolcim, Strabag and Skanska.

Capital Expenditures. We made capital expenditures of U.S.$9 million in 2015, U.S.$7 million in 2016 and U.S.$8 million in 2017 in our operations in the Czech Republic. We currently expect to make capital expenditures of approximately U.S.$11 million in our operations in the Czech Republic during 2018.

Our Operations in Croatia

Overview. As of December 31, 2017, we held 100% of CEMEX Hrvatska d.d., our operating subsidiary in Croatia. We were the largest cement producer in Croatia based on installed capacity as of December 31, 2017, according to our estimates. We have three cement plants in Croatia with an annual installed capacity of 2.4 million tons. As of December 31, 2017, one plant in Croatia was temporarily inactive. As of December 31, 2017, we operated 12 land distribution centers, three maritime cement terminals in Croatia, Bosnia and Herzegovina and Montenegro, seven ready-mix concrete facilities in Croatia and Bosnia and Herzegovina and one aggregates quarry in Croatia.

On April 5, 2017, CEMEX announced that the European Commission issued a decision that ultimately does not allow Duna-Dráva Cement to purchase our aforementioned operations in Croatia. Consequently, the transaction did not close and CEMEX decided to maintain its operations in Croatia and continue to operate them for an indefinite time. As of December 31, 2017 and 2016 and for the years ended December 31, 2017, 2016 and 2015, our operations in Croatia are consolidated line-by-line in the financial statements. See our note 4.2 of our audited consolidated financial statements.

Industry. According to our estimates, total cement consumption in Croatia, Bosnia and Herzegovina and Montenegro reached almost 3.3 million tons in 2017, an increase of 12.5% compared to 2016.

Competition. Our primary competitors in the cement market in Croatia are Nexe and LafargeHolcim.

Capital Expenditures. We made capital expenditures of U.S.$4.6 million in 2015, none in 2016 and U.S.$5 million in 2017 in our operations in Croatia. We currently expect to make capital expenditures of approximately U.S.$4.0 million in our operations in Croatia during 2018.

Our Operations in Latvia

Overview. As of December 31, 2017, CEMEX SIA was our operating subsidiary in Latvia. We are the only cement producer and a leading ready-mix concrete producer and supplier in Latvia. From our cement plant in Latvia we also supply markets mainly in Estonia, Lithuania, Finland and Sweden, among others. As of December 31, 2017, we operated one cement plant in Latvia with an installed cement capacity of 1.6 million tons per year. We also operated seven ready-mix concrete plants (two were temporarily inactive) and four aggregates quarries in Latvia. In 2017, we continued to develop in the road construction business by supplying Roller Compacted Concrete.

Capital Expenditures. In total, we made capital expenditures of U.S.$14 million in 2015, U.S.$6.9 million in 2016 and U.S.$3.5 million in 2017 in our operations in Latvia. We currently expect to make capital expenditures of approximately U.S.$8.3 million in our operations in Latvia during 2018.

Our Equity Investment in Lithuania

Overview. As of December 31, 2017, we owned an interest of 37.8% in Akmenés Cementas AB, a cement producer in Lithuania, which operates one cement plant in Lithuania with an annual installed cement capacity of 1.8 million tons.

Our Operations in Other European Countries

Overview. As of December 31, 2017, we operated 10 marine cement terminals in Norway and Sweden through CEMEX AS, a leading bulk-cement importer in the Nordic region. As of December 31, 2017, we also operated three marine cement terminals in Finland.

Capital Expenditures. We made no significant capital expenditures in our operations in other European countries in 2015, 2016 and 2017. We currently do not expect to make any significant capital expenditures in our operations in other European countries during 2018.

South, Central America and the Caribbean

For the year ended December 31, 2017, our business in SAC, which includes our operations in Colombia, Panama, Costa Rica, Caribbean TCL and Rest of South, Central America and the Caribbean segments, as described below, represented 13% of our net sales before eliminations resulting from consolidation in Mexican Peso terms. As of December 31, 2017, our business in SAC represented 15% of our total installed capacity and 10% of our total assets.

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

Our Operations in Colombia

Overview. As of December 31, 2017, CEMEX Latam directly and indirectly owned 99.7% of CEMEX Colombia, our main subsidiary in Colombia. As of December 31, 2017, CEMEX Colombia was the second-largest cement producer in Colombia, based on installed capacity of 4.0 million tons per year as of December 31,

2017. For the year ended December 31, 2017, our operations in Colombia represented 4% of our net sales before eliminations resulting from consolidation in Mexican Peso terms. As of December 31, 2017, our operations 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 2017, these three metropolitan areas accounted for approximately 37.4% of Colombia's cement consumption. CEMEX Colombia's Ibague plant, which uses the dry process and is strategically located in the Urban Triangle, is CEMEX Colombia's largest plant and had an annual installed capacity of 2.8 million tons as of December 31, 2017. CEMEX Colombia, through its Cúcuta plant and Clemencia grinding facility, is also an active participant in Colombia's northeastern and coastal markets.

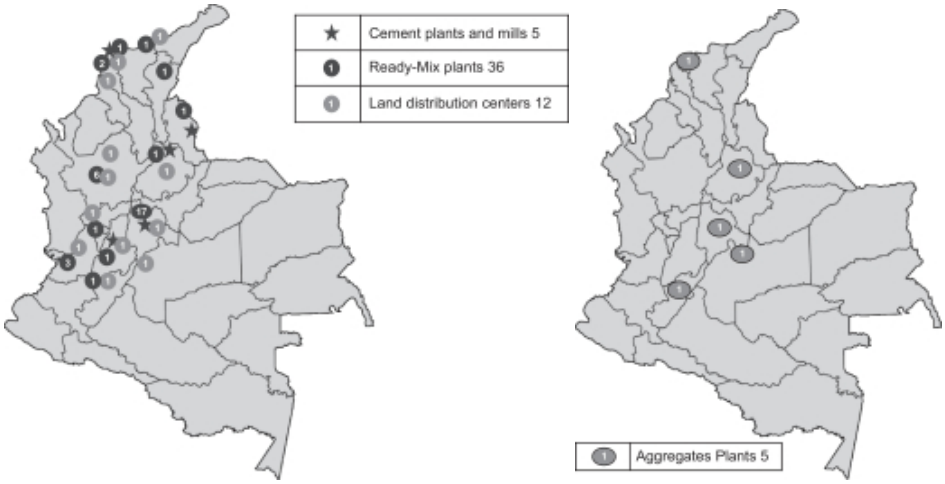
Industry. According to our estimates, the installed capacity for cement in Colombia was 18.2 million tons in 2017. According to DANE (*Departamento Administrativo Nacional de Estadística*), total cement consumption in Colombia reached 12.1 million tons during 2017, a decrease of 2.7% from 2016, while cement exports from Colombia reached 0.2 million tons. We estimate that close to 57% of cement in Colombia is consumed by the self-construction sector, while the infrastructure sector accounts for approximately 33% of total cement consumption and has been growing in recent years. The other construction segments in Colombia, including the formal housing and commercial sectors, account for the balance of cement consumption in Colombia.

Competition. Our two largest competitors in Colombia are Cementos Argos, which has established a leading position in the Colombian Caribbean coast, Antioquia and Southwest region markets, and LafargeHolcim Colombia. There are eight other local and regional competitors.

The ready-mix concrete industry in Colombia is fairly consolidated with the top three producers accounting for approximately 72% of the market as of December 31, 2017. CEMEX Colombia was the second-largest ready-mix concrete producer as of December 31, 2017. The first- and third-largest producers were Cementos Argos and LafargeHolcim Colombia, respectively.

The aggregates market in Colombia is highly fragmented and is dominated by the informal market. Approximately 80% of the aggregates market in Colombia was comprised of small independent producers as of December 31, 2017.

Our Operating Network in Colombia



Products and Distribution Channels

Cement. For the year ended December 31, 2017, our cement operations represented 49% of net sales for our operations in Colombia before eliminations resulting from consolidation in Mexican Peso terms.

Ready-Mix Concrete. For the year ended December 31, 2017, our ready-mix concrete operations represented 28% of net sales for our operations in Colombia before eliminations resulting from consolidation in Mexican Peso terms.

Aggregates. For the year ended December 31, 2017, our aggregates operations represented 9% of net sales for our operations in Colombia before eliminations resulting from consolidation in Mexican Peso terms.

Description of Properties, Plants and Equipment. As of December 31, 2017, CEMEX Colombia owned two operating cement plants and three mills, having a total annual installed capacity of 4.0 million tons. In addition, through its grinding mills, CEMEX Colombia could produce 0.5 million tons of cement sourced by third parties. In 2017, we replaced 20% 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, 2017. We estimate that, as of December 31, 2017, the limestone and clay permitted proven and probable reserves of our operations in Colombia had an average remaining life of approximately 59 and 102 years, respectively, assuming 2013-2017 average annual cement production levels. The operating licenses for quarries in Colombia are renewed every 30 years; assuming renewal of such licenses, we estimate having sufficient limestone reserves for our operations in Colombia for over 200 years assuming 2013-2017 average annual cement production levels. As of December 31, 2017, CEMEX Colombia operated twelve land distribution centers, two mortar plants, 54 ready-mix concrete plants (18 were temporarily inactive) and nine aggregates operations (four were temporarily inactive). As of that date, CEMEX Colombia also owned 13 limestone quarries.

CEMEX Colombia is also building a new cement plant in the Antioquia department of the Municipality of Maceo, Colombia. See "Item 4—Information on the Company—Regulatory Matters and Legal Proceedings" and "Item 5—Operating and Financial Review and Prospects—Recent Developments—Recent Developments Relating to our Regulatory Matters and Legal Proceedings—Other Legal Proceedings—Maceo, Colombia—Operational Matters" for the status of that project.

Capital Expenditures. We made capital expenditures of U.S.$156 million in 2015, U.S.$180 million in 2016 and U.S.$62 million in 2017 in our operations in Colombia. We currently expect to make capital expenditures of approximately U.S.$29 million in our operations in Colombia during 2018.

Our Operations in Panama

Overview. As of December 31, 2017, CEMEX Latam indirectly held an approximate 99.483% interest in Cemento Bayano, S.A., our main subsidiary in Panama and a leading cement producer in the country. For the year ended December 31, 2017, our operations in Panama represented 2% of our net sales before eliminations resulting from consolidation in Mexican Peso terms.

Industry. We estimate that approximately 1.9 million cubic meters of ready-mix concrete were sold in Panama during 2017. Cement consumption in Panama increased 2.35% from 2016, due to the execution of infrastructure projects.

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

Description of Properties, Plants and Equipment. As of December 31, 2017, Cemento Bayano operated one cement plant in Panama, with an annual installed capacity of 2.1 million tons. As of that date, Cemento Bayano also owned and operated 15 ready-mix concrete plants (three were temporarily inactive), three aggregates quarries (one was temporarily inactive) and four land distribution centers.

Capital Expenditures. We made capital expenditures of U.S.$19 million in 2015, U.S.$7 million in 2016 and U.S.$8 million in 2017 in our operations in Panama. We currently expect to make capital expenditures of approximately U.S.$14 million in our operations in Panama during 2018.

Our Operations in Costa Rica

Overview. As of December 31, 2017, CEMEX Colombia, a CEMEX Latam subsidiary, indirectly held an approximate 99.1% interest in CEMEX (Costa Rica), S.A. ("CEMEX Costa Rica"), our main operating subsidiary in Costa Rica and a leading cement producer in the country. For the year ended December 31, 2017, our operations in Costa Rica represented 1% of our net sales before eliminations resulting from consolidation in Mexican Peso terms.

During 2015, a total of U.S.$5 million were invested as part of a program to increase the overall capacity in the *Colorado de Abangares* plant, allowing a 10% throughput increase that catered to the needs of our operations in Nicaragua during 2016. Since the expansion, Colorado Plant's kiln has been operating at the expected capacity with an operational efficiency above 97%. The majority of our operational requirements in Nicaragua have been consistently provided from our operations in Costa Rica.

Industry. We estimate that approximately 1.4 million tons of cement were sold in Costa Rica during 2017. In 2017, the market had an estimated ratio of 50/50 in the bulk/bagged mix due to the execution of two major infrastructure projects.

Competition. The Costa Rican cement industry currently includes two producers, CEMEX Costa Rica and LafargeHolcim Costa Rica, both of which have integrated lines. Further, in 2017 an estimated 38,000 tons were imported by a local construction company.

Description of Properties, Plants and Equipment. As of December 31, 2017, CEMEX Costa Rica operated one cement plant and one grinding mill in Costa Rica, with a total annual installed capacity of 0.9 million tons. As of that date, CEMEX Costa Rica had seven operational ready-mix concrete plants, one aggregates quarry and one land distribution center.

Exports. During 2017, clinker exports by our operations in Costa Rica represented approximately 26% of our total production and were made to our operations in Nicaragua.

Capital Expenditures. We made capital expenditures of U.S.$10 million in 2015, U.S.$4 million in 2016 and U.S.$2 million in 2017 in our operations in Costa Rica. We currently expect to make capital expenditures of approximately U.S.$3 million in our operations in Costa Rica during 2018.

Our Operations in Caribbean TCL

During 2017, Sierra, pursuant to the Offer, acquired 113,629,723 ordinary shares of TCL, which, together with Sierra's existing ownership of TCL of 39.5%, resulted in Sierra holding 69.83% of the outstanding TCL shares as of December 31, 2017. The total consideration paid by Sierra for the TCL shares was U.S.$86 million (Ps1,791 million). 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, 2017, Caribbean TCL was the leading producer and marketer 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.

Our focus with respect to Caribbean TCL will continue on attempting to maximize synergies from TCL's integration with us. We intend on improving the productivity and capacity of our Caribbean TCL's cement plants, on continuing the vertical integration of TCL's business, on investing in developing its employees and by offering strong value products.

Our Operations in Trinidad & Tobago

Description of Properties, Plants and Equipment. As of December 31, 2017, TCL operated one cement plant in Trinidad & Tobago, with a total annual installed capacity of 0.9 million tons. As of that date, TCL had five operational ready-mix concrete plants (one was temporarily inactive), two aggregates quarries and four land distribution centers.

Capital Expenditures. We made capital expenditures of U.S.$6.8 million in 2017 in Trinidad & Tobago. We currently expect to make capital expenditures of U.S.$6.1 million during 2018.

Our TCL Operations in Jamaica

Overview. As of December 31, 2017, we held an indirect controlling position mainly through Trinidad Cement Limited in Caribbean Cement Company Limited ("CCCL") in Jamaica TCL.

Description of Properties, Plants and Equipment. As of December 31, 2017, CCCL operated one cement plant in Jamaica, with a total annual installed capacity of 1.2 million tons. As of that date, CCCL had one aggregate quarrie and three land distribution centers.

Capital Expenditures. We made capital expenditures of U.S.$16 million in 2017 in CCCL. We currently expect to make capital expenditures of approximately U.S.$12 million in our operations in CCCL during 2018.

Our Operations in Barbados

Overview. As of December 31, 2017, we held an indirect controlling position in Arawak in Barbados.

Description of Properties, Plants and Equipment. As of December 31, 2017, Arawak operated one cement plant in Barbados, with a total annual installed capacity of 0.4 million tons. As of that date, Arawak had one ready-mix plant and one land distribution center.

Capital Expenditures. We made capital expenditures of U.S.$5 million in 2017 in Barbados. We currently expect to make capital expenditures of approximately U.S.$3 million in our operations in Barbados during 2018.

Rest of South, Central America and the Caribbean

As of December 31, 2017, our operations in the Rest of South, Central America and the Caribbean segment consisted primarily of our operations in Puerto Rico, the Dominican Republic, Nicaragua, Jamaica and other countries in the Caribbean, excluding our Caribbean TCL segment, Guatemala, and small ready-mix concrete operations in Argentina. These operations represented 4% of our net sales, in Mexican Peso terms, before eliminations resulting from consolidation. As of December 31, 2017, our business in the Rest of South, Central America and the Caribbean segment represented 3% of our total assets.

Our Operations in Puerto Rico

Overview. As of December 31, 2017, CEMEX de Puerto Rico, Inc. ("CEMEX Puerto Rico") was our main subsidiary in Puerto Rico.

Industry. In 2017, cement consumption in Puerto Rico reached 0.4 million tons according to our estimates.

Competition. The cement industry in Puerto Rico in 2017 was comprised of two cement producers: CEMEX Puerto Rico and Cementos Argos (formerly Antilles Cement Co and, our new acquisition, San Juan Cement Co).

Description of Properties, Plants and Equipment. As of December 31, 2017, CEMEX Puerto Rico operated one cement plant with an installed cement capacity of approximately 1.2 million tons per year. As of that date, CEMEX Puerto Rico also owned 12 ready-mix concrete plants (seven were temporarily inactive) and two land distribution centers. As of that date, CEMEX Puerto Rico also owned an aggregates quarry, which is currently closed, and one marine terminal used for fly ash.

Capital Expenditures. We made capital expenditures of U.S.$5 million in 2015, U.S.$1.8 million in 2016 and U.S.$1.3 million in 2017 in our operations in Puerto Rico. We currently expect to make capital expenditures of approximately U.S.$1.6 million in our operations in Puerto Rico during 2018.

Our Operations in the Dominican Republic

Overview. As of December 31, 2017, CEMEX Dominicana, S.A. ("CEMEX Dominicana") was our main subsidiary in the Dominican Republic and a leading cement producer in the country. CEMEX Dominicana's sales network covers the country's main consumption areas, which are Santo Domingo, Santiago de los Caballeros, La Vega, San Pedro de Macorís, Samaná and La Altagracia. On May 8, 2000, CEMEX Dominicana entered into a lease agreement with the government of the Dominican Republic related to the exploitation of a gypsum mine located at Las Salinas, Barahona, which has enabled CEMEX Dominicana to supply all local and regional gypsum requirements. The lease agreement expires on May 8, 2025 and may be extended by the parties.

Industry. In 2017, cement consumption in the Dominican Republic reached 4.2 million tons according to *Asociación Dominicana de Productores de Cemento Portland* (ADOCEM).

Competition. Our principal competitors in the Dominican Republic are Cementos Cibao, a local competitor; 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 Andion, a grinding operation; and a partially-constructed cement kiln of a Colombian cement producer.

Description of Properties, Plants and Equipment. As of December 31, 2017, CEMEX Dominicana operated one cement plant in the Dominican Republic, with an installed capacity of 2.6 million tons per year. As of that date, CEMEX Dominicana also owned eight ready-mix concrete plants, one aggregates quarry, two land distribution centers and two marine terminals.

Capital Expenditures. We made capital expenditures of U.S.$17 million in 2015, U.S.$9 million in 2016 and U.S.$9 million in 2017 in our operations in the Dominican Republic. We currently expect to make capital expenditures of approximately U.S.$11 million in our operations in the Dominican Republic during 2018.

Our Operations in Nicaragua

Overview. As of December 31, 2017, CEMEX Colombia and CEMEX Costa Rica, both CEMEX Latam subsidiaries, indirectly and directly owned 100% of CEMEX Nicaragua, S.A. ("CEMEX Nicaragua"), our operating subsidiary in Nicaragua.

Industry. We estimate that approximately 1 million tons of cement, approximately 0.4 million cubic meters of ready-mix concrete and approximately 6.7 million tons of aggregates were sold in Nicaragua during 2017.

Competition. Two market participants compete in the Nicaraguan cement industry, CEMEX and LafargeHolcim.

Description of Properties, Plants and Equipment. As of December 31, 2017, we leased and operated one fixed cement plant and one grinding mill with a total installed capacity of 0.6 million tons, eight ready-mix plants (four 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 U.S.$9 million in 2015, U.S.$3.3 million in 2016 and U.S.$6.0 million in 2017 in our operations in Nicaragua. We currently expect to make capital expenditures of approximately U.S.$6.9 million in our operations in Nicaragua during 2018.

Our Operations in Guatemala

Overview. As of December 31, 2017, CEMEX Latam indirectly owned 100% of CEMEX Guatemala, our main operating subsidiary in Guatemala. As of December 31, 2017, we owned and operated one cement grinding mill in Guatemala with an installed capacity of 0.5 million tons per year. As of that date, we also owned and operated five land distribution centers, one clinker dome close to the maritime terminal in the southern part of the country and four ready-mix plants (one was temporarily inactive).

Capital Expenditures. We made capital expenditures of U.S.$2 million in 2015, U.S.$6 million in 2016 and U.S.$2 million in 2017 in Guatemala. We currently expect to make capital expenditures of approximately U.S.$1 million in our operations in Guatemala during 2018.

Our Operations in Jamaica

Description of Properties, Plants and Equipment. As of December 31, 2017, CEMEX España indirectly held a 100% interest in CEMEX Jamaica Limited, which operates one calcined lime plant in Jamaica with a capacity of approximately 120,000 tons per year and one hydrate line with a capacity of approximately 4.800 tons per year.

Our Operations in Other South, Central American and Caribbean Countries

Overview. As of December 31, 2017, CEMEX España indirectly held 100% of Readymix Argentina, S.A., which owns one ready-mix concrete plant in Argentina. Additionally, as of December 31, 2017, 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.

We believe that the Caribbean region holds considerable strategic importance because of its geographic location. As of December 31, 2017, we operated a network of ten marine terminals in the Caribbean region, which facilitated exports from our operations in several countries, including Mexico, the Dominican Republic, Puerto Rico and the United States. Three of our marine terminals are located in the main cities of Haiti, three are in the Bahamas, and one is in Manaus, Brazil. As of December 31, 2017, we also had a non-controlling interest in two other terminals, one in Bermuda and the other in the Cayman Islands.

Capital Expenditures. We made capital expenditures in our other operations in SAC of U.S.$1.4 million in 2015, U.S.$1.4 million in 2016 and U.S.$0.7 million in 2017. We currently expect to make capital expenditures of U.S.$7 million in our operations in other SAC countries during 2018.

Asia, Middle East and Africa

For the year ended December 31, 2017, our business in Asia, Middle East and Africa, which includes our operations in the Philippines, Egypt and the Rest of Asia, Middle East and Africa segment, as described below, represented 9% of our net sales before eliminations resulting from consolidation in Mexican Peso terms. As of December 31, 2017, our business in Asia represented 11% of our total installed capacity and approximately 5% of our total assets.

Our Operations in the Philippines

Overview. As of December 31, 2017, on a consolidated basis through various subsidiaries, CEMEX, S.A.B. de C.V. held indirectly 100% of CASE, which in turn owned 55% of the outstanding share capital of CHP. As of

December 31, 2017, CHP directly and indirectly owned 100% of our two operating subsidiaries in the Philippines, Solid Cement Corporation ("Solid Cement") and APO Cement Corporation ("APO"). For the year ended December 31, 2017, our operations in the Philippines represented 3% of our net sales before eliminations resulting from consolidation in Mexican Peso terms. As of December 31, 2017, our operations in the Philippines represented 2% of our total assets.

CHP is investing in a new 1.5 million ton integrated cement production line at CEMEX's Solid Cement Plant in Luzon with an estimated investment of approximately U.S.$225 million. Upon completion, this new line will double the capacity of the Solid Cement Plant and will represent a 26% increase in our cement capacity in the Philippines. In December 2017, the Department of Environment and Natural Resources issued an environmental compliance certificate to CHP that covers the new line. The new line is estimated to start operations by the first quarter of 2020.

Competition. As of December 31, 2017, our major competitors in the Philippine cement market were LafargeHolcim, Republic, Eagle, Northern, Goodfound, Taiheiyo and Mabuhay.

Description of Properties, Plants and Equipment. As of December 31, 2017, our operations in the Philippines included two cement plants with an annual installed capacity of 4.5 million tons, exclusive access to two quarries to supply raw materials to our cement plants, 21 land distribution centers and five marine distribution terminals. We estimate that, as of December 31, 2017, the limestone and clay permitted proven and probable reserves accessed by our operations in the Philippines had an average remaining life of approximately 37 and 17 years, respectively, assuming 2013-2017 average annual cement production levels.

Cement. For the year ended December 31, 2017, our cement operations represented 97% of net sales for our operations in the Philippines before eliminations resulting from consolidation in Mexican Peso terms.

Capital Expenditures. We made capital expenditures of U.S.$21 million in 2015, U.S.$22 million in 2016 and U.S.$28 million in 2017 in our operations in the Philippines. We currently expect to make capital expenditures of approximately U.S.$73 million in our operations in the Philippines during 2018.

Our Operations in Egypt

Overview. As of December 31, 2017, ACC was our main subsidiary in Egypt. As of December 31, 2017, we operated one cement plant in Egypt, with an annual installed capacity of approximately 5.4 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, 2017, the limestone and clay permitted proven and probable reserves of our operations in Egypt had an average remaining life of approximately 53 and 59 years, respectively, assuming 2013-2017 average annual cement production levels. In addition, as of December 31, 2017, we operated 11 ready-mix concrete plants (one was temporarily inactive), of which four are owned and seven are under management contracts and ten land distribution centers in Egypt. For the year ended December 31, 2017, our operations in Egypt represented 1% of our net sales before eliminations resulting from consolidation in Mexican Peso terms and 1% of our total assets.

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

Industry. According to the Ministry of Investment official figures, based on government data (local and imported cement), the Egyptian market consumed approximately 53.9 million tons of cement during 2017. Cement consumption decreased by approximately 4.2% in 2017 compared to 2016, which was mainly attributed

to the erosion in consumers' purchasing power after Egypt adopted an aggressive economic reform program that included a free flotation of the currency and elimination of several subsidies. As of December 31, 2017, the cement industry in Egypt had a total of 19 cement producers, with an aggregate annual installed cement production capacity of approximately 79 million tons.

Competition. According to the Ministry of Investment official figures, during 2017, LafargeHolcim (Egyptian Cement Company), CEMEX (ACC) and Heidelberg (Suez Cement, Torah Cement and Helwan Portland Cement) were three of the largest cement producers in the world and represented approximately 32% 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), National, Sinai (Vicat), Sinai White cement (Cementir), South Valley, Nile Valley, El Seweedy, Army Cement, Aswan Medcom, Misr BeniSuef, Al Nahda and Misr Quena Cement Companies, Building Materials Industries Co. ASEC Cement, and Egyptian Kuwait Holding Company.

Cement and Ready-Mix Concrete. For the year ended December 31, 2017, cement represented 83% and ready-mix concrete represented 12% of net sales for our operations in Egypt before eliminations resulting from consolidation in Mexican Peso terms.

Capital Expenditures. We made capital expenditures of U.S.$47 million in 2015, U.S.$20 million in 2016 and U.S.$22 million in 2017 in our operations in Egypt. We currently expect to make capital expenditures of approximately U.S.$9 million in our operations in Egypt during 2018.

Rest of Asia, Middle East and Africa

As of December 31, 2017, our operations in the Rest of Asia, Middle East and Africa consisted primarily of our operations in Israel and the UAE. These operations represented 5% of our net sales in Mexican Peso terms, before eliminations resulting from consolidation in Mexican Peso terms, for the year ended December 31, 2017, and 2% of our total assets as of December 31, 2017.

Sale of our Operations in Rest of Asia, Middle East and Africa

On May 26, 2016, we closed the sale of our operations in Bangladesh and Thailand to SIAM Cement for U.S.$70 million (Ps1,450 million). In June 2017, we divested our concrete operations in Malaysia through a management buy-out for U.S.$4.6 million. The proceeds from each of these transactions were used mainly for debt reduction and for general corporate purposes. We continue to have entities in Malaysia.

Our Operations in Israel

Overview. As of December 31, 2017, CEMEX Holdings (Israel) Ltd. was our subsidiary in Israel. We are a leading producer and supplier of raw materials for the construction industry in Israel. In addition to ready-mix concrete and aggregates, we produce a diverse range of building materials and infrastructure products in Israel. As of December 31, 2017, we operated 63 ready-mix concrete plants, six aggregates quarries, one sand pit, one concrete products plant, one admixtures plant, and one lime factory in Israel.

Capital Expenditures. We made capital expenditures of U.S.$13 million in 2015, U.S.$16 million in 2016 and U.S.$21 million in 2017 in our operations in Israel. We currently expect to make capital expenditures of approximately U.S.$16 million in our operations in Israel during 2018.

Our Operations in the UAE

Overview. As of December 31, 2017, we held a 49% equity interest (and 100% economic benefit) in three of our main UAE companies: CEMEX Topmix LLC and CEMEX Supermix LLC, two ready-mix manufacturing

companies, and CEMEX Falcon LLC, which specializes in the production of cement and slag. We are not allowed to have a controlling interest in these companies (UAE law requires 51% ownership by UAE nationals). However, through agreements with other shareholders in these companies, we have control over the remaining 51% of the economic benefits in each of the companies. As a result, we own a 100% economic interest in all three companies. We also held 100% in CEMEX Arabia FZC, a company dedicated to trading activities (100% ownership is possible as it is in a Free Zone). As of December 31, 2017, we owned eight ready-mix concrete plants (one was temporarily inactive) and one cement and slag grinding facility in the UAE, serving the markets of Dubai and Abu Dhabi as well as neighboring countries such as Oman and Qatar.

Capital Expenditures. We made capital expenditures of U.S.$2 million in 2015, U.S.$4 million in 2016 and U.S.$3 million in 2017 in our operations in the UAE. We currently expect to make capital expenditures of approximately U.S.$4 million in our operations in the UAE during 2018.

Our Trading Operations

In 2017, we traded approximately 11.3 million tons of cementitious and non-cementitious materials in 105 countries, including 9.5 million tons of cement and clinker. Approximately 6.2 million tons of the traded cement and clinker consisted of exports from our operations in Spain, Croatia, Mexico, Germany, Latvia, the Dominican Republic, Costa Rica, Trinidad, Barbados, Puerto Rico, Jamaica, Poland, Nicaragua, the Czech Republic, Philippines, Guatemala, the United States and the UAE. The remaining approximately 3.3 million tons were purchased from third parties in countries such as China, Honduras, Spain, Taiwan, Turkey, the United States and Vietnam. In 2017, we traded approximately 1.1 million tons of granulated blast furnace slag, a non-clinker cementitious material, and 0.7 million tons of other products.

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 able to distribute excess capacity to regions around the world where there is demand. In addition, our worldwide network of strategically located marine terminals allows us to coordinate maritime logistics on a global basis and minimize transportation expenses. Our trading operations also enable us to explore new markets without significant initial capital expenditure.

Freight rates, which account for a large share of the total import supply cost, have been subject to significant volatility in recent years. Our trading operations, however, have obtained significant savings by contracting maritime transportation in due time and by using our own and chartered fleet, which transported approximately 59% of our cement and clinker traded volume during 2017.

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

Our Cement Plants

The following table provides a summary of our cement plants, including location, used capacity, including grinding mill production, and years of operation as of and for the year ended December 31, 2017:

Location	Used Capacity	Years of Operation(1)
Atotonilco, Hidalgo, México	1,280	59
Barrientos, Estado de México, México	948	73
Ensenada, Baja California, México	441	42
Guadalajara, Jalisco, México	853	44
CPN, Sonora, México	—	37
Hidalgo, Nuevo León, México	73	112
Huichapan, Hidalgo, México	3,263	33
Mérida, Yucatán, México	805	64
Monterrey, Nuevo León, México	1,604	98
Tamuín, San Luis Potosí, México	1,659	53
Tepeaca, Puebla, México	2,749	23
Torreón, Coahuila, México	1,085	51
Valles, San Luis Potosí, México	383	52
Yaqui, Sonora, México	2,107	28
Zapotiltic, Jalisco, México	1,555	50
Balcones, TX, United States	1,993	37
Brooksville, FL (North), United States	—	42
Brooksville, FL (South), United States	1,270	30
Clinchfield, GA, United States	652	43
Demopolis, AL, United States	726	40
Knoxville, TN, United States	628	38
Kosmosdale/Louisville, KY, United States	1,282	17
Miami, FL, United States	906	59
Lyons, CO, United States	356	37
Victorville, CA, United States	2,732	52
Wampum, PA, United States	—	52
Rugby, United Kingdom	1,197	18
Ferriby, United Kingdom	492	51
Rudersdof, Germany	2,198	52
Alcanar, Spain	771	49
Buñol, Spain	463	50
Castillejo, Spain	410	106
Lloseta, Spain	318	50
Morata, Spain	387	85
San Vicente, Spain	460	42
Gador, Spain	337	41
Chelm, Poland	1,286	57
Rudniki, Poland	729	52
Broceni, Latvia	988	8
Prachovice, Czech Republic	761	63
Kolovoz, Croatia	14	109
Juraj, Croatia	855	105
Kajo, Croatia	367	113
Cucuta, Colombia	230	34
Ibagué, Colombia	2,453	25
Calzada Larga, Panama	855	40
Colorado de Abangares, Costa Rica	568	38
Claxton Bay, Trinidad y Tobago	670	64
Rockport, Jamaica	846	66
St. Lucy, Barbados	216	34
San Pedro de Macorís, Dominican Republic	1,956	27
San Rafael del Sur, Nicaragua(2)	400	75
Ponce, Puerto Rico	277	27
APO, Philippines	3,123	19
Solid Cement, Philippines	1,707	24
Assiut, Egypt	4,390	31

(1) Approximate.
(2) Leased.

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

We have insurance coverage for our cement plants, which we believe is adequate and sufficient, in line with industry practices. However, in some instances our insurance coverage may not be sufficient to cover all of our potential unforeseen losses and liabilities. In addition, our insurance coverage may not cover all the risks to which our cement plants may be exposed. See "Item 3—Key Information—Risk Factors—Risks 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 is provided below. For recent developments related to material regulatory matters and legal proceedings affecting us, 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. On January 2, 2007, 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 approximately Polish Zloty 115.56 million (approximately U.S.$33.26 million as of December 31, 2017, based on an exchange rate of Polish Zloty 3.4748 to U.S.$1.00), which is approximately 10% of CEMEX Polska's total revenue in 2008. CEMEX Polska disagreed with the decision, denied that it committed the practices alleged by the Protection Office and, therefore, on December 23, 2009, CEMEX Polska filed an appeal before the Polish Court of Competition and Consumer Protection in Warsaw (the "First Instance Court"). After a series of hearings, on December 13, 2013, the First Instance Court issued its judgment in regards with the appeals filed by CEMEX Polska and other cement producers, which were previously combined into a joint appeal. The First Instance Court reduced the penalty imposed on CEMEX Polska to approximately Polish Zloty 93.89 million (approximately U.S.$27.02 million as of December 31, 2017 based on an exchange rate of Polish Zloty 3.4748 to U.S.$1.00), which is approximately equal to 8.125% of CEMEX Polska's revenue in 2008. On May 8, 2014, CEMEX Polska filed an appeal against the First Instance Court judgment before the Appeals Court in Warsaw. After several hearings in the Appeals Court, on a hearing held on March 11, 2016, the Appeals Court did not announce a final judgment; instead, it reopened the hearing phase which had been closed on February 26, 2016. The parties involved were informed that the Appeals Court will ask certain questions to the Polish Constitutional Tribunal regarding the conformity with the Polish Constitution of the calculation of the reduced penalty imposed on CEMEX Polska. On April 5, 2017, the Polish Constitutional Tribunal, outside of a hearing, declined to answer the questions of the Appeals Court, informing the Appeals Court that the Appeals Court has the authority to interpret independently competition law rules for purposes of this particular court case, subject to compliance with the Polish Constitution. The files of the case were returned to the Appeals Court during May of 2017, which scheduled a court hearing for January 29, 2018. It is highly probable that the Appeals Court will issue its final decision during this hearing or within the following two weeks. The above-mentioned penalty is not enforceable until the Appeals Court issues its final judgment and if the penalty is maintained in the Appeals Court final resolution, then the penalty will be payable within 14 calendar days of the announcement of the Appeals Court order regarding its final resolution. CEMEX Polska has created the accounting provision in relation with this proceeding in an amount equal to 100% of the reduced penalty of the First Instance Court judgment. As of

December 31, 2017, we do not expect that an adverse resolution to this matter would have a material adverse impact on our results of operations, liquidity and financial condition.

Antitrust Investigation in Spain by the CNMC. On September 16 and 17, 2014, the Competition Directorate (*Dirección de Competencia*) of the Spanish National Commission of Markets and Competition (*Comisión Nacional de los Mercados y la Competencia*) ("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 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 considers 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 has been required to pay a fine of €5,865,480 (approximately U.S.$7.04 million as of December 31, 2017, based on an exchange rate of €0.8331 to U.S.$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 has been requested to suspend the sanction, and, by a resolution issued on December 22, 2016, the National Court granted the requested suspension, subject to issuance of a bank guarantee for the principal amount of the sanction. The CNMC has been notified of both the interposition of the appeal and the request for suspension. As of December 31, 2017, we do not expect that an adverse resolution to this matter would have a material adverse impact on our results of operations, liquidity and financial condition.

Antitrust Case in Ohio. On October 2013, a nonstructural steel manufacturing joint venture in which CEMEX, Inc. has an indirect majority interest, other nonstructural steel manufacturers, and related associations were named as defendants in a lawsuit filed in an Ohio State Court alleging a conspiracy among the defendants to adopt sham industry standards with a goal to exclude the plaintiffs' products from the market. A resolution to finalize this matter has been reached with the plaintiffs, definitively finalizing the claim against CEMEX, Inc. with no adverse resolution against CEMEX, Inc. and no adverse impact to our operations, liquidity and financial condition.

Antitrust Case 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 the coastal Georgia and southeastern coastal South Carolina areas. As CEMEX does not participate in the ready-mix concrete market in these areas, the lawsuit does not allege any improper actions by CEMEX with respect to ready-mix concrete. On October 2, 2017, we filed a motion to dismiss the lawsuit. On November 22, 2017, a single concrete instillation company filed a lawsuit in a U.S. Federal Court in the State of South Carolina against subsidiaries of CEMEX in the U.S. on behalf of purchasers of concrete based on the same allegations made in the lawsuit filed in Georgia. As of December 31, 2017, we are not able to assess the likelihood of an adverse result to these lawsuits, but if such lawsuits are resolved adversely to us, we do not expect such adverse resolution would have a material adverse impact on our results of operations, liquidity and financial condition.

Antitrust Investigation in Colombia. On September 5, 2013, CEMEX Colombia was notified of Resolution No. 49141 dated August 21, 2013, issued by the Colombian Superintendency of Industry and Commerce (*Superintendencia de Industria y Comercio*) ("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. The investigated parties were accused of allegedly breaching: (i) Article 1 of Law 155 of 1959, which prohibits any kind of practice, procedure

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

On October 12, 2017, the SIC's Superintendent Delegate for Competition Protection issued a non-binding report stating that CEMEX Colombia and two other industry competitors engaged in illegal anticompetitive practices and recommending to impose sanctions against such companies. On November 10, 2017, CEMEX Colombia filed its final arguments against such report. 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 in an amount of 73,771.7 million Colombian Pesos (approximately U.S.$24.72 million as of December 31, 2017, based on an exchange rate of 2,984.00 Colombian Pesos to U.S.$1.00). By means of the same resolution dated December 11, 2017, the Chief Superintendent determined there was not sufficient material evidence and ordered to close the investigation related to the other alleged conduct against CEMEX Colombia under Resolution No. 49141, dated August 21, 2013.

As of December 31, 2017, CEMEX Colombia has decided not to file a reconsideration request. Instead, CEMEX Colombia intends to file an annulment and reestablishment of right claim (*acción de nulidad y restablecimiento de derecho*) before the Administrative Court (*Tribunal Contencioso Administrativo*) requesting that charges brought forth by the SIC are annulled and the restitution of the fine is paid, with any adjustments provided by Colombian law. Once filed, this claim could take up to six years to be resolved. As of December 31, 2017, we are not able to assess the likelihood of an adverse result to this matter, but if such matter is resolved adversely to us, we do not expect such adverse resolution to have a material adverse impact on our results of operations, liquidity and financial condition.

Environmental Matters

In the ordinary course of business, we are subject to a broad range of environmental laws and regulations in each of the jurisdictions in which we operate. These laws and regulations impose increasingly stringent environmental protection standards regarding, among other things, air emissions, wastewater discharges, the use and handling of hazardous waste or materials, waste disposal practices and the remediation of environmental damage or contamination. These laws and regulations expose us to the risk of substantial environmental costs and liabilities, including liabilities associated with divested assets and past activities and, in some cases, the acts and omissions of the previous owners or operators of a property or facility 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 policies require that each of our subsidiaries respect and comply with local laws and meet our own internal standards to minimize the use of non-renewable resources and the generation of hazardous and other wastes. We use processes that are designed to reduce the impact of our operations on the environment throughout all the production stages in all of 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, 2017, we expect to finish the implementation of the EMS at all of our operating sites by December 31, 2020. It will be used to support sites and businesses across CEMEX globally to document, maintain and continuously improve our environmental performance. We believe that, as of

December 31, 2017, a substantial part of our operations already comply with all material environmental laws applicable to us, as the majority of our cement plants already have some kind of EMS (most of which are ISO 14000 certified by the International Organization for Standardization ("ISO")), with the remaining implementation efforts directed mainly on our aggregates and ready-mix plants.

We regularly incur capital expenditures that have an environmental component or that are impacted by environmental regulations. However, we do not keep separate accounts for such mixed capital and environmental expenditures. Environmental expenditures that extend the life, increase the capacity, improve the safety or efficiency of assets or are incurred to mitigate or prevent future environmental contamination may be capitalized. Other environmental costs are expensed when incurred. For the years ended December 31, 2015, 2016 and 2017, our sustainability capital expenditures (including our environmental expenditures and investments in alternative fuels and cementitious materials) were approximately U.S.$86.03 million, approximately U.S.$79.9 million and approximately U.S.$83.14 million, respectively. As of December 31, 2017, we do not expect a material increase in our environmental expenditures in 2018.

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, 2017, our operating cement plants in Mexico had CICs or were in the process of renewing them. As of December 31, 2017, we expect the renewal of all currently expired CICs.

For over a decade, the technology for co-processing and recycling used tires into an energy source has been employed in our plants located in Ensenada and Huichapan. By the end of 2016, almost all of our cement plants in Mexico were using tires as an alternative fuel (except for installations in Torreon and Valles). As of December 31, 2017, municipal collection centers in the cities of Tijuana, Mexicali, Ensenada, Mexico City, Reynosa, Nuevo Laredo and Guadalajara enable us to obtain an estimated 24,000 tons of tires per year as alternative fuel. Overall, approximately 20.61% of the total fuel used in our operating cement plants in Mexico during 2017 was comprised of alternative fuels.

Between 1999 and December 31, 2017, our operations in Mexico have invested approximately U.S.$126.14 million in the acquisition of environmental protection equipment and the implementation of the ISO 14001:2004 environmental management standards of ISO. The audit to obtain the renewal of the ISO 14001:2004 certification took place during the first quarter of 2015 and our operating cement plants in Mexico obtained the renewal of the ISO 14001:2004 certification for environmental management systems which is valid until September of 2018.

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. Many 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. 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 carbon dioxide emissions to SEMARNAT under a voluntary scheme. The Climate Change Law also allows for the establishment of specific greenhouse gas reduction targets in accordance with the respective contribution of each economic sector to the national greenhouse gas emissions. As of December 31, 2017, we are not able to estimate the impact, if any, that any measures related to this may have upon our operations in Mexico. Although the Climate Change Law does not establish a program for emissions trading, it does vest on the Mexican federal government the power to create, authorize and regulate such a scheme, which may be voluntary or binding. We are closely observing the development of implementing regulations and, as of December 31, 2017, we cannot estimate the impact, if any, that any measures related to this may have upon our operations in Mexico. A Special Tax on Production and Services (*Impuesto Especial Sobre Producción y Servicios*) on the sale and import of fossil fuels was included in the tax reform that became effective on January 1, 2014. During 2017, petroleum coke, a primary fuel widely used in our kilns in Mexico was taxed at a rate of Ps17.15 (approximately U.S.$0.87 as of December 31, 2017, based on an exchange rate of Ps19.65 to U.S.$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 have been 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, starting in 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*), non-compliance with the clean energy procurement obligations could have a material adverse impact on our business or operations. However, as of December 31, 2017, we were not able to assess if such impact would in turn have a material adverse impact on our results of operations, 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, 2017, we are in the process of becoming a participant in the Electricity Market. Additionally, CEMEX 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 national electric system operator, and has been 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 standard code was issued in Mexico (*Código de Red*) (the "Electrical Standard Code"). The Electrical Standard Code establishes new standards for electrical operation that will be enforced beginning in 2019 against consumers connected to the national grid. The implementation of the Electrical Standard Code will require investments across our operating assets in Mexico, which we expect to amount to approximately U.S.$6 million.

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 send hazardous waste for disposal. We believe that our current procedures and practices for handling and managing materials are generally consistent with industry standards and legal and regulatory requirements, and that we take appropriate precautions to protect employees and others from harmful exposure to hazardous materials.

As of December 31, 2017, CEMEX, Inc. and its subsidiaries accrued liabilities specifically relating to environmental matters in the aggregate amount of approximately U.S.$29.84 million. The environmental matters relate to (i) the disposal of various materials, in accordance with past industry practice, that might be categorized as hazardous substances or wastes, and (ii) the cleanup of hazardous substances or wastes at sites used or operated by CEMEX, Inc. and its subsidiaries including discontinued operations, either individually or jointly with other parties. Most of the proceedings are in the preliminary stages, and a final resolution might take several years. For purposes of recording the provision, CEMEX, Inc. and its subsidiaries consider that it is probable that a liability has been incurred and the amount of the liability is reasonably estimable, whether or not claims have been asserted, and without giving effect to any possible future recoveries. Based on information developed to date, CEMEX, Inc. does not believe it will be required to spend significant sums on these matters, in excess of the amounts previously recorded. The ultimate cost that might be incurred to resolve these environmental issues cannot be assured until all environmental studies, investigations, remediation work, and negotiations with, or litigation against, potential sources of recovery have been completed.

In 2007, the EPA launched a CAA enforcement initiative against the U.S. cement industry. The primary goal of the initiative is to assess the industry's historic compliance with the CAA's New Source Review program and to reduce emissions from the industry through the installation of add-on controls. CEMEX has actively engaged with the EPA on its investigations, which involved multiple CEMEX facilities, and has entered into four settlements involving a total of U.S.$6.1 million in civil penalties and a commitment to incur certain capital expenditures for pollution control equipment at its Victorville, California, Fairborn, Ohio (divested on February 10, 2017), Lyons, Colorado, Knoxville, Tennessee, Louisville, Kentucky, 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, 2017, we believe any further proceedings will not have a material adverse impact on our results of operations, liquidity and financial condition.

In 2002, CEMEX Construction Materials Florida, LLC (formerly Rinker Materials of Florida, Inc.) ("CEMEX Florida"), a subsidiary of CEMEX, Inc., was granted a federal quarry permit and was the beneficiary of another federal quarry permit for the Lake Belt area in South Florida. The permit held by CEMEX Florida covered CEMEX Florida's Seaboard Coast Line ("SCL") and Florida East Coast ("FEC") quarries. CEMEX Florida's Kendall Krome quarry is operated under the permit of which it was a beneficiary. The FEC quarry is the largest of CEMEX Florida's quarries measured by volume of aggregates mined and sold. CEMEX Florida's Miami cement mill is located at the SCL quarry and is supplied by that quarry, while the FEC and Kendall Krome quarries have supplied aggregates to CEMEX and third-party users. In response to litigation brought by environmental groups concerning the manner in which the federal quarry permits were granted, in January 2009, the U.S. District Court for the Southern District of Florida ordered the withdrawal of the federal quarry permits for CEMEX Florida's SCL, FEC and Kendall Krome quarries. The judge ruled that there were deficiencies in the

procedures and analysis undertaken by the Army Corps of Engineers ("Corps") in connection with the issuance of the permits. Upon appeal, on January 21, 2010, the Eleventh Circuit Court of Appeals affirmed the district court's ruling withdrawing the federal quarry permits for the three CEMEX Florida quarries as well as other third-party federal quarry permits subject to the litigation. On January 29, 2010, the Corps completed a multi-year review commenced as a result of this litigation and issued a Record of Decision ("ROD") supporting the issuance of new federal quarry permits for the FEC and SCL quarries. Excavation of new aggregates was stopped at the FEC and SCL quarries from January 20, 2009 until new permits were issued. The FEC permit was issued on February 3, 2010, and the SCL permit on February 18, 2010. The ROD also indicated that a number of potential environmental impacts must be addressed at the wetlands located at the Kendall Krome site before a new federal quarry permit may be issued for mining at that quarry. It is unclear how long it will take to fully address the Corps' concerns regarding mining in the Kendall Krome wetlands. While no new aggregates will be quarried from wetland areas at Kendall Krome pending the resolution of the potential environmental issues, the FEC and SCL quarries will continue to operate. If CEMEX Florida is unable to maintain the new Lake Belt permits, CEMEX Florida would need to source aggregates, to the extent available, from other locations in Florida or import aggregates. This would likely affect operating income from our Florida operations. As of December 31, 2017, 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 Resource Conservation and Recovery Act. CEMEX uses CCRs as a raw material in the cement manufacturing process, as well as a supplemental cementitious material in some of our ready-mix concrete products. On December 19, 2014, the EPA issued a final rule on the regulation of CCRs (the "Final Rule"). As of December 31, 2017, we expect that the effects of the Final Rule will not have a material adverse impact on our results of operations, liquidity and financial condition.

We are subject to a number of federal and state laws and regulations addressing climate change. On the federal side, EPA has promulgated a series of regulations pertaining to emissions of GHGs from industrial sources. EPA issued the Mandatory Reporting of GHGs Rule, effective December 29, 2009, which requires certain covered sectors, including cement manufacturing, with GHG emissions above an established threshold to inventory and report their GHG emissions annually on a facility-by-facility basis. In 2010, EPA issued a final rule that establishes GHG thresholds for the New Source Review Prevention of Significant Deterioration ("PSD") and Title V Operating Permit programs. The rule "tailors" the requirements of these CAA permitting programs to limit which facilities will be required to obtain PSD and Title V permits for GHG emissions. Cement production facilities are included within the categories of facilities required to obtain permits, provided that their GHG emissions exceed the thresholds in the tailoring rule. The PSD program requires new major sources of regulated pollutants and major modifications at existing major sources to secure pre-construction permits that establish, among other things, limits on pollutants based on Best Available Control Technology ("BACT"). According to EPA's rules, stationary sources, such as cement manufacturing, which are already regulated under the PSD program for non-GHG pollutants, need to apply for a PSD permit for any GHG emissions increases above 75,000 tons/year of carbon dioxide equivalent ("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, 2017, 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 carbon dioxide emissions to 1990 levels by 2020. As part of the measures derived from AB32, the California Air Resources Board ("CARB") developed a cap-and-trade program, enforced from 2013, that covers most industrial sources of greenhouse gas emissions in the State, including cement production facilities. The program involves allocating a number of allowances free of charge to covered installations, which must subsequently surrender back to the regulator a number of allowances or qualified offset credits matching their verified emissions during the compliance period. Based on the free allowances received, our Victorville cement plant has met all of its compliance obligations for the second compliance period (2015 to 2017) without a material impact on its operating costs. As of December 31, 2017, it is expected to meet all of its compliance obligations for the third compliance period (2018 to 2020) without a material impact on its operating costs. Furthermore, as of December 31, 2017, for 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, 2017 we cannot assure you that the overall costs of complying with a cap-and-trade program will not have a material impact on our operations in California or on our results of operations, liquidity and financial condition.

In 2007, CARB approved a regulation that requires California equipment owners/operators to reduce diesel particulate and nitrogen oxide emissions from in-use off-road diesel equipment and to meet progressively more restrictive emission targets. In 2008, CARB approved a similar regulation for in-use on-road diesel equipment. The emission targets requires us to retrofit our California-based equipment with diesel emission control devices or replace equipment with new engine technology in accordance with certain deadlines. As of December 31, 2017, compliance with the CARB regulations has resulted in equipment related expenses or capital investments, including overhauling engines and purchases of new equipment directly related to the CARB regulations, in excess of U.S.$32.45 million. As of December 31, 2017, we may continue to incur substantial expenditures to comply with these requirements.

Europe.

General overview of EU industrial regulation

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

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

The EU legal system also operates in a way different to federal systems. The EU legal regime is referred to as "supra-national" law. It sits "above" the legal systems of the different Member States, which retain their independence subject to tight oversight from EU institutions, especially the Court of Justice, the European Commission, and the European Parliament. As such, EU law operates (in its many fields of application, including industrial regulation) in order to "control" and authoritatively interpret the legislation and implementation of law

(EU and domestic) in those Member States. One of the key manifestations of this "supra-national control" are the inter-related doctrines of the supremacy of EU law and of conforming interpretation. Essentially, where an area of legal control in a Member State has its origin in an EU Directive, then the Member States must transpose the Directive fully and effectively into their domestic law and every organ of the Member State, including its regulators and its Courts, must interpret (and if necessary change) domestic law in order to conform with the objectives and the letter of the relevant EU Directive. This is of relevance to the cement sector since almost every aspect of its environmental regulation has its origins in EU legislation.

EU Industrial Permits and Emissions Controls

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

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

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

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

The second earlier Directive, which was applied in direct control of cement operations, was the EU Waste Incineration Directive (2000/76/EC) ("Incineration Directive") which regulated those parts of the cement operation that used recovered waste materials as substitute fuels in cement kilns. Its aim was to prevent or limit, as far as practicable, negative effects on the environment, in particular pollution by emissions in air, soil, surface water and groundwater and the resulting risks to human health, from incineration and co-incineration plants. Cement and lime kilns as a primary or secondary source of fuel fall within the definition of "co-incineration

plants." The Incineration Directive sought to achieve its aim by setting and maintaining stringent operational conditions and technical requirements, as well as emission limit values for a range of pollutants including dust, nitrogen oxides, sulfur dioxide, hydrogen chloride, heavy metals and dioxins. Again, the essential substance of the Incineration Directive has been followed through into the IED, which repealed the Incineration Directive and the IPPC Directive.

The IED has applied to new industrial installations since January 7, 2013 and to existing industrial installations (other than large combustion plants) since January 7, 2014. Under the IED, operators of industrial installations, including cement plants, are required to obtain an integrated permit from the relevant permitting authority in the Member States. As with the IPPC Directive, permit conditions, including emission limit values, must be based on BAT and a total of 35 BREFs are being rewritten or revised for the IED. However, there is an important difference between the IPPC Directive and the IED. Under the IPPC Directive, the BREFs were considered as guidance only. This is not the case under the IED. Where BAT conclusions specify emission levels, permitting authorities are required to set emission limit values that do not exceed these levels. They may derogate from this requirement only where the costs associated with the achievement of the emission levels associated with the BAT disproportionately outweigh the environmental benefits due to the geographical location, the local environmental conditions or the technical characteristics of the installation concerned. The permitting authorities must document the reasons for the derogation from the emission limit values in the permit, including the result of the cost-benefit assessment. In April 2013, 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 manufacture 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. While as of December 31, 2017, we are not able to assess what degree of impact these requirements in the preceding sentence and in general all requirements that come into effect with regards to the IED will have on our operations, as of December 31, 2017, it is reasonable to assume that there will be an impact given the change in regulatory approach heralded by the legislation and the fact that it will be key to the permitting of the cement industry in the EU. In particular, the European Commission describes review of the BREFs as a continuing process due to ongoing technological advances and so updates may be expected. This has the potential to require our operations in Europe to be adapted to conform to the latest BAT.

As a result of a lawsuit filed by the city of Kaštela against the Ministry of Environment of the Republic of Croatia, the IPPC Permit issued on behalf of CEMEX Hrvatska d.d. ("CEMEX Croatia") by the Ministry of Environment was revoked on July 6, 2015 by a final and non-appealable judgment of a first instance court in Split, Croatia. The judgment required the Ministry of Environment to repeat the procedure for the issuance of a new IPPC Permit. On November 23, 2015, the Ministry of Environment issued a new IPPC Permit, which has been challenged by the city of Kaštela. On January 7, 2016, CEMEX Croatia received the claim and replied to it in due time. The Ministry of Environment also replied to the claim. At a court hearing held on September 14, 2016, the litigation proceedings concluded. On November 18, 2016, the administrative court in Split, Croatia notified CEMEX Croatia that the decision regarding the IPPC Permit was annulled and the matter was remanded to the Ministry of Environment in order to repeat the procedure. On December 2, 2016, CEMEX Croatia and the Ministry of Environment filed an appeal against such judgment. As of December 31, 2017, CEMEX Croatia is awaiting the decision on the appeal. If the IPPC Permit is conclusively annulled, we do not believe that such judgment would have a material adverse impact on our results of operations, liquidity and financial condition.

In addition, in accordance with Article 21(3) of the IED, within four years of BAT conclusion publications, the competent authority is to reconsider and, if necessary, update all permit conditions and ensure that the installation complies with such permit conditions. Accordingly, on January 3, 2017, the Ministry of Environment invited CEMEX Croatia to submit relevant expert opinions in order to update the existing permit conditions and

ensure compliance with permit conditions. On March 20, 2017, CEMEX Croatia submitted expert opinions to the Ministry of Environment, and, as of December 31, 2017, CEMEX Croatia had not yet been notified of the decision on the Ministry of Environment's appeal. Should the IPPC Permit be finally annulled, we do not believe that the judgment would have a material adverse impact on our results of operations, liquidity and financial condition. In the meantime, a new permit will be issued in accordance with the IED.

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 2008-2012 ("first commitment period"); future mandatory targets were expected to be established for commitment periods after 2012. To compensate for the sting of binding targets, the Kyoto Protocol allows three "flexibility" mechanisms to be used by parties in meeting their emission limitation commitments: the Clean Development Mechanism ("CDM"), Joint Implementation ("JI") and International Emissions Trading.

In 2012, at the 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 from 2013 to 2020 ("Second Commitment Period").

Our operations in the United Kingdom, Spain, Germany, Latvia, Poland, Croatia (since 2013) and Czech Republic, are subject to binding caps on CO_2 emissions imposed pursuant to the EU's emissions trading system ("ETS") that was established by Directive 2003/87/EC to implement the Kyoto Protocol. Under the ETS, a cap or limit is set on the total amount of 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. The cap is reduced over time, so that the total amount of emissions will decrease. Within the cap, companies receive or buy emission allowances. These allowances are tradable so as to enable companies that manage to reduce their emissions to sell their excess allowances to companies that are not reaching their emissions objectives. After each year, a company must surrender enough carbon allowances to cover all its emissions. Failure to meet the emissions caps is subject to significant monetary penalties.

In addition to carbon allowances, the ETS also allows the use of Kyoto Protocol units: the Emission Reduction Unit, representing a metric ton of carbon saved by a project under the JI mechanism, and the Certified Emission Reduction unit ("CERs") under the CDM. The ETS recognizes these units as equivalent to its carbon allowances and allows them to be used by companies for compliance up to a certain limit to offset their carbon emissions in the EU. As of December 31, 2017, we have registered 19 CDM projects with a total potential to, according to our estimates, reduce approximately 2.44 million tons of CO_2E emissions per year. The corresponding CERs from these projects could be used for internal purposes or sold to third parties. Croatia, as a new entrant, has a right to use only 4.5% of its verified carbon emissions in relation to other EU ETS members which have a right to use up to 11% of their free allocation of EU allowances.

The ETS consists of three trading phases: Phase I which lasted from January 1, 2005 to December 31, 2007, Phase II, which lasted from January 1, 2007 to December 31, 2012, and was intended to meet commitments under the Kyoto first commitment period, and Phase III which commenced on January 1, 2013 and will end on December 31, 2020. For Phase III of the ETS there is also a cap on nitrous oxide and perfluorocarbons (PFC) emissions. Prior to the commencement of each of ETS Phases I and II, each Member State was responsible for publishing its National Allocation Plan ("NAP"), a document which sets out a national cap on the total amount of carbon emissions by all installations during each relevant trading phase and the methodology by which the cap would be allocated to the different sectors in the ETS and their respective installations. Each Member State's cap contributed to an overall EU cap on emissions, where one carbon allowance must be surrendered to account for

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 has been 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 have been introduced on the extent to which Kyoto Protocol units can be used to offset EU carbon emissions, and auctioning, not free allocation, has become the default method for distributing allowances. For those allowances that are still given away free, as discussed below, harmonized rules apply based on EU-wide benchmarks of emissions performance.

EU policymakers see the free allocation of allowances as a principle way to reduce the risk of carbon leakage—that is, the risk that energy-intensive industries, facing higher costs because of the ETS, will move their facilities beyond the EU's borders to countries that do not have climate change controls, thus resulting in a leakage of CO_2 emissions without any environmental benefits. In 2009, a list of ETS sectors deemed to be at significant risk of carbon leakage was formally adopted by the European Commission, following agreement by Member States and the European Parliament. The list which was valid from 2010 to 2014 included the cement production sector, on the basis that the additional costs imposed by the ETS would lead to a 30% or more increase in production costs as a proportion of the "gross value added." A decision on the list of sectors deemed to be at significant risk of carbon leakage for the period 2015-2019 was adopted by the European Commission on October 29, 2014 and the cement production sector resulted selected again. Sectors classified as deemed to be at significant risk of carbon leakage will continue to receive 100% of their benchmark allocation of allowances free of charge during Phase III, adjusted by a cross-sectoral correction factor that is being applied uniformly upon all participating facilities in Europe in order to reduce the amount of free allocation that each installation so that the total sum does not exceed the authorized EU-wide cap for free allocation. By contrast, sectors that are not considered at risk of carbon leakage received 80% of their benchmark allowances for free in 2013, declining to 30% by 2020.

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

On February 26, 2014, the European Commission adopted a Decision on national allocation allowances for the last group of Member States including Croatia, which was granted 5.56 million of free allowances. Since this time, a regularly updated allocation table showing the number of allowances that have been allocated per Member State is published on the European Commission's website. Based on the European Commission

approved NIMs that were published in the first quarter of 2014 for Phase III, we expect that the aggregate amount of allowances that will be annually allocated for free to CEMEX in Phase III of the ETS will be sufficient to operate. An important factor in providing such assurance is the European Commission Decision 2014/746/EU (which took effect on January 1, 2015) which, as mentioned, included the manufacture of cement as an industry at significant risk of carbon leakage meaning that the industry will continue to receive 100% of its benchmark allocation of allowances free of charge during Phase III. Although the European Council has indicated that the free allocation of allowances to carbon leakage sectors will continue beyond Phase III, a future decision that the cement industry should no longer be regarded as a significant risk of carbon leakage could have a material impact on our operations and our results of operations, liquidity and financial condition.

An installation can only receive its full allocation of free allowances if it is deemed to have not partially ceased under the "partial cessation rule" of the ETS. Partial cessation applies where a sub-installation which contributes at least 30% of the installation's final annual amount of emissions allocated, or contributes to more than 50,000 allowances, reduces its activity level by at least 50% of its historic activity levels. If activity levels are reduced to between 50% and 75% of the historic activity level, the amount of free carbon allowances the sub-installation will receive will reduce by half in the following year; if activity levels are reduced by 75% to 90% compared to historic activity levels, the amount of free carbon allowances the sub-installation will receive will reduce by 75% in the following year; and if activity levels are reduced by 90% or more compared to historic activity levels, no allowances shall be allocated free of charge the following year with respect to the sub-installation concerned. This represents a change from ETS Phase II, in which the rules for partial cessation were defined by each Member State's NAP and often did not result in any reduction in the level of free allocation, but an installation was no longer entitled to a free allocation from the following year if it had permanently ceased operating. The new rules are therefore more stringent, and to the extent that they result in our plants foregoing free carbon allowances, as of December 31, 2017, they could represent a significant loss of revenue to us, since carbon allowances are also tradable.

Despite having sold a substantial amount of allowances during Phase II of the ETS, as mentioned, we believe that the aggregate amount of allowances that will be annually allocated for free to CEMEX in Phase III of the ETS (2013 to 2020) will be sufficient to operate. This assessment stems from various factors, notably our efforts to reduce emissions per unit of clinker produced, the stream of offset credits coming from our internal portfolio of CDM projects and our expected long position in the initial years of Phase III of the ETS. We are taking measures intended to minimize our exposure to this market, while continuing to supply our products to our customers. As of December 31, 2017, it is not possible to predict with certainty at this stage how CEMEX will be affected by potential reform to the EU ETS in Phase IV. However, the European Council has indicated that the EU-wide overall cap on emission allowances will be reduced by 2.2% every year from 2021, and that benchmarks will be updated based on recent data and that a more dynamic allocation based on recent production shall replace the "historical activity level." These modifications, which are still subject to final approval by EU institutions (as of December 31, 2017, expected during 2018), suggest that there may be fewer allowances available with respect to our operations in the future. The EU Parliament, EU Council and EU Commission (Trilogue) have reached a provisional agreement for the amendment of the ETS legislation for Phase IV of the ETS (2021 to 2030), which would become final once formally approved by the EU Parliament and the EU Council. If such provisional agreement were to be approved and incorporated into the EU ETS, as of December 31, 2017, we expect that the aggregate amount of allowances that will be annually allocated for free to CEMEX in Phase IV would not be sufficient for our operations. Therefore, CEMEX would require to purchase emission allowances at some point in time during Phase IV.

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 £131,619,244 (approximately U.S.$177.74 million as of December 31, 2017, based on an exchange rate of £0.7405 to U.S.$1.00) as of December 31, 2017, and we made an accounting provision for this amount.

Colombian Water Use Litigation

On June 5, 2010, the District of Bogotá's Environmental Secretary (*Secretaría Distrital de Ambiente de Bogotá*) (the "Environmental Secretary") issued a temporary injunction suspending all mining activities at CEMEX Colombia's El Tunjuelo quarry, located in Bogotá, Colombia. As part of the temporary injunction, Holcim Colombia and Fundación San Antonio (local aggregates producers that also have mining activities located in the same area as the El Tunjuelo quarry) were ordered to suspend mining activities in that area. The Environmental Secretary alleged that during the past 60 years, CEMEX Colombia and the other companies illegally changed the course of the Tunjuelo River, used the percolating waters without permission and improperly used the edge of the river for mining activities. In connection with the temporary injunction, in June 2010, the Environmental Secretary initiated proceedings to impose fines against CEMEX Colombia. CEMEX Colombia has requested that the temporary injunction be revoked, arguing that its mining activities are supported by all authorizations required pursuant to the applicable environmental laws and that all the environmental impact statements submitted by CEMEX Colombia have been reviewed and authorized by the Ministry of Environment and Sustainable Development (*Ministerio de Ambiente y Desarrollo Sostenible*). On June 11, 2010, the local authorities in Bogotá, in compliance with the Environmental Secretary's decision, sealed off the mine to machinery and prohibited the extraction of CEMEX Colombia's aggregates inventory. Although there is not an official quantification of the possible fine, the Environmental Secretary has publicly declared that the fine could be as much as 300 billion Colombian Pesos (approximately U.S.$100.54 million as of December 31, 2017, based on an exchange rate of 2,984.00 Colombian Pesos to U.S.$1.00). The temporary injunction does not currently compromise the production and supply of ready-mix concrete to any of our clients in Colombia. At this stage, as of December 31, 2017, we are not able to assess the likelihood of an adverse result, but if adversely resolved, it could have a material adverse impact on our results of operations, liquidity and financial condition.

Tariffs

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

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 NAFTA, as of January 1, 1998, the tariff on cement imported into Mexico from the United States or Canada was eliminated. While the lack of existence or reduction in tariffs could lead to increased competition from imports in our Mexican markets, it is possible that other factors, such as that 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. As of December 31, 2017, we are not able to assess the outcome of negotiations between the governments of Mexico, the U.S. and Canada with respect to NAFTA or its impact, if any, on tariffs on cement imported from the United Stated or Canada into Mexico.

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

Cement imports from countries other than Cuba 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, 2017, 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.

Tax Matters

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

For the 2010 fiscal year, CEMEX was required to pay (at the new, 30% tax rate) 25% of the Additional Consolidated Taxes for the period between 1999 and 2004, with the remaining 75% payable as follows: 25% in 2011, 20% in 2012, 15% in 2013 and 15% in 2014. Additional Consolidated Taxes arising after the 2004 tax year are taken into account in the sixth fiscal year after such year and are payable over the succeeding five years in the same proportions (25%, 25%, 20%, 15% and 15%). Applicable taxes payable as a result of this tax reform are increased by inflation adjustments as required by the Mexican Income Tax Law (Ley del Impuesto Sobre la Renta). In connection with these changes in the tax consolidation regime in Mexico, as of December 31, 2009, we recognized a liability of approximately Ps10.5 billion (approximately U.S.$534.35 million as of December 31, 2017, based on an exchange rate of Ps19.65 to U.S.$1.00), of which approximately Ps8.2 billion (approximately U.S.$417.30 million as of December 31, 2017, based on an exchange rate of Ps19.65 to U.S.$1.00) was recognized under "Other non-current assets" in connection with the net liability recognized under the new tax law and that we expect to realize in connection with the payment of this tax liability, and approximately Ps2.2 billion (approximately U.S.$111.96 million as of December 31, 2017, based on an exchange rate of Ps19.65 to U.S.$1.00) was recognized against "Retained earnings" upon adoption of IFRS according to the new law, related to: (a) the difference between the sum of the equity of the controlled entities for tax purposes and the equity for tax purposes of the consolidated entity, (b) dividends from the controlled entities for tax purposes to CEMEX, S.A.B. de C.V., and (c) other transactions among the companies included in the tax consolidation group that represented the transfer of resources within such group.

On June 30, 2010, CEMEX paid approximately Ps325 million (approximately U.S.$16.54 million as of December 31, 2017, based on an exchange rate of Ps19.65 to U.S.$1.00) of Additional Consolidated Taxes. This first payment represented 25% of the Additional Consolidated Taxes for the period that includes from 1999 to 2004. On March 31, 2011, CEMEX made a second payment of approximately Ps506 million (approximately U.S.$25.75 million as of December 31, 2017, based on an exchange rate of Ps19.65 to U.S.$1.00). This second payment, together with the prior payment, represented 50% of the Additional Consolidated Taxes for the period that includes from 1999 to 2004, and also included the first payment of 25% of the Additional Consolidated Taxes for the period that corresponds to 2005. On March 30, 2012, CEMEX paid Ps698 million (approximately U.S.$35.52 million as of December 31, 2017, based on an exchange rate of Ps19.65 to U.S.$1.00). This third payment, together with the two prior payments, represented 70% of the Additional Consolidated Taxes for the period that includes from 1999 to 2004, 50% of the Additional Consolidated Taxes for the period that

corresponds to 2005 and it also included the first payment of 25% of the Additional Consolidated Taxes for the period that corresponds to 2006. On March 27, 2013, CEMEX paid Ps2 billion (approximately U.S.$101.78 million as of December 31, 2017, based on an exchange rate of Ps19.65 to U.S.$1.00). This fourth payment, together with the three prior payments, represented 85% of the Additional Consolidated Taxes for the period that includes from 1999 to 2004, 70% of the Additional Consolidated Taxes for the period that corresponds to 2005, 50% of the Additional Consolidated Taxes for the period that corresponds to 2006 and 25% of the Additional Consolidated Taxes for the period that corresponds to 2007. On March 31, 2014, CEMEX paid Ps2 billion (approximately U.S.$101.78 million as of December 31, 2017, based on an exchange rate of Ps19.65 to U.S.$1.00). This fifth payment, together with the four prior payments, represented 100% of the Additional Consolidated Taxes for the period that includes from 1999 to 2004, 85% of the Additional Consolidated Taxes for the period that corresponds to 2005, 70% of the Additional Consolidated Taxes for the period that corresponds to 2006 and 50% of the Additional Consolidated Taxes for the period that corresponds to 2007. On March 31, 2015, CEMEX paid Ps1.5 billion (approximately U.S.$76.34 million as of December 31, 2017, based on an exchange rate of Ps19.65 to U.S.$1.00). This sixth payment, together with the five prior payments, represented 100% of the Additional Consolidated Taxes for the period that includes from 1999 to 2004, 100% of the Additional Consolidated Taxes for the period that corresponds to 2005, 85% of the Additional Consolidated Taxes for the period that corresponds to 2006 and 70% of the Additional Consolidated Taxes for the period that corresponds to 2007. On March 31, 2016, CEMEX paid Ps119 million (approximately U.S.$6.06 million as of December 31, 2017, based on an exchange rate of Ps19.65 to U.S.$1.00). This seventh payment, together with the six prior payments, represented 100% of the Additional Consolidated Taxes for the period that includes from 1999 to 2004, 100% of the Additional Consolidated Taxes for the period that corresponds to 2005, 100% of the Additional Consolidated Taxes for the period that corresponds to 2006 and 85% of the Additional Consolidated Taxes for the period that corresponds to 2007. On March 31, 2017, CEMEX paid Ps38 million (approximately U.S.$1.93 million as of December 31, 2017, based on an exchange rate of Ps19.65 to U.S.$1.00). This eighth payment, together with the seven prior payments, represented 100% of the Additional Consolidated Taxes for the period from 1999 to 2004, 100% of the Additional Consolidates Taxes for the period that corresponds to 2005, 100% of the Additional Consolidated Taxes for the period that corresponds to 2006 and 100% of the Additional Consolidated Taxes for the period that corresponds to 2007. As of December 31, 2017, we have paid an aggregate amount of approximately Ps7.3 billion (approximately U.S.$371.5 million as of December 31, 2017, based on an exchange rate of Ps19.65 to U.S.$1.00) of Additional Consolidated Taxes.

In December 2010, pursuant to certain additional rules, the tax authorities granted the option to defer the calculation and payment of certain items included in the law in connection with the taxable amount for the difference between the sum of the equity of controlled entities for tax purposes and the equity of the consolidated entity for tax purposes. As a result, CEMEX reduced its estimated tax payable by approximately Ps2.9 billion (approximately U.S.$147.58 million as of December 31, 2017, based on an exchange rate of Ps19.65 to U.S.$1.00) against a credit to the income statement when the new tax enactment took place. In addition, after accounting for the following that took place in 2010: (a) cash payments, (b) income tax from subsidiaries paid to the parent company, and (c) other adjustments, the estimated tax payable for tax consolidation in Mexico amounted to approximately Ps10.1 billion (approximately U.S.$513.99 million as of December 31, 2017, based on an exchange rate of Ps19.65 to U.S.$1.00) as of December 31, 2010. Furthermore, after accounting for the following that took place in 2011: (a) cash payments, (b) income tax from subsidiaries paid to the parent company, and (c) other adjustments, the estimated tax payable for tax consolidation in Mexico increased to approximately Ps12.4 billion (approximately U.S.$631.04 million as of December 31, 2017, based on an exchange rate of Ps19.65 to U.S.$1.00) as of December 31, 2011. Additionally, after accounting for the following that took place in 2012: (a) cash payments, (b) income tax from the subsidiaries paid to the parent company, and (c) other adjustments, as of December 31, 2012, the estimated tax payable for tax consolidation in Mexico increased to approximately Ps14.5 billion (approximately U.S.$737.91 million as of December 31, 2017, based on an exchange rate of Ps19.65 to U.S.$1.00). Furthermore, after accounting for the following that took place in 2013: (a) cash payments, (b) income tax from subsidiaries paid to the parent company, (c) other adjustments, and (d) effects of tax deconsolidation, as of December 31, 2013, the estimated tax payable for tax consolidation in Mexico increased to approximately Ps24.8 billion (approximately U.S.$1.26 billion as of December 31, 2017,

based on an exchange rate of Ps19.65 to U.S.$1.00). Additionally, after accounting for the following that took place in 2014: (a) payments, the majority of which were in cash, and (b) other adjustments, as of December 31, 2014, the estimated tax payable for tax consolidation in Mexico decreased to approximately Ps21.4 billion (approximately U.S.$1.09 billion as of December 31, 2017, based on an exchange rate of Ps19.65 to U.S.$1.00). Additionally, after accounting for the following that took place in 2015 and after giving effect to the 2016 Tax Reform (as defined below), as a result of: (a) payments made during the period, the tax payable for tax consolidation in Mexico was decreased to approximately Ps16.2 billion (approximately U.S.$824.43 million as of December 31, 2017, based on an exchange rate of Ps19.65 to U.S.$1.00), which after the application of (b) different tax credits, and (c) assets for tax loss carryforwards worth, before discount, approximately Ps11.9 billion (approximately U.S.$605.60 million as of December 31, 2017, based on an exchange rate of Ps19.65 to U.S.$1.00), as of December 31, 2015, the estimated tax payable for tax consolidation in Mexico further decreased to approximately Ps3.9 billion (approximately U.S.$198.47 million as of December 31, 2017, based on an exchange rate of Ps19.65 to U.S.$1.00). Additionally, after accounting for the following that took place in 2016: (a) cash payments, and (b) other adjustments, as of December 31, 2016, the estimated tax payable for tax consolidation in Mexico decreased to approximately Ps3.2 billion (approximately U.S.$162.85 million as of December 31, 2017, based on an exchange rate of Ps19.65 to U.S.$1.00). Additionally, after accounting for the following that took place in 2017: (a) cash payments and (b) other adjustments, as of December 31, 2017, the estimated tax payable for tax consolidation in Mexico decreased to approximately Ps2.5 billion (approximately U.S.$127.23 million as of December 31, 2017, based on an exchange rate of Ps19.65 to U.S.$1.00).

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

On April 30, 2014, CEMEX paid Ps2.3 billion (approximately U.S.$117.05 million as of December 31, 2017, based on an exchange rate of Ps19.65 to U.S.$1.00). From this amount, Ps987 million (approximately U.S.$50.23 million as of December 31, 2017, based on an exchange rate of Ps19.65 to U.S.$1.00) were paid in cash and Ps1.3 billion (approximately U.S.$66.16 million as of December 31, 2017, based on an exchange rate of Ps19.65 to U.S.$1.00) were paid through the application of a tax credit, which represented approximately 25% of the Deconsolidation Taxes for the period that corresponded to the 2008 tax year. On April 30, 2015, CEMEX paid Ps3.7 billion (approximately U.S.$188.30 million as of December 31, 2017, based on an exchange rate of Ps19.65 to U.S.$1.00). From this amount, Ps2.3 billion (approximately U.S.$117.05 million as of December 31, 2017, based on an exchange rate of Ps19.65 to U.S.$1.00) were paid in cash and Ps1.4 billion (approximately U.S.$71.25 million as of December 31, 2017, based on an exchange rate of Ps19.65 to U.S.$1.00) were paid through the application of a tax credit. This second payment, together with the first payment, represented 50% of the Deconsolidation Taxes for the period that corresponds to the 2008 tax year and 25% of the Deconsolidation Taxes for the period that corresponds to the 2009 tax year. On April 29, 2016, CEMEX paid Ps728 million (approximately U.S.$37.05 million as of December 31, 2017, based on an exchange rate of Ps19.65 to U.S.$1.00). This third payment, together with the two prior payments, represented 70% of the Deconsolidation Taxes for the period that corresponds to the 2008 tax year, 50% of the Deconsolidation Taxes for the period that corresponds to the 2009 tax year and 25% of the Deconsolidation Taxes for the period that corresponds to the 2010 tax year. On April 28, 2017, CEMEX paid Ps924 million (approximately U.S.$47.02 million as of December 31, 2017, based on an exchange rate of Ps19.65 to U.S.$1.00). This fourth payment, together with the three prior payments, represented 85% of the Deconsolidation Taxes for the period that corresponds to the 2008 tax year, 70% of the Deconsolidation Taxes for the period that corresponds to the 2009 tax year, 50% of the Deconsolidation Taxes for the period that corresponds to the 2010 tax year and 25% of the Deconsolidation Taxes for the period that corresponds to the 2011 tax year.

In October 2015, the Mexican Congress approved a tax reform, effective as of January 1, 2016 (the "2016 Tax Reform"). Specifically, the 2016 Tax Reform granted Mexican companies two tax credits to offset part of the Deconsolidation Taxes payable as a result of the elimination of the group taxation regime: (a) 50% of the taxes due as a result of unamortized losses used to compute the consolidated tax could be settled with individual accumulated losses adjusted for inflation using a factor of .15 multiplied by such losses, and (b) tax credit against Deconsolidation Taxes related to intercompany dividends that were paid without having sufficient tax profits.

CEMEX applied both tax credits against its remaining Deconsolidation Taxes through the filing of amended tax returns regarding the year ending on December 31, 2015 and upon the withdrawal of the constitutional challenge (juicio de amparo) against the 2014 Tax Reform filed by us on February 12, 2015. Additionally, the 2016 Tax Reform granted Mexican companies the option not to pay the remaining asset tax payments included in the Deconsolidation Tax liability. CEMEX also applied this option.

As of December 31, 2017, taking into account the effects of the 2016 Tax Reform, our estimated payment schedule of Deconsolidation Taxes (which includes the Additional Consolidated Taxes) is as follows: approximately Ps958 million (approximately U.S.$48.75 million as of December 31, 2017, based on an exchange rate of Ps19.65 to U.S.$1.00) in 2018; approximately Ps562 million (approximately U.S.$28.60 million as of December 31, 2017, based on an exchange rate of Ps19.65 to U.S.$1.00) in 2019; and approximately Ps936 million (approximately U.S.$47.63 million as of December 31, 2017, based on an exchange rate of Ps19.65 to U.S.$1.00) in 2020 and thereafter.

United States. As of December 31, 2017, the Internal Revenue Service ("IRS") concluded its audits for the years 2014 and 2015. The final findings did not alter the originally filed CEMEX returns, which had no reserves set aside for any potential tax issues. On May 18, 2016 and August 9, 2017, the IRS commenced its audits of the 2016 and 2017 tax years, respectively, under the Compliance Assurance Process. We have not identified any material audit issues and, as such, no reserves are recorded for either the 2016 or the 2017 audits in our financial statements.

Colombia. On April 1, 2011, the Colombian Tax Authority notified CEMEX Colombia of a proceeding notice in which the Colombian Tax Authority rejected certain deductions taken by CEMEX Colombia in its 2009 year-end tax return. The Colombian Tax Authority assessed an increase in taxes to be paid by CEMEX Colombia in the amount of approximately 90 billion Colombian Pesos (approximately U.S.$30.16 million as of December 31, 2017, based on an exchange rate of 2,984.00 Colombian Pesos to U.S.$1.00) and imposed a penalty in the amount of approximately 144 billion Colombian Pesos (approximately U.S.$48.26 million as of December 31, 2017, based on an exchange rate of 2,984.00 Colombian Pesos to U.S.$1.00). The Colombian Tax Authority argues that certain expenses are not deductible for fiscal purposes because they are not linked to direct revenues recorded in the same fiscal year, without taking into consideration that future revenue will be taxed with income tax in Colombia. CEMEX Colombia responded to the proceeding notice on June 25, 2011. On December 15, 2011, the Colombian Tax Authority issued its final determination, which confirmed the information in the special proceeding. CEMEX Colombia appealed the final determination on February 15, 2012. On January 17, 2013, the Colombian Tax Authority notified CEMEX Colombia of the resolution confirming the official liquidation. CEMEX Colombia appealed the final determination on May 10, 2013 which was admitted on June 21, 2013. On July 3, 2013, the appeal was notified to the Colombian Tax Authority, and hearings took place on February 18, 2014 and March 11, 2014. An adverse resolution to the appeal was notified to CEMEX Colombia on July 14, 2014 and on July 22, 2014, CEMEX Colombia filed an appeal before the Colombian Consejo de Estado against such adverse resolution. If the appeal before the Colombian Consejo de Estado is adversely resolved, 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. At this stage of the proceeding, as of December 31, 2017, we are not able to assess the likelihood of an adverse result in this special proceeding, but if adversely resolved, we do not expect it would have a material adverse impact on our results of operations, liquidity and financial condition.

Spain. On July 7, 2011, the tax authorities in Spain notified CEMEX España of a tax audit process in Spain covering the tax years from and including 2006 to 2009. The tax authorities in Spain have challenged part of the tax losses reported by CEMEX España for such years. CEMEX España has been formally notified of fines in the aggregate amount of approximately €456 million (approximately U.S.$547.34 million as of December 31, 2017, based on an exchange rate of €0.8331 to U.S.$1.00) resulting from the July 7, 2011 tax audit process in Spain.

The laws of Spain provide a number of appeals that can be filed against such fines without CEMEX España having to make any payment until such appeals are finally resolved. On April 22, 2014, CEMEX España filed appeals against such fines before the Tribunal Economico 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. On November 29, 2017, the National Court (Audiencia Nacional) notified Cemex España of the admission of the recourse filed on November 6, 2017 and requested the TEAC to send the full administrative file to Cemex España. At this stage, as of December 31, 2017, we are not able to assess the likelihood of an adverse result in general nor as it relates to the request to suspend payment while recourses are being processed. However, a final adverse resolution of this matter could have a material adverse impact on our results of operations, liquidity and financial condition.

Egypt. On February 9, 2014, ACC was notified of the decision of the Egyptian Ministry of Finance's Appeals Committee (the "Appeals Committee") pursuant to which ACC has been required to pay a development levy on clay (the "Levy on Clay") applied to the Egyptian cement industry in the amount of: (i) approximately 322 million Egyptian Pounds (approximately U.S.$18.16 million as of December 31, 2017, based on an exchange rate of Egyptian Pounds 17.7308 to U.S.$1.00) for the period from May 5, 2008 to August 31, 2011; and (ii) approximately 50,235 Egyptian Pounds (approximately U.S.$2,833.21 as of December 31, 2017, based on an exchange rate of Egyptian Pounds 17.7308 to U.S.$1.00) for the period from September 1, 2011 to November 30, 2011. On March 10, 2014, ACC filed a claim before the North Cairo Court requesting the nullification of the Appeals Committee's decision and requesting that the North Cairo Court rule that the Egyptian tax authority is not entitled to require payment of the aforementioned amounts. 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, 2017, 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 (approximately U.S.$3,135.00 as of December 31, 2017, based on an exchange rate of Egyptian Pounds 17.7308 to U.S.$1.00). On a March 7, 2016 session of the North Cairo Court, ACC submitted the Settlement Memorandum and the Ministerial Committee's Decision. At 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. The North Cairo Court adjourned the jointly reviewed cases to June 25, 2016. These cases were thereafter re-adjourned to July 30, 2016 for submission of documents by the attorney for the State pertaining to the settlement of the dispute with ACC. At the session of July 30, 2016, the two cases were adjourned first to September 19, 2016, and afterwards to October 10, 2016 and December 27, 2016 for the

foregoing reason. 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. A session has been scheduled to be held before the Cairo Administrative Judiciary Court on February 5, 2018 in order to review the two referred cases. We do not expect that such referral will prejudice ACC's favorable legal position in this dispute. As of December 31, 2017, we do not expect our operations, liquidity and financial condition to suffer a material adverse impact because of this matter.

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 approximately 100 billion Colombian Pesos (approximately U.S.$33.51 million as of December 31, 2017, based on an exchange rate of 2,984.00 Colombian Pesos to U.S.$1.00). The lawsuit was filed within the context of a criminal investigation against a former director and two officers of the UDI, the contractor, the inspector and two ASOCRETO officers. On January 21, 2008, a court issued an order, sequestering the El Tunjuelo quarry, as security for payment of a possible future money judgment against CEMEX Colombia. The court determined that in order to lift this attachment and prevent further attachments, CEMEX Colombia was required to deposit 337.8 billion Colombian Pesos (approximately U.S.$113.20 million as of December 31, 2017, based on an exchange rate of 2,984.00 Colombian Pesos to U.S.$1.00) in cash instead of posting an insurance policy to secure such recovery. CEMEX Colombia appealed this decision and the Superior Court of Bogotá (*Tribunal Superior de Bogotá*) allowed CEMEX to present an insurance policy in the amount of 20 billion Colombian Pesos (approximately U.S.$6.70 million as of December 31, 2017, based on an exchange rate of 2,984.00 Colombian Pesos to U.S.$1.00). CEMEX gave the aforementioned security and, on July 27, 2009, the court lifted the attachment on the quarry.

On October 10, 2012 the court issued a first instance judgment pursuant to which the accusation made against the ASOCRETO officers was nullified. The judgment also convicted a former UDI director, the contractor's legal representatives and the inspector to a prison term of 85 months and a fine of 32 million Colombian Pesos (approximately U.S.$10,723.86 as of December 31, 2017, based on an exchange rate of 2,984.00 Colombian Pesos to U.S.$1.00). As a consequence of the nullification, the judge ordered a restart of the proceeding against the ASOCRETO officers. The UDI and other parties to the legal proceeding appealed the first instance judgment and on August 30, 2013 the Superior Court of Bogotá resolved to reduce the prison term imposed to the former UDI director and the UDI officers to 60 months and imposed a fine equivalent to 8.8 million Colombian Pesos (approximately U.S.$2,949.06 as of December 31, 2017, based on an exchange rate of 2,984.00 Colombian Pesos to U.S.$1.00). Additionally, the UDI officers were sentenced to severally pay the amount of 108,000 million Colombian Pesos (approximately U.S.$36.19 million as of December 31, 2017, based on an exchange rate of 2,984.00 Colombian Pesos to U.S.$1.00) for the purported damages in the concrete slabs of the TransMilenio bus rapid transit system. Additionally, the Superior Court of Bogotá overturned the penalty imposed to the contractor's legal representatives and inspector because the criminal action against them was time barred. Furthermore, the Superior Court of Bogotá revoked the annulment in favor of the ASOCRETO officers and ordered the first instance judge to render a judgment regarding the ASOCRETO officers' liability or lack thereof. On June 25, 2014, the Supreme Court of Colombia's Penal Cassation Chamber (*Sala de Casación Penal*

de la Corte Suprema de Justicia de Colombia) dismissed the cassation claim filed by the former UDI director and the UDI officers against the Superior Court of Bogotá's judgment. Dismissal of the cassation claim has no effect on CEMEX Colombia's or the ASOCRETO officers' interests in these proceedings. On January 21, 2015, the Penal Circuit Court of Bogotá issued a resolution agreeing with the arguments presented by CEMEX Colombia regarding the application of the statute of limitations to the criminal investigation against the ASOCRETO officers and acknowledging that the ASOCRETO officers were not public officers, and as a consequence, finalizing the process against the ASOCRETO officers and the civil responsibility claim against CEMEX Colombia. 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. In addition, six legal actions related to the premature distress of the concrete slabs of the Autopista Norte trunk line of the TransMilenio bus rapid transit system were brought against CEMEX Colombia. The Cundinamarca Administrative Court (*Tribunal Administrativo de Cundinamarca*) nullified five of these actions and, as of December 31, 2017, only one remains outstanding. In addition, the UDI filed another action alleging that CEMEX Colombia made misleading advertisements on the characteristics of the flowable fill used in the construction of the concrete slabs. CEMEX Colombia participated in this project solely and exclusively as supplier of the ready-mix concrete and flowable fill, which were delivered and received to the satisfaction of the contractor, complying with all the required technical specifications. CEMEX Colombia neither participated in nor had any responsibility on the design, sourcing of materials or their corresponding technical specifications or construction. On May 24, 2016, the Civil Court of Bogota settled the action filed by the UDI against CEMEX Colombia. The court accepts the arguments in defense of CEMEX Colombia, ruling that the flowable fill is not what caused the damage to the slabs and that the damages were caused by design changes when executing the road without consulting the original designer and the lack of drains. The UDI filed an appeal against the court's ruling. On December 7, 2016, the Superior Court of Bogota (*Tribunal Superior de Bogotá*) upheld the Civil Court of Bogota's decision. At this stage of the proceedings, as of December 31, 2017, we are not able to assess the likelihood of an adverse result regarding the remaining pending action filed before the Cundinamarca Administrative Court, but if adversely resolved, we do not expect that it will have a material adverse impact on our results of operations, liquidity and financial condition.

Croatian Concession Litigation. After an extended consultation period, in April 2006, the cities of Kaštela and Solin in Croatia published their respective Master (physical) Plans defining the development zones within their respective municipalities, adversely impacting the mining concession granted to CEMEX Croatia by the Government of Croatia in September 2005. During the consultation period, CEMEX Croatia submitted comments and suggestions to the Master Plans intended to protect and preserve the rights of CEMEX Croatia's mining concession, but these were not taken into account or incorporated into the Master Plans by Kaštela and Solin. Immediately after publication of the Master Plans, CEMEX Croatia filed a series of lawsuits and legal actions before the local and federal courts to protect its acquired rights under the mining concessions, including: (i) on May 17, 2006, a constitutional appeal before the constitutional court in Zagreb, seeking a declaration by the court concerning CEMEX Croatia's constitutional claim for decrease and obstruction of rights earned by investment and seeking prohibition of implementation of the Master Plans; and (ii) on May 17, 2006, an administrative proceeding before an administrative court seeking a declaration from the Government of Croatia confirming that CEMEX Croatia acquired rights under the mining concessions. The administrative court subsequently ruled in favor of CEMEX Croatia, validating the legality of the mining concession granted to CEMEX Croatia by the Government of Croatia, in September 2005. On June 15, 2012, we were notified that the case had been transferred from the constitutional court to the administrative court as a result of a new law that places the administrative courts in charge of disputes relating to environmental planning. In February 2014, the administrative court requested CEMEX Croatia to declare if it was still interested in proceeding with the concession litigation and if so, to provide additional clarification and documentation to support such claims. On March 3, 2014, CEMEX Croatia submitted the clarification and required documentation and on April 4, 2014, CEMEX Croatia was notified that the administrative court rejected its claims and found that its acquired rights or interests under the mining concessions had not been violated as a result of any act or decision made by the cities of Solin or Kaštela or any other governmental body. On April 29, 2014, CEMEX Croatia filed two claims before

the Constitutional Court of the Republic of Croatia alleging that CEMEX Croatia's constitutional rights to a fair trial and judicial protection had been violated. On August 1, 2014, CEMEX Croatia also filed an application before the European Court of Human Rights alleging that CEMEX Croatia's constitutional rights to a fair trial, property rights, concession rights and investment had been violated due to irregularities in a general act, which has been denied. The European Court of Human Rights found the application to be inadmissible pursuant to articles 34 and 35 of the Convention for the Protection of Human Rights and Fundamental Freedoms, meaning that CEMEX Croatia did not exhaust all its domestic legal remedies, thus stipulating the Constitutional Court of the Republic of Croatia's jurisdiction in this matter. On February 6, 2015, the decision of the European Court of Human Rights was sent to the Constitutional Court of the Republic of Croatia. The Constitutional Court of the Republic of Croatia granted the claim, annulled the decision of the administrative court and remanded the case to the administrative court for a new trial. On June 9, 2017, the administrative court issued a decision rejecting CEMEX Croatia's request. CEMEX will not file an appeal, thus the administrative court's decision is final. However, as of December 31, 2017, we do not believe that an administrative court's decision adverse to CEMEX Croatia would have a material adverse impact on our results of operations, liquidity and financial condition. During May 2015, CEMEX Croatia obtained a new location permit from the Croatian Ministry of Construction and Physical Planning for CEMEX Croatia's Sveti Juraj-Sveti Kajo quarry. On August 2, 2016, CEMEX Croatia obtained a decision pursuant to which a right of way was granted on land owned by the Republic of Croatia and located in Sveti Juraj-Sveti Kajo quarry. The period of such right of way will be compatible with the location permit previously granted. Such decision is one of the prerequisites for obtaining a new mining concession. As of December 31, 2017, in order to alleviate the adverse impact of the Master Plans, CEMEX Croatia is in the process of negotiating and preparing all documentation necessary to comply with applicable rules and regulations in order to obtain a new mining concession.

Israeli Class Action Litigation. On June 21, 2012, one of our subsidiaries in Israel was notified about an application for the approval of a class action suit against it. The application was filed by a homeowner who built his house with concrete supplied by our Israeli subsidiary in October 2010 (a same application was filed against three other companies by the same legal representative). According to the application, the plaintiff claims that the concrete supplied to him did not meet with the "Israel Standard for Concrete Strength No. 118" and that, as a result, our Israeli subsidiary acted unlawfully toward all of its customers who requested a specific type of concrete but that received concrete that did not comply with Israeli standard requirements. As per the application, the plaintiff claims that the supply of the alleged non-conforming concrete has caused financial and non-financial damages to those customers, including the plaintiff. We presume that the class action would represent the claim of all the clients who purchased the alleged non-conforming concrete from our Israeli subsidiary during the past seven years, the limitation period according to applicable laws in Israel. The damages that could be sought amount to approximately 276 million Israeli Shekels (approximately U.S.$79.6 million as of December 31, 2017, based on an exchange rate of 3.467 Israeli Shekels to U.S.$1.00). Our Israeli subsidiary submitted a formal response to the corresponding court. Both parties presented their preliminary arguments. In a hearing held on December 20, 2015, the preliminary proceeding was completed and the court set dates for hearing evidence on May 8, 10 and 16, 2016. In addition, the court decided to join together all claims against all four companies, including our subsidiary in Israel, in order to simplify and shorten court proceedings, however, it should be mentioned that the court had not formally decided to join together all claims. On the hearing dates, the applicants in all four claims presented evidence, including expert testimony. The evidentiary hearing has not been completed as of December 31, 2017. The court had set October 25, 2017 as the date to hear evidence on behalf of two other companies, but this hearing will be rescheduled to a new date by the court. As of December 31, 2017, our subsidiary in Israel is not able to assess the likelihood of the class action application being approved or, if approved, of an adverse result, such as an award for damages in the full amount that could be sought, but if adversely resolved, we do not believe the final resolutions would have a material adverse impact on our results of operations, liquidity and financial condition.

Egypt Share Purchase Agreement. On April 7, 2011 and March 6, 2012, lawsuits seeking, among other things, the annulment of the share purchase agreement entered into by and between CEMEX and state-owned Metallurgical Industries Company (the "Holding Company") in November 1999 pursuant to which CEMEX

acquired a controlling interest in ACC (the "Share Purchase Agreement"), were filed by different plaintiffs, including 25 former employees of ACC, before the 7th and 8th Circuits of Cairo's State Council Administrative Judiciary Court, respectively. Hearings in both cases were adjourned in order for the State Commissioner Authority ("SCA") to prepare the corresponding reports to be submitted for the consideration of the 7th and 8th Circuits of Cairo's State Council Administrative Judiciary Court. During March 2015, the SCA submitted the relevant reports recommending, in both cases, that the 7th and 8th Circuits of Cairo's State Council Administrative Judiciary Court stays the proceedings until the 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 has expired without the plaintiff filing a 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, 2017, 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, on September 13, 2012, the first instance court of Assiut, Egypt issued a judgment (the "First Instance Judgment") to (i) annul the Share Purchase Agreement; and (ii) reinstate former employees to their former jobs at ACC. The First Instance Judgment was notified to ACC on September 19, 2012. On October 18, 2012, ACC filed an appeal against the First Instance Judgment, which was followed by the Holding Company's appeal filed on October 20, 2012 before the 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") for a hearing to be held on March 16, 2014. This hearing was subsequently rescheduled to May 17, 2014 and ultimately was not held because the case file had not been completed on time in order for it to be referred to the Assiut Administrative Court. The SCA submitted a report recommending that the Assiut Administrative Court declare itself incompetent to review this case and to refer it to the Assiut Administrative Judiciary Court (the "Assiut Administrative Judiciary Court"). The Assiut Administrative Court scheduled a new hearing for October 11, 2014 to review the case. On October 15, 2014, the Assiut Administrative Court ruled for its non-jurisdiction to review the case and referred the case to the Assiut Administrative Judiciary Court. On December 11, 2014, ACC filed an appeal against the Assiut Administrative Court ruling requesting that its enforcement be suspended until a judgment is issued on the appeal filed before the Cassation Court on March 12, 2014 (the "Appeal"). On February 10, 2015 and March 17, 2015, hearings were held before the Assiut Administrative Judiciary Court's SCA in which the SCA decided to adjourn in order to prepare the corresponding report to be submitted for the consideration of the Assiut Administrative Judiciary Court. On October 2015, the SCA issued a report recommending mainly that due to the absence of geographical jurisdiction to review the case, it should be referred to the 7th Circuit of "Economic and Investment Disputes" of Cairo's State Council Administrative Judiciary Court. The Assiut Administrative Judiciary Court held a hearing for the case 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. Cairo's State Council Administrative Judiciary Court held a hearing on March 28, 2017 to notify the parties of the procedures, whereupon the court adjourned the hearing until June 13, 2017 in order for the parties to submit their memoranda. On June 13, 2017, the Assiut Administrative Judiciary Court decided to refer the case back to SCA to prepare and submit a complementary report on the merits. As of December 31, 2017, the SCA is expected to notify ACC with a new hearing date before the SCA if it deems necessary, or after the SCA finishes the preparation of the complementary report a new hearing will be scheduled before Cairo's State Council Administrative Judiciary Court. 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 November 9, 2016, the Assiut Administrative Judiciary Court held a session in order to review the referred Appeal, and adjourned the Appeal to February 8, 2017. On February 8, 2017, the court adjourned the hearing until June 14, 2017 in order for the parties to submit their final memoranda. On June 14, 2017, the court postponed the case to a hearing until November 23, 2017 in order for the parties to review the submitted documents. At the hearing held on November 23, 2017, the Assiut Administrative Judiciary Court referred the Appeal to the Commissioner's Division for the Commissioner to render the corresponding opinion. As of December 31, 2017, we are not able to assess the likelihood of an adverse resolution regarding this lawsuit filed before the First 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 would be able to explore. 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 March 12, 2014, ACC filed a challenge before the Cassation Court against the part of the Appeal Judgment that refers to the referral of the case to the Assiut Administrative Court and payment of the appeal expenses and attorney fees, and requested a suspension of the Appeal Judgment execution with respect to these matters until the Cassation Court renders its judgment (the "Challenge"). A hearing was held on April 12, 2016 in order to review the Challenge's summary request only, which requested the Cassation Court to stay the execution of part of the Appeal Judgment regarding the referral of the case to the Assiut Administrative Court and payment of the appeal expenses and attorney fees. At this hearing the Cassation Court rejected the summary request. As of December 31, 2017, ACC has not been notified of a session before the Cassation Court in order to review the subject matter of the Challenge. As of December 31, 2017, we are not able to assess the likelihood of an adverse resolution regarding the Challenge, but if adversely resolved, we do not believe the resolution would have an immediate material adverse impact on our results of operations, liquidity and financial condition as there are different recourses that we could take. However, if we exhaust all legal recourses available to us, a final adverse resolution of this matter could have a material adverse impact on our operations, liquidity and financial condition.

Also, on February 23, 2014, three plaintiffs filed a lawsuit before the Assiut Administrative Judiciary Court requesting the cancelation 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 No.32/2014. As of December 31, 2017, we do not have sufficient information to assess

the likelihood of the 7th Circuit of Cairo's State Council Administrative Judiciary Court cancelling the resolutions adopted by the Holding Company's shareholders, or, if such shareholders' resolutions are cancelled, how would such cancelation affect us, but if adversely resolved, we do not believe the resolution in this first instance would have an immediate material adverse impact on our results of operations, liquidity and financial condition as there are different legal recourses that we could take. However, if we exhaust all legal recourses available to us, a final adverse resolution of this matter could have a material adverse impact on our operations, liquidity and financial condition.

On April 22, 2014, Law 32/2014, which regulates legal actions to challenge agreements entered into by the Egyptian State (including its ministries, departments, special budget entities, local administrative units, authorities and state-participated companies) and third parties, was published in the Official Gazette, becoming effective as of April 23, 2014, but subject to its presentation, discussion and approval by the House of Representatives 15 days after it 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, 2017, a constitutional challenge has been filed by a third party against Law 32/2014 before the High Constitutional Court. The High Constitutional Court has 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, 2017, we are 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.

South Louisiana Flood Protection Authority-East Claim. On July 24, 2013 a Petition for Damages and Injunctive Relief was filed by the South Louisiana Flood Protection Authority-East ("SLFPAE") in the Civil District Court for the Parish of Orleans, State of Louisiana, against approximately 100 defendants, including CEMEX, Inc. SLFPAE is seeking compensation for and the restoration of certain coastal lands near New Orleans alleged to have been damaged by activities related to oil and gas exploration and production since the early 1900s. CEMEX, Inc., which was previously named Southdown, Inc., may have acquired liabilities, to the extent there may be any, in connection with oil and gas operations that were divested in the late 1980s. The matter was removed to the United States District Court for the Eastern District of Louisiana (the "Louisiana District Court") and a motion by the Plaintiffs to remand to State Court was denied. In addition, on June 6, 2014, Louisiana Senate Bill No. 469 was enacted into Act No. 544 ("Act 544") which prohibits certain state or local governmental entities such as the SLFPAE from initiating certain causes of action including the claims asserted in this matter. The effect of Act 544 on the pending matter has yet to be determined by the Louisiana District Court. Further, CEMEX, Inc. was dismissed without prejudice by the plaintiffs. On February 13, 2015, the Louisiana District Court dismissed the plaintiffs' claims with prejudice. On February 27, 2015, the plaintiffs appealed this ruling. This ruling has been affirmed by the United States Court of Appeals for the Fifth Circuit, finalizing the process. As a result, there is no outstanding civil responsibility claim against CEMEX, Inc. As of December 31, 2017, we do not expect our operations, liquidity or financial condition to suffer a material adverse impact because of this matter.

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 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 an expiration of property proceeding 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"). In order to protect its interests in the Affected Assets, CEMEX Colombia joined the expiration of property proceeding, attended each procedural stage and cooperated with the Attorney General's Office. CEMEX Colombia also requested the dismissal of the expiration of property proceeding 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 expiration of property proceeding. The expiration of property proceeding is in its investigative phase, pending the appointment of the *ad litem* curators by the Attorney General's Office. Upon appointment of the *ad litem* curators, the evidentiary phase will commence and the relevant evidence will be presented and studied. We expect that the Attorney General's Office's final decision as to whether it will proceed with the expiration of property proceeding 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 expiration of property proceeding. The Lease Agreement is currently set to expire on July 15, 2018, unless earlier terminated by the Colombian Administrator of Special Assets (*Sociedad de Activos Especiales S.A.S*) (the "SAE"), which assumed the functions of the CNND after the CNND's liquidation. CEMEX Colombia plans to negotiate an extension to the term of the Lease Agreement and intends to continue using the Affected Assets pursuant to the terms of the Lease Agreement and accompanying mandate.

Assuming that CEMEX Colombia conducted itself in good faith, and taking into account 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. Colombian law provides that, if a person builds on another person's property with the knowledge of such other person, the person that built on the property shall be compensated with the value of what was built or otherwise be transferred the property in the event the owner of the property decides to recover possession. We also believe that, during the term of the Lease Agreement and the accompanying mandate, 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 or not to extend the Lease Agreement. In either case, under Colombian law, CEMEX Colombia would be entitled to compensation for the value of the investments made in the Maceo Project. As of December 31, 2017, we were not able to assess the likelihood of CEMEX Colombia receiving an adverse decision relating to the expiration of property 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, 2017, 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 over U.S.$14.46 million, including cash payments and interest (based on an exchange rate of 2,984.00 Colombian Pesos to U.S.$1.00 as of December 31, 2017). Due to the expiration of property proceeding against the Affected Assets described above, the acquisition of the Affected Assets was not finalized.

During 2016, CEMEX, S.A.B. de C.V. received reports through its anonymous reporting hotline regarding potential misconduct by certain employees, including with regard to the Maceo Project. CEMEX, S.A.B. de C.V.

initiated an investigation and internal audit pursuant to its corporate governance policies and its code of ethics. On September 23, 2016, CEMEX Latam disclosed that it had identified irregularities in the process for the purchase of the land related to the Maceo Project in an accusation with the Attorney General's Office so that the Attorney General's Office may take the actions it deems appropriate. Further, on December 20, 2016, CEMEX Latam enhanced such filing with additional information and findings obtained as of such date. On June 1, 2017 the Attorney General's Office petitioned a hearing for imputation of charges (*audiencia de imputación de cargos*) against two former employees of CEMEX and a representative of CI Calizas. The hearing was scheduled to take place on January 15, 2018.

On September 23, 2016, CEMEX Latam and CEMEX Colombia terminated the employment of the Vice President of Planning of CEMEX Latam, who was also CEMEX Colombia's Director of Planning, and the Legal Counsel of CEMEX Latam, who was also the General Counsel of CEMEX Colombia. In addition, effective as of September 23, 2016, the Chief Executive Officer of CEMEX Latam, 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 CEMEX Latam resolved to split the roles of Chairman of the board of directors of CEMEX Latam, Chief Executive Officer of CEMEX Latam and Director of CEMEX Colombia, and appointed a new Chairman of the board of directors of CEMEX Latam, a new Chief Executive Officer of CEMEX Latam, a new Director of CEMEX Colombia and a new Vice President of Planning of CEMEX Latam and CEMEX Colombia. A new legal counsel for CEMEX Latam 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 CEMEX Latam's audit committees, CEMEX Colombia retained external counsel to assist CEMEX Latam 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 engaged, as well.

The Attorney General's Office is investigating the irregularities in connection with the transactions conducted pursuant to the MOU and the Land MOU. Such investigation is in its initial phase and, as such, we cannot predict what actions, if any, the Attorney General's Office may implement. Any actions by the Attorney General's Office and any actions taken by us in response to the aforementioned irregularities regarding the Maceo Project, including, but not limited to, the departure of the abovementioned executives, could have a material adverse effect on our results of operations, liquidity or financial condition.

SEC Investigation Relating to the Legal Proceedings in Colombia. 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. These subpoenas do not mean that the SEC has concluded that CEMEX, S.A.B. de C.V. or any of its affiliates violated the law. As discussed in "—*Maceo, Colombia—Legal Proceedings in Colombia*," internal audits and investigations by CEMEX, S.A.B. de C.V. and CEMEX Latam 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 CEMEX Latam's internal controls. As announced on September 23, 2016, the CEMEX Latam and CEMEX Colombia officers responsible for the implementation and execution of the above referenced payments were terminated and the then Chief Executive Officer of CEMEX Latam resigned. CEMEX, S.A.B. de C.V. has been cooperating with the SEC and the Attorney General's Office and intends to continue cooperating fully with the SEC and the Attorney General's Office. It is possible that the DOJ or investigatory entities in other jurisdictions may also open investigations into this matter. To the extent they do so, CEMEX, S.A.B. de C.V. intends to cooperate fully with any such inquiries. As of December 31, 2017, CEMEX, S.A.B. de C.V. is unable to predict the duration, scope, or outcome of the SEC investigation or any other investigation that may arise. However, CEMEX, S.A.B. de C.V. does not expect the SEC investigation to have a material adverse impact on its consolidated results of operations, liquidity or financial position.

Maceo, Colombia—Operational Matters. On October 27, 2016, CEMEX Latam decided to postpone the commencement of operations of the cement plant in Maceo, Colombia. This decision was mainly due to the following circumstances:

(1) CEMEX Colombia had not received permits required to finalize road access to such cement plant. The only existing access to such cement plant cannot guarantee safety or operations and could limit the capacity to transport products from the cement plant. As of December 31, 2017, the process to obtain the permits required to finalize the road access to the cement plant in Maceo, Colombia is ongoing. CEMEX Colombia has provided all information that 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;

(2) CEMEX Colombia had not received a final response to the 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 CEMEX Colombia's capability to consolidate the benefits that would otherwise be available for CEMEX Colombia in the area. CEMEX Colombia had requested from the Colombian Ministry of Trade, Industry and Tourism (*Ministerio de Comercio, Industria y Turismo*) an expansion of the free trade zone, for which CEMEX Colombia has not received a final decision. CEMEX Colombia believes the delay in such decision could have been related to the expiration of property proceeding against the Affected Assets. During the third quarter of 2017, at the request of CEMEX Colombia, the Dirección de Impuestos y Aduanas Nacionales de Colombia granted the suspension of the expansion process of the free trade zone that CEMEX Colombia had previously requested. Thus, the expansion process of the free trade zone will be stayed until July 31, 2018. As of December 31, 2017, CEMEX Colombia believes that by July 31, 2018, the partial adjustment to the District of Integrated Management should be finalized, which would allow CEMEX Colombia to proceed with the expansion process of the free trade zone;

(3) The environmental license and the mining concession related to the Maceo Project were held by different legal entities, which is contrary to typical procedure in Colombia. The environmental license related to the Maceo Project is held by Central de Mezclas S.A. ("Central de Mezclas"), a subsidiary of CEMEX Colombia. However, the mining permit related to the Maceo Project was remanded back to CI Calizas as a result of the revocation of such mining concession by the Mining Secretariat (*Secretaría de Minas*) of Antioquia in December 2013.

In connection with the environmental license that had been issued for the Maceo Project, during the second half of 2016, Corantioquia, the regional environmental agency with jurisdiction over the Maceo Project environmental license, requested authorization and consent from Central de Mezclas to reverse the assignment of the environmental license for the Maceo Project back to CI Calizas, which also holds the corresponding mining title. Central de Mezclas has petitioned Corantioquia to evaluate the basis for such request.

CEMEX Colombia had requested a modification to the environmental license, and on December 13, 2016, Corantioquia notified Central de Mezclas that it had adopted the decision to deny the request for modification of the environmental license related to the Maceo Project to 950,000 tons per annum on the basis of the overlap of the project area with the District of Integrated Management. On December 14, 2016, Central de Mezclas appealed the decision. On March 28, 2017, Central de Mezclas was notified of Corantioquia's decision, which affirmed the decision that had previously denied the modification of the environmental license for a 950,000 per annum project. As a result, as of December 31, 2017, CEMEX Colombia was actively working on the zoning and compatibility of the District of Integrated Management, as well as analyzing alternatives for a partial adjustment to the District of Integrated Management, to avoid future discussions regarding feasibility of expanding the proposed production in the Maceo Project beyond 950,000 tons per annum.

Once these alternatives are implemented, CEMEX Colombia will reconsider submitting a new request pursuing the modification of the environmental license to expand its production of 950,000 tons per annum as initially planned; and

(4) CEMEX Colombia determined that the area covered by the environmental license related to the Maceo Project partially overlapped with a District of Integrated Management (Distrito de Manejo Integrado), which could limit the granting of the environmental license modification.

CEMEX Colombia's petition to decrease the size of the zoning area covered by the environmental license related to the Maceo Project in order to avoid any overlap with the District of Integrated Management was filed on October 9, 2017 with the regional environmental agency with jurisdiction over this matter.

CEMEX Colombia and Central de Mezclas plan to continue to work on solving the issues causing the postponement of the commissioning of the Maceo Project cement 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 expiration of property proceeding against the Affected Assets. As of December 31, 2017, 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 Project cement 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 approximately €55 million (approximately U.S.$66.02 million as of December 31, 2017, based on an exchange rate of €0.8331 to U.S.$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 approximately €55 million (approximately U.S.$66.02 million as of December 31, 2017, based on an exchange rate of €0.8331 to U.S.$1.00). We believe this judgment is not enforceable. On June 6, 2016, CEMEX Granulats filed the notice of appeal with the appeals court in Lyon, France. CEMEX Granulats and SCI have concluded exchanging submissions before the appeals court. The proceedings closed on December 4, 2017 and the oral hearing is scheduled to be held on February 7, 2018. The judgment of the appeals court is expected mid-2018. Additionally, SCI updated its claim for damages to an approximate aggregate amount of €67 million (approximately U.S.$80.42 million as of December 31, 2017, based on an exchange rate of €0.8331 to U.S.$1.00). There can be no assurance as to whether or not CEMEX Granulats will receive an adverse result to any appeals or any other recourse it may pursue. At this stage of the proceedings, as of December 31, 2017, we are not able to assess the likelihood of an adverse result regarding this matter, but if adversely resolved, we do not expect that it will have a material adverse impact on our results of operations, liquidity and financial condition.

As of December 31, 2017, we are involved in various legal proceedings involving, but not limited to, product warranty claims, environmental claims, claims regarding the procurement and supply of products, indemnification claims relating to divestments and acquisitions and similar types of claims brought against us that have arisen in the ordinary course of business. We believe we have made adequate provisions to cover both current and contemplated general and specific litigation risks, and we believe these matters will be resolved without any significant effect on our operations, financial position and results of operations. We are sometimes able to make and disclose reasonable estimates of the expected loss or range of possible loss, as well as disclose any provision accrued for such loss. However, for a limited number of ongoing legal proceedings, we may not be able to make a reasonable estimate of the expected loss or range of possible loss or may be able to do so but believe that disclosure of such information on a case-by-case basis would seriously prejudice our position in the ongoing legal proceedings or in any related settlement discussions. Accordingly, in these cases, we have disclosed qualitative information with respect to the nature and characteristics of the contingency, but have not disclosed the estimate of the range of potential loss.

Item 4A—Unresolved Staff Comments

Not applicable.

Item 5—Operating and Financial Review and Prospects

Cautionary Statement Regarding Forward-Looking Statements

This annual report contains forward-looking statements within the meaning of the U.S. federal securities laws. We intend these forward-looking statements to be covered by the safe harbor provisions for forward-looking statements in the U.S. federal securities laws. In some cases, these statements can be identified by the use of forward-looking words such as "may," "should," "could," "anticipate," "estimate," "expect," "plan," "believe," "predict," "potential" and "intend" or other similar words. These forward-looking statements reflect our current expectations and projections about future events based on our knowledge of present facts and circumstances and assumptions about future events. These statements necessarily involve risks and uncertainties that could cause actual results to differ materially from our expectations. Some of the risks, uncertainties and other important factors that could cause results to differ, or that otherwise could have an impact on us or our subsidiaries, include:

- the cyclical activity of the construction sector;
- our exposure to other sectors that impact our business, such as, but not limited to, the energy sector;
- competition;
- general political, economic and business conditions in the markets in which we operate or that affect our operations and any significant economic, political or social developments in those markets;
- the regulatory environment, including environmental, tax, antitrust and acquisition-related rules and regulations;
- our ability to satisfy our obligations under our material debt agreements, the indentures that govern our outstanding Senior Secured Notes and our other debt instruments;
- the impact of our below investment grade debt rating on our cost of capital;
- our ability to consummate asset sales, fully integrate newly acquired businesses, achieve cost-savings from our cost-reduction initiatives and implement our global pricing initiatives for our products;
- 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;
- weather conditions;
- trade barriers, including tariffs or import taxes and changes in existing trade policies or changes to, or withdrawals from, free trade agreements, including NAFTA, to which Mexico is a party and which is currently undergoing renegotiation;
- terrorist and organized criminal activities as well as geopolitical events;
- natural disasters and other unforeseen events; 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. The information contained in this annual report is subject to change without notice, and we are not obligated to publicly update or revise forward-looking statements. Readers should review future reports filed by us with the SEC.

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

Overview

The following discussion should be read in conjunction with our 2017 audited consolidated financial statements included elsewhere in this annual report. Our financial statements have been prepared in accordance with IFRS.

The regulations of the SEC do not require foreign private issuers that prepare their financial statements on based on IFRS (as published 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 net sales financial information presented in this annual report for our operations in each country or region includes the Mexican Peso amount of sales derived from sales of cement and ready-mix concrete to our operations in other countries and regions, which have been eliminated in the preparation of our 2017 audited consolidated financial statements included elsewhere in this annual report.

The following table sets forth selected consolidated financial information as of December 31, 2017 and 2016 and for each of the three years ended December 31, 2017 by principal geographic segment expressed as an approximate percentage of our total consolidated group. We operate in countries and regions with economies in different stages of development and structural reform and with different levels of fluctuation in exchange rates, inflation and interest rates. These economic factors may affect our results of business, financial conditions and results of operations, depending upon the depreciation or appreciation of the exchange rate of each country and region in which we operate compared to the Mexican Peso and the rate of inflation of each of these countries and regions.

	Net Sales For the Period Ended December 31,			Operating Earnings Before Other Expenses, Net For the Period Ended December 31,			Total Assets at December 31,	
	2015(1)	2016(1)	2017(1)	2015(2)	2016(2)	2017(2)	2016	2017(2)
Mexico	21%	20%	21%	48%	47%	58%	12%	13%
United States	24%	25%	24%	8%	13%	14%	48%	47%
Europe								
United Kingdom	8%	8%	7%	6%	7%	5%	5%	6%
France	5%	6%	6%	1%	1%	1%	3%	3%
Germany	3%	4%	4%	1%	0.5%	1%	1%	2%
Spain	3%	2%	2%	2%	0.5%	(1)%	5%	5%
Poland	2%	2%	2%	1%	1%	1%	1%	1%
Rest of Europe	3%	3%	4%	1%	1%	2%	3%	3%
SAC								
Colombia	5%	5%	4%	13%	10%	5%	4%	4%
Panama	2%	2%	2%	6%	5%	5%	1%	1%
Costa Rica	1%	1%	1%	4%	3%	3%	—	—
Caribean TCL	—	—	2%	—	—	1%	—	2%
Rest of South, Central America and the Caribbean	5%	4%	4%	6%	7%	7%	2%	3%
Asia, Middle East and Africa								
Philippines	4%	4%	3%	7%	6%	3%	2%	2%
Egypt	3%	3%	1%	5%	5%	1%	1%	1%
Rest of Asia, Middle East and Africa	4%	4%	5%	4%	4%	5%	2%	2%
Corporate and Other Operations	7%	7%	8%	(13)%	(11)%	(11)%	10%	5%
Continuing operations	238,812	263,516	275,074	26,876	35,543	32,571	578,699	566,203
Discontinued operations	—	—	—	—	—	—	21,029	1,378
Eliminations	(19,513)	(13,571)	(16,943)	—	—	—	—	—
Consolidated net sales	219,299	249,945	258,131	26,876	35,543	32,571	599,728	567,581

(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 Policies

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

As of December 31, 2017 and 2016 and for the years ended December 31, 2015, 2016 and 2017, identified below are the accounting policies we have applied under IFRS that are critical to understanding our overall financial reporting.

Income Taxes

Our operations are subject to taxation in many different jurisdictions throughout the world. The effects reflected in profit or loss for income taxes include the amounts incurred during the period and the amounts of deferred income taxes, determined according to the income tax law applicable to each subsidiary. Consolidated deferred income taxes represent the addition of the amounts determined in each subsidiary by applying the enacted statutory income tax rate to the total temporary differences resulting from comparing the book and taxable values of assets and liabilities, considering tax loss carryforwards as well as other recoverable 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 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. 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.

For the recognition of deferred tax assets derived from net operating losses we assess:

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

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

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

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

Every reporting period, we analyze our actual results versus our estimates and adjust our tax asset valuations as necessary. If actual results vary from our estimates, the deferred tax asset may be affected and necessary adjustments will be made based on relevant information. Any adjustments recorded will affect our income statements in 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, and they are measured using a cumulative probability model. Each position has been considered on its own, regardless of its relation to any other broader tax settlement. The 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 income statements.

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 have in the past challenged interpretations that we have made and have assessed additional taxes. Although we have, from time to time, paid some of these additional assessments, in general, we believe that these assessments have not been material and that we have been successful in sustaining our positions. No assurance can be given, however, that we will continue to be as successful as we have been in the past or that pending appeals of current tax assessments will be judged in our favor.

Our effective income tax rate is determined by dividing the line item “Income tax” in our consolidated income statements into the line item “Earnings before income tax.” This effective tax rate is further reconciled to our statutory tax rate applicable in Mexico and is presented in note 19.3 to our 2017 audited consolidated financial statements included elsewhere in this annual report. A significant effect in our effective tax rate, and consequently in the reconciliation of our 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 we operate. For the years ended December 31, 2015, 2016 and 2017, the statutory tax rates in our main operations were as follows:

Country	2015	2016	2017
Mexico	30.0%	30.0%	30.0%
United States	35.0%	35.0%	35.0%
United Kingdom	20.3%	20.0%	19.3%
France	38.0%	34.4%	34.4%
Germany	29.8%	28.2%	28.2%
Spain	28.0%	25.0%	25.0%
Philippines	30.0%	30.0%	30.0%
Colombia	39.0%	40.0%	40.0%
Egypt	22.5%	22.5%	22.5%
Switzerland	9.6%	9.6%	9.6%
Others	7.8% - 39.0%	7.8% - 39.0%	7.8% - 39.0%

Our current and deferred income tax amounts included in our consolidated income statements 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.”

Derivative financial instruments

In compliance with the guidelines established by our Risk Management Committee, the restrictions in our debt agreements and our hedging strategy, we use derivative financial instruments with the objectives of: (a) changing the risk profile or fixed the price of fuels and electric energy; (b) foreign exchange hedging; (c) hedging forecasted transactions; and (d) 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 income statements within "Financial income (expense) 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 16.4 to our 2017 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.

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—It represents quoted prices (unadjusted) in active markets for identical assets or liabilities that we have the ability to 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—These are inputs other than quoted prices in active markets that are observable for the asset or liability, either directly or indirectly, and are used mainly to determine the fair value of securities, investments or loans that are not actively traded. Level 2 inputs included equity prices, certain interest rates and yield curves, implied volatility, credit spreads and other market corroborated inputs, including inputs extrapolated from other observable inputs. In the absence of Level 1 inputs 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—These 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.

Significant judgment and estimates by management are required to appropriately identify the corresponding level of fair value applicable to each derivative financing transaction, as well as to assess the amounts of the resulting assets and liabilities, mainly in respect of level 2 and level 3 fair values, in order to account for the effects of derivative financial instruments in the financial statements. See note 16.4 to our 2017 audited consolidated financial statements included elsewhere in this annual report.

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, intangible assets of definite life and other investments are tested for impairment upon the occurrence of factors such as the occurrence of a significant adverse event, changes in our operating environment, changes in projected use or in technology, as well as expectations of lower operating results for each cash generating unit, in order to determine whether their carrying amounts may not be recovered. In such cases, an impairment loss is recorded in the income statements for the period when such determination is made within "Other expenses, net." The impairment loss of an asset results from the excess of 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.

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

For the years ended December 31, 2015, 2016 and 2017, the geographic segments we reported in note 4.4 to our 2017 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: (a) that after the acquisition, goodwill was allocated at the level of the geographic operating segment; (b) that the operating components that comprise the reported segment have similar economic characteristics; (c) that the reported segments are used by us to organize and evaluate its activities in its internal information system; (d) the homogenous nature of the items produced and traded in each operative component, which are all used by the construction industry; (e) the vertical integration in the value chain of the products comprising each component; (f) the type of clients, which are substantially similar in all components, (g) the operative integration among components; and (h) the compensation system of specific 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 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 amounts of estimated undiscounted cash flows are significantly sensitive to the growth rate in perpetuity applied. Likewise, the amounts of discounted estimated future cash flows are significantly sensitive to the weighted average cost of capital (discount rate) applied. The higher the growth rate in perpetuity applied, the higher the amount obtained of undiscounted future cash flows by group of CGUs obtained. Conversely, the higher the discount rate applied, the lower the amount obtained of discounted estimated future cash flows by group of CGUs obtained. Additionally, we monitor the 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.

During the last quarter of each of 2015, 2016 and 2017, we performed our annual goodwill impairment test. Based on these analyses, for the year ended as of December 31, 2015 and 2016, we did not determine impairment losses of goodwill in any of the reported periods. During 2017, in connection with the operating segment in Spain, considering the uncertainty over the improvement indicators affecting the country's construction industry, and consequently in the expected consumption of cement, ready-mix concrete and aggregates, partially a result of the country's complex prevailing political environment, which has limited expenditure in infrastructure projects, as well as the uncertainty in the expected price recovery and the effects of increased competition and imports, our management considered a reduction in the horizon of the related cash flows projections from 10 to five years and determined that the net book value of such operating segment in Spain exceeded the amount of the net present value of projected cash flows by Ps1,920 million (U.S.$98 million). As a result, we recognized an impairment loss of goodwill for the aforementioned amount as part of "Other expenses, net" in the income statement against the related goodwill balance. See note 15.2 to our 2017 audited consolidated financial statements included elsewhere in this annual report. Pretax 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 2015, 2016 and 2017 are as follows:

	Discount rates			Growth rates		
Reporting units	**2015**	**2016**	**2017**	**2015**	**2016**	**2017**
United States	8.6%	8.6%	8.8%	2.5%	2.5%	2.5%
Spain	9.9%	9.5%	9.5%	1.9%	1.6%	1.7%
Mexico	9.6%	9.8%	10.2%	3.5%	2.9%	2.7%
Colombia	9.8%	10.0%	10.5%	4.0%	4.0%	3.7%
France	9.0%	9.1%	9.0%	1.6%	1.8%	1.8%
United Arab Emirates	10.2%	10.2%	10.4%	3.6%	3.4%	3.1%
United Kingdom	8.8%	8.8%	9.0%	2.3%	1.9%	1.7%
Egypt	12.5%	11.4%	11.8%	4.6%	6.0%	6.0%
Range of discount rates in other countries	9.0% - 13.8%	9.1% - 12.8%	9.1% - 11.7%	2.4% - 4.3%	2.2% - 7.0%	2.3% - 6.8%

As of December 31, 2017, the discount rates we used in our cash flow projections remained relatively flat in countries with the most significant goodwill balances as compared to the values determined in 2016. During the year, the funding cost observed in the industry decreased from 6.2% in 2016 to 6.1% in 2017, and the risk multiple attributed to us also decreased from approximately 1.29 in 2016 to 1.26 in 2017. Nonetheless, these decreases were offset by an increase in the risk-free rate from 2.70% in 2016 to 2.76% in 2017, as well as by overall increases in the sovereign risk rates of certain major countries. As of December 31, 2016, the discount rates remained almost flat in most cases as compared to the values determined in 2015. Among other factors, the funding cost observed in the industry decreased from 6.9% in 2015 to 6.2% in 2016, and the risk-free rate also decreased from approximately 3.2% in 2015 to 2.7% in 2016. Nonetheless, these increases were offset by reductions in 2016 in the country-specific sovereign yields for the majority of the countries where CEMEX operates. As of December 31, 2015, the discount rates remained almost flat in most cases as compared to the values determined in the previous year. With respect to long-term growth rates, following general practice under IFRS, CEMEX uses country-specific rates, which are mainly obtained from the Consensus Economics, a compilation of analysts' forecast worldwide, or from the International Monetary Fund when the first are not available for a specific country.

In connection with our assumptions included in the table above, we performed sensitivity analyses to changes in assumptions, affecting the value in use of all groups of cash-generating units with an independent reasonably possible increase of 1% in the pre-tax discount rate, and an independent possible decrease of 1% in the long-term growth rate. In addition, we performed cross-check analyses for reasonableness of our results using multiples of Operating EBITDA. In order to arrive at these multiples, which represent a reasonableness check of our discounted cash flow models; we determined a weighted average of multiples of Operating EBITDA to enterprise value observed in the industry. The average multiple was then applied to a stabilized amount of Operating EBITDA and the result was compared to the corresponding carrying amount for each group of cash-generating units to which goodwill has been allocated. As of December 31, 2016 and 2017, we considered an industry weighted average Operating EBITDA multiple of 9.0 for each of 2015, 2016 and 2017. Our own EBITDA multiples to enterprise value as of the same dates were 8.7 times in 2015, 8.9 times in 2016 and 8.5 times in 2017. The lowest multiple observed in our benchmark as of December 31, 2015, 2016 and 2017 was 5.8 times, 5.9 times and 6.5 times, respectively; and the highest was 18.0 times, 18.3 times and 18.9 times, respectively.

As of December 31, 2015, 2016 and 2017, except for the Operating Segment in Spain described above, in which CEMEX determined an impairment of goodwill in 2017, none of our sensitivity analyses resulted in a relative impairment risk in our operating segments.

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

As of December 31, 2016 and 2017, goodwill allocated to the United States accounted for 79% and 78%, respectively, of our total amount of consolidated goodwill. 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 operating results in recent years, the long-term nature of our investment, the recent signs of recovery in the construction industry, the significant economic barriers for new potential competitors considering the high investment required, and the lack of susceptibility of the industry to technology improvements or alternate construction products, among other factors. We have also considered recent developments in our operations in the United States, such as the 13%, 1% and 1% increases in ready-mix concrete volumes in 2015, 2016 and 2017, respectively, and the 5%, 1% and 1% increases in 2015, 2016 and 2017, respectively, of ready-mix concrete prices, which are key drivers for cement consumption and our profitability, and which trends are expected to continue over the next few years, as anticipated in our cash flow projections.

As a result of impairment tests conducted on several cash-generating units considering certain triggering events, mainly: a) the closing and/or reduction of operations of cement and ready-mix concrete plants resulting from adjusting our supply to current demand conditions, b) the transferring of installed capacity to more efficient plants, such as the projected closing in the short term of a cement mill in Colombia, and c) the recoverability of certain investments in Colombia, we recognized impairment losses on property, plant and equipment, for an aggregate amount of Ps1,145 million (U.S.$66 million), Ps1,899 million (U.S.$101 million) and Ps984 million (U.S.$52 million) in 2015, 2016 and 2017, respectively, and adjusted the related fixed assets to their estimated value in use in those circumstances in which the assets would continue in operation based on estimated cash flows during their remaining useful life, or to their realizable value, in case of permanent shut down.

During 2016 and 2017, the breakdown of impairment losses by country was as follows:

	For the Year Ended December 31,	
	2016	2017
	(in millions of Mexican Pesos)	
Spain	Ps —	Ps 452
Czech Republic	—	157
United States	277	153
Panama	—	56
France	—	50
Latvia	—	46
Mexico	46	45
Puerto Rico	1,087	—
Colombia	454	—
Other countries	35	25
	Ps 1,899	Ps 984

See note 15.2 to our 2017 audited consolidated financial statements included elsewhere in this annual report.

Asset retirement obligations

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

Asset retirement obligations are related mainly to future costs of demolition, cleaning and reforestation, so that quarries, maritime terminals and other production sites are left in acceptable condition at the end of their operation. See notes 17 and 24 to our 2017 audited consolidated financial statements included elsewhere in this annual report.

Assets and liabilities related to employee benefits

The costs associated with our employees' benefits for: (a) defined benefit pension plans; and (b) 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: (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 net present value (NPV) and the change during the period in the estimated fair value of plan assets, is recognized within "Financial income (expense) 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 reduce significantly the population subject to pension benefits, respectively, are recognized within operating costs and expenses.

Revenue Recognition

Our consolidated net sales represent the value, before tax on sales, of revenues originated by products and services sold by consolidated subsidiaries as a result of their ordinary activities, after the elimination of transactions between related parties, and are quantified at the fair value of the consideration received or receivable, decreased by any trade discounts or volume rebates granted to customers. Revenue from the sale of goods and services is recognized when goods are delivered or services are rendered to customers, there is no condition or uncertainty implying a reversal thereof, and they have assumed the risk of loss. Revenue from trading activities, in which 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.

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

Newly-issued IFRS standards not yet adopted

There are a number of IFRS standards issued as of the date of issuance of these financial statements that have not yet been adopted.

IFRS 9, Financial instruments: classification and measurement ("IFRS 9")

IFRS 9 sets forth the guidance relating to the classification and measurement of financial assets and liabilities, the accounting for expected credit losses of financial assets and commitments to extend credits, as well as the requirements for hedge accounting. IFRS 9 will replace IAS 39, financial instruments: recognition and

measurement ("IAS 39"). IFRS 9 is effective beginning January 1, 2018. Among other aspects, IFRS 9 changes the classification categories for financial assets under IAS 39 of: (1) assets held to maturity; (2) loans and receivables; (3) fair value through the income statement; and (4) assets available for sale; and replaces them with categories that reflect the measurement method, the contractual cash flow characteristics and the entity's business model for managing the financial asset, including: (1) amortized cost, which will significantly comprise the IAS 39 assets held to maturity and loans and receivables categories; (2) fair value through other comprehensive income, similar to IAS 39 held to maturity category; and (3) fair value through the income statement, with the same IAS 39 definitions. The adoption of such classification categories under IFRS 9 will not have any significant effect on our operating results, financial situation or compliance of contractual obligations (financial restrictions).

In addition, under the new impairment model based on expected credit losses, impairment losses for the entire lifetime of financial assets, including trade accounts receivable, will be recognized on initial recognition, and at each subsequent reporting period, even in the absence of a credit event or if the loss has not yet been incurred, considering for their measurement past events and current conditions, as well as reasonable and supportable forecasts affecting collectability. Changes in the allowance for doubtful accounts under the new expected credit loss model upon adoption of IFRS 9 on January 1, 2018 will be recognized through equity.

In this regard, we developed an expected credit loss model applicable to its trade accounts receivable that considers the historical performance, as well as the credit risk and expected developments for each group of customers, ready for the prospective adoption of IFRS 9 on January 1, 2018. The preliminary effects for adoption of IFRS 9 on January 1, 2018 related to the new expected credit loss model will result in an estimated increase in the allowance for doubtful accounts as of December 31, 2017 of Ps519 that will be recognized against equity, which will represent a significant impact on our operating results, financial situation and compliance of contractual obligations (financial restrictions). See note 2.20 to our 2017 audited consolidated financial statements included elsewhere in this annual report.

In connection with hedge accounting under 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 of which are requirements of 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. Nonetheless, IFRS 9 maintains the same hedging 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 income statement. We do not expect any significant effect upon adoption of the new hedge accounting rules under IFRS 9 beginning January 1, 2018.

Considering the prospective adoption of IFRS 9 as of January 1, 2018, according to the options provided in the standard, there may be lack of comparability beginning January 1, 2018 with the information of impairment of financial assets disclosed in prior years; however, the effects are not expected to be significant.

IFRS 15, Revenues from contracts with customers ("IFRS 15")

Under 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 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). IFRS 15 also includes disclosure requirements to provide comprehensive information about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers. IFRS 15 is effective on January 1, 2018 and will supersede all existing guidance on revenue recognition. Beginning January 1, 2018, we adopted IFRS 15 using the full retrospective approach, which represents the restatement of the financial statements of prior years.

In 2015, we began the evaluation of the impacts of IFRS 15 on the accounting and disclosures of our revenues. As of December 31, 2017, we have analyzed our contracts with customers in all the countries in which we operate in order to review the different performance obligations and other promises (discounts, loyalty programs, rebates, etc.) included in such contracts, among other aspects, aimed to determine the differences in the accounting recognition of revenue with respect to current IFRS and concluded the theoretical assessment. In addition, key personnel were trained in the new standard with the support of external experts and an online training course was implemented. Moreover, CEMEX also concluded the quantification of the adjustments that are necessary to present prior year's information under IFRS 15 beginning in 2018. The adjustments determined in our revenue recognition did not generate any material impact on our operating results, financial situation and compliance of contractual obligations (financial restrictions).

Among other minor effects, the main changes under IFRS 15 as they apply to us refer to: (a) several reclassifications that are required to comply with IFRS 15, new accounts in the statement of financial position aimed to recognize contract assets (costs to obtain a contract) and contract liabilities (deferred revenue for promises not yet fulfilled); (b) rebates and/or discounts offered to customers in a sale transaction that are redeemable by the customer in a subsequent purchase transaction, are considered separate performance obligations, rather than future costs, and a portion of the sale price of such transaction allocated to these promises should be deferred to revenue until the promise is redeemed or expires; and (c) awards (points) offered to customers through their purchases under loyalty programs that are later redeemable for goods or services, also represent separate performance obligations, rather than future costs, and a portion of the sale price of such transactions allocated to these points should be deferred to revenue until the points are redeemed or expire. These reclassifications and adjustments were not material.

Considering the full retrospective adoption of IFRS 15 beginning January 1, 2018, according to the options considered in the standard, there will not be lack of comparability of the financial information prepared in prior years.

IFRS 16, Leases ("IFRS 16")

IFRS 16 defines leases as any contract or part of a contract that conveys to the lessee the right to use an asset for a period of time in exchange for consideration and the lessee directs the use of the identified asset throughout that period. In summary, IFRS 16 introduces a single lessee accounting model, and requires a lessee to recognize, for all leases with a term of more than 12 months, unless the underlying asset is of low value, assets for the right-of-use the underlying asset against a corresponding financial liability, representing the net present value of estimated lease payments under the contract, with a single income statement model in which a lessee recognizes amortization of the right-of-use asset and interest on the lease liability. A lessee shall present either in the statement of financial position, or disclose in the notes, right-of-use assets separately from other assets, as well as, lease liabilities separately from other liabilities. IFRS 16 is effective beginning January 1, 2019 and will supersede all current standards and interpretations related to lease accounting.

As of December 31, 2017, we have concluded an assessment of its main outstanding lease contracts and other contracts that may have embedded the use of an asset, in order to inventory the most relevant characteristics of such contracts (types of assets, committed payments, maturity dates, renewal clauses, etc.).

During the first quarter of 2018, we expect to define our future policy under IFRS 16 in connection with the exception for short-term leases and low-value assets, in order to set the basis and be able to quantify the required adjustments for the proper recognition of the assets for the "right-of-use" and the corresponding financial liabilities, aiming to adopt IFRS 16 on January 1, 2019. We plan preliminarily to adopt IFRS 16 retrospectively to the extent such adoption is practicable. Based on our preliminary assessment as of the reporting date, we consider that upon adoption of IFRS 16, most of our outstanding operating leases would be recognized in the statement of financial position, increasing assets and liabilities, as well as amortization and interest, without any significant initial effect on net assets. See note 23.5 to our 2017 audited consolidated financial statements included elsewhere in this annual report.

We do not expect any significant effect on its operation results, financial situation and compliance with contractual obligations (financial restrictions) due to the adoption effects. If retrospective adoption of IFRS 16 beginning January 1, 2019 is applied, according to the options considered in the standard, there would not be lack of comparability of the financial information prepared in prior years.

IFRIC 23, Uncertainty over income tax treatments ("IFRIC 23")

IFRIC 23 clarifies the accounting for uncertainties in income taxes. among other aspects, when an entity concludes that it is not probable that a particular tax treatment is accepted, the entity has to use the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates. The decision should be based on which method provides better predictions of the resolution of the uncertainty. IFRIC 23 will be effective beginning January 1, 2019. Considering our current policy for uncertain tax positions described above we do not expect any significant effect from the adoption of IFRIC 23.

Results of Operations

Consolidation of Our Results of Operations

Our 2017 audited consolidated financial statements included elsewhere in this annual report include those subsidiaries in which we hold a controlling interest or which we otherwise control. Control exists when we have the power, directly or indirectly, to govern the administrative, financial and operating policies of an entity in order to obtain benefits from its activities.

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

All balances and transactions between the group subsidiaries have been eliminated in consolidation.

For the years ended December 31, 2015, 2016 and 2017, our consolidated results reflect the following transactions:

- On September 29, 2017, one of our subsidiaries in the U.S. closed the divestment of the Block USA Materials Business, consisting of concrete block, architectural block, concrete pavers, retaining walls and building material operations in Alabama, Georgia, Mississippi and Florida, to Oldcastle for U.S.$38 million. The proceeds obtained from this sale were used mainly for debt reduction and general corporate purposes.
- On September 28, 2017, CEMEX, S.A.B. de C.V. sold its then remaining direct interest in GCC, consisting of 31,483,332 shares of common stock of GCC, representing 9.47% of the equity capital of

GCC for U.S.$168 million (Ps3,012 million), which was used for debt reduction and general corporate purposes. Following this sale of shares, we no longer held a direct interest in GCC but continued to hold an indirect share of 20% in GCC through our minority interest in CAMCEM.

- On June 30, 2017, one of our subsidiaries in the U.S. closed the divestment of the Pacific Northwest Materials Business, consisting of aggregates, asphalt and ready mix concrete operations in Oregon and Washington, to Cadman Materials for U.S.$150 million. The proceeds obtained from this sale were used mainly for debt reduction and general corporate purposes.
- On February 15, 2017, we sold 45,000,000 shares of common stock of GCC, representing 13.53% of the equity capital of GCC, at a price of Ps95 per share in a public offering to investors in Mexico authorized by the CNBV and in a concurrent private placement to eligible investors outside of Mexico. Prior to the offerings, CEMEX, S.A.B. de C.V. owned a 23% direct interest in GCC and a minority interest in CAMCEM, an entity which owns a majority interest in GCC. After the GCC offerings, CEMEX, S.A.B. de C.V. owned a 9.47% direct interest in GCC and a minority interest in CAMCEM. Proceeds from the sale were Ps 4,094 million (U.S.$210 million). The proceeds from the GCC shares offerings were used for general corporate purposes.
- On February 10, 2017, one of our subsidiaries in the United States sold its Fairborn, Ohio cement plant and cement terminal in Columbus, Ohio to Eagle Materials for U.S.$400 million. The proceeds obtained from this transaction were used mainly for debt reduction and for general corporate purposes.
- On January 31, 2017, one of CEMEX, S.A.B. de C.V.'s subsidiaries in the U.S. closed the sale of the Concrete Pipe Business to Quikrete for U.S.$500 million plus an additional U.S.$40 million contingent consideration based on future performance.
- On December 5, 2016, Sierra, one of CEMEX, S.A.B. de C.V.'s indirect subsidiaries, presented the Offer to all shareholders of TCL, a company then publicly listed in Trinidad and Tobago, Jamaica and Barbados, to acquire up to 132,616,942 ordinary shares in TCL, pursuant to which Sierra offered the Offer Price payable, at the option of shareholders of TCL except for shareholders of TCL in Barbados, in either TT$ or U.S.$ in Trinidad, and Jamaican Dollars or U.S.$ in Jamaica TCL. The Offer Price represented a premium of 50% over the December 1, 2016 closing price of TCL's shares on the Trinidad and Tobago Stock Exchange. The total number of TCL shares tendered and accepted in response to the Offer was 113,629,723 which, together with Sierra's pre-existing shareholding in TCL (147,994,188 shares), represent 69.83% of the outstanding TCL shares. The total cash payment by Sierra for the tendered shares was U.S.$86 million. CEMEX started consolidating TCL for financial reporting purposes on February 1, 2017. In March 2017, TCL de-listed from the Jamaica and Barbados stock exchanges. TCL's subsidiaries include, but are not limited to CCCL, a publicly listed company in Jamaica, and Arawak, which, as of December 31, 2017, owned cement plants in Jamaica and Barbados, respectively;
- On December 2, 2016, we agreed to the sale of our assets and operations related to our ready-mix concrete pumping business in Mexico to Pumping Team, a specialist in the supply of ready-mix concrete pumping services based in Spain, for Ps1,649 million. This agreement included the sale of fixed assets upon closing of the transaction for Ps309 million plus administrative and client and market development services. Under this agreement, we will also lease facilities in Mexico to Pumping Team over a period of ten years with the possibility to extend for three additional years, for an aggregate initial amount of Ps1,340 million, plus a contingent revenue subject to results for up to Ps557 million linked to annual metrics beginning in the first year and up to the fifth year of the agreement. On April 28, 2017, after receiving the approval by the Mexican authorities, we concluded the sale.
- On November 18, 2016, after all conditions precedent were satisfied, CEMEX, S.A.B. de C.V. announced that it had closed the sale of certain assets in the U.S. to GCC for U.S.$306 million. The assets were sold by an affiliate of CEMEX to an affiliate of GCC in the U.S., and mainly consisted of CEMEX's cement plant in Odessa, Texas, two cement terminals and the building materials business in El Paso, Texas and Las Cruces, New Mexico.

- On July 18, 2016, CHP closed its initial public offering of 45% of its common shares in the Philippines, and 100% of CHP's common shares started trading on the Philippine Stock Exchange under the ticker "CHP." As of December 31, 2017, CASE, an indirect subsidiary of CEMEX, S.A.B. de C.V., directly owned 55% of CHP's outstanding common shares. The net proceeds to CHP from its initial public offering were U.S.$507 million after deducting estimated underwriting discounts and commissions, and other estimated offering expenses payable by CHP. CHP used the net proceeds from the initial public offering to repay existing indebtedness owed to BDO Unibank and to an indirect subsidiary of CEMEX, S.A.B. de C.V.
- On May 26, 2016, we closed the sale of our operations in Bangladesh and Thailand to SIAM Cement for U.S.$70 million. The proceeds from this transaction were used mainly for debt reduction and for general corporate purposes. See note 4.2 to our 2017 audited consolidated financial statements included elsewhere in this annual report.
- On August 12, 2015, we entered into an agreement for the sale of our operations in Croatia, including assets in Bosnia and Herzegovina, Montenegro and Serbia, to Duna-Dráva Cement Kft. for €231 million (U.S.$243 million or Ps5,032 million). Those operations mainly consist of three cement plants with aggregate annual production capacity of approximately 2.4 million tons of cement, two aggregates quarries and seven ready-mix plants. On April 5, 2017, we announced that the European Commission issued a decision that restricted completion of the purchase. Therefore, the sale of our operations in Croatia did not close, and we maintained our operations in Croatia, including assets in Bosnia and Herzegovina, Montenegro and Serbia. As of December 31, 2017 and 2016 and for the years ended December 31, 2017, 2016 and 2015, the Croatian Operations are consolidated line-by-line in the financial statements. See note 4.2 to our 2017 audited consolidated financial statements included elsewhere in this annual report.
- On October 31, 2015, after all conditions precedent were satisfied, we completed the sale of our operations in Austria and Hungary to the Rohrdorfer Group for €165 million (U.S.$179 million or Ps3,090 million), after final adjustments for changes in cash and working capital balances as of the transfer date. Our combined operations in Austria and Hungary consisted of 29 aggregates quarries and 68 ready-mix plants. See note 4.2 to our 2017 audited consolidated financial statements included elsewhere in this annual report.

Selected Consolidated Income Statements Data

The following table sets forth our selected consolidated income statements data for each of the three years ended December 31, 2015, 2016 and 2017 expressed as a percentage of net sales.

	Year Ended December 31,		
	2015	2016	2017
Net sales	100%	100%	100%
Cost of sales	(65.9)	(64.2)	(65.8)
Gross profit	34.1	35.8	34.2
Operating expenses	(21.8)	(21.6)	(21.6)
Operating earnings before other expenses, net	12.3	14.2	12.6
Other expenses, net	(1.4)	(0.7)	(1.5)
Operating earnings	10.9	13.5	11.1
Financial expense	(9.0)	(8.6)	(7.5)
Financial income (expense) and other items, net	(0.6)	1.8	1.4
Share of profit on equity accounted investees	0.3	0.3	0.2
Earnings before income tax	1.6	7.0	5.2
Income tax	(1.1)	(1.2)	(0.2)
Net income from continuing operations	0.5	5.8	5.0
Discontinued operations, net of tax	0.5	0.3	1.4
Consolidated net income	1.0	6.1	6.4
Non-controlling interest net income	0.5	0.5	0.5
Controlling interest net income	0.5	5.6	5.9

Year Ended December 31, 2017 Compared to Year Ended December 31, 2016

Summarized in the table below are the percentage (%) increases (+) and decreases (-) for the year ended December 31, 2017, compared to the year ended December 31, 2016, in our domestic cement and ready-mix concrete sales volumes, as well as export sales volumes of cement and domestic cement and ready-mix concrete average sales prices for each of our geographic segments.

Effective January 1, 2016, according to an announcement made by CEMEX's Chief Executive Officer on December 1, 2015, CEMEX's operations were reorganized into five geographical regions, each under the supervision of a regional president, as follows: (1) Mexico, (2) United States, (3) Europe, (4) South, Central America and the Caribbean and (5) Asia, Middle East and Africa. Under the new organization, the geographical operating segments under the former Mediterranean region were incorporated to the Europe region or the Asia, Middle East and Africa region, as applicable. The financial information by geographic operating segment issued in the financial statements of prior years was restated in order to give effect to: (a) the reversal from discontinued operations related to our Croatian Operations for the years 2016 and 2015; and (b) the new geographic operating organization described above for the year 2015. Until December 31, 2015, our operations were organized into six geographical regions: (1) Mexico, (2) United States, (3) Northern Europe, (4) Mediterranean, (5) South, Central America and the Caribbean, and (6) Asia. Under the current operating organization, the geographic operating segments under the former Mediterranean region were incorporated into the current Europe region or the Asia, Middle East and Africa region, as applicable. See notes 4.2 and 4.4 to our 2017 audited consolidated financial statements included elsewhere in this annual report.

The table below and the other volume data presented by geographic segment in this "—Year Ended December 31, 2017 Compared to Year Ended December 31, 2016" section are presented before eliminations resulting from consolidation (including those shown on note 4.4 to our 2017 audited consolidated financial statements included elsewhere in this annual report).

	Domestic Sales Volumes		Export Sales Volumes	Average Domestic Sales Prices in Local Currency(1)	
Geographic Segment	Cement	Ready-Mix Concrete	Cement	Cement	Ready-Mix Concrete
Mexico	-4%	-3%	+20%	+16%	+10%
United States(2)	-6%	-2%	—	+3%	+1%
Europe					
United Kingdom	-6%	-2%	—	+1%	Flat
France	—	+7%	—	—	+1%
Germany	+15%	-3%	-19%	Flat	+2%
Spain	+28%	+4%	-19%	-4%	+6%
Poland	+5%	+5%	-25%	+3%	+1%
Rest of Europe(3)	+9%	+12%	+33%	Flat	+4%
South, Central America and the Caribbean					
Colombia	-6%	-13%	—	-19%	-2%
Panama	+3%	+9%	—	Flat	Flat
Costa Rica	+3%	+11%	-11%	-3%	-10%
Caribbean TCL(4)	—	—	—	—	—
Rest of South, Central America and the Caribbean(5)	+1%	+1%	-21%	+4%	-6%
Asia, Middle East and Africa					
Philippines	Flat	-58%	-1%	-10%	+16%
Egypt	-6%	-4%	—	+10%	-3%
Rest of Asia, Middle East and Africa(6)	+46%	+10%	-87%	+3%	+5%

"—" = Not Applicable

(1) Represents the average change in domestic cement and ready-mix concrete prices in local currency terms. For purposes of a geographic segment consisting of a region, the average prices in local currency terms for each individual country within the region are first translated into Dollar terms (except for the Rest of Europe, 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 Europe, in which they represent the weighted average change of prices in Euros) based on total sales volumes in the region.

(2) On January 31, 2017, one of CEMEX, S.A.B. de C.V.'s subsidiaries in the U.S. closed the sale of our Concrete Pipe Business to Quikrete for U.S.$500 million plus an additional U.S.$40 million contingent consideration based on future performance. Considering that we disposed of our entire concrete pipe division, the operations of the Concrete Pipe Business, as included in our consolidated income statements for the years ended December 31, 2015 and 2016 and for the one-month period ended January 31, 2017, were reclassified to the single line item "Discontinued Operations." On June 30, 2017, one of our subsidiaries in the U.S. closed the divestment of its Pacific Northwest Materials Business, consisting of aggregates, asphalt and ready mix concrete operations in Oregon and Washington, to Cadman Materials for U.S.$150 million. Considering the disposal of our Pacific Northwest Materials Business, these operations, as included in our consolidated income statements for the years ended December 31, 2015, 2016 and 2017, were reclassified to the single line item "Discontinued Operations." See note 4.2 to our 2017 audited consolidated financial statements included elsewhere in this annual report.

(3) The "Rest of Europe" segment refers primarily to operations in the Czech Republic, Croatia and Latvia, as well as trading activities in Scandinavia and Finland. On October 31, 2015, we completed the sale of our

operations in Austria and Hungary. The operations in Austria and Hungary for the ten-month period ended October 31, 2015, included in our consolidated income statements, were reclassified to the single line item "Discontinued operations." See note 4.2 to our 2017 audited consolidated financial statements included elsewhere in this annual report.

(4) "Caribbean TCL" refers to our operations acquired in the Caribbean, mainly in Trinidad and Tobago, Jamaica and Barbados as part of the purchase of TCL.

(5) "Rest of South, Central America and the Caribbean" refers primarily to our operations in Puerto Rico, the Dominican Republic, Nicaragua, Jamaica and other countries in the Caribbean, excluding Caribbean TCL, Guatemala, and small ready-mix concrete operations in Argentina.

(6) The "Rest of Asia, Middle East and Africa" segment includes the operations in the UAE and Israel. On May 26, 2016, we completed the sale of our operations in Bangladesh and Thailand. See "Item 4—Information on the Company—Our Corporate Structure—Rest of Asia, Middle East and Africa—Sale of our Operations in Rest of Asia, Middle East and Africa." Our operations in Bangladesh and Thailand for the period from January 1, 2016 to May 26, 2016 and the year ended December 31, 2015 included in our consolidated income statements were reclassified to the single line item "Discontinued operations," which includes, in 2016, a gain on sale of U.S.$24 million (Ps424 million). See note 4.2 to our 2017 audited consolidated financial statements included elsewhere in this annual report.

On a consolidated basis, our cement sales volumes remained flat, with 68.3 million tons in 2016 and 68.5 million tons in 2017, and our ready-mix concrete sales volumes increased 1%, from 51.4 million cubic meters in 2016 to 51.7 cubic meters in 2017. Our net sales increased approximately 3%, from Ps249,945 million in 2016 to Ps258,131 in 2017, and our operating earnings before other expenses, net decreased 8%, from Ps35,543 million in 2016 to Ps32,571 in 2017.

The following tables present selected financial information of net sales and operating earnings before other expenses, net for each of our geographic segments for the years ended December 31, 2016 and 2017. The net sales information in the table below is presented before eliminations resulting from consolidation (including those shown in note 4.4 to our 2017 audited consolidated financial statements included elsewhere in this annual report). Variations in net sales determined on the basis of Mexican Pesos include the appreciation or depreciation which occurred during the period between the local currencies of the countries in the regions vis-à-vis the Mexican Peso; therefore, such variations differ substantially from those based solely on the countries' local currencies:

Geographic Segment	Variation in Local Currency(1)	Approximate Currency Fluctuations	Variation in Mexican Pesos	Net Sales For the Year Ended	
				2016	2017
			(in millions of Mexican Pesos)		
Mexico	+9%	—	+9%	Ps 53,579	Ps 58,442
United States(2)	-2%	—	-2%	66,554	65,536
Europe					
United Kingdom	-2%	-3%	-5%	21,153	20,179
France	+7%	+4%	+11%	14,535	16,162
Germany	+2%	+3%	+5%	9,572	10,056
Spain	+1%	+4%	+5%	6,563	6,870
Poland	+9%	+7%	+16%	4,799	5,552
Rest of Europe(3)	+16%	+3%	+19%	7,935	9,439
South, Central America and the Caribbean					
Colombia	-17%	+3%	-14%	12,415	10,685
Panama	+4%	—	+4%	4,906	5,112
Costa Rica	+2%	-2%	—	2,818	2,805
Caribbean TCL(4)	—	—	—	—	4,332
Rest of South, Central America and the Caribbean(5)	+2%	+1%	+3%	11,378	11,716
Asia, Middle East and Africa					
Philippines	-10%	-4%	-14%	9,655	8,296
Egypt	+4%	-48%	-44%	6,950	3,862
Rest of Asia, Middle East and Africa(6)	+13%	+1%	+14%	11,858	13,516
Others(7)	+29%	-10%	+19%	18,846	22,514
Net Sales from continuing operations before eliminations resulting from consolidation			+4%	Ps 263,516	Ps 275,074
Eliminations resulting from consolidation				(13,571)	(16,943)
Net sales from continuing operations			+3%	Ps 249,945	Ps 258,131

Geographic Segment	Variation in Local Currency(1)	Approximate Currency Fluctuations	Variation in Mexican Pesos	Operating Earnings (Loss) Before Other Expenses, Net For the Year Ended December 31, 2016	2017
			(in millions of Mexican Pesos)		
Mexico	+12%	—	+12%	Ps 16,866	Ps 18,969
United States(2)	+2%	-5%	-3%	4,573	4,452
Europe					
United Kingdom	-28%	-3%	-31%	2,559	1,766
France	+69%	-4%	+65%	185	306
Germany	+89%	+74%	+163%	89	234
Spain	-275%	-20%	-295%	151	(294)
Poland	+11%	+4%	+15%	249	286
Rest of Europe(3)	+59%	+2%	+61%	481	775
South, Central America and the Caribbean					
Colombia	-55%	+3%	-52%	3,486	1,659
Panama	-7%	-1%	-8%	1,830	1,688
Costa Rica	-9%	-2%	-11%	1,011	901
Caribbean TCL(4)	—	—	—	—	449
Rest of South, Central America and the Caribbean(5)	-6%	-6%	-12%	2,438	2,153
Asia, Middle East and Africa					
Philippines	-58%	-2%	-60%	2,157	866
Egypt	-70%	-15%	-85%	1,915	295
Rest of Asia, Middle East and Africa(6)	+12%	+1%	+13%	1,318	1,492
Others(7)	+11%	-20%	-9%	(3,765)	(3,426)
Operating earnings before other expenses, net from continuing operations			-8%	Ps 35,543	Ps 32,571

"—" = Not Applicable

(1) Represents the variation in local currency terms. For purposes of a geographic segment consisting of a region, the variation in local currency terms for each individual country within the region are first translated into Dollar terms (except for the Rest of Europe, 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 Europe region, in which they represent the change in Euros), net, in the region.

(2) On January 31, 2017, one of CEMEX, S.A.B. de C.V.'s subsidiaries in the U.S. closed the sale of our Concrete Pipe Business to Quikrete for U.S.$500 million plus an additional U.S.$40 million contingent consideration based on future performance. Considering that we disposed of our entire concrete pipe division, the operations of the Concrete Pipe Business, as included in our consolidated income statements for the years ended December 31, 2015 and 2016 and for the one-month period ended January 31, 2017, were reclassified to the single line item "Discontinued Operations." On June 30, 2017, one of our subsidiaries in the U.S. closed the divestment of its Pacific Northwest Materials Business, consisting of aggregates, asphalt and ready mix concrete operations in Oregon and Washington, to Cadman Materials for U.S.$150 million. Considering the disposal of our Pacific Northwest Materials Business, these operations, as included in our consolidated income statements for the years ended December 31, 2015, 2016 and 2017, were reclassified to the single line item "Discontinued Operations." See note 4.2 to our 2017 audited consolidated financial statements included elsewhere in this annual report.

(3) The "Rest of Europe" segment refers primarily to operations in the Czech Republic, Croatia and Latvia, as well as trading activities in Scandinavia and Finland. On October 31, 2015, we completed the sale of our

operations in Austria and Hungary. The operations in Austria and Hungary for the ten-month period ended October 31, 2015, included in our consolidated income statements, were reclassified to the single line item "Discontinued operations." See note 4.2 to our 2017 audited consolidated financial statements included elsewhere in this annual report.

(4) "Caribbean TCL" refers to our TCL operations acquired in the Caribbean, mainly in Trinidad and Tobago, Jamaica and Barbados as part of the purchase of TCL.

(5) "Rest of South, Central America and the Caribbean" refers primarily to our operations in Puerto Rico, the Dominican Republic, Nicaragua, Jamaica and other countries in the Caribbean, excluding Caribbean TCL, Guatemala, and small ready-mix concrete operations in Argentina.

(6) The "Rest of Asia, Middle East and Africa" segment includes the operations in the UAE and Israel. On May 26, 2016, we completed the sale of our operations in Bangladesh and Thailand. See "Item 4—Information on the Company—Our Corporate Structure—Rest of Asia, Middle East and Africa—Sale of our Operations in Rest of Asia, Middle East and Africa." Our operations in Bangladesh and Thailand for the period from January 1, 2016 to May 26, 2016 and the year ended December 31, 2015 included in our consolidated income statements were reclassified to the single line item "Discontinued operations," which includes, in 2016, a gain on sale of U.S.$24 million (Ps424 million). See note 4.2 to our 2017 audited consolidated financial statements included elsewhere in this annual report.

(7) The "Others" segment refers to: (i) cement trade maritime operations, (ii) our information technology solutions business (Neoris N.V.), (iii) CEMEX, S.A.B. de C.V. and other corporate entities and (iv) other minor subsidiaries with different lines of business.

Net sales. Our consolidated net sales increased 3%, from Ps249,945 million in 2016 to Ps258,131 million in 2017. The increase was primarily attributable to higher prices for our products, in local currency terms, in our Mexico, the United States and Europe regions, as well as higher cement volumes in our United States, Europe and Asia, Middle East and Africa regions. Set forth below is a quantitative and qualitative analysis of the various factors affecting our net sales on a geographic segment basis. The discussion of volume data and net sales information below is presented before eliminations resulting from consolidation as described in note 4.4 to our 2017 audited consolidated financial statements included elsewhere in this annual report.

Mexico

Our domestic cement sales volumes from our operations in Mexico decreased approximately 4% in 2017 compared to 2016, and ready-mix concrete sales volumes decreased 3% over the same period. Our net sales from our operations in Mexico represented 21% of our total net sales for the year ended December 31, 2017, in Mexican Peso terms, before eliminations resulting from consolidation. The decrease in domestic sales volumes was primarily attributable to the continued implementation of our value-before-volume strategy. Our cement export volumes from our operations in Mexico, which represented approximately 4% of our Mexican cement sales volumes for the year ended December 31, 2017, increased approximately 20% in 2017 compared to 2016. Of our total cement export volumes from our operations in Mexico during 2017, 53% was shipped to the United States, 2% to Costa Rica and 45% to our Rest of South, Central America and the Caribbean region. Our average sales price of domestic cement from our operations in Mexico increased 16%, in Mexican Peso terms, in 2017 compared to 2016, and our average sales price of ready-mix concrete increased 10%, in Mexican Peso terms, over the same period. For the year ended December 31, 2017, cement represented 59%, ready-mix concrete 21% and our aggregates and other businesses 20% of our net sales in Mexican Peso terms from our operations in Mexico before intra-sector eliminations within the segment and before eliminations resulting from consolidation, as applicable.

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, our net sales in Mexico, in Mexican Peso terms, increased 9% in 2017 compared to 2016.

United States

Our domestic cement sales volumes from our operations in the United States decreased approximately 6% in 2017 compared to 2016, and ready-mix concrete sales volumes decreased 2% over the same period. The decreases in the domestic cement and ready mix concrete sales volume of our operation in the United States were mainly driven by the sale to an affiliate of GCC of certain assets consisting in a cement plant in Odessa, Texas, two cement terminals and the building materials business in El Paso, Texas and Las Cruces, New Mexico and the sale of the Fairborn, Ohio cement plant and cement terminal in Columbus, Ohio to Eagle Materials. The operations of the net assets sold to GCC and Eagle Materials did not represent discontinued operations and were consolidated by CEMEX line-by-line in the income statements for 2015, 2016 and 2017. See note 4.3 to our 2017 audited consolidated financial statements included elsewhere in this annual report. In the residential sector, activity accelerated supported by single-family construction and improvements. In the industrial-and-commercial sector, national contract awards declined during 2017; however, awards in our key states increased, including in Florida and Texas. Our operations in the United States represented 24% of our total net sales for the year ended December 31, 2017, in Mexican Peso 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 2017 compared to 2016, and our average ready-mix concrete sales price increased 1%, in Dollar terms, over the same period. For the year ended December 31, 2017, cement represented 33%, ready-mix concrete 42% and our aggregates and other businesses 25% of net sales in Mexican Peso terms from our operations in the United States before intra-sector eliminations within the segment and before eliminations resulting from consolidation, as applicable.

As a result of the decreases in domestic cement and ready-mix concrete sales volumes, partially offset by increases in domestic cement and ready-mix concrete sales prices, net sales from our operations in the United States, in Dollar terms, decreased 2% in 2017 compared to 2016.

Europe

In 2017, our operations in the Europe region consisted of our operations in the United Kingdom, France, Germany, Spain and Poland, which represent the most significant operations in this region, in addition to the Rest of Europe, which refers primarily to operations in the Czech Republic, Croatia and Latvia, as well as trading activities in Scandinavia and Finland. Our net sales from our operations in the Europe region represented 25% of our total net sales for the year ended December 31, 2017, in Mexican Peso terms, before eliminations resulting from consolidation. As of December 31, 2017, our operations in the Europe region represented 20% of our total assets. Set forth below is a quantitative and qualitative analysis of the effects of the various factors affecting our net sales for our main operations in the Europe region.

United Kingdom

Our domestic cement sales volumes from our operations in the United Kingdom decreased approximately 6% in 2017 compared to 2016, and ready-mix concrete sales volumes decreased 2% over the same period. The decreases in domestic cement and ready-mix concrete sales volumes resulted primarily from a high base of comparison due to non-recurring industry sales in 2016, as well as softening market conditions due to political uncertainty. The residential sector was the main driver of demand during 2017, supported by government's help-to-buy program. Our operations in the United Kingdom represented approximately 7% of our total net sales for the year ended December 31, 2017, in Mexican Peso terms, before eliminations resulting from consolidation. Our average sales price of domestic cement from our operations in the United Kingdom increased 1%, in Pound terms, in 2017 compared to 2016, and our average sales price of ready-mix concrete remained flat, in Pound terms, over the same period. For the year ended December 31, 2017, cement represented 17%, ready-mix concrete 26% and our aggregates and other businesses 57% of net sales in Mexican Peso terms from our operations in the United Kingdom before intra-sector eliminations within the segment and before eliminations resulting from consolidation, as applicable.

As a result of decreases in domestic cement and ready-mix concrete sales volumes, partially offset by an increase in our sales prices of domestic cement, net sales from our operations in the United Kingdom, in Pound terms, decreased 2% in 2017 compared to 2016.

France

Our ready-mix concrete sales volumes from our operations in France increased approximately 7% in 2017 compared to 2016. Volume growth during the full year reflects continued activity in the residential sector, as well as "Grand Paris"-related projects. The residential sector was supported by low interest rates and government's initiatives including a buy-to-let program and zero-rate loans for first time buyers. Our operations in France represented approximately 6% of our total net sales for the year ended December 31, 2017, in Mexican Peso 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 2017 compared to 2016. For the year ended December 31, 2017, ready-mix concrete represented 67% and our aggregates and other businesses 33% of net sales in Mexican Peso terms from our operations in France before intra-sector eliminations within the segment and before eliminations resulting from consolidation, as applicable.

As a result of the increases in ready-mix concrete sales volumes and sales prices, net sales from our operations in France, in Euro terms, increased 7% in 2017 compared to 2016.

Germany

Our domestic cement sales volumes from our operations in Germany increased 15% in 2017 compared to 2016, and ready-mix concrete sales volumes decreased 3% over the same period. Cement volume growth during the year reflects our participation in infrastructure projects and strong demand from the residential sector. The infrastructure sector benefited from increased central government spending, while the residential sector continued to benefit from low unemployment and mortgage rates, rising purchasing power as well as ongoing immigration. Our operations in Germany represented 4% of our total net sales for the year ended December 31, 2017, in Mexican Peso terms, before eliminations resulting from consolidation. Our cement export volumes from our operations in Germany, which represented 30% of our Germany cement sales volumes for the year ended December 31, 2017, decreased 19% in 2017 compared to 2016. Of our total cement export volumes from our operations in Germany during 2017, 23% were to Poland and 77% were to Our Rest of Europe region. Our average sales price of domestic cement from our operations in Germany remained flat, in Euro terms, in 2017 compared to 2016, and our average sales price of ready-mix concrete increased 2%, in Euro terms, over the same period. For the year ended December 31, 2017, cement represented 28%, ready-mix concrete 37% and our aggregates and other businesses 35% of net sales in Mexican Peso terms from our operations in Germany before intra-sector eliminations within the segment and before eliminations resulting from consolidation, as applicable.

As a result of the increase in domestic cement sales volumes and ready-mix concrete sales prices, partially offset by the decreases in ready-mix concrete sales volumes, net sales from our operations in Germany, in Euro terms, increased 2% in 2017 compared to 2016.

Spain

Our domestic cement sales volumes from our operations in Spain increased 28% in 2017 compared to 2016, while ready-mix concrete sales volumes increased 4% over the same period. Our cement volume growth during the year reflects favorable activity from the residential and the industrial-and-commercial sectors. The residential sector benefited from favorable credit conditions, income increases, job creation, and pent-up housing demand. The industrial-and-commercial sector was supported by offices, tourism and agricultural projects. Our operations in Spain represented 2% of our total net sales for the year ended December 31, 2017, in Mexican Peso 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, 2017, decreased

approximately 19% in 2017 compared to 2016. Of our total cement export volumes from our operations in Spain during 2017, 4% were to the South, Central America and the Caribbean region, 33% were to the United States, 9% were to the United Kingdom, 1% were to Poland, 7% were to the Rest of Europe region and 46% were to the Rest of Asia, Middle East and Africa region. Our average sales price of domestic cement of our operations in Spain decreased 4%, in Euro terms, in 2017 compared to 2016, and our average sales price of ready-mix concrete increased 6%, in Euro terms, over the same period. For the year ended December 31, 2017, cement represented 75%, ready-mix concrete 13% and our aggregates and other businesses 12% of net sales in Mexican Peso terms from our operations in Spain before intra-sector eliminations within the segment and before eliminations resulting from consolidation, as applicable.

As a result of increases in domestic cement and ready-mix concrete sales volumes and ready-mix concrete sales prices, partially offset by decreases in domestic cement sales prices, net sales from our operations in Spain, in Euro terms, increased 1% in 2017 compared to 2016.

Poland

Our domestic cement sales volumes from our operations in Poland increased 5% in 2017 compared to 2016, while ready-mix concrete sales volumes increased 5% over the same period. The residential sector continued with favorable trends supported by low interest rates, low unemployment and governmental sponsored programs. Our operations in Poland represented 2% of our total net sales for the year ended December 31, 2017, in Mexican Peso 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, 2017, decreased 25% in 2017 compared to 2016. Of our total cement export volumes from our operations in Poland during 2017, 26% were to the Germany and 74% were to our Rest of Europe region. Our average sales price of domestic cement of our operations in Poland increased 3%, in Polish Zloty terms, in 2017 compared to 2016, and our average sales price of ready-mix concrete increased 1%, in Polish Zloty terms, over the same period. For the year ended December 31, 2017, cement represented 48%, ready-mix concrete 38% and our aggregates and other businesses 14% of net sales in Mexican Peso terms from our operations in Poland before intra-sector eliminations within the segment and before eliminations resulting from consolidation, as applicable.

As a result of increases in domestic cement sales volumes and sales prices, and ready-mix concrete sale volumes and sales prices, net sales from our operations in Poland, in Polish Zloty terms, increased 9% in 2017 compared to 2016.

Rest of Europe

Our domestic cement sales volumes from our operations in the Rest of Europe increased 9% in 2017 compared to 2016, and ready-mix concrete sales volumes increased 12% over the same period. Our cement export volumes from our operations in the Rest of Europe segment, which represented 29% of our Rest of Europe cement sales volumes for the year ended December 31, 2017, increased 33% in 2017 compared to 2016. Of our total cement export volumes from our operations in Rest of Europe during 2017, 9% were to the Germany, 8% were to Spain, 2% were to Poland, 57% were within the region, 19% were to the Asia, Middle East and Africa region and 5% were to our Rest of South, Central and the Caribbean region. Our net sales from our operations in the Rest of Europe represented 4% of our total net sales for the year ended December 31, 2017, in Mexican Peso terms, before eliminations resulting from consolidation. Our average sales price of domestic cement from our operations in the Rest of Europe remained flat, in Euro terms, in 2017 compared to 2016, and our average sales price of ready-mix concrete increased 4%, in Euro terms, over the same period. For the year ended December 31, 2017, cement represented 60%, ready-mix concrete 26% and our aggregates and other businesses 14% of net sales in Mexican Peso terms from our operations in the Rest of Europe before intra-sector eliminations within the segment and before eliminations resulting from consolidation, as applicable.

As a result of increases in domestic cement sales volumes and ready-mix concrete sales volumes and ready-mix concrete sales prices, net sales in the Rest of Europe, in Euro terms, increased 16% in 2017 compared to 2016.

South, Central America and the Caribbean

In 2017, our operations in the SAC region consisted of our operations in Colombia, Panama and Costa Rica, as well as, our Caribbean TCL operations, which refers to TCL's operations in Barbados, Jamaica and Trinidad and Tobago, which represent our most significant operations in this region, and the Rest of South, Central America and the Caribbean, which refers primarily to operations in Puerto Rico, the Dominican Republic, Nicaragua, Jamaica and other countries in the Caribbean, excluding our Caribbean TCL segment, Guatemala, and small ready-mix concrete operations in Argentina. Some of these trading operations in the Caribbean region consist of the resale of cement produced by our operations in Mexico. Our net sales from our operations in the SAC region represented 13% of our total net sales in Mexican Peso terms for the year ended December 31, 2017, before eliminations resulting from consolidation. As of December 31, 2017, our operations in the SAC region represented 10% of our total assets. Set forth below is a quantitative and qualitative analysis of the effects of the various factors affecting our net sales for our main operations in the SAC region.

Colombia

Our domestic cement sales volumes from our operations in Colombia decreased 6% in 2017 compared to 2016, and ready-mix concrete sales volumes decreased 13% over the same period. The decreases in domestic cement sales volumes and in ready-mix concrete sales volumes was primarily due to weak demand from industrial and commercial projects, as well as from high and middle-income housing developments. Our net sales from our operations in Colombia represented approximately 4% of our total net sales for the year ended December 31, 2017, in Mexican Peso terms, before eliminations resulting from consolidation. Our average sales price of domestic cement from our operations in Colombia decreased 19%, in Colombian Peso terms, in 2017 compared to 2016, and our average sales price of ready-mix concrete decreased 2%, in Colombian Peso terms, over the same period. For the year ended December 31, 2017, cement represented 49%, ready-mix concrete 28% and our aggregates and other businesses 23% of our net sales in Mexican Peso terms from our operations in Colombia before intra-sector eliminations within the segment and before eliminations resulting from consolidation, as applicable.

As a result of decreases in domestic cement and ready-mix concrete sales volumes and sales prices, net sales of our operations in Colombia, in Colombian Peso terms, decreased 17% in 2017 compared to 2016.

Panama

Our domestic cement sales volumes from our operations in Panama increased approximately 3% in 2017 compared to 2016, and ready-mix concrete sales volumes increased approximately 9% over the same period. Our net sales from our operations in Panama represented 2% of our total net sales for the year ended December 31, 2017, in Mexican Peso terms, before eliminations resulting from consolidation. Our average sales price of domestic cement and the ready-mix concrete from our operations in Panama remained flat in Dollar terms, in 2017 compared to 2016. For the year ended December 31, 2017, cement represented 62%, ready-mix concrete 28% and our aggregates and other businesses 10% of our net sales in Mexican Peso terms from our operations in Panama before intra-sector eliminations within the segment and before eliminations resulting from consolidation, as applicable.

As a result of increases in domestic cement and ready-mix concrete sales volumes, net sales of our operations in Panama, in Dollar terms, increased 4% in 2017 compared to 2016.

Costa Rica

Our domestic cement sales volumes from our operations in Costa Rica increased 3% in 2017 compared to 2016, and ready-mix concrete sales volumes increased 11% over the same period. Our cement export volumes from our operations in Costa Rica, which represented 26% of cement sales volumes from our operations in Costa Rica for the year ended December 31, 2017, decreased 11% in 2017 compared to 2016. All of our total cement exports from our operations in Costa Rica during 2017 were to the Rest of South, Central America and the Caribbean region. Our net sales from our operations in Costa Rica represented approximately 1% of our total net sales for the year ended December 31, 2017, in Mexican Peso terms, before eliminations resulting from consolidation. Our average sales price of domestic cement from our operations in Costa Rica decreased approximately 3%, in Costa Rican Colones terms, in 2017 compared to 2016, and our average sales price of ready-mix concrete decreased 10%, in Costa Rican Colones terms, over the same period. For the year ended December 31, 2017, cement represented 77%, ready-mix concrete 14% and our aggregates and other businesses 9% of our net sales from our operations in Mexican Peso terms before intra-sector eliminations within the segment and before eliminations resulting from consolidation, as applicable.

As a result of increases in domestic cement and ready-mix concrete sales volumes, partially offset by the decreases in domestic cement and ready-mix concrete sales prices, net sales of our operations in Costa Rica, in Costa Rican Colones terms, increased 2% in 2017 compared to 2016.

Caribbean TCL

Our net sales from our operations in Caribbean TCL represented 2% of our total net sales for the year ended December 31, 2017, in Mexican Peso terms, before eliminations resulting from consolidation. Our cement export volumes from our operations in Caribbean TCL segment represented 16% of our Caribbean TCL cement sales volumes for the year ended December 31, 2017. All of our total cement exports from our operations in Caribbean TCL during 2017 were to the Rest of South, Central America and the Caribbean region. For the year ended December 31, 2017, cement represented 94%, ready-mix concrete 1% and our other businesses 5% of net sales in Mexican Peso terms from our operations in Caribbean TCL before intra-sector eliminations within the segment and before eliminations resulting from consolidation, as applicable.

Rest of South, Central America and the Caribbean

Our domestic cement volumes from our operations in the Rest of South, Central America and the Caribbean increased 1% in 2017 compared to 2016, and ready-mix concrete sales volumes increased 1% over the same period. Our cement export volumes from our operations in the Rest of South, Central America and the Caribbean segment, which represented 9% of our Rest of South, Central America and the Caribbean cement sales volumes for the year ended December 31, 2017, decreased 21% in 2017 compared to 2016. Of our total cement export volumes from our operations in Rest of South, Central America and the Caribbean during 2017, 90% were within the same region and 10% were to the Rest of Europe region. Our net sales from our operations in the Rest of South, Central America and the Caribbean represented 4% of our total net sales for the year ended December 31, 2017, in Mexican Peso terms, before eliminations resulting from consolidation. Our average sales price of domestic cement from our operations in the Rest of South, Central America and the Caribbean increased 4% in Dollar terms, in 2017 compared to 2016, and our average sales price of ready-mix concrete decreased 6%, in Dollar terms, over the same period. For the year ended December 31, 2017, cement represented 86%, ready-mix concrete 10% and our other businesses 4% of net sales in Mexican Peso terms from our operations in the Rest of South, Central America and the Caribbean before intra-sector eliminations within the segment and before eliminations resulting from consolidation, as applicable.

As a result of increases in domestic cement sales volumes and sales prices and ready-mix concrete sales volumes, partially offset by the decrease in ready-mix concrete sales prices, net sales of our operations in the Rest of South, Central America and the Caribbean, in Dollar terms, increased 2% in 2017 compared to 2016.

Asia, Middle East and Africa

For the year ended December 31, 2017, our operations in the Asia, Middle East and Africa region consisted of our operations in the Philippines and Egypt, which represent the most significant operations in this region, in addition to the Rest of Asia, Middle East and Africa, which refers primarily to operations in the UAE and Israel. Our net sales from our operations in the Asia, Middle East and Africa region represented 9% of our total net sales for the year ended December 31, 2017, in Mexican Peso terms, before eliminations resulting from consolidation. As of December 31, 2017, our operations in the Asia, Middle East and Africa region represented 5% of our total assets. Set forth below is a quantitative and qualitative analysis of the effects of the various factors affecting our net sales for our main operations in the Asia, Middle East and Africa region.

The Philippines

Our domestic cement sales volumes from our operations in the Philippines remained flat in 2017 compared to 2016, and ready-mix concrete sales volumes decreased 58% over the same period. The steadiness in our domestic cement sales volumes resulted primarily from a moderation in cement consumption, especially in infrastructure, due to the post-election government transition. 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, 2017, decreased 1% in 2017 compared to 2016. All of our total cement exports from our operations in Philippines during 2017 were to the Rest of Asia, Middle East and Africa region. Our net sales from our operations in the Philippines represented 3% of our total net sales for the year ended December 31, 2017, in Mexican Peso terms, before eliminations resulting from consolidation. Our average sales price of domestic cement from our operations in the Philippines decreased 10% in Philippine Peso terms, in 2017 compared to 2016 and our average sales price of ready-mix concrete increased 16%, in Philippine Peso terms, over the same period. For the year ended December 31, 2017, cement represented 97% and our ready-mix concrete and other businesses 3% of our net sales in Mexican Peso terms from our operations in the Philippines before intra-sector eliminations within the segment and before eliminations resulting from consolidation, as applicable.

As a result of decreases in domestic cement sales prices, net sales of our operations in the Philippines, in Philippine Peso terms, decreased 10% in 2017 compared to 2016.

Egypt

Our domestic cement sales volumes from our operations in Egypt decreased 6% in 2017 compared to 2016, while ready-mix concrete sales volumes decreased 4% over the same period. Government projects related to the Suez Canal tunnels and low-income housing continued to drive cement demand during the year. Our net sales from our operations in Egypt represented 1% of our total net sales for the year ended December 31, 2017, in Mexican Peso terms, before eliminations resulting from consolidation. Our average sales price of domestic cement increased 10%, in Egyptian Pound terms, in 2017 compared to 2016, and our average sales price of ready-mix concrete decreased 3%, in Egyptian Pound terms, over the same period. For the year ended December 31, 2017, cement represented 83%, ready-mix concrete 12% and our aggregates and other businesses 5% of net sales in Mexican Peso terms from our operations in Egypt before intra-sector eliminations within the segment and before eliminations resulting from consolidation, as applicable.

As a result of the increase in domestic cement sales prices, partially offset by a decreases in ready-mix concrete sales volumes and sales prices and in domestic cement sales volumes, our net sales in Egypt, in Egyptian Pound terms, increased 4% in 2017 compared to 2016.

Rest of Asia, Middle East and Africa

Our domestic cement sales volumes from our operations in the Rest of Asia, Middle East and Africa increased 46% in 2017 compared to 2016, and ready-mix concrete sales volumes increased 10% over the same

period. Our cement export volumes from our operations in Rest of Asia, Middle East and Africa, which represented 14% of our Rest of Asia, Middle East and Africa cement sales volumes for the year ended December 31, 2017, decreased approximately 87% in 2017 compared to 2016. All of our total cement exports from our operations in the region during 2017 were within the same operations region. Our net sales from our operations in our Rest of Asia, Middle East and Africa segment represented 5% of our total net sales for the year ended December 31, 2017, in Mexican Peso terms, before eliminations resulting from consolidation. Our average sales price of domestic cement increased 3%, in Dollar terms, in 2017 compared to 2016, and the average sales price of ready-mix concrete increased 5%, in Dollar terms, over the same period. For the year ended December 31, 2017, cement represented 5%, ready-mix concrete 65% and our other businesses 30% of net sales from our operations in the Rest of Asia, Middle East and Africa before intra-sector eliminations within the segment and before eliminations resulting from consolidation, as applicable.

As a result of increases in domestic cement sales volumes and prices and in ready-mix concrete sales volumes and prices, net sales from our operations in the Rest of Asia, Middle East and Africa, in Dollar terms, increased 13% in 2017 compared to 2016.

Others

Our Others segment refers to: (i) cement trade maritime operations, (ii) our information technology solutions business (Neoris N.V.), (iii) CEMEX, S.A.B. de C.V. and other corporate entities and (iv) other minor subsidiaries with different lines of business. Net sales from our Others segment increased 29% before intra-sector eliminations within the segment and before eliminations resulting from consolidation, as applicable, in 2017 compared to 2016, in Dollar terms. The increase resulted primarily from an increase in our worldwide cement volume of our trading operations and a sales increase in our information technology solutions company. For the year ended December 31, 2017, our information technology solutions company represented 30% and our trading operations represented 37% of our net sales in our Others segment, in Dollar terms.

Cost of Sales. Our cost of sales, including depreciation, increased 6% from Ps160,433 million in 2016 to Ps169,534 million in 2017. As a percentage of net sales, cost of sales increased from 64.2% in 2016 to 65.8% in 2017. The increase in cost of sales as a percentage of net sales was mainly driven by higher energy costs. Our cost of sales includes freight expenses of raw materials used in our producing plants.

Gross Profit. For the reasons explained above, our gross profit decreased 1% from Ps89,512 million in 2016 to Ps88,597 million in 2017. As a percentage of net sales, gross profit decreased from 35.8% in 2016 to 34.2% in 2017. 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 logistic expenses.

Operating expenses. Our operating expenses, which are represented by administrative, selling and distribution and logistics expenses, increased 4%, from Ps53,969 million in 2016 to Ps56,026 million in 2017. As a percentage of net sales, operating expenses remained flat at 21.6% in 2016 and 2017. 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 logistic expenses." For the years ended December 31, 2016 and 2017, selling expenses included as part of the line item "Operating expenses" amounted to Ps6,974 million and Ps6,450 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 logistic expenses, which in aggregate represented costs of Ps26,245 million in 2016 and Ps28,495 million in 2017. As a percentage of net sales, distribution and logistics expenses increased from 10.5% in 2016 to 11.0% in 2017.

Operating Earnings Before Other Expenses, Net

For the reasons mentioned above, our operating earnings before other expenses, net decreased 8% from Ps35,543 million in 2016 to Ps32,571 million in 2017. As a percentage of net sales, operating earnings before other expenses, net decreased from 14.2% in 2016 to 12.6% in 2017. Additionally, set forth below is a quantitative and qualitative analysis of the effects of the various factors affecting our operating earnings before other expenses, net on a geographic segment basis.

Mexico

Our operating earnings before other expenses, net, from our operations in Mexico increased 12% in 2017 compared to 2016, in Mexican Peso terms, from operating earnings before other expenses, net, of Ps16,866 million in 2016 to operating earnings before other expenses, net, of Ps18,969 million in 2017. Our operating earnings before other expenses from our operations in Mexico represented 58% of our total operating earnings before other expenses for the year ended December 31, 2017, in Mexican Peso terms. The increase resulted primarily from the increase in our net sales and the continued implementation of our value-before-volume strategy.

United States

Our operating earnings before other expenses, net, from our operations in the United States increased 2% in 2017 compared to 2016, in Dollar terms. Our operating earnings before other expenses from our operations in the United States represented 14% of our total operating earnings before other expenses for the year ended December 31, 2017, in Mexican Peso terms. The increase in operating earnings before other expenses, net resulted primarily from the value-before-volume strategy partially offset by a decrease in our net sales.

Europe

United Kingdom. Our operating earnings before other expenses, net, from our operations in the United Kingdom decreased 28% in 2017 compared to 2016 in Pound terms. Our operating earnings before other expenses from our operations in the United Kingdom represented 5% of our total operating earnings before other expenses for the year ended December 31, 2017, in Mexican Peso terms. The decrease resulted primarily from a decrease in our net sales.

France. Our operating earnings before other expenses, net, from our operations in France increased 69% in 2017 compared to 2016 in Euro terms. Our operating earnings before other expenses from our operations in France represented 1% of our total operating earnings before other expenses for the year ended December 31, 2017, in Mexican Peso terms. The increase in our operating earnings before other expenses, net in France resulted primarily from an increase in our net sales.

Germany. Our operating earnings before other expenses, net, from our operations in Germany increased 89% in 2017 compared to 2016 in Euro terms. Our operating earnings before other expenses from our operations in Germany represented 1% of our total operating earnings before other expenses for the year ended December 31, 2017, in Mexican Peso terms. The increase resulted primarily from an increase in net sales.

Spain. Our operating earnings before other expenses, net, from our operations in Spain decreased significantly in 2017 compared to 2016 in Euro terms. Our operating loss before other expenses from our operations in Spain represented a negative impact of 1% of our total operating earnings before other expenses for the year ended December 31, 2017, in Mexican Peso terms. The decrease in the operating earnings before other expenses, net, resulted primarily from higher energy costs, partially offset by an increase in our net sales.

Poland. Our operating earnings before other expenses, net, from our operations in Poland increased 11% in 2017 compared to 2016 in Polish Zloty terms. Our operating earnings before other expenses from our operations

in Poland represented 1% of our total operating earnings before other expenses for the year ended December 31, 2017, in Mexican Peso terms. The increase in the operating earnings before other expenses, net, resulted primarily from an increase in our net sales.

Rest of Europe. Our operating earnings before other expenses, net, from our operations in the Rest of Europe increased 59% in 2017 compared to 2016 in Euro terms. Our operating earnings before other expenses from our operations in the Rest of Europe region represented 2% of our total operating earnings before other expenses for the year ended December 31, 2017, in Mexican Peso terms. The increase resulted primarily from an increase in our net sales driven by improved economic fundamentals that supported volume growth for our three core products.

South, Central America and the Caribbean

Colombia. Our operating earnings before other expenses, net, from our operations in Colombia decreased 55% in 2017 compared to 2016 in Colombian Peso terms. Our operating earnings before other expenses from our operations in Colombia represented 5% of our total operating earnings before other expenses for the year ended December 31, 2017, in Mexican Peso terms. The decrease resulted primarily from a decrease in net sales affected by weak demand from industrial and commercial projects, as well as from high and middle-income housing developments.

Panama. Our operating earnings before other expenses, net, from our operations in Panama decreased 7% in 2017 compared to 2016 in Dollar terms. Our operating earnings before other expenses from our operations in Panama represented 5% of our total operating earnings before other expenses for the year ended December 31, 2017, in Mexican Peso terms. The decrease resulted primarily from a slowdown in the high-income residential and industrial-and-commercial sectors and higher fuel costs, partially offset by an increase in our net sales.

Costa Rica. Our operating earnings before other expenses, net, from our operations in Costa Rica decreased 9% in 2017 compared to 2016 in Costa Rican Colones terms. Our operating earnings before other expenses from our operations in Costa Rica represented 3% of our total operating earnings before other expenses for the year ended December 31, 2017, in Mexican Peso terms. The decrease resulted primarily from higher energy costs, partially offset by an increase in our net sales.

Caribbean TCL. Our operating earnings before other expenses from our Caribbean TCL operations represented 1% of our total operating earnings before other expenses for the year ended December 31, 2017, in Mexican Peso terms.

Rest of South, Central America and the Caribbean. Our operating earnings before other expenses, net, from our operations in the Rest of South, Central America and the Caribbean decreased 6% in 2017 compared to 2016 in Dollar terms. Our operating earnings before other expenses from our operations in the Rest of South, Central America and the Caribbean region represented 7% of our total operating earnings before other expenses for the year ended December 31, 2017, in Mexican Peso terms. The decrease resulted primarily from a slowdown in construction activity for new projects in Nicaragua, partially offset by an increase in our net sales in the rest of the region.

Asia, Middle East and Africa

The Philippines. Our operating earnings before other expenses, net, from our operations in the Philippines decreased 58% in 2017 compared to 2016 in Philippine Peso terms. Our operating earnings before other expenses from our operations in the Philippines represented 3% of our total operating earnings before other expenses for the year ended December 31, 2017, in Mexican Peso terms. The decrease resulted primarily from a decrease in net sales and by an increase in our energy and distribution costs.

Egypt. Our operating earnings before other expenses, net, from our operations in Egypt decreased 70% in 2017 compared to 2016 in Egyptian Pound terms. Our operating earnings before other expenses from our operations in Egypt represented 1% of our total operating earnings before other expenses for the year ended December 31, 2017, in Mexican Peso terms. The decrease resulted primarily from higher fuel and electricity costs, partially offset by an increase in our net sales.

Rest of Asia, Middle East and Africa. Our operating earnings before other expenses, net, from our operations in the Rest of Asia, Middle East and Africa increased 12%, in 2017 compared to 2016 in Dollar terms. Our operating earnings before other expenses from our operations in the Rest of Asia, Middle East and Africa region represented 5% of our total operating earnings before other expenses for the year ended December 31, 2017, in Mexican Peso terms. The increase resulted primarily from an increase in our net sales.

Others. Our operating loss before other expenses, net, from our operations in our Others segment increased 11% in 2017 compared to 2016 in Dollar terms. The increase in our operating loss resulted primarily from an increase in our operating cost from our other segment partially offset by an increase in our net sales.

Other Expenses, Net. Our other expenses, net, increased by Ps2,145, in Mexican Peso terms, from an expense of Ps1,670 million in 2016 to an expense of Ps3,815 million in 2017. The increase in 2017 resulted primarily from goodwill impairment related to our operating segment in Spain, in addition to an expense recognized for a penalty imposed by the SIC in Colombia in connection with a market investigation, partially offset by the results from the sale of assets and lower impairment losses on property, machinery and equipment as compared to the prior year, net of other items. As a percentage of net sales, other expenses, net, increased from 0.7% in 2016 to 1.5% in 2017. See notes 6, 13.2, 14, 15 and 24.1 to our 2017 audited consolidated financial statements included elsewhere in this annual report.

The most significant items included under this caption for the years ended December 31, 2016 and 2017 are as follows:

	For the Year Ended December 31,	
	2016	2017
	(in millions of Mexican Pesos)	
Impairment losses	Ps (2,518)	Ps (2,936)
Restructuring costs	(778)	(843)
Charitable contributions	(93)	(127)
Results from the sale of assets and others, net	1,719	91
	Ps (1,670)	Ps (3,815)

Financial expense. Our financial expense decreased 10%, from Ps21,487 million in 2016 to Ps19,301 million in 2017, primarily attributable to lower interest rates on our financial debt as well as a decrease in our financial debt during 2017 compared to 2016, partially offset by higher premium payments during 2017 compared to 2016. See notes 16.1 and 16.2 to our 2017 audited consolidated financial statements included elsewhere in this annual report.

Financial income (expense) and other items, net. Our financial income (expense) and other items, net, in Mexican Peso terms, decreased 19%, from Ps4,489 million in 2016 to Ps3,616 million in 2017, mainly as a result of foreign exchange results, which decreased significantly, from a gain of Ps5,004 million in 2016 to a loss of Ps26 million in 2017, primarily attributable to the fluctuation of the Mexican Peso versus the U.S. Dollar, partially offset by a gain in the sale and remeasurement of associates of Ps4,164. See notes 7 and 16.4 to our 2017 audited consolidated financial statements included elsewhere in this annual report.

The most significant items included under this caption for the years ended December 31, 2016 and 2017 are as follows:

	For the Year Ended December 31,	
	2016	2017
	(in millions of Mexican Pesos)	
Financial income (expense) and other items, net:		
Results from sale of associates and re-measurement of previously held interest before change in control of associates	—	4,164
Financial income	402	338
Results from financial instruments	113	161
Foreign exchange results	5,004	(26)
Effects of net present value on assets and liabilities and others, net	(1,030)	(1,021)
	Ps 4,489	Ps 3,616

Income Taxes. Our income tax effect in the income statements, which is primarily comprised of current income taxes plus deferred income taxes, decreased 83% from an expense of Ps3,125 million in 2016 to an expense of Ps520 million in 2017.

The decrease in the income tax expense is mainly attributable to our deferred income taxes during the period, which increased from deferred tax revenue of Ps331 in 2016 to deferred tax revenue of Ps2,938 in 2017. Such increase resulted primarily from the recognition of deferred income tax assets related to our operations in the United States due to revised and improved projections of taxable revenue in the future determined in 2017 as compared to 2016, net of the decrease in such deferred income tax assets in the United States regarding the Tax Cuts and Jobs Act enacted on December 22, 2017, which reduced the U.S. statutory federal tax rate from 35% to 21%. This net increase in deferred tax assets in the United States was partially offset by increases in the deferred income tax expense from our other operations during 2017 as compared to 2016. Our current income tax expense remained flat in 2017 as compared to 2016. See notes 19.1, 19.2 and 19.4 to our 2017 audited consolidated financial statements included elsewhere in this annual report.

For each of the years ended December 31, 2016 and 2017, our statutory income tax rate in Mexico was 30%. Our average effective tax rate in 2016, which is determined as described below, resulted in an income tax rate of 17.8%, considering earnings before income tax of Ps17,563 million, and our average effective tax rate in 2017 resulted in an income tax rate of 3.8%, considering earnings before income tax of Ps13,659 million. Our average effective tax rate equals the net amount of income tax expense divided by income before income taxes, as these line items are reported in our consolidated income statements. See “Item 3—Key Information—Risk Factors—Risks Relating to Our Business—Certain tax matters may have an adverse effect on our cash flow, financial condition and net income” and note 19.3 to our 2017 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 2017 decreased 9% from a net income from continuing operations of Ps14,438 million in 2016 to a net income from continuing operations of Ps13,139 million in 2017.

Discontinued operations. For the years ended December 31, 2016 and 2017, our discontinued operations included in our consolidated income statements amounted to Ps768 million and Ps3,499 million, respectively. As a percentage of net sales, discontinued operations, net of tax, represented 0.3% for the year ended as of December 31, 2016 and 1.4% for the year ended as of December 31, 2017. See note 4.2 to our 2017 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 2017 increased 9%, from a consolidated net income of Ps15,206 million in 2016 to a consolidated net income of Ps16,638 million in 2017.

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 21%, from an income of Ps1,173 million in 2016 to an income of Ps1,417 million in 2017, primarily attributable to an increase in the net income of the consolidated entities in which others have a non-controlling interest. See note 20.4 to our 2017 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 8%, from a controlling interest net income of Ps14,033 million in 2016 to Ps15,221 million in 2017.

Year Ended December 31, 2016 Compared to Year Ended December 31, 2015

Summarized in the table below are the percentage (%) increases (+) and decreases (-) for the year ended December 31, 2016, compared to the year ended December 31, 2015, in our domestic cement and ready-mix concrete sales volumes, as well as export sales volumes of cement and domestic cement and ready-mix concrete average sales prices for each of our geographic segments.

The table below and the other volume data presented by geographic segment in this "Year Ended December 31, 2016 Compared to Year Ended December 31, 2015" section are presented before eliminations resulting from consolidation (including those shown on note 4.4 to our 2017 audited consolidated financial statements included elsewhere in this annual report).

	Domestic Sales Volumes		Export Sales Volumes	Average Domestic Sales Prices in Local Currency(1)	
Geographic Segment	Cement	Ready-Mix Concrete	Cement	Cement	Ready-Mix Concrete
Mexico	+4%	-3%	+22%	+18%	+8%
United States(2)	+2%	-1%	—	+4%	+1%
Europe					
United Kingdom	+7%	-3%	—	+2%	+2%
France	—	+4%	—	—	-3%
Germany	Flat	+2%	-6%	-2%	+1%
Spain	-3%	+2%	-12%	-2%	-5%
Poland	-1%	+7%	-38%	-3%	-4%
Rest of Europe(3)	+1%	-1%	-43%	-2%	Flat
South, Central America and the Caribbean					
Colombia	Flat	-8%	—	+1%	+4%
Panama	-14%	-3%	—	+2%	-4%
Costa Rica	-12%	-9%	+18%	-3%	+2%
Rest of South, Central America and the Caribbean(4)	+7%	-31%	-29%	-5%	-9%
Asia, Middle East and Africa					
Philippines	+1%	+11%	-7%	+1%	+2%
Egypt	+2%	-3%	—	+3%	+6%
Rest of Asia, Middle East and Africa(5)	-44%	Flat	+76%	Flat	+3%

"—" = Not Applicable

(1) Represents the average change in domestic cement and ready-mix concrete prices in local currency terms. For purposes of a geographic segment consisting of a region, the average prices in local currency terms for

each individual country within the region are first translated into Dollar terms (except for the Rest of Europe, 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 Europe, in which they represent the weighted average change of prices in Euros) based on total sales volumes in the region.

(2) On January 31, 2017, one of CEMEX, S.A.B. de C.V.'s subsidiaries in the U.S. closed the sale of our Concrete Pipe Business to Quikrete for U.S.$500 million plus an additional U.S.$40 million contingent consideration based on future performance. Considering that we disposed of our entire concrete pipe division, the operations of the Concrete Pipe Business, as included in our consolidated income statements for the years ended December 31, 2015 and 2016 and for the one-month period ended January 31, 2017, were reclassified to the single line item "Discontinued Operations." On June 30, 2017, one of our subsidiaries in the U.S. closed the divestment of its Pacific Northwest Materials Business, consisting of aggregates, asphalt and ready mix concrete operations in Oregon and Washington, to Cadman Materials for U.S.$150 million. Considering the disposal of our Pacific Northwest Materials Business, these operations, as included in our consolidated income statements for the years ended December 31, 2015, 2016 and 2017, were reclassified to the single line item "Discontinued Operations." See note 4.2 to our 2017 audited consolidated financial statements included elsewhere in this annual report.

(3) The "Rest of Europe" segment refers primarily to operations in the Czech Republic, Croatia and Latvia, as well as trading activities in Scandinavia and Finland. On October 31, 2015, we completed the sale of our operations in Austria and Hungary. The operations in Austria and Hungary for the ten-month period ended October 31, 2015, included in our consolidated income statements, were reclassified to the single line item "Discontinued operations." See notes 2.1 and 4.2 to our 2017 audited consolidated financial statements included elsewhere in this annual report.

(4) "Rest of South, Central America and the Caribbean" refers primarily to our operations in Puerto Rico, the Dominican Republic, Jamaica, Nicaragua and other countries in the Caribbean, excluding Caribbean TCL, Guatemala, and small ready-mix concrete operations in Argentina.

(5) The "Rest of Asia, Middle East and Africa" segment includes the operations in the UAE and Israel. On May 26, 2016, we completed the sale of our operations in Bangladesh and Thailand. See "Item 4—Information on the Company—Our Corporate Structure—Rest of Asia, Middle East and Africa—Sale of our Operations in Rest of Asia, Middle East and Africa." Our operations in Bangladesh and Thailand for the period from January 1, 2016 to May 26, 2016 and the year ended December 31, 2015 included in our consolidated income statements were reclassified to the single line item "Discontinued operations," which includes, in 2016, a gain on sale of U.S.$24 million (Ps424 million). See note 4.2 to our 2017 audited consolidated financial statements included elsewhere in this annual report.

On a consolidated basis, our cement sales volumes remained relatively flat at 68.2 million tons in 2015 and 68.3 million tons in 2016, and our ready-mix concrete sales volumes decreased 1%, from 51.8 million cubic meters in 2015 to 51.4 million cubic meters in 2016. Our net sales increased 14%, from Ps219,299 million in 2015 to Ps249,945 million in 2016, and our operating earnings before other expenses, net increased 32%, from Ps26,876 million in 2015 to Ps35,543 million in 2016.

The following tables present selected financial information of net sales and operating earnings before other expenses, net for each of our geographic segments for the years ended December 31, 2016 and 2015. The net sales information in the table below is presented before eliminations resulting from consolidation (including those shown in note 4.4 to our 2017 audited consolidated financial statements included elsewhere in this annual report). Variations in net sales determined by Mexican Pesos include the appreciation or depreciation which occurred during the period between the local currencies of the countries in the regions vis-à-vis the Mexican Peso; therefore, such variations differ substantially from those based solely on the countries' local currencies:

Geographic Segment	Variation in Local Currency(1)	Approximate Currency Fluctuations	Variation in Mexican Pesos	Net Sales For the Year Ended 2015	2016
			(in millions of Mexican Pesos)		
Mexico	+7%	—	+7%	Ps 50,260	Ps 53,579
United States(2)	—	+17%	+17%	56,846	66,554
Europe					
United Kingdom	+2%	+3%	+5%	20,227	21,153
France	+3%	+17%	+20%	12,064	14,535
Germany	-2%	+18%	+16%	8,285	9,572
Spain	-9%	+16%	+7%	6,151	6,563
Poland	-4%	+12%	+8%	4,445	4,799
Rest of Europe(3)	-4%	+10%	+6%	7,457	7,935
South, Central America and the Caribbean					
Colombia	+1%	+6%	+7%	11,562	12,415
Panama	-10%	+17%	+7%	4,599	4,906
Costa Rica	-8%	+14%	+6%	2,658	2,818
Rest of South, Central America and the Caribbean(4)	-9%	+2%	-7%	12,177	11,378
Asia, Middle East and Africa					
Philippines	+2%	+12%	+14%	8,436	9,655
Egypt	+5%	-5%	—	6,923	6,950
Rest of Asia, Middle East and Africa(5)	-2%	+17%	+19%	9,929	11,858
Others(6)	+15%	-3%	+12%	16,793	18,846
Net sales from continuing operations before eliminations resulting from consolidation			+10%	Ps 238,812	Ps 263,516
Eliminations resulting from consolidation				19,513	13,571
Net sales from continuing operations			+14%	Ps 219,299	Ps 249,945

Geographic Segment	Variation in Local Currency(1)	Approximate Currency Fluctuations	Variation in Mexican Pesos	Operating Earnings (Loss) Before Other Expenses, Net For the Year Ended December 31, 2015	2016
			(in millions of Mexican Pesos)		
Mexico	+30%	—	+30%	Ps 12,963	Ps 16,866
United States(2)	+68%	+26%	+94%	2,356	4,573
Europe					
United Kingdom	+48	-2%	+50%	1,701	2,559
France	-33%	+13%	-20%	232	185
Germany	-15%	-27%	-42%	153	89
Spain	-68%	+3%	-65%	427	151
Poland	-28%	+10%	-18%	303	249
Rest of Europe(3)	+10%	+20%	+30%	371	481
South, Central America and the Caribbean					
Colombia	-7%	+5%	-2%	3,541	3,486
Panama	-1%	+17%	+16%	1,571	1,830
Costa Rica	-11%	+13%	+2%	994	1,011
Rest of South, Central America and the Caribbean(4)	+32%	—	+32%	1,850	2,438
Asia, Middle East and Africa					
Philippines	+10%	+13%	+23%	1,759	2,157
Egypt	+59%	-5%	+54%	1,241	1,915
Rest of Asia, Middle East and Africa(5)	+13%	+17%	+31%	1,006	1,318
Others(6)	+6%	-1%	+5%	(3,592)	(3,765)
Operating Earnings before other expenses, net			+32%	Ps 26,876	Ps 35,543

"—" = Not Applicable

(1) Represents the variation in local currency terms. For purposes of a geographic segment consisting of a region, the variation in local currency terms for each individual country within the region are first translated into Dollar terms (except for the Rest of Europe, 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 Europe region, in which they represent the change in Euros), net, in the region.

(2) On January 31, 2017, one of CEMEX, S.A.B. de C.V.'s subsidiaries in the U.S. closed the sale of our Concrete Pipe Business to Quikrete for U.S.$500 million plus an additional U.S.$40 million contingent consideration based on future performance. Considering that we disposed of our entire concrete pipe division, the operations of the Concrete Pipe Business, as included in our consolidated income statements for the years ended December 31, 2015 and 2016 and for the one-month period ended January 31, 2017, were reclassified to the single line item "Discontinued Operations." On June 30, 2017, one of our subsidiaries in the U.S. closed the divestment of its Pacific Northwest Materials Business, consisting of aggregates, asphalt and ready mix concrete operations in Oregon and Washington, to Cadman Materials for U.S.$150 million. Considering the disposal of our Pacific Northwest Materials Business, these operations, as included in our consolidated income statements for the years ended December 31, 2015, 2016 and 2017 were reclassified to the single line item "Discontinued Operations." See note 4.2 to our 2017 audited consolidated financial statements included elsewhere in this annual report.

(3) The "Rest of Europe" segment refers primarily to operations in the Czech Republic, Croatia and Latvia, as well as trading activities in Scandinavia and Finland. On October 31, 2015, we completed the sale of our operations in Austria and Hungary. The operations in Austria and Hungary for the ten-month period ended October 31, 2015, included in our consolidated income statements, were reclassified to the single line item "Discontinued operations." See notes 2.1 and 4.2 to our 2017 audited consolidated financial statements included elsewhere in this annual report.

(4) "Rest of South, Central America and the Caribbean" refers primarily to our operations in Puerto Rico, the Dominican Republic, Nicaragua, Jamaica and other countries in the Caribbean, excluding Caribbean TCL, Guatemala, and small ready-mix concrete operations in Argentina.
(5) The "Rest of Asia, Middle East and Africa" segment includes the operations in the UAE and Israel. On May 26, 2016, we completed the sale of our operations in Bangladesh and Thailand. See "Item 4—Information on the Company—Our Corporate Structure—Rest of Asia, Middle East and Africa—Sale of our Operations in Rest of Asia, Middle East and Africa." Our operations in Bangladesh and Thailand for the period from January 1, 2016 to May 26, 2016 and the year ended December 31, 2015 included in our consolidated income statements were reclassified to the single line item "Discontinued operations," which includes, in 2016, a gain on sale of U.S.$24 million (Ps424 million). See note 4.2 to our 2017 audited consolidated financial statements included elsewhere in this annual report.
(6) The "Others" segment refers to: (i) cement trade maritime operations, (ii) our information technology solutions business (Neoris N.V.), (iii) CEMEX, S.A.B. de C.V. and other corporate entities and (iv) other minor subsidiaries with different lines of business.

Net sales. Our consolidated net sales increased 14%, from Ps219,299 million in 2015 to Ps249,945 million in 2016. The increase was primarily attributable to higher prices of our products, in local currency terms, in most of our operations, as well as higher volumes in the U.S., and our Asia, Middle East and Africa region. Set forth below is a quantitative and qualitative analysis of the various factors affecting our net sales on a geographic segment basis. The discussion of volume data and net sales information below is presented before eliminations resulting from consolidation as described in note 4.4 to our 2017 audited consolidated financial statements included elsewhere in this annual report.

Mexico

Our domestic cement sales volumes from our operations in Mexico increased 4% in 2016 compared to 2015, and ready-mix concrete sales volumes decreased 3% over the same period. Our net sales from our operations in Mexico represented 20% of our total net sales from continuing operations for the year ended December 31, 2016, in Mexican Peso terms, before eliminations resulting from consolidation. The increase in domestic cement sales volumes was primarily attributable to conditions in the industrial/commercial, formal housing and self-construction sectors, as well as our value-before-volume strategy. The industrial/commercial sector was supported by continued commercial activity, as well as warehouse and industrial-park construction. Despite a decline in government subsidies during 2016, the formal residential sector benefited from the *Instituto del Fondo Nacional de la Vivienda para los Trabajadores'* (Infonavit) stable investment and banks' double-digit growth in mortgage lending. The main indicators for the self-construction sector, including remittances and job creation, remained solid during the year. Our cement export volumes from our operations in Mexico, which represented 4% of our Mexican cement sales volumes for the year ended December 31, 2016, increased 22% in 2016 compared to 2015. Of our total cement export volumes from our operations in Mexico during 2016, 46% was shipped to the United States, 41% to Central America and the Caribbean and 13% to South America. Our average sales price of domestic cement from our operations in Mexico increased 18%, in Mexican Peso terms, in 2016 compared to 2015, and our average sales price of ready-mix concrete also increased 8%, in Mexican Peso terms, over the same period. For the year ended December 31, 2016, cement represented 57%, ready-mix concrete 21% and our aggregates and other businesses 22% of our net sales in Mexican Peso terms from our operations in Mexico before intra-sector eliminations within the segment and before eliminations resulting from consolidation, as applicable.

As a result of an increase in domestic cement sales volumes and domestic cement and ready-mix concrete sales prices, partially offset by a decrease in ready-mix concrete sales volumes, our net sales in Mexico, in Mexican Peso terms, increased 7% in 2016 compared to 2015.

United States

Our domestic cement sales volumes from our operations in the United States increased 2% in 2016 compared to 2015 sales, and ready-mix concrete sales volumes decreased 1% over the same period. The increases in the domestic cement sales volume of our operation in the United States were mainly driven by the residential, construction and infrastructure sectors. The residential sector was supported by low interest rates and inventories, strong job creation and household formation. Construction spending for the cement-intensive segments in the industrial/commercial sector increased in 2016, which reflected growth in the lodging and office segments, offsetting a decline in energy, agriculture and manufacturing. In the infrastructure sector, streets-and-highways spending picked up toward the end of the year after a weak pre-election performance. Our operations in the United States represented 25% of our total net sales from continuing operations for the year ended December 31, 2016, in Mexican Peso terms, before eliminations resulting from consolidation. Our average domestic cement sales prices of our operations in the United States increased 4%, in Dollar terms, in 2016 compared to 2015, and our average ready-mix concrete sales price increased 1%, in Dollar terms, over the same period. For the year ended December 31, 2016, cement represented 33%, ready-mix concrete 42% and our aggregates and other businesses 25% of net sales in Mexican Peso terms from our operations in the United States before intra-sector eliminations within the segment and before eliminations resulting from consolidation, as applicable.

As a result of the increases in domestic cement sales volumes and sales prices and ready-mix concrete sales prices, completely offset by a decrease in our ready-mix concrete and other segments sales volumes, net sales from our operations in the United States, in Dollar terms, remained flat in 2016 compared to 2015.

Europe

In 2016, our operations in the Europe region consisted of our operations in the United Kingdom, France, Germany, Spain and Poland which represent the most significant operations in this region, in addition to the Rest of Europe, which refers primarily to operations in the Czech Republic, Croatia and Latvia, as well as trading activities in Scandinavia and Finland. Our net sales from our operations in the Europe region represented 25% of our total net sales from continuing operations for the year ended December 31, 2016, in Mexican Peso terms, before eliminations resulting from consolidation. As of December 31, 2016, our operations in the Europe region represented 19% of our total assets from continuing operations. Set forth below is a quantitative and qualitative analysis of the effects of the various factors affecting our net sales for our main operations in the Europe region.

United Kingdom

Our domestic cement sales volumes from our operations in the United Kingdom increased 7% in 2016 compared to 2015, and ready-mix concrete sales volumes decreased 3% over the same period. The increase in domestic cement sales volumes resulted primarily from improvements in all of our main demand sectors. In addition, cement volume growth during the year benefited from higher sales of blended cement that resulted from fly ash scarcity. Our operations in the United Kingdom represented 8% of our total net sales from continuing operations for the year ended December 31, 2016, in Mexican Peso terms, before eliminations resulting from consolidation. Our average sales price of domestic cement from our operations in the United Kingdom increased 2%, in Pound terms, in 2016 compared to 2015, and our average sales price of ready-mix concrete increased 2%, in Pound terms, over the same period. For the year ended December 31, 2016, cement represented 18%, ready-mix concrete 27% and our aggregates and other businesses 55% of net sales in Mexican Peso terms from our operations in the United Kingdom before intra-sector eliminations within the segment and before eliminations resulting from consolidation, as applicable.

As a result of the increases in domestic cement sales volumes and sales prices and ready-mix concrete sales prices, partially offset by a decrease in ready-mix concrete sales volumes, net sales from our operations in the United Kingdom, in Pound terms, increased 2% in 2016 compared to 2015.

France

Our ready-mix concrete sales volumes from our operations in France increased 4% in 2016 compared to 2015. The increase in ready-mix concrete sales volumes resulted primarily from improvements in the residential and industrial/commercial sectors, which were the main drivers of demand during the year. The residential sector was supported by low interest rates and government initiatives, including a buy-to-let program and zero-rates loans for first time buyers. Our operations in France represented 6% of our total net sales from continuing operations for the year ended December 31, 2016, in Mexican Peso terms, before eliminations resulting from consolidation. Our average sales price of ready-mix concrete of our operations in France decreased 3%, in Euro terms, in 2016 compared to 2015. For the year ended December 31, 2016, ready-mix concrete represented 67% and our aggregates and other businesses 33% of net sales in Mexican Peso terms from our operations in France before intra-sector eliminations within the segment and before eliminations resulting from consolidation, as applicable.

As a result of the increases in ready-mix concrete sales volumes, partially offset by the decrease in ready-mix concrete sales prices, net sales from our operations in France, in Euro terms, increased 3% in 2016 compared to 2015.

Germany

Our domestic cement sales volumes from our operations in Germany remained flat in 2016 compared to 2015, and ready-mix concrete sales volumes increased 2% over the same period. Competitive dynamics improved during 2016. The residential sector was the main driver of cement consumption despite capacity constraints in the local construction industry and public authorities' restrictions. This sector continued to benefit from low unemployment and mortgage rates, rising purchasing power and growing immigration. Our cement export volumes from our operations in Germany, which represented 37% of our cement sales volumes in Germany for the year ended December 31, 2016, decreased 6% in 2016 compared to 2015. Our operations in Germany represented 4% of our total net sales from continuing operations for the year ended December 31, 2016, in Mexican Peso terms, before eliminations resulting from consolidation. Our average sales price of domestic cement from our operations in Germany decreased 2%, in Euro terms, in 2016 compared to 2015, and our average sales price of ready-mix concrete increased 1%, in Euro terms, over the same period. For the year ended December 31, 2016, cement represented 28%, ready-mix concrete 37% and our aggregates and other businesses 35% of net sales in Mexican Peso terms from our operations in Germany before intra-sector eliminations within the segment and before eliminations resulting from consolidation, as applicable.

As a result of the decrease in domestic cement sales prices, partially offset by the increases in ready-mix concrete sales prices and sales volumes, net sales from our operations in Germany, in Euro terms, decreased 2% in 2016 compared to 2015.

Spain

Our domestic cement sales volumes from our operations in Spain decreased 3% in 2016 compared to 2015, while ready-mix concrete sales volumes increased 2% over the same period. Political uncertainty for most of 2016 weighed on consumer sentiment, and the construction activity was particularly negatively affected during 2016. The residential sector, which was the main driver of cement demand during the year, benefited from favorable credit conditions and income prospects, job creation and pent-up housing demand. Our operations in Spain represented 2% of our total net sales from continuing operations for the year ended December 31, 2016, in Mexican Peso terms, before eliminations resulting from consolidation. Our cement export volumes from our operations in Spain, which represented 58% of our Spain cement sales volumes for the year ended December 31, 2016, decreased 12% in 2016 compared to 2015. Of our total cement export volumes from our operations in Spain during 2016, 13% were to SAC region, 16% were to the United States, 15% were to Europe, and 56% were to Asia, Middle East and Africa. Our average sales price of domestic cement of our operations in Spain decreased

2%, in Euro terms, in 2016 compared to 2015, and our average sales price of ready-mix concrete decreased 5%, in Euro terms, over the same period. For the year ended December 31, 2016, cement represented 79%, ready-mix concrete 12% and our aggregates and other businesses 9% of net sales in Mexican Peso terms from our operations in Spain before intra-sector eliminations within the segment and before eliminations resulting from consolidation, as applicable.

As a result of the decreases in domestic cement sales volumes and domestic cement and ready-mix concrete sales prices, partially offset by an increase in ready-mix concrete sales volumes, net sales from our operations in Spain, in Euro terms, decreased 9% in 2016 compared to 2015.

Poland

Our domestic cement sales volumes from our operations in Poland decreased 1% in 2016 compared to 2015, while ready-mix concrete sales volumes increased 7% over the same period. Domestic cement volume decline reflects further delays in infrastructure sector projects and a slight loss in our market position. The residential sector was the main driver of demand during 2016. Our cement export volumes from our operations in Poland, which represented 4% of our Poland cement sales volumes for the year ended December 31, 2016, decreased 38% in 2016 compared to 2015. Of our total cement export volumes from our operations in Poland during 2016, 72% were to Germany and 28% were to the Rest of Europe region. Our operations in Poland represented 2% of our total net sales from continuing operations for the year ended December 31, 2016, in Mexican Peso terms, before eliminations resulting from consolidation. Our average sales price of domestic cement of our operations in Poland decreased 3%, in Euro terms, in 2016 compared to 2015, and our average sales price of ready-mix concrete decreased 4%, in Euro terms, over the same period. For the year ended December 31, 2016, cement represented 48%, ready-mix concrete 38% and our aggregates and other businesses 14% of net sales from our operations in Poland before intra-sector eliminations within the segment and before eliminations resulting from consolidation, as applicable.

As a result of the decreases in domestic cement sales volumes and sales prices and ready-mix concrete sales prices, partially offset by an increase in ready-mix concrete sales volumes, net sales from our operations in Poland, in Euro terms, decreased 4% in 2016 compared to 2015.

Rest of Europe

Our domestic cement sales volumes from our operations in the Rest of Europe increased 1% in 2016 compared to 2015, and ready-mix concrete sales volumes decreased 1% over the same period. The decreases in ready-mix concrete sales volumes in the Rest of Europe region were primarily due to a decrease in our sales volumes in the Croatian Operations. Our cement export volumes from our operations in the Rest of Europe segment, which represented 25% of our Rest of Europe cement sales volumes for the year ended December 31, 2016, decreased 43% in 2016 compared to 2015. Of our total cement export volumes from our operations in Rest of Europe during 2016, 67% was shipped within the same region, 30% to South, Central America and the Caribbean, 2% to Poland and 1% to Germany. Our net sales from our operations in the Rest of Europe represented 3% of our total net sales from continuing operations for the year ended December 31, 2016, in Mexican Peso terms, before eliminations resulting from consolidation. Our average sales price of domestic cement from our operations in the Rest of Europe decreased 2%, in Euro terms, in 2016 compared to 2015, and our average sales price of ready-mix concrete remained flat in Euro terms, over the same period. For the year ended December 31, 2016, cement represented 60%, ready-mix concrete 26% and our aggregates and other businesses 14% of net sales in Mexican Peso terms from our operations in the Rest of Europe before intra-sector eliminations within the segment and before eliminations resulting from consolidation, as applicable.

As a result of the decreases in ready-mix concrete sales volumes and domestic cement sales prices, partially offset by the increases in domestic cement sales prices, net sales in the Rest of Europe, in Euro terms, decreased 4% in 2016 compared to 2015.

South, Central America and the Caribbean

In 2016, our operations in the SAC region consisted of our operations in Colombia, which represented the most significant operations in this region, in addition to Panama, Costa Rica, and the Rest of South, Central America and the Caribbean, which refers primarily to operations in Puerto Rico, the Dominican Republic, Nicaragua, Jamaica and other countries in the Caribbean, excluding our Caribbean TCL segment, Guatemala, and small ready-mix concrete operations in Argentina. Some of these trading operations in the Caribbean region consist of the resale of cement produced by our operations in Mexico. Our net sales from our operations in the SAC region, excluding Caribbean TCL, represented 12% of our total net sales for the year ended December 31, 2016, in Mexican Peso terms, before eliminations resulting from consolidation. As of December 31, 2016, our operations in the SAC region represented 8% of our total assets. Set forth below is a quantitative and qualitative analysis of the effects of the various factors affecting our net sales for our main operations in the SAC region excluding Caribbean TCL.

Colombia

Our domestic cement sales volumes from our operations in Colombia remained flat in 2016 compared to 2015, and ready-mix concrete sales volumes decreased 8% over the same period. The decrease in ready-mix concrete sales volumes was primarily due to delays and macroeconomic challenges that adversely affected national consumption during 2016. Our net sales from our operations in Colombia represented 5% of our total net sales for the year ended December 31, 2016, in Mexican Peso terms, before eliminations resulting from consolidation. Our average sales price of domestic cement from our operations in Colombia increased 1%, in Colombian Peso terms, in 2016 compared to 2015, and our average sales price of ready-mix concrete increased 4%, in Colombian Peso terms, over the same period. For the year ended December 31, 2016, cement represented 54%, ready-mix concrete 27% and our aggregates and other businesses 19% of our net sales in Mexican Peso terms from our operations in Colombia before intra-sector eliminations within the segment and before eliminations resulting from consolidation, as applicable.

As a result of the increases in domestic cement and ready-mix concrete sales prices, partially offset by the decrease in ready-mix concretes sales volumes, net sales of our operations in Colombia, in Colombian Peso terms, increased 1% in 2016 compared to 2015.

Panama

Our domestic cement sales volumes from our operations in Panama decreased 14% in 2016 compared to 2015, while ready-mix concrete sales volumes decreased 3% over the same period. Our operations in Panama represented 2% of our total net sales from continuing operations for the year ended December 31, 2016, in Mexican Peso terms, before eliminations resulting from consolidation. Our average sales price of domestic cement of our operations in Panama increased 2%, in Dollar terms, in 2016 compared to 2015, and our average sales price of ready-mix concrete decreased 4%, in Dollar terms, over the same period. For the year ended December 31, 2016, cement represented 64%, ready-mix concrete 27% and our aggregates and other businesses 9% of net sales from our operations in Panama before intra-sector eliminations within the segment and before eliminations resulting from consolidation, as applicable.

As a result of the decreases in domestic cement sales and ready-mix concrete volumes and ready-mix concrete sales prices, partially offset by an increase in domestic cement sales prices, net sales from our operations in Panama, in Dollar terms, decreased 10% in 2016 compared to 2015.

Costa Rica

Our domestic cement sales volumes from our operations in Costa Rica decreased 12% in 2016 compared to 2015, while ready-mix concrete sales volumes decreased 9% over the same period. Our operations in Costa Rica

represented 1% of our total net sales for the year ended December 31, 2016, in Mexican Peso terms, before eliminations resulting from consolidation. Our cement export volumes from our operations in Costa Rica, which represented 29% of our Costa Rica cement sales volumes for the year ended December 31, 2016, increased 18% in 2016 compared to 2015. All of our total cement exports from our operations in Costa Rica during 2016 were within the same region. Our average sales price of domestic cement of our operations in Costa Rica decreased 3%, in Costa Rican Colones terms, in 2016 compared to 2015, and our average sales price of ready-mix concrete increased 2%, in Costa Rican Colones terms, over the same period. For the year ended December 31, 2016, cement represented 76%, ready-mix concrete 14% and our aggregates and other businesses 10% of net sales from our operations in Costa Rica before intra-sector eliminations within the segment and before eliminations resulting from consolidation, as applicable.

As a result of the decreases in domestic cement and reedy-mix concrete sales volumes and sales prices, partially offset by an increase in domestic ready-mix concrete sales prices, net sales from our operations in Costa Rica, in Costa Rican Colones terms, decreased 8% in 2016 compared to 2015.

Rest of South, Central America and the Caribbean

Our domestic cement volumes from our operations in the Rest of South, Central America and the Caribbean excluding Caribbean TCL increased 7% in 2016 compared to 2015, and ready-mix concrete sales volumes decreased 31% over the same period. Our net sales from our operations in the Rest of South, Central America and the Caribbean excluding Caribbean TCL represented 4% of our total net sales for the year ended December 31, 2016, in Mexican Peso terms, before eliminations resulting from consolidation. Our cement export volumes from our operations in the Rest of South, Central America and the Caribbean segment excluding Caribbean TCL, which represented 12% of our Rest of South, Central America and the Caribbean excluding Caribbean TCL cement sales volumes for the year ended December 31, 2016, decreased 29% in 2016 compared to 2015. Our average sales price of domestic cement from our operations in the Rest of South, Central America and the Caribbean excluding Caribbean TCL decreased 5% in Dollar terms, in 2016 compared to 2015, and our average sales price of ready-mix concrete decreased 9%, in Dollar terms, over the same period. For the year ended December 31, 2016, cement represented 84%, ready-mix concrete 12% and our other businesses 4% of net sales in Mexican Peso terms from our operations in the Rest of South, Central America and the Caribbean excluding Caribbean TCL before intra-sector eliminations within the segment and before eliminations resulting from consolidation, as applicable.

As a result of the decreases in ready-mix concrete sales volumes and sales prices and domestic cement sales prices, partially offset by the increase in domestic cement sales volumes, net sales of our operations in the Rest of South, Central America and the Caribbean excluding Caribbean TCL, in Dollar terms, decreased 9% in 2016 compared to 2015.

Asia, Middle East and Africa

For the year ended December 31, 2016, our operations in the Asia, Middle East and Africa region consisted of our operations in Egypt and the Philippines, which represent the most significant operations in this region, in addition to the Rest of Asia, Middle East and Africa, which refers primarily to operations in the UAE and Israel. Our net sales from our operations in the Asia, Middle East and Africa region represented 11% of our total net sales for the year ended December 31, 2016, in Mexican Peso terms, before eliminations resulting from consolidation. As of December 31, 2016, our operations in the Asia, Middle East and Africa region represented 5% of our total assets. Set forth below is a quantitative and qualitative analysis of the effects of the various factors affecting our net sales for our main operations in the Asia, Middle East and Africa region.

The Philippines

Our domestic cement sales volumes from our operations in the Philippines increased 1% in 2016 compared to 2015, while ready-mix concrete sales volumes increased 11% over the same period. The increase in our domestic cement sales volumes resulted primarily from moderation in cement consumption, especially in infrastructure, due to the post-election government transition. Our cement export volumes from our operations in

Philippines, which represented less than 1% of our Philippines cement sales volumes for the year ended December 31, 2016, decreased 7% in 2016 compared to 2015. Our net sales from our operations in the Philippines represented 4% of our total net sales for the year ended December 31, 2016, in Mexican Peso terms, before eliminations resulting from consolidation. Our average sales price of domestic cement from our operations in the Philippines increased 1% in Philippine Peso terms, in 2016 compared to 2015, while ready-mix concrete sales prices increased 2% over the same period. For the year ended December 31, 2016, cement represented 96%, ready-mix concrete 1% and our aggregates and other businesses 3% of our net sales in Mexican Peso terms from our operations in the Philippines before intra-sector eliminations within the segment and before eliminations resulting from consolidation, as applicable.

As a result of the increases in domestic cement and ready-mix concrete sales volumes and sales prices, net sales of our operations in the Philippines, in Philippine Peso terms, increased 2% in 2016 compared to 2015.

Egypt

Our domestic cement sales volumes from our operations in Egypt increased 2% in 2016 compared to 2015, while ready-mix concrete sales volumes decreased 3% over the same period.

The decrease in ready-mix concrete sales volumes resulted primarily from the currency depreciation, which triggered inflation and reduced purchasing power. Our net sales from our operations in Egypt represented 3% of our total net sales for the year ended December 31, 2016, in Mexican Peso terms. Our average sales price of domestic cement increased 3%, in Egyptian Pound terms, in 2016 compared to 2015, and our average sales price of ready-mix concrete increased 6%, in Egyptian Pound terms, over the same period. For the year ended December 31, 2016, cement represented 84%, ready-mix concrete 13% and our aggregates and other businesses 3% of net sales in Mexican Peso terms from our operations in Egypt before intra-sector eliminations within the segment and before eliminations resulting from consolidation, as applicable.

As a result of the increases in domestic cement sales volumes and sales prices and ready-mix concrete sales prices, partially offset by the decreases in ready-mix concrete sales volumes, our net sales in Egypt, in Egyptian Pound terms, increased 5% in 2016 compared to 2015.

Rest of Asia, Middle East and Africa

Our domestic cement sales volumes from our operations in the Rest of Asia, Middle East and Africa decreased 44% in 2016 compared to 2015, and ready-mix concrete sales volumes remained flat over the same period. The decrease in our domestic cement sales volumes resulted primarily from a decrease in our sales volumes in our UAE operations. Our net sales from our operations in our Rest of Asia, Middle East and Africa segment represented 4% of our total net sales for the year ended December 31, 2016, in Mexican Peso terms, before eliminations resulting from consolidation. Our cement export volumes from our operations in Rest of Asia, Middle East and Africa, which represented 65% of our Rest of Asia, Middle East and Africa cement sales volumes for the year ended December 31, 2016, increased 76% in 2016 compared to 2015. All of our total cement exports from our operations in Rest of Asia, Middle East and Africa during 2016 were within the same region. Our average sales price of domestic cement remained flat in Dollar terms, in 2016 compared to 2015, and the average sales price of ready-mix concrete increased 3%, in Dollar terms, over the same period. For the year ended December 31, 2016, cement represented 7%, ready-mix concrete 66% and our other businesses 27% of net sales in Mexican Peso terms from our operations in the Rest of Asia, Middle East and Africa before intra-sector eliminations within the segment and before eliminations resulting from consolidation, as applicable.

As a result of the decrease in domestic cement sales volumes partially offset by the increase in ready-mix concrete sales prices, net sales from our operations in the Rest of Asia, Middle East and Africa, in Dollar terms, decreased 2% in 2016 compared to 2015.

Others

Our Others segment refers to: (i) cement trade maritime operations, (ii) our information technology solutions business (Neoris N.V.), (iii) CEMEX, S.A.B. de C.V. and other corporate entities and (iv) other minor subsidiaries with different lines of business. Net sales from our Others segment increased 15% before intra-sector eliminations within the segment and before eliminations resulting from consolidation, as applicable, in 2016 compared to 2015, in Dollar terms. The increase resulted primarily from an increase in our worldwide cement volume of our trading operations. For the year ended December 31, 2016, our information technology solutions company represented 30% and our trading operations represented 32% of our net sales in our Others segment, in Dollar terms.

Cost of Sales. Our cost of sales, including depreciation, increased 11% from Ps144,513 million in 2015 to Ps160,433 million in 2016. As a percentage of net sales, cost of sales decreased from 66% in 2015 to 64% in 2016. The decrease in cost of sales as a percentage of net sales was mainly driven by our cost reduction initiatives. Our cost of sales includes freight expenses of raw materials used in our production plants.

Gross Profit. For the reasons explained above, our gross profit increased 20% from Ps74,786 million in 2015 to Ps89,512 million in 2016. As a percentage of net sales, gross profit increased from 34% in 2015 to 36% in 2016. 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 distribution expenses and logistic expenses, which in aggregate represented costs of Ps23,374 million in 2015 and Ps26,245 million in 2016. As a percentage of net sales, distribution and logistics expenses remained flat at 11% in 2015 and in 2016.

Operating expenses. Our operating expenses, which are represented by administrative, selling and distribution and logistics expenses, increased 13%, from Ps47,910 million in 2015 to Ps53,969 million in 2016. As a percentage of net sales, operating expenses remained flat at 22% in 2015 and in 2016. 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 administrative and selling 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 expenses." For the years ended December 31, 2015 and 2016, selling expenses included as part of the line item "Operating expenses" amounted to Ps5,883 million and Ps6,974 million, respectively. As mentioned before, 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 logistic expenses, which in aggregate represented costs of Ps23,374 million in 2015 and Ps26,245 million in 2016. As a percentage of net sales, distribution and logistics expenses remained flat at 11% in 2015 and in 2016.

Operating Earnings Before Other Expenses, Net

For the reasons mentioned above, our operating earnings before other expenses, net increased 32% from Ps26,876 million in 2015 to Ps35,543 million in 2016. As a percentage of net sales, operating earnings before other expenses, net increased from 12% in 2015 to 14% in 2016. Additionally, set forth below is a quantitative and qualitative analysis of the effects of the various factors affecting our operating earnings before other expenses, net on a geographic segment basis.

Mexico

Our operating earnings before other expenses, net, from our operations in Mexico increased 30% in 2016 compared to 2015, in Mexican Peso terms, from operating earnings before other expenses, net, of Ps12,963 million in 2015 to operating earnings before other expenses, net, of Ps16,866 million in 2016. Our

operating earnings before other expenses, net from our operations in Mexico represented 47% of our total operating earnings before other expenses, net for the year ended December 31, 2016, in Mexican Peso terms. The increase resulted primarily from higher contributions in our products, as well as an increase in domestic cement sales volumes.

United States

Our operating earnings before other expenses, net, from our operations in the United States increased 68% in 2016 compared to 2015 in Dollar terms. Our operating earnings before other expenses, net from our operations in the United States represented 13% of our total operating earnings before other expenses, net for the year ended December 31, 2016, in Mexican Peso terms. The increase in operating earnings before other expenses, net resulted primarily from an increase in domestic cement sales volumes and due to higher contributions in our products during 2016 compared to 2015.

Europe

United Kingdom. Our operating earnings before other expenses, net, from our operations in the United Kingdom increased 48% in 2016 compared to 2015 in Pound terms. Our operating earnings before other expenses, net from our operations in the United Kingdom represented 7% of our total operating earnings before other expenses, net for the year ended December 31, 2016, in Mexican Peso terms. The increase resulted primarily from our cost reduction initiatives and an increase in net sales of our domestic cement sales volumes.

France. Our operating earnings before other expenses, net, from our operations in France decreased 33% in 2016 compared to 2015 in Euro terms. Our operating earnings before other expenses, net from our operations in France represented 1% of our total operating earnings before other expenses, net for the year ended December 31, 2016, in Mexican Peso terms. The decrease in our operating earnings before other expenses, net in France resulted primarily from higher maintenance costs, partially offset by an increase in our net sales.

Germany. Our operating earnings before other expenses, net, from our operations in Germany decreased 15% in 2016 compared to 2015 in Euro terms. Our operating earnings before other expenses, net from our operations in Germany represented less than 1% of our total operating earnings before other expenses, net for the year ended December 31, 2016, in Mexican Peso terms. The decrease resulted primarily from a decrease in net sales.

Spain. Our operating earnings before other expenses, net, from our operations in Spain decreased 68% in 2016 compared to 2015 in Euro terms. Our operating earnings before other expenses, net from our operations in Spain represented less than 1% of our total operating earnings before other expenses, net for the year ended December 31, 2016, in Mexican Peso terms. The decrease in the operating earnings before other expenses, net, resulted primarily from a decrease in net sales.

Poland. Our operating earnings before other expenses, net, from our operations in Poland decreased 28% in 2016 compared to 2015 in Polish Zloty terms. Our operating earnings before other expenses, net from our operations in Poland represented 1% of our total operating earnings before other expenses, net for the year ended December 31, 2016, in Mexican Peso terms. The decrease in the operating earnings before other expenses, net, resulted primarily from a decrease in net sales.

Rest of Europe. Our operating earnings before other expenses, net, from our operations in the Rest of Europe increased 10% in 2016 compared to 2015 in Euro terms. Our operating earnings before other expenses, net from our operations in the Rest of Europe region represented 1% of our total operating earnings before other expenses, net for the year ended December 31, 2016, in Mexican Peso terms. The increase resulted primarily from our improved operating efficiencies in our Rest of Europe region, partially offset by a decrease in our net sales.

South, Central America and the Caribbean

Colombia. Our operating earnings before other expenses, net, from our operations in Colombia decreased 7% in 2016 compared to 2015 in Colombian Peso terms. Our operating earnings before other expenses, net from our operations in Colombia represented 10% of our total operating earnings before other expenses, net for the year ended December 31, 2016, in Mexican Peso terms. The decrease resulted primarily from increases in electricity rates and higher maintenance costs, partially offset by an increase in our net sales.

Panama. Our operating earnings before other expenses, net, from our operations in Panama decreased 1% in 2016 compared to 2015 in Dollar terms. Our operating earnings before other expenses, net from our operations in Panama represented 5% of our total operating earnings before other expenses, net for the year ended December 31, 2016, in Mexican Peso terms. The decrease in the operating earnings before other expenses, net, resulted primarily from a decrease in net sales.

Costa Rica. Our operating earnings before other expenses, net, from our operations in Costa Rica decreased 11% in 2016 compared to 2015 in Colones terms. Our operating earnings before other expenses, net from our operations in Costa Rica represented 3% of our total operating earnings before other expenses, net for the year ended December 31, 2016, in Mexican Peso terms. The decrease in the operating earnings before other expenses, net, resulted primarily from a decrease in net sales.

Rest of South, Central America and the Caribbean. Our operating earnings before other expenses, net, from our operations in the Rest of South, Central America and the Caribbean excluding Caribbean TCL increased 32% in 2016 compared to 2015 in Dollar terms. Our operating earnings before other expenses, net from our operations in the Rest of South, Central America and the Caribbean region excluding Caribbean TCL represented 7% of our total operating earnings before other expenses, net for the year ended December 31, 2016, in Mexican Peso terms. The increase resulted primarily from a reduction in our energy cost, mainly in Dominican Republic and Guatemala, partially offset by a decrease in net sales.

Asia, Middle East and Africa

The Philippines. Our operating earnings before other expenses, net, from our operations in the Philippines increased 10% in 2016 compared to 2015 in Philippine Peso terms. Our operating earnings before other expenses, net from our operations in the Philippines represented 6% of our total operating earnings before other expenses, net for the year ended December 31, 2016, in Mexican Peso terms. The increase resulted primarily from an increase in net sales.

Egypt. Our operating earnings before other expenses, net, from our operations in Egypt increased 59% in 2016 compared to 2015 in Egyptian Pound terms. Our operating earnings before other expenses, net from our operations in Egypt represented 5% of our total operating earnings before other expenses, net for the year ended December 31, 2016, in Mexican Peso terms. The increase resulted primarily from an increase in net sales.

Rest of Asia, Middle East and Africa. Our operating earnings before other expenses, net, from our operations in the Rest of Asia, Middle East and Africa increased 13% in 2016 compared to 2015 in Dollar terms. Our operating earnings before other expenses, net from our operations in the Rest of Asia, Middle East and Africa region represented 4% of our total operating earnings before other expenses, net for the year ended December 31, 2016, in Mexican Peso terms. The increase resulted primarily from our cost reduction initiatives and operating efficiencies.

Others. Our operating loss before other expenses, net, from our operations in our Others segment increased 6% in 2016 compared to 2015 in Dollar terms. The increase in our operating loss resulted primarily from an increase in our operating cost in our other segment, partially offset by an increase in net sales.

Other Expenses, Net. Our other expenses, net, decreased 45%, in Mexican Peso terms, from Ps3,032 million in 2015 to Ps1,670 million in 2016. The decrease resulted primarily from the sale of assets partially offset by

increase in impairment losses during 2016 compared to 2015. As a percentage of net sales, our other expenses, net, decreased from 1.4% in 2015 to 0.7% in 2016. In 2015, our other expenses, net, includes impairment losses from fixed assets of Ps1,145 million. In 2016, our other expenses, net, includes impairment losses from fixed assets of Ps1,899 million. See notes 6, 13.2, 14 and 15.1 to our 2017 audited consolidated financial statements included elsewhere in this annual report.

The most significant items included under this caption for the years ended December 31, 2015 and 2016 are as follows:

	For the Year Ended December 31,	
	2015	2016
	(in millions of Mexican Pesos)	
Impairment losses	Ps (1,517)	Ps (2,518)
Restructuring costs	(845)	(778)
Charitable contributions	(60)	(93)
Results from the sale of assets and others, net	(610)	1,719
	Ps (3,032)	Ps (1,670)

Financial expense. Our financial expense increased 9%, from Ps19,784 million in 2015 to Ps21,487 million in 2016, primarily attributable to costs associated with debt renegotiations during 2016. See notes 16.1 and 16.2 to our 2017 audited consolidated financial statements included elsewhere in this annual report.

Financial income (expense) and other items, net. Our financial income (expense) and other items, net increased from a net expense of Ps1,333 million in 2015 to a net revenue of Ps4,489 million in 2016. This increase is primarily attributable to our results from financial instruments, net, which changed from a loss of Ps2,729 million in 2015 to a gain of Ps113 million in 2016, primarily attributable to derivatives related to CEMEX, S.A.B. de C.V.'s shares, as well as by our foreign exchange results, which increased from a gain of Ps1,970 million in 2015 to a gain of Ps5,004 million in 2016 due to the fluctuation of the Mexican Peso against the U.S. Dollar. See notes 7 and 16.4 to our 2017 audited consolidated financial statements included elsewhere in this annual report.

The most significant items included under this caption for the years ended December 31, 2015 and 2016 are as follows:

	For the Year Ended December 31,	
	2015	2016
	(in millions of Mexican Pesos)	
Financial income (expense) and other items, net:		
Financial income	Ps 318	Ps 402
Results from financial instruments, net	(2,729)	113
Foreign exchange results	1,970	5,004
Effects of net present value on assets and liabilities and others, net	(892)	(1,030)
	Ps (1,333)	Ps 4,489

Income Taxes. Our income tax effect in the income statements, which is primarily comprised of current income taxes plus deferred income taxes, increased 32% from an expense of Ps2,368 million in 2015 to an expense of Ps3,125 million in 2016.

The increase in the income tax expense is mainly attributable to several factors discussed below. See notes 19.1 and 19.4 to our 2017 audited consolidated financial statements included elsewhere in this annual report.

Our current income tax expense increased from an income of Ps6,121 million in 2015 to an expense of Ps3,456 million in 2016. The increase in our current income tax expense in 2016 resulted primarily from a one-time benefit of Ps12,320 million recognized in 2015 resulting from the reduction of income tax accounts payable accrued in prior years related to the disconnection of the tax consolidation regime in Mexico pursuant to the income tax reform approved by the Mexican Congress in 2015. Such increase was partially offset by the significant devaluation of the Mexican Peso during 2016. See notes 19.2 and 19.4 to our 2017 audited consolidated financial statements included elsewhere in this annual report.

Our deferred income tax expense decreased from an expense of Ps8,489 million in 2015 to an income of Ps331 million in 2016. The decrease in our deferred income tax expense in 2016 resulted primarily from an expense of Ps5.9 billion recognized in 2015 attributable to the reduction of our deferred tax assets from tax loss carryforwards and also as a consequence of the changes resulting from the income tax reform in Mexico mentioned above, which allowed us to settle a portion of the income tax accounts payable related to the disconnection of the tax consolidation regime using the aforementioned deferred tax assets. Such decrease was partially offset by an increase in our deferred tax assets in 2016 of Ps856 million primarily related to the effects of foreign currency results. See notes 19.2 and 19.4 to our 2017 audited consolidated financial statements included elsewhere in this annual report.

For each of the years ended December 31, 2015 and 2016, our statutory income tax rate in Mexico was 30%. Our average effective tax rate in 2015, which is determined as described below, resulted in an income tax rate of 68.4%, considering earnings before income tax of Ps3,464 million, and our average effective tax rate in 2016 resulted in an income tax rate of 17.8%, considering earnings before income tax of Ps17,563 million. Our average effective tax rate equals the net amount of income tax expense divided by income before income taxes, as these line items are reported in our income statements. See note 19.3 to our 2017 audited consolidated financial statements included elsewhere in this annual report. See “Item 3—Key Information —Risk Factors—Risks Relating to Our Business—Certain tax matters may have an adverse effect on our cash flow, financial condition and net income.”

Net Income from continuing operations. For the reasons described above, our net income from continuing operations for 2016 increased significantly, from a net income from continuing operations of Ps1,096 million in 2015 to a net income from continuing operations of Ps14,438 million in 2016. As a percentage of net sales, net income from continuing operations, represented 5.8% and 0.4% for the years ended as of December 31, 2015 and 2016, respectively.

Discontinued operations. For the years ended December 31, 2015 and 2016, our discontinued operations included in our consolidated income statements amounted to Ps923 million and Ps1,173 million, respectively. As a percentage of net sales, discontinued operations, represented 0.4% and 0.3% for the years ended as of December 31, 2015 and 2016, respectively. See note 4.2 to our 2017 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 2016 increased significantly from a consolidated net income of Ps2,124 million in 2015 to a consolidated net income of Ps15,206 million in 2016.

Non-controlling Interest Net Income. Changes in non-controlling interest net income in any period reflect changes in the percentage of the stock of our subsidiaries held by non-associated third parties as of the end of each month during the relevant period and the consolidated net loss attributable to those subsidiaries. Non-controlling interest net income increased 27%, from an income of Ps923 million in 2015 to an income of Ps1,173 million in 2016, primarily attributable to an increase in the net income of the consolidated entities in which others have a non-controlling interest and to the increase in our non-controlling interest in our Philippines operations through CHP. See note 20.4 to our 2017 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 income of Ps1,201 million in 2015 to Ps14,033 million in 2016.

Liquidity and Capital Resources

Operating Activities

We have satisfied our operating liquidity needs primarily through operations of our subsidiaries and expect to continue to do so for both the short and long-term. Although cash flow from our operations has historically met our overall liquidity needs for operations, servicing debt and funding capital expenditures and acquisitions, our subsidiaries are exposed to risks from changes in foreign currency exchange rates, price and currency controls, interest rates, inflation, governmental spending, social instability and other political, economic and/or social developments in the countries in which we operate, any one of which may materially decrease our net income and decrease cash from operations. Consequently, in order to meet our liquidity needs, we also rely on cost-cutting and operating improvements to optimize capacity utilization and maximize profitability, as well as borrowing under credit facilities, proceeds of debt and equity offerings, and proceeds from asset sales. Our consolidated net cash flows provided by operating activities from continuing operations before financial expense and coupons on Perpetual Debentures and income taxes paid in cash were Ps43,441 million in 2015, Ps61,267 million in 2016 and Ps51,389 million in 2017. 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 present requirements.

Sources and Uses of Cash

Our review of sources and uses of resources below refers to nominal amounts included in our statement of cash flows for 2015, 2016 and 2017.

Our primary sources and uses of cash during the years ended December 31, 2015, 2016 and 2017 were as follows:

	Year Ended December 31,		
	2015	2016	2017
	(in millions of Mexican Pesos)		
Operating Activities			
Consolidated net income	2,124	15,206	16,638
Discontinued operations	1,028	768	3,499
Net income from continuing operations	1,096	14,438	13,139
Non-cash items	38,749	35,812	30,210
Changes in working capital, excluding income taxes	3,596	11,017	8,040
Net cash flows provided by operating activities from continuing operations before interest, coupons on Perpetual Debentures and income taxes	43,441	61,267	51,389
Financial expense and coupons on Perpetual Debentures and income taxes paid	(25,302)	(23,312)	(20,423)
Net cash flows provided by operating activities from continuing operations	18,139	37,955	30,966
Net cash flows provided by operating activities from discontinued operations	977	1,192	144
Net cash flows provided by operating activities	19,116	39,147	31,110
Investing Activities			
Property, machinery and equipment, net	(8,930)	(4,563)	(10,753)
Disposal of subsidiaries and associates, net	2,722	1,424	23,841
Other long-term assets and others, net	(1,672)	(2,341)	(1,479)
Net cash flows (used in) provided by investing activities from continuing operations	(7,880)	(5,480)	11,609
Net cash flows (used in) provided by investing activities from discontinued operations	(153)	1	—
Net cash flows (used in) provided by investing activities	(8,033)	(5,479)	11,609
Financing Activities			
Sale of non-controlling interest in subsidiaries	—	9,777	(55)
Derivative financial instruments	1,098	399	246
Repayment of debt, net	(11,473)	(46,823)	(39,299)
Other financial obligations, net	177	—	—
Securitization of trade receivables	(506)	(999)	169
Non-current liabilities, net	(1,763)	(1,972)	(3,745)
Net cash flows used in financing activities	(12,467)	(39,618)	(42,684)
Decrease in cash and cash equivalents from continuing operations	(2,208)	(7,143)	(109)
Increase in cash and cash equivalents from discontinued operations	824	1,193	144
Cash conversion effects, net	4,117	2,244	2,090
Cash and cash equivalents at the beginning of the year	12,589	15,322	11,616
Cash and cash equivalents at the end of the year	15,322	11,616	13,741

2017. During 2017, excluding the positive foreign currency effect of our initial balances of cash and cash equivalents generated during the period of Ps2,090 million, there was a decrease in cash and cash equivalents of continuing operations of Ps109 million. This decrease was the result of our net cash flows used in financing activities of Ps42,684 million, partially offset by our net cash flows provided by operating activities from continuing operations, which, after financial expense and coupons on Perpetual Debentures and income taxes paid in cash of Ps20,423 million, amounted to Ps30,966 million, and by our investing activities from continuing operations of Ps11,609 million.

For the year ended December 31, 2017, our net cash flows provided by operating activities included cash flows generated in working capital of Ps8,040 million, which was primarily comprised of trade receivables, net, other accounts receivable and other assets, inventories, trade payables and other accounts payable and accrued expenses.

During 2017, our net cash flows provided by operating activities from continuing operations after financial expense and coupons on Perpetual Debentures and income taxes paid in cash of Ps30,966 million and our net cash flows provided by investing activities from continuing operations of Ps11,609 million, which include disposal of subsidiaries and associates, net for an amount of Ps23,841 million, partially offset by investment in property, machinery and equipment, net and other long-term assets and others, net for an aggregate amount of Ps12,232 million, were disbursed in connection with our net cash flows used in financing activities of Ps42,684 million, which include repayment of our debt, net, non-current liabilities and sale of non-controlling interest in subsidiaries for an aggregate amount of Ps43,099 million, partially offset by derivative financial instruments and securitization of trade receivables for an aggregate amount of Ps415 million.

2016. During 2016, excluding the positive foreign currency effect of our initial balances of cash and cash equivalents generated during the period of Ps2,244 million, there was a decrease in cash and cash equivalents from continuing operations of Ps7,143 million. This decrease was the result of our net cash flows used in financing activities of Ps39,618 million and our net cash flows used in investing activities from continuing operations of Ps5,480 million, partially offset by our net cash flows provided by operating activities from continuing operations, which, after financial expense and coupons on Perpetual Debentures and income taxes paid in cash of Ps23,312 million, amounted to Ps37,955 million.

For the year ended December 31, 2016, our net cash flows provided by operating activities included cash flows generated in working capital of Ps11,017 million, which was primarily comprised of trade payables and other accounts payable and accrued expenses, for an aggregate amount of Ps16,928 million, partially offset by trade receivable, net, other accounts receivable and other assets and inventories for an aggregate amount of Ps5,911 million.

During 2016, our net cash flows provided by operating activities from continuing operations after financial expense and coupons on Perpetual Debentures and income taxes paid in cash of Ps37,955 million were mainly disbursed in connection with (i) our net cash flows used in financing activities of Ps39,618 million, which include repayment of our debt, net, securitization of trade receivables and non-current liabilities for an aggregate amount of Ps49,794 million, partially offset by derivative financial instruments and sale of non-controlling interest in subsidiaries for an aggregate amount of Ps10,176 million and (ii) our net cash flows used in the investing activities from continuing operations of Ps5,480 million, which include investment in property, machinery and equipment, net and other long-term assets and others, net for an aggregate amount of Ps6,904 million, partially offset by disposal of subsidiaries and associates, net for an amount of Ps1,424 million.

2015. During 2015, excluding the positive foreign currency effect of our initial balances of cash and cash equivalents generated during the period of Ps4,117 million, there was a decrease in cash and cash equivalents from continuing operations of Ps2,208 million. This decrease was the result of our net cash flows used in financing activities of Ps12,467 million and our net cash flows used in investing activities from continuing operations of Ps7,880 million, partially offset by our net cash flows provided by operating activities from continuing operations, which, after financial expense and coupons on Perpetual Debentures and income taxes paid in cash of Ps25,302 million, amounted to Ps18,139 million.

For the year ended December 31, 2015, our net cash flows provided by operating activities included cash flows generated in working capital of Ps3,596 million, which was primarily comprised of cash flows originated by trade payables and other accounts payable and accrued expenses, for an aggregate amount of Ps10,615 million, partially offset by cash flows disbursed by trade receivable, net, other accounts receivable and other assets and inventories for an aggregate amount of Ps7,019 million.

During 2015, our net cash flows provided by operating activities from continuing operations after financial expense and coupons on Perpetual Debentures and income taxes paid in cash of Ps18,139 million were disbursed in connection with (i) our net cash flows used in financing activities of Ps12,467 million, which include repayment of our debt, net, securitization of trade receivables and non-current liabilities for an aggregate amount of Ps13,742 million, partially offset by derivative financial instruments and other financial obligations, net, for an aggregate amount of Ps1,275 million and (ii) our net cash flows used in the investing activities from continuing operations of Ps7,880 million, which include investments in property, machinery and equipment, net and other long-term assets and others, net for an aggregate amount of Ps10,602 million, partially offset by our disposal of subsidiaries and associates, net for an amount of Ps2,722 million.

As of December 31, 2017, we had the following uncommitted lines of credit, at annual interest rates ranging between 1.25% and 6.50%, depending on the negotiated currency:

	Lines of Credit	Available
	(in millions of Mexican Pesos)	
Other lines of credit in foreign subsidiaries	9,506	7,237
Other lines of credit from banks	9,309	8,169
	18,815	15,406

In addition to the above, as of December 31, 2017, we had a combined U.S.$1,512 million (Ps29,711 million) available under our committed revolving credit facility and an undrawn term loan tranche of the 2017 Credit Agreement.

Capital Expenditures

Our capital expenditures incurred for the years ended December 31, 2016 and 2017, and our expected capital expenditures during 2018, which include an allocation to 2018 of a portion of our total future committed amount, are as follows:

	Actual For the Year Ended December 31, Actual		Estimated
	2016	2017	in 2018
	(in millions of U.S. Dollars)		
Mexico	84	113	136
United States	197	185	233
Europe			
United Kingdom	30	53	44
France	19	20	25
Germany	26	23	10
Spain	25	29	27
Poland	10	12	42
Rest of Europe	14	17	27
South, Central America and the Caribbean			
Colombia	180	62	29
Panama	7	8	14
Costa Rica	4	2	3
Caribbean TCL	—	31	21
Rest of South, Central America and the Caribbean	23	18	28
Asia, Middle East and Africa			
Philippines	22	28	73
Egypt	20	22	9
Rest of Asia, Middle East and Africa	21	24	18
Others	3	9	61
Total consolidated	685	656	800
Of which			
Expansion capital expenditures	251	137	250
Base capital expenditures	434	519	550

For the years ended December 31, 2016 and 2017, we recognized U.S.$685 million and U.S.$656 million in capital expenditures from our continuing operations, respectively. As of December 31, 2017, in connection with our significant projects, we had contractually committed capital expenditures of approximately U.S.$20 million, including our capital expenditures estimated to be incurred during 2018. This amount is expected to be incurred during 2018, based on the evolution of the related projects. Pursuant to the 2017 Credit Agreement, we are prohibited from making aggregate annual capital expenditures in excess of U.S.$1 billion in any financial year (excluding certain capital expenditures, joint venture investments and acquisitions by each of CEMEX Latam and CHP and their respective subsidiaries and those funded by Relevant Proceeds (as defined in the 2017 Credit Agreement)), which capital expenditures, joint venture investments and acquisitions at any time then incurred are subject to a separate aggregate limit of (a) U.S.$500 million (or its equivalent) for CEMEX Latam and its subsidiaries and (b) U.S. $500 million (or its equivalent) for CHP and its subsidiaries. In addition, the amounts of which we and our subsidiaries are allowed for permitted acquisitions and investments in joint ventures cannot exceed certain thresholds as set out in the 2017 Credit Agreement.

Our Indebtedness

As of December 31, 2017, we had Ps226,216 million (U.S.$11,512 million) (principal amount Ps231,621 million (U.S.$11,787 million), excluding deferred issuance costs) of total debt plus other financial obligations in our statement of financial position, which does not include Ps8,784 million (U.S.$447 million) of Perpetual Debentures. Of our total debt plus other financial obligations, 16% were short-term (including current maturities of long-term debt) and 84% were long-term. As of December 31, 2017, 62% of our total debt plus other financial obligations was Dollar-denominated, 29% was Euro-denominated, 5% was Sterling Pound-denominated, 2% was Philippine Peso-Denominated, 1% was Mexican Peso-denominated and immaterial amounts were denominated in other currencies. See notes 16.1, 16.2 and 20.4 to our 2017 audited consolidated financial statements included elsewhere in this annual report.

On August 14, 2009, CEMEX, S.A.B. de C.V. and certain of its subsidiaries entered into the 2009 Financing Agreement, which extended the final maturities of U.S.$15 billion in syndicated and bilateral loans and private placement notes to February 14, 2014. On July 5, 2012, CEMEX, S.A.B. de C.V. and certain of its subsidiaries launched the 2012 Exchange Offer and Consent Request to eligible creditors under the 2009 Financing Agreement pursuant to which eligible creditors were requested to provide the 2012 Amendment Consents. In addition, CEMEX, S.A.B. de C.V. and certain of its subsidiaries offered to exchange the indebtedness owed to the Participating Creditors for (i) new loans (or, in the case of the private placement notes, new private placement notes) or (ii) up to U.S.$500 million of our June 2018 U.S. Dollar Notes, in each case, in transactions exempt from registration under the Securities Act. On September 17, 2012, CEMEX, S.A.B. de C.V. and certain of its subsidiaries successfully completed the 2012 Refinancing Transaction, and CEMEX, S.A.B. de C.V. and certain of its subsidiaries entered into (a) the 2012 Amendment and Restatement Agreement, pursuant to which the 2012 Amendment Consents with respect to the 2009 Financing Agreement were given effect, and (b) the 2012 Facilities Agreement, pursuant to which CEMEX, S.A.B. de C.V. and certain of its subsidiaries were deemed to borrow loans from those Participating Creditors participating in the 2012 Exchange Offer and Consent Request in principal amounts equal to the principal amounts of indebtedness subject to the 2009 Financing Agreement that was extinguished by such Participating Creditors. As a result of the 2012 Refinancing Transaction, Participating Creditors received (i) U.S.$6,155 million in aggregate principal amount of new loans and new private placement notes and (ii) U.S.$500 million aggregate principal amount of the June 2018 U.S. Dollar Notes. In addition, U.S.$525 million aggregate principal amount of loans and private placement notes, which had remained outstanding under the 2009 Financing Agreement as of September 17, 2012, were subsequently repaid in full, as a result of prepayments made in accordance with the 2012 Facilities Agreement.

On September 29, 2014, CEMEX, S.A.B. de C.V. and certain of its subsidiaries entered into the 2014 Credit Agreement for U.S.$1.35 billion with nine of the main lending banks from its 2012 Facilities Agreement. On November 3, 2014, five additional banks joined the 2014 Credit Agreement as lenders with aggregate commitments of U.S.$515 million, increasing the total amount of the 2014 Credit Agreement from U.S.$1.35 billion to U.S.$1.87 billion (increasing the revolving tranche of the 2014 Credit Agreement proportionally to U.S.$746 million).

On July 30, 2015, CEMEX, S.A.B. de C.V. repaid in full the total amount outstanding of U.S.$1.94 billion under the 2012 Facilities Agreement with new funds from 17 financial institutions, which joined new tranches under the 2014 Credit Agreement.

On November 30, 2016, CEMEX, S.A.B. de C.V. prepaid U.S.$373 million outstanding under the 2014 Credit Agreement and corresponding to the September 2017 amortization thereunder. In addition to this prepayment, and as part of an agreement reached with a group of lenders under the 2014 Credit Agreement, U.S.$664 million (Ps13,758 million) of funded commitments under the 2014 Credit Agreement maturing in 2018 were exchanged into a revolving facility, maintaining their original amortization schedule and the same terms and conditions.

On July 19, 2017, CEMEX, S.A.B. de C.V. and certain of its subsidiaries entered into the 2017 Credit Agreement for an amount in different currencies equivalent to U.S.$4.1 billion (in aggregate), the proceeds of which were used to refinance in full the indebtedness incurred under the 2014 Credit Agreement and other debt repayment obligations, allowing us to increase the average life of our syndicated bank debt to approximately 4.3 years with a final maturity in July 2022. As of December 31, 2017, the outstanding indebtedness incurred under the 2017 Credit Agreement was U.S.$2.5 billion. The indebtedness incurred under the 2017 Credit Agreement ranks equally in right of payment with certain of our other existing and future indebtedness, pursuant to the terms of the Intercreditor Agreement.

As of July 19, 2017, total commitments initially available under the 2017 Credit Agreement included (i) €741 million, (ii) £344 million and (iii) U.S.$2,746 million, out of which U.S.$1,135 million were in the revolving credit facility tranche of the 2017 Credit Agreement. As of December 31, 2017, the 2017 Credit Agreement had an amortization profile, considering all commitments of U.S.$4.1 billion under the 2017 Credit Agreement, of U.S.$583 million in 2020, U.S.$1,166 million in 2021 and U.S.$2,301 million in 2022. See note 16.1 to our 2017 audited consolidated financial statements included elsewhere in this annual report.

CEMEX, S.A.B. de C.V. and certain of its subsidiaries have pledged the Collateral and all proceeds of the Collateral, to secure our payment obligations under the 2017 Credit Agreement, our outstanding Senior Secured Notes and under several other of our financing arrangements. These subsidiaries whose shares were pledged or transferred as part of the Collateral collectively own, directly or indirectly, substantially all our operations worldwide. See “Item 3—Key Information—Risk Factors.” We pledged the capital stock of some of our subsidiaries that represent substantially all of our business as collateral to secure our payment obligations under the 2017 Credit Agreement, the indentures governing our outstanding Senior Secured Notes and other financing arrangements.

As of December 31, 2017, we reported an aggregate amount of outstanding debt of Ps50,093 million (U.S.$2,549 million) under the 2017 Credit Agreement. As of December 31, 2017, we had full availability under the U.S.$1,135 million revolving credit facility tranche of the 2017 Credit Agreement, as well as full availability under the U.S.$377 million term loan. If we are unable to comply with our upcoming principal maturities under our indebtedness, or are not able to 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 “Risk Factors—We have a substantial amount of debt and other financial obligations maturing in the next several years. If we are unable to secure refinancing on favorable terms or at all, we may not be able to comply with our upcoming payment obligations. Our ability to comply with our principal maturities and financial covenants may depend on us making asset sales, and there is no assurance that we will be able to execute such sales on terms favorable to us or at all.”

For a discussion of restrictions and covenants under the 2017 Credit Agreement, see “Item 3—Key Information—Risk Factors—Risks Relating to Our Business—The 2017 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.”

For a description of the Senior Secured Notes, see “Item 5—Operating and Financial Review and Prospects—Summary of Material Contractual Obligations and Commercial Commitments—Senior Secured Notes.”

Some of our subsidiaries and special purpose vehicles ("SPVs") have issued or provided guarantees of certain of our indebtedness, as indicated in the table below.

	Senior Secured Notes U.S.$ 6,047 million (Ps 110,727 million) (principal amount U.S.$6,092 million (Ps 111,546 million))	Credit Agreement U.S.$3,666 million (Ps 67,117 million) (principal amount U.S.$3,704 million (Ps 67,823 million))	Perpetual Debentures U.S.$450 million (Ps 8,232 million)
Amount outstanding as of March 31, 2018			
CEMEX, S.A.B. de C.V.	✓	✓	✓
CEMEX México, S.A. de C.V.	✓	✓	✓
CEMEX Concretos, S.A. de C.V.	✓	✓	✓
Empresas Tolteca de México, S.A. de C.V.	✓	✓	
New Sunward Holding B.V.	✓	✓	
CEMEX España, S.A.	✓	✓	✓
CEMEX Asia B.V.	✓	✓	
CEMEX Corp.	✓	✓	
CEMEX Finance LLC	✓	✓	
Cemex Egyptian Investments B.V.	✓	✓	
CEMEX France Gestion (S.A.S)	✓	✓	
Cemex Research Group AG	✓	✓	
CEMEX UK	✓	✓	

In addition, as of March 31, 2018, (i) CEMEX Materials LLC is a borrower of Ps2,848 million (U.S.$156 million) (principal amount Ps2,745 million (U.S.$150 million)) under an indenture, which is guaranteed by CEMEX Corp.; and (ii) several of our other operating subsidiaries were borrowers under debt facilities aggregating Ps5,890 million (U.S.$322 million).

Most of our outstanding indebtedness has been incurred to finance our acquisitions and to finance our capital expenditure programs. Historically, we have addressed our liquidity needs (including funds required to make scheduled principal and interest payments, refinance debt, and fund working capital and planned capital expenditures) with operating cash flow, securitizations, borrowings under credit facilities, proceeds of debt and equity offerings and proceeds from asset sales.

If the global economic environment deteriorates and our operating results worsen significantly, if we were unable to complete debt or equity offerings or if the proceeds of any divestitures and/or our cash flow or capital resources prove inadequate, we could face liquidity problems and may not be able to comply with our upcoming principal payments under our indebtedness or refinance our indebtedness. If we are unable to comply with our upcoming principal maturities under our indebtedness, or refinance or extend maturities of our indebtedness, our debt could be accelerated. Acceleration of our debt would have a material adverse effect on our business and financial condition.

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

Relevant Transactions Related to Our Indebtedness During 2017

As of December 31, 2017, we had Ps226,216 million (U.S.$11,512 million) (principal amount Ps231,621 million (U.S.$11,787 million), excluding deferred issuance costs) of total debt plus other financial obligations in our statement of financial position, which does not include Ps8,784 million (U.S.$447 million) of Perpetual Debentures. As of December 31, 2017, 62% of our total debt plus other financial obligations was Dollar-denominated, 29% was Euro-denominated, 5% was Sterling-denominated, 2% was Philippine Peso-denominated, 1% was Mexican Peso-denominated and immaterial amounts were denominated in other currencies. The following is a description of our most important transactions related to our indebtedness in 2017:

- In February 2017, CHP announced that it had entered into the Facility Agreement with BDO Unibank for an amount of up to the Philippine Peso denominated amount equal to U.S.$280 million, to refinance a majority of CHP's outstanding long-term loan with New Sunward. The term loan provided by BDO Unibank has a tenor of seven years and consists of a fixed rate tranche and a floating rate tranche. CHP drew the full amount of the term loan during the first quarter of 2017 to repay a portion of its then existing indebtedness.
- In March 2017, we repurchased U.S.$89.9 million aggregate principal amount of the December 2019 U.S. Dollar Notes and U.S.$385.1 million aggregate principal amount of the January 2021 U.S. Dollar Notes through the March 2017 Tender Offer (all of which as of the date of this annual report have been canceled).
- On May 31, 2017, we redeemed the remaining €400 million aggregate principal amount of the April 2021 Euro Notes.
- On June 19, 2017, certain institutional holders of the March 2018 Optional Convertible Subordinated U.S. Dollar Notes agreed to convert U.S.$325 million aggregate principal amount of those notes in exchange for 43 million ADSs. CEMEX did not pay any cash to those noteholders in connection with the conversions. Following the conversions, U.S.$365 million aggregate principal amount of the March 2018 Optional Convertible Subordinated U.S. Dollar Notes remained outstanding.
- On July 19, 2017, CEMEX, S.A.B. de C.V. and certain of its subsidiaries entered into the 2017 Credit Agreement for an amount in different currencies equivalent to U.S.$4.1 billion (in aggregate), the proceeds of which were used to refinance indebtedness incurred under the 2014 Credit Agreement and other edebt repayment obligations. As of December 31, 2017, the outstanding indebtedness incurred under the 2017 Credit Agreement was U.S.$2.5 billion. The indebtedness incurred under the 2017 Credit Agreement ranks equally in right of payment with certain of our other existing and future indebtedness, pursuant to the terms of the Intercreditor Agreement.
- On September 25, 2017, CEMEX, S.A.B. de C.V. completed the purchase of U.S.$700.6 million aggregate principal amount of the October 2022 U.S. Dollar Notes through the September 2017 Tender Offer. All such October 2022 U.S. Dollar Notes were immediately canceled. Following the settlement of the September 2017 Tender Offer, U.S.$343.5 million aggregate principal amount of the October 2022 U.S. Dollar Notes remained outstanding.
- On October 12, 2017, we redeemed the remaining U.S.$343.5 million aggregate principal amount of the October 2022 U.S. Dollar Notes.
- On December 5, 2017, CEMEX, S.A.B. de C.V. issued €650 million aggregate principal amount of its December 2024 Euro Notes. A portion of the net proceeds from the offering of the December 2024 Euro Notes was used to fund the December 2019 U.S. Dollar Notes Redemption, and the remaining net proceeds from the issuance of the December 2024 Euro Notes were used to fund the January 2022 Euro Notes Redemption.
- On December 10, 2017, we redeemed the remaining U.S.$610.7 million aggregate principal amount of the December 2019 U.S. Dollar Notes.
- During 2017, we repurchased U.S.$35.4 million aggregate principal amount of the Senior Secured Notes on the open market (all of which as of the date of this annual report have been canceled).

We used a substantial portion of the proceeds from these transactions to repay and refinance indebtedness, to improve our liquidity position and for general corporate purposes. Through these and prior refinancing transactions, we addressed all maturities under the 2009 Financing Agreement, the 2012 Facilities Agreement and the 2014 Credit Agreement. For a description of the 2017 Credit Agreement, see "—Our Indebtedness."

Our Other Financial Obligations

Other financial obligations in the consolidated statement of financial position as of December 31, 2016 and 2017 are detailed as follows:

	December 31, 2016			December 31, 2017		
	Short-term	Long-term	Total	Short-term	Long-term	Total
March 2020 Optional Convertible Subordinated U.S. Dollar Notes	Ps —	10,417	10,417	—	9,985	9,985
March 2018 Optional Convertible Subordinated U.S. Dollar Notes	—	13,575	13,575	7,115	—	7,115
November 2019 Mandatory Convertible Mexican Peso Notes	278	689	967	323	371	694
Liabilities secured with accounts receivable	11,095	—	11,095	11,313	—	11,313
Finance leases	285	1,291	1,576	611	2,503	3,114
	Ps 11,658	25,972	37,630	19,362	12,859	32,221

As mentioned in note 2.6 to our 2017 audited consolidated financial statements included elsewhere in this annual report, financial instruments convertible into CEMEX, S.A.B. de C.V.'s CPOs and/or ADSs contain components of both liability and equity, which are recognized differently depending on whether the instrument is mandatorily convertible, or is optionally convertible by election of the note holders, as well as the currency in which the instrument is denominated.

March 2020 Optional Convertible Subordinated U.S. Dollar Notes

During 2015, CEMEX, S.A.B. de C.V. issued U.S.$521 million aggregate principal amount of its March 2020 Optional Convertible Subordinated U.S. Dollar Notes. The March 2020 Optional Convertible Subordinated U.S. Dollar Notes were issued: (a) U.S.$200 million as a result of the exercise on March 13, 2015 of U.S.$200 million notional amount of CCUs (described below), and (b) U.S.$321 million as a result of private exchanges with certain institutional investors on May 28, 2015, which together with early conversions, resulted in a total of U.S.$626 million aggregate principal amount of the March 2016 Optional Convertible Subordinated U.S. Dollar Notes held by such investors being paid and the issuance and delivery by CEMEX of an estimated 42 million ADSs, which included a number of additional ADSs issued to the holders as non-cash inducement premiums. The March 2020 Optional Convertible Subordinated U.S. Dollar Notes, which are subordinated to all of CEMEX's liabilities and commitments, are convertible into a fixed number of CEMEX, S.A.B. de C.V.'s ADSs at any time at the holder's election and are subject to antidilution adjustments. The difference at the exchange date between the fair value of the March 2016 Optional Convertible Subordinated U.S. Dollar Notes and the 42 million ADSs against the fair value of March 2020 Optional Convertible Subordinated U.S. Dollar Notes, represented a loss of Ps365 million recognized in 2015 as part of the line item Financial income (expense) and other items, net. As of December 31, 2016 and 2017, the conversion price per ADS was U.S.$11.45 and U.S.$11.01, respectively. The aggregate fair value of the conversion option as of the issuance dates which amounted to Ps199 million was recognized in other equity reserves. After antidilution adjustments, the conversion rate as of December 31, 2016 and 2017 was 87.3646 ADS and 90.8592 ADS, respectively, per each U.S.$1 thousand principal amount of such notes. See note 16.2 to our 2017 audited consolidated financial statements included elsewhere in this annual report.

March 2018 Optional Convertible Subordinated U.S. Dollar Notes

On March 15, 2011, CEMEX, S.A.B. de C.V. closed the offering of U.S.$690 million aggregate principal amount of the March 2018 Optional Convertible Subordinated U.S. Dollar Notes and U.S.$978 million principal amount of the March 2016 Optional Convertible Subordinated U.S. Dollar Notes. The notes were subordinated to all of CEMEX's liabilities and commitments, are convertible into a fixed number of CEMEX, S.A.B. de C.V.'s ADSs, at the holder's election, and are subject to antidilution adjustments. A portion of the net proceeds from this transaction was used to fund the purchase of capped call options, which are generally expected to reduce the potential dilution cost to us upon the potential conversion of the March 2018 Optional Convertible Subordinated U.S. Dollar Notes. After the exchange of notes described in the paragraph above, U.S.$352 million principal amount of the March 2016 Optional Convertible Subordinated U.S. Dollar Notes that remained outstanding were repaid in cash at their maturity on March 15, 2016. As of December 31, 2016 and 2017, the conversion price per ADS was U.S.$8.92 and U.S.$8.57, respectively. After antidilution adjustments, the conversion rate as of December 31, 2016 and 2017 was 112.1339 ADS and 116.6193 ADS, respectively, per each U.S.$1,000 principal amount of the March 2018 Optional Convertible Subordinated U.S. Dollar Notes. See notes 16.2 and 16.4 to our 2017 audited consolidated financial statements included elsewhere in this annual report.

On June 19, 2017, certain institutional holders of CEMEX, S.A.B. de C.V.'s March 2018 Optional Convertible Subordinated U.S. Dollar Notes agreed to convert U.S.$325 million aggregate principal amount of those notes in exchange for 43 million ADSs. CEMEX did not pay any cash to those noteholders in connection with the conversions. On March 15, 2018, CEMEX, S.A.B. de C.V. redeemed the remaining U.S.$365 million aggregate principal amount of the March 2018 Optional Convertible Subordinated U.S. Dollar Notes.

November 2019 Mandatory Convertible Mexican Peso Notes

In December 2009, CEMEX, S.A.B. de C.V. completed an exchange offer of debt into 10% mandatory convertible notes due 2019 (the "November 2019 Mandatory Convertible Mexican Peso Notes") for approximately U.S.$315 million principal amount. Reflecting antidilution adjustments, the notes will be converted at maturity or earlier if the price of the CPO reaches Ps26.22 into approximately 236 million CPOs at a conversion price of Ps17.48 per CPO. The conversion rate under the November 2019 Mandatory Convertible Mexican Peso Notes is 509.1077 CPOs per each convertible obligation. During their tenure, holders have an option to voluntarily convert their securities on any interest payment date into CPOs. Considering the currency in which the notes are denominated and the functional currency of CEMEX, S.A.B. de C.V.'s financing division, the conversion option embedded in these securities is treated as a stand-alone derivative liability at fair value in the income statements. Changes in fair value of the conversion option generated gains of approximately U.S.$18 million (Ps310 million) in 2015, losses of approximately U.S.$29 million (Ps545 million) in 2016, and gains of approximately U.S.$19 million (Ps359 million) in 2017. See notes 2.4 and 16.2 to our 2017 audited consolidated financial statements included elsewhere in this annual report.

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, 2016 and 2017, trade accounts receivable included receivables of U.S.$658 million (Ps13,644 million) and U.S.$647 million (Ps12,713 million), respectively. Under these programs, our subsidiaries effectively surrender control associated with the trade accounts receivable sold and there is no guarantee or obligation to reacquire the assets. However, we retain certain residual interest in the programs and/or maintain continuing involvement with the accounts receivable; therefore, the amounts received are recognized within "Other financial obligations." Trade accounts receivable qualifying for sale exclude amounts over certain days past due or concentrations over certain limits to any customer, according to the terms of the programs. The portion of the accounts receivable sold maintained as reserves amounted to U.S.$123 million (Ps2,549 million) and U.S.$71 million (Ps1,400 million) as of December 31, 2016 and 2017, respectively. Therefore, the funded

amount to us was U.S.$535 million (Ps11,095 million) in 2016 and U.S.$576 million (Ps11,313 million) as of December 31, 2017. The discount granted to the acquirers of the trade accounts receivable is recorded as financial expense and amounted to U.S.$13 million (Ps258 million) and U.S.$16 million (Ps308 million) in 2016 and 2017, respectively. Our securitization programs are negotiated for periods of one year and are usually renewed at their maturity. See notes 9 and 16.2 to our 2017 audited consolidated financial statements included herein.

Finance Leases

As of December 31, 2016 and 2017, we held several operating buildings and mainly mobile equipment, under finance lease contracts for a total of U.S.$76 million (Ps1,576 million) and U.S.$158 million (Ps3,105 million), respectively. See note 16.2 to our 2017 audited consolidated financial statements included elsewhere in this annual report. Future payments associated with these contracts are presented in note 23.4 to our 2017 audited consolidated financial statements included elsewhere in this annual report.

Perpetual Debentures

We define the "Perpetual Debentures" as, collectively, (i) U.S. Dollar-Denominated 6.196% Fixed-to-Floating Rate Callable Perpetual Debentures issued by C5 Capital (SPV) Limited, (ii) U.S. Dollar-Denominated 6.640% Fixed-to-Floating Rate Callable Perpetual Debentures issued by C8 Capital (SPV) Limited, (iii) U.S. 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.

As of December 31, 2015, 2016 and 2017, non-controlling interest stockholders' equity included U.S.$440 million (Ps7,581 million), U.S.$438 million (Ps9,075 million) and U.S.$447 million (Ps8,784 million), respectively, representing the notional amount of Perpetual Debentures, which exclude any perpetual debentures held by subsidiaries. The Perpetual Debentures have no fixed maturity date and do not represent contractual obligations to exchange any series of its outstanding Perpetual Debentures for financial assets or financial liabilities. Based on their characteristics, the Perpetual Debentures, issued through SPVs, qualify as equity instruments and are classified within non-controlling interest as they were issued by consolidated entities, and, if the conditions to interest deferred are satisfied, we have the unilateral right to defer indefinitely the payment of interest due on the Perpetual Debentures. Issuance costs, as well as the interest expense, which is accrued based on the principal amount of the Perpetual Debentures, are included within "Other equity reserves" and represented expenses of Ps507 million and Ps482 million in 2016 and 2017, respectively. The different SPVs were established solely for purposes of issuing the Perpetual Debentures and are included in our 2017 audited consolidated financial statements included elsewhere in this annual report. As of December 31, 2017, the Perpetual Debentures were as follows:

Issuer	Issuance Date	Nominal Amount at Issuance Date (in millions)	Nominal Amount Outstanding as of December 31, 2017 (in millions)	Repurchase Option	Interest Rate
C10-EUR Capital (SPV) Ltd.(3)	May 2007	€ 730	€ 64	Tenth anniversary	EURIBOR + 4.79%
C8 Capital (SPV) Ltd.(2)	February 2007	U.S.$750	U.S.$ 135	Eighth anniversary	LIBOR + 4.40%
C5 Capital (SPV) Ltd.(1)(2)	December 2006	U.S.$350	U.S.$ 61	Fifth anniversary	LIBOR + 4.277%
C10 Capital (SPV) Ltd.(2)	December 2006	U.S.$900	U.S.$ 175	Tenth anniversary	LIBOR + 4.71%

(1)Under the 2017 Credit Agreement, and previously under the 2014 Credit Agreement, we are not permitted to call the Perpetual Debentures.

(2)"LIBOR" above refers to the London Inter-Bank Offered Rate. As of December 31, 2016 and 2017, 3-month LIBOR was approximately 0.9979% and 1.6943%, respectively.

(3)"EURIBOR" above refers to the Euro Interbank Offered Rate. As of December 31, 2016 and 2017, 3-month EURIBOR was approximately – 0.319% and – 0.329%, respectively.

Stock Repurchase Program

Under Mexican law, CEMEX, S.A.B. de C.V.'s shareholders may authorize a 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 2015 and 2016 annual general ordinary shareholders' meetings held on March 31, 2016 and March 30, 2017, respectively, no stock repurchase program was proposed. In connection with CEMEX, S.A.B. de C.V.'s 2017 annual general ordinary shareholders' meeting held on April 5, 2018, a proposal was approved to set the amount of U.S.$500 million or its equivalent in Mexican Pesos as the maximum amount of resources for the year ending on December 31, 2018, and until the next ordinary shareholders meeting is held, that CEMEX, S.A.B. de C.V. can use to purchase its own shares or securities that represent such shares. The board of directors of CEMEX, S.A.B. de C.V. was authorized to determine the basis on which the purchase and placement of such shares is made, appoint the persons who will be authorized to make the decision of purchasing or placing such shares and appoint the persons responsible to make the transaction and furnish the corresponding notices to authorities. The board of directors and/or attorneys-in-fact or delegates designated in turn, or the persons responsible for such transactions, will determine in each case, if the purchase is made with charge to stockholders' equity as long as the shares belong to CEMEX, S.A.B. de C.V., or with charge to share capital if it is resolved to convert the shares into non-subscribed shares to be held in treasury. We remain subject to certain restrictions regarding the repurchase of shares of our capital stock under the 2017 Credit Agreement and the indentures governing the outstanding Senior Secured Notes.

Research and Development, Patents and Licenses, etc.

Headed by CEMEX Research and Development Centers in Switzerland ("CEMEX Research Center"), R&D is increasingly assuming a key role as it is recognized as an important contributor to CEMEX's comprehensive pricing strategy for CEMEX's products. Through the development of innovative technologies, services, and commercial models, CEMEX is leveraging its know-how based assets to create an important differentiation in its offerings to customers in a broad range of markets with unique challenges. Focus is placed on creating tangible value for our customers by making their business more profitable, but more importantly, as leaders in the industry, there is an underlying mission for CEMEX to elevate and accelerate the industry's evolution in order to achieve greater sustainability, increase engagement in social responsibility and provoke an important leap in its technological advancement.

CEMEX's R&D initiatives are globally led, coordinated and managed by CEMEX Research Center, which encompasses the areas of Product Development & Construction Trends, Cement Production Technology, Sustainability, Business Process & IT, Innovation, and Commercial & Logistics. The areas of Product Development & Construction Trends and Cement Production Technology are responsible for, among others, developing new products for our cement, ready-mix concrete, aggregate and admixture businesses as well as introduce novel and/or improved processing and manufacturing technology for all of CEMEX's core businesses. Additionally, the Product Development & Construction Trends and Sustainability areas collaborate to develop and propose construction solutions through consulting and the integration of the aforementioned technologies. The Cement Production Technology and Sustainability areas are dedicated to, among others, operational efficiencies leading to cost reductions and enhancing our CO_2 footprint and overall environmental impact through the usage of alternative or biomass fuels and the use of supplementary materials in substitution of clinker. For example, we have developed processes and products that allow us to reduce heat consumption in our kilns, which in turn reduces energy costs. Global products/brands have been conceptualized and engineered to positively impact the jobsite safety, promote efficient construction practices, sensibly preserve natural resources vital to life, lower carbon foot-print and improve the quality of life in rapidly transforming cities. Underlying

CEMEX's R&D philosophy is a growing culture of global collaboration and coordination, where the Innovation Team identifies and promotes novel collaboration practices, and mobilizes its adoption within CEMEX. Getting closer and understanding our customers is a fundamental transformation within CEMEX, and consequently the Commercial & Logistics area is carrying out research initiatives to better attend the needs of customers as well as identify key changes in our supply chain management that 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.

There are nine laboratories supporting CEMEX's R&D efforts under a collaboration network. The laboratories are strategically located in close proximity to our plants, and assist the operating subsidiaries with troubleshooting, optimization techniques and quality assurance methods. The laboratory located in Switzerland is continually improving and consolidating our research and development efforts in the areas of cement, concrete, aggregates, admixtures, mortar and asphalt technology, sustainability as well as in energy management. In addition, CEMEX Research Center actively generates as well as registers patents and pending applications in many of the countries in which CEMEX operates. Patents and trade secrets are managed strategically in order to ensure an important technology lock-ins associated with CEMEX technology.

Our Information Technology divisions develop information management systems and software relating to cement and ready-mix concrete operational practices, automation and maintenance. These systems have helped us to better serve our clients with respect to purchasing, delivery and payment. More importantly, thanks to the activities of the Business Process and IT departments, CEMEX is continuously improving and innovating its business processes to adapt them to the dynamically evolving markets, and better serve CEMEX's needs.

R&D activities comprise part of the daily routine of the departments and divisions mentioned above; therefore, the costs associated with such activities are expensed as incurred. However, the costs incurred in the development of software for internal use are capitalized and amortized in operating results over the estimated useful life of the software, which is approximately five years.

In 2015, 2016 and 2017, the total combined expense of the technology and energy departments in CEMEX, which includes all significant R&D activities, amounted to Ps660 million (U.S.$41 million), Ps712 million (U.S.$38 million) and Ps754 million (U.S.$38 million), respectively.

Trend Information

Other than as disclosed elsewhere in this annual report, we are not aware of any trends, uncertainties, demands, commitments or events for the year ended December 31, 2017 that are reasonably likely to have a material and adverse effect on our net sales, income, profitability, liquidity or capital resources, or that would cause the disclosed financial information to be not necessarily indicative of future results of operations or financial conditions.

Summary of Material Contractual Obligations and Commercial Commitments

The 2017 Credit Agreement

On July 19, 2017, CEMEX, S.A.B. de C.V. and certain of its subsidiaries entered into the 2017 Credit Agreement for an amount in different currencies equivalent to U.S.$4.1 billion (in aggregate), the proceeds of which were used to refinance indebtedness incurred under a then-existing credit agreement and other debt repayment obligations. As of December 31, 2017, the outstanding indebtedness incurred under the 2017 Credit Agreement was U.S.$2.5 billion.

As of December 31, 2017, we reported an aggregate principal amount of outstanding debt of Ps50,841 million (U.S.$2,587 million) under the 2017 Credit Agreement. The 2017 Credit Agreement is secured

by a first-priority security interest over the Collateral and all proceeds of such Collateral. As of July 19, 2017, commitments initially available under the 2017 Credit Agreement included (i) €741 million, (ii) £344 million and (iii) U.S.$2,746 million, out of which U.S.$1,135 million were in the revolving credit facility tranche of the 2017 Credit Agreement. As of December 31, 2017, the 2017 Credit Agreement had an amortization profile, considering all commitments of U.S.$4.1 billion under the 2017 Credit Agreement, of U.S.$583 million in 2020, U.S.$1,166 million in 2021 and U.S.$2,301 million in 2022.

Our failure to comply with restrictions and covenants under the 2017 Credit Agreement could have a material adverse effect on our business and financial conditions.

For a discussion of restrictions and covenants under the 2017 Credit Agreement, see "Item 3—Key Information—Risk Factors—The 2017 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."

Senior Secured Notes

The indentures governing our outstanding Senior Secured Notes impose significant operating and financial restrictions on us. These restrictions will limit our ability, among other things, to: (i) create liens; (ii) incur in additional debt; (iii) change CEMEX's business or the business of any obligor or material subsidiary (in each case, as defined in the Credit Agreement); (iv) enter into mergers; (v) enter into agreements that restrict our subsidiaries' ability to pay dividends or repay intercompany debt; (vi) acquire assets; (vii) enter into or invest in joint venture agreements; (viii) dispose certain assets; (ix) grant additional guarantees or indemnities; (x) declare or pay cash dividends or make share redemptions; (xi) enter into certain derivatives transactions and (xii) exercise any call option in relation to any perpetual bonds issues unless the exercise of the call options does not have a materially negative impact on our cash flow.

January 2021 and October 2018 U.S. Dollar Notes. On October 2, 2013, CEMEX, S.A.B. de C.V. issued the January 2021 U.S. Dollar Notes and the October 2018 U.S. Dollar Notes, in transactions exempt from registration pursuant to Rule 144A and Regulation S under the Securities Act. CEMEX México, CEMEX España, New Sunward, CEMEX Asia B.V. ("CEMEX Asia"), CEMEX Concretos, CEMEX Corp., CEMEX Finance, CEMEX Egyptian Investments, CEMEX France, CEMEX Research Group AG ("CEMEX Research Group"), CEMEX UK and Empresas Tolteca have fully and unconditionally guaranteed the performance of all obligations of CEMEX, S.A.B. de C.V. under the January 2021 and October 2018 U.S. Dollar Notes. The payment of principal, interest and premium, if any, on such notes is secured by a first-priority security interest over the Collateral and all proceeds of the Collateral. On May 12, 2016, CEMEX, S.A.B. de C.V. completed the purchase of U.S.$178.5 million aggregate principal amount of the October 2018 U.S. Dollar Notes through the May 2016 Tender Offer. All such October 2018 U.S. Dollar Notes purchased in the May 2016 Tender Offer were immediately canceled. Following the settlement of the May 2016 Tender Offer, U.S.$319.5 million aggregate principal amount of the October 2018 U.S. Dollar Notes remained outstanding. In addition, we repurchased U.S.$6.1 million principal amount of the October 2018 U.S. Dollar Notes in open market purchases in 2016, all of which have been canceled. CEMEX, S.A.B. de C.V. completed the purchase of U.S.$241.9 million and U.S.$385.1 million aggregate principal amount of the January 2021 U.S. Dollar Notes through the October 2016 Tender Offer and the March 2017 Tender Offer. All such January 2021 U.S. Dollar Notes purchased in the tender offers were immediately canceled. Following the settlement of both tender offers, U.S.$341.7 million aggregate principal amount of the January 2021 U.S. Dollar Notes remained outstanding. In addition, we repurchased U.S.$31.4 million principal amount of the January 2021 U.S. Dollar Notes in open market purchases in 2016, all of which have been canceled. In addition, we repurchased U.S.$8.5 million principal amount of the January 2021 U.S. Dollar Notes in an open market purchase in 2017, all of which have been cancelled. On March 15, 2018, we redeemed all of the outstanding January 2021 U.S. Dollar Notes.

April 2024 U.S. Dollar Notes. On April 1, 2014, CEMEX Finance issued the April 2024 U.S. Dollar Notes in transactions exempt from registration pursuant to Rule 144A and Regulation S under the Securities Act.

CEMEX, S.A.B. de C.V., CEMEX México, CEMEX España, New Sunward, CEMEX Asia, CEMEX Concretos, CEMEX Corp., CEMEX Egyptian Investments, CEMEX France, CEMEX Research Group, CEMEX UK and Empresas Tolteca have fully and unconditionally guaranteed the performance of all obligations of CEMEX Finance under the April 2024 U.S. Dollar Notes. The payment of principal, interest and premium, if any, on such notes is secured by a first-priority security interest over the Collateral and all proceeds of the Collateral.

January 2025 U.S. Dollar Notes and January 2022 Euro Notes. On September 11, 2014, CEMEX, S.A.B. de C.V. issued the January 2025 U.S. Dollar Notes and the January 2022 Euro Notes, in transactions exempt from registration pursuant to Rule 144A and Regulation S under the Securities Act. CEMEX México, CEMEX Concretos, Empresas Tolteca, New Sunward, CEMEX España, CEMEX Asia, CEMEX Corp., CEMEX Finance, Cemex Egyptian Investments, CEMEX France, CEMEX Research Group and CEMEX UK have fully and unconditionally guaranteed the performance of all obligations of CEMEX, S.A.B. de C.V. under the January 2025 U.S. Dollar Notes and January 2022 Euro Notes. The payment of principal, interest and premium, if any, on such notes is secured by a first-priority security interest over the Collateral and all proceeds of the Collateral. On January 10, 2018, we redeemed all of the outstanding January 2022 Euro Notes.

May 2025 U.S. Dollar and March 2023 Euro Notes. In March 2015, CEMEX, S.A.B. de C.V. issued the May 2025 U.S. Dollar Notes and the March 2023 Euro Notes in transactions exempt from registration pursuant to Rule 144A and Regulation S under the Securities Act. CEMEX México, CEMEX Concretos, Empresas Tolteca, New Sunward, CEMEX España, CEMEX Asia, CEMEX Corp., CEMEX Finance, Cemex Egyptian Investments, CEMEX France, CEMEX Research Group and CEMEX UK, have fully and unconditionally guaranteed the performance of all obligations of CEMEX, S.A.B. de C.V. under the May 2025 U.S. Dollar and March 2023 Euro Notes. The payment of principal, interest and premium, if any, on such notes is secured by a first-priority security interest over the Collateral and all proceeds of the Collateral.

April 2026 U.S. Dollar Notes. On March 16, 2016, CEMEX, S.A.B. de C.V. issued the April 2026 U.S. Dollar Notes, in transactions exempt from registration pursuant to Rule 144A and Regulation S under the Securities Act. CEMEX México, CEMEX España, New Sunward, CEMEX Asia, CEMEX Concretos, CEMEX Corp., CEMEX Finance, CEMEX Egyptian Investments, CEMEX France, CEMEX Research Group and CEMEX UK and Empresas Tolteca have fully and unconditionally guaranteed the performance of all obligations of CEMEX, S.A.B. de C.V. under the April 2026 U.S. Dollar Notes. The payment of principal, interest and premium, if any, on such notes is secured by a first-priority security interest over the Collateral and all proceeds of the Collateral.

June 2024 Euro Notes. On June 14, 2016, CEMEX Finance issued the June 2024 Euro Notes in transactions exempt from registration pursuant to Rule 144A and Regulation S under the Securities Act. CEMEX, S.A.B. de C.V., CEMEX México, CEMEX Concretos, Empresas Tolteca, New Sunward, CEMEX España, CEMEX Asia, CEMEX Corp., Cemex Egyptian Investments, CEMEX France, Cemex Research Group and CEMEX UK have fully and unconditionally guaranteed the performance of all obligations of CEMEX Finance under the June 2024 Euro Notes. The payment of principal, interest and premium, if any, on such notes is secured by a first-priority security interest over the Collateral and all proceeds of the Collateral.

December 2024 Euro Notes. On December 5, 2017, CEMEX, S.A.B. de C.V issued the November 2024 Euro Notes, in transactions exempt from registration pursuant to Rule 144A and Regulation S under the Securities Act. CEMEX México, CEMEX España, New Sunward, CEMEX Asia, CEMEX Concretos, CEMEX Corp., CEMEX Finance, CEMEX Egyptian Investments, CEMEX France, CEMEX Research Group, CEMEX UK and Empresas Tolteca have fully and unconditionally guaranteed the performance of all obligations of CEMEX, S.A.B. de C.V. under the December 2024 Euro Notes. The payment of principal, interest and premium, if any, on such notes is secured by a first-priority security interest over the Collateral and all proceeds of the Collateral.

Convertible Notes

March 2020 Optional Convertible Subordinated U.S. Dollar Notes. During 2015, CEMEX, S.A.B. de C.V. issued U.S.$521 million aggregate principal amount of its March 2020 Optional Convertible Subordinated U.S. Dollar Notes. The March 2020 Optional Convertible Subordinated U.S. Dollar Notes were issued: (a) U.S.$200 million as a result of the exercise on March 13, 2015 of U.S.$200 million notional amount of CCUs, and (b) U.S.$321 million as a result of private exchanges with certain institutional investors on May 28, 2015, which together with early conversions, resulted in a total of U.S.$626 million aggregate principal amount of the March 2016 Optional Convertible Subordinated U.S. Dollar Notes held by such investors being paid and the issuance and delivery by CEMEX of an estimated 42 million ADSs, which included a number of additional ADSs issued to the holders as non-cash inducement premiums. The March 2020 Optional Convertible Subordinated U.S. Dollar Notes, which are subordinated to all of CEMEX's liabilities and commitments, are convertible into a fixed number of CEMEX, S.A.B. de C.V.'s ADSs at any time at the holder's election and are subject to antidilution adjustments. The difference at the exchange date between the fair value of the March 2016 Optional Convertible Subordinated U.S. Dollar Notes and the 42 million ADSs against the fair value of the March 2020 Optional Convertible Subordinated U.S. Dollar Notes, represented a loss of Ps365 million recognized in 2015 as part of "Financial income (expense) and other items, net". The aggregate fair value of the conversion option as of the issuance dates which amounted to Ps199 million was recognized in other equity reserves. As of December 31, 2016 and 2017, the conversion price per ADS under the March 2020 Optional Convertible Subordinated U.S. Dollar Notes was U.S.$11.45 and U.S.$11.01, respectively. After antidilution adjustments, the conversion rate as of December 31, 2016 and 2017 was 87.3646 ADS and 90.8592 ADS, respectively; per each U.S.$1 thousand principal amount of such notes. See note 16.2 to our 2017 audited consolidated financial statements included elsewhere in this annual report.

November 2019 Mandatory Convertible Mexican Peso Notes. In December 2009, CEMEX, S.A.B. de C.V. completed an exchange offer of debt into mandatorily convertible securities in Pesos for approximately U.S.$315 million principal amount of the November 2019 Mandatory Convertible Mexican Peso Notes. Reflecting antidilution adjustments, the notes will be converted at maturity or earlier if the price of the CPO reaches Ps26.22 into approximately 236 million CPOs at a conversion price of Ps17.48 per CPO. The conversion rate under the November 2019 Mandatory Convertible Mexican Peso Notes is 509.1077 CPOs per each convertible obligation. During their tenure, holders have an option to voluntarily convert their securities on any interest payment date into CPOs. Considering the currency in which the notes are denominated and the functional currency of CEMEX, S.A.B. de C.V.'s financing division, the conversion option embedded in these securities is treated as a stand-alone derivative liability at fair value in the income statements, recognizing an initial effect of Ps365 million. See note 16.2 to our 2017 audited consolidated financial statements included elsewhere in this annual report.

March 2018 Optional Convertible Subordinated U.S. Dollar Notes. On March 15, 2011, CEMEX, S.A.B. de C.V. closed the offering of U.S.$690 million aggregate principal amount of the March 2018 Optional Convertible Subordinated U.S. Dollar Notes. The notes are subordinated to all of CEMEX's liabilities and commitments. The notes are convertible into a fixed number of CEMEX, S.A.B. de C.V.'s ADSs, at the holder's election, and are subject to antidilution adjustments. On June 19, 2017, the CEMEX, S.A.B. de C.V. agreed to, with certain institutional holders, the early conversion of approximately U.S.$325 in aggregate principal amount of the 2018 Convertible Notes in exchange for approximately 43 million ADSs, which included the number of additional ADSs issued to the holders as non-cash inducement premiums. As a result of the early conversion agreements, the liability components of the converted notes of Ps5,468 million was reclassified from other financial obligations to other equity reserves. In addition, considering the issuance of shares, CEMEX, S.A.B. de C.V. increased common stock for Ps4 million and additional paid-in capital for Ps7,059 million against other equity reserves, and recognized expense for the inducement premiums paid in shares of Ps769 million, recognized within "Financial income and other items, net" in the 2017 income statement. As of December 31, 2016 and 2017, the conversion price per ADS under the March 2018 Optional Convertible Subordinated U.S. Dollar Notes was approximately U.S.$8.92 and U.S.$8.57, respectively. After antidilution adjustments, the conversion rate as of December 31, 2016 and 2017 was 112.1339 ADS and 116.6193 ADS, respectively; per each U.S.$1 thousand

principal amount of the March 2018 Optional Convertible Subordinated U.S. Dollar Notes. During August 2016, CEMEX, S.A.B. de C.V. amended 58.3% of the total notional amount of such capped calls, with the purpose of reducing the volatility of their fair value by lowering the strike prices in exchange for reducing the number of underlying options. These amendments involved no cash settlements. As a result of such amendments, CEMEX, S.A.B. de C.V. retained a total amount of capped call transactions greater than approximately 71 million CEMEX ADSs after antidilution adjustments maturing in March 2018. During 2017, CEMEX, S.A.B. de C.V. amended capped calls transactions maturing in March 2018, with the purpose of unwinding the position, pursuant to which CEMEX, S.A.B. de C.V. received an aggregate amount of approximately U.S.$103 million in cash. As of December 31, 2017, CEMEX, S.A.B. de C.V. closed all of its options on its own shares. See notes 16.2 and 16.4 to our 2017 audited consolidated financial statements included elsewhere in this annual report. On March 15, 2018, CEMEX, S.A.B. de C.V. redeemed the remaining U.S.$365 million aggregate principal amount of the March 2018 Optional Convertible Subordinated U.S. Dollar Notes.

Commercial Commitments

On July 30, 2012, we entered into a Master Professional Services Agreement with IBM. This agreement provides the framework for the services IBM provides to us on a global scale, including: information technology, application development and maintenance, finance and accounting outsourcing, human resources administration and contact center services. The term of the agreement began on July 30, 2012 and will end on August 31, 2022, unless earlier terminated. Our minimum required payments to IBM under the agreement are approximately U.S.$50 million per year. We will have the right to adjust the cost and quality of the services every two years if we determine that they do not meet certain benchmarks. We may terminate the agreement (or a portion of it) at our discretion and without cause at any time by providing at least six-months' notice to IBM and paying termination charges consisting of IBM's unrecovered investment and breakage and wind-down costs. In addition, we may terminate the agreement (or a portion of it) for cause without paying termination charges. Other termination rights may be available to us for a termination charge that will vary with the reason for termination. IBM may terminate the agreement if we (i) fail to make payments when due or (ii) become bankrupt and do not pay in advance for the services.

As of December 31, 2017, we did not depend on any of our suppliers of goods or services to conduct our business.

Contractual Obligations

As of December 31, 2016 and 2017, we had material contractual obligations as set forth in the table below.

	As of December 31, 2016	As of December 31, 2017				
Obligations	**Total**	**Less than 1 year**	**1-3 years**	**3-5 years**	**More than 5 years**	**Total**
		(in millions of U.S. Dollars)				
Long-term debt	U.S.$ 11,379	798	519	2,411	6,164	9,892
Capital lease obligations(1)	107	36	87	52	—	175
Convertible notes(2)	1,205	379	527	—	—	906
Total debt and other financial obligations(3)	12,691	1,213	1,133	2,463	6,164	10,973
Operating leases(4)	515	109	181	136	68	494
Interest payments on debt(5)	3,996	448	968	809	848	3,073
Pension plans and other benefits(6)	1,414	156	307	316	808	1,587
Purchases of raw material, fuel and energy(7)	4,440	649	810	866	2,001	4,326
Total contractual obligations	U.S.$ 23,056	2,575	3,399	4,590	9,889	20,453
Total contractual obligations (Mexican Pesos)	Ps 477,720	50,599	66,790	90,193	194,319	401,901

(1) Represents nominal cash flows. As of December 31, 2017, the net present value of future payments under such leases was approximately U.S.$158 million (Ps3,105 million), of which U.S.$79 million (Ps1,552 million) refers to payments from one to three years and U.S.$48 million (Ps943 million) refers to payments from three to five years.
(2) Refers to the components of liability of the convertible notes described in note 16.2 to our 2017 audited consolidated financial statements included elsewhere in this annual report and assumes repayment at maturity and no conversion of such convertible notes.
(3) The schedule of debt payments, which includes current maturities, does not consider the effect of any refinancing of debt that may occur during the following years. In the past, we have replaced our long-term obligations for others of a similar nature.
(4) The amounts represent nominal cash flows. We have operating leases, primarily for operating facilities, cement storage and distribution facilities and certain transportation and other equipment, under which annual rental payments are required plus the payment of certain operating expenses. Rental expense was U.S.$121 million (Ps2,507 million) in 2016 and U.S.$115 million (Ps2,252 million) in 2017.
(5) Estimated cash flows on floating rate denominated debt were determined using the floating interest rates in effect as of December 31, 2016 and 2017.
(6) Represents estimated annual payments under these benefits for the next ten years (see note 18 to our 2017 audited consolidated financial statements included elsewhere in this annual report). Future payments include the estimate of new retirees during such future years.
(7) Future nominal payments for the purchase of raw materials are presented on the basis of contractual nominal cash flows. Future nominal payments of energy were estimated 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, 2015, 2016 and 2017, in connection with the commitments for the purchase of fuel and energy included in the table above, a description of the most significant contracts is as follows:

In connection with the beginning of full commercial operations of the Ventikas 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 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, 2017, the estimated annual cost of this agreement was U.S.$27 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).

In September 2006, in order to take advantage of the high wind potential in the "Tehuantepec Isthmus," we and ACCIONA formed an alliance to develop a wind farm project for the generation of 250 MW in the Mexican state of Oaxaca. We acted as promoter of the project, which was named EURUS. ACCIONA provided the required financing, constructed the facility and currently owns and operates the wind farm. The operation of the 167 wind turbines on the farm commenced on November 15, 2009. The agreements between us and ACCIONA established that our plants in Mexico will acquire a portion of the energy generated by the wind farm for a period of at least 20 years, which began in February 2010, when EURUS reached the committed limit capacity. For the years ended December 31, 2015, 2016 and 2017, EURUS supplied approximately 28.0%, 22.9% and 20.6%, respectively, of our overall electricity needs in Mexico during such years. In 1999, we entered into agreements with an international partnership, which financed, built and operated TEG, an electrical energy generating plant in Mexico. In 2007, the original operator was replaced. Pursuant to the agreement, we would purchase the energy generated from TEG for a term of not less than 20 years, which started in April 2004 and that was further extended until 2027 with the change of operator. In addition, we committed to supply TEG and another third-party electrical energy generating plant adjacent to TEG all fuel necessary for their operations, a commitment that has been hedged through four 20-year agreements entered with PEMEX, which terminate in 2024. Consequently, for the last three years, CEMEX intends to purchase the required fuel in the market. For the years

ended December 31, 2015, 2016 and 2017, TEG supplied approximately 69.3%, 66.3% and 68.4%, respectively, of our overall electricity needs during such year for our cement plants in Mexico.

In regards with the above, in March 1998 and July 1999, we signed contracts with PEMEX providing that beginning in April 2004 PEMEX's refineries in Cadereyta and Madero City would supply us with a combined volume of approximately 1.75 million tons of pet coke per year. As per the pet coke contracts with PEMEX, 1.2 million tons of the contracted volume will be allocated to TEG and the other energy producer and the remaining volume will be allocated to our operations in Mexico. By entering into the pet coke contracts with PEMEX, we expect to have a consistent source of pet coke throughout the 20-year term.

In 2007, CEMEX Zement GmbH ("CXZ"), our subsidiary in Germany, entered into a long-term energy supply contract with Vattenfall Europe New Energy Ecopower ("VENEE"), pursuant to which VENEE committed to supply energy to our Rüdersdorf plant for a period of 15 years starting on January 1, 2008. Since 2017 the new owner of the power plant and the contract is the STEAG—Industriekraftwerk Rüdersdorf GmbH ("SIKW"). Based on the contract, each year CXZ has the option to fix in advance the volume of energy that it will acquire from SIKW, with the option to adjust the purchase amount one time on a monthly and quarterly basis. According to this agreement, CXZ has acquired 27 MW for 2018 and 28 MW for 2019 and CXZ expects to acquire between 26 and 28 MW for the following years starting in 2018 and thereafter. The estimated annual cost of this agreement is approximately U.S.$12 million assuming that CEMEX receives all its energy allocation. The contract, which establishes a price mechanism for the energy acquired, based on the price of energy future contracts quoted on the European Energy Exchange, did not require initial investments and was expected to be performed at a future date. Based on its terms, this contract qualified as a financial instrument under IFRS. However, as the contract is for CEMEX's own use and CEMEX sells any energy surplus as soon as actual energy requirements are known, regardless of changes in prices and thereby avoiding any intention of trading in energy, such contract is not recognized at its fair value.

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements that are reasonably likely to have a material effect on our financial condition, operating results and liquidity or capital resources.

Quantitative and Qualitative Market Disclosure

Our Derivative Financial Instruments

For the year ended December 31, 2016, we had net gains related to the recognition of changes in fair values of derivative financial instruments of Ps317 million (U.S.$17 million). For the year ended December 31, 2017, we had a net gain related to the recognition of changes in fair values of derivative financial instruments of Ps161 million (U.S.$9 million). See note 16.4 to our 2017 audited consolidated financial statements included elsewhere in this annual report.

In the ordinary course of business, we are exposed to commodities risk, including the exposure from inputs such as fuel, coal, pet coke, fly-ash, gypsum and other industrial materials that are commonly used by us in the production process, and expose us 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 board of directors, which represent our risk management framework and are supervised by several committees, our management establishes specific policies that determine strategies focused on obtaining natural hedges 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, 2017 and 2016, these strategies were sometimes complemented with the use of derivative financial instruments, such as commodity forward contracts on diesel fuel and coal negotiated to fix the price of these underlying commodities. See note 16.4 and 16.5 to our 2017 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, any restrictions set forth by our debt agreements and our hedging strategy, we held derivative financial instruments, with the objectives of: (a) changing the risk profile or fixed the price of fuels and electric energy; (b) foreign exchange hedging; (c) hedge of forecasted transactions; and (d) accomplishing other corporate objectives. Before entering into any transaction, we evaluate, by reviewing credit ratings and our business relationship according to our policies, the creditworthiness of the financial institutions and corporations that are prospective counterparties to our derivative financial instruments. We select our counterparties to the extent we believe that they have the financial capacity to meet their obligations in relation to these instruments. Under current financial conditions and volatility, there can be no assurance that risk of non-compliance with the obligations agreed to with such counterparties is minimal. See note 16.4 and 16.5 to our 2017 audited consolidated financial statements included elsewhere in this annual report.

Since the beginning of 2009, we have been reducing the aggregate notional amount of our derivatives, thereby reducing the risk of cash margin calls. This initiative has included closing substantially all notional amounts of derivative instruments related to our debt (currency and interest rate derivatives) and the settlement of our inactive derivative financial instruments (see note 16.4 to our 2017 audited consolidated financial statements), which we finalized during April 2009. The 2017 Credit Agreement significantly restricts our ability to enter into certain derivative transactions.

We use derivative financial instruments in order to change the risk profile associated with changes in interest rates and foreign exchange rates of debt agreements, as a vehicle to reduce financing costs, as an alternative source of financing, and as hedges of: (i) highly probable forecasted transactions, (ii) our net assets in foreign subsidiaries and (iii) future exercises of options under our executive stock option programs. Before entering into any transaction, we evaluate, by reviewing credit ratings and our business relationship according to our policies, the creditworthiness of the financial institutions and corporations that are prospective counterparties to our derivative financial instruments. We select our counterparties to the extent we believe that they have the financial capacity to meet their obligations in relation to these instruments. Under current financial conditions and volatility, we cannot assure that risk of non-compliance with the obligations agreed to with such counterparties is minimal.

The fair value of derivative financial instruments is based on estimated settlement costs or quoted market prices and supported by confirmations of these values received from the counterparties to these financial instruments. The notional amounts of derivative financial instrument agreements are used to measure interest to be paid or received and do not represent the amount of exposure to credit loss.

	At December 31, 2016		At December 31, 2017		
(in millions of U.S. Dollars)	Notional Amount	Estimated Fair value	Notional Amount	Estimated Fair value	Maturity Date
Net investment hedge	—	—	1,160	47	December 2019
Foreign exchange forwards related to forecasted transactions	80	—	381	3	January 2018
Equity contracts on third party shares	—	—	168	7	March 2019
Interest Rate Swaps	147	23	137	16	September 2022
Fuel price hedging	77	15	72	20	October - December 2018
November 2019 Mandatory Convertible Mexican Peso Notes and options on CEMEX, S.A.B. de C.V.'s shares	576	26	—	(20)	November 2019
	880	64	1,918	73	

Our Interest Rate Swaps. As of December 31, 2016 and 2017, we had an interest rate swap maturing in September 2022 with notional amounts of U.S.$147 million and U.S.$137 million, respectively, negotiated to

exchange floating for fixed rates in connection with agreements we entered into for the acquisition of electric energy in Mexico. As of December 31, 2016 and 2017, the fair value of the swap represented assets of U.S.$23 million (Ps477 million) and U.S.$16 million (Ps314 million), respectively. Pursuant to this instrument, during the tenure of the swap and based on its notional amount, we will receive a fixed rate of 5.4% and will pay at LIBOR. Changes in the fair value of interest rate swaps, generated losses of U.S.$4 million (Ps69 million) in 2015, U.S.$6 million (Ps112 million) in 2016 and U.S.$6 million (Ps114 million) in 2017, which were recognized in the income statement for each year. See note 16.4 to our 2017 audited consolidated financial statements included elsewhere in this annual report.

Our Equity Forwards on Third-Party Shares. As of December 31, 2017, in connection with the definitive sale of our GCC shares in September 2017 to two financial institutions that acquired all corporate rights and control under the aforementioned shares (see note 13.1 to our 2017 audited consolidated financial statements included elsewhere in this annual report), we negotiated equity forward contracts to be settled in cash maturing in March 2019 over the price of approximately 31.4 million GCC shares. During 2017, changes in the fair value of these instruments generated losses of U.S.$24 million (Ps463 million) recognized within "Financial income (expense) and other items, net" in the income statement. GCC is a Mexican construction company listed on the Mexican Stock Exchange. As of December 31, 2017, the fair value of the equity forwards represented an asset of approximately U.S.$7 million (Ps138 million), net of cash collateral.

Our Options on Our Own Shares. On March 15, 2011, in connection with the offering of the March 2018 Optional Convertible Subordinated U.S. Dollar Notes and to effectively increase the conversion price for CEMEX, S.A.B. de C.V.'s ADSs under such notes, CEMEX, S.A.B. de C.V. entered into capped call transactions after antidilution adjustments of over approximately 80 million ADSs maturing in March 2018, by means of which, at maturity of the notes in March 2018, we will receive in cash the difference between the market price of the ADS and U.S.$8.57, with a maximum appreciation per ADS of U.S.$5.27. We paid a total premium of approximately U.S.$222 million. During August 2016, we amended 58.3% of the total notional amount of such capped calls, with the purpose of reducing the volatility of their fair value by lowering the strike prices in exchange for reducing the number of underlying options. These amendments involved no cash settlements. As a result of such amendments, CEMEX, S.A.B. de C.V. retained a total amount of capped call transactions over approximately 71 million CEMEX, S.A.B. de C.V. ADSs after antidilution adjustments maturing in March 2018. As of December 31, 2016, the fair value of such options represented assets of U.S.$66 million (Ps1,368 million). During 2015, 2016 and 2017, changes in the fair value of this contract generated losses of approximately U.S.$228 million (Ps3,928 million), gains of approximately U.S.$44 million (Ps818 million) and gains of approximately U.S.$37 million (Ps725 million), respectively, which were recognized in the income statements for each year. During 2017, we amended capped calls transactions maturing in March 2018 over approximately 71 million CEMEX, S.A.B. de C.V. ADSs, with the purpose of unwinding the position, pursuant to which CEMEX, S.A.B. de C.V. received an aggregate amount of approximately U.S.$103 million in cash. As of December 31, 2017, CEMEX, S.A.B. de C.V. closed all of its options on its own shares.

In addition, in connection with the November 2019 Mandatory Convertible Mexican Peso Notes (see note 16.2 to our 2017 audited consolidated financial statements included elsewhere in this annual report), and considering (i) the change in CEMEX, S.A.B. de C.V.'s functional currency effective January 1, 2013 and (ii) that the currency in which such November 2019 Mandatory Convertible Mexican Peso Notes are denominated and the functional currency of the issuer differ, beginning January 1, 2013, we now separate the conversion option embedded in such instruments and recognize it at fair value, which as of December 31, 2016 and 2017, resulted in a liability of approximately U.S.$40 million (Ps829 million) and U.S.$20 million (Ps393 million), respectively. Changes in fair value of the conversion option generated gains of U.S.$18 million (Ps310 million) in 2015, losses of U.S.$29 million (Ps545 million) in 2016 and gains of U.S.$19 million (Ps359 million) in 2017.

Foreign exchange forward contracts. As of December 31, 2017, we held foreign exchange forward contracts that matured in January 2018 negotiated to maintain the Euro value of a portion of the December 2024 Euro Notes issued for Euros during December 2017, after converting a portion of these proceeds into U.S. dollar to settle other indebtedness in Dollars in December 2017, whereas the final use of these proceeds had been projected to be the settlement of other indebtedness in Euros during 2018. See note 4.2 to our 2017 audited consolidated financial statements included elsewhere in this annual report. For the years 2016 and 2017, changes in the estimated fair value of these instruments, including the effects resulting from positions entered and settled during each year, generated gains of U.S.$10 million (Ps186 million) in 2016 and losses U.S.$17 million (Ps337 million) in 2017, each recognized within "Financial income (expense) and others, net." We continue to hold foreign exchange forward contracts as part of our hedging strategy.

In addition, during 2017, we negotiated foreign exchange forwards contract to hedge our exposure to currency translation effects arising from certain investments in foreign subsidiaries. These contracts have been documented as a net investment hedge. As of December 31, 2017, the fair value of these foreign exchange forward contracts represented an asset liability of U.S.$47 million (Ps924 million). Changes in fair value are recognized through other comprehensive income. For the year end period ended December 31, 2017, changes in the estimated fair value of these instruments, generated gains of U.S.$6 (Ps110), recognized within stockholders' equity.

Fuel price hedging. We maintained forward contracts negotiated to hedge the price of diesel fuel in several countries in 2016 and 2017 for aggregate notional amounts as of December 31, 2016 and 2017 of U.S.$44 million (Ps912 million) and U.S.$46 million (Ps904 million), respectively, with an estimated fair value representing an asset of U.S.$7 million (Ps145 million) in 2016 and an estimated fair value representing an asset of U.S.$10 million (Ps197 million) in 2017. By means of these contracts, for own consumption only, we fixed the fuel component of the market price of diesel over certain volumes representing a portion of the estimated diesel consumption in such operations. These contracts have been designated as cash flow hedges of diesel fuel consumption, and as such, changes in fair value are recognized temporarily through other comprehensive income, and are recycled to operating expenses as the related diesel volumes are consumed. For the years 2016 and 2017, changes in fair value of these contracts recognized in other comprehensive income represented gains of U.S.$7 million (Ps145 million) and gains of U.S.$3 million (Ps57 million), respectively.

In addition, as of December 31, 2016 and 2017, we held forward contracts negotiated to hedge the price of coal, as solid fuel, for an aggregate notional amounts as of December 31, 2016 and 2017 of U.S.$33 million (Ps684 million) and U.S.$26 million (Ps511 million), respectively, with an estimated fair value representing an asset of U.S.$8 million (Ps166 million) in 2016 and an estimated fair value representing an asset of U.S.$10 million (Ps197 million) in 2017. By means of these contracts, for own consumption only, we fixed the price of coal over certain volumes representing a portion of the estimated coal consumption in our applicable operations. These contracts have been designated as cash flow hedges of coal consumption and, as such, changes in fair value are recognized temporarily through other comprehensive income, and are recycled to operating expenses as the related coal volumes are consumed. For the year ended December 31, 2016 and 2017, changes in fair value of these contracts recognized in other comprehensive income represented gains of U.S.$8 million (Ps166 million) and gains of U.S.$1 million (Ps19 million), respectively.

Interest Rate Risk, Foreign Currency Risk and Equity Risk

Interest Rate Risk. The table below presents tabular information of our fixed and floating rate long-term foreign currency-denominated debt as of December 31, 2017. Average floating interest rates are calculated based on forward rates in the yield curve as of December 31, 2017. Future cash flows represent contractual principal payments. The fair value of our floating rate long-term debt is determined by discounting future cash flows using borrowing rates available to us as of December 31, 2017 and is summarized as follows:

	Expected maturity dates as of December 31, 2017						
Long-Term Debt(1)	**2018**	**2019**	**2020**	**2021**	**After 2022**	**Total**	**Fair Value**
	(In millions of U.S. Dollars, except percentages)						
Variable rate	U.S.$—	—	519	1,035	1,163	U.S.$2,717	U.S.$2,362
Average interest rate	—	—	2.95%	2.95%	3.08%		
Fixed rate	U.S.$—	—	—	336	5,956	U.S.$6,292	U.S.$7,013
Average interest rate	—	—	—	7.25%	5.58%		

(1) The information above includes the current maturities of the long-term debt. Total long-term debt as of December 31, 2017 does not include our other financial obligations and the Perpetual Debentures for an aggregate amount of U.S.$447 million (Ps8,784 million) issued by consolidated entities. See notes 16.2 and 20.4 to our 2017 audited consolidated financial statements included elsewhere in this annual report.

As of December 31, 2017, 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, 2016, 28% of our foreign currency-denominated long-term debt bears floating rates at a weighted average interest rate of LIBOR plus 306 basis points. As of December 31, 2017, 31% of our foreign currency-denominated long-term debt bears floating rates at a weighted average interest rate of LIBOR plus 268 basis points. As of December 31, 2016 and 2017, if interest rates at that date had been 0.5% higher, with all other variables held constant, CEMEX's net income for 2016 and 2017 would have been reduced by approximately U.S.$18 million (Ps373 million) and U.S.$18 million (Ps353 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 CEMEX during 2016 and 2017. See note 16.5 to our 2017 audited consolidated financial statements included elsewhere in this annual report.

Foreign Currency Risk. Due to our geographic diversification, our revenues are generated in various countries and settled in different currencies. However, some of our production costs, including fuel and energy, and some of our cement prices, are periodically adjusted to take into account fluctuations in the U.S. Dollar/Mexican Peso exchange rate. For the year ended December 31, 2017, approximately 21% of our net sales, before eliminations resulting from consolidation, were generated in Mexico, 24% in the United States, 7% in the United Kingdom, 6% in France, 4% in Germany, 2% in Spain, 2% in Poland, 3% in the Rest of Europe, 4% in Colombia, 2% in Panama, 1% in Costa Rica, 2% Caribbean TCL, 4% in the Rest of South, Central America and the Caribbean region, 3% in Philippines, 1% in Egypt, 5% in the Rest of Asia, Middle East and Africa region and 9% 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 income statements, 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, 2016 and 2017, 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 U.S. Dollar against the Mexican Peso, with all other variables held constant, our net income for 2016 and 2017 would have increased by approximately U.S.$136 million (Ps2,829 million) and U.S.$119 million (Ps2,829 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 U.S. Dollar against the Mexican Peso would have had the opposite effect.

As of December 31, 2017, 59% of our total debt plus other financial obligations was U.S. Dollar-denominated, 33% was Euro-denominated, 5% was British Pounds-denominated, 2% was Philippine Peso-denominated, 1% was Mexican Peso-denominated and immaterial amounts were denominated in other currencies, which does not include Ps8,784 million (U.S.$447 million) of Perpetual Debentures; therefore, we had a foreign currency exposure arising from the debt plus other financial obligations denominated in U.S. Dollars, and the debt and other financial obligations denominated in Euros, versus the currencies in which our revenues are settled in most countries in which we operate. We cannot guarantee that we will generate sufficient revenues in U.S. Dollars and Euros from our operations to service these obligations. As of December 31, 2016 and 2017, CEMEX had not implemented any derivative financing hedging strategy to address this foreign currency risk.

Equity Risk. As described above, we have entered into equity forward contracts on GCC shares. Under these equity forward contracts, there is a direct relationship in the change in the fair value of the derivative with the change in price of the underlying share. Upon liquidation, the equity forward contracts provide for cash settlement and the effects are recognized in the income statements as part of "Financial income (expense) and other items, net" in our 2017 audited consolidated financial statements included elsewhere in this annual report.

As of December 31, 2017, the potential change in the fair value of CEMEX's forward contracts in GCC shares that would result from a hypothetical, instantaneous decrease of 10% in the market price of GCC shares in dollars, with all other variables held constant, CEMEX's net income for 2017 would have been reduced by U.S.$14 million (Ps283 million), as a result of additional negative changes in fair value associated with these forward contracts. A 10% hypothetical increase in the price of GCC shares in 2017 would have generated approximately the opposite effect, respectively.

In addition, even though the changes in fair value of our embedded conversion option in the November 2019 Mandatory Convertible Mexican Peso Notes that are denominated in a currency other than the functional issuer's currency affect the income statement, they do not imply any risk or variability in cash flows, considering that through their exercise, we will settle a fixed amount of debt with a fixed amount of shares. As of December 31, 2017 and 2016, the potential change in the fair value of the embedded conversion options in the 2019 Mandatory Convertible Mexican Peso Notes that would result from a hypothetical, instantaneous increase of 10% in the market price of our CPOs, with all other variables held constant, would have decreased our net income by U.S.$8 million (Ps162 million) in 2016 and decreased by U.S.$9 million (Ps180 million) in 2017 as a result of additional negative changes in fair value associated with this option. A 10% hypothetical decrease in our CPO price would generate approximately the opposite effect.

Liquidity Risk. 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, 2017, we had a combined amount of U.S.$1,512 million (Ps29,711 million) available in our committed revolving credit facility and an undrawn tranche under the 2017 Credit Agreement. See notes 16.1 and 23.4 to our 2017 audited consolidated financial statements included elsewhere in this annual report.

Investments, Acquisitions and Divestitures

The transactions described below represent our principal investments, acquisitions and divestitures completed during 2015, 2016 and 2017.

Investments and Acquisitions

On August 27, 2015, we completed the construction of the first phase of a new cement grinding plant in Nicaragua. CEMEX Latam invested approximately U.S.$30 million for infrastructure procurement and the installation of the first cement grinding mill. The second phase, which is expected to be completed by the end of 2017, will include the installation of a second cement grinding mill and an additional investment of approximately U.S.$25 million. Upon completion of the second phase, CEMEX Nicaragua is expected to reach an estimated total annual cement production capacity of approximately 860,000 tons.

On January 24, 2017, Sierra, which is a wholly-owned CEMEX España subsidiary, announced that, having received a foreign investment license from the Trinidad and Tobago Ministry of Finance, all terms and conditions had been complied with or waived and the Offer to all shareholders that took place on December 5, 2016, had accordingly been declared unconditional. In addition, such Offer closed in Jamaica on February 7, 2017. Sierra acquired all TCL shares deposited pursuant to the Offer up to the maximum number of the offered shares. TCL shares deposited in response to the Offer together with Sierra's existing shareholding in TCL represented 69.83% of the outstanding TCL shares. The total consideration paid by Sierra for the TCL shares was U.S.$86 million. After conclusion of the Offer, CEMEX consolidates TCL and its subsidiaries, including CCCL, for financial reporting purposes beginning February 1, 2017.

Divestitures

During 2016 and 2017, we made divestitures of approximately U.S.$1,045 million and U.S.$1,514 million, respectively (which included fixed assets of approximately U.S.$121 million and U.S.$93 million, respectively).

On May 26, 2016, we closed the sale of our operations in Bangladesh and Thailand to SIAM Cement for U.S.$70 million. The proceeds from this transaction were used mainly for debt reduction and for general corporate purposes.

On July 18, 2016, CHP closed its initial public offering of 45% of its common shares in the Philippines, and 100% of CHP's common shares started trading on the Philippine Stock Exchange under the ticker "CHP." As of December 31, 2017, CASE, an indirect subsidiary of CEMEX España, directly owned 55% of CHP's outstanding common shares. The net proceeds to CHP from its initial public offering were U.S.$507 million after deducting estimated underwriting discounts and commissions, and other estimated offering expenses payable by CHP. CHP used the net proceeds from the initial public offering to repay existing indebtedness owed to BDO Unibank and to an indirect subsidiary of CEMEX, S.A.B. de C.V. CHP's assets consist primarily of CEMEX's cement manufacturing assets in the Philippines.

On August 29, 2016, we announced that we would be participating in the corporate restructuring of GCC, which resulted in CEMEX owning 23% of the outstanding share capital of GCC and, additionally, a minority interest in CAMCEM, an entity which in turn owns a majority interest in GCC. On the same day, we also announced that we reached an agreement with GCC on the terms and conditions regarding the sale to GCC of certain assets in the U.S. On November 18, 2016, after all conditions precedent were satisfied, CEMEX announced that it had closed the sale of certain assets in the U.S. to GCC for U.S.$306 million. The assets were sold by an affiliate of CEMEX to an affiliate of GCC in the U.S., and mainly consisted of CEMEX's cement plant in Odessa, Texas, two cement terminals and the building materials business in El Paso, Texas and Las Cruces, New Mexico. On February 15, 2017, we sold 45,000,000 shares of common stock of GCC, representing 13.53% of the equity capital of GCC, at a price of Ps95 per share in a public offering to investors in Mexico

authorized by the CNBV and in a concurrent private placement to eligible investors outside of Mexico. After the offerings, CEMEX, S.A.B. de C.V. owned a 9.47% direct interest in GCC and the minority interest in CAMCEM. Proceeds from the sale were Ps4,094 million (U.S.$210 million). On September 28, 2017, CEMEX, S.A.B. de C.V. announced the final sale of the remaining 9.47% direct interest in GCC previously held by CEMEX, S.A.B. de C.V. for U.S.$168 million (Ps3,012 million). Following this sale of shares, we no longer held a direct interest but continued to hold an indirect share of 20% in GCC through our minority interest in CAMCEM. The proceeds of this transaction were mainly used for debt reduction and for general corporate purposes.

On December 2, 2016, we agreed to the sale of our assets and operations related to our ready-mix concrete pumping business in Mexico to Pumping Team, a specialist in the supply of ready-mix concrete pumping services based in Spain, for Ps1,649 million. This agreement included the sale of fixed assets upon closing of the transaction for Ps309 million plus administrative and client and market development services. Under this agreement, we will also lease facilities in Mexico to Pumping Team over a period of ten years with the possibility to extend for three additional years, for an aggregate initial amount of Ps1,340 million, plus a contingent revenue subject to results for up to Ps557 million linked to annual metrics beginning in the first year and up to the fifth year of the agreement. On April 28, 2017, after receiving the approval by the Mexican authorities, we concluded the sale.

On January 31, 2017, one of our subsidiaries in the U.S. closed the sale of our Concrete Pipe Business to Quikrete for U.S.$500 million plus an additional U.S.$40 million contingent consideration based on future performance.

On February 10, 2017, one of our subsidiaries in the United States sold its Fairborn, Ohio cement plant and cement terminal in Columbus, Ohio to Eagle Materials for U.S.$400 million. The proceeds obtained from this transaction were used mainly for debt reduction and for general corporate purposes.

On June 30, 2017, one of our subsidiaries in the U.S. closed the divestment of the Pacific Northwest Materials Business, consisting of aggregates, asphalt and ready mix concrete operations in Oregon and Washington, to Cadman Materials for U.S.$150 million. The proceeds obtained from this sale were used mainly for debt reduction and general corporate purposes.

On September 29, 2017, one of our subsidiaries in the U.S. closed the divestment of the Block USA Materials Business, consisting of concrete block, architectural block, concrete pavers, retaining walls and building material operations in Alabama, Georgia, Mississippi and Florida, to Oldcastle for approximately U.S.$38 million. The proceeds obtained from this sale were used mainly for debt reduction and general corporate purposes.

Recent Developments

Recent Developments Relating to Our Indebtedness

On January 10, 2018, we redeemed the remaining €400 million aggregate principal amount of the January 2022 Euro Notes.

On February 14, 2018, we drew down U.S.$377 million aggregate principal amount under the previously undrawn term loan tranche of the 2017 Credit Agreement.

On February 14, 2018, we agreed, through one of our subsidiaries in the United States, to increase our ownership interest in Lehigh White Cement Company from 24.5% to 36.75%. On March 29, 2018, we closed the acquisition and paid a total of U.S.$34 million.

On March 15, 2018, we redeemed the remaining U.S.$365 million aggregate principal amount of the March 2018 Optional Convertible Subordinated U.S. Dollar Notes.

On March 15, 2018, we redeemed the remaining U.S.$341 million aggregate principal amount of the January 2021 Dollar Notes.

During March 2018, we renewed the securitization programs outstanding in the United States, France and the United Kingdom. As a result of such renewals, each program is now scheduled to mature in March 2019.

During the first quarter of 2018, we conducted drawdowns and repayments under the revolving tranche of the 2017 Credit Agreement, resulting in a principal outstanding amount under the revolving tranche of the 2017 Credit Agreement of Ps12,817 million (U.S.$700 million) as of March 31, 2018. In addition, as of March 31, 2018, we had an aggregate amount of Ps7,965 million (U.S.$435 million) available under the revolving tranche of the 2017 Credit Agreement.

Recent Developments Relating to Our Shareholders

On April 5, 2018, 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:

- An extension until December 31, 2023 of the current Restricted Stock Plan for Employees, Officers and Managers (formerly the Stock Purchase Option Plan) of CEMEX, S.A.B. de C.V. and its subsidiaries, so that the rights pursuant to such plan can be granted or assigned within this new term, as well as an increase to the capital stock of CEMEX, S.A.B. de C.V. in its variable portion in the amount of Ps. 2,082,457.50, through the issuance of up to 750,000,000 nominative ordinary common shares without expression of nominal value, of which up to 500,000,000 will be Series A, and up to 250,000,000 will be Series B, with the same characteristics and the same rights as the currently outstanding shares, which will be kept in treasury to be subscribed and paid for pursuant to the terms and conditions of the Restricted Stock Plan for Employees, Officers and Managers of CEMEX, S.A.B. de C.V. and its subsidiaries, without preemptive rights being applicable for shareholders.
- Setting the amount of U.S.$500 million or its equivalent in Mexican Pesos as the maximum amount of resources for the year ending on December 31, 2018, and until the next ordinary shareholders meeting is held, that CEMEX, S.A.B. de C.V. can use to purchase its own shares or securities that represent such shares. The board of directors of CEMEX, S.A.B. de C.V. was authorized to determine the basis on which the purchase and placement of such shares is made, appoint the persons who will be authorized to make the decision of purchasing or placing such shares and appoint the persons responsible to make the transaction and furnish the corresponding notices to authorities.
- The appointment of the members of CEMEX, S.A.B. de C.V.'s board of directors, including new director Gabriel Jaramillo Sanint.

The most significant item that was approved by shareholders at the Extraordinary General Shareholders Meeting was an increase to the capital stock of CEMEX, S.A.B. de C.V. in its variable portion in the amount of Ps1,258,407.08, through the issuance of up to 453,217,080 nominative ordinary common shares without expression of nominal value, of which 302,144,720 will be Series A, and up to 151,072,360 will be Series B, and which will confer the same rights and obligations as the currently outstanding shares. The shares will be subscribed and paid for through a public offer or private placement, either in Mexico or abroad, and/or through the issuance of convertible notes pursuant to Article 210 Bis of the General Law of Negotiable Instruments and Credit Operations (*Ley General de Títulos y Operaciones de Crédito*). The shares will be kept in treasury to be subscribed and paid afterwards, through payment or conversion, as applicable, without the preemptive right being applicable pursuant to the Company's by-laws and applicable legislation.

Recent Developments Relating to Our Board of Directors and Senior Management

As described under "— Recent Developments Relating to Our Shareholders," on April 5, 2018, Gabriel Jaramillo Sanint was appointed as member of CEMEX, S.A.B. de C.V.'s board of directors. Additionally, Roberto Luis Zambrano Villarreal, who as of December 31, 2017 was a member of CEMEX, S.A.B. de C.V.'s board of directors, concluded his role as director at the Ordinary General Shareholders Meeting held on April 5, 2018. Rogelio Zambrano Lozano, Roger Saldaña Madero and René Delgadillo Galván were elected as Chairman, Secretary and Assistant Secretary of the board of directors of CEMEX, S.A.B. de C.V., respectively.

Name, Position (Age)	Experience
Gabriel Jaramillo Sanint Independent Director (Male – 68)	Has been a member of CEMEX Latam Holdings, S.A.'s board of directors and the Audit and Corporate Governance Committees since 2012. During his more than 35 years of experience in the financial sector, mainly in Latin America, Mr. Jaramillo has worked for several financial institutions, including Citibank, HSBC and Santander. He has been Chief Executive Officer and Chairman of the board of directors of the following banks: Sovereign Bank (Santander USA); Banco de Estado de Sao Paulo, S.A.; Banco Santander (Brasil), S.A.; Banco Santander Colombia and Citibank Mexico. He is member of the board of directors of Minerva Foods (Brasil); Grupo Phoenix and Medicines for Malaria Ventures (Non-profit). Additionally, he was Chief Executive Officer of the Global Fund to Fight AIDS, Tuberculosis and Malaria in Geneva. Mr. Jaramillo graduated with a degree in marketing from California State University and holds an MBA from such university. He has received Honoris Causa doctorates from North Eastern University and Universidad Autónoma de Manizales.

Recent Developments Relating to our Regulatory Matters and Legal Proceedings

Antitrust Proceedings—Polish Antitrust Investigation

We refer to the antitrust proceedings brought by the Protection Office against all cement producers in Poland, including CEMEX Polska and other of our indirect subsidiaries in Poland. On March 27, 2018, the Appeals Court issued its final judgment, which reduces the fine imposed upon CEMEX Polska to Polish Zloty 69.4 million (approximately U.S.$19.97 million as of December 31, 2017 based on an exchange rate of Polish Zloty 3.4748 to U.S.$1.00). This penalty is equal to approximately 6% of CEMEX Polska's revenue in 2008 and was paid by CEMEX Polska on April 9, 2018. CEMEX Polska still has the right to file a cassation appeal before the Polish Supreme Court within two months following receipt of written justification of the Appeal Court's judgment, which CEMEX Polska expects to receive within the following two to five months. As of April 27, 2018, we are not able to determine if CEMEX Polska will pursue such cassation appeal. CEMEX Polska had created the accounting provision in relation with this proceeding in an amount equal to 100% of the reduced penalty of the First Instance Court judgment. However, CEMEX Polska has reduced such accounting provision to an amount sufficient to cover the penalty imposed by the Appeals Court. See "Item 4—Information on the Company—Regulatory Matters and Legal Proceedings—Antitrust Proceedings—Polish Antitrust Investigation."

Antitrust Proceedings—Antitrust Case in Georgia and South Carolina

We refer to the lawsuit filed on November 22, 2017 in a U.S. Federal Court in the State of South Carolina by a single concrete instillation company against our subsidiaries in the U.S. based on the same allegations made in the lawsuit filed on July 24, 2017 in a U.S. Federal Court in the state of Georgia by two ready-mix concrete producers. On January 15, 2018, the single concrete instillation company amended its complaint to eliminate all claims against our subsidiaries. Thus, we are no longer a defendant in this lawsuit. See "Item 4—Information on the Company—Regulatory Matters and Legal Proceedings—Antitrust Proceedings—Antitrust Case in Georgia and South Carolina."

Antitrust Proceedings—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 does not mean that the DOJ has concluded that we or any of our affiliates or employees have 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. At this time, we are cooperating with the DOJ and intend to comply with the subpoena. As of April 27, 2018, we are not able to assess if this investigation will lead to any fines, penalties or remedies against us, or if such fines, penalties or remedies, if any, would have a material adverse effect on our results of operations, liquidity or financial condition.

Environmental Matters—Mexico

Regarding our involvement in the Electricity Market in Mexico, we have been authorized pursuant to the Electric Industry Law (*Ley de la Industria Eléctrica*) to become participants in the Electricity Market. See "Item 4—Information on the Company—Regulatory Matters and Legal Proceedings—Environmental Matters—Mexico."

Environmental Matters—Europe—EU Emissions Trading

Regarding the applicable binding caps on CO2 emissions and the amount of emission allowances allocated to our operations pursuant to the EU's ETS, the EU Parliament, EU Council and EU Commission have approved the amendment of the ETS legislation for Phase IV of the ETS (2021-2030). 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 European Union's Market Stability Reserve. As of April 27, 2018, it is not possible to predict with certainty how we will be affected by the reform to the EU ETS in Phase IV. However, we expect that the aggregate amount of allowances that will be annually allocated for free to us in Phase IV will not be sufficient for our operations. Therefore, we expect that we will be required to purchase emission allowances at some point in time during Phase IV at increased prices due to their reduced availability in auctions, since they would have been allocated to the Market Stability Reserve. See "Item 4—Information on the Company—Regulatory Matters and Legal Proceedings—Environmental Matters—Europe—EU Emissions Trading."

Tax Matters—Mexico—Property Tax Matter in the State of Hidalgo

During the last quarter of 2017, the municipality of Atotonilco de Tula, Hidalgo issued new valuations regarding CEMEX México's operating facility in that municipality to assess the corresponding property tax payable by CEMEX México starting in 2017. CEMEX México is currently contesting the legality of such valuations before the Administrative Court of the State of Hidalgo (*Tribunal de Justicia Administrativa del Estado de Hidalgo*), which has not yet issued a decision. CEMEX México contends that the valuation by the municipality is contrary to the Cadastral Law of the State of Hidalgo (*Ley de Catastro del Estado de Hidalgo*) and has twice tried to effect payment of the property tax corresponding to the years 2017 and 2018 in accordance with its calculations made pursuant to the Revenue Law of the Municipality of Atotonilco de Tula, Hidalgo (*Ley de Ingresos del Municipio de Atotonilco de Tula, Hidalgo*) and the Cadastral Law of the State of Hidalgo (*Ley de*

Catastro del Estado de Hidalgo) currently in effect. The municipality has refused to accept such payment based on an alleged difference in the property tax to be paid, which has not been formally determined by the municipality. The municipality's refusal to accept payment could result in CEMEX México failing to obtain a municipal license required for the operation of CEMEX México's Atotonilco operating facility pursuant to new municipal regulations published in the Official Gazette of the State of Hidalgo (*Periódico Oficial del Estado de Hidalgo*) on February 12, 2018, since payment of the corresponding property tax is a requirement for obtaining the municipal license. Failure to obtain the aforementioned municipal license could affect the operativity of our Atotonilco facility while this license is obtained. As of April 27, 2018, we are not able to assess the likelihood of an adverse result to this matter. However, if such matter is finally resolved adversely to us and it affects the operativity of our Atotonilco facility, such effect could have an adverse impact on our results of operations, liquidity and financial condition.

Tax Matters—United States

In addition to the audits being conducted by the IRS for the 2016 and 2017 tax years; on March 29, 2018, the IRS commenced its routine audit of the 2018 tax year, under the Compliance Assurance Process. See "Item 4—Information on the Company—Regulatory Matters and Legal Proceedings—Tax Matters—United States."

Tax Matters—Colombia

On April 9, 2018, the Colombian Tax Authority notified CEMEX Colombia of a proceeding notice in which the Colombian Tax Authority rejected certain deductions taken by CEMEX Colombia in its 2012 year-end income tax return. The Colombian Tax Authority assessed an increase in taxes to be paid by CEMEX Colombia in the amount of approximately 124.79 billion Colombian Pesos (approximately U.S.$41.82 million as of December 31, 2017, based on an exchange rate of 2,984.00 Colombian Pesos to U.S.$1.00) and imposed a penalty in the amount of approximately 124.79 billion Colombian Pesos (approximately U.S.$41.82 million as of December 31, 2017, based on an exchange rate of 2,984.00 Colombian Pesos to U.S.$1.00). CEMEX Colombia intends to appeal the Colombian Tax Authority's decision and exhaust all legal recourses available, which could take between six and eight years to resolve. If a final resolution adverse 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. As of April 27, 2018, we are not able to assess the likelihood of an adverse result to this matter. However, if such matter is finally resolved adversely to us, we do not expect such adverse resolution would have a material adverse impact on our results of operations, liquidity and financial condition.

Tax Matters—Spain

We refer to the recourse filed by CEMEX España on November 6, 2017 before the National Court (*Audiencia Nacional*) against the TEAC's adverse resolution to the appeals filed against the fines imposed upon CEMEX España by the Spanish tax authorities arising from the tax audit process covering the tax years from and including 2006 to 2009. On January 31, 2018, the National Court (*Audiencia Nacional*) notified CEMEX España of the granting of the suspension of the payment of the fines, subject to the provision of guarantees on or before April 2, 2018. In this regard, CEMEX España has provided the respective guarantees in the form of a combination of a liability insurance policy and a mortgage of several assets owned by its Spanish subsidiary CEMEX España Operaciones, S.L.U. Once the sufficiency of such guarantees is confirmed, the National Court is expected to confirm the suspension of the payment until the recourses are definitively resolved. See "Item 4—Information on the Company—Regulatory Matters and Legal Proceedings—Tax Matters—Spain."

Other Legal Proceedings—Maceo, Colombia—Operational Matters

We refer to the authorization and consent requested from Central de Mezclas by Corantioquia to reverse the assignment of the environmental license for the Maceo Project back to CI Calizas, which also holds the corresponding mining title. On February 22, 2018, Central de Mezclas granted such authorization.

We refer to CEMEX Colombia's petition to subtract from the District of Integrated Management 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 January 12, 2018, CEMEX Colombia was notified of Corantioquia's decision to admit such petition and initiated the corresponding proceedings. See "Item 4—Information on the Company—Regulatory Matters and Legal Proceedings—Other Legal Proceedings—Maceo, Colombia—Operational Matters."

Other Legal Proceedings—Department of Justice Investigation Relating to Matters in Colombia and Other Jurisdictions

We previously disclosed that, in addition to the SEC, it was possible that the DOJ and other investigatory entities in other jurisdictions could also open investigations into the Maceo Project. In this regard, on March 12, 2018, the DOJ issued a grand jury subpoena to us relating to our operations in Colombia and other jurisdictions. We intend to cooperate fully with the SEC, DOJ, and any other investigatory entity. As of April 27, 2018, we are 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 us, or if such sanctions, if any, would have a material adverse impact on our results of operations, liquidity and financial condition. See "Item 4—Information on the Company—Regulatory Matters and Legal Proceedings—Other Legal Proceedings—SEC Investigation Relating to the Legal Proceedings in Colombia."

Other Legal Proceedings—Quarry Matter in France

We refer to CEMEX Granulats' appeal filed against the adverse judgment related to SCI's claim against CEMEX Granulats for breach of the Quarry Contract, pursuant to which CEMEX Granulats has drilling rights to extract reserves and conduct quarry remediation at a quarry in the Rhone region of France. The judgment of the appeal court was provided to CEMEX Granulats on March 13, 2018. Such judgment 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 his opinion on the potential damages suffered by SCI. This judgment is enforceable. CEMEX Granulats has filed a notice of appeal with the Court of Cassation, which will advance in parallel to the judicial expert's process. Proceedings on any additional hearings regarding this appeal or any other actions CEMEX Granulats may initiate in this matter could take approximately 16 months to be finalized. See "Item 4—Information on the Company—Regulatory Matters and Legal Proceedings—Other Legal Proceedings—Quarry Matter in France."

Other Legal Proceedings—Federal Securities Class Action

On March 16, 2018, a putative securities class action complaint was filed against us and one of our members of the board of directors (CEO) and certain of our officers (CEO and CFO) in the U.S. District Court for the Southern District of New York, on behalf of investors who purchased or otherwise acquired securities of ours between August 14, 2014 to March 13, 2018, inclusive. The complaint alleges violations of Sections 10(b) and 20(a) of the Securities Exchange Act of 1934, as amended (the "Exchange Act") based on purportedly issuing press releases and SEC filings that included materially false and misleading statements in connection with alleged misconduct relating to the Maceo Project and the potential regulatory or criminal actions that might arise as a result. We deny liability and intend to vigorously defend the case. As of April 27, 2018, we are not able to assess the likelihood of an adverse result to this lawsuit. Because of its current status and its preliminary nature, we are not able to assess if a final adverse result in this lawsuit would have a material adverse impact on our results of operations, liquidity and financial condition.

Item 6—Directors, Senior Management and Employees

Senior Management and Directors

Senior Management

Set forth below is the name and position of each member of our senior management team as of December 31, 2017. The terms of office of the senior managers are indefinite.

Name, Position (Age)	Experience
Fernando Angel González Olivieri, Chief Executive Officer (Male - 63)	Mr. González has been a member of CEMEX, S.A.B. de C.V.'s board of directors since March 26, 2015, and he is also a member of the boards of directors of Grupo Cementos de Chihuahua and Axtel, S.A.B. de C.V. He was a member of the board of directors of CEMEX México until February 2017. Mr. González earned his B.A. and M.B.A. degrees from the Instituto Tecnológico y de Estudios Superiores de Monterrey. He joined CEMEX in 1989, and served as Corporate Vice-President of Strategic Planning from 1994 to 1998, President of CEMEX Venezuela, S.A.C.A. from 1998 to 2000, President of CEMEX Asia from 2000 to May 2003, and President of CEMEX's South American and the Caribbean region from May 2003 to February 2005. In March 2005, he was appointed President of CEMEX's former European Region, in February 2007, President of CEMEX's former Europe, Middle East, Africa, Asia and Australia Region, and, in May 2009, CEMEX's Executive Vice President of Planning and Development. In February 2010, Mr. González was appointed CEMEX's Executive Vice President of Planning and Finance and in 2011 he was additionally appointed CEMEX's Chief Financial Officer. On May 15, 2014, Mr. González was appointed as CEMEX's Chief Executive Officer.
Juan Romero Torres, President CEMEX México (Male - 61)	Joined CEMEX in 1989 and has occupied several senior management positions, including President of CEMEX Colombia, President of our operations in Mexico, President of the South America and the Caribbean Regions and President of our former Europe, Middle East, Africa and Asia Region. He is currently President of our operations in Mexico and is also in charge of our global procurement area. Mr. Romero graduated from Universidad de Comillas in Spain, where he studied law and economic and enterprise sciences. Mr. Romero was appointed Vice President and representative of the board of directors of the National Chamber of Cement (*Cámara Nacional del Cemento*) in June 2011, and is also a member of the board of directors of GCC.

Name, Position (Age)	Experience
Jaime Gerardo Elizondo Chapa, President CEMEX Europe (Male - 54)	Joined CEMEX in 1985 and since then he has headed several operations, including Panama, Colombia, Venezuela and Mexico, and more recently was President of CEMEX South America (including Central America) and the Caribbean. He is the current President of CEMEX Europe and is also in charge of CEMEX's global technology area. Mr. Elizondo served as President and Vice President of the National Chamber of Cement (*Cámara Nacional del Cemento*) and as Vice President of the Transformation Industry Chamber of Nuevo León (*Cámara de la Industria de la Transformación de Nuevo León*). Mr. Elizondo is currently the Vice Chairman of CEMEX Latam's board of directors. He graduated with a B.S. in chemical and system engineering and an M.B.A. from ITESM.
Ignacio Madridejos Fernández, President CEMEX USA (Male - 52)	Joined CEMEX in 1996 and, after holding management positions in the Strategic Planning area, he headed CEMEX's operations in Egypt, Spain, Western Europe and Northern Europe. He is currently President of CEMEX USA, and is also responsible for our Global Energy, Health and Safety and Sustainability areas. Mr. Madridejos Fernández is also a member of the board of directors of CEMEX Latam. He has served as a member of the board of directors of COMAC (*Comercial de Materiales de Construcción S.L.*), member of the board and President of OFICEMEN, member of the board and President of IECA (*Instituto Español del Cemento y sus Aplicaciones*), President of CEMA (*Fundación Laboral del Cemento y el Medioambiente*), Patron of the Junior Achievement Foundation and Vice President and Chairman of CEMBUREAU (European Cement Association), member of the board of Inversiones Danaime SICAV S.A. and member of the board of CEMEX Latam. He graduated with a degree in civil engineering from the Universidad Politécnica de Madrid and holds an M.B.A. from Stanford University.
Jaime Muguiro Domínguez, President CEMEX South, Central America and the Caribbean (Male - 49)	Joined CEMEX in 1996 and has held several executive positions in the areas of Strategic Planning, Business Development, Ready-mix Concrete, Aggregates, and Human Resources. He headed CEMEX's operations in Egypt and our former Mediterranean Region. He is currently President of CEMEX's SAC Region, and Chief Executive Officer of CEMEX Latam. He graduated with a management degree from San Pablo CEU University, and holds a law degree from the Universidad Complutense de Madrid and an M.B.A. from the Massachusetts Institute of Technology.

Name, Position (Age)	Experience
Joaquín Miguel Estrada Suarez, President CEMEX Asia, Middle East and Africa (Male - 54)	Joined CEMEX in 1992 and has held several executive positions, including head of operations in Egypt and Spain, as well as head of Trading for Europe, the Middle East and Asia. He is currently President of CEMEX Asia, Middle East and Africa and is also responsible for our global trading activities. He is also the Chairman of the board of directors of CHP. From 2008 to 2011, he served as a member of the board of directors of COMAC (*Comercial de Materiales de Construcción S.L.),* President and member of the board of OFICEMEN, and member of the board of IECA (*Instituto Español del Cemento y sus Aplicaciones*). He was also the President of CEMA (*Fundación Laboral* del *Cemento y el Medioambiente*) from 2010 to 2011. He graduated with a degree in economics from the Universidad de Zaragoza and holds an M.B.A. from the Instituto de Empresa.
José Antonio González Flores, Executive Vice President of Finance and Chief Financial Officer (Male - 47)	Joined CEMEX in 1998 and since then has held management positions in corporate and operating areas in Finance, Strategic Planning, and Corporate Communications and Public Affairs. He is currently responsible for CEMEX's Finance, Controllership, Tax, Process Assessment and Legal areas. Mr. González is also a member of the board of directors of GCC and is an alternate director of the board of directors of Axtel. Mr. González has a B.S. in Industrial and Management Systems Engineering from ITESM and an M.B.A. from Stanford University.
Juan Pablo San Agustín Rubio, Executive Vice President of Strategic Planning and New Business Development (Male - 49)	Joined CEMEX in 1994 and has held executive positions in the Strategic Planning, Continuous Improvement, E-business, and Marketing areas. He is currently Executive Vice President of Strategic Planning and New Business Development. Mr. San Agustín is Chairman of the board of directors of CEMEX Latam. He graduated with a B.S. from the Universidad Metropolitana and holds an International M.B.A. from the Instituto de Empresa.
Luis Hernández Echávez, Executive Vice President of Administration and Organization (Male - 54)	Joined CEMEX in 1996 and has held senior management positions in the Strategic Planning and Human Resources areas. He is currently Executive Vice President of Administration and Organization. He graduated with a degree in civil engineering from ITESM, and holds a master's degree in civil engineering and an M.B.A. from the University of Texas at Austin. Mr. Hernández is also a member of the board of directors of GCC.

Name, Position (Age)	Experience
Maher Al-Haffar, Executive Vice President of Investor Relations, Corporate Communications and Public Affairs (Male -60)	Joined CEMEX in 2000. Prior to his current position he was Vice President of Investor Relations, Corporate Communications and Public Affairs. He also served as a Managing Director in Finance and Head of Investor Relations for CEMEX. Before joining CEMEX, he spent 19 years with Citicorp Securities Inc. and Santander Investment Securities as an investment banker and capital markets professional. Mr. Al-Haffar holds a B.S. in Economics from the University of Texas and a Master's Degree in International Relations and Finance from Georgetown University.
Mauricio Doehner Cobián, Executive Vice President of Corporate Affairs and Enterprise Risk Management (Male - 43)	Joined CEMEX in 1996 and has held several executive positions in areas such as Strategic Planning and Enterprise Risk Management for Europe, Asia, the Middle East, South America and Mexico. He is currently in charge of Corporate Affairs and Enterprise Risk Management. He has also worked in the public sector within the Mexican Presidency. Mr. Doehner is president of the Mexican National Cement Chamber (*Cámara Nacional del Cemento*), and member of the board of directors of Vista Oil & Gas, S.A.B. de C.V., Editorial Clio, Trust for the Americas, Universidad TecMilenio, Museo de Arte Contemporáneo de Monterrey, A.C., Arzys, S.A. de C.V. and Casa Paterna La Gran Familia, A.C. Mr. Doehner earned his B.A. in Economics from ITESM and holds an M.B.A. from IESE/IPADE. He also holds a Professional Certification in Competitive Intelligence from the FULD Academy of Competitive Intelligence in Boston, Massachusetts.
Jesús Vicente González Herrera Executive Vice President of Sustainability and Operations Development (Male - 53)	Joined CEMEX in 1998, and has held several senior positions, including Corporate Director of Strategic Planning, Vice President of Strategic Planning in CEMEX USA, President of CEMEX Central America, and more recently as President of CEMEX UK. In his current position, Mr. González heads the Health and Safety, Operations and Technology, Energy, Procurement, Sustainability, and Research and Development areas. He holds a MSc in Naval Engineering from the Polytechnic University of Madrid and an MBA from IESE—University of Navarra, Barcelona.
Rafael Garza Lozano, Chief Accounting Officer (Male - 54)	Joined CEMEX in 1985 and has served as Chief Accounting Officer since 1999. Mr. Garza is a certified public accountant and he received a Master's Degree in administration and finance from ITESM. He also attended executive programs at ITAM, IPADE and Harvard University. He is currently a member of the board of directors of

Name, Position (Age)	Experience
	Consejo Mexicano para la Investigación y Desarrollo de Normas de Información Financiera and an alternate member of the board of directors of GCC.
Roger Saldaña Madero, Senior Vice President of Legal (Male - 50)	Joined CEMEX in 2000 and served as Legal Counsel of CEMEX, S.A.B. de C.V. and, from 2001 to 2011, as General Counsel of NEORIS, a CEMEX subsidiary specialized in providing information technology services. Mr. Saldaña served since 2005 as Senior Corporate Counsel of CEMEX 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. Prior to joining CEMEX, he served as Legal Counsel in CYDSA, S.A.B. de C.V., 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*). Mr. Saldaña is a graduate of the Universidad de Monterrey, A.C. (UDEM) with a degree in Law and holds a Master's Degree in Law (LLM) from Harvard University and a Diploma from Harvard University's International Tax Program.

Board of Directors

Set forth below are the names of the members of CEMEX, S.A.B. de C.V.'s board of directors as of December 31, 2017. For a description of changes to CEMEX, S.A.B. de C.V.'s board of directors in 2018, see the description of CEMEX, S.A.B. de C.V.'s 2017 annual general ordinary shareholders' meeting held on April 5, 2018 in "Item 5—Operating and Financial Review and Prospects—Recent Developments—Recent Developments Relating to Our board of directors and Senior Management." No alternate directors were elected at CEMEX, S.A.B. de C.V.'s 2017 annual general ordinary shareholders' meeting. Members of CEMEX, S.A.B. de C.V.'s board of directors serve for one-year terms.

Name (Age)	Experience
Rogelio Zambrano Lozano, Chairman Non-Independent Director (Male - 61)	Has been a member of CEMEX, S.A.B. de C.V.'s board of directors since 1987 and Chairman of CEMEX, S.A.B. de C.V.'s board of directors since May 15, 2014. He was President of CEMEX, S.A.B. de C.V.'s Finance Committee from 2009 until March 2015 and he was also Chairman of CEMEX México's board of directors until February 2017. He is also a member of the advisory board of Citibanamex, member of the regional council of Banco de México, member of the Mexican Business Council (*Consejo Mexicano de Negocios*), and member of the board of directors of Carza, S.A. de C.V. and the Instituto Tecnológico y de Estudios Superiores de Monterrey, among others. He is also a

Name (Age)	Experience
	visiting professor at Instituto Tecnológico y de Estudios Superiores de Monterrey. He holds an industrial and systems engineering degree 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 (1980). He is a grandson of the late Mr. Lorenzo Zambrano Gutiérrez, one of CEMEX, S.A.B. de C.V.'s founders, and a son of Mr. Marcelo Zambrano Hellion, who was a member of CEMEX, S.A.B. de C.V.'s board of directors from 1957 until his passing away and Chairman of the board of directors from 1979 to 1995. Second uncle of Tomás Milmo Santos and of Ian Christian Armstrong Zambrano, and brother of Marcelo Zambrano Lozano, all of them members of CEMEX, S.A.B. de C.V.'s board of directors.
Fernando Ángel González Olivieri Non-Independent Director (Male - 63)	See "— Senior Management."
Tomás Milmo Santos Non-Independent Director (Male - 53)	Has been a member of CEMEX, S.A.B. de C.V.'s board of directors since 2006 and was member of CEMEX, S.A.B. de C.V.'s Finance Committee from 2009 until March 2015. Mr. Milmo Santos served as an alternate member of CEMEX, S.A.B. de C.V.'s board of directors from 2001 to 2006. He is Co-Chairman of the board of directors of Axtel, S.A.B. de C.V. He is also a member of the board of directors of Promotora Ambiental, S.A., the Instituto Tecnológico y de Estudios Superiores de Monterrey and Chairman of the board of directors of Tec Salud and Alianza Educativa por Nuevo León. He was a member of CEMEX México's board of directors until February 2017. He graduated with a degree in economics from Stanford University. Mr. Milmo Santos is a second nephew of Rogelio Zambrano Lozano, Chairman of CEMEX, S.A.B. de C.V.'s board of directors.
Ian Christian Armstrong Zambrano Non-Independent Director (Male - 38)	Has been a member of CEMEX, S.A.B. de C.V.'s board of directors since March 26, 2015. He had previously been a provisional member of CEMEX, S.A.B. de C.V.'s board of directors since May 15, 2014, and member of the Sustainability Committee of CEMEX, S.A.B. de C.V. since such Board established it on September 25, 2014 to the present date. He was Vice President of Promotion and Analysis at Evercore Casa de Bolsa, and currently is a founding partner and President of Biopower, a founding member of RIC Energy Mexico and a member of the Boards of

Name (Age)	Experience
	Directors of Tec Salud and Fondo Zambrano Hellión. Mr. Armstrong Zambrano is a graduate in business administration from the Instituto Tecnológico y de Estudios Superiores de Monterrey and holds an M.B.A. from the IE Business School. He is a second nephew of Rogelio Zambrano Lozano, Chairman of CEMEX, S.A.B. de C.V.'s board of directors.
Armando J. García Segovia Independent Director (Male - 66)	Has been a member of CEMEX, S.A.B. de C.V.'s Board of Directors since 1983, and member of the Sustainability Committee of CEMEX, S.A.B. de C.V. since such Board established it on September 25, 2014 to the present date. He initially joined CEMEX in 1975 and rejoined CEMEX in 1985. He served as CEMEX's Director of Operational and Strategic Planning from 1985 to 1988, CEMEX's Director of Operations from 1988 to 1991, CEMEX's Director of Corporate Services and Affiliate Companies from 1991 to 1994, CEMEX's Director of Development from 1994 to 1996, CEMEX's General Director of Development from 1996 to 2000, CEMEX's Executive Vice President of Development from 2000 to May 2009, and CEMEX's Executive Vice President for Technology, Energy and Sustainability from May 2009 to March 2010. He is a graduate of the Instituto Tecnológico y de Estudios Superiores de Monterrey with a degree in mechanical engineering and administration and received an M.B.A. from the University of Texas. He was employed at Cydsa, S.A. from 1979 to 1981 and at Conek, S.A. de C.V. from 1981 to 1985. He is also an alternate member of the board of directors of Grupo Cementos de Chihuahua, S.A.B. de C.V. He was also Vice President of the Mexican Employers' Association (*Confederación Patronal de la República Mexicana* or "COPARMEX"), member of the Board and former Chairman of the Private Sector Center for Sustainable Development Studies (Centro de Estudios del Sector Privado para el Desarrollo Sustentable), former Chairman of COPARMEX Nuevo León, he was Chairman and member of the board of directors of Gas Industrial de Monterrey, S.A. de C.V. also served as Chairman of an Advisory Board of the School of Engineering and Information Technology of the Instituto Tecnológico y de Estudios Superiores de Monterrey and member of the board of directors of the World Environmental Center, as well as President of the Advisory Council of Flora y Fauna del Estado de Nuevo León, A.C. Currently, he is a member of the board of directors of Hoteles City Express, S.A.P.I. de C.V. and of Innovación y Conveniencia, S.A. de C.V. (formerly Grupo Chapa, S.A. de C.V.). He is also a member of the

Name (Age)	Experience
	board of directors of Universidad de Monterrey, A.C. (UDEM), Unidos para la Conservación, Pronatura Noreste, A.C., and Vice President of the Patronato del Museo de la Fauna y Ciencias Naturale, A.B.P., as well as member of the Consejo de Participación Ciudadana de Parques y Vida Silvestre de Nuevo León. He is also honorary consul in Monterrey of the Kingdom of Denmark. He is also founder and Chairman of the board of directors of Comenzar de Nuevo, A.C. He is a first cousin of Rodolfo García Muriel, a member of CEMEX, S.A.B. de C.V.'s board of directors.
Rodolfo García Muriel Independent Director (Male – 72)	Has been a member of CEMEX, S.A.B. de C.V.'s board of directors since 1985 and was a member of CEMEX, S.A.B. de C.V.'s Finance Committee from 2009 until March 2015. On March 26, 2015, he was appointed as a member of CEMEX, S.A.B. de C.V.'s Corporate Practices and Finance Committee and has been a member since then. On March 31, 2016, he was appointed as a member of CEMEX, S.A.B. de C.V.'s Audit Committee. He is the Chief Executive Officer of Compañía Industrial de Parras, S.A. de C.V. He is President of the board of directors of Grupo Romacarel, S.A.P.I. de C.V., Comfort Jet, S.A. de C.V., and member of the Regional Board of Grupo Financiero Banamex. He was a member of CEMEX México's board of directors until February 2017. Mr. García Muriel is also member of the directive board of the National Chamber of the Textile Industry (*Cámara Nacional de la Industria Textil*). Mr. García Muriel holds a degree in electric mechanical engineering from the Universidad Iberoamericana. He is a first cousin of Armando J. García Segovia, a member of CEMEX, S.A.B. de C.V.'s board of directors.
Roberto Luis Zambrano Villarreal Independent Director (Male – 72)	Was a member of CEMEX, S.A.B. de C.V.'s board of directors from 1987 until April 5, 2018. He was President of CEMEX, S.A.B. de C.V.'s Audit Committee from 2002 to 2006, President of CEMEX, S.A.B. de C.V.'s Corporate Practices and Audit Committee from 2006 to 2009, and President of CEMEX, S.A.B. de C.V.'s new Audit Committee from 2009 until March 2015. From March 26, 2015 to April 5, 2018, he was a member of CEMEX, S.A.B. de C.V.'s Audit Committee. He is Chairman of the boards of directors of Desarrollo Integrado, S.A. de C.V., Administración Ficap, S.A. de C.V., Aero Zano, S.A. de C.V., Ciudad Villamonte, S.A. de C.V., Focos, S.A. de C.V., Industrias Diza, S.A. de C.V., Mantenimiento Integrado, S.A. de C.V., and Pilatus PC-12 Center de México, S.A. de C.V. He is a member of the board of directors of S.L.I. de México, S.A. de C.V. He was a

Name (Age)	Experience
	member of CEMEX México's board of directors until February 2017. Mr. Zambrano Villarreal is a graduate in mechanical engineering and administration from the Instituto Tecnológico y de Estudios Superiores de Monterrey. He is a second cousin of Rogelio Zambrano Lozano, Chairman of CEMEX, S.A.B. de C.V.'s board of directors.
Dionisio Garza Medina Independent Director (Male – 64)	Has been a member of CEMEX, S.A.B. de C.V.'s board of directors since 1995 and was President of CEMEX, S.A.B. de C.V.'s Corporate Practices Committee from 2009 until March 2015. On March 26, 2015, he was appointed as a member and President of CEMEX, S.A.B. de C.V.'s Corporate Practices and Finance Committee and has served as its President since then. He is Founder and Chairman of the board of directors and Chief Executive Officer of Tenedora TOPAZ, S.A.P.I. de C.V., an entity dedicated to hydrocarbons, education and real state. He was a member of the Board of Directors of Alfa, S.A.B. de C.V. until March 2013 and Chairman and Chief Executive Officer for 16 years until March 2010. Mr. Garza Medina is currently a member of the boards of directors of ABC Holding, S.A.P.I. de C.V. and Autlán, S.A.B. de C.V. Mr. Garza Medina was a member of the Board of Dean's Advisors of the Harvard Business School, member of the board of the David Rockefeller Center of the aforementioned university, and member of the advisory council of Stanford University's School of Engineering. Additionally, Mr. Garza Medina was for 12 years the Chairman of the board of the Universidad de Monterrey, A.C. (UDEM) until April 2012. Mr. Garza Medina graduated as an industrial engineer and holds a master's degree in industrial engineering from Stanford University, where he earned the F. Terman Award. He also holds an M.B.A. from Harvard University.
José Manuel Rincón Gallardo Purón Independent Director (Male – 75)	Has been a member of CEMEX, S.A.B. de C.V.'s board of directors since 2003. On March 26, 2015, he was appointed as President of CEMEX, S.A.B. de C.V.'s Audit Committee, where he qualifies as a "financial expert" for purposes of the Sarbanes-Oxley Act of 2002, and has remained its President since then. He is president of the board of directors of Sonoco de México S.A. de C.V., member of the board of directors and audit committees of Grupo Financiero Citibanamex, Grupo Herdez, S.A. de C.V., Peña Verde, S.A.B., Cinépolis, S.A. de C.V., Citelis, S.A. de C.V., Grupo Proa, S.A. de C.V., Centro Inter de Servicios, S.A. de C.V. and chairman of the board of directors of Invekra, S.A.P.I. de C.V. and Fondo Walmex, S.A. de C.V. Mr. Rincón Gallardo is a member of the Instituto

Name (Age)	Experience
	Mexicano de Contadores Públicos, A.C., he was a managing partner of KPMG México, and was member of the board of directors of KPMG United States and KPMG International. He was a member of CEMEX México's board of directors until February 2017. He is also a member of the Corporate Practices Committee of Consejo Coordinador Empresarial (CCE). He is a certified public accountant from the Universidad Nacional Autónoma de México.
Francisco Javier Fernández Carbajal Independent Director (Male – 63)	Has been a member of CEMEX, S.A.B. de C.V.'s board of directors since 2012 and was member of CEMEX, S.A.B. de C.V.'s Finance Committee from February 2012 until March 2015 and a member of CEMEX, S.A.B. de C.V.'s Corporate Practices committee from March 2013 until March 2015. On March 26, 2015, he was appointed as a member of CEMEX, S.A.B. de C.V.'s Audit Committee and the Corporate Practices and Finance Committee and on April 28, 2016 was elected by CEMEX, S.A.B. de C.V.'s board of directors to participate in its Sustainability Committee, and has remained in those committees since then. Mr. Fernández is currently the Chief Executive Officer of Servicios Administrativos Contry, S.A. de C.V., a privately held company that provides investment management and central administrative services. He has served as Chief Executive Officer of the Corporate Development Division at Grupo Financiero BBVA Bancomer, S.A. de C.V., after holding several positions in BBVA Bancomer since 1991. Furthermore, Mr. Fernández is a member of the board of directors of Alfa, S.A.B. de C.V., Fomento Económico Mexicano, S.A.B. de C.V., and VISA, Inc. He graduated with a degree in electric mechanical engineering from the Instituto Tecnológico y de Estudios Superiores de Monterrey and also holds an M.B.A. from Harvard Business School.
Armando Garza Sada Independent Director (Male – 60)	Has been a member of CEMEX, S.A.B. de C.V.'s board of directors and Corporate Practices and Finance Committee since March 26, 2015. Mr. Garza Sada is currently the Chairman of the board of directors of the following companies: Alfa, S.A.B. de C.V., Alpek, S.A.B. de C.V. and Nemak, S.A.B. de C.V. and a member of the Boards of Directors of El Puerto de Liverpool, S.A.B. de C.V., Grupo Lamosa, S.A.B. de C.V., Instituto Tecnológico y de Estudios Superiores de Monterrey, Fomento Económico Mexicano, S.A.B. de C.V. and Grupo Proeza, S.A.P.I. de C.V., as well as alternate director of Axtel, S.A.B. de C.V. Mr. Garza Sada holds a bachelor's degree from the Massachusetts

Name (Age)	Experience
	Institute of Technology and an M.B.A. from Stanford University.
David Martínez Guzmán Independent Director (Male – 60)	Has been a member of CEMEX, S.A.B. de C.V.'s board of directors since March 26, 2015. Mr. Martínez Guzmán is a Managing Director of Fintech Advisory, Inc., New York. Additionally, he is currently a member of the board of directors of the following companies: Alfa, S.A.B. de C.V., Vitro, S.A.B. de C.V. and Banco de Sabadell. Mr. Martínez Guzmán graduated as an electrical and mechanical engineer from the Universidad Nacional Autónoma de México and also holds an M.B.A. from Harvard Business School.
Everardo Elizondo Almaguer Independent Director (Male – 74)	Has been a member of CEMEX, S.A.B. de C.V.'s board of directors since March 31, 2016. Mr. Elizondo Almaguer is professor of economy and international finance in EGADE Business School of the Instituto Tecnológico y de Estudios Superiores de Monterrey. He is also professor of monetary policy in the School of Economics of the Universidad Autónoma de Nuevo León Mr. Elizondo Almaguer is a member of the board of directors of the following companies: Grupo Financiero Banorte, S.A.B. de C.V.'s, Autlán, S.A.B. de C.V., Rassini, S.A.B. de C.V., Gruma, S.A.B. de C.V y Grupo Senda Autotransporte, S.A. de C.V.. He was director for economic studies at Alfa, S.A.B. de C.V. and Grupo Financiero BBVA Bancomer, S.A. de C.V. He founded and was director of the Graduate School of Economics of the Universidad Autónoma de Nuevo León. He was deputy governor of the Banco de México from 1998 to 2008. Mr. Elizondo Almaguer is a graduate in economics from the Universidad de Nuevo León and holds a master's degree in economics from the University of Wisconsin-Madison.
Ramiro Gerardo Villarreal Morales Non-Independent Director (Male – 70)	Joined CEMEX in 1987 as General Counsel and has served in different positions including Executive Vice President of Legal and advisor to the Chairman of the board of directors and the Chief Executive Officer of CEMEX, S.A.B. de C.V. until December 31, 2017. He also served as Secretary of CEMEX, S.A.B. de C.V.'s board of directors from 1995 to March 30, 2017. He was the Secretary of CEMEX México's board of directors until February 2017. He is a graduate of the Universidad Autónoma de Nuevo León with a degree in law with honorary citation. He also received a master of science degree in finance from the University of Wisconsin and was appointed to the Roll of Honor. Prior to joining CEMEX, he served as deputy general director of Grupo Financiero Banpaís from 1985 to 1987.

Name (Age)	Experience
	Mr. Villarreal has been a member of the board of directors of CEMEX, S.A.B. de C.V. since March 30, 2017. He is also a member of the boards of directors of Grupo Cementos de Chihuahua, S.A.B. de C.V., Vinte Viviendas Integrales, S.A.B. de C.V., a real estate development company, and an advisory member of the board of directors of Grupo Acosta Verde. Mr. Villarreal was the secretary of the Board of Directors of Enseñanza e Investigación Superior, A.C., which manages the Instituto Tecnológico y de Estudios Superiores de Monterrey, until February 2012.
Marcelo Zambrano Lozano Non-Independent Director (Male – 62)	Mr. Zambrano has been a member of CEMEX, S.A.B. de C.V.'s board of directors since March 31, 2017, and a member of the Sustainability Committee of CEMEX, S.A.B. de C.V. from July 27, 2017 to the present date. He is a founding partner and Executive Chairman of the board of directors of Carza, S.A. de C.V. In addition, Mr. Zambrano is a member of the board of directors of several companies and institutions such as Green Paper (formerly Productora de Papel, S.A. de C.V.), Banregio, S.A., Fibra Inn, Nacional Financiera (NAFIN) Nuevo Leon Delegation, Grupo Vigia, S.A. de C.V. and the Treviño Elizondo Foundation. Furthermore, Mr. Zambrano is also a member of the General Council of Universidad de Monterrey, A.C. (UDEM) and of the General Conuncil of Telmex. He was a member of CEMEX México's board of directors until February 2017. Mr. Zambrano graduated with a degree in marketing from the Instituto Tecnológico y de Estudios Superiores de Monterrey. He is a brother of Rogelio Zambrano Lozano, Chairman of CEMEX, S.A.B. de C.V.'s Board of Directors and second uncle of Tomas Milmo Santos and of Ian Christian Armstrong Zambrano, members of CEMEX, S.A.B. de C.V.'s Board of Directors.

Senior Management and Board Composition

As of December 31, 2017, all members of our senior management and of CEMEX, S.A.B. de C.V.'s board of directors were male.

As of December 31, 2017, there were no alternate members in CEMEX, S.A.B. de C.V.'s board of directors.

Board Practices

In compliance with the Mexican Securities Market Law (*Ley del Mercado de Valores*), which was enacted on December 28, 2005 and became effective on June 28, 2006 (the "Mexican Securities Market Law"), CEMEX, S.A.B. de C.V.'s shareholders approved, at an extraordinary shareholders' meeting held on April 27, 2006, a proposal to amend various articles of CEMEX, S.A.B. de C.V.'s by-laws (*estatutos sociales*), in order to improve

our standards of corporate governance and transparency, among other matters. The amendments included outlining the fiduciary duties of the members of CEMEX, S.A.B. de C.V.'s board of directors, who are now required:

- to perform their duties in a value-creating manner for the benefit of CEMEX without favoring a specific shareholder or group of shareholders;
- to act diligently and in good faith by adopting informed decisions; and
- to comply with their duty of care and loyalty, abstaining from engaging in illicit acts or activities.

The Mexican Securities Market Law also eliminated the position of statutory examiner, whose duties of surveillance are now the responsibility of the board of directors, fulfilled through the corporate practices and finance committee the audit committees, as well as through the external auditor who audits the entity's financial statements, each within its professional role. With its surveillance duties, CEMEX, S.A.B. de C.V.'s board of directors is no longer in charge of managing CEMEX; instead, this is the responsibility of CEMEX, S.A.B. de C.V.'s chief executive officer.

Pursuant to the Mexican Securities Market Law and CEMEX, S.A.B. de C.V.'s by-laws, at least 25% of its directors must qualify as independent directors.

CEMEX, S.A.B. de C.V. has not entered into any service contracts with its directors that provide for benefits upon termination of employment.

The Audit Committee, the Corporate Practices and Finance Committee and Other Committees

The Mexican Securities Market Law required CEMEX, S.A.B. de C.V. to create a corporate practices committee comprised entirely of independent directors, in addition to its then existing audit committee. In compliance with such requirement, in 2006 CEMEX, S.A.B. de C.V. increased the responsibilities of its audit committee and changed its name to "corporate practices and audit committee." To further enhance the effectiveness of its corporate governance, at CEMEX, S.A.B. de C.V.'s annual general ordinary shareholders' meeting held on April 23, 2009, CEMEX, S.A.B. de C.V.'s shareholders approved the division of this committee into two committees with different members and responsibilities: the audit committee and the corporate practices committee. In addition, at the annual general ordinary shareholders' meeting held on April 29, 2010, CEMEX, S.A.B. de C.V.'s shareholders approved the creation of the finance committee. In addition, at the annual general ordinary shareholders' meeting held on March 26, 2015, CEMEX, S.A.B. de C.V.'s shareholders approved that the then existing corporate practices committee took over certain responsibilities of the then existing finance committee and changed its name to "corporate practices and finance committee."

CEMEX, S.A.B. de C.V.'s audit committee is responsible for:

- evaluating our internal controls and procedures, and identifying deficiencies;
- following up with corrective and preventive measures in response to any non-compliance with our operation and accounting guidelines and policies;
- evaluating the performance of our external auditors;
- describing and valuing non-audit services performed by our external auditor;
- reviewing CEMEX, S.A.B. de C.V.'s financial statements;
- assessing the effects of any modifications to the accounting policies approved during any fiscal year;
- overseeing measures adopted as a result of any observations made by CEMEX, S.A.B. de C.V.'s shareholders, directors, executive officers, employees or any third parties with respect to accounting,

internal controls and internal and external audit, as well as any complaints regarding management irregularities, including anonymous and confidential methods for addressing concerns raised by employees; and

- analyzing the risks identified by CEMEX, S.A.B. de C.V.'s independent auditors, accounting, internal control and process assessment areas.

CEMEX, S.A.B. de C.V.'s corporate practices committee and finance committee is responsible for:

- evaluating the hiring, firing and compensation of CEMEX, S.A.B. de C.V.'s chief executive officer;
- reviewing the hiring and compensation policies for CEMEX, S.A.B. de C.V.'s executive officers;
- reviewing related party transactions;
- reviewing policies regarding use of corporate assets;
- reviewing unusual or material transactions;
- evaluating waivers granted to our directors or executive officers regarding seizure of corporate opportunities;
- identifying, evaluating and following up on the operating risks affecting the company and its subsidiaries;
- evaluating the company's financial plans;
- reviewing the company's financial strategy and its implementation; and
- evaluating mergers, acquisitions, review of market information and financial plans, including financing and related transactions.

Under CEMEX, S.A.B. de C.V.'s by-laws and the Mexican Securities Market Law, all members of the corporate practices and finance committee and the audit committee, including their presidents, are required to be independent directors. The president of the audit committee and the corporate practices and finance committee shall be appointed and removed from his or her position only by the general shareholders meeting, and the rest of the members may only be removed by a resolution of the general shareholders or of the board of directors.

Set forth below are the names of the members of CEMEX, S.A.B. de C.V.'s current audit committee and corporate practices and finance committee. Each member of the committees is an independent director. The terms of the members of the committees are indefinite. José Manuel Rincón Gallardo qualifies as an "audit committee financial expert" for purposes of the Sarbanes Oxley Act of 2002. See "Item 16A—Audit Committee Financial Expert."

AUDIT COMMITTEE:

José Manuel Rincón Gallardo Purón	President
Rodolfo García Muriel	
Francisco Javier Fernández Carbajal	
Everardo Elizondo Almaguer	

CORPORATE PRACTICES AND FINANCE COMMITTEE:

Dionisio Garza Medina	President
Francisco Javier Fernández Carbajal	
Rodolfo García Muriel	
Armando Garza Sada	

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

CEMEX, S.A.B. de C.V.'s sustainability committee is responsible for:

- ensuring sustainable development in CEMEX's strategy;
- supporting CEMEX, S.A.B. de C.V.'s board of directors in fulfilling its responsibility to shareholders regarding sustainable growth;
- evaluating the effectiveness of sustainability programs and initiatives;
- proving assistance to CEMEX's Chief Executive Officer and senior management team regarding the strategic direction on sustainability; and
- endorsing a model of sustainability, priorities and key indicators.

The current members of CEMEX, S.A.B. de C.V.'s sustainability committee are:

Armando J. García Segovia	President
Francisco Javier Fernández Carvajal	Member
Ian Christian Armstrong Zambrano	Member
Marcelo Zambrano Lozano	Member

Compensation of CEMEX, S.A.B. de C.V.'s Directors and Members of Our Senior Management

For the year ended December 31, 2017, the aggregate amount of compensation we paid, or our subsidiaries paid, to all members of CEMEX, S.A.B. de C.V.'s board of directors, alternate members of CEMEX, S.A.B. de C.V.'s board of directors and senior managers, as a group, was U.S.$47 million. U.S.$35 million of this amount relates to cash compensation and other benefits, including U.S.$7.4 million of a bonus pool to key executives based on our operating performance and U.S.$2.1 million to provide pension, retirement or similar benefits. In addition, U.S.$12 million of the aggregate amount corresponds to stock-based compensation, including U.S.$8 million related to the bonus pool to key executives based on our operating performance. During 2017, we issued approximately 53.2 million CPOs to this group pursuant to the Restricted Stock Incentive Plan ("RSIP") described below under "—Restricted Stock Incentive Plan (RSIP)."

Consolidated Employee Stock Option Information

Stock options activity during 2016 and 2017, the balance of options outstanding as of December 31, 2016 and 2017 and other general information regarding our stock option programs, is presented in notes 2.17 and 21 to our 2017 audited consolidated financial statements included elsewhere in this annual report.

Restricted Stock Incentive Plan (RSIP)

Since January 2005, we have been changing our long-term variable compensation programs from stock option grants to restricted stock awards under a RSIP. Under the terms of the RSIP, eligible employees are allocated a specific number of restricted CPOs as variable compensation to be vested over a four-year period. Before 2006, we distributed annually to a trust an amount in cash sufficient to purchase in the market, on behalf of each eligible employee, 25% of such employee's allocated number of CPOs. During 2006, in order to reduce the volatility of our RSIP, we began to distribute annually an amount in cash sufficient to purchase 100% of the allocated CPOs for each eligible employee. Although the vesting period of the restricted CPOs and other features of the RSIP did not change as a result of this new policy, the nominal amount of annual compensation received by eligible employees increased in proportion to the additional number of CPOs received as a result of the new policy. The CPOs purchased by the trust were held in a restricted account by the trust on behalf of each employee for four years. At the end of each year during such four-year period, the restrictions lapsed with respect to 25% of the allocated CPOs and such CPOs became freely transferable and subject to withdrawal from the trust.

Starting in 2009, we made additional changes to the mechanism for granting the RSIP, but the benefits remained the same as in previous years. First, CPOs are no longer purchased in the open market, but instead

CEMEX, S.A.B. de C.V. issues new CPOs to cover the RSIP. Second, CEMEX, S.A.B. de C.V. now issues the RSIP in four blocks of 25% per year. The total number of CEMEX, S.A.B. de C.V. CPOs granted during 2017 were approximately 40 million, of which approximately 8.7 million were related to senior management and the board of directors. In 2017, approximately 53 million CPOs were issued, representing the first 25% of the 2017 program, the second 25% of the 2016 program, the third 25% of the 2015 program and the final 25% of the 2014 program. Of these 53 million CPOs, approximately 10.1 million corresponded to senior management and the board of directors.

See note 25 to our 2017 audited consolidated financial statements included elsewhere in this annual report.

CEMEX Latam Employee stock-ownership plan

To better align CEMEX Latam's executives' interests with those of its stockholders, on January 16, 2013, CEMEX Latam's board of directors approved, effective as of January 1, 2013, a long-term incentives plan available to eligible executives of CEMEX Latam, which consists of an annual compensation plan based on CEMEX Latam shares. The underlying shares in this long-term incentives plan, which are held in the CEMEX Latam's treasury, and subject to certain restrictions, are delivered fully vested under each annual program over a service period of four years. During 2016, CEMEX Latam delivered 271,461 shares to eligible executives under this long-term incentives plan. During 2017, CEMEX Latam delivered 179,343 shares to eligible executives under this long-term incentives plan. The delivery of these shares is dilutive to CEMEX's equity indirect interest in CEMEX Latam.

Employees

As of December 31, 2017, we had 40,878 employees worldwide, which represented a decrease of approximately 2.3% from the total number of employees we had as of December 31, 2016. This number of employees includes 571 employees of Caribbean TCL as of December 31, 2017.

The following table sets forth the number of our full-time employees and a breakdown of their geographic location as of December 31, 2015, 2016 and 2017:

Location	2015	2016	2017
Mexico	11,050	11,249	11,113
United States	10,236	9,830	8,426
Europe			
United Kingdom	2,977	2,922	2,867
France	1,844	1,833	1,853
Germany	1,448	1,473	1,493
Spain	1,890	1,722	1,843
Poland	1,155	1,147	1,125
Rest of Europe	1,943	2,025	2,128
South, Central America and the Caribbean			
Colombia	3,131	3,048	2,720
Panama	716	724	707
Costa Rica	410	384	380
Caribbean TCL			571
Rest of South, Central America and the Caribbean	2,805	2,582	2,503
Asia, Middle East and Africa			
Egypt	670	679	675
Philippines	693	710	688
Rest of Asia, Middle East and Africa	2,149	1,864	1,786
Total	43,117	42,192	40,878

In Mexico, we have entered into collective bargaining agreements on a plant-by-plant basis, and such collective bargaining agreements are renewable on an annual basis with respect to salaries and on a biannual basis with respect to benefits. During 2017, we renewed more than 106 contracts with different labor unions in Mexico.

As of December 31, 2017, approximately 28% of our employees in the United States 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 December 15, 2022.

In Spain, as of December 31, 2017, (i) our employees in the cement business had a company-specific collective bargaining agreement that is renewable in 2021 on a legal entity and business basis, and (ii) some of our employees in the ready-mix concrete, mortar, aggregates and transport sectors had industry-specific collective bargaining agreements.

In the United Kingdom, as of December 31, 2017, our cement manufacturing and cement logistics 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 or body of which they are an existing member.

In Germany, as of December 31, 2017, 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. The next collective bargaining agreements negotiations will take place in summer 2018 for the inhouse-bargaining areas, and cement negotiations take place during 2018. 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 2018.

In France, as of December 31, 2017, less than 5% of our employees were members of one 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 (two representatives), Cemex Bétons Nord Ouest (one representative), Cemex Bétons Ile de France (three representatives), Cemex Bétons Sud Est (one representative) and Cemex Granulats Rhône Méditérranée (two representatives). 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. The last elections took place in 2018, except for Cemex Bétons Ile de France, whose last election took place in early 2015 and the next one will be in 2019, and elections for Cemex Bétons Sud Est and Cemex Bétons Rhône Alpes, which were postponed to June 2019 to allow the merger of such companies.

In Colombia, as of December 31, 2017, there were five 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 logistic operations at the national level. Another union represented a minority of the employees in the ready-mix operations, and there were also two other unions in the logistic operation which currently have 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 operations in Colombia. We consider our relationships with labor unions representing our employees in Colombia to be satisfactory.

In Panama, as of December 31, 2017, approximately 60% of our workforce were members of a union named Sindicato de Trabajadores de Cemento Bayano, which is a legal entity registered before the Panamanian Ministry of Labor. The union's board of directors is elected every two to four years through a general voting process. The collective bargaining agreement that is currently in full force and effect was entered into in January 2016 and expires in December 2019.

Share Ownership

As of December 31, 2017, our senior management and directors and their immediate families owned, collectively, approximately 1.55% 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 Roberto Luis Zambrano Villarreal (and his immediate family), who concluded his role as director on April 5, 2018, to the best of our knowledge, as of December 31, 2017, he did not beneficially own one percent or more of any class of CEMEX, S.A.B. de C.V. outstanding capital stock. This percentage also 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, 2017, no individual director or member of our senior management beneficially owned one percent or more of any class of CEMEX, S.A.B. de C.V.'s outstanding capital stock and each such individual's share ownership has not been previously disclosed to shareholders or otherwise made public.

Item 7—Major Shareholders and Related Party Transactions

Major Shareholders

The information contained in Amendment No. 6 to a statement on Schedule 13G filed with the SEC on January 24, 2018, stated that as of December 31, 2017, BlackRock beneficially owned 1,004,359,508 CPOs, representing 6.9% 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 beneficial ownership of CEMEX, S.A.B. de C.V.'s outstanding capital stock. Pursuant to the authorizations by Board of Directors, BlackRock is authorized to acquire up to 13% of capital stock.

The information contained in Schedule 13G filed with the SEC on February 13, 2018, stated that as of December 31, 2017, Dodge & Cox, an investment adviser registered under the U.S. Investment Advisers Act of 1940, as amended, beneficially owned 97,945,322 ADSs, representing 6.7% of CEMEX, S.A.B. de C.V.'s outstanding capital stock. As of the date of this annual report, Dodge & Cox has been authorized by CEMEX, S.A.B. de C.V.'s board of directors to own up to 10% of CEMEX, S.A.B. de C.V.'s outstanding capital stock. Dodge & Cox does not have voting rights different from our other non-Mexican holders of CPOs.

As of December 31, 2017, CEMEX, S.A.B. de C.V.'s outstanding capital stock consisted of 30,214,469,912 Series A shares and 15,107,234,956 Series B shares, in each case including shares held by our subsidiaries.

As of December 31, 2017, a total of 30,171,134,782 Series A shares and 15,085,567,391 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 in respect of 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, Dodge & Cox 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, 2017, through CEMEX, S.A.B. de C.V.'s subsidiaries, we owned approximately 20.4 million CPOs, representing approximately 0.1% of CEMEX, S.A.B. de C.V.'s outstanding voting stock. These CPOs are voted at the direction of our management. CEMEX, S.A.B. de C.V.'s voting rights over those CPOs are the same as those of any other CPO holder. As of the same date, we did not hold any CPOs in derivative instruments hedging expected cash flows of stock options exercises.

CEMEX, S.A.B. de C.V.'s 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 the Indeval 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, 2017, we had 536 ADS holders of record, holding 687,512,041 ADRs, representing 6,875,120,410 CPOs, or approximately 45.51% of CEMEX, S.A.B. de C.V.'s outstanding capital stock as of such date.

Related Party Transactions

We had no significant related party transactions for the year ended December 31, 2017. From January 1, 2017 through the date of this annual report, 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 "Item 18—Financial Statements" and "Index to Consolidated Financial Statements."

Legal Proceedings

See "Item 4—Information on the Company—Regulatory Matters and Legal Proceedings."

Dividends

A declaration of any dividend 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, a legal reserve equal to 5% of its paid-in capital has been created and CEMEX, S.A.B. de C.V.'s shareholders have approved the relevant dividend payment. See "Item 10—Additional Information—Taxation—Mexican Tax Considerations." Since CEMEX, S.A.B. de C.V. conducts its operations through its subsidiaries; it has no significant assets of its own except for its investments in those subsidiaries. Consequently, CEMEX, S.A.B. de C.V.'s ability to pay dividends to its shareholders is dependent upon its ability to receive funds from its subsidiaries in the form of dividends, management fees, or otherwise. The 2017 Credit Agreement and the indentures governing our outstanding Senior Secured Notes effectively prohibit CEMEX, S.A.B. de C.V. from declaring and paying cash dividends or making other cash distributions to its shareholders. See "Item 3—Key Information—Risk Factors—Risks Relating to Our Business—CEMEX, S.A.B. de C.V.'s ability to repay debt and pay dividends depends on our subsidiaries' ability to transfer income and dividends to us."

The recommendation of CEMEX, S.A.B. de C.V.'s board of directors as to whether to pay and the amount of any annual dividends has been and will continue to be, in absence of contractual restrictions to pay or declare dividends, based upon, among other things, earnings, cash flow, capital requirements, contractual restrictions, and our financial condition and other relevant factors.

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 in respect of each dividend distribution. Unless otherwise stated, the ADS depositary has agreed to convert cash dividends received by it in respect of the Series A shares and the Series B shares underlying the CPOs represented by ADSs from Mexican Pesos into U.S. Dollars and, after deduction or after payment of expenses of the ADS depositary, to pay those dividends to holders of ADSs in U.S. Dollars. CEMEX, S.A.B. de C.V. cannot assure holders of its ADSs that the ADS depositary will be able to convert dividends received in Mexican Pesos into U.S. Dollars.

CEMEX, S.A.B. de C.V. did not declare a dividend for fiscal years 2015, 2016 and 2017.

Significant Changes

Except as described herein, no significant change has occurred since the date of our 2017 consolidated financial statements included elsewhere in this annual report.

Item 9—Offer and Listing

Market Price Information

CEMEX, S.A.B. de C.V.'s CPOs are listed on the Mexican Stock Exchange and trade under the symbol "CEMEX.CPO." CEMEX, S.A.B. de C.V.'s ADSs, each of which currently represents ten CPOs, are listed on the New York Stock Exchange ("NYSE") and trade under the symbol "CX." The following table sets forth, for the periods indicated, the reported highest and lowest market quotations in nominal Mexican Pesos for CPOs on the Mexican Stock Exchange and the high and low sales prices in U.S. Dollars for ADSs on the NYSE.

	CPOs(1)		ADSs	
Calendar Period	High	Low	High	Low
Yearly				
2013	16.16	12.58	12.71	9.14
2014	18.50	14.32	14.36	9.66
2015	16.37	8.64	10.72	4.95
2016	18.07	6.78	9.15	3.63
2017	18.39	15.85	10.37	7.10

Calendar Period	CPOs(1) High	CPOs(1) Low	ADSs High	ADSs Low
Quarterly				
2016				
First quarter	12.70	6.78	7.43	3.63
Second quarter	12.80	10.61	7.45	5.49
Third quarter	16.05	10.93	8.89	5.81
Fourth quarter	18.07	15.30	9.15	7.43
2017				
First quarter	19.27	15.76	9.14	7.41
Second quarter	17.29	15.36	9.43	8.12
Third quarter	18.39	15.85	10.37	8.78
Fourth quarter	16.69	13.53	9.12	7.10
2018				
First quarter	15.80	11.98	8.51	6.45
Monthly				
2017-2018				
October	16.69	14.82	9.12	7.77
November	15.80	14.17	8.23	7.57
December	14.87	13.53	7.66	7.10
January	15.80	14.61	8.51	7.48
February	15.67	12.23	8.44	6.45
March	13.82	11.98	7.42	6.50
April(2)	13.23	11.86	7.30	6.43

Source: Based on data of the Mexican Stock Exchange and the NYSE.

(1) As of December 31, 2017, approximately 99.86% of CEMEX, S.A.B. de C.V.'s outstanding share capital was represented by CPOs.
(2) CPO and ADS prices are through April 20, 2018.

On April 20, 2018, the last reported closing price for CPOs on the Mexican Stock Exchange was Ps12.69 per CPO, and the last reported closing price for ADSs on the NYSE was U.S.$6.82 per ADS.

During 2017, (i) we did not have a market maker and (ii) there was no suspension of trading of (a) CEMEX, S.A.B. de C.V.'s CPOs on the Mexican Stock Exchange or (b) CEMEX, S.A.B. de C.V.'s ADSs on the New York Stock Exchange.

The following table sets forth, for the periods indicated, the total trading volume for CPOs on the Mexican Stock Exchange and ADSs on the NYSE.

Calendar Period	CPOs (1)	ADSs (1)
Yearly		
2013	9,064	3,605
2014	8,262	2,861
2015	10,435	3,457
2016	11,929	3,155
2017	8,155	2,440
Quarterly		
2016		
First quarter	3,321	868
Second quarter	2,919	642
Third quarter	3,177	816
Fourth quarter	2,512	829
2017		
First quarter	2,288	648
Second quarter	1,887	552
Third quarter	2,032	599
Fourth quarter	1,947	640
2018		
First quarter	2,189	694
Monthly		
2017-2018		
October	658	259
November	677	182
December	612	199
January	626	227
February	685	222
March	878	245
April(2)	463	102

(1) Amounts in million CPOs or ADSs.
(2) CPO and ADS volumes are through April 20, 2018.

Item 10—Additional Information

Articles of Association and By-laws

General

Pursuant to the requirements of Mexican corporations law, CEMEX, S.A.B. de C.V.'s articles of association and by-laws (*estatutos sociales*), have been registered with the Mercantile Section of the Public Registry of Property and Commerce in Monterrey, Nuevo León, Mexico, under entry number 21, since June 11, 1920.

CEMEX, S.A.B. de C.V. is an operating and holding company engaged directly or indirectly, through its operating subsidiaries, primarily in the production, distribution, marketing and sale of cement, ready-mix concrete, aggregates, clinker and other construction materials throughout the world. CEMEX, S.A.B. de C.V.'s corporate purpose can be found in article 2 of CEMEX, S.A.B. de C.V.'s by-laws.

CEMEX, S.A.B. de C.V. has two series of common stock, the Series A common stock, with no par value ("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, 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 (i) shareholders exercising their redemption rights or (ii) 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 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, (i) changes to CEMEX, S.A.B. de C.V.'s by-laws, incorporating additional provisions and removing some restrictions. The changes, among other items, are the following: extend

CEMEX, S.A.B. de C.V.'s corporate existence for an indefinite period of time, adopt the electronic system established by the Ministry of Economy (*Secretaría de Economía*) for the publication of notices and other legal matters; remove a redundancy in minority rights; adopt additional considerations that CEMEX, S.A.B. de C.V.'s board of directors shall consider in order to authorize purchases of 2% or more of shares; 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.

Changes in Capital Stock and Preemptive Rights

Subject to certain exceptions referred below, CEMEX, S.A.B. de C.V.'s by-laws allow for a decrease or increase in its capital stock if it is approved by its shareholders at a shareholders' meeting. Additional shares of CEMEX, S.A.B. de C.V.'s capital stock, having no voting rights or limited voting rights, are authorized by its by-laws and may be issued upon the approval of its shareholders at a shareholders' meeting, with the prior approval of the Mexican securities authority.

CEMEX, S.A.B. de C.V.'s by-laws provide that, subject to certain exceptions, shareholders have preemptive rights with respect to the class and in proportion to the number of shares of our capital stock they hold, in connection with any capital increase in the number of outstanding 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, México.

Holders of ADSs that are U.S. persons or are located in the United States may be restricted in their ability to participate in the exercise of such pre-emptive rights. See "Item 3—Key Information—Risk Factors—Risks Relating to Our Business—Preemptive rights 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 or competitors and whether there is a risk of affecting market competition, or the potential acquirers could have access to confidential and privileged

information; f) the morality and economic solvency of the potential acquirers; g) the protection of minority rights and the rights of our employees; and h) whether an adequate base of investors would be maintained. If CEMEX, S.A.B. de C.V.'s board of directors denies the authorization, the transfer had been authorized on the basis of false or incorrect information or information had been withheld or the requirements established in CEMEX, S.A.B. de C.V.'s by-laws are not complied with, the persons involved in the transfer shall not be entitled to exercise the voting rights corresponding to the transferred shares, and such shares shall not be taken into account for the determination of the quorums of attendance and voting at shareholders' meetings, nor shall the transfers be recorded in our share registry and the registry undertaken by S.D. Indeval, Institución para el Depósito de Valores, S.A. de C.V. ("Indeval"), the Mexican securities depositary, shall not have any effect.

Any acquisition of shares of CEMEX, S.A.B. de C.V.'s capital stock representing 30% or more of its capital stock by a person or group of persons requires prior approval from CEMEX, S.A.B. de C.V.'s board of directors and, in the event approval is granted, the acquirer has an obligation to make a public offer to purchase all of the outstanding shares of CEMEX, S.A.B. de C.V.'s capital stock.

In the event the requirements for significant acquisitions of shares of CEMEX, S.A.B. de C.V.'s capital stock are not met, the persons acquiring such shares will not be entitled to any corporate rights with respect to such shares, such shares will not be taken into account for purposes of determining a quorum for shareholders' meetings, CEMEX, S.A.B. de C.V. will not record such persons as holders of such shares in its share registry, and the registry undertaken by the Indeval shall not have any effect.

CEMEX, S.A.B. de C.V.'s by-laws require the stock certificates representing shares of its capital stock to make reference to the provisions in its by-laws relating to the prior approval of the CEMEX, S.A.B. de C.V. board of directors for significant share transfers and the requirements for recording share transfers in its share registry. In addition, shareholders are responsible for informing CEMEX, S.A.B. de C.V. within five business days whenever their shareholdings exceed 5%, 10%, 15%, 20%, 25% and 30% of CEMEX, S.A.B. de C.V.'s capital stock. If a person acquires beneficial ownership (within the meaning of Rule 13d-3 promulgated by the SEC under the 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 2017 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 Mexican Stock Exchange during the latest period of 30 trading days preceding the date of the offer, for a period not to exceed six months; or

- the book value per share, as reflected in the last quarterly report filed with the Mexican securities authority and the Mexican Stock Exchange before the date of the offer.

CEMEX, S.A.B. de C.V.'s board of directors shall prepare and disclose to the public through the Mexican Stock Exchange, within ten business days after the day the public offer begins, and after consulting the corporate practices and finance committee, its opinion regarding the price of the offer and any conflicts of interests that each of its members may have regarding such offer. This opinion may be accompanied by an additional opinion issued by an independent expert that we may hire.

Following the 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 or the audit committee;
- shareholders representing at least 10% of outstanding and fully paid shares, by requesting that it to the chairman of CEMEX, S.A.B. de C.V.'s board of directors or CEMEX, S.A.B. de C.V.'s corporate practices and finance committee and audit committee;
- any shareholder (i) if no meeting has been held for two consecutive years or when the matters referred to in Article 181 of the Mexican corporations law have not been dealt with, or (ii) when, for any reason, the required quorum for valid sessions of the corporate practices and finance committee and audit committee was not reached and the board of directors failed to make the appropriate provisional appointments; or
- a Mexican court of competent jurisdiction, in the event CEMEX, S.A.B. de C.V.'s board of directors or the corporate practices and finance committee and audit committee do not comply with the valid shareholders' request described above.

Notice of shareholders' meetings must be published through the electronic system established by the Ministry of Economy (Secretaría de Economía) or, in its absence, in the Official Gazette of the State of Nuevo León (*Periódico Oficial del Estado de Nuevo León*), Mexico or in any major newspaper published and distributed in the city of Monterrey, Nuevo León, Mexico. The notice must be published at least 15 days prior to the date of any shareholders' meeting. Consistent with Mexican law, CEMEX, S.A.B. de C.V.'s by-laws further require that all information and documents relating to the shareholders' meeting be available to shareholders from the date the notice of the meeting is published.

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;
- determine the level of independence of the members of CEMEX, S.A.B. de C.V.'s board of directors;
- elect or remove the chairman of CEMEX, S.A.B. de C.V.'s audit and corporate practices and finance committees;
- approve any transaction that represents 20% or more of CEMEX, S.A.B. de C.V. consolidated assets; and
- resolve any issues not reserved for extraordinary shareholders' meetings.

A general extraordinary shareholders' meeting may be called at any time to deal with any of the matters specified by Article 182 of the Mexican corporations law, which include, among other things:

- extending CEMEX, S.A.B. de C.V.'s corporate existence;
- CEMEX, S.A.B. de C.V.'s voluntary dissolution;
- increasing or reducing CEMEX, S.A.B. de C.V.'s fixed capital stock;
- changing CEMEX, S.A.B. de C.V.'s corporate purpose;
- changing CEMEX, S.A.B. de C.V.'s country of incorporation;
- changing CEMEX, S.A.B. de C.V.'s form of organization;
- a proposed merger;
- issuing preferred shares;
- redeeming CEMEX, S.A.B. de C.V.'s own shares;
- any amendment to CEMEX, S.A.B. de C.V.'s by-laws; and
- any other matter for which a special quorum is required by law or by CEMEX, S.A.B. de C.V.'s by-laws.

In order to vote at a meeting of shareholders, shareholders must (i) appear on the list that Indeval and the Indeval participants holding shares on behalf of the shareholders prepare prior to the meeting, or (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 meeting of shareholders, the affirmative vote of the holders of a majority of the shares present at the meeting is required to adopt a shareholders' resolution. At an extraordinary meeting of shareholders, the affirmative vote of at least 50% of the capital stock is required to adopt a shareholders' resolution, except that when amending Article 7 (with respect to measures limiting shareholding ownership), Article 10 (relating to the register of shares and significant participations) or Article 22 (specifying the impediments to being appointed a member of CEMEX, S.A.B. de C.V.'s board of directors) of CEMEX, S.A.B. de C.V.'s by-laws, the affirmative vote of at least 75% of the voting stock is needed.

The attendance quorum for a general ordinary meeting of shareholders upon the first call, is 50% of CEMEX, S.A.B. de C.V.'s outstanding and fully paid shares, and for the second call is any number of CEMEX, S.A.B. de C.V.'s outstanding and fully paid shares. If the quorum is not met upon the first call, a subsequent meeting may be called and the quorum for the second ordinary meeting is any number of CEMEX, S.A.B. de C.V.'s outstanding and fully paid shares represented at the meeting. The attendance quorum for the extraordinary shareholders' meeting upon the first call, is 75% of CEMEX, S.A.B. de C.V.'s outstanding and fully paid shares, upon the second and subsequent calls is 50% of CEMEX, S.A.B. de C.V.'s outstanding and fully paid shares.

Rights of Minority Shareholders

At CEMEX, S.A.B. de C.V.'s annual general ordinary shareholders' meeting, any shareholder or group of shareholders representing 10% or more of its voting stock has the right to appoint or remove one member of CEMEX, S.A.B. de C.V.'s board of directors, in addition to the directors appointed by the majority. Such appointment may only be revoked by other shareholders when the appointment of all other directors is also revoked.

CEMEX, S.A.B. de C.V.'s by-laws provide that holders of at least 10% of its 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 at a shareholders' meeting, by filing a petition for a court order to suspend the resolution temporarily with a court of law within 15 days after the adjournment of the meeting at which that action was taken and showing that the challenged action violates Mexican law or CEMEX, S.A.B. de C.V.'s by-laws and provided the opposing shareholders deliver a bond to the court to secure payment of any damages that we suffer as a result of suspending the resolution in the event that the court ultimately rules against the opposing shareholders. Relief under these provisions is only available to holders who were entitled to vote on, or whose rights as shareholders were adversely affected by, the challenged shareholder action and whose shares were not represented when the action was taken or, if represented, voted against it.

Under Mexican law, an action for civil liabilities against directors may be initiated by a shareholders' resolution for violation of their duty of loyalty to shareholders. In the event shareholders decide to bring an action of this type, the persons against whom that action is brought will immediately cease to be directors. Additionally, shareholders representing not less than 33% of the outstanding shares may directly exercise that action against the directors; provided that:

- those shareholders shall not have voted against exercising such action at the relevant shareholders' meeting; and
- the claim covers all of the damage alleged to have been caused to us and not merely the damage suffered by the plaintiffs.

Under CEMEX, S.A.B. de C.V.'s by-laws, shareholders representing 5% or more of its outstanding capital stock may initiate actions exclusively on behalf of CEMEX, S.A.B. de C.V. against members of its board of directors, its corporate practices and finance committee and audit committee, its chief executive officer, or any relevant executives, for breach of their duty of care or duty of loyalty to shareholders or for committing illicit acts or activities. The only requirement is that the claim covers all of the damage alleged to have been caused to us or any entities on which we have a significant influence and not merely the damage suffered by the plaintiffs. Actions initiated on these grounds have a five-year statute of limitations from the day of the act or action that caused the damage.

Any recovery of damages with respect to these actions will be for CEMEX, S.A.B. de C.V.'s benefit and not that of the shareholders bringing the action.

Registration and Transfer

CEMEX, S.A.B. de C.V.'s common stock is evidenced by share certificates in registered form with registered dividend coupons attached. Shareholders who have not deposited their shares into the CPO trust may hold their shares in the form of physical certificates or through institutions that have accounts with Indeval. Accounts may be maintained at Indeval by brokers, banks and other entities approved by the Mexican securities authority. CEMEX, S.A.B. de C.V. maintains a stock registry, and, in accordance with Mexican law, only those holders listed in CEMEX, S.A.B. de C.V.'s stock registry and those holding certificates issued by Indeval and by Indeval participants indicating ownership are recognized as CEMEX, S.A.B. de C.V. shareholders.

Pursuant to Mexican law, any transfer of shares must be registered in CEMEX, S.A.B. de C.V.'s stock registry, if effected physically, or through book entries that may be tracked back from CEMEX, S.A.B. de C.V.'s stock registry to the records of Indeval.

Redemption

CEMEX, S.A.B. de C.V.'s capital stock is subject to redemption upon approval of our shareholders at an extraordinary shareholders' meeting.

Share Repurchases

If approved by CEMEX, S.A.B. de C.V.'s shareholders at a general shareholders' meeting, we may purchase CEMEX, S.A.B. de C.V.'s outstanding shares. The economic and voting rights corresponding to repurchased shares cannot be exercised during the period the shares are owned by us and the shares will be deemed outstanding for purposes of calculating any quorum or vote at any shareholders' meeting. We may also repurchase our equity securities on the Mexican Stock Exchange at the then prevailing market prices in accordance with Mexican securities law. If we intend to repurchase shares representing more than 1% of CEMEX, S.A.B. de C.V.'s outstanding shares at a single trading session, we must inform the public of such intention at least ten minutes before submitting our bid. If we intend to repurchase shares representing 3% or more of CEMEX, S.A.B. de C.V.'s outstanding shares during a period of 20 trading days, we are required to conduct a public tender offer for such shares. We must conduct share repurchases 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 Mexican Stock Exchange of the results of any share repurchase no later than the business day following any such share repurchase.

Directors' and Shareholders' Conflict of Interest

Under Mexican law, any shareholder who has a conflict of interest with CEMEX, S.A.B. de C.V. with respect to any transaction is obligated to disclose such conflict and is prohibited from voting on that transaction. 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 "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: Eduardo Rendón
Telephone: +52 81 8888-4292
Email: eduardo.rendon@cemex.com

Share Capital

CEMEX, S.A.B. de C.V. did not declare a dividend for fiscal years 2015, 2016 and 2017. See "Item 8—Financial Information—Dividends" for a description of CEMEX, S.A.B. de C.V.'s policy on dividend distributions and dividend restrictions.

At each of CEMEX, S.A.B. de C.V.'s 2015 and 2016 annual general ordinary shareholders' meetings, held on March 31, 2016 and March 30, 2017, respectively, CEMEX, S.A.B. de C.V.'s shareholders approved a recapitalization of retained earnings. New CPOs issued pursuant to each such recapitalization were allocated to shareholders on a pro-rata basis. As a result, shares equivalent to approximately 530 million CPOs, approximately 539 million CPOs and approximately 562 million CPOs were allocated to shareholders on a

pro-rata basis in connection with the 2015 and 2016 recapitalizations, respectively. In each case, CPO holders received one new CPO for each 25 CPOs held and ADS holders received one new ADS for each 25 ADSs held. There was no cash distribution and no entitlement to fractional shares. No recapitalization of retained earnings was approved at CEMEX, S.A.B. de C.V.'s 2017 annual general ordinary shareholders' meeting held on April 5, 2018.

As of December 31, 2017, CEMEX, S.A.B. de C.V.'s common stock was represented as follows:

	2017	
Shares[1]	Series A[2]	Series B[3]
Subscribed and paid shares	30,214,469,912	15,107,234,956
Unissued shares authorized for stock compensation programs	531,739,616	265,869,808
Shares that guarantee the issuance of convertible securities[4]	4,529,605,020	2,264,802,510
	35,275,814,548	17,637,907,274

(1) As of December 31, 2017, 13,068,000,000 shares correspond to the fixed portion, and 39,845,721,822 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.
(3) Series "B" or free subscription shares must represent at most 36% of CEMEX, S.A.B. de C.V.'s capital stock.
(4) Shares that guarantee the conversion of the November 2019 Mandatory Convertible Mexican Peso Notes, the March 2018 Optional Convertible Subordinated U.S. Dollar Notes and the March 2020 Optional Convertible Subordinated U.S. Dollar Notes.

Material Contracts

On December 18, 2006, CEMEX, through two special purpose vehicles, issued two tranches of fixed-to-floating rate callable Perpetual Debentures. C5 Capital (SPV) Limited issued U.S.$350 million original principal amount of Perpetual Debentures under the first tranche, with the issuer having the option to redeem such Perpetual Debentures on December 31, 2011 and on each interest payment date thereafter, of which U.S.$61 million principal amount were outstanding as of December 31, 2017 (excluding Perpetual Debentures held by us). C10 Capital (SPV) Limited issued U.S.$900 million original principal amount of Perpetual Debentures under the second tranche, with the issuer having the option to redeem such Perpetual Debentures on December 31, 2016 and on each interest payment date thereafter, of which U.S.$175 million principal amount were outstanding as of December 31, 2017 (excluding Perpetual Debentures held by us). Both tranches pay coupons denominated in U.S. Dollars at a fixed rate until the call date and at a floating rate thereafter. On February 12, 2007, CEMEX, through a special purpose vehicle, issued a third tranche of fixed-to-floating rate callable Debentures. C8 Capital (SPV) Limited issued U.S.$750 million original principal amount of Perpetual Debentures under this third tranche, with the issuer having the option to redeem such Perpetual Debentures on December 31, 2014 and on each interest payment date thereafter, of which U.S.$135 million principal amount were outstanding as of December 31, 2017 (excluding Perpetual Debentures held by us). This third tranche also pays coupons denominated in U.S. Dollars at a fixed rate until the call date and at a floating rate thereafter. On May 9, 2007, CEMEX, through a special purpose vehicle, issued a fourth tranche of fixed-to-floating rate callable Perpetual Debentures. C10-EUR Capital (SPV) Limited issued €730 million original principal amount of Perpetual Debentures under this fourth tranche, with the issuer having the option to redeem such Perpetual Debentures on June 30, 2017, and on each interest payment date thereafter, of which €64 million principal amount were outstanding as of December 31, 2017 (excluding Perpetual Debentures held by us). This fourth tranche pays coupons denominated in Euros at a fixed rate until the call date and at a floating rate thereafter. Due to their perpetual nature and optional deferral of coupons, these transactions, in accordance with IFRS, qualify as equity.

For a description of the material terms relating to the November 2019 Mandatory Convertible Mexican Peso Notes, the March 2018 Optional Convertible Subordinated U.S. Dollar Notes and the March 2020 Optional Convertible Subordinated U.S. Dollar Notes, see "Item 5—Operating and Financial Review and Prospects—Summary of Material Contractual Obligations and Commercial Commitments."

In connection with the 2017 Credit Agreement, we are also parties to the amendment and restatement agreement, dated July 19, 2017 related to the Intercreditor Agreement; the Dutch law share pledge, dated as of September 12, 2012; the Dutch law share pledge, dated as of December 15, 2015; the security confirmation agreement to Dutch law share pladges, dated as of July 19, 2017; the Swiss law share pledge, dated as of September 17, 2012; the security confirmation agreement to the Swiss law share pledge, dated as of July 19, 2017; the Spanish law share pledge, dated as of November 8, 2012; the ratification and extension deed to the Spanish law share pledge, dated as of July 19, 2017; and the amendment and restatement agreement, dated July 19, 2017 to the Mexican law security trust agreement, dated as of September 17, 2012. For a description of the material terms of the 2017 Credit Agreement and related agreements, see "Item 5—Operating and Financial Review and Prospects—Liquidity and Capital Resources—Our Indebtedness."

For a description of the material terms relating to the Senior Secured Notes, see "Item 5—Operating and Financial Review and Prospects—Summary of Material Contractual Obligations and Commercial Commitments—Senior Secured Notes."

Exchange Controls

See "Item 3—Key Information—Mexican Peso Exchange Rates."

Taxation

Mexican Tax Considerations

General

The following is a summary of certain Mexican federal income tax considerations relating to the ownership and disposition of CEMEX, S.A.B. de C.V.'s CPOs or ADSs.

This summary is based on Mexican income tax law that is in effect on the date of this annual report, which is subject to change. This summary is limited to non-residents of Mexico, as defined below, who own CEMEX, S.A.B. de C.V.'s CPOs or ADSs. This summary does not address all aspects of Mexican income tax law. Holders are urged to consult their tax counsel as to the tax consequences that the purchase, ownership and disposition of CEMEX, S.A.B. de C.V.'s CPOs or ADSs, may have.

For purposes of Mexican taxation, an individual is a resident of Mexico if he or she has established his or her home in Mexico. If the individual also has a home in another country, he or she will be considered a resident of Mexico if his or her center of vital interests is in Mexico. Under Mexican law, an individual's center of vital interests is in Mexico if, among other things:

- more than 50% of the individual's total income in the relevant year comes from Mexican sources; or
- the individual's main center of professional activities is in Mexico.

Mexican nationals that are employed by the Mexican government are deemed residents of Mexico, even if his or her center of vital interests is located outside of Mexico. Unless otherwise proven, Mexican nationals are deemed residents of Mexico for tax purposes.

A legal entity is a resident of Mexico if it is organized under the laws of Mexico or if it maintains the principal administration of its business or the effective location of its management in Mexico.

A Mexican citizen is presumed to be a resident of Mexico for tax purposes unless such person or entity can demonstrate otherwise. If a legal entity or an individual is deemed to have a permanent establishment in Mexico for tax purposes, all income attributable to such permanent establishment will be subject to Mexican taxes, in accordance with relevant tax provisions.

Individuals or legal entities that cease to be residents of Mexico must notify the tax authorities within 15 business days before their change of residency.

A non-resident of Mexico is a legal entity or individual that does not satisfy the requirements to be considered a resident of Mexico for Mexican federal income tax purposes.

Taxation of Dividends

Dividends from earnings generated before January 1, 2014, either in cash or in any other form, paid to non-residents of Mexico with respect to 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 individuals, capital gains of shares issued by Mexican companies in the Mexican Stock Exchange will be subject to a 10% withholding tax which will be withheld by the intermediary acting as a withholding agent. If the individual is a tax resident in a country with a tax treaty in force with Mexico such individual will not be subject to any withholding tax.

Gains on the sale or disposition of CPOs by a holder who is a non-resident of Mexico will not be subject to any Mexican tax if the sale is carried out through the Mexican Stock Exchange or other recognized securities market, as determined by Mexican tax authorities. Gains realized on sales or other dispositions of CPOs by non-residents of Mexico made in other circumstances would be subject to Mexican income tax. However, gains on the sale or disposition of ADSs by a holder who is a non-resident of Mexico will not be subject to Mexican tax.

Under the terms of the Convention Between the United States and Mexico for Avoidance of Double Taxation and Prevention of Fiscal Evasion with Respect to Income Taxes, and a protocol thereto, the Tax Treaty, gains obtained by a U.S. Shareholder (as defined herein) eligible for benefits under the Tax Treaty on the disposition of CPOs will not generally be subject to Mexican tax, provided that such gains are not attributable to a permanent establishment of such U.S. Shareholder in Mexico and that the eligible U.S. Shareholder did not own, directly or indirectly, 25% or more of our outstanding stock during the 12-month period preceding the disposition. In the case of non-residents of Mexico eligible for the benefits of a tax treaty, gains derived from the disposition of ADSs or CPOs may also be exempt, in whole or in part, from Mexican taxation under a treaty to which Mexico is a party.

Deposits and withdrawals of ADSs will not give rise to any Mexican tax or transfer duties.

The term U.S. Shareholder shall have the same meaning ascribed below under the section “U.S. Federal Income Tax Considerations.”

Estate and Gift Taxes

There are no Mexican inheritance or succession taxes applicable to the ownership, transfer or disposition of ADSs or CPOs by holders that are non-residents of Mexico, although gratuitous transfers of CPOs may, in some circumstances, cause a Mexican federal tax to be imposed upon a recipient. There are no Mexican stamp, issue, registration or similar taxes or duties payable by holders of ADSs or CPOs.

U.S. Federal Income Tax Considerations

General

The following is a summary of certain U.S. federal income tax consequences 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 the U.S. Internal Revenue Code of 1986, as amended (the "Code"), U.S. Department of the Treasury regulations promulgated under the Code, administrative rulings, and judicial interpretations of the Code, all as in effect on the date of this annual report and all of which are subject to change, possibly retroactively. This summary is limited to U.S. Shareholders (as defined below) who hold our ADSs or CPOs, as the case may be, as capital assets. This summary does not discuss all aspects of U.S. federal income taxation that may be important to an investor in light of its individual circumstances, for example, an investor subject to special tax rules (e.g., banks, thrifts, real estate investment trusts, regulated investment companies, insurance companies, dealers in securities or currencies, expatriates, tax-exempt investors, persons who own 10% or more of our voting stock, or holders whose functional currency is not the U.S. 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 U.S. Department of the Treasury regulations to be treated as a United States person.

If a partnership (including any entity arrangement treated as a partnership for U.S. federal income tax purposes) is the beneficial owner of CPOs or ADSs, the U.S. federal income tax treatment of a partner in such partnership will generally depend upon the status of the partner and the activities of the partnership. A partner in a partnership that is the beneficial owner of CPOs or ADSs should consult its tax advisor regarding the associated tax consequences.

U.S. Shareholders should consult their tax advisors as to the particular tax consequences to them under United States federal, state and local, and foreign laws relating to the ownership and disposition of CEMEX, S.A.B. de C.V.'s CPOs and ADSs.

Ownership of CPOs or ADSs in general

In general, for U.S. federal income tax purposes, U.S. Shareholders who own ADSs will be treated as the beneficial owners of the CPOs represented by those ADSs, and each CPO will represent a beneficial interest in two Series A shares and one Series B share.

Taxation of distributions with respect to CPOs and ADSs

A distribution of cash or property with respect to the Series A shares or Series B shares represented by CPOs, including CPOs represented by ADSs, generally will be treated as a dividend to the extent paid out of our current or accumulated earnings and profits, as determined under U.S. federal income tax principles, and will be includible in the gross income of a U.S. Shareholder as foreign source "passive" income on the date the distribution is received by the CPO trustee or successor thereof. Any such dividend will not be eligible for the dividends-received deduction allowed to corporate U.S. Shareholders. To the extent, if any, that the amount of any distribution by us exceeds our current and accumulated earnings and profits as determined under U.S. federal income tax principles, it will be treated first as a tax-free return of the U.S. Shareholder's adjusted tax basis in the CPOs or ADSs, as applicable, and thereafter as capital gain.

The gross amount of any dividends paid in Mexican Pesos will be includible in the income of a U.S. Shareholder in a Dollar amount calculated by reference to the exchange rate in effect the day the Mexican Pesos are received by the CPO trustee or successor thereof whether or not the Mexican Pesos are converted into Dollars on that day. Generally, any gain or loss resulting from currency exchange fluctuations during the period from the date the dividend payment is includible in income to the date such payment is converted into Dollars will be treated as ordinary income or loss. Such gain or loss will generally be income from sources within the United States for foreign tax credit limitation purposes.

Dividend income is generally taxed as ordinary income. However "qualified dividend income" received by U.S. Shareholders that are individuals (as well as certain trusts and estates) is generally eligible for preferential U.S. federal income tax rates (provided that certain holding period requirements are met). "Qualified dividend income" includes dividends paid on shares of "qualified foreign corporations" if, among other things: (i) the shares of the foreign corporation are readily tradable on an established securities market in the United States, or (ii) the foreign corporation is eligible with respect to substantially all of its income for the benefits of a comprehensive income tax treaty with the United States which contains an exchange of information program.

We believe that we are a "qualified foreign corporation" because (i) the ADSs trade on the New York Stock Exchange and (ii) we are eligible for the benefits of the comprehensive income tax treaty between Mexico and the United States which includes an exchange of information program. Accordingly, we believe that any dividends we pay should constitute "qualified dividend income" for U.S. federal income tax purposes. We cannot assure you, however, that we will continue to be considered a "qualified foreign corporation" and that our dividends will continue to be "qualified dividend income."

Taxation of capital gains on disposition of CPOs or ADSs

The sale, exchange, redemption, or other disposition of CPOs or ADSs will result in the recognition of gain or loss by a U.S. Shareholder for U.S. federal income tax purposes in an amount equal to the difference between the amount realized on the disposition and the U.S. Shareholder's tax basis in the CPOs or ADSs, as applicable. Such gain or loss will be long-term capital gain or loss if the U.S. Shareholder's holding period for the CPOs or ADSs exceeds one year at the time of disposition. Long-term capital gain recognized by a U.S. Shareholder that is an individual (as well as certain trusts and estates) upon the sale or exchange of CPOs or ADSs is generally eligible for preferential U.S. federal income tax rates. The deduction of capital losses is subject to limitations. Gain from the disposition of CPOs or ADSs generally will be treated as U.S. source for foreign tax credit purposes; losses will generally be allocated against U.S. source income. Deposits and withdrawals of CPOs by

U.S. Shareholders in exchange for ADSs will not result in the realization of gain or loss for U.S. federal income tax purposes.

United States backup withholding and information reporting

A U.S. Shareholder may, under certain circumstances, be subject to information reporting with respect to some payments to that U.S. Shareholder such as dividends or the proceeds of a sale or other disposition of the CPOs or ADSs. Backup withholding also may apply to amounts paid to such holder unless such holder (i) is a corporation or comes within certain exempt categories and demonstrates this fact when so required, or (ii) provides a correct taxpayer identification number and otherwise complies with applicable requirements of the backup withholding rules. Backup withholding is not an additional tax. Amounts withheld as backup withholding may be creditable against the U.S. Shareholder's federal income tax liability, and the U.S. Shareholder may obtain a refund of any excess amounts withheld under the backup withholding rules by filing the appropriate claim for refund with the IRS and timely furnishing any required information.

An individual U.S. Shareholder may be required to submit to the IRS certain information with respect to his or her beneficial ownership of CPOs or ADSs, unless such CPOs or ADSs are held on his or her behalf by a U.S. financial institution. The law also imposes penalties if an individual U.S. Shareholder is required to submit such information to the IRS and fails to do so. U.S. Shareholders should consult their tax advisors regarding the application of the new law in their particular circumstances.

Documents on Display

We are subject to the informational requirements of the 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 can be inspected and copied at the public reference room of the SEC at 100 F Street, N.E., Washington, D.C. 20549.

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—Our Derivative Financial Instruments."

Item 12—Description of Securities Other than Equity Securities

Item 12A—Debt Securities

Not applicable.

Item 12B—Warrants and Rights

Not applicable.

Item 12C—Other Securities

Not applicable.

Item 12D—American Depositary Shares

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, 2017

In 2017, we received approximately U.S.$1.58 million (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 Chief Executive Officer (the "CEO") and Executive Vice President of Finance/Chief Financial Officer (the "CFO"), the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) as of the end of the period covered by this annual report. Based on the foregoing, our management, with the participation of the CEO and CFO, concluded that our disclosure controls and procedures were not effective as of December 31, 2017 to achieve their intended objectives because of the material weakness in internal control over financial reporting discussed below.

In light of this material weakness, prior to filing this annual report on Form 20-F, we performed additional procedures related to our disclosure controls, including qualitative and quantitative evaluation of our financial statements.

These additional procedures have allowed us to conclude that, notwithstanding the material weakness in our internal control over financial reporting, the consolidated financial statements included in this annual report fairly present, in all material respects, our financial position, results of operations and cash flows for the periods presented in conformity with IFRS.

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, 2017 using 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 identified the following material weakness in internal control over financial reporting:

We did not maintain an effective risk assessment process to identify, analyze and establish processes and controls to mitigate the risk of material misstatements resulting from apparent collusion or management override of controls in relation to significant unusual transactions. In addition, we did not design and operate effective monitoring controls to detect non-compliance with our policies related to the financial reporting of significant unusual transactions.

A material weakness (as defined in Rule 12b-2 under the Exchange Act) is a deficiency, or combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of a company's annual or interim financial statements will not be prevented or detected on a timely basis.

These control deficiencies resulted in no misstatements to the consolidated financial statements for the year ended December 31, 2017. However, these control deficiencies create a reasonable possibility that a material misstatement to the consolidated financial statements will not be prevented or detected on a timely basis, and therefore we concluded that the deficiencies represent a material weakness in the Company's internal control over financial reporting and our internal control over financial reporting was not effective as of December 31, 2017.

Attestation Report of the Independent Registered Public Accounting Firm

KPMG Cárdenas Dosal, S.C., the registered public accounting firm that audited our financial statements included elsewhere in this annual report, has issued an adverse report on our internal control over financial reporting, which is included in page F-111 of this annual report.

Status of Remediation Actions

As previously disclosed in our 2016 annual report on Form 20-F, during 2016, CEMEX received reports through its anonymous reporting line related to possible irregularities in the purchase process of land in connection with the Maceo Project. CEMEX initiated an investigation and internal audit in accordance with its corporate governance policies and its code of ethics, which confirmed the irregularities in the purchase process of land in connection with the Maceo Project. As a result of this investigation and internal audit, on September 23, 2016, CEMEX Latam and CEMEX Colombia terminated the employment of the Vice President of Planning of CEMEX Latam, who was also CEMEX Colombia's Director of Planning, and the Legal Counsel of CEMEX Latam, who was also the General Counsel of CEMEX Colombia. In addition, effective September 23, 2016, the Chief Executive Officer of CEMEX Latam, who was also the President of CEMEX Colombia, resigned to facilitate the investigation and internal audit.

Since September 2016, we engaged legal counsel, forensic and other advisors to investigate and advise with regard to different matters regarding the Maceo Project, including with respect to our internal controls. We subsequently filed a criminal complaint against four former employees of CEMEX Colombia. The implicated employees, allegedly acting in collusion, were able to intentionally circumvent the then existing internal controls.

While the irregularities occurred in a number of periods prior to 2016, CEMEX performed a qualitative and quantitative evaluation of the resulting financial statement effects and concluded that none of them individually, or in aggregate, were material to any such periods. Accordingly, we have not restated any previously issued financial statements.

During 2017, based on the remediation plan approved by our Audit Committee, our management designed and implemented certain internal controls over financial reporting in relation to our risk assessment and monitoring of significant unusual transactions to address the material weakness described in Item 15 of our annual report on Form 20-F for the year ended December 31, 2016, including, but not limited to, the following:

- the implementation of a new approval policy over significant unusual transactions that takes place at the operating subsidiary level,
- a corporate committee to oversee large investment projects,
- enhancements to our internal audit procedures, and
- improvements over our current monitoring controls.

However, we have not had sufficient time to ensure the effective and consistent operation of these controls. In addition, we may plan to implement additional enhancements to these controls in 2018.

This material weakness will not be considered remediated until the all remediated controls operate effectively for a sufficient period of time.

We and our Board of Directors are committed to maintaining a strong and sustainable internal control over financial reporting environment. We believe it is important to confirm that the new processes and controls put in place as part of the remediation are fully operational for a sufficient period of time and expect that the remediation of this material weakness will be completed during 2018.

Changes in Internal Control Over Financial Reporting

Except for the remediation actions implemented to address the material weakness described above, we have not identified changes in our internal control over financial reporting during 2017 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. José Manuel Rincón Gallardo meets the requisite qualifications.

Item 16B—Code of Ethics

We have adopted a written code of ethics that applies to all employees, including our principal executive officer, principal financial officer and principal accounting officer. All of our employees are expected to comply with in their daily interactions.

Our code of ethics provides the following main guidelines:

(i) Our purpose, mission and values: we look to build a better future through the creation of sustainable value by providing industry-leading products and solutions to satisfy the construction needs of our customers;

(ii) Our people and human rights: we believe our employees give us a competitive advantage; we foster an encouraging environment for individual growth acting pursuant to our principles and values;

(iii) Customer relations and fair dealing: we work to be our customers' best option and, to that end, conduct our business dealings fairly and professionally, and supply top-quality services and products as agreed with our customers; we and our employees make efforts to act in an innovative and proactive manner, exceeding our customers' expectations and anticipating their needs in order to ensure long and mutually beneficial relationships;

(iv) Supplier relations and fair dealing: our success depends on supplier relationships that are built on trust and mutual benefit; we try to always manage our supplier relationships with honesty, respect and integrity, offering equal opportunities to all parties;

(v) Government relations: our operations require a wide range of interactions with government agencies in many countries; these agencies may act as regulators, customers, suppliers, stockholders and/or promoters; we look to always conduct our interactions with these agencies consistent with our principles and values, with particular emphasis on honesty and respect;

(vi) Community relations: we are committed to promoting and contributing to the development of our communities by preserving the environment, fostering mutually beneficial relationships and maintaining open lines of communication;

(vii) Antitrust compliance: we are dedicated to conducting all of our business activities with the highest ethical standards; compliance with applicable laws, including antitrust legislation, is a fundamental part of our corporate values; we operate in many countries and are subject to different antitrust laws and regulations; therefore, our country managers seek that all of our business activities conform to local laws and regulations, and to our own policies;

(viii) Anti-bribery: we reject all forms of corruption; paying or receiving bribes is illegal and highly unethical, and can lead to severe consequences for all parties involved, including jail for individuals and harsh penalties to our company; we are committed to conducting our business with transparency and integrity, and seek to have all transactions comply with anti-bribery laws, including requirements to maintain complete and accurate books and records;

(ix) Preventing money laundering: we prohibit money laundering, understood as any transaction or series thereof undertaken to conceal the true origin of illicit funds or making them look as they have been obtained from legitimate activities;

(x) Conflicts of interest and corporate opportunities. our employees, officers and directors have an obligation to conduct themselves in an honest and ethical manner and to act in our best interest; our employees, officers and directors must avoid situations that present or could present a potential or actual conflict between their interests and our interests;

(xi) Gifts, services and other courtesies: we, our employees, officers and directors may not accept or give courtesies of any kind that may compromise, or appear to compromise, decision-making on current or future negotiations; it is forbidden to seek or condition a negotiation on any kind of gift, service or courtesy;

(xii) Environmental responsibility: managing our environmental footprint is an integral part of our business philosophy and, therefore, we are fully committed to carrying out our business activities in an environmentally responsible and sustainable manner to minimize the environmental implications of our activities;

(xiii) Political contributions and activities: we acknowledge and respect the right of our employees to participate in activities external to the company, such as politics, provided that they are legal and do not interfere with the employees' duties and responsibilities or in any way involve the company;

(xiv) Health and safety in the workplace: we give highest priority to preventing incidents and safeguarding the health and safety of our workforce and are fully committed to carrying out our business activities in a safe and efficient manner to care for the well-being of all those on our sites and those who may be impacted by our activities;

(xv) Confidential information: our employees must administer and handle confidential information in a responsible, safe, objective and legal manner;

(xvi) Financial controls and records: we seek to build credibility and trust with our stakeholders and try to communicate effectively with them so that they are provided with full and accurate information about our financial condition and results of operations; consequently, our employees, officers and directors strive to ensure, within the scope of their responsibilities and duties, that our financial records are accurate and our financial controls effective; we also strive to ensure that our reports and documents filed with or submitted to securities regulators, as well as all other public communications, include full, fair, accurate, timely and understandable disclosure; and

(xvii) Preservation of assets: the proper use and preservation of our tangible and intangible assets are essential to fulfill our mission.

We 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 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: Luis Hernández
Telephone: +52 81 8888-8888

Item 16C—Principal Accountant Fees and Services

Audit Fees: KPMG Cárdenas Dosal, S.C. in Mexico and KPMG firms worldwide charged us approximately Ps232 million in fiscal year 2017 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 2016, KPMG Cárdenas Dosal, S.C. in Mexico and KPMG firms worldwide billed us approximately Ps248 million for these services.

Audit-Related Fees: KPMG Cárdenas Dosal, S.C. in Mexico and KPMG firms worldwide billed us approximately Ps11 million in fiscal year 2017 for assurance and related services reasonably related to the performance of our audit. In fiscal year 2016, KPMG Cárdenas Dosal, S.C. in Mexico and KPMG firms worldwide charged us approximately Ps7 million for audit-related services.

Tax Fees: KPMG Cárdenas Dosal, S.C. in Mexico and KPMG firms worldwide charged us approximately Ps13 million in fiscal year 2017 for tax compliance, tax advice and tax planning. In fiscal year 2016, KPMG Cárdenas Dosal, S.C. in Mexico and KPMG firms worldwide billed us approximately Ps20 million for tax-related services.

All Other Fees: KPMG Cárdenas Dosal, S.C. in Mexico and KPMG firms worldwide billed us Ps14 million in fiscal year 2017 for products and services other than those comprising audit fees, audit-related fees and tax

fees. In fiscal year 2016, KPMG Cárdenas Dosal, S.C. in Mexico and KPMG firms worldwide charged us approximately Ps16 million for products and services in this category. These fees relate mainly to services provided by KPMG to us with respect to our due diligence activities around the world.

Audit Committee Pre-Approval Policies and Procedures

Our audit committee is responsible, among other things, for the appointment, compensation and oversight of our external auditors. To assure the independence of our independent auditors, our audit committee pre-approves annually a catalog of specific audit and non-audit services in the categories Audit Services, Audit-Related Services, Tax-Related Services, and Other Services that may be performed by our auditors, as well as the budgeted fee levels for each of these categories. All other permitted services must receive a specific approval from our audit committee. Our external auditor periodically provides a report to our audit committee in order for our audit committee to review the services that our external auditor is providing, as well as the status and cost of those services.

During 2017, 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, the Circular de Emisoras (the "Mexican Regulation for Issuers") issued by the Comisión Nacional Bancaria y de Valores (the "Mexican Banking and Securities Commission") and the Reglamento Interior de la Bolsa Mexicana de Valores (the "Mexican Stock Exchange Rules"), and by applicable U.S. securities laws. CEMEX is also subject to the rules of the NYSE to the extent they apply to foreign private issuers. Except for those specific rules, foreign private issuers are permitted to follow home country practice in lieu of the provisions of Section 303A of the LCM.

CEMEX, on a voluntary basis, also complies with the Código de Mejores Prácticas Corporativas (the "Mexican Code of Best Corporate Practices") as indicated below, which was promulgated by a committee established by the Consejo Coordinador Empresarial ("Mexican Corporate Coordination Board"). The Mexican Corporate Coordination Board provides recommendations for better corporate governance practices for listed companies in Mexico, and the Mexican Code of Best Corporate Practices has been endorsed by the Mexican Banking and Securities Commission.

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, 2017, CEMEX, S.A.B. de C.V.'s board of directors had 15 members, of which more than 50% are independent under the Mexican Securities Market Law. The Mexican Securities Market Law sets forth, in article 26, the definition of "independence," which differs from the one set forth in Section 303A.02 of the LCM. Generally, under the Mexican Securities Market Law, a director is not independent if such director is an employee or officer of the company or its subsidiaries; an individual that has significant influence over the company or its subsidiaries; a shareholder that is part of a group that controls the company; or, if there exist certain relationships between a company and a director, entities with which the director is associated or family members of the director.
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 the 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.
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 the Mexican Laws and Regulations, we are not required to have a nominating committee. We do not have such a committee. Our Corporate Practices and Finance Committee operates pursuant to the provisions of the Mexican Securities Market Law and CEMEX, S.A.B. de C.V.'s by-laws. Our Corporate Practices and Finance Committee is composed of four independent directors. Our Corporate Practices and Finance Committee is responsible for evaluating the performance of our executive officers; reviewing related party transactions; reviewing the compensation paid to executive officers; evaluating any waivers granted to directors or executive officers for their taking of corporate opportunities; and carrying out the activities described under Mexican law.

NYSE LISTING STANDARDS	CEMEX CORPORATE GOVERNANCE PRACTICE
	Our Corporate Practices and Finance Committee meets as required by CEMEX, S.A.B. de C.V.'s by-laws and by the Mexican Laws and Regulations.
303A.05	
Listed companies must have a compensation committee composed of independent directors. Compensation committee members must satisfy additional independence requirements specific to compensation committee membership.	Under CEMEX, S.A.B. de C.V.'s by-laws and the Mexican Laws and Regulations, we are not required to have a compensation committee. We do not have such a committee.
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 four members. According to CEMEX, S.A.B. de C.V.'s by-laws, all of the members must be independent. CEMEX, S.A.B. de C.V.'s Audit Committee is responsible for evaluating the company's internal controls and procedures, identifying any material deficiencies it finds; following up with any corrective or preventive measures adopted with respect to the non-compliance with the operation and accounting guidelines and policies; evaluating the performance of the external auditors; describing and valuating those non-audit services rendered by the external auditor; reviewing the company's financial statements; assessing the effects of any modifications to the accounting policies approved during a fiscal year; overseeing measures adopted as result of any observations made by shareholders, directors, executive officers, employees or any third parties with respect to accounting, internal controls and internal and external audit, as well as any complaints regarding irregularities in management, including anonymous and confidential methods for addressing concerns raised by employees; assuring the execution of resolutions adopted at shareholders' or board of directors' meetings. CEMEX, S.A.B. de C.V.'s board of directors has determined that it has an "audit committee financial expert," for purposes of the Sarbanes-Oxley Act of 2002, serving on its Audit Committee. CEMEX, S.A.B. de C.V.'s Audit Committee meets as required by CEMEX, S.A.B. de C.V.'s by-laws and by the Mexican Laws and Regulations.

NYSE LISTING STANDARDS	CEMEX CORPORATE GOVERNANCE PRACTICE
303A.09	
Listed companies must adopt and disclose corporate governance guidelines.	Under CEMEX, S.A.B. de C.V.'s by-laws and the Mexican Laws and Regulations, we are not required to adopt corporate governance guidelines, but, on an annual basis, we file a report with the Mexican Stock Exchange regarding our compliance with the Mexican Code of Best Corporate Practices.
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 a written code of ethics that applies to all of our employees, including our principal executive officer, principal financial officer and principal accounting officer.
Equity compensation plans	
Equity compensation plans require shareholder approval under the Mexican Securities Market Law, 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 2017 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.

PART III

Item 17—Financial Statements

Not applicable.

Item 18—Financial Statements

See pages F-1 through F-6, incorporated herein by reference.

Item 19—Exhibits

1.1	Amended and Restated By-laws of CEMEX, S.A.B. de C.V.(m)
2.1	Form of Certificate for shares of Series A Common Stock of CEMEX, S.A.B. de C.V.(k)
2.2	Form of Certificate for shares of Series B Common Stock of CEMEX, S.A.B. de C.V.(k)
2.3	English Translation of Amended and Restated Agreement to the Trust Agreement dated November 27, 2014, between CEMEX, S.A.B. de C.V., as founder of the trust, and Banco Nacional de México, S.A. regarding the CPOs.(j)
2.4	Form of CPO Certificate.(l)
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.(b)(p)
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.(d)
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.(k)
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.(d)
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.(i)
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.(i)
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.(i)
2.6	Form of American Depositary Receipt evidencing American Depositary Shares.(k)

4.1	Note Indenture, dated as of December 18, 2006, by and among New Sunward Holding Financial Ventures B.V., as issuer, and CEMEX, S.A.B. de C.V., CEMEX México, S.A. de C.V., and New Sunward Holding B.V., as guarantors and the Bank of New York, as trustee, relating to New Sunward Holding Financial Ventures B.V.'s U.S.$350,000,000 aggregate principal amount of Callable Perpetual Dual-Currency Notes.(d)
4.1.1	First Supplemental Note Indenture, dated as of August 10, 2009, by and among New Sunward Holding Financial Ventures B.V., as issuer, and CEMEX, S.A.B. de C.V., CEMEX México, S.A. de C.V., and New Sunward Holding B.V., as guarantors and the Bank of New York, as trustee, supplementing the Note Indenture, dated as of December 18, 2006, among New Sunward Holding Financial Ventures B.V., as issuer, CEMEX, S.A.B. de C.V., CEMEX México, S.A. de C.V. and New Sunward Holding B.V., as guarantors, and The Bank of New York Mellon, as trustee, relating to New Sunward Holding Financial Ventures B.V.'s U.S.$350,000,000 aggregate principal amount of Callable Perpetual Dual-Currency Notes.(d)
4.1.2	Second Supplemental Note Indenture, dated as of May 12, 2010, by and among New Sunward Holding Financial Ventures B.V., as issuer, CEMEX, S.A.B. de C.V., CEMEX México, S.A. de C.V. and New Sunward Holding B.V., as guarantors, The Bank of New York Mellon, as trustee, Swap 5 Capital (SPV) Limited and C5 Capital (SPV) Limited., supplementing the Note Indenture, dated as of December 18, 2006, among New Sunward Holding Financial Ventures B.V., as issuer, CEMEX, S.A.B. de C.V., CEMEX México, S.A. de C.V. and New Sunward Holding B.V., as guarantors, and The Bank of New York Mellon, as trustee, relating to New Sunward Holding Financial Ventures B.V.'s U.S.$350,000,000 aggregate principal amount of Callable Perpetual Dual-Currency Notes.(d)
4.2	Note Indenture, dated as of December 18, 2006, by and among New Sunward Holding Financial Ventures B.V., as issuer, and CEMEX, S.A.B. de C.V., CEMEX México, S.A. de C.V., and New Sunward Holding B.V., as guarantors and the Bank of New York, as trustee, relating to New Sunward Holding Financial Ventures B.V.'s U.S.$900,000,000 aggregate principal amount of Callable Perpetual Dual-Currency Notes.(d)
4.2.1	First Supplemental Note Indenture, dated as of August 10, 2009, by and among New Sunward Holding Financial Ventures B.V., as issuer, and CEMEX, S.A.B. de C.V., CEMEX México, S.A. de C.V., and New Sunward Holding B.V., as guarantors and the Bank of New York, as trustee, supplementing the Note Indenture, dated as of December 18, 2006, among New Sunward Holding Financial Ventures B.V., as issuer, CEMEX, S.A.B. de C.V., CEMEX México, S.A. de C.V. and New Sunward Holding B.V., as guarantors, and The Bank of New York Mellon, as trustee, relating to New Sunward Holding Financial Ventures B.V.'s U.S.$900,000,000 aggregate principal amount of Callable Perpetual Dual-Currency Notes.(d)
4.2.2	Second Supplemental Note Indenture, dated as of May 12, 2010, by and among New Sunward Holding Financial Ventures B.V., as issuer, CEMEX, S.A.B. de C.V., CEMEX México, S.A. de C.V. and New Sunward Holding B.V., as guarantors, The Bank of New York Mellon, as trustee, Swap 10 Capital (SPV) Limited and C10 Capital (SPV) Limited., supplementing the Note Indenture, dated as of December 18, 2006, among New Sunward Holding Financial Ventures B.V., as issuer, CEMEX, S.A.B. de C.V., CEMEX México, S.A. de C.V. and New Sunward Holding B.V., as guarantors, and The Bank of New York Mellon, as trustee, relating to New Sunward Holding Financial Ventures B.V.'s U.S.$900,000,000 aggregate principal amount of Callable Perpetual Dual-Currency Notes.(d)
4.3	Note Indenture, dated as of February 12, 2007, by and among New Sunward Holding Financial Ventures B.V., as issuer, and CEMEX, S.A.B. de C.V., CEMEX México, S.A. de C.V., and New Sunward Holding B.V., as guarantors and the Bank of New York, as trustee, relating to New Sunward Holding Financial Ventures B.V.'s U.S.$750,000,000 aggregate principal amount of Callable Perpetual Dual-Currency Notes.(d)

4.3.1	First Supplemental Note Indenture, dated as of August 10, 2009, by and among New Sunward Holding Financial Ventures B.V., as issuer, and CEMEX, S.A.B. de C.V., CEMEX México, S.A. de C.V., and New Sunward Holding B.V., as guarantors and the Bank of New York, as trustee, supplementing the Note Indenture, dated as of February 12, 2007, among New Sunward Holding Financial Ventures B.V., as issuer, CEMEX, S.A.B. de C.V., CEMEX México, S.A. de C.V. and New Sunward Holding B.V., as guarantors, and The Bank of New York Mellon, as trustee, relating to New Sunward Holding Financial Ventures B.V.'s U.S.$750,000,000 aggregate principal amount of Callable Perpetual Dual-Currency Notes.(d)
4.3.2	Second Supplemental Note Indenture, dated as of May 12, 2010, by and among New Sunward Holding Financial Ventures B.V., as issuer, CEMEX, S.A.B. de C.V., CEMEX México, S.A. de C.V. and New Sunward Holding B.V., as guarantors, The Bank of New York Mellon, as trustee, Swap 8 Capital (SPV) Limited and 8 Capital (SPV) Limited., supplementing the Note Indenture, dated as of February 12, 2007, among New Sunward Holding Financial Ventures B.V., as issuer, CEMEX, S.A.B. de C.V., CEMEX México, S.A. de C.V. and New Sunward Holding B.V., as guarantors, and The Bank of New York Mellon, as trustee, relating to New Sunward Holding Financial Ventures B.V.'s U.S.$750,000,000 aggregate principal amount of Callable Perpetual Dual-Currency Notes.(d)
4.4	Note Indenture, dated as of May 9, 2007, by and among New Sunward Holding Financial Ventures B.V., as issuer, and CEMEX, S.A.B. de C.V., CEMEX México, S.A. de C.V., and New Sunward Holding B.V., as guarantors and the Bank of New York, as trustee, relating to New Sunward Holding Financial Ventures B.V.'s U.S. €730,000,000 Callable Perpetual Dual-Currency Notes.(d)
4.4.1	First Supplemental Note Indenture, dated as of August 10, 2009, by and among New Sunward Holding Financial Ventures B.V., as issuer, and CEMEX, S.A.B. de C.V., CEMEX México, S.A. de C.V., and New Sunward Holding B.V., as guarantors and the Bank of New York, as trustee, supplementing the Note Indenture, dated as of May 9, 2007, among New Sunward Holding Financial Ventures B.V., as issuer, CEMEX, S.A.B. de C.V., CEMEX México, S.A. de C.V. and New Sunward Holding B.V., as guarantors, and The Bank of New York Mellon, as trustee, relating to New Sunward Holding Financial Ventures B.V.'s U.S. €730,000,000 Callable Perpetual Dual-Currency Notes. (d)
4.4.2	Second Supplemental Note Indenture, dated as of May 12, 2010, by and among New Sunward Holding Financial Ventures B.V., as issuer, CEMEX, S.A.B. de C.V., CEMEX México, S.A. de C.V. and New Sunward Holding B.V., as guarantors, The Bank of New York Mellon, as trustee, Swap C10-EUR Capital (SPV) Limited and C10-EUR Capital (SPV) Limited., supplementing the Note Indenture, dated as of February 12, 2007, among New Sunward Holding Financial Ventures B.V., as issuer, CEMEX, S.A.B. de C.V., CEMEX México, S.A. de C.V. and New Sunward Holding B.V., as guarantors, and The Bank of New York Mellon, as trustee, relating to New Sunward Holding Financial Ventures B.V.'s U.S. €730,000,000 Callable Perpetual Dual-Currency Notes.(d)
4.5	Indenture, dated as of December 10, 2009, by and among CEMEX, S.A.B. de C.V., as issuer, Banco Mercantil del Norte, Sociedad Anónima, Institución de Banca Múltiple, Grupo Financiero Banorte, as common representative and calculation agent, in connection with the issuance of Mandatory Convertible Bonds.(d)
4.6	Amendment and Restatement Deed, dated July 19, 2017, by and among CEMEX, S.A.B. de C.V. and certain of its subsidiaries, the Intra-Group Lenders (as named therein), Citibank Europe plc, UK Branch (formerly Citibank International Ltd), as Facilities Agent, and Wilmington Trust (London) Limited, as Security Agent, relating to the Intercreditor Agreement dated September 17, 2012 and amended October 31, 2014, and July 23, 2015.(m)

4.7	Dutch law Share Pledge over the registered shares in New Sunward Holding B.V., dated September 17, 2012, between (i) CEMEX International Finance Company Ltd. (formerly CEMEX International Finance Company) which merged into New Sunward Holding B.V., (ii) Corporación Gouda S.A. de C.V. and Mexcement Holdings, S.A. de C.V., both which merged into CEMEX Operaciones México, S.A. de C.V. and CEMEX TRADEMARKS HOLDING Ltd. (as Pledgors) and Wilmington Trust (London) Limited (as Pledgee).(g)
4.7.1	Dutch law Share Pledge over the registered shares in New Sunward Holding B.V., dated December 15, 2015, between CEMEX Operaciones México, S.A. de C.V. (as Pledgor) and Wilmington Trust (London) Limited (as Pledgee).(k)
4.7.2	Security Confirmation Agreement of Dutch law Share Pledges over the registered shares in New Sunward Holding B.V., dated July 19, 2017, between CEMEX Operaciones México, S.A. de C.V. and CEMEX TRADEMARKS HOLDING Ltd. (as Security Providers), New Sunward Holding B.V. and Wilmington Trust (London) Limited (as Security Agent).(m)
4.8	Swiss law Share Pledge over 1,938,958,014 shares in CEMEX TRADEMARKS HOLDING Ltd., dated September 17, 2012, between CEMEX, S.A.B. de C.V., CEMEX México, S.A. de C.V., Interamerican Investments Inc. and Empresas Tolteca de México, S.A. de C.V. (as Pledgors) and Wilmington Trust (London) Limited (as Pledgee).(g)
4.8.1	Security Confirmation Agreement of Swiss law Share Pledge over 1,938,958,014 shares in CEMEX TRADEMARKS HOLDING Ltd., dated July 23, 2015, between CEMEX, S.A.B. de C.V., CEMEX México, S.A. de C.V., Interamerican Investments Inc. and Empresas Tolteca de México, S.A. de C.V. (as Pledgors) and Wilmington Trust (London) Limited (as Pledgee).(k)
4.8.2	Security Confirmation Agreement of Swiss law Share Pledge over 1,938,958,014 shares in CEMEX TRADEMARKS HOLDING Ltd., dated July 19, 2017, between CEMEX, S.A.B. de C.V., CEMEX México, S.A. de C.V., Interamerican Investments Inc. and Empresas Tolteca de México, S.A. de C.V. (as Pledgors) and Wilmington Trust (London) Limited (as Pledgee).(m)
4.8.3	Swiss law Share Pledge over 8,424,037 shares in CEMEX TRADEMARKS HOLDING, Ltd., dated July 19, 2017, between CEMEX, S.A.B. de C.V. (as Pledgor) and Wilmington Trust (London) Limited (as Security Agent).(m)
4.9	Spanish law Share Pledge over the shares in CEMEX España, S.A., dated November 8, 2012, between New Sunward Holding B.V., CEMEX, S.A.B. de C.V., CEMEX España, S.A. and Wilmington Trust (London) Limited (as Security Agent).(g)
4.10	Extension Agreement to Spanish law Share Pledge over the shares in CEMEX España, S.A., dated July 19, 2017, between New Sunward Holding B.V., CEMEX, S.A.B. de C.V., CEMEX España, S.A., Wilmington Trust (London) Limited (as Security Agent), Banco Bilbao Vizcaya Argentaria, S.A. (as Custodian) and the Lenders (as named therein).(m)
4.11	English translation of the Second Amendment and Restatement Agreement of the Mexican law Security Trust Agreement, dated July 25, 2017, entered into by CEMEX, S.A.B. de C.V., Empresas Tolteca de Mexico, S.A. de C.V., CEMEX Central, S.A. de C.V., Interamerican Investments Inc., Cemex México, S.A. de. C.V., and CEMEX Operaciones México, S.A. de C.V., regarding the shares that each of them owned in: CEMEX México, S.A. de C.V. and CEMEX Operaciones México, S.A. de C.V.(m)
4.12	Facilities Agreement, dated July 19, 2017, among CEMEX, S.A.B. de C.V. and certain of its subsidiaries, the financial institutions named therein, as Original Lenders, Citibank Europe PLC, UK Branch, as Agent, and Wilmington Trust (London) Limited, as Security Agent.(m)
4.13	Indenture, dated as of October 2, 2013, among CEMEX, S.A.B. de C.V, as issuer, the Note Guarantors party thereto and The Bank of New York Mellon, as trustee, in connection with the issuance of U.S.$500,000,000 aggregate principal amount of Floating Rate Senior Secured Notes due 2018.(h)

4.13.1	Supplemental Indenture No. 1, dated as of April 1, 2014, among CEMEX, S.A.B. de C.V., as issuer, the Note Guarantors party thereto and The Bank of New York Mellon, as trustee, relating to its Floating Rate Senior Secured Notes due 2018.(h)
4.14	English Translation of Accession Deed, dated October 2, 2013, issued by The Bank of New York Mellon, as Trustee, and CEMEX España, S.A., concerning the shares of CEMEX España, S.A. relating to the issuance by CEMEX, S.A.B. de C.V. of U.S.$500,000,000 aggregate principal amount of Floating Rate Senior Secured Notes due 2018.(h)
4.15	Indenture, dated as of April 1, 2014, among CEMEX Finance LLC, as issuer, the Note Guarantors party thereto and The Bank of New York Mellon, as trustee, in connection with the issuance of U.S.$1,000,000,000 aggregate principal amount of 6.000% U.S. Dollar-Denominated Senior Secured Notes due 2024.(h)
4.16	English Translation of Accession Deed, dated April 1, 2014, issued by The Bank of New York Mellon, as Trustee, and CEMEX España, S.A., concerning the shares of CEMEX España, S.A. relating to the issuance by CEMEX Finance LLC of U.S.$1,000,000,000 aggregate principal amount of 6.000% U.S. Dollar-Denominated Senior Secured Notes due 2024.(h)
4.17	Indenture, dated as of April 1, 2014, among CEMEX Finance LLC, as issuer, the Note Guarantors party thereto, The Bank of New York Mellon, as trustee, and The Bank of New York Mellon, London Branch, as paying agent and transfer agent, in connection with the issuance of €400,000,000 aggregate principal amount of 5.250% Euro-Denominated Senior Secured Notes due 2021.(h)
4.18	English Translation of Accession Deed, dated April 1, 2014, issued by The Bank of New York Mellon, as Trustee, and CEMEX España, S.A., concerning the shares of CEMEX España, S.A. relating to the issuance by CEMEX Finance LLC of €400,000,000 aggregate principal amount of 5.250% Euro-Denominated Senior Secured Notes due 2021.(h)
4.19	Indenture, dated as of September 11, 2014, among CEMEX, S.A.B. de C.V., as issuer, the Note Guarantors party thereto and The Bank of New York Mellon, as trustee, in connection with the issuance of U.S.$1,100,000,000 aggregate principal amount of 5.700% U.S. Dollar-Denominated Senior Secured Notes due 2025.(j)
4.20	English Translation of Accession Deed, dated September 11, 2014, issued by The Bank of New York Mellon, as Trustee, and CEMEX España, S.A., concerning the shares of CEMEX España, S.A. relating to the issuance by CEMEX, S.A.B. de C.V. of U.S.$1,100,000,000 aggregate principal amount of 5.700% U.S. Dollar-Denominated Senior Secured Notes due 2025.(j)
4.21	Indenture, dated as of March 5, 2015, among CEMEX, S.A.B. de C.V., as issuer, the Note Guarantors party thereto, The Bank of New York Mellon, as trustee, registrar, paying agent and transfer agent, in connection with the issuance of U.S.$750,000,000 aggregate principal amount of 6.125% U.S. Dollar-Denominated Senior Secured Notes due 2025.(j)
4.22	English Translation of Accession Deed, dated March 5, 2015, issued by The Bank of New York Mellon, as Trustee, and CEMEX España, S.A., concerning the shares of CEMEX España, S.A. relating to the issuance by CEMEX, S.A.B. de C.V. of U.S.$750,000,000 aggregate principal amount of 6.125% U.S. Dollar-Denominated Senior Secured Notes due 2025.(j)
4.23	Indenture, dated as of March 5, 2015, among CEMEX, S.A.B. de C.V., as issuer, the Note Guarantors party thereto, The Bank of New York Mellon, as trustee and registrar, and The Bank of New York Mellon, London Branch, as paying agent and transfer agent, in connection with the issuance of €550,000,000 aggregate principal amount of 4.375% Euro-Denominated Senior Secured Notes due 2023.(j)
4.24	English Translation of Accession Deed, dated March 5, 2015, issued by The Bank of New York Mellon, as Trustee, and CEMEX España, S.A., concerning the shares of CEMEX España, S.A. relating to the issuance by CEMEX, S.A.B. de C.V. of €550,000,000 aggregate principal amount of 4.375% Euro-Denominated Senior Secured Notes due 2023.(j)

4.25	Indenture, dated as of March 13, 2015, among CEMEX, S.A.B. de C.V., as issuer, The Bank of New York Mellon, as trustee, CIBanco S.A., Institución de Banca Múltiple, as Mexican trustee, in connection with the issuance of $200,000,000 aggregate principal amount of 3.72% Convertible Subordinated Notes due 2020.(j)
4.26	Indenture, dated as of May 28, 2015, among CEMEX, S.A.B. de C.V. as issuer, The Bank of New York Mellon, as trustee, and CIBanco S.A., Institución de Banca Múltiple, as Mexican trustee, with respect to the issuance of 3.72% Convertible Subordinated Notes due 2020.(k)
4.27	Note Indenture, dated as of March 16, 2016, among CEMEX, S.A.B. de C.V., the guarantors listed therein, and The Bank of New York Mellon, as trustee, with respect to the issuance of 7.750% Senior Secured Notes due 2026.(k)
4.28	English Translation of Accession Deed, dated March 16, 2016, issued by The Bank of New York Mellon, as Trustee, and CEMEX España, S.A., concerning the shares of CEMEX España, S.A. relating to the issuance by CEMEX, S.A.B. de C.V. of U.S.$1,000,000,000 aggregate principal amount of 7.750% Senior Secured Notes due 2026.(k)
4.29	Indenture, dated as of June 14, 2016, among CEMEX Finance LLC, the guarantors listed therein, The Bank of New York Mellon, as trustee, and The Bank of New York Mellon, London Branch, as paying agent and transfer agent, with respect to the issuance of 4.625% Senior Secured Notes due 2024.(l)
4.30	Indenture, dated as of December 5, 2017, 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 €650,000,000 aggregate principal amount of 2.750% Euro-Denominated Senior Secured Notes due 2024.(m)
4.31	English Translation of Accession Deed, dated December 5, 2017, issued by The Bank of New York Mellon, as Trustee, and CEMEX España, S.A., concerning the shares of CEMEX España, S.A. relating to the issuance by CEMEX, S.A.B. de C.V. of €650,000,000 aggregate principal amount of 2.750% Euro-Denominated Senior Secured Notes due 2024.(m)
8.1	List of subsidiaries of CEMEX, S.A.B. de C.V.(m)
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.(m)
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.(m)
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.(m)
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.(m)
15.1	Mine safety and health administration safety data.(m)
101. INS	XBRL Instance Document.(m)
101. SCH	XBRL Taxonomy Extension Schema Document.(m)
101. CAL	XBRL Taxonomy Extension Calculation Linkbase Document.(m)
101. LAB	XBRL Taxonomy Extension Label Linkbase Document.(m)
101. PRE	XBRL Taxonomy Extension Presentation Linkbase Document.(m)
101. DEF	XBRL Taxonomy Extension Definition Document.(m)

(a) Incorporated by reference to Form 6-K of CEMEX, S.A.B. de C.V., filed with the SEC on March 27, 2015.
(b) Incorporated by reference to the Registration Statement on Form F-4 of CEMEX, S.A.B. de C.V. (Registration No. 333-10682), filed with the SEC on August 10, 1999.
(c) Incorporated by reference to the 2002 annual report on Form 20-F of CEMEX, S.A.B. de C.V. filed with the SEC on April 8, 2003.
(d) Incorporated by reference to the 2009 annual report on Form 20-F of CEMEX, S.A.B. de C.V. filed with the SEC on June 30, 2010.
(e) Incorporated by reference to the 2010 annual report on Form 20-F of CEMEX, S.A.B. de C.V. filed with the SEC on June 16, 2011.
(f) Incorporated by reference to the 2011 annual report on Form 20-F of CEMEX, S.A.B. de C.V. filed with the SEC on April 30, 2012.
(g) Incorporated by reference to the 2012 annual report on Form 20-F of CEMEX, S.A.B. de C.V. filed with the SEC on April 23, 2013.
(h) Incorporated by reference to the 2013 annual report on Form 20-F of CEMEX, S.A.B. de C.V. filed with the SEC on April 28, 2014.
(i) 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.
(j) 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.
(k) 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.
(l) 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.
(m) Filed herewith.
(p) 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 30, 2018

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 Income Statements
(Millions of Mexican pesos, except for earnings per share)

	Notes		Years ended December 31, 2017	2016	2015
Net sales	**3**	Ps	258,131	249,945	219,299
Cost of sales	**2.16**		(169,534)	(160,433)	(144,513)
Gross profit			**88,597**	**89,512**	**74,786**
Operating expenses	**5**		(56,026)	(53,969)	(47,910)
Operating earnings before other expenses, net	**2.1**		**32,571**	**35,543**	**26,876**
Other expenses, net	**6**		(3,815)	(1,670)	(3,032)
Operating earnings			**28,756**	**33,873**	**23,844**
Financial expense	**16**		(19,301)	(21,487)	(19,784)
Financial income and other items, net	**7**		3,616	4,489	(1,333)
Share of profit of equity accounted investees	**13.1**		588	688	737
Earnings before income tax			**13,659**	**17,563**	**3,464**
Income tax	**19**		(520)	(3,125)	(2,368)
Net income from continuing operations			**13,139**	**14,438**	**1,096**
Discontinued operations	**4.2**		3,499	768	1,028
CONSOLIDATED NET INCOME			**16,638**	**15,206**	**2,124**
Non-controlling interest net income			1,417	1,173	923
CONTROLLING INTEREST NET INCOME		Ps	**15,221**	**14,033**	**1,201**
Basic earnings per share	**22**	Ps	**0.34**	**0.32**	**0.03**
Basic earnings per share from continuing operations	**22**	Ps	**0.26**	**0.30**	**0.01**
Diluted earnings per share	**22**	Ps	**0.34**	**0.32**	**0.03**
Diluted earnings per share from continuing operations	**22**	Ps	**0.26**	**0.30**	**0.01**

The accompanying notes are part of these consolidated financial statements.

CEMEX, S.A.B. DE C.V. AND SUBSIDIARIES
Consolidated Statements of Comprehensive Income
(Millions of Mexican pesos)

	Notes		Years ended December 31, 2017	2016	2015
CONSOLIDATED NET INCOME		Ps	**16,638**	**15,206**	**2,124**
Items that will not be reclassified subsequently to the income statement					
Net actuarial (losses) from remeasurements of defined benefit pension plans	**18**		3	(4,019)	(748)
Income tax recognized directly in other comprehensive income	**19**		(1)	788	183
			2	(3,231)	(565)
Items that are or may be reclassified subsequently to the income statement					
Effects from available-for-sale investments and derivative financial instruments designated as cash flow hedges	**13.2, 16.4**		275	36	335
Currency translation of foreign subsidiaries	**20.2**		(9,519)	11,630	7,976
Income tax recognized directly in other comprehensive income	**19**		233	(696)	453
			(9,011)	10,970	8,764
Total items of other comprehensive income, net			(9,009)	7,739	8,199
TOTAL COMPREHENSIVE INCOME			**7,629**	**22,945**	**10,323**
Non-controlling interest comprehensive income			1,928	5,164	3,221
CONTROLLING INTEREST COMPREHENSIVE INCOME		Ps	**5,701**	**17,781**	**7,102**
Out of which:					
COMPREHENSIVE INCOME FROM DISCONTINUED OPERATIONS		Ps	**2,342**	**2,882**	**1,387**
COMPREHENSIVE INCOME FROM CONTINUING OPERATIONS		Ps	**3,359**	**14,899**	**5,715**

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 Mexican pesos)

	Notes		December 31, 2017	December 31, 2016
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	**8**	Ps	13,741	11,616
Trade accounts receivables, net	**9**		30,478	30,160
Other accounts receivable	**10**		4,970	5,238
Inventories, net	**11**		18,852	18,098
Assets held for sale	**12.1**		1,378	21,029
Other current assets	**12.2**		1,946	2,300
Total current assets			71,365	88,441
NON-CURRENT ASSETS				
Equity accounted investees	**13.1**		8,572	10,488
Other investments and non-current accounts receivable	**13.2**		5,758	7,120
Property, machinery and equipment, net	**14**		232,160	230,134
Goodwill and intangible assets, net	**15**		234,909	247,507
Deferred income tax assets	**19.2**		14,817	16,038
Total non-current assets			496,216	511,287
TOTAL ASSETS		Ps	**567,581**	**599,728**
LIABILITIES AND STOCKHOLDERS' EQUITY				
CURRENT LIABILITIES				
Short-term debt	**16.1**	Ps	16,973	1,222
Other financial obligations	**16.2**		19,362	11,658
Trade payables			46,428	40,338
Income tax payable			5,129	5,441
Other current liabilities	**17**		24,287	22,530
Liabilities directly related to assets held for sale	**12.1**		—	815
Total current liabilities			112,179	82,004
NON-CURRENT LIABILITIES				
Long-term debt	**16.1**		177,022	235,016
Other financial obligations	**16.2**		12,859	25,972
Employee benefits	**18**		23,653	23,365
Deferred income tax liabilities	**19.2**		15,801	19,600
Other non-current liabilities	**17**		15,649	17,046
Total non-current liabilities			244,984	320,999
TOTAL LIABILITIES			**357,163**	**403,003**
STOCKHOLDERS' EQUITY				
Controlling interest:				
Common stock and additional paid-in capital	**20.1**		144,654	127,336
Other equity reserves	**20.2**		13,483	24,793
Retained earnings	**20.3**		6,181	1,612
Net income			15,221	14,033
Total controlling interest			179,539	167,774
Non-controlling interest and perpetual debentures	**20.4**		30,879	28,951
TOTAL STOCKHOLDERS' EQUITY			**210,418**	**196,725**
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY		Ps	**567,581**	**599,728**

The accompanying notes are part of these consolidated financial statements.

CEMEX, S.A.B. DE C.V. AND SUBSIDIARIES
Consolidated Statements of Cash Flows
(Millions of Mexican pesos)

	Notes		Years ended December 31, 2017	2016	2015
OPERATING ACTIVITIES					
Consolidated net income		Ps	**16,638**	**15,206**	**2,124**
Discontinued operations			**3,499**	**768**	**1,028**
Net income from continuing operations		Ps	**13,139**	**14,438**	**1,096**
Non-cash items:					
Depreciation and amortization of assets	**5**		15,992	15,991	14,658
Impairment losses	**6**		2,936	2,518	1,517
Share of profit of equity accounted investees	**13.1**		(588)	(688)	(737)
Results on sale of subsidiaries, other disposal groups and others			(4,335)	(2,132)	(174)
Financial income and other items, net			15,685	16,998	21,117
Income taxes	**19**		520	3,125	2,368
Changes in working capital, excluding income taxes			8,040	11,017	3,596
Net cash flow provided by operating activities from continuing operations before financial expense, coupons on perpetual debentures and income taxes			**51,389**	**61,267**	**43,441**
Financial expense and coupons on perpetual debentures paid	**20.4**		(15,759)	(18,129)	(17,865)
Income taxes paid			(4,664)	(5,183)	(7,437)
Net cash flow provided by operating activities from continuing operations			**30,966**	**37,955**	**18,139**
Net cash flow provided by operating activities from discontinued operations			**144**	**1,192**	**977**
Net cash flows provided by operating activities			**31,110**	**39,147**	**19,116**
INVESTING ACTIVITIES					
Property, machinery and equipment, net	**14**		(10,753)	(4,563)	(8,930)
Acquisition and disposal of subsidiaries and other disposal groups, net	**4.1, 13.1**		23,841	1,424	2,722
Intangible assets and other deferred charges	**15**		(1,607)	(1,427)	(908)
Long term assets and others, net			128	(914)	(764)
Net cash flows used in investing activities from continuing operations			**11,609**	**(5,480)**	**(7,880)**
Net cash flows provided by (used in) investing activities from discontinued operations			—	**1**	**(153)**
Net cash flows used in investing activities			**11,609**	**(5,479)**	**(8,033)**
FINANCING ACTIVITIES					
Sale of non-controlling interests in subsidiaries	**20.4**		(55)	9,777	—
Derivative instruments			246	399	1,098
Repayment of debt, net	**16.1**		(39,299)	(46,823)	(11,473)
Other financial obligations, net	**16.2**		—	—	177
Securitization of trade receivables			169	(999)	(506)
Non-current liabilities, net			(3,745)	(1,972)	(1,763)
Net cash flows used in financing activities			**(42,684)**	**(39,618)**	**(12,467)**
Decrease in cash and cash equivalents from continuing operations			(109)	(7,143)	(2,208)
Increase in cash and cash equivalents from discontinued operations			144	1,193	824
Cash conversion effect, net			2,090	2,244	4,117
Cash and cash equivalents at beginning of period			11,616	15,322	12,589
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**8**	Ps	**13,741**	**11,616**	**15,322**
Changes in working capital, excluding income taxes:					
Trade receivables, net		Ps	1,495	(4,386)	(3,561)
Other accounts receivable and other assets			1,120	(286)	(1,986)
Inventories			526	(1,239)	(1,472)
Trade payables			3,635	13,729	7,532
Other accounts payable and accrued expenses			1,264	3,199	3,083
Changes in working capital, excluding income taxes		Ps	**8,040**	**11,017**	**3,596**

The accompanying notes are part of these consolidated financial statements.

CEMEX, S.A.B. DE C.V. AND SUBSIDIARIES
Statements of Changes in Stockholders' Equity
(Millions of Mexican pesos)

	Notes		Common stock	Additional paid-in capital	Other equity reserves	Retained earnings	Total controlling interest	Non-controlling interest	Total stockholders' equity
Balance as of December 31, 2014		Ps	**4,151**	**101,216**	**10,738**	**14,998**	**131,103**	**17,068**	**148,171**
Net income			—	—	—	1,201	1,201	923	2,124
Total other items of comprehensive income	**20.2**		—	—	5,901	—	5,901	2,298	8,199
Effects of early conversion and issuance of convertible subordinated notes	**16.2**		3	5,982	(934)	—	5,051	—	5,051
Capitalization of retained earnings	**20.1**		4	7,613	—	(7,617)	—	—	—
Share-based compensation	**20.1, 21**		—	655	—	—	655	—	655
Effects of perpetual debentures	**20.4**		—	—	(432)	—	(432)	—	(432)
Balance as of December 31, 2015			**4,158**	**115,466**	**15,273**	**8,582**	**143,479**	**20,289**	**163,768**
Net income			—	—	—	14,033	14,033	1,173	15,206
Total other items of comprehensive income	**20.2**		—	—	3,748	—	3,748	3,991	7,739
Capitalization of retained earnings	**20.1**		4	6,966	—	(6,970)	—	—	—
Share-based compensation	**20.1, 21**		—	742	—	—	742	—	742
Effects of perpetual debentures	**20.4**		—	—	(507)	—	(507)	—	(507)
Changes in non-controlling interest	**20.4**		—	—	6,279	—	6,279	3,498	9,777
Balance as of December 31, 2016			**4,162**	**123,174**	**24,793**	**15,645**	**167,774**	**28,951**	**196,725**
Net income			—	—	—	15,221	15,221	1,417	16,638
Total other items of comprehensive income, net	**20.2**		—	—	(9,520)	—	(9,520)	511	(9,009)
Capitalization of retained earnings	**20.1**		5	9,459	—	(9,464)	—	—	—
Effects of early conversion of convertible subordinated notes	**16.2**		4	7,059	(1,334)	—	5,729	—	5,729
Share-based compensation	**20.1, 21**		—	791	26	—	817	—	817
Effects of perpetual debentures	**20.4**		—	—	(482)	—	(482)	—	(482)
Balance as of December 31, 2017		Ps	**4,171**	**140,483**	**13,483**	**21,402**	**179,539**	**30,879**	**210,418**

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., founded in 1906, is a public stock corporation with variable capital (S.A.B. de C.V.) organized under the laws of the United Mexican States, or Mexico, holding company (parent) of entities whose main activities are oriented to the construction industry, through the production, marketing, distribution and sale of cement, ready-mix concrete, aggregates and other construction materials and services. In addition, in order to facilitate the acquisition of financing and run its operations in Mexico more efficiently, CEMEX, S.A.B. de C.V. carries out all businesses and operational activities of the cement, ready-mix concrete and aggregates sectors 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") 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 1, 2018. These financial statements were authorized by the Annual General Ordinary Shareholders' Meeting of CEMEX, S.A.B. de C.V. on April 5, 2018.

2) SIGNIFICANT ACCOUNTING POLICIES

2.1) BASIS OF PRESENTATION AND DISCLOSURE

The consolidated financial statements as of December 31, 2017 and 2016 and for the years ended December 31, 2017, 2016 and 2015, were prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

Presentation currency and definition of terms

The presentation currency of the consolidated financial statements is the Mexican peso, currency in which the Company reports periodically to the MSE. When reference is made to pesos or "Ps" it means Mexican pesos. The amounts in the financial statements and the accompanying notes are stated in millions, except when references are made to earnings per share and/or prices per share. When reference is made to "US$" or "dollars", it means dollars of the United States of America ("United States"). When reference is made to "€" or "euros," it means the currency in circulation in a significant number of European Union ("EU") countries. When 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 pesos or dollars, as applicable, actually represent those peso or dollar amounts or could be converted into pesos or dollars at the rate indicated. As of December 31, 2017 and 2016, translations of pesos into dollars and dollars into pesos, were determined for statement of financial position amounts using the closing exchange rates of Ps19.65 and Ps20.72 pesos per dollar, respectively, and for statements of operations amounts, using the average

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Presentation currency and definition of terms — continued

exchange rates of Ps18.88, Ps18.72 and Ps15.98 pesos per dollar for 2017, 2016 and 2015, respectively. When the amounts between parentheses are the peso and the dollar, the amounts were determined by translating the euro amount into dollars using the closing exchange rates at year-end and then translating the dollars into pesos as previously described.

Amounts disclosed in the notes in connection with tax or legal proceedings (notes 19.4 and 24), which are originated in jurisdictions which currencies are different to the peso or 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

On April 5, 2017, in connection with the agreements entered into between CEMEX and Duna-Dráva Cement in August 2015 for the sale of CEMEX's operations in Croatia, including assets in Bosnia and Herzegovina, Montenegro and Serbia, (jointly the "Croatian Operations"), the European Commission issued a decision that ultimately did not allow Duna-Dráva Cement to purchase the aforementioned operations. Consequently, the transaction was not concluded and CEMEX decided to maintain its Croatian Operations and continue to operate them for indefinite time. As of December 31, 2017 and 2016 and for the years ended December 31, 2017, 2016 and 2015, the Croatian Operations are consolidated line-by-line in the financial statements. The accompyning comparative financial statements including their notes for prior periods, in which CEMEX previously reported the Croatian Operations as "Discontinued Operations" and "Assets held for sale" have been re-presented in order to present the Croatian Operations as part of continuing operations. The Croatian Operations mainly consist of three cement plants with aggregate annual production capacity of approximately 2.4 million tons of cement, two aggregates quarries and seven ready-mix plants (note 4.2).

In addition, considering the disposal of entire reportable operating segments, CEMEX presents in the single line item of discontinued operations, the results of: a) its Pacific Northwest Materials Business operations in the United States sold on June 30, 2017; b) its Concrete Pipe Business operations in the United States sold on January 31, 2017; c) its operations in Bangladesh and Thailand sold on May 26, 2016; and d) its operations in Austria and Hungary sold on October 31, 2015 (note 4.2).

Discontinued operations are presented net of income tax.

Income statements

CEMEX includes the line item titled "Operating earnings before other expenses, net" considering that it is a relevant measure for CEMEX's management as explained in note 4.4. 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. The line item "Other expenses, net" consists primarily of revenues and expenses not directly related to CEMEX's main activities, or which are of an unusual and/or non-recurring nature, including impairment losses of long-lived assets, results on disposal of assets and restructuring costs and others (note 6).

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Statements of cash flows

The statements of cash flows exclude the following transactions that did not represent sources or uses of cash:

- In 2017, 2016 and 2015, the increases in common stock and additional paid-in capital associated with: (i) the capitalization of retained earnings for Ps9,464, Ps6,970 and Ps7,617, respectively (note 20.1); and (ii) CPOs issued as part of the executive share-based compensation programs for Ps817, Ps742 and Ps655, respectively (note 20.1);
- In 2017, 2016 and 2015, the increases in property, plant and equipment for Ps2,096, Ps7 and Ps63, respectively, associated with the finance leases during the year (note 14);
- In 2017, the decrease in debt for Ps5,468, the net decrease in other equity reserves for Ps1,334, the increase in common stock for Ps4 and the increase in additional paid-in capital for Ps7,059, in connection with the early conversion of part of the 2018 optional convertible subordinated notes, which involved, the early conversion of optional convertible subordinated notes due in 2018. In addition, in 2015, the decrease in debt for Ps4,517, the net decrease in other equity reserves for Ps934, the increase in common stock for Ps3 and the increase in additional paid-in capital for Ps5,982, in connection with the issuance of optional convertible subordinated notes due in 2020, which involved, the exchange and early conversion of optional convertible subordinated notes due in 2016. These transactions involved the issuance of approximately 43 million ADSs in 2017 and 42 million ADSs in 2015 (note 16.2);
- In 2016, the increase in debt and in other current accounts receivable for Ps148, in connection with a guarantee signed by CEMEX Colombia, S.A. ("CEMEX Colombia") over the debt of a trust committed to the development of housing projects in Colombia and the related beneficial interest that in turn holds CEMEX Colombia in the assets of such trust, which are comprised by land; and
- In 2015, the decrease in other current and non-current liabilities and in deferred tax assets in connection with changes in the tax legislation in Mexico effective as of December 31, 2015 (note 19.4).

2.2) PRINCIPLES OF CONSOLIDATION

The consolidated financial statements include those of CEMEX, S.A.B. de C.V. and those of the entities in which the Parent Company exercises control, including structured entities (special purposes entities), by means of which the Parent Company is exposed, or has rights, to variable returns from its involvement with the investee, and has the ability to affect those returns through its power over the investee'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 in the financial statements, 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.

Other permanent investments where CEMEX holds equity interests of less than 20% and/or there is no significant influence are carried at their historical cost.

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2.3) USE OF ESTIMATES AND CRITICAL ASSUMPTIONS

The preparation of financial statements in accordance with IFRS requires management to make estimates and assumptions that affect 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, as well as the measurement of financial instruments at fair value, and the assets and liabilities related to employee benefits. Significant judgment is required by management to appropriately assess the amounts of these concepts.

2.4) 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, which settlement is neither planned nor likely to occur in the foreseeable future and as a result, such balances are of a permanent investment nature. These fluctuations are recorded against "Other equity reserves", as part of the foreign currency translation adjustment (note 20.2) until the disposal of the foreign net investment, at which time, the accumulated amount is recycled through the statement of operations as part of the gain or loss on disposal.

The financial statements of foreign subsidiaries, as determined using their respective functional currency, are translated to pesos at the closing exchange rate for 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 20.2) 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.

During the reported periods, there were no subsidiaries whose functional currency was the currency of a hyperinflationary economy, which is generally considered to exist when the cumulative inflation rate over the last three years is approaching, or exceeds, 100%. In a hyperinflationary economy, the accounts of the subsidiary's statements of operations should be restated to constant amounts as of the reporting date, in which case, both the statement of financial position accounts and the income statement accounts would be translated to pesos at the closing exchange rates of the year.

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Foreign currency transactions and translation of foreign currency financial statements — continued

The most significant closing exchange rates and the approximate average exchange rates for statement of financial position accounts and statement of operations accounts as of December 31, 2017, 2016 and 2015, were as follows:

	2017		2016		2015	
Currency	Closing	Average	Closing	Average	Closing	Average
Dollar	19.6500	18.8800	20.7200	18.7200	17.2300	15.9800
Euro	23.5866	21.4122	21.7945	20.6564	18.7181	17.6041
British Pound Sterling	26.5361	24.4977	25.5361	25.0731	25.4130	24.3638
Colombian Peso	0.0066	0.0064	0.0069	0.0062	0.0055	0.0058
Egyptian Pound	1.1082	1.0620	1.1234	1.8261	2.2036	2.0670
Philippine Peso	0.3936	0.3747	0.4167	0.3927	0.3661	0.3504

The financial statements of foreign subsidiaries are initially translated from their functional currencies into dollars and subsequently into pesos. Therefore, the foreign exchange rates presented in the table above between the functional currency and the peso represent the implied exchange rates resulting from this methodology. The peso to U.S. dollar exchange rate used by CEMEX is an average of free market rates available to settle its foreign currency transactions. No significant differences exist, in any case, between the foreign exchange rates used by CEMEX and those exchange rates published by the Mexican Central Bank.

2.5) CASH AND CASH EQUIVALENTS (note 8)

The balance in this caption is comprised of available amounts of cash and cash equivalents, mainly represented by highly-liquid short-term investments, which are 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 are recorded at cost plus accrued interest. Accrued interest is included in the income statement as part of "Financial income and other items, net."

The amount of cash and cash equivalents in the statement of financial position includes restricted cash and investments, comprised of deposits in margin accounts that guarantee certain of CEMEX's obligations, to the extent that the restriction will be lifted in less than three months from the statement of financial position reporting date. When the restriction period is greater than three months, such restricted cash and investments are not considered cash equivalents and are included within short-term or long-term "Other accounts receivable," as appropriate. When contracts contain provisions for net settlement, these restricted amounts of cash and cash equivalents are offset against the liabilities that CEMEX has with its counterparties.

2.6) FINANCIAL INSTRUMENTS

Beginning January 1, 2018, IFRS 9, *Financial Instruments: classification and measurement* is effective, see note 2.20. Until December 31, 2017, CEMEX's policy for the recognition of financial instruments is set forth below:

Trade accounts receivable and other accounts receivable (notes 9 and 10)

Instruments under these captions are classified as loans and receivables and are recorded at their amortized cost representing the net present value ("NPV") of the consideration receivable or payable as of the transaction date.

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Trade accounts receivable and other accounts receivable — continued

Due to their short-term nature, CEMEX initially recognizes these receivables at the original invoiced amount less an estimate of doubtful accounts. Allowances for doubtful accounts were recognized based on incurred loss estimates against administrative and selling expenses.

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 on the statement of financial position.

Other investments and non-current accounts receivable (note 13.2)

As part also of loans and receivables, non-current accounts receivable and investments classified as held to maturity are initially recognized at their amortized cost. Subsequent changes in NPV are recognized in the income statement as part of "Financial income and other items, net".

Investments in financial instruments held for trading, as well as those investments available for sale, are recognized at their estimated fair value, in the first case through the income statement as part of "Financial income and other items, net," and in the second case, changes in valuation are recognized as part of "Other comprehensive income" for the period within "Other equity reserves" until their time of disposition, when all valuation effects accrued in equity are reclassified to "Financial income and other items, net," in the income statement. These investments are tested for impairment upon the occurrence of a significant adverse change or at least once a year during the last quarter.

Debt and other financial obligations (notes 16.1 and 16.2)

Bank loans and notes payable are recognized at their amortized cost. 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 to fair value hedge strategies with derivative financial instruments. Direct costs incurred in debt issuances or borrowings, as well as debt refinancing or non-substantial modifications to debt agreements that did not represent an extinguishment of debt by considering 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 to the old instrument according to a qualitative and quantitative analysis are recognized in the income statement as incurred.

Finance leases are recognized as financing liabilities against a corresponding fixed asset for the lesser of the market value of the leased asset and the NPV of future minimum lease payments, using the contract's implicit interest rate to the extent available, or the incremental borrowing cost. The main factors that determine a finance lease are: a) ownership title of the asset is transferred to CEMEX at the expiration of the contract; b) CEMEX has a bargain purchase option to acquire the asset at the end of the lease term; c) the lease term covers the majority of the useful life of the asset; and/or d) the NPV of minimum payments represents substantially all the fair value of the related asset at the beginning of the lease.

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Financial instruments with components of both liabilities and equity (note 16.2)

The financial instrument that contains components of both liability and equity, such as notes convertible into a fixed number of the issuer's shares and denominated its same functional currency, each component is recognized separately in the statement of financial position according to the specific characteristics of each transaction. In the case of instruments mandatorily convertible into shares of the issuer, the liability component represents the NPV of interest payments on the principal amount using a market interest rate, without assuming early conversion, and is recognized within "Other financial obligations," whereas the equity component represents the difference between the principal amount and the liability component, and is recognized within "Other equity reserves", net of commissions. In the case of instruments that are optionally convertible into a fixed number of shares, the liability component represents the difference between the principal amount and the fair value of the conversion option premium, which reflects the equity component (note 2.14). When the transaction is denominated in a currency different than the functional currency of the issuer, the conversion option is accounted for as a derivative financial instrument at fair value in the income statement.

Derivative financial instruments (note 16.4)

CEMEX recognizes all derivative instruments 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 for the effective portion of changes in fair value of derivative instruments associated with cash flow hedges, in which case, such changes in fair value are recognized in stockholders' equity, and are reclassified to earnings as the interest expense of the related debt is accrued, in the case of interest rate swaps, or when the underlying products are consumed in the case of contracts on the price of raw materials and commodities. Likewise, in hedges of the net investment in foreign subsidiaries, changes in fair value are recognized in stockholders' equity as part of the foreign currency translation result (note 2.4), which 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.

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.

Put options granted for the purchase of non-controlling interests and associates

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 subsidiary of CEMEX. When the obligation should be settled in cash or through the delivery of another financial asset, CEMEX recognizes 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 CEMEX has the election to settle using its own shares.

In respect of a put option granted for the purchase of an associate, CEMEX would recognize a liability against a loss in the statements of operations whenever the estimated purchase price exceeds the fair value of the net assets to be acquired by CEMEX, had the counterparty exercised its right to sell. As of December 31, 2017 and 2016, there were no written put options.

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Fair value measurements (note 16.3)

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 is 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 has the ability to access at the measurement date. A quote price in an active market provides the most reliable evidence of fair value and is used without adjustment to measure fair value whenever available.
- Level 2.— 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 Operative EBITDA, including risk assumptions consistent with what market participants would use to arrive at fair value.

2.7) INVENTORIES (note 11)

Inventories are valued using the lower of cost or net realizable value. The cost of inventories includes expenditures incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. CEMEX analyzes its inventory balances to determine if, as a result of internal events, such as physical damage, or external events, such as technological changes or market conditions, certain portions of such balances have become obsolete or impaired. When an impairment situation arises, the inventory balance is adjusted to its net realizable value, whereas, if an obsolescence situation occurs, the inventory obsolescence reserve is increased. In both cases, these adjustments are recognized against the results of the period. Advances to suppliers of inventory are presented as part of other current assets.

2.8) PROPERTY, MACHINERY AND EQUIPMENT (note 14)

Property, machinery and equipment are recognized at their acquisition or construction cost, as applicable, less accumulated depreciation and accumulated impairment losses. Depreciation of fixed assets is recognized as part of cost and operating expenses (note 5), and is calculated using the straight-line method over the estimated useful

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Property, machinery and equipment — continued

lives of the assets, except for mineral reserves, which are depleted using the units-of-production method. As of December 31, 2017, the average useful lives by category of fixed assets were as follows:

	Years
Administrative buildings	35
Industrial buildings	30
Machinery and equipment in plant	17
Ready-mix trucks and motor vehicles	9
Office equipment and other assets	6

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 in order 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.

Costs incurred in respect of operating fixed assets that result in future economic benefits, such as an extension in their useful lives, an increase in their production capacity or in safety, as well as those costs incurred to mitigate or prevent environmental damage, are capitalized as part of the carrying amount of the related assets. The capitalized costs are depreciated over the remaining useful lives of such fixed assets. Periodic maintenance on fixed assets is expensed as incurred. Advances to suppliers of fixed assets are presented as part of other long-term accounts receivable.

The useful lives and residual values of property, machinery and equipment are reviewed at each reporting date and adjusted if appropriate.

2.9) BUSINESS COMBINATIONS, GOODWILL AND OTHER INTANGIBLE ASSETS (notes 4.1 and 15)

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 2.10). Goodwill may be adjusted for any correction to the preliminary assessment given to the assets acquired and/or liabilities assumed within the twelve-month period after purchase. Costs associated with the acquisition are expensed in the income statement as incurred.

CEMEX capitalizes intangible assets acquired, as well as costs incurred in the development of intangible assets, when 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 straight-line basis as part of operating costs and expenses (note 5).

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Business combinations, goodwill and other intangible assets — continued

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 future economic benefits associated with such activities are identified. When extraction begins, these costs are amortized during the useful life of the quarry based on the estimated tons of material to be extracted. When future economic benefits are not achieved, any capitalized costs are subject to impairment.

CEMEX's extraction rights have maximum useful lives that range from 30 to 100 years, depending on the sector and the expected life of the related reserves. As of December 31, 2017, 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.

2.10) IMPAIRMENT OF LONG LIVED ASSETS (notes 14 and 15)

Property, machinery and equipment, intangible assets of definite life and other investments

These assets are tested for impairment upon the occurrence of factors such as the occurrence of a significant adverse event, changes in CEMEX's operating environment or in technology, as well as expectations of lower operating results, in order 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, 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. In order to obtain discounted cash flows attributable to each intangible asset, such revenues are adjusted for operating expenses, changes in working capital and other expenditures, as applicable, and discounted to 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 very sensitive to changes in such significant 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

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Property, machinery and equipment, intangible assets of definite life and other investments — continued

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.

Impairment of long lived assets — Goodwill

Goodwill is tested for impairment when required due to significant adverse changes or at least once a year, during the last quarter of such year. 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 generally determined over periods of 5 years. However, in specific circumstances, when CEMEX considers that actual results for a CGU do not fairly reflect historical performance and most external economic variables provide confidence that a reasonably determinable improvement in the mid-term is expected in their operating results, management uses cash flow projections over a period of up to 10 years, to the point in which future expected average performance resembles the historical average performance, to the extent CEMEX has detailed, explicit and reliable financial forecasts and is confident and can demonstrate its ability, based on past experience, to forecast cash flows accurately over that longer period. 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 to which goodwill has been allocated. Impairment charges recognized on goodwill are not reversed in subsequent periods.

The geographic operating segments reported by CEMEX (note 4.4), 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 geographic operating segment; b) that the operating components that comprise the reported segment have similar economic characteristics; c) that the reported segments are used by CEMEX to organize and evaluate its activities in its internal information system; d) the homogeneous nature of the items produced and traded in each operative component, which are all used by the construction industry; e) the vertical integration in the value chain of the products comprising each component; f) the type of clients, which are substantially similar in all components; g) the operative integration among components; and h) that the compensation system of a specific country is based 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 past 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

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Impairment of long lived assets — Goodwill — continued

of CGUs to which goodwill is allocated, which are applied to discount pre-tax cash flows. The amounts of estimated undiscounted cash flows are significantly sensitive to the growth rate in perpetuity applied. Likewise, the amounts of discounted estimated future cash flows are significantly sensitive to the weighted average cost of capital (discount rate) applied. The higher the growth rate in perpetuity applied, the higher the amount of undiscounted future cash flows by group of CGUs obtained. Conversely, the higher the discount rate applied, the lower the amount of discounted estimated future cash flows by group of CGUs obtained.

2.11) PROVISIONS

CEMEX recognizes provisions when it has a legal or constructive obligation resulting from past events, whose resolution would imply cash outflows or the delivery of other resources owned by the Company. As of December 31, 2017 and 2016 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 24.1.

Considering guidance under IFRS, CEMEX recognizes provisions for levies imposed by governments until 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 date. These provisions may include costs not associated with CEMEX's ongoing activities.

Asset retirement obligations (note 17)

Unavoidable obligations, legal or constructive, to restore operating sites upon retirement of long-lived assets at the end of their useful lives are measured at the 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 17 and 24)

Provisions associated with environmental damage represent the estimated future cost of remediation, which are recognized at their nominal value when the time schedule for the disbursement is not clear, or when the economic effect for the passage of time is not significant; otherwise, such provisions are recognized at their discounted values. Reimbursements from insurance companies are recognized as assets only when their recovery is practically certain. In that case, such reimbursement assets are not offset against the provision for remediation costs.

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Contingencies and commitments (notes 23 and 24)

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 expected 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 does not recognize contingent revenues, income or assets, unless their realization is virtually certain.

2.12) PENSIONS AND OTHER POST-EMPLOYMENT BENEFITS (note 18)

Defined contribution pension plans

The costs of defined contribution pension plans are recognized in the operating results as they are incurred. Liabilities arising from such plans are settled through cash transfers to the employees' retirement accounts, without generating future obligations.

Defined benefit pension plans and other post-employment benefits

The costs associated with employees' benefits for: a) defined benefit pension plans; and b) other post-employment benefits, basically comprised of health care benefits, life insurance and seniority premiums, granted by CEMEX and/or pursuant to applicable law, are recognized as services are rendered, based on actuarial estimations of the benefits' present value with the advice of external actuaries. For certain pension plans, CEMEX has created irrevocable trust funds to cover future benefit payments ("plan assets"). These plan assets are valued at their estimated fair value at the 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 reduce significantly 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.

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2.13) INCOME TAXES (note 19)

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. 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 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 manner 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.

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. In order 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 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, and they are measured using a cumulative probability model. Each position has been considered on its own, regardless of its relation to any other broader tax settlement. The high 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 income statements.

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 19.3). A significant effect in CEMEX's effective tax rate and consequently in the aforementioned 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.

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For the years ended December 31, 2017, 2016 and 2015, the statutory tax rates in CEMEX's main operations were as follows:

Country	2017	2016	2015
Mexico	30.0%	30.0%	30.0%
United States	35.0%	35.0%	35.0%
United Kingdom	19.3%	20.0%	20.3%
France	34.4%	34.4%	38.0%
Germany	28.2%	28.2%	29.8%
Spain	25.0%	25.0%	28.0%
Philippines	30.0%	30.0%	30.0%
Colombia	40.0%	40.0%	39.0%
Egypt	22.5%	22.5%	22.5%
Switzerland	9.6%	9.6%	9.6%
Others	7.8% – 39.0%	7.8% – 39.0%	7.8% – 39.0%

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 rates 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.

2.14) STOCKHOLDERS' EQUITY

Common stock and additional paid-in capital (note 20.1)

These items represent the value of stockholders' contributions, and include increases related to the capitalization of retained earnings and the recognition of executive compensation programs in CEMEX's CPOs as well as decreases associated with the restitution of retained earnings.

Other equity reserves (note 20.2)

Groups the cumulative effects of items and transactions that are, temporarily or permanently, recognized directly to stockholders' equity, and includes the comprehensive income, which reflects certain changes in stockholders' equity that do not result from investments by owners and distributions to owners. The most significant items within "Other equity reserves" during the reported periods are as follows:

Items of "Other equity reserves" included within other comprehensive 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 2.4);
- The effective portion of the valuation and liquidation effects from derivative instruments under cash flow hedging relationships, which are recorded temporarily in stockholders' equity (note 2.6);
- Changes in fair value of available-for-sale investments until their disposal (note 2.6); and

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Items of "Other equity reserves" included within other comprehensive income — continued

- Current and deferred income taxes during the period arising from items whose effects are directly recognized in stockholders' equity.

Items of "Other equity reserves" not included in comprehensive 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 equity component of securities which are mandatorily or optionally convertible into shares of the Parent Company (notes 2.6 and 16.2). Upon conversion, this amount will be reclassified to common stock and additional paid-in capital; and
- The cancellation of the Parent Company's shares held by consolidated entities.

Retained earnings (note 20.3)

Retained earnings represent the cumulative net results of prior years, net of: a) dividends declared; b) capitalization of retained earnings; and c) restitution of retained earnings when applicable.

Non-controlling interest and perpetual debentures (note 20.4)

This caption includes the share of non-controlling stockholders in the results and equity of consolidated subsidiaries. This caption also includes the nominal amount of financial instruments (perpetual notes) issued by consolidated entities that qualify as equity instruments considering that there is: a) no contractual obligation to deliver cash or another financial asset; b) no predefined maturity date; and c) an unilateral option to defer interest payments or preferred dividends for indeterminate periods.

2.15) REVENUE RECOGNITION (note 3)

Beginning January 1, 2018, IFRS 15, *Revenue from contracts with customers* is effective, see note 2.20. Until December 31, 2017, CEMEX's policy for revenue recognition is set forth below:

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

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

Revenue and costs 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

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Revenue recognition — continued

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.

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

2.16) COST OF SALES AND OPERATING EXPENSES (note 5)

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.

2.17) EXECUTIVE SHARE-BASED COMPENSATION (note 21)

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. CEMEX determines the estimated fair value at the date of grant of stock compensation programs with performance conditions using Monte Carlo simulations.

2.18) EMISSION RIGHTS

In certain countries where CEMEX operates, such as EU countries, mechanisms aimed at reducing carbon dioxide emissions ("CO_2") have been established by means of which, the relevant environmental authorities have granted certain number of emission rights ("certificates") free of cost to the different industries releasing CO_2,

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which must submit to such environmental authorities at the end of a compliance period, certificates for a volume equivalent to the tons of CO_2 released. Companies must obtain additional certificates to meet deficits between actual CO_2 emissions during the compliance period and certificates received, or they can dispose of any surplus of certificates in the market. In addition, the United Nations Framework Convention on Climate Change ("UNFCCC") grants Certified Emission Reductions ("CERs") to qualified CO_2 emission reduction projects. CERs may be used in specified proportions to settle emission rights obligations in the EU. CEMEX actively participates in the development of projects aimed to reduce CO_2 emissions. Some of these projects have been awarded with CERs.

CEMEX does not maintain emission rights, CERs and/or enter into forward transactions with trading purposes. CEMEX accounts for the effects associated with CO_2 emission reduction mechanisms as follows:

- Certificates received for free are not recognized in the statement of financial position. Revenues from the sale of any surplus of certificates are recognized by decreasing cost of sales. In forward sale transactions, revenues are recognized upon physical delivery of the emission certificates.
- Certificates and/or CERs 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, net of any benefit obtained through swap transactions of emission rights for CERs.
- CERs received from the UNFCCC are recognized as intangible assets at their development cost, which are attributable mainly to legal expenses incurred in the process of obtaining such CERs.

During 2017, 2016 and 2015, there were no sales of emission rights to third parties. 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.

2.19) 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, 2017, 2016 and 2015, 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.

2.20) NEWLY ISSUED IFRS NOT YET ADOPTED

There are a number of IFRS issued as of the date of issuance of these financial statements which have not yet been adopted, described as follow:

IFRS 9, *Financial Instruments: classification and measurement* ("IFRS 9")

IFRS 9 sets forth the guidance relating to the classification and measurement of financial assets and liabilities, the accounting for expected credit losses of financial assets and commitments to extend credits, as well as the

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Newly issued IFRS not yet adopted — IFRS 9 — continued

requirements for hedge accounting; and will replace IAS 39, *Financial Instruments: recognition and measurement* ("IAS 39"). IFRS 9 is effective beginning January 1, 2018. Among other aspects, IFRS 9 changes the classification categories for financial assets under IAS 39 of: 1) held to maturity; 2) loans and receivables; 3) fair value through the income statement; and 4) available for sale; and replaces them with categories that reflect the measurement method, the contractual cash flow characteristics and the entity's business model for managing the financial asset: 1) amortized cost, that will significantly comprise IAS 39 held to maturity and loans and receivables categories; 2) fair value through other comprehensive income, similar to IAS 39 held to maturity category; and 3) fair value through the income statement with the same IAS 39 definitions. The adoption of such classification categories under IFRS 9 will not have any significant effect on CEMEX's operating results, financial situation and compliance of contractual obligations (financial restrictions).

In addition, under the new impairment model based on expected credit losses, impairment losses for the entire lifetime of financial assets, including trade accounts receivable, are recognized on initial recognition, and at each subsequent reporting period, even in the absence of a credit event or if the loss has not yet been incurred, considering for their measurement past events and current conditions, as well as reasonable and supportable forecasts affecting collectability. Changes in the allowance for doubtful accounts under the new expected credit loss model upon adoption of IFRS 9 on January 1, 2018 will be recognized through equity.

In this regard, CEMEX developed an expected credit loss model applicable to its trade accounts receivable that considers the historical performance, as well as the credit risk and expected developments for each group of customers, ready for the prospective adoption of IFRS 9 on January 1, 2018. The preliminary effects for adoption of IFRS 9 on January 1, 2018 related to the new expected credit loss model which do not represent any significant impact on CEMEX's operating results, financial situation and compliance of contractual obligations (financial restrictions), represent an estimated increase in the allowance for doubtful accounts as of December 31, 2017 of Ps519 that will be recognized against equity.

In connection with hedge accounting under 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 of 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. Nonetheless, IFRS 9 maintains the same hedging 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 income statement. CEMEX does not expect any significant effect upon adoption of the new hedge accounting rules under IFRS 9 beginning January 1, 2018.

Considering the prospective adoption of IFRS 9 as of January 1, 2018, according to the options provided in the standard, there may be lack of comparability beginning January 1, 2018, with the information of impairment of financial assets disclosed in prior years, however, the effects are not significant.

IFRS 15, *Revenues from contracts with customers* ("IFRS 15")

Under 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

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Newly issued IFRS not yet adopted — IFRS 15 — continued

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 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). IFRS 15 also includes disclosure requirements to provide comprehensive information about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers. IFRS 15 is effective on January 1, 2018 and will supersede all existing guidance on revenue recognition. Beginning January 1, 2018, CEMEX will adopt IFRS 15 using the full retrospective approach, which represents the restatement of the financial statements of prior years.

CEMEX started in 2015 the evaluation of the impacts of IFRS 15 on the accounting and disclosures of its revenues. As of December 31, 2017, CEMEX has analyzed its contracts with customers in all the countries in which it operates in order to review the different performance obligations and other promises (discounts, loyalty programs, rebates, etc.) included in such contracts, among other aspects, aimed to determine the differences in the accounting recognition of revenue with respect to current IFRS and concluded the theoretical assessment. In addition, key personnel were trained in the new standard with the support of external experts and an online training course was implemented. Moreover, CEMEX also concluded the quantification of the adjustments that are necessary to present prior year's information under IFRS 15 beginning in 2018. The adjustments determined in CEMEX's revenue recognition will not generate any material impact on CEMEX's operating results, financial situation and compliance of contractual obligations (financial restrictions).

Among other minor effects, the main changes under IFRS 15 as they apply to CEMEX refer to: a) several reclassifications that are required to comply with IFRS 15 new accounts in the statement of financial position aimed to recognize contract assets (costs to obtain a contract) and contract liabilities (deferred revenue for promises not yet fulfilled); b) rebates and/or discounts offered to customers in a sale transaction that are redeemable by the customer in a subsequent purchase transaction, are considered separate performance obligations, rather than future costs, and a portion of the sale price of such transaction allocated to these promises should be deferred to revenue until the promise is redeemed or expires; and c) awards (points) offer to customers through their purchases under loyalty programs that are later redeemable for goods or services, also represent separate performance obligations, rather than future costs, and a portion of the sale price of such transactions allocated to these points should be deferred to revenue until the points are redeemed or expire. These reclassifications and adjustments are not expected to be material.

Considering the full retrospective adoption of IFRS 15 beginning January 1, 2018, according to the options considered in the standard, there will not be lack of comparability of the financial information prepared in prior years.

IFRS 16, *Leases* ("IFRS 16")

IFRS 16 defines leases as any contract or part of a contract that conveys to the lessee the right to use an asset for a period of time in exchange for consideration and the lessee directs the use of the identified asset throughout that

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period. In summary, IFRS 16 introduces a single lessee accounting model, and requires a lessee to recognize, for all leases with a term of more than 12 months, unless the underlying asset is of low value, assets for the right-of-use the underlying asset against a corresponding financial liability, representing the NPV of estimated lease payments under the contract, with a single income statement model in which a lessee recognizes amortization of the right-of-use asset and interest on the lease liability. A lessee shall present either in the statement of financial position, or disclose in the notes, right-of-use assets separately from other assets, as well as, lease liabilities separately from other liabilities. IFRS 16 is effective beginning January 1, 2019 and will supersede all current standards and interpretations related to lease accounting.

As of December 31, 2017, CEMEX has concluded an assessment of its main outstanding lease contracts and other contracts that may have embedded the use of an asset, in order to inventory the most relevant characteristics of such contracts (types of assets, committed payments, maturity dates, renewal clauses, etc.). During the first quarter of 2018, CEMEX expects to define its future policy under IFRS 16 in connection with the exception for short-term leases and low-value assets, in order to set the basis and be able to quantify the required adjustments for the proper recognition of the assets for the "right-of-use" and the corresponding financial liabilities, aiming to adopt IFRS 16 on January 1, 2019. CEMEX plans preliminarily the adoption of IFRS 16 retrospectively to the extent such adoption is practicable. Based on its preliminary assessment as of the reporting date, CEMEX considers that upon adoption of IFRS 16, most of its outstanding operating leases (note 23.5) would be recognized in the statement of financial position, increasing assets and liabilities, as well as amortization and interest, without any significant initial effect on net assets.

CEMEX does not expect any significant effect on its operation results, financial situation and compliance with contractual obligations (financial restrictions) due to the adoption effects. If retrospective adoption of IFRS 16 beginning January 1, 2019 is applied, according to the options considered in the standard, there would not be lack of comparability of the financial information prepared in prior years.

IFRIC 23, *Uncertainty over income tax treatments* ("IFRIC 23")

IFRIC 23 clarifies the accounting for uncertainties in income taxes. Among other aspects, when an entity concludes that it is not probable that a particular tax treatment is accepted, the entity has to use the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates. The decision should be based on which method provides better predictions of the resolution of the uncertainty. IFRIC 23 is effective beginning January 1, 2019. Considering CEMEX's current policy for uncertain tax positions (note 2.13) CEMEX does not expect any significant effect from the adoption of IFRIC 23.

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3) REVENUES AND CONSTRUCTION CONTRACTS

For the years ended December 31, 2017, 2016 and 2015, net sales, after eliminations between related parties resulting from consolidation, were as follows:

		2017	2016	2015
From the sale of goods associated to CEMEX's main activities[1]	Ps	246,820	239,696	211,258
From the sale of services[2]		3,313	3,110	2,811
From the sale of other goods and services[3]		7,998	7,139	5,230
	Ps	258,131	249,945	219,299

1 Includes in each period those revenues generated under construction contracts that are presented in the table below.
2 Refers mainly to revenues generated by Neoris N.V. 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.

As of December 31, 2017 and 2016, amounts receivable for progress billings to customers of construction contracts and/or advances received by CEMEX from these customers were not significant. For 2017, 2016 and 2015, revenues and costs related to construction contracts in progress were as follows:

		Recognized to date [1]	2017	2016	2015
Revenue from construction contracts included in consolidated net sales[2]	Ps	5,508	992	1,033	994
Costs incurred in construction contracts included in consolidated cost of sales[3]		(4,840)	(1,205)	(1,133)	(919)
Construction contracts gross operating profit (loss)	Ps	668	(213)	(100)	75

1 Revenues and costs recognized from inception of the contracts until December 31, 2017 in connection with those projects still in progress.
2 Revenues from construction contracts during 2017, 2016 and 2015, were mainly obtained in Mexico and Colombia.
3 Refers to actual costs incurred during the periods. The oldest contract in progress as of December 31, 2017 started in 2010.

4) BUSINESS COMBINATIONS, DISCONTINUED OPERATIONS, SALE OF OTHER DISPOSAL GROUPS AND SELECTED FINANCIAL INFORMATION BY GEOGRAPHIC OPERATING SEGMENT

4.1) BUSINESS COMBINATIONS

On December 5, 2016, through its subsidiary Sierra Trading ("Sierra"), CEMEX presented an offer and take-over bid, which was amended on January 9, 2017 (the "Offer"), to all shareholders of Trinidad Cement Limited ("TCL"), a company publicly listed in Trinidad and Tobago, that was then also listed in Jamaica and Barbados, in which CEMEX already held a 39.5% interest prior to the Offer, to acquire up to 132,616,942 ordinary shares in TCL (equivalent to approximately 30.2% of TCL's common stock). TCL's main operations are located in

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Trinidad and Tobago, Jamaica and Barbados. Pursuant to the Offer, Sierra offered TT$5.07 in cash per TCL share, or its equivalent in US$0.76 except to Shareholders in Barbados (the "Offer Price"). On January 24, 2017, after all terms and conditions were complied with or waived, the Offer was declared unconditional.

In addition, the Offer closed in Jamaica on February 7, 2017. TCL shares deposited in response to the Offer together with Sierra's existing 39.5% shareholding in TCL represented approximately 69.8% of the outstanding shares of TCL. The total consideration paid by Sierra for the TCL shares under the Offer was US$86 (Ps1,791). CEMEX started consolidating TCL on February 1, 2017. During 2017, TCL was delisted from the Jamaica and Barbados stock exchanges. CEMEX determined a fair value of TCL's assets as of February 1, 2017 of US$525 (Ps10,936), which considers a price of TT$5.07 per share for the percentage acquired in the Amended Offer and TT$4.15 per share, or the market price before the Offer, for the remaining shares, and US$113 (Ps2,354) of debt assumed, among other effects. The purchase of TCL represented a step acquisition. As a result, the remeasurement of CEMEX's previous held ownership interest in TCL of 39.5% generated a gain of US$32 (Ps623) as part of "Financial income and other items, net." All convenience translations to pesos above consider an exchange rate of 20.83 pesos per dollar as of February 1, 2017.

As of December 31, 2017, after significantly concluding the allocation of TCL's fair value to the assets acquired and liabilities assumed, the statement of financial position of TCL at the acquisition date of February 1, 2017 was as follows:

		As of February 1, 2017
Current assets	US$	84
Property, machinery and equipment		331
Intangible assets and other non-current assets (includes goodwill of US$100)		110
Total assets		525
Current liabilities (includes debt of US$47)		122
Non-current liabilities (includes debt of US$97 and deferred tax liabilities of US$19)		154
Total liabilities		276
Net assets	US$	249
Non-controlling interest net assets		70
Controlling interest net assets	US$	179

In connection with agreements entered into with Holcim Ltd ("Holcim" currently LafargeHolcim Ltd) on October 31, 2014, CEMEX and Holcim agreed a series of related transactions, executed on January 5, 2015, and with retrospective effects as of January 1, 2015, by means of which: a) in the Czech Republic, CEMEX acquired all of Holcim's assets, including a cement plant, four aggregates quarries and 17 ready-mix plants for €115 (US$139 or Ps2,049); b) in Germany, CEMEX sold to Holcim its assets in the western region of the country for €171 (US$207 or Ps3,047); c) in Spain, CEMEX acquired from Holcim one cement plant in the southern part of the country with a production capacity of 850 thousand tons, and one cement mill in the central part of the country with grinding capacity of 900 thousand tons, among other related assets for €88 (US$106 or Ps1,562); and d) CEMEX agreed a final payment in cash to Holcim of €33 (US$40 or Ps594). As of January 1, 2015, after concluding the purchase price allocation to the fair values of the assets acquired and liabilities assumed, no

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goodwill was determined in respect of the Czech Republic, while in Spain, the fair value of the net assets acquired for €106 (US$129 or Ps1,894) exceeded the purchase price in €19 (US$22 or Ps328). After the reassessment of fair values, this gain was recognized during 2015 in the income statement.

The purchase price allocation of these acquisitions as of January 1, 2015 was as follows:

		Czech Republic	Spain	Total
Current assets	Ps	231	59	290
Property, machinery and equipment		1,419	2,004	3,423
Other non-current assets		270	—	270
Intangible assets		590	2	592
Fair value of assets acquired		2,510	2,065	4,575
Current liabilities		117	57	174
Non-current liabilities		344	114	458
Fair value of liabilities assumed		461	171	632
Fair value of net assets acquired	Ps	2,049	1,894	3,943

4.2) DISCONTINUED OPERATIONS

As mentioned in note 2.1, considering the resolution by the European Commission that ultimately did not allow Duna-Dráva Cement to purchase the CEMEX's Croatian Operations and the decision of CEMEX to maintain such operations, as of December 31, 2017 and 2016 and for the years ended December 31, 2017, 2016 and 2015, the Croatian Operations are consolidated line-by-line in the statements of financial position and income statements. The financial statements and footnotes issued in prior periods, in which CEMEX reported the Croatian Operations as "Discontinued Operations" and "Assets held for sale," have been re-presented in order to reverse such presentation.

As of December 31, 2016, the condensed information of the statement of financial position of the Croatian Operations was as follows:

		2016
Current assets	Ps	573
Property, machinery and equipment, net		3,023
Intangible assets, net and other non-current assets		568
Total assets		4,164
Current liabilities		539
Non-current liabilities		112
Total liabilities		651
Net assets	Ps	3,513

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Discontinued operations — continued

For the years 2016 and 2015, the condensed information of the income statement of the Croatian Operations was as follows:

		2016	2015
Sales	Ps	1,853	1,892
Cost of sales and operating expenses		(1,629)	(1,665)
Other products (expenses), net		(31)	13
Financial expenses, net and others		(24)	(35)
Earnings before income tax		169	205
Income tax		(29)	(43)
Net income	Ps	140	162

On April 17, 2017, one of CEMEX's subsidiaries in the United States signed a definitive agreement for the sale of its Pacific Northwest Materials Business consisting of aggregate, asphalt and ready-mix concrete operations in Oregon and Washington to Cadman Materials, Inc., a subsidiary of HeidelbergCement Group, for US$150. On June 30, 2017, CEMEX announced that after approval from regulators, it has completed the sale of these assets. CEMEX realized a net gain on disposal of these assets of US$22 (Ps399), which included a proportional allocation of goodwill of US$73 (Ps64). Considering the disposal of its Pacific Northwest Materials Business, the operations of that business for the six-month period ending June 30, 2017, and for the full years ended December 31, 2016 and 2015, included in CEMEX's income statements were reclassified to the single line item "Discontinued Operations."

On November 28, 2016, one of CEMEX's subsidiaries in the United States signed a definitive agreement to divest its Concrete Reinforced Pipe Manufacturing Business ("Concrete Pipe Business") in the United States to Quikrete Holdings, Inc. ("Quikrete") for US$500 plus an additional US$40 contingent consideration based on future performance. On January 31, 2017, CEMEX closed the sale to Quikrete according to the agreed upon price conditions, determined a net gain on disposal of these assets for US$148 (Ps3,083), including US$260 (Ps5,369) of goodwill associated to the reporting segment in the United States that was proportionally allocated to these net assets based on their relative fair values. Considering the disposal of the entire Concrete Pipe Business, its operations for the one-month period ending January 31, 2017 and full years ended December 31, 2016 and 2015, included in CEMEX's income statements were reclassified to the single line item "Discontinued Operations."

On May 26, 2016, CEMEX closed the sale of its operations in Bangladesh and Thailand to Siam City Cement Public Company Ltd. for US$70 (Ps1,450). The operations in Bangladesh and Thailand for the period from January 1 to May 26, 2016 and the year 2015, included in CEMEX's income statements were reclassified to the single line item "Discontinued operations" and include in 2016, a gain on sale of US$24 (Ps424), net of the reclassification of foreign currency translation gains associated with these operations accrued in equity until disposal for US$7 (Ps122).

With effective date October 31, 2015, after all agreed upon conditions precedent were satisfied, CEMEX completed the process for the sale of its operations in Austria and Hungary that started on August 12, 2015 to the Rohrdorfer Group for €165 (US$179 or Ps3,090), after final adjustments negotiated for changes in cash and working capital balances as of the transfer date. The combined operations in Austria and Hungary consisted of 29 aggregate quarries and 68 ready-mix plants. The operations in Austria and Hungary for the ten-month period

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ended October 31, 2015 and the year ended December 31, 2014, included in CEMEX's statements of operations, were reclassified to the single line item "Discontinued operations," which includes, in 2015, a gain on sale of US$45 (Ps741), net of the reclassification of foreign currency translation gains accrued in equity until October 31, 2015 for an amount of US$10 (Ps215).

The following table presents condensed combined information of the statement of operations of CEMEX's discontinued operations in the Pacific Northwest Materials Business in the United States for the six-months period ended June 30, 2017 and for the years 2016 and 2015; the Concrete Pipe Business operations in the United States for the one-month period ended January 31, 2017 and for the years 2016 and 2015, the operations in Bangladesh and Thailand for the period from January 1 to May 26, 2016 and for the year 2015, and the operations in Austria and Hungary for the ten-month period ended October 31, 2015:

		2017	2016	2015
Sales	Ps	1,549	8,979	11,888
Cost of sales and operating expenses		(1,531)	(8,440)	(11,665)
Other products (expenses), net		14	(2)	23
Financial expenses, net and others		(3)	(57)	49
Earnings before income tax		29	480	295
Income tax		—	(101)	6
Net income		29	379	301
Net income of non-controlling interest		—	—	(15)
Net income of controlling interest	Ps	29	379	286

Selected condensed combined financial information of the statement of financial position at this date of such operations was as follows:

		2016
Current assets	Ps	1,146
Property, machinery and equipment, net		4,188
Intangible assets, net and other non-current assets		6,835
Total assets		12,169
Current liabilities		(99)
Non-current liabilities		(336)
Total liabilities		(435)
Net assets	Ps	11,734

4.3) OTHER DISPOSAL GROUPS

On November 18, 2016, a subsidiary of CEMEX in the United States closed the sale to an affiliate of Grupo Cementos de Chihuahua, S.A.B. de C.V. ("GCC") of certain assets consisting in CEMEX's cement plant in Odessa, Texas, two cement terminals and the building materials business in El Paso, Texas and Las Cruces, New Mexico, for an amount of US$306 (Ps6,340). The Odessa plant had an annual production capacity of

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Other disposal groups — continued

approximately 537 thousand tons (unaudited). The transfer of control was effective on November 18, 2016. As a result of the sale of these assets, CEMEX recognized in 2016 a gain of US$104 (Ps2,159) as part of "Other expenses, net" in the income statement, net of an expense for the proportional write-off of goodwill associated to CEMEX's reporting segment in the United States based on their relative fair values for US$161 (Ps3,340) and the reclassification of proportional foreign currency translation gains associated with these net assets accrued in equity until disposal for US$65 (Ps1,347).

On September 12, 2016, CEMEX announced that one of its subsidiaries in the United States signed a definitive agreement for the sale of its Fairborn, Ohio cement plant and cement terminal in Columbus, Ohio to Eagle Materials Inc. ("Eagle Materials") for US$400 (Ps8,288). Fairborn plant had an annual production capacity of approximately 730 thousand tons (unaudited). On February 10, 2017, CEMEX announced that such subsidiary in the United States closed the divestment of these assets, and recognized in 2017 a gain on disposal for US$188 (Ps3,694) as part of "Other expenses, net" in the income statement, net of an expense for the proportional write-off of goodwill associated to CEMEX's reporting segment in the United States based on their relative fair values for US$211 (Ps4,365).

The operations of the net assets sold to GCC and Eagle Materials, mentioned above, did not represent discontinued operations and were consolidated by CEMEX line-by-line in the income statements for all the reported periods. In arriving to this conclusion, CEMEX evaluated: a) the Company's ongoing cement operations on its CGUs in Texas and the East coast; and b) the relative size of the net assets sold and held for sale in respect to the Company's remaining overall ongoing cement operations in the United States. Moreover, as a reasonability check, CEMEX measured the materiality of such net assets using a threshold of 5% of consolidated net sales, operating earnings before other expenses, net, net income and total assets. In no case the 5% threshold was reached.

For the years 2017, 2016 and 2015, selected combined statement of operations information of the net assets sold to GCC on November 18, 2016 and those to Eagle Materials was as follows:

		2017	2016	2015
Net sales	Ps	86	3,322	3,538
Operating costs and expenses		(71)	(2,800)	(2,795)
Operating earnings before other expenses, net	Ps	15	522	743

On December 2, 2016, CEMEX agreed the sale of its assets and activities related to the ready-mix concrete pumping business in Mexico to Cementos Españoles de Bombeo, S. de R.L., subsidiary in Mexico of Pumping Team S.L.L. ("Pumping Team"), specialist in the supply of ready-mix concrete pumping services based in Spain, for Ps1,649, which includes the sale of fixed assets upon closing of the transaction for Ps309 plus administrative and client and market development services, as well as the lease facilities in Mexico that CEMEX will supply to Pumping Team over a period of ten years with the possibility to extend for three additional years, for an aggregate initial amount of Ps1,340, plus a contingent revenue subject to results for up to Ps557 linked to annual metrics beginning in the first year and up to the fifth year of the agreement. On April 28, 2017, after receiving the approval by the Mexican authorities, CEMEX concluded the sale.

In addition, as part of related transactions agreed with Holcim Ltd. (note 4.1), effective as of January 1, 2015, CEMEX sold to Holcim its assets in the western region of Germany, consisting of one cement plant, two cement

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grinding mills, one slag granulator, 22 aggregates quarries and 79 ready-mix plants for €171 (US$207 or Ps3,047), while CEMEX maintained its operations in the northern, eastern and southern regions of the country.

4.4) SELECTED FINANCIAL INFORMATION BY GEOGRAPHIC OPERATING SEGMENT

Geographic operating 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 on a regional basis. Effective January 1, 2016, according to an announcement made by CEMEX's Chief Executive Officer ("CEO"), the Company's operations were reorganized into five geographical regions, each under the supervision of a regional president, as follows: 1) Mexico, 2) United States, 3) Europe, 4) South, Central America and the Caribbean, and 5) Asia, Middle East and Africa. Each regional president supervises and is responsible for all the business activities in the countries comprising the region. These activities refer to the production, distribution, marketing and sale of cement, ready-mix concrete, aggregates and other construction materials, the allocation of resources and the review of their performance and operating results. All regional presidents report directly to CEMEX's CEO. The country manager, who is one level below the regional president in the organizational structure, reports the performance and operating results of its country to the regional president, including all the operating sectors. CEMEX's top management internally evaluates the results and performance of each country and region for decision-making purposes and allocation of resources, following a vertical integration approach considering: a) that the operating components that comprise the reported segment have similar economic characteristics; b) that the reported segments are used by CEMEX to organize and evaluate its activities in its internal information system; c) the homogeneous nature of the items produced and traded in each operative component, which are all used by the construction industry; d) the vertical integration in the value chain of the products comprising each component; e) the type of clients, which are substantially similar in all components; f) the operative integration among components; and g) that the compensation system for employees of a specific country is based on the consolidated results of the geographic segment and not on the particular results of the components. Consequently, in CEMEX's daily operations, management allocates economic resources and evaluates operating results on a country basis rather than on an operating component basis.

The financial information by geographic operating segment issued in the financial statements of prior years was restated in order to give effect to: a) the reversal from discontinued operations related to CEMEX's Croatian Operations for the years 2016 and 2015 (note 4.1); and b) the new geographical operating organization described above for the year 2015. Until December 31, 2015, CEMEX's operations were organized into six geographical regions: 1) Mexico, 2) United States, 3) Northern Europe, 4) Mediterranean, 5) South, Central America and the Caribbean, and 6) Asia. Under the current operating organization, the geographical operating segments under the former Mediterranean region were incorporated into the current Europe region or the Asia, Middle East and Africa region, as corresponded.

Considering the financial information that is regularly reviewed by CEMEX's top management, each geographic region and the countries that comprise such regions represent reportable operating segments. However, for disclosure purposes in these notes, considering similar regional and economic characteristics and/or the fact that certain countries do not exceed certain materiality thresholds to be reported separately, such countries have been aggregated and presented as single line items as follows: a) "Rest of Europe" is mainly comprised of CEMEX's

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Selected financial information by geographic operating segment — continued

operations in the Czech Republic, Poland, Croatia and Latvia, as well as trading activities in Scandinavia and Finland; b) "Rest of South, Central America and the Caribbean" is mainly comprised of CEMEX's operations in Puerto Rico, the Dominican Republic, Nicaragua, Jamaica and other countries in the Caribbean, excluding TCL, Guatemala, and small ready-mix concrete operations in Argentina; and c) "Rest of Asia, Middle East and Africa" is mainly comprised of CEMEX's operations in the United Arab Emirates, Israel and Malaysia. The segment "Others" refers to: 1) cement trade maritime operations, 2) Neoris N.V., CEMEX's subsidiary involved in the development of information technology solutions, 3) the Parent Company and other corporate entities, and 4) other minor subsidiaries with different lines of business. For the year 2017, for purposes of the geographic operating segments presented in the following tables of this note, CEMEX's operations acquired in the Caribbean, mainly in Trinidad and Tobago, Jamaica and Barbados as part of the purchase of TCL, are reported in the line item named "Caribbean TCL."

Considering that is an indicator of CEMEX's ability to internally fund capital expenditures, as well as a widely accepted financial indicator to measure CEMEX's ability to service or incur debt (note 16), one relevant indicator used by CEMEX's management to evaluate the performance of each country is "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. This indicator, which is presented in the selected financial information by geographic operating segment, is consistent with the information used by CEMEX's management for decision-making purposes. The accounting policies applied to determine the financial information by geographic operating segment are consistent with those described in note 2.

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Selected financial information by geographic operating segment — continued

Selected information of the consolidated statements of operations by geographic operating segment for the years ended December 31, 2017, 2016 and 2015 was as follows:

2017		Net sales (including related parties)	Less: Related parties	Net sales	Operating EBITDA	Less: depreciation and amortization	Operating earnings before other expenses, net	Other expenses, net	Financial expense	Other financing items, net
Mexico	Ps	58,442	(1,075)	57,367	21,215	2,246	18,969	(687)	(409)	(534)
United States		65,536	—	65,536	10,652	6,200	4,452	3,202	(631)	(177)
Europe										
United Kingdom		20,179	—	20,179	2,763	997	1,766	450	(77)	(397)
France		16,162	—	16,162	855	549	306	(129)	(61)	18
Germany		10,056	(1,339)	8,717	743	509	234	(11)	(14)	(63)
Spain		6,870	(990)	5,880	344	638	(294)	(711)	(34)	12
Poland		5,552	(74)	5,478	647	361	286	(140)	(30)	(8)
Rest of Europe		9,439	(864)	8,575	1,463	688	775	(131)	(24)	71
South, Central America and the Caribbean ("SAC")										
Colombia[1]		10,685	—	10,685	2,166	507	1,659	(642)	(129)	(36)
Panama[1]		5,112	(98)	5,014	2,007	319	1,688	(20)	(5)	7
Costa Rica[1]		2,805	(379)	2,426	1,000	99	901	—	(5)	29
Caribbean TCL[3]		4,332	(49)	4,283	1,059	610	449	(139)	(215)	(25)
Rest of SAC[1]		11,716	(872)	10,844	2,602	449	2,153	(1,069)	(23)	(12)
Asia, Middle East and Africa ("AMEA")										
Philippines[2]		8,296	—	8,296	1,394	528	866	89	(3)	(24)
Egypt		3,862	—	3,862	594	299	295	(210)	(60)	574
Rest of AMEA		13,516	—	13,516	1,855	363	1,492	(174)	(28)	12
Others		22,514	(11,203)	11,311	(2,796)	630	(3,426)	(3,493)	(17,553)	4,169
Continuing operations		275,074	(16,943)	258,131	48,563	15,992	32,571	(3,815)	(19,301)	3,616
Discontinued operations		1,550	(1)	1,549	75	57	18	14	(3)	—
Total	Ps	276,624	(16,944)	259,680	48,638	16,049	32,589	(3,801)	(19,304)	3,616

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2016		Net sales (including related parties)	Less: Related parties	Net sales	Operating EBITDA	Less: depreciation and amortization	Operating earnings before other expenses, net	Other expenses, net	Financial expense	Other financing items, net
Mexico	Ps	53,579	(848)	52,731	19,256	2,390	16,866	(608)	(339)	2,695
United States		66,554	—	66,554	10,973	6,400	4,573	2,919	(487)	(212)
Europe										
United Kingdom		21,153	—	21,153	3,606	1,047	2,559	711	(63)	(393)
France		14,535	—	14,535	669	484	185	(110)	(53)	2
Germany		9,572	(1,385)	8,187	553	464	89	(64)	(15)	(85)
Spain		6,563	(841)	5,722	814	663	151	(112)	(37)	(9)
Poland		4,799	(88)	4,711	579	330	249	6	(11)	123
Rest of Europe		7,935	(541)	7,394	1,141	660	481	(103)	(33)	77
South, Central America and the Caribbean ("SAC")										
Colombia[1]		12,415	(1)	12,414	3,975	489	3,486	(575)	46	38
Panama[1]		4,906	(124)	4,782	2,170	340	1,830	(7)	(27)	5
Costa Rica[1]		2,818	(351)	2,467	1,127	116	1,011	(23)	(11)	27
Rest of SAC[1]		11,378	(778)	10,600	2,875	437	2,438	(1,226)	(28)	(182)
Asia, Middle East and Africa ("AMEA")										
Philippines[2]		9,655	—	9,655	2,687	530	2,157	21	(1)	(24)
Egypt		6,950	(5)	6,945	2,454	539	1,915	(213)	(78)	(253)
Rest of AMEA		11,858	(12)	11,846	1,617	299	1,318	(112)	(27)	27
Others		18,846	(8,597)	10,249	(2,962)	803	(3,765)	(2,174)	(20,323)	2,653
Continuing operations		263,516	(13,571)	249,945	51,534	15,991	35,543	(1,670)	(21,487)	4,489
Discontinued operations		9,186	(207)	8,979	1,232	693	539	(2)	(10)	(47)
Total	Ps	272,702	(13,778)	258,924	52,766	16,684	36,082	(1,672)	(21,497)	4,442

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2015		Net sales (including related parties)	Less: Related parties	Net sales	Operating EBITDA	Less: depreciation and amortization	Operating Earnings before other expenses, net	Other expenses, net	Financial expense	Other financing items, net
Mexico	Ps	50,260	(5,648)	44,612	15,362	2,399	12,963	(684)	(210)	915
United States		56,846	(18)	56,828	7,985	5,629	2,356	234	(437)	(144)
Europe										
United Kingdom		20,227	—	20,227	2,705	1,004	1,701	(147)	(95)	(299)
France		12,064	—	12,064	670	438	232	(8)	(48)	(10)
Germany		8,285	(1,276)	7,009	542	389	153	49	(14)	(61)
Spain		6,151	(755)	5,396	1,031	604	427	(735)	(72)	(2)
Poland		4,445	(108)	4,337	598	295	303	18	(54)	33
Rest of Europe		7,457	(660)	6,797	1,110	739	371	(187)	(23)	(122)
South, Central America and the Caribbean ("SAC")										
Colombia[1]		11,562	(2)	11,560	4,041	500	3,541	(88)	(50)	(570)
Panama[1]		4,599	(68)	4,531	1,869	298	1,571	(180)	(13)	2
Costa Rica[1]		2,658	(229)	2,429	1,096	102	994	(2)	(9)	2
Rest of SAC[1]		12,177	(1,988)	10,189	2,295	445	1,850	(87)	(22)	(119)
Asia, Middle East and Africa ("AMEA")										
Philippines[2]		8,436	(4)	8,432	2,206	447	1,759	(12)	(20)	19
Egypt		6,923	(5)	6,918	1,777	536	1,241	(254)	(115)	114
Rest of AMEA		9,929	—	9,929	1,250	244	1,006	(53)	(23)	(1)
Others		16,793	(8,752)	8,041	(3,003)	589	(3,592)	(896)	(18,579)	(1,090)
Continuing operations		238,812	(19,513)	219,299	41,534	14,658	26,876	(3,032)	(19,784)	(1,333)
Discontinued operations		11,944	(56)	11,888	1,201	978	223	23	(17)	66
Total	Ps	250,756	(19,569)	231,187	42,735	15,636	27,099	(3,009)	(19,801)	(1,267)

1 CEMEX Latam Holdings, S.A. ("CLH"), entity incorporated in Spain, trades its ordinary shares in the Colombian Stock Exchange. CLH is the indirect holding company of CEMEX's operations in Colombia, Panama, Costa Rica, Guatemala, Nicaragua, El Salvador and Brazil. At year end 2017 and 2016, there is a non-controlling interest in CLH of approximately 26.75% and 26.72%, respectively, of its ordinary shares, excluding shares held in CLH's treasury (note 20.4).

2 CEMEX's operations in the Philippines are conducted through CEMEX Holdings Philippines, Inc. ("CHP"), subsidiary incorporated in the Philippines which since July 2016 trades its ordinary shares in the Philippines Stock Exchange under the symbol CHP. As of December 31, 2017 and 2016, there is a non-controlling interest in CHP of 45.0% of its ordinary shares (note 20.4).

3 As mentioned in note 4.1, in February 2017, CEMEX's acquired a controlling interest in TCL, which main operations are located in Trinidad and Tobago ("T&T"), Jamaica and Barbados. TCL shares trade in the T&T stock exchange. As of December 31, 2017, there is a non-controlling interest in TCL of approximately 30.2% of its ordinary shares (note 20.4).

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Selected financial information by geographic operating segment — continued

The information of share of profits of equity accounted investees by geographic operating segment for the years ended December 31, 2017, 2016 and 2015 is included in the note 13.1.

As of December 31, 2017 and 2016, selected statement of financial position information by geographic segment was as follows:

2017		Equity accounted investees	Other segment assets	Total assets	Total liabilities	Net assets by segment	Additions to fixed assets[1]
Mexico	Ps	241	71,280	71,521	23,574	47,947	2,133
United States		1,573	266,769	268,342	32,366	235,976	3,498
Europe							
United Kingdom		107	34,774	34,881	24,160	10,721	1,010
France		1,055	18,481	19,536	7,360	12,176	372
Germany		85	9,010	9,095	6,848	2,247	441
Spain		—	25,731	25,731	3,543	22,188	553
Poland		9	5,477	5,486	3,086	2,400	230
Rest of Europe		158	16,123	16,281	3,627	12,654	321
South, Central America and the Caribbean							
Colombia		—	24,406	24,406	11,307	13,099	1,178
Panama		—	7,232	7,232	1,029	6,203	152
Costa Rica		—	1,869	1,869	646	1,223	42
Caribbean TCL		—	11,004	11,004	4,917	6,087	584
Rest of South, Central America and the Caribbean		31	11,298	11,329	4,366	6,963	357
Asia, Middle East and Africa							
Philippines		6	11,548	11,554	2,617	8,937	518
Egypt		1	4,602	4,603	1,776	2,827	418
Rest of Asia, Middle East and Africa		—	13,671	13,671	8,027	5,644	449
Others		5,306	24,356	29,662	217,914	(188,252)	163
Continuing operations		8,572	557,631	566,203	357,163	209,040	12,419
Assets held for sale and related liabilities (note 12.1)		—	1,378	1,378	—	1,378	—
Total	Ps	8,572	559,009	567,581	357,163	210,418	12,419

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2016		Equity accounted investees	Other segment assets	Total assets	Total liabilities	Net assets by segment	Additions to fixed assets[1]
Mexico	Ps	490	70,012	70,502	20,752	49,750	1,651
United States		1,587	287,492	289,079	30,118	258,961	3,760
Europe							
United Kingdom		104	32,469	32,573	22,914	9,659	599
France		909	16,855	17,764	6,829	10,935	379
Germany		74	8,396	8,470	6,694	1,776	507
Spain		13	27,251	27,264	3,206	24,058	490
Poland		10	5,036	5,046	2,072	2,974	181
Rest of Europe		270	15,345	15,615	3,221	12,394	258
South, Central America and the Caribbean							
Colombia		—	26,532	26,532	11,548	14,984	3,633
Panama		—	7,958	7,958	1,144	6,814	126
Costa Rica		—	1,928	1,928	691	1,237	73
Rest of South, Central America and the Caribbean		28	12,517	12,545	4,133	8,412	441
Asia, Middle East and Africa							
Philippines		6	12,308	12,314	2,696	9,618	341
Egypt		1	5,512	5,513	2,907	2,606	381
Rest of Asia, Middle East and Africa		—	12,347	12,347	6,994	5,353	394
Others		6,996	26,253	33,249	276,269	(243,020)	65
Continuing operations		10,488	568,211	578,699	402,188	176,511	13,279
Assets held for sale and related liabilities (note 12.1)		—	21,029	21,029	815	20,214	—
Total	Ps	10,488	589,240	599,728	403,003	196,725	13,279

1 In 2017 and 2016, the column "Additions to fixed assets" includes capital expenditures of Ps9,514 and Ps12,676, respectively (note 14).

Total consolidated liabilities as of December 31, 2017 and 2016 included debt of Ps193,995 and Ps236,238, respectively. Of such balances, as of December 31, 2017 and 2016, approximately 80% and 73% was in the Parent Company, less than 1% and 1% was in Spain, 15% and 25% was in finance subsidiaries in the Netherlands, Luxembourg and the United States, and 4% and 2% was in other countries, respectively. The Parent Company and the finance subsidiaries mentioned above are included within the segment "Others."

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Selected financial information by geographic operating segment — continued

Net sales by product and geographic segment for the years ended December 31, 2017, 2016 and 2015 were as follows:

2017		Cement	Concrete	Aggregates	Others	Eliminations	Net sales
Mexico	Ps	42,195	14,672	3,416	11,211	(14,127)	57,367
United States		27,804	35,400	14,436	6,235	(18,339)	65,536
Europe							
United Kingdom		4,879	7,459	7,758	8,067	(7,984)	20,179
France		—	13,367	6,373	205	(3,783)	16,162
Germany		3,595	4,668	2,134	2,335	(4,015)	8,717
Spain		5,499	944	259	676	(1,498)	5,880
Poland		3,230	2,532	701	226	(1,211)	5,478
Rest of Europe		6,236	2,715	1,055	462	(1,893)	8,575
South, Central America and the Caribbean							
Colombia		7,043	4,024	1,224	1,960	(3,566)	10,685
Panama		3,876	1,725	452	180	(1,219)	5,014
Costa Rica		2,095	386	122	120	(297)	2,426
Caribbean TCL		4,097	29	19	215	(77)	4,283
Rest of South, Central America and the Caribbean		11,412	1,308	268	307	(2,451)	10,844
Asia, Middle East and Africa							
Philippines		8,093	67	159	52	(75)	8,296
Egypt		3,347	479	16	173	(153)	3,862
Rest of Asia, Middle East and Africa		928	11,078	2,875	2,148	(3,513)	13,516
Others		—	—	—	22,515	(11,204)	11,311
Continuing operations		134,329	100,853	41,267	57,087	(75,405)	258,131
Discontinued operations		—	525	340	687	(3)	1,549
Total	Ps	134,329	101,378	41,607	57,774	(75,408)	259,680

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2016		Cement	Concrete	Aggregates	Others	Eliminations	Net sales
Mexico	Ps	37,647	13,664	3,156	11,773	(13,509)	52,731
United States		28,585	35,843	14,565	7,107	(19,546)	66,554
Europe							
United Kingdom		5,267	7,830	8,195	7,889	(8,028)	21,153
France		—	11,883	5,640	278	(3,266)	14,535
Germany		3,416	4,539	2,112	2,262	(4,142)	8,187
Spain		5,478	823	196	472	(1,247)	5,722
Poland		2,811	2,237	579	219	(1,135)	4,711
Rest of Europe		5,286	2,254	911	338	(1,395)	7,394
South, Central America and the Caribbean							
Colombia		8,814	4,522	1,364	1,761	(4,047)	12,414
Panama		3,794	1,577	413	139	(1,141)	4,782
Costa Rica		2,144	390	179	126	(372)	2,467
Rest of South, Central America and the Caribbean		10,998	1,526	322	298	(2,544)	10,600
Asia, Middle East and Africa							
Philippines		9,405	143	164	70	(127)	9,655
Egypt		6,076	943	26	217	(317)	6,945
Rest of Asia, Middle East and Africa		961	9,535	2,519	1,379	(2,548)	11,846
Others		—	—	—	18,851	(8,602)	10,249
Continuing operations		130,682	97,709	40,341	53,179	(71,966)	249,945
Discontinued operations		422	1,366	785	6,665	(259)	8,979
Total	Ps	131,104	99,075	41,126	59,844	(72,225)	258,924

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2015		Cement	Concrete	Aggregates	Others	Eliminations	Net sales
Mexico	Ps	30,384	13,163	2,860	9,956	(11,751)	44,612
United States		23,358	30,129	11,914	7,994	(16,567)	56,828
Europe							
United Kingdom		4,705	7,729	7,614	7,859	(7,680)	20,227
France		—	10,026	4,410	224	(2,596)	12,064
Germany		3,098	3,749	1,790	2,103	(3,731)	7,009
Spain		5,265	721	150	392	(1,132)	5,396
Poland		2,630	1,916	489	197	(895)	4,337
Rest of Europe		5,075	1,945	728	562	(1,513)	6,797
South, Central America and the Caribbean							
Colombia		8,158	4,428	1,329	1,345	(3,700)	11,560
Panama		3,368	1,424	383	172	(816)	4,531
Costa Rica		2,092	367	138	109	(277)	2,429
Rest of South, Central America and the Caribbean		9,633	2,058	376	451	(2,329)	10,189
Asia, Middle East and Africa							
Philippines		8,270	115	96	62	(111)	8,432
Egypt		6,052	975	36	236	(381)	6,918
Rest of Asia, Middle East and Africa		880	7,956	1,931	1,115	(1,953)	9,929
Others		—	—	—	16,811	(8,770)	8,041
Continuing operations		112,968	86,701	34,244	49,588	(64,202)	219,299
Discontinued operations		1,046	3,877	1,928	5,474	(437)	11,888
Total	Ps	114,014	90,578	36,172	55,062	(64,639)	231,187

5) OPERATING EXPENSES, DEPRECIATION AND AMORTIZATION

Consolidated operating expenses during 2017, 2016 and 2015 by function are as follows:

		2017	2016	2015
Administrative expenses[1]	Ps	21,081	20,750	18,653
Selling expenses		6,450	6,974	5,883
Distribution and logistics expenses		28,495	26,245	23,374
	Ps	56,026	53,969	47,910

1 The Technology and Energy departments in CEMEX undertake all significant R&D activities as part of their daily activities. In 2017, 2016 and 2015, total combined expenses of these departments recognized within administrative expenses were Ps754 (US$38), Ps712 (US$38) and Ps660 (US$41), respectively.

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Operating expenses, depreciation and amortization — continued

Depreciation and amortization recognized during 2017, 2016 and 2015 are detailed as follows:

		2017	2016	2015
Depreciation and amortization expense included in cost of sales	Ps	14,146	14,180	13,154
Depreciation and amortization expense included in administrative, selling and distribution and logistics expenses		1,846	1,811	1,504
	Ps	15,992	15,991	14,658

6) OTHER EXPENSES, NET

The detail of the line item "Other expenses, net" in 2017, 2016 and 2015 was as follows:

		2017	2016	2015
Impairment losses[1]	Ps	(2,936)	(2,518)	(1,517)
Restructuring costs[2]		(843)	(778)	(845)
Charitable contributions		(127)	(93)	(60)
Results from the sale of assets and others, net[3]		91	1,719	(610)
	Ps	(3,815)	(1,670)	(3,032)

1 In 2017, 2016 and 2015, among others, includes impairment losses of fixed assets for approximately Ps984, Ps1,899 and Ps1,145, respectively, as well as impairment losses of goodwill in 2017 for Ps1,920 (notes 13.2, 14 and 15).
2 In 2017, 2016 and 2015, restructuring costs mainly refer to severance payments.
3 In 2017, includes an expense in Colombian pesos equivalent to approximately Ps491 (US$25) for a penalty imposed by the Commerce and Industry Superintendence in Colombia in connection with a market investigation (note 24.2).

7) FINANCIAL INCOME AND OTHER ITEMS, NET

The detail of the line item "Financial income and other items, net" in 2017, 2016 and 2015 was as follows:

		2017	2016	2015
Results in the sale of associates and remeasurement of previously held interest before change in control of associates (notes 4.1 and 13.1)	Ps	4,164	—	—
Financial income		338	402	318
Results from financial instruments, net (notes 13.2 and 16.4)		161	113	(2,729)
Foreign exchange results		(26)	5,004	1,970
Effects of NPV on assets and liabilities and others, net		(1,021)	(1,030)	(892)
	Ps	3,616	4,489	(1,333)

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8) CASH AND CASH EQUIVALENTS

As of December 31, 2017 and 2016, consolidated cash and cash equivalents consisted of:

		2017	2016
Cash and bank accounts	Ps	9,292	9,104
Fixed-income securities and other cash equivalents		4,449	2,512
	Ps	13,741	11,616

Based on net settlement agreements, the balance of cash and cash equivalents excludes deposits in margin accounts that guarantee several obligations of CEMEX of Ps196 in 2017 and Ps250 in 2016, which were offset against the corresponding obligations of CEMEX with the counterparties, considering CEMEX's right, ability and intention to settle the amounts on a net basis.

9) TRADE ACCOUNTS RECEIVABLE, NET

As of December 31, 2017 and 2016, consolidated trade accounts receivable consisted of:

		2017	2016
Trade accounts receivable	Ps	32,623	32,356
Allowances for doubtful accounts		(2,145)	(2,196)
	Ps	30,478	30,160

As of December 31, 2017 and 2016, trade accounts receivable include receivables of Ps12,713 (US$647) and Ps13,644 (US$658), 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 Ps11,313 (US$576) in 2017 and Ps11,095 (US$535) in 2016, were recognized within the line item of "Other financial obligations," the difference in each year against the trade receivables sold was maintained as reserves. 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 Ps308 in 2017, Ps258 in 2016 and Ps249 in 2015. CEMEX's securitization programs are negotiated for periods of one to two years and are usually renewed at their maturity.

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Allowances for doubtful accounts were established until December 31, 2017 based on an incurred loss model according to the credit history and risk profile of each customer (note 2.20). Changes in the valuation of this caption allowance for doubtful accounts in 2017, 2016 and 2015, were as follows:

		2017	2016	2015
Allowances for doubtful accounts at beginning of period	Ps	2,196	2,152	1,856
Charged to selling expenses		252	556	434
Additions through business combinations		141	—	—
Deductions		(449)	(867)	(276)
Foreign currency translation effects		5	355	138
Allowances for doubtful accounts at end of period	Ps	2,145	2,196	2,152

10) OTHER ACCOUNTS RECEIVABLE

As of December 31, 2017 and 2016, consolidated other accounts receivable consisted of:

		2017	2016
Non-trade accounts receivable[1]	Ps	1,918	2,527
Interest and notes receivable[2]		1,125	1,286
Current portion of valuation of derivative financial instruments		1,056	236
Loans to employees and others		233	188
Refundable taxes		638	1,001
	Ps	4,970	5,238

1 Non-trade accounts receivable are mainly attributable to the sale of assets.
2 Includes Ps27 in 2016, representing the short-term portion of a restricted investment related to coupon payments under CEMEX's perpetual debentures (note 20.4). In addition, in 2016, includes CEMEX Colombia's beneficial interest in a trust oriented to promote housing projects, which its only asset is land in the municipality of Zipaquira, Colombia and its only liability is a bank credit for Ps148, guaranteed by CEMEX Colombia, obtained to purchase the land. The estimated fair value of the land as determined by external appraiser significantly exceeds the amount of the loan.

11) INVENTORIES, NET

As of December 31, 2017 and 2016, the consolidated balance of inventories was summarized as follows:

		2017	2016
Finished goods	Ps	5,933	5,865
Work-in-process		3,814	3,378
Raw materials		3,237	3,128
Materials and spare parts		4,996	4,551
Inventory in transit		872	1,176
	Ps	18,852	18,098

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Inventories, net — continued

For the years ended December 31, 2017, 2016 and 2015, CEMEX recognized within "Cost of sales" in the income statement, inventory impairment losses of Ps23, Ps52 and Ps49, respectively.

12) ASSETS HELD FOR SALE AND OTHER CURRENT ASSETS

12.1) ASSETS HELD FOR SALE

As of December 31, 2017 and 2016, 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:

	2017			2016		
	Assets	Liabilities	Net assets	Assets	Liabilities	Net assets
Concrete Pipe Division (note 4.2)	Ps —	—	—	Ps 9,426	642	8,784
Fairborn cement plant (note 4.3)	—	—	—	5,957	164	5,793
Investment in shares of GCC (note 13.1)1	—	—	—	3,882	—	3,882
Idle assets in Andorra, Spain	580	—	580	560	—	560
Concrete pumping equipment (note 4.3)	—	—	—	213	—	213
Other assets held for sale	798	—	798	991	9	982
	Ps 1,378	—	1,378	Ps 21,029	815	20,214

1 During 2017, in separate transactions, CEMEX sold the direct investment in 23% of GCC's common stock it maintained for sale (note 13.1).

12.2) OTHER CURRENT ASSETS

As of December 31, 2017 and 2016, other current assets are mainly comprised of advance payments.

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13) EQUITY ACCOUNTED INVESTEES, OTHER INVESTMENTS AND NON-CURRENT ACCOUNTS RECEIVABLE

13.1) EQUITY ACCOUNTED INVESTEES

As of December 31, 2017 and 2016, the investments in common shares of associates were as follows:

	Activity	Country	%		2017	2016
Camcem, S.A. de C.V.	Cement	Mexico	40.1	Ps	3,618	3,674
Trinidad Cement Limited	Cement	Trinidad and Tobago	39.5		—	1,689
Concrete Supply Co. LLC	Concrete	United States	40.0		1,192	1,234
Akmenes Cementas AB	Cement	Lithuania	37.8		585	586
ABC Capital, S.A. Institución de Banca Múltiple	Financing	Mexico	33.9		228	474
Lehigh White Cement Company	Cement	United States	24.5		375	334
Société Méridionale de Carrières	Aggregates	France	33.3		367	300
Société d'Exploitation de Carrières	Aggregates	France	50.0		318	257
Cemento Interoceánico S.A. (formerly Industrias Básicas, S.A.)	Cement	Panama	25.0		168	155
Other companies	—	—	—		1,721	1,785
				Ps	8,572	10,488
Out of which:						
Book value at acquisition date				Ps	6,957	8,275
Changes in stockholders' equity				Ps	1,615	2,213

During 2016, the Parent Company participated as shareholder in a share restructuring executed by Camcem, S.A. de C.V. ("Camcem"), indirect parent company of Control Administrativo Mexicano, S.A. de C.V. ("Camsa") and GCC, aimed to simplify its corporate structure, by means of which, Imin de México, S.A. de C.V., intermediate holding company, Camsa and GCC were merged, prevailing GCC as the surviving entity. As a result of the share restructuring, CEMEX's 10.3% interest in Camcem and 49% interest in Camsa, both before the restructuring, were exchanged on equivalent basis into a 40.1% interest in Camcem and a 23% interest in GCC, which shares of the latest trade in the MSE (note 12.1).

On January 25, 2017, in a public offering to investors in Mexico conducted through the BMV and in a concurrent private placement to eligible investors outside of Mexico, the Parent Company and GCC announced the offering of up to 76,483,332 shares (all the shares of GCC owned by CEMEX) at a price range of between 95.00 to 115.00 pesos per share, which included 9,976,087 shares available to the underwriters of the offerings pursuant to a 30-day option to purchase such shares granted to them by CEMEX. During 2017, after conclusion of the public offering and the private placement, CEMEX sold approximately 13.53% of the common stock of GCC at a price of 95.00 pesos per share receiving Ps4,094 after deducting commissions and offering expenses, recognizing a gain on sale of Ps1,859 as part of "Financial income and other items, net" in the income statement.

In addition, on September 28, 2017, CEMEX announced the definitive sale to two financial institutions of the remaining 31,483,332 shares of GCC, which represented approximately 9.47% of the equity capital of GCC. Proceeds from the sale were Ps3,012 and generated a gain on sale of Ps1,682 recognized as part of "Financial income and other items, net" in the income statement. CEMEX continues to have an approximate 20% indirect interest in GCC through Camcem.

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Equity accounted investees — continued

As mentioned in note 4.1, by means of a public offer and take-over bid through its subsidiary Sierra, and effective as of February 1, 2017, CEMEX acquired a majority ownership interest in TCL's common stock and assumed control of this entity.

Combined condensed statement of financial position information of CEMEX's associates as of December 31, 2017 and 2016 is set forth below:

		2017	2016
Current assets	Ps	21,527	21,651
Non-current assets		32,071	41,085
Total assets		53,598	62,736
Current liabilities		10,863	11,612
Non-current liabilities		17,730	22,436
Total liabilities		28,593	34,048
Total net assets	Ps	25,005	28,688

Combined selected information of the statements of operations of CEMEX's associates in 2017, 2016 and 2015 is set forth below:

		2017	2016	2015
Sales	Ps	28,158	29,791	25,484
Operating earnings		4,458	4,730	3,523
Income before income tax		2,451	3,111	3,350
Net income		1,891	1,860	2,403

The share of equity accounted investees by geographic operating segment in the income statements for 2017, 2016 and 2015 is detailed as follows:

		2017	2016	2015
Mexico	Ps	269	452	330
United States		266	253	92
Europe		108	54	339
Corporate and others		(55)	(71)	(24)
	Ps	588	688	737

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13.2) OTHER INVESTMENTS AND NON-CURRENT ACCOUNTS RECEIVABLE

As of December 31, 2017 and 2016, consolidated other investments and non-current accounts receivable were summarized as follows:

		2017	2016
Non-current portion of valuation of derivative financial instruments	Ps	794	1,900
Non-current accounts receivable and other investments[1]		4,612	4,572
Investments available-for-sale[2]		275	491
Investments held for trading[3]		77	157
	Ps	5,758	7,120

1 Includes, among other items: a) advances to suppliers of fixed assets of Ps43 in 2017 and Ps52 in 2016. CEMEX recognized impairment losses of non-current accounts receivable in Costa Rica of Ps21 in 2016, and in Egypt and Colombia of Ps71 and Ps22 in 2015, respectively.
2 This line item refers mainly to a strategic investment in CPOs of Axtel, S.A.B. de C.V. ("Axtel"). This investment is recognized as available for sale at fair value and changes in valuation are recorded in other items comprehensive income, net until its disposal.
3 This line item refers to investments in private funds. In 2017 and 2016, no contributions were made to such private funds.

14) PROPERTY, MACHINERY AND EQUIPMENT, NET

As of December 31, 2017 and 2016, consolidated property, machinery and equipment, net and the changes in such line item during 2017, 2016 and 2015, were as follows:

		2017				
		Land and mineral reserves[1]	Building[1]	Machinery and equipment[2]	Construction in progress[3]	Total
Cost at beginning of period	Ps	97,218	51,740	229,717	17,247	395,922
Accumulated depreciation and depletion		(16,301)	(24,224)	(125,263)	—	(165,788)
Net book value at beginning of period		80,917	27,516	104,454	17,247	230,134
Capital expenditures		547	802	8,165	—	9,514
Additions through capital leases		—	—	2,096	—	2,096
Stripping costs		809	—	—	—	809
Total capital expenditures		1,356	802	10,261	—	12,419
Disposals[4]		(347)	(223)	(1,274)	—	(1,844)
Reclassifications[5]		(784)	(82)	(768)	—	(1,634)
Business combinations		2,179	749	3,136	428	6,492
Depreciation and depletion for the period		(2,571)	(1,967)	(9,417)	—	(13,955)
Impairment losses		(202)	(1)	(763)	(18)	(984)
Foreign currency translation effects		(1,895)	908	719	1,800	1,532
Cost at end of period		95,495	53,927	242,636	19,457	411,515
Accumulated depreciation and depletion		(16,842)	(26,225)	(136,288)	—	(179,355)
Net book value at end of period	Ps	78,653	27,702	106,348	19,457	232,160

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		2016					
		Land and mineral reserves[1]	Building[1]	Machinery and equipment[2]	Construction in progress[3]	Total	2015
Cost at beginning of period	Ps	86,441	48,563	211,232	13,853	360,089	324,210
Accumulated depreciation and depletion		(12,215)	(21,228)	(109,952)	—	(143,395)	(118,668)
Net book value at beginning of period		74,226	27,335	101,280	13,853	216,694	205,542
Capital expenditures		2,149	1,856	8,671	—	12,676	11,454
Additions through capital leases		—	—	7	—	7	63
Capitalization of financial expense		—	—	—	175	175	73
Stripping costs		421	—	—	—	421	723
Total capital expenditures		2,570	1,856	8,678	175	13,279	12,313
Disposals[4]		(388)	(141)	(1,268)	(44)	(1,841)	(2,247)
Reclassifications[5]		(2,029)	(703)	(1,731)	(86)	(4,549)	(3,099)
Business combinations		—	—	—	—	—	4,004
Depreciation and depletion for the period		(2,426)	(2,033)	(9,582)	—	(14,041)	(13,086)
Impairment losses		(671)	(303)	(547)	(378)	(1,899)	(1,145)
Foreign currency translation effects		9,635	1,505	7,624	3,727	22,491	14,412
Cost at end of period		97,218	51,740	229,717	17,247	395,922	360,089
Accumulated depreciation and depletion		(16,301)	(24,224)	(125,263)	—	(165,788)	(143,395)
Net book value at end of period	Ps	80,917	27,516	104,454	17,247	230,134	216,694

1 Includes corporate buildings and related land sold to financial institutions in previous years, which were leased back. The aggregate carrying amount of these assets as of December 31, 2017 and 2016 was Ps1,690 and Ps1,777, respectively.

2 Includes assets, mainly mobile equipment, acquired through finance leases, which carrying amount as of December 31, 2017 and 2016 was Ps2,096 and Ps7, respectively.

3 In July 2014, CEMEX Colombia began the construction of a new cement plant in the municipality of Maceo in the Antioquia department in Colombia with an annual capacity of approximately 1.1 million tons. The first phase included the construction of a cement mill, which began operating in testing phase for some months in 2016 with the supply of clinker from the Caracolito plant in Ibague, and the cement obtained was used in its entirety in the construction of the plant. The next phase, which includes the construction of the kiln, has been completed. In connection with the access road to the plant, the works were suspended meanwhile CEMEX Colombia obtains the permits for its completion. The beginning of commercial operations is subject to the successful conclusion of several ongoing processes related to certain operating

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Property, machinery and equipment, net — continued

permits and other proceedings. As a result of the investigations carried out for the deficiencies found (note 24.1), during the fourth quarter of 2016, CEMEX Colombia reduced construction in progress for Ps483 (US$23), of which, Ps295 (US$14) were recognized as impairment losses against "Other expenses, net," considering that the assets, mainly advances for the purchase of land through a representative, were considered contingent assets based on the low probability for their recoverability due to deficiencies in the legal processes, and Ps188 (US$9) were decreased against "Other accounts payable" in connection with the cancellation of the portion payable of such assets. CEMEX Colombia determined an initial total budget for the plant of US$340. As of December 31, 2017, the carrying amount of the project, net of adjustments, is for an amount in Colombian pesos equivalent to US$333 (Ps6,543), considering the exchange rates as of December 31, 2017.

4 In 2017, includes sales of non-strategic fixed assets in Mexico, the United States, and Spain for Ps343, Ps223 and Ps220, respectively. In 2016, includes sales of non-strategic fixed assets in the United States, Mexico, and France for Ps317, Ps281 and Ps165, respectively. In 2015, includes the sales of non-strategic fixed assets in the United Kingdom, the United States and Spain for Ps584, Ps451 and Ps417, respectively.

5 In 2017, refers mainly to those assets of the Pacific Northwest Materials Business in the United States for Ps1,634 (note 4.2). In 2016, refers mainly to those assets of the Concrete Pipe Business in the United States for Ps2,747, as well as other disposal groups in the United States reclassified to assets available for sale for Ps1,386 (notes 4.2, 4.3 and 12.1). In 2015, refers to other disposal groups in the United States reclassified to assets available for sale for Ps537 (notes 4.3 and 12.1).

As a result of impairment tests conducted on several CGUs considering certain triggering events, mainly: a) the closing and/or reduction of operations of cement and ready-mix concrete plants resulting from adjusting the supply to current demand conditions, such as the situation in Puerto Rico in the last quarter of 2016 due to the adverse outlook and the overall uncertain economic conditions in such country; b) the transferring of installed capacity to more efficient plants, such as the projected closing in the short-term of a cement mill in Colombia; as well as c) the recoverability of certain investments in Colombia as described above, for the years ended December 31, 2017, 2016 and 2015, 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 2.10 and 6).

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During the years ended December 31, 2017, 2016 and 2015 impairment losses of fixed assets by countries are as follows:

		2017	2016	2015
Spain	Ps	452	—	392
Czech Republic		157	—	—
United States		153	277	269
Panama		56	—	118
France		50	—	—
Latvia		46	—	126
Mexico		45	46	46
Puerto Rico		—	1,087	172
Colombia		—	454	—
Other countries		25	35	22
	Ps	984	1,899	1,145

15) GOODWILL AND INTANGIBLE ASSETS, NET

15.1) BALANCES AND CHANGES DURING THE PERIOD

As of December 31, 2017 and 2016, consolidated goodwill, intangible assets and deferred charges were summarized as follows:

		2017				2016		
		Cost	Accumulated amortization	Carrying Amount		Cost	Accumulated amortization	Carrying Amount
Intangible assets of indefinite useful life:								
Goodwill	Ps	195,474	—	195,474	Ps	206,319	—	206,319
Intangible assets of definite useful life:								
Extraction rights		39,603	(6,480)	33,123		40,995	(5,948)	35,047
Industrial property and trademarks		929	(364)	565		707	(350)	357
Customer relationships		3,859	(3,852)	7		4,343	(4,084)	259
Mining projects		797	(96)	701		961	(84)	877
Others intangible assets		14,941	(9,902)	5,039		13,814	(9,166)	4,648
	Ps	255,603	(20,694)	234,909	Ps	267,139	(19,632)	247,507

The amortization of intangible assets of definite useful life was Ps2,037 in 2017, Ps1,950 in 2016 and Ps1,572 in 2015, and was recognized within operating costs and expenses.

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Goodwill

Changes in consolidated goodwill in 2017, 2016 and 2015, were as follows:

		2017	2016	2015
Balance at beginning of period	Ps	206,319	184,156	160,544
Business combinations		1,965	—	64
Disposals, net (note 4.3)		—	(3,340)	(552)
Reclassification to assets held for sale and other current assets (notes 4.2, 4.3 and 12)		(1,804)	(9,734)	—
Impairment losses		(1,920)	—	—
Foreign currency translation effects		(9,086)	35,237	24,100
Balance at end of period	Ps	195,474	206,319	184,156

Intangible assets of definite life

Changes in intangible assets of definite life in 2017, 2016 and 2015, were as follows:

		2017					
		Extraction rights	Industrial property and trademarks	Customer relations	Mining projects	Others [1]	Total
Balance at beginning of period	Ps	35,047	357	259	877	4,648	41,188
Additions (disposals), net[1]		278	(783)	—	(148)	424	(229)
Business combinations (note 4.1)		—	—	—	4	72	76
Reclassifications (notes 4.1, 4.2 and 12)		—	—	(27)	—	—	(27)
Amortization for the period		(716)	(110)	(225)	(12)	(974)	(2,037)
Impairment losses		(38)	—	—	—	(12)	(50)
Foreign currency translation effects		(1,448)	1,101	—	(20)	881	514
Balance at the end of period	Ps	33,123	565	7	701	5,039	39,435

		2016						
		Extraction rights	Industrial property and trademarks	Customer relations	Mining projects	Others [1]	Total	2015
Balance at beginning of period	Ps	30,327	622	1,004	805	3,808	36,566	32,940
Business combinations		—	—	—	—	—	—	616
Additions (disposals), net[1]		201	(760)	—	(382)	343	(598)	(186)
Reclassifications (notes 4.1, 4.2 and 12)		—	—	—	—	—	—	1
Amortization for the period		(712)	(293)	(658)	(12)	(275)	(1,950)	(1,572)
Impairment losses		(6)	—	—	—	(19)	(25)	(10)
Foreign currency translation effects		5,237	788	(87)	466	791	7,195	4,777
Balance at the end of period	Ps	35,047	357	259	877	4,648	41,188	36,566

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Intangible assets of definite life — continued

1 As of December 31, 2017 and 2016, "Others" includes the carrying amount of internal-use software of Ps2,981 and Ps2,544, respectively. Capitalized direct costs incurred in the development stage of internal-use software, such as professional fees, direct labor and related travel expenses, amounted to Ps1,422 in 2017, Ps769 in 2016 and Ps615 in 2015.

15.2) ANALYSIS OF GOODWILL IMPAIRMENT

As of December 31, 2017 and 2016, goodwill balances allocated by operating segment were as follows:

		2017	2016
Mexico	Ps	7,371	7,529
United States		152,486	162,692
Europe			
Spain		10,000	12,316
United Kingdom		6,335	6,371
France		4,796	4,524
Czech Republic		709	583
South, Central America and the Caribbean			
Colombia		6,146	6,461
Dominican Republic		279	250
TCL		2,027	—
Rest of South, Central America and the Caribbean[1]		985	1,036
Asia, Middle East and Africa			
Philippines		1,817	1,911
United Arab Emirates		1,769	1,865
Egypt		232	231
Others			
Other reporting segments[2]		522	550
	Ps	195,474	206,319

1 This caption refers to the operating segments in the Caribbean, Costa Rica and Panama.
2 This caption is primarily associated with Neoris N.V., CEMEX's subsidiary involved in the sale of information technology and services.

For purposes of goodwill impairment tests, all cash-generating units within a country are aggregated, as goodwill is allocated at that level. Considering materiality for disclosure purposes, certain balances of goodwill were presented for Rest of South, Central America and the Caribbean, but this does not represent that goodwill was tested at a higher level than for operations in an individual country.

During the last quarter of each year, CEMEX performs its annual goodwill impairment test. Based on these analyses, during 2017, in connection with the Operating Segment in Spain, considering the uncertainty over the improvement indicators affecting the country's construction industry, and consequently in the expected consumption of cement, ready-mix and aggregates, partially a result of the country's complex prevailing political environment, which has limited expenditure in infrastructure projects, as well as the uncertainty in the expected

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Analysis of goodwill impairment — continued

price recovery and the effects of increased competition and imports, CEMEX's management considered a reduction in the horizon of the related cash flows projections from 10 to 5 years and determined that the net book value of such Operating Segment in Spain, exceeded in Ps1,920 (US$98) the amount of the net present value of projected cash flows. As a result, CEMEX recognized an impairment loss of goodwill for the aforementioned amount as part of "Other expenses, net" in the income statement against the related goodwill balance.

During 2016 and 2015, CEMEX did not determine impairment losses of goodwill.

Impairment tests are significantly sensitive to, among other factors, the estimation of future prices of CEMEX's products, the development of operating expenses, local and international economic trends in the construction industry, the long-term growth expectations in the different markets, as well as the discount rates and the long-term growth rates applied. CEMEX's cash flow projections to determine the value in use of its CGUs to which goodwill has been allocated consider the use of long-term economic assumptions. CEMEX believes that its discounted cash flow projections and the discount rates used reasonably reflect current economic conditions at the time of the calculations, considering, among other factors that: a) the cost of capital reflects current risks and volatility in the markets; and b) the cost of debt represents the average of industry specific interest rates observed in recent transactions. Other key assumptions used to determine CEMEX's discounted cash flows are volume and price increases or decreases by main product during the projected periods. Volume increases or decreases generally reflect forecasts issued by trustworthy external sources, occasionally adjusted based on CEMEX's actual backlog, experience and judgment considering its concentration in certain sectors, while price changes normally reflect the expected inflation in the respective country. Operating costs and expenses during all periods are maintained as a fixed percent of revenues considering historic performance.

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			Growth rates		
Groups of CGUs	**2017**	**2016**	**2015**	**2017**	**2016**	**2015**
United States	8.8%	8.6%	8.6%	2.5%	2.5%	2.5%
Spain	9.5%	9.5%	9.9%	1.7%	1.6%	1.9%
Mexico	10.2%	9.8%	9.6%	2.7%	2.9%	3.5%
Colombia	10.5%	10.0%	9.8%	3.7%	4.0%	4.0%
France	9.0%	9.1%	9.0%	1.8%	1.8%	1.6%
United Arab Emirates	10.4%	10.2%	10.2%	3.1%	3.4%	3.6%
United Kingdom	9.0%	8.8%	8.8%	1.7%	1.9%	2.3%
Egypt	11.8%	11.4%	12.5%	6.0%	6.0%	4.6%
Range of rates in other countries	9.1% - 11.7%	9.1% - 12.8%	9.0% - 13.8%	2.3% - 6.8%	2.2% - 7.0%	2.4% - 4.3%

As of December 31, 2017, the discount rates used by CEMEX in its cash flows projections in the countries with the most significant goodwill balances increased slightly as compared to the values determined in 2016. During the year, the funding cost observed in industry slightly decreased from 6.2% in 2016 to 6.1% in 2017 and the risk multiple associated to the Company also decreased from 1.29 in 2016 to 1.26 in 2017. Nonetheless, these decreases were offset by an increase in the risk free rate which change from 2.70% in 2016 to 2.76% in 2017, as

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Analysis of goodwill impairment — continued

well as by overall increases in the sovereign risk rate of the majority of the countries. As of December 31, 2016, the discount rates remained almost flat in most cases as compared to the values determined in 2015. Among other factors, the funding cost observed in industry decreased from 6.9% in 2015 to 6.2% in 2016, and the risk free rate decreased from approximately 3.2% in 2015 to 2.7 % in 2016. Nonetheless, these increases were offset by reductions in 2016 in the country specific sovereign yields in the majority of the countries where CEMEX operates. As of December 31, 2015, the discount rates remained almost flat in most cases as compared to the values determined in previous year. In respect to long-term growth rates, following general practice under IFRS, CEMEX uses country specific rates, which are mainly obtained from the Consensus Economics, a compilation of analysts' forecast worldwide, or from the International Monetary Fund when the first are not available for a specific country.

In connection with the assumptions included in the table above, CEMEX made sensitivity analyses to changes in assumptions, affecting the value in use of all groups of CGUs with an independent reasonable possible increase of 1% in the pre-tax discount rate, and an independent possible decrease of 1% in the long-term growth rate. In addition, CEMEX performed cross-check analyses for reasonableness of its results using multiples of Operating EBITDA. In order to arrive at these multiples, which represent a reasonableness check of the discounted cash flow models, CEMEX determined a weighted average multiple of Operating EBITDA to enterprise value observed in the industry. The average multiple was then applied to a stabilized amount of Operating EBITDA and the result was compared to the corresponding carrying amount for each group of CGUs to which goodwill has been allocated. CEMEX considered an industry weighted average Operating EBITDA multiple of 9.0 times in 2017, 2016 and 2015. CEMEX's own Operating EBITDA multiple was 8.5 times in 2017, 8.9 times in 2016 and 8.7 times in 2015. The lowest multiple observed in CEMEX's benchmark was 6.5 times in 2017, 5.9 times in 2016 and 5.8 times in 2015, and the highest being 18.9 times in 2017, 18.3 times in 2016 and 18.0 times in 2015.

As of December 31, 2017, 2016 and 2015, except for the Operating Segment in Spain described above, in which CEMEX determined an impairment loss of goodwill in 2017, none of the other CEMEX's sensitivity analyses resulted in a potential impairment risk in CEMEX's operating segments. CEMEX continually monitors the evolution of the specific CGUs to which goodwill has been allocated that have presented relative goodwill impairment risk in any of the reported periods and, in the event that the relevant economic variables and the related cash flows projections would be negatively affected, it may result in a goodwill impairment loss in the future.

As of December 31, 2017 and 2016, goodwill allocated to the United States accounted for approximately 78% and 79%, 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. CEMEX has also considered recent developments in its operations in the United States, such as the decrease in ready-mix concrete volumes of approximately 1% in 2017, affected by the hurricanes occurred in Texas and Florida during the year, and the increases of 1% in 2016 and 13% in 2015, and the increases in ready-mix concrete prices of approximately 1% in 2017, 1% in 2016 and 5% in 2015, which are key drivers for cement consumption and CEMEX's profitability, and which trends are expected to continue over the next few years, as anticipated in CEMEX's cash flow projections.

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16) FINANCIAL INSTRUMENTS

16.1) SHORT-TERM AND LONG-TERM DEBT

As of December 31, 2017 and 2016, CEMEX´s consolidated debt summarized by interest rates and currencies, was as follow:

	2017			2016		
	Short-term	Long-term	Total	Short-term	Long-term	Total
Floating rate debt	Ps 7,282	53,389	60,671	Ps 519	64,550	65,069
Fixed rate debt	9,691	123,633	133,324	703	170,466	171,169
	Ps 16,973	177,022	193,995	Ps 1,222	235,016	236,238
Effective rate[1]						
Floating rate	6.1%	3.0%		9.7%	4.4%	
Fixed rate	4.8%	5.7%		4.4%	6.5%	

	2017				2016			
Currency	Short-term	Long-term	Total	Effective rate[1]	Short-term	Long-term	Total	Effective rate[1]
Dollars	Ps 6,206	107,508	113,714	5.9%	Ps 114	179,675	179,789	6.3%
Euros	9,705	54,906	64,611	3.5%	50	55,292	55,342	4.3%
Pounds	—	9,141	9,141	2.6%	—	—	—	—
Philippine pesos	—	5,408	5,408	4.6%	—	—	—	—
Pesos	—	—	—	—	648	—	648	4.4%
Other currencies	1,062	59	1,121	6.2%	410	49	459	10.2%
	Ps 16,973	177,022	193,995		Ps 1,222	235,016	236,238	

1 In 2017 and 2016, represents the weighted average interest rate of the related debt agreements.

As of December 31, 2017 and 2016, CEMEX´s consolidated debt summarized by type of instrument, was as follow:

2017	Short-term	Long-term	2016	Short-term	Long-term
Bank loans			**Bank loans**		
Loans in foreign countries, 2018 to 2022	Ps 910	5,439	Loans in foreign countries, 2017 to 2022	Ps 261	1,090
Syndicated loans, 2018 to 2020	—	50,132	Syndicated loans, 2017 to 2020	36	57,032
	910	55,571		297	58,122
Notes payable			**Notes payable**		
Notes payable in Mexico, 2018	—	—	Notes payable in Mexico, 2017	—	648
Medium-term notes, 2018 to 2026	224	133,949	Medium-term notes, 2017 to 2026	—	173,656
Other notes payable, 2018 to 2025	154	3,187	Other notes payable, 2017 to 2025	173	3,342
	378	137,136		173	177,646
Total bank loans and notes payable	1,288	192,707	Total bank loans and notes payable	470	235,768
Current maturities	15,685	(15,685)	Current maturities	752	(752)
	Ps 16,973	177,022		Ps 1,222	235,016

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As of December 31, 2017 and 2016, discounts, fees and other direct costs incurred in the issuance of CEMEX's outstanding notes payable and bank loans for US$84 and US$84, respectively, adjust the balance of notes payable and are amortized to financing expense over the maturity of the related debt instruments.

Changes in consolidated debt for the years ended December 31, 2017, 2016 and 2015 were as follows:

		2017	2016	2015
Debt at beginning of year	Ps	236,238	229,343	205,834
Proceeds from new debt instruments		93,620	48,748	52,764
Debt repayments		(128,411)	(85,798)	(64,237)
Foreign currency translation and inflation effects		(7,452)	43,945	34,982
Debt at end of year	Ps	193,995	236,238	229,343

As of December 31, 2017 and 2016, as presented in the table above of debt by type of instrument, approximately 29% and 25%, respectively, of CEMEX's total indebtedness, was represented by bank loans, of which the most significant portion corresponded to those balances under CEMEX's facilities agreement entered into with 20 financial institutions on July 19, 2017 for an amount in different currencies equivalent to approximately US$4,050 at the origination date (the "2017 Credit Agreement") which was mainly used to refinance the approximately US$3,680 outstanding under the facilities agreement dated September 29, 2014, as amended several times in 2015 and 2016 (the "2014 Credit Agreement"). In addition, as part of CEMEX's currency diversification in its debt portfolio described in note 16.5, during 2017, CEMEX replaced debt denominated in dollars for US$280 pursuant to the negotiation of a bank loan denominated in Philippine pesos.

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In addition, as of December 31, 2017 and 2016, as presented in the table above of debt by type of instrument, approximately 71% and 75%, respectively, of CEMEX's total indebtedness, was represented by notes payable, of which, the most significant portion was long-term in both periods. As of December 31, 2017 and 2016, CEMEX's long-term notes payable are detailed as follows:

Description	Date of issuance	Issuer[1, 2]	Currency	Principal amount	Rate[1]	Maturity Date	Repurchased amount US$	Outstanding amount[3] US$	2017	2016
April 2026 Notes[8]	16/Mar/16	CEMEX, S.A.B. de C.V.	Dollar	1,000	7.75%	16/Apr/26	—	1,000	Ps 19,568	20,631
July 2025 Notes	02/Apr/03	CEMEX Materials LLC	Dollar	150	7.70%	21/Jul/25	—	150	3,061	3,249
March 2025 Notes	03/Mar/15	CEMEX, S.A.B. de C.V.	Dollar	750	6.125%	05/May/25	—	750	14,691	15,488
January 2025 Notes	11/Sep/14	CEMEX, S.A.B. de C.V.	Dollar	1,100	5.70%	11/Jan/25	(29)	1,071	20,988	22,124
December 2024 Notes[4]	05/Dec/17	CEMEX, S.A.B. de C.V.	Euro	650	2.75%	05/Dec/24	—	780	15,257	—
June 2024 Notes[8]	14/Jun/16	CEMEX Finance LLC	Euro	400	4.625%	15/Jun/24	—	480	9,390	8,665
April 2024 Notes	01/Apr/14	CEMEX Finance LLC	Dollar	1,000	6.00%	01/Apr/24	(10)	990	18,924	19,886
March 2023 Notes	03/Mar/15	CEMEX, S.A.B. de C.V.	Euro	550	4.375%	05/Mar/23	—	660	12,938	11,948
October 2022 Notes[5, 8]	12/Oct/12	CEMEX Finance LLC	Dollar	1,500	9.375%	12/Oct/22	(1,500)	—	—	21,738
January 2022 Notes[5]	11/Sep/14	CEMEX, S.A.B. de C.V.	Euro	400	4.75%	11/Jan/22	—	480	9,434	8,696
April 2021 Notes[6]	01/Apr/14	CEMEX Finance LLC	Euro	400	5.25%	01/Apr/21	(447)	—	—	8,679
January 2021 Notes[7, 8]	02/Oct/13	CEMEX, S.A.B. de C.V.	Dollar	1,000	7.25%	15/Jan/21	(659)	341	6,606	14,845
December 2019 Notes[5, 7, 8]	12/Aug/13	CEMEX, S.A.B. de C.V.	Dollar	1,000	6.50%	10/Dec/19	(1,000)	—	—	14,471
October 2018 Variable Notes[8]	02/Oct/13	CEMEX, S.A.B. de C.V.	Dollar	500	L+475bps	15/Oct/18	(187)	313	6,154	6,485
November 2017 Notes	30/Nov/07	CEMEX, S.A.B. de C.V.	Peso	627	4.40%	17/Nov/17	(37)	—	—	648
Other notes payable									125	93
									Ps 137,136	177,646

1 In all applicable cases the issuer refers to CEMEX España, S.A. acting through its Luxembourg Branch. The letter "L" included above refers to LIBOR, which represents the London Inter-Bank Offered Rate, variable rate used in international markets for debt denominated in U.S. dollars. As of December 31, 2017 and 2016, 3-Month LIBOR rate was 1.6943% and 0.9979%, respectively. The contraction "bps" means basis points. One hundred basis points equal 1%.

2 Unless otherwise indicated, all issuances are fully and unconditionally guaranteed by CEMEX, S.A.B. de C.V., CEMEX México, S.A. de C.V., CEMEX Concretos, S.A. de C.V., Empresas Tolteca de México, S.A. de C.V., New Sunward Holding B.V., CEMEX España, S.A., CEMEX Asia, B.V., CEMEX Corp., CEMEX Egyptian Investments, B.V., CEMEX Finance LLC, CEMEX France Gestion, (S.A.S.), CEMEX Research Group AG and CEMEX UK. CEMEX Egyptian Investments II, B.V. and CEMEX Shipping B.V. originally guaranteed the issuances listed above but were merged into CEMEX España, S.A. on October 3, 2016.

3 Presented net of all outstanding notes repurchased and held by CEMEX's subsidiaries.

4 On December 5, 2017, CEMEX issued €650 of 2.75% senior secured notes due December 5, 2024 (the "December 2024 Notes"). The proceeds will be used to repay other indebtedness.

5 In connection with tender offers or the execution of call notice, as applicable, on December 10, 2017, CEMEX repurchased the outstanding amount of the December 2019 Notes for an aggregate principal amount of US$611; and on September 25, 2017, CEMEX repurchased US$701 aggregate principal amount of the October 2022 Notes. The notes of the holders that did not tender in the offer for US$343 were redeemed on October 12, 2017. In addition, on

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November 28, 2017, CEMEX announced its intention to redeem the total outstanding amount of the January 2022 Notes for an aggregate principal amount of €400 (US$480 or Ps9,432) that would be payable on January 10, 2018 and are presented as current maturities of long-term debt in the statement of financial position as of December 31, 2017 (note 26).

6 On May 31, 2017, by means of a tender offer for the April 2021 Notes, CEMEX redeemed the remaining €400 of aggregate principal amount of such notes.

7 On February 28, 2017, by means of a tender offer, CEMEX repurchased US$385 aggregate principal amount of the January 2021 Notes and US$90 of the December 2019 Notes.

8 During 2016, by means of tender offers, using available funds from the issuance of the April 2026 Notes, the June 2024 Notes, the sale of assets and cash flows provided by operating activities, CEMEX completed the purchase of US$739 principal amount of the October 2022 Notes, the purchase of US$178 principal amount of the October 2018 Variable Notes, the purchase of US$219 principal amount of the December 2019 Notes, and the purchase of US$242 principal amount of the January 2021 Notes.

During 2017, 2016 and 2015, as a result of the debt transactions incurred including exchange offers and tender offers to replace and/or repurchase existing debt instruments, CEMEX paid combined premiums, fees and issuance costs for US$251 (Ps4,930), US$196 (Ps4,061) and US$61 (Ps1,047), respectively, of which US$212 (Ps4,160) in 2017, US$151 (Ps3,129) in 2016 and US$35 (Ps604) in 2015 are associated with the extinguished portion of the exchanged or repurchased notes and were recognized in the statement of operations in each year within “Financial expense”. In addition, US$39 (Ps770) in 2017, US$45 (Ps932) in 2016 and US$26 (Ps443) in 2015, corresponding to issuance costs of new debt and/or the portion of the combined premiums, fees and issuance costs treated as a refinancing of the old instruments by considering that: a) the relevant economic terms of the old and new notes were not substantially different; and b) the final holders of the new notes were the same of such portion of the old notes; adjusted the carrying amount of the new debt instruments, and are amortized over the remaining term of each instrument. Moreover, proportional fees and issuance costs related to the extinguished debt instruments for US$16 (Ps310) in 2017, US$37 (Ps767) in 2016 and US$31 (Ps541) in 2015 that were pending for amortization were recognized in the statement of operations of each year as part of “Financial expense.”

The maturities of consolidated long-term debt as of December 31, 2017, were as follows:

		2017
2019	Ps	30
2020		10,175
2021		26,948
2022		19,594
2023 and thereafter.		120,275
	Ps	177,022

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As of December 31, 2017, CEMEX had the following lines of credit, the majority of which are uncommitted, at annual interest rates ranging between 1.25% and 6.50%, depending on the negotiated currency:

		Lines of credit	Available
Other lines of credit in foreign subsidiaries	Ps	9,506	7,237
Other lines of credit from banks		9,309	8,169
	Ps	18,815	15,406

2017 Credit Agreement, 2014 Credit Agreement and Facilities Agreement

As mentioned above, on July 19, 2017, the Parent Company and certain subsidiaries entered into the 2017 Credit Agreement with 20 financial institutions for an amount in different currencies equivalent to US$4,050 at the origination date, which proceeds were used to refinance in full the US$3,680 then outstanding under the 2014 Credit Agreement and other debt repayments, allowing CEMEX to increase the average life of its syndicated bank debt to approximately 4.3 years with a final maturity in July 2022. All tranches under the 2017 Credit Agreement have substantially the same terms, including an applicable margin over the benchmark interest rate of between 125 to 350 basis points, depending on CEMEX's consolidated debt leverage ratio; and the tranches share the same guarantors and collateral package as the original tranches under the 2014 Credit Agreement and other secured debt obligations of CEMEX. As of December 31, 2017, total commitments under the 2017 Credit Agreement included US$2,746 (Ps53,959), €741 (US$889 or Ps17,469), £344 (US$465 or Ps9,137), out of which about US$1,135 (Ps22,303) were in a revolving credit facility. All tranches under the 2017 Credit Agreement amortize in five equal semi-annual payments beginning in July 2020, except for the commitments under the revolving credit which have a five-year maturity.

The original proceeds from the 2014 Credit Agreement of US$1,350 were fully used to repay debt under the then existing facilities agreement entered into on September 17, 2012, as amended from time to time (the "Facilities Agreement"). On July 30, 2015, after several repayments under the Facilities Agreement using proceeds from other debt issuances, CEMEX repaid in full the then total amount outstanding of US$1,937 (Ps33,375) under the Facilities Agreement with additional funds from 21 financial institutions, which joined the 2014 Credit Agreement under new tranches, allowing CEMEX to increase the then average life of its syndicated bank debt to approximately 4 years as of such date. On November 30, 2016, CEMEX prepaid US$373 (Ps7,729) corresponding to the September 2017 amortization under the 2014 Credit Agreement and agreed with the lenders to exchange current funded commitments for US$664 maturing in 2018 into the revolving facility, maintaining their original amortization schedule and the same terms and conditions.

As of December 31, 2016, total commitments under the 2014 Credit Agreement included US$2,826 (Ps58,555) and €746 (US$785 or Ps16,259), out of which about US$1,413 (Ps29,277) were in a revolving credit facility. Considering all commitments, the amortization profile was of US$783 in 2018, US$883 in 2019 and US$1,096 in 2020.

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2017 Credit Agreement, 2014 Credit Agreement and Facilities Agreement — continued

All tranches under the 2017 Credit Agreement have substantially the same terms, including an applicable margin over LIBOR or EURIBOR, as applicable, of between 125 to 350 basis points, depending on the leverage ratio (as defined below) of CEMEX, as follows:

Consolidated leverage ratio	Applicable margin
> = 5.50x	350 bps
< 5.00x > 4.50x	300 bps
< 4.50x > 4.00x	250 bps
< 4.00x > 3.50x	212.5 bps
< 3.50x > 3.00x	175 bps
< 3.00x > 2.50x	150 bps
< 2.50x	125 bps

The 2017 Credit Agreement also modified the consolidated leverage ratio and consolidated coverage ratio limits as described below in the financial covenants section.

For the years ended December 31, 2017 and 2016, under both the 2017 Credit Agreement and the 2014 Credit Agreement, CEMEX was required to comply with the following thresholds: (a) the aggregate amount allowed for capital expenditures cannot exceed US$1,000 per year excluding certain capital expenditures, and, joint venture investments and acquisitions by CHP and its subsidiaries and CLH and its subsidiaries, which capital expenditures, joint venture investments and acquisitions at any time then incurred are subject to a separate aggregate limit for each of CHP and CLH of US$500 (or its equivalent); and (b) the amounts allowed for permitted acquisitions and investments in joint ventures cannot exceed US$400 per year. Nonetheless, such limitations do not apply if capital expenditures or acquisitions do not exceed free cash flow generation, are funded with equity or asset disposals proceeds.

The debt under the 2017 Credit Agreement and previously under the 2014 Credit Agreement is guaranteed by CEMEX México, S.A. de C.V., CEMEX Concretos, S.A. de C.V., Empresas Tolteca de México, S.A. de C.V., New Sunward Holding B.V., CEMEX España, S.A., CEMEX Asia, B.V., CEMEX Corp., CEMEX Egyptian Investments, B.V., CEMEX Finance LLC, CEMEX France Gestion, (S.A.S.), CEMEX Research Group AG and CEMEX UK. In addition, the debt under such agreements (together with all other senior capital markets debt issued or guaranteed by CEMEX, and certain other precedent facilities) is also secured by a first-priority security interest in: (a) substantially all the shares of CEMEX México, S.A. de C.V., CEMEX Operaciones México, S.A. de C.V, New Sunward Holding B.V., CEMEX Trademarks Holding Ltd. and CEMEX España, S.A. (the “Collateral”); and (b) all proceeds of such Collateral. CEMEX Egyptian Investments II, B.V. and CEMEX Shipping, B.V. originally guaranteed the 2014 Credit Agreement but were merged into CEMEX España, S.A. in October 2016.

In addition to the restrictions mentioned above, and subject in each case to the permitted negotiated amounts and other exceptions, CEMEX is also subject to a number of negative covenants that, among other things, restrict or limit its ability to: (i) create liens; (ii) incur additional debt; (iii) change CEMEX’s business or the business of any obligor or material subsidiary (in each case, as defined in the 2017 Credit Agreement); (iv) enter into mergers; (v) enter into agreements that restrict its subsidiaries’ ability to pay dividends or repay intercompany debt; (vi) acquire assets; (vii) enter into or invest in joint venture agreements; (viii) dispose of certain assets; (ix) grant additional guarantees or indemnities; (x) declare or pay cash dividends or make share redemptions

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while the Leverage Ratio remains above 4.0 times; and (xi) enter into speculative derivatives transactions. The 2017 Credit Agreement contains a number of affirmative covenants that, among other things, require CEMEX to provide periodic financial information to its lenders. However, a number of those covenants and restrictions will automatically cease to apply or become less restrictive if CEMEX so elects when: (i) CEMEX's Leverage Ratio (as defined hereinafter) for the two most recently completed quarterly testing periods is less than or equal to 3.75 times; and (ii) no default under the 2017 Credit Agreement is continuing. At that point the Leverage Ratio must not exceed 3.75 times. Restrictions that will cease to apply when CEMEX satisfies such conditions include the capital expenditure limitations mentioned above and several negative covenants, including limitations on CEMEX's ability to declare or pay cash dividends and distributions to shareholders, limitations on CEMEX's ability to repay existing financial indebtedness, certain asset sale restrictions, and restrictions on exercising call options in relation to any perpetual bonds CEMEX issues. At such time, several baskets and caps relating to negative covenants will also increase, including permitted financial indebtedness, permitted guarantees and limitations on liens. However, CEMEX cannot assure that it will be able to meet the conditions for these restrictions to cease to apply prior to the final maturity date under the 2017 Credit Agreement.

In addition, the 2017 Credit Agreement, and previously the 2014 Credit Agreement, contains events of default, some of which may occur and are outside of CEMEX's control such as expropriation, sequestration and availability of foreign exchange. As of December 31, 2017 and 2016, CEMEX was not aware of any event of default. CEMEX cannot assure that in the future it will be able to comply with the restrictive covenants and limitations contained in the 2017 Credit Agreement. CEMEX's failure to comply with such covenants and limitations could result in an event of default, which could materially and adversely affect CEMEX's business and financial condition.

Financial Covenants

The 2017 Credit Agreement and previously the 2014 Credit Agreement requires CEMEX the compliance with financial ratios, which mainly include: a) the consolidated ratio of debt to Operating EBITDA (the "Leverage Ratio"); and b) the consolidated ratio of Operating EBITDA to interest expense (the "Coverage Ratio"). These financial ratios are calculated according to the formulas established in the debt contracts using the consolidated amounts under IFRS. As of December 31, 2017, CEMEX must comply with a Coverage ratio and a Leverage ratio for each period of four consecutive fiscal quarters as follows:

Period	Coverage ratio	Period	Leverage ratio
For the period ending on December 31, 2017 up to and including the period ending on March 31, 2020	> = 2.50	For the period ending on December 31, 2017 up to and including the period ending on March 31, 2018	< = 5.25
		For the period ending on June 30, 2018 up to and including the period ending on September 30, 2018	< = 5.00
For the period ending on June 30, 2020 and each subsequent reference period	> = 2.75	For the period ending on December 31, 2018 up to and including the period ending on March 31, 2019	< = 4.75
		For the period ending on June 30, 2019 up to and including the period ending on March 31, 2020	< = 4.50
		For the period ending on June 30, 2020 and each subsequent reference period	< = 4.25

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Financial Covenants — continued

CEMEX's ability to comply with these ratios may be affected by economic conditions and volatility in foreign exchange rates, as well as by overall conditions in the financial and capital markets. For the compliance periods ended as of December 31, 2017, 2016 and 2015, taking into account the 2017 Credit Agreement and the 2014 Credit Agreement, as applicable, CEMEX was in compliance with the financial covenants imposed by its debt contracts. The main consolidated financial ratios as of December 31, 2017, 2016 and 2015 were as follows:

		Consolidated financial ratios		
		2017	2016	2015
Leverage ratio[1, 2]	**Limit**	< = 5.25	< = 6.00	< = 6.00
	Calculation	3.85	4.22	5.21
Coverage ratio[3]	**Limit**	> = 2.50	> = 1.85	> = 1.85
	Calculation	3.46	3.18	2.61

1 The leverage ratio is calculated in pesos by dividing "Funded debt" by pro forma Operating EBITDA for the last twelve months as of the calculation date. Funded debt equals debt, as reported in the statement of financial position, excluding finance leases, components of liability of convertible subordinated notes, plus perpetual debentures and guarantees, plus or minus the fair value of derivative financial instruments, as applicable, among other adjustments.

2 Pro forma Operating EBITDA represents, all calculated in pesos, Operating EBITDA for the last twelve months as of the calculation date, plus the portion of Operating EBITDA referring to such twelve-month period of any significant acquisition made in the period before its consolidation in CEMEX, minus Operating EBITDA referring to such twelve-month period of any significant disposal that had already been liquidated.

3 The coverage ratio is calculated in pesos using the amounts from the financial statements, by dividing the pro forma Operating EBITDA by the financial expense for the last twelve months as of the calculation date. Financial expense includes interest accrued on the perpetual debentures.

CEMEX will classify all of its outstanding debt as current debt in its statement of financial position 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 2017 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) a signed refinancing agreement to refinance the relevant debt on a long-term basis. Moreover, concurrent with the aforementioned classification of debt in the short-term, the noncompliance of CEMEX with the financial ratios agreed upon pursuant to the 2017 Credit Agreement or, in such event, the absence of a waiver of compliance or a negotiation thereof, after certain procedures upon CEMEX's lenders' request, they would call for the acceleration of payments due under the 2017 Credit Agreement. That scenario will have a material adverse effect on CEMEX's liquidity, capital resources and financial position.

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16.2) OTHER FINANCIAL OBLIGATIONS

As of December 31, 2017 and 2016, other financial obligations in the consolidated statement of financial position are detailed as follows:

	2017			2016		
	Short-term	Long-term	Total	Short-term	Long-term	Total
I. Convertible subordinated notes due 2020	Ps —	9,985	9,985	Ps —	10,417	10,417
II. Convertible subordinated notes due 2018	7,115	—	7,115	—	13,575	13,575
III. Mandatorily convertible securities 2019	323	371	694	278	689	967
IV. Liabilities secured with accounts receivable	11,313	—	11,313	11,095	—	11,095
V. Finance leases	611	2,503	3,114	285	1,291	1,576
	Ps 19,362	12,859	32,221	Ps 11,658	25,972	37,630

Financial instruments convertible into CEMEX's shares contain components of liability and equity, which are recognized differently depending upon the currency in which the instrument is denominated and the functional currency of the issuer (note 2.6).

I. Optional convertible subordinated notes due 2020

During 2015, the Parent Company issued US$521 aggregate principal amount of 3.72% convertible subordinated notes due in March 2020 (the "2020 Convertible Notes"). The 2020 Convertible Notes were issued: a) US$200 as a result of the exercise in March 13, 2015 of US$200 notional amount of Contingent Convertible Units ("CCUs") (described below), and b) US$321 as a result of the exchange with certain investors in May 2015, which together with early conversions, resulted in settlement of US$626 aggregate principal amount of 3.25% convertible subordinated notes due in 2016 (the "2016 Convertible Notes") held by such investors and the issuance and delivery by the Parent Company of an estimated 42 million ADSs, which included a number of additional ADSs issued to the holders as non-cash inducement premiums. The 2020 Convertible Notes, which are subordinated to all of CEMEX's liabilities and commitments, are convertible into a fixed number of the Parent Company's ADSs at any time at the holder's election and are subject to antidilution adjustments. The difference at the exchange date between the fair value of the 2016 Convertible Notes and the 42 million ADSs against the fair value of the 2020 Convertible Notes represented a loss of Ps365 recognized in 2015 as part of "Financial income and other items, net". The aggregate fair value of the conversion option as of the issuance dates which amounted to Ps199 was recognized in other equity reserves. As of December 31, 2017 and 2016, the conversion price per ADS was approximately 11.01 dollars and 11.45 dollars, respectively. After antidilution adjustments, the conversion rate as of December 31, 2017 and 2016 was 90.8592 ADS and 87.3646 ADS per each 1 thousand dollars principal amount of such notes, respectively.

In October 2014, in connection with US$204 remaining principal amount of 4.875% Optional Convertible Subordinated Notes due in March 2015 (the "2015 Convertible Notes"), the Parent Company issued US$200 notional amount of CCUs at an annual rate of 3.0% on the notional amount, by means of which, in exchange for coupon payments, CEMEX secured the refinancing for any of the 2015 Convertible Notes that would mature without conversion up to US$200 of the principal amount. Pursuant to the CCUs, holders invested the US$200 in U.S. treasury bonds, and irrevocably agreed to apply such investment in March 2015, if necessary, to subscribe new convertible notes of the Parent Company for up to US$200. In March 2015, CEMEX exercised the CCUs, issued US$200 principal amount of the 2020 Convertible Notes to the holders of the CCUs and repaid the US$204 remaining principal amount of the 2015 Convertible Notes.

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II. Optional convertible subordinated notes due in 2016 and 2018

On March 15, 2011, the Parent Company closed the offering of US$978 principal amount of the 2016 Convertible Notes and US$690 principal amount of 3.75% convertible subordinated notes due in 2018 (the "2018 Convertible Notes"). The notes were subordinated to all of CEMEX's liabilities and commitments. The notes are convertible into a fixed number of the Parent Company's ADSs and are subject to antidilution adjustments. After the exchange of notes described in the paragraph above, the US$352 of the 2016 Convertible Notes that remained outstanding, were repaid in cash at their maturity on March 15, 2016. On June 19, 2017, the Parent Company agreed with certain institutional holders the early conversion of US$325 of the 2018 Convertible Notes in exchange for the issuance of approximately 43 million ADSs, which included the number of additional ADSs issued to the holders as non-cash inducement premiums. As a result of the early conversion, the liability component of the converted notes of Ps5,468 was reclassified from other financial obligations to other equity reserves. In addition, the Parent Company increased common stock for Ps4 and additional paid-in capital for Ps7,059 against other equity reserves, and recognized expense for the inducement premiums paid in shares of Ps769, recognized within "Financial income and others items, net." in the income statement for 2017. As of December 31, 2017 and 2016, the conversion price per ADS of the notes then outstanding was approximately 8.57 dollars and 8.92 dollars, respectively. After antidilution adjustments, the conversion rate as of December 31, 2017 and 2016 was 116.6193 ADS and 112.1339 ADS, respectively, per each 1 thousand dollars principal amount of such notes. Concurrent with the offering of the 2016 and 2018 Convertible Notes, a portion of the net proceeds from this transaction were used by CEMEX to fund the purchase of capped call options, which when purchased were generally expected to reduce the potential dilution cost to CEMEX upon the potential conversion of such notes (note 16.4).

III. Mandatorily convertible securities due in 2019

In December 2009, the Parent Company exchanged debt into US$315 principal amount of 10% mandatorily convertible securities in pesos with maturity in 2019 (the "2019 Mandatorily Convertible Securities"). Reflecting antidilution adjustments, the notes will be converted at maturity or earlier if the price of the CPO reaches Ps26.22 into approximately 236 million CPOs at a conversion price of Ps17.48 per CPO. Holders have an option to voluntarily convert their securities on any interest payment date into CPOs. The conversion option embedded in these securities is treated as a stand-alone derivative liability at fair value through the statement of operations (note 16.4).

IV. Liabilities secured with accounts receivable

As mentioned in note 9, as of December 31, 2017 and 2016, in connection with trade receivables sold under CEMEX's outstanding programs, the funded amounts of such receivables sold are recognized in "Other financial obligations" in the statement of financial position.

V. Finance leases

CEMEX has several operating and administrative assets, including buildings and mobile equipment, under finance lease contracts. Future payments associated with these contracts are presented in note 23.5.

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16.3) FAIR VALUE OF FINANCIAL INSTRUMENTS

Financial assets and liabilities

The carrying amounts of cash, trade accounts receivable, other accounts receivable, trade accounts payable, other accounts payable and accrued expenses, as well as short-term debt, approximate their corresponding estimated fair values due to the short-term maturity and revolving nature of these financial assets and liabilities. Cash equivalents and certain long-term investments are recognized at fair value, considering to the extent available, quoted market prices for the same or similar instruments. The estimated fair value of CEMEX´s long-term debt is level 2, and is either based on estimated market prices for such or similar instruments, considering interest rates currently available for CEMEX to negotiate debt with the same maturities, or determined by discounting future cash flows using market-based interest rates currently available to CEMEX. As of December 31, 2017 and 2016, the carrying amounts of financial assets and liabilities and their respective fair values were as follows:

	2017		2016	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Derivative instruments (notes 13.2 and 16.4)	Ps 794	794	Ps 1,900	1,900
Other investments and non-current accounts receivable (note 13.2)	4,964	4,964	5,220	5,220
	Ps 5,758	5,758	Ps 7,120	7,120
Financial liabilities				
Long-term debt (note 16.1)	Ps 177,022	184,220	Ps 235,016	241,968
Other financial obligations (note 16.2)	12,859	13,381	25,972	27,419
Derivative instruments (notes 16.4 and 17)	402	402	818	818
	Ps 190,283	198,003	Ps 261,806	270,205

Fair Value Hierarchy

As of December 31, 2017 and 2016, assets and liabilities carried at fair value in the consolidated statements of financial position are included in the following fair value hierarchy categories:

2017		Level 1	Level 2	Level 3	Total
Assets measured at fair value					
Derivative instruments (notes 13.2 and 16.4)	Ps	—	794	—	794
Investments available-for-sale (note 13.2)		275	—	—	275
Investments held for trading (note 13.2)		—	77	—	77
	Ps	275	871	—	1,146
Liabilities measured at fair value					
Derivative instruments (notes 16.4 and 17)	Ps	—	402	—	402

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Fair Value Hierarchy — continued

2016		Level 1	Level 2	Level 3	Total
Assets measured at fair value					
Derivative instruments (notes 13.2 and 16.4)	Ps	—	1,900	—	1,900
Investments available-for-sale (note 13.2)		491	—	—	491
Investments held for trading (note 13.2)		—	157	—	157
	Ps	491	2,057	—	2,548
Liabilities measured at fair value					
Derivative instruments (notes 16.4 and 17)	Ps	—	818	—	818

16.4) 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 16.5), CEMEX held derivative instruments, with the objectives of, as the case may be of: a) changing the risk profile or fixed the price of fuels and electric energy; b) foreign exchange hedging; c) hedge of forecasted transactions; and d) other corporate purposes. As of December 31, 2017 and 2016, the notional amounts and fair values of CEMEX's derivative instruments were as follows:

		2017		2016	
(U.S. dollars millions)		Notional amount	Fair value	Notional amount	Fair value
I. Net investment hedge	US$	1,160	47	—	—
II. Foreign exchange forwards related to forecasted transactions		381	3	80	—
III. Equity forwards on third party shares		168	7	—	—
IV. Interest rate swaps		137	16	147	23
V. Fuels price hedging		72	20	77	15
VI. 2019 Mandatorily Convertible Securities and options on the Parent Company's own shares		—	(20)	576	26
	US$	1,918	73	880	64

The fair values determined by CEMEX for its derivative financial instruments are Level 2. There is no direct measure for the risk of CEMEX or its counterparties in connection with the derivative instruments. Therefore, the risk factors applied for CEMEX's assets and liabilities originated by the valuation of such derivatives were extrapolated from publicly available risk discounts for other public debt instruments of CEMEX and its counterparties.

The caption "Financial income and other items, net" includes gains and losses related to the recognition of changes in fair values of the derivative instruments during the applicable period and that represented net gains of US$9 (Ps161) in 2017, net gains of US$17 (Ps317) in 2016 and net losses of US$173 (Ps2,981) in 2015, respectively.

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Derivative financial instruments — continued

The estimated fair value of derivative instruments fluctuates over time and is determined by measuring the effect of future relevant economic variables according to the yield curves shown in the market as of the reporting date. These values should be analyzed in relation to the fair values of the underlying transactions and as part of CEMEX's overall exposure attributable to fluctuations in interest rates and foreign exchange rates. The notional amounts of derivative instruments do not represent amounts 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 basis of the notional amounts and other terms included in the derivative instruments.

I. Net investment hedge

During March 2017, CEMEX began the implementation of a long-term US$ / MXP foreign exchange forward program which notional amount is planned to be up to US$1,250, with monthly revolving settlement dates from 1 to 24 months. The average life of these contracts will be approximately one year. As of December 31, 2017, there are forward contract with a notional amount of US$1,160. For accounting purposes under IFRS, 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 year ended December 31, 2017, these contracts generated gains of US$6 (Ps110).

II. Foreign exchange forwards related to forecasted transactions

As of December 31, 2017, CEMEX held US$ / Euro foreign exchange forward contracts maturing in January 10, 2018, negotiated to maintain the Euro value of a portion of the 2024 December Notes issued in Euros during December 2017, after converting a portion of these proceeds in U.S. dollar to settle other indebtedness in dollars in December 2017, but as the final use of these proceeds was projected to be the settlement of other indebtedness in Euros during 2018 (note 16.1). In addition, as of December 31, 2016, CEMEX held US$ / MXP foreign exchange forward contracts maturing in February 2017, negotiated to hedge the U.S. dollar value of the proceeds from the expected sale of pumping assets in Mexico (note 4.3). For the years ended December 31, 2017, 2016 and 2015, the results of these instruments related to forecasted transactions, including the effects resulting from positions entered and settled during the year, generated losses of US$17 (Ps337) in 2017, gains of US$10 (Ps186) in 2016 and gains of US$26 (Ps448) in 2015, recognized within "Financial income and other items, net" in the income statement.

III. Equity forwards on third party shares

As of December 31, 2017, in connection with the definitive sale of CEMEX's remaining GCC shares in September 2017 to two financial institutions which hold all corporate rights and control the aforementioned shares (note 13.1), CEMEX negotiated equity forward contracts to be settled in cash maturing in March 2019 over the price of approximately 31.4 million GCC shares. During 2017, changes in the fair value of these instruments generated losses of US$24 (Ps463) recognized within "Financial income and other items, net" in the income statement.

In October 2015, Axtel, a Mexican telecommunications company traded in the MSE, announced its merger with Alestra, a Mexican entity provider of information technology solutions and member of Alfa Group, which was effective beginning February 15, 2016. In connection with this announcement, considering that upon completion of the merger any shares of Axtel would be exchanged proportionately according to the new ownership interests

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Equity forwards on third party shares — continued

for shares in the new merged entity that remained public, the business outlook of such new entity and that CEMEX held an existing investment in Axtel prior to the merger, on January 6, 2016, CEMEX settled in cash a forward contract it maintained over the price of 59.5 million CPOs of Axtel maturing in October 2016 and received US$4, net of transaction costs. In a separate transaction, CEMEX purchased in the market 59.5 million CPOs of Axtel and increased its existing investment in Axtel as part of CEMEX's investments available for sale (note 13.2). Changes in the fair value of this instrument generated losses of US$2 (Ps30) in 2016 and gains of US$15 (Ps258) in 2015, recognized in the income statement for each period.

IV. Interest rate swap contracts

As of December 31, 2017 and 2016, CEMEX had an interest rate swap maturing in September 2022 associated with an agreement entered into by CEMEX for the acquisition of electric energy in Mexico, which fair value represented assets of US$16 (Ps314) and US$23 (Ps477), respectively. Pursuant to this instrument, during the tenure of the swap and based on its notional amount, CEMEX will receive a fixed rate of 5.4% and will pay LIBOR. Changes in the fair value of this interest rate swap generated losses of US$6 (Ps114) in 2017, US$6 (Ps112) in 2016 and US$4 (Ps69) in 2015, recognized in the income statement for each period.

V. Fuel price hedging

As of December 31, 2017 and 2016, CEMEX maintained forward contracts negotiated to hedge the price of diesel fuel in several countries for aggregate notional amounts of US$46 (Ps904) and US$44 (Ps912), respectively, with an estimated aggregate fair value representing assets of US$10 (Ps197) in 2017 and assets of US$7 (Ps145) in 2016. By means of these contracts, for own consumption only, CEMEX fixed the price of diesel over certain volume representing a portion of the estimated consumption of such fuel in several operations. These contracts have been designated as cash flow hedges of diesel fuel consumption, and as such, changes in fair value are recognized temporarily through other comprehensive income and are recycled to operating expenses as the related diesel volumes are consumed. For the years 2017, 2016 and 2015, changes in fair value of these contracts recognized in other comprehensive income represented gains of US$3 (Ps57), gains of US$7 (Ps145) and losses of US$3 (Ps52), respectively.

In addition, as of December 31, 2017 and 2016, CEMEX held forward contracts negotiated to hedge the price of coal, as solid fuel, for an aggregate notional amount of US$26 (Ps511) and US$33 (Ps684), respectively and an estimated fair value representing assets of US$10 (Ps197) in 2017 and assets of US$8 (Ps166) in 2016. By means of these contracts, for own consumption only, CEMEX fixed the price of coal over certain volume representing a portion of the estimated coal consumption in CEMEX's applicable operations. These contracts have been designated as cash flow hedges of coal consumption, and as such, changes in fair value are recognized temporarily through other comprehensive income and are recycled to operating expenses as the related coal volumes are consumed. For the years 2017 and 2016, changes in fair value of these contracts recognized in other comprehensive income represented gains of US$1 (Ps19) and gains of US$8 (Ps166), respectively.

VI. 2019 Mandatorily Convertible Securities and options on the Parent Company's own shares

In connection with the 2019 Mandatorily Convertible Securities (note 16.2); considering that the securities are denominated in pesos and the functional currency of the Parent Company's division that issued the securities is the dollar (note 2.4), CEMEX separated the conversion option embedded in such instruments and recognized it at

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2019 Mandatorily Convertible Securities and options on the Parent Company's own shares — continued

fair value through the income statement, which as of December 31, 2017 and 2016, resulted in a liability of US$20 (Ps393) and US$40 (Ps829), respectively. Changes in fair value generated a gain of US$19 (Ps359) in 2017, a loss of US$29 (Ps545) in 2016 and a gain of US$18 (Ps310) in 2015.

In addition, on March 15, 2011, the Parent Company entered into a capped calls, considering antidilution adjustments, over 194 million CEMEX's ADSs (114 million ADSs maturing in March 2016 in connection with the 2016 Convertible Notes and 80 million ADSs maturing in March 2018 in connection with the 2018 Convertible Notes) in order to effectively increase the conversion price of the ADSs under such notes, by means of which, at maturity of the notes, originally CEMEX would receive in cash the excess between the market price and the strike price of approximately 8.57 dollars per ADS, with a maximum appreciation per ADS of approximately 3.96 dollars for the 2016 Convertible Notes and 5.27 dollars for the 2018 Convertible Notes. CEMEX paid aggregate premiums of US$222. During 2015, CEMEX amended a portion of the capped calls relating to the 2016 Convertible Notes and, as a result, CEMEX received US$44 in cash, equivalent to the unwind of 44.2% of the total notional amount of such capped calls. On March 15, 2016, the remaining options for the 55.8% of the 2016 Convertible Notes expired out of the money. During August 2016, CEMEX amended 58.3% of the total notional amount of the capped calls relating to the 2018 Convertible Notes to lower the exercise price in exchange for reducing the number of underlying options, as a result, CEMEX retained capped calls relating to the 2018 Convertible Notes over 71 million ADSs. As of December 31, 2016, the fair value of the existing options represented an asset of US$66 (Ps1,368). Changes in the fair value of these instruments generated gains of US$37 (Ps725) in 2017, gains of US$44 (Ps818) in 2016 and losses of US$228 (Ps3,928) in 2015, recognized within "Financial income and other items, net" in the income statement. During 2017, CEMEX unwound all its capped calls relating to the 2018 Convertible Notes and, as a result, CEMEX received US$103 in cash. As of December 31, 2017, all outstanding capped calls based on the price of the Parent Company´s own ADSs have been early settled.

16.5) 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, product or commodities owned, produced, manufactured, processed, merchandised, leased or sell or reasonably anticipated to be owned, produced, manufactured, processed, merchandising, leasing or selling 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 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.

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Risk management — continued

As of December 31, 2017 and 2016, these strategies are sometimes complemented with the use of derivative financial instruments as mentioned in note 16.4, such as the commodity forward contracts on diesel fuel and coal negotiated to fix the price of these underlying commodities.

The main risks categories are commented below:

Credit risk

Credit risk is the risk of financial loss faced by CEMEX if a customer or counterpart of a financial instrument does not meet its contractual obligations and originates mainly from trade accounts receivable. As of December 31, 2017 and 2016, the maximum exposure to credit risk is represented by the balance of financial assets. Management has developed policies for the authorization of credit to customers. The accounting exposure to credit risk is monitored constantly according to the behavior of payment of the debtors. Credit is assigned on a customer-by-customer basis and is subject to assessments which consider the customers' payment capacity, as well as past behavior regarding due dates, balances past due and delinquent accounts. In cases deemed necessary, CEMEX's management requires guarantees from its customers and financial counterparties with regard to financial assets.

The Company's management has established a policy of low risk which analyzes the creditworthiness of each new client individually before offering the general conditions of payment terms and delivery. The review includes external ratings, when references are available, and in some cases bank references. Threshold of purchase limits 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, 2017, considering CEMEX's best estimate of potential incurred losses based on an analysis of age and considering recovery efforts, the allowance for doubtful accounts was Ps2,145.

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 in fixed rates in a high point when the interest rates market expects a downward trend, this is, there is an opportunity cost for remaining long periods paying 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. In addition, when the interest rate of a debt instrument has turned relatively high as compared to current market rates, CEMEX intents to renegotiate the conditions or repurchase the debt, to the extent the net present value of the expected future benefits from the interest rate reduction would exceed the incentives that would have to be paid in such renegotiation or repurchase of debt.

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Interest rate risk — continued

As of December 31, 2017 and 2016, approximately 31% and 28%, respectively, of CEMEX's long-term debt was denominated in floating rates at a weighted average interest rate of LIBOR plus 268 basis points in 2017 and 306 basis points in 2016. As of December 31, 2017 and 2016, if interest rates at that date had been 0.5% higher, with all other variables held constant, CEMEX's net income for 2017 and 2016 would have reduced by US$18 (Ps353) and US$18 (Ps373), respectively, as a result of higher interest expense on variable rate denominated debt. This analysis does not include the effect of interest rate swaps held by CEMEX during 2017 and 2016.

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, 2017, approximately 21% of CEMEX's net sales, before eliminations resulting from consolidation, were generated in Mexico, 24% in the United States, 7% in the United Kingdom, 6% in France, 4% in Germany, 2% in Spain, 2% in Poland, 3% in the Rest of Europe region, 4% in Colombia, 2% in Panama, 1% in Costa Rica, 2% Caribbean TCL, 4% in the Rest of South, Central America and the Caribbean region, 3% in Philippines, 1% in Egypt, 5% in the Rest of Asia, Middle East and Africa and 9% in CEMEX's 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 exchange fluctuations related parties' long-term balances denominated in foreign currency which are not expected to be settled in the foreseeable future, which are reported in the statement of other comprehensive income. As of December 31, 2017 and 2016, excluding from the sensitivity analysis the impact of translating the net assets of foreign operations into CEMEX's reporting currency, considering a hypothetic 10% strengthening of the dollar against the Mexican peso, with all other variables held constant, CEMEX's net income for 2017 and 2016 would have decreased by US$119 (Ps2,343) and US$136 (Ps2,829), respectively, 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.

As of December 31, 2017, approximately 59% of CEMEX's financial debt was Dollar-denominated, 33% was Euro-denominated, 5% was Pound-denominated, 3% was Philippine peso-denominated and immaterial amounts were denominated in other currencies; therefore, CEMEX had a foreign currency exposure arising mainly from the Dollar-denominated and Euro-denominated financial debt versus the several currencies in which CEMEX's revenues are settled in most countries in which it operates. The amounts of Pound-denominated financial debt and Philippine peso-denominated financial debt outstanding as of December 31, 2017, are closely related to the amount of revenues generated in such currencies and/or, in the case of the Euro-denominated financial debt, the amount of CEMEX's net assets denominated in such currencies; therefore, CEMEX considers that the foreign currency risk related to these amounts of debt is low. Nonetheless, CEMEX cannot guarantee that it will generate sufficient revenues in Dollars, Euros, Pounds and Philippine pesos from its operations to service these obligations. As of December 31, 2017 and 2016, CEMEX had not implemented any derivative financing hedging strategy to address this foreign currency risk. Nonetheless, CEMEX may enter into derivative financing hedging strategies in the future if either of its debt portfolio currency mix, interest rate mix, market conditions and/or expectations changes.

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Foreign currency risk — continued

As of December 31, 2017 and 2016, CEMEX's consolidated net monetary assets (liabilities) by currency are as follows:

	2017						
	Mexico	United States	Europe	South, Central America and the Caribbean	Asia, Middle East and Africa	Others [1]	Total
Monetary assets	Ps 11,798	9,453	14,182	7,347	9,780	5,163	57,723
Monetary liabilities	17,505	32,158	45,675	12,016	11,522	221,579	340,455
Net monetary assets (liabilities)[2]	Ps (5,707)	(22,705)	(31,493)	(4,669)	(1,742)	(216,416)	(282,732)
Out of which:							
Dollars	Ps(1,097)	(22,710)	39	(126)	221	(133,530)	(157,203)
Pesos	(4,610)	4	24	—	—	(7,745)	(12,327)
Euros	—	—	(10,155)	2	—	(58,452)	(68,605)
Pounds	—	—	(19,358)	—	—	(9,119)	(28,477)
Other currencies	—	1	(2,043)	(4,545)	(1,963)	(7,570)	(16,120)
	Ps(5,707)	(22,705)	(31,493)	(4,669)	(1,742)	(216,416)	(282,732)

	2016						
	Mexico	United States	Europe	South, Central America and the Caribbean	Asia, Middle East and Africa	Others [1]	Total
Monetary assets	Ps 10,261	26,685	12,724	6,132	13,101	11,836	80,739
Monetary liabilities	10,564	33,145	42,336	9,130	11,305	277,117	383,597
Net monetary assets (liabilities)[2]	Ps (303)	(6,460)	(29,612)	(2,998)	1,796	(265,281)	(302,858)
Out of which:							
Dollars	Ps (483)	(6,463)	38	35	364	(214,751)	(221,260)
Pesos	180	3	—	—	—	(3,395)	(3,212)
Euros	—	—	(9,465)	—	—	(48,470)	(57,935)
Pounds	—	—	(14,408)	—	—	—	(14,408)
Other currencies	—	—	(5,777)	(3,033)	1,432	1,335	(6,043)
	Ps (303)	(6,460)	(29,612)	(2,998)	1,796	(265,281)	(302,858)

1 Includes the Parent Company, CEMEX's financing subsidiaries, as well as Neoris N.V., among other entities.
2 Includes assets held for sale and liabilities directly related with these assets considering that such items will be realized in the short-term.

In addition, 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 2.4), there is foreign currency risk associated with the translation of subsidiaries' net assets denominated in different currencies (peso, euro, pound)

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Foreign currency risk — continued

into dollars. When the dollar appreciates, the value of CEMEX'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 net assets denominated in other currencies would increase in terms of dollars generating the opposite effect. As mentioned in note 16.4, CEMEX has implemented a long-term program for up to US$1,250 to hedge foreign currency translation in connection with its net assets denominated in pesos.

Equity risk

Equity risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in the market price of CEMEX's and/or third party's shares. As described in note 16.4, considering specific objectives, CEMEX has entered into equity forward contracts on third-party shares, as well as capped calls based on the price of CEMEX's own ADSs. 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." Until December 31, 2016, a significant decrease in the market price of CEMEX's ADSs would negatively affect CEMEX's liquidity and financial position. During 2017, all outstanding capped calls based on the price of CEMEX´s own ADSs were early settled.

As of December 31, 2017, the potential change in the fair value of CEMEX's forward contracts in GCC shares that would result from a hypothetical, instantaneous decrease of 10% in the market price of GCC shares in dollars, with all other variables held constant, CEMEX's net income for 2017 would have reduced in US$14 (Ps283), as a result of additional negative changes in fair value associated with these forward contracts. A 10% hypothetical increase in the price of GCC shares in 2017 would have generated approximately the opposite effect, respectively.

In addition, even though the changes in fair value of CEMEX's embedded conversion option in the Mandatorily Convertible Notes 2019 denominated in a currency other than the functional issuer's currency affect the income statement, they do not imply any risk or variability in cash flows, considering that through their exercise, CEMEX will settle a fixed amount of debt with a fixed amount of shares. As of December 31, 2017 and 2016, the potential change in the fair value of the embedded conversion options in the Mandatorily Convertible Notes 2019 that would result from a hypothetical, instantaneous increase of 10% in the market price of CEMEX's CPOs, with all other variables held constant, would have decreased CEMEX's net income for US$9 (Ps180) in 2017 and decreased for US$8 (Ps162) in 2016; as a result of additional negative changes in fair value associated with this option. A 10% hypothetical decrease in the CEMEX CPO price would generate approximately the opposite effect.

Liquidity risk

Liquidity risk is the risk that CEMEX will not have sufficient funds available to meet its obligations. In addition to cash flows provided by its operating activities, in order to meet CEMEX's overall liquidity needs for operations, servicing debt and funding capital expenditures and acquisitions, CEMEX 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,

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Liquidity risk — continued

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 23.5.

As of December 31, 2017, current liabilities, which included Ps36,335 of current maturities of debt and other financial obligations, exceed current assets in Ps40,814. For the year ended December 31, 2017, CEMEX generated net cash flows provided by operating activities from continuing operations for Ps30,966, after payments of interest and income taxes. The Company's management considers that CEMEX will generate sufficient cash flows from operations. In addition, CEMEX has committed available lines of credit under its 2017 Credit Agreement, which includes the revolving credit facility and an undrawn tranche for a combined amount of Ps29,711 (US$1,512), as well as CEMEX's proven capacity to continually refinance and replace its short-term obligations, will enable CEMEX to meet any liquidity risk in the short term.

As of December 31, 2017 and 2016, the potential requirement for additional margin calls under our different commitments is not significant.

17) OTHER CURRENT AND NON-CURRENT LIABILITIES

As of December 31, 2017 and 2016, consolidated other current liabilities were as follows:

		2017	2016
Provisions[1]	Ps	12,667	11,716
Interest payable		2,496	3,425
Advances from customers		3,886	3,413
Other accounts payable and accrued expenses[2]		5,238	3,976
	Ps	24,287	22,530

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 In 2017, includes an account payable in Colombian pesos equivalent to Ps491 (US$25) to be settled on January 5, 2018 related to a penalty imposed by the Commerce and Industry Superintendence in Colombia in connection with a market investigation (note 24.2).

As of December 31, 2017 and 2016, consolidated other non-current liabilities were as follows:

		2017	2016
Asset retirement obligations[1]	Ps	7,906	8,237
Accruals for legal assessments and other responsibilities[2]		1,599	1,514
Non-current liabilities for valuation of derivative instruments		402	818
Environmental liabilities[3]		991	1,172
Other non-current liabilities and provisions[4]		4,751	5,305
	Ps	15,649	17,046

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Other current and non-current liabilities — continued

1 Provisions for asset retirement include future estimated costs for demolition, cleaning and reforestation of production sites at the end of their operation, which are initially recognized against the related assets and are depreciated over their estimated useful life.
2 Provisions for legal claims and other responsibilities include items related to tax contingencies.
3 Environmental liabilities include future estimated costs arising from legal or constructive obligations, related to cleaning, reforestation and other remedial actions to remediate damage caused to the environment. The expected average period to settle these obligations is greater than 15 years.
4 As of December 31, 2017 and 2016, includes Ps1,498 and Ps2,300, respectively, of the non-current portion of taxes payable recognized in connection with the termination of the tax consolidation regime in Mexico as described in note 19.4. As of December 31, 2017 and 2016, Ps958 and Ps936, respectively, were included within current taxes payable.

Changes in consolidated other current and non-current liabilities for the years ended December 31, 2017 and 2016, were as follows:

		2017						
		Asset retirement obligations	Environmental liabilities	Accruals for legal proceedings	Valuation of derivative instruments	Other liabilities and provisions	Total	2016
Balance at beginning of period	Ps	8,237	1,172	1,514	823	17,016	28,762	25,611
Business combinations		—	—	—	—	345	345	—
Additions or increase in estimates		573	21	701	214	39,545	41,054	67,684
Releases or decrease in estimates		(527)	(54)	(289)	(306)	(40,524)	(41,700)	(61,362)
Reclassifications		—	(182)	530	—	(1,462)	(1,114)	(741)
Accretion expense		(191)	—	—	—	(830)	(1,021)	(1,042)
Foreign currency translation		(186)	34	(857)	(310)	3,309	1,990	(1,388)
Balance at end of period	Ps	7,906	991	1,599	421	17,399	28,316	28,762
Out of which:								
Current provisions	Ps	—	—	—	19	12,648	12,667	11,716

18) PENSIONS AND POST-EMPLOYMENT BENEFITS

Defined contribution pension plans

The consolidated costs of defined contribution plans for the years ended December 31, 2017, 2016 and 2015 were Ps922, Ps865 and Ps706, 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.

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Defined benefit pension plans

Most CEMEX's defined benefit plans have been closed to new participants for several years. Actuarial results related to pension and other post retirement benefits are recognized in the results and/or in "Other comprehensive income" for the period in which they are generated, as correspond. For the years ended December 31, 2017, 2016 and 2015, the effects of pension plans and other post-employment benefits are summarized as follows:

		Pensions			Other benefits			Total		
Net period cost (income):		**2017**	**2016**	**2015**	**2017**	**2016**	**2015**	**2017**	**2016**	**2015**
Recorded in operating costs and expenses										
Service cost	Ps	221	151	128	33	25	30	254	176	158
Past service cost		(55)	8	12	—	—	(20)	(55)	8	(8)
Loss for settlements and curtailments		—	—	—	—	—	(13)	—	—	(13)
		166	159	140	33	25	(3)	199	184	137
Recorded in other financial expenses										
Net interest cost		693	711	596	74	57	56	767	768	652
Recorded in other comprehensive income										
Actuarial (gains) losses for the period		20	3,985	872	(23)	34	(124)	(3)	4,019	748
	Ps	879	4,855	1,608	84	116	(71)	963	4,971	1,537

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Defined benefit pension plans — continued

The reconciliations of the actuarial benefits obligations, pension plan assets, and liabilities recognized in the statement of financial position as of December 31, 2017 and 2016 are presented as follows:

		Pensions		Other benefits		Total	
		2017	2016	2017	2016	2017	2016
Change in benefits obligation:							
Projected benefit obligation at beginning of the period	Ps	51,055	42,740	1,164	1,100	52,219	43,840
Service cost		221	151	33	25	254	176
Interest cost		1,625	1,685	76	59	1,701	1,744
Actuarial (gains) losses		727	6,263	(24)	35	703	6,298
Additions through business combinations		2,801	—	271	—	3,072	—
Settlements and curtailments		—	—	—	(19)	—	(19)
Plan amendments		15	8	—	—	15	8
Benefits paid		(2,920)	(2,379)	(81)	(74)	(3,001)	(2,453)
Foreign currency translation		1,386	2,587	(3)	38	1,383	2,625
Projected benefit obligation at end of the period		54,910	51,055	1,436	1,164	56,346	52,219
Change in plan assets:							
Fair value of plan assets at beginning of the period		28,828	25,547	26	24	28,854	25,571
Return on plan assets		932	974	2	2	934	976
Actuarial (gains) losses for the period		707	2,278	(1)	1	706	2,279
Employer contributions		1,494	1,289	81	93	1,575	1,382
Additions through business combinations		2,841	—	—	—	2,841	—
Reduction for disposal of assets		(4)	—	—	—	(4)	—
Settlements and curtailments		—	—	—	(19)	—	(19)
Benefits paid		(2,920)	(2,379)	(81)	(74)	(3,001)	(2,453)
Foreign currency translation		787	1,119	1	(1)	788	1,118
Fair value of plan assets at end of the period		32,665	28,828	28	26	32,693	28,854
Amounts recognized in the statements of financial position:							
Net projected liability recognized in the statement of financial position	Ps	22,245	22,227	1,408	1,138	23,653	23,365

For the years 2017, 2016 and 2015, actuarial (gains) losses for the period were generated by the following main factors as follows:

		2017	2016	2015
Actuarial (gains) losses due to experience	Ps	121	(511)	(105)
Actuarial (gains) losses due to demographic assumptions		(46)	(231)	(153)
Actuarial (gains) losses due financial assumptions		(78)	4,761	1,006
	Ps	(3)	4,019	748

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Defined benefit pension plans — continued

In 2017, net actuarial gains due to financial assumptions were mainly driven by an increase in the discount rates applicable to the benefits' obligations in Germany and Mexico and by actual returns higher than estimated in the United States, partially offset by a decrease in the discount rate in the United Kingdom. Net actuarial losses due to financial assumptions during 2016 were mainly generated by a significant reduction compared to 2015 in the discount rates applicable to the benefit obligations in the United Kingdom, Germany and other European countries, considering macroeconomic and political uncertainty, partially offset by an increase in the discount rate in Mexico. These actuarial losses originated by the reduction in the discount rates in 2016 were also partially offset by actual returns higher than estimated in some of the plan assets related to CEMEX's defined benefit plans. During 2015, discounts rates increased slightly or remained flat as compared to 2014, but the resulting actuarial gains were offset and reversed by actuarial losses generated by actual returns lower than estimated in certain of CEMEX's plan assets.

As of December 31, 2017 and 2016, plan assets were measured at their estimated fair value and, based on the hierarchy of fair values, are detailed as follows:

	2017				2016			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Cash	Ps 579	—	111	690	Ps 1,075	1,024	—	2,099
Investments in corporate bonds	144	6,067	1	6,212	1,050	2,617	—	3,667
Investments in government bonds	1,701	9,407	—	11,108	209	10,081	—	10,290
Total fixed-income securities	2,424	15,474	112	18,010	2,334	13,722	—	16,056
Investment in marketable securities	6,212	1,735	—	7,947	2,001	5,956	—	7,957
Other investments and private funds	991	3,279	2,466	6,736	770	3,478	593	4,841
Total variable-income securities	7,203	5,014	2,466	14,683	2,771	9,434	593	12,798
Total plan assets	Ps 9,627	20,488	2,578	32,693	Ps 5,105	23,156	593	28,854

As of December 31, 2017, estimated payments for pensions and other post-employment benefits over the next 10 years were as follows:

	2017
2018	Ps 3,071
2019	2,952
2020	3,085
2021	3,080
2022	3,121
2023 – 2027	15,868

The most significant assumptions used in the determination of the benefit obligation were as follows:

	2017				2016			
	Mexico	United States	United Kingdom	Range of rates in other countries	Mexico	United States	United Kingdom	Rates ranges in other countries
Discount rates	9.3%	3.9%	2.4%	1.3% – 6.3%	9.0%	4.2%	2.6%	1.1% – 7.0%
Rate of return on plan assets	9.3%	3.9%	2.4%	1.3% – 6.3%	9.0%	4.2%	2.6%	1.1% – 7.0%
Rate of salary increases	4.0%	—	3.2%	1.5% – 6.0%	4.0%	—	3.3%	1.5% – 6.0%

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Defined benefit pension plans — continued

As of December 31, 2017 and 2016, the aggregate projected benefit obligation ("PBO") for pension plans and other post-employment benefits and the plan assets by country were as follows:

	2017			2016		
	PBO	Assets	Deficit	PBO	Assets	Deficit
Mexico	Ps 3,213	840	2,373	Ps 3,247	824	2,423
United States	6,378	4,031	2,347	7,110	4,192	2,918
United Kingdom	35,602	23,145	12,457	33,925	22,154	11,771
Germany	4,362	213	4,149	4,429	227	4,202
Other countries	6,791	4,464	2,327	3,508	1,457	2,051
	Ps 56,346	32,693	23,653	Ps 52,219	28,854	23,365

Applicable regulation in the United Kingdom requires entities to maintain plan assets at a level similar to that of the obligations. In November 2012, in order to better manage CEMEX's obligations under its defined benefit pension schemes and future cash funding requirements thereof, CEMEX implemented an asset backed pension funding arrangement in its operations in the United Kingdom by means of which CEMEX transferred certain operating assets to a non-transferable limited partnership, owned, controlled and consolidated by CEMEX UK with a total value of US$553 and entered into lease agreements for the use of such assets with the limited partnership, in which the pension schemes hold a limited interest. On an ongoing basis CEMEX UK will make annual rental payments of US$20, increasing at annual rate of 5%, which will generate profits in the limited partnership that are then distributed to the pension schemes. As previously mentioned, the purpose of the structure, in addition to provide the pension schemes with secured assets producing an annual return over a period of 25 years, improves the security for the trustees of the pension schemes, and reduces the level of cash funding that CEMEX UK will have to make in future periods. In 2037, on expiry of the lease arrangements, the limited partnership will be terminated and under the terms of the agreement, the remaining assets will be distributed to CEMEX UK. Any future profit distribution from the limited partnership to the pension fund will be considered as an employer contribution to plan assets in the period in which they occur.

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, 2017 and 2016, the projected benefits obligation related to these benefits was Ps1,080 and Ps837, respectively. The medical inflation rates used to determine the projected benefits obligation of these benefits in 2017 and 2016 for Mexico were 7.0% and 7.0%, respectively, for Puerto Rico 6.9% and 4.3%, respectively, and for the United Kingdom were 6.7% and 6.8%, respectively. In connection with TCL's consolidation (note 4.1), CEMEX integrated TCL's health care benefits to its operations. For 2017, the medical inflation rate used to determine the projected benefits obligation was 5.0%.

Significant events related to employees' pension benefits and other post-employment benefits during the reported periods

During 2017, CEMEX in Spain removed certain increases in pensions benefits which resulted in an adjustment to past service cost generating gains of Ps99 (US$5) in 2017, recognized in the income statement for the year. In addition, due to the acquisition of TCL's (note 4.1), CEMEX integrated its pensions plans, which were fully funded, as well as TCL's health care benefits which represented an increase in the net projected liability of Ps271 (US$14).

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Significant events related to employees' pension benefits and other post-employment benefits during the reported periods — continued

During 2015, CEMEX in the United States terminated the retiree medical coverage for certain participants not yet retired. In addition, during 2014, CEMEX in the United States terminated the retiree medical and life insurance coverage for most new retirees, and changed the existing retirees program effective January 1, 2015, where participants will cease their current plans and instead receive a Health Reimbursement Account (HRA) contribution, if they become eligible. These curtailment events resulted in an adjustment to past service cost which generated gains of Ps13 (US$1) in 2015, recognized immediately through the benefit cost of the respective period.

Sensitivity analysis of pension and other post-employment benefits

For the year ended December 31, 2017, 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, 2017 are shown below:

		Pensions		Other benefits		Total	
		+50 bps	-50 bps	+50 bps	-50 bps	+50 bps	-50 bps
Assumptions:							
Discount Rate Sensitivity	Ps	(4,028)	4,426	(72)	83	(4,100)	4,509
Salary Increase Rate Sensitivity		154	(138)	34	(29)	189	(166)
Pension Increase Rate Sensitivity		2,341	(2,209)	—	—	2,341	(2,209)

19) INCOME TAXES

19.1) INCOME TAXES FOR THE PERIOD

The amounts of income tax revenue (expense) in the statements of operations for 2017, 2016 and 2015 are summarized as follows:

		2017	2016	2015
Current income taxes	Ps	(3,458)	(3,456)	6,121
Deferred income taxes		2,938	331	(8,489)
	Ps	(520)	(3,125)	(2,368)

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19.2) DEFERRED INCOME TAXES

As of December 31, 2017 and 2016, the main temporary differences that generated the consolidated deferred income tax assets and liabilities are presented below:

		2017	2016
Deferred tax assets:			
Tax loss carryforwards and other tax credits	Ps	15,900	17,514
Accounts payable and accrued expenses		7,083	9,262
Intangible assets and deferred charges, net		4,175	6,358
Others		—	411
Total deferred tax assets, net		27,158	33,545
Deferred tax liabilities:			
Property, machinery and equipment		(27,268)	(35,095)
Investments and other assets		(874)	(2,012)
Total deferred tax liabilities, net		(28,142)	(37,107)
Net deferred tax liabilities	Ps	(984)	(3,562)
Out of which:			
Net deferred tax (liability) asset in Mexican entities	Ps	(3,644)	(2,509)
Net deferred tax (liability) asset in Foreign entities	Ps	2,660	(1,053)

The breakdown of changes in consolidated deferred income taxes during 2017, 2016 and 2015 were as follows:

		2017	2016	2015
Deferred income tax (charged) credited to the income statement[1]	Ps	2,938	331	(8,489)
Deferred income tax (charged) credited to stockholders' equity		200	514	1,089
Reclassification to other captions in the statement of financial position and in the income statement[2]		(560)	531	(5,467)
Change in deferred income tax during the period	Ps	2,578	1,376	(12,867)

1 In 2017, includes a net income tax revenue related to the recognition of deferred income tax assets in CEMEX's operations in the United States (note 19.4).
2 In 2017, 2016 and 2015, includes the effects of discontinued operations (note 4.2) and in 2015 the effects of the termination of tax consolidation regime in Mexico.

Current and/or deferred income tax relative to items of other comprehensive income during 2017, 2016 and 2015 were as follows:

		2017	2016	2015
Tax effects relative to foreign exchange fluctuations from debt (note 20.2)	Ps	—	(410)	(272)
Tax effects relative to foreign exchange fluctuations from intercompany balances (note 20.2)		32	(12)	(181)
Tax effects relative to actuarial (gains) and losses (note 20.2)		(1)	788	183
Foreign currency translation and other effects		201	(274)	906
	Ps	232	92	636

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Deferred income taxes — continued

For the recognition of deferred tax assets, CEMEX analyzes the aggregate amount of self-determined tax loss carryforwards included in its income tax returns in each country where CEMEX believes, based on available evidence, that the tax authorities would not reject such tax loss carryforwards; and the likelihood of the recoverability of such tax loss carryforwards prior to their expiration through an analysis of estimated future taxable income. If CEMEX believes that it is probable that the tax authorities would reject a self-determined deferred tax asset, it would decrease such asset. Likewise, if CEMEX believes that it would not be able to use a tax loss carryforward before its expiration or any other tax asset, CEMEX would not recognize such asset. Both situations would result in additional income tax expense for the period in which such determination is made. In order to determine whether it is probable that deferred tax assets will ultimately be realized, CEMEX takes into consideration all available positive and negative evidence, including factors such as market conditions, industry analysis, expansion plans, projected taxable income, carryforward periods, current tax structure, potential changes or adjustments in tax structure, tax planning strategies and future reversals of existing temporary differences. In addition, every reporting period, CEMEX analyzes its actual results versus its estimates, and adjusts, as necessary, its tax asset valuations. If actual results vary from CEMEX's estimates, the deferred tax asset may be affected and necessary adjustments will be made based on relevant information, any adjustments recorded will affect CEMEX's statements of operations in such period.

As of December 31, 2017, consolidated tax loss and tax credits carryforwards expire as follows:

		Amount of carryforwards	Amount of unrecognized carryforwards	Amount of recognized carryforwards
2018	Ps	1,099	415	684
2019		5,989	5,149	840
2020		8,929	8,115	814
2021		4,407	2,908	1,499
2022 and thereafter		288,466	230,425	58,041
	Ps	308,890	247,012	61,878

As of December 31, 2017, in connection with CEMEX's deferred tax loss carryforwards presented in the table above, in order to realize the benefits associated with such deferred tax assets that have not been reserved, before their expiration, CEMEX would need to generate Ps61,878 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, which include expected growth in revenues and reductions in interest expense in several countries due to a reduction in intra-group debt balances, along with the implementation of feasible tax strategies, CEMEX believes that it will recover the balance of its tax loss carryforwards that have not been reserved before their expiration. In addition, CEMEX concluded that, the deferred tax liabilities that were considered in the analysis of recoverability of its deferred tax assets will reverse in the same period and tax jurisdiction of the related recognized deferred tax assets. Moreover, a certain amount of CEMEX's deferred tax assets refer to operating segments and tax jurisdictions in which CEMEX is currently generating taxable income or in which, according to CEMEX's management cash flow projections, will generate taxable income in the relevant periods before the expiration of the deferred tax assets.

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Deferred income taxes — continued

CEMEX 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.

19.3) RECONCILIATION OF EFFECTIVE INCOME TAX RATE

For the years ended December 31, 2017, 2016 and 2015, the effective consolidated income tax rates were as follows:

		2017	2016	2015
Income before income tax	Ps	13,659	17,563	3,464
Income tax expense		(520)	(3,125)	(2,368)
Effective consolidated income tax rate[1]		(3.8)%	(17.8)%	(68.4)%

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 differences between the statutory tax rate applicable in Mexico, and the effective tax rate presented in the consolidated statements of operations, which in 2017, 2016 and 2015 were as follows:

	2017		2016		2015	
	%	Ps	%	Ps	%	Ps
Mexican statutory tax rate	(30.0)	(4,098)	(30.0)	(5,269)	(30.0)	(1,039)
Non-taxable dividend income	0.1	14	0.2	32	37.0	1,280
Difference between accounting and tax expenses, net	(20.9)	(2,855)	82.6	14,507	(84.3)	(2,919)
Termination of the income tax consolidation regime in Mexico	—	—	—	—	32.8	1,136
Unrecognized effects during the year related to applicable tax consolidation regimes	0.9	123	(3.6)	(632)	8.5	293
Non-taxable sale of marketable securities and fixed assets	15.0	2,049	3.7	650	36.5	1,263
Difference between book and tax inflation	(31.2)	(4,261)	(11.0)	(1,932)	(26.6)	(922)
Differences in the income tax rates in the countries where CEMEX operates[1]	21.9	2,991	11.0	1,932	48.9	1,693
Changes in deferred tax assets[2]	39.8	5,433	(70.1)	(12,320)	(100.3)	(3,473)
Changes in provisions for uncertain tax positions	(0.4)	(55)	0.7	123	7.9	272
Others	1.0	139	(1.3)	(216)	1.2	48
Effective consolidated tax rate	(3.8)	(520)	(17.8)	(3,125)	(68.4)	(2,368)

1 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. In 2017, includes the effect related to the change in statutory tax rate in the United States (note 19.4).
2 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.

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Reconciliation of effective income tax rate — continued

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, 2017 and 2016:

		2017		2016	
		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	Ps	—	6,092	—	(9,108)
Derecognition related to tax loss carryforwards recognized in prior years		(5,221)	(5,221)	(4,843)	(4,843)
Recognition related to unrecognized tax loss carryforwards		9,694	9,694	1,631	1,631
Foreign currency translation and other effects		(6,087)	(5,132)	4,068	—
Changes in deferred tax assets	Ps	(1,614)	5,433	856	(12,320)

19.4) UNCERTAIN TAX POSITIONS AND SIGNIFICANT TAX PROCEEDINGS

As of December 31, 2017 and 2016, as part of short-term and long-term provisions and other liabilities (note 17), CEMEX has recognized provisions related to unrecognized tax benefits in connection with uncertain tax positions taken, in which it is deemed probable that the tax authority would differ from the position adopted by CEMEX. As of December 31, 2017, 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, 2017, 2016 and 2015, excluding interest and penalties, is as follows:

		2017	2016	2015
Balance of tax positions at beginning of the period	Ps	1,132	1,190	1,396
Additions for tax positions of prior periods		663	200	134
Additions for tax positions of current period		16	90	71
Reductions for tax positions related to prior periods and other items		(32)	(131)	(95)
Settlements and reclassifications		(119)	(163)	(204)
Expiration of the statute of limitations		(138)	(126)	(231)
Foreign currency translation effects		49	72	119
Balance of tax positions at end of the period	Ps	1,571	1,132	1,190

During 2017, considering recoverability analyses and cash flow projections, CEMEX recognized deferred income tax assets related to its operations in the United States for US$700 considering the then applicable income tax rate of 35%. However, regarding the Tax Cuts and Jobs Act (the "Act") enacted on December 22, 2017, the U.S. statutory federal tax rate was reduced from 35% to 21%. For this reason, CEMEX reduced its net

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deferred tax assets by US$124. The reduction in the U.S. statutory federal tax rate is expected to positively impact CEMEX's future after-tax earnings in the United States. Nonetheless, the ultimate impact is subject to the effect of other complex provisions in the Act, including the Base Erosion and Anti-Abuse Tax ("BEAT"), which CEMEX is currently reviewing, and it is possible that any impact of BEAT could reduce the benefit of the change in such statutory federal tax rate. Due to the uncertain practical and technical application of many of these provisions, it is currently not possible to reliably estimate whether BEAT will apply and if so, how it would impact CEMEX, but as additional guidance from the U.S. tax authorities is received, CEMEX will recognize the effects of such clarifications into its financial statements.

Tax examinations can involve complex issues, and the resolution of issues may span multiple years, particularly if subject to negotiation or litigation. Although CEMEX believes its estimates of the total unrecognized tax benefits are reasonable, uncertainties regarding the final determination of income tax audit settlements and any related litigation could affect the amount of total unrecognized tax benefits in future periods. It is difficult to estimate the timing and range of possible changes related to the uncertain tax positions, as finalizing audits with the income tax authorities may involve formal administrative and legal proceedings. Accordingly, it is not possible to reasonably estimate the expected changes to the total unrecognized tax benefits over the next 12 months, although any settlements or statute of limitations expirations may result in a significant increase or decrease in the total unrecognized tax benefits, including those positions related to tax examinations being currently conducted.

As of December 31, 2017, the Company's most significant tax proceedings are as follows:

- As part of an audit process, the tax authorities in Spain have challenged part of the tax loss carryforwards reported by CEMEX España covering the tax years from and including 2006 to 2009. During 2014, the tax authorities in Spain notified CEMEX España of fines in the aggregate amount of US$547 (Ps10,755). CEMEX España filed appeals against such resolution. On September 20, 2017, CEMEX España was notified about an adverse resolution to such appeals. CEMEX España challenged this decision and applied for the suspension of the payment before the National Court (*Audiencia Nacional*) until the recourses are finally resolved. As of December 31, 2017, CEMEX does not consider probable an adverse resolution in this proceeding and no accruals have been created in connection with this proceeding. Nonetheless, 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, it could have a material adverse impact on CEMEX's results of operations, liquidity or financial position.
- In December 2013, the Mexican Congress approved amendments to the income tax law effective January 1, 2014, which eliminated the tax consolidation regime. A period of up to 10 years was established for the settlement of any liability for income taxes related to the tax consolidation regime accrued until December 31, 2013, amount which considering the rules issued for the disconnection of the tax consolidation regime amounted to Ps24,804. In October 2015, a new tax reform approved by the Mexican Congress (the "new tax reform") granted entities the option to settle a portion of the liability for the exit of the tax consolidation regime using available tax loss carryforwards of the previously consolidated entities, considering a discount factor, and a tax credit to offset certain items of the aforementioned liability. Consequently, as a result of payments made during 2014 and 2015, the liability was further reduced to Ps16,244, which after the application of the tax credit and tax loss carryforwards (as provided by the new tax reform) which had a book value for CEMEX before discount of Ps11,136, as of December 31, 2015, the Parent Company's liability was reduced to Ps3,971. As of December 31, 2017 and 2016, considering

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payments made during these years net of inflation adjustments, CEMEX reduced the balance payable to Ps2,456 and Ps3,236, respectively.

- In April 2011, the Colombian Tax Authority ("Dirección de Impuestos") notified CEMEX Colombia of a special proceeding rejecting certain deductions taken by CEMEX Colombia in its 2009 tax return considering they are not linked to direct revenues recorded in the same fiscal year, and assessed an increase in taxes to be paid by CEMEX Colombia in an amount in Colombian pesos equivalent to US$30 (Ps593) and imposed a penalty in an amount in Colombian pesos equivalent to US$48 (Ps948), both as of December 31, 2017. After several appeals of CEMEX Colombia to the Colombian Tax Authority's special proceeding in the applicable courts in which CEMEX Colombia obtained negative resolutions in each case over the years, in July 2014, CEMEX Colombia filed an appeal against this resolution before the Colombian State Council (*Consejo de Estado)*. As of December 31, 2017, at this stage of the proceeding, CEMEX does not consider probable an adverse resolution in this proceeding, nonetheless, is difficult to assess with certainty the likelihood of an adverse result; but if adversely resolved, this proceeding could have a material adverse impact on CEMEX's results of operations, liquidity or financial position.

20) STOCKHOLDERS' EQUITY

As of December 31,2017 and 2016, stockholders' equity excludes investments in CPOs of the Parent Company held by subsidiaries of Ps301 (20,541,277 CPOs) and Ps327 (19,751,229 CPOs), respectively, which were eliminated within "Other equity reserves."

20.1) COMMON STOCK AND ADDITIONAL PAID-IN CAPITAL

As of December 31, 2017 and 2016, the breakdown of common stock and additional paid-in capital was as follows:

		2017	2016
Common stock	Ps	4,171	4,162
Additional paid-in capital		140,483	123,174
	Ps	144,654	127,336

As of December 31, 2017 and 2016 the common stock of CEMEX, S.A.B. de C.V. was presented as follows:

	2017		2016	
Shares [1]	Series A[2]	Series B[2]	Series A[2]	Series B[2]
Subscribed and paid shares	30,214,469,912	15,107,234,956	28,121,583,148	14,060,791,574
Unissued shares authorized for executives' stock compensation programs	531,739,616	265,869,808	638,468,154	319,234,077
Shares that guarantee the issuance of convertible securities[3]	4,529,605,020	2,264,802,510	5,218,899,920	2,609,449,960
	35,275,814,548	17,637,907,274	33,978,951,222	16,989,475,611

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Common stock and additional paid-in capital — continued

1 As of December 31, 2017 and 2016, 13,068,000,000 shares correspond to the fixed portion, and 39,845,721,822 shares in 2017 and 37,900,426,833 shares in 2016, correspond to the variable portion.
2 Series "A" or Mexican shares must represent at least 64% of CEMEX's capital stock; meanwhile, Series "B" or free subscription shares must represent at most 36% of CEMEX's capital stock.
3 Shares that guarantee the conversion of both the outstanding voluntary and mandatorily convertible securities and new securities issues (note 16.2).

On March 30, 2017, stockholders at the annual ordinary shareholders' meeting approved resolutions to: (i) increase the variable common stock through the capitalization of retained earnings by issuing up to 1,687 million shares (562 million CPOs), which shares were issued, representing an increase in common stock of Ps5, considering a nominal value of Ps0.00833 per CPO, and additional paid-in capital of Ps9,459; (ii) increase the variable common stock by issuing up to 258 million shares (86 million CPOs), which will be kept in the Parent Company's treasury to be used to preserve the anti-dilutive rights of note holders pursuant CEMEX's convertible securities (note 16.2).

On March 31, 2016, stockholders at the annual ordinary shareholders' meeting approved resolutions to: (i) increase the variable common stock through the capitalization of retained earnings by issuing up to 1,616 million shares (539 million CPOs), which shares were issued, representing an increase in common stock of Ps4, considering a nominal value of Ps0.00833 per CPO, and additional paid-in capital of Ps6,966; (ii) increase the variable common stock by issuing up to 297 million shares (99 million CPOs), which will be kept in the Parent Company's treasury to be used to preserve the anti-dilutive rights of note holders pursuant CEMEX's convertible securities (note 16.2).

On March 26, 2015, stockholders at the annual ordinary shareholders' meeting approved resolutions to: (i) increase the variable common stock through the capitalization of retained earnings by issuing up to 1,500 million shares (500 million CPOs), which shares were issued, representing an increase in common stock of Ps4, considering a nominal value of Ps0.00833 per CPO, and additional paid-in capital of Ps7,613; (ii) increase the variable common stock by issuing up to 297 million shares (99 million CPOs), which will be kept in the Parent Company's treasury to be used to preserve the anti-dilutive rights of note holders pursuant CEMEX's convertible securities (note 16.2).

In connection with the long-term executive share-based compensation program (note 21) in 2017, 2016 and 2015, CEMEX issued approximately 53.2 million CPOs, 53.9 million CPOs and 49.2 million, respectively, generating an additional paid-in capital of Ps817 in 2017, Ps742 in 2016 and Ps655 in 2015 associated with the fair value of the compensation received by executives.

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20.2) OTHER EQUITY RESERVES

As of December 31, 2017 and 2016 other equity reserves are summarized as follows:

		2017	2016
Cumulative translation effect, net of effects from perpetual debentures and deferred income taxes recognized directly in equity (notes 19.2 and 20.4)	Ps	21,288	31,293
Cumulative actuarial losses		(10,931)	(10,934)
Effects associated with CEMEX´s convertible securities[1]		3,427	4,761
Treasury shares held by subsidiaries		(301)	(327)
	Ps	13,483	24,793

1 Represents the equity component upon the issuance of CEMEX's convertible securities described in note 16.2, as well as the effects associated with such securities in connection with the change in the Parent Company's functional currency (note 2.4). Upon conversion of these securities, the balances have been correspondingly reclassified to common stock and/or additional paid-in capital (note 16.1).

For the years ended December 31, 2017, 2016 and 2015, the translation effects of foreign subsidiaries included in the statements of comprehensive income were as follows:

		2017	2016	2015
Foreign currency translation result[1]	Ps	(3,116)	20,648	12,869
Foreign exchange fluctuations from debt[2]		(4,160)	1,367	908
Foreign exchange fluctuations from intercompany balances[3]		(2,243)	(10,385)	(5,801)
	Ps	(9,519)	11,630	7,976

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 16.4).
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 2.4).
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.

20.3) 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, 2017, the legal reserve amounted to Ps1,804.

20.4) 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, 2017 and 2016, non-controlling interest in equity amounted to

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Non-controlling interest — continued

Ps22,095 and Ps19,876, respectively. In addition, in 2017, 2016 and 2015, non-controlling interests in consolidated net income were Ps1,417, Ps1,173 and Ps923, respectively. These non-controlling interests arise mainly from the following CEMEX's subsidiaries:

- In February 2017, as described in note 4.1, CEMEX acquired a controlling interest in TCL, which shares trade in the Trinidad and Tobago Stock Exchange. As of December 31, 2017, there is a non-controlling interest in TCL of approximately 30.2% of its common shares (see note 4.4 for certain relevant condensed financial information).
- In July 2016, CHP, an indirect wholly-owned subsidiary of CEMEX España, S.A., closed its initial offering of 2,337,927,954 new common shares, or 45% of CHP's common shares, at a price of 10.75 Philippine Pesos per common share. The net proceeds from the offering of US$507 (considering an exchange rate of 46.932 Philippines pesos per U.S. dollar on June 30, 2016), after deducting commissions and other offering expenses, were used by CEMEX for general corporate purposes, including the repayment of existing debt. CHP's assets consist primarily of CEMEX's cement manufacturing assets in the Philippines. As of December 31, 2017 and 2016, there is a non-controlling interest in CHP of approximately 45% of its common shares in both years (see note 4.4 for certain relevant condensed financial information).
- In November 2012, pursuant to a public offering in Colombia and an international private placement, CLH, a direct subsidiary of CEMEX España, S.A., concluded its initial offering of common shares. CLH's assets include substantially all of CEMEX's assets in Colombia, Panama, Costa Rica, Brazil, Guatemala and El Salvador. As of December 31, 2017 and 2016, there is a non-controlling interest in CLH of approximately 26.75% and 26.72%, respectively, of CLH's outstanding common shares, excluding shares held in treasury (see note 4.4 for certain relevant condensed financial information).

Perpetual debentures

As of December 31, 2017, 2016 and 2015, the balances of the non-controlling interest included US$447 (Ps8,784), US$438 (Ps9,075) and US$440 (Ps7,581), respectively, representing the notional amount of perpetual debentures, which exclude any perpetual debentures held by subsidiaries.

Interest expense on the perpetual debentures, was included within "Other equity reserves" and amounted to Ps482 in 2017, Ps507 in 2016 and Ps432 in 2015, excluding in all the periods the amount of interest accrued by perpetual debentures held by subsidiaries.

CEMEX's perpetual debentures have no fixed maturity date and there are no contractual obligations for CEMEX to exchange any series of its outstanding perpetual debentures for financial assets or financial liabilities. As a result, these debentures, issued entirely by Special Purpose Vehicles ("SPVs"), qualify as equity instruments and are classified within non-controlling interest, as they were issued by consolidated entities. In addition, subject to certain conditions, CEMEX has the unilateral right to defer indefinitely the payment of interest due on the debentures. The classification of the debentures as equity instruments was made under applicable IFRS. The different SPVs were established solely for purposes of issuing the perpetual debentures and were included in CEMEX's consolidated financial statements.

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Perpetual debentures — continued

As of December 31, 2017 and 2016, the detail of CEMEX's perpetual debentures, excluding the perpetual debentures held by subsidiaries, was as follows:

Issuer	Issuance date	2017 Nominal amount		2016 Nominal amount		Repurchase option	Interest rate
C10-EUR Capital (SPV) Ltd	May 2007	€	64	€	64	Tenth anniversary	EURIBOR + 4.79%
C8 Capital (SPV) Ltd	February 2007	US$	135	US$	135	Eighth anniversary	LIBOR + 4.40%
C5 Capital (SPV) Ltd[1]	December 2006	US$	61	US$	61	Fifth anniversary	LIBOR + 4.277%
C10 Capital (SPV) Ltd	December 2006	US$	175	US$	175	Tenth anniversary	LIBOR + 4.71%

1 Under the 2017 Credit Agreement, and previously under the 2014 Credit Agreement, CEMEX is not permitted to call these debentures.

21) EXECUTIVE SHARE-BASED COMPENSATION

CEMEX has long-term restricted share-based compensation programs providing for the grant of the Parent Company's CPOs to a group of eligible executives, pursuant to which, new CPOs are issued 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. Under the ordinary programs, the Parent Company issued new shares for approximately 53.2 million CPOs in 2017, 53.9 million CPOs in 2016 and 49.2 million CPOs in 2015 that were subscribed and pending for payment in the Parent Company's treasury. As of December 31, 2017, there are approximately 79 million CPOs associated with these annual programs that are potentially expected to be issued in the following years as the executives render services.

Moreover, beginning in 2017, with the approval of the Parent Company's Board of Directors, 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 three-annual internal and external performance metrics, which depending in their weighted achievement, may result in a final payment in 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"). During 2017, no CPOs of the Parent Company were issued under the key executives program.

Beginning January 1, 2013, 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, sharing significantly the same conditions of CEMEX's plan also over a service period of four years. During 2017, 2016 and 2015, CLH physically delivered 172,981 shares, 271,461 shares and 242,618 shares, respectively, corresponding to the vested portion of prior years' grants, which were subscribed and held in CLH's treasury. As of December 31, 2017, there are 798,552 shares of CLH associated with these annual programs that are expected to be delivered in the following years as the executives render services.

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 2017, 2016 and 2015, was recognized in the operating results against other equity reserves and amounted to Ps817, Ps742 and Ps655, respectively. The weighted average price per

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Executive share-based compensation — continued

CPO granted during the period was approximately 14.28 pesos in 2017, 13.79 pesos in 2016 and 13.34 pesos in 2015. Moreover, the weighted average price per CLH share granted during the period was 13,077 Colombian pesos in 2017, 13,423 Colombian pesos in 2016 and 14,291 Colombian pesos in 2015. As of December 31, 2017 and 2016, 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 or CLH's shares.

22) EARNINGS PER SHARE

Basic earnings 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 by the passage of time should be included in the determination of the basic weighted average number of shares outstanding. Diluted earnings 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 led to a reduction in basic earnings per share or an increase in basic loss per share, otherwise, the effects of potential shares are not considered because they generate antidilution.

The amounts considered for calculations of earnings per share in 2017, 2016 and 2015 were as follows:

	2017	2016	2015
Denominator (thousands of shares)			
Weighted average number of shares outstanding[1]	43,107,457	42,211,409	41,491,672
Capitalization of retained earnings[2]	1,687,295	1,687,295	1,687,295
Effect of dilutive instruments — mandatorily convertible securities (note 16.2)[3]	708,153	708,153	708,153
Weighted average number of shares — basic	45,502,905	44,606,857	43,887,120
Effect of dilutive instruments — share-based compensation (note 21)[3]	237,102	226,972	171,747
Effect of potentially dilutive instruments — optionally convertible securities (note 16.2)[3]	2,698,600	3,834,458	5,065,605
Weighted average number of shares — diluted	48,438,607	48,668,287	49,124,472
Numerator			
Net income from continuing operations	Ps 13,139	14,438	1,096
Less: non-controlling interest net income	1,417	1,173	923
Controlling interest net income from continuing operations	11,722	13,265	173
Plus: after tax interest expense on mandatorily convertible securities	91	119	144
Controlling interest net income from continuing operations — for basic earnings per share calculations	11,813	13,384	317
Plus: after tax interest expense on optionally convertible securities	903	1,079	1,288
Controlling interest net income from continuing operations — for diluted earnings per share calculations	Ps 12,716	14,463	1,605
Net income from discontinued operations	Ps 3,499	768	1,028

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Earnings per share — continued

		2017	2016	2015
Basic earnings per share				
Controlling interest basic earnings per share	Ps	0.34	0.32	0.03
Controlling interest basic earnings per share from continuing operations		0.26	0.30	0.01
Controlling interest basic earnings per share from discontinued operations		0.08	0.02	0.02
Controlling interest diluted earnings per share [4]				
Controlling interest diluted earnings per share	Ps	0.34	0.32	0.03
Controlling interest diluted earnings per share from continuing operations		0.26	0.30	0.01
Controlling interest diluted earnings per share from discontinued operations		0.08	0.02	0.02

1 The weighted average number of shares outstanding in 2016 and 2015 reflects the shares issued as a result of the capitalization of retained earnings declared on March 2016 and March 2015, as applicable (note 20.1).
2 According to resolution of the Parent Company's stockholders' meeting on March 30, 2017.
3 The number of CPOs to be issued under the executive share-based compensation programs, as well as the total amount of 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 option programs is determined under the inverse treasury method.
4 For 2017, 2016 and 2015, 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.

23) COMMITMENTS

23.1) GUARANTEES

As of December 31, 2017 and 2016, CEMEX, S.A.B. de C.V., had guaranteed loans of certain subsidiaries for US$1,506 (Ps29,601) and US$2,887 (Ps59,819), respectively.

23.2) PLEDGED ASSETS

CEMEX transferred to a guarantee trust the shares of its main subsidiaries, including, among others, CEMEX México, S.A. de C.V., New Sunward Holding B.V. and CEMEX España, S.A., and entered into pledge agreements in order to secure payment obligations under the 2017 Credit Agreement (formerly under the 2014 Credit Agreement and the Facilities Agreement) and other debt instruments entered into prior to the date of these agreements (note 16.1).

As of December 31, 2017 and 2016, there are no liabilities secured by property, machinery and equipment.

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23.3) OTHER COMMITMENTS

As of December 31, 2017 and 2016, CEMEX was party of other commitments for several purposes, including the purchase of fuel and energy, which estimated future cash flows over their maturity are presented in note 23.5. A description of the most significant contracts is as follows:

- In connection with the beginning of full commercial operations of 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, which began in April 2016. As of December 31, 2017, the estimated annual cost of this agreement is US$27 (unaudited) assuming that 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 MW effectively received at the agreed prices per unit.
- On July 30, 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. As of December 31, 2017, the estimated annual cost of this agreement is US$71 (unaudited) assuming that 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. As of December 31, 2017, the estimated annual cost of this agreement is US$110 (unaudited) assuming that CEMEX receives all its energy allocation. Nonetheless, final amounts will be determined considering the final MWg 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 aforementioned volume of fuel from sources in the international markets and Mexico.
- CEMEX OstZement GmbH ("COZ"), CEMEX's subsidiary in Germany, held a long-term energy supply contract until 2023 with STEAG—Industriekraftwerk Rüdersdorf GmbH ("SIKW") in connection with the overall electricity needs of CEMEX's Rüdersdorf 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 VEN 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 approximately US$12 (unaudited) assuming that CEMEX receives all its energy allocation.

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23.4) 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, 2017, in certain plans, CEMEX has established stop-loss limits for continued medical assistance derived from a specific cause (e.g., an automobile accident, illness, etc.) ranging from 23 thousand dollars to 400 thousand dollars. In other plans, CEMEX has established stop-loss limits per employee regardless of the number of events ranging from 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, this scenario is remote. The amount expensed through self-insured health care benefits was US$64 (Ps1,258) in 2017, US$69 (Ps1,430) in 2016 and US$69 (Ps1,189) in 2015.

23.5) CONTRACTUAL OBLIGATIONS

As of December 31, 2017 and 2016, CEMEX had the following contractual obligations:

(U.S. dollars millions)	2017					2016
Obligations	Less than 1 year	1-3 years	3-5 years	More than 5 years	Total	Total
Long-term debt	US$ 798	519	2,411	6,164	9,892	11,379
Finance lease obligations[1]	36	87	52	—	175	107
Convertible notes[2]	379	527	—	—	906	1,205
Total debt and other financial obligations[3]	1,213	1,133	2,463	6,164	10,973	12,691
Operating leases[4]	109	181	136	68	494	515
Interest payments on debt[5]	448	968	809	848	3,073	3,996
Pension plans and other benefits[6]	156	307	316	808	1,587	1,414
Purchases of raw materials, fuel and energy[7]	649	810	866	2,001	4,326	4,440
Total contractual obligations	US$ 2,575	3,399	4,590	9,889	20,453	23,056
	Ps 50,599	66,790	90,193	194,319	401,901	477,720

1 Represent nominal cash flows. As of December 31, 2017, the NPV of future payments under such leases was US$158 (Ps3,105), of which, US$79 (Ps1,552) refers to payments from 1 to 3 years and US$48 (Ps943) refer to payments from 3 to 5 years.

2 Refers to the components of liability of the convertible notes described in note 16.2 and assumes repayment at maturity and no conversion of the notes.

3 The schedule of debt payments, which includes current maturities, does not consider the effect of any refinancing of debt that may occur during the following years. In the past, CEMEX has replaced its long-term obligations for others of a similar nature.

4 The amounts represent nominal cash flows. CEMEX has operating leases, primarily for operating facilities, cement storage and distribution facilities and certain transportation and other equipment, under which annual rental payments are required plus the payment of certain operating expenses. Rental expense was US$115 (Ps2,252) in 2017, US$121 (Ps2,507) in 2016 and US$114 (Ps1,967) in 2015.

5 Estimated cash flows on floating rate denominated debt were determined using the floating interest rates in effect as of December 31, 2017 and 2016.

6 Represents estimated annual payments under these benefits for the next 10 years (note 18), including the estimate of new retirees during such future years.

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7 Future payments for the purchase of raw materials are presented on the basis of contractual nominal cash flows. Future nominal payments for energy were estimated for all contractual commitments on the basis of an aggregate average expected consumption 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.

24) LEGAL PROCEEDINGS

24.1) PROVISIONS RESULTING FROM LEGAL PROCEEDINGS

CEMEX is involved in various significant legal proceedings, the resolutions of which are deemed probable and imply cash outflows or the delivery of other resources owned by CEMEX. As a result, certain provisions or losses have been recognized in the financial statements, representing the best estimate of the amounts payable or the amount of impaired assets. Therefore, CEMEX believes that it will not make significant expenditure or incur significant losses in excess of the amounts recorded. As of December 31, 2017, the details of the most significant events giving effect to provisions or losses are as follows:

- Regarding the Maceo project in Colombia (note 14), in August 2012, CEMEX Colombia signed a memorandum of understanding ("MOU") with the representative of CI Calizas y Minerales S.A. ("CI Calizas"), which objective was the acquisition and transfer of assets comprising land, the mining concession and the environmental permit, the common shares of the entity Zona Franca Especial Cementera del Magdalena Medio S.A.S. ("Zomam") (holder of the free trade zone concession), as well as the rights to build the new cement plant. After signing the MOU, 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 Colombia's Attorney General (the "Attorney General"). Amongst other measures, the Attorney General ordered the seizure and consequent suspension of the right to dispose the assets subject to the MOU. CEMEX Colombia acquired the shares of Zomam before the beginning of such process; nonetheless, the Attorney General decided to also include them in the action of expiration of property. To protect its interests and defend its rights as a third party acting in good faith and free of guilt, CEMEX Colombia joined the expiration of property process fully cooperating with the Attorney General.

  In July 2013, CEMEX Colombia signed with the provisional depository of the assets, designed by the Drugs National Department (*Dirección Nacional de Estupefacientes*, then depository of the affected assets), 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, which can be early terminated by the SAE, by means of which CEMEX Colombia was duly authorized to continue with the necessary works for the construction and operation of the plant (the "Lease Contract"). Likewise, the provisional depository granted a mandate to CEMEX Colombia for the same purpose. CEMEX considers that during the course of the different legal processes, the Lease Contract enables it to use and enjoy the land in order to operate the plant. Therefore, CEMEX Colombia plans to negotiate an extension to the Lease Contract before its maturity in July 2018, as well as an agreement that would allow CEMEX Colombia to operate the plant while the expiration of property process is exhausted.

  In May 2016, the Attorney General resolved to deny the inadmissibility request to the action for expiration of property previously filed by CEMEX Colombia, considering that it should broaden the collection of evidential elements and its analysis in order to take a resolution according to law. As of December 31, 2017, given the nature of the process and the several procedural stages, it is estimated that it may take between five and ten years for the issuance of a final resolution in respect to the aforementioned process, which is in

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its investigation stage awaiting for the defendants' legal counsel (guardians *ad litem*) designated by the Attorney General to assume functions in order to open the evidentiary stage.

Moreover, in connection with Maceo's project, CEMEX Colombia also engaged the same representative of CI Calizas to also represent in the name and on behalf of CEMEX Colombia in the acquisition of land adjacent to the plant, signing a new memorandum of understanding with this representative (the "Land MOU"). During 2016, CEMEX received reports through its anonymous reporting line, related to possible deficiencies in the purchase process of land were the cement plant is located. At this respect, CEMEX initiated an investigation and internal audit in accordance with its corporate governance policies and its code of ethics, confirming the irregularities in such process described below. As a result, on September 23, 2016, CLH and CEMEX Colombia decided to terminate the employment relationship with the Vice President of Planning of CLH and CEMEX Colombia, with the Legal Counsel of CLH and CEMEX Colombia; and accepted the resignation of the Chief Executive Officer of CLH and President of CEMEX Colombia to facilitate investigations. In order to strengthen the levels of leadership, management and best practices of corporate governance, in October 2016, the Board of Directors of CLH decided to separate the roles of Chairman of the Board of Directors, Chief Executive Officer of CLH and President of CEMEX Colombia, and immediately made the respective appointments. Moreover, pursuant to a requirement of CEMEX, S.A.B. de C.V.'s Audit Committee and of CLH's Audit Commission, an audit firm, experts in forensic audits, was engaged in order to perform an independent investigation of the Maceo project. Additionally, CEMEX Colombia and CLH engaged an external firm to assist CLH and CEMEX Colombia on the necessary collaboration with the Attorney General and management also engaged a team of external lawyers for its own legal advice.

The internal audit initiated in 2016 found that CEMEX Colombia made cash advances and paid interest to this representative for amounts in Colombian pesos equivalent to US$13.4 and US$1.2, respectively, in both cases considering the Colombian peso to U.S. dollar exchange rate as of December 31, 2016. These payments were deposited in the representative's personal bank account as advance payments under the MOU and the Land MOU. CEMEX Colombia paid interest according to the representative's instructions. Pursuant to the expiration of property process of the assets subject to the MOU and the failures to legally formalize the purchases under the Land MOU, as of the reporting date, CEMEX Colombia is not the legitimate owner of the aforementioned assets. Considering that payments made by CEMEX Colombia under the MOU and the Land MOU were made in violation of CEMEX's and CLH's internal policies; both CLH and CEMEX Colombia reported these facts to the Attorney General, providing the findings obtained during the investigations and internal audits, and also filed a claim in the civil courts aiming that all property rights related to the additional land, some of which were assigned to the representative, would be effectively transferred to CEMEX.

Based on the investigation and internal audit related to Maceo's project mentioned above, and considering the findings and the legal opinions available, in December 2016, CEMEX determined: a) low probability of recovering resources delivered under the different memorandums of understanding for an amount in Colombian pesos equivalent to US$14.3 (Ps295) recognized as part of investments in progress, were reduced to zero recognizing an impairment loss for such amount against "Other expenses, net;" b) certain purchases of equipment installed in the plant were considered exempt for VAT purposes under the benefits of the free trade zone, however, as those assets were actually installed outside of the free trade zone's area, they lack of such benefits, therefore, CEMEX increased investments in progress against VAT accounts payable for US$9.2 (Ps191); and c) the cancellation of the balance payable to CI Calizas under the MOU in

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connection with the acquisition of the assets for US$9.1 (Ps188) against a reduction in investments in progress. All these amounts considering the Colombian peso to U.S. dollar exchange rate as of December 31, 2016. During 2017, no additional significant adjustments or losses have been determined in relation to this project. CEMEX Colombia determined an initial total budget for the Maceo plant of US$340. As of December 31, 2017, the carrying amount of the project, net of adjustments, is for an amount in Colombian pesos equivalent to Ps6,543 (US$333), considering the exchange rates as of December 31, 2017.

In relation to the aforementioned irregularities detected, there is an ongoing criminal investigation by the Attorney General. As of December 31, 2017, the investigation by the Attorney General is finalizing its initial stage (inquiry) and a hearing to present charges was set for January 15, 2018, which would initiate the second stage of the proceeding (investigation). CEMEX is neither able to predict the actions that the General Attorney could implement, nor the possibility and degree in which any of these possible actions, including the termination of employment of the aforementioned executives, could have a material adverse effect on CEMEX's results of operation, liquidity or financial position. Under the presumption that CEMEX Colombia conducted itself in good faith, and considering that the rest of its investments made in the development of Maceo's project were made with the consent of the SAE and CI Calizas, such 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. Consequently, CEMEX considers that will be able to retain ownership of the plant and other refurbishments made. Nonetheless, had this not be the case, CEMEX Colombia would take all necessary actions to safeguard the project in Maceo. At this respect, there is the possibility that CEMEX considers remote, in which, in the event that the expiration of property over the assets subject to the MOU is ordered in favor of the State, the SAE may decide not to sell the assets to CEMEX Colombia, or, the SAE may elect to maintain ownership of the assets and not extend the Lease Contract. In both cases, under Colombian law, CEMEX Colombia would be entitled to an indemnity for the amount of its incurred investments. However, an adverse resolution at this respect could have a material adverse effect on the Company's results of operations, liquidity or financial condition.

In October 2016, considering information that also emerged from the audits, CEMEX decided to postpone the start-up of the Maceo plant and the construction of the access road until the following issues would be resolved: (i) there are pending permits required to finalize the access road to the Maceo plant, critical infrastructure to assure safety and capacity to transport products from the plant; (ii) CEMEX Colombia has requested an expansion to the free trade zone to cover the totality of the cement plant in order to access the tax benefits originally projected for the plant, for which is critical that the request for partial adjustment to the District of Integrated Management ("DIM") would be finalized in July 2018, in order to allow CEMEX Colombia continue with the expansion process of the free trade zone; (iii) it is necessary to modify the environmental license to expand its production to 950 thousand tons of clinker per year as initially planned; as well as to reduce the size of the zoning area in order to avoid any overlap with the DIM; (iv) a subsidiary of CEMEX Colombia holds the environmental permit for project Maceo, however, the transfer of the mining concession was revoked by the Antioquia Mining Government Ministry in December 2013 and reassigned to CI Calizas. As a result, the environmental permit and the mining concession are in custody of different entities, contrary to standard situation; and (v) the mining permit of the plant partially overlaps with the DIM. In connection with these issues, on December 13, 2016, Corantioquia, the regional environmental agency, communicated its negative resolution to CEMEX Colombia's request to increase the mining concession for up to 950 thousand tons per year, resolution that was appealed by CEMEX Colombia,

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whom continues working to address these issues as soon as possible, including the zoning and reconciliation of the Maceo project with the DIM, as well as analyzing alternatives for partial extraction of the DIM aiming to evidence the feasibility of achieving the expansion of the proposed activity in the project. Once these alternatives are implemented, CEMEX Colombia would reconsider submitting a new request for modification of the environmental license to expand its production to the initially envisaged 950 thousand tons. Meanwhile, CEMEX Colombia will limit its activities to those authorized under the currently effective environmental license and mining title.

- On December 11, 2017, in the context of a market investigation opened in 2013 against five cement companies and 14 executives of those companies, including two former executives of CEMEX Colombia for purported practices that limited free competition, and after several processes over the years, the Colombian Superintendence of Industry and Commerce (*Superintendencia de Industria y Comercio* or the "SIC") imposed a final fine to CEMEX Colombia for an amount equivalent to US$25 (Ps491) to be paid no later than January 5, 2018, considering CEMEX Colombia's defense strategy. As a result, as of December 31, 2017, CEMEX Colombia recognized a provision for the full amount against "Other expenses, net." CEMEX Colombia will not appeal the resolution of the SIC and instead intends directly to file an annulment and reestablishment of right claim before the Administrative Court within the four months after the resolution. Once filed, this claim could take a considerable amount of time in being resolved. As of December 31, 2017, CEMEX is not able to assess the likelihood for the recovery of the fine imposed by the SIC or the timeframe for the defense process.

- In January 2007, the Polish Competition and Consumers Protection Office (the "Protection Office") initiated an antitrust proceeding against all cement producers in the country, including CEMEX Polska Sp. Z.o.o.("CEMEX Polska") and another subsidiary in Poland, arguing that there was an agreement between all cement producers in Poland regarding prices, market quotas and other sales conditions; and that the producers exchanged information, all of which limited competition in the Polish cement market. In December 2009, the Protection Office issued a resolution imposing fines on a number of Polish cement producers, including CEMEX Polska for the period of 1998 to 2006. The fine imposed on CEMEX Polska, after an appeal before the Polish Court of Competition and Consumer Protection in Warsaw amounts to the equivalent of US$27 (Ps531). In 2014, CEMEX Polska filed an appeal against the fine and the case has been since in the Appeals Court in Warsaw (the "Appeals Court"). The above mentioned penalty is not enforceable until the Appeals Court issues its final judgment and if the penalty is maintained in the final resolution, then it will be payable within 14 calendar days of the announcement. As of December 31, 2017, CEMEX had accrued a provision for the full amount of the fine mentioned above representing the best estimate in connection with this resolution. CEMEX Polska estimates that the final judgment will be issued during 2018.

- As of December 31, 2017, CEMEX had accrued environmental remediation liabilities 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 Sterling Pounds equivalent to US$178 (Ps3,493). Expenditure was assessed and quantified over the period in which the sites have the potential to cause environmental harm, which was accepted by the regulator as being up to 60 years from the date of closure. The assessed expenditure included the costs of monitoring the sites and the installation, repair and renewal of environmental infrastructure.

- As of December 31, 2017, CEMEX had accrued environmental remediation liabilities in the United States for an amount of US$30 (Ps586), related to: a) the disposal of various materials in accordance with past

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industry practice, which might currently be categorized as hazardous substances or wastes, and b) the cleanup of sites used or operated by CEMEX, including discontinued operations, regarding the disposal of hazardous substances or waste, either individually or jointly with other parties. Most of the proceedings are in the preliminary stages, and a final resolution might take several years. Based on the information developed to date, CEMEX's does not believe that it will be required to spend significant sums on these matters in excess of the amounts previously recorded. The ultimate cost that may be incurred to resolve these environmental issues cannot be assured until all environmental studies, investigations, remediation work and negotiations with, or litigation against, potential sources of recovery have been completed.

24.2) OTHER 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 or remote. In certain cases, a negative resolution may represent the revocation of an operating license, in which case, CEMEX may experience a decrease in future revenues, an increase in operating costs or a loss. 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, 2017, the most significant events with a quantification of the potential loss, when it is determinable and would not impair the outcome of the relevant proceeding, were as follows:

- In December 2016, CEMEX, S.A.B. de C.V. received subpoenas from the United States Securities and Exchange Commission ("SEC") seeking information that may allow determining whether there are violations of the U.S. Foreign Corrupt Practices Act in connection with the Maceo project. These subpoenas do not mean that the SEC has concluded that CEMEX violated the law. The payments made by CEMEX Colombia in connection with Maceo's project under the MOU and the MOU with the Representative described above, were made to non-governmental individuals in breach of CEMEX and CLH established protocols. CEMEX has been cooperating with the SEC and the Attorney General and intends to continue cooperating fully with the SEC and the Attorney General. It is possible that the United States Department of Justice or investigatory entities in other jurisdictions may also open investigations into this matter. To the extent they do so, CEMEX intends to cooperate fully with those inquiries, as well. As of December 31, 2017, CEMEX is neither able to predict the duration, scope, or outcome of the SEC investigation or any other investigation that may arise, nor has elements to determine the probability that the SEC's investigation results may or may not have a material adverse impact on its consolidated results of operations, liquidity or financial position.
- In September 2016, CEMEX España Operaciones, S.L.U. ("CEMEX España Operaciones"), a subsidiary of CEMEX in Spain, in the context of a market investigation initiated in 2014 for alleged anticompetitive practices in 2009 for the cement market and the years 2008, 2009, 2012, 2013 and 2014 for the ready-mix market, was notified of a resolution by the National Markets and Competition Commission (*Comisión Nacional de los Mercados y la Competencia* or the "CNMC") requiring the payment of a fine for €6 (US$7 or Ps138). CEMEX España Operaciones appealed the fine and requested the suspension of payment before the National Court (*Audiencia Nacional*), which granted the requested suspension; subject to issuance of a bank guarantee for the principal amount of the sanction. The CNMC was notified. As of December 31, 2017, CEMEX do not expect that an adverse resolution to this matter would have a material adverse impact on our results of operations, liquidity and financial condition.

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- 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 applied to the Egyptian cement industry in amounts equivalent as of December 31, 2017 of US$18 (Ps357) for the period from May 5, 2008 to November 30, 2011. In March 2014, ACC appealed the levy and obtained a favorable resolution by the Ministerial Committee for Resolution of Investment Disputes, which instructed the Egyptian Tax Authority to cease claiming ACC the aforementioned 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 referred the cases to Cairo's Administrative Judiciary Court. As of December 31, 2017, a session has been scheduled for February 5, 2018 in order to review the two referred cases. At this stage, as of December 31, 2017, 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 in order to nullify the Share Purchase Agreement (the "SPA") pursuant to which CEMEX acquired in 1999 a controlling interest in Assiut Cement Company ("ACC"). 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, as of December 31, 2017, in connection with the first lawsuit of 2011, was referred by the Assiut's Administrative Judiciary Court to the Commissioners' Division to render the corresponding opinion; whereas in respect to the second lawsuits, the cases are held in Cairo's 7th Circuit State Council Administrative Judiciary Court awaiting also for the High Constitutional Court to pronounce itself in regards to 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, 2017, 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 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 has drilling rights in order 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 an amount in euros equivalent to US$66 (Ps1,297), 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, as of December 31, 2017, the case is held in the appeals court in Lyon, France, where a judgment is expected by mid 2018. As of December 31, 2017, CEMEX considers that an adverse resolution on this matter would not have a material adverse impact on CEMEX's results of operations, liquidity and financial condition.
- In June 2012, one of CEMEX's subsidiaries in Israel and three other companies were notified about a class action suits filed by a homeowner who built his house with concrete supplied by the defendants in October

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2010. The class action argues that the concrete supplied to him did not meet with the Israeli ready-mix strength standard requirements and that as a result CEMEX acted unlawfully toward all of its customers who received concrete that did not comply with such standard requirements, causing financial and non-financial damages to those customers, including the plaintiff. CEMEX presumes that the class action would represent the claim of all the clients who purchased the alleged non-conforming concrete from its subsidiary in Israel during the past 7 years, the limitation period according to applicable laws in Israel. The damages that could be sought are equivalent to US$80 (Ps1,564). After several hearings to present evidence from all parties over the years and the resolution of the court to join together all claims against all four companies in order to simplify and shorten court proceedings, as of December 31, 2017, the proceedings are finalizing the evidentiary stage, and CEMEX's subsidiary in Israel is not able to assess the likelihood of the class action application being approved or, if approved, of an adverse result, such as an award for damages in the full amount that could be sought, but if adversely resolved CEMEX considers that an adverse resolution on this matter would not have a material adverse impact on its results of operations, liquidity or financial condition.

- In June 2010, the District of Bogota's Environmental Secretary (the "Environmental Secretary"), ordered the suspension of CEMEX Colombia's mining activities at El Tunjuelo quarry, located in Bogota, sealed off the mine to machinery and prohibited the removal of aggregates inventory, as well as those of other aggregates producers in the same area. The Environmental Secretary alleged that during the past 60 years, CEMEX Colombia and the other companies have illegally changed the course of the Tunjuelo River, have used the percolating waters without permission and have improperly used the edge of the river for mining activities. CEMEX Colombia responded to the injunction by requesting that it be revoked based on the fact that the mining activities at El Tunjuelo quarry are supported by the authorizations required by the applicable environmental laws and that all the environmental impact statements submitted by CEMEX Colombia have been reviewed and permanently authorized by the Ministry of Environment and Sustainable Development. Although there is not an official quantification of the possible fine, the Environmental Secretary has publicly declared that the fine could be up to the equivalent of US$100 (Ps1,976). As of December 31, 2017, CEMEX is not able to assess the likelihood of an adverse result or potential damages which could be borne by CEMEX Colombia. An adverse resolution on this case could have a material adverse impact on CEMEX's results of operations, liquidity or financial condition.

In connection with the legal proceedings presented in notes 24.1 and 24.2, the exchange rates as of December 31, 2017 used by CEMEX to convert the amounts in local currency to their equivalents in dollars were the official closing exchange rates of 3.47 Polish zloty per dollar, 0.83 Euro per dollar, 0.74 British pound sterling per dollar, 2,984.0 Colombian pesos per dollar and 3.47 Israelite shekel per dollar.

In addition to the legal proceedings described above in notes 24.1 and 24.2, as of December 31, 2017, 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 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

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case-by-case basis would seriously prejudice CEMEX's position in the ongoing legal proceedings or in any related settlement discussions. Accordingly, in these cases, CEMEX has disclosed qualitative information with respect to the nature and characteristics of the contingency, but has not disclosed the estimate of the range of potential loss.

25) RELATED PARTIES

All significant balances and transactions between the entities that constitute the CEMEX group have been eliminated in the preparation of the consolidated financial statements. These balances with related parties resulted primarily from: (i) the sale and purchase of goods between group entities; (ii) the sale and/or acquisition of subsidiaries' shares within the CEMEX group; (iii) the invoicing of administrative services, rentals, trademarks and commercial name rights, royalties and other services rendered between group entities; and (iv) loans between related parties. Transactions between group entities 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, pursuant to their relationship with CEMEX, may take advantage of being in a privileged situation. Likewise, this applies to cases in which CEMEX may take advantage of such relationships and obtain benefits in its financial position or operating results. CEMEX's transactions with related parties are executed under market conditions.

For the years ended December 31, 2017, 2016 and 2015, in ordinary course of business, CEMEX has entered into transactions with related parties for the sale of products, purchase of services or the lease of assets, all of which are not significant for CEMEX and the related party, are incurred for non-significant amounts and are executed under market terms and conditions following the same commercial principles and authorizations applied to other third parties. These identified transactions are approved annually by the Parent Company's Board of Directors. None of these transactions are material to be disclosed separately.

In addition, for the years ended December 31, 2017, 2016 and 2015, the aggregate amount of compensation of CEMEX board of directors, including alternate directors, and top management executives, was US$47 (Ps887), US$43 (Ps802) and US$36 (Ps579), respectively. Of these amounts, US$35 (Ps661) in 2017, US$32 (Ps595) in 2016, US$25 (Ps402) in 2015, was paid as base compensation plus performance bonuses, including pension and post-employment benefits. In addition, US$12 (Ps227) in 2017, US$11 (Ps207) in 2016 and US$11 (Ps177) in 2015 of the aggregate amount in each year, corresponded to allocations of CPOs under CEMEX's executive share-based compensation programs.

26) SUBSEQUENT EVENTS

On January 5, 2018, in connection with the fine associated with the market investigation imposed by the SIC in Colombia for US$25 (Ps491), CEMEX Colombia made the payment of such fine, CEMEX Colombia will not appeal the resolution of the SIC and instead intends directly to file an annulment and reestablishment of right claim before the Administrative Court within the four months after the resolution. Once filed, this claim could take a considerable amount of time in being resolved. As of December 31, 2017, CEMEX is not able to assess the likelihood for the recovery of the fine imposed by the SIC or the timeframe for the defense process.

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On January 10, 2018, in connection with the tender offer of the January 2022 Notes, the Parent Company incurred a payment of €419, which included, the principal amount oustanding of the notes of €400 plus the premium offer and the accrued interest at the date of redemption (note 16.1).

On January 31, 2018, CEMEX España was notified, based on a resolution dated January 18, 2018, that the National Court (*Audiencia Nacional*) accepted the request for suspension of payment of the fine submitted by CEMEX España, in connection with the tax proceeding in Spain related to the review of tax loss carryforwards reported between 2006 and 2009 (note 19.4), subject to the presentation of a satisfactory guarantee in the amount of the proposed fine plus interest before March 31, 2018. CEMEX España expects to successfully complete an acceptable form and amount of the required guarantee before the stipulated due date.

On February 14, 2018, CEMEX through one of its subsidiaries in the United States agreed to increase its ownership interest in Lehigh White Cement Company ("Lehigh White") from 24.5% to 36.75%. On March 29, 2018 CEMEX closed the operation and paid a total of US$34 (note 13.1).

On March 12, 2018, Department of Justice of the United States ("DOJ") issued a grand jury subpoena to CEMEX, S.A.B. de C.V. relating to its operations in Colombia and other jurisdictions. CEMEX, S.A.B. de C.V. intends to cooperate fully with the SEC, DOJ, and any other investigatory entity. As of April 30, 2018, CEMEX, S.A.B. de C.V. 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 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 results of operations, liquidity and financial condition (note 24.1).

In connection with the 2018 Convertible Notes, on March 15, 2018, CEMEX incurred a payment of US$372, which include the outstanding amount of US$365 plus accrued interest at the date of redemption. In addition, on March 15, 2018, CEMEX redeemed the outstanding amount of the January 2021 notes, for a total amount of US$357, which include the outstanding amount of US$341 plus the premium offer and the accrued interest at the date of redemption (note 16.1).

On March 16, 2018, a putative securities class action complaint was filed against CEMEX and one of its members of the board of directors (CEO) and certain of its officers (CEO and CFO) in the U.S. District Court for the Southern District of New York, on behalf of the investors who purchased or otherwise acquired securities of CEMEX between August 14, 2014 to March 13, 2018, inclusive. The complaint alleges violations of Sections 10(b) and 20(a) of the Securities Exchange Act of 1934, as amended (the "Exchange Act") based on purportedly issuing press releases and SEC filings that included materially false and misleading statements in connection with alleged misconduct relating to the Maceo project and the potential regulatory or criminal actions that might arise as a result. CEMEX denies liability and intends to vigorously defend the case. CEMEX is not able to assess the likelihood of an adverse result to this lawsuit. Because of its current status and its preliminary nature, CEMEX is not 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 condition.

In connection with the tax proceedings of CEMEX Colombia, on April 9, 2018, the Colombian Tax Authority notified CEMEX Colombia of a proceeding notice in which the Colombian Tax Authority rejected certain deductions taken by CEMEX Colombia in its 2012 year-end income tax return. The Colombian Tax Authority

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assessed an increase in taxes to be paid by CEMEX Colombia in the amount of 124.79 billion Colombian Pesos (US$42) and imposed a penalty in the amount of 124.79 billion Colombian Pesos (US$42). CEMEX Colombia intends to appeal the Colombian Tax Authority's decision and exhaust all legal recourses available. CEMEX is not able to assess the likelihood of an adverse result to this matter. However, if such matter is finally resolved adversely to CEMEX, CEMEX does not expect such adverse resolution would have a material adverse impact on its results of operations, liquidity and financial condition.

As of the date of this annual report on Form 20-F, the Chief Executive Officer of CEMEX, S.A.B. de C.V. has authorized the inclusion of these consolidated financial statements, which were originally approved at CEMEX, S.A.B. de C.V.'s 2017 general ordinary shareholders' meeting held on April 5, 2018, hereby updated for subsequent events, to be filed with the United States Securities and Exchange Commission.

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27) MAIN SUBSIDIARIES

The main subsidiaries as of December 31, 2017 and 2016 were as follows:

Subsidiary	Country	% Interest 2017	% Interest 2016
CEMEX México, S. A. de C.V.[1]	Mexico	100.0	100.0
CEMEX España, S.A.[2]	Spain	99.9	99.9
CEMEX, Inc.	United States of America	100.0	100.0
CEMEX Latam Holdings, S.A.[3]	Spain	73.2	73.3
CEMEX (Costa Rica), S.A.	Costa Rica	99.1	99.1
CEMEX Nicaragua, S.A.	Nicaragua	100.0	100.0
Assiut Cement Company	Egypt	95.8	95.8
CEMEX Colombia S.A.[4]	Colombia	99.9	99.9
Cemento Bayano, S.A.[5]	Panama	100.0	100.0
CEMEX Dominicana, S.A.	Dominican Republic	100.0	100.0
Trinidad Cement Limited	Trinidad and Tobago	69.8	—
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.[6]	Philippines	55.0	55.0
Solid Cement Corporation[6]	Philippines	100.0	100.0
APO Cement Corporation[6]	Philippines	100.0	100.0
CEMEX Holdings (Malaysia) Sdn Bhd	Malaysia	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 SIA	Latvia	100.0	100.0
CEMEX Topmix LLC, CEMEX Supermix LLC and CEMEX Falcon LLC[7]	United Arab Emirates	100.0	100.0
Neoris N.V.[8]	The Netherlands	99.8	99.8
CEMEX International Trading, LLC[9]	United States of America	100.0	100.0
Transenergy, Inc.[10]	United States of America	100.0	100.0

1 CEMEX México, S.A. de C.V. is the indirect holding company of CEMEX España, S.A. and subsidiaries.
2 CEMEX España, S.A is the indirect holding company of most of CEMEX's international operations.
3 The interest reported excludes own shares held at CLH's treasury. CLH, entity incorporated in Spain, trades its ordinary shares in the Colombian Stock Exchange under the symbol CLH, is the indirect holding company of CEMEX's operations in Colombia, Panama, Costa Rica, Guatemala, Nicaragua, El Salvador and Brazil (note 20.4).
4 Represents our 99.7% and 98.9% interest in ordinary and preferred shares, respectively.
5 Includes a 0.515% interest held on Cemento Bayano's treasury.
6 Represents CHP direct and indirect interest. CEMEX's operations in the Philippines are conducted through CHP, subsidiary incorporated in the Philippines which since July 2016 trades its ordinary shares in the Philippines Stock Exchange under the symbol CHP (note 20.4).

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Main subsidiaries — continued

7 CEMEX owns a 49% equity interest in each of these entities and holds the remaining 51% of the economic benefits, through agreements with other shareholders.
8 Neoris N.V. is the holding company of the entities involved in the sale of information technology solutions and services.
9 CEMEX International Trading, LLC is involved in the international trading of CEMEX's products.
10 Formerly named Gulf Coast Portland Cement Co., it is engaged in the procurement and trading of fuels, such as coal and petroleum coke, used in certain operations of CEMEX's.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders
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, 2017 and 2016, the related consolidated statements of income, comprehensive income, changes in stockholders' equity, and cash flows for each of the years in the three-year period ended December 31, 2017, 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, 2017 and 2016, and the results of its operations and its cash flows for each of the years in the three-year period ended December 31, 2017, 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, 2017, 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 30, 2018 expressed an adverse 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.

/s/ KPMG Cardenas 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, N.L. Mexico
April 30, 2018

INTERNAL CONTROL REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders
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, 2017, based on "criteria established in Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission". In our opinion, because of the effect of the material weakness, described below, on the achievement of the objectives of the control criteria, the Company has not maintained effective internal control over financial reporting as of December 31, 2017, 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, 2017 and 2016, the related consolidated statements of income, comprehensive income, changes in stockholders' equity, and cash flows for each of the years in the three-year period ended December 31, 2017, and the related notes (collectively, the consolidated financial statements), and our report dated April 30, 2018 expressed an unqualified opinion on those consolidated financial statements.

A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis. A material weakness related to the Company's risk assessment and monitoring of significant unusual transactions has been identified and included in Management's Annual Report on Internal Control Over Financial Reporting as of December 31, 2017. The material weakness was considered in determining the nature, timing, and extent of audit tests applied in our audit of the 2017 consolidated financial statements, and this report does not affect our report 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 as of December 31, 2017. 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.

We do not express an opinion or any other form of assurance on management's statements, included in the accompanying Management's Annual Report on Internal Control Over Financial Reporting as December 31, 2017, referring to corrective actions taken after December 31, 2017, relative to the aforementioned material weakness in internal control over financial reporting.

/s/ KPMG Cardenas Dosal, S.C.

Monterrey, N.L. Mexico
April 30, 2018

Exhibit 1.1

English translation for information purposes only. In the event of discrepancy, the Spanish original will prevail.

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

By-Laws

ARTICLE 1. DENOMINATION.- The Company is a commercial anonymous Company and it is named CEMEX, followed by the words "*Sociedad Anónima Bursátil de Capital Variable*" or by its abbreviation "*S.A.B. de C.V.*".

ARTICLE 2. CORPORATE PURPOSE.- The Company's corporate purpose is: **(A)** Participation in corporations and civil associations, civil organizations and in all other types of domestic and foreign companies, through subscription and/or purchase of their shares, stocks, assets and rights and otherwise dispose and enter into any type of acts or contracts regarding such shares, stocks, assets and rights. **(B)** The manufacture, sale or purchase, distribution, transportation, importation, exportation, exploitation and the industrial and commercial use of cement and, in general, any type of building materials. **(C)** The production, distribution, importation, exportation, supply, assembly, transportation, hauling, pumping, consignment, sale or purchase, storage, mediation, agency, exploitation, marketing and industrial and commercial use in general of cement, concrete, mortar, clay, limestone, gypsum, gravel, sand, iron ore, raw materials used in the manufacture of cement and, in general all kinds of building materials. **(D)** The manufacture, sale, distribution, pumping, transportation, import, export, exploitation, use and industrial and commercial utilization of aggregates, ready-mixed concrete, its additives and components and, in general, all types of pieces and prestressed concrete objects, preconcretes, tubes and construction materials, concrete blocks and precast concrete elements. **(E)** The establishment of concrete, cement and asphalt manufacturing plants with dependencies focusing on obtaining and triturating aggregates, dosing and mixing these and hauling, placing and consolidating its products.

(F) To be the holder of Exploration and/or Exploitation of Mining Concessions, in order to explore and/or exploit the minerals or substances subject to the Mining Law (*Ley Minera)*) in full force and effect, in accordance with the provisions of article 11 of said law. **(G)** The rendering of handling, storage and custody of foreign trade goods, either owned by the Company or by third parties with whom the Company enters into an agreement with. **(H)** The private transportation of goods owned by the Company or related to its respective

activities, as well as of persons affiliated to the same purpose, without involving the provision of federal public transportation in any of its forms. **(I)**The operation as a shipping company and performance of all activities inherent to its operation, as well as carrying out all the formalities before the competent authorities to obtain the proper permits. **(J)** The purchase, lease, charter and entering into any type of contract with foreign and Mexican vessels as well as registering and obtaining the Mexican flag for the vessels that may require it. **(K)** To act as consignee agent for vessels and perform all activities inherent to its operation. **(L)** The manufacture, sale and purchase, distribution, lease, importation, exportation, exploitation and overall usage of all types of industrial and commercial equipment, machinery, tools, spare parts and parts, motor carriers and any articles or commercial effects. **(M)** The exploitation of the various engineering branches in all its aspects of pure and applied investigation, as well as projects and construction of works. **(N)** entering into contracts concerning construction, design, engineering, supply of technical and professional services, the development of architectural projects, the installation of technical and mechanical infrastructure, and any other applications necessary, convenient or conducive to the development of its corporate purpose, including participating in competitions, public or private bids or offers either national or international.

(O) Acquire, sell, manage, lease or receive in lease or sublease, give or receive on gratuitous loan agreement, exchange, encumber in any way, exploit, affect or be a trustee in trust and, in general, enter into any legal act that involves acquiring, transferring or guaranteeing the rights of ownership or possession of all real or personal types of property, as deemed necessary or convenient for the development and prosperity of the Company, or to directly or indirectly support the development or realization of the Company's corporate purpose. **(P)** Build, plan, design, decorate, manage and operate in any manner all kinds of buildings, factories, warehouses, houses and apartments on their own or through third parties. **(Q)** Provide and receive any type of technical, administrative, sales, advertising, monitoring, technical assistance, consultation and advice services on industrial, tax, accounting, commercial, financial, and any other type of matters. **(R)** Order, obtain, buy, lease, assign or otherwise acquire or dispose of trademarks, trade names, copyrights, patents, inventions and processes, know-how and, in general, intellectual and industrial property rights, as well as licenses over them. **(S)** Enter into or agree on agency operations, mediation, technical assistance, professional services, consulting, distribution, supply, leasing and factoring,

brokerage and generally all kinds of contracts or agreements involving services to or for third parties, including the use of human and material resources, as a result of the obligations or duties incurred by virtue of entering into the contracts in this subparagraph.

(T) Give or take money on loan, secured or unsecured, including the issuance of debt securities in public or private sale that represent loans with the investing public. **(U)** Issue, draw, sign, accept, endorse, guarantee and enter into any type of commercial or legal transaction, regarding credit instruments, with national or foreign credit institutions, as well as agents and securities intermediaries, in investment companies and auxiliary credit organizations and in any organization, corporation or association, any and all types of transactions necessary or convenient for the fulfillment of its corporate purpose, including entering into repurchases, loans, trusts, mandates, agencies or any contract or agreement either for the purpose of investing its resources, to obtain financing, or where appropriate, to affect, transmit or to pledge the credit instruments referred to in this subparagraph.

(V) To execute *avales*, bonds and, in general, guarantee with all types of liens, including with pledges and mortgages, obligations incurred on their own or by third parties, with or without consideration.

(W) In general, enter into or execute any and all acts, operations and civil, commercial or any other type of contracts, which are beneficial, accessory, necessary or convenient for the effective achievement of its corporate purpose.

ARTICLE 3. DOMICILE.- The corporate seat of the Company is the city of Monterrey, N.L., Mexico, with the understanding that agencies or branches may be established within Mexico or abroad as deemed advisable by the Board of Directors.

ARTICLE 4. DURATION.- The duration of the Company shall be indefinite.

ARTICLE 5. NATIONALITY.- This Company is Mexican. Any foreigner who in the incorporation date of this Company has acquired or in the future shall acquire an interest or participation in the Capital Stock of the Company, shall be considered for this sole act as Mexican, it being understood that said party has agreed not to seek the protection of its government, under penalty of losing said interest or participation in favor of the Republic of Mexico. This article shall be inserted in its entirety on the share

certificates issued by the Company. This Company received authorization from the Mexican Ministry of Foreign Affairs under Permit Number 267, dated February 4, 1927, in accordance with the Organizational Law of Section I of Article 27 of the Constitution and its Regulations.

ARTICLE 6. CAPITAL STOCK.- The Capital Stock shall be variable. The Minimum Fixed Capital with no redemption rights is of $36,300,000.00 (thirty-six million three hundred thousand 00/100 MXN) represented by 13,068´000,000 (thirteen thousand sixty eight million) ordinary shares, which shall be registered and with no face value, of which 8,712´000,000 (eight thousand seven hundred twelve million) correspond to the Series "A" and 4,356´000,000 (four thousand three hundred fifty six million) to Series "B"; the Variable Capital with no redemption rights shall be unlimited. The common ordinary Capital Stock, as well as the capital represented by Class Shares, both in its Fixed and Variable portions, shall be represented by Series of registered shares with no par value, together with its respective sub-series. Every time reference is made to a series of shares, Fixed or Variable Capital, it shall be construed as a reference to any sub-series that, as the case may be, have been issued and that shall be identified with the same letter with which the Series has been identified and a number from 1 (one) onwards, in accordance with the respective sub-series.

The common ordinary Capital Stock shall be represented by two Series, both for its Fixed and Variable portions. The Series "A" shall represent as a minimum the (64%) sixty- four per cent of the common ordinary Capital Stock and the Series "B", or of free subscription, shall represent as a maximum the (36%) thirty-six per cent. In the event that Class Shares shall exist, and unless an authorization is obtained to treat them as neutral investment in accordance with the Law, at least (64%) sixty-four percent of the Capital Stock represented by this type of shares shall be subject, in respect to its holders, to the same restrictions applicable to the Series "A" shares of the ordinary capital. All the shares forming part of the common ordinary Capital Stock, except for the characteristics related to the holdings of each one of the Series and the part of the Capital which they represent, give their holders the same rights and obligations. By no means and neither directly nor indirectly, may the shares of the Series "A" be acquired: **(i)** by foreign individuals or

foreign legal entities or Mexican legal entities that do not have a foreign exclusion clause, in the understanding that such clause shall be contained both in the by-laws of the acquirer as in the by-laws of any other company or partnership that directly or indirectly has an interest in the Capital Stock of such acquirer; **(ii)** by groups, units, associations, trusts, and any entity, with or without legal personality, that admits foreigners, is foreign, is one in which, by any form, directly or indirectly, has intervention of foreigners, or companies in which any foreigners participate (except for the case of Trusts formed by the Company for the issuance of ordinary participation certificates to be offered to the public investors);

(iii) by foreign governments or foreign sovereigns. The Class Shares may be acquired subject to the terms and conditions approved by the Shareholders' Meeting authorizing its issuance. In the event of a violation of these restrictions, the acquisition shall be null and the Company shall not recognize the acquirer as the owner nor may the acquirer exercise the corporate rights inherent to the shares.

For the purposes of these by-laws, "Class Shares" refer to the shares that carry no voting rights, limited or restricted voting rights, that have any limitation in the exercise of their corporate rights or that confer preferred economic rights in relation to ordinary shares.

ARTICLE 7. ACQUISITION OF OWN SHARES AND MEASURES TO LIMIT THE SHAREHOLDING OWNERSHIP.- I.- The Company may acquire shares representing its own Capital Stock or credit instruments representing them, as well as optional instruments or financial derivative instruments which may be liquidated in kind that have such shares or credit instruments underlying in accordance with the terms and conditions indicated by the applicable Law. The shares or credit instruments that represent such shares that belong to the Company, or, the shares issued but not subscribed maintained in the Treasury, may be placed among the public investors in accordance with the dispositions of the applicable law. So long the shares are the property of the Company, they may not be represented nor voted in the Shareholders' Meetings, and no social or economic rights of whatever nature may be exercised.

II.- (A).- For purposes of these by-laws, the following definitions shall apply, whether in their singular or plural form:

— "SHARES": the ones that represent the Capital Stock of the Company; any type of certificate or receipt referred to the shares representing the Capital Stock of the Company; as well as any other security, credit instrument or document that refers to or permits the exercise of, the vote of the corresponding shares representing the Capital Stock of CEMEX, S.A.B. de C.V.

— "CONSORTIUM": shall have the meaning established by the Mexican Securities Market Law.

— "RELATIVE": person or persons that with respect to each other, have family relationship by consanguinity, affinity or civil, up until the fifth degree in a straight or collateral line, the spouse, concubine and concubinary.

— "ENCUMBRANCE": pledges, seizures, trusts (or equivalent figures under foreign Law), or any act or transaction that in any form, limits, restricts or affects, the implicit rights of the Shares.

— "GROUP OF PERSONS": shall have the meaning established by the Mexican Securities Market Law.

— "CORPORATE GROUP": shall have the meaning established by the Mexican Securities Market Law.

— "RELATED PARTY": shall have the meaning established by the Mexican Securities Market Law.

— "HOLDING": the ownership, possession or holding of Shares or the possibility of instructing or exercising the right to vote.

— "TRANSACTION": Any agreement, contract, unilateral declaration, stipulation, arrangement and any act that creates, transmits, modifies or extinguishes obligations, including, enunciatively but not limited to, all acts or facts that give or may give place to any exercise or instruction to exercise the voting rights, or if the ownership, possession or holding of the Shares may be obtained or is obtained.

— Any Transaction or Encumbrance that may result or results in a direct or indirect possibility, to acquire or exercise the right to vote regarding the Shares that represent a 2% or more of the Capital Stock of the Company, shall be subject to the prior authorization of the Board of Directors. The Board of Directors must decide, within a period of 90 (ninety) calendar days from the reception of the written application

directed to the President or Secretary of the Board. The application must be in written form and must contain the following information: **(i)** name, social denomination of the participant(s) in the Transaction or Encumbrance and the Shares whose Holding they have on the date of the application, **(ii)** in the case of a Group of Persons, Corporate Group, Consortium, Related Parties or Relatives, provide the details of all the persons involved, indicating their name, social denomination and Shares each holds, as well as who shall exercise the social and economic rights, **(iii)** description of the Transactions or Encumbrances, and **(iv)** in the event that the Transaction or Encumbrance is made indirectly through agents, brokers, trusts or similar figures under any law or third parties; it must be indicated who or whom are the effective beneficiaries and who or whom will exercise or will instruct to exercise the voting rights. The Board of Directors, in order to resolve the applications, shall consider the following criteria: **a)** if it involves Transactions or Encumbrances of qualified investors or institutions in which the public investors participate; **b)** if it involves acquisitions that aim to make portfolio investments with speculative purposes, that could affect stock prices; or if it is intended to accumulate significant amounts of Shares in a way that the number of Shares outstanding is reduced and that the marketability may be affected; **c)** the likelihood of the participants in the Transactions or Encumbrances exercising a significant influence or being able to obtain control (as these terms are defined in the applicable law); **d)** if all the legal dispositions and the by-laws have been observed, and the persons who wish to participate in the Transactions or Encumbrances have not incurred in any violation of the Law or by-laws or have not complied with applicable Law or by-laws; **e)** if the persons involved in the Transactions or Encumbrances are competitors of the Corporate Group to which the company belongs, are persons or legal entities participating in companies, entities or persons that are competitors of the Corporate Group to which it belongs and there is a risk of affecting the process of fair competition or there could be an access to confidential and privileged information; **f)** the moral and economic solvency of the participants; **g)** the protection of the rights of minorities and workers of the Company and its subsidiaries; and **h)** maintain an adequate base of investors. If the Board of Directors authorizes the application, the Transaction or Encumbrance

shall be done during the next 10 (ten) days following notification from the Board of such authorization. If done afterwards, the authorization shall be null.

—If after making the Transaction or Encumbrance the Holding of Shares is reduced, in order to make a new Transaction or Encumbrance, a new application must be made, unless the Board had authorized the possibility of multiple Transactions or Encumbrances over a time frame. When the Transaction or Encumbrance had been authorized on the basis of false or incorrect information or information had been withheld, the voting rights corresponding to the Shares related to the Transaction or Encumbrance will not be able to be exercised.

II.- (B).- Any Transaction or Encumbrance that results or may result in a participation equal or greater than 30% of the Capital Stock of the Company, shall oblige, without taking into account whether the participants in the Transaction or Encumbrance wish or not to acquire control, the execution of a forced public offer for the acquisition of the totality of the Shares representing the Company's Capital Stock.

In the event that the requirements described in numeral II of this Article are not met or exceed the participations indicated in the paragraphs A and B, the persons involved therein shall not be entitled to exercise the voting rights corresponding to the total of the Shares whose Holding was obtained or is currently obtained, and therefore, such Shares shall not be taken into account for the determination of the quorum of attendance and voting in the Shareholders' Meetings, nor shall the records in the shareholder ledger be done and there shall be no effects of the Registry done by the Institute for the Deposit of Securities.

In order to determine if a specific situation is within numeral II of this Article, the following considerations and criteria shall apply and all the Shares whose Holding is obtained, shall be obtained, or is currently obtained by virtue of any Transaction or Encumbrance, shall be taken into account (the calculation shall be made regarding the number of shares directly representing the Capital Stock of the Company).

1.- It does not matter if the Transaction or Encumbrance is made abroad.

2.- A single Holding shall be considered regarding each of the participants in the Group of Persons, Corporate Group, Consortium, each Related Party, and each Relative.

3.- Each Transaction or Encumbrance that may result in obtaining a 2% or more of the Capital Stock must be submitted to authorization.

4.- In case of Trusts established by the Company for the issuance of ordinary participation certificates to be offered to the public investors, the fiduciary institution shall not be subject to numeral II of this Article or Article 10 of these by-laws.

5.- For the interpretation of these by-laws, the applicable law shall be taken into account.

ARTICLE 8. MODIFICATIONS TO THE CAPITAL STOCK.- To increase or decrease the Capital Stock and amortize issued shares with undistributed profits, except in accordance with the provisions of Article 7 of these by-laws, the following procedure shall be followed: The Fixed Capital Stock shall only be increased or decreased by resolution of the General Extraordinary Shareholders' Meeting, and such Meeting shall also authorize the amortization of issued shares representing this part of the Capital Stock with distributable profits and the amendments to the limits of the Variable Capital. The Variable Capital Stock shall be increased or decreased by resolution of the General Ordinary Shareholders' Meeting, and such Meeting shall also resolve about the amortization of issued Shares representing this part of the Capital Stock with distributable profits; in the event of a Capital increase in its Variable part, the Meeting may delegate to the Board of Directors the authority to determine the terms and conditions under which it shall proceed to the issuance, exhibit and subscription of the respective shares, which once issued and while subscribed shall be held by the Treasury of the Company. In the event of a capital reduction in the Variable part of its Capital Stock, the Board of Directors, in accordance with applicable legal provisions, may fix the terms and conditions for its implementation. The amortization of Shares with distributable profits shall be done in accordance with the terms instructed by the Law. The minutes of the General Ordinary Shareholders´ Meetings that approve increases or decreases in the variable portion of the Capital Stock must be notarized, except in the cases where the increases and decreases are the result of the repurchase of shares.

In the terms of the applicable law, the Company may increase its Capital Stock by the issuance of non-voting shares, shares with other limitations or preferred corporate rights, or shares with preferred or limited vote. The issuance of the shares mentioned in this paragraph shall not exceed the percentage of the Capital Stock established by the applicable Law and may be part of the Fixed or Variable portions of the Capital Stock.

The non-voting shares shall not be counted for purposes of determining the attendance or voting quorums at the Shareholders' Meetings, while the shares with limitations on other corporate rights, or of restricted vote, shall only be counted to determine the attendance and voting quorums in the Shareholders' Meetings held to deal with any matters in which such shares have a voting right.

Issued Class Shares, as the case may be, shall conform one or several Series with its respective sub-series, each Series shall be identified with two letters of the alphabet, one of which shall be "A", "B" or "N", respectively and depending on whether its Holding is reserved in the terms of these by-laws with respect to the Series "A", common ordinary Capital, are of free subscription in the terms of these by-laws with respect to the Series "B" of the common ordinary Capital Stock, or in its case, are considered as neutral investment under which they shall also have free subscription; and the other letter shall be used to distinguish them from the shares representing the common ordinary Capital Stock and the other Classes that conform the Capital Stock, attaching a progressive number for each sub-series issued.

In the event of a Capital Stock increase, the Shareholders' Meeting may extend, limit or deny the shareholders the preemptive right to subscribe in proportion to their participation in the common ordinary Capital Stock or in the capital represented by Class Shares, the shares that in either case are issued. When applicable, the proportion shall be determined considering only the participation in the issued Capital Stock and the preemptive rights may only be exercised with respect to the same class of Shares that are held by the shareholder and within the (15) fifteen days following the publication of the resolution of the respective Shareholders' Meeting, the publication shall be made in the terms provided in these by-laws for the calls for Shareholders' Meetings. The preemptive

right to subscribe shall not be applicable to Capital increase through public offers or through the issuance of own shares previously acquired by the Company.

The Shareholders shall also have the right to receive the shares that are issued by means of capitalization of reserves or profits, in the understanding that the shares issued under this concept shall correspond proportionately to all issued Shares. The Shareholders' Meeting shall determine the nature or class of shares that will represent the Capital increase by the capitalization of reserves or profits and only those Shareholders holding common ordinary shares or Class Shares, depending on which of them are being issued, shall share the right of receiving the shares so issued in the proportion of their Holdings in the issued ordinary common Capital Stock or of Class, respectively.

The Company may issue unsubscribed shares kept in treasury, to be subscribed afterwards by the public investors, in accordance with the applicable Laws.

The shareholders of the variable part of the Capital Stock of the Company shall not have withdrawal rights.

The Company shall keep a Book, which shall be authorized by the Chairman or Secretary of the Board of Directors or by any other officer designated by the Board of Directors for this purpose. All notes relating to the registration of increases and decreases of the Capital Stock in its Variable portion shall be kept in this Book.

ARTICLE 9. CERTIFICATES REPRESENTING THE SHARES.- The Share Certificates and Provisional Certificates issued in each case, must contain the expressions referred to in the Law and in Articles 5, 7 (regarding the restrictions for the transmission of Shares or to acquire substantial portions of the Capital Stock), 8, and 10 of these by-laws, regarding the rights and obligations of the shareholders, and must have the handwritten signatures of any two Board members appointed by the Board of Directors. The Chairman and Secretary may use a facsimile of their signature, pursuant to the requirements of the applicable Law. The Share Certificates and provisional certificates must also contain adhered vouchers, to be used when exercising their dividend and preemptive rights. The Board shall determine the number of shares represented in each Share Certificate and the number of vouchers to be adhered.

ARTICLE 10. SHARE REGISTRY AND SIGNIFICANT PARTICIPATIONS.- The Company shall have a Share Registry that must contain: **a).-** The name, nationality, and address of the Shareholder, as well as the indication of the shares belonging to him, indicating their number, series, class, and other distinctions; **b).-** The indication of the payments made; **c).-** Any encumbrances over the Shares, as well as of the rights incorporated in them, the limitations of domain, and transfers made. The Registry must also comply with the provisions established in the applicable law and with Article 7 of these by-laws. The Company shall consider the person inscribed in the Registry, referred to in this article, as owner of the shares. To this effect, the Company must record in such Registry, when requested by any entitled person, the transfers, limitations, or liens imposed on them. In case the Shares or certificates that represent them were deposited in an authorized Institution for the Deposit of Securities, the register shall be made in accordance with the applicable law and with the by-laws. The persons who, in any way and in accordance with the criteria set forth in numeral II of Article 7 of these by-laws, obtain a participation of 5%, 10%, 15%, 20%, 25% or 30% must inform the Company within a period of 5 (five) working days following the day in which such percentage of ownership is reached. For purposes of calculating such percentages, numeral II of article 7 of these by-laws shall apply. In the case of Corporate Groups, Groups of Persons, or Consortiums, the obligation to notify applies to all the persons that are considered members of such groups.

The notice given to the Company, referenced in this Article, shall include the name of the person or persons that have the holding and the rights or faculties acquired, the authorization from the Board in those cases described in Article 7 of these by-laws, and the information needed to identify the persons for which the Shares are grouped for Ownership.

In case of non-compliance with the provisions of this Article, regarding notices of significant participations, the corresponding Shares shall not be represented in the Share holders' Meeting. The Company shall keep a registry of significant participations, in which names, nationality and domicile of the persons whose names are in the share certificates or respective certificates, as well as the relation, agreement or arrangement that exists between them and

the information necessary in order to verify the compliance of these by-laws, shall be registered. Only those who are registered may represent the respective shares in the Shareholders' Meeting. The shareholders must, additionally, comply with what the applicable law establishes regarding acquisitions of securities subject to disclosure and disclosure of contracts and agreements between shareholders. In order to comply with the obligations to notify, this Article shall apply. Only those that have complied with these by- laws and the applicable law shall be able to exercise or instruct the exercise of the corresponding voting rights. In case of non-compliance with what is stated in these by- laws, the notes or registries in the Registry of Shares shall not take place and all the transactions made by an institution for the deposit of securities shall have no legal effect whatsoever.

ARTICLE 11. SHAREHOLDERS MEETING.- The General Meeting of Shareholders is the supreme body of the Company, and it may agree and ratify all of the resolutions and acts of the same. It shall have no limitation on its powers other than as mentioned in the Law and in these by-laws.

In the event that the Capital Stock of the Company, in addition to the common ordinary shares, is represented by shares of other classes, all proposals that may affect the rights conferred to Shareholders holding shares of such classes shall be previously accepted by the class so affected in a Special Shareholders' Meeting in which the attendance and voting quorums required for the Extraordinary Shareholders' Meetings shall apply, which must be counted in reference to the total number of shares of the respective class.

The class Shareholders' Meetings shall be held in the social domicile and shall be subject to the provisions of Articles 13, 14 and 15 of these by-laws, and the Shareholder designated by the Shareholders present thereat shall act as Chairman and the Secretary of the Company shall act as Secretary or in his absence, whoever the Shareholders designate.

ARTICLE 12. COMPETENCE OF THE SHAREHOLDERS' MEETINGS.- The Ordinary General Shareholders' Meeting shall meet at least once a year, once the immediate preceding fiscal year ends, in the corporate domicile, on the date specified by the Board of Directors in accordance with applicable law. The Ordinary General Shareholders' Meeting held

because of the closing of the fiscal year, shall deal, in accordance with the applicable law, with the following: **(a)** the annual reports regarding the activities corresponding to the Corporate Practices and Audit Committees; **(b)** the annual report of the Chief Executive Officer, accompanied with the report from the external auditor; **(c)** the opinion of the Board of Directors regarding the contents of the Chief Executive Officer's annual report; **(d)** the annual report of the Board of Directors declaring and explaining the main policies and accounting and information criteria followed in the preparation of the financial information; **(e)** the report of the Board of Directors regarding the operations and activities in which it has participated; **(f)** the election, removal or substitution of the members of the Board of Directors, and their level of independence; additionally, the Ordinary Meeting shall approve the operations that the Company or the companies controlled by the Company wish to undertake during one fiscal year, when they represent 20% (twenty percent) or more of the consolidated assets of the Company, based on amounts as of the closing of the immediate preceding quarter of the date the Meeting is held, independent from the way they are executed, simultaneously or progressively, but that, because of their characteristics, may be considered as one operation; in such Meetings the shareholders that have shares with voting rights may vote, including the ones that have a limited or restricted vote; and **(g)** all other matters that are part of their faculties in accordance with these by- laws or the applicable law.

Extraordinary General Meetings shall have the competence over the matters established in the applicable law and in the by-laws.

Ordinary and Extraordinary Meetings shall meet whenever called.

ARTICLE 13. NOTICES OF SHAREHOLDERS MEETINGS.- The notices for Shareholders' Meetings shall be made by the Board of Directors or by the Corporate Practices or Audit Committees, with the exception of those rights granted by Law to the shareholders to legally publish the calls. The Notice shall be made through the publication of a notice in 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 Leon or in any of the major daily newspapers of the State of Nuevo Leon, at least fifteen days prior to the date set for the Meeting. The Notice shall state the place, day and time at which the Meeting shall be held and shall contain the Agenda,

which shall not include matters under the title of "general" or equivalents. A Notice shall not be required if all the shares in their entirety are represented when the Meeting is installed and the votes are taken. When a quorum is not obtained for a Meeting, a minute shall be drawn-up in the respective Book, evidencing such circumstance, and said minute shall be signed by the Chairman and Secretary as well as by the appointed Tellers, setting forth the date in which the call was published. If such should be the case, a second Notice, so noted, shall be published just once.

The Shareholders that are Owners of shares with voting right, including in a limited or restrictive form, that represent at least 10% (ten percent) of the Capital Stock subscribed and paid, shall be able to request to the Chairman of the Board of Directors or of the Corporate Practices or Audit Committees, in any moment, that a General Shareholders Meeting take place, in the terms of the applicable law.

Any Shareholder may request the Chairman of the Board of Directors that a General Shareholders Meeting takes place, in the terms of the applicable law, when, for any cause, the minimum number, required for a Meeting to be held, of members of the Corporate Practices and Audit Committees is not present and the Board of Directors has not made the provisional corresponding appointments.

From the publication of the Notice of the Shareholders' Meetings, information and documents related to each matter included in the Agenda shall be made available to the Shareholders, in the offices of the Company and at no cost.

ARTICLE 14. ATTENDANCE TO THE SHAREHOLDERS' MEETINGS.- In order to attend and participate in the General Meetings of Shareholders, the Shareholders with the right to vote shall deposit their shares at the corporate offices, in a Credit Institution or Institution for Securities Depository *(Institución para Depósito de Valores*) through a broker in the securities market in accordance with the Mexican Securities Market Law (*Ley del Mercado de Valores*) . The Certificate of Deposit and, as the case may be, the list of Owners issued by the broker shall be delivered in the office of the Secretary of the Company at least 48 hours prior to the time set for the Meeting. In addition, it is necessary to observe the dispositions of Articles 7 and 10 of these by-laws regarding the Shares intended to be represented in the Meeting. The Secretary, in exchange for the aforesaid certificate of deposit, shall list, and after verifying the compliance with the by-laws

regarding Articles 7 and 10, shall issue a deposit voucher that certifies the shareholders' standing as such and the number of shares represented. Said voucher shall authorize the person to whom it has been issued to attend the Meeting. The deposited shares or respective certificates shall only be returned to the Shareholders when the Meeting has been concluded, and in exchange for the voucher issued by the Secretary. The Secretary shall have the documents referred to herein, at the disposal of the Tellers appointed to act as such at the respective Meeting, so that, at the end of the respective registration period, they may prepare the Attendance List of the Shareholders who have right to attend that Meeting.

ARTICLE 15. SHAREHOLDERS' REPRESENTATION.- Every Shareholder has the right, subject to compliance with these by-laws, to attend the Meetings, personally or through a legal representative. In this case, the legal representative shall validate its personality through Proxy granted in accordance with the forms created by the Company and that shall be at the disposal of the shareholders, including the brokers in the Stock Exchange, during the term indicated by the Law. The forms shall contain the following requirements: **(a)** clearly name the Company and the Agenda without being able to include under the title "General Matters", the items referred to by the applicable law, and **(b)** a space for including the instructions for exercising the Power of Attorney indicated by the grantor of such Power of Attorney.

The Secretary of the Board of Directors shall verify that this Article is observed and shall inform the Meeting thereof.

ARTICLE 16. INSTALLATION OF THE SHAREHOLDERS' MEETINGS.- The General Ordinary Shareholders' Meeting shall be considered legitimately installed in its first notice, if at least 50% of the total number of voting shares representing the Capital Stock are present thereat. In the event of a second notice, the General Ordinary Shareholders' Meeting shall be deemed installed regardless of the number of voting Shares that are present thereat. The General Extraordinary Shareholders' Meeting shall be considered legitimately installed in its first notice, if at least three fourths of the total number of voting shares representing the Capital Stock are present thereat, and in the event of a second notice, if at least 50% per cent of the total number of voting shares representing the Capital Stock are present thereat.

ARTICLE 17. DEVELOPMENT OF THE SHAREHOLDERS' MEETINGS.- The Meeting shall be chaired by the Chairman of the Board of Directors. In the absence of the Chairman, the Meeting shall be chaired by the Shareholder appointed by the absolute majority of those present. The Secretary of the Meeting shall be the person who is the Secretary of the Board of Directors or in his absence, the person appointed by the majority of the shareholders and proxies present thereat. The Chairman of the Board of Directors shall appoint two Tellers, having the possibility of doing so in writing once the call for the Meeting is published. In the case of absence of the Tellers so appointed, a new designation may be made. The Tellers present at the Meeting shall determine, with the documentation available and the Attendance List formulated for said effect, the number of legally represented shares. If by any reason the Agenda was not totally discussed in the date for which the Meeting had been called, such Meeting shall continue to be open during the immediate following days and until all items on the Agenda are dealt with.

The Shareholders owning shares with voting rights, including in a limited or restrictive form, duly represented in the Meeting and that represent at least 10% (ten percent) of the Capital Stock subscribed and paid, shall have the right to request the deferral of the voting on any matter for which they considered themselves not to be well informed, abiding to the terms and conditions indicated by applicable law.

ARTICLE 18. VOTING RIGHTS AND QUOROUM OF THE SHAREHOLDERS' MEETINGS.- In all Meetings, each common ordinary share shall be entitled to one vote. This principle shall be subject to applicable legal provisions and to the provisions of these by-laws, with exception to those cases of shares temporarily re-acquired by the Company as referred to in numeral I of Article 7; to the non-voting shares, as well as to, or with the limitation to other corporate rights, and any shares with limited vote in accordance with the applicable law and the resolutions of the Shareholders' Meeting in which its issuance has been approved; as well as to those cases contemplated by numeral II of Article 7 and Article 10 of these by-laws. In all Ordinary Shareholders' Meetings, the resolutions shall be valid with the affirmative vote of the majority of the votes of the voting-shares present thereat. In the Extraordinary Shareholders' Meetings, the resolutions

shall only be valid if approved by the affirmative vote of the voting-shares representing at least (50%) fifty per cent of the Capital Stock with voting rights, except in the case of amendments to Articles 7 (except for the acquisitions of own shares), 10, and 22, in which it shall be required to obtain approval of (75%) seventy-five percent of the voting shares as well as those cases that in accordance with the Law, require a special quorum. It shall be left to the Tellers, who shall sign the respective minute, to verify that the quorums so indicated are complied with. The Shareholders, Owners of shares with voting rights, including in a limited or restrictive form, that represent at least 20% of the Capital Stock subscribed and paid, shall have the right to judicially oppose to the resolutions of the General Meetings, regarding those items where they have voting rights, whenever the provisions stated in applicable law, for these purposes, are observed.

ARTICLE 19. INTEGRATION OF THE BOARD.- The Board of Directors shall be composed of a maximum of twenty one (21) Regular Board Members, where at least 25% (twenty-five percent) must be independent in accordance with the applicable Law. A Shareholders' Meeting may designate Alternate Board Members. The Alternate Board Members shall become part of the Board of Directors only in such cases of temporary or permanent absences of the Regular Board Members. The person appointed as Chairman of the Board of Directors shall be designated by the Shareholders' Meeting; in case of death, resignation or declaration of total disability or absence, without prejudice to the powers of the Shareholders' Meeting, the Board of Directors shall appoint a Chairman. The personwho holds the position of Chairman of the Board, will not hold the office of Chief Executive Officer of the Company. The Shareholders' Meeting or the Board of Directors shall designate the Secretary, who will not be a Board Member and, if agreed, its Alternate may be elected. The Board Members, Regular or Alternate, shall remain in their position, even if their term has expired or because of their resignation, up until 30 days from such event. In case any of the Board Members is absent, or the appointed one does not take charge of such appointment, and no alternate has been appointed, or such alternate does not take charge of such appointment, the Board of Directors may appoint provisional members, without the intervention of the Shareholders' Meeting, who shall ratify such appointments or appoint the substitute members in the next Meeting from such event. The Alternate Board

Members, in the order in which they were appointed, shall substitute the Regular Members; in case the number of Alternate Board Members designated is less than the number of Board Members, each Alternate Board Member shall substitute the Board Member that corresponds according to the designation order of the Alternate Board Members, and once the Alternate Board Members have been appointed, this procedure shall be repeated until designating each Board Member its own Alternate Board Member, under which cases an Alternate Board Member can have that character with respects to one or more Regular Board Members, in the understanding that Alternate Board Members of Regular Board Members who are independent must have that same character. The Regular Board Members can only be substituted in their absences by the Alternate Board Member that corresponds in accordance to the designation.

The independent Board Members and their Alternates must be appointed in accordance with the dispositions of the applicable Law and these by-laws, and those who cease to have such character must notify the Board of Directors in its next Meeting at the latest.

ARTICLE 20. MINORITY RIGHTS IN THE APPOINTMENT OF THE BOARD.- All shareholders owning shares with voting rights, including limited and restricted, who individually or jointly own 10% of the Capital Stock of the Company, shall have the right to appoint and revoke, in the General Shareholders Meeting, a member of the Board of Directors. Such appointment may only be revoked by the other shareholders when all the other appointments of the members are revoked, in which case, the substituted persons may not be appointed with such character during the next twelve months following the date of such revocation. In such case, the minority shareholders must refrain from taking part in the election of the Board referred to by Article 19 of the by-laws, limiting their actions to appointing by majority of votes, a member of the Board of Directors.

ARTICLE 21. HONORARY CHAIRMAN.- The General Shareholders Meeting may, through a resolution, appoint as Honorary Chairman of the Company a person that deserves such appointment due to his achievements within the Company. The Honorary Chairman must keep confidential the information or matters of the Company that he is

aware of, when such information is not of public domain. The Honorary Chairman shall not be subject to the responsibilities established in the applicable law for Board members and Relevant Executives; he shall have voice without vote whenever he attends to the Meetings of the Board of Directors, The Honorary Chairman may not adopt resolutions that transcend in a significant way the administrative, financial, operational or legal situation of the Company or corporate group to which it belongs.

ARTICLE 22. RESTRICTION TO BECOME A BOARD MEMBER.- The following persons cannot be Board Members of the Company: **a)** Persons with no legal capacity.- **b)** Persons who, in accordance with the Law, may not engage in commercial transactions; **c)** Those who, during the twelve months immediately preceding the election, have held a position as external auditors of the Company or any of the companies part of the corporate group; **d)** Those who have been substituted in their appointment by revocation, in which case they cannot be appointed with such character during the twelve months following the date of revocation; **e)** Those who have past due obligations with the Company not duly guaranteed; **f)** Those, including any of their Relatives, who during the fiscal year immediately preceding the election (either with or without interruptions) have held a position in, acted as representatives or attorneys-in-fact in any form of, have been shareholders or have participated (directly or indirectly) in 5% or more of the Capital Stock or assets of, or have rendered services through any form to: persons or entities (either incorporated or not) (except those companies in which CEMEX, S.A.B de C.V. has direct or indirect participation with a minimum of 40% of the Capital Stock) and whose activity is related to the production or distribution of cement or its derivatives (persons or entities includes those that at the same time are shareholders or participate in the management, either directly or indirectly, of the person or entity dedicated to the above mentioned activity, and also those in which the latter is a shareholder or participate in the management, either directly or indirectly), or **g)** Those who have participated in an act that implicates a violation to the by-laws, Laws and applicable rules. Board members who, after being appointed, are found to be in one of the cases or situations described above, shall have to renounce and shall not be able to perform their functions again, except with a new election and after the restriction has been eliminated.

ARTICLE 23. BOARD MEETINGS.- The Board of Directors shall gather at least four times during each fiscal year. The Chairman of the Board of Directors and of the Corporate Practices and Audit Committees, as well as 25% (twenty five percent) of the Board Members, can call a Board Meeting and include in the agenda such items as they consider pertinent.

The Company's external auditor may be called to the Board of Director Meetings, as an invitee with voice but without vote, and shall abstain from being present during the discussion of those items on the agenda in which he has a conflict of interest or that could impair his independence as defined by the Law.

The Meeting shall be considered duly installed with the presence of the majority of the Board Members, who shall make their decisions by an absolute majority of the Board Members there present. Minutes shall be drawn up for each of the Meetings of the Board, which shall contain the topics and items discussed; said minutes must be signed by the Chairman and Secretary who acted as such during said Meeting. The Board may adopt resolutions without a Meeting through the unanimous consent of its members. Such resolutions shall be confirmed in writing.

All information presented to the Board of Directors, whether of the Company or of its controlled entities, shall be signed by the persons responsible for its content and drafting.

ARTICLE 24. FACULTIES OF THE CHAIRMAN OF THE BOARD.– The Chairman of the Board of Directors shall have, except for any modifications, restrictions or additional responsibilities that the General Shareholders' Meeting or the Law may determine, the following faculties, obligations, attributions, and powers: **I.-** Execute or procure the execution of the resolutions of the General Shareholders' Meetings and the Board of Directors, doing anything that is necessary or prudent in order to protect the Company's interests, without affecting the faculties that the Shareholders' Meeting, the Board or the Law may confer to the Chief Executive Officer. **II.-** Submit proposals to the Board of Directors regarding the independent directors that shall integrate the Corporate Practices and Audit Committees, as well as the provisional directors that shall be

designated by the Board, if necessary. **III.-** Chair the Shareholders' Meetings and the Board Meetings, having a casting vote in the Board's Resolutions in the case of a tie. **IV.-** Prepare, sign and publish the calls for the General Shareholders' Meetings and summon the Board of Directors' Meetings. **V.-** Represent the Company before any type of authority, company or individual. Any absence of the Chairman shall be covered by the Board Member appointed by the Board of Directors.

ARTICLE 25. APPOINTMENT OF THE SECRETARY OF THE BOARD.- In case the Shareholders' Meeting does not assign it, the Board of Directors shall appoint a Secretary, who may not be a Board Member and who shall be subject to the obligations and responsibilities established by the Law, being this appointment revocable at any time.

ARTICLE 26. DUTIES AND RESPONSIBILITIES OF THE BOARD MEMBERS.- The General Ordinary Shareholders' Meeting may establish the obligation that the Board Members and Secretary of the Board, the Chief Executive Officer and the Relevant Executives referred to by the applicable Law, grant a guarantee to cover the liabilities in which they may incur as a result of the performance of their position.

The Board Members shall perform their duties in a value-creating manner for the benefit of the Company, without favoring a specific shareholder or group of shareholders, and shall therefore act diligently and in good faith by adopting informed decisions; and shall comply with their duty of care and loyalty, abstaining from engaging in illicit acts or activities, as established by the applicable Law.

The liability for breach of these fiduciary duties or for engaging in illicit acts or activities shall consist of indemnifying the Company for the damages and costs suffered, and the responsible individuals shall be removed from their positions as established by applicable Laws.

With respect to liabilities arising from the breach of the duty of care, and only when the relevant acts were not done willfully, in bad faith or are not illegal, indemnities or insurance may be contracted for the Board Members or the Secretary. In no other case may such indemnity or insurance be granted or contracted.

The right to bring actions based on the breach of the fiduciary duties or on the committing of illicit acts or activities as established by the Law, shall be exclusively on behalf of the Company or of the individual who is controlled by the Company or in which the Company has significant influence, that suffers the economic damage, and may be enforced by the Company, through the resolution previously adopted in the General Extraordinary Shareholders' Meeting, or by the shareholders who, individually or in group, hold voting shares, including shares with limited or restricted voting rights, that represent 5% or more of the Company's Capital Stock, with disregard of the fulfillment of the requirements established by the General Corporations Law (*Ley General de Sociedades Mercantiles)* for suing management for their civil liability. With respect to liability claims brought on behalf of controlled companies or of those where the Company has substantial influence, these shall be independent of other claims that should be brought under the General Corporations Law (*Ley General de Sociedades Mercantiles)*, and if such claims are brought by the *Sociedad Anónima Bursátil*, the prior approval by the General Extraordinary Shareholders' Meeting shall be required. In the event that the shares representing the Capital Stock of the Company are placed among the public through credit instruments representing such shares, issued by fiduciary institutions under a trust, the right to bring the liability claim shall correspond to the fiduciary institution and to the holders of such instruments that represent 5% or more of the Company's Capital Stock.

ARTICLE 27. RESPONSIBILITIES OF THE BOARD.- It is the responsibility of the Board of Directors to:

I.- Establish the general strategies for conducting the Company's business and other companies controlled by it.

II.- Monitor the managing and handling of the Company and of the other companies controlled by it, considering the importance that the latter have in the financial, administrative and legal situation of the Company, as well as the performance of the Relevant Executives.

III.- Approve, with the prior opinion of the Audit and Corporate Practices Committees: **A)** The policies and guidelines for the use of the Company's assets and the assets of other companies controlled by it, by related parties. **B)** Each related party transaction that the Company or other companies controlled by it plan to enter

into. **C)** Transactions that are executed, either simultaneously or successively, that may be considered as one single transaction given their characteristics, and that the Company or the companies controlled by it plan to enter into, during a fiscal year, when these are unusual or non-recurrent, or else, when their total value represents, based on numbers corresponding to the end of the immediately preceding quarter in any of the following scenarios: **1.** The purchase or sale of assets with a value equal or greater than 5% of the consolidated assets of the Company. **2.** The granting of guarantees or the assumption of liabilities for a total sum equal or greater than 5% of the consolidated assets of the Company. Investments in debt securities or financial instruments shall not be covered by this provision whenever these are made in accordance with the policies that for such purpose are issued by the Board of Directors. D**)** The appointment, election, and, as the case may be, removal of the Chief Executive Officer of the Company, and its compensation, as well as the policies for the appointment and compensation of other Relevant Executives. **E)** The policies for extending credit or personal guarantees to related parties. **F)** Waivers granted so that a Board Member, Relevant Executive or any other individual with power to command, can take personal advantage or for third parties of corporate opportunities belonging to the Company or to other companies controlled by it or where the Company has substantial influence. Waivers for transactions with a total value less than what is mentioned in Section C) of this numeral III may be delegated to the Audit and Corporate Practices Committees. **G)** The guidelines with respect to internal controls and the internal audit of the Company and of the other companies controlled by it. **H)** The accounting policies of the Company, adjusting them to the accounting principles recognized or issued by the National Banking and Securities Commission *(Comisión Nacional Bancaria y de Valores)*. **I)** The Company's financial statements. **J)** The hiring of the firm that shall render the external audit services and, if applicable, of additional or complementary services.

IV.- Present to the General Shareholders' Meeting held after the end of the fiscal year: **A)** the annual report regarding the activities of the Audit and Corporate Practices Committees. **B)** The report prepared by the Chief Executive Officer, according to the Law, together with the report of the external auditor. **C)** The Board

of Director's opinion regarding the content of the Chief Executive Officer's report mentioned in the preceding section. **D)** The report mentioned in Article 172, section b) of the General Corporations Law *(Ley General de Sociedades Mercantiles)*, which contains the main accounting and information policies and criteria to be used in preparing the financial information.

E) The report on the activities and transactions in which it intervened as required by the applicable Law.

V.- Follow-up on the main risks to which the Company and the other companies controlled by it are exposed, identified based on the information presented to the committees, the Chief Executive Officer and the firm that serves as external auditor, as well as the accounting, internal control and internal audit, registry, archive or information systems of the Company or the other companies controlled by it. This task may be done through the conduit of the Audit and Corporate Practices Committee.

VI.- Approve the policies for information and communication with shareholders and the market, as well as with the Board Members and Relevant Executives, in order to comply with the Law.

VII.- Determine the corresponding course of action in order to correct any irregularities it is aware of and to implement the applicable corrective measures.

VIII.- Establish the terms and conditions to which the Chief Executive Director shall abide in the exercise of its powers of administration.

IX.- Order the Chief Executive Officer to disclose to the public those material events that it has knowledge of.

X.- Manage the businesses and assets of the Company, with full management power, under the terms of Article 2,554 (two thousand five hundred and fifty-four), Second paragraph of the Federal District Civil Code *(Código Civil para el Distrito Federal)*, and its correlative Article 2,448 (two thousand four hundred and forty-eight) of the State of Nuevo Leon.

XI.- Perform the domain over movable and real estate assets of the Company, as well as over their real and personal rights, under the terms of the third paragraph of Article 2,554 (two thousand five hundred and fifty-four) of the Federal District Civil Code *(Código Civil para el Distrito Federal)* and its correlative article 2,448

(two thousand four hundred and forty- eight) of the Civil Code for the State of Nuevo Leon *(Código Civil para el Estado de Nuevo León)*

XII.- Represent the Company before any type of administrative or judicial authorities of the Municipality, State or Country, as well as before the labor authorities or any other authority, or before arbitrators, with a vast power, including those faculties requiring a special clause according to the Law, under the provisions of the first paragraph of Article 2,554 (two thousand five hundred and fifty-four) of the Federal District Civil Code *(Código Civil para el Distrito Federal)* and its correlative Article 2,448 (two thousand four hundred and forty-eight) of the Civil Code for the State of Nuevo Leon *(Código Civil para el Estado de Nuevo León)*, and file legal suits, complaints and criminal accusations, being also able to act as a civil party in criminal cases, and grant remission, as well as to present *Juicios de Amparo* and waive the Company's rights under them.

XIII.- Grant and subscribe credit instruments on behalf of the Company, contribute with movable and real estate assets of the Company to other companies, and subscribe shares or take a participation in other companies, with the exception of those restrictions established by the applicable Law.

XIV.- Grant *avales*, bonds, and generally guarantee, even with mortgage or pledge, third party duties with or without counter benefits, and therefore execute credit instruments contracts and other documents that are necessary for the granting of said guarantees, with the exception of those restrictions established by the applicable Law.

XV.- Monitor compliance with the resolutions of the Shareholders' Meetings.

XVI.- Grant or deny the authorizations referred to in article 7 of these by-laws. **XVII.-** Any other responsibility established by the Law in accordance with the functions that the Law grants to the Board of Directors and that are not reserved for the General Shareholders' Meeting.

Approval from the Board of Directors shall not be required for the following transactions, each individually, entered between related parties and the Company or the companies controlled by it, if such transactions adhere to the policies and guidelines approved by the Board of Directors for such purpose: **(a)** those transactions that, based on their value, are not material to the Company or those companies controlled by it; **(b)**

transactions entered into by the Company and the companies controlled by it or companies where the Company has substantial influence or entered by any of latter, whenever such transactions are part of the Company's business scope or are considered made at market prices or supported on valuations made by external specialized firms; and **(c)** transactions with employees, whenever these are entered under the same conditions as with other clients or as a result of the rendering of general professional services.

The Board of Directors may only delegate its faculties under numerals X, XI, XII, XIII, and XIV above, and the attorneys-in-fact to whom they delegate those faculties are hereby duly authorized to delegate once more the faculties that have been delegated to them; with respect to section F) of numeral III, delegation shall be made as established therein, all other faculties correspond exclusively to the Board of Directors.

ARTICLE 28. CHIEF EXECUTIVE OFFICER.- The management, direction and execution of the business of Company and of the companies controlled by it shall be the responsibility of the Chief Executive Officer, who shall abide to the strategies, policies and guidelines approved by the Board of Directors.

The Chief Executive Officer shall have the signature of the Company, and shall have the following faculties, duties and obligations**: I.-** Represent the Company with general powers for act of administration, to manage the businesses and corporate assets with the ampleness of the second paragraph of Article 2554 of the Federal District Civil Code *(Código Civil para el Distrito Federal)* and its correlative Articles in the Civil Codes of any and all States of the Republic of Mexico, and Article 10 of the General Corporations Law *(Ley General de Sociedades Mercantiles)*. **II.-** Represent the Company with general power for lawsuits and collections, with all the general and special powers requiring special power or clause, without any limitation whatsoever, with the ampleness of the first paragraph of Article 2554 and 2587 of the Federal District Civil Code *(Código Civil para el Distrito Federal)*, and its correlative Articles in the Civil Codes of any and all States of the Republic of Mexico, as well as the power to represent the Company in labor disputes, with the attributions, obligations and rights prescribed in the Federal Employment Law *(Ley Federal del Trabajo)*. **III.-** Execute acts of domain over the corporate assets, as well as over their personal and real rights, whether movable or real estate assets pursuant to the terms of the third paragraph of Article 2554 of the Federal District Civil Code *(Código Civil para el*

Distrito Federal) and the correlative Article 2448 of the State of Nuevo Leon. **IV.-** Exercise the voting rights of those shares issued by those subsidiaries owned by the Company, complying with the Law. **V.-** Organize, manage and direct the personnel and the assets and businesses of the Company as instructed by the Board and to collect and make payments. **VI.-** Enter into agreements, execute credit instruments that are to be issued, accepted, endorsed or guaranteed, and all other documents related to his attributions, and execute those acts that are required for the ordinary course of business whenever they abide to the policies and guidelines that are approved by the Board of Directors for such purposes. **VII.-** Designate the Relevant Executives that shall assist him in the exercise of his functions and due fulfillment of his obligations, as well as any other employees he deems convenient. **VIII.-** Grant and revoke general and special powers, as well as to delegate, all or part of his faculties, including the power to authorize the attorney-in-fact to whom he delegated Powers so that the latter can likewise delegate the faculties he deems convenient, including such power of delegation. **IX.-** All other faculties, obligations and responsibilities established by the Law and that are not reserved to the General Shareholders' Meeting or to the Board of Directors. The Board of Directors may broaden or restrict the faculties of the Chief Executive Officer.

The Chief Executive Officer and Relevant Executives shall conduct their positions in a manner that looks after the creation of value for the Company, without favoring a specific shareholder or group of shareholders. For this purpose they shall act with due diligence, making informed decisions and complying with the duties imposed by the Law or these by-laws. The Chief Executive Officer and the Relevant Executives shall be responsible for damages and losses caused to the Company or to other companies controlled by it, as determined by the Law.

ARTICLE 29. MANAGING POSITIONS.- The Chief Executive Officer may appoint and remove the Relevant Executives of the Company and of the entities that together with the Company form the Business Group, and set their integral compensation, in accordance with the policies agreed by the Board of Directors. The Chief Executive Officer may delegate the powers granted to him to the Relevant Executives empowering them to delegate their powers as well. The Relevant Executives shall report directly to the Chief Executive Officer, who shall distribute among them the various roles that they are

taking, the Relevant Executives will have the authorities granted to them in the corresponding powers of attorney.

ARTICLE 30. FACULTIES OF THE SECRETARY OF THE BOARD.- The Board may designate, among its Members, one or more delegates for executing specific acts. The Secretary of the Board of Directors shall have the following faculties, obligations and attributions:

A).- Draft, sign and publish the calls and notifications for the Shareholders' Meetings, and if applicable, call the Meetings of the Board of Directors and of the Corporate Practices and Audit Committees.

B).- Participate with voice, but without vote, in the Board of Director Meetings.

C).- Maintain the confidentiality of the information and issues that he becomes aware of as part of his position in the Company, when such information and issues are not deemed public.

D).- Attend all of the General Shareholders' Meetings and Board of Director Meetings, draft and sign the corresponding minutes, and keep the Minute Books of the General Shareholders' Meetings and Board of Director Meetings as established by Law.

E).- Sign the minutes prepared in such Meetings, as well as authenticate such acts or resolutions contained in such minutes for all applicable legal effects.

F).- Act as the special designated representative of the Company to appear before a notary public and obtain the complete or partial protocolization of the minutes prepared at the General Shareholders' Meetings and the Board of Director Meetings.

G).- Issue any required proofs or authentications of the legal representation of the Company and of records inserted in the Shareholder Ledger.

ARTICLE 31. COMMITTEES.- To fulfill its responsibilities, the Board of Directors shall be assisted by the Audit and Corporate Practices Committees, which shall be only comprised of independent directors and at least with three of such directors as appointed by the General Shareholders' Meeting or by the Board of Directors, as per the proposal made by the Chairman of such Board.

The Chairman of the Audit and Corporate Practices Committees shall be appointed and removed from office exclusively by the General Shareholders' Meeting, and shall not be able to chair the Board of Directors. The Secretary of the Board of Directors shall also be the Secretary of the Audit and Corporate Practices Committees, but he shall not be a member of such Committees.

The Chairmen of the Audit and Corporate Practices Committees may call Board of Director Meetings and insert in the agenda the items they deem pertinent.

With respect to corporate practices, the Committee shall: **(a)** Provide its opinion to the Board of Directors with respect to those issues that are relevant to it, as provided by the Law. **(b)** Request opinions from independent experts whenever it deems it necessary for the efficient performance of its duties o whenever required by Law; **(c)** Call General Shareholders' Meetings and insert in such Meetings' agendas those items that it deems pertinent. **(d)** Assist the Board of Directors in preparing the reports referenced in Article 28, section IV, letters d) and e) of the Mexican Securities Market Law. **(e)** Perform all other duties established by the Law or in these by-laws.

With respect to audit matters, the Committee shall: **(a)** Provide its opinion to the Board of Directors with respect to those issues that are relevant to it, as provided by the Law. **(b)** Evaluate the performance of the firm that renders the external audit services, as well as analyze the report, opinions or notices prepared and issued by the external auditor; to this effect, the Committee may request the external auditor's presence whenever it deems it convenient, in addition to its duty to meet with the external auditor at least once a year. **(c)** Discuss the Company's financial statements with the persons involved in their preparation and revision, and based on this, recommend the Board of Directors to approve or disapprove the financial statements. **(d)** Inform the Board of Directors about the condition of the internal control and internal audit systems of the Company and the companies controlled by it, including any irregularities that it detects, if so is the case. **(e)** Prepare the opinion referenced in Article 28, section IV, letter c) of the Mexican Securities Market Law and submit it to the Board of Director's consideration, for its later presentation to the Shareholders' Meeting, aiding itself with, among other things, the report of the external auditor; such opinion shall indicate, at the least: **1.-** Whether the policies and accounting and information criteria followed by the Company are adequate and sufficient

based on the particular circumstances of the Company. **2.-** Whether such policies and criteria have been consistently applied to the information presented by the Chief Executive Officer. **3.-** Whether, as the result of numbers 1. and 2. above, the information presented by the Chief Executive Officer reasonably reflects the financial results and condition of the Company. **(f)** Assist the Board of Directors in the preparation of the reports referenced in Article 28, section IV, letters d) and e) of the Mexican Securities Market Law. **(g)** Supervise that the transactions referenced in Articles 28, section III and 47 of the Mexican Securities Market Law are conducted in compliance with the Law and with the policies issued as per such legal dispositions. **(h)** Request opinions from independent experts whenever it deems it necessary for the efficient performance of its duties o whenever required by Law. **(i)** Request from the Relevant Executives and any other employees of the Company or other companies controlled by it, any reports related to the preparation of financial information or any other report that he deems necessary for performing its duties. **(j)** Investigate possible non-compliance that he is aware of, with the operations, guidelines and policies, internal control, internal audit and accounting record systems, whether by the Company or any other company controlled by it; to this effect, it shall conduct the examination of the documents, files and any other evidence, to the extent this is necessary to perform such surveillance. **(k)** Receive any observations made by the Shareholders, Directors, Relevant Executives, employees, and any other third party, with respect to the matters described in letter **(j)** above, and take any action that, under its judgment, may be taken as a result of such observations. **(l)** Request periodic meetings with the Relevant Executives, as well as the submittal of information related to the internal control and internal audit of the Company or other companies controlled by it. **(m)** Inform the Board of Directors of any material irregularities it detects during the performance of its duties and, if applicable, of the corrective actions adopted or suggest such actions that must be adopted. **(n)** Call Shareholder Meetings and request the inclusion in the agenda of those items that it deems pertinent. **(o)** Monitor that the Chief Executive Officer performs the resolutions adopted at the Shareholders' Meetings and the Board of Director Meetings, based on the instructions that, for such purposes, are dictated by such Meetings. **(p)** Monitor the establishment of mechanisms and internal controls that allow verifying that acts and transactions of the Company and other companies controlled by it are in compliance with

the applicable Law, as well as implement methods that enable reviewing compliance of the aforementioned duties. **(q)** Perform all other duties established by the Law or in these by- laws pursuant to the responsibilities provided herein.

The annual report on the Audit and Corporate Practices Committees' activities shall be prepared by the Chairmen of such Committees and presented to the Board of Directors.

The Audit and Corporate Practices Committees shall gather as many times as necessary, having the right to call such meetings the Chairman of the Board of Directors, 25% of the Board Members, the Chief Executive Officer, or the Chairman of such Committee. The decisions shall be made by majority of votes, having the Chairman a deciding vote in case of a tie; and it shall require the attendance of the majority of its members in order to have a valid meeting. The Alternates of those Directors members of the Audit and Corporate Practices Committee, shall also have the same position regarding the integration of this Committee.

In those Committee meetings where the Chairman and/or Secretary were absent, the attending members shall appoint among them, by majority vote, those who shall act as Chairman and Secretary for that particular meeting.

The Committees shall keep a minute book of their meetings, where the minutes of every meeting shall be kept with the signature of whoever acted as Chairman and Secretary.

One single Committee may perform the functions of both, the Audit and the Corporate Practices Committees.

ARTICLE 32. COMPENSATION OF THE BOARD.- The Members of the Board of Directors and their Alternates, as well as the members of the Audit and Corporate Practices Committees, shall be remunerated for their services in the amounts determined by the General Shareholders' Meeting.

ARTICLE 33. SURVEILANCE OF THE COMPANY.- The surveillance of the management and execution of the Company's business shall be the responsibility of the Board of Directors, through the Audit and Corporate Practices Committee, as well as through the firm performing the external audit of the Company, each within the scope of their attributions.

The Audit and Corporate Practices Committee, and the firm performing the external audit of the Company, shall perform those activities in accordance with the duties that the applicable Law imposes on them.

ARTICLE 34. FISCAL YEARS.- The fiscal years shall have a duration of one (1) calendar year, starting from January 1st (first) through December 31 (thirty-first).

ARTICLE 35. USE OF NET PROFITS.- The net profits that are obtained annually shall be applied in the following order: **1.-** An amount equal to 5% (five per cent) shall be set apart to form a fund for the Legal Reserve until such point as such Reserve amounts at least 20% (twenty per cent) of the Capital Stock. When for any circumstances the Legal Reserve is reduced, it shall be reconstituted in the form mentioned in this sub paragraph. **2.-** An amount that the Shareholders' Meeting deems appropriate shall be set apart to create special reserve or prevention funds. **3.-** The remaining portion shall be distributed among the shareholders in proportion to the number of shares they own, corresponding an equal part to each share, except for the provisions contained in the Law or in the Shareholders' Meeting approving their issuance, in the case of shares representing a special class. The payment of dividends shall be made in accordance with the Law.

ARTICLE 36. FOUNDERS.- The Founders shall not reserve for themselves any special participation in the profits of the Company.

ARTICLE 37. LOSSES ALLOCATION.- Should there be any losses, they shall be allocated among the shareholders in proportion to their representation and up to the value of their respective shares, in accordance with the proportion that they represent from the paid and subscribed Capital Stock.

ARTICLE 38. DISSOLUTION OF THE COMPANY.- The Company shall be dissolved prior to its scheduled termination in the events described in subparagraphs II (second), III (third), IV (fourth) and V (fifth) of Article 229 (two hundred and twenty-nine) of the General Corporations Law (*Ley General de Sociedades Mercantiles)*.

ARTICLE 39. LIQUIDATORS.- Once the Company has been dissolved, the Shareholders' Meeting, shall designate three liquidators by majority of votes. The Shareholders' Meeting shall establish the term within which said liquidators must complete their duties and shall set the compensation that they shall receive.

ARTICLE 40. BASES FOR LIQUIDATION.- The liquidators shall pass their resolutions by a majority of votes. The liquidation shall be made in accordance with the following bases: **I.-** Conclude all pending business in the manner best deemed appropriate by the liquidators. **II.-** The liquidators shall collect the credits, pay the debts and transfer the ownership of the assets of the Company as deemed necessary for such purpose. **III.-** The liquid assets that result from the final balance sheet to be produced by the liquidators, approved by the Shareholders' Meeting, shall be distributed among the shareholders, either by distribution in kind or selling them and distributing the product of the sale or executing on them any other transaction approved by the General Shareholders' Meeting, without harming any rights corresponding to special classes of shares, if any. The distribution of the liquid assets shall be made in proportion to the amount of issued Capital Stock, without affecting the preferential rights that correspond to special classes of shares.

ARTICLE 41. LIQUIDATION OF THE COMPANY.- The General Shareholders' Meeting shall have, during the term of liquidation, the necessary powers to determine the rules that, in addition and amendment to the rules set forth in this public deed, shall govern the acts of the liquidators, having the power to revoke their designation and appoint new liquidators. The Shareholders' Meeting shall be called during the liquidation by any of the liquidators.

ARTICLE 42. CANCELLATION OF LISTING ON THE NATIONAL REGISTER OF SECURITIES.- In the event that the Company requests the cancellation of the listing of its shares on the Securities Section of the National Register of Securities, the prior approval of the General Extraordinary Shareholders' Meeting, with the favorable vote of the shares, with or without voting rights, that represent 95% of the Company's

Capital Stock, shall be required. It shall also be necessary to make a public tender offer, which shall be made at the price, terms and conditions established by the Law or determined by the National Banking and Securities Commission *(Comisión Nacional Bancaria y de Valores*) through its regulations.

The Company shall create a trust, for a period of at least six month as of the date of such cancellation, with enough funds to purchase, at the same offered price, the shares of those investors who did not tender at such offer.

The Board of Directors shall inform to investors and the public, through the stock exchanges where the Company's securities are traded and in compliance with the conditions established by such stock exchanges, its opinion with respect to the price of the offer.

Transitory Article 1.- Individuals or corporations that, as of April 25, 2002, date in which the General Extraordinary Shareholders' Meeting approved the amendment to several Articles of the by-laws of CEMEX, S.A. de C.V., are covered by the amendments to Articles 7 or 10, shall have 6 (six) months, starting the date such Meeting was held, to comply with the authorizations, notifications and other formalities referred to in such amended Articles 7 and 10, not being able to exercise the rights inherent to such shares until such formalities are not strictly complied with.

Transitory Article 2.- For all applicable legal effects, the amendments to the various Articles of the by-laws of CEMEX, S.A. de C.V., approved in the General Extraordinary Shareholders' Meeting held on April 27, 2006, are subject to the condition that the new Mexican Securities Market Law (*Ley del Mercado de Valores*) published in the Mexican Federal Official Gazette on December 30, 2005, enters into force as per the condition described in such new Law, a publication of the amended and restated by-laws shall be made.

EXECUTION VERSION

CEMEX, S.A.B. DE C.V.
AS THE PARENT

WITH

CITIBANK EUROPE PLC, UK BRANCH
AS THE FACILITY AGENT

AND

WILMINGTON TRUST (LONDON) LIMITED
AS THE SECURITY AGENT

AMENDMENT AND RESTATEMENT DEED IN RELATION TO THE INTERCREDITOR AGREEMENT DATED 17 SEPTEMBER 2012 AND AMENDED 31 OCTOBER 2014 AND 23 JULY 2015

CONTENTS

THIS DEED is dated 19 July 2017 and made between:

(1) **CEMEX, S.A.B. de C.V.** (the "**Parent**");

(2) **THE SUBSIDIARIES** of the Parent listed in Part I (*Borrower*) and Part II (*Guarantors*) of Schedule 1 to this Deed as Original Debtors (together with the Parent, the "**Debtors**");

(3) **THE SUBSIDIARIES** of the Parent listed in Part III (*Security Providers*) of Schedule 1 to this Deed as Original Security Providers (together with the Parent, the "**Security Providers**");

(4) **THE INTRA-GROUP LENDERS**;

(5) **CITIBANK EUROPE PLC, UK BRANCH** (formerly Citibank International Limited) as Facility Agent (the "**Facility Agent**"); and

(6) **WILMINGTON TRUST (LONDON) LIMITED** as security agent of the Secured Parties (the "**Security Agent**").

RECITALS:

(A) The Facilities Agreement Creditors and the Refinancing Creditors that have Exposures under the Original Intercreditor Agreement on the Effective Date have consented to amendments to the Original Intercreditor Agreement requested by the Parent.

(B) The Agent executes this Deed on behalf of the Creditors.

IT IS AGREED as follows:

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Deed:

"**2014 Facilities Agreement**" means the facilities agreement dated 29 September 2014 (as amended pursuant to amendment agreements dated 23 July 2015, 17 March 2016, 23 June 2016, 11 July 2016 and 21 November 2016) and made between, among others, the Parent and certain of its Subsidiaries as original obligors, certain financial institutions, noteholders and other entities as original creditors, Citibank Europe plc, UK Branch) as agent and Wilmington Trust (London) Limited as security agent.

"**2017 Facilities Agreement**" means the facilities agreement dated on or about the date of this deed and made between, among others, the Parent and certain of its subsidiaries as obligors, certain financial institutions as lenders, Citibank Europe plc, UK Branch as agent and Wilmington Trust (London) Limited as security agent.

"**Amended Intercreditor Agreement**" means the Original Intercreditor Agreement, as amended and restated by this Deed.

"**Effective Date**" means the 2017 Amendment Intercreditor Effective Date under and as defined in the 2017 Facilities Agreement.

"**Original Intercreditor Agreement**" means the intercreditor agreement dated 17 September 2012 (as amended on 31 October 2014 and 23 July 2015) and made between, amongst others, the Parent, Wilmington Trust (London) Limited as Security Agent, Citibank Europe plc, UK Branch as agent under the 2014 Facilities Agreement, the creditors under the 2014 Facilities Agreement and any other creditors of the Group that may accede to it from time to time in accordance with its terms.

1.2 **Incorporation of defined terms**

(a) Unless a contrary indication appears, a term defined in the Original Intercreditor Agreement has the same meaning in this Agreement.

(b) The principles of construction set out in the Original Intercreditor Agreement shall have effect as if set out in this Deed.

1.3 **Clauses**

In this Deed any reference to a "Clause" or a "Schedule" is, unless the context otherwise requires, a reference to a clause in or a schedule to this Deed.

1.4 **Designation**

In accordance with the 2017 Facilities Agreement, each of the Parent and the Facility Agent designates this Deed as a Finance Document.

2. AMENDMENT OF THE ORIGINAL INTERCREDITOR AGREEMENT

With effect from the Effective Date, the Original Intercreditor Agreement shall be amended and restated so that it shall be read and construed for all purposes as set out in Schedule 2 (*Restated Agreement*).

3. CONTINUITY AND FURTHER ASSURANCE

3.1 **Continuing obligations**

The provisions of the Original Intercreditor Agreement and the other Finance Documents shall, save as amended by this Deed, continue in full force and effect.

3.2 **Further assurance**

Each Debtor and each Security Provider shall, at the request of the Facility Agent and at such Debtor's and such Security Provider's own expense, do all such acts and things necessary or desirable to give effect to the amendments effected or to be effected pursuant to this Deed.

3.3 **Notarisation in Spain**

The Parent shall (and shall ensure that each other relevant member of the Group will), at the request of the Facility Agent (giving reasonable notice and specifying a time during normal business hours), appear before a notary in Madrid to raise this Deed to the status of a Spanish public document (*escritura pública*) on or before the date falling ten Business Days after the date of this Deed.

3.4 **Debtor/Security Providers**

(a) As of the date of this Deed (i) the Debtor (as set out in Part I (*Borrower*) of Schedule 1 (*Parties*) to this Deed) hereby confirms it is a Debtor for the purposes of the Original Intercreditor Agreement, and (ii) each Security Provider (as set out in Part III (*Security Providers*) of Schedule 1 (*Parties*) to this Deed) hereby confirms that it is a Security Provider for the purposes of the Original Intercreditor Agreement.

(b) For the avoidance of doubt, on and from the Effective Date (i) the Debtor (as set out in Part I (*Borrower*) of Schedule 1 (*Parties*) to this Deed hereby confirms it is a Debtor for the purposes of the Amended Intercreditor Agreement, and (ii) each Security Provider (as set out in Part III (*Security Providers*) of Schedule 1 (*Parties*) to this Deed) hereby confirms that it is a Security Provider for the purposes of the Amended Intercreditor Agreement.

4. COSTS AND EXPENSES

The Parent shall promptly on demand pay (or procure to be paid) to the Facility Agent and the Security Agent the amount of all costs and expenses (including legal fees) reasonably and properly incurred by any of them (and in the case of the Security Agent, by any Receiver or Delegate) in connection with the negotiation, preparation, printing and execution of this Deed and any other documents referred to in this Deed.

5. MISCELLANEOUS

5.1 Security Agent

The Security Agent has entered into this Deed on the instruction of the Facility Agent itself acting as instructed by the Facilities Agreement Creditors and the Refinancing Creditors on the Effective Date pursuant to the Original Intercreditor Agreement.

5.2 Incorporation of terms

The provisions of clause 18 (*Notices*), clause 19.1 (*Partial invalidity*), clause 19.3 (*Remedies and waivers*) and clause 23 (*Enforcement*) of the Original Intercreditor Agreement shall be incorporated into this Deed as if set out in full in this Deed and as if references in those clauses to "this Agreement" or "the Finance Documents" are references to this Deed.

5.3 Counterparts

This Deed may be executed in any number of counterparts, and this has the same effect as if the signatures on the counterparts were on a single copy of this Deed.

6. **GOVERNING LAW**

This Deed and any non-contractual obligations arising out of or in connection with it are governed by English law.

THIS DEED has been executed as, and is intended to take effect as, a deed by each Party (other than the Security Agent and the Facility Agent) and is delivered on the date stated at the beginning of this Deed.

SCHEDULE 1
PARTIES

PART I
BORROWER

Borrower	Registration Number	Jurisdiction
CEMEX, S.A.B. de C.V.	CEM-880276-UZA	Mexico

PART II
GUARANTORS

Guarantor	Registration Number	Jurisdiction
CEMEX España, S.A.	A-46004214	Spain
CEMEX México, S.A. de C.V.	CME-820101-LJ4	Mexico
CEMEX Concretos, S.A. de C.V.	CCO-740918-9M1	Mexico
Empresas Tolteca de México, S.A. de C.V.	ETM-890720-DJ2	Mexico
New Sunward Holding B.V.	34133556	The Netherlands
CEMEX Corp.	File #: 2162255	Delaware, USA
CEMEX Finance LLC	File #: 3654572	Delaware, USA
Cemex Research Group AG	CHE-113.951.069	Switzerland
CEMEX Asia B.V.	34228466	The Netherlands
CEMEX France Gestion (S.A.S.)	334 533 288 R.C.S. Créteil	France
CEMEX UK	05196131	England and Wales
CEMEX Egyptian Investments B.V.	34108365	The Netherlands

PART III
SECURITY PROVIDERS

Security Provider	Registration Number	Jurisdiction
CEMEX, S.A.B. de C.V.	CEM-880726-UZA	Mexico
CEMEX México, S.A. de C.V.	CME-820101-LJ4	Mexico
CEMEX Operaciones México, S.A. de C.V.	CDC-960913-SK6	Mexico
Empresas Tolteca de México, S.A. de C.V.	ETM-890720-DJ2	Mexico
CEMEX Central, S.A. de C.V. Interamerican Investments, Inc.	CCE911110JE1 File #: 2252951	Mexico Delaware, USA
New Sunward Holding B.V.	34133556	The Netherlands
CEMEX TRADEMARKS HOLDING Ltd.	CHE-109.294.363	Switzerland

SCHEDULE 2
RESTATED AGREEMENT

EXECUTION VERSION

17 SEPTEMBER 2012
AS AMENDED ON 31 OCTOBER 2014, 23 JULY 2015 AND ON OR ABOUT 19 JULY 2017

CITIBANK EUROPE PLC, UK BRANCH
AS FACILITY AGENT

THE FACILITIES AGREEMENT CREDITORS
AS NAMED HEREIN

CEMEX, S.A.B. DE C.V. AND CERTAIN OF ITS SUBSIDIARIES
AS DEBTORS, SECURITY PROVIDERS AND INTRA-GROUP LENDERS

WILMINGTON TRUST (LONDON) LIMITED
AS SECURITY AGENT

AND OTHERS

INTERCREDITOR AGREEMENT

CONTENTS

THIS AGREEMENT is dated 17 September 2012 (the "**date of this Agreement**"), amended on 31 October 2014, 23 July 2015 and on or about 19 July 2017 and made between:

(1) **CITIBANK EUROPE PLC, UK BRANCH** as Facility Agent;

(2) **THE FINANCIAL INSTITUTIONS** listed in Part I (*Facilities Agreement Creditors*) of Schedule 1 as Facilities Agreement Creditors (the "**Original Facilities Agreement Creditors**");

(3) **CEMEX, S.A.B. de C.V.** (the "**Parent**");

(4) **THE SUBSIDIARIES** of the Parent listed in Part III (*Guarantors*) of Schedule 1 as Original Debtors (together with the Parent, the "**Original Debtors**");

(5) **THE SUBSIDIARIES** of the Parent listed in Part IV (*Security Providers*) of Schedule 1 as Original Security Providers (together with the Parent, the "**Original Security Providers**");

(6) **THE INTRA-GROUP LENDERS**; and

(7) **WILMINGTON TRUST (LONDON) LIMITED** as security agent for the Secured Parties (the "**Security Agent**").

WHEREAS

(A) The Parent, the Original Debtors and the Original Security Providers entered into this Agreement in relation to the 2017 Facilities Agreement, which has refinanced the 2014 Facilities Agreement in full, and in connection with the grant by the Original Guarantors of certain guarantees in favour of the Facilities Agreement Creditors and the grant by the Original Security Providers of Security pursuant to the Transaction Security Documents in favour of the Facilities Agreement Creditors.

(B) Under the Existing Notes Documents the Parent and the other Original Debtors may not grant Security in favour of the Facilities Agreement Creditors unless the Parent and the Original Debtors have made effective provision to secure, whether by direct or third party Security, the Existing Notes Liabilities equally and rateably with the Facilities Agreement Creditor Liabilities.

IT IS AGREED as follows:

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Agreement:

"**2014 Facilities Agreement**" means the facilities agreement dated 29 September 2014 (as amended pursuant to amendment agreements dated 23 July 2015, 17 March 2016, 23 June 2016, 11 July 2016 and 21 November 2016) and made between, among others, the Parent and certain of its Subsidiaries as original obligors, certain financial institutions, noteholders and other entities as original creditors, Citibank Europe plc, UK Branch) as agent and Wilmington Trust (London) Limited as security agent.

"**2017 Facilities Agreement**" means the facilities agreement dated on or about the date of the 2017 Deed of Amendment and made between, among others, the Parent and certain of its Subsidiaries as obligors, certain financial institutions as lenders, Citibank Europe plc, UK Branch) as agent and Wilmington Trust (London) Limited as security agent.

"**2017 Deed of Amendment**" means the deed of amendment and restatement in relation to this Agreement dated on or about July 2017 between, amongst others, the Parent and the Security Agent.

"**2018 Floating Rate Notes**" means the US$500,000,000 floating rate senior secured notes maturing on 15 October 2018 and issued by the Parent (with US$313,391,000.00 outstanding as of 30 June 2017).

"**2018 Floating Rate Notes Indenture**" means the indenture dated as of 2 October 2013 among the Parent as issuer, certain subsidiaries of the Parent as guarantors and The Bank of New York Mellon as trustee pursuant to which the 2018 Floating Rate Notes were issued.

"**2019 6.50% Senior Notes**" means the US$1,000,000,000 6.500% senior secured notes maturing on 10 December 2019 and issued by the Parent (with US$618,168,000.00 outstanding as of 30 June 2017).

"**2019 6.50% Senior Notes Indenture**" means the indenture dated as of 12 August 2013, as amended from time to time, among the Parent as issuer, certain subsidiaries of the Parent as guarantors and The Bank of New York Mellon as trustee pursuant to which the 2019 6.50% Senior Notes were issued.

"**2021 USD Senior Notes**" means the US$1,000,000,000 7.250% senior secured notes maturing on 15 January 2021 and issued by the Parent (with US$340,665,000.00 outstanding as of 30 June 2017).

"**2021 USD Senior Notes Indenture**" means the indenture dated as of 2 October 2013 among the Parent as issuer, certain subsidiaries of the Parent as guarantors and The Bank of New York Mellon as trustee pursuant to which the 2021 USD Senior Notes were issued.

"**2022 EUR Senior Notes**" means the €400,000,000 4.750% senior secured notes maturing on 11 January 2022 and issued by the Parent.

"**2022 EUR Senior Notes Indenture**" means the indenture dated as of 11 September 2014 among the Parent as issuer, certain subsidiaries of the Parent as guarantors and The Bank of New York Mellon as trustee pursuant to which the 2022 EUR Senior Notes were issued.

"**2022 USD Senior Notes**" means the US$1,500,000,000 9.375% senior secured notes maturing on 12 October 2022 and issued by CEMEX Finance (with US$ 1,043,269,000.00 outstanding as of 30 June 2017).

"**2022 USD Senior Notes Indenture**" means the indenture dated as of 12 October 2012 among CEMEX Finance as issuer, the Parent and certain subsidiaries of the Parent as guarantors and The Bank of New York Mellon as trustee pursuant to which the 2022 USD Senior Notes were issued.

"**2023 EUR Senior Notes**" means the €550,000,000 4.375% senior secured notes maturing on 5 March 2023 and issued by the Parent.

"**2023 EUR Senior Notes Indenture**" means the indenture dated as of 5 March 2015 among the Parent as issuer, certain subsidiaries of the Parent as guarantors and The Bank of New York Mellon as trustee and registrar and The Bank of New York Mellon, London Branch, as paying agent and transfer agent pursuant to which the 2023 EUR Senior Notes were issued.

"**2024 6.000% Senior Notes**" means the US$1,000,000,000 6.000% senior secured notes maturing on 1 April 2024 and issued by CEMEX Finance (with US$990,075,000.00 outstanding as of 30 June 2017).

"**2024 6.000% Senior Notes Indenture**" means the indenture dated as of 1 April 2014 among CEMEX Finance as issuer, the Parent and certain subsidiaries of the Parent among others as guarantors and the Bank of New York Mellon as trustee pursuant to which the 2024 6.000% Senior Notes were issued.

"**2024 4.625% Senior Notes**" means the €400,000,000 4.625% senior secured notes maturing on 15 June 2024 and issued by CEMEX Finance.

"**2024 4.625% Senior Notes Indenture**" means the indenture dated as of 14 June 2016 among CEMEX Finance as issuer, the Parent and certain subsidiaries of the Parent among others as guarantors and the Bank of New York Mellon as trustee pursuant to which the 2024 4.625% Senior Notes were issued.

"**2025 5.70% Senior Notes**" means the US$1,100,000,000 5.700% senior secured notes maturing on 11 January 2025 and issued by the Parent (with US$1,070,625,000.00 outstanding as of 30 June 2017).

"**2025 5.70% Senior Notes Indenture**" means the indenture dated as of 11 September 2014 among the Parent as issuer, certain subsidiaries of the Parent as guarantors and the Bank of New York Mellon as trustee pursuant to which the 2025 Senior Notes were issued.

"**2025 6.125% Senior Notes**" means the US$750,000,000 6.125% senior secured notes maturing on 5 May 2025 and issued by the Parent.

"**2025 6.125% Senior Notes Indenture**" means the indenture dated as of 5 March 2015 among the Parent as issuer, certain subsidiaries of the Parent as guarantors and The Bank of New York Mellon as trustee pursuant to which the 2025 6.125% Senior Notes were issued.

"**2026 7.75% Senior Notes**" means the $1,000,000,000 7.75% senior secured notes maturing on 16 April 2026 and issued by the Parent.

"**2026 7.75% Senior Notes Indenture**" means the indenture dated as of 16 March 2016 among the Parent as issuer, certain subsidiaries of the Parent as guarantors and the Bank of New York Mellon as trustee pursuant to which the 2026 7.75% Senior Notes were issued.

"**Additional Guarantor**" means a company that becomes a Guarantor under and as defined in the 2017 Facilities Agreement or the Refinancing Equivalent.

"**Additional Notes**" means any notes, *certificados bursátiles* (including any Certificados Bursátiles issued under and in accordance with the Certificados Bursátiles programme other than the Existing Certificados Bursátiles), bonds or other debt securities, convertible or exchangeable securities or loan facilities:

(a) the proceeds of which are applied (in each case, as permitted (or to the extent not prohibited) by the Facilities Agreement and at least to the extent required under the Facilities Agreement):

  (i) to refinance Existing Notes or existing Additional Notes which are secured equally and rateably with other Secured Obligations of the Debtors on the terms provided for in this Agreement; or

  (ii) to refinance the Facilities or any Refinancing Debt; or

(b) which are permitted to be (or not restricted from being) incurred, and permitted to have (or not restricted from having) the benefit of the Transaction Security under the terms of the Facilities Agreement (at the discretion of the Parent),

and, in each case, which are issued or, as the case may be, borrowed, after the date of this Agreement, by a Debtor, and which do not constitute Refinancing Debt.

"**Additional Notes Creditor**" means each holder from time to time of Additional Notes.

"**Additional Notes Documents**" means any terms and conditions, indenture, loan agreement, *título único* or similar instrument entered into by any member of the Group in relation to any Additional Notes and any other related documents.

"**Additional Notes Liabilities**" means the Liabilities owed by any Debtor (and, to the extent applicable in respect of the Transaction Security granted by it, any Security Provider) to the Additional Notes Creditors under or in connection with the Additional Notes Documents (or, in the case of a Security Provider, under or in connection with the Transaction Security Documents).

"**Additional Notes Trustee**" means each noteholder trustee, *representante común*, indenture trustee, agent or any other entity which performs a similar role in relation to Additional Notes Creditors under any Additional Notes.

"**Additional Notes Trustee Liabilities**" means all present and future liabilities, actual and contingent, of any Debtor (and, to the extent applicable in respect of the Transaction Security granted by it, any Security Provider) to any Additional Notes Trustee under or in connection with any Additional Notes Documents (or, in the case of a Security Provider, under or in connection with the Transaction Security Documents).

"**Additional Security Provider**" means a company that becomes a Security Provider under and as defined in the 2017 Facilities Agreement or the Refinancing Equivalent.

"**Affiliate**" means, in relation to any person, a Subsidiary of that person or a Holding Company of that person or any other Subsidiary of that Holding Company.

"**Agent**" means each Facility Agent and each Refinancing Creditor Representative.

"**Agent Liabilities**" means all present and future liabilities, actual and contingent, of any Debtor (and, to the extent applicable in relation to the Transaction Security granted by it, any Security Provider) to any Agent under the Debt Documents.

"**Base Currency**" means US dollars.

"**Base Currency Amount**" means, on any date:

(a) in relation to an amount or Exposure denominated in the Base Currency, that amount or the amount of that Exposure; and

(b) in relation to an amount or Exposure denominated in a currency other than the Base Currency, that amount or the amount of that Exposure converted into the Base Currency at:

  (i) for the purposes of determining the Instructing Group or the Super Majority Instructing Group, the exchange rate displayed on the appropriate Reuters screen at or about 11:00 a.m. on the date on which such determination is made (or if such appropriate page is replaced or services cease to be available, the Security Agent may specify another page or service displaying the appropriate rate after consultation with the Parent, the Facility Agent and each Refinancing Creditor Representative); and

  (ii) for all other purposes, the Security Agent's Spot Rate of Exchange on the date which is 3 Business Days before any payment is required to be made.

"**Business Day**" means a day (other than a Saturday or Sunday) on which banks are open for general business in London, Madrid, New York City, Amsterdam and Mexico City (in the case of Mexico City, if applicable, as specified by a governmental authority), and:

(a) (in relation to any date for payment or lending or purchase of, or the determination of an interest rate or rate of exchange in relation to, a currency other than euro) the principal financial centre of the country of that currency; or

(b) (in relation to any date for payment or lending or purchase of, or the determination of an interest rate or rate of exchange in relation to, euro) any TARGET Day.

"**CEMEX España**" means CEMEX España, S.A.

"**CEMEX Finance**" means CEMEX Finance LLC.

"**CEMEX México**" means CEMEX México, S.A. de C.V.

"**Certificados Bursátiles**" means debt securities issued by the Parent and guaranteed (*por aval*) by CEMEX México and Empresas Tolteca in the Mexican capital markets with the approval of the Mexican National Banking and Securities Banking and Securities Commission and listed on the Mexican Stock Exchange.

"**Charged Property**" means all of the assets which from time to time are, or are expressed to be, the subject of the Transaction Security.

"**Common Assurance**" means any guarantee, indemnity or other assurance against loss in respect of any of the Liabilities, the benefit of which (however conferred) is, to the extent legally possible, given to all the Secured Parties in respect of their Liabilities.

"**Compliance Certificate**" means a "Compliance Certificate" under and as defined in the 2017 Facilities Agreement or the Refinancing Equivalent.

"**Consent**" means any consent, approval, release or waiver or agreement to any amendment.

"**Consolidated Leverage Ratio**" means, on any date of determination, the ratio of Consolidated Funded Debt on such date to EBITDA for the one (1) year period ending on such date (where "**Consolidated Funded Debt**" and "**EBITDA**" have the meaning given to such terms in the 2017 Facilities Agreement or the Refinancing Equivalent).

"**Creditor**" means an Agent, a Facilities Agreement Creditor or a Refinancing Creditor.

"**Creditor Secured Documents**" means each of the Finance Documents and the Refinancing Documents.

"**Creditor Secured Parties**" means each of the Secured Parties other than the Noteholder Trustees and the Noteholders from time to time.

"**Creditor/Agent/Security Agent Accession Undertaking**" means:

(a) an undertaking substantially in the form set out in Schedule 3 (*Form of Creditor/Agent/Security Agent Accession Undertaking*); or

(b) in the case of a Facilities Agreement Creditor only, a Transfer Certificate, Assignment Agreement or an Accordion Confirmation (in each case as defined in the 2017 Facilities Agreement or the Refinancing Equivalent),

as the context may require.

"**Debt Claim Recoveries**" has the meaning given to such term in Clause 10.2 (*Order of application—Debt Claim Recoveries*).

"**Debt Document**" means each Finance Document, Refinancing Document and Noteholder Document.

"**Debtor**" means each Original Debtor, any Refinancing Obligor and any member of the Group which has acceded to this Agreement as a Debtor in accordance with Clause 14.7 (*New Debtor/Security Provider*).

"**Debtor/Security Provider Accession Deed**" means:

(a) a deed substantially in the form set out in Schedule 2 (*Form of Debtor/Security Provider Accession Deed*); or

(b) (only in the case of a member of the Group which is acceding as a Guarantor or a Security Provider) an Accession Letter (as defined in the 2017 Facilities Agreement or the Refinancing Equivalent).

"**Default**" means any event or circumstance specified in clause 25 (*Events of Default*) of the 2017 Facilities Agreement or the Refinancing Equivalent which would (with the expiry of a grace period, the giving of notice, the making of any determination under the Finance Documents or any combination of any of the foregoing) be an Event of Default (as defined in the 2017 Facilities Agreement or the Refinancing Equivalent).

"**Delegate**" means any delegate, agent, representative, *comisionista mercantil*, attorney or co-trustee appointed by the Security Agent.

"**Disposal Proceeds**" has the meaning given to that term in Clause 8 (*Proceeds of Disposals of Charged Property*) of this Agreement.

"**Distressed Disposal**" means a disposal of an asset of a member of the Group which is:

(a) being effected at the request of the Instructing Group in circumstances where the Transaction Security is being enforced; or

(b) being effected, after the occurrence of a Facilities Agreement Acceleration Event, by a Debtor or a Security Provider to a person or persons which is (or are) not a member (or members) of the Group.

"**Empresas Tolteca**" means Empresas Tolteca de México, S.A. de C.V.

"**Enforcement Action**" means:

(a) in relation to any Liabilities or Intra-Group Liabilities:

(i) the acceleration of any Liabilities or Intra-Group Liabilities or the making of any declaration that any Liabilities or Intra-Group Liabilities are prematurely due and payable (other than as a result of it becoming unlawful for a Facilities Agreement Creditor or a Refinancing Creditor to perform its obligations under, or of any voluntary or mandatory prepayment arising under, the Debt Documents);

(ii) the making of any declaration that any Liabilities or Intra-Group Liabilities are payable on demand;

(iii) the making of a demand in relation to a Liability or Intra-Group Liability that is payable on demand;

(iv) the exercise of any right to require any member of the Group to acquire any Liability or Intra-Group Liability (including exercising any put or call option against any member of the Group for the redemption or purchase of any Liability or Intra-Group Liability);

(v) the exercise of any right of set-off, account combination or payment netting against any member of the Group in respect of any Liabilities or Intra-Group Liabilities; and

(vi) the suing for, commencing or joining of any legal or arbitration proceedings against any member of the Group to recover any Liabilities or Intra-Group Liabilities;

(b) the taking of any steps to enforce or require the enforcement of any Transaction Security;

(c) the entering into of any composition, compromise, assignment or arrangement with any member of the Group which owes any Liabilities or Intra-Group Liabilities, or has given any Security, guarantee or indemnity or other assurance against loss in respect of the Liabilities or Intra-Group Liabilities (other than any action permitted under Clause 14 (*Changes to the Parties*)); or

(d) the petitioning, applying or voting for, or the taking of any steps (including the appointment of any liquidator, receiver, administrator, Irish law examiner or similar officer) in relation to, the winding up, dissolution, bankruptcy (*faillissement*), administration, Irish law examinership, *onder bewindstelling* or reorganisation of any member of the Group which owes any Liabilities or Intra-Group Liabilities, or has given any Security, guarantee, indemnity or other assurance against loss in respect of any of the Liabilities or Intra-Group Liabilities, or any of such member of the Group's assets or any suspension of payments or moratorium of any indebtedness of any such member of the Group, or any analogous procedure or step in any jurisdiction,

except that the taking of any action falling within paragraphs (a)(vi) or (d) above which is necessary (but only to the extent necessary) to preserve the validity, existence or priority of claims in respect of Liabilities or Intra-Group Liabilities, including the registration of such claims before any court or governmental authority and the bringing, supporting or joining of proceedings to prevent any loss of the right to bring, support or join proceedings by reason of applicable limitation periods, shall not constitute Enforcement Action.

"**Enforcement Event**" means:

(a) the occurrence of a Facilities Agreement Acceleration Event; and

(b) receipt by the Security Agent of the written consent of the Instructing Group to the enforcement of Transaction Security.

"**EUR730M Perpetuals**" means the €730,000,000 callable perpetual dual currency notes issued by NSHFV (with €63,733,000 outstanding as of 30 June 2017).

"**EUR730M Perpetuals Indenture**" means the indenture dated as of 9 May 2007 among NSHFV as issuer, the Parent, CEMEX México and NSH as guarantors and The Bank of New York as trustee pursuant to which the EUR730M Perpetuals were issued.

"**Existing Certificados Bursátiles**" means the Certificados Bursátiles issued in UDI in the amount of 116,530,800 UDIs (ref. CEMEX 07-2U) on 30 November 2007 and due on 17 November 2017.

"**Existing Notes**" means the 2018 Floating Rate Notes, the 2019 6.50% Senior Notes, the 2021 USD Senior Notes, the 2022 EUR Senior Notes, the 2022 USD Senior Notes, the 2023 EUR Senior Notes, the 2024 4.625% Senior Notes, the 2024 6.000% Senior Notes, the 2025 5.70% Senior Notes, the 2025 6.125% Senior Notes, the 2026 7.75% Senior Notes, the US$350M Perpetuals, the EUR730M Perpetuals, the US$750M Perpetuals, the US$900M Perpetuals, the Existing Certificados Bursátiles.

"**Existing Notes Creditor**" means each holder from time to time of Existing Notes.

"**Existing Notes Documents**" means the 2018 Floating Rate Notes Indenture, the 2019 6.50% Senior Notes Indenture, the 2021 USD Senior Notes Indenture, the 2022 EUR Senior Notes Indenture, the 2022 USD Senior Notes Indenture, the 2023 EUR Senior Notes Indenture, the 2024 4.625% Senior Notes Indenture, the 2024 6.000% Senior Notes Indenture, the 2025 5.70% Senior Notes Indenture, the 2025 6.125% Senior Notes Indenture, the 2026 7.75% Senior Notes Indenture, the US$350M Perpetuals Indenture, the EUR730M Perpetuals Indenture, the US$750M Perpetuals Indenture, the US$900M Perpetuals Indenture and the *título único* pursuant to which the Existing Certificados Bursátiles were issued and, in each case, any other related document.

"**Existing Notes Liabilities**" means the Liabilities owed by the Debtors (and, to the extent applicable in relation to the Transaction Security granted by it, any Security Provider) to the Existing Notes Creditors under or in connection with the Existing Notes Documents.

"**Existing Notes Obligor**" means any issuer or guarantor under any Existing Notes Documents.

"**Existing Notes Trustee**" means each trustee *or representante común* under any Existing Notes.

"**Existing Notes Trustee Liabilities**" means all present and future liabilities and obligations, actual and contingent, of any Debtor (and, to the extent applicable in relation to the Transaction Security granted by it, any Security Provider) to any Existing Notes Trustee under the Existing Notes Documents.

"**Exposure**" means, as appropriate, a Facilities Agreement Creditor Exposure or a Refinancing Creditor Exposure.

"**Facilities Agreement**" means:

(a) prior to the first Qualifying Senior Facilities Event, the 2017 Facilities Agreement; and

(b) on and after the occurrence of any Qualifying Senior Facilities Event, the relevant Qualifying Senior Facilities Agreement.

"**Facilities Agreement Acceleration Event**" means a Facility Agent exercising any of its rights under clause 25.16 (*Acceleration*) of the 2017 Facilities Agreement or the Refinancing Equivalent.

"**Facilities Agreement Creditor**" each Facility Agent, Facility Arranger and Facility Lender.

"**Facilities Agreement Creditor Exposures**" means at any time, in relation to a Facilities Agreement Creditor and a Loan, that Facilities Agreement Creditor's participation in Loans made under the relevant Facility at that time (in the case of Facilities referred to in clause 5.5 (*Promissory Notes*) of the 2017 Facilities Agreement and any Refinancing Equivalent, being the principal amount owed to that Lender under its Loan Facility Promissory Note).

"**Facilities Agreement Creditor Liabilities**" means the Liabilities owed by the Debtors (and, to the extent applicable in relation to the Transaction Security granted by it, any Security Provider) to the Facilities Agreement Creditors under the Finance Documents.

"**Facility**" means any facility made available under any Finance Document.

"**Facility Agent**" means the Agent under and as defined in the 2017 Facilities Agreement or, if it accedes as a Party as a Facility Agent in respect of a Qualifying Senior Facilities Agreement, any agent of the lenders under that Qualifying Senior Facilities Agreement.

"**Facility Arranger**" means, if it accedes as a Party as a Facility Arranger in respect of a Qualifying Senior Facilities Agreement, any arranger of that Qualifying Senior Facilities Agreement.

"**Facility Lender**" means each Lender under and as defined in the 2017 Facilities Agreement or, if it accedes as a Party as a Facility Lender in respect of a Qualifying Senior Facilities Agreement, any lender under that Qualifying Senior Facilities Agreement.

"**Final Discharge Date**" means the first date on which all Facilities Agreement Creditor Liabilities have been fully and finally discharged to the satisfaction of the Facility Agent (acting reasonably), whether or not as the result of an enforcement, and none of the Facilities Agreement Creditors are under any further obligation to provide financial accommodation to any of the Debtors under the Finance Documents.

"**Finance Document**" means:

(a) each "Finance Document" as defined in the 2017 Facilities Agreement; and

(b) on and after the occurrence of any Qualifying Senior Facilities Event, any document relating to the indebtedness created by, or the terms of, the relevant Qualifying Senior Facilities Agreement.

"**Finance Parallel Debt**" has the meaning given to such term in Clause 11.2 (*Finance Parallel Debt (Covenant to pay the Security Agent)*).

"**Finance Party**" means the Facility Agent, the Security Agent or a Facilities Agreement Creditor.

"**Financial Quarter**" means the period commencing on the day after one Quarter Date and ending on the next Quarter Date.

"**Group**" means the Parent and each of its Subsidiaries for the time being.

"**Guarantors**" means the Original Guarantors and any Additional Guarantor other than any Original Guarantor or Additional Guarantor which has ceased to be a Guarantor pursuant to Clause 14.9 (*Resignation of a Debtor/Security Provider*) and/or subparagraph (ii) of paragraph (c) of Clause 20.1 (*Required consents*) and has not subsequently become an Additional Guarantor pursuant to Clause 14.7 (*New Debtor/Security Provider*) and "**Guarantor**" means any of them.

"**Holding Company**" means, in relation to a company or corporation, any other company or corporation in respect of which it is a Subsidiary.

"**Insolvency Event**" means, in relation to any Debtor, Security Provider or Material Subsidiary:

(a) any resolution is passed or order made for the winding up, bankruptcy, dissolution, *concurso mercantil*, *quiebra*, *concurso*, administration, Irish law examinership or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise but excluding a solvent liquidation or reorganisation of a Material Subsidiary) of that Debtor, Security Provider or Material Subsidiary, a moratorium is declared in relation to any indebtedness of that Debtor, Security Provider or Material Subsidiary;

(b) any composition, assignment or arrangement is made with any class of its creditors;

(c) the appointment of any liquidator (other than in respect of a solvent liquidation of a Material Subsidiary), receiver, administrator, Irish law examiner, *conciliador*, administrative receiver, compulsory manager or other similar officer in respect of that Debtor, Security Provider or Material Subsidiary or any of its assets; or

(d) any analogous procedure or step is taken in any jurisdiction,

provided that no winding-up petition (or equivalent procedure in any jurisdiction) which is frivolous or vexatious and is discharged, stayed or dismissed within 60 days of commencement shall constitute an Insolvency Event.

"**Insolvency Proceedings**" means any of the matters described in the definition of "Insolvency Event".

"**Instructing Group**" means, at any time:

(a) a Creditor or Creditors the Base Currency Amount of whose Exposures under the Facilities and/or, as the case may be, the Refinancing Debt, at that time represent, in aggregate, 75 per cent. or more of the Base Currency Amount of all the Exposures of the Creditors under all of the Facilities and all Refinancing Debt (when aggregated) at that time; and

(b) a Facilities Agreement Creditor or Facilities Agreement Creditors the Base Currency Amount of whose Exposures under the Facilities Agreement at that time represent, in aggregate, more than 66 ⅔ per cent. of the Base Currency Amount of all the Exposures of the Facilities Agreement Creditors under the Facilities Agreement at that time.

"**Intercreditor Amendment**" means any amendment or waiver which is subject to Clause 20 (*Consents, Amendments and Override*).

"**Intra-Group Debt Documents**" means any agreement evidencing the terms of the Intra-Group Liabilities.

"**Intra-Group Lender**" means each Debtor or Security Provider which has made a loan available to, granted credit to or made any other financial arrangement having similar effect with another Debtor or Security Provider.

"**Intra-Group Liabilities**" means all present and future liabilities at any time of any Debtor or Security Provider to any Intra-Group Lender under the Intra-Group Debt Documents, both actual and contingent and whether incurred solely or jointly or in any other capacity together with any of the following matters relating to or arising in respect of those liabilities:

(a) any refinancing, novation, deferral or extension;

(b) any claim for breach of representation, warranty or undertaking or on an event of default or under any indemnity given under or in connection with any Intra-Group Debt Document;

(c) any claim for damages or restitution; and

(d) any claim as a result of any recovery by any Debtor or Security Provider of a Payment on the grounds of preference or otherwise,

and any amounts which would be included in any of the above but for any discharge, non-provability, unenforceability or non-allowance of those amounts in any insolvency or other proceedings.

"**Intra-Group Recoveries**" has the meaning given to such term in paragraph (c) of Clause 10.1 (*Order of application – Transaction Security Recoveries*).

"**Liabilities**" means all present and future liabilities at any time of any Debtor (and, to the extent applicable in relation to the Transaction Security granted by it, any Security Provider) to any Secured Party under the Debt Documents, both actual and contingent and whether incurred solely or jointly or in any other capacity together with any of the following matters relating to or arising in respect of those liabilities:

(a) any refinancing, novation, deferral or extension;

(b) any claim for breach of representation, warranty or undertaking or on an event of default or under any indemnity given under or in connection with any Debt Document;

(c) any claim for damages or restitution; and

(d) any claim as a result of any recovery by any Debtor (or, as the case may be, any Security Provider) of a Payment on the grounds of preference or otherwise,

and any amounts which would be included in any of the above but for any discharge, non-provability, unenforceability or non-allowance of those amounts in any insolvency or other proceedings.

"**Loan**" means a loan made or to be made under a Facility or the principal amount outstanding for the time being of that loan.

"**Loan Facility Promissory Note**" means a promissory note issued to a Facilities Agreement Creditor in connection with a Loan under certain of the Facilities as described in clause 5.5 (*Promissory Notes*) of the 2017 Facilities Agreement or the Refinancing Equivalent.

"**Material Subsidiary**" has the meaning given to that term in the 2017 Facilities Agreement or the Refinancing Equivalent.

"**Maximum Facilities Agreement Creditor Liabilities**" means in respect of the 2017 Facilities Agreement, the aggregate, without double counting, of:

(a) the Commitments and potential Commitments (including under clause 2.2 (*Accordion*) of the 2017 Facilities Agreement) under the 2017 Facilities Agreement which exist or could exist at the date of the 2017 Deed of Amendment; and

(b) any additional Commitments or additional potential Commitments permitted pursuant to the 2017 Facilities Agreement after the date of the 2017 Deed of Amendment,

where "**Commitment**" has the meaning given to that term in the 2017 Facilities Agreement.

"**Mexican Intra-Group Credit Rights**" means Intra-Group Liabilities of any Debtor or Security Provider incorporated in Mexico.

"**Mexican Security Trust Agreement**" means the Transaction Security described at paragraph (a) of the definition of Transaction Security Documents.

"**Mexican Security Trustee**" means Banco Nacional de México, S.A., integrante del Grupo Financiero Banamex, División Fiduciaria, a Mexican *institución de banca múltiple*.

"**Noteholder**" means an Existing Notes Creditor or an Additional Notes Creditor.

"**Noteholder Documents**" means the Existing Notes Documents and any Additional Notes Documents.

"**Noteholder Liabilities**" means the Existing Notes Liabilities and any Additional Notes Liabilities.

"**Noteholder Trustee**" means each Existing Notes Trustee and each Additional Notes Trustee.

"**Noteholder Trustee Liabilities**" means the Existing Notes Trustee Liabilities and any Additional Notes Trustee Liabilities.

"**Notes**" means the Existing Notes and the Additional Notes.

"**Notes Parallel Debt**" has the meaning given to such term in paragraph (a) of Clause 11.3 (*Notes Parallel Debt (Covenant to pay the Security Agent)*).

"**Notes Parallel Debt Recoveries**" has the meaning given to such term in paragraph (f) of Clause 11.3 (*Notes Parallel Debt (Covenant to pay the Security Agent)*).

"**Notes Secured Documents**" means each of the Noteholder Documents and each of the Transaction Security Documents.

"**Notes Secured Parties**" means each of the Noteholder Trustees and each of the Noteholders from time to time.

"**NSH**" means New Sunward Holding B.V.

"**NSHFV**" means New Sunward Holding Financial Ventures B.V.

"**Participating Member State**" means any member state of the European Union that has the euro as its lawful currency in accordance with legislation of the European Union relating to Economic and Monetary Union.

"**Party**" means a party to this Agreement.

"**Payment**" means, in respect of any Liabilities or Intra-Group Liabilities, a payment, prepayment, repayment, redemption, defeasance or discharge of those Liabilities or Intra-Group Liabilities.

"**Permitted Payments**" means any Payments:

(a) (in the case of any Facilities Agreement Creditor) permitted to be received in accordance with the relevant Finance Document;

(b) (in the case of any Refinancing Party) permitted in accordance with the terms and conditions relating to Payments as set out in the relevant Refinancing Documents; or

(c) (in the case of an Intra-Group Lender) permitted in accordance with Clause 3.2 (*Permitted Payments: Intra-Group Liabilities*).

"**Process Agent**" has the meaning given to the term "Process Agent" in the 2017 Facilities Agreement or the Refinancing Equivalent.

"**Qualifying Senior Facilities Agreement**" means, on and from each Qualifying Senior Facilities Event, the 2017 Facilities Agreement or the Refinancing Document which:

(a) the Liabilities in respect of such document have the highest value of the Liabilities in respect of any Debt Document;

(b) the indebtedness created as a result of such document ranks, or is expressed to rank, in the same manner and to the same extent as the Facilities Agreement Creditor Liabilities being refinanced; and

(c) any:

(i) agent of the creditors under such document is a Party as a Facility Agent; and

(ii) creditor under such document is a Party as a Facility Lender,

in respect of a refinancing, having become a Party pursuant to Clause 14.6 (*Creditor/Agent/Security Agent Accession Undertaking*).

"**Qualifying Senior Facilities Event**" means:

(a) the date on which the Facilities Agreement Creditor Liabilities in respect of the 2017 Facilities Agreement do not constitute more than 25% of the Maximum Facilities Agreement Creditor Liabilities; and

(b) after the date described at paragraph (a) above, the date on which a Refinancing Document other than the current Qualifying Senior Facilities Agreement fulfils each of the criteria in paragraphs (a) to (c) of the definition of Qualifying Senior Facilities Agreement **provided that** such date shall not occur prior to the date falling 6 Months after the last Qualifying Senior Facilities Event.

"**Quarter Date**" means each of 31 March, 30 June, 30 September and 31 December.

"**Receiver**" means a receiver or receiver and manager or administrative receiver of the whole or any part of the Charged Property or its equivalent under any applicable law (not including a Dutch *curator* or *bewindvoerder*).

"**Reference Period**" means a period of four consecutive Financial Quarters.

"**Refinancing**" means:

(a) an issuance or incurrence by a member or members (whether acting as co-issuers or otherwise) of the Group of bonds, notes or other debt securities, convertible or exchangeable securities or loan facilities:

(i) where such issuance or incurrence by that member (or by those members) of the Group is permitted under the Finance Documents;

(ii) the proceeds of which are applied to refinance the Facilities or other Financial Indebtedness to the extent permitted or required under the Finance Documents; and

(iii) the terms of which are in accordance with the definition of "Permitted Financial Indebtedness" in clause 1.1 (*Definitions*) of the 2017 Facilities Agreement or the Refinancing Equivalent,

other than any bonds, notes or other debt securities, convertible or exchangeable securities or loan facilities issued or, as the case may be, lent, which constitute Additional Notes; or

(b) an incurrence of Financial Indebtedness (as such term is defined in the Facilities Agreement) under a loan facility or loan facilities (and not, for the avoidance of doubt, the issuance of any bonds, notes or other debt securities) which is permitted to be (or not restricted from being) incurred, and is permitted to have (or not restricted from having) the benefit of the Transaction Security (at the discretion of the Parent) under the terms of the Facilities Agreement, other than any loan facility or loan facilities which constitute Additional Notes.

"**Refinancing Creditor**" means any creditor which enters into a Refinancing Document and which accedes to this Agreement in accordance with Clause 14.3 (*Refinancing Creditors and Refinancing Creditor Representatives*).

"Refinancing Creditor Exposures" means, at any time:

(a) in relation to a Refinancing Creditor and a Refinancing by way of a loan facility, that Refinancing Creditor's participation in loans made under the relevant loan facility at that time; or

(b) in relation to Refinancing Creditor and a Refinancing by way of bonds, notes or other debt securities, or convertible or exchangeable securities, the principal amount owed to that Refinancing Creditor under such bonds, notes or other debt securities, or convertible or exchangeable securities, at that time.

"**Refinancing Creditor Liabilities**" means the Liabilities owed by the Debtors (and, to the extent applicable in relation to the Transaction Security granted by it, any Security Provider) to the Refinancing Creditors under the Refinancing Documents.

"**Refinancing Creditor Representative**" means, with respect to any Refinancing by way of:

(a) a syndicated loan facility, any person appointed under the relevant Refinancing Documents as the agent of the creditors in relation to that syndicated loan facility;

(b) a bilateral loan facility, the Refinancing Creditor which is a lender under that facility pursuant to the relevant Refinancing Documents; or

(c) bonds, notes or other debt securities, or convertible or exchangeable securities, any person appointed under the relevant Refinancing Documents as the trustee (or similar representative) of the creditors in relation thereto.

"**Refinancing Debt**" means any bonds, notes or other debt securities, convertible or exchangeable securities, or loan facilities issued or incurred pursuant to a Refinancing.

"**Refinancing Document**" means any document entered into by a Refinancing Obligor with a Refinancing Creditor in relation to a Refinancing.

"**Refinancing Equivalent**" means, in relation to a provision or term of the 2017 Facilities Agreement:

(a) prior to the first Qualifying Senior Facilities Event, that provision or term; and

(b) on and after the occurrence of any Qualifying Senior Facilities Event, the equivalent provision or term of the relevant Qualifying Senior Facilities Agreement,

and references to "**the 2017 Facilities Agreement or the Refinancing Equivalent**" shall be construed in accordance with this definition.

"**Refinancing Obligor**" means any member of the Group which, as permitted by the Finance Documents, enters into any Refinancing Documents as a borrower (in the case of a loan facility), an issuer (in the case of bonds, notes or other debt securities, or convertible or exchangeable securities) or otherwise incurs Liabilities pursuant to a Refinancing (and, in each case, if not a Debtor under this Agreement, which accedes to this Agreement in accordance with Clause 14.7 (*New Debtor/Security Provider*)).

"**Refinancing Party**" means each Refinancing Creditor and each Refinancing Creditor Representative.

"**Relevant Liabilities**" means:

(a) in the case of a Facilities Agreement Creditor:

(i) the Liabilities owed to Facilities Agreement Creditors ranking (in accordance with the terms of this Agreement) *pari passu* with or in priority to that Facilities Agreement Creditor (as the case may be) together with all Agent Liabilities owed to the Agent; and

(ii) all present and future liabilities, actual and contingent, of the Debtors (and, to the extent applicable in relation to the Transaction Security granted by it, of any Security Provider) to the Security Agent;

(b) in the case of a Noteholder:

(i) the Liabilities owed to Noteholders ranking (in accordance with the terms of this Agreement) *pari passu* with or in priority to that Noteholder (as the case may be) and, in the case of Noteholders represented by a Noteholder Trustee, together with all Noteholder Trustee Liabilities owed to the Noteholder Trustee of those Noteholders; and

(ii) all present and future liabilities, actual and contingent, of the Debtors (and, to the extent applicable in relation to the Transaction Security granted by it, of any Security Provider) to the Security Agent;

(c) in the case of a Refinancing Creditor:

(i) the Liabilities owed to Refinancing Creditors ranking (in accordance with the terms of this Agreement) *pari passu* with or in priority to that Refinancing Creditor (as the case may be) together with all Agent Liabilities owed to any Agent of those Refinancing Creditors; and

(ii) all present and future liabilities, actual and contingent, of the Debtors (and, to the extent applicable in relation to the Transaction Security granted by it, any Security Provider) to the Security Agent; and

(d) in the case of a Debtor or an Intra-Group Lender (or, to the extent applicable in relation to the Transaction Security granted by it, any Security Provider), the Liabilities owed to the Facilities Agreement Creditors or Refinancing Creditors together with the Agent Liabilities owed to any Agent of those Creditors, the Liabilities owed to the Noteholders together with, in the case of Noteholders represented by a Noteholder Trustee, the Noteholder Trustee Liabilities owed to the Noteholder Trustee of those Noteholders and all present and future liabilities and obligations, actual and contingent, of the Debtors (or, as the case may be, the Security Providers) to the Security Agent.

"**Retiring Security Agent**" has the meaning given to that term in Clause 12 (*Change of Security Agent and Delegation*).

"**Secured Obligations**" means all the Liabilities and all other present and future obligations at any time due, owing or incurred by any member of the Group and by each Debtor (and, to the extent applicable in relation to the Transaction Security granted by it, each Security Provider) to any Secured Party under the Debt Documents, both actual and contingent and whether incurred solely or jointly and as principal or surety or in any other capacity including the obligations set out in Clause 11.2 (*Finance Parallel Debt (Covenant to pay the Security Agent)*) and Clause 11.3 (*Notes Parallel Debt (Covenant to pay the Security Agent)*).

"**Secured Parties**" means:

(a) the Security Agent, any Receiver or Delegate (including any party expressly designated as a Secured Party under any Security Document);

(b) the Agents, the Facilities Agreement Creditors and Refinancing Creditors from time to time but, in the case of the Agents and each Facilities Agreement Creditor or Refinancing Creditor, only if it is a party to this Agreement or has acceded to this Agreement, in the appropriate capacity, pursuant to Clause 14.6 (*Creditor/Agent/Security Agent Accession Undertaking*); and

(c) each of the Noteholder Trustees and the Noteholders from time to time.

"**Security**" means a mortgage, charge, pledge, lien, security trust agreement or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect.

"**Security Agent's Spot Rate of Exchange**" means the spot rate of exchange obtained by the Security Agent from leading international banks for the purchase of the relevant currency with the Base Currency at or about 11:00 am (London time) on a particular day, which shall be notified by the Security Agent in accordance with paragraph (d) of Clause 11.9 (*Security Agent's obligations*).

"**Security Documents**" means:

(a) each of the Transaction Security Documents;

(b) any other document entered into at any time by any of the Debtors or Security Providers creating any Security or other assurance against financial loss in favour of any of the Secured Parties as security for any of the Secured Obligations owed to such Secured Parties; and

(c) any Security granted under any covenant for further assurance in any of the documents set out in paragraphs (a) and (b) above.

"**Security Property**" means:

(a) the Transaction Security expressed to be granted in favour of the Security Agent as trustee for the Secured Parties and all proceeds of that Transaction Security;

(b) all obligations expressed to be undertaken by a Debtor or a Security Provider to pay amounts in respect of the Liabilities to the Security Agent as trustee for the Secured Parties and secured by the Transaction Security together with all representations and warranties expressed to be given by a Debtor or Security Provider in favour of the Security Agent as trustee for the Secured Parties;

(c) the Security Agent's interest in any trust fund created pursuant to Clause 5 (*Turnover of Receipts*); and

(d) any other amounts or property, whether rights, entitlements, choses in action or otherwise, actual or contingent, which the Security Agent is required by the terms of the Debt Documents to hold as trustee on trust for the Secured Parties.

"**Security Providers**" means the Original Security Providers and any Additional Security Provider other than any Original Security Provider or Additional Security Provider which has ceased to be a Security Provider pursuant to Clause 14.9 (*Resignation of a Debtor/Security Provider*) and has not subsequently become an Additional Security Provider pursuant to Clause 14.7 (*New Debtor/Security Provider*), and "**Security Provider**" means any of them.

"**Subsidiary**" has the meaning given to that term in the 2017 Facilities Agreement or the Refinancing Equivalent.

"**Super Majority Instructing Group**" means, at any time:

(a) a Creditor or Creditors the Base Currency Amount of whose Exposures under the Facilities and/or, as the case may be, the Refinancing Debt, at that time represent, in aggregate, 85 per cent. or more of the Base Currency Amount of all the Exposures of the Creditors under all of the Facilities and all Refinancing Debt (when aggregated) at that time; and

(b) a Facilities Agreement Creditor or Facilities Agreement Creditors the Base Currency Amount of whose Exposures under the Facilities Agreement at that time represent, in aggregate, more than 66 ⅔ per cent. of the Base Currency Amount of all the Exposures of the Facilities Agreement Creditors under the Facilities Agreement at that time.

"**TARGET2**" means the Trans-European Automated Real-time Gross Settlement Express Transfer payment system, which utilises a single shared platform and which was launched on 19 November 2007.

"**TARGET Day**" means any day on which TARGET2 is open for the settlement of payments in euro.

"**Tax**" means any tax, levy, impost, duty or other charge, withholding or deduction of a similar nature (including any penalty, surcharge or interest payable in connection with any failure to pay or any delay in paying any of the same).

"**Transaction Security**" means the Security created or evidenced or expressed to be created or evidenced under or pursuant to the Transaction Security Documents.

"**Transaction Security Documents**" means:

(a) the irrevocable security trust agreement dated 17 September 2012, as amended and restated on 29 July 2015 and amended and restated on or around the date of the 2017 Deed of Amendment, entered into among (i) the Parent, Empresas Tolteca, CEMEX Central, S.A. de C.V., Interamerican Investments, Inc., Cemex México and CEMEX Operaciones México, S.A. de C.V., as settlors, (ii) Cemex México and CEMEX Operaciones México, S.A. de C.V. as issuers, (iii) the Mexican Security Trustee and (iv) the Security Agent and the confirmation in respect of such security dated on or around the date of the 2017 Deed of Amendment;

(b) a pledge of shares in the capital of NSH dated 17 September 2012 between, amongst others, CEMEX International Finance Company, Corporación Gouda, S.A. de C.V., Mexcement Holdings, S.A. de C.V. and CEMEX Trademarks Holding Ltd. as pledgors, and the Security Agent as pledgee, governed by Dutch law, and the confirmation in respect of such security dated on or around the date of the 2017 Deed of Amendment;

(c) a pledge of shares in the capital of NSH dated 15 December 2015 between CEMEX Operaciones México, S.A. de C.V. as pledgor and the Security Agent as pledgee, governed by Dutch law, and the confirmation in respect of such security dated on or around the date of the 2017 Deed of Amendment;

(d) a pledge of shares in 99.5674 per cent. of the capital of CEMEX TRADEMARKS HOLDING Ltd. dated 17 September 2012 between the Parent, CEMEX México Interamerican Investments, Inc. and Empresas Tolteca as pledgors and the Security Agent as pledgee, governed by Swiss law as amended and confirmed on 23 July 2015, further confirmed on 17 March 2016 and further confirmed pursuant to a security confirmation in respect of such security dated on or around the date of the 2017 Deed of Amendment; and

(e) a notarial deed (*póliza*) of pledge agreement over 99.6392 per cent. of the shares in CEMEX España dated 17 September 2012 granted by NSH and the Parent before the notary of Madrid, Mr. Rafael Monjó Carrió, as ratified and extended on 29 July 2015, and to be further ratified and extended on or around the date of the 2017 Deed of Amendment,

together with any other document entered into by any Debtor or a Security Provider creating or expressed to create any Security over all or any part of its assets in respect of the obligations of any of the Debtors (and, to the extent applicable in relation to the Transaction Security granted by them, the Security Providers) under any of the Finance Documents.

"**Transaction Security Recoveries**" has the meaning given to such term in Clause 10.1 (*Order of application—Transaction Security Recoveries*).

"**US$350M Perpetuals**" means the US$350,000,000 Callable Perpetual Dual-Currency Notes issued by NSHFV (with US$61,130,000 outstanding as of 30 June 2017).

"**US$350M Perpetuals Indenture**" means the indenture dated as of 18 December 2006 among NSHFV as issuer, the Parent, CEMEX México and NSH as guarantors and The Bank of New York as trustee pursuant to which the US$350M Perpetuals were issued.

"**US$750M Perpetuals**" means the US$750,000,000 callable perpetual dual-currency notes issued by NSHFV (with US$135,385,000 outstanding as of 30 June 2017).

"**US$750M Perpetuals Indenture**" means the indenture dated as of 12 February 2007 among NSHFV as issuer, the Parent, CEMEX México and NSH as guarantors and The Bank of New York as trustee pursuant to which the US$750M Perpetuals were issued.

"**US$900M Perpetuals**" means the US$900,000,000 callable perpetual dual-currency notes issued by NSHFV (with US$174,680,000 outstanding as of 30 June 2017).

"**US$900M Perpetuals Indenture**" means the indenture dated as of 18 December 2006 among NSHFV as issuer, the Parent, CEMEX México and NSH as guarantors and The Bank of New York as trustee pursuant to which the US$900,000,000 Perpetuals were issued.

"**VAT**" means value added tax as provided for in the Value Added Tax Act 1994 and any other tax of a similar nature.

1.2 **Construction**

(a) Unless a contrary indication appears, a reference in this Agreement to:

(i) any "**Agent**", "**Debtor**", "**Noteholder**", "**Noteholder Trustee**", "**Parent**", "**Facilities Agreement Creditor**", "**Party**", "**Refinancing Creditor**", "**Security Provider**", "**Intra-Group Lender**" or "**Security Agent**" shall be construed to be a reference to it in its capacity as such and not in any other capacity;

(ii) any "**Agent**", "**Debtor**", "**Noteholder**", "**Noteholder Trustee**", "**Facilities Agreement Creditor**", "**Refinancing Creditor**", any "**Party**", "**Intra-Group Lender**" or the "**Security Agent**" or any other person shall be construed so as to include its successors in title, permitted assigns and permitted transferees and, in the case of the Security Agent, any person for the time being appointed as Security Agent or Security Agents in accordance with this Agreement;

(iii) "**assets**" includes present and future properties, revenues and rights of every description;

(iv) a "**Debt Document**" or any other agreement or instrument is (other than a reference to a "**Debt Document**" or any other agreement or instrument in "**original form**") a reference to that Debt Document or other agreement or instrument, as amended, novated, supplemented, extended, varied or restated as permitted or not restricted by this Agreement;

(v) "**enforcing**" (or any derivation) the Transaction Security shall include (except in relation to a Debtor or Security Provider incorporated in Spain or Transaction Security granted over the shares of that Debtor or Security Provider) the appointment of an administrator (or, under Irish law, an examiner), a receiver or receiver and manager, of a Debtor or Security Provider by the Security Agent;

(vi) "**indebtedness**" includes any obligation (whether incurred as principal or as surety) for the payment or repayment of money, whether present or future, actual or contingent;

(vii) the "**original form**" of a "**Debt Document**" or any other agreement or instrument is a reference to that Debt Document, agreement or instrument as originally entered into;

(viii) a "**person**" includes any individual, firm, company, corporation, government, state or agency of a state or any association, trust, joint venture, consortium or partnership (whether or not having separate legal personality);

(ix) a "**regulation**" includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency, department or of any regulatory, self-regulatory or other authority or organisation;

(x) a provision of law is a reference to that provision as amended or re-enacted; and

(xi) words importing the plural shall include the singular and *vice versa*.

(b) Section, Clause and Schedule headings are for ease of reference only.

(c) A Default (including an Event of Default (as defined in the 2017 Facilities Agreement or the Refinancing Equivalent)) is "**continuing**" if it has not been remedied or waived but, for the avoidance of doubt, no breach of any of the financial covenants set out in clause 21 (*Financial Covenants*) of the 2017 Facilities Agreement or the Refinancing Equivalent shall be capable of being or be deemed to be remedied by virtue of the fact that upon any subsequent testing of such covenants pursuant to clause 21 (*Financial Covenants*) of the 2017 Facilities Agreement or the Refinancing Equivalent, there is no breach thereof.

(d) References in the Transaction Security Documents to a provision or term of the 2014 Facilities Agreement shall be read and construed for all purposes as references to:

(i) prior to the first Qualifying Senior Facilities Event, the equivalent provision or term of the 2017 Facilities Agreement; and

(ii) on and after the occurrence of any Qualifying Senior Facilities Event, the equivalent provision or term of the relevant Qualifying Senior Facilities Agreement.

1.3 **Currency Symbols and Definitions**

"**£**" and "**sterling**" denote lawful currency of the United Kingdom, "**€**", "**EUR**" and "**euro**" means the single currency unit of the Participating Member States and "**US$**", "**$**" and "**dollars**" denote lawful currency of the United States of America, "**¥**" and "**yen**" denote lawful currency of Japan, "**Mexican pesos**", "**Mex$**" and "**pesos**" denotes the lawful currency of Mexico and "**UDI**" denotes the Mexican *Unidad de Inversíon*.

1.4 **Third Party Rights**

(a) Unless expressly provided to the contrary in this Agreement, a person who is not a Party has no right under the Contracts (Rights of Third Parties) Act 1999 (the "**Third Parties Rights Act**") to enforce or to enjoy the benefit of any term of this Agreement.

(b) Except as expressly provided in this Agreement, the consent of any person who is not a Party is not required to rescind or vary this Agreement at any time.

(c) In the context of any rights of the Noteholders under Section 2(1) (*Variation and rescission of contract*) of the Third Parties Rights Act, any amendments may be made to this Agreement, without the consent of the Noteholders, so long as such amendments are made in accordance with the provisions of this Agreement.

(d) Any Receiver, Delegate or any other person described in Clause 11.12 (*No Proceedings*) may, subject to this Clause 1.4 (*Third Party Rights*) and the Third Parties Rights Act, rely on any Clause of this Agreement which expressly confers rights on it.

(e) Each Noteholder Trustee (for itself and on behalf of the Noteholders which it represents) and each Noteholder are (in the case of any Additional Notes Trustee or Additional Notes Creditor, from the date on which the Liabilities under the Additional Notes to which it is a party are issued or incurred) Secured Parties and therefore are intended to have the rights and benefits of Secured Parties in relation to the Transaction Security subject to Clause 13.1 (*Rights of the Noteholder Trustees and Noteholders*) and in accordance with the terms of this Agreement and, in the event that any of the Transaction Security is enforced, are entitled to receive payments from the realisation proceeds of the Transaction Security in accordance with Clause 10 (*Application of Proceeds*) notwithstanding that none of the Noteholder Trustees or Noteholders are party hereto at the date of this Agreement and will never accede to the terms hereof. Each of the Noteholder Trustees and the Noteholders (each in its capacity as a Secured Party) may enforce and take the benefit of this Agreement notwithstanding that the Noteholder Trustees and the Noteholders are not Parties hereto. The Third Parties Rights Act shall apply to this paragraph (e).

1.5 **Dutch Terms**

In this Agreement, where it relates to a Dutch entity, a reference to:

(a) a necessary action to authorise, where applicable, includes, without limitation:

(i) any action required to comply with the Dutch Works Council Act (*Wet op de ondernemingsraden*); and

(ii) obtaining unconditional positive advice (*advies*) from each competent works council;

(b) a winding-up, administration or dissolution includes a Dutch entity being:

(i) declared bankrupt (*failliet verklaard*);

(ii) dissolved (*ontbonden*);

(c) a moratorium includes *surseance van betaling* and granted a moratorium includes *surseance verleend*;

(d) a trustee in bankruptcy includes a *curator*;

(e) an administrator includes a *bewindvoerder*;

(f) a receiver or an administrative receiver does not include a *curator* or *bewindvoerder*; and

(g) an attachment includes a *beslag*.

2. **RANKING AND PRIORITY**

2.1 **Liabilities to Facilities Agreement Creditors, Refinancing Creditors and Noteholders**

Each of the Parties agrees that the Liabilities owed by the Debtors (and, with respect to Liabilities arising under Transaction Security Documents, the Security Providers) to the Facilities Agreement Creditors, the Refinancing Creditors and the Noteholders shall rank in right and priority of payment *pari passu* and, save as provided in this Agreement, without any preference between them.

2.2 **Transaction Security**

The Security Agent and each of the Facilities Agreement Creditors, the Refinancing Creditors and the Agents (including for the benefit of the Secured Parties) agree that the Transaction Security shall be treated, as among the Secured Parties, as being for the equal and rateable benefit of all of the Secured Parties, *pari passu* and without any preference between them, and shall, whilst the Transaction Security remains in force under the terms of this Agreement, be shared by the Secured Parties.

2.3 **Intra-Group Liabilities**

(a) Each of the Parties agrees that with effect from the date of this Agreement and until the Final Discharge Date, the Intra-Group Liabilities are, in any Insolvency Proceedings in relation to the relevant Debtor or Security Provider, postponed and subordinated to the Liabilities owed by that Debtor or Security Provider to the Facilities Agreement Creditors, the Refinancing Creditors and the Noteholders.

(b) This Agreement does not purport to rank any of the Intra-Group Liabilities as between themselves.

3. INTRA-GROUP LENDERS AND INTRA-GROUP LIABILITIES

3.1 **Restriction on Payment: Intra-Group Liabilities**

Until the Final Discharge Date, the Debtors and Security Providers shall not, and shall procure that no other member of the Group will, make any Payments of the Intra-Group Liabilities at any time unless that Payment is permitted under Clause 3.2 (*Permitted Payments: Intra-Group Liabilities*).

3.2 **Permitted Payments: Intra-Group Liabilities**

(a) Subject to paragraph (b) below, the Debtors and Security Providers may make Payments in respect of the Intra-Group Liabilities (whether of principal, interest or otherwise) from time to time.

(b) Until the Final Discharge Date has occurred, if at the time of a Payment in respect of Intra-Group Liabilities, an Insolvency Event has occurred, Payments in respect of the Intra-Group Liabilities shall only be made:

(i) to effect Payment of the Liabilities owed to the Secured Parties prior to the making of any other Payments in respect of Intra-Group Liabilities; or

(ii) as otherwise consented to by an Instructing Group.

(c) Nothing in this Clause 3.2 shall prevent the Intra-Group Liabilities of a Debtor or Security Provider being reduced in accordance with the provisions of paragraph (c) of clause 18.14 (*French guarantee limitation*) of the 2017 Facilities Agreement or the Refinancing Equivalent.

3.3 **Payment obligations continue**

No Debtor or Security Provider shall be released from the liability to make any Payment (including of default interest, which shall continue to accrue) under any Intra-Group Document by the operation of Clauses 3.1 (*Restriction on Payment: Intra-Group Liabilities*) and 3.2 (*Permitted Payments: Intra-Group Liabilities*) even if its obligation to make that Payment is restricted at any time by the terms of any of those Clauses.

3.4 **Acquisition of Intra-Group Liabilities**

(a) Subject to paragraph (b) below, the Debtors and Security Providers may purchase by way of assignment or transfer, enter into a sub-participation in respect of or enter into any other agreement or arrangement having the economic effect of a sub-participation in respect of the Intra-Group Liabilities.

(b) Until the Final Discharge Date has occurred, if at the time of an action described in paragraph (a) above, an Insolvency Event in relation to the relevant Debtor or Security Provider has occurred, that action shall only be taken:

(i) to effect Payment of the Liabilities owed to the Secured Parties prior to any such action being taken for any other purposes; or

(ii) as otherwise consented to by an Instructing Group.

3.5 **Security: Intra-Group Lenders**

After the occurrence of an Insolvency Event, and until the Final Discharge Date, the Intra-Group Lenders may not take, accept or receive the benefit of any Security, guarantee, indemnity or other assurance against loss in respect of the Intra-Group Liabilities unless:

(a) that Security, guarantee, indemnity or other assurance against loss is expressly permitted under the terms of the Finance Documents; and

(b) the prior consent of an Instructing Group is obtained.

3.6 **Restriction on enforcement: Intra-Group Lenders**

After the occurrence of an Insolvency Event and until the Final Discharge Date, none of the Intra-Group Lenders shall be entitled to take any Enforcement Action in respect of any of the Intra-Group Liabilities at any time prior to the Final Discharge Date.

3.7 **Mexican Intra-Group Credit Rights**

(a) Subject to paragraph (b) below, each of the Parties hereby agrees that, in the event of any Insolvency Proceedings in relation to the relevant Debtor or Security Provider, Mexican Intra-Group Credit Rights shall be subordinated to any and all other claims against any such Debtor or Security Provider as provided for in Clause 2.3 (*Intra-Group Liabilities*), and shall be voted as instructed or determined by the Security Agent, or if not so voted or if the Security Agent would be restricted from so voting, each Debtor and Security Provider agrees to (i) specify to the bankruptcy trustee, the bankruptcy judge or any other party acting in the relevant Insolvency Proceedings, and use its best efforts within its respective control to cause to have the bankruptcy trustee, the bankruptcy judge or any other party acting in the relevant Insolvency Proceedings to recognise, that the Mexican Intra-Group Credit Rights are subordinated to any and all other claims against any such Debtor or Security Provider, (ii) vote, or to cause to be voted, the Mexican Subordinated Rights as instructed by the Security Agent or, if not possible, in the same

manner as the majority of the non-related Relevant Liabilities (that are senior to any subordinated debt, of any nature), and (iii) to take any and all other action reasonably requested by the Security Agent, to have the rights specified under this paragraph (a) benefiting the Security Agent and the Lenders and all relevant provisions of this Agreement, be recognised by the bankruptcy trustee, the bankruptcy judge or any other party acting in the relevant Insolvency Proceedings, **provided that** (A) any action derived from or provided for under this paragraph (a) shall be undertaken by such Debtor or Security Provider to the extent necessary, if requested by the Security Agent, and (B) for the avoidance of doubt, should any funds be received by any Debtor or Security Provider in connection with any Mexican Intra-Group Credit Rights, in any Insolvency Proceedings affecting a Debtor or Security Provider, such funds shall be held in trust by the applicable Debtor or Security Provider, and promptly paid over to the Security Agent, for application as set forth in Clause 10 (*Application of Proceeds*).

(b) If the Mexican Intra-Group Credit Rights would represent less than 25 per cent. of the aggregate Relevant Liabilities of a Debtor or Security Provider and such Mexican Intra-Group Credit Rights would be permitted to be voted in any Insolvency Proceedings in respect of such Debtor or Security Provider, in addition to observing the terms of paragraph (a) above, each Debtor and Security Provider agrees not to collude, or reach any form of agreement, regardless of whether it is oral or in writing and regardless of how such agreement is designated, with other Creditors or Noteholders to cause a restructuring agreement in respect of a Debtor or Security Provider to be approved, it being understood that any of the Security Agent, a Debtor or a Security Provider shall be entitled to disclose the terms of this paragraph (b) and any other relevant provisions of this Agreement, if deemed necessary or appropriate (including, in the case of the Security Agent, as a result of an instruction by an Instructing Group) to the bankruptcy trustee, the bankruptcy judge or any other party acting in the relevant Insolvency Proceedings.

(c) Subject to paragraph (b) of Clause 3.2 (*Permitted Payments: Intra-Group Liabilities*), following the occurrence of an Insolvency Event affecting any Debtor or Security Provider, any funds received by a Debtor or Security Provider in respect of Mexican Intra-Group Credit Rights, shall be held in trust by the applicable Debtor or Security Provider, and promptly shall be paid over to the Security Agent to be applied in accordance with Clause 10 (*Application of Proceeds*).

4. EFFECT OF INSOLVENCY EVENT

4.1 Payment of distributions

(a) After the occurrence of an Insolvency Event, and until the Final Discharge Date, any Secured Party, Intra-Group Lender, Debtor or Security Provider entitled to receive a distribution out of the assets of the relevant Debtor, Security Provider or Material Subsidiary (as the case may be) the subject of that Insolvency Event in respect of Liabilities or Intra-Group Liabilities owed to that Secured Party, Intra-Group Lender, Debtor or Security Provider shall, to the extent it is able to do so, direct the person responsible for the distribution of the assets of that Debtor, Security Provider or Material Subsidiary (as the case may be) to pay that distribution to the Security Agent.

(b) The Security Agent shall apply distributions paid to it under paragraph (a) above in accordance with Clause 10 (*Application of Proceeds*). For the avoidance of doubt, Noteholders have no benefit of the recoveries under Clause 10.2 (*Order of application – Debt Claim Recoveries*).

4.2 **Set-Off**

Prior to the Final Discharge Date, to the extent that any Debtor, Security Provider or Material Subsidiary's Liabilities or Intra-Group Liabilities are discharged by way of set-off (mandatory or otherwise) after the occurrence of an Insolvency Event in relation to that Debtor, Security Provider or Material Subsidiary, any Creditor or, as the case may be, any Intra-Group Lender, which benefited from that set-off shall pay an amount equal to the amount of the Liabilities or Intra-Group Liabilities owed to it which are discharged by that set-off to the Security Agent for application in accordance with Clause 10 (*Application of Proceeds*).

4.3 **Non-cash distributions**

If the Security Agent or any Creditor receives a distribution in a form other than in cash in respect of any of the Liabilities, the Liabilities will not be reduced by that distribution until and except to the extent that the realisation proceeds are actually applied towards the Liabilities.

4.4 **Filing of claims**

After the occurrence of an Insolvency Event, each Creditor and Intra-Group Lender irrevocably authorises the Security Agent (acting in accordance with Clause 4.6 (*Security Agent instructions*)), on its behalf, to:

(a) take any Enforcement Action (in accordance with the terms of this Agreement) against the Debtor, Security Provider or Material Subsidiary the subject of that Insolvency Event (and for the avoidance of doubt, no Enforcement Action falling within paragraph (b) of the definition thereof may be taken against the Transaction Security except (i) for the actions required to be taken by a Creditor or Intra-Group Lender to give rise to an Enforcement Event and (ii) in accordance with Clause 7 (*Enforcement of Transaction Security*));

(b) demand, sue, prove and give receipt for any or all of that Debtor's, Security Provider's or Material Subsidiary's Liabilities or Intra-Group Liabilities;

(c) collect and receive all distributions on, or on account of, any or all of that Debtor's, Security Provider's or Material Subsidiary's Liabilities or Intra-Group Liabilities; and

(d) file claims, take proceedings and do all other things the Security Agent considers reasonably necessary to recover that Debtor's, Security Provider's or Material Subsidiary's Liabilities or Intra-Group Liabilities.

4.5 **Actions of Creditors and Intra-Group Lenders**

Each Creditor and Intra-Group Lender will:

(a) do all things that the Security Agent (acting in accordance with Clause 4.6 (*Security Agent instructions*)) reasonably requests in order to give effect to this Clause 4; and

(b) if the Security Agent is not entitled to take any of the actions contemplated by this Clause 4 or is otherwise prevented from taking or, in respect of any Creditor or Intra-Group Lender, unable to take, the actions contemplated by this Clause 4 and (acting in accordance with Clause 4.6 (*Security Agent instructions*)) requests that a Creditor or Intra-Group Lender take that action, undertake that action itself in accordance with the instructions of the Security Agent (acting in accordance with Clause 4.6 (*Security Agent instructions*)) or grant a power of attorney to the Security Agent (on such terms as the Security Agent (acting in accordance with Clause 4.6 (*Security Agent instructions*)) may reasonably require) to enable the Security Agent to take such action under applicable law (any such power of attorney, with respect to any enforcement of Transaction Security governed by Spanish law or any claim against a Debtor or Security Provider incorporated in Spain, shall be notarised and apostilled).

4.6 **Security Agent instructions**

For the purposes of Clause 4.4 (*Filing of claims*) and Clause 4.5 (*Actions of Creditors and Intra-Group Lenders*) the Security Agent shall act:

(a) on the instructions of the Instructing Group; or

(b) (other than with respect to the enforcement of Transaction Security which, for the avoidance of doubt, shall be conducted in the manner contemplated by Clause 7.2 (*Enforcement instructions*)) in the absence of any such instructions but subject to Clause 11.10 (*Excluded Obligations*), as the Security Agent sees fit.

5. TURNOVER OF RECEIPTS

5.1 **Turnover by the Creditors and Intra-Group Lenders**

Subject to Clause 5.3 (*Permitted assurance and receipts*), if at any time prior to the Final Discharge Date, any Creditor or, as the case may be, any Intra-Group Lender, receives or recovers:

(a) any Payment or distribution of, or on account of or in relation to, any of the Liabilities or Intra-Group Liabilities which is not either:

(i) a Permitted Payment; or

(ii) made in accordance with Clause 10 (*Application of Proceeds*);

(b) other than where Clause 4.2 (*Set-Off*) applies, any amount by way of set-off in respect of any of the Liabilities or Intra-Group Liabilities owed to it which does not give effect to a Permitted Payment;

(c) notwithstanding paragraphs (a) and (b) above, and other than where Clause 4.2 (*Set-Off*) applies, any amount:

(i) on account of, or in relation to:

(A) any of the Liabilities or Intra-Group Liabilities after the occurrence of a Facilities Agreement Acceleration Event (but in the case of Intra-Group Liabilities, only after the occurrence of an Insolvency Event); or

(B) any of the Liabilities as a result of any other litigation or proceedings against a Debtor or a Security Provider (other than after the occurrence of an Insolvency Event); or

(ii) by way of set-off in respect of any of the Liabilities or Intra-Group Liabilities owed to it after the occurrence of a Facilities Agreement Acceleration Event (but in the case of Intra-Group Liabilities, only after the occurrence of an Insolvency Event);

(d) the proceeds of any enforcement of any Transaction Security except in accordance with Clause 10 (*Application of Proceeds*); or

(e) other than where Clause 4.2 (*Set-Off*) applies, any distribution in cash or in kind or Payment of, or on account of or in relation to, any of the Liabilities or Intra-Group Liabilities owed by any Debtor or Security Provider which is not in accordance with Clause 10 (*Application of Proceeds*) and which is made as a result of, or after, the occurrence of an Insolvency Event,

that Creditor or, as the case may be, that Intra-Group Lender, will promptly after becoming aware of the same, notify the Security Agent in writing and:

(i) in relation to receipts and recoveries not received or recovered by way of set-off:

(A) to the fullest extent permitted by applicable law, hold an amount of that receipt or recovery equal to the Relevant Liabilities (or if less, the amount received or recovered) on trust for the Security Agent and promptly pay that amount to the Security Agent for application in accordance with the terms of this Agreement or, alternatively, promptly pay an amount equal to that receipt to the Security Agent for application in accordance with the terms of this Agreement; and

(B) promptly pay an amount equal to the amount (if any) by which the receipt or recovery exceeds the Relevant Liabilities to the Security Agent for application in accordance with the terms of this Agreement; and

(ii) in relation to receipts and recoveries received or recovered by way of set-off, promptly pay an amount equal to that recovery to the Security Agent for application in accordance with the terms of this Agreement.

5.2 **Adjustments**

In the event that any Secured Party receives or recovers and retains any amount in satisfaction of any Liabilities other than as permitted by and under the terms of this Agreement the amounts to be received by it in accordance with Clause 10 (*Application of Proceeds*) will be reduced by an amount equal to the amount of such receipt or recovery.

5.3 **Permitted assurance and receipts**

Nothing in this Agreement shall restrict the ability of any Secured Party to:

(a) arrange with any person which is not a member of the Group any assurance against loss in respect of, or reduction of its credit exposure to, a Debtor (including assurance by way of credit based derivative or sub-participation); or

(b) make any assignment or transfer permitted by Clause 14 (*Changes to the Parties*),

which is not prohibited by the relevant Debt Documents and that Secured Party shall not be obliged to account to any other Secured Party, Debtor or Security Provider for any sum received by it as a result of that action.

5.4 **Sums received by Debtors or Security Providers**

If, prior to the Final Discharge Date, any of the Debtors or Security Providers receives or recovers any sum which, under the terms of any of the Debt Documents, should have been paid to the Security Agent, that Debtor or Security Provider will, promptly after becoming aware of the same, notify the Security Agent in writing and:

(a) to the fullest extent permitted by applicable law, hold an amount of that receipt or recovery equal to the Relevant Liabilities (or if less, the amount received or recovered) on trust for the Security Agent and promptly pay that amount to the Security Agent for application in accordance with the terms of this Agreement or, alternatively, promptly after becoming aware of such receipt or recovery, pay that amount to the Security Agent for application in accordance with this Agreement; and

(b) promptly after becoming aware of such receipt or recovery, pay an amount equal to the amount (if any) by which the receipt or recovery exceeds the Relevant Liabilities to the Security Agent for application in accordance with the terms of this Agreement.

5.5 **Saving provision**

If, for any reason, any of the trusts expressed to be created in this Clause 5 should fail or be unenforceable, the affected Creditor, Intra-Group Lender, Debtor or Security Provider will, promptly on becoming aware of such failure or unenforceability, notify the Security Agent in writing and pay an amount equal to that receipt or recovery to the Security Agent to be held on trust by the Security Agent for application in accordance with the terms of this Agreement.

6. REDISTRIBUTION

6.1 Recovering Creditor's rights

(a) Any amount paid by a Creditor or, as the case may be, an Intra-Group Lender (a "**Recovering Creditor**") to the Security Agent under Clause 4 (*Effect of Insolvency Event*) or Clause 5 (*Turnover of Receipts*) shall be treated as having been paid by the relevant Debtor (or, if applicable, the relevant Security Provider) and distributed to the Security Agent, Creditors, Intra-Group Lenders, Noteholder Trustees and Noteholders (each a "**Sharing Creditor**") in accordance with the terms of this Agreement.

(b) On a distribution by the Security Agent under paragraph (a) above of a Payment received by a Recovering Creditor from a Debtor (or, if applicable, a Security Provider), as between the relevant Debtor and the Recovering Creditor an amount equal to the amount received or recovered by the Recovering Creditor and paid to the Security Agent (the "**Shared Amount**") will be treated as not having been paid by that Debtor (or, as the case may be, that Security Provider).

6.2 Reversal of redistribution

(a) If any part of the Shared Amount received or recovered by a Recovering Creditor becomes repayable to a Debtor (or, if applicable, a Security Provider) and is repaid by that Recovering Creditor to that Debtor (or, as the case may be, Security Provider), then:

(i) each Sharing Creditor (other than the Security Agent) shall, upon request of the Security Agent, pay to the Security Agent for the account of that Recovering Creditor an amount equal to the appropriate part of its share of the Shared Amount (together with an amount as is necessary to reimburse that Recovering Creditor for its proportion of any interest on the Shared Amount which that Recovering Creditor is required to pay) (the "**Redistributed Amount**"); and

(ii) as between the relevant Debtor (or, as the case may be, Security Provider) and each relevant Sharing Creditor, an amount equal to the relevant Redistributed Amount will be treated as not having been paid by that Debtor (or, as the case may be, Security Provider).

(b) The Security Agent shall not be obliged to pay any Redistributed Amount to a Recovering Creditor under paragraph (a)(i) above until it has been able to establish to its reasonable satisfaction that it has actually received that Redistributed Amount from the relevant Sharing Creditor.

7. ENFORCEMENT OF TRANSACTION SECURITY

7.1 Enforcement Event

The Transaction Security (to the extent not previously released pursuant to Clause 9 (*Automatic Release of Transaction Security*)) shall be immediately enforceable on the occurrence of an Enforcement Event.

7.2 Enforcement instructions

(a) Following an Enforcement Event, the Security Agent shall not take any Enforcement Action against the Transaction Security unless expressly instructed to do so in writing by the Instructing Group.

(b) Following an Enforcement Event, the Security Agent may instruct the Mexican Security Trustee to take Enforcement Action only in accordance with the terms of the Mexican Security Trust Agreement.

(c) Subject to the Transaction Security having become enforceable in accordance with Clause 7.1 (*Enforcement Event*) above, the Instructing Group may give or refrain from giving instructions to the Security Agent to enforce or refrain from enforcing the Transaction Security as it sees fit and:

(i) no other Secured Party shall have a right to request the enforcement of the Transaction Security; and

(ii) if the Instructing Group determines to enforce the Transaction Security, it shall direct the Security Agent (in writing) as to the method of enforcement it may pursue in enforcing the Transaction Security, as to whether all or part of the Transaction Security is to be enforced and give all other directions in respect of the enforcement of the Transaction Security as the Instructing Group sees fit.

(d) Having received such directions referred to in paragraph (c)(ii) above as to the method of enforcement and the identity of the Transaction Security to be enforced (and in the absence of further written instructions from the Instructing Group), the Security Agent may act as it sees fit (including, without limitation, the selection of any administrator of any Debtor or Security Provider to be appointed by the Security Agent) and in accordance with applicable law and pursuant to the specific terms of the relevant Transaction Security Documents.

(e) The Security Agent is entitled conclusively to rely on and comply with instructions given in accordance with this Clause 7.2.

7.3 Exercise of voting rights

(a) Each Creditor and Intra-Group Lender agrees with the Security Agent that it will cast its vote in any proposal put to the vote by or under the supervision of any judicial or supervisory authority in respect of any insolvency, pre-insolvency or rehabilitation or similar proceedings relating to any member of the Group insofar as such proceedings relate to the Transaction Security (or any enforcement or realisation thereof) as instructed by the Security Agent.

(b) The Security Agent shall give instructions for the purposes of paragraph (a) of this Clause 7.3 as directed by the Instructing Group.

7.4 **Waiver of rights**

To the extent permitted under applicable law and subject to Clause 7.2 (*Enforcement instructions*), paragraph (c) of Clause 8.2 (*Distressed Disposals*) and Clause 10 (*Application of Proceeds*), each Creditor, each Debtor, each Intra-Group Lender and Security Provider waives all rights it may otherwise have to require that the Transaction Security be enforced in any particular order or manner or at any particular time or that any sum received or recovered from any person, or by virtue of the enforcement of any of the Transaction Security, which is capable of being applied in or towards discharge of any of the Secured Obligations is so applied.

8. PROCEEDS OF DISPOSALS OF CHARGED PROPERTY

8.1 **Non-Distressed Disposals**

(a) In this Clause 8.1, "**Disposal Proceeds**" means the proceeds of a Non-Distressed Disposal (as defined in paragraph (b) below).

(b) Where, in respect of a disposal of an asset which is subject to the Transaction Security to a person or persons outside the Group, the Security Agent receives, in writing, notice from each Facility Agent that such disposal is permitted under the relevant Finance Documents and notice from the relevant Debtor or Security Provider making the disposal that such disposal is not a Distressed Disposal, (a "**Non-Distressed Disposal**"), the Security Agent is irrevocably authorised (at the cost of the relevant Debtor, Security Provider or the Parent and without any consent, sanction, authority or further confirmation from any Secured Party, Debtor or Security Provider) but subject to paragraph (c) below to (or, in the case of the Mexican Security Trust Agreement, to instruct the Mexican Security Trustee to) with effect on and from the date of completion of such disposal:

(i) release (or permit the release of) the Transaction Security or any other claim (relating to a Debt Document) over that asset;

(ii) where that asset consists of shares in the capital of a Debtor (or, if applicable, a Security Provider), to release the Transaction Security or any other claim (relating to a Debt Document) over the assets of that Debtor (or, as the case may be, that Security Provider);

(iii) execute and deliver or enter into (or cause the execution, delivery or entry into) any release of the Transaction Security or any claim described in paragraphs (i) and (ii) above that may, in the discretion of the Security Agent, be considered necessary or desirable.

(c) If that Non-Distressed Disposal is not completed, no release of Transaction Security or any claim described in paragraph (b) above shall take effect and, with respect to the relevant asset, the Transaction Security or claim referred to in paragraph (b) above shall continue in such force and effect.

(d) Where any Disposal Proceeds are required to be applied in mandatory prepayment of the Facilities Agreement Creditor Liabilities, then the Disposal Proceeds shall be applied in or towards Payment of the Facilities Agreement Creditor Liabilities in accordance with the terms of the Finance Documents and the consent of any other Secured Party, Debtor or Security Provider shall not be required for that application.

8.2 **Distressed Disposals**

(a) Subject to paragraph (d) below, where a Distressed Disposal is being effected, (and following receipt by the Security Agent, in writing, of notice of the same from, in the case of a Distressed Disposal under paragraph (a) of the definition thereof, the Instructing Group in accordance with Clause 7.2 (*Enforcement Instructions*) or, in the case of a Distressed Disposal under paragraph (b) of the definition thereof, from the relevant Debtor or Security Provider making such disposal) the Security Agent is irrevocably authorised (at the cost of the relevant Debtor, Security Provider, or the Parent and without any consent, sanction, authority or further confirmation from any Secured Party, Intra-Group Lender, Debtor or Security Provider) to (or, in the case of the Mexican Security Trust Agreement, to instruct the Mexican Security Trustee to):

(i) *release of Transaction Security*: (other than where sub-paragraphs (ii) or (iii) below apply) release (or cause the release of) the Transaction Security or any other claim over that asset and execute and deliver or enter into any release of that Transaction Security or claim that may, in the discretion of the Security Agent (or, as the case may be, the Mexican Security Trustee), be considered necessary or desirable;

(ii) *release of liabilities and Transaction Security on a share sale (Debtor/Security Provider)*: if the asset which is disposed of consists of shares in the capital of a Debtor (or, if applicable, a Security Provider), release (or cause the release of) any Transaction Security granted by that Debtor (or, if applicable, a Security Provider) or any Subsidiary of that Debtor (or, if applicable, a Security Provider) over any of its assets and any other claim of another Debtor over assets of that Debtor or over the assets of any Subsidiary of that Debtor (or, if applicable, a Security Provider) (on behalf of the relevant Secured Parties, Intra-Group Lenders and Debtors) and that Debtor (or, if applicable, a Security Provider) and any Subsidiary of that Debtor (or, if applicable, a Security Provider) shall be automatically released from all or any part of its Liabilities and Intra-Group Liabilities; and

(iii) *release of liabilities and Transaction Security on a share sale (Holding Company of a Debtor or a Security Provider which is not itself a Debtor or a Security Provider):* if the asset which is disposed of consists of shares in the capital of any Holding Company of a Debtor or Security Provider, release (or cause the release of) any Transaction Security granted by any Subsidiary of that Holding Company over any

of its assets and any other claim of another Debtor over the assets of any Subsidiary of that Holding Company (on behalf of the relevant Secured Parties, Intra-Group Lenders and Debtors) and that Holding Company and any Subsidiary of that Holding Company shall be automatically released from all or any part of its Liabilities and Intra-Group Liabilities.

(b) The net proceeds of each Distressed Disposal shall be paid (including by the Mexican Security Trustee) to the Security Agent for application in accordance with Clause 10 (*Application of Proceeds*) as if those proceeds were the proceeds of an enforcement of the Transaction Security. For the avoidance of doubt, Noteholders have no benefit of the recoveries under Clause 10.2 (*Order of application – Debt Claim Recoveries*).

(c) In the case of a Distressed Disposal effected by or at the request of the Security Agent (acting in accordance with paragraph (d) below), the Security Agent shall take reasonable care to obtain a fair market price having regard to the prevailing market conditions (though each of the other Parties to this Agreement acknowledges and agrees that the Security Agent shall have no obligation to postpone any such Distressed Disposal in order to achieve a higher price) (or, in respect of a disposition under the Mexican Security Trust Agreement shall observe the provisions set forth in the Mexican Security Trust Agreement in respect of foreclosure by the Mexican Security Trustee thereunder).

(d) For the purposes of paragraphs (a) and (c) above, the Security Agent shall act:

(i) if the relevant Distressed Disposal is being effected by way of enforcement of the Transaction Security, in accordance with paragraph (c) of Clause 7.2 (*Enforcement instructions*); and

(ii) in any other case:

(A) on the instructions of the Instructing Group; or

(B) in the absence of any such instructions but subject to Clause 11.10 (*Excluded Obligations*), as the Security Agent sees fit.

(e) The Security Agent, directly or through any Delegate, shall have the right to instruct the Mexican Security Trustee (where the Security Agent itself is instructed as provided in this Agreement), to effect a Distressed Disposal as permitted under the terms of the Mexican Security Trust Agreement, and the Security Agent shall itself take any such action or execute and deliver or enter into any document that may, in the discretion of the Security Agent, be considered necessary or desirable to release the Transaction Security constituted by the Mexican Security Trust Agreement.

8.3 **Creditors', Debtors', Intra-Group Lenders' and Security Providers' actions**

Each Creditor, Intra-Group Lender, Debtor and Security Provider will:

(a) do all things that:

(i) in the case of a Debtor or a Security Provider in relation to a Distressed Disposal under Clause 8.2, the Security Agent requests; or

(ii) in any other case, the Security Agent reasonably requests,

in order to give effect to this Clause 8 (which shall include, without limitation, the execution of any assignments, transfers, releases or other documents that the Security Agent may consider to be necessary to give effect to the releases or disposals contemplated by this Clause 8); and

(b) if the Security Agent is not entitled to take any of the actions contemplated by this Clause 8 or is otherwise prevented from taking or, with respect to any Creditor or Intra-Group Lender, unable to take the actions contemplated by this Clause 8 and requests that a Creditor or Intra-Group Lender take that action, each Creditor or Intra-Group Lender will undertake that action itself in accordance with the instructions of the Security Agent or grant a power of attorney to the Security Agent (on such terms as the Security Agent may reasonably require) to enable the Security Agent to take such action under applicable law (any such power of attorney, with respect to any enforcement of Transaction Security governed by Spanish law or any claim against a Debtor or Security Provider incorporated in Spain, shall be notarised and apostilled);

(c) if the Security Agent is not entitled to take any of the actions contemplated by this Clause 8 with respect to any Debtor or Security Provider or requests that any Debtor or Security Provider take any such action, such Debtor or Security Provider shall take that action itself in accordance with the instructions of the Security Agent,

provided that the proceeds of those disposals are applied in accordance with Clause 8.1 (*Non-Distressed Disposals)* or Clause 8.2 (*Distressed Disposals*) as the case may be.

9. **AUTOMATIC RELEASE OF TRANSACTION SECURITY**

9.1 **Release of Mexican Security Trust Agreement**

On the first Business Day on which all of the following conditions are met:

(a) the Consolidated Leverage Ratio for any testing date falling during any Reference Period in respect of which a Compliance Certificate has been (or is required to have been) delivered under the 2017 Facilities Agreement or the Refinancing Equivalent (as each such term is defined therein) was not greater than 3.75:1.00; and

(b) no Default is continuing,

(and subject to receipt of written notice from the Facility Agent in accordance with Clause 9.4 (*Notification by Facility Agent*)) the Security Agent is irrevocably authorised (at the cost of the relevant Debtor, Security Provider or the Parent and without any consent, sanction, authority or further confirmation from any Secured Party, Debtor or Security Provider) to promptly instruct (and the Security Agent shall so instruct) the Mexican Security Trustee to release the Security over the assets of the Mexican Security Trust Agreement and any of the assets subject to the Mexican Security Trust Agreement, and to execute and deliver or enter into any termination or release of that Transaction Security and any assets affected thereunder if approved in exchange for a release from the other parties to the Mexican Security Trust Agreement.

9.2 **Release of Transaction Security—other jurisdictions**

On the first Business Day on which all of the following conditions are met:

(a) the Consolidated Leverage Ratio for two consecutive testing dates falling during any Reference Period in respect of which Compliance Certificates have been (or are required to have been) delivered under the 2017 Facilities Agreement or the Refinancing Equivalent (as each such term is defined therein) was not greater than 3.75:1.00; and

(b) no Default is continuing,

(and subject to receipt of written notice from the Facility Agent in accordance with Clause 9.4 (*Notification by Facility Agent*)) the Security Agent is irrevocably authorised (at the cost of the relevant Debtor, Security Provider or the Parent and without any consent, sanction, authority or further confirmation from any Secured Party, Debtor or Security Provider) to promptly release (and the Security Agent shall so release) the Transaction Security not already released pursuant to Clause 9.1 (*Release of Mexican Security Trust Agreement*) and any other claim over the assets subject to that Transaction Security, and to execute and deliver or enter (and the Security Agent shall execute and deliver or enter into) into any release of that Transaction Security or claim that may, in the discretion of the Security Agent, be considered necessary or desirable.

9.3 **Termination of Agreement**

(a) This Agreement terminates on the earlier of:

(i) subject to paragraph (b) below, the Final Discharge Date; and

(ii) the date that all Transaction Security has been released pursuant to Clauses 8.1 (*Non-Distressed Disposals*), 9.1 (*Release of Mexican Security Trust Agreement*) and/or 9.2 (*Release of Transaction Security—other jurisdictions*).

(b) The Security Agent is irrevocably authorised:

(i) with effect from the Final Discharge Date (subject to receipt of written notice from the Facility Agent in accordance with Clause 9.4 (*Notification by Facility Agent*)); or

(ii) with the prior written consent of the Super Majority Instructing Group,

(at the cost of the relevant Debtor, Security Provider or the Parent and without any consent, sanction, authority or further confirmation from any Secured Party, Debtor or Security Provider) to promptly release (and the Security Agent shall so release) the Transaction Security not already released pursuant to Clause 9.1 (*Release of Mexican Security Trust Agreement*) or Clause 9.2 (*Release of Transaction Security—other jurisdictions*) and any other claim over the assets subject to that Transaction Security, and to execute and deliver or enter (and the Security Agent shall execute and deliver or enter into) into any release of that Transaction Security or claim that may, in the discretion of the Security Agent, be considered necessary or desirable.

9.4 **Notification by Facility Agent**

The Facility Agent shall promptly notify the Security Agent in writing:

(a) on the date at which the conditions set out in Clause 9.1 (*Release of Mexican Security Trust Agreement*) have been satisfied;

(b) on the date at which the conditions set out in Clause 9.2 (*Release of Transaction Security—other jurisdictions*) have been satisfied; and

(c) on the occurrence of the Final Discharge Date.

9.5 **Creditors', Debtors', Intra-Group Lenders' and Security Providers' actions**

Each Creditor, Debtor, Intra-Group Lender and Security Provider will:

(a) do all things that the Security Agent reasonably requests in order to give effect to this Clause 9 (which shall include, without limitation, the execution of any assignments, transfers, releases or other documents that the Security Agent may consider to be necessary to give effect to the releases contemplated by Clause 9.1 (*Release of Mexican Security Trust Agreement*), Clause 9.2 (*Release of Transaction Security—other jurisdictions*) and Clause 9.3 (*Termination of Agreement*));

(b) if the Security Agent is not entitled to take any of the actions contemplated by this Clause 9 or is otherwise prevented from taking or, with respect to any Creditor or Intra-Group Lender, unable to take the actions contemplated by this Clause 9 and requests that a Creditor or Intra-Group Lender take that action, each Creditor and Intra-Group Lender will undertake that action itself in accordance with the instructions of the Security Agent or grant a power of attorney to the Security Agent (on such terms as the Security Agent may reasonably require) to enable the Security Agent to take such action under applicable law (any such power of attorney, with respect to any enforcement of Transaction Security governed by Spanish law or any claim against a Debtor or Security Provider incorporated in Spain, shall be notarised and apostilled); and

(c) if the Security Agent is not entitled to take any of the actions contemplated by this Clause 9 with respect to any Debtor, Intra-Group Lender or Security Provider or requests that any Debtor, Intra-Group Lender or Security Provider take any such action, such Debtor, Intra-Group Lender or Security Provider shall take that action itself in accordance with the instructions of the Security Agent.

10. APPLICATION OF PROCEEDS

10.1 Order of application—Transaction Security Recoveries

Subject to Clause 10.3 (*Prospective liabilities*), all amounts from time to time received or recovered by the Security Agent prior to the Final Discharge Date:

(a) in connection with the realisation or enforcement of all or any part of the Transaction Security (including, amounts received or recovered as a result of realisation or enforcement of all or part of the Transaction Security pursuant to Clause 11.2 (*Finance Parallel Debt (Covenant to pay the Security Agent)*) or Clause 11.3 (*Notes Parallel Debt (Covenant to pay the Security Agent)*) (for the purposes of this Clause 10.1, the "**Transaction Security Recoveries**");

(b) from (or on behalf of) any Intra-Group Lender as required by Clauses 4.1 (*Payment of Distributions*), 4.2 (*Set-off*), 5.1 (*Turnover by the Creditors and Intra-Group Lenders*) or 5.5 (*Saving provision*); or

(c) as required by Clause 3.7 (*Mexican Intra-Group Credit Rights*)

(together, the amounts referred to in paragraphs (b) and (c) above, the "**Intra-Group Recoveries**"),

shall be held by the Security Agent on trust to apply them as soon as reasonably practicable after the Security Agent has made (to its sole satisfaction) the calculations necessary to perform the distributions required pursuant to this Clause 10.1, to the extent permitted by applicable law (and subject to the provisions of this Clause 10.1), in the following order of priority:

(i) in discharging any sums owing to the Security Agent (including, for the avoidance of doubt, any legal or other professional advisers' fees and all related taxes incurred thereon by the Security Agent), any Receiver or any Delegate or the Mexican Security Trustee;

(ii) in payment of all costs and expenses reasonably incurred by any Secured Party (without double-counting) in connection with any realisation or enforcement of the Transaction Security (including, without limitation, the reasonable fees of any adviser, trustee or agent) taken in accordance with the terms of this Agreement or any action taken at the request of the Security Agent under Clause 4.5 (*Actions of Creditors and Intra-Group Lender*s) or Clause 8.3 (*Creditors', Debtors', Intra-Group Lenders' and Security Providers' actions*);

(iii) in payment to:

(A) the Facility Agent on its own behalf and on behalf of the Facilities Agreement Creditors;

(B) each Refinancing Creditor Representative on its own behalf and on behalf of the Refinancing Creditors which it represents;

(C) each Noteholder Trustee on its own behalf and on behalf of the relevant Noteholders which it represents; and

(D) any Noteholder not represented by a Noteholder Trustee,

for application towards the discharge of the Agent Liabilities, the Facilities Agreement Creditor Liabilities and the Refinancing Creditor Liabilities (in accordance with the terms of the Finance Documents or, as the case may be, the Refinancing Documents) and the Noteholder Trustee Liabilities and the Noteholder Liabilities (in accordance with the terms of the Noteholder Documents), on a *pro rata* and *pari passu* basis;

(iv) if none of the Debtors is under any further actual or contingent liability under any Debt Document, in payment to any person to whom the Security Agent is obliged, as a matter of law, to pay in priority to any Debtor; and

(v) the balance, if any, in payment to the relevant Debtor.

10.2 **Order of application—Debt Claim Recoveries**

Subject to Clause 10.3 (*Prospective liabilities*), all amounts from time to time received or recovered by the Security Agent prior to the Final Discharge Date from a Debtor in respect of any Liabilities (including, in connection therewith, pursuant to Clause 11.2 (*Finance Parallel Debt (Covenant to pay the Security Agent)*) but excluding:

(a) any amounts of Transaction Security Recoveries or Intra-Group Recoveries; and

(b) any amounts received from a Debtor which are required to be (i) applied in repayment or prepayment of the Facilities pursuant to clauses 6 (*Repayment*), 7 (*Illegality and Voluntary Prepayment*) of the 2017 Facilities Agreement or the Refinancing Equivalent or, as the case may be, (ii) applied in repayment or prepayment of the Refinancing Debt in accordance with the repayment or prepayment provisions of the relevant Refinancing Documents,

(for the purposes of this Clause 10.2, the "**Debt Claim Recoveries**") shall be held by the Security Agent on trust to apply such Debt Claim Recoveries as soon as reasonably practicable after the Security Agent has made (to its sole satisfaction) the calculations necessary to perform the distributions required pursuant to this Clause 10.2, to the extent permitted by applicable law (and subject to the provisions of this Clause 10.2 (*Order of application —Debt Claim Recoveries)*), in the following order of priority:

(i) in discharging any sums owing to the Security Agent (including, for the avoidance of doubt, any legal or other professional advisers' fees and all taxes incurred thereon by the Security Agent), any Receiver or any Delegate;

(ii) in payment of all costs and expenses reasonably incurred by any Creditor (without double counting) in connection with any action taken at the request of the Security Agent under Clause 4.5 (*Actions of Creditors and Intra-Group Lenders*), paragraph (a) of Clause 8.3 (*Creditors', Debtors', Intra-Group Lenders' and Security Providers' actions*) or Clause 9.5 (*Creditors', Debtors', Intra-Group Lenders' and Security Providers' actions*);

(iii) in payment to the Facility Agent (on its own behalf and on behalf of the Finance Parties) and to each Refinancing Creditor Representative (on its own behalf and on behalf of the Refinancing Creditors which it represents) for application towards the discharge of the Liabilities owed to the Finance Parties or the Refinancing Parties (in accordance with the terms of the Finance Documents or, as the case may be, the Refinancing Documents) on a *pro rata* and *pari passu* basis;

(iv) if none of the Debtors is under any further actual or contingent liability under any Debt Document, in payment to any person to whom the Security Agent is obliged, as a matter of law, to pay in priority to any Debtor; and

(v) the balance, if any, in payment to the relevant Debtor.

For the avoidance of doubt, Noteholders shall not have the benefit of recoveries under this Clause 10.2.

10.3 **Prospective liabilities**

Following the occurrence of a Facilities Agreement Acceleration Event, the Security Agent may, in its sole discretion and to the fullest extent permitted by applicable law, hold any amount of the Debt Claim Recoveries in an interest bearing suspense or impersonal account(s) in the name of the Security Agent with a financial institution (including itself) which has a rating for its long-term unsecured and non credit-enhanced debt obligations of A- or higher by S&P or A- or higher by Fitch or A3 or higher by Moody's or a comparable rating from an internationally recognised credit rating agency and for so long as the Security Agent shall think fit (but no later than 180 days) (the interest being credited to the relevant account) for later application under Clause 10.1 (*Order of Application – Transaction Security Recoveries*) or Clause 10.2 (*Order of Application – Debt Claim Recoveries*) in respect of:

(a) any sum to any Security Agent (including, for the avoidance of doubt, any legal or other professional advisers' fees and all taxes incurred thereon by the Security Agent), any Receiver or any Delegate; and

(b) any part of the Facilities Agreement Creditor Liabilities, the Refinancing Creditor Liabilities, the Noteholder Liabilities, the Noteholder Trustee Liabilities or the Agent Liabilities, that the Security Agent reasonably considers, in each case, might become due or owing at any time in the future.

10.4 **Investment of proceeds**

Prior to the application of the proceeds of the Security Property in accordance with Clause 10.1 (*Order of Application—Transaction Security Recoveries*) or Clause 10.2 (*Order of Application—Debt Claim Recoveries*) the Security Agent may, in its sole discretion, hold all or part of those proceeds in an interest bearing suspense or impersonal account(s) in the name of the Security Agent with a financial institution (including itself) which has a rating for its long-term unsecured and non credit-enhanced debt obligations of A- or higher by S&P or A- or higher by Fitch or A3 or higher by Moody's or a comparable rating from an internationally recognised credit rating agency and for so long as the Security Agent shall deem necessary (the interest being credited to the relevant account) pending the application from time to time of those monies in the Security Agent's discretion in accordance with the provisions of this Clause 10.4.

10.5 **Currency Conversion**

(a) For the purpose of, or pending the discharge of, any of the Secured Obligations the Security Agent may convert any monies received or recovered by the Security Agent into the Base Currency, at the Security Agent's Spot Rate of Exchange.

(b) The obligations of any Debtor (or, to the extent applicable in relation to Transaction Security granted by it, any Security Provider) to pay amounts due in the specified currency shall only be satisfied to the extent of the amount in the specified currency purchased after deducting the costs of conversion.

10.6 **Permitted Deductions**

The Security Agent shall be entitled, in its sole discretion (acting reasonably), (a) to set aside by way of reserve amounts required to meet and (b) to make and pay, any deductions and withholdings (on account of taxes or otherwise) which it is or shall be required by any applicable law to make from any distribution or payment made by it under this Agreement, and to pay all Taxes which are assessed against it in respect of any of the Charged Property, or as a consequence of performing its duties (save where such duties are performed in such a way that loss is suffered through gross negligence or wilful default), or by virtue of its capacity as Security Agent under any of the Debt Documents or otherwise (other than in connection with its remuneration for performing its duties under this Agreement).

10.7 **Good Discharge**

(a) Any payment to be made in respect of the Secured Obligations by the Security Agent:

(i) may be made to the Facility Agent on behalf of the Facilities Agreement Creditors;

(ii) may be made to the relevant Refinancing Creditors' Representative on behalf of its Refinancing Creditors;

(iii) may be made, in the case of Noteholders represented by a Noteholder Trustee, to the relevant Noteholder Trustee on behalf of its Noteholders, and to any Noteholder not so represented, directly,

and any payment made in that way shall be a good discharge, to the extent of that payment, by the Security Agent.

(b) The Security Agent is under no obligation to make the payments to any Agent or any Noteholder Trustee under paragraph (a) of this Clause 10.7 in the same currency as that in which the Liabilities owing to the relevant Creditor or Noteholder are denominated.

(c) The Security Agent is under no obligation to make payments to any Noteholder not represented by a Noteholder Trustee, as contemplated under paragraph (a) of this Clause 10.7, unless that Noteholder has provided evidence satisfactory to the Security Agent, in its sole discretion (but acting reasonably), of (i) its identity, (ii) its holding of, or entitlement under, the Notes and (iii) the amounts claimed to be owed to it under those Notes.

10.8 **Calculation of Amounts**

For the purpose of calculating any person's share of any sum payable to or by it, the Security Agent shall be entitled to:

(a) notionally convert the Liabilities owed to any person into the Base Currency (decided by the Security Agent in its discretion acting reasonably), that notional conversion to be made at the Security Agent's Spot Rate of Exchange; and

(b) assume that all moneys received or recovered as a result of the enforcement or realisation of the Security Property are applied in discharge of the Liabilities in accordance with the terms of the Debt Documents under which those Liabilities have arisen.

10.9 **Application and consideration**

In consideration for the covenants given to the Security Agent by each Debtor in Clause 11.2 (*Finance Parallel Debt (Covenant to pay the Security Agent)*) and Clause 11.3 (*Notes Parallel Debt (Covenant to pay the Security Agent)*), the Security Agent agrees with each Debtor to apply all moneys from time to time paid by such Debtor to the Security Agent in accordance with the provisions of Clause 10.1 (*Order of Application—Transaction Security Recoveries*).

11. **THE SECURITY AGENT**

11.1 **Trust**

(a) The Security Agent declares that it shall hold the Security Property (save as provided in paragraph (b) below) on trust (in the case of the Transaction Security effected under the Mexican Security Trust Agreement, through the Mexican Security Trustee) for (or, if required by any Security Document, as an agent acting in the name and on behalf of) the equal and rateable benefit of the Secured Parties on the terms contained in this Agreement.

(b) In relation to the Transaction Security Documents governed by the laws of Switzerland (the "**Swiss Security Documents**") each present and future Secured Party hereby authorises the Security Agent:

(i) to (A) accept and execute as its direct representative (*direkter Stellvertreter*) any Swiss law pledge or any other Swiss law accessory (*akzessorische*) security created or evidenced or expressed to be created or evidenced under or pursuant to a Swiss Security Document for the benefit of such Secured Party and (B) hold, administer and, if necessary, enforce any such Security on behalf of each relevant Secured Party which has the benefit of such Security;

(ii) to agree as its direct representative (*direkter Stellvertreter*) to amendments and alterations to any Swiss Security Document which creates or evidences or expressed to create or evidence a pledge or any other Swiss law accessory (*akzessorische*) Security;

(iii) to effect as its direct representative (*direkter Stellvertreter*) any release of a Security created or evidenced or expressed to be created or evidenced under a Swiss Security Document in accordance with this Agreement; and

(iv) to exercise as its direct representative (*direkter Stellvertreter*) such other rights granted to the Security Agent hereunder or under the relevant Swiss Security Document.

(c) The Security Agent declares that it, in the circumstances described in paragraph (g) of Clause 11.3 (*Notes Parallel Debt (Covenant to pay the Security Agent)*) shall hold the Notes Parallel Debt Recoveries on trust for the Notes Secured Parties on the terms contained in this Agreement (and, with respect to such trust, as if references to "Secured Parties" in this Clause 11 were references to the Notes Secured Parties). In relation to Swiss Security Documents each present and future Notes Secured Party hereby authorises the Security Agent, when acting in its capacity as creditor of the Notes Parallel Debt (as defined in paragraph (a) of Clause 11.3 (*Notes Parallel Debt (Covenant to pay the Security Agent)*), to hold:

(i) any Swiss law pledge or any other Swiss law accessory (akzessorische) Security; and

(ii) any proceeds of such Security,

as creditor in its own right but for the benefit of such Notes Secured Parties in accordance with this Agreement.

(d) By acceptance of the benefits of this Agreement, each Secured Party (whether or not a Party to this Agreement) (i) consents or, as the case may be, is deemed to consent, to the appointment of the Security Agent as trustee under this Agreement, (ii) confirms or, as the case may be, is deemed to confirm, that the Security Agent shall have the authority to act as the exclusive agent of such Secured Party for the enforcement of any remedies under or with respect to any Transaction Security Document and the giving or withholding of any consent or approval relating to any Charged Property or the Liabilities of any Debtor or Security Provider relating thereto, and (iii) agrees or, as the case may be, by accepting the benefits of this Agreement, is deemed to agree) that, except as provided in this Agreement, it shall not take any action to enforce any of such remedies or give any such consents or approvals.

(e) Each of the Parties to this Agreement agrees (and each Noteholder Trustee and Noteholder, by accepting the benefits of this Agreement, shall be deemed to agree) that the Security Agent shall have only those duties, obligations and responsibilities expressly specified in this Agreement or in the Security Documents to which the Security Agent is expressed to be a party (and no others shall be implied) subject at all times to the provisions of this Agreement limiting the responsibility or liability of the Security Agent.

(f) It is expressly understood and agreed by the Parties to this Agreement (and each Noteholder Trustee and Noteholder, by accepting the benefits of this Agreement, shall be deemed to agree) that:

(i) this Agreement is executed and delivered by the Security Agent not individually or personally but solely in its capacity as the Security Agent in the exercise of the powers and authority conferred and vested in it under this Agreement and the Debt Documents to which it is expressed to be a party;

(ii) in no case shall the Security Agent be (i) responsible or accountable in damages or otherwise to any other Secured Party, Debtor or Security Provider for any loss, damage or claim incurred by reason of any act or omission performed or omitted by the Security Agent in good faith in accordance with this Agreement and the Debt Documents in a manner within the scope of the authority conferred on it by this Agreement and the Debt Documents or by law (otherwise than as a result of its gross negligence or wilful misconduct), or (ii) personally liable for or on account of any of the statements, representations, warranties, covenants or obligations stated to be those of any other Secured Party, Debtor or Security Provider all such liability, if any, being expressly waived by the Secured Parties, Debtors and Security Providers and any person claiming by, through or under such Secured Party, Debtor or Security Provider,

and it is also acknowledged that the Security Agent shall have no responsibility for the actions of any Creditor.

(g) The authorisations and consents by a Facility Lender which is a Designated Lender (as defined below) to the Security Agent pursuant to the foregoing paragraphs shall not entitle the Facility Agent to instruct the Security Agent to:

(i) execute and deliver documents on behalf of that Designated Lender;

(ii) enforce any Security Document on behalf of that Designated Lender; or

(iii) present petitions for winding up any Obligor (or similar petitions) on behalf of that Designated Lender,

(together,the "**Restricted Actions**"), and the Security Agent shall be entitled to assume that any instructions given to it by the Facility Agent in connection with the foregoing actions are given in compliance with this restriction.

(h) Notwithstanding paragraph (g) above, each Facility Lender which is a Designated Lender (as defined below) undertakes so long as it is a Secured Party to:

(i) join the Security Agent if applicable in any Restricted Action which the Security Agent would otherwise be entitled to take, in accordance with this Agreement or, if required, to the extent possible, to grant powers of attorney in favour of the Security Agent so that it can take such Restricted Action; and

(ii) abide by and act, or refrain from acting, in accordance with, any decision of an Instructing Group made in accordance with this Agreement.

(i) For this purpose a "**Designated Lender**" is a Facility Lender that has notified the Facility Agent and the Parent that it is to be treated as a Designated Lender.

11.2 **Finance Parallel Debt (Covenant to pay the Security Agent)**

(a) Notwithstanding any other provision of this Agreement, each Debtor hereby, subject in each case to the limitations set out in clause 18 (*Guarantee and indemnity*) of the 2017 Facilities Agreement or the Refinancing Equivalent, irrevocably and unconditionally undertakes to pay to the Security Agent, as creditor in its own right and not as representative of the other Creditor Secured Parties, sums equal to and in the currency of each amount payable by such Debtor to each of the Creditor Secured Parties under each of the Creditor Secured Documents as and when that amount falls due for payment under the relevant Creditor Secured Document or would have fallen due but for any discharge resulting from failure of another Creditor Secured Party to take appropriate steps, in Insolvency Proceedings affecting that Debtor, to preserve its entitlement to be paid that amount (in respect of each Debtor, its "**Finance Parallel Debt**").

(b) The Security Agent shall have its own independent right to demand payment of the amounts payable by each Debtor under this Clause 11.2, irrespective of any discharge of such Debtor's obligation to pay those amounts to the other Creditor Secured Parties resulting from failure by them to take appropriate steps, in Insolvency Proceedings affecting that Debtor, to preserve their entitlement to be paid those amounts.

(c) The rights of the Creditor Secured Parties (other than the Security Agent) to receive payment of amounts payable by each Debtor under the Creditor Secured Documents are several and are separate and independent from, and without prejudice to, the rights of the Security Agent to receive payment under this Clause 11.2.

(d) Any amount due and payable by a Debtor to the Security Agent under this Clause 11.2 shall be decreased to the extent that the other Creditor Secured Parties have received (and are able to retain) payment in full of the corresponding amount under the other provisions of the Creditor Secured Documents and any amount due and payable by a Debtor to the other Creditor Secured Parties under those provisions shall be decreased to the extent that the Security Agent has received (and is able to retain) payment in full of the corresponding amount under this Clause 11.2.

(e) Each of the Parties to this Agreement accepts the provisions of this Clause 11.2.

11.3 **Notes Parallel Debt (Covenant to pay the Security Agent)**

(a) Notwithstanding any other provision of this Agreement, each Debtor hereby, subject in each case to the limitations set out in clause 18 (*Guarantee and indemnity*) of the 2017 Facilities Agreement or the Refinancing Equivalent, irrevocably and unconditionally undertakes to pay to the Security Agent, as creditor in its own right and not as representative of the Notes Secured Parties, sums equal to and in the currency of each amount payable by such Debtor to each of the Notes Secured Parties under each of the Notes Secured Documents as and when that amount falls due for payment under the relevant Notes Secured Document or would have fallen due but for any discharge resulting from failure of another Notes Secured Party to take appropriate steps, in Insolvency Proceedings affecting that Debtor, to preserve its entitlement to be paid that amount (in respect of each Debtor, its "**Notes Parallel Debt**").

(b) The Security Agent shall have its own independent right to demand payment of the amounts payable by each Debtor under this Clause 11.3, irrespective of any discharge of such Debtor's obligation to pay those amounts to the Notes Secured Parties resulting from failure by them to take appropriate steps, in Insolvency Proceedings affecting that Debtor, to preserve their entitlement to be paid those amounts.

(c) The rights of the Notes Secured Parties (other than the Security Agent) to receive payment of amounts payable by each Debtor under the Notes Secured Documents are several and are separate and independent from, and without prejudice to, the rights of the Security Agent to receive payment under this Clause 11.3.

(d) Notwithstanding the foregoing, prior to an Enforcement Event, the Security Agent shall not be entitled to or demand payment of the amounts payable by each Debtor under this Clause 11.3 in connection with the realisation or enforcement of all or part of the Transaction Security.

(e) Each Notes Secured Party, by accepting the benefits of this Agreement, shall be deemed to accept the provisions of this Clause 11.3 and, where an amount is received by the Security Agent on its behalf under this Clause 11.3, to have waived its rights to seek payment of the corresponding amount under the other provisions of the Notes Secured Documents.

(f) The Security Agent shall notify the Notes Secured Parties (in the case of any Noteholder represented by a Noteholder Trustee, via that Noteholder Trustee, and in the case of any Noteholder not so represented, directly) that it has received amounts pursuant to this Clause 11.3 (the "**Notes Parallel Debt Recoveries**") which are due to the Notes Secured Parties, and shall apply such Notes Parallel Debt Recoveries (subject, in the case of any Noteholder not represented by a Noteholder Trustee, to paragraph (c) of Clause 10.7 (*Good Discharge*)) in accordance with Clause 10 (*Application of Proceeds*).

(g) Where, having given notice in accordance with paragraph (f) of this Clause 11.3, any amount of Notes Parallel Debt Recoveries has not been claimed by a Notes Secured Party, the Security Agent will hold such amounts on trust for the benefit of such Notes Secured Parties as set out in paragraph (b) of Clause 11.1 (*Trust*).

11.4 **Parallel debt recoveries**

Amounts received or recovered in connection with the realisation or enforcement of the Transaction Security pursuant to Clause 11.2 (*Finance Parallel Debt (Covenant to pay the Security Agent)*) and Clause 11.3 (*Notes Parallel Debt (Covenant to pay the Security Agent)*) shall be held *pari passu* by the Security Agent and shall be distributed to the Creditor Secured Parties and Notes Secured Parties in accordance with Clause 10 (*Application of Proceeds*) (or, in the case of the Notes Secured Parties, held on trust as contemplated by paragraph (g) of Clause 11.3 (*Notes Parallel Debt (Covenant to pay the Security Agent)*) above).

11.5 **No independent power**

The Secured Parties shall not have any independent power to enforce, or have recourse to, any of the Transaction Security or to exercise any rights or powers arising under the Security Documents (other than in accordance with the terms of the Debt Documents) except through the Security Agent.

11.6 **Instructions to Security Agent and exercise of discretion**

(a) Subject to paragraphs (d) and (e) below, the Security Agent shall only act in accordance with any instructions given to it by the Instructing Group or, if so instructed by the Instructing Group, refrain from exercising any right, power, authority or discretion vested in it as Security Agent and shall be entitled, without further enquiry, to assume that (i) any instructions or directions

received by it from the Instructing Group or, (to the extent that such Parties are entitled to give instructions or directions to the Security Agent under this Agreement) from the Facility Agent, the Facilities Agreement Creditors, the Refinancing Creditors or the Super Majority Instructing Group, are duly given in accordance with the terms of the relevant Finance Documents and (ii) unless it has received actual written notice of revocation, that those instructions or directions have not been revoked.

(b) The Security Agent shall be entitled to request instructions, or clarification of any direction, from the Instructing Group or, (to the extent that such Parties are entitled to give instructions or directions to the Security Agent under this Agreement) from the Facility Agent, the Facilities Agreement Creditors, the Refinancing Creditors or the Super Majority Instructing Group, and as to whether, and in what manner, it should exercise or refrain from exercising any rights, powers, authorities and discretions and the Security Agent may refrain from acting unless and until those instructions or clarification are received by it.

(c) Save as provided in Clause 7 (*Enforcement of Transaction Security*), any instructions given to the Security Agent by the Instructing Group shall override any conflicting instructions given by any other Parties.

(d) Paragraph (a) above shall not apply:

(i) where a contrary indication appears in this Agreement;

(ii) where this Agreement requires the Security Agent to act in a specified manner or to take a specified action;

(iii) in respect of any provision which protects the Security Agent's own position in its personal capacity as opposed to its role of Security Agent for the Secured Parties including, without limitation, the provisions set out in Clauses 11.8 (*Security Agent's discretions*) to Clause 11.24 (*Disapplication*);

(iv) in respect of the exercise of the Security Agent's discretion to exercise a right, power or authority under any of:

(A) Clause 8.1 (*Non-Distressed Disposals*);

(B) Clause 10.1 (*Order of application—Transaction Security Recoveries*);

(C) Clause 10.2 (*Order of application—Debt Claim Recoveries*);

(D) Clause 10.3 (*Prospective liabilities*);

(E) Clause 10.6 (*Permitted Deductions*);

(**provided that** the Security Agent may, if it so chooses, seek directions or instructions from, in respect of the discretions conferred on it under the clause referred to in paragraph (A) above, the Majority Lenders (as defined in the 2017 Facilities Agreement or the Refinancing Equivalent) via the Facility Agent or, in respect of the discretions conferred on it under the clauses referred to in paragraphs (B) to (E) above, the Instructing Group).

(e) If giving effect to instructions given by an Instructing Group would (in the Security Agent's opinion (acting reasonably)) have an effect equivalent to an Intercreditor Amendment, the Security Agent shall not act in accordance with those instructions unless consent to it so acting is obtained from each Secured Party (other than the Security Agent) whose consent would have been required in respect of that Intercreditor Amendment.

(f) In exercising any discretion to exercise a right, power or authority under this Agreement where either:

(i) it has not received any instructions from an Instructing Group as to the exercise of that discretion; or

(ii) the exercise of that discretion is subject to paragraph (d)(iv) above,

the Security Agent shall do so having regard to the interests of all the Secured Parties as a group and not individually.

11.7 **Security Agent's actions**

Without prejudice to the provisions of Clause 7 (*Enforcement of Transaction Security*) and Clause 11.6 (*Instructions to Security Agent and exercise of discretion*), the Security Agent may (but shall not be obliged to), in the absence of any instructions to the contrary, take such action in the exercise of any of its powers and duties under the Debt Documents as it considers in its sole discretion to be appropriate.

11.8 **Security Agent's discretions**

The Security Agent may:

(a) assume, without enquiry (unless it has received actual written notice to the contrary from the Facility Agent) that (i) no Default has occurred and no Debtor or Security Provider is in breach of or default under its obligations under any of the Finance Documents (except in relation to paragraph (b) of Clause 9.1 (*Release of Mexican Security Trust Agreement*) and paragraph (b) of Clause 9.2 (*Release of Transaction Security —other jurisdictions*), where the Security Agent shall be notified of the satisfaction of the condition set out in such paragraphs by the Facility Agent in accordance with Clause 9.4 (*Notification by the Facility Agent*)) and (ii) any right, power, authority or discretion vested by any Finance Document in any person has not been exercised;

(b) if it receives any instructions or directions under Clause 7 (*Enforcement of Transaction Security*) to take any action or to cause action to be taken in relation to the Transaction Security, assume, without enquiry, that all applicable conditions under the Finance Documents for taking that action have been satisfied;

(c) engage, pay for and rely on the advice or services of any legal advisers, accountants, tax advisers, financial advisers, surveyors or other experts (whether obtained by the Security Agent or by any other Secured Party and regardless of any limitation (by way of a monetary cap or otherwise) that may be imposed on such advice) and incur such advisers' reasonable cost and expenses whose advice or services may at any time seem necessary or expedient;

(d) rely upon any communication or document believed by it to be genuine and, as to any matters of fact which might reasonably be expected to be within the knowledge of a Secured Party, a Debtor or a Security Provider, upon a certificate signed by or on behalf of that person; and

(e) refrain from acting in accordance with the instructions of any Party (including, but not limited to, bringing any legal action or proceeding arising out of or in connection with the Finance Documents) until it has received any indemnification and/or security satisfactory to it (acting reasonably) (whether by way of payment in advance or otherwise) for all costs, expenses, losses and liabilities which it may incur reasonably in so acting.

11.9 **Security Agent's obligations**

The Security Agent shall promptly:

(a) copy to the Facility Agent and each Refinancing Creditor Representative the contents of any notice or document received by it from any Debtor or Security Provider under any Debt Document and otherwise, directly or through any Delegate, give notice in respect of this Agreement or any Transaction Security Document, to any party it may deem appropriate;

(b) forward to a Secured Party, Debtor or Security Provider the original or a copy of any document which is delivered to the Security Agent for that Secured Party, Debtor or Security Provider by any other Party **provided that** such delivery by the Security Agent to the receiving party is expressly contemplated by the terms of this Agreement and **provided further that**, except where a Debt Document expressly provides otherwise, the Security Agent is not obliged to review or check the adequacy, accuracy or completeness of, or any mathematical calculations or other facts in, any document it forwards to another Secured Party or to a Debtor or Security Provider;

(c) inform the Facility Agent and each Refinancing Creditor Representative of any event notified to the Security Agent under paragraph (b) of Clause 17.3 (*Notification of prescribed events*) and of any default by a Debtor or Security Provider in the due performance of or compliance with its obligations under any Debt Document of which the Security Agent has received written notice from any other Secured Party, Debtor or Security Provider;

(d) notify the Noteholder Trustees (and any Noteholder not represented by a Noteholder Trustee, directly) of any event that materially and adversely affects the Charged Property under any Transaction Security Document; and

(e) to the extent that a Party (other than the Security Agent) is required to calculate a Base Currency Amount, and upon a request by that Party, notify that Party of the Security Agent's Spot Rate of Exchange.

11.10 **Excluded obligations**

Notwithstanding anything to the contrary expressed or implied in the Debt Documents, the Security Agent shall not:

(a) be bound to enquire as to (i) whether or not any Default has occurred or (ii) the performance, default or any breach by a Debtor or Security Provider of its obligations under any of the Debt Documents or Intra-Group Debt Documents;

(b) be bound to account to any other Secured Party, any Debtor or any Security Provider for any sum or the profit element of any sum received by it for its own account;

(c) be bound to disclose to any other person (including, but not limited to, any Secured Party) (i) any confidential information or (ii) any other information if disclosure would, or might in its reasonable opinion, constitute a breach of any law or be a breach of fiduciary duty;

(d) have or be deemed to have any relationship of trust or agency with, any Debtor or Security Provider;

(e) be liable for interest on any moneys received by it except as the Security Agent may agree in writing with the Party for whom it holds those moneys;

(f) be obliged to segregate money held on trust by the Security Agent from its other funds except to the extent required by law;

(g) be required to give any bond or surety or otherwise expend its own funds with respect to the performance of its duties or the exercise of its rights or powers under this Agreement or any of the other Debt Documents; or

(h) be under any obligation to take any action under this Agreement if it has sought, but not received, instructions from the Instructing Group, Facility Agent, the other Agents, Super Majority Instructing Group, Noteholder Trustees (or Noteholder where such Noteholder is not represented by a Noteholder Trustee) or other Party from whom it seeks instructions,

and the permissive rights of the Security Agent to take the actions or exercise the rights and discretions permitted or conferred by this Agreement shall not be construed as an obligation or duty for it to take those actions or exercise those rights and discretions.

11.11 **Exclusion of liability**

None of the Security Agent, any Receiver nor any Delegate shall accept responsibility or be liable for:

(a) the adequacy, accuracy or completeness of any information (whether oral or written) supplied by the Security Agent or any other person in or in connection with any Debt Document or Intra-Group Debt Document or the transactions contemplated in the Debt Documents or the Intra-Group Debt Documents, or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Debt Document or Intra-Group Debt Document;

(b) the legality, validity, effectiveness, efficacy, adequacy or enforceability of any Debt Document or Intra-Group Debt Document, the Security Property or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Debt Document or Intra-Group Debt Document or the Security Property;

(c) any losses to any person or any liability arising as a result of taking or refraining from taking any action in relation to any of the Debt Documents or the Intra-Group Debt Documents, the Security Property or otherwise, whether in accordance with an instruction from the Facility Agent or otherwise unless directly caused by its gross negligence or wilful misconduct;

(d) the exercise of, or the failure to exercise, any judgment, discretion or power given to it by or in connection with any of the Debt Documents or the Intra-Group Debt Documents, the Security Property or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with, the Debt Documents or the Intra-Group Debt Documents or the Security Property unless directly caused by its gross negligence or wilful misconduct;

(e) any shortfall which arises on the enforcement or realisation of the Security Property; or

(f) any failure or delay in the performance of its obligations hereunder arising out of, or caused by, directly or indirectly, *force majeure* events, including, without limitation, acts of war or terrorism, civil or military disturbances, nuclear or natural catastrophes or acts of God; it being understood that the Security Agent, Receiver or Delegate shall use all commercially reasonable efforts that are consistent with accepted practices in the banking industry to resume performance as soon as practicable under the circumstances; it being understood and agreed by the other Parties that, in carrying out all commercially reasonable efforts, the Security Agent is not required (i) to risk or expend its own funds; (ii) to disregard or otherwise compromise its own commercial interests; (iii) to do anything which might result in a breach of law; or (iv) to do anything which would in the Security Agent's opinion (acting reasonably) be unreasonable.

11.12 **No proceedings**

No Secured Party (other than the Security Agent, that Receiver or that Delegate), Debtor or Security Provider may take any proceedings against any officer, employee or agent of the Security Agent, a Receiver or a Delegate in respect of any claim it might have against the Security Agent, a Receiver or a Delegate or in respect of any act or omission of any kind by that officer, employee or agent in relation to any Debt Document or Intra-Group Debt Document or any Security Property and any officer, employee or agent of the Security Agent, a Receiver or a Delegate may rely on this Clause subject to Clause 1.4 (*Third Party Rights*) and the provisions of the Third Parties Rights Act.

11.13 **Own responsibility**

Without affecting the responsibility of any Debtor or Security Provider for information supplied by it or on its behalf in connection with any Debt Document, each Creditor confirms (and each Noteholder Trustee and Noteholder, by accepting the benefits of this Agreement, shall be deemed to confirm) to the Security Agent that it has been, and will continue to be, solely responsible for making its own independent appraisal and investigation of all risks arising under or in connection with any Debt Document including but not limited to:

(a) the financial condition, status and nature of each Debtor or Security Provider;

(b) the legality, validity, effectiveness, efficacy, adequacy and enforceability of any Debt Document, the Security Property and any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Debt Document or the Security Property;

(c) whether that Creditor has recourse, and the nature and extent of that recourse, against any Party or any of its respective assets under or in connection with any Debt Document, the Security Property, the transactions contemplated by the Debt Documents or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Debt Document or the Security Property;

(d) the adequacy, accuracy and/or completeness of any information provided by the Security Agent or by any other person under or in connection with any Debt Document, the transactions contemplated by any Debt Document or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Debt Document; and

(e) the right or title of any person in or to, or the value or sufficiency of any part of the Charged Property, the priority of any of the Transaction Security or the existence of any Security affecting the Charged Property,

and each Creditor warrants to the Security Agent that it has not relied on and will not at any time rely on the Security Agent in respect of any of these matters.

11.14 **No responsibility to perfect Transaction Security**

The Security Agent shall not be liable for any failure to:

(a) require the deposit with it of any deed or document certifying, representing or constituting the title of any Security Provider to any of the Charged Property;

(b) obtain any licence, consent or other authority for the execution, delivery, legality, validity, enforceability or admissibility in evidence of any of the Debt Documents or Intra-Group Debt Documents or the Transaction Security;

(c) register, file or record or otherwise protect any of the Transaction Security (or the priority of any of the Transaction Security) under any applicable laws in any jurisdiction or to give notice to any person of the execution of any of the Debt Documents or Intra-Group Debt Documents or of the Transaction Security;

(d) take, or to require any of the Security Provider to take, any steps to perfect its title to any of the Charged Property or to render the Transaction Security effective or to secure the creation of any ancillary Security under the laws of any jurisdiction; or

(e) require any further assurances in relation to any of the Security Documents.

11.15 **Insurance by Security Agent**

(a) The Security Agent shall not be under any obligation to insure any of the Charged Property, to require any other person to maintain any insurance or to verify any obligation to arrange or maintain insurance contained in the Debt Documents. The Security Agent shall not be responsible for any loss which may be suffered by any person as a result of the lack of or inadequacy of any such insurance.

(b) Where the Security Agent is named on any insurance policy as an insured party, it shall not be responsible for any loss which may be suffered by reason of, directly or indirectly, its failure to notify the insurers of any material fact relating to the risk assumed by such insurers or any other information of any kind, unless the Facility Agent shall have requested it to do so in writing and the Security Agent shall have failed to do so within fourteen days after receipt of that request.

11.16 **Custodians and nominees**

The Security Agent may (to the extent reasonably practicable, in consultation with the Parent) appoint and pay (or cause to be appointed and paid) any person to act as a custodian or nominee on any terms in relation to any assets of the trust as the Security Agent may determine, including for the purpose of depositing with a custodian this Agreement or any document relating to the trust created under this Agreement and the Security Agent shall, to the extent permitted by applicable law, not be responsible for any loss, liability, expense, demand, cost, claim or proceedings incurred by reason of the misconduct, omission or default on the part of any person appointed by it under this Agreement or be bound to supervise the proceedings or acts of any person.

11.17 **Acceptance of title**

The Security Agent shall be entitled to accept without enquiry, and shall not be obliged to investigate, any right and title that any of the Security Providers may have to any of the Charged Property and shall not be liable for or bound to require any Security Providers to remedy any defect in its right or title.

11.18 **Refrain from illegality**

Notwithstanding anything to the contrary expressed or implied in the Debt Documents or Intra-Group Debt Documents, the Security Agent may refrain from doing anything which in its opinion will or may be contrary to any relevant law, directive or regulation of any jurisdiction or otherwise expose it to personal liability, and the Security Agent may do anything which is, in its opinion, necessary to comply with any such law, directive or regulation.

11.19 **Business with the Debtors and Security Providers**

The Security Agent may accept deposits from, lend money to, and generally engage in any kind of banking or other business with any of the Debtors or Security Providers and shall be under no obligation to account for any profit to any Secured Party.

11.20 **Winding up of trust**

If the Security Agent, having made enquiry of the Agents (and, if an Enforcement Event has occurred, the Noteholder Trustees) determines that (a) all of the Secured Obligations owed to the Secured Parties (other than the Noteholder Trustee and the Noteholders, unless an Enforcement Event has occurred) and all other obligations secured by the Security Documents (other than those owed to a Noteholder Trustee or Noteholder, unless an Enforcement Event has occurred) have been fully, finally and irrevocably discharged and (b) none of the Secured Parties is under any commitment, obligation or liability (actual or contingent) to make advances or provide other financial accommodation to any Debtor pursuant to the Debt Documents:

(a) the trusts set out in this Agreement (with the exception of the trust created pursuant to paragraph (b) of Clause 11.1 (*Trust*)) shall be wound up and the Security Agent shall release, without representation, recourse or warranty, all of the Transaction Security and the rights of the Security Agent under each of the Security Documents (other than any provision expressed to survive termination or discharge); and

(b) any Retiring Security Agent shall release, without representation, recourse or warranty, all of its rights under each of the Security Documents (other than any provision expressed to survive termination or discharge).

11.21 **Winding up of trust—Notes Secured Creditors**

The trust created pursuant to paragraph (b) of Clause 11.1 (*Trust*) shall be wound up at the earlier of the first date following the Final Discharge Date on which:

(a) there are no Notes Parallel Debt Recoveries held under this Agreement; and

(b) the Security Agent, having made enquiry of the Noteholder Trustees, where relevant, determines that all of the Noteholder Liabilities and all of the Noteholder Trustee Liabilities have been fully, finally and irrevocably discharged,

and the Security Agent shall release from the terms of that trust, without representation, recourse or warranty, any amount of Notes Parallel Debt Recoveries held thereunder on such date, whereupon such amount shall be applied by the Security Agent in accordance with Clause 10 (*Application of proceeds*).

11.22 **Powers supplemental**

The rights, powers and discretions conferred upon the Security Agent by this Agreement shall be supplemental to the Trustee Act 1925 and the Trustee Act 2000 and in addition to any which may be vested in the Security Agent by general law or otherwise.

11.23 **Trustee division separate**

(a) In acting as trustee for the Secured Parties, the Security Agent shall be regarded as acting through its trustee division which shall be treated as a separate entity from any of its other divisions or departments.

(b) If information is received by another division or department of the Security Agent, it may be treated as confidential to that division or department and the Security Agent shall not be deemed to have notice of it.

11.24 **Disapplication**

Section 1 of the Trustee Act 2000 shall not apply to the duties of the Security Agent in relation to the trusts constituted by this Agreement. Where there are any inconsistencies between the Trustee Act 1925 or the Trustee Act 2000 and the provisions of this Agreement, the provisions of this Agreement shall, to the extent allowed by law, prevail and, in the case of any inconsistency with the Trustee Act 2000, the provisions of this Agreement shall constitute a restriction or exclusion for the purposes of that Act.

11.25 **Debtors and Security Providers: Power of Attorney**

(a) Each Debtor, each Intra-Group Lender and each Security Provider by way of security for its obligations under this Agreement irrevocably appoints the Security Agent to be its attorney to do anything which that Debtor, Intra-Group Lender or, as the case may be, Security Provider, has authorised the Security Agent to do under this Agreement or is itself required to do under this Agreement but has failed to do (and the Security Agent may delegate that power on such terms as it sees fit), which authorisation permits the Security Agent to act as such Debtor, Intra-Group Lender or Security Provider's counterparty (*Selbsteintritt*).

(b) Each Debtor and Security Provider incorporated in Spain, and any Security Provider which has granted Transaction Security governed by Spanish law, shall, on the reasonable request of the Security Agent, promptly grant an irrevocable power of attorney (notarised and apostilled) to appoint the Security Agent in the manner described at paragraph (a) above.

11.26 **Consequential and Other Loss**

Notwithstanding anything to the contrary, the Security Agent shall under no circumstances be liable for any indirect or consequential losses (however described) to any Party or any liability or damages (including punitive damages) arising as a result of taking or refraining from taking any action in relation to any of the Debt Documents or Intra-Group Debt Documents, even if advised of the possibility of such losses, liability or damages.

11.27 **Payments**

Nothing in this Agreement shall prevent (i) payment by the Parent or any Debtor of fees, costs and expenses of the Security Agent (including any amount payable to the Security Agent by way of indemnity, remuneration or reimbursement for expenses reasonably incurred, including legal and other professional advisory fees and all VAT thereon) payable to the Security Agent for its own account pursuant to this Agreement, any Debt Document or any fee letter between the Security Agent and the Parent, and the costs of any actual or attempted Enforcement Action which is permitted by this Agreement or any Debt Document (collectively, "**Security Agent Amounts**"); or (ii) the receipt and retention of such Security Agent Amounts by the Security Agent.

11.28 **Provisions survive termination**

The provisions of Clauses 11.6 to 11.8 (inclusive) and 11.10 to 11.27 (inclusive) shall survive any termination or discharge of this Agreement.

12. CHANGE OF SECURITY AGENT AND DELEGATION

12.1 **Resignation of the Security Agent**

(a) The Security Agent may, without ascribing a reason and without being responsible for any cost or liability arising therefrom, resign and appoint one of its Affiliates as successor by giving notice to the Parent, the Facilities Agreement Creditors (via the Facility Agent), the Refinancing Creditors (via the relevant Refinancing Creditor Representative) and each Noteholder (via, for any Noteholder represented by a Noteholder Trustee, the relevant Noteholder Trustee).

(b) Alternatively the Security Agent may, without ascribing a reason and without being responsible for any cost or liability arising therefrom, resign by giving notice to the other Parties in which case the Instructing Group may (to the extent reasonably practicable, in consultation with the Parent), appoint a successor Security Agent.

(c) If the Instructing Group has not appointed a successor Security Agent in accordance with paragraph (b) above within 30 days after the notice of resignation was given, the Security Agent (after consultation with the Facility Agent (and unless a Default has occurred and is continuing, the Parent)) may appoint a successor Security Agent (such successor Security Agent to be a financial institution or trustee company of good standing with (to the extent applicable, a credit rating at least equivalent to that of the Security Agent)).

(d) The retiring Security Agent (the "**Retiring Security Agent**") shall, at its own cost, make available to the successor Security Agent such documents and records and provide such assistance as the successor Security Agent may reasonably request for the purposes of performing its functions as Security Agent under the Debt Documents.

(e) The Security Agent's resignation notice and the appointment of a successor Security Agent shall become effective upon satisfaction of the following conditions: (i) the successor Security Agent notifying the Parent and the retiring Security Agent that it accepts its appointment, (ii) the successor Security Agent acceding to this Agreement in accordance with Clause 14.5 (*Change of Agent/Security Agent*), (iii) the Instructing Group confirming to the resigning Security Agent and the successor Security Agent that the credit rating of the successor Security Agent is satisfactory (such confirmation not to be unreasonably withheld or delayed and, where the credit rating of the successor Security Agent is at least equivalent to that of the retiring Security Agent, such confirmation shall, if it is not given to the retiring Security Agent and the successor Security Agent within ten Business Days, be deemed to have been given) and (iv) the making of any transfer of Transaction Security and/or amendments to Transaction Security Documents necessary to effect the change in Security Agent.

(f) Upon the appointment of a successor, the Retiring Security Agent shall be discharged from any further obligation in respect of the Debt Documents (other than its obligations under paragraph (b) of Clause 11.20 (*Winding up of trust*) and under paragraph (d) above) but shall, in respect of any act or omission by it whilst it was the Security Agent, remain entitled to the benefit of Clauses 11 (*The Security Agent*), 16.1 (*Debtors' indemnity*) and 16.3 (*Creditors' indemnity*). Its successor and each of the other Parties shall have the same rights and obligations amongst themselves as they would have had if that successor had been an original Party.

(g) The Instructing Group may, by written notice to the Security Agent, require it to resign in accordance with paragraph (b) above. In this event, the Security Agent shall resign in accordance with paragraph (b) above but the cost referred to in paragraph (d) above shall be for the account of the Parent.

12.2 **Delegation**

(a) Each of the Security Agent, any Receiver and any Delegate may (to the extent reasonably practicable, and except where a Default has occurred and is continuing, in consultation with the Parent), at any time, delegate by power of attorney or otherwise (including by providing an instruction in writing) and through a *comisión mercantil* under applicable law to any person for any period, all or any of the rights, powers and discretions vested in it by any of the Debt Documents, including the execution, performance or enforcement of any Debt Document.

(b) That delegation may be made upon any terms and conditions (including the power to sub-delegate) and subject to any restrictions that the Security Agent, that Receiver or that Delegate (as the case may be) may, in its discretion and after due consideration, think fit in the interests of the Secured Parties and it shall not be bound to supervise, or be in any way responsible for any loss incurred by reason of any misconduct or default on the part of any such delegate or sub-delegate.

12.3 **Additional Security Agents**

(a) The Security Agent may at any time appoint (and subsequently remove) any person to act as a separate trustee or as a co-trustee jointly with it (i) if it considers that appointment to be in the interests of the Secured Parties, (ii) if it considers that appointment to be in the interests of the Secured Parties for purposes of the execution, performance or enforcement of any Debt Document, (iii) for the purposes of conforming to any legal requirements, restrictions or conditions which the Security Agent deems to be relevant or (iv) for obtaining or enforcing any judgment in any jurisdiction, and the Security Agent shall give prior notice to the Parent and the Facility Agent of that appointment.

(b) Any person so appointed shall have the rights, powers and discretions (not exceeding those conferred on the Security Agent by this Agreement) and the duties and obligations that are conferred or imposed by the instrument of appointment.

(c) The remuneration that the Security Agent may pay to that person, and any costs and expenses (together with any applicable VAT) reasonably incurred by that person in performing its functions pursuant to that appointment shall, for the purposes of this Agreement, be treated as costs and expenses incurred by the Security Agent.

13. NOTEHOLDER TRUSTEES AND NOTEHOLDERS

13.1 **Rights of the Noteholder Trustees and Noteholders**

(a) Notwithstanding anything in this Agreement to the contrary, it is expressly understood, and the availability of the benefits of this Agreement to the Noteholder Trustee and each Noteholder are conditioned upon the understanding, that the sole right of the Noteholders shall be to be equally and rateably secured by the Transaction Security to the extent required by the Noteholder Documents (or, in the case of Noteholders which are Additional Notes Creditors in relation to Additional Notes described under paragraph (b) of the definition of Additional Notes, secured by the Transaction Security only where the Parent so elects) and subject to the provisions of this Agreement.

(b) Notwithstanding anything in this Agreement to the contrary, to the extent that the rights and benefits conferred in this Agreement on the Noteholders or Noteholder Trustees shall be held to exceed the rights and benefits required so to be conferred by the equal and rateable provisions of the Existing Notes Documents or any Additional Notes Documents, such rights and benefits shall be limited so as to provide to such Noteholders and such Noteholder Trustees only those rights and benefits that are required by such provisions.

(c) Any and all rights not herein expressly given to the Noteholder Trustees are expressly reserved to the Security Agent and the Facilities Agreement Creditors, it being understood that in the absence of a requirement to provide equal and rateable security set forth in any Noteholder Document, the grant of rights and benefits in this Agreement to the Noteholders and Noteholder Trustees would not have been accepted by the Security Agent or the Facilities Agreement Creditors.

(d) Subject to paragraph (b) to (e) of Clause 1.4 (*Third Party Rights*) and the Third Parties Rights Act, each of the Noteholders and Noteholder Trustee may enforce this Clause 13.1.

13.2 **Determination under Noteholder Documents**

(a) The Parent shall deliver to the Security Agent from time to time, upon request of the Security Agent, a list setting forth, by each Noteholder Document, (i) the aggregate principal amount outstanding thereunder, (ii) the interest rate or rates then in effect thereunder, and (iii) the name of the holders thereof (if known) and the unpaid principal amount thereof owing to each such holder and, in the absence of manifest error, the Security Agent shall be entitled to make such determination on the basis of such information **provided however that** if, notwithstanding such request being made by the Security Agent, the Parent does not provide such information reasonably promptly, then the Security Agent shall in its discretion be entitled to determine such existence or amount of Noteholder Liabilities by such commercially reasonable method as the Security Agent may, in the exercise of its good faith judgment, determine (including by reliance upon a certificate of a Debtor).

(b) The Security Agent may rely conclusively, and shall be fully protected in so relying, on any determination made by it in accordance with the provisions of paragraph (a) above (or as otherwise directed by a court of competent jurisdiction) and shall have no liability to any Debtor, any Security Provider, any Secured Party or any other person as a result of such determination or any action taken pursuant thereto except to the extent such liability is determined by a court of competent jurisdiction by final and non-appealable judgment to have resulted from the gross negligence or wilful misconduct of the Security Agent.

14. CHANGES TO THE PARTIES

14.1 Assignments and transfers

(a) No Party may assign any of its rights and benefits or transfer any of its rights, benefits and obligations in respect of any Debt Documents or Intra-Group Debt Documents or the Liabilities or Intra-Group Liabilities except as permitted by this Clause 14.

(b) Nothing in this Agreement shall restrict the ability of a Noteholder to assign its rights and benefits or transfer any of its rights, benefits and obligations as permitted by the Noteholder Documents to which it is a party.

14.2 **No assignment by Debtors or Security Providers**

No Debtor or Security Provider may assign any of its rights and benefits or transfer any of its rights, benefits and obligations under this Agreement.

14.3 **Refinancing Creditors and Refinancing Creditor Representatives**

On a Refinancing, each Refinancing Creditor and Refinancing Creditor Representative party to such Refinancing shall accede to this Agreement as a Refinancing Creditor or, as the case may be, a Refinancing Creditor Representative, pursuant to Clause 14.6 (*Creditor/Agent/Security Agent Accession Undertaking*).

14.4 **Change of Facilities Agreement Creditor or Refinancing Creditor**

A Facilities Agreement Creditor or Refinancing Creditor may assign any of its rights and benefits or transfer by novation any of its rights, benefits and obligations in respect of any Debt Documents or the Liabilities if:

(a) that assignment or transfer is in accordance with the terms of the relevant Debt Documents to which it is a party; and

(b) any assignee or transferee has (if not already party to this Agreement as a Facilities Agreement Creditor or, as the case may be, Refinancing Creditor) acceded to this Agreement as a Creditor pursuant to Clause 14.6 (*Creditor/Agent/Security Agent Accession Undertaking*).

14.5 **Change of Agent/Security Agent**

No person shall become a successor Agent or a successor Security Agent unless at the same time, it accedes to this Agreement as an Agent or as a Security Agent (as the case may be), pursuant to Clause 14.6 (*Creditor/Agent/Security Agent Accession Undertaking*).

14.6 **Creditor/Agent/Security Agent Accession Undertaking**

With effect from the date of acceptance pursuant to Clause 14.8 (*Additional parties*) by (i) the Security Agent and (ii) (in the case of a Facilities Agreement Creditor or a successor Security Agent) the Facility Agent or (iii) (in the case of a Refinancing Creditor) the relevant Refinancing Creditors Representative, of a Creditor/Agent/Security Agent Accession Undertaking duly executed and delivered to the Security Agent by the relevant acceding party or, if later, the date specified in that Creditor/Agent/Security Agent Accession Undertaking:

(a) any Party ceasing entirely to be a Creditor or Security Agent shall be discharged from further obligations towards (in the case of a Creditor) the Security Agent and (in the case of a Creditor or Retiring Security Agent (subject to paragraph (e) of Clause 12.1)) other Parties under this Agreement and their respective rights against one another shall be cancelled (except in each case for those rights which arose prior to that date); and

(b) as from that date, the replacement or new Facilities Agreement Creditor, Refinancing Creditor, Agent or Security Agent shall assume the same obligations, and become entitled to the same rights, as if it had been an original Party to this Agreement in that capacity.

14.7 **New Debtor/Security Provider**

(a) If any member of the Group that is not a Debtor:

(i) incurs any Liabilities; or

(ii) gives any Security, guarantee, indemnity or other assurance against loss in respect of any of the Liabilities,

the Parent will procure that such member of the Group accedes to this Agreement as a Debtor in accordance with paragraph (b) below, no later than contemporaneously with the incurrence of those Liabilities or the giving of that assurance.

(b) With effect from the date of acceptance pursuant to Clause 14.8 (*Additional parties*) by the Security Agent of a Debtor/Security Provider Accession Deed duly executed and delivered to the Security Agent by the new Debtor or, if later, the date specified in the Debtor/Security Provider Accession Deed, the new Debtor shall assume the same obligations and become entitled to the same rights as if it had been an original Party as a Debtor.

14.8 **Additional parties**

(a) Each of the Parties appoints the Security Agent to receive on its behalf each Debtor/Security Provider Accession Deed and Creditor/Agent/Security Agent Accession Undertaking delivered to the Security Agent and the Security Agent shall, subject to paragraph (c) below, as soon as reasonably practicable after receipt by it, sign and accept the same if it appears on its face to have been completed, executed and, where applicable, delivered in the form contemplated by this Agreement or, where applicable, by the relevant Debt Document.

(b) The Security Agent shall only be obliged to sign and accept a Debtor/Security Provider Accession Deed or Creditor/Agent/Security Agent Accession Undertaking received by it once it is satisfied that it has complied with all necessary "know your customer" or similar other checks under all applicable laws and regulations in relation to the accession by the prospective party to this Agreement.

(c) Each Party shall promptly upon the request of the Security Agent supply, or procure the supply of, such documentation and other evidence as is reasonably requested by the Security Agent (for itself) from time to time in order for the Security Agent to carry out and be satisfied with the results of all necessary "know your customer" or other similar checks under all applicable laws and regulations pursuant to the transactions contemplated in the Finance Documents and the Refinancing Documents.

14.9 **Resignation of a Debtor/Security Provider**

(a) Prior to the Final Discharge Date, if the Parent requests that a Debtor or a Security Provider cease to be a Debtor or Security Provider (as the case may be), in accordance with clause 28 (*Changes to the Obligors*) of the 2017 Facilities Agreement or the Refinancing Equivalent, then in the Resignation Letter delivered by it to the Facility Agent and the Security Agent pursuant to that clause, it may also request that such Debtor or Security Provider ceases to be a Debtor or Security Provider hereunder.

(b) **Provided that** a Resignation Letter is delivered in accordance with clause 28 (*Changes to the Obligors*) of the 2017 Facilities Agreement or the Refinancing Equivalent, and is accepted by the Facility Agent, the Security Agent shall accept a Resignation Letter and notify the Parent and each other Party of its acceptance.

(c) Upon notification by the Security Agent to the Parent of its acceptance of the resignation of a Debtor or a Security Provider, that member of the Group shall cease to be a Debtor (or, as the case may be, a Security Provider) and shall have no further rights or obligations under this Agreement as a Debtor (or, as the case may be, a Security Provider).

14.10 **Change of Intra-Group Lender**

Subject to Clause 3.4 (*Acquisition of Intra-Group Liabilities*) and to the terms of the other Debt Documents, any Intra-Group Lender may assign any of its rights or transfer any of its rights and obligations in respect of the Intra-Group Liabilities to another member of the Group and unless such Intra-Group Liabilities are extinguished, paid out or capitalised within 30 calendar days of such assignment or transfer, such member of the Group, if not an Intra-Group Lender, shall become a party to this Agreement as an Intra-Group Lender.

14.11 **Notification in respect of sharing of Transaction Security**

(a) The Parent shall notify the Security Agent of any Refinancing which is permitted to be (or not restricted from being) incurred, and is permitted to have (or not restricted from having) the benefit of the Transaction Security under the terms of the Facilities Agreement and does have the benefit of the Transaction Security, promptly after the incurrence of such Financial Indebtedness.

(b) The Parent shall notify the Security Agent of any Refinancing described in paragraph (a) above which ceases to have the benefit of the Transaction Security as described in that paragraph promptly after such Financial Indebtedness cease to have that benefit.

15. COSTS AND EXPENSES

15.1 Security Agent's Fees

The Parent shall pay to the Security Agent (for its own account) the security agent fee in the amount and at the times agreed in the letter dated on or about the date of this Agreement between the Security Agent and the Parent.

15.2 Security Agent's ongoing costs

(a) In the event of (i) a Default or (ii) the Security Agent considering it necessary or expedient or (iii) the Security Agent being requested by a Debtor, a Security Provider or the Instructing Group to undertake duties which the Security Agent and the Parent agree to be of an exceptional nature and/or outside the scope of the normal duties of the Security Agent under the Debt Documents, the Parent shall pay to the Security Agent any additional remuneration (together with any applicable VAT) that may be agreed between them.

(b) If the Security Agent and the Parent fail to agree upon the nature of those duties or upon any additional remuneration, that dispute shall be determined by an investment bank (acting as an expert and not as an arbitrator) selected by the Security Agent and approved by the Parent or, failing approval, nominated (on the application of the Security Agent) by the President for the time being of the Law Society of England and Wales (the costs of the nomination and of the investment bank being payable by the Parent) and the determination of any investment bank shall be final and binding upon the parties to this Agreement.

15.3 Transaction expenses

The Parent shall, promptly on demand, pay the Security Agent (or any party specified by the Security Agent to the Parent for this purpose) the amount of all costs and expenses (including legal fees) (together with any applicable VAT) reasonably incurred by the Security Agent, any Receiver or Delegate or the Mexican Security Trustee in connection with the negotiation, preparation, printing, execution, syndication and perfection of:

(a) this Agreement and any other documents referred to in this Agreement and the Transaction Security; and

(b) any other Debt Documents to which the Security Agent is party executed after the date of this Agreement.

15.4 Stamp taxes

The Parent shall pay and, within three Business Days of demand, indemnify the Security Agent against any cost, loss or liability the Security Agent incurs in relation to all stamp duty, registration and other similar Taxes payable in respect of any Debt Document.

15.5 **Interest on demand**

If any Secured Party or Debtor (or, to the extent applicable in relation to the Transaction Security granted by it, a Security Provider) fails to pay any amount payable by it under this Agreement on its due date, interest shall accrue on the overdue amount in accordance with the default interest provisions of the relevant Debt Document to which such amount relates.

15.6 **Enforcement and preservation costs**

The Parent shall, within three Business Days of demand, pay to the Security Agent (or any party specified by the Security Agent to the Parent for this purpose) the amount of all costs and expenses (including legal fees and together with any applicable VAT) incurred by it, any Receiver or Delegate or the Mexican Security Trustee in connection with the enforcement of or the preservation of any rights under any Debt Document or any Intra-Group Debt Documents and the Transaction Security and any proceedings instituted by or against the Security Agent as a consequence of taking or holding the Transaction Security or enforcing these rights.

16. **INDEMNITIES**

16.1 **Debtors' indemnity**

Each Debtor shall promptly indemnify the Security Agent, every Receiver and Delegate and the Mexican Security Trustee against:

(a) any cost, loss or liability incurred (together with any applicable VAT in each case) by any of them:

(i) in relation to or as a result of:

(A) any failure by the Parent to comply with obligations under Clause 15 (*Costs and Expenses*);

(B) the taking, holding, protection or enforcement of the Transaction Security;

(C) the exercise of any of the rights, powers, discretions and remedies vested in each Receiver by the Debt Documents or Intra-Group Debt Documents or by law; or

(D) any default by any Debtor in the performance of any of the obligations expressed to be assumed by it in the Debt Documents or Intra-Group Debt Documents; and

(b) any cost reasonably incurred or any loss or liability incurred (together with any applicable VAT in each case) by any of them:

(i) in relation to or as a result of the exercise of any of the rights, powers, discretions and remedies vested in the Security Agent, each Delegate and the Mexican Security Trustee by the Debt Documents or by law; or

(ii) which otherwise relates to the performance by the Security Agent, each Receiver and each Delegate or the Mexican Security Trustee of its duties in connection with the Security Property or of the terms of this Agreement (otherwise than as a result of its gross negligence or wilful misconduct).

Each Debtor expressly acknowledges and agrees that the continuation of its indemnity obligations under this Clause 16.1 (*Debtors' indemnity*) will not be prejudiced by any release or disposal under Clause 8.2 (*Distressed Disposals*) taking into account the operation of that Clause 8.2, Clause 11.20 (*Winding up of trust*) or Clause 11.21 (*Winding up of trust—Notes Secured Creditors*). To the extent that the Security Agent, a Receiver, a Delegate or the Mexican Security Trustee recovers any amount pursuant to an indemnity contained in any other Finance Document, there shall be no double recovery under this Clause 16.1 of such amount.

16.2 **Priority of indemnity**

The Security Agent and every Receiver and Delegate may, in priority to any payment to the Secured Parties, indemnify itself out of the Charged Property in respect of, and pay and retain, all sums necessary to give effect to the indemnity in Clause 16.1 (*Debtors' indemnity*) and shall have a lien on the Transaction Security and the proceeds of the enforcement of the Transaction Security for all moneys payable to it.

16.3 **Creditors' indemnity**

Each Creditor shall (in the proportion that the Liabilities due to it bears to the aggregate of the Liabilities due to all the Secured Parties for the time being (or, if the Liabilities due to each of those Secured Parties is zero, immediately prior to their being reduced to zero)), indemnify the Security Agent and every Receiver and every Delegate, within three Business Days of demand, against any cost reasonably incurred including legal fees and VAT thereon or any loss or liability incurred by any of them (otherwise than by reason of the relevant Security Agent's, Receiver's or Delegate's gross negligence or wilful misconduct) in acting as Security Agent, Receiver or Delegate under the Debt Documents or Intra-Group Debt Documents (unless the relevant Security Agent, Receiver or Delegate has been reimbursed by a Debtor or a Security Provider pursuant to a Debt Document or a Intra-Group Debt Document) and the Debtors shall jointly and severally indemnify each Creditor against any payment made by it under this Clause 16.

16.4 **Parent's indemnity to Secured Parties**

The Parent shall promptly and as principal obligor indemnify each Secured Party against any cost, loss or liability (together with any applicable VAT), whether or not reasonably foreseeable, incurred by any of them in relation to or arising out of the operation of Clause 8.2 (*Distressed Disposals*).

16.5 **No financial assistance**

No indemnity given by any Debtor pursuant to this Clause 16 shall extend to obligations the indemnification of which would cause the relevant Debtor to act in breach of financial assistance legislation applicable to it under the laws of its jurisdiction of incorporation.

17. INFORMATION

17.1 Information and dealing

(a) The Creditors shall provide to the Security Agent from time to time (through (i) the Facility Agent in the case of a Facilities Agreement Creditor or (ii) the relevant Refinancing Creditor Representative in the case of a Refinancing Creditor) any information that the Security Agent may reasonably specify as being necessary or desirable to enable the Security Agent to perform its functions as trustee.

(b) Each Facilities Agreement Creditor shall deal with the Security Agent exclusively through the Facility Agent and each Refinancing Creditor shall deal with the Security Agent exclusively through the relevant Refinancing Creditor Representative.

(c) Prior to a Refinancing, the Instructing Group and the Super Majority Instructing Group shall deal with the Security Agent exclusively through the Facility Agent (and the Facility Agent shall, on request, provide the Security Agent with the aggregate amount of the Facilities Agreement Creditor Exposures and details of Facilities Agreement Creditor Exposures on an individual basis by Facilities Agreement Creditor to enable the Security Agent to calculate whether an Instructing Group or Super Majority Instructing Group has been formed).

(d) Following a Refinancing, the Facility Agent and each Refinancing Creditor Representative shall, on request, provide the Security Agent with details of the Exposures of the Creditors represented by it (on an aggregate basis under the relevant Facilities or, as the case may be, each Refinancing Document and on an individual basis by Facilities Agreement Creditor or, as the case may be, Refinancing Creditor) to enable the Security Agent to calculate whether an Instructing Group or a Super Majority Instructing Group has been formed.

17.2 Disclosure

Notwithstanding any agreement to the contrary, each of the Debtors and each of the Security Providers consents, until the Final Discharge Date, to the disclosure by any of the Secured Parties to each other (whether or not through an Agent, a Noteholder Trustee or the Security Agent) of such information concerning the Debtors or the Security Providers as any Secured Party shall see fit.

17.3 Notification of prescribed events

(a) If a Facilities Agreement Creditors Acceleration Event occurs the Facility Agent shall notify the Security Agent in writing and the Security Agent shall, upon receiving that notification, notify each other Party.

(b) If, following an Enforcement Event, the Security Agent enforces, or takes formal steps to enforce, any of the Transaction Security it shall notify each Party and the Noteholders (via the relevant Noteholder Trustee or, in the case of any Noteholders not represented by a Noteholder Trustee, directly) of that action.

(c) If any Creditor exercises any right it may have, following an Enforcement Event, to enforce, or to take formal steps to enforce, any of the Transaction Security it shall notify the Security Agent in writing and the Security Agent shall, upon receiving that notification, notify each Party and the Noteholders (via the relevant Noteholder Trustee or, in the case of any Noteholders not represented by a Noteholder Trustee, directly) of that action.

18. NOTICES

18.1 Communications in writing

Any communication to be made under or in connection with this Agreement shall be made in writing and, unless otherwise stated, may be made by fax or letter.

18.2 Security Agent's communications with Creditors and Noteholders

The Security Agent shall be entitled to carry out all dealings:

(a) with the Facilities Agreement Creditors through the Facility Agent and may give to the Facility Agent, as applicable, any notice or other communication required to be given by the Security Agent to a Facilities Agreement Creditor;

(b) with the Refinancing Creditors through the relevant Refinancing Creditor Representative and may give to such Refinancing Creditor Representative, as applicable, any notice or other communication required to be given by the Security Agent to a Refinancing Creditor; and

(c) with each Noteholder represented by a Noteholder Trustee, through that Noteholder Trustee and, with each Noteholder not so represented, directly.

18.3 Addresses

The address and fax number (and the department or officer, if any, for whose attention the communication is to be made) of each Party, each Noteholder Trustee and each Noteholder not represented by a Noteholder Trustee for any communication or document to be made or delivered under or in connection with this Agreement is:

(a) in the case of CEMEX Parent:

Address: Ave. Ricardo Margáin Zozaya # 325
Col. Valle del Campestre Garza García, N.L. 66265 México

Attention: Legal Department;

(b) in the case of the Security Agent:

Address: Third Floor, 1 King's Arms Yard,
London EC2R 7AF, United Kingdom

Fax: +44 (0) 20 7397 3601

Attention: Sajada Afzal;

(c) in the case of each other Party, that notified in writing to the Security Agent on or prior to the date on which it becomes a Party; and

(d) in the case of any Noteholder Trustee or any Noteholder not represented by a Noteholder Trustee, that notified in writing to the Security Agent by the Parent, in the case of an Existing Notes Trustee or Existing Notes Creditor, on or prior to the date of this Agreement or, in the case of an Additional Notes Trustee or Additional Notes Creditor, on or following the issue of the Additional Notes to which it is a party,

or any substitute address, fax number or department or officer which that Party or, in the case of a Noteholder Trustee or Noteholder, the Parent, may notify to the Security Agent (or the Security Agent may notify to the other Parties and the Noteholders (via the relevant Noteholder Trustee or, in the case of any Noteholders not represented by a Noteholder Trustee, directly), if a change is made by the Security Agent) by not less than five Business Days' notice. The Parent shall furnish to the Security Agent within 30 days of a request therefor a list setting forth the name and address of each party to whom notices must be sent under the Noteholder Documents, and the Parent agrees to furnish promptly to the Security Agent any changes or additions to such list if requested.

18.4 **Delivery**

(a) Except as otherwise provided in Clause 18.6 (*Electronic communication*), any communication or document made or delivered by one person to another under or in connection with this Agreement will only be effective:

(i) if by way of fax, when received in legible form; or

(ii) if by way of letter, when it has been left at the relevant address or five Business Days after being deposited in the post postage prepaid in an envelope addressed to it at that address,

and, if a particular department or officer is specified as part of its address details provided under Clause 18.3 (*Addresses*), if addressed to that department or officer.

(b) Any communication or document to be made or delivered to the Security Agent will be effective only when actually received by the Security Agent and then only if it is expressly marked for the attention of the department or officer identified with the Security Agent's signature below (or any substitute department or officer as the Security Agent shall specify for this purpose).

(c) Any communication or document made or delivered to the Parent in accordance with this Clause 18.4 will be deemed to have been made or delivered to each of the Debtors and the Security Providers (save that any Debtor incorporated in the Netherlands shall receive any communication or document directly).

18.5 **Notification of address and fax number**

Promptly upon receipt of notification of an address and fax number or change of address or fax number pursuant to Clause 18.3 (*Addresses*) or changing its own address or fax number, the Security Agent shall notify the other Parties.

18.6 **Electronic communication**

(a) Any communication to be made between the Security Agent and a Creditor, a Noteholder or a Noteholder Trustee under or in connection with this Agreement may be made by electronic mail or other electronic means, if the Security Agent and the relevant Creditor, Noteholder or Noteholder Trustee:

(i) agree that, unless and until notified to the contrary, this is to be an accepted form of communication;

(ii) notify each other in writing of their electronic mail address and/or any other information required to enable the sending and receipt of information by that means; and

(iii) notify each other of any change to their address or any other such information supplied by them.

(b) Any electronic communication made between the Security Agent and a Creditor, a Noteholder or an Noteholder Trustee will be effective only when actually received in readable form and in the case of any electronic communication made by a Creditor, Noteholder or Noteholder Trustee to the Security Agent only if it is addressed in such a manner as the Security Agent shall specify for this purpose.

(c) As at the date of this Agreement, the Security Agent has not agreed that electronic communication as contemplated by this Clause 18.6 is an accepted form of communication unless any communication from a Creditor, Noteholder or Noteholder Trustee to the Security Agent by electronic means is also made by fax, and such communication shall only be effective when such fax is received in legible form.

18.7 **English language**

(a) Any notice given under or in connection with this Agreement must be in English.

(b) All other documents provided under or in connection with this Agreement must be:

(i) in English; or

(ii) if not in English, accompanied by an English translation (and if so required by the Security Agent, by a certified English translation and, in this case, the English translation will prevail unless the document is a constitutional, statutory or other official document).

18.8 **Notice to Noteholder Trustees**

The Parent agrees to notify in writing, within ten Business Days of:

(a) the date of this Agreement, each Existing Notes Trustee of the entry into of the Transaction Security Documents and the rights arising from the Transaction Security Documents to each such Existing Notes Trustee and the Existing Notes Creditors which it represents; and

(b) the date of issue or incurrence of any Additional Notes, each Additional Notes Trustee of the entry into of the Transaction Security Documents and the rights arising from the Transaction Security Documents to each such Additional Notes Trustee and the Additional Notes Creditors which it represents,

by providing to each such Existing Notes Trustee a copy of this Agreement and of each of the Transaction Security Documents (and the Security Agent agrees, on the reasonable request of the Parent, to (subject to Clause 11 (*The Security Agent*) and otherwise in accordance with, the terms of this Agreement) confirm, without representation, recourse or warranty, that any Transaction Security Document to which it is a party has been executed by the other parties thereto, and to certify, as a true and complete copy of the original, a copy of any Transaction Security Document of which the Security Agent holds an original copy.

19. **PRESERVATION**

19.1 **Partial invalidity**

If, at any time, any provision of this Agreement is or becomes illegal, invalid or unenforceable in any respect under any law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions nor the legality, validity or enforceability of that provision under the law of any other jurisdiction will in any way be affected or impaired.

19.2 **No impairment**

If, at any time after its date, any provision of a Debt Document (including this Agreement) is not binding on or enforceable in accordance with its terms against a person expressed to be a party to that Debt Document, neither the binding nature nor the enforceability of that provision or any other provision of that Debt Document will be impaired as against the other party(ies) to that Debt Document.

19.3 **Remedies and waivers**

No failure to exercise, nor any delay in exercising, on the part of any Secured Party, Debtor or Security Provider, any right or remedy under this Agreement shall operate as a waiver, nor shall any single or partial exercise of any right or remedy prevent any further or other exercise or the exercise of any other right or remedy. The rights and remedies provided in this Agreement are cumulative and not exclusive of any rights or remedies provided by law.

19.4 **Waiver of defences**

The provisions of this Agreement will not be affected by an act, omission, matter or thing which, but for this Clause 19.4, would reduce, release or prejudice the subordination and priorities expressed to be created by this Agreement including (without limitation and whether or not known to any Secured Party, Debtor or Security Provider):

(a) any time, waiver or consent granted to, or composition with, any Debtor, Security Provider or other person;

(b) the release of any Debtor, Security Provider or any other person under the terms of any composition or arrangement with any creditor of any member of the Group;

(c) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or security over assets of, any Debtor, Security Provider or other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any Security;

(d) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of any Debtor, Security Provider or other person;

(e) any amendment, novation, supplement, extension (whether of maturity or otherwise) or restatement (in each case, however fundamental and of whatsoever nature, and whether or not more onerous) or replacement of a Debt Document or any other document or security;

(f) any unenforceability, illegality or invalidity of any obligation of any person under any Debt Document or any other document or security;

(g) any intermediate Payment of any of the Liabilities owing to the Secured Parties in whole or in part; or

(h) any insolvency or similar proceedings.

19.5 **Priorities not affected**

Except as otherwise provided in this Agreement the priorities referred to in Clause 2 (*Ranking and Priority*) will, to the fullest extent permitted by mandatory provisions of applicable law:

(a) not be affected by any reduction or increase in the principal amount secured by the Transaction Security in respect of the Liabilities owing to the Secured Parties or by any intermediate reduction or increase in, amendment or variation to any of the Debt Documents, or by any variation or satisfaction of, any of the Liabilities or any other circumstances;

(b) apply regardless of the order in which or dates upon which this Agreement and the other Debt Documents are executed or registered or notice of them is given to any person; and

(c) secure the Liabilities owing to the Secured Parties in the order specified, regardless of the date upon which any of the Liabilities arise or of any fluctuations in the amount of any of the Liabilities outstanding.

20. CONSENTS, AMENDMENTS AND OVERRIDE

20.1 Required consents

(a) Subject to paragraphs (b) and (c) below and to Clause 20.4 (*Exceptions*), this Agreement may be amended or waived only with the consent of the Instructing Group and the Security Agent.

(b) An amendment or waiver that has the effect of changing or which relates to the order of priority or subordination under this Agreement or the manner in which the proceeds of enforcement of Transaction Security are distributed or which relates to the definition of "Instructing Group" or "Super Majority Instructing Group" in Clause 1.1 (*Definitions*), Clause 4.1 (*Payment of distributions*), Clause 4.4 (*Filing of claims*), Clause 4.6 (*Security Agent instructions*), Clause 5.1 (*Turnover by the Creditors and Intra-Group Lenders*), Clause 5.2 (*Adjustments*), Clause 6 (*Redistribution*), Clause 10 (*Application of Proceeds*), paragraphs (d)(iii), (e) or (f) of Clause 11.6 (*Instructions to Security Agent and exercise of discretion*) or this Clause 20 shall not be made without the consent of the Facilities Agreement Creditors, the Refinancing Creditors and the Security Agent.

(c) Any amendment or waiver that has the effect of changing or that relates to:

(i) the nature or scope of the Charged Property or the manner in which the proceeds of enforcement of the Transaction Security are distributed (except insofar as it relates to a sale or disposal of an asset which is the subject of the Transaction Security where such sale or disposal is expressly permitted under the Finance Documents); or

(ii) the release of any guarantee and indemnity granted under the Finance Documents or of any Transaction Security unless permitted under the Finance Documents or relating to a sale or disposal of an asset which is the subject of the Transaction Security where such sale or disposal is expressly permitted under the Finance Documents,

may only be made with the consent of the Super Majority Instructing Group (and, if any amendment or waiver referred to in sub paragraph (i) above involves an amendment or waiver of a Transaction Security Document, the consent of the Parent or the relevant Security Provider as set out in Clause 20.2 (*Amendments and waivers: Transaction Security Documents*)).

(d) Any amendment or waiver under this Agreement that has the effect of changing or that relates to any matter set out in paragraph (a) of clause 38.2 (*Exceptions*) of the 2017 Facilities Agreement or the Refinancing Equivalent shall not be made without the consent of the Facilities Agreement Creditors.

20.2 **Amendments and waivers: Transaction Security Documents**

(a) Subject to paragraph (b) below and to Clause 20.4 (*Exceptions*) and unless the provisions of any Debt Document expressly provide otherwise, the Security Agent may, if authorised by an Instructing Group, and if the Parent consents, amend the terms of, waive any of the requirements of or grant consents under, any of the Transaction Security Documents which shall be binding on each Secured Party and each other party thereto.

(b) Subject to paragraph (c) of Clause 20.4 (*Exceptions*), the prior consent of the Super Majority Instructing Group and the Parent or the relevant Security Provider is required to authorise any amendment or waiver of, or consent under, any Transaction Security Document which would affect the nature or scope of the Charged Property.

20.3 **Effectiveness**

Any amendment, waiver or consent given in accordance with this Clause 20 will be binding on all Parties and on each Noteholder and Noteholder Trustee and the Security Agent may effect, on behalf of any Creditor, Noteholder Trustee or Noteholder any amendment, waiver or consent permitted by this Clause 20 (and where necessary under any relevant applicable law in order to give effect to any such amendment, waiver or consent, the Security Agent will be entitled to request that each Creditor take that action or grant a power of attorney in favour of the Security Agent to authorise it to do so on that Creditor's behalf).

20.4 **Exceptions**

(a) Subject to paragraphs (c) and (d) below, if the amendment, waiver or consent may impose new or additional obligations on or withdraw or reduce the rights of any Party other than:

(i) in the case of a Creditor, in a way which affects or would affect Creditors generally; or

(ii) in the case of a Debtor or a Security Provider, to the extent consented to by the Parent under paragraph (a) of Clause 20.2 (*Amendments and waivers: Transaction Security Documents*),

the consent of that Party is required.

(b) Subject to paragraphs (c) and (d) below, an amendment, waiver or consent which relates to the rights, obligations, protections, immunities or indemnities of an Agent or the Security Agent (including, without limitation, any ability of the Security Agent to act in its discretion under this Agreement) may not be effected without the consent of that Agent or, as the case may be, the Security Agent.

(c) Neither paragraph (a) nor (b) above, nor paragraph (b) of Clause 20.2 (*Amendments and waivers: Transaction Security Documents*) shall apply:

(i) to any release of Transaction Security, claim or Liabilities (unless they are claims or Liabilities owed to the Security Agent in its capacity as such); or

(ii) to any consent,

which, in each case, the Security Agent gives in accordance with Clause 8 (*Proceeds of Disposals of Charged Property)*.

(d) Paragraphs (a) and (b) above shall apply to a Refinancing Creditor Representative only to the extent that Agent Liabilities, are then owed to that Refinancing Creditor Representative.

(e) After the occurrence of an Enforcement Event, no amendment, supplement or waiver shall be made, without the written consent of each Noteholder Trustee (or, in the case of any Noteholder not represented by a Noteholder Trustee, that Noteholder), which would adversely affect the rights of the Noteholders to equal and rateable security to the extent and for the periods contemplated by this Agreement.

20.5 **Calculation of Exposures**

(a) For the purpose of ascertaining whether any relevant percentage of Facilities Agreement Creditor Exposures has been obtained under this Agreement, the Facility Agent shall provide the Security Agent, promptly on request, with a list of the Facilities Agreement Creditor Exposures notionally converted into their Base Currency Amounts.

(b) For the purpose of ascertaining whether any relevant percentage of Refinancing Creditor Exposures has been obtained under this Agreement, each Refinancing Creditor Representative shall provide the Security Agent, promptly on request, with a list of the Refinancing Creditor Exposures notionally converted into their Base Currency Amounts.

20.6 **Deemed consent**

If, at any time prior to the Final Discharge Date, the Facilities Agreement Creditors give a Consent in respect of the Finance Documents then, if that action was permitted by the terms of this Agreement, the Debtors, Intra-Group Lenders and Security Providers will (or will be deemed to):

(a) give a corresponding Consent in equivalent terms in relation to each of the Debt Documents and Intra-Group Debt Documents to which they are a party; and

(b) do anything (including executing any document) that the Facilities Agreement Creditors may reasonably require to give effect to paragraph (a) of this Clause 20.6.

20.7 **Excluded consents**

Clause 20.6 (*Deemed consent*) does not apply to any Consent which has the effect of:

(a) increasing or decreasing the Liabilities or Intra-Group Liabilities;

(b) changing the basis upon which any Permitted Payments are calculated (including the timing, currency or amount of such Payments); or

(c) changing the terms of this Agreement or of any Security Document.

20.8 **No liability**

None of the Facilities Agreement Creditors or the Facility Agent will be liable to any other Agent, Secured Party, Debtor or Security Provider for any Consent given or deemed to be given under this Clause 20.

20.9 **Agreement to override**

Unless expressly stated otherwise in this Agreement, this Agreement overrides anything in the Debt Documents and Intra-Group Debt Documents to the contrary (except for any Transaction Security Documents governed by Dutch law).

21. COUNTERPARTS

This Agreement may be executed in any number of counterparts, and this has the same effect as if the signatures on the counterparts were on a single copy of this Agreement.

22. GOVERNING LAW

This Agreement and any non-contractual obligations arising out of or in connection with it are governed by English law.

If any of the Original Debtors or Original Security Providers is represented by an attorney or attorneys in connection with the signing and/or execution and/or delivery of this Agreement or any agreement or document referred to herein or made pursuant hereto and the relevant power or powers of attorney is or are expressed to be governed by the laws and regulations of a particular jurisdiction, it is hereby expressly acknowledged and accepted by the other parties hereto that such laws and regulations shall govern the existence and extent of such attorney's or attorney's authority and the effects of the exercise thereof.

23. **ENFORCEMENT**

23.1 **Jurisdiction in relation to actions brought against parties organised or incorporated in Mexico**

In relation to actions brought by or against any Party organised or incorporated in Mexico:

(a) each of the Parties agrees that the courts of England and the courts of each Party's corporate domicile, but only in respect of actions brought against such Party as a defendant, in respect of actions brought against such Party as a defendant, have jurisdiction to settle any dispute arising out of or in connection with this Agreement (including a dispute regarding the existence, validity or termination of this Agreement or any non-contractual obligations arising from or connected with this Agreement (a "**Dispute**"); and

(b) each of the Parties agrees that the courts of England and such courts of each Party's corporate domicile, but only in respect of actions brought against such Party as a defendant, in respect of actions brought against such Party as a defendant, are the most appropriate and convenient courts to settle Disputes and accordingly no Party will argue to the contrary and hereby waive any right to which any of them may be entitled on account of place of residence or domicile.

23.2 **Jurisdiction of English Courts in other cases**

Subject to Clause 23.1 above:

(a) the courts of England have jurisdiction to settle any Dispute;

(b) the Parties agree that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly no Party will argue to the contrary and hereby waive any right to which any of them may be entitled on account of place of residence or domicile; and

(c) this Clause 23.2 is for the benefit of the Finance Parties and Secured Parties only. As a result, no Finance Party or Secured Party shall be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law or regulation, the Finance Parties and Secured Parties may take concurrent proceedings in any number of jurisdictions.

23.3 **Service of process**

(a) Without prejudice to any other mode of service allowed under any relevant law each Debtor and each Security Provider (unless incorporated in England and Wales):

(i) irrevocably appoints the Process Agent as its agent for service of process in relation to any proceedings before the English courts in connection with this Agreement (and the Process Agent by its execution of this Agreement accepts that appointment); and

(ii) agrees that failure by the Process Agent to notify the relevant Debtor or Security Provider of the process will not invalidate the proceedings concerned.

(b) If any person appointed as an agent for service of process is unable for any reason to act as agent for service of process, the Parent (in the case of an agent for service of process for a Debtor or a Security Provider), must immediately (and in any event within (5) Business Days of such event taking place) appoint another agent on terms acceptable to the Facility Agent. Failing this, the Facility Agent (as the case may be) may appoint another agent for this purpose.

(c) Each Debtor and each Security Provider (unless incorporated in England and Wales) expressly agrees and consents to the provisions of Clause 22 (*Governing Law*) and this Clause 23.

(d) The Parent, each Debtor and each Security Provider that is incorporated in Mexico shall grant an irrevocable power of attorney before a Mexican notary public appointing the Process Agent as its agent for service of process, as provided herein, on or before the date of this Agreement.

23.4 **Waiver of right to trial by jury**

To the extent permitted by applicable law, each party to this Agreement hereby expressly and irrevocably waives any right to trial by jury of any claim, demand, action or cause of action arising under any Debt Document or any Intra-Group Debt Document or in any way connected with or related or incidental to the dealings of the Parties hereto or any of them with respect to any Debt Document or any Intra-Group Debt Document, or the transactions related thereto, in each case whether now existing or hereafter arising, and whether founded in contract or tort or otherwise; and each party hereby agrees and consents that any such claim, demand, action or cause of action shall be decided by court trial without a jury, and that any Party to this Agreement may file an original counterpart or a copy of this Clause 23.4 with any court as written evidence of the consent of the signatories hereto to the waiver of their right to trial by jury.

This Agreement has been entered into on the date stated at the beginning of this Agreement and executed as a deed by the Original Debtors and the Original Security Providers and is intended to be and is delivered by them as a deed on the date specified above.

SCHEDULE 1
PARTIES AS AT THE DATE OF AMENDMENT
PURSUANT TO THE 2017 DEED OF AMENDMENT

PART I
FACILITIES AGREEMENT CREDITORS

Banco Bilbao Vizcaya Argentaria, S.A.

Banco Mercantil del Norte, S.A., Institución de Banca Múltiple, Grupo Financiero Banorte

Banco Nacional de Comercio Exterior, Sociedad Nacional de Crédito, Institución de Banca de Desarrollo

Banco Nacional de México, S.A., integrante del Grupo Financiero Banamex

Banco Santander (México) S.A., Institución de Banca Múltiple, Grupo Financiero Santander México

Bank of America N.A., London Branch

Bayerische Landesbank, New York Branch

BBVA Bancomer S.A., Institución de Banca Múltiple, Grupo Financiero BBVA Bancomer

BNP PARIBAS, New York

BNP PARIBAS, S.A. Sucursal en España

Citibank, N.A. International Banking Facility

Crédit Agricole Corporate and Investment Bank

Crédit Industriel et Commercial, London Branch

Export Development Canada

HSBC Bank plc, Sucursal en España

HSBC Bank USA, National Association

HSBC México, S.A., Institución de Banca Múltiple, Grupo Financiero HSBC

ING Bank N.V., Dublin Branch

Intesa Sanpaolo S.p.A.

JPMorgan Chase Bank, N.A.

Mizuho Bank, Ltd.

National Westminster Bank plc

Sabcapital, S.A. de C.V., Sociedad Financiera de Objeto Múltiple, Entidad Regulada

Société Générale

Sumitomo Mitsui Banking Corporation

PART II
BORROWER

Borrower	Registration Number	Jurisdiction
CEMEX, S.A.B. de C.V.	CEM-880276-UZA	Mexico

PART III
GUARANTORS

Guarantor	Registration Number	Jurisdiction
CEMEX España, S.A.	A-46004214	Spain
CEMEX México, S.A. de C.V.	CME-820101-LJ4	Mexico
CEMEX Concretos, S.A. de C.V.	CCO-740918-9M1	Mexico
Empresas Tolteca de México, S.A. de C.V.	ETM-890720-DJ2	Mexico
New Sunward Holding B.V.	34133556	The Netherlands
CEMEX Corp.	File #: 2162255	Delaware, USA
CEMEX Finance LLC	File #: 3654572	Delaware, USA
Cemex Research Group AG	CHE-113.951.069	Switzerland
CEMEX Asia B.V.	34228466	The Netherlands
CEMEX France Gestion (S.A.S.)	334 533 288 R.C.S. Créteil	France
CEMEX UK	05196131	England and Wales
CEMEX Egyptian Investments B.V.	34108365	The Netherlands

PART IV
SECURITY PROVIDERS

Security Provider	Registration Number	Jurisdiction
CEMEX, S.A.B. de C.V.	CEM-880726-UZA	Mexico
CEMEX México, S.A. de C.V.	CME-820101-LJ4	Mexico
CEMEX Operaciones México, S.A. de C.V.	CDC-960913-SK6	Mexico
Empresas Tolteca de México, S.A. de C.V.	ETM-890720-DJ2	Mexico
CEMEX Central, S.A. de C.V.	CCE911110JE1	Mexico
Interamerican Investments, Inc.	File #: 2252951	Delaware, USA
New Sunward Holding B.V.	34133556	The Netherlands
CEMEX TRADEMARKS HOLDING Ltd.	CHE-109.294.363	Switzerland

SCHEDULE 2
FORM OF DEBTOR/SECURITY PROVIDER ACCESSION DEED

THIS DEED is made on [•] between:

(1) [*Insert full name of new Debtor/Security Provider*] (registration number [•] (if applicable)) (the "**Acceding [Debtor/Security Provider]**"); and

(2) [*Insert full name of current Security Agent*] (the "**Security Agent**"), for itself and each of the other parties to the Intercreditor Agreement referred to below,

in relation to an intercreditor agreement (the "**Intercreditor Agreement**") dated 17 September 2014, as amended on 31 October 2014 (and further amended from time to time), between, amongst others, Wilmington Trust (London) Limited as security agent, Citibank International Limited as Facility Agent, the Facilities Agreement Creditors, the Original Debtors and Original Security Providers (each as defined in the Intercreditor Agreement).

[The Acceding Debtor intends to [incur Liabilities under the following documents]/[give a guarantee, indemnity or other assurance against loss in respect of Liabilities under the following documents]]/[The Acceding Security Provider intends to grant Transaction Security under the following documents]:

[*Insert details (date, parties and description*) *of relevant documents*]

the "**Relevant Documents**".

IT IS AGREED as follows:

1. Terms defined in the Intercreditor Agreement shall, unless otherwise defined in this Agreement, bear the same meaning when used in this Agreement.

2. The Acceding [Debtor/Security Provider] and the Security Agent agree that the Security Agent shall hold:

   (a) [any Transaction Security in respect of Liabilities created or expressed to be created pursuant to the Relevant Documents;

   (b) all proceeds received following an Enforcement Event in respect of the shares and related rights the subject of that Transaction Security; and]

   (c) [all Liabilities expressed to be incurred by the Acceding [Debtor/ Security Provider (in relation to the Transaction Security granted by it pursuant to the Relevant Documents)] to pay amounts in respect of the Liabilities to the Security Agent as trustee for the Secured Parties (in the Relevant Documents or otherwise) and secured by the Transaction Security together with all representations and warranties expressed to be given by the Acceding [Debtor/Security Provider] (in the Relevant Documents or otherwise) in favour of the Security Agent as trustee for the Secured Parties,] on trust for (or, if required by any Security Document, as an agent acting in the name and on behalf of) the Secured Parties on the terms and conditions contained in the Intercreditor Agreement.

3. The Acceding [Debtor/Security Provider] confirms that it intends to be party to the Intercreditor Agreement as a [Debtor/Security Provider], undertakes to perform all the obligations expressed to be assumed by a [Debtor/Security Provider] under the Intercreditor Agreement and agrees that it shall be bound by all the provisions of the Intercreditor Agreement as if it had been an original party to the Intercreditor Agreement.

4. In consideration of the Acceding [Debtor/Security Provider] being accepted as an Intra-Group Lender for the purposes of the Intercreditor Agreement, the Acceding [Debtor/Security Provider] also confirms that it intends to be party to the Intercreditor Agreement as an Intra-Group Lender, and undertakes to perform all the obligations expressed in the Intercreditor Agreement to be assumed by an Intra-Group Lender and agrees that it shall be bound by all the provisions of the Intercreditor Agreement, as if it had been an original party to the Intercreditor Agreement.

5. This deed and any non-contractual obligations arising out of or in connection with it are governed by, English law.

THIS DEED has been signed on behalf of the Security Agent and executed as a deed by the Acceding [Debtor/Security Provider] and is delivered on the date stated above.

The Acceding [Debtor/Security Provider]

EXECUTED as a **DEED**)
By: [*Full Name of Acceding*)
[*Debtor/Security Provider*]])

_____

_____

Address for notices:

Address:

Fax:

The Security Agent
[*Full Name of Current Security Agent*]

By: _____
Date:

SCHEDULE 3

FORM OF CREDITOR/AGENT/SECURITY AGENT ACCESSION UNDERTAKING

To: [*Insert full name of current Security Agent*] for itself and each of the other parties to the Intercreditor Agreement referred to below.

From: [*Acceding Facilities Agreement Creditor/Agent/Security Agent/Refinancing Party*]]

THIS UNDERTAKING is made on [*date*] by [*insert full name of new Facilities Agreement Creditor/ Facility Agent*] (the "**Acceding [Facilities Agreement Creditor/Agent/Security Agent/Refinancing Creditor/Refinancing Creditor Representative**]") in relation to the intercreditor agreement (the "**Intercreditor Agreement**") dated 17 September 2014, as amended on 31 October 2014 (and further amended from time to time) between, among others, Wilmington Trust (London) Limited as security agent, Citibank International Limited as Facility Agent, the Facilities Agreement Creditors, the Original Debtors and Original Security Providers (each as defined in the Intercreditor Agreement). Terms defined in the Intercreditor Agreement shall, unless otherwise defined in this Undertaking, bear the same meanings when used in this Undertaking.

In consideration of the Acceding [Facilities Agreement Creditor/Facility Agent/Security Agent/Refinancing Creditor/Refinancing Creditor Representative] being accepted as a [Facilities Agreement Creditor/Agent/Security Agent/Refinancing Creditor/Refinancing Creditor Representative] for the purposes of the Intercreditor Agreement, the Acceding [Facilities Agreement Creditor/Agent/Security Agent/Refinancing Creditor/Refinancing Creditor Representative] confirms that, as from [*date*], it intends to be party to the Intercreditor Agreement as a [Facilities Agreement Creditor/Facility Agent/Security Agent/Refinancing Creditor/Refinancing Creditor Representative] and undertakes to perform all the obligations expressed in the Intercreditor Agreement to be assumed by a [Facilities Agreement Creditor/Agent/Security Agent/Refinancing Creditor/Refinancing Creditor Representative] and agrees that it shall be bound by all the provisions of the Intercreditor Agreement, as if it had been an original party to the Intercreditor Agreement.

This Undertaking and any non-contractual obligations arising out of or in connection with it are governed by English law.

THIS UNDERTAKING has been entered into on the date stated above.

EXECUTED as a **DEED** by	)
[*Full name of Acceding*	)
[*Facilities Agreement Creditor/Agent/*	)
Security Agent/Refinancing Creditor/	)
Refinancing Creditor Representative]]	)

Address:

Fax:

Accepted by the Security Agent

_____

for and on behalf of
[*Insert full name of current Security Agent*]

Date:

[Accepted by the Facility Agent*

_____

for and on behalf of
[*Insert full name of Facility Agent*]]

[Accepted by the Refinancing Creditor Representative†

_____

for and on behalf of
[*Insert full name of Refinancing Creditor Representative*]]

* For change of Facilities Agreement Creditor and Security Agent.
† For change of Refinancing Creditor.

SIGNATURES

The Borrower

EXECUTED AS A DEED BY

CEMEX, S.A.B. de C.V.	)	
acting by	)	
Francisco Javier García Ruiz de Morales	)	/s/ Francisco Javier García Ruiz de Morales
NAME OF AUTHORISED SIGNATORY	)	SIGNATURE OF AUTHORISED SIGNATORY

The Guarantors

EXECUTED AS A DEED BY

CEMEX España, S.A.	)	
acting by	)	
Francisco Javier García Ruiz de Morales	)	/s/ Francisco Javier García Ruiz de Morales
NAME OF AUTHORISED SIGNATORY	)	SIGNATURE OF AUTHORISED SIGNATORY

EXECUTED AS A DEED BY

CEMEX México, S.A. de C.V.	)	
acting by	)	
Francisco Javier García Ruiz de Morales	)	/s/ Francisco Javier García Ruiz de Morales
NAME OF AUTHORISED SIGNATORY	)	SIGNATURE OF AUTHORISED SIGNATORY

EXECUTED AS A DEED BY

CEMEX Concretos, S.A. de C.V.	)	
acting by	)	
Francisco Javier García Ruiz de Morales	)	/s/ Francisco Javier García Ruiz de Morales
NAME OF AUTHORISED SIGNATORY	)	SIGNATURE OF AUTHORISED SIGNATORY

EXECUTED AS A DEED BY

Empresas Tolteca de México, S.A. de C.V.	)	
acting by	)	
Francisco Javier García Ruiz de Morales	)	/s/ Francisco Javier García Ruiz de Morales
NAME OF AUTHORISED SIGNATORY	)	SIGNATURE OF AUTHORISED SIGNATORY

EXECUTED AS A DEED BY

New Sunward Holding B.V.	)	
acting by	)	
Patricio Treviño Garza NAME OF AUTHORISED SIGNATORY	)	/s/ Patricio Treviño Garza SIGNATURE OF AUTHORISED SIGNATORY
	)	

EXECUTED AS A DEED BY

CEMEX Corp.	)	
acting by	)	
Patricio Treviño Garza NAME OF AUTHORISED SIGNATORY	)	/s/ Patricio Treviño Garza SIGNATURE OF AUTHORISED SIGNATORY
	)	

EXECUTED AS A DEED BY

CEMEX Research Group AG	)	
acting by	)	
Patricio Treviño Garza	)	/s/ Patricio Treviño Garza
NAME OF AUTHORISED SIGNATORY	)	SIGNATURE OF AUTHORISED SIGNATORY

EXECUTED AS A DEED BY

CEMEX Finance LLC	)	
acting by	)	
Patricio Treviño Garza	)	/s/ Patricio Treviño Garza
NAME OF AUTHORISED SIGNATORY	)	SIGNATURE OF AUTHORISED SIGNATORY

EXECUTED AS A DEED BY

CEMEX Asia B.V.	)	
acting by	)	
Patricio Treviño Garza	)	/s/ Patricio Treviño Garza
NAME OF AUTHORISED SIGNATORY	)	SIGNATURE OF AUTHORISED SIGNATORY

EXECUTED AS A DEED BY

CEMEX France Gestion (S.A.S.)	)	
acting by	)	
Patricio Treviño Garza	)	/s/ Patricio Treviño Garza
NAME OF AUTHORISED SIGNATORY	)	SIGNATURE OF AUTHORISED SIGNATORY

EXECUTED AS A DEED BY

CEMEX UK)

acting by)

Patricio Treviño Garza) /s/ Patricio Treviño Garza

NAME OF AUTHORISED SIGNATORY) SIGNATURE OF AUTHORISED SIGNATORY

EXECUTED AS A DEED BY

CEMEX Egyptian Investments B.V.	)	
acting by	)	
Patricio Treviño Garza	)	/s/ Patricio Treviño Garza
NAME OF AUTHORISED SIGNATORY	)	SIGNATURE OF AUTHORISED SIGNATORY

The Security Providers

EXECUTED AS A DEED BY

CEMEX Central, S.A. de C.V.	)	
acting by	)	
Francisco Javier García Ruiz de Morales	)	/s/ Francisco Javier García Ruiz de Morales
NAME OF AUTHORISED SIGNATORY	)	SIGNATURE OF AUTHORISED SIGNATORY

EXECUTED AS A DEED BY

CEMEX S.A.B. de C.V.	)	
acting by	)	
Francisco Javier García Ruiz de Morales	)	/s/ Francisco Javier García Ruiz de Morales
NAME OF AUTHORISED SIGNATORY	)	SIGNATURE OF AUTHORISED SIGNATORY

EXECUTED AS A DEED BY

CEMEX México, S.A. de C.V.	)	
acting by	)	
Francisco Javier García Ruiz de Morales	)	/s/ Francisco Javier García Ruiz de Morales
NAME OF AUTHORISED SIGNATORY	)	SIGNATURE OF AUTHORISED SIGNATORY

EXECUTED AS A DEED BY

CEMEX Operaciones México, S.A. de C.V.	)	
acting by	)	
Francisco Javier García Ruiz de Morales	)	/s/ Francisco Javier García Ruiz de Morales
NAME OF AUTHORISED SIGNATORY	)	SIGNATURE OF AUTHORISED SIGNATORY

EXECUTED AS A DEED BY

Interamerican Investments, Inc.	)	
acting by	)	
Patricio Treviño Garza	)	/s/ Patricio Treviño Garza
NAME OF AUTHORISED SIGNATORY	)	
		SIGNATURE OF AUTHORISED SIGNATORY

EXECUTED AS A DEED BY

Empresas Tolteca de México, S.A. de C.V.	)	
acting by	)	
Francisco Javier García Ruiz de Morales	)	/s/ Francisco Javier García Ruiz de Morales
NAME OF AUTHORISED SIGNATORY	)	SIGNATURE OF AUTHORISED SIGNATORY

EXECUTED AS A DEED BY

New Sunward Holding B.V.	)	
acting by	)	
Patricio Treviño Garza	)	/s/ Patricio Treviño Garza
NAME OF AUTHORISED SIGNATORY	)	SIGNATURE OF AUTHORISED SIGNATORY

EXECUTED AS A DEED BY

CEMEX TRADEMARKS HOLDING Ltd.	)	
acting by	)	
Patricio Treviño Garza	)	/s/ Patricio Treviño Garza
NAME OF AUTHORISED SIGNATORY	)	SIGNATURE OF AUTHORISED SIGNATORY

The Security Agent

For and on behalf of

WILMINGTON TRUST (LONDON) LIMITED

By: /s/ Keith Reader
Keith Reader
Authorised Signatory

The Agent

For and on behalf of

CITIBANK Europe plc, UK Branch

By: /s/ Robert Skews
Robert Skews

CLIFFORD
CHANCE

CLIFFORD CHANCE LLP

SECURITY CONFIRMATION AGREEMENT

DATED 19 JULY 2017

CEMEX TRADEMARK HOLDINGS LIMITED
CEMEX OPERACIONES MEXICO, S.A. DE C.V.
AS SECURITY PROVIDERS

NEW SUNWARD HOLDING B.V.
AS COMPANY

AND

WILMINGTON TRUST (LONDON) LIMITED
AS SECURITY AGENT

RELATING TO DEEDS OF PLEDGE OF REGISTERED SHARES IN THE CAPITAL OF NEW SUNWARD HOLDING B.V.
DATED 12 SEPTEMBER 2012 AND 15 DECEMBER 2015

THIS AGREEMENT (the "**Agreement**") is dated 19 July 2017 and made between:

(1) **CEMEX OPERACIONES MEXICO S.A. DE C.V.**, a company incorporated under the laws of the United Mexican States, having its registered office at Avenida Constitución 444 Pte., C.P. 64000, Monterrey, Nuevo León, México, registered with the Public Registry of Commerce of Monterrey, Nuevo León, México under number CDC-960913-SK6 ("**CEMEX Mexico**")

(2) **CEMEX TRADEMARK HOLDINGS LIMITED,** a company incorporated under the laws of Switzerland, having its registered office at Romerstrasse 13, 2555 Brugg bei Biel, Switzerland, registered with the commercial register of the Canton of Bern under number CHE-109-294-363 ("**CEMEX Trademark**" and together with CEMEX Mexico referred to as the "**Security Providers**");

(3) **NEW SUNWARD HOLDING B.V.**, a private limited company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated under the laws of The Netherlands, having its seat (*statutaire zetel*) at Amsterdam, The Netherlands, and its registered office at Strawinskylaan 1637, Tower B, Level 16, 1077 XX Amsterdam, The Netherlands and registered with the Dutch Commercial Register (*Handelsregister*) under number 34133556 (the "**Company**"); and

(4) **WILMINGTON TRUST (LONDON) LIMITED,** a company with limited liability, incorporated under the laws of England and Wales, having its registered office at Third Floor, 1 King's Arms Yard, London EC2R 7AF, United Kingdom and registered with Companies House under number 05650152 as security agent for the Secured Parties and pledgee under the Deeds of Pledge (as defined below) (the "**Security Agent**")**.**

RECITALS:

(A) Reference is made to:

(i) a facilities agreement originally dated the twenty-ninth day of September two thousand fourteen entered into among, inter alios, CEMEX, S.A.B. de C.V. as the Borrower, the Original Guarantors, the Original Security Providers, the Arranger, the Original Lenders, the Agent and the Security Agent (all as defined therein) as amended and restated on the twenty-third day of July two thousand fifteen (the "**Original Facilities Agreement**");

(ii) an intercreditor agreement originally dated the seventeenth day of September two thousand twelve and made between, inter alios, the Facility Agent, the Original Facilities Agreement Creditors, CEMEX, S.A.B. de C.V. as the Parent, the Original Borrowers, the Original Guarantors, the Original Security Providers, the Intra-Group Lenders and the Security Agent (all as defined therein) as most recently amended on the thirtieth day of July two thousand fifteen (the "**Intercreditor Agreement");**

(iii) the notarial deed of pledge of shares dated the seventeenth day of September two thousand twelve and made between, amongst others, CEMEX International Finance Company, Corporación Gouda, S.A. de C.V.,

Mexcement Holdings, S.A. de C.V. and CEMEX Trademarks Holding Ltd. as pledgors, the Security Agent and New Sunward Holding B.V. as the company in the capital of which shares are pledged (the "**2012 Deed of Pledge**"); and

(iv) the notarial deed of pledge of shares dated fifteen December two thousand fifteen and made between Cemex Operaciones Mexico S.A. de C.V. as pledgor and New Sunward Holding B.V. as the company in the capital of which shares are pledged (the "**2015 Deed of Pledge"** and together with the 2012 Deed of Pledge referred to as the "**Deeds of Pledge**")**.**

(B) On or about the date hereof:

(i) a facilities agreement will be entered into between, amongst others, CEMEX, S.A.B de C.V. as borrower, the financial institutions named as original lenders, Citibank Europe Plc, UK Branch as the agent and Wilmington Trust (London) Limited as the security agent pursuant to which the amounts outstanding under the Original Facilities Agreement will be refinanced (the "**Refinancing Facilities Agreement**"); and

(ii) an amendment and restatement agreement will be entered into between, amongst others, CEMEX, S.A.B de C.V. as the parent, the subsidiaries of the parent listed in Schedule 1 thereto as debtors and security providers, Citibank Europe Plc, UK Branch as the agent and Wilmington Trust (London) Limited as the security agent pursuant to which the Intercreditor Agreement will be amended (the "**ICA Amendment and Restatement Agreement**")**.**

(C) The Security Providers hereby wishes to confirm the continued existence of the security provided under the Deeds of Pledge notwithstanding the entry into of the Refinancing Facilities Agreement and ICA Amendment and Restatement Agreement.

IT IS AGREED as follows:

1. **DEFINITIONS AND INTERPRETATION**

1.1 **Incorporation of defined terms**

Unless a contrary indication appears, a term defined in the Intercreditor Agreement has the same meaning in this Agreement.

1.2 **Clauses**

In this Agreement any reference to a "Clause" or a "Schedule" is, unless the context otherwise requires, a reference to a Clause in or a Schedule to this Agreement.

2. **CONFIRMATION OF SECURITY**

(a) For the avoidance of doubt, the Security Providers confirm for the benefit of the Secured Parties that the Transaction Security created by them pursuant to the Deeds of Pledge shall (a) remain in full force and effect notwithstanding the entry into of the Refinancing Facilities Agreement and the ICA

Amendment and Restatement Agreement and (b) continue to secure the Secured Obligations (as defined in the Deeds of Pledge) as (partially) refinanced pursuant to the Refinancing Facilities Agreement.

(b) The parties to this Agreement agree that any reference in the Deeds of Pledge to a provision or term of the Original Facilities Agreement shall, as the date of the Refinancing Agreement, be deemed a reference to any equivalent provision or term in the Refinancing Facilities Agreement which is similar in meaning and effect.

(c) The Security Providers further confirm that:

(i) the Refinancing Facilities Agreement qualifies as a Refinancing Document;

(ii) the security created under each of the Deeds of Pledge has been created to secure all present and future obligations owed by the Debtors to the Security Agent in relation to any Finance Parallel Debt and any Notes Parallel Debt;

(iii) they are the sole holders of the entire issued and outstanding share capital of New Sunward Holding B.V.;

(iv) all issued and outstanding shares in the capital of New Sunward Holding B.V. (the "**Shares**") have been pledged pursuant to the Deeds of Pledge; and

(v) other than pursuant to the Deeds of Pledge, the Shares have not been encumbered with limited rights (*beperkte rechten*), no attachment (beslag) on the Shares has been made and the Shares have not been transferred, encumbered or attached in advance (*bij voorbaat*), nor has any of the Security Providers agreed to such a transfer or encumbrance in advance.

(d) Each of the Security Providers, the Company and the Security Agent hereby agree that clause 1.5 of the 2012 Deed of Pledge shall forthwith read as follows:

"1.5 **Limitation of the Swiss Pledgor under Swiss law**

(a) The obligations and liabilities of the Swiss Pledgor under this Deed and all confirmations in respect of this Deed thereafter in relation to the obligations, undertakings, indemnities or liabilities of an Obligor other than that Swiss Pledgor or any of its fully owned and controlled subsidiaries (the "**Restricted Obligations**") shall be limited to the amount of the Swiss Pledgor's Free Reserves Available for Distribution at the time payment is requested, or the maximum amount permitted by Swiss law applicable at the time payment is requested, **provided that** such limitation is a requirement under applicable

law (including any case law) at that point in time and that such limitation shall not free the Swiss Pledgor from its obligations in excess thereof, but merely postpone the performance date until such time as performance is permitted notwithstanding such limitation.

(b) For the purpose of this clause, "**Free Reserves Available for Distribution**" means an amount equal to the maximal amount in which the Swiss Pledgor can make a dividend payment to its shareholder(s) (being the balance sheet profit and any freely disposable reserves available for this purpose, in each case in accordance with applicable Swiss law).

(c) As soon as possible after having been requested to discharge a Restricted Obligation, the Swiss Pledgor shall, if it cannot discharge the full amount of the Restricted Obligations, provide the Pledgee with an interim statutory balance sheet audited by the statutory auditors of the Swiss Pledgor setting out the Free Reserves Available for Distribution and, immediately thereafter, pay the amount corresponding to the Free Reserves Available for Distribution to the Pledgee (save to the extent provided below).

(d) In respect of the Restricted Obligations, the Swiss Pledgor shall:

(i) if and to the extent required by applicable law in force at the relevant time:

(A) subject to any applicable double taxation treaties, deduct Swiss withholding tax at the rate of 35 per cent. (or such other rate as is in force at that time) from any payment made by it;

(B) pay any such deduction to the Swiss Federal Tax Administration; and

(C) notify and provide evidence to the Pledgee that the Swiss withholding tax has been paid to the Swiss Federal Tax Administration; and

(ii) to the extent such deduction is made, not be required to make a gross-up, indemnify or otherwise hold harmless the Secured Parties for the deduction of the Swiss withholding tax notwithstanding anything to the contrary contained in the Debt 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 Pledgor under the Debt Documents to indemnify the Secured Parties in respect of

the deduction of the Swiss withholding tax, including, without limitation, in accordance with Clause 12 of the Facilities Agreement (as amended from time to time) (*Tax Gross-Up and Indemnities*).

(e) In respect of the Restricted Obligations, if so required under applicable law (including tax treaties) at any time when the Pledgee is enforcing security interests granted by the Swiss Pledgor, once the Pledgee is satisfied that it has received all disposal proceeds from such enforcement of the security, it shall promptly notify the Swiss Pledgor of the amount of proceeds from such enforcement, and such Swiss Pledgor:

(i) shall use its best efforts to ensure that the proceeds of any such enforcement can be used 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 tax treaties) rather than payment of the tax, and

(ii) shall promptly notify the Pledgee that such notification has been made or, as the case may be, deduction at a reduced rate is possible, and provide the Pledgee with evidence that such a notification of the Swiss Federal Tax Administration has been made or, as the case may be, such taxes may be deducted at a reduced rate.

(f) To the extent a notification procedure referred to in the preceding paragraph (e) is not available, the Swiss Pledgor shall:

(i) within 20 Business Days after the notification by the Pledgee of the amount of proceeds from any enforcement in accordance with paragraph (e) above notify the Pledgee that Swiss withholding tax is due by the Swiss Pledgor; and

(ii) provide the Pledgee with all relevant information necessary or reasonably requested by the Pledgee to make the relevant deduction including, but not limited to, the amount of such deduction to be made (it being understood by the Parties hereto that the Pledgee shall have the right but not the obligation to determine such amount, if any, pursuant to the terms of the Intercreditor Agreement (as amended from time to time), and in particular, but not limited to, pursuant to Clause 11.7 (*Security Agent's actions*) and 11.8(c) (*Security Agent's discretions*) thereof),

whereupon the Pledgee (acting on the instructions of an Instructing Group (as defined in the Intercreditor Agreement, as amended from time to time)) shall deduct the Swiss withholding tax in the amount notified to it or determined by it in accordance with the paragraph (f)(ii) above from the enforcement proceeds and shall pay such amount to the Swiss Federal Tax Administration in satisfaction of the Swiss withholding tax payment due by the Swiss Pledgor in relation to such enforcement proceeds, provided, however, that the Pledgee will not assume any liabilities to any person in connection with the deduction or payments made by the Pledgee pursuant to this paragraph (e), any failure by the Swiss Pledgor to comply with its obligation hereunder or in connection with any failure by the Pledgee to determine such amount of the deduction to be made to the extent not notified to it by the Swiss Pledgor.

(g) The Swiss Pledgor 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) or (e) above will, as soon as possible after the deduction of the Swiss withholding tax, (y) request a refund of the Swiss withholding tax under any applicable law (including double taxation treaties) and (z) pay to the Pledgee upon receipt any amount so refunded. The Pledgee shall, at the prior written request and (so long as reasonable) cost of the Swiss Pledgor, take all reasonable steps to cooperate with the Swiss Pledgor to secure such refund.

(h) The Swiss Pledgor will take, and cause to be taken, all and any other action, including, without limitation, the passing of any shareholders' resolutions to approve any payment or other performance under the Debt Documents and the receipt of any confirmations from the Swiss Pledgor's auditors, whether following a request to discharge a Restricted Obligation, or which may be required as a matter of mandatory Swiss law in force at the time it is required to make a payment or perform other obligations under the Debt Documents in order to allow a prompt payment or performance of other obligations under the Debt Documents.

(i) If the enforcement of the Restricted Obligations would be limited due to the effects referred to in this paragraph 1.5 and if any asset of the Swiss Pledgor has a book value that is less than its market value (an "**Undervalued Asset**"), the Swiss Pledgor shall, to the extent permitted by applicable law and its accounting standards (i) write up the book value of such Undervalued Asset such that its balance sheet reflects a book

value that is equal to the market value of such Undervalued Asset, and (ii) make reasonable efforts to realise the Undervalued Asset for a sum which is at least equal to the market value of such asset. Without prejudice to the rights of the Pledgee under the Debt Documents, the Swiss Pledgor will only be required to realise an Undervalued Asset if such asset is not necessary for the Swiss Pledgor's business (*nicht betriebsnotwendig*)."

3. MISCELLANEOUS

3.1 Incorporation of terms

The provisions of clause 6.3 (*Unenforceability*), clause 6.5 (Costs) and paragraph 9.2 of clause 9 (*Governing law and jurisdiction*) of the 2015 Deed of Pledge shall be incorporated into this Agreement as if set out in full in this Agreement and as if references in those clauses to "this Deed" are references to this Agreement.

3.2 Counterparts

This Agreement may be executed in any number of counterparts, and this has the same effect as if the signatures on the counterparts were on a single copy of this Agreement.

4. GOVERNING LAW

This Agreement and any non-contractual obligations arising out of or in connection with it governed by Dutch law.

This Agreement has been entered into on the date stated at the beginning of this Agreement.

SIGNATURES

THE SECURITY PROVIDERS

/s/ Francisco Javier Garcia Ruiz De Morales

For and on behalf of
CEMEX OPERACIONES MEXICO S.A. DE C.V.

Name: Francisco Javier Garcia Ruiz De Morales
Title: Attorney in Fact

/s/ Patricio Trevino Garza

For and on behalf of
CEMEX TRADEMARK HOLDINGS LIMITED

Name: Patricio Trevino Garza
Title: Attorney-in-Fact

THE COMPANY

/s/ Patricio Trevino Garza

For and on behalf of
NEW SUNWARD HOLDING B.V.

Name: Patricio Trevino Garza
Title: Attorney-in-Fact

The Security Agent

For and on behalf of

WILMINGTON TRUST (LONDON) LIMITED

By: /s/ Keith Reader
Keith Reader
Authorised Signatory

Exhibit 4.8.2

EXECUTION

Security Confirmation Agreement
(the "**Agreement**")

dated 19 July 2017

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

and **CEMEX México, S.A. de C.V.**

and **Interamerican Investments, Inc.**

and **Empresas Tolteca de México, S.A. de C.V.**

and **Wilmington Trust (London) Limited**

acting for itself (including as creditor of the Parallel Debt Obligations) and as direct representative *(direkter Stellvertreter)* in the name and for the account of all other Pledgees (as defined below)

concerning the confirmation of the pledge of 1'938'958'014 shares in the Company (as defined below)

THIS SECURITY CONFIRMATION AGREEMENT is entered into between:

(1) **CEMEX, S.A.B. de C.V.,** Av Constitución 444 Pte. Col., Centro, C.P. 64000, Monterrey, N.L., México (hereinafter "**CEMEX**");

(2) **CEMEX México, S.A. de C.V.,** Av Constitución 444 Pte. Col., Centro, C.P. 64000, Monterrey, N.L., México (hereinafter "**CEMEX Mexico**");

(3) **Interamerican Investments, Inc.,** 1209 Orange Street, Wilmington, County of New Castle, 19801 Delaware, United States (hereinafter "**Interamerican**");

(4) **Empresas Tolteca de México, S.A. de C.V.** Av Constitución 444 Pte. Col., Centro, C.P. 64000, Monterrey, N.L., México (hereinafter "**Tolteca**");

(CEMEX, CEMEX Mexico, Interamerican and Tolteca collectively referred to as the "**Pledgors**"); and

(5) **Wilmington Trust (London) Limited,** 1 King's Arms Yard, Third Floor, London EC2R 7AF, United Kingdom, acting for itself (including as creditor of the Parallel Debt Obligations) and as direct representative (*direkter Stellver-treter*) in the name and for the account of all other Pledgees (as defined below) (the "**Security Agent**").

RECITALS

A) CEMEX and certain of its subsidiaries as Original Borrowers, Original Guarantors and Original Security Providers (including the Company), the Original Creditors, Citibank Europe PLC, UK Branch (formerly Citibank International plc) as Agent and Wilmington Trust (London) Limited as Security Agent, among others, entered into a facilities agreement dated 29 September 2014, as amended and restated on 23 July 2015, 17 March 2016, 23 June 2016, 11 July 2016 and 21 November 2016 (each term as defined therein unless defined otherwise in this Agreement) (the "**Club Loan**") and an intercreditor agreement dated 17 September 2012 as amended and restated pursuant to a deed of amendment dated 23 July 2015 (the "**Intercreditor Agreement**").

B) In connection with the Club Loan and the Intercreditor Agreement, the Pledgors and the Security Agent acting for itself (including as creditor of the Parallel Debt Obligations) and as direct representative (*direkter Stellvertreter*) in the name and for the account of all other Pledgees entered into a Swiss law governed share pledge agreement dated 17 September 2012 regarding the pledge of 1'938'958'014 shares in the Company, as confirmed and (with respect of clauses 13.1 and 13.2 thereof) amended pursuant to a security confirmation agreement dated 23 July 2015 and re-confirmed on 17 March 2016 (the "**Share Pledge Agreement**").

C) On the date hereof, Cemex, S.A.B. de C.V. as Borrower, the subsidiaries of the Borrower (including the Company) listed in Part I of Schedule 1 thereto as Original Guarantors or respectively as Original Security Providers, [BNP Paribas Securities Corp., Citigroup Global Markets Inc. and Merrill Lynch, Pierce, Fenner & Smith Incorporated as Arrangers, the financial institutions listed in Part II of Schedule 1 as Original Lenders, Citibank Europe PLC, UK Branch as Agent and Wilmington Trust (London) Limited as Security Agent entered into a term and revolving facilities agreement (each term as defined therein unless define otherwise herein) (the "**New Facilities Agreement**") pursuant to which all commitments under the Club Loan will be cancelled on the first Utilisation Date (as defined in the Facilities Agreement);

D) in connection with the Facilities Agreement, the Intercreditor Agreement will be amended pursuant to an intercreditor amendment and restatement deed dated on the date hereof between, among others, CEMEX, S.A.B. de C.V. and certain of its subsidiaries, the Intra-Group Lenders (as named therein), Citibank Europe plc, UK Branch (formerly Citibank International Ltd), as Facilities Agent, and Wilmington Trust (London) Limited, as Security Agent (the "**Intercreditor Amendment and Restatement Deed**", and the Intercreditor Agreement as amended and restated by the Intercreditor Amendment and Restatement Deed, the "**Amended Intercreditor Agreement**").

E) It is a condition precedent under the New Facilities Agreement that the Pledgors enter into this Agreement.

F) In accordance with Clause 11.1 (*Trust*), 11.2 (*Finance Parallel Debt (Covenant to pay the Security Agent)*) and Clause 11.3 (*Notes Parallel Debt (Covenant to pay the Security Agent)*) of the Amended Intercreditor Agreement, each Pledgee has appointed the Security Agent to enter into this Agreement as direct representative (*direkter Stellvertreter*) in the name and for the account of each Pledgee as well as creditor of the Parallel Debt Obligations.

IT IS AGREED as follows:

1 Definitions and Interpretation

1.1 Definitions

Unless defined otherwise herein, capitalized terms and expressions used herein shall have the meaning ascribed to them in the New Facilities Agreement and if not defined therein, as defined in the Amended Intercreditor Agreement. In this Agreement (capitalized terms as defined below):

Amended Intercreditor Agreement	has the meaning given to such term in Recital (D).
Bail-in Action	means the exercise of any Write-down and Conversion Powers.
Bail-in Legislation	means

	a) in relation to an EEA Member Country which has implemented, or which at any time implements, Article 55 of Directive 2014/59/EU establishing a framework for the recovery and resolution of credit institutions and investment firms, the relevant implementing law or regulation as described in the EU Bail-in Legislation Schedule from time to time; and b) in relation to any other state, any analogous law or regulation from time to time which requires contractual recognition of any Write-down and Conversion Powers contained in that law or regulation.
Club Loan	has the meaning given to such term in Recital (A).
Company	means CEMEX TRADEMARKS HOLDING Ltd., a stock corporation (*Aktiengesellschaft*) incorporated under the laws of Switzerland and registered under number CHE-109.294.363 with the commercial register authority of the Canton of Berne.
Debtor	means the Debtor and each Security Provider as defined in the Amended Intercreditor Agreement.
EEA Member Country	means any member state of the European Union, Iceland, Liechtenstein and Norway;
Effective Date	means the 2017 Amendment Intercreditor Effective Date as defined in the Facilities Agreement.
EU Bail-in Legislation Schedule	means the document described as such and published by the Loan Market Association (or any successor person) from time to time.
Intercreditor Amendment and Restatement Deed	has the meaning given to such term in Recital (D).
Intercreditor Agreement	has the meaning given to such term in Recital (A).
New Facilities Agreement	has the meaning given to such term in Recital (C).
Parallel Debt Obligation	means the obligations set out in Clause 11.2

(Finance Parallel Debt (Covenant to pay the Security Agent)) and Clause 11.3 (*Notes Parallel Debt (Covenant to pay the Security Agent*)) of the Amended Intercreditor Agreement.

Pledge has the meaning given to such term in the Share Pledge Agreement.

Pledgees means the Pledgees as defined in the Share Pledge Agreement (including, for the avoidance of doubt, the Secured Parties as defined in the Amended Intercreditor Agreement).

Resolution Authority means any body which has authority to exercise any Write-down and Conversion Powers;

Share Pledge Agreement has the meaning given to such term in Recital (B)

Write-down and Conversion Powers means

c) in relation to any Bail-in Legislation described in the EU Bail-in Legislation Schedule from time to time, the powers described as such in relation to that Bail-in Legislation in the EU Bail-in Legislation Schedule;

d) in relation to any other applicable Bail-in Legislation:

(i) any powers under that Bail-in Legislation to cancel, transfer or dilute shares issued by a person that is a bank or investment firm or other financial institution or affiliate of a bank, investment firm or other financial institution, to cancel, reduce, modify or change the form of a liability of such a person 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; and

(ii) any similar or analogous powers under that Bail-in Legislation.

1.2 Interpretation

In this Agreement:

a) unless the context requires otherwise, references herein to the Security Agent shall be read as references to the Security Agent acting for itself (including as creditor of the Parallel Debt Obligations) and as direct representative (*direkter Stellvertreter*) in the name and for the account of all other Pledgees;

b) in the event of a conflict between the terms of this Agreement and the New Facilities Agreement, then (to the extent permitted by law and to the extent the validity and enforceability of the security created under this Agreement is not affected) the terms of the New Facilities Agreement shall prevail;

c) in the event of a conflict between the terms of this Agreement and the Amended Intercreditor Agreement, then (to the extent the validity and enforceability of the security created under this Agreement is not affected) the terms of the Amended Intercreditor Agreement shall prevail; and

d) in the event of a conflict between the terms of this Agreement and any Debt Document other than the New Facilities Agreement or the Amended Intercreditor Agreement, then the terms of this Agreement shall prevail.

2 Confirmation

As of the Effective Date, each of the Pledgors confirms for the benefit of the Security Agent and the other Pledgees that the Pledge and other security interests granted in connection with and pursuant to the terms of the Share Pledge Agreement are and continue in full force and effect and hereafter shall continue to secure the Secured Obligations under and as defined in the Share Pledge Agreement (which includes, *inter alia,* all obligations owed by the Debtor in relation to the New Facilities Agreement and the Amended Intercreditor Agreement).

Furthermore, each of the Pledgors confirms as of the Effective Date for the benefit of the Security Agent and the other Pledgees that the Plegde and other security interests granted in connection with and pursuant to the terms of the Share Pledge Agreement shall, for the avoidance of doubt, also secure the obligations owed by the Debtor or Security Provider (as applicable) from time to time to any Facilities Agreement Creditor, any Refinancing Creditor and any Additional Notes Creditor, each as defined in the Amended Intercreditor Agreement.

For the avoidance of doubt, each party hereby confirms that this Agreement shall not and does not cause a novation (*keine Novation*) of any of the rights or obligations of any party under the Share Pledge Agreement.

The Pledgors further agree and confirm that for the benefit of the Security Agent as of the Effective Date all references in the Share Pledge Agreement:

a) to the "Facilities Agreement" are references to the New Facilities Agreement;

b) all references to the "Intercreditor Agrement" are references to the Amended Intercreditor Agreement.

3 Credit Facility Document and Security Document

The parties agree that this Agreement is a Debt Document, Finance Document and a Transaction Security Document.

4 Contractual Recognition of Bail-in

Notwithstanding any other term of this Agreement or any other agreement, arrangement or understanding between the Parties, the Pledgors acknowledge and accept that any liability of the Security Agent and/or any Secured Party under or in connection with this Agreement may be subject to Bail-in Action by the relevant Resolution Authority and acknowledge and accept to be bound by the effect of:

a) any Bail-in Action in relation to any such liability, including (without limitation):

(i) a reduction, in full or in part, in the principal amount, or outstanding amount due (including any accrued but unpaid interest) in respect of any such liability;

(ii) a conversion of all, or part of, any such liability into shares or other instruments of ownership that may be issued to, or conferred on, them; and

(iii) a cancellation of any such liability; and

b) a variation of any term of any Debt Document to the extent necessary to give effect to any Bail-in Action in relation to any such liability.

The Pledgors further agree that upon the taking of any Bail-In Action by a relevant Resolution Authority, any liability of the Security Agent and/or any Secured Party to the Pledgors under this Agreement shall, as a matter of contract as between the Parties, be reduced, converted, cancelled, or suspended (and that any term of this Agreement shall be varied) in such manner as it is expressed to be pursuant to such Bail-In Action.

5 Waivers and Amendments

a) No failure on the part of the Security Agent to exercise, or delay on its part in exercising any right under this Agreement or the Share Pledge Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of a right under this Agreement or the Share Pledge Agreement preclude any further or other exercise of that or any other right under the Debt Documents.

b) Any amendment or waiver of this Agreement or any provision of this Agreement shall only be binding if agreed in writing by the parties hereto.

6 Severability

If any provision of this Agreement is or becomes illegal, invalid or unenforceable in any jurisdiction, this shall not affect or impair (i) the validity or enforceability in that jurisdiction of any other provision of this Agreement or (ii) the validity or enforceability in any other jurisdiction of that or any other provision of this Agreement. The illegal, invalid or unenforceable provision shall be replaced by a legal, valid and enforceable provision which approximates as closely as possible to the economic purpose of the illegal, invalid or unenforceable provision. The same shall apply mutatis mutandis in case of omissions.

7 Counterparts

This Agreement may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument.

8 Law and Jurisdiction

a) This Agreement shall in all respects, including all the rights *in rem* aspects, be governed by, and construed in accordance with, the substantive laws of Switzerland (under the exclusion of the conflict of law rules, including the Swiss Federal Statute on Private International Law of 18 December 1987, as amended).

b) Each party submits to the exclusive jurisdiction of the ordinary courts of the city of Zurich (*ordentliche Gerichte der Stadt Zürich*), Switzerland, venue being Zurich 1 (and if permitted to the Commercial Court of the Canton of Zurich (*Handelsgericht des Kantons Zürich*)), with the right to appeal to the Swiss Federal Court (*Schweizerisches Bundesgericht*) in Lausanne as provided by law, whose judgment shall be final, for all purposes relating to this Agreement. The Security Agent and each of the other Pledgees reserve the right to bring an action against the Pledgors at each of the Pledgors' place of domicile or before any other competent court, in which case Swiss law shall nevertheless be applicable as provided in Article 7a) above.

Signatures on next page

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

/s/ Francisco Javier Garcia Ruiz De Morales
Name: Francisco Javier Garcia Ruiz De Morales
Title: Attorney in Fact

CEMEX México, S.A. de C.V.

/s/ Francisco Javier Garcia Ruiz De Morales
Name: Francisco Javier Garcia Ruiz De Morales
Title: Attorney in Fact

Interamerican Investments, Inc.

/s/ Patricio Trevino Garza
Name: Patricio Trevino Garza
Title: Attorney in Fact

Empresas Tolteca de México, S.A. de C.V.

/s/ Francisco Javier Garcia Ruiz De Morales
Name: Francisco Javier Garcia Ruiz De Morales
Title: Attorney in Fact

Wilmington Trust (London) Limited

as Pledgee and Security Agent acting for itself (including as creditor of the Parallel Debt Obligations) and as direct representative (*direkter Stellvertreter*) in the name and for the account of all other Pledgees

/s/ Keith Reader
Name: Keith Reader
Title: Authorised Signatory

Exhibit 4.8.3

EXECUTION

Share Pledge Agreement

dated 19 July 2017

between **CEMEX S.A.B. de C.V.**

Av Constitución 444 Pte. Col., Centro, C.P. 64000, Monterrey, N.L. Mexico

hereinafter: the "**Pledgor**"

and **Wilmington Trust (London) Limited**

1 Kings Arms Yard
Third Floor
London EC2R 7AF
United Kingdom

acting in its capacity as security agent and acting in the name and for the account of the Pledgees (as defined herein)

hereinafter: the **"Security Agent"**

concerning 8,424,037 shares of CEMEX TRADEMARKS HOLDING Ltd., a company incorporated under the laws of Switzerland, having its registered office at Römerstrasse 13, 2555 Brügg bei Biel, Switzerland (the "**Company**"**)**

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List of Annexes

Annex 1 Details of Existing Shares

Whereas

A) The Pledgor as Borrower, the subsidiaries of the Borrower (including the Company) listed in Part I of Schedule 1 thereto as Original Guarantors and Original Security Providers, BNP Paribas Securities Corp., Citigroup Global Markets Inc. and Merrill Lynch, Pierce, Fenner & Smith Incorporated, among others, as Arrangers, the financial institutions listed in Part II of Schedule 1 thereto as Original Lenders, Citibank Europe PLC, UK Branch as Agent and Wilmington Trust (London) Limited as Security Agent entered into a facilities agreement dated on or about the date hereof (each term as defined therein unless defined otherwise herein) (the "**Facilities Agreement**").

B) The Pledgor and certain of its subsidiaries as Original Borrowers, Original Guarantors and Original Security Providers (including the Company), the Original Creditors, Citibank Europe PLC, UK Branch (formerly Citibank International plc) as Agent and Wilmington Trust (London) Limited as Security Agent, among others, entered into an intercreditor agreement dated 17 September 2012 as amended as amended on 31 October 2014 and 23 July 2015 (the "**Original Intercreditor Agreement**").

C) On or about the date hereof, the Pledgor as the Parent, the subsidiaries of the Parent listed in Part I and Part II of Schedule 1 thereto as Debtors, the subsidiaries of the Parent (including the Company) listed in Part III of Schedule 1 thereto as Security Providers, the intra-group lenders, Citibank Europe PLC, UK Branch as Facility Agent and Wilmington Trust (London) Limited as Security Agent entered into an amendment and restatement deed in relation to the Original Intercreditor Agreement (the "**Amendment and Restatement Deed**", and the Original Intercreditor Agreement as amended and restated by the Amendment and Restatement Deed, the "**Intercreditor Agreement**").

D) As of the date hereof, the Company has an issued share capital of CHF 1,947,382,051.00, divided into 1,947,382,051 freely transferable registered shares *(Namenaktien)* with a par value of CHF 1 each which are owned by the Pledgor, CEMEX México S.A. de C.V., Interamerican Investments, Inc. and Empresas Tolteca de México, S.A. de C.V. 1,938,958,014 of such shares (representing approximately 99.57% of the issued share capital of the Company) are pledged under a share pledge agreement dated 17 September 2012, as confirmed and (with respect of clauses 13.1 and 13.2 thereof) amended on 23 July 2015 and re-confirmed on 17 March 2016 as well as on the date hereof (the "**2012 Share Pledge Agreement**").

E) In order to provide further security in accordance with the Facilities Agreement and the Intercreditor Agreement, the Pledgor herewith wishes to pledge the remaining 8,424,037 registered shares with a nominal value of CHF 1 in the Company each held by the Pledgor (representing 0.4326% of the issued share capital of the Company) in favor of each of the Pledgees.

F) The Security Agent has been duly appointed under the Facilities Agreement and the Intercreditor Agreement, to act as security agent and shall act in its capacity as security agent and in the name and for the account of the Pledgees in connection with the execution, delivery and performance of this Agreement and shall exercise the rights of the Pledgees arising hereunder as their direct representative (*direkter Stellvertreter*).

Now, therefore, the Parties hereto agree as follows:

1 Definitions and Construction

Unless defined otherwise hereinafter and except to the extent that the context requires otherwise, capitalized terms used in this Agreement shall have the meanings assigned to them in the Facilities Agreement or Intercreditor Agreement.

2012 Share Pledge Agreement	has the meaning given to it in Recital D) of this Agreement.
Agreement	means this share pledge agreement.
Amendment and Restatement Deed	has the meaning given to it in Recital C) of this Agreement.
Annex	means an annex to this Agreement.
Article	means an article of this Agreement.
Bail-in Action	means the exercise of any Write-down and Conversion Powers.
Bail-in Legislation	means a) in relation to an EEA Member Country which has implemented, or which at any time implements, Article 55 of Directive 2014/59/EU establishing a framework for the recovery and resolution of credit institutions and investment firms, the relevant implementing law or regulation as described in the EU Bail-in Legislation Schedule from time to time; and b) in relation to any other state, any analogous law or regulation from time to time which requires contractual recognition of any Write-down and Conversion Powers contained in that

law or regulation.

CO	means the Swiss Code of Obligations (*Schweizerisches Obligationenrecht, OR*).
Company	shall have the meaning given to it on the cover page of this Agreement.
DEBA	means the Swiss Federal Debt Enforcement and Bankruptcy Act (*Bundesgesetz über Schuldbetreibung und Konkurs, SchKG*).
Dividends	means all dividend payments by the Company in respect of the Shares whether in cash or in the form of Shares or Participation Rights or in any other form.
EEA Member Country	means any member state of the European Union, Iceland, Liechtenstein and Norway;
EU Bail-in Legislation Schedule	means the document described as such and published by the loan market association (or any successor person) from time to time.
Enforcement Event	shall have the meaning set forth in the Intercreditor Agreement.
Event of Default	shall have the meaning set forth in the Facilities Agreement.
Existing Shares	means 8,424,037 fully paid registered shares (*Namenaktien*) of the Company with a par value of CHF 1 each (being, for the avoidance of doubt, all shares in the Company that have not been pledged pursuant to the 2012 Share Pledge Agreement), all held by the Pledgor as of the date of this Agreement, together with all Related Rights.
Facilities Agreement	shall have the meaning set forth in Recital A) of this Agreement.
Future Shares	means any shares or Participation Rights issued to the Pledgor in addition to or in exchange for or as a surrogate for the Existing Shares by the Company in whatever nominal value, which the Pledgor may acquire by way of subscription or otherwise subsequent to the date of this Agreement, together with all Related Rights.

Instructing Group	shall have the meaning set forth in the Intercreditor Agreement.
Intercreditor Agreement	shall have the meaning set forth in Recital C) of this Agreement.
Intrinsic Value	has the meaning given to it in Article 8.
Missing Share Certificate	means share certificate no. 1 representing 8,424,037 registered shares in the Company pertaining to which the Pledgor has filed a request for cancellation with the district court of Berner Jura-Seeland (*Regionalgericht Berner Jura-Seeland*).
Original Intercreditor Agreement	has the meaning given to it in Recital B) of this Agreement.
Participation Rights	means participation certificates (*Partizipationsscheine*) and profit sharing certificates (*Genussscheine*) within the meaning of articles 656a et seq. and articles 657 CO of the Company to be issued in the future.
Party	means any party of this Agreement.
Pledge	shall have the meaning set forth in Article 2.1.
Pledgees	means the Secured Parties from time to time.
Related Rights	means, in relation to the Shares, all Dividends, interest and other distributions paid or payable after the date hereof, i.e., whether in cash or in kind and all shares, securities (including any convertible debt instruments, warrants and the dividends, interest and other distributions thereon), rights, money and property accruing or offered at any time by way of redemption, bonus, preference, option rights or otherwise to or in respect of any of the Shares, including any present or future right to purchase, subscribe or otherwise have shares issued in the Company, or in substitution or exchange for any of the Shares and any and all administrative and financial rights related to the Shares, including but not limited to, voting rights and rights to dividend in respect of the Shares.
Release Date	means the date on which the Transaction Security

shall be released pursuant to clause 9.2 of the Intercreditor Agreement.

Resolution Authority means any body which has authority to exercise any Write-down and Conversion Powers;

Secured Obligations means all the Liabilities and all other present and future obligations at any time due, owing or incurred by any member of the Group and by each Debtor (and, to the extent applicable in relation to the Transaction Security granted by it, each Security Provider) to any Secured Party under the Debt Documents, both actual and contingent and whether incurred solely or jointly and as principal or surety or in any other capacity including the obligations set out in Clause 11.2 (*Finance Parallel Debt (Covenant to pay the Security Agent)*) and Clause 11.3 (*Notes Parallel Debt (Covenant to pay the Security Agent)*) of the Intercreditor Agreement.

Shares means the Existing Shares and any Future Shares collectively.

Subscription Right means the Pledgor's preemptive rights (*Bezugsrechte*) and the advance subscription rights (*Vorwegzeichnungsrechte*) in connection with the issuance of Shares or Participation Rights, or the creation of authorized or conditional share capital by the Company.

Write-down and Conversion Powers means

a) in relation to any Bail-in Legislation described in the EU Bail-in Legislation Schedule from time to time, the powers described as such in relation to that Bail-in Legislation in the EU Bail-in Legislation Schedule;

b) in relation to any other applicable Bail-in Legislation:

(i) any powers under that Bail-in Legislation to cancel, transfer or dilute shares issued by a person that is a bank or investment firm or other financial institution or affiliate of a bank, investment firm or other financial institution, to cancel, reduce,

modify or change the form of a liability of such a person 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; and

any similar or analogous powers under that Bail-in Legislation.

2 Pledge of Shares

2.1 Undertaking of Pledge

The Pledgor hereby agrees to pledge and hereby pledges to each Pledgee (for this purpose being represented by the Security Agent) individually all Shares, Subscription Rights and Related Rights (free and clear of any pledges, liens, rights of set-off or other third party rights of any nature) as a first ranking security (the **"Pledge").**

The Pledge shall serve as a first ranking security to each of the Pledgees for the Secured Obligations.

2.2 Perfection of the Pledge

The Pledgor shall perfect the Pledge by delivering to the Security Agent the originals of the share certificate (as set out in subparagraph a) of paragraph 2 of Article 3 below) representing the Shares and the Security Agent shall accept the Pledge as a first ranking security to secure the Secured Obligations and agrees to take possession *(Besitz)* over the original certificates representing the Shares to obtain the Pledge *(Pfandrecht)*.

3 Delivery of Documents

On the date hereof, the Pledgor shall deliver to the Security Agent the following documents:

a) a PDF copy, certified by a Mexican notary public, of the by-laws *(estatutos sociales)* in effect of the the Pledgor;

b) in relation to the Pledgor, a PDF copy of the power-of-attorney, with authority for acts of domain *(actos de dominio),* for the officers, of the Pledgor wherein the entry into this Agreement and the granting of the Pledge as provided for hereunder is duly approved; and

c) a PDF copy of the resolution of the board of directors of the Company (i) acknowledging and agreeing with the terms and conditions of, and the granting of the Pledge over the Shares, Subscription Rights and Related Rights pursuant to this Agreement, (ii) approving the registration of the Pledge of the Shares in the share register *(Aktienbuch)* of the Company, (iii) approving in advance the registration in the share register of the Company of any future acquired such Shares in connection with the enforcement of the security created under this Agreement in accordance with Clause 8 *(Realization of the Pledge);* and (iv) consenting to and approving the assignment of future subscription rights to the Security Agent pursuant to this Agreement;

On the date of the issuance by the Company of the new share certificate representing the Existing Shares:

a) the original of such share certificate representing the Existing Shares as specified in Annex 1, duly endorsed in blank;

b) a copy of the declaration of the cancellation of the Missing Share Certificate as issued by the district court of Berner Jura-Seeland *(Regionalgericht Berner Jura-Seeland);*

c) a PDF copy of the share register *(Aktienbuch)* of the Company evidencing that (i) the Pledgor is registered as shareholders with voting rights with respect to the Existing Shares and (ii) the Shares are pledged to the Pledgees according to this Agreement.

For so long as the Pledge shall remain in effect, the Pledgor shall continue to be registered as a shareholder with voting rights in the share register of the Company with respect to the Existing Shares. Upon the occurrence of an Enforcement Event, the Security Agent shall, following receipt of express written instructions from the Instructing Group or otherwise in accordance with the terms of the Intercreditor Agreement, be entitled, but not obligated, to exercise the voting rights in accordance with Article 5.3.

4 Transfer of Future Shares

The Pledgor shall, and shall procure (or the Security Agent on its behalf) that the Company will, promptly upon the accrual, offer or issue of any Future Shares duly transfer to the Security Agent all share certificates and other documents representing such Future Shares, in the case of registered shares, by share certificates duly endorsed in blank.

5 Shareholder Rights

5.1 Subscription Rights

As long as no Enforcement Event has occurred, the right to exercise the pledged Subscription Rights shall remain with the Pledgor, provided, however, that all Shares, Participation Rights and other rights and interests acquired by the Pledgor upon exercise of Subscription Rights shall be pledged pursuant to Article 2.1 and all share certificates and other documents representing such Shares, Participation Rights and other rights and interests shall be transferred to the Security Agent pursuant to Article 3.

In case the Pledgor does not intend to exercise any Subscription Rights, the Pledgor herewith agrees to assign and herewith assigns such Subscription Rights free of charge to the Security Agent and the Security Agent shall be entitled, but not obliged, to exercise such Subscription Rights. For that purpose, the Pledgor shall promptly do all acts and things and permit all acts and things to be done which are necessary for the Security Agent to exercise such Subscription Rights (for the avoidance of doubt, not including the payment of the subscription price).

The Pledgor shall notify the Security Agent, in writing, promptly of any grant of Subscription Rights and the Pledgor undertakes to notify the Security Agent of any intention not to exercise Subscription Rights not less than 20 Business Days prior to expiration of the right to exercise such Subscription Rights.

Upon the occurrence of an Enforcement Event, the Security Agent shall be entitled, but not obligated, to exercise the Subscription Rights. For that purpose, the Pledgor shall promptly do all acts and things (for the avoidance of doubt, not including the payment of the subscription price) and permit all acts and things to be done which are necessary for the Security Agent to exercise the Subscription Rights.

5.2 Dividends

As long as no Enforcement Event has occurred, the Pledgor shall be entitled to receive and retain all Dividends.

Upon the occurrence of an Enforcement Event, the Security Agent shall be entitled to receive and retain all Dividends. For that purpose, the Pledgor shall promptly (i) pay any moneys subsequently distributed and received by the Pledgor as Dividends (net of any tax) in respect of the Shares to the Security Agent and (ii), to the extent permitted by law, do all acts and things and permit all acts and things to be done which are necessary to enable the Security Agent to collect such Dividends directly from the Company; dividends in the form of Shares or Participation Rights shall be deemed Future Shares and be subject to Article 4.

5.3 Voting Rights

As long as no Enforcement Event has occurred, all voting rights in the Shares shall remain with the Pledgor.

When exercising (or failing to exercise) the voting rights in the Shares, the Pledgor shall act:

d) in a manner that is not inconsistent with the Facilities Agreement, the Intercreditor Agreement, this Agreement (in particular Article 7) and any other Debt Document; and

e) in a manner that would not intentionally be prejudicial to the validity and enforceability of the Pledge or cause an Event of Default or Enforcement Event to occur.

Upon the occurrence of an Enforcement Event, the Security Agent shall have the right (but not the obligation) to exercise the voting rights in the Shares after obtaining express written instructions from the Instructing Group or otherwise in accordance with the terms of the Intercreditor Agreement at its discretion. For that purpose, the Pledgor shall promptly (i) execute any and all proxies in favor of the Security Agent or any person designated by the Security Agent and (ii) do all acts and things and permit all acts and things to be done which are necessary for the Security Agent or the person designated by the Security Agent to exercise its voting rights in the Shares.

6 Representations and Warranties

The Pledgor hereby represents and warrants to the Pledgees that as of the date of this Agreement:

a) the documents to be delivered under Article 3 are accurate, complete and up-to-date;

b) the resolutions referred to in Article 3c) have been duly passed in meetings duly convened or by circular resolutions duly taken, accurately reflect the resolutions and other matters reflected therein and are in full force and effect and have not been revoked or amended;

c) it is a company, duly formed and validly existing pursuant to the laws of the United Mexican States;

d) its representative is duly authorized to enter into this Agreement, which authority has not been revoked or modified in any manner whatsoever;

e) the execution of, and performance of its obligations under, this Agreement by the Pledgor has been duly authorized by all necessary corporate action on behalf of the Pledgor;

f) the execution of, and performance of its obligations under, this Agreement by the Pledgor does not contravene or violate any Mexican or Swiss law, authorization or order applicable to the Pledgor in any material respect;

g) no shareholders' meeting or board meeting of the Company or the Pledgor has been held in which resolutions were passed or approved that could negatively affect the security interest created under this Agreement or any other right of the Pledgees under this Agreement;

h) no authorization, approval or other action by, and no notice to or filing with, any governmental authority or regulatory body is required (i) for the pledge of the Shares pursuant hereto or for the execution, delivery or performance of this Agreement by it, (ii) for the perfection or maintenance of the pledge created hereby (including the first priority nature of such pledge) or (iii) for the exercise by the Security Agent or the Pledgees of its/their rights provided for in this Agreement or the remedies in respect of the Shares pursuant to this Agreement,

i) the Existing Shares set forth in Annex 1 are duly and validly issued by the Company, are fully paid and constitute approximately 0.4326% of the issued and outstanding shares of the Company;

j) the Pledgor is the sole legal and beneficial owner of its portion of the Existing Shares as set forth in Annex 1, which are free and clear of any pledges, liens, encumbrances, or other interests or third party rights of any nature other than the Pledge created hereunder;

k) the Company has not created any authorized or conditional share capital or granted any options for the acquisition of Shares;

l) this Agreement (i) constitutes legal and valid obligations binding on the Pledgor, (ii) is, subject to the original of the share certificate representing the Existing Shares yet to be transferred to the Security Agent on the date of issuance of such share certificate, an effective and perfected first ranking security over the Existing Shares securing the Secured Obligations, and (iii) is enforceable against any of the Pledgor in accordance with its terms;

m) acknowledges and understands that the Security Agent appears in its capacity as security agent, acting in the name and for the account of the Pledgees, in accordance with the terms of the Debt Documents; and

n) acknowledges and understands the terms of the Debt Documents, as well as the amounts due and payable to the Secured Parties under the Debt Documents by it and the other Obligors (as such term is defined in the

Facilities Agreement), and agrees that the pledge created hereunder secures, among others, the payment of such amounts.

The representations and warranties set out in this Article 6 are made as per the date of this Agreement and are deemed to be repeated by the Pledgor at the date of issuance, and transfer to the Security Agent, of the new share certificate representing the Existing Shares in accordance with Article 3c).

7 Undertakings

The Pledgor hereby undertakes not to enter into any legal instrument relating to, or granting any pledge, lien, encumbrance, or other interest or third party right over the Shares.

In addition, except in accordance with the terms of the Facilities Agreement and any other Debt Document and for as long as the Pledge remains in effect, the Pledgor hereby undertakes:

a) not to dispose of, transfer or assign the Shares or take any other action with respect to the Shares (other than in accordance with the Facilities Agreement) that would jeopardize (i) any rights of the Pledgees under this Agreement or any other Debt Document or (ii) the validity and enforceability of the Pledge;

b) not to revoke or amend the board resolution referred to in Article 3c);

c) not to vote in favor of any resolution with regard to the Company whereby:

(i) the Existing Shares would be modified or altered; or

(ii) the transferability of the Shares would be restricted in any way;

d) to validly issue the new share certificate representing the Existing Shares within 10 Business Days from the date of declaration by the competent Swiss court of the cancellation of the Missing Share Certificate and to deliver such newly issued share certificate, duly endorsed in blank, in a manner that ensures confirmation of receipt by the Security Agent, being understood that the Pledge will not be considered perfected without confirmation of receipt by the Security Agent.

e) to promptly inform the Security Agent, in writing, (i) if a third party claims or pretends to own any of the Shares and (ii) of all circumstances concerning the Company which might materially adversely affect the validity or enforceability of the Pledge;

f) to enter into and to procure the perfection of additional pledge agreements (at its own cost and expense), if and to the extent that a pledge of certain

Related Rights requires, as a matter of law, the execution and perfection of a specific pledge agreement for such Related Rights;

g) to do all acts and things necessary (at its own cost and expense) in case of a realization of the Pledge, and procure that any acts and things be done (at its own cost and expense) to properly effect any transfer of the Shares to a new owner, free of any pledge, lien, encumbrance, or other interest or third party right of any nature on any of the Shares so transferred and, in the case of registered shares, to procure that the board of directors of the respective Company register such new owner as new shareholder of the Company with voting rights; and

h) to promptly execute such further documents and do such further acts (at its own cost and expense) which the Pledgees may reasonably require for the purpose of the creation, perfection, protection and realization of the Pledge.

8 Realization of Pledge

Upon the occurrence of an Enforcement Event and subject to the Intercreditor Agreement, the Security Agent shall, after obtaining express written instructions from the Instructing Group or otherwise in accordance with the terms of the Intercreditor Agreement, have the right, but not the obligation, to enforce the Pledge created pursuant to this Agreement, by liquidation of the Shares in full or in part through an auction or a private sale (*Private Verwertung*) or acquisition of the Shares for the Security Agent's or any other Pledgee's account (*Selbsteintritt*), in each case without having to initiate proceedings under, and without regard to the formalities provided in, the DEBA and, to the extent legally permissible, without the need to give prior notice to the Pledgor.

In case of an acquisition of the Shares for the Security Agent's or any other Pledgee's account (*Selbsteintritt*), such acquisition shall be done at the "intrinsic value" (*innerer Wert*) of the Shares (the "**Intrinsic Value**"). If the Pledgor and the Security Agent do not reach an agreement on the Intrinsic Value within 10 Business Days from the date of the Security Agent's first proposal, the Intrinsic Value shall be determined by an independent expert (*Schiedsgutachter*) to be mutually appointed by the relevant parties. The expert's determination of the Intrinsic Value shall be final. If the relevant parties cannot, within 10 Business Days from the date of the Security Agent's first proposal, agree on the expert to be appointed, the independent expert shall be appointed by the president of the *"TREUHANDKAMMER Schweizerische Kammer der Wirtschaftsprüfer und Steuerexperten"* Zurich, Switzerland.

Upon the occurrence of an Enforcement Event, the Security Agent shall, after obtaining express written instructions from the Instructing Group or otherwise in accordance with the terms of the Intercreditor Agreement, have full discretion as to manner, time and place of enforcement of the Pledge. The Pledgor shall

co-operate and render (at its own cost and expense) all assistance, which the Security Agent considers necessary, in order to facilitate the enforcement of the Pledge.

Any money received or realized by the Security Agent from any enforcement of the Pledge shall be paid or applied in the order set out in clause 10 (Application of Proceeds) of the Intercreditor Agreement.

Notwithstanding the foregoing and notwithstanding the provision of article 41 DEBA, the Security Agent shall be entitled to institute or pursue the enforcement of the Secured Obligations pursuant to regular debt enforcement proceedings without having first to institute proceedings for the realization of any security interest created to secure the Secured Obligations (*Ausschluss des beneficium excussionis realis*). The Parties agree in advance that a sale according to article 130 DEBA (*Freihandverkauf*) shall be admissible.

9 Release of Pledge

The Pledge shall be automatically (a) terminated and cancelled and (b) the Shares or, in case of realization of the Shares, the remainder thereof, shall be released and returned to the Pledgor at their own cost and expense, at the earlier of (i) the day on which all Secured Obligations have been discharged in full and the Security Agent is satisfied (having been instructed in accordance with the terms of the Intercreditor Agreement) that no further Secured Obligations are capable of arising and no amount paid to discharge the Secured Obligations is capable of being avoided or reduced in bankruptcy, insolvency or similar laws or (ii) the Release Date.

10 Position of the Security Agent

The Security Agent has been duly appointed by each of the Pledgees under the Facilities Agreement and the Intercreditor Agreement (in particular clause 11) to act as security agent. The Security Agent shall act, for the purpose of this Agreement, in its capacity as security agent in the name and for the account of the Pledgees and is authorised to exercise the rights, powers, authorities and discretions specifically given to the Security Agent under or in connection with this Agreement together with any other incidental rights, powers, authorities and discretions as direct representative (*direkter Stellvertreter*) of the Pledgees. The Pledgor acknowledges such rights and powers and acknowledge in particular clause 11.5 of the Intercreditor Agreement (*No independent power*).

The Security Agent performs this Agreement and exercises the rights of the Pledgees arising hereunder, as direct representative (*direkter Stellvertreter*) of each of the Pledgees. Any action with respect to this Agreement taken by the Security Agent shall be construed as binding upon each of the Pledgees.

The Security Agent shall not, whether by virtue of this Agreement or by exercising any of its rights thereunder, owe any duty of care or fiduciary duty to the Pledgor or the Company.

The permissive rights of the Security Agent to take action under this Agreement shall not be construed an obligation or duty for it to do so.

Provided it complies with its obligations in this Agreement, the Security Agent is not required to have any regard to the interests of the Company.

In acting as Security Agent, the Security Agent shall be treated as acting through its agency division which shall be treated as a separate entity from its other divisions and departments. Any information received or acquired by the Security Agent which is received or acquired by some other division or department or otherwise than in its capacity as Security Agent may be treated as confidential by the Security Agent and will not be treated as information possessed by the Security Agent in its capacity as such.

In acting or otherwise exercising its rights or performing its duties under any of this Agreement, the Security Agent shall act in accordance with the provisions of the Intercreditor Agreement and shall, when required to grant a consent, exercise a discretion or power, take or omit to take any action, act pursuant to any instruction or direction from the Instructing Group or Administrative Agent (as applicable and as provided in the Intercreditor Agreement). In so acting, the Security Agent shall have the rights, benefits, protections, indemnities and immunities set out in the Intercreditor Agreement as if those provisions were set out in this Agreement, mutatis mutandis, and shall not incur any liability to the Pledgor, the Company or to any other Person.

The provisions of this Clause 10 shall survive any termination of this Agreement.

11 Transfer of Rights and Obligations

The Pledgor may only transfer rights or obligations arising under this Agreement to third parties with the prior written consent of the Security Agent.

Each Finance Party and each Refinancing Party (as defined in the Intercreditor Agreement) which has become a party to a Debt Document after the date of this Agreement in accordance with the Debt Documents shall automatically become a party to this Agreement (*Vertragspartei*) (through the representation of the Security Agent), and thereby assume all rights and obligations of a Pledgee and the Pledgor explicitly consents to such Finance Party becoming a party to this Agreement (*Vertragspartei*), and thereby assuming all rights and obligations of a Pledgee.

Each Noteholder and Noteholder Trustee (as each such term is defined in the Intercreditor Agreement) shall have the benefit of the security created hereby in accordance with the terms of the Intercreditor Agreement.

12 Indemnification

The Security Agent and each Pledgee shall not be liable for any loss or damage suffered by the Pledgor save in respect of such loss or damage which is suffered as a result of the wilful misconduct (*Absicht*) or gross negligence (*grobe Fahrlässigkeit*) of a Pledgee or the Security Agent. Notwithstanding anything to the contrary herein, any liability of each of the Pledgees towards the Pledgor under this Agreement shall not be joint and several (*nicht solidarisch*) but separate and independent.

13 General Provisions

13.1 Costs and Expenses

With respect to costs and expenses, Clause 17 (*Costs and Expenses*) of the Facilities Agreement shall apply and the provisions thereof are incorporated herein by reference (with such conforming changes as necessary for interpretation being deemed to be made for the purposes of this Agreement).

13.2 Notices

All notices or other communications to be given under or in connection with the Agreement shall be made pursuant to, and in accordance with, the provisions of the Finance Documents, in particular clause 34 (*Notices*) of the Facilities Agreement and clause 18 (*Notices*) of the Intercreditor Agreement.

13.3 Entire Agreement

This Agreement, including Annex 1 and any other documents referred to herein, constitutes the entire agreement and understanding among the Parties with respect to the subject matter hereof, and shall supersede all prior oral and written agreements or understandings of the parties relating hereto. All references to this Agreement shall be deemed to include Annex 1 hereto.

13.4 Amendments and Waivers

This Agreement may only be amended or any provision thereof waived in accordance with the provisions of clause 20.2 (*Amendments and Waivers: Transaction Security Documents*) of the Intercreditor Agreement and by a document signed by all Parties or, in case of a waiver of any provision, by a document signed by the Party waiving such provision.

13.5 Severability

Should any part or provision of this Agreement be held to be invalid or unenforceable by any competent arbitral tribunal, court, governmental or administrative authority having jurisdiction, the other provisions of this Agreement shall nonetheless remain valid. In this case, the Parties shall endeavor to negotiate a substitute provision that best reflects the economic intentions of the Parties without being unenforceable, and shall execute all agreements and documents required in this connection.

13.6 Remedies Cumulative

No failure or delay on the part of the Security Agent to exercise any power, right or remedy hereunder operates as a waiver thereof, nor shall any single or any partial exercise of any power, right or remedy preclude its further exercise or the exercise of any other power, right or remedy.

13.7 Continuing Security

This Agreement shall create a continuing security and no change or amendment whatsoever in any of the Debt Documents or any document or agreement relating thereto shall affect the validity of the Pledge or the obligations which are imposed on the Pledgor pursuant to it.

13.8 Contractual Recognition of Bail-in

Notwithstanding any other term of this Agreement or any other agreement, arrangement or understanding between the Parties, the Pledgor acknowledges and accepts that any liability of the Security Agent and/or any Secured Party under or in connection with this Agreement may be subject to Bail-in Action by the relevant Resolution Authority and acknowledges and accepts to be bound by the effect of:

a) any Bail-in Action in relation to any such liability, including (without limitation):

   (i) a reduction, in full or in part, in the principal amount, or outstanding amount due (including any accrued but unpaid interest) in respect of any such liability;

   (ii) a conversion of all, or part of, any such liability into shares or other instruments of ownership that may be issued to, or conferred on, them; and

   (iii) a cancellation of any such liability; and

b) a variation of any term of any Debt Document to the extent necessary to give effect to any Bail-in Action in relation to any such liability.

The Pledgor further agree that upon the taking of any Bail-In Action by a relevant Resolution Authority, any liability of the Security Agent and/or any Secured Party to the Pledgor under this Agreement shall, as a matter of contract as between the Parties, be reduced, converted, cancelled, or suspended (and that any term of this Agreement shall be varied) in such manner as it is expressed to be pursuant to such Bail-In Action.

14 Governing Law and Jurisdiction

14.1 Governing Law

This Agreement (including matters as to the transfer of possession of any share certificates representing the Shares) shall be governed by and construed in accordance with the substantive laws of Switzerland (under the exclusion of the conflict of law rules of the Swiss International Private Law).

14.2 Jurisdiction

All disputes arising out of or in connection with this Agreement, including disputes on its conclusion, binding effect, amendment and termination, shall be resolved exclusively by the Courts of the City of Zurich, Switzerland, and shall, if possible, be adjudicated by the Commercial Court of the Canton of Zurich (*Handelsgericht des Kantons Zürich*), Switzerland.

The Security Agent and the other Pledgees in addition have the right to institute legal proceedings against each of the Pledgor at any other competent court, in which case Swiss law shall nevertheless be applicable as provided in Article 14.1.

The Pledgor elects the domicile of the Company, Römerstrasse 13, 2555 Brügg BE, Switzerland, as its special domicile pursuant to article 50 paragraph 2 of DEBA.

Signatures on next page

Signatures

Monterrey, N.L. México, this 19 July 2017

for and on behalf of
CEMEX S.A.B. de C.V.

/s/ Francisco Javier Garcia Ruiz De Morales
Name: Francisco Javier Garcia Ruiz De Morales
Title: Attorney in Fact

Wilmington Trust (London) Limited, acting in its capacity as Security Agent and acting in the name and for the account of the Pledgees:

/s/ Keith Reader
Name: Keith Reader
Title: Authorised Signatory

Annex 1

Details of Existing Shares

Shareholder	Share Issuer	Type of Share	Certificate Number	Number of Shares	Par value of each Share
CEMEX TRADEMARKS HOLDING Ltd.	CEMEX	Registered Shares	1	8,424,037	CHF 1
Total				**8,424,037**	

C L I F F O R D
C H A N C E

NEW SUNWARD HOLDING B.V.

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

como Pignorantes / as Pledgors

CEMEX ESPAÑA, S.A.

como Sociedad / as Company

WILMINGTON TRUST (LONDON) LIMITED

como Agente de Garantías / as Security Agent

BANCO BILBAO VIZCAYA ARGENTARIA, S.A.

como Depositario /as Custodian

y / and

las Partes Garantizadas / the Secured Parties

CONTRATO DE EXTENSIÓN DE PRENDAS DE ACCIONES
(Share Pledges Extension Agreement)

ÍNDICE

En Madrid, a 19 de julio de 2017.

Con la intervención del notario de Madrid D. Antonio Pérez-Coca Crespo.

INTERVIENEN

DE UNA PARTE.

A.I.- NEW SUNWARD HOLDING B.V., sociedad de nacionalidad holandesa, con domicilio social en WTC, Strawinskylaan 1637, Tower B, 16th. Floor, 1077 XX Amsterdam, Paises Bajos, inscrita en la Cámara de Comercio e Industria de Ámsterdam (*Kamer van Koophandel en Fabrieken voor Amsterdam*) con número 34133556 y con número de identificación fiscal N-0032922-G ("**Holding**").

A. 2.- CEMEX, S.A.B. DE C.V., entidad de nacionalidad mexicana, con domicilio social en Ciudad de Monterrey, N.L. (México), en la Avenida Constitución, número 444, Poniente, Zona Centro, inscrita en Registro Federal de Contribuyente con número CEM- 880726-UZA y con número de identificación fiscal N-4121454-E ("**Parent**").

En lo sucesivo, Holding y Parent, conjuntamente, los "**Pignorantes**", y cada uno de ellos, indistintamente, el o un "**Pignorante**".

DE QTRA PARTE,

A. 3.- CEMEX ESPAÑA, S.A., entidad de nacionalidad española, con domicilio social en Hernández de Tejada 1, 28027, Madrid, con número de identificación fiscal A- 46004214 e inscrita en Registro Mercantil de Madrid al Tomo 9.743 y 9.744, página 1 y 166, sección 8, hoja M-156542 ("**Cemex España**" o la "**Sociedad**").

La Sociedad comparece en este acto a los efectos de darse por notificada de las Prendas constituidas en virtud del presente Contrato.

Y DE QTRA PARTE.

B. I.- Las entidades referidas en el **Anexo 1** del presente Contrato (los

In Madrid, on 19 July 2017.

Attested to by Mr. Antonio Pérez-Coca Crespo, Notary Public of Madrid.

APPEAR

ON THE ONE HAND,

A. I.- NEW SUNWARD HOLDING B.V., a company duly incorporated under the laws of The Netherlands, with registered offices at WTC, Strawinskylaan 1637, Tower B, 16th. Floor, 1077 XX Amsterdam, The Netherlands, registered with the Chamber of Commerce and Industries for Amsterdam (*Kamer van Koophandel en Fabrieken voor Amsterdam*) under the number 34133556 and with tax identification number N-0032922-G ("**Holding**").

A. 2.- CEMEX, S.A.B. DE C.V., an entity duly incorporated under the laws of Mexico with registered offices at Ciudad de Monterrey, N.L. (México), Avenida Constitución, 444, Poniente, Zona Centro, registered with the Federal Registry under the number CEM- 880726-UZA and with tax identification number N-4121454-E ("**Parent**").

Hereinafter, Holding and Parent shall be jointly referred to as the "**Pledgors**", and each of them, individually, as a "**Pledgor**".

ON THE OTHER HAND.

A. 3.- CEMEX ESPAÑA, S.A., a company incorporated under the laws of Spain, with registered office at Hernández de Tejada 1, 28027, Madrid (Spain), with Tax Identification Number A-46004214 and registered with the Commercial Registry of Madrid, in volume 9,743 and 9,744, sheet 1 and 166, section 8, page no. M-l56542 ("**Cemex España**" or the "**Company**").

The Company appears in this act for the purposes of acknowledging the granting of the Pledges created by virtue of this Agreement.

AND ON THE OTHER HAND.

B. I.- The entities referred to in **Annex 1** hereto

"**Acreedores**").

B.2.- WILMINGTON TRUST (LONDON) LIMITED, entidad constituida de conformidad con las leyes de Inglaterra y Gales, con domicilio social en Third Floor, 1 King's Arms Yard, Londres EC2R 7AF, inscrita en el Registro de Sociedades con número 05650152 (el "**Agente de Garantias**").

El Agente de Garantias actúa en el presente Contrato en su propio nombre y derecho y, asimismo por cuenta y en beneficio de los Acreedores y de las restantes Partes Garantizadas (tal y como se definen más adelante) en virtud del Contrato de Relación entre Acreedores (tal y como éste se define a continuación).

B.3.- BANCO BILBAO VIZCAYA ARGENTARIA, S.A., entidad de crédito con domicilio en Bilbao, Plaza de San Nicolás número 4, y número de identificación fiscal A-48265169 (el "**Depositario**").

El Depositario comparece a los solos efectos del desplazamiento posesorio de conformidad con lo dispuesto en la cláusula 4.

Las entidades enumeradas anteriormente serán denominadas, conjuntamente, como las "**Partes**".

EXPONEN

I. Que la Sociedad y los Pignorantes forman parte del Grupo CEMEX (el "**Grupo**"), cuya matriz es Parent.

II. Que los Pignorantes son legitimos propietarios de las acciones de Cemex España que se detallan a continuación:

- Holding es titular de 1.320.213.703 acciones de 1,17 euros de valor nominal cada una (las "**Acciones Holding**"), representativas del 99,4847% del capital social de la Sociedad. Las Acciones Holding están libres de cargas y gravámenes de cualquier tipo (salvo por las Prendas (tal y como se define a continuacion)), conforme se acredita en el certificado de legitimacion (el

(the "**Lenders**").

B.2.- WILMINGTON TRUST (LONDON) LIMITED, an entity duly incorporated under the laws of England and Wales with registered offices at Third Floor, 1 King's Arms Yard, London EC2R 7AF, registered with the Companies Home under the number 05650152 (the "**Security Agent**").

The Security Agent acts in this Agreement in its own name and on its own behalf and, in addition for the Lenders, and of the remaining Secured Parties (as defined below) by virtue of the Intercreditor Agreement (as this term is defined below).

B.3.- BANCO BILBAO VIZCAYA ARGENTARIA, S.A., a credit entity with registered offices at Bilbao, Plaza de San Nicolás, 4, Spain, registered with Tax Identification Number A-48265169 (the "**Custodian**").

The Custodian appears in this document for the only purposes of the delivery of the possession, as established in clause 4.

The entities listed above shall be jointly referred to as the "**Parties**".

WHEREAS

I. The Company and the Pledgors are part of the CEMEX Group (the "**Group**"), the parent company of which is Parent.

II. The Pledgors are the legitimate owners of the shares in Cemex España detailed below:

- Holding owns 1,320,213,703 shares of 1.17 euro par value each (the "**Holding Shares**"), which represent 99.4847% of the share capital in the Company. The Shares are free and clear of any lien or encumbrance whatsoever (other than the Pledges (as defined below)), as evidenced by the ownership certificate (*certificado de legitimación*) (the "**Holding Shares Pledges Certificate**")

"**Certificado de Prendas Acciones Holding**") expedido el 14 de julio de 2017 por el Depositario actualmente encargado del registro contable de las Acciones Holding (el "**Registro Acciones Holding**").

- Parent es titular de 2.050.000 acciones de 1,17 euros de valor nominal cada una (las "**Acciones Parent**"), representativas del 0,1545% del capital social de la Sociedad. Las Acciones Parent están libres de cargas y gravámenes de cualquier tipo (salvo por las Prendas (tal y como se define a continuacion)), conforme se acredita en el certificado de legitimación (el "**Certificado de Prendas Acciones Parent**") expedido el 14 de julio de 2017 por el Depositario, entidad actualmente encargada del registro contable de las Acciones Parent (el "**Registro Acciones Parent**").

En lo sucesivo, se hará referencia a las Acciones Holding y a las Acciones Parent, conjuntamente, como las "**Acciones**".

En lo sucesivo, se hará referencia al Certificado de Prendas Acciones Holding y al Certificado de Prendas Acciones Parent, conjuntamente, como los "**Certificados de Prendas Originales**". Se adjunta a este Contrato como **Anexo 2** una copia de los Certificados de Prendas Originales.

En lo sucesivo, se hará referencia al Registro de Acciones Holding y al Registro de Acciones Parent, conjuntamente, como los "**Registros**".

III. Que en el año 2012, el Grupo llevó a cabo un proceso de reestructuración de su deuda financiera en el contexto del cual:

(i) el 17 de septiembre de 2012 Parent y el Agente de Garantias, entre otros, suscribieron un contrato de financiación sometido a derecho inglés y denominado "*Facilities Agreement*" por un importe de USD 6.155.195.056,33, el cual fue elevado a público el 8 de noviembre 2012 en virtud de escritura otorgada ante el Notario de Madrid, D. Rafael Monjo Carrió con número 2.049 de su protocolo (tal y como el mismo ha

issued on 14 July 2017 by the Custodian, managing company of the registry where the Shares are recorded (the "**Holding Shares Registry**").

- Parent owns 2,050,000 shares of 1.17 euro par value each (the "**Parent Shares**"), which represent 0.1545% of the share capital in the Company. The Parent Shares are free and clear of any lien or encumbrance whatsoever (other than the Pledges (as defined below)), as evidenced by the ownership certificate (*certificado de legitimación*) (the "**Parent Shares Pledges Certificate**") issued on 14 July 2017 by the Custodian, managing company of the registry where the Parent Shares are recorded (the "**Parent Shares Registry**").

Hereinafter, the Holding Shares and the Parent Shares shall be jointly referred to as the "**Shares**".

Hereinafter, the Holding Shares Pledges Certificate and the Parent Shares Pledges Certificate shall be jointly referred to as the "**Original Pledges Certificates**". A copy of the Original Pledges Certificates is attached as **Annex 2** hereto.

Hereinafter, the Holding Shares Registry and the Parent Shares Registry shall be jointly referred to as the "**Registries**".

III. In 2012 the Group entered into a refinancing process of its financial indebtedness, in the context of which:

(i) on 17 September 2012, Parent and the Security Agent, amongst others, entered into a USD 6,155,195,056.33 English law governed facilities agreement, which was raised to public document status before the Notary of Madrid Mr. Rafael Monjo Carrió under number 2,049 of his official record (as amended from time to time, the "**2012 Facility Agreement**").

sido novado en cada momento, el "**Contrato de Financiación 2012**").

(ii) el 17 de septiembre de 2012, Parent, el Agente de Garantias y ciertas sociedades del Grupo, entre otros, suscribieron un contrato de relación entre acreedores denominado "*Intercreditor Agreement*", el cual fue elevado a público el 8 de noviembre de 2012 ante el Notario de Madrid, D. Rafael Monjo Carrió (tal y como el mismo ha sido novado en cada momento, el "**Contrato de Relación entre Acreedores Existente**").

(iii) el 8 de noviembre de 2012 los Pignorantes (entre otros) suscribieron un contrato de constitución de prendas de acciones con la intervención del Notario de Madrid, D. Rafael Monjo Carrió, con el número 3.530 de su Libro Registro (tal y como ha sido novado en cada momento, el "**Contrato de Prendas**").

En virtud del Contrato de Prendas, los Pignorantes constituyeron a favor de las Partes Garantizadas (tal y como este término se define en el Contrato de Relación entre Acreedores) derechos reales de prenda sobre sus respectivas Acciones (las "**Prendas**").

Los Pignorantes constituyeron tantas Prendas como obligaciones se derivan a favor de las Partes Garantizadas en virtud de cada uno de los Documentos de Deuda (*Debt Documents*) (tal y como este término se define en el Contrato de Relación entre Acreedores).

IV. Que en el año 2014, el Grupo llevó a cabo un nuevo proceso de reestructuración de su deuda financiera en el contexto del cual, entre otros, el 29 de septiembre de 2014, Parent suscribió con un grupo de entidades acreedoras un contrato de financiación sometido a Derecho inglés denominado "*Facilities Agreement*", el cual fue elevado a público el 30 de septiembre de 2014 ante el Notario de

(ii) on 17 September 2012, Parent, the Security Agent and certain companies of the Group (amongst others) entered into an intercreditor agreement, which was raised to the status of Spanish public document on 8 November 2012 before the Notary of Madrid, Mr. Rafael Monjo Carrió (as amended from time to time, the "**Existing Intercreditor Agreement**").

(iii) on 8 November 2012, the Pledgors (amongst others) entered into a shares pledge agreement with the intervention of the Notary of Madrid Mr. Rafael Monjo Carrió with number 3,530 of his records (as amended from time to time, the "**Shares Pledge Agreement**").

By virtue of the Shares Pledge Agreement, the Pledgors granted in favour of the Secured Parties (as defined in the Intercreditor Agremeent) several first ranking concurrent pledges over their respective Shares (the "**Pledges**").

The Pledgors granted as many Pledges as obligations arise from each of the Debt Documents (as defined in the Intercreditor Agreement) in favour of the Secured Parties.

IV. In 2014 the Group entered into a new refinancing process of its financial indebtedness, in the context of which, among other aspects, on 29 September 2014, Parent and a group of lenders entered into an English law governed facilities agreement, which was raised to the status of Spanish public document on 30 September 2014 before the Notary of Madrid, Mr. Rafael Monjo Carrió under number 1,687 of his

Madrid, D. Rafael Monjo Carrió con número 1.687 de su protocolo (tal y como el mismo ha sido novado en cada momento, el "**Contrato Club Loan**").

V. Que, en esta misma fecha:

(i) Parent y los Acreedores han suscrito un contrato de financiación sometido a derecho inglés denominado "*Facilities Agreement*", al objeto de, entre otros, refinanciar la totalidad de los importes pendientes de amortización bajo el Contrato Club Loan, el cual ha sido elevado a publico en la fecha de hoy ante el Notario interviniente (tal y como el mismo pueda ser novado, el "**Contrato de Financiación**").

Parent ha destinado el importe del Contrato de Financiación a la amortización total de los importes adeudados bajo el Contrato Club Loan, el cual ha quedado integramente amortizado y, por lo tanto,no existen importes pendientes de amortización bajo el mismo.

(ii) Parent y el Agente de Garantias, entre otros, han suscrito un contrato de novación del Contrato de Relación entre Acreedores Existente (el "**Contrato de Novación del Contrato entre Acreedores**"), el cual ha sido elevado a público en la fecha de hoy ante el Notario interviniente (el Contrato de Relación entre Acreedores Existente, tal y como ha sido novado en virtud del Contrato de Novación del Contrato entre Acreedores, el "**Contrato de Relación entre Acreedores**").

(iii) La finalidad del Contrato de Novación del Contrato entre Acreedores es reflejar que el Contrato de Financiación permite que puedan acceder a las garantías establecidas en relación con el mismo (*Transaction Security*) (i) los Acreedores bajo el Contrato de Financiación y cualquier acreedor acordeón (*Accordion Lender*) (tal y como se define dicho término en el Contrato de Financiación), asi como

official record (as amended from time to time, the "**Club Loan Agreement**").

V. On the date hereof:

(i) Parent and the Lenders have entered into an English law governed facilities agreement, with the purpose of, among others, fully repay the due amounts under the Club Loan Agreement, which has been raised to the status of Spanish public document as of the date herein before the interveining Notary (as it may be amended in the future, the "**Facilities Agreement**").

Parent has used the proceeds udner the Facilities Agreement for the total repayment of the Club Loan Agreement, which has been repaid in full and therefore there are no due amounts under such agreement.

(ii) Parent and the Security Agent, amongst others, have entered into an amendment and restatement agreement of the Existing Intercreditor Agreement (the "**Intercreditor Amendment Agreement**"), which was raised to the status of Spanish public document as of the date herein before the interveining Notary (the Existing Intercreditor Agreement, as it has been amended by the Intercreditor Amendment Agreement, the "**Intercreditor Agreement**").

(iii) The purpose of the Intercreditor Amendment Agreement is to reflect that the Facilities Agreement permits the Transaction Security to be shared by (i) the Lenders under the Facilities Agreement and any Accordion Lenders (as such term is defined in the Facilities Agreement), as well as (ii) any lenders or creditors which may provide Financial Indebtedness (as such term is defined in the Facilities Agreement) to any Obligor

también (ii) cualesquiera prestamistas o acreedores que puedan prestar financiación (*Financial Indebtedness*) (tal y como se define dicho término en el Contrato de Financiación) a cualquier obligado (*Obligor*) conforme al Contrato de Financiación.

VI. Que tal y como se prevé en el Contrato de Prendas y en el Contrato de Relación entre Acreedores:

(i) las "**Obligaciones Garantizadas**" bajo las Prendas incluyen todas las obligaciones presentes y futuras debidas por cualquier miembro del Grupo a cualquier Parte Garantizada (o *Secured Party*) bajo cada uno de los Documentos de Deuda (o *Debt Documents*);

(ii) las "**Partes Garantizadas**" beneficiarias de las Prendas como acreedores pignoraticios incluyen, entre otros, a los acreedores bajo el Contrato de Financiación como "Acreedores de la Refinanciación" (o *Refinancing Creditors*); y

(iii) los "**Documentos de Deuda**" (*Debt Documents*) garantizados en virtud de las Prendas incluyen, entre otros, el Contrato de Financiación como "Documento de Refinanciación" (o *Refinancing Document*).

VII. Que, de conformidad con lo previsto en el Contrato de Financiación, las Partes han acordado otorgar el presente contrato (el "**Contrato**") que se regirá por las siguientes

ESTIPULACIONES

I. INTERPRETACIÓN Y DEFINICIONES

1.1 Salvo que en este documento se establezca lo contrario, los términos en mayúsculas que se incluyen en este Contrato tendrán el significado que a los mismos se atribuye en el Contrato de Prendas.

Las Partes acuerdan y hacen constar que este Contrato no modifica los terminos y condiciones del Contrato de Financiación

under the Facilities Agreement.

VI. In accordance with the Shares Pledges Agreement and the Intercreditor Agreement;

(i) the "**Secured Obligations**" under the Pledges includes all the present and future obligations that may be due at any time by any member of the Group to any Secured Party under any Debt Documents;

(ii) the "**Secured Parties**" beneficiaries of the Pledges as pledgees include, amongst others, the lenders under the Facilities Agreement as "Refinancing Creditors"; and

(iii) the "**Debt Documents**" secured under the Pledges include the Facilities Agreement as "Refinancing Document".

VII. In accordance with the Facitlities Agreement, the Parties have agreed to enter into this agreement (the "**Agreement**") in accordance with the following

CLAUSES

1. INTERPRETATION AND DEFINITIONS

1.1. Unless a contrary indication appears, capitalised terms included in this Agreement shall have the same meanings given to them in the Shares Pledges Agreement.

The Parties hereby agree that this Agreement shall not in any way prejudice or affect the terms and conditions contained

o del Contrato de Relación entre Acreedores. Ademas, este Contrato quedará sujeto a los términos del Contrato de Relación entre Acreedores y, en caso de cualquier inconsistencia, el Contrato de Relación entre Acreedores prevalecerá entre las partes de este Contrato y del Contrato de Relación entre Acreedores y siempre que lo permita la ley aplicable.

1.2 Adicionalmente, expresamente se hace constar que:

"**Obligaciones Garantizadas**" incluye todas las Obligaciones (o *Liabilities*) y todas las obligaciones presentes y futuras pendientes en cualquier momento, debidas o incurridas por cualquier miembro del Grupo a cualquier Acreedor (en su condición de Parte Garantizada (o *Secured Party*)) bajo el Contrato de Financiación (como Documento de Deuda (*Debt Document*)), tanto actuales como contingentes, incurridas de manera individual o conjunta, como obligación principal o accesoria de garantia o de cualquier otra forma.

"**Partes Garantizadas**" incluye expresamente, pero sin limitación, a los Acreedores.

2. EXTENSIÓN FORMAL DE OBLIGACIONES GARANTIZADAS

2.1 De conformidad con el Contrato de Prendas, las Prendas garantizaban desde su otorgamiento todos los Documentos de Deuda (o *Debt Documents*), incluyendo los "Documentos de Refinanciación" (o *Refinancing Documents*).

2.2 Como consecuencia del otorgamiento del Contrato de Financiación y de la adhesión de los Acreedores al Contrato de Relación entre Acreedores, en virtud del presente Contrato:

2.2.1 expresamente se documenta la extensión de las Prendas a las Obligaciones Garantizadas derivadas del Contrato de Financiación (las cuales quedan expresamente garantizadas en virtud de las Prendas en los términos previstos en el Contrato

in the Facilities Agreement or the Intercreditor Agreement. Further, this Agreement shall be subject to the terms of the Intercreditor Agreement and in the event of any inconsistencies, the Intercreditor Agreement shall prevail amongst the parties hereto and thereto and as permitted by applicable law.

1.2. In addition, it is expressly stated that:

"**Secured Obligations**" means all the Liabilities and all other present and future obligations at any time due, owing or incurred by any member of the Group to any Lender (as Secured Party) under the Facilities Agreement (as Debt Document), both actual and contingent and whether incurred solely or jointly and as principal or surety or in any other capacity.

"**Secured Parties**" includes, without limitation, the Lenders.

2. FORMAL EXTENSION OF SECURED OBLIGATIONS

2.1 In accordance with the Shares Pledges Agreement, the Pledges secured (as from the moment in time when they were granted) all the Debt Documents, including the Refinancing Documents.

2.2 Further to the granting of the Facilities Agreement and the accession of the Lenders to the Intercreditor Agreement, by virtue of this Agreement:

2.2.1 it is expressly documented the extension of the Pledges to the Secured Obligations arising under the Facilities Agreement (which are expressly secured under the Pledges in accordance with the Pledges Agreement);

de Prendas);

2.2.2 los Acreedores acceden y ratifican formalmente el Contrato de Prendas; y

2.2.3 los Acreedores aceptan formalmente las Prendas otorgadas a su favor.

3. REGULACIÓN DE LAS PRENDAS

3.1 Expresamente se da por reproducido en este Contrato el clausuiado y la regulación prevista en el Contrato de Prendas, el cual aplicaŕa *mutatis mutandi* a las Prendas constituidas en garantía de las Obligaciones Garantizadas derivadas del Contrato de Financiación.

3.2 Cada una de las Prendas es independiente de las restantes y se regiŕa separadamente por las normas contenidas en las Estipulaciones 2 a 18 del Contrato de Prendas.

3.3 El Presente Contrato no modifica el Contrato de Prendas, sino que lo complementa en cuanto que regula las Prendas otorgadas en garantia de las Obligaciones Garantizadas derivadas del Contrato de Financiación.

4. DESPLAZAMIENTO POSESORIO

4.1 El Depositario, mediante su comparecencia en el presente Contrato, se da por notificado del otorgamiento del presente Contrato y se compromete a:

4.1.1 inscribir en el dia de hoy la constitución de cada una de las Prendas en los correspondientes Registros de anotaciones en cuenta y proceder al desglose de las Acciones, inscripción que equivaldŕa al desplazamiento posesorio de las Acciones de conformidad con lo previsto en el articulo 12 del Real Decreto Legislativo 4/2015 que aprueba el texto refundido de la Ley del Mercado de Valores y en el articulo 14 del RD 878/2015; y

4.1.2 una vez efectuada la inscripción prevista en el parrafo 4.1.1

2.2.2 the Lenders formally accede and ratify the Pledges Agreement; and

2.2.3 the Lenders expressly accept the Pledges granted in their favour.

3. REGULATION OF THE PLEDGES

3.1 The regulation of the Shares Pledges Agreement shall be applicable *(mutatis mutandi*) to the Pledges securing the Secured Obligations under the Facilities Agreement.

3.2 Each of the Pledges is independent in its own right and shall each be governed separately by Clauses 2 to 18 of the Shares Pledges Agreement.

3.3 This Agreement does not modify the Shares Pledges Agreement, but just complement it in respect of the Pledges securing the Secured Obligations under the Facilities Agreement.

4. DELIVERY OF THE POSSESSION

4.1 The Custodian, by means of is appearance as a party to this Agreement, acknowledges the execution of this Agreement and hereby undertakes to:

4.1.1. record as at the date hereof the creation of each of the Pledges in the relevant book entries Registries. This recording shall be equivalent to the delivery of possession of the Shares pursuant to Article 12 of the Legislative Royal Decree 4/2015 which approves the unified text of the Securities Market Law and Article 14 of RD 878/2015; and

4.1.2 once the recording foreseeing in paragraph 4.1.1 above has taken

anterior, emitir certificados de prendas reflejando la constitución de todas las Prendas (incluyendo expresamente las Prendas en relación con el Contrato de Financiación) (los "**Certificados de Prendas**"). Los Certificados de Prendas serán remitidos por el Depositario al Agente de Garantias a la mayor brevedad posibie.

place, issue pledges certificates evidencing the creation of all the Pledges (expressly including the Pledges in respect of the Facilities Agreement) (the "**Pledges Certificates**"). The Pledges Certificates will be delivered by the Custodian to the Security Agent as soon as practicable.

5. DECLARACIONES DE LOS PIGNORANTES

5.1 Los Pignorantes declaran y manifiestan a favor de las Partes Garantizadas:

5.1.1 Que la Sociedad es una sociedad existente y válidamente constituida en Espańa y está inscrita en el Registro Mercantil de Madrid.

5.1.2 Que el Depositario es la entidad encargada de los Registros de las Acciones.

5.1.3 Que tienen capacidad para suscribir y cumplir el presente Contrato y han realizado todas las actuaciones necesarias para autorizar el otorgamiento y cumplimiento del mismo.

5.1.4 Que los derechos reales de prenda constituyen obligaciones válidas de los Pignorantes, exigibles frente a los mismos con arreglo a lo dispuesto en este Contrato y leyes aplicables.

5.1.5 Que la aceptación y cumplimiento por los Pignorantes de las obligaciones contempladas en este Contrato: (a) no contraviene ningún mandato o decisión judicial o administrativa; (b) no entra en conflicto con sus escrituras de constitución o sus estatutos o los de la Sociedad; (c) no se opone a ningún documento, acuerdo o contrato que sea vinculante para los Pignorantes ni para la Sociedad ni (d) requiere

5. REPRESENTATIONS OF THE PLEDGORS

5.1 The Pledgors represent in favour of the Secured Parties:

5.1.1 That the Company exists and is validly incorporated under the laws of Spain and is registered with the Mercantile Registry of Madrid.

5.1.2 That the Custodian is the managing company of the Registries where the Shares are recorded.

5.1.3 That they have the capacity to execute this Agreement and all necessary actions to authorise the execution and performance of this Agreement have been obtained.

5.1.4 That the rights *in rem* of pledges constitute valid and binding obligations to the Pledgors, in accordance with the terms of this Agreement and applicable laws.

5.1.5 That the acceptance and performance by the Pledgors of the obligations set out hereunder: (a) does not contravene any judicial or administrative order or decision; (b) does not contravene their constitutional documents or the Company's in any respect; (c) does not oppose to any document, agreement or contract binding for the Pledgors or the Company; and (d) does not require any authorisation, consent, licence or permit (save for the relevant corporate authorizations

autorización, consentimiento, licencia o permiso (a salvo de las correspondientes autorizaciones adoptadas por sus respectivos órganos de administracion).

5.1.6 Los Pignorantes ostentan legitimamente la plena propiedad de las Acciones y tienen pleno poder de disposición sobre las mismas (a salvo de las limitaciones establecidas en la cláusula 6 del Contrato de Prendas).

5.1.7 Que las Acciones: (a) no están sometidas a ninguna carga, gravamen o derecho de opción de compra o de venta o restricción estatutaria o contractual a su libre transmisibilidad (otros que las Prendas); (b) han sido válidamente emitidas por la Sociedad; y (c) están plenamente suscritas y completamente desembolsadas.

5.1.8 Sujeto a la aceptación por parte de las Partes Garantizadas, mediante este Contrato se otorgan derechos reales de prenda de primer rango sobre las Acciones a favor de las Partes Garantizadas, en garantia de las Obligaciones Garantizadas, en los mismos términos que los derechos reales de prenda sobre las Acciones constituidos en garantia de las obligaciones derivadas de otros Documentos de Deuda.

5.1.9 Que las Acciones pignoradas representan el 99,6392% del capital social de la Sociedad.

6. TRIBUTOS Y GASTOS

Serán de cuenta de los Pignorantes cuantos tributos, tasas, gravámenes, aranceles, timbres, corretajes y gastos, de la naturaleza que sean (incluidos los honorarios del Notario que interviene en el otorgamiento del presente Contrato y los del mantenimiento de los Registros contable de las Acciones) se

adopted by the respective Boards of Directors).

5.1.6 The Pledgors are the owners of the Shares and have the full title to dispose of their respective Shares (save for the limitations set forth in clause 6 of the Shares Pledge Agreement).

5.1.7 That the Shares: (a) are free from any lien, encumbrance, option right or statutory or contractual restriction to their transmission (other than the Pledges); (b) have been validly issued by the Company; and (c) are fully subscribed and paid up.

5.1.8 Subject to acceptance by the Secured Parties, first ranking pledges over the Shares are created in favour of the Secured Parties as security for the performance of the Secured Obligations, with the same terms of the pledges over the Shares created as security of the obligations arising of other Debt Documents.

5.1.9 That the pledged Shares represent the 99.6392% of the share capital of the Company.

6. TAXES AND EXPENSES

All present and future taxes, fees and expenses of any nature whatsoever (including the fees of the Notary attesting and before whom this Agreement is granted and those connected with the maintenance of the Registries of book entries where the Shares are recorded) arising out of the execution, extension, maintenance,

originen, ahora o en el futuro, por causa del otorgamiento, de la extensión, conservación, modificaciones, cancelación y ejecución de las Prendas de acuerdo con los términos de este Contrato y cualesquiera otros gastos u honorarios de abogados y procuradores y tasas y/o costas judiciales que puedan originarse a las Partes Garantizadas por causa del incumplimiento por los Pignorantes de sus obligaciones bajo este Contrato,

7. NOTIFICACIONES

Las Partes efectuarán todas las notificaciones relativas a este Contrato de conformidad con el Contrato de Prendas,

8. SUBSANACIÓN O COMPLEMENTO DEL CONTRATO

Los Pignorantes deberán, dentro de los diez (10) Dias Hábiles siguientes a la recepcion de una notificación por escrito del Agente de Garantias, otorgar cuantos documentos públicos o privados sean necesarios a los efectos de subsanar o aclarar este Contrato, o a los efectos de perfeccionar las Prendas.

9. LEY Y JURISDICCION

9.1 Este Contrato se regiŕa e interpretaŕa de conformidad con la legislación española.

9.2 Las Partes, con renuncia expresa a cualquier otro fuero, se someten expresa e irrevocablemente al de los Juzgados y Tribunales de la ciudad de Madrid, para cualesquiera desavenencias que pudieran derivarse de este Contrato.

10. IDIOMA

El presente Contrato se redacta en idioma inglés y en idioma español. En caso de discrepancia o incongruencia entre la versión redactada en inglés y la redactada en español, prevalecerá la versión española. La versión inglesa tiene caŕacter meramente informativo.

amendments, cancellation and enforcement of the Pledges in accordance with this Agreement as well as any other fees or expenses of legal advisors and *procuradores* and the judicial costs in which the Secured Parties may incur as a consequence of the breach by the Pledgors of any of its obligations hereunder, shall be borne by the Pledgors.

7. NOTICES

All notices to be delivered between the parties in connection with this Agreement shall be made in accordance with the Shares Pledges Agreement.

8. FURTHER ASSURANCES

The Pledgors shall, within ten (10) Business Days of receipt of a written request from the Security Agent, grant all such documents (private or public) as may be necessary to clarify any term of this Agreement or perfect the Pledges.

9. LAW AND JURISDICTION

9.1 This Agreement will be governed by and construed in accordance with Spanish law.

9.2 Each of the parties to this Agreement irrevocably submits themselves, with express waiver to any other forum, to the jurisdiction of the Courts and Tribunals of the city of Madrid for the resolution of any claim which may arise out of in connection with this Agreement.

10. LANGUAGE

This Agreement is executed in both the Spanish and the English language. In the event of any discrepancy or inconsistency between the Spanish and the English versions, the Spanish version shall prevail. The English version is intended for information purposes only.

La presente póliza se formaliza con la intervención del Notario que figura en el encabezamiento, a los efectos de lo previsto en el Artículo 1.216 del Código Civil, el Artículo 517 de la Ley de Enjuiciamiento Civil, y demás legislación concordante.

Los otorgantes de la presente póliza manifiestan su conformidad y aprobación al contenido de la misma tal y como aparece redactado, a doble columna, en idioma español e inglés, idioma que yo conozco extendida en diecisiete hojas, la otorgan y firman, con mi intervención.

Y yo el Notario, habiendo hecho las oportunas advertencias legales, DOY FE de la identidad de los otorgantes, de la legitimidad de sus firmas, de que a mi juicio tienen la capacidad y legitimación necesarios para el otorgamiento de la presente póliza, de que el consentimiento ha sido libremente prestado, y de que el otorgamiento se adecua a la legalidad y a la voluntad debidamente informada de los otorgantes o intervinientes.

/s/ D. Juan Pelegrí y Girón

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

NEW SUNWARD HOLDING B.V.

CEMEX ESPAÑA, S.A.

D. Juan Pelegrí y Girón

/s/ D. Juan Bosco Eguillor Monfort

BANCO BILBAO VIZCAYA ARGENTARIA, S.A . (como Depositario / as Custodian)

BANCO BILBAO VIZCAYA ARGENTARIA, S.A.

BBVA BANCOMER S.A., INSTITUCIÓN DE BANCA MÚLTIPLE, GRUPO FINANCIERO BBVA BANCOMER

D. Juan Bosco Eguillor Monfort

/s/ D. Miguel Castillo Gutierrez

BANCO BILBAO VIZCAYA ARGENTARIA, S.A. (como Depositario / as Custodian)

BANCO BILBAO VIZCAYA ARGENTARIA, S.A.

BBVA BANCOMER S.A., INSTITUCIÓN DE BANCA MÚLTIPLE, GRUPO FINANCIERO BBVA BANCOMER

D. Miguel Castillo Gutierrez

/s/ D. Angel María Barranco Guadarrama

BANCO SANTANDER (MÉXICO) S.A.,
INSTITUCIÓN DE BANCA MÚLTIPLE,
GRUPO FINANCIERO SANTANDER MÉXICO

D. Angel María Barranco Guadarrama

/s/ D. Javier Martín Robles

BANCO SANTANDER (MÉXICO) S.A.,
INSTITUCIÓN DE BANCA MÚLTIPLE,
GRUPO FINANCIERO SANTANDER MÉXICO

D. Javier Martín Robles

/s/ D. Jaime Rumeu de Armas Cruzat

BNP PARIBAS, S.A. SUCURSAL EN ESPAÑA

D. Jaime Rumeu de Armas Cruzat

/s/ Dña. Patricia María Sendino Gómez

BNP PARIBAS, S.A. SUCURSAL EN ESPAÑA

Dña. Patricia María Sendino Gómez

/s/ D. Carlos Gardeazábal Ortiz

BNP PARIBAS, NEW YORK BRANCH

D. Carlos Gardeazábal Ortiz

/s/ Dña. Patricia María Sendino Gómez

BNP PARIBAS, NEW YORK BRANCH

Dña. Patricia María Sendino Gómez

/s/ D. Fidel Garza Chapa

BANCO MERCANTIL DEL NORTE, S.A.,
INSTITUCIÓN DE BANCA MÚLTIPLE,
GRUPO FINANCIERO BANORTE

D. Fidel Garza Chapa

/s/ D. Rene Duarte Sotomayor

BANCO MERCANTIL DEL NORTE, S.A.,
INSTITUCIÓN DE BANCA MÚLTIPLE,
GRUPO FINANCIERO BANORTE

D. Rene Duarte Sotomayor

/s/ D. John Stuart Percival

HSBC MÉXICO, S.A., INSTITUCIÓN DE BANCA MÚLTIPLE, GRUPO FINANCIERO HSBC

D. John Stuart Percival

/s/ D. Antonio Vilela Millán

HSBC MÉXICO, S.A., INSTITUCIÓN DE BANCA MÚLTIPLE, GRUPO FINANCIERO HSBC

D. Antonio Vilela Millán

/s/ Dña. Adriana Pérez Cáceres

BANCO NACIONAL DE COMERCIO EXTERIOR, SOCIEDAD NACIONAL DE CRÉDITO, INSTITUCIÓN DE BANCA DE DESARROLLO

Dña. Adriana Pérez Cáceres

/s/ D. Josep Luis Buades Castello
NATIONAL WESTMINSTER BANK PLC

D. Josep Luis Buades Castello

/s/ Dña. María Leticia Ruenes Mariñas
NATIONAL WESTMINSTER BANK PLC

Dña. María Leticia Ruenes Mariñas

/s/ D. Antonio Vilela Millán
HSBC BANK PLC, SUCURSAL EN ESPAÑA

D. Antonio Vilela Millán

/s/ D. Francisco Javier Rubio Cía
HSBC BANK PLC, SUCURSAL EN ESPAÑA

D. Francisco Javier Rubio Cía

/s/ Dña. Maria Angeles Fosar Mico

SABCAPITAL, S.A. DE C.V., SOCIEDAD FINANCIERA DE OBJETO MÚLTIPLE, ENTIDAD REGULADA

Dña. Maria Angeles Fosar Mico

/s/ D. Marco Silvio Pizzi

INTESA SANPAOLO S.P.A.

D. Marco Silvio Pizzi

/s/ D. John Stuart Percival

WILMINGTON TRUST (LONDON) LIMITED

BANK OF AMERICA N.A., LONDON BRANCH

CITIBANK, N.A. INTERNATIONAL BANKING FACILITY

BANCO NACIONAL DE MÉXICO, S.A., INTEGRANTE DEL GRUPO FINANCIERO BANAMEX

lNG BANK N.V., DUBLIN BRANCH

CRÉDIT AGRICOLE CORPORATE AND INVESTMENT BANK

JPMORGAN CHASE BANK, N.A.

MIZUHO BANK, LTD.

EXPORT DEVELOPMENT CANADA

SOCIÉTÉ GÉNÉRALE, NEW YORK BRANCH

SUMITOMO MITSUI BANKING CORPORATION

CRÉDIT INDUSTRIEL ET COMMERCIAL, LONDON BRANCH

BAYERISCHE LANDESBANK, NEW YORK BRANCH

HSBC BANK USA, NATIONAL ASSOCIATION

D. John Stuart Percival

ANEXO 1

ACREEDORES / LENDERS

1. BBVA Bancomer S.A., Institución de Banca Múltiple, Grupo Financiero BBVA Bancomer
2. Banco Bilbao Vizcaya Argentaria, S.A.
3. Banco Santander (México) S.A., Institución de Banca Múltiple, Grupo Financiero Santander México
4. Bank of America N.A., London Branch
5. Citibank, N.A. International Banking Facility
6. Banco Nacional de México, S.A., Integrante del Grupo Financiero Banamex
7. BNP PARIBAS, S.A. Sucursal en España
8. BNP PARIBAS, New York Branch
9. ING Bank N.V., Dublin Branch
10. Crédit Agricole Corporate and Investment Bank
11. Banco Mercantil del Norte, S.A., Institución de Banca Multiple, Grupo Financiero Banorte
12. JPMorgan Chase Bank, N.A.
13. Mizuho Bank, Ltd.
14. HSBC México, S.A., lnstitución de Banca Múltiple, Grupo Financiero HSBC
15. HSBC Bank USA, National Association
16. HSBC Bank plc, Sucursal en España
17. Intesa Sanpaolo S.p.A.
18. Banco Nacional de Comercio Exterior, Sociedad Nacional de Crédito, Institución de Banca de Desarrollo
19. Export Development Canada
20. Société Générale, New York Branch
21. Sabcapital, S.A. de C.V., Sociedad Financiera de Objeto Multiple, Entidad Regulada

22. Sumitomo Mitsui Banking Corporation
23. National Westminster Bank plc
24. Crédit Industriel et Commercial, London Branch
25. Bayerische Landesbank, New York Branch

ANEXO 2

COPIA DE LOS CERTIFICADOS DE PRENDA ORIGINALES / COPY OF THE ORIGINAL PLEDGE CERTIFICATES

Exhibit 4.11

Execution Version

SECOND AMENDMENT AND RESTATEMENT AGREEMENT dated July 25, 2017 (hereinafter referred to as the "Amendment Agreement") to the Irrevocable Share Security Trust Agreement No. F/11517-9 dated September 17, 2012, as amended as restated by an amendment and restatement agreement dated July 29, 2015 (hereinafter referred to as the "Original Trust Agreement"), entered into by and between:

(1) CEMEX, S.A.B. de C.V. ("Cemex SAB"), Empresas Tolteca de México, S.A. de C.V. ("Tolteca"), Cemex Central, S.A. de C.V. ("Cemex Central"), Interamerican Investments, Inc. ("Interamerican"), Cemex México, S.A. de C.V. ("Cemex México") and Cemex Operaciones México, S.A. de C.V. (formerly Centro Distribuidor de Cemento, S.A. de C.V.; "Cemex Operaciones"), in their capacity as trustors (each one of Cemex SAB, Tolteca, Cemex Central, Interamerican, Cemex México and Cemex Operaciones, a "Trustor" and, jointly, the "Trustors");

(2) Cemex México and Cemex Operaciones, in their capacity as issuers (each one of Cemex México and Cemex Operaciones, in their respective capacity as issuers, an "Issuer" and, jointly, the "Issuers");

(3) Banco Nacional de México, S.A., a member of the Banamex Financial Group, Trust Division (the "Trustee"), a full-service bank duly incorporated and validly existing pursuant to the laws of the United Mexican States ("Mexico"), and

(4) Wilmington Trust (London) Limited (the "Beneficiary"), in its own right and in its capacity as Security Agent (*Security Agent*) acting under the terms of the Intercreditor Agreement (as defined below), on behalf and for the benefit of the Secured Parties (as such term is defined in the amended and restated text of the Original Trust Agreement, described in Clause One of this Amendment Agreement), a private limited company duly incorporated and validly existing pursuant to the laws of England and Wales,

in accordance with the following Recitals, Representations and Clauses:

RECITALS

I. WHEREAS, on September 17, 2012, Cemex SAB, various direct and indirect subsidiaries of Cemex SAB, as debtors, guarantors or security providers (*Security Providers*) (jointly, the "Original Obligors"), certain financial institutions and other entities identified therein as lenders, Citibank International Limited (formerly Citibank International plc), in its capacity as Agent (*Agent*) (the "Original Agent"), and the Beneficiary, among others, entered into an Intercreditor Agreement (*Intercreditor Agreement*), in connection with the Facilities Agreement (*Facilities Agreement*) dated September 17, 2012 (the "2012 Facilities Agreement"), formalized between Cemex SAB, in its capacity as principal debtor, the other Obligors, certain financial institutions and other entities identified therein as lenders, the Original Agent and the Beneficiary, under which they agreed, among other topics, on the exercise of the rights relating to collateral, the discharge of such collateral, and the distribution of the proceeds arising from the exercise of the rights relating to the securities between the various lenders (the "Original Intercreditor Agreement").

II. WHEREAS, on September 17, 2012, each one of the Cemex SAB, Tolteca, Interamerican, Cemex México, Cemex Operaciones (formerly Centro Distribuidor de Cemento, S.A. de C.V.) and Impra Café (merged with Cemex Central on November 1 2016) "Impra Café" (the "Original Trustors", the Trustee, the Beneficiary, the Issuers, Mexcement Holdings, S.A. de C.V.

and Corporación Gouda, S.A. de C.V., entered into the Original Trust Agreement, by virtue of which the Trustors encumbered the Initial Shares (as such term is defined in the Original Trust Agreement) to the trust established pursuant to the Original Trust Agreement, in order to grant a trust guarantee in favor of the Beneficiary in connection with the Initial Shares and any Additional Shares (as that term is defined in the Original Trust Agreement), in order to guarantee the exact and timely payment of the Secured Obligations (as such term is defined in the amended and restated text of the Original Trust Agreement, described in Clause One of this Amendment Agreement).

III. WHEREAS, on December 1, 2013, Cemex Operaciones merged with Corporación Gouda, S.A. de C.V. and with Mexcement Holdings, S.A. de C.V., among other companies, such companies having been parties to the Original Trust Agreement.

IV. WHEREAS, on September 29, 2014, a Facilities Agreement (the "Original 2014 Facilities Agreement") was entered into by Cemex SAB, as debtor, several direct and indirect subsidiaries of Cemex SAB, as Guarantors or Security Providers, Banco Santander (México), S.A., Full-Service Bank, Santander México Financial Group, BBVA Securities Inc., BNP Paribas Securities Corp., Citigroup Global Markets Inc., Credit Agricole Corporate and Investment Bank, HSBC México, S.A., Full-Service Bank, HSBC Financial Group, ING Capital LLC, J.P. Morgan Securities LLC, and Merrill Lynch, Pierce, Fenner & Smith Inc., as Joint Mandated Lead Arrangers and Joint Bookrunners, Bank of America, N.A., London Branch, BBVA Bancomer, S.A. Full-Service Bank, BBVA Financial Group Bancomer, BNP Paribas, Banco Nacional de México, S.A., member of the Banamex Financial Group, Banco Santander (México), S.A., Full-Service Bank, Santander México Financial Group, Credit Agricole Corporate and Investment Bank, HSBC Bank plc, Spain Branch, ING Bank NV (Dublin Branch) and JPMorgan Chase Bank, N.A., as Original Lenders, Sabadell Capital, S.A. de C.V., Multi-Purpose Financial Company, Unregulated Entity, Banco Nacional de Comercio Exterior, S.N.C., Intesa Sanpaolo S.p.A., Banco Mercantil del Norte, S.A., Full-Service Bank, Banorte Financial Group and Banco Latinoamericano de Comercio Exterior, S.A. (Bladex), as Accordion Lenders; and the Original Agent, as agent (Agent) and the Beneficiary, as Security Agent, in accordance with which the lenders agreed to extend a credit line to CEMEX SAB for the purpose of refinancing certain amounts pending payment under the 2012 Facilities Agreement and the Bancomext Facility (as such term is defined in the Original 2014 Facilities Agreement) (the "2014 Refinanced Debt").

V. WHEREAS, on July 23, 2015, an amendment and restatement agreement of the Original 2014 Facilities Agreement (the Original 2014 Facilities Agreement, as amended and restated pursuant to the amendment and restatement agreement of the Original 2014 Facilities Agreement, the "2014 Facilities Agreement") was entered into under which the lenders agreed, among other things, to extend a credit line to CEMEX SAB with the purpose of (i) refinancing certain amounts pending payment under the 2012 Facilities Agreement, (ii) increasing the amount of the 2014 Refinanced Debt, and (iii) extending the original term of the Original 2014 Facilities Agreement.

VI. WHERES, on July 19 2017, a Facilities Agreement (the "Facilities Agreement") was entered into by Cemex SAB, as borrower, several subsidiaries of Cemex SAB, as Guarantors or Security Providers Banco Mercantil del Norte, S.A., Full-Service Bank, Banorte Financial Group, Banco Santander (México), S.A., Full-Service Bank, Santander Financial Group México, BBVA Bancomer, S.A. Full-Service Bank, BBVA Bancomer Financial Group, BNP Paribas Securities Corp., Citigroup Global Markets Inc., Crédit Ágricole Corporate and Investment Bank, HSBC Securities (USA) Inc., ING Capital LLC, JPMorgan Chase Bank, N.A., Mizuho Bank, Ltd. and Merrill Lynch, Pierce, Fenner & Smith Incorporated, as Joint Mandated Lead Arrangers and Joint Bookrunners, certain banking institutions named therein as Original Lenders, and Citibank Europe PLC, UK Branch (the "Agent"), as Agent and the Beneficiary, as Security Agent, in accordance with which the lenders agreed to extend CEMEX

SAB the following commitments in US Dollars, Euros and Pounds Sterling, accordingly: (i) USD$1,234,435,319.98 (one thousand two hundred and thirty four billion four hundred and thirty five thousand three hundred and nineteen US Dollars 98/100) corresponding to the Facility A Commitments, (ii) USD$377,013,090.91 (three hundred and seventy seven million thirteen thousand and ninety US Dollars 91/100) corresponding to the Facility DI Commitments, (iii) USD$1,134,994,890.95 (one thousand one hundred and thirty four million nine hundred and ninety four thousand eight hundred and ninety US dollars 95/100) corresponding to the Facility D2 Commitments, (iv) EUR740,532,026.74 (seven hundred and forty million five hundred and thirty two thousand twenty six Euros 74/100) corresponding to the Facility B Commitments, and (v) GBP£343,612,270.82 (three hundred and forty three million six hundred and twelve thousand two hundred and seventy Pounds Sterling 82/100) corresponding to the Facility C Commitments, for the main purpose of partially paying certain amounts under the 2014 Facilities Agreement and general corporate purposes.

VII. WHEREAS, on October 31, 2014, July 23, 2015 and July 19, 2017, amendment and/or restatement agreements to the Original Intercreditor Agreement (the Original Intercreditor Agreement, as amended and restated pursuant to such amendment and/or restatement agreements to the Original Intercreditor Agreement, the "Intercreditor Agreement") pursuant to which the parties thereto agreed, among other things, to modify certain definitions in the Original Intercreditor Agreement.

VIII. WHEREAS, on November 1, 2016 Cemex Central merged Impra Café, among other companies, having been such company a party to the Original Trust Agreement.

IX. WHEREAS, in order to ensure the performance of the Secured Obligations (as such term is defined in the text of the Original Trust Agreement, as amended and restated under the terms set forth in Clause One of this Amendment Agreement) under (i) the Facilities Agreement, as well as in any related documentation, and any future amendment thereto, (ii) any Qualifying Senior Facilities Agreement (as such term in initial capital letters is defined in the Intercreditor Agreement) under the terms of the Intercreditor Agreement, as well as in any related documentation, and any future amendment thereto, and (iii) the Intercreditor Agreement, as well as in any related documentation, together with any future amendment thereto, the Trustors and the rest of the parties have the intention of ratifying and amending the trust guarantee in favor of the Beneficiary with respect to the Initial Shares and any Additional Shares.

X. WHEREAS, by means of their signature of this Amendment Agreement, the Trustors and the Beneficiary hereby instruct the Trustee to execute this Amendment Agreement.

THEREFORE, taking the Recitals into consideration, the parties hereto represent and agree to the following:

REPRESENTATIONS

I. Each one of the Trustors and the Issuers represents and warrants, in its own right and to this date, that:

(a) it is a company duly incorporated and existing pursuant to the laws of its place of incorporation, authorised to enter into this Amendment Agreement and to comply with its obligations hereunder;

(b) has obtained all internal authorizations necessary to enter into and comply with this Amendment Agreement, including but not limited to any necessary authorizations from its shareholders or from its board of directors, as applicable;

(c) its representatives have sufficient powers and authority to enter into and be bound by this Amendment Agreement, which powers and authorities have not been limited, amended or revoked in any manner, as recorded in the public deeds and other instruments containing such authorities and powers, attached hereto as **Appendix 1**;

(d) it does not require the consent or authorization of any third party, including any government authority, to enter into or comply with this Amendment Agreement;

(e) the execution of and performance with this Amendment Agreement does not contravene or breach any applicable law, rule or regulation, applicable judgement or order, agreement of any nature, with respect to which it is party or under which it is obliged, or of its company bylaws or other incorporation documentation currently in force;

(f) it hereby makes and/or ratifies all the representations and warranties contained in Clause One of this Amendment Agreement.

II. The Trustee represents and warrants, in its own right and on this date, that:

(a) it is a full-service bank duly incorporated and validly existing pursuant to the laws of Mexico;

(b) it has the necessary authority to enter into this Amendment Agreement and to comply with its obligations hereunder;

(c) its trustee delegates have sufficient authority to enter into this Amendment Agreement, which have not been limited, amended or revoked in any form, as recorded in the public deeds attached hereto as **Appendix 2**;

(d) it enters into this Amendment Agreement upon the instructions of the Trustors and the Beneficiary, which are recorded as set forth in Recital X herein;

(e) it has unambiguously informed the parties hereto of the content and scope of paragraph b) of section XIX of Article 106 of the Credit Institutions Law (*Ley de Instituciones de Crédito*) and the applicable text of Circular 1/2005 together with the amendments to such Regulations issued by the Banco de México, with respect to the prohibitions which restrict it pursuant to the law and the provisions currently in force, which content, as applicable, is set forth in Clause Nine of the Original Trust Agreement;

(f) it hereby makes and/or ratifies all the representations and warranties contained in Clause One of this Amendment Agreement.

III. The Beneficiary represents and warrants, in its own right, on this date, that:

(a) it is a private limited company duly incorporated and existing pursuant to the laws of England and Wales, with the authority to enter into this Amendment Agreement and to comply with its obligations hereunder;

(b) its representatives have sufficient powers and authority to enter into this Amendment Agreement and oblige it hereunder, whose powers have not been limited, amended or revoked in any manner, as recorded in the public deeds and other documentation attached hereto as **Appendix 3;**

(c) it enters into the present Amendment Agreement in its own right and on behalf and for the benefit of the Lenders that are party to the 2014 Facilities Agreement and, if applicable, the Refinancing Lenders (as such term is defined in the amended and restated text of the Original Trust Agreement, under Clause One herein) (and their successors, beneficiaries and assignees) and the other Secured Parties, under the terms of the 2014 Facilities Agreement and the Intercreditor Agreement, in accordance with the instructions of the Agent;

(d) it hereby makes and/or ratifies all the representations and warranties contained in Clause One herein.

BY VIRTUE OF THE FOREGOING, the parties hereto agree the following:

CLAUSES

FIRST. Amendment and Restatement of the Original Trust Agreement. Each one of the Trustors, the Issuers, the Trustee and the Beneficiary agree to amend and restate the Original Trust Agreement in order that it reads as follows:

"IRREVOCABLE SHARE SECURITY TRUST AGREEMENT No. F/11517-9 (the "Agreement"), dated September 17, 2012, as amended and restated by the amendment and restatement agreements dated July 29, 2015 and July 25, 2017, entered into by and among:

(1) CEMEX, S.A.B. de C.V. ("Cemex SAB"), Empresas Tolteca de México, S.A. de C.V. ("Tolteca"), Cemex Central, S.A. de C.V. ("Cemex Central"), Interamerican Investments, Inc. ("Interamerican"), Cemex México, S.A. de C.V. ("Cemex México"), and Cemex Operaciones México, S.A. de C.V., in their capacity as trustors (each one of Cemex SAB, Tolteca, Cemex Central, Interamerican, Cemex México and Cemex Operaciones, a "Trustor" and, jointly, the "Trustors");

(2) Cemex México and Cemex Operaciones, in their capacity as issuers (each one of Cemex México and Cemex Operaciones, in their respective capacity as issuers, an "Issuer" and, jointly, the "Issuers");

(3) Banco Nacional de México, S.A., a member of the Banamex Financial Group, Trust Division (the "Trustee"), a full-service bank duly incorporated and validly existing pursuant to the laws of the United Mexican States ("Mexico"); and

(4) Wilmington Trust (London) Limited (the "Beneficiary"), in its own right and in its capacity as Security Agent (*Security Agent)* acting under the terms of the Intercreditor Agreement (as defined below), on behalf and for the benefit of the Secured Parties (as defined below), a private limited company duly incorporated and validly existing pursuant to the laws of England and Wales,

in accordance with the following Recitals, Representations and Clauses:

RECITALS

I. WHEREAS, on September 17, 2012, Cemex SAB, several direct and indirect subsidiaries of Cemex SAB, as debtors, guarantors or security providers (*Security Providers*) (jointly, the "Original Obligors"), certain financial institutions and other entities identified therein as lenders, Citibank International Limited (formerly Citibank International plc), in its capacity as Agent (*Agent*) (the "Original Agent"), and the Beneficiary, among others, formalized an Intercreditor Agreement (*Intercreditor Agreement*), in connection with the Facilities Agreement (*Facilities Agreement*) dated September 17, 2012 (the "2012 Facilities Agreement"), entered into between Cemex SAB, in its capacity as principal debtor, the other Original Obligors, certain financial institutions and other entities identified therein as lenders, the Original Agent and the Beneficiary, under which they agreed, among other things, on the exercise of the collateral rights, the discharge of that collateral, and the distribution of the proceeds arising from the exercise of the rights relating to the securities between the lenders (the "Original Intercreditor Agreement").

II. WHEREAS, on September 29, 2014, Cemex SAB, in its capacity as debtor, the other Original Obligors, Banco Santander (México), S.A., Full-Service Bank, Santander México Financial Group, BBVA Securities Inc., BNP Paribas Securities Corp., Citigroup Global Markets Inc., Credit Agricole Corporate and Investment Bank, HSBC México, S.A., Full-Service Bank, HSBC Financial Group, ING Capital LLC, J.P. Morgan Securities LLC, and Merrill Lynch, Pierce, Fenner & Smith Inc., as Joint Mandated Lead Arrangers and Joint Bookrunners, Bank of America, N.A., London Branch, BBVA Bancomer, S.A. Full-Service Bank BBVA Financial Group Bancomer, BNP Paribas, Banco Nacional de México, S.A., a member of the Banamex Financial Group, Banco Santander (México), S.A., Full-Service Bank, Santander México Financial Group, Credit Agricole Corporate and Investment Bank, HSBC Bank plc, Spain Branch, ING Bank NV (Dublin Branch) and JPMorgan Chase Bank, N.A., as Original Lenders, and Sabadell Capital, S.A. de C.V., Multi-Purpose Financial Company, Unregulated Entity, Banco Nacional de Comercio Exterior, S.N.C., Intesa Sanpaolo S.p.A., Banco Mercantil del Norte, S.A., Full-Service Bank, Banorte Financial Group and Banco Latinoamericano de Comercio Exterior, S.A. (Bladex), as Accordion Lenders and the Original Agent, as Agent and the Beneficiary, as Security Agent, among others, entered into a Facilities Agreement, for the purpose of refinancing certain debt incurred by Cemex SAB and the other obligors described therein (the "2014 Facilities Agreement", and the obligations contained therein, the "2014 Debt") under which the Lenders agreed, among other things, granting Cemex SAB a credit line for the purposes of refinancing certain amounts pending payment under the 2012 Facilities Agreement and the Bancomext Facility (as such term is defined in the 2014 Facilities Agreement).

III. WHEREAS, on July 23, 2015, Cemex SAB, as debtor, the other Original Obligors, as guarantors or security providers, certain financial institutions and other entities identified therein as lenders, the Original Agent and the Beneficiary, among others, entered into an amendment and restatement agreement to the 2014 Facilities Agreement with the purpose, among others, of (i) refinancing certain debt incurred by Cemex SAB and the other obligors described therein, including the amounts pending payment under the 2012 Facilities Agreement, (ii) increasing the 2014 Refinanced Debt amount, and (iii) extending the original term of the 2014 Facilities Agreement.

IV. WHEREAS, on October 31, 2014 and July 23, 2015, an amendment and restatement agreements to the Original Intercreditor Agreement were entered into pursuant to which, among other things, the parties thereto agreed to extend the term of the Original Intercreditor Agreement.

V. WHEREAS, on July 19 2017, a Facilities Agreement (the "Facilities Agreement") was entered into by Cemex SAB, as borrower, several direct and indirect subsidiaries of Cemex SAB, as guarantors (*Guarantors*) or security providers (*Security Providers*) Banco Mercantil del Norte, S.A., Full-Service Bank, Banorte Financial Group, Banco Santander (México), S.A., Full-Service Bank, Santander Financial Group México, BBVA Bancomer, S.A. Full-Service Bank, BBVA Bancomer Financial Group, BNP Paribas Securities Corp., Citigroup Global Markets Inc., Crédit Ágricole Corporate and Investment Bank, HSBC Securities (USA) Inc., ING Capital LLC, JPMorgan Chase Bank,N.A., Mizuho Bank, Ltd. and Merrill Lynch, Pierce, Fenner & Smith Incorporated, as Joint Mandated Lead Arrangers and Joint Bookrunners, certain banking institutions named therein as original lenders (Original Lenders) (together with their successors, beneficiaries and assignees, in any manner, the "Original Lenders"), and Citibank Europe PLC, UK Branch (the "Agent"), as agent (Agent) and the Beneficiary, as security agent (Security Agent), in accordance with which the lenders agreed to extend CEMEX SAB the following commitments in US Dollars, Euros and Pounds Sterling, accordingly: (i) USD$1,234,435,319.98 (one thousand two hundred and thirty four billion four hundred and

thirty five thousand three hundred and nineteen US Dollars 98/100) corresponding to the Facility A Commitments, (ii) USD$377,013,090.91 (three hundred and seventy seven million thirteen thousand and ninety US Dollars 91/100) corresponding to the Facility DI Commitments, (iii) USD$1,134,994,890.95 (one thousand one hundred and thirty four million nine hundred and ninety four thousand eight hundred and ninety US dollars 95/100) corresponding to the Facility D2 Commitments (iv) EUR740,532,026.74 (seven hundred and forty million five hundred and thirty two thousand twenty six Euros 74/100) corresponding to the Facility B Commitments, and (v) GBP£343,612,270.82 (three hundred and forty three million six hundred and twelve thousand two hundred and seventy Pounds Sterling 82/100) corresponding to the Facility C Commitments for the main purpose of partially paying certain amounts under the 2014 Facilities Agreement and general corporate purposes. A copy of the Facilities Agreement is attached hereto as Exhibit A.

VI. WHEREAS, on July 19, 2017, Cemex SAB, several direct and indirect subsidiaries of Cemex SAB, as guarantors (*Guarantors*) or security providers (*Security Providers*) (jointly, the "Obligors") certain financial institutions and other entities identified therein as lenders, the Agent, in its capacity as agent, the Beneficiary, among others, entered into amendment and restatement agreement to the Original Intercreditor Agreement (the Original Intercreditor Agreement, as amended and restated by the amendment and restatement agreement to the an Original Intercreditor Agreement, the "Intercreditor Agreement"), pursuant to which the partied thereto agreed, among other things, to update the Original Intercreditor Agreement in order to acknowledge the execution and existence of the Facilities Agreement. A copy of the Intercreditor Agreement is attached hereto as Exhibit B.

VII. WHEREAS, pursuant to the Intercreditor Agreement (i) the Facilities Agreement shall remain in full force for the purposes herein until the Facilities Agreement is replaced by a Qualifying Senior Facilities Agreement (as such term is defined in the Intercreditor Agreement) at any time following a Qualifying Senior Facilities Event (as such term is defined in the Intercreditor Agreement) (as applicable pursuant to the Facilities Agreement, Intercreditor Agreement or a Qualifying Senior Facilities Agreement (as of the date it replaces the Facilities Agreement) an "Applicable Facilities Agreement"). The parties hereto agree that as of July 24, 2017, the Facilities Agreement constitutes, for all purposes herein, the Applicable Facilities Agreement.

VIII. WHEREAS, under the corresponding Applicable Facilities Agreement and the Intercreditor Agreement, Cemex SAB and its subsidiaries may refinance the incurred or issued debt by any of these, or incur in additional financing, to the extent to such financing or refinancing is permitted and secured under the terms of this Amendment Agreement, in accordance with the terms of the corresponding Applicable Facilities Agreement and the Intercreditor Agreement, through the issuance of bonds, promissory notes or other debt instruments, or convertible or exchangeable securities, or incurring in debt under credit agreements (jointly, "Refinanced or Additional Debt", and the lenders, of any nature, that adhere to the Intercreditor Agreement, as applicable, the "Refinanced or Additional Debt Lenders").

IX. WHEREAS, on November 30, 2007, Cemex SAB issued stock exchange certificates denominated in investment units and secured by the endorsement of each one of Cemex México and Tolteca, in an amount of 116,530,800 investment units, with an expiration date on November 17, 2017, which are registered in the National Securities Registry (*Registro Nacional de Valores*) and listed on the Mexican Stock Exchange (*Bolsa Mexicana de Valores, S.A.B. de C.V.*), ticker symbol 07-2U, secured under the terms of this Amendment Agreement (the "Stock Exchange Certificates").

X. WHEREAS, New Sunward Holding Financial Ventures B.V. ("NSHFV") issued (i) on December 18, 2006, certain callable perpetual dual currency notes, secured by each one of

Cemex SAB, Cemex México and New Sunward Holding B.V. ("NSH"), secured under the terms of this Amendment Agreement, in an amount of US$350,000,000, (ii) on December 18, 2006, certain callable perpetual dual currency notes, secured by each one of Cemex SAB, Cemex México and NSH, secured under the terms of this Amendment Agreement, in an amount of US$900,000,000, (iii) on February 12, 2007, certain callable perpetual dual currency notes, secured by each one of Cemex SAB, Cemex México and NSH, secured under the terms of this Amendment Agreement, in an amount of US$750,000,000, and (iv) on May 9, 2007, certain callable perpetual dual currency notes, secured by each one of Cemex SAB, Cemex México and NSH, secured under the terms of this Amendment Agreement, in an amount of EUR€730,000,000 (the promissory notes described in numerals (i) to (iv) above, jointly, the "Perpetual Securities").

XI. WHEREAS, Cemex SAB issued (i) certain senior secured notes on August 12, 2013, in an amount of US$1,000,000,000, secured by each one of Cemex México, Cemex Finance LLC ("Cemex Finance"), Cemex España, Cemex Concretos, S.A. de C.V. ("Cemex Concretos"), Tolteca, Cemex Corp., NSH, CEMEX Research Group AG ("CEMEX Research Group"), CEMEX Asia B.V. ("CEMEX Asia"), CEMEX France Gestion SAS ("CEMEX France Gestion"), CEMEX UK ("CEMEX UK"), CEMEX Egyptian Investments B.V. ("CEMEX Egyptian Investments") and CEMEX Egyptian Investments II B.V. ("CEMEX Egyptian Investments II") (merged with Cemex España on October 3, 2016); CEMEX Egyptian Investments II together with Cemex México, Cemex Finance, Cemex España, Cemex Concretos, Tolteca, Cemex Corp., NSH, CEMEX Research Group, CEMEX Shipping, CEMEX Asia, CEMEX France Gestion , CEMEX UK and CEMEX Egyptian Investments, or their successors or beneficiaries, the "Guarantors of the Cemex SAB Bonds"), which are secured under the terms of this Amendment Agreement, with a 6.50% yield expiring on December 10, 2019, (ii) certain senior secured notes on October 2, 2013, March 25, 2013, in an amount of US$1,000,000,000, secured by the Guarantors of the Cemex SAB Bonds, secured under the terms of this Amendment Agreement, with a 7.250% yield expiring on January 15, 2021, (iii) certain floating rate senior secured notes on October 2, 2013, in an amount of US$500,000,000, secured by the Guarantors of the Cemex SAB Bonds, secured under the terms of this Amendment Agreement, with a variable yield expiring on October 15, 2018, (iv) certain senior secured notes on September 11, 2014, in an amount of US$1,100,000,000, secured by the Guarantors of the Cemex SAB Bonds, secured under the terms of this Amendment Agreement, with a 5.70% yield expiring on January 11, 2025, (v) certain senior secured notes on September 11, 2014, in an amount of EUR€400,000,000, secured by the Guarantors of the Cemex SAB Bonds, secured under the terms of this Amendment Agreement, with a 4.750% yield expiring on January 11, 2022, (vi) certain senior secured notes on March 5, 2015, in an amount of US$750,000,000, secured by the Guarantors of the Cemex SAB Bonds, secured under the terms of this Amendment Agreement, with a 6.125% yield expiring on May 5, 2025, (vii) certain senior secured notes on March 5, 2015, in an amount of EUR€550,000,000, secured by the Guarantors of the Cemex SAB Bonds, secured under the terms of this Amendment Agreement, with a 4.375% yield expiring on March 5, 2023, and (viii) certain senior secured notes on March 16, 2016, in an amount of US$1,000,000,000, 550,000,000, secured by the Guarantors of the Cemex SAB Bonds, secured under the terms of this Amendment Agreement, with a 7.75% yield expiring on April 16, 2026 (the securities described in numerals (i) to (viii) above, jointly, the "Cemex SAB Bonds").

XII. WHEREAS, Cemex Finance LLC issued (i) certain senior secured notes in an amount of US$1,500,000,000 on October 12, 2012, secured by Cemex SAB, Cemex México, Cemex España, Cemex Concretos, Tolteca, Cemex Corp., NSH, CEMEX Research Group, CEMEX Shipping (merged with Cemex España on October 3, 2016), CEMEX Asia, CEMEX France Gestion, CEMEX UK, CEMEX Egyptian Investments and CEMEX Egyptian Investments II (merged with Cemex España on October 3, 2016) (jointly, the "Guarantors of the CEMEX Finance Bonds"), secured under the terms of this Amendment Agreement, with a 9.375% yield expiring on October 12, 2022, (ii) certain senior secured notes in an amount of

US$1,000,000,000 on April 1, 2014, secured by the Guarantors of the CEMEX Finance Bonds, secured under the terms of this Amendment Agreement, with a 6.00% yield expiring on April 1, 2024, and (iii) certain senior secured notes in an amount of EUR€400,000,000, secured by the Guarantors of the CEMEX Finance Bonds, secured under the terms of this Amendment Agreement, with a 4.625% yield expiring on June 15, 2024 (the promissory notes described in numerals (i), (ii), and (iii) above, jointly, the "Cemex Finance Bonds").

XIII. WHEREAS, Cemex SAB or any of its subsidiaries (the "Additional Obligors") may issue promissory notes, stock exchange certificates (in accordance with the programs approved on this date or in the future), bonds or other debt instruments, or convertible or exchangeable securities, or by incurring debt under credit agreements, which proceed are applied to refinancing (i) the Stock Exchange Certificates, the Perpetual Securities, the Cemex SAB Bonds, the Cemex Finance Bonds, or any Refinanced or Additional Debt, which are equitably and proportionately secured with respect to other debt of the Obligors in accordance with the terms of the Facilities Agreement, or (ii) any debt of Cemex SAB or of the other Obligors under the terms of the Facilities Agreement or the Intercreditor Agreement, which are issued or, as necessary, result from loans, after the date of the Facilities Agreement by the Additional Obligors, and which are permitted to be issued or, as necessary, result from loans under the Facilities Agreement (such loan, together with the Refinanced or Additional Debt described in Recital IV herein, shall be jointly referred to as "Refinanced or Additional Debt").

XIII. WHEREAS, it is the intention of the Trustors to establish and maintain a first lien, under this Amendment Agreement, with respect to the shares held in trust described herein, in an equitable and proportional manner, in favor of (i) the Original Lenders, acting through the Beneficiary, and the Beneficiary, (ii) any financial institution appointed as an Accordion Lender (as such term is defined in the Facilities Agreement) in accordance with the Facilities Agreement and in compliance with the requirements set forth in Section 2.2 of the Facilities Agreement, acting through the Beneficiary, (iii) any lender providing financing to any Obligor permitted under the terms of the Facilities Agreement and whom Cemex SAB determines to benefit with such lien pursuant to the terms herein, (iv) the Agent, (v) the holders of the Stock Exchange Certificates, acting through the common representative of the Stock Exchange Certificates, (vi) the holders of the Perpetual Securities, acting by means of the corresponding trustee, (vii) the holders of the Cemex SAB Bonds, acting through the corresponding trustee, (viii) the holders of the Cemex Finance Bonds, acting by means of the corresponding trustee, (ix) the holders or lenders of any Refinanced or Additional Debt, acting by means of the corresponding common representative, trustee, Agent or lender (jointly, the parties listed in numerals (i) to (ix) above, and any successor, beneficiary or assignee, the "Secured Parties"), in accordance with the terms herein and in the Intercreditor Agreement, to ensure the exact and timely payment of all amounts payable by Cemex SAB and the other Obligors, under the corresponding Applicable Facilities Agreement and any Refinanced or Additional Debt; and, if applicable, any financing to any Obligor permitted under the terms of the Facilities Agreement and whom Cemex SAB determines to benefit with such lien pursuant to the terms herein; Cemex SAB, Cemex México and Tolteca, under the Stock Exchange Certificates; Cemex SAB, NSHFV, Cemex México and NSH under the Perpetual Securities; Cemex SAB and the Guarantors of the Cemex SAB Bonds under the Cemex SAB Bonds; Cemex Finance and the Guarantors of the Cemex Finance Bonds under the Cemex Finance Bonds, and any Additional Obligor under any Refinanced or Additional Debt (the "Obligations").

THEREFORE, taking the foregoing Recitals into consideration, the parties hereto represent, warrant and agree the following:

REPRESENTATIONS

I. Each one of the Trustors represents and warrants, in its own right and on this date, that:

(a) it is a company duly incorporated and existing pursuant to the laws of its place of incorporation, authorised to enter into this Amendment Agreement and to comply with its obligations hereunder;

(b) it is the owner of the shares described in **Exhibit C**, which represent the stock capital of the corresponding Issuer, which have been contributed to the trust on this date (jointly, the "Initial Shares");

(c) it is its intention, under the terms herein, to contribute its respective Initial Shares to the trust in favor of the Secured Parties, in order to ensure the exact and timely performance of all the Secured Obligations (as defined below);

(d) its respective Initial Shares have been duly issued by the corresponding Issuer, have been legally obtained, paid in full and are free of any lien, encumbrance, right of option or any other ownership restriction or right of first refusal, except as agreed hereunder;

(e) this Amendment Agreement constitutes a valid and enforceable obligation against it under the terms herein, and is sufficient to transfer ownership of the Initial Shares in favor of the Trustee under the terms herein;

(f) it has obtained all necessary internal authorizations to enter into and comply with this Amendment Agreement, including but not limited to any necessary authorizations from its shareholders or from its board of directors, as applicable;

(g) its representatives have sufficient powers and authority to enter into and be bound by this Amendment Agreement, which powers have not been limited, amended or revoked in any manner, as recorded in public deeds and other documentation containing such powers and authority, which are in the possession of the parties;

(h) it does not require the consent or authorization of any third party, including any government authority, to enter into or comply with this Amendment Agreement, except, in the event of the enforcement hereof, the acquirer or acquirers of any of the Initial Shares may request the authorization of the Federal Antitrust Commission (*Comisión Federal de Competencia Económica*) and of the Foreign Investment National Commission (*Comisión Nacional de Inversiones Extranjeras*) for such purposes;

(i) the execution of and performance with this Amendment Agreement does not contravene or breach any applicable law, rule or regulation, applicable judgement or order, agreement of any nature, with respect to which it is party or under which it is obliged, or of its company bylaws or other incorporation documentation currently in force;

(j) it has neither filed nor has any knowledge of any bankruptcy, insolvency or similar proceedings been filed against it under the applicable law;

(k) it has neither filed nor has any knowledge that it is party to or has been notified of, or intends to file, any action or proceeding before any court, government authority or arbitrator of any kind (in Mexico or abroad), that could have a significant adverse effect on the financial position or the business of the Trustor, on the rights of the Trustor with respect to the Initial Shares, or the validity, effectiveness or enforceability of this Amendment Agreement, except as described in the Facilities Agreement and the attachments thereof;

(l) it is obliged to provide the Trustee with any information required by it in order to comply with the provisions set forth in Article 115 of the Credit Institutions Law and all other regulatory provisions and internal policies of the Trustee;

(m) it hereby expressly recognizes the existence of the Secured Parties and their representatives, as well as the legal capacity of the Beneficiary to act on its own behalf and for the benefit of the Secured Parties (under the terms of the Intercreditor Agreement), as well as to exercise any of the rights arising from this Amendment Agreement.

II. Each one of the Issuers represents and warrants, in its own right and on this date, that:

(a) it is a company duly incorporated and existing pursuant to the laws of Mexico, with the powers and authority to enter into this Amendment Agreement and to comply with its obligations hereunder;

(b) the Initial Shares have been duly issued by the corresponding Issuer, have been legally obtained, paid in full and are free of any lien, encumbrance, right of option or any other ownership restriction or right of first refusal, except as agreed hereunder;

(c) this Amendment Agreement constitutes a valid and enforceable obligation against it under the terms herein;

(d) it has obtained all necessary internal authorizations to enter into and comply with this Amendment Agreement;

(e) its representatives have sufficient powers and authority to enter into and be bound by this Amendment Agreement, which powers have not been limited, amended or revoked in any manner, which are in the possession of the parties**;**

(f) it does not require the consent or authorization of any third party, including any government authority, to enter into or comply with this Amendment Agreement, except, in the event of the enforcement hereof, the acquirer or acquirers of any Initial Shares may request the authorization of the Federal Antitrust Commission and of the Foreign Investment National Commission for such purposes;

(g) the execution of and performance with this Amendment Agreement does not contravene or breach any applicable law, rule or regulation, applicable judgement or order, agreement of any nature, with respect to which it is party or under which it is obliged, or of its company bylaws or other incorporation documentation currently in force;

(h) it has neither filed nor has any knowledge that it is party to or has been notified of, or intends to file, any action or proceeding before any court, government authority or arbitrator of any kind (in Mexico or abroad), that could have a significant adverse effect on the financial position or the business of the Issuers, on the rights of the Trustor with respect to the Initial Shares, or the validity, effectiveness or enforceability of this Amendment Agreement, except as described in the Facilities Agreement and the attachments thereof.

III. The Trustee represents and warrants on this date that:

(a) it is a full-service bank duly incorporated and existing pursuant to the laws of Mexico, authorised to enter into this Amendment Agreement and to comply with its obligations hereunder;

(b) this Amendment Agreement constitutes a valid and enforceable obligation against it in the terms hereunder;

(c) it has obtained all necessary internal authorizations to enter into and comply with this Amendment Agreement;

(d) its trustee delegates have sufficient authority to enter into this Amendment Agreement, which have not been limited, amended or revoked in any form, as recorded in the public deeds attached hereto as **Exhibit D;**

(e) it does not require the consent or authorization of any third party, including any government authority, to enter into or comply with this Amendment Agreement, except, in the event of the enforcement hereof, the acquirer or acquirers of any Initial Shares may request the authorization of the Federal Antitrust Commission and of the Foreign Investment National Commission for such purposes;

(f) the execution of and performance with this Amendment Agreement does not contravene or breach any applicable law, rule or regulation, applicable judgement or order, agreement of any nature, with respect to which it is party or under which it is obliged, or of its company bylaws or other incorporation documentation currently in force;

(g) it agrees to act as trustor under this Amendment Agreement;

(h) it has unambiguously informed the Parties of the content and scope of paragraph b) of section XIX of Article 106 of the Credit Institutions Law and the applicable text of Circular 1/2005 together with the amendments to such Circular issued by the Banco de México, with respect to the prohibitions which restrict it pursuant to the law and the provisions currently in force, which content, as applicable, is set forth in Clause Nine of this Amendment Agreement.

IV. The Beneficiary represents and warrants on this date that:

(a) it is a private limited company duly incorporated and existing pursuant to the laws of England and Wales, with the authority to enter into this Amendment Agreement and to comply with its obligations hereunder;

(b) its representatives have sufficient powers and authority to enter into this Amendment Agreement and oblige it hereunder, whose powers have not been limited, amended or revoked in any manner, as recorded in the public deeds and other documentation attached hereto as **Exhibit E;**

(c) it does not require the consent or authorization of any third party, including any government authority, to enter into or comply with this Amendment Agreement, except, in the event of the enforcement hereof, the acquirer or acquirers of any Initial Shares may request the authorization of the Federal Antitrust Commission and of the Foreign Investment National Commission for such purposes;

(d) it enters into this Amendment Agreement in its own right and on behalf and for the benefit of the Original Lenders and, if applicable, the Refinancing or Additional Lenders (and their successors, beneficiaries and assignees) and the other Secured Parties, under the terms of the Facilities Agreement and the Intercreditor Agreement in accordance with the instructions received from the Agent;

V. The Trustors, the Issuers and the Beneficiary represent and warrant, each of them on its own and with no liability regarding any of the representations and warranties of the other Parties, on this date that:

(a) prior to the execution of this Amendment Agreement, the Trustee suggested them to retain the advice of a professional of their choice regarding the scope and legal and tax consequences arising from this Amendment Agreement, acknowledging that the Trustee is not liable for such matters;

(b) they acknowledge that the Trustee is not a party to the Facilities Agreement, nor of the Intercreditor Agreement, or of any related documentation, nor of any other agreement or document that is related with the foregoing or with this Amendment Agreement and to which the Trustee is not party, and, consequently not obliged hereunder, except to the extent of the instructions it receives under of this Amendment Agreement, nor is it under any obligation to interpret or verify them;

(c) they acknowledge that the Trustee is not liable in any manner with respect to the veracity, legitimacy, authenticity or legality of the agreements referred to in the Recitals hereto;

(d) the Trustee forms part of the Banamex Financial Group and has informed them that it is part of Citigroup; the Trustee has also informed them that it has relations with various entities and their affiliates or subsidiaries, in consequence of which they acknowledge that conflicts of interest could arise in complying with the purposes of the Agreement; and

(e) the Trustee informed them on the Privacy Notice which means the physical, electronic document or any other form issued by Banco Nacional de México S.A member of Banamex Financial Group which is available to them on http://www.banamex.com/es/privacidad_portal.htm, which was informed to them prior to the used of their personal data under the provisions of the Federal Law for Protection of Personal Data Held by Individuals (*Ley Federal de Protección de Datos Personales en Posesión de los Particulares*, the "Protection Data Law") and which is a part of this Amendment Agreement.

BY VIRTUE OF THE FOREGOING, the parties hereto agree to the following:

CLAUSES

ONE. Establishment of the Trust; Subsequent Encumbrances. (a) Each one of the Trustors establishes this irrevocable security trust with the Trustee, which is identified by number F/11517-9, by means of the assignment to the Trustee of the ownership of the Initial Shares, which shall be subject to the terms of this Amendment Agreement until the Termination Date (as defined below) or as provided hereunder, as guarantee of the due, total and timely performance of (i) each and every one of the current and future obligations that may at any time be payable, owed or incurred by Cemex SAB, any of its Subsidiaries and the other Obligors with any of the Secured Parties under the corresponding Applicable Facilities Agreement for the Intercreditor Agreement, including the Obligations, (ii) each and every one of the amounts payable by the Trustors under this Amendment Agreement, and (iii) all of the fees, costs and expenses, incurred, paid or disbursed by the Beneficiary, the Secured Parties or their respective representatives, if applicable, in exercising the rights under this Amendment Agreement (jointly, (i), (ii) and (iii), the "Secured Obligations"). The Trustee hereby acquires and receives the Initial Shares, duly endorsed in its favor, and the execution of this Amendment Agreement constitutes proof of receipt of the Initial Shares by the Trustee.

(b) Each one of the Trustors hereby agrees to transfer to the Trustee, or ensure that any third party under the direct or indirect control of Cemex SAB, transfers to the Trustee, within five (5) working days of the date on which such additional share has been acquired by any means, any additional shares issued by any Issuer that any of the Trustors or such third party controlled by Cemex SAB may acquire, by subscription and payment or by any other means (the "Additional Shares"), which transfer shall be carried out in accordance with the procedure agreed in this Clause One. For the purposes of this Amendment Agreement, the term "working day" shall mean any day other than a Saturday or Sunday during which full-service banking institutions are authorized to open and carry out operations with the public in Mexico, in accordance with the calendar published and updated by the National Banking and Securities Commission (*Comisión Nacional Bancaria and de Valores*).

(c) The representations made by each one of the Trustors contained herein shall be deemed as repeated, *mutatis mutandis*, by the corresponding Trustor or by a third party on each of the dates on which such Trustor or any third party contributes Additional Shares to the trust under the terms of this Amendment Agreement, with respect such Additional Shares.

(d) The transfer of ownership to the Trustee of the Initial Shares owned by Trustor, under this Amendment Agreement, shall be carried out as follows:

(1) each one of the Trustors shall encumber the Initial Shares into the trust under this Amendment Agreement through (i) the delivery to the Trustee of each one of its certificates or ownership instruments representing such Initial Shares, endorsed in favor of the Trustee, and (ii) the entering by the secretary to the board of directors of the relevant Issuer of the corresponding entry in the Shareholders Registry of such Issuer, indicating that such Initial Shares have been contributed to the trust to the Trustee under this Amendment Agreement and the delivery of a certificate by the secretary to the board of directors of such Issuer with such entry issued in favor of the Trustee for the benefit of the Secured Parties; and

(2) each one of the Trustors shall transfer to the Trustee and agrees to ensure that any applicable third party transferring to the Trustee, under this Amendment Agreement (particularly, this Clause One), any Additional Shares that any of them may acquire.

(e) The Trustee hereby acknowledges having received at its entire satisfaction the certificates or ownership instruments representing the Initial Shares, in the form agreed in Clause One (d)(1) above, and shall hold the Initial Shares in the trust, pursuant to this Amendment Agreement, as part of, and jointly with, the Trust Estate (as defined below), for the benefit of the Beneficiary and the Secured Parties, to guarantee the performance of the Secured Obligations and, in the event that the Termination Date occurs, if the Trust Estate exists and is held on such Termination Date, for the benefit of and reversion to the relevant Trustor, under the terms and conditions of this Amendment Agreement and upon the instructions and expense of such Trustor.

(f) Regarding any Initial Shares or Additional Shares transferred to the Trustee under this Amendment Agreement, the Trustor or the third party transferring the Initial Shares or the corresponding Additional Shares, shall be responsible for (i) payment of compensation in the event of eviction, and (ii) hidden defects.

(g) For all applicable effects and with no liability of any nature to the Trustee, the Beneficiary or any of the Secured Parties, each one of the Trustors declares that, in its capacity as second beneficiary under this Amendment Agreement, (i) such Trustor reserves the right of reversion, in the event that the Termination Date occurs, to the extent the Trust Estate exists on such date, with respect to the Initial Shares or the Additional Shares for the purposes of the applicable tax regulations, and (ii) that the transfer and delivery of the Initial Shares or the Additional Shares to the Trustee does not incur any income tax resulting from the disposal of the Initial Shares and any of the Additional Shares provided for in this Amendment Agreement, pursuant to the provisions set forth in Article 14 of the Tax Code (*Código Fiscal de la Federación*), as the relevant Trustor has the right of reversion over the Initial Shares or the Additional Shares (to the extent they are part in the Trust Estate) once the Termination Date has occurred. Each Trustor agrees, for the benefit of the Secured Parties and with the knowledge of the Trustee, that the provisions set forth in this Clause do not contravene the irrevocability referred to in Clause Fourteen hereof.

(h) Within ten (10) working days of the date hereof, as necessary, Cemex SAB agrees to notify the common representative of the Stock Exchange Certificates, the trustee acting on behalf of the holders of the Perpetual Securities, the trustee acting on behalf of the holders of the

Cemex SAB Bonds, the trustee acting on behalf of the holders of the Cemex Finance Bonds and the trustee acting on behalf of the holders of the Cemex España Bonds, of the establishment of the trust under this Amendment Agreement and the rights arising hereunder in favor of the holders of the Stock Exchange Certificates, the Perpetual Securities, the Cemex SAB Bonds, the Cemex Finance Bonds and the Cemex España Bonds.

TWO. Parties to this Agreement. (a) The following are parties to this Amendment Agreement:

Trustors and second beneficiaries:	Cemex SAB, Tolteca, Interamerican, Cemex México and Cemex Interamerican, Cemex México, and Cemex Operaciones, as well as any third party contributing Additional Shares to the trust, under the terms hereof;
Trustee:	Banco Nacional de México, S.A., a member of the Banamex Financial Group, Trust Division;
Beneficiary:	Wilmington Trust (London) Limited, in its own right and acting for and on behalf and for the benefit of the Secured Parties under the terms set forth in the Intercreditor Agreement, provided that none of the Secured Parties other than the Beneficiary, which act for and on behalf of the Original Lenders and, in accordance with the provisions set forth in the Intercreditor Agreement, of the Lenders of the Refinancing of Additional Debt, shall have the right to enforce any of the rights arising from this Amendment Agreement, but shall have the right to receive a portion, on a pro rata basis, of the proceeds of any enforcement at the time the Beneficiary exercises its rights hereunder in accordance with the terms of the Intercreditor Agreement.

(b) The Trustors have the capacity of second beneficiaries and each one of them shall have the right on the Termination Date to all or part of the Trust Estate that, if such case, exists on the Termination Date.

(c) In the event the Beneficiary deems it convenient or necessary or is required to do so under the terms of the Intercreditor Agreement, the Beneficiary may request or obtain instructions from the Secured Parties to carry out or exercise any right provided hereunder under Clause Twenty-One.

(d) The successors, beneficiaries and/or parties replacing the Trustee, any Trustor, the Beneficiary, the Original Lenders, the Lenders of the Refinanced or Additional Debt, if applicable, or any of the Secured Parties, if applicable, under the terms of this Amendment Agreement and the Facilities Agreement, the Intercreditor Agreement, the Refinanced or Additional Debt, the Stock Exchange Certificates, the Perpetual Securities, the Cemex SAB Bonds, the Cemex Finance Bonds, shall be deemes as the "Trustee", a "Trustor", the "Beneficiary", the "Original Lenders", the "Lenders of the Refinanced or Additional Debt" and the "Secured Parties", respectively, for the purposes of this Amendment Agreement.

(e) With the execution of this Amendment Agreement, the Trustee (i) shall comply faithfully and loyally with its obligations as a trustee under this Amendment Agreement and pursuant to applicable legislation, (ii) acknowledges and accepts ownership of and title to the Initial Shares and, if applicable, to the Additional Shares, in order to comply with the purposes of the trust established hereunder, and (iii) shall be deemed as having deivered a receipt to the Trustors with respect to the Initial Shares, which shall serve as a Trust Estate inventory, pursuant to the provisions set forth in Regulation 5.1 of Circular 1/2005 and its amendments issued by the Banco de México (the "Circular 1/2005").

THREE. Purposes of this Trust. The purposes of the trust established by this Amendment Agreement and the obligations of the Trustee are as follows:

(a) that the Trustee receives ownership of and keeps the Trust Estate as collateral during the term of this Amendment Agreement, as set forth herein and in accordance with the relevant Applicable Facilities Agreement and the Intercreditor Agreement, until either of these events occur first (i) the total and definitive fulfilment of the obligations vis-à-vis the Original Lenders and/or the od Additional Lenders under the Intercreditor Agreement and to the satisfaction of the Agent (acting in a reasonable manner), (ii) the release of the Trust Estate pursuant to the Intercreditor Agreement, on the working day following the date on which (1) the Consolidated Leverage Ratio of the two (2) most recently concluded Reference Periods with respect to which a Compliance Certificate has been delivered under the relevant Applicable Facilities Agreement (as each one of such terms with initial capital letters is defined in the Facilities Agreement) is not in excess of 3.75 to 1, and (2) no Default (as such term in initial capital letters is defined in the Facilities Agreement) is ongoing, to the extent this is evidenced by a certificate issued by Cemex SAB together with the most recent Compliance Certificate described in numeral (1) above, or (iii) any termination event permitted under Clause Fourteen of this Amendment Agreement has occurred (the earliest of such dates, the "Termination Date"), as notified in writing to the Trustee by the Beneficiary that any of the events described in numerals (i), (ii) and (iii) above have occurred;

(b) that the Trust Estate guarantees the Secured Obligations and, as agreed herein, that the Trustee may, in the event of an Enforcement Event (as defined in the Intercreditor Agreement; hereinafter an "Enforcement Event") occurring, it disposes if the Trust Estate, and the proceeds resulting from that disposal are applied to payment of the Secured Obligations, under the terms of this Amendment Agreement and of the Intercreditor Agreement, including for the payment of all the Obligations;

(c) that the Trustee may revert the remainder of the Trust Estate, as applicable, to the Trustors under this Amendment Agreement, immediately after the Termination Date, by transferring of the corresponding Initial Shares or the Additional Shares, as applicable, in accordance with the instructions of and charged to the relevant Trustor, including by the endorsement of ownership and delivery of the necessary certificates;

(d) that the Trustee may keep the Trust Estate, exercise or permit the exercise of its rights corresponding under Clause Five, and carries out the necessary actions to protect it, as a good paterfamilias, provided that, in doubt as to the actions to be taken, it must request instructions from the Trustors and the Beneficiary, or any of the Trustors or the Beneficiary, as applicable, in accordance with this Amendment Agreement (and, in particular, Clause Eight hereof) or, in the event of an Enforcement Event, solely from the Beneficiary (except in the case of an emergency, in which case the Trustee shall act as a good *paterfamilias*, exercising its best judgment and with no liability to the Trustee, except in cases of wilful misconduct, negligence or bad faith);

(e) that, in the event that the Trust Estate or a portion of it is represented in cash, the Trustee shall invest it in Treasury Notes (or, should these not be available, in any other instrument issued by the Mexican government), either directly in a primary offering or on the secondary market or, upon instructions of the Trustors and the Beneficiary, in other securities, at all times pursuant to legal or administrative provisions governing the investment of funds in trusts (including Circular 1/2005), in the event of an Enforcement Event, in any instrument specified by the Beneficiary and, once the Termination Date has occurred, in any instrument instructed by the Trustors (to the extent any part of the Trust Estate is still held to such date), provided that (i) the Trustee is authorized for such purposes to open bank or investment accounts and to carry out all such necessary acts to execute the necessary agreements, upon instructions from the Trustors and the Beneficiary, and (ii) if any dividends or other

distributions are received by the Trustee under Clause Five (b) of this Amendment Agreement, and the Trustors (and not the Beneficiary) have the right to receive those dividends or distributions as agreed herein, then the Trustee may invest or deliver the amounts received as dividends or distributions solely as instructed by the Trustors; the Trustee has not rendered nor is responsible for rendering any advice to the Parties regarding the convenience or inconvenience of investing, purchasing, selling, maintaining, acquiring or not acquiring any investment instrument. The Trustee shall not be liable for the actions of third parties taking part in the advisory, managing and/or keeping the Trust Estate and that have been appointed by the Parties.

(f) that the Trustee enters into the necessary agreements and instruments, and carries out all the actions necessary to establish, maintain and manage the trust constituted established hereunder and manage the Trust Estate, as instructed by the Beneficiary or, where expressly agreed to, by the Trustors;

(g) that the Trustee may duly and promptly comply with the rest of its obligations set forth in this Amendment Agreement;

(h) that the Trustee may carry out each one of the acts entrusted to it under the terms of this Amendment Agreement (including but not limited to the execution of any instruments, the execution of any legal act or the receipt or granting of powers of attorney or commercial orders) under this Clause Three or any other Clause of this Amendment Agreement, or that are imposed to the Trustee pursuant to the applicable law.

FOUR. Trust Estate. (a) The assets held in trust (jointly, the "Trust Estate") shall include the following:

(1) the Initial Shares transferred by each Trustor, as agreed in Clause One of this Amendment Agreement;

(2) any Additional Shares or other assets, if applicable, that the Trustors or any third party directly or indirectly controlled by Cemex SAB, contributed to the trust under this Amendment Agreement;

(3) any additional rights relating to the Initial Shares and any other assets encumbered in trust under this Amendment Agreement;

(4) except for dividends or other distributions to which the Trustors have a right under Clause Five (b) of this Amendment Agreement, any yields, distributions or funds of any nature resulting from or relating to the Initial Shares, the Additional Shares or any assets encumbered in trust under this Amendment Agreement;

(5) any instruments or securities of any nature acquired with the Trust Estate and the yields or funds resulting from such Trust Estate;

(6) any certificates or instruments which, for any reason, replace the Initial Shares or the Additional Shares;

(7) the rights corresponding to the Initial Shares, any Additional Shares and any assets encumbered in trust under this Amendment Agreement, in accordance with and subject to the restrictions set forth in Clause Five of this Amendment Agreement, and

(8) any other assets (including rights) which for any reason or as a result of any legal circumstance become part of the Trust Estate.

(b) The parties agree that the Trust Estate is transferred to the Trustee solely to comply with the provisions set forth in this Amendment Agreement, including the provisions in Clause Three.

(c) The parties, other than the Trustee, agree that the Trustee shall have no liability or obligation, whether express or implicit, with respect to the source, authenticity, ownership or legitimacy of the Trust Estate.

FIVE. Certain Rights and Obligations of the Trustors. The parties hereby acknowledge that, to the extent no Enforcement Event occurs, the Trustors shall retain their voting rights and the rights to dividends and other cash distributions with respect to the Initial Shares and the Additional Shares, under the terms agreed in paragraphs (a) and (b) below.

(a) Vote and Subscription Right. (1) The parties agree that, to the extent no Enforcement Event occurs, each one of the Trustors shall have (i) the right to instruct the Trustee in writing with respect to the manner in which the voting rights of the Initial Shares and the Additional Shares shall be exercised under this Clause Five, and the Trustee shall exercise the voting rights with respect to the Initial Shares and the Additional Shares in accordance with those instructions, or (ii) the right to demand that the Trustee grants powers of attorney authorizing the exercise of the voting rights with respect to any of the Initial Shares or the Additional Shares, except once an Enforcement Event occurs, in which case each one of the Trustors hereby agrees that the voting rights corresponding to the Initial Shares and to the Additional Shares shall be exercised by the Trustee, as instructed by the Beneficiary.

(2) In the event any Trustor exercises the right contained in paragraph (a)(1)(ii) above in order to allow the Trustor to exercise the voting rights corresponding to the Initial Shares or to the Additional Shares, the Trustee shall provide such Trustor any certificates, powers of attorney or documents reasonably requested by the Trustor in writing and in the terms in which they have been requested, so long as (i) such certificates, powers of attorney or documents have been timely requested by the Trustor, with respect to shareholders meetings, but at all times in no less than three (3) working days before the relevant shareholders meeting takes place, (ii) no Enforcement Event has occurred, and (iii) all of the corresponding expenses are covered by the relevant Trusto, provided that such Trustor to which any of such powers have been granted shall provide the Trustee with a written report regarding the exercise of the corresponding voting rights no later than the third working day following the date such shareholders meeting took place.

(3) In connection with the exercise of the voting rights corresponding to the Initial Shares or to the Additional Shares, as permitted under (a)(1)(ii) above, each one of the Trustors hereby agrees that it may not exercise, nor shall allow any third party under the direct or indirect control of Cemex SAB to exercise, those voting rights in any manner (i) that contravenes the provisions of the corresponding Applicable Facilities Agreement or the Intercreditor Agreement, or (ii) that undermines, or that could otherwise affect, the rights of the Beneficiary or of the Secured Parties contained in this Amendment Agreement, in the corresponding Applicable Facilities Agreement or in the Intercreditor Agreement.

(4) In the cases in which the Trustee, as holder of the Initial Shares or the Additional Shares under this Amendment Agreement, has the right to exercise preferential subscription rights in connection with the Initial Shares or the Additional Shares, with respect to new shares issued or intended to be issued by any of the Issuers, the Trustee shall exercise such rights to the extent (i) it has received sufficient written instructions from the relevant Trustor (entitled to the relevant shares, in the event of reversion under this

Amendment Agreement) at least three (3) working days prior to the date on which such subscription right term expires (and the Trustee shall exercise such rights in accordance with such instructions), and (ii) the relevant Trustor has provided the Trustee with the necessary immediately available funds, should funds be necessary for the exercise of the rights, at least two (2) working days prior to such date. Failure by the respective Trustor to provide written instructions or to timely make such fund available to the Trustee shall release the Trustee from any liability with respect to the relevant Trustor. The parties agree that any Additional Shares acquired by the Trustee under this paragraph (a)(4), shall be contributed to the trust under this Amendment Agreement and shall be deemed as Additional Shares for the purposes hereof.

(b) Distributions. (1) The parties agree that, to the extent no Enforcement Event has occurred, each one of the Trustors shall have the right to receive from the Trustee any dividend or cash distribution payable by the corresponding Issuer in connection with to the Initial Shares or the Additional Shares, and the Trustee shall be obliged to deliver such funds to the relevant Trustor once received; in the event of an Enforcement Event, the cash corresponding to any dividend or distribution shall be contributed to the trust as part of the Trust Estate, subject to the terms of this Amendment Agreement.

(2) All of the dividends or distributions in kind received with respect to the Initial Shares and the Additional Shares (either in Additional Shares or in any other manner), shall form part of the Trust Estate and shall be subject to the terms of this Amendment Agreement.

(c) Formalization. Each one of the parties to this Amendment Agreement agrees that, no later than the fifth working day following the date of this Amendment Agreement, each one of the parties shall appear before the notary public or public broker selected by the Trustee, to ratify the signatures of the parties to this Amendment Agreement.

SIX. Certain Obligations of the Trustors. Until the Termination Date, and except where expressly authorized in writing by the Beneficiary, each one of the Trustors shall:

(a) immediately inform the Beneficiary and the Trustee of any circumstance that affects or could reasonably be deemed as having the potential to adversely and significantly affect the Trust Estate, this Amendment Agreement or their obligations arising therefrom;

(b) sign and deliver all necessary documents and instruments, and to carry out any other action that, in the reasonable judgment of the Trustee or the Beneficiary, is necessary to procure, finalize and protect the transfer of ownership resulting from this Amendment Agreement and to permit the Trustee and the Beneficiary, as applicable, to exercise their rights under the terms of this Amendment Agreement;

(c) refrain from establishing or permitting the existence of any lien or restriction of ownership with respect to the Trust Estate; and

(d) immediately transfer to the Trustee any Additional Shares it acquires, periodically, under the terms of this Amendment Agreement and, in particular, Clause One.

SEVEN. Enforcement Procedure in an Enforcement Event.

(a) Disposal of the Shares. In the event of an Enforcement Event, and to the extent the requirements agreed to in the Intercreditor Agreement have been met, the Beneficiary shall have the right to instruct the Trustee to initiate a process relating the extrajudicial sale of the Initial Shares and the Additional Shares (as well as any other assets of the Trust Estate that may be disposed of), in accordance with the following procedure agreed to by the Trustors and the

Beneficiary pursuant to Article 83 of the Credit Institutions Law and Article 403 of the General Law of Negotiable Instruments and Transactions (*Ley General de Títulos y Operaciones de Crédito*):

(1) In the event the Trustee receive an sale order from the Beneficiary (a copy of which shall be submitted to the representative appointed by the Trustors pursuant to this Amendment Agreement), under the terms of the sale order form attaches **Exhibit F** (hereinafter, the "Sale Order"), pursuant to which the Beneficiary requests the Trustee to proceed to sell the Initial Shares, the Additional Shares and any other assets of the Trust Estate, in order for the Secured Obligations to be met following an Enforcement Event, the Trustee shall dispose of the Trust Estate as provided below. The Sale Order shall include a copy of this Amendment Agreement certified by a notary public or public broker, shall include a description of the existence of an Enforcement Event, and the enforceable and payable amount owed in favor of the Secured Parties, or an assessment that the Trustors have not yet complied with their respective payment obligations under this Amendment Agreement;

(2) the Trustee shall provide written notice of the Sale Order to the representative of the Trustors, as instructed by the Beneficiary, at the address in Mexico set forth in this Amendment Agreement, in person, during working days and working hours, by means of any of its officers or a notary public or public broker, no later than three (3) working days following receipt of the Sale Order;

(3) the Trustors shall have a period of ten (10) working days as of the date on which they received the written notice from the Trustee referred to in paragraph (a)(2) above, to oppose the sale of the Trust Estate in the manner set forth in paragraph (4) below;

(4) the Trustors may only oppose such sale if they present to the Trustee a payment receipt issued and duly signed by the Beneficiary with respect to the obligations of the Obligors under the Applicable Facilities Agreement with the Original Lenders or the Refinancing or Additional Lenders, as applicable, or regarding the payment of the obligations of the Trustors under this Amendment Agreement, provided that the Trustee may request written confirmation from the Beneficiary as to the performance of such obligations;

(5) In the event the Trustors fail to perform their obligations under the corresponding Applicable Facilities Agreement or hereunder, as applicable, under paragraph (a)(4) above, the Trustee, acting upon the written instructions of the Beneficiary, may immediately sell the Trust Estate in accordance with the provisions set forth in this Clause;

(6) the Beneficiary may at any time with previous written notice to the Trustee, instruct the Trustee to totally or partially suspend the extrajudicial sale procedure initiated in accordance with the provisions set forth in this Clause Seven, provided that such suspension shall cease to have total or partial effect as of the date and time on which the Trustee receives an instruction in writing from the Beneficiary in which the Trustee is requested to totally or partially continue with the extrajudicial sale procedure of the Trust Estate;

(7) the sale shall be carried out by the Trustee by auction held in a location of its choice. The Trustee, with the assistance of the Advisor (as defined below), shall conduct research on potential bidders, and shall request such potential bidders to participate in the auction, whether they have been identified or not in the research. To the extent to which the Beneficiary considers it necessary, the Advisor shall be responsible for preparing and distributing, or see to the preparation and distribution by a third party, as instructed by the Beneficiary, at the expense of the Trustors and as soon as is reasonably

possible, a memorandum of confidential information (the "Memorandum of Information") to be delivered to such potential bidders which have expressed an interest in purchasing the Trust Estate. The Memorandum of Information shall, among other things, contain a description of the Issuers' business, and an analysis of the Issuers' financial statements together with the operating results (including the audited financial statements of each of the Issuers with respect to the three (3) previous financial years, if available). The Memorandum of Information or any other necessary document shall inform the potential bidders of the amount that each of them shall submit by means of a deposit certificate or cashier's check issued in favor of the Trustee as a bid bond in case such potential bidders opt to take part in such auction.

(8) each one of the Trustors and the Issuers agree to prepare and submit such information relating to the Issuers (whether legal, financial or of any other nature) to the Trustee, Advisor and the Beneficiary as may reasonably requested by the Advisor or the Beneficiary, that is necessary or appropriate to prepare the Memorandum of Information or for the purposes of this Amendment Agreement and any other documentation relating to the Issuers (whether legal, financial or of any other nature), that the Advisor or the Beneficiary reasonably believes a potential bidder could require in order to bid an informed offer;

(9) once the Trustee has distributed the Memorandum of Information to the potential bidders, if necessary, or after the Trustee has distributed any information deemed necessary to the potential bidders, the Trustee shall inform such bidders of the place, date and time at which the auction shall be held (the "Auction Notice"), which shall not be more than thirty (30) days after the date on which the Memorandum of Information or other information is distributed to all of the potential bidders, and such date shall under no circumstances exceed forty-five (45) days from the date on which the Memorandum of Information or other information was submitted to the first potential bidder;

(10) the participating bidders must submit their offers to the Trustee in writing and in a closed and sealed envelope, no later than the date and time stipulated in the Auction Notice, together with a deposit certificate issued by a banking institution or a cashier's check issued in favor of the Trustee, in the amount indicated by the Trustee (following consultation with the Beneficiary) as a bid bond;

(11) the Trustee shall open the envelopes in the presence of a notary or public broker and the bidders or their representatives on the date and time of the auction; the Trustee shall have ten (10) working days as of the time the envelopes have been opened to conclude the sale of the Trust Estate (or longer if it were not possible to complete the sale of the Trust Estate in such term period, as a result of any event, including the lack of any necessary regulatory approval), if so required by the Beneficiary, to sell the Trust Estate to the highest bidder;

(12) the winning bidder shall pay the offered price to the Trustee within the number of working days following the auction date indicated by the Trustee, following consultation with the Beneficiary;

(13) in the event the highest bidder fails to make the payment within the agreed term, the deposit or the cashier's check shall be delivered in favor of the Beneficiary, which shall apply it to the payment of the amounts owed in connection with the Secured Obligations, in accordance with the provisions in this Clause;

(14) once such term has elapsed without the offered purchase price being paid, the Trustee shall notify the second highest bidder in writing (within the next twenty (20) working days);

if such bidder upkeeps its initial offer, it shall be granted a period of time within which to pay the purchase price to the Trustee, if so required by the Beneficiary; in the event the second highest bidder fails upkeep its offer, the Trustee may continue contacting the other higher bidders in descending order, following the previous procedure, unless the Beneficiary opposes it;

(15) if it were not possible to carry out the sale to any of such bidders, the Trustee, with the consent of the Beneficiary, shall carry out a new auction following the previous procedure until the sale of the Trust Estate has been completed.

(b) Assignment of the Proceeds Resulting from the Disposal. The proceeds obtained from the sale of the Trust Estate (including the Initial Shares and the Additional Shares) shall be delivered to the Trustee, which shall apply such amounts in accordance with the instructions of the Beneficiary under the Intercreditor Agreement, provided that the following order of application shall be followed at all times:

(1) in payment of each and every one of the taxes incurred by the Trustors, in connection with or as a result of the sale of the Trust Estate under the terms of this Amendment Agreement, if such taxes were not paid by the corresponding Trustor;

(2) in payment of reasonable expenses and fees incurred in connection with the sale of the Trust Estate, including but not limited to any expenses or fees collected or incurred by the Trustee or the Beneficiary during the sale of the Trust Estate, if such fees or expenses have not paid by the Trustors;

(3) in payment of the Trustee's fees, if such fees have not been paid by the Trustors;

(4) in payment, on a pro rata basis, of all and any of the enforceable Secured Obligations pending payment, for which purpose the amounts requested by the Beneficiary shall be delivered to the Beneficiary in order for the Beneficiary to apply such amounts in the order set forth in Clause 10.1 of the Intercreditor Agreement; and

(5) once the previous amounts have been paid, any remaining amount shall be delivered in accordance with the instructions of the Trustors, and in the event no such instructions exist, pursuant to the ruling of any competent court.

(c) Exchange Transactions. By virtue of the fact that the Secured Obligations of the Trustors are obligations mainly denominated in United States Dollars, to the extent it is necessary to pay such amounts denominated in United States Dollars, the amount in pesos received from the sale of the Trust Estate agreed in this Clause Seven shall be converted by the Trustee, to the extent necessary and in accordance with the instructions of the Beneficiary, into United States Dollars, at the most favorable exchange rate provided by Banco Nacional de México, S.A., a member of the Banamex Financial Group, or BBVA Bancomer, S.A., Full-Service Bank, BBVA Financial Group Bancomer, or any of their successors and, in the event that that exchange rate is not provided to the Trustee by any of such institutions or their successors, at the exchange rate provided by the institutions selected by the Beneficiary, and the converted amounts shall be applied by the Trustee, until they are available, to the payment of the Secured Obligations denominated in Dollars and other items described above (in such order).

(d) Advisor. The Trustee, following agreement with the Beneficiary, shall appoint a third party (the "Advisor") which shall be a banking institution or financial advisor of standing, to organize and coordinate the auction process in accordance with this Amendment Agreement and to prepare all of the necessary documentation, provided that (i) the Beneficiary may, at any time, replace or remove the Advisor (if appointed), with or without due cause, and (ii) there shall be no employment relationship between the Trustee and the Beneficiary.

(e) Replacement of the Advisor. Should the Advisor be unable to fulfil its duties as Advisor under this Amendment Agreement, for any reason, the parties agree that the Trustee may, with the previous consent of the Beneficiary, and only in such case, appoint a new advisor which shall adhere to the terms of this Amendment Agreement and which shall, as of such date, be regarded as the "Advisor" for the purposes of this Amendment Agreement, provided that (i) such appointment shall be made to a standing institution with competence to carry out such duties, and (ii) the Advisor shall not cease to fulfil its duties under this Amendment Agreement until a new advisor has agreed to act in such capacity hereunder.

(f) Fees and Expenses of the Advisor. The Trustors, jointly and severally agree to pay the Advisor's reasonable fees.

Pursuant to the provisions set forth in Article 403 of the General Law of Negotiable Instruments and Credit Transactions, each one of the Trustors expressly consents to the extrajudicial execution procedure provided in Clause Seven, and accordingly sign bellow:

The Trustors:

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

/s/ Roger Saldaña Madero
By: Roger Saldaña Madero
Title: Legal Representative

Empresas Tolteca de México, S.A. de C.V.

/s/ Roger Saldaña Madero
By: Roger Saldaña Madero
Title: Legal Representative

Cemex Central, S.A. de C.V.

/s/ Roger Saldaña Madero
By: Roger Saldaña Madero
Title: Legal Representative

Interamerican Investments, Inc.

/s/ Roger Saldaña Madero
By: Roger Saldaña Madero
Title: Legal Representative

Cemex México, S.A. de C.V.

/s/ Roger Saldaña Madero
By: Roger Saldaña Madero
Title: Legal Representative

Cemex Operaciones México, S.A. de C.V.

/s/ Roger Saldaña Madero
By: Roger Saldaña Madero
Title: Legal Representative

EIGHT. Obligations and Limited Liability of the Trustee; Defense of the Trust Estate. (a) The Trustee agrees to manage the Trust Estate, comply with its obligations and exercise its rights pursuant to the provisions set forth in this Amendment Agreement and in the applicable law, acting with the highest standards applicable to trustees under Mexican law, and agrees to refrain from carrying out actions or omitting taking actions actions that result in non-performance of the Trustee's obligations.

(b) The parties to this Amendment Agreement hereby agree that the Trustee shall not be liable for any action or omission of the other parties hereto or any third party that could result in an impossibility to fulfil the purposes of this Amendment Agreement.

(c) The Secured Obligations (or other obligations applicable to the Trustee under the terms of this Amendment Agreement) must be settled to the amount of the Trust Estate. If the Trust Estate is insufficient to fulfil the Secured Obligations, the Trustee shall have no responsibility to make any contributions under this Amendment Agreement, nor to fulfil the Secured Obligations, but shall be obliged to immediately notify the Beneficiary and each one of the Trustors in writing of such event.

(d) Each one of the Trustors and the Issuers shall have the obligation to immediately notify the Trustee and the Beneficiary, in writing, of any act or fact that affects or could have an adverse and significant effect on the Trust Estate, this Amendment Agreement or the obligations of each one of the Trustors arising from this Amendment Agreement, in order for the Trustee to defend the Trust Estate.

(e) The Trustee shall notify each one of the Trustors and the Beneficiary of any threat to the Trust Estate or any Enforcement Event of which it has knowledge, provided that the Trustee shall have no obligation to research on the existence of such threat or Enforcement Event.

(f) The parties agree that any instructions on notices required to be given to the Trustee under this Amendment Agreement shall be submitted in writing.

(g) The Trustee shall have the obligation to grant the necessary powers of attorney to those persons or entities indicated in writing by the Trustors and the Beneficiary in order for them to defend the Trust Estate. If no legal representative has been appointed by the Trustors and the Beneficiary in accordance with the foregoing, and such lack of defense could adversely and significantly affect the Trust Estate, the Trustee shall grant powers of attorney to those persons the Trustee selects at its sole discretion and shall issue the appropriate instructions for the defense of the Trust Estate, with no liability for the Trustee or the Beneficiary in connection with such defense, except in the case of the wilful misconduct, negligence or bad faith of the Trustee. If (i) an Enforcement Event occurs, or (ii) the Trustors and the Beneficiary fail to reach an agreement for appointing a person or entity to defend the Trust Estate or with respect to the terms of such instructions in connection with such defense, the appointment of the attorney in fact shall be made exclusively by the Beneficiary, with no liability. Neither the Trustee nor the Beneficiary shall be liable either for the acts of such legal representatives nor for the payment of the relevant costs and expenses, which shall be paid by the Trustors, or if such payment by the Trustors is not the case, with funds of the Trust Estate. Under no circumstances shall the Trustee grant powers of attorney for acts of ownership, which shall be exercised by the trustee delegates of the Trustee.

(h) In the event urgent action is required to protect and preserve the Trust Estate, the Trustee shall be obliged to take any immediate action required to preserve the Trust Estate. The Trustee shall not be liable for any action taken by it to protect the Trust Estate to the extent such actions comply with the terms set forth in this Amendment Agreement and applicable law.

(i) Should the Trustee receive a judicial notice or of other nature or claim or lawsuit in connection with this Amendment Agreement or to the Trust Estate, the Trustee shall send a copy of such notice or claim or lawsuit to the Trustors and Beneficiary no later than the day following its reception (or on the following working day).

NINE. Mandatory Provisions on the Liability of the Trustee. (a) Pursuant to Representation III (h) of this Amendment Agreement and Article 106, section XIX, b) of the

Credit Institutions Law, a transcript of the text of such Article is included below, which states as follows:

"ARTICLE 106. Credit institutions shall be prohibited from:

XIX. In carrying out the transactions referred to in section XV of Article 46 of this Law:

[…]

b) To be responsible to settlors, principals or grantors of a commission, for the default by debtors of credits granted, or by issuers of securities acquired, except such default is their fault as set forth in the final part of article 356 of the General Law of Negotiable Instruments and Credit Transactions, or to guarantee the yield on funds entrusted to them for investment.

If upon the termination of the trust, mandate or commission established to grant credits, these have not been paid by the debtors, the institution must transfer them to the Settlors or beneficiary, as the case may be, or to the principal or grantor of a commission, refraining from settling such accounts.

In all trust, mandate or commission contracts, the preceding paragraphs shall be inserted conspicuously along with a declaration of the trustee to the effect that it has made its contents known to the persons from whom it has received property for trust investment.";

c) Act as trustees, mandators or agents in trusts, mandates or commissions, respectively, through which funds are directly or indirectly collected from the public by any act resulting in a direct or contingent liability, except with respect to trusts established by the Federal Government by the Ministry of Finance and Public Credit, and trusts through which securities are issued which are registered in the National Securities Registry pursuant to the provisions of the Securities Market Law (*Ley del Mercado de Valores*);

d) Engage in trusts, mandates or commissions referred to in the second paragraph of article 88 of the Investment Companies Law (*Ley de Sociedades de Inversión*);

e) Act in trusts, mandates or commissions through which the restrictions or prohibitions contained in the financial laws are evaded;

f) Use funds or securities of the trusts, mandates or commissions allocated to the granting of credits over which the trustee has discretionary power as to the granting of the latter to carry out transactions by which their trust delegates may or may not become debtors; the members of the board of directors or council, as applicable, both full and acting, whether interim or not; employees holding offices in the institution; full or acting commissioners, whether interim or not; external auditors; members of the technical committee of the respective trust; first-degree ascendants or descendants or spouses of such persons, companies in whose shareholder meetings there is a majority of such persons or the institutions themselves, together with those persons that the Banco de México selects by general provisions;

g) Manage rural properties, except when assigned the duty to distribute the estate among heirs, beneficiaries, partners or creditors, or to pay an obligation or to guarantee compliance thereof with the value of the property itself or its products, and without said management exceeding the period of two years in such cases, except in the case of production trusts or guarantee trusts, and

h) Enter into trusts managing sums of money periodically contributed to by consumer groups built by marketing processes and aimed at the acquisition of specific goods or services, among those provided in the Federal Consumer Protection Law (*Ley Federal de Protección al Consumidor*).

Any covenant that contravenes to the provisions set forth in the preceding points shall be null."

(b) Pursuant to the provisions set forth in item 5.5 of Circular 1/2005, the parties agree to insert the following:

"6. Prohibitions

6.1 In executing the Trusts, Trust Institutions are prohibited from engaging in the following:

a) Charging prices on the trust estate which differ with those agreed when the transaction relevant was agreed to;

b) Guaranteeing receipt of yields or prices for funds it is entrusted to invest, and

c) Carrying out transactions under terms and conditions contravening its internal policies and good financial practices.

6.2 Trust Institutions may not enter into transactions with securities, credit instruments or any other financial instrument that do not comply with the specifications agreed to in the corresponding Trust agreement.

6.3 Trust Institutions may not constitute any type of Trust they are not authorized to formalize pursuant to the laws and provisions regulating them.

6.4 Under no circumstances may Trust Institutions meet the payment of any penalty imposed on those Institutions by any authority to the expense of the trust estate.

[…]

6.6 Trust Institutions must comply with the provisions set forth in articles 106 section XIX of the Credit Institutions Law, 103 section IX of the Securities Market Law, 62 section VI of the General Mutual Insurance Company Law (*Ley General de Instituciones y Sociedades Mutualistas de Seguros*) and 60 section VI Bis of the Federal Surety Institutions Law (*Ley Federal de Instituciones de Fianzas*), as applicable to each Institution."

(c) In accordance with Circular 1/2005, the Trustee has informed the parties that it shall be liable for damages caused by noncompliance of its obligations and for which it is liable under this Amendment Agreement, to the extent it is determined by a competent judicial authority.

TEN. Replacement of the Trustee. (a) Subject to the provisions set forth in paragraphs (c) and (d) below, the Trustee may cease to act as trustee under this Amendment Agreement by written notice to the Trustors and the Beneficiary, with at least sixty (60) calendar days in advance (except in the case provided in Clause Ten, paragraph (c) of this Amendment Agreement), including after an event provided in Clause Fourteen (a)(iv) has occurred, provided that the Trustee may under no circumstances resign if an enforcement procedure has been initiated pursuant to Clause Seven of this Amendment Agreement. Subject to the provisions agreed in paragraph (c) below, the appointment of the Trustee may also be deemed as terminated by notice in writing from the Beneficiary at least thirty (30) calendar days in advance.

(b) In the event the Trustee ceases to act in such capacity under this Amendment Agreement owing to early termination in accordance with paragraph (a) above or after the Termination Date, the Trustee shall prepare account statements and related accounts with respect to the Trust Estate, which must be delivered to the Trustors and the Beneficiary within thirty (30) calendar days following the termination. The Trustors and the Beneficiary shall have thirty (30) calendar days as of their receipt to examine and object such account statements and accounts; if after such term the Trustors and the Beneficiary fail to make their comments known to the Trustee, the account statements and accounts shall be deemed to have been approved by the Trustors and by the Beneficiary, except in the event of any non-apparent errors or omissions.

(c) The Beneficiary shall have the right to appoint any successor Trustee, provided that no Enforcement Event occurs, the Trustors shall have the right to consent any appointment in writing within fifteen (15) calendar days following the date in which representative of the Trustors has received notice of the appointment, which consent shall not be denied without due cause and which shall be regarded as having been granted if the Trustors do not oppose such appointment within such period.

(d) The Trustee shall continue acting as trustee under this Amendment Agreement until a substitute trustee has been appointed in accordance with the terms set forth in this Amendment Agreement and such substitute trustee has accepted the appointment and the Trust Estate has been legally transferred to the substitute trustee.

(e) The substitute trustee shall have the same rights and obligations as the Trustee under this Amendment Agreement and shall be the "Trustee" for the purposes of the provisions set forth herein.

ELEVEN. Fees and Expenses of the Trustee. (a) The Trustors, jointly and severally, agree to pay the Trustee the fees described in **Exhibit G**, and all and each of the reasonable and documented fees, costs and expenses incurred or paid by the Trustee in connection with the management of the Trust Estate and the performance of its obligations under this Amendment Agreement.

(b) The parties agree that the Trustee shall not be obliged to comply with instructions issued by any of the parties to this Amendment Agreement having a right to issue such instructions unless it has received sufficient funds to pay all and any of the relevant costs and expenses, which, if applicable, shall promptly notify the Trustors and the Beneficiary of the need for such funds to comply with its obligations under this Amendment Agreement. In the event the Trustee has no sufficient liquid funds to comply with its obligations, the parties agree that the Trustee shall not be liable for any damages that may result from its inability to comply with its obligations under this Amendment Agreement.

TWELVE. Taxes. (a) Any tax, contribution, duty or similar obligation resulting from the execution of this Amendment Agreement, the custody and management of the Trust Estate, the performance of the obligations of the Trustee or of the Beneficiary, or the exercise of its rights by any of the Trustees or the Beneficiary on the execution date hereof or in the future, shall be payable and paid by the Trustors, jointly and severally, and each one of the Trustors agrees to indemnify and hold the Trustee, the Beneficiary and each one of the Secured Parties harmless for any liability arising or relates thereto. Each one of the Trustors agrees to submit to the Trustee and the Beneficiary the tax returns and receipts or any other document evidencing the payment of taxes, contributions, duties, charges or relevant related obligations.

(b) If, for any reason, or at any time, the tax authorities or any equivalent authority located in any jurisdiction adjudicates or interprets the acts or activities set forth in this Amendment Agreement or any element related result in the trust established hereunder to be considered a taxpayer for fiscal purposes, the Trustee is notified thereof, and as a result, the Trustee is consequently obliged to make the corresponding withholding and payment, or solely the payment, of any taxes in connection with the trust established under this Amendment Agreement or with any action relating hereto, the Trustee shall promptly inform the Trustors and the Beneficiary in writing, in order for that the Trustors to take the necessary actions, including payment of taxes, duties, formalities or related obligations.

(c) The obligations of the Trustors agreed to in this Clause Twelve shall remain in force for the applicable limitation period, regardless of the occurrence of the Termination Date or should this Amendment Agreement be held as terminated for any other reason.

THIRTEEN. Reports. (a) The Trustee agrees to provide monthly account statements to the Beneficiary and the Trustors with respect to the Initial Shares, the Additional Shares and the other assets that constitute the Trust Estate, including the investments made therein. The Trustors and the Beneficiary shall individually have a thirty (30) day period as of the date on which the relevant account statements were received to review and object its content (in the case of the Beneficiary, subject to the instructions of the Secured Parties). Once such period has elapsed, the account statements shall be deemed to have been approved by the Trustors and by the Beneficiary, except in the case of any non-apparent errors or omissions.

(b) In addition, the Trustee agrees to provide the Trustors and the Beneficiary, within three (3) working following the reception of the relevant request, all and any information reasonably be requested by them in connection with the Trust Estate or this Amendment Agreement.

FOURTEEN. Term and Irrevocability. (a) This Amendment Agreement may be terminated pursuant to Article 392 of the General Law of Negotiable Instruments and Credit Transactions, (i) if the performance of the purpose hereof prove impossible, (ii) by agreement between any and all of the parties to this Amendment Agreement (but not by the beneficiaries mentioned in this Amendment Agreement which do not enter into or adhere to to the terms set forth herein), (iii) if the trust established herein is declared null by a competent judicial authority for being considered creditors fraud, (iv) if the Trustee terminates this Amendment as a result of a noncompliance of the payment obligation of the fees payable to the Trustee under this Amendment Agreement for a period equal to or in excess of three (3) periods of three hundred sixty (360) days as of the date of this Amendment Agreement, or (v) if the Trust Estate is disposed of in accordance with the extrajudicial enforcement procedure contained in Clause Seven of this Amendment Agreement.

(b) This Amendment Agreement shall be irrevocable and shall remain in force until the Termination Date, except that the obligations of the Trustors under Clauses Twelve, Nineteen and Twenty of this Amendment Agreement (and any related clauses) shall remain in full force and after the Termination Date during the applicable expiration period.

FIFTEEN. Notices. (a) Any notices and other communications arising from this Amendment Agreement, must be made and recorded in writing, and address to, or delivered at, the addresses described below, or at any other address or fax number which may, from time to time, be indicated by the recipient thereof, by written notice to the other parties. Such notices and communications shall be delivered in person or by fax, addressed as described above, and shall be effective, is delivered by courier, upon receipt, or by fax, when they are transmitted, and a transmission confirmation is received. The parties indicate the following as their addresses:

The Trustors:

Ave. Ricardo Margáin Zozaya # 325
Col. Valle del Campestre
Garza García, Nuevo León 66265
México
Fax: 52(81)8888-4399
Attention: Office of Legal Affairs Vice-Chair (*Vicepresidencia Jurídica*)

The Issuers:

Ave. Ricardo Margáin Zozaya # 325
Col. Valle del Campestre
Garza García, Nuevo León 66265
México
Fax: 52(81)8888-4399
Attention: Office of Legal Affairs Vice-Chair (*Vicepresidencia Jurídica*)

The Trustee:

Calzada del Valle No. 350 Oriente, Primer piso
Col. Del Valle
San Pedro Garza García, Nuevo León 66220
México
Email: Nelly.wing@banamex.com
Attention: Nelly Wing

The Beneficiary:

1 King's Arms Yard
Third Floor
London EC2M 7AF
England, United Kingdom
Fax: (44) 207-397-3601
Email: gbollas@wilmingtontrust.com / kreader@wilmingtontrust.com
Attention: George Bollas / Keith Reader

(b) Each one of the Trustors and the Issuers hereby appoint José Antonio González Flores, Roger Saldaña Madero, René Delgadillo Galván and Francisco Javier García Ruiz de Morales, as their respective commercial broker pursuant to Articles 273 and 274 of the Code of Commerce (*Código Mercantil*), for any and all purposes relating to this Amendment Agreement, and agree that any action taken or omission by any of the such commercial brokers or any notice received or issued by such broker shall be mandatory for any and all of the Trustors and the Issuers, respectively, as if such Trustor or Issuer had been directly responsible, without need to take any further actions.

(c) For the purposes of the notices and instructions delivered to the Trustee under this Amendment Agreement, the form of identification and operation of the Trust shall be by the trust agreement number and the authorized and duly registered signature or signatures of the party or parties requesting any operation or service, which shall be include in the instructions to the Trustee.

(d) For such purposes, the Trustee declares that it keeps certain mechanisms and/or procedures in place for reception and execution of the instructions, including those transmitted by fax or other means of transmission and/or communication, therefore, each one of the parties shall sign the necessary document or documents to that effect with the Trustee, as agreed by the parties.

(e) The parties acknowledge and accept that the Trustee shall solely and exclusively be empowered to execute its instructions issued under this Amendment Agreement on working days and during working hours.

(f) Pursuant to the terms of Article 52 of the Credit Institutions Law, the parties agree that the Trustee shall not be liable if it suspends or cancels the processing of any instruction issued by the Trustors or by the Beneficiary that fails to comply with the provisions set forth in this Amendment Agreement. The Trustee shall immediately notify the Trustors and the Beneficiary in writing any irregularity in the instructions, to rectify it as soon as possible.

SIXTEEN. Amendments. This Amendment Agreement shall not be amended, except by a written instrument signed by the Trustors, the Issuers, the Trustee and the Beneficiary and in accordance with the terms of the Intercreditor Agreement.

SEVENTEEN. Assignments. Neither the Trustee nor any of the Trustors or the Issuers shall assign or transfer their respective rights or delegate their respective obligations under this Amendment Agreement, except with the prior consent in writing of the Beneficiary or otherwise permitted under this Amendment Agreement, and provided that in the event of any assignment, the assignee shall be obliged to submit the documentation referred to as "Know Your Customer" (*Conoce a tu Cliente*) before the assignment is effective, in order to identify customers arising therefrom and in order to comply with applicable law and the internal policies of the Trustee.

EIGHTEEN. Authority of the Trustee. (a) The Trustee shall have all of the authority required to comply with the purposes of this Amendment Agreement, pursuant to the provisions set forth in Article 391 of the General Law of Negotiable Instruments and Credit Transactions, and all of the authority necessary, or deemed necessary, under the terms of this Amendment Agreement or pursuant to applicable law, subject to the required instructions in accordance with the terms of this Amendment Agreement.

(b) With respect to the Trust Estate and its rights and obligations under this Amendment Agreement, the Trustee shall have powers and authority to engage in lawsuits and collections, administrative acts and acts of ownership, as well as the power to execute credit and negotiable instruments, including the authority to receive and make payments, issue receipts and any type of special powers of attorney in order to ensure the performance of the purposes of the trust established under this Amendment Agreement, pursuant to applicable law, provided that the Trustee may not grant powers of attorney for acts of ownership nor carry out any action with respect to the Trust Estate not expressly provided for in this Amendment Agreement or authorized hereunder.

(c) It is expressly agreed that the Trustee shall not incur any liability when by acting upon any notice, consent, certificate or other instrument or notarized document which may reasonably be considered as authentic and which is signed by the relevant party or parties.

(d) The Trustee shall not be obliged to carry out any act whatsoever that is in contravention of this Amendment Agreement or contravenes applicable legislation.

NINETEEN. Indemnification. (a) To the extent applicable with respect to the Beneficiary, and the relevant matter is not covered under Clause 16 of the Intercreditor Agreement, the Trustors shall jointly and severally agree to indemnify and hold the Trustee (including its trust delegates, employees and legal representatives, with no restriction), the Beneficiary and each and every one of the Secured Parties, their respective directors, employees, advisors and affiliates, harmless from all and any lawsuits or claims of any type in the form of damages and any other obligation (unless it is determined as a result of wilful misconduct, gross negligence or bad faith of the Trustee or the Beneficiary, as applicable) incurred by, filed against or imposed on the Trustee, the Beneficiary, or the Secured Parties, their respective directors, employees, advisors and affiliates, in each case, arising from or as a result of the defense of the Trust Estate, the exercise of their rights under this Amendment Agreement, of this Amendment Agreement or of the obligations of each one of such parties, including but not limited to from and against any lawsuits, claims, damages, losses, obligations and expenses (including but not limited to reasonable legal fees and expenses) incurred it by, filed against or imposed on the Trustee, the Beneficiary or the Secured Parties, their respective directors, employees, advisors and affiliates.

(b) The obligations of the Trustors agreed to in Clause Nineteen shall remain in effect for the applicable expiration period, regardless of whether the Termination Date occurs or whether this Amendment Agreement is otherwise terminated.

TWENTY. Expenses. (a) All reasonable and documented fees and expenses arising in connection with this Amendment Agreement shall be jointly and severally paid by the Trustors. The Trustee shall under no circumstances be obliged to make disbursements from its assets to cover such fees or expenses payable or incurred in accordance or in connection with this Amendment Agreement or in order to meet its obligations hereunder, but shall provide timely notice to the Trustors and the Beneficiary (for informational purposes in the case of the Beneficiary) with respect to the need carry out such payments. The Beneficiary may, but is not obliged to, disburse such fees or expenses, if fund are available under the relevant Applicable Facilities Agreement, the Intercreditor Agreement and other related documents, which as of such moment from that moment shall be regarded as Secured Obligations for the purposes of this Amendment Agreement, and shall accrue interest from the time of payment under the terms set forth in the corresponding Applicable Facilities Agreement.

(b) The obligations of the Trustors agreed to in this Clause Twenty shall remain in full force and effect during the applicable expiration period, regardless of the occurrence of the Termination Date.

TWENTY-ONE. Some Provisions regarding the Beneficiary. (a) The Beneficiary shall have no fiduciary duty with, nor the obligation to protect the interests of, the Trustors, the Issuers or the Trustee.

(b) As a beneficiary under this Amendment Agreement, the Beneficiary shall be deemed to be acting through its trustee division, which shall be regarded as a separate entity from its other divisions. Any information received by the Beneficiary through any other division or department, or otherwise different from that of Beneficiary under the terms of this Amendment Agreement, may be treated as confidential by the Beneficiary.

(c) With respect to its activities in connection with the exercise of its rights under this Amendment Agreement, including with respect to any notice submitted under point (a) or Clause Three or point (a)(4) in Clause Seven of this Amendment Agreement, the Beneficiary shall act in accordance with the provisions set forth in the Intercreditor Agreement and shall have the right to request instructions from the Instructing Group or the Super Majority Instructing Group (as such terms are defined in the Intercreditor Agreement), as applicable, pursuant to the terms of the Intercreditor Agreement, and the Beneficiary shall not be liable for any delay resulting therefrom. To act as Beneficiary, it shall have the rights and shall enjoy the protections, indemnifications and immunities contained in the Intercreditor Agreement.

(d) The provisions contained in this Clause Twenty-One shall remain in full force and effect during the applicable expiration period, regardless of the occurrence of the Termination Date or if this Amendment Agreement is otherwise terminated.

TWENTY-TWO. Information by the Trustee. (a) The parties acknowledge that the Trustee is obliged under applicable legislation to provide information on the transactions carried out by its customers arising from this Amendment Agreement to the judicial, tax and administrative authorities, which the Trustee strictly shall comply pursuant to the applicable provisions.

(b) With respect to information relating to this Amendment Agreement and other related documents, including information provided prior to the execution hereof, the parties hereto authorize the Trustee to (i) to process through data processing systems data generally used by Banco Nacional de México, S.A., a member of the Banamex Financial Group, (ii) disclose it to

its directors, officers, employees, auditors and representatives, its affiliates, subsidiaries or any company forming part of its corporate or company group, together with its advisors, auditors, reporting companies and third parties contracted by Banco Nacional de México, S.A., a member of the Banamex Financial Group, which it shall not disclose pursuant to the applicable law, and (iii) disclose it to those domestic and foreign regulatory authorities with which the Banco Nacional de México, S.A., a member of the Banamex Financial Group, is currently of in the future obliged to.

(c) The parties waive the exercise of any legal action against the Trustee that could result from the Trustee having utilized the authority conferred in this Clause, to the extent, in all cases, the Trustee has complied with the terms set forth in the present Clause and the applicable provisions.

TWENTY-THREE. Conflict of Interest. The Trustee shall be obliged to inform the other parties if any activity or instruction could represent a conflict of interest between the Trustee and any of the companies related or belonging to the Banamex Financial Group or the Citigroup financial group, in order for and expedite analysis to be conducted on such activity or instruction and for the parties to agree on the manner of eliminating or mitigating the conflict of interest; in the event the parties do not reach an agreement within a reasonable period, the Trustee may request its replacement under the terms set forth in this Amendment Agreement, and particularly in Clause Ten.

TWENTY-FOUR. Real Property Sole Registry. The Trustors shall register this Amendment Agreement (together with any amendment thereto, if applicable) in the Real Property Sole Registry (*Registro Único de Garantías Mobiliarias*), before a notary public within the thirty (30) working days following the execution hereof (or any amendment thereto, if applicable), and to provide evidence of such registration both to the Beneficiary and the Trustee.

TWENTY-FIVE. Industrial Property. The parties, other than the Trustee, shall not intentionally utilize the company name, commercial name, design and registered trademarks of Banco Nacional de México, S.A., a member of the Banamex Financial Group, or of any of its affiliates, subsidiaries or parent company of which it has knowledge (jointly, the "Industrial Property"), in any publicity whether in connection with this Amendment Agreement or not, except (i) with the previous authorization in writing of the Trustee, (ii) in connection with any communication or act between the parties or involving third parties in connection with this Amendment Agreement, or (iii) when carried out (x) for non-profit purposes relating to the use of the Industrial Property, and (y) in connection with this Amendment Agreement.

TWENTY-SIX. Institutional Transactions. The Trustors and the Beneficiaries hereby agree to expressly approve and authorise the Trustee to, in compliance with this Trust, carry out and enter into transactions with Banco Nacional de México, S.A., a member of Banamex Financial Group, acting on its own behalf, among which, including but not limited to, is funds' investments, opening bank accounts for funds receptions and currency transactions. This Clause shall constitute a permanent instruction.

In the event the Trustors and the Beneficiary decide to carry out the transactions describes in this Clause with an institution different from Banco Nacional de México, S.A., a member of Banamex Financial Group, such decision shall be expressly notified in writing to the Trustee.

In the execution of the transactions carried out Banco Nacional de México, S.A., a member of Banamex Financial Group, acting on its own behalf and in its capacity as Trustee, such transactions may not be compensated or extinguished for confusion. Additionally, the Trustee declares there is no direct dependence between the Trustee and the Treasury of the institution and the it will carry out the transactions referred to in this Clause subject strictly to its internal policies, conflict of interest rules, and good financial practices.

TWENTY-SEVEN. Appendices. All of the Appendices to this Amendment Agreement form an integral part of this Amendment Agreement, as if they were inserted to the letter herein.

TWENTY-EIGHT. Conflicts. In the event of conflict between the provisions of this Amendment Agreement and the provisions of the corresponding Applicable Facilities Agreement and the Intercreditor Agreement, the provisions of this Amendment Agreement shall prevail solely with respect to (i) any conflicting provisions, and (ii) any other provision that requires the application of Mexican law in order for this Amendment Agreement to be valid and enforceable under the terms set forth herein.

TWENTY-NINE. Independence of the Provisions. Should any of the provisions of this Amendment Agreement be declared illegal or unenforceable by a competent court, such provision shall be regarded and interpreted independently and separately from the other provisions contained herein and shall not in any manner affect the validity and enforceability of the other provisions in this Amendment Agreement.

THIRTY. Applicable Legislation and Jurisdiction. This Amendment Agreement shall be governed and interpreted pursuant to the laws of Mexico. Each one of the parties explicitly and irrevocably submits to the jurisdiction of the competent federal courts of Mexico City, Mexico, with respect to any matters arising from or relating to this Amendment Agreement and agrees that all claims in connection with any action or procedure under this Amendment Agreement may be heard and adjudicated in such courts. Each one of the parties hereby waives any jurisdiction or venue to which they may be entitled by their current or future place of residence or domicile.

THIRTY-ONE. Headings. The headings used in this Amendment Agreement are solely for ease of reference and shall not be used to interpret any provision in this Amendment Agreement.

SECOND. Signature Ratification**.** The Trustors, the Issuers, the Beneficiary and the Trustee agree to and shall enter into or ratify this Amendment Agreement before a notary public.

THIRD. Expenses. Each and every one of the reasonable and documented expenses incurred by the Beneficiary or the Trustee in connection with the preparation, negotiation and execution of this Amendment Agreement shall be paid by the Trustors directly to the party indicated by the Beneficiary or the Trustee, or by reimbursement of the Beneficiary or the Trustee, as applicable.

FOURTH. No Novation. The execution of this Amendment Agreement does not imply novation of the obligations of the Trustors in the Original Trust Agreement, in the Facilities Agreement or in the Intercreditor Agreement. The parties hereby ratify their rights and obligations under the Trust Agreement.

FIFTH. Headings**.** The headings used in this Amendment Agreement are solely for ease of reference and shall not be used to interpret any provision in this Amendment Agreement.

SIXTH. Severability. The parties agree that if any provision of this Amendment Agreement is invalid or illegal, to the extent permitted in applicable legislation, such provision shall be regarded as not contained in this Amendment Agreement, and the other provisions of this Amendment Agreement shall remain in full force and effect.

SEVENTH. Applicable Law, Interpretation and Jurisdiction**.** This Amendment Agreement shall be governed and interpreted pursuant to the laws of Mexico. Each one of the parties explicitly and irrevocably submits to the jurisdiction of the competent federal courts of Mexico City, Mexico, with respect to any matters arising from or relating to this Amendment Agreement and agrees that all claims in connection with any action or procedure under this Amendment Agreement may be heard and adjudicated in such courts. Each one of the parties hereby waives any jurisdiction or venue to which they may be entitled by their current or future place of residence or domicile.

EIGHT. Copies. This Amendment Agreement is signed in five (5) copies, each one of which shall be regarded as an original and all shall jointly constitute one and the same instrument.

[INTENTIONALLY LEFT BLANK]

BY VIRTUE OF THE FOREGOING, the present Amendment Agreement is entered into on July 25, 2017.

THE TRUSTORS

CEMEX, S.A.B, de C.V.
Empresas Tolteca de México, S.A. de C.V.
Cemex Central, S.A. de C.V.
Interamerican Investments, Inc.
Cemex México, S.A. de C.V.
Cemex Operaciones México, S.A. de C.V.

/s/ Roger Saldaña Madero
By: Roger Saldaña Madero
Title: Legal Representative

THE ISSUERS

Cemex México, S.A. de C.V.
Cemex Operaciones México, S.A. de C.V.

/s/ Roger Saldaña Madero
By: Roger Saldaña Madero
Title: Legal Representative

THE TRUSTEE

Banco Nacional de México, S.A., a member of the Banamex Financial Group, Trust Division

/s/ Elva Nelly Wing Treviño
By: Elva Nelly Wing Treviño
Position: Trustee Delegate

/s/ Gabriel René Tovar Ramírez
By: Gabriel René Tovar Ramírez
Position: Trustee Delegate

THE BENEFICIARY

Wilmington Trust (London) Limited
in its capacity as Security Agent,
on behalf and for the benefit of the Original Lenders and the Lenders of the Refinanced or Additional Debt

/s/ José Eduardo Aiza Vaudrecourt
By: José Eduardo Aiza Vaudrecourt
Position: Legal Representative

CLIFFORD

CHANCE

CLIFFORD CHANCE S.L.P.
ABOGADOS

EXECUTION VERSION

19 JULY 2017

CEMEX, S.A.B. DE C.V.
AS BORROWER

BANCO MERCANTIL DEL NORTE, S.A., INSTITUCIÓN DE BANCA MÚLTIPLE, GRUPO FINANCIERO BANORTE, BANCO SANTANDER (MÉXICO), S.A., INSTITUCIÓN DE BANCA MÚLTIPLE, GRUPO FINANCIERO SANTANDER MÉXICO, BBVA BANCOMER, S.A. INSTITUCIÓN DE BANCA MÚLTIPLE GRUPO FINANCIERO BBVA BANCOMER, BNP PARIBAS SECURITIES CORP., CITIGROUP GLOBAL MARKETS INC., CRÉDIT AGRICOLE CORPORATE AND INVESTMENT BANK, HSBC SECURITIES (USA) INC., ING CAPITAL LLC, JPMORGAN CHASE BANK, N.A., MIZUHO BANK, LTD. AND MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED
AS JOINT MANDATED LEAD ARRANGERS AND BOOKRUNNERS

THE FINANCIAL INSTITUTIONS NAMED HEREIN
AS ORIGINAL LENDERS

AND

CITIBANK EUROPE PLC, UK BRANCH
ACTING AS AGENT

AND

WILMINGTON TRUST (LONDON) LIMITED
ACTING AS SECURITY AGENT

FACILITIES AGREEMENT

CONTENTS

THIS AGREEMENT is dated 19 July 2017 and made between:

(1) **CEMEX, S.A.B. de C.V.** (the **"Borrower"**);

(2) **THE SUBSIDIARIES** of the Borrower listed in Part I of Schedule 1 (*The Original Parties)* as guarantors (the **"Original Guarantors");**

(3) **THE SUBSIDIARIES** of the Borrower listed in Part I of Schedule 1 (*The Original Parties)* as security providers (together with the Borrower, the **"Original Security Providers");**

(4) **THE FINANCIAL INSTITUTIONS** listed in Part II (*The Original Lenders)* of Schedule 1 (*The Original Parties)* as original lenders (the **"Original Lenders");**

(5) **CITIBANK EUROPE PLC, UK BRANCH** as agent of the Finance Parties (other than itself) (the **"Agent"**); and

(6) **WILMINGTON TRUST (LONDON) LIMITED** as security agent of the Secured Parties (the **"Security Agent"),**

it being understood that the following entities shall be joint mandated lend arrangers and bookrunners (whether acting individually or together, the "**Arranger**": **BANCO MERCANTIL DEL NORTE, S.A., INSTITUCIÓN DE BANCA MÚLTIPLE, GRUPO FINANCIERO BANORTE, BANCO SANTANDER (MÉXICO), S.A., INSTITUCIÓN DE BANCA MÚLTIPLE, GRUPO FINANCIERO SANTANDER MÉXICO, BBVA BANCOMER, S.A. INSTITUCIÓN DE BANCA MÚLTIPLE GRUPO FINANCIERO BBVA BANCOMER, BNP PARIBAS SECURITIES CORP.**, **CITIGROUP GLOBAL MARKETS INC.**, **CRÉDIT AGRICOLE CORPORATE AND INVESTMENT BANK, HSBC SECURITIES (USA) INC.**, **ING CAPITAL LLC, JPMORGAN CHASE BANK, N.A.**, **MIZUHO BANK, LTD.** and **MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED.**

IT IS AGREED as follows:

SECTION 1
INTERPRETATION

1. DEFINITIONS AND INTERPRETATION

1.1 **Definitions**

In this Agreement:

"**2012 Facilities Agreement"** means the facilities agreement dated 17 September 2012 (as amended pursuant to an amendment agreement dated 16 October 2013 and a consent request dated 7 February 2014) and made between, among others, the Borrower and certain of its Subsidiaries as original obligors, certain financial institutions, noteholders and other entities as original creditors, Citibank International plc as agent and Wilmington Trust (London) Limited as security agent.

"**2017 Amendment Intercreditor Effective Date**" means the date on which all amounts payable to the Lenders under (and as defined in) the Existing Club Loan Agreement have been paid or repaid.

"**2018 Subordinated Convertible Notes**" means the $690,000,000 3.75% subordinated optional convertible securities maturing on 15 March 2018 issued by the Borrower.

"**2020 Subordinated Convertible Notes**" means:

(a) the $200,000,000 3.72% subordinated optional convertible securities issued by the Borrower on 13 March 2015 maturing on 15 March 2020; and

(b) the $321,114,000 3.72% subordinated optional convertible securities issued by the Borrower on 28 May 2015 maturing on 15 March 2020.

"**Acceptable Bank**" means:

(a) a bank or financial institution which has a rating for its long-term unsecured and non credit-enhanced debt obligations of BBB or higher by S&P, BBB or higher by Fitch or Baa2 or higher by Moody's or a comparable rating from an internationally recognised credit rating agency;

(b) any other bank or financial institution in a jurisdiction in which a member of the Group conducts commercial operations where such member of the Group, in the ordinary course of trading, subscribes for certificates of deposit issued by such bank or financial institution; or

(c) any other bank or financial institution approved by the Agent.

"**Accession Letter**" means a document substantially in the form set out in Schedule 7 *(Form of Accession Letter)*.

"**Accordion Confirmation**" means a confirmation substantially in the form set out in Schedule 16 *(Form of Accordion Confirmation)*.

"Accordion Lender" has the meaning given to that term in Clause 2.2 *(Accordion)*.

"**Accordion Lender's Facility A Commitment**" means, for any Accordion Lender, the amount listed in the table in the Schedule *(Relevant Commitment/rights and obligations to be assumed by the Accordion Lender)* to the Accordion Confirmation of that Accordion Lender under that heading.

"**Accordion Lender's Facility B Commitment**" means, for any Accordion Lender, the amount listed in the table in the Schedule *(Relevant Commitment/rights and obligations to be assumed by the Accordion Lender)* to the Accordion Confirmation of that Accordion Lender under that heading.

"**Accordion Lender's Facility C Commitment**" means, for any Accordion Lender, the amount listed in the table in the Schedule *(Relevant Commitment/rights and obligations to be assumed by the Accordion Lender)* to the Accordion Confirmation of that Accordion Lender under that heading.

"**Accordion Lender's Facility D1 Commitment**" means, for any Accordion Lender, the amount listed in the table in the Schedule *(Relevant Commitment/rights and obligations to be assumed by the Accordion Lender)* to the Accordion Confirmation of that Accordion Lender under that heading.

"**Accordion Lender's Facility D2 Commitment**" means, for any Accordion Lender, the amount listed in the table in the Schedule *(Relevant Commitment/rights and obligations to be assumed by the Accordion Lender)* to the Accordion Confirmation of that Accordion Lender under that heading.

"**Additional Guarantor**" means a company that becomes an Additional Guarantor in accordance with Clause 28 *(Changes to the Obligors)*.

"**Additional Obligor**" means an Additional Guarantor or an Additional Security Provider.

"**Additional Security Provider**" means a company that becomes an Additional Security Provider in accordance with Clause 28 *(Changes to the Obligors)*.

"**Affiliate**" means, in relation to any person, a Subsidiary of that person or a Holding Company of that person or any other Subsidiary of that Holding Company.

"**Agent's Spot Rate of Exchange**" means the Agent's spot rate of exchange for the purchase of the relevant currency with the Base Currency in the London foreign exchange market at or about 11:00 a.m. on a particular day.

"**Applicable GAAP**" means:

(a) in the case of the Borrower, IFRS;

(b) in the case of CEMEX España, Spanish GAAP or, if adopted by CEMEX España in accordance with Clause 20.3 *(Requirements as to financial statements),* IFRS; and

(c) in the case of any other Obligor, the generally accepted accounting principles applying to it in the country of its incorporation or in a jurisdiction agreed to by the Agent or, if adopted by the relevant Obligor, IFRS.

"**Asset Swap**" has the meaning given to such term in paragraph (f) of the definition of Permitted Acquisition.

"**Assignment Agreement**" means an agreement substantially in the form set out in Schedule 6 *(Form of Assignment Agreement)* or any other form agreed between the relevant assignor and assignee **provided that** if that other form does not contain the undertaking in the form set out in Schedule 6 *(Form of Assignment Agreement)* in respect of clause 14.6 of the Intercreditor Agreement, it shall not be a Creditor/Agent/Security Agent Accession Undertaking as defined in, and for the purposes of, the Intercreditor Agreement.

"**Authorisation**" means an authorisation, consent, approval, resolution, licence, exemption, filing, notarisation or registration.

"**Authorised Signatory**" means, in relation to any Obligor, any person who is duly authorised and in respect of whom the Agent has received a certificate signed by a director or another Authorised Signatory of such Obligor setting out the name and signature of such person and confirming such person's authority to act.

"**Availability Period**" means:

(a) in relation to Facility A:

(i) in relation to any Utilisation of Facility A, the period from and including the date of this Agreement to and including the date falling 30 Business Days after the date of this Agreement; and

(ii) in respect of an increase in the Facility A Commitments pursuant to Clause 2.2 *(Accordion)*, in relation to the Utilisation in respect of the increased Facility A Commitment(s) of the Accordion Lender(s), the period from and including the Increase Date on which that increase becomes effective to and including the later of the date (i) falling 30 Business Days after the date of this Agreement and (ii) falling 15 Business Days after such Increase Date;

(b) in relation to Facility B:

(i) in relation to any Utilisation of Facility B, the period from and including the date of this Agreement to and including the date falling 30 Business Days after the date of this Agreement; and

(ii) in respect of an increase in the Facility B Commitments pursuant to Clause 2.2 *(Accordion)*, in relation to the Utilisation of Facility B following that increase, the period from and including the Increase Date on which that increase becomes effective to and including the later of the date (i) falling 30 Business Days after the date of this Agreement and (ii) falling 15 Business Days after such Increase Date;

(c) in relation to Facility C:

(i) in relation to any Utilisation of Facility C, the period from and including the date of this Agreement to and including the date falling 30 Business Days after the date of this Agreement; and

(ii) in respect of an increase in the Facility C Commitments pursuant to Clause 2.2 *(Accordion)*, in relation to the Utilisation of Facility C following that increase, the period from and including the Increase Date on which that increase becomes effective to and including the later of the date (i) falling 30 Business Days after the date of this Agreement and (ii) falling 15 Business Days after such Increase Date;

(d) in relation to Facility D1:

(i) in relation to any Utilisation of Facility D1, the period from and including the date of this Agreement up to and including 14 February

2018 (or, if such day is not a Business Day, the Business Day falling immediately after that date); and

(ii) in respect of an increase in the Facility D1 Commitments pursuant to Clause 2.2 *(Accordion)*, in relation to the Utilisation of Facility D1 following that increase, the period from and including the Increase Date on which that increase becomes effective to and including the later of (i) 14 February 2018 (or, if such day is not a Business Day, the Business Day falling immediately after that date) and (ii) the date falling 15 Business Days after such Increase Date; and

(e) in relation to Facility D2:

(i) in relation to any Utilisation of Facility D2, the period from and including the date of this Agreement to and including the date falling 30 Business Days prior to the Termination Date; and

(ii) in respect of an increase in the Facility D2 Commitments pursuant to Clause 2.2 (Accordion), in relation to the Utilisation of Facility D2 following that increase, the period from and including the Increase Date on which that increase becomes effective to and including the date falling 30 Business Days prior to the Termination Date.

"**Available Commitment**" means, in relation to a Facility, a Lender's Commitment under that Facility minus:

(a) the Base Currency Amount of its participation in any outstanding Loans under that Facility; and

(b) in relation to any proposed Utilisation, the Base Currency Amount of its participation in any Loans that are due to be made under that Facility on or before the proposed Utilisation Date, but without subtracting, in relation to any proposed Utilisation under Facility D2 only (or any other revolving Facility established pursuant to Clause 2.2 *(Accordion*)), that Lender's participation in any Facility D2 Loans (or Loans under that other revolving Facility established pursuant to Clause 2.2 *(Accordion)*) that are due to be repaid or prepaid on or before the proposed Utilisation Date.

"**Available Facility**" means, in relation to a Facility, the aggregate for the time being of each Lender's Available Commitment in respect of that Facility.

"**Base Currency**" means dollars.

"**Base Currency Amount**" means, in relation to a Loan, the amount specified in the Utilisation Request delivered by the Borrower for that Loan (or, in relation to several Loans, in relation to any of those Loans not denominated in the Base Currency, that amount converted into the Base Currency at the Agent's Spot Rate of Exchange on the date which is three Business Days before the conversion is applied for the purposes of this Agreement or, if later, on the date the Agent receives the request requiring the conversion for the purpose of this Agreement) and as adjusted in all cases to reflect

any repayment (other than, in relation to the Term Facilities, a repayment arising from a change of currency), prepayment, consolidation or division of a Loan.

"**Break Costs**" means the amount (if any) by which:

(a) the interest (excluding any Margin) which a Lender should have received for the period from the date of receipt of all or any part of its participation in a Loan or Unpaid Sum to the last day of the current Interest Period in respect of that Loan or Unpaid Sum, had the principal amount or Unpaid Sum received been paid on the last day of that Interest Period;

exceeds:

(b) the amount of interest which that Lender would be able to obtain by placing an amount equal to the principal amount or Unpaid Sum received by it on deposit with a leading bank in the Relevant Interbank Market for a period starting on the Business Day following receipt or recovery and ending on the last day of the current Interest Period.

"**Business Day**" means a day (other than a Saturday or Sunday) on which banks are open for general business in London, New York City and Mexico City (in the case of Mexico City, if applicable, as specified by applicable law or a Governmental Authority) and, in relation to any date for payment or purchase of euro, which is a TARGET Day.

"**Caliza**" means CEMEX LATAM Holdings, S.A.

"**Caliza Capital Expenditure**" means Capital Expenditure permitted by paragraph (d) of Clause 21.2 *(Financial condition)* to be invested in the Caliza Group.

"**Caliza Expansion Capital**" means (without double counting) any:

(a) Caliza Capital Expenditure;

(b) amount of any investment by a member of the Caliza Group to finance any Joint Venture entered into by a member of the Caliza Group; and

(c) amount of the consideration for an acquisition made under paragraph (j) of the definition of Permitted Acquisition.

"**Caliza Expansion Capital Permitted Limit**" means $500,000,000 (or its equivalent).

"**Caliza Group**" means Caliza and its Subsidiaries for the time being.

"**Caliza Offering Option**" has the meaning given to such term in paragraph (b) of the definition of Caliza Transaction.

"**Caliza Proceeds**" means the cash proceeds received by any member of the Group from a Caliza Transaction.

"**Caliza Transaction**" means:

(a) a Disposal by a member of the Group of any shares in Caliza to a person who is not a member of the Group; or

(b) an offering of shares in Caliza and including any put or other option (a "**Caliza Offering Option")** entered into with one or more financial institutions in respect of any share lending, over-allotment or other similar arrangement in connection with an offering of shares in Caliza **provided that** the exercise period for such put or other option shall be no longer than 30 days from the settlement date of the offering of shares in Caliza,

(in either case) whether by way of a single transaction or a series of transactions and which does not breach Clause 22.21 *(Disposals)* or Clause 22.32 (*Caliza and Centurion)*.

"**Capital Lease**" has the meaning given to such term in Clause 21.1 (*Financial definitions)*.

"**Cash Equivalent Investments**" means at any time:

(a) certificates of deposit maturing within one year after the relevant date of calculation and issued by an Acceptable Bank;

(b) any investment in marketable debt obligations issued or expressly guaranteed by the government of Mexico, the United States of America (or any state thereof (including any political subdivision of such state)), the United Kingdom, any member state of the European Economic Area or any Participating Member State or any member state of NAFTA (or any other jurisdiction in which a member of the Group conducts commercial operations if that member of the Group makes investments in such debt obligations in the ordinary course of its trading) or by an instrumentality or agency of any of them having an equivalent credit rating, maturing within one year after the relevant date of calculation and not convertible into or exchangeable for any other security;

(c) commercial paper not convertible into or exchangeable for any other security:

(i) for which a recognised trading market exists;

(ii) issued by an issuer incorporated in Mexico, the United States of America (or any state thereof (including any political subdivision of such state)), the United Kingdom, any member state of the European Economic Area or any Participating Member State or any member state of NAFTA (or any other jurisdiction in which a member of the Group makes investments in such debt obligations in the ordinary course of trading);

(iii) which matures within one year after the relevant date of calculation; and

(iv) which has a credit rating of either A-1 or higher by S&P or F1 or higher by Fitch or P-1 or higher by Moody's, or, if no rating is available in respect of the commercial paper, the issuer of which has, in respect of its long-term unsecured and non credit-enhanced debt obligations, an equivalent rating;

(d) sterling bills of exchange eligible for rediscount at the Bank of England and accepted by an Acceptable Bank (or their dematerialised equivalent);

(e) any investment in money market funds which (i) have a credit rating of either A-1 or higher by S&P or F1 or higher by Fitch or P-1 or higher by Moody's, (ii) which invest substantially all their assets in securities of the types described in paragraphs (a) to (d) above and (f) and (g) below, and (iii) can be turned into cash on not more than 30 days' notice; or

(f) any deposit issued by any of Nacional Financiera, S.N.C., Banco Nacional de Comercio Exterior, S.N.C., Banco Nacional de Obras y Servicios Públicos, S.N.C. or any other development bank controlled by the Mexican government;

(g) any other debt instrument rated "investment grade" (or the local equivalent thereof according to local criteria in a country in which any member of the Group conducts commercial operations and in which local pensions are permitted by law to invest) with maturities of 12 months or less from the date of acquiring such investment;

(h) investments in mutual funds, managed by banks or financial institutions, with a local currency credit rating of at least MxAA by S&P or equivalent by any other reputable local rating agency, that invest principally in marketable direct obligations issued by the Mexican government, or issued by any agency or instrumentality thereof; and

(i) any other debt security, certificate of deposit, commercial paper, bill of exchange, investment in money market funds or material funds approved by the Majority Lenders,

in each case, to which any member of the Group is alone (or together with other members of the Group) beneficially entitled at that time and which is not issued or guaranteed by any member of the Group or subject to any Security (other than Security arising under the Transaction Security Documents).

"**CEMEX Concretos"** means CEMEX Concretos, S.A. de C.V.

"**CEMEX España"** means CEMEX España, S.A.

"**CEMEX España Operaciones"** means CEMEX España Operaciones S.L.U.

"**CEMEX Finance"** means CEMEX Finance LLC.

"**CEMEX México"** means CEMEX México, S.A. de C.V.

"**Centurion**" means CEMEX Holdings Philippines, Inc., the company incorporated in the Philippines on 17th September, 2015, which holds the CEMEX Group's current

operations in the Philippines which are operated mainly through Solid Cement Corporation and APO Cement Corporation.

"**Centurion Capital Expenditure"** means Capital Expenditure permitted by paragraph (e) of Clause 21.2 (Financial *condition)* to be invested in the Centurion Group.

"**Centurion Expansion Capital"** means (without double counting) any:

(a) Centurion Capital Expenditure;

(b) amount of any investment by a member of the Centurion Group to finance any Joint Venture entered into by a member of the Centurion Group; and

(c) amount of the consideration for an acquisition made under paragraph (p) of the definition of Permitted Acquisition.

"**Centurion Expansion Capital Permitted Limit**" means $500,000,000 (or its equivalent).

"**Centurion Group**" means Centurion and its Subsidiaries for the time being.

"**Centurion Offering Option**" has the meaning given to such term in paragraph (b) of the definition of Centurion Transaction.

"**Centurion Proceeds**" means the cash proceeds received by any member of the Group from a Centurion Transaction.

"**Centurion Transaction**" means:

(a) a Disposal by a member of the Group of any shares in Centurion to a person who is not a member of the Group; or

(b) an offering of shares in Centurion and including any put or other option (a "**Centurion Offering Option")** entered into by any member of the Group with one or more financial institutions in respect of any share lending, over-allotment or other similar arrangement in connection with an offering of shares in Centurion **provided that** the exercise period for such put or other option shall be no longer than 60 days from the settlement date of the offering of shares in Centurion,

(in either case) whether by way of a single transaction or a series of transactions and which does not breach Clause 22.21 *(Disposals)* or Clause 22.32 *(Caliza and Centurion)*.

"Change of Control" means that the beneficial ownership (within the meaning of Rule 13d-3 promulgated by the SEC under the Securities Exchange Act of 1934, as amended) of 20 per cent. or more in voting power of the outstanding voting stock of the Borrower is acquired by any person.

"Charged Property" means all of the assets of the Security Providers which from time to time are, or are expressed to be, the subject of the Transaction Security.

"**Code**" means the Internal Revenue Code of 1986.

"**Commitment**" means a Facility A Commitment, Facility B Commitment, Facility C Commitment, Facility D1 Commitment, or Facility D2 Commitment or a commitment under any new facility established pursuant to Clause 2.2 (*Accordion*).

"**Compliance Certificate**" means a certificate substantially in the form set out in Schedule 9 (*Form of Compliance Certificate*).

"**Confidential Information**" means all information relating to the Borrower, any Obligor, the Group, the Finance Documents or a Facility of which a Finance Party becomes aware in its capacity as, or for the purpose of becoming, a Finance Party or which is received by a Finance Party in relation to, or for the purpose of becoming a Finance Party under, the Finance Documents or a Facility from either:

(a) any member of the Group or any of its advisers; or

(b) another Finance Party, if the information was obtained by that Finance Party directly or indirectly from any member of the Group or any of its advisers,

in whatever form, and includes information given orally and any document, electronic file or any other way of representing or recording information which contains or is derived or copied from such information but excludes information that:

(i) is or becomes public information other than as a direct or indirect result of any breach by that Finance Party of Clause 39 (*Confidentiality*); or

(ii) is identified in writing at the time of delivery as non-confidential by any member of the Group or any of its advisers; or

(iii) is known by that Finance Party before the date the information is disclosed to it in accordance with paragraph (a) or (b) above or is lawfully obtained by that Finance Party after that date, from a source which is, as far as that Finance Party is aware, unconnected with the Group and which, in either case, as far as that Finance Party is aware, has not been obtained in breach of, and is not otherwise subject to, any obligation of confidentiality.

"**Confidentiality Undertaking**" means a confidentiality undertaking substantially in the form set out in Schedule 15 (*Form of Confidentiality Undertaking*) or in any other form agreed between the Borrower and the Agent.

"**Consolidated Coverage Ratio**" has the meaning given to such term in Clause 21.1 (*Financial definitions*).

"**Consolidated Leverage Ratio**" has the meaning given to such term in Clause 21.1 (*Financial definitions*).

"**Contingent Instrument**" means any documentary credit (including all forms of letter of credit) or performance bond, advance payment, bank guarantee or similar instrument.

"**Covenant Reset Date**" means the first date falling after the date of this Agreement on which both of the following conditions are met:

(a) either:

(i) for the two most recently completed Reference Periods in respect of which Compliance Certificates have been (or are required to have been) delivered under this Agreement, the Consolidated Leverage Ratio was 3.75:1 or lower; or

(ii) for the three most recently completed Reference Periods in respect of which Compliance Certificates have been (or are required to have been) delivered under this Agreement, the Consolidated Leverage Ratio for the first and third of those Reference Periods was 3.75:1 or lower and in the second Reference Period would have been 3.75:1 or lower but for the proceeds of any Permitted Financial Indebtedness standing to the credit of a Reserve being included in the definition of Debt as described in paragraph (iv) of that definition; and

(b) no Default is continuing.

"**Custodian**" means any custodian of the Promissory Notes acting on behalf of the Lenders for the time being appointed by the Agent in consultation with the Borrower **provided that** such Custodian must maintain an office in the City of Monterrey, Nuevo Leon, Mexico.

"**Debt**" has the meaning given to such term in Clause 21.1 (*Financial definitions*).

"**Default**" means an Event of Default or any event or circumstance specified in Clause 25 (*Events of Default*) which would (with the expiry of a grace period, the giving of notice, the making of any determination under the Finance Documents or any combination of any of the foregoing) be an Event of Default.

"**Defaulting Lender**" means any Lender:

(a) which has rescinded or repudiated a Finance Document; or

(b) with respect to which an Insolvency Event has occurred and is continuing.

"**Delegate**" means any delegate, agent, attorney-in-fact, representative or co-trustee appointed by the Security Agent.

"**Disposal**" means a sale, lease, licence, transfer, loan or other disposal by a person of any asset (including shares in any Subsidiary or other company), undertaking or business (whether by a voluntary or involuntary single transaction or series of transactions).

"**Disposal Proceeds**" means the cash proceeds received by any member of the Group (including any amount received from a person who is not a member of the Group in repayment of intercompany debt) for any Disposal.

"**Disruption Event**" means either or both of:

(a) a material disruption to those payment or communications systems or to those financial markets which are, in each case, required to operate in order for payments to be made in connection with the Facilities (or otherwise in order for the transactions contemplated by the Finance Documents to be carried out) which disruption is not caused by, and is beyond the control of, any of the Parties; or

(b) the occurrence of any other event which results in a disruption (of a technical or systems-related nature) to the treasury or payments operations of a Party preventing that, or any other Party:

(i) from performing its payment obligations under the Finance Documents; or

(ii) from communicating with other Parties in accordance with the terms of the Finance Documents,

and which (in either such case) is not caused by, and is beyond the control of, the Party whose operations are disrupted.

"**Dutch Civil Code**" means the Dutch civil code (*Burgerlijk Wetboek*).

"**Dutch FSA**" means the Dutch Financial Supervision Act (*Wet op het financieel toezicht*) and the rules and regulations promulgated thereunder.

"**Dutch Obligor**" means an Obligor incorporated in The Netherlands.

"**Empresas Tolteca**" means Empresas Tolteca de México, S.A. de C.V.

"**English Obligor**" means an Obligor incorporated in England and Wales.

"**Environmental Claim**" means any claim, proceeding or investigation by any person in respect of any Environmental Law or use of Hazardous Materials.

"**Environmental Law**" means any applicable law or regulation in any jurisdiction in which any member of the Group conducts business which relates to the pollution or protection of the environment or harm to or the protection of human health or the health of animals or plants.

"**Environmental Permits**" means any permit, licence, consent, approval and other authorisation and the filing of any notification, report or assessment required under any Environmental Law for the operation of the business of any member of the Group conducted on or from the properties owned or used by the relevant member of the Group.

"**ERISA**" means the U.S. Employee Retirement Income Security Act of 1974, as amended, and any successor statute thereto, as interpreted by the rules and regulations thereunder, all as the same may be in effect from time to time. References to sections of ERISA shall be construed also to refer to any successor sections.

"**ERISA Affiliate**" means an entity, whether or not incorporated, that is under common control with any Obligor within the meaning of Section 4001(a)(14) of ERISA, or is a member of a group that includes any Obligor and that is treated as a single employer under section 414(b) or (c) of the Code.

"**España Subsidiary Guarantor**" has the meaning given to that term in Clause 25.11 (*Ownership of Obligors*).

"**EURIBOR**" means, in relation to any Loan in euro:

(a) the applicable Screen Rate;

(b) (if no Screen Rate is available for the Interest Period of that Loan) the Interpolated Screen Rate for that Loan; or

(c) if:

(i) no Screen Rate is available for euro; or

(ii) no Screen Rate is available for the Interest Period of that Loan and it is not possible to calculate an Interpolated Screen Rate for that Loan,

the Reference Bank Rate,

as of, in the case of paragraphs (a) and (c) above, the Specified Time on the Quotation Day for euro and for a period equal in length to the Interest Period of that Loan and, if that rate is less than zero, EURIBOR shall be deemed to be zero.

"**Event of Default**" means any event or circumstance specified as such in Clause 25 (*Events of Default*).

"**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 or, as the case may be, Caliza, Centurion or Trinidad Cement, or any of its Subsidiaries, as the case may be, customarily provides to its employees, consultants and directors.

"**Existing Club Loan Agreement**" means the facilities agreement dated 29 September 2014, as amended and restated on 23 July 2015, 17 March 2016, 23 June 2016, 11 July 2016 and 21 November 2016 between, amongst others, CEMEX, S.A.B. de C.V. as borrower, certain subsidiaries of CEMEX, S.A.B. de C.V. as guarantors, certain subsidiaries of CEMEX, S.A.B. de C.V. as security providers, Citibank Europe plc, UK Branch as agent and Wilmington Trust (London) Limited as security agent.

"**Existing Financial Indebtedness**" means the Financial Indebtedness as at the date of this Agreement of members of the Group which are not Obligors and is described in Schedule 10 (*Existing Financial Indebtedness*) **provided that** any amount of such indebtedness may be refinanced or replaced from time to time but the aggregate principal amount of such Financial Indebtedness may not increase above the principal amount outstanding as at the date of this Agreement (except as otherwise permitted or not restricted by this Agreement or by the amount of any capitalised interest under

any facility or instrument that provided for capitalisation of interest on those terms as at the date of this Agreement).

"**Existing Subordinated Convertible Notes**" means the 2018 Subordinated Convertible Notes, the 2020 Subordinated Convertible Notes and the Subordinated Convertible Notes described at paragraph (b)(i) of the definition of Subordinated Optional Convertible Securities.

"**Facility**" means Facility A, Facility B, Facility C, Facility D1 or Facility D2 or any other facility established in accordance with and pursuant to Clause 2.2 (*Accordion*).

"**Facility A**" means the term loan facility made available under this Agreement as described in paragraph (a) of Clause 2.1 (*The Facilities*).

"**Facility A Commitment**" means:

(a) in relation to an Original Lender, the amount in the Base Currency set opposite its name under the heading "Facility A Commitment" in Part II of Schedule 1 (*The Original Parties*) and the amount of any other Facility A Commitment transferred to it under this Agreement or assumed by it in accordance with Clause 2.2 (*Accordion*); and

(b) in relation to any other Lender, the amount in the Base Currency of any Facility A Commitment transferred to it under this Agreement or assumed by it in accordance with Clause 2.2 (*Accordion*),

to the extent not cancelled, reduced or transferred by it under this Agreement.

"**Facility A Loan**" means a loan made or to be made under Facility A or the principal amount outstanding for the time being of that loan.

"**Facility A Repayment Date**" means each of the dates specified in paragraph (a) of Clause 6.1 (*Repayment of Facility A Loans*) as Facility A Repayment Dates.

"**Facility A Repayment Instalment**" means each instalment for repayment of the Facility A Loans referred to in paragraph (a) of Clause 6.1 (*Repayment of Facility A Loans*).

"**Facility B**" means the term loan facility made available under this Agreement as described in paragraph (b) of Clause 2.1 (*The Facilities*).

"**Facility B Commitment**" means:

(a) in relation to an Original Lender, the amount in euro set opposite its name under the heading "Facility B Commitment" in Part II of Schedule 1 (*The Original Parties*) and the amount of any other Facility B Commitment transferred to it under this Agreement or assumed by it in accordance with Clause 2.2 (*Accordion*); and

(b) in relation to any other Lender, the amount in euro of any Facility B Commitment transferred to it under this Agreement or assumed by it in accordance with Clause 2.2 (*Accordion*),

to the extent not cancelled, reduced or transferred by it under this Agreement.

"**Facility B Loan**" means a loan made or to be made under Facility B or the principal amount outstanding for the time being of that loan.

"**Facility B Repayment Date**" means each of the dates specified in paragraph (a) of Clause 6.2 (*Repayment of Facility B Loans*) as Facility B Repayment Dates.

"**Facility B Repayment Instalment**" means each instalment for repayment of the Facility B Loans referred to in paragraph (a) of Clause 6.2 (*Repayment of Facility B Loans*).

"**Facility C**" means the term loan facility made available under this Agreement as described in paragraph (c) of Clause 2.1 (*The Facilities*).

"**Facility C Commitment**" means:

(a) in relation to an Original Lender, the amount in sterling set opposite its name under the heading "Facility C Commitment" in Part II of Schedule 1 (*The Original Parties*) and the amount of any other Facility C Commitment transferred to it under this Agreement or assumed by it in accordance with Clause 2.2 (*Accordion*); and

(b) in relation to any other Lender, the amount in sterling of any Facility C Commitment transferred to it under this Agreement or assumed by it in accordance with Clause 2.2 (*Accordion*),

to the extent not cancelled, reduced or transferred by it under this Agreement.

"**Facility C Loan"** means a loan made or to be made under Facility C or the principal amount outstanding for the time being of that loan.

"**Facility C Repayment Date**" means each of the dates specified in paragraph (a) of Clause 6.3 (*Repayment of Facility C Loans*) as Facility C Repayment Dates.

"**Facility C Repayment Instalment**" means each instalment for repayment of the Facility C Loans referred to in paragraph (a) of Clause 6.3 (*Repayment of Facility C Loans*).

"**Facility D1**" means the term loan facility made available under this Agreement as described in paragraph (d) of Clause 2.1 (*The Facilities*).

"**Facility D1 Commitment**" means:

(a) in relation to an Original Lender, the amount in the Base Currency set opposite its name under the heading "Facility D1 Commitment" in Part II of Schedule 1 (*The Original Parties*) and the amount of any other Facility D1 Commitment transferred to it under this Agreement or assumed by it in accordance with Clause 2.2 (*Accordion*); and

(b) in relation to any other Lender, the amount in the Base Currency of any Facility D1 Commitment transferred to it under this Agreement or assumed by it in accordance with Clause 2.2 (*Accordion*),

to the extent not cancelled, reduced or transferred by it under this Agreement.

"**Facility D1 Loan**" means a loan made or to be made under Facility D1 or the principal amount outstanding for the time being of that loan.

"**Facility D1 Repayment Date**" means each of the dates specified in paragraph (a) of Clause 6.4 (*Repayment of Facility D1 Loans*) as Facility D1 Repayment Dates.

"**Facility D1 Repayment Instalment**" means each instalment for repayment of the Facility D1 Loans referred to in paragraph (a) of Clause 6.4 (*Repayment of Facility D1 Loans*).

"**Facility D2**" means the revolving loan facility made available under this Agreement as described in paragraph (e) of Clause 2.1 (*The Facilities*).

"**Facility D2 Commitment**" means:

(a) in relation to an Original Lender, the amount in the Base Currency set opposite its name under the heading "Facility D2 Commitment" in Part II of Schedule 1 (*The Original Parties*) and the amount of any other Facility D2 Commitment transferred to it under this Agreement or assumed by it in accordance with Clause 2.2 (*Accordion*); and

(b) in relation to any other Lender, the amount in the Base Currency of any Facility D2 Commitment transferred to it under this Agreement or assumed by it in accordance with Clause 2.2 (*Accordion*),

to the extent not cancelled, reduced or transferred by it under this Agreement.

"**Facility D2 Loan**" means a loan made or to be made under Facility D2 or the principal amount outstanding for the time being of that loan.

"**Facility Office**" means:

(a) in respect of a Lender, the office or offices notified by that Lender to the Agent in writing on or before the date it becomes a Lender (or, following that date, by not less than five Business Days' written notice) as the office or offices through which it will perform its obligations under this Agreement; or

(b) in respect of any other Finance Party, the office in the jurisdiction in which it is resident for tax purposes.

"**FATCA**" means:

(a) sections 1471 to 1474 of the Code or any associated regulations;

(b) any treaty, law or regulation of any other jurisdiction, or relating to an intergovernmental agreement between the US and any other jurisdiction,

which (in either case) facilitates the implementation of any law or regulation referred to in paragraph (a) above; or

(c) any agreement pursuant to the implementation of any treaty, law or regulation referred to in paragraph (a) or (b) above with the US Internal Revenue Service, the US government or any governmental or taxation authority in any other jurisdiction.

"**FATCA Application Date**" means:

(a) in relation to a "withholdable payment" described in section 1473(1)(A)(i) of the Code (which relates to payments of interest and certain other payments from sources within the US), 1 July 2014;

(b) in relation to a "withholdable payment" described in section 1473(1)(A)(ii) of the Code (which relates to "gross proceeds" from the disposition of property of a type that can produce interest from sources within the US), 1 January 2019; or

(c) in relation to a "passthru payment" described in section 1471(d)(7) of the Code not falling within paragraph (a) or (b) above, 1 January 2019,

or, in each case, such other date from which such payment may become subject to a deduction or withholding required by FATCA as a result of any change in FATCA after the date of this Agreement.

"**FATCA Deduction**" means a deduction or withholding from a payment under a Finance Document required by FATCA.

"**FATCA Exempt Party**" means a Party that is entitled to receive payments free from any FATCA Deduction.

"**Fee Letter**" means any letter or letters dated on or before the date of this Agreement between the Arranger (or any of them) and the Borrower, the Agent and the Borrower or the Security Agent and the Borrower, the Lenders (or any of them) and the Borrower setting out any of the fees payable by the Borrower to those Finance Parties in connection with this Agreement, and any fee letter between an Accordion Lender and the Borrower entered into in accordance with paragraph (f) of Clause 2.2 (*Accordion*).

"**Finance Document**" means this Agreement, any Accession Letter, any Accordion Confirmation, any Compliance Certificate, any Reserve Certificate, any Fee Letter, the Intercreditor Agreement, any Promissory Note, any Resignation Letter, any Selection Notice, any Transaction Security Document, any Utilisation Request and any other document designated as a "Finance Document" by the Agent and the Borrower.

"**Finance Party**" means the Agent, the Arranger, the Security Agent or a Lender.

"**Financial Indebtedness**" means any indebtedness for or in respect of:

(a) monies borrowed and debit balances at banks or other financial institutions;

(b) any acceptance under any acceptance credit or bill discounting facility (or dematerialised equivalent);

(c) any amount raised pursuant to a note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument (including, without limitation, any perpetual bonds);

(d) the amount of any liability in respect of any lease or hire purchase contract which would (in accordance with Applicable GAAP of the Borrower) be treated as a finance or capital lease;

(e) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis and meet any requirement for de-recognition under Applicable GAAP of the Borrower);

(f) any Treasury Transaction (and, when calculating the value of that Treasury Transaction, only the negative mark-to-market value (or, if any actual amount is due from any member of the Group as a result of the termination or close-out of that Treasury Transaction, that amount) shall be taken into account);

(g) any counter-indemnity obligation in respect of a guarantee, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution;

(h) any amount raised by the issue of redeemable shares which are redeemable (other than at the option of the issuer) before the last Termination Date or are otherwise classified as borrowings under Applicable GAAP of the Borrower;

(i) any amount of any liability under an advance or deferred purchase agreement if (i) one of the primary reasons behind entering into the agreement is to raise finance or to finance the acquisition or construction of the asset or service in question or (ii) the agreement is in respect of the supply of assets or services and payment is due more than 60 days after the date of supply;

(j) any arrangement pursuant to which an asset sold or otherwise disposed of by that person may be re-acquired by a member of the Group (whether following the exercise of an option or otherwise) and any Inventory Financing;

(k) any amount raised under any other transaction (including any forward sale or purchase, sale and sale back or sale and leaseback agreement) having the commercial effect of a borrowing or otherwise classified as borrowings under Applicable GAAP of the Borrower; and

(l) the amount of any liability in respect of any guarantee for any of the items referred to in paragraphs (a) to (k) above.

"**Financial Quarter**" has the meaning given to such term in Clause 21.1 (*Financial definitions*).

"**Financial Year**" has the meaning given to such term in Clause 21.1 (*Financial definitions*).

"**Fitch**" means Fitch Ratings Limited or any successor thereto from time to time.

"**French Guarantor**" or "**French Obligor**" means a Guarantor or other Obligor incorporated in France.

"**Governmental Authority**" means the government of any jurisdiction, or any political subdivision thereof, whether provincial, state or local, and any department, ministry, agency, instrumentality, authority, body, court, central bank or other entity lawfully exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government.

"**Group**" means the Borrower and each of its Subsidiaries for the time being.

"**Group Structure Chart**" means the structure chart setting out the Obligors and Material Subsidiaries dated as of 30 June 2017 and delivered to the Agent under paragraph 5 (*Other documents and evidence*) of Part I of Schedule 2 (*Conditions Precedent*).

"**Guarantors**" means the Original Guarantors and any Additional Guarantor other than any Original Guarantor or Additional Guarantor which has ceased to be a Guarantor pursuant to Clause 28.3 (*Resignation of a Guarantor*) and/or sub-paragraph (ii) of paragraph (c) of Clause 38.2 (*Exceptions*) and has not subsequently become an Additional Guarantor pursuant to Clause 28.2 (*Additional Guarantors and Additional Security Providers*) and "**Guarantor**" means any of them.

"**Hazardous Materials**" means (a) radioactive materials, asbestos-containing materials, polychlorinated biphenyls, radon gas and (b) any other chemicals, materials or substances designated, classified or regulated as hazardous or toxic or as a pollutant or contaminant under any applicable Environmental Law.

"**Holding Company**" means, in relation to a company or corporation, any other company or corporation in respect of which it is a Subsidiary.

"**IFRS**" means international accounting standards within the meaning of IAS Regulation 1606/2002 to the extent applicable to the relevant financial statements.

"**Impaired Agent**" means the Agent at any time when:

(a) it has failed to make (or has notified a Party that it will not make) a payment required to be made by it under the Finance Documents by the due date for payment;

(b) the Agent otherwise rescinds or repudiates a Finance Document;

(c) (if the Agent is also a Lender) it is a Defaulting Lender under paragraph (a) of the definition of "Defaulting Lender"; or

(d) an Insolvency Event has occurred and is continuing with respect to the Agent,

unless, in the case of paragraph (a) above:

(i) its failure to pay is caused by:

(A) administrative or technical error; or

(B) a Disruption Event; and

paymentis made within three Business Days of its due date; or

(ii) the Agent is disputing in good faith whether it is contractually obliged to make the payment in question.

"**IMSS**" means the Mexican Social Security Institute (*Instituto Mexicano del Seguro Social*).

"**Increase Date**" has the meaning given to it in paragraph (b) of Clause 2.2 (*Accordion*).

"**INFONAVIT**" means the Mexican Workers' Housing Fund Institute (*Instituto del Fondo Nacional de la Vivienda para los Trabajadores)*.

"**Insolvency Event**" in relation to a Finance Party means that the Finance Party:

(a) is dissolved (other than pursuant to a consolidation, amalgamation or merger);

(b) becomes insolvent or is unable to pay its debts or fails or admits in writing its inability generally to pay its debts as they become due;

(c) makes a general assignment, arrangement or composition with or for the benefit of its creditors;

(d) institutes or has instituted against it, by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, a proceeding seeking a judgment of insolvency or bankruptcy (including *concurso mercantil)* or any other relief under any bankruptcy or insolvency law (including the Mexican *Ley de Concursos Mercantiles)* or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official;

(e) has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy (including *concurso mercantil)* or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights (in each case, other than by way of an Undisclosed Administration), or a petition is presented for its winding-up or liquidation, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition is instituted or presented by a person or entity not described in paragraph (d) above and:

(i) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation; or

(ii) is not dismissed, discharged, stayed or restrained in each case within 30 days of the institution or presentation thereof;

(f) has a resolution passed for its winding-up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger);

(g) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets (in each case, other than by way of an Undisclosed Administration);

(h) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within 30 days thereafter;

(i) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in paragraph (a) to (h) above; or

(j) takes any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the foregoing acts.

"**Insolvency Proceedings**" means any of the matters described in Clause 25.7 (*Insolvency proceedings*).

"**Intellectual Property**" means:

(a) any patents, trademarks, service marks, designs, business names, copyrights, design rights, database rights, inventions, knowhow and other intellectual property rights and interests, whether registered or unregistered; and

(b) the benefit of all applications and rights to use such assets of each member of the Group.

"**Intercreditor Agreement**" means:

(a) before the 2017 Amendment Intercreditor Effective Date, the intercreditor agreement originally dated 17 September 2012 and made between, among others, the Borrower, Wilmington Trust (London) Limited as Security Agent, Citibank International plc as agent under the 2012 Facilities Agreement, the creditors under the 2012 Facilities Agreement and any other creditors of the Group that may accede to it from time to time in accordance with its terms, as amended, restated, varied, supplemented and/or extended from time to time; and

(b) on and from the 2017 Amendment Intercreditor Effective Date, the intercreditor agreement described at paragraph (a) above as amended and restated pursuant to a deed of amendment dated on the date of this Agreement, as amended, restated, varied, supplemented and/or extended from time to time.

"**Interest Period**" means, in relation to a Utilisation, each period determined in accordance with Clause 10 (*Interest Periods*) and, in relation to an Unpaid Sum, each period determined in accordance with Clause 9.3 (*Default interest*).

"**Interpolated Screen Rate**" means, in relation to any Loan, the rate which results from interpolating on a linear basis between:

(a) the applicable Screen Rate for the longest period (for which that Screen Rate is available) which is less than the Interest Period of that Loan; and

(b) the applicable Screen Rate for the shortest period (for which that Screen Rate is available) which exceeds the Interest Period of that Loan,

each as of the Specified Time on the Quotation Day for the currency of that Loan.

"**Inventory Financing**" means a financing arrangement pursuant to which a member of the Group sells inventory to a bank or other institution (or a special purpose vehicle or partnership incorporated or established by or on behalf of such bank or other institution or an Affiliate of such bank or other institution) and has an obligation to repurchase such inventory to the extent that it is not sold to a third party within a specified period.

"**Joint Venture**" means any joint venture entity, whether a company, unincorporated firm, undertaking, association, joint venture or partnership or any other entity.

"**Legal Opinions**" means the legal opinions delivered to the Agent pursuant to paragraph 4 (*Legal opinions*) of Part I of Schedule 2 (*Conditions Precedent*) or paragraph 4 (*Legal opinions*) of Part II of Schedule 2 (*Conditions Precedent*).

"**Legal Reservations**" means:

(a) the principle that equitable remedies may be granted or refused at the discretion of a court and the limitation of enforcement by laws relating to insolvency, reorganisation and other laws generally affecting the rights of creditors;

(b) the time barring of claims under the Limitation Act 1980 and the Foreign Limitation Periods Act 1984, the possibility that an undertaking to assume liability for or indemnify a person against non-payment of UK stamp duty may be void and defences of set-off or counterclaim;

(c) similar principles, rights and defences under the laws of any Relevant Jurisdiction; and

(d) any other matters which are set out as qualifications or reservations as to matters of law in the Legal Opinions.

"**Lender**" means:

(a) any Original Lender; and

(b) any bank, financial institution, trust, fund or other entity which has become a Party in accordance with Clause 2.2 (*Accordion*) or Clause 26 (*Changes to the Lenders*),

which in each case has not ceased to be a Party in that capacity in accordance with the terms of this Agreement.

"**LIBOR**" means, in relation to any Loan:

(a) the applicable Screen Rate;

(b) (if no Screen Rate is available for the Interest Period of that Loan) the Interpolated Screen Rate for that Loan; or

(c) if:

(i) no Screen Rate is available for dollars and/or sterling ; or

(ii) no Screen Rate is available for the Interest Period of that Loan and it is not possible to calculate an Interpolated Screen Rate for that Loan,

the Reference Bank Rate,

as of, in the case of paragraphs (a) and (c) above, the Specified Time on the Quotation Day for dollars and/or sterling and for a period equal in length to the Interest Period of that Loan and, if that rate is less than zero, LIBOR shall be deemed to be zero.

"**Loan**" means a Facility A Loan, Facility B Loan, Facility C Loan, Facility D1 Loan, Facility D2 Loan or any other Loan under any Facility established pursuant to Clause 2.2 (*Accordion*).

"**London Business Day**" means a day (other than a Saturday or Sunday) on which banks are open for general business in London.

"**Majority Lenders**" means a Lender or Lenders whose Commitments aggregate 66 ⅔% or more of the Total Commitments (or, if the Total Commitments have been reduced to zero, aggregated 66 ⅔% or more of the Total Commitments immediately prior to the reduction).

"**Margin**" means, in relation to any Loan or Unpaid Sum, initially 2.50 per cent. per annum, but if:

(a) no Event of Default has occurred and is continuing; and

(b) the Consolidated Leverage Ratio in respect of the most recently completed Reference Period is within a range set out below, then the Margin for each Loan will be the percentage per annum set out below opposite that range:

Consolidated Leverage Ratio	Margin (per cent. per annum)
Greater than or equal to 5.00:1	3.500
Less than 5.00:1 but greater than or equal to 4.50:1	3.000
Less than 4.50:1 but greater than or equal to 4.00:1	2.500
Less than 4.00:1 but greater than or equal to 3.50:1	2.125
Less than 3.50:1 but greater than or equal to 3.00	1.750
Less than 3.00:1 but greater than or equal to 2.50	1.500
Less than 2.50:1	1.250

However:

(i) any increase or decrease in the Margin for a Loan shall take effect on the date (the "**reset date**") which is the first day of the next Interest Period for that Loan following receipt by the Agent of the Compliance Certificate for that Reference Period pursuant to Clause 20.2 (*Compliance Certificate*);

(ii) if, following receipt by the Agent of the Compliance Certificate related to the relevant annual financial statements, that Compliance Certificate does not confirm the basis for either a reduced or an increased Margin which applied during that annual period, then the relevant provisions of paragraph (b) of Clause 9.2 (*Payment of interest*) shall apply from the reset date and the Margin for that Loan shall be the percentage per annum determined using the table above and the revised Consolidated Leverage Ratio calculated using the figures in that Compliance Certificate;

(iii) if, following the Covenant Reset Date, the Consolidated Leverage Ratio in respect of any completed Reference Period is, at any time, greater than 3.75:1, the number for the Margin in each range set out in the table above shall be increased by 25 basis points and the percentage per annum for the Margin applicable to that range shall be the result of that increase;

(iv) while an Event of Default has occurred and is continuing, the Margin for each Loan shall be 3.50 per cent. per annum; and

(v) for the purpose of determining the Margin, the Consolidated Leverage Ratio and Reference Period shall be determined in accordance with Clause 21.1 (*Financial definitions*).

"**Material Adverse Effect**" means a material adverse effect on:

(a) the business, property, assets, condition (financial or otherwise) or operations of the Group, taken as a whole; or

(b) the rights or remedies of any Finance Party under the Finance Documents; or

(c) the ability of any Obligor to perform its obligations under the Finance Documents or the validity or enforceability, effectiveness or ranking of any of the Transaction Security granted or purported to be granted under or pursuant to any of the Finance Documents.

"**Material Subsidiary**" means, from the date of this Agreement up to (and excluding) the date on which the first Compliance Certificate to be delivered under Clause 20.2 (*Compliance Certificate*) is delivered in accordance with that Clause, those companies set out in Schedule 13 (*Material Subsidiaries*) and, thereafter, means any Subsidiary of the Borrower which:

(a) has total gross assets representing 5 per cent. or more of the total consolidated assets of the Group;

(b) has revenues representing 5 per cent. or more of the consolidated turnover of the Group; and/or

(c) has earnings before interest, tax, depreciation and amortisation calculated on the same basis as EBITDA, representing 5 per cent. or more of the consolidated EBITDA of the Group,

in each case calculated on a consolidated basis (without duplication) and any Holding Company of any such Subsidiary or of an Obligor.

Compliance with the conditions set out in paragraphs (a) to (c) shall be determined by reference to the most recent Compliance Certificate supplied by the Borrower and/or the latest audited financial statements of that Subsidiary (if available) and the latest audited consolidated financial statements of the Group, but if a Subsidiary has been acquired since the date as at which the latest audited consolidated financial statements of the Group were prepared, the financial statements shall be adjusted to take into account the acquisition of that Subsidiary (that adjustment being certified by the Group's auditors as representing an accurate reflection of each of the respective revised total assets and turnover of the Group).

A report by the auditors of the Borrower (or, as the case may be, any other internationally recognised accounting firm that is approved by the Agent) that a Subsidiary is a Material Subsidiary shall, in the absence of manifest error, be conclusive and binding on all Parties.

"**Mexican Security Trust Agreement**" means the Mexican security trust agreement dated 17 September 2012, as amended and/or restated from time to time, entered into, among others, by the Borrower, Empresas Tolteca de Mexico, S.A. de C.V., CEMEX Central, S.A. de C.V., Interamerican Investments Inc., CEMEX Operaciones México and CEMEX México, which secures the obligations of the Obligors arising from the Finance Documents.

"**Mexico**" means the United Mexican States.

"**Month**" means a period starting on one day in a calendar month and ending on the numerically corresponding day in the next calendar month, except that:

(a) if the numerically corresponding day is not a Business Day, that period shall end on the next Business Day in that calendar month in which that period is to end if there is one or, if there is not, on the immediately preceding Business Day; and

(b) if there is no numerically corresponding day in the calendar month in which that period is to end, that period shall end on the last Business Day in that calendar month.

The above rules will only apply to the last Month of any period. "**Monthly**" shall be construed accordingly.

"**Moody's**" means Moody's Investors Services Limited or any successor to its ratings business.

"**Multiemployer Plan**" means a "multiemployer plan" as defined in Section 4001(a)(3) of ERISA that is subject to Title IV of ERISA to which any Obligor or any ERISA Affiliate is making contributions or has an obligation to make contributions.

"**New Lender**" has the meaning given to that term in Clause 26 (*Changes to the Lenders*).

"**Non-Consenting Lender**" has the meaning given to that term in Clause 38.4 (*Replacement of Lender*).

"**Non-US Pension Plan**" means any defined benefit plan, fund (including, without limitation, any superannuation fund) or other similar program established or maintained outside the United States by any Obligor or any of its Subsidiaries, primarily for the benefit of employees of such Obligor or any such Subsidiary residing outside the United States, which plan, fund or other similar program provides, or results in, retirement income, a deferral of income in contemplation of retirement, and which plan, fund or program is not a Pension Plan or Multiemployer Plan and is not otherwise subject to ERISA or the Code.

"**Obligors**" means the Borrower, the Guarantors and the Security Providers and "**Obligor**" means any of them.

"**Original Financial Statements**" means:

(a) in relation to the Borrower, its audited unconsolidated and consolidated financial statements for its Financial Year ended 31 December 2016 accompanied by an audit opinion of KPMG Cárdenas Dosal, S.C.;

(b) in relation to CEMEX España, its audited consolidated financial statements for its financial year ended 31 December 2016; and

(c) in relation to any other Guarantor, its most recent annual financial statements (audited, if available).

"**Original Obligor**" means the Borrower, an Original Guarantor or an Original Security Provider.

"**Outlook**" means a rating outlook of the Borrower with regard to the Borrower's economic and/or fundamental business condition, as assigned by a Rating Agency.

"**Participating Member State**" means any member state of the European Union that has the euro as its lawful currency in accordance with legislation of the European Union relating to Economic and Monetary Union.

"Party" means a party to this Agreement.

"**Pension Plan**" means a "pension plan" as such term is defined in Section 3(2) of ERISA, which is subject to Title IV of ERISA (other than a multiemployer plan as defined in Section 4001(a)(3) of ERISA), and with respect to which any Obligor or any ERISA Affiliate is an "employer" as defined in Section 3(5) of ERISA.

"**Permitted Acquisition**" means:

(a) an acquisition by a member of the Group of an asset sold, leased, transferred or otherwise disposed of by another member of the Group in circumstances constituting a Permitted Disposal;

(b) an acquisition of shares or securities pursuant to a Permitted Share Issue;

(c) an acquisition of cash or securities which are Cash Equivalent Investments;

(d) the incorporation of a company which on incorporation becomes a member of the Group or which is a special purpose vehicle, whether a member of the Group or not;

(e) an acquisition that constitutes a Permitted Joint Venture;

(f) an acquisition of assets and, if applicable, cash, in exchange for other assets and, if applicable, cash, of equal or higher value (an "**Asset Swap**");

(g) any acquisition of shares of the Borrower, any acquisition of shares of Caliza, any acquisition of shares of Centurion or any acquisition of shares of Trinidad Cement pursuant to (i) an obligation in respect of any Executive Compensation Plan of the Borrower or any of its Subsidiaries or, as the case may be, of Caliza or any of its Subsidiaries, Centurion or any of its Subsidiaries or Trinidad Cement or any of its Subsidiaries as the case may be, or (ii) a Treasury Transaction permitted in accordance with Clause 22.27 (*Treasury Transactions*);

(h) any other acquisition consented to by the Agent acting on the instructions of the Majority Lenders;

(i) an acquisition of shares in the Borrower or any other member of the Group to the extent that a member of the Group has, pursuant to the terms of convertible or exchangeable securities, an obligation to deliver such shares to any holder(s) of convertible or exchangeable securities constituting Permitted Financial Indebtedness;

(j) any acquisition by a member of the Caliza Group of assets or of a company, of shares, securities or a business or undertaking (or, in each case, any interest in any of them) **provided that** (except where the assets, company, shares, securities, business or undertaking (or, in each case, any interest in any of them) acquired was disposed of by (A) a member of the Caliza Group or (B) a member of the Group which is not a member of the Caliza Group in circumstances constituting a Permitted Disposal under the definition of Permitted Disposal) the aggregate amount of the consideration for such acquisitions does not at any time (when aggregated with all other amounts of Caliza Expansion Capital then incurred) exceed the Caliza Expansion Capital Permitted Limit;

(k) any acquisition constituting a Reconstruction permitted pursuant to Clause 22.8 (*Merger*);

(l) any other acquisition of a company, of shares, securities or a business or undertaking (or, in each case, any interest in any of them) **provided that** the aggregate amount of the consideration for such acquisitions does not exceed $400,000,000 (or its equivalent in any other currencies) in any Financial Year, and **provided further that:**

(i) if an asset is acquired by a member of the Group pursuant to this paragraph (l); and

(ii) such asset is the subject of a Disposal by the Group within 12 Months of the date of completion of its acquisition,

the unutilised portion of the amount referred to above in respect of that Financial Year shall be increased by an amount equal to the lower of (A) the amount of the consideration originally paid by the relevant member of the Group which acquired such asset and (B) the amount of the Disposal Proceeds received for such Disposal;

(m) any acquisition by a member of the Centurion Group of assets or of a company, of shares, securities or a business or undertaking (or, in each case, any interest in any of them) **provided that** (except where the assets, company, shares, securities, business or undertaking (or, in each case, any interest in any of them) acquired was disposed of by (A) a member of the Centurion Group or (B) a member of the Group which is not a member of the Centurion Group in circumstances constituting a Permitted Disposal under the definition of Permitted Disposal) the aggregate amount of the consideration for such acquisitions does not at any time (when aggregated with all other amounts of Centurion Expansion Capital then incurred) exceed the Centurion Expansion Capital Permitted Limit;

(n) the acquisition or repurchase of any shares in a member of the Group which were the subject of any Caliza Offering Option, any Centurion Offering Option or any Trinidad Cement Offering Option (i) where those shares were not taken up in full as part of such option or (ii) pursuant to a Treasury Transaction entered into in connection with that Caliza Offering Option, Centurion Offering Option or Trinidad Cement Offering Option and, for the avoidance of doubt any repurchase under this paragraph (n) shall be a separate and independent right and shall not impact or utilise any other elements permitted under this Agreement including, without limitation, paragraph (l) or (p) of this definition, paragraph (c) of Clause 21.2 (*Financial condition*), the Caliza Expansion Capital Permitted Limit and the Centurion Expansion Capital Permitted Limit;

(o) the acquisition or repurchase by the Borrower, Caliza, Centurion or Trinidad Cement of its own shares provided that, in the case of the acquisition or repurchase by the Borrower, (i) the aggregate nominal value of any shares acquired or repurchased by it in any Financial Year pursuant to this paragraph (o) does not (when aggregated with the amount of all distributions made by it in that Financial Year pursuant to paragraph (a) of the definition of "Permitted Distribution") exceed $200,000,000 (or its equivalent) and (ii) the Borrower may only acquire or repurchase any of its shares pursuant to this paragraph (o) if it has delivered a Compliance Certificate in respect of the most recent Reference Period for which a Compliance Certificate was required to have been delivered under this Agreement showing a Consolidated Leverage Ratio in respect of that Reference Period of 4.00:1 or less; and

(p) any acquisition if:

(i) the cash consideration for that acquisition (when aggregated with the cash consideration for any other acquisition made pursuant to this paragraph (p)(i) in the four Financial Quarters ending prior to the date of the proposed acquisition) does not exceed the aggregate amount of free cash flow generated by the Group after deduction of total capital expenditure (as reported by the Borrower in its quarterly earnings report filed with the relevant authority) during the same four Financial Quarter period; and/or

(ii) the acquisition is funded from the proceeds of any disposals of assets received by the Group during the 12 months prior to the making of that acquisition and/or Financial Indebtedness which had been repaid using the proceeds of any disposals of assets received by the Group during the 12 months prior to the making of that acquisition and which has been incurred in up to the same amount in order to fund that acquisition); and/or

(iii) the acquisition is funded from the proceeds of any issuance of shares where such proceeds have been received during the 18 months prior to the making of that acquisition and/or Financial Indebtedness which had been repaid using the proceeds of any issuances of shares received by the Group during the 18 months prior to the making of that acquisition

and which has been incurred in up to the same amount in order to fund that acquisition.

"**Permitted Debt Purchase Transaction**" means, in relation to a person, a transaction where such person purchases by way of assignment or transfer any Commitment or amount outstanding under this Agreement.

"**Permitted Disposal**" means any Disposal provided that:

(a) except in the case of Disposals as between members of the Group, the Disposal is on arm's length terms:

(b) in the case of Disposals of any asset by a member of the Group (the "**Disposing Company")** to another member of the Group (the "**Acquiring Company**")**,** if:

(i) the Disposing Company had given Transaction Security over the asset, the Acquiring Company must give equivalent Transaction Security over that asset (and, if the Acquiring Company is not already a Security Provider, it must accede to this Agreement as an Additional Security Provider); and

(ii) the Disposing Company is a Guarantor, the Acquiring Company must be a Guarantor guaranteeing at all times an amount no less than that guaranteed by the Disposing Company (subject to any applicable guarantee limitations),

provided that the conditions set out in paragraphs (i) and (ii) above shall only apply (A) to a Disposal of shares if such Disposal would result in the Acquiring Company becoming a Material Subsidiary, or (B) to a Disposal of other assets if all or substantially all of the assets of the Disposing Company are being disposed of; and

(c) a Disposal of any shares in a member of the Group to a person who is not a member of the Group may only be made:

(i) pursuant to an obligation in respect of any Executive Compensation Plan, any Caliza Transaction, any Centurion Transaction or any Trinidad Cement Transaction; or

(ii) if all the shares in that entity owned by members of the Group are the subject of the Disposal.

"**Permitted Distribution**" means the declaration, making or payment of a dividend, charge, fee or other distribution (or interest on any unpaid dividend, charge, fee or other distribution):

(a) on or in respect of the share capital of the Borrower or any Subsidiary of the Borrower provided that (i) the aggregate amount of all distributions made by the Borrower in any Financial Year does not (when aggregated with the nominal value of all shares acquired or repurchased by it in any Financial Year pursuant to paragraph (o) of the definition of "Permitted Acquisition") exceed

$200,000,000 (or its equivalent) and (ii) the Borrower may only make a distribution on or in respect of its share capital if it has delivered a Compliance Certificate in respect of the Reference Period closest to the date of the declaration of such distribution for which a Compliance Certificate was required to have been delivered under this Agreement showing a Consolidated Leverage Ratio in respect of that Reference Period of 4.00:1 or less;

(b) that is:

(i) a recapitalisation of earnings on or in respect of the share capital of the Borrower (or any class of its share capital) pursuant to which additional share capital of the Borrower or the right to subscribe for additional share capital is issued to the existing shareholders of the Borrower on a *pro rata* basis;

(ii) by way of the issuance of common equity securities of the Borrower or the right to subscribe for such common equity securities to the existing shareholders of the Borrower on a *pro rata* basis;

(iii) by way of the issuance of common equity securities of Caliza or the right to subscribe for such common equity securities to the existing shareholders of Caliza on a *pro rata* basis;

(iv) by way of the issuance of common equity securities of Centurion or the right to subscribe for such common equity securities to the existing shareholders of Centurion on a *pro rata* basis; or

(v) by way of the issuance of common equity securities of Trinidad Cement or the right to subscribe for such common equity securities to the existing shareholders of Trinidad Cement on a *pro rata* basis,

provided that, for the avoidance of doubt, no cash or other asset (other than the common equity securities referred to above) of any member of the Group (or any interest in any such cash or asset) is paid or otherwise transferred or assigned to any person that is not a member of the Group in connection with such distribution or interest; or

(c) that is a payment of interest (at a time at which no Default is continuing) on any perpetual debt securities issued by the Borrower or New Sunward Holding Financial Ventures B.V. or otherwise permitted by this Agreement; or

(d) to any minority shareholders of any Subsidiary of the Borrower; (i) *pro rata* to its holding in such Subsidiary and **provided that** all other shareholders of the relevant Subsidiary receive their equivalent *pro rata* share in any such dividend, charge, fee, distribution or interest payment at the same time; or (ii) in the case of minority shareholders of Assiut Cement Company on any basis (whether *pro rata* to its holding in such Subsidiary or otherwise), **provided that** the maximum aggregate amount distributed under this sub-paragraph (ii) must not exceed $25,000,000 (or its equivalent) from the date of this Agreement to the last Termination Date; or

(e) that is pursuant to any obligation or undertaking entered into by Trinidad Cement prior to the date of this Agreement relating to an agreement with the union of Trinidad Cement to provide shares in Trinidad Cement to unionised employees of that company.

"**Permitted Exchange**" means any exchange or conversion of any Financial Indebtedness (including for this purpose convertible or exchangeable securities) for an issuance of shares, equity securities or equity-linked securities by any member of the Group **provided that** the principal amount of such shares, equity securities or equity-linked securities are not redeemable (other than for other shares, equity securities or equity-linked securities) prior to the last Termination Date.

"**Permitted Financial Indebtedness**" means:

(a) any Financial Indebtedness whatsoever incurred by an Obligor which Financial Indebtedness may, at the discretion of the Borrower, share in the Transaction Security; and

(b) any Financial Indebtedness incurred by a member of the Group which is not an Obligor:

(i) that is Existing Financial Indebtedness including any such Existing Financial Indebtedness to the extent that it is refinanced or replaced from time to time provided that the aggregate principal amount of such Financial Indebtedness does not increase above the principal amount outstanding as at the date of this Agreement (except as otherwise permitted or not restricted by this Agreement or by the amount of any capitalised interest under any facility or instrument that provided for capitalisation of interest on those terms as at the date of this Agreement);

(ii) that is owed to a member of the Group;

(iii) that constitutes a Permitted Securitisation;

(iv) arising under Capital Leases, factoring arrangements, Inventory Financing arrangements or export credit facilities or any similar arrangements for the purchase of equipment (**provided that** any Security granted in relation to any such facility relates solely to equipment, the purchase of which was financed under such facility) or pursuant to sale and lease-back transactions **provided that** the maximum aggregate Financial Indebtedness of members of the Group which are not Obligors under such transactions does not exceed $500,000,000 at any time (disregarding, for the purpose of such limit, any amount of Financial Indebtedness of such members of the Group arising under such arrangements permitted under this paragraph (iv) and in place as at the date of this Agreement including any amounts under such Financial Indebtedness which has been repaid and reborrowed whether pursuant to the terms of the arrangement constituting such Financial Indebtedness when originally advanced or otherwise);

(v) incurred for the purposes of refinancing Financial Indebtedness of any member of the Group which is not an Obligor;

(vi) that becomes Financial Indebtedness solely as a result of any change in Applicable GAAP after the date of this Agreement and that existed prior to the date of such change in Applicable GAAP (or that replaces, and is on substantially the same terms as, such Financial Indebtedness);

(vii) of any person acquired by a member of the Group pursuant to a Permitted Acquisition **provided that**: (i) such Financial Indebtedness existed prior to the date of the acquisition and was not incurred, increased or extended in contemplation of, or since, the acquisition; and (ii) the aggregate amount of any such Financial Indebtedness of members of the Group which are not Obligors does not exceed $200,000,000 at any time;

(viii) under Treasury Transactions entered into in accordance with Clause 22.27 (*Treasury Transactions*);

(ix) incurred pursuant to or in connection with any cash pooling or other cash management agreements in place with a bank or financial institution, but only to the extent of offsetting credit balances of a member of the Group which is not an Obligor pursuant to such cash pooling or other cash management arrangement;

(x) constituting Financial Indebtedness for taxes levied, assessments due and other governmental charges required to be paid as a matter of law or regulation in the ordinary course of trading;

(xi) that constitutes a Permitted Joint Venture;

(xii) that constitutes a Permitted Working Capital Facility;

(xiii) incurred by a member of the Caliza Group for the purposes of financing Caliza Expansion Capital in the amount of the Caliza Expansion Capital to be incurred (**provided that** the aggregate of all such Caliza Expansion Capital (other than any such amount that is funded from Relevant Proceeds) may not exceed the Caliza Expansion Capital Permitted Limit at any time);

(xiv) incurred by a member of the Centurion Group for the purposes of financing Centurion Expansion Capital in the amount of the Centurion Expansion Capital to be incurred (**provided that** the aggregate of all such Centurion Expansion Capital (other than any such amount that is funded from Relevant Proceeds) may not exceed the Centurion Expansion Capital Permitted Limit at any time);

(xv) not permitted by the preceding paragraphs or as a Permitted Transaction and the outstanding principal amount of which (when aggregated with the aggregate principal amount of any Financial

Indebtedness of Obligors which is guaranteed by members of the Group which are not Obligors) does not exceed $500,000,000 (or its equivalent) in aggregate; and

(xvi) approved by the Agent acting on the instructions of the Majority Lenders,

provided that for the purposes of sub-paragraph (b) only, such Financial Indebtedness of members of the Group which are not Obligors shall not benefit from the Transaction Security but may be secured to the extent that any such Security or Quasi-Security put in place would constitute Permitted Security.

"**Permitted Fundraising**" means:

(a) any issuance of equity securities by the Borrower paid for in full in cash on issue (and, for the avoidance of doubt, such securities may be issued with an original issue discount) and not redeemable on or prior to the Termination Date and where such issue does not lead to a Change of Control; and

(b) any issuance of equity-linked securities issued by any member of the Group that are linked solely to, and result only in the issuance of, equity securities of the Borrower otherwise entitled to be issued under this definition (and that do not, for the avoidance of doubt, result in the issuance of any equity securities by such member of the Group) and that are paid for in full in cash on issue (and, for the avoidance of doubt, such securities may be issued with an original issue discount) and where such issue does not lead to a Change of Control (**provided that** such securities do not provide for the payment of interest in cash and are not redeemable on or prior to the Termination Date).

"**Permitted Fundraising Proceeds**" means the cash proceeds received by any member of the Group from a Permitted Fundraising.

"**Permitted Guarantee**" means:

(a) any guarantee or similar provided by an Obligor; and

(b) in relation to any member of the Group which is not an Obligor:

(i) any guarantee existing on the date of this Agreement;

(ii) the endorsement of negotiable instruments in the ordinary course of trade but excluding an *aval;*

(iii) any performance guarantee or Contingent Instrument guaranteeing performance by a member of the Group under any contract entered into in the ordinary course of trade;

(iv) any guarantee of a Joint Venture to the extent permitted by Clause 22.20 (*Joint ventures*)*;*

(v) any guarantee (including an *aval)* of Financial Indebtedness falling within the definition of Permitted Financial Indebtedness;

(vi) any guarantee given in respect of the netting or set-off arrangements permitted pursuant to paragraph (B) of the definition of Permitted Security;

(vii) any indemnity given in the ordinary course of business by any member of the Group which is not an Obligor in connection with its commercial or corporate activities, including but not limited to any Permitted Disposal, Permitted Acquisition, or any indemnity given to professional advisers on customary terms as part of the terms of their engagement;

(viii) any guarantee given by a member of the Group which is not an Obligor in respect of the obligations of another member of the Group which is not an Obligor;

(ix) any guarantee consented to by the Agent acting on behalf of the Majority Lenders;

(x) any guarantee given by a member of the Group in respect of obligations of a member of the Caliza Group or of the Centurion Group under Financial Indebtedness permitted to be incurred under paragraph (b)(xiii) or (b)(xiv), as applicable of the definition of Permitted Financial Indebtedness; and

(xi) any other guarantee that does not fall within paragraphs (i) to (x) above given by a member of the Group which is not an Obligor **provided that** at any time the aggregate principal amount guaranteed by all such guarantees does not exceed $500,000,000 (or its equivalent) (and **provided further that** (i) any performance bonds, banker's acceptances or guarantee, bonding, documentary or stand-by letter of credit facilities shall only be counted towards such limit to the extent that such performance bond, banker's acceptance, guarantee, bonding, documentary or stand-by letter of credit facility constitutes Debt and (ii) where such guarantee is to be given by a member of the Group that is not an Obligor in relation to Financial Indebtedness of an Obligor, such guarantee shall be considered as Financial Indebtedness for the purposes of paragraph (b)(xv) of the definition of Permitted Financial Indebtedness).

"**Permitted Joint Venture**" means any investment in any Joint Venture (by way of a subscription for shares in, loan to, guarantee in respect of the liabilities of or transfer of assets to that Joint Venture) where:

(a) such investment exists or a member of the Group is contractually committed to such investment at the date of this Agreement; or

(b) such investment is otherwise permitted under, or not restricted by, this Agreement (other than pursuant to paragraph (e) of the definition of "Permitted Acquisition", paragraph (b)(xi) of the definition of "Permitted Financial Indebtedness", paragraph (b)(iv) of the definition of "Permitted

Guarantee", paragraph (c) of the definition of "Permitted Loan" or paragraph (i) of the definition of "Permitted Share Issue").

"**Permitted Loan**" means:

(a) any trade credit extended by any member of the Group to its customers on normal commercial terms and in the ordinary course of its trading activities;

(b) Financial Indebtedness which is referred to in the definition of, or otherwise constitutes, Permitted Financial Indebtedness (except under paragraph (b)(iii) of that definition);

(c) a loan made to a Joint Venture to the extent permitted under Clause 22.20 (*Joint ventures*)*;*

(d) a loan made by a member of the Group to another member of the Group;

(e) deferred consideration in relation to Disposals falling within the definition of Permitted Disposal;

(f) a loan made by a member of the Group to an employee or director of any member of the Group if the amount of that loan when aggregated with the amount of all loans to employees and directors by members of the Group does not exceed $15,000,000 (or its equivalent) at any time;

(g) any loan consented to by the Agent acting on the instructions of the Majority Lenders;

(h) a loan arising as a result of an advance payment of Capital Expenditure made in the ordinary course of trading where such Capital Expenditure is permitted under this Agreement;

(i) any credit extended by way of receipt by a member of the Group of promissory notes in exchange for supplying materials or services for use in Mexican public works projects as long as the aggregate principal amount of the Financial Indebtedness under such loan(s) does not exceed $100,000,000 (or its equivalent) at any time; and

(j) any other loan(s) as long as the aggregate principal amount of the Financial Indebtedness under any such loan(s) does not exceed $250,000,000 (or its equivalent) at any time.

"**Permitted Put/Call Proceeds**" means any cash or other assets arising out of or in connection with any Permitted Put/Call Transaction, including, but not limited to, any settlement, disposal, transfer, assignment, close-out or other termination of such Permitted Put/Call Transaction.

"**Permitted Put/Call Transaction**" means any call option, call spread, capped call transaction, put option, put spread, capped put transaction or any combination of the foregoing and/or any other Treasury Transaction or transactions having a similar effect to any of the foregoing, in each case entered into, sold or purchased not for

speculative purposes but for the purposes of managing specific risks or exposures associated with any issuance of Relevant Convertible/Exchangeable Obligations.

"**Permitted Reorganisation**" means, any intra-Group reorganisation (including any Reconstruction) **provided that** upon completion of each step in the Permitted Reorganisation the requirements of Clause 22.28 (*Transaction Security)* are satisfied, where relevant.

"**Permitted Securitisations**" means a transaction or series of related transactions providing for the securitisation of receivables and related assets by the Borrower or its Subsidiaries, including a sale at a discount, **provided that** (i) such receivables have been transferred, directly or indirectly, by the originator thereof to a person that is not a member of the Group in a manner that satisfies the requirements for an absolute conveyance (or, where the originator is organised in Mexico, a true sale), and not merely a pledge, under the laws and regulations of the jurisdiction in which such originator is organised; and (ii) except for customary representations, warranties, covenants and indemnities, such sale, transfer or other securitisation is carried out on a non-recourse basis or on a basis where recovery is limited solely to the collection of the relevant receivables (other than where such recourse or recovery is required pursuant to Article 122a of the Capital Requirements Directive of the European Parliament and of the Council of the European Union (as introduced by Directive 2009/111/EC of 16 September 2009, amending Directives 2006/48/EC, 2006/49/EC and 2007/64/EC) (as further amended or replaced from time to time, including, without limitation, by virtue of Articles 404 to 410 of Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms) and any relevant implementing legislation or pursuant to any analogous laws or regulations in any jurisdiction (the "**Relevant Legislation**"**))**.

"**Permitted Security**" has the meaning given to such term in Clause 22.5 *(Negative pledge)*.

"**Permitted Share Issue**" means:

(a) a Permitted Fundraising;

(b) an issue of shares by a member of the Group which is a Subsidiary of the Borrower to another member of the Group (and, where the member of the Group has a minority shareholder, to that minority shareholder on a *pro rata* basis) where (if the existing shares of the Subsidiary are the subject of the Transaction Security) the newly-issued shares also become subject to the Transaction Security on the same terms;

(c) an issue of shares by the Borrower to comply with an obligation in respect of any Executive Compensation Plan of the Borrower;

(d) an issue of common equity securities of the Borrower or other equity-like instruments of the Borrower or any other member of the Group either (i) by the Borrower or (ii) to any member of the Group where the Borrower or that member of the Group has an obligation to deliver such shares or other equity-like instruments to a counterparty pursuant to the terms of any Permitted

Put/Call Transaction or an obligation to deliver such shares or other equity-like instruments to the holder(s) of convertible or exchangeable securities comprising Financial Indebtedness permitted pursuant to, or not restricted by, Clause 22.6 (*Financial Indebtedness*) pursuant to the terms and conditions of such convertible or exchangeable securities (as amended from time to time);

(e) an issue of shares by Caliza, by Centurion or by Trinidad Cement to comply with an obligation in respect of any Executive Compensation Plan of Caliza, Centurion or Trinidad Cement, as applicable;

(f) an issue of shares by Caliza pursuant to a Caliza Transaction, an issue of shares by Centurion pursuant to a Centurion Transaction or an issue of shares by Trinidad Cement pursuant to a Trinidad Cement Transaction;

(g) any issue of shares by the Borrower, Caliza, Centurion or Trinidad Cement which comprise the consideration for a Permitted Acquisition;

(h) an issue of shares by Trinidad Cement pursuant to any commitments made by Trinidad Cement prior to the date of this Agreement;

(i) an issue of shares which constitutes a Permitted Joint Venture; and

(j) any issue of shares consented to by the Agent acting on the instructions of the Majority Lenders.

"**Permitted Transaction**" means:

(a) any disposal required, Financial Indebtedness incurred, guarantee, indemnity or Security given, or other transaction arising, under the Finance Documents;

(b) the solvent liquidation or reorganisation of any member of the Group which is not an Obligor so long as any payments or assets distributed as a result of such liquidation or reorganisation are distributed to other members of the Group (and, where the member of the Group has a minority shareholder, to that minority shareholder on a *pro rata* basis);

(c) any Permitted Reorganisation; and

(d) transactions (other than (i) any sale, lease, license, transfer or other disposal and (ii) the granting or creation of Security or the incurring or permitting to subsist of Financial Indebtedness) conducted in the ordinary course of trading on arm's length terms.

"**Permitted Working Capital Basket**" has the meaning given to that term in the definition of Permitted Working Capital Facility.

"**Permitted Working Capital Facility**" means Financial Indebtedness of one or more members of the Group which are not Obligors under loan facilities, overdraft facilities, performance bonds, banker's acceptances, guarantee, bonding, documentary or stand-by letter of credit facilities, commercial paper, insurance premium financing and, in each case, other similar facilities or accommodation (in any case) for the financing of working capital of the Group or such members of the Group in an

aggregate amount of no more than $900,000,000 (or its equivalent) (the "**Permitted Working Capital Basket**") **provided that** the Permitted Working Capital Basket shall only limit any such performance bond, banker's acceptance, guarantee, bonding, documentary or stand-by letter of credit facility to the extent that such performance bond, banker's acceptance, guarantee, bonding, documentary or stand-by letter of credit facility constitutes Debt.

"**Process Agent"** means CEMEX UK at its registered address being, as at the date of this Agreement, CEMEX House, Coldharbour Lane, Thorpe, Egham, Surrey TW20 8TD and with fax number (+44) 01932 568933, Attn: The Secretary.

"**Promissory Note"** means a dual column English and Spanish non-negotiable promissory note issued or to be issued by the Borrower and executed *por aval* by each of the Guarantors, substantially in the form set out in Part I (*Term Loans in Dollars Pagaré No Negociable / Non-Negotiable Promissory Note*) for Term Loans in dollars, Part II (*Loans in Dollars under the revolving loan Facility Pagaré No Negociable / Non-Negotiable Promissory Note*), for Loans in dollars under the revolving loan Facility, Part III (*Term Loans in sterling Pagaré No Negociable / Non-Negotiable Promissory Note*), for Term Loans in sterling and Part IV (*Term Loans in euro Pagaré No Negociable / Non-Negotiable Promissory Note*) for Term Loans in euro of Schedule 4 (*Form of Promissory Note*).

"**Protected Party**" means a Finance Party which is or will be subject to any liability or required to make any payment for or on account of Tax in relation to a sum received or receivable (or any sum deemed for the purposes of Tax to be received or receivable) under a Finance Document.

"**Qualifying Lender**" has the meaning given to that term in Clause 13 (*Tax Gross-Up and Indemnities*).

"**Quasi-Security**" has the meaning given to that term in Clause 22.5 (*Negative pledge*).

"**Quotation Day**" means, in relation to any period for which an interest rate is to be determined:

(a) (if the currency is sterling) the first day of that period;

(b) (if the currency is dollars) two London Business Days before the first day of that period; or

(c) (if the currency is euro) two TARGET Days before the first day of that period,

unless market practice differs in the Relevant Interbank Market for that currency, in which case the Quotation Day for that currency will be determined by the Agent in accordance with market practice in the Relevant Interbank Market (and if quotations would normally be given by leading banks in the Relevant Interbank Market on more than one day, the Quotation Day will be the last of those days).

"**Rating**" means at any time the solicited long-term credit rating or the senior implied rating of the Borrower or an issue of securities of or guaranteed by the Borrower, where the rating is based primarily on the senior unsecured credit risk of the Borrower

and/or, in the case of the senior implied rating, on the characteristics of any particular issue, assigned by a Rating Agency.

"**Rating Agency**" means S&P, Moody's or Fitch.

"**Receiver**" means a receiver or receiver and manager or administrative receiver of the whole or any part of the Charged Property.

"**Reconstruction**" has the meaning given to such term in Clause 22.8 (*Merger*).

"**Reference Bank Rate**" means the arithmetic mean of the rates (rounded upwards to four decimal places) as supplied to the Agent at its request by the Reference Banks:

(a) (in relation to LIBOR) as the rate at which the relevant Reference Bank could borrow funds in the London interbank market in the relevant currency and for the relevant period, were it to do so by asking for and then accepting interbank offers for deposits in reasonable market size in that currency and for that period; or

(b) (in relation to EURIBOR) as the rate at which the relevant Reference Bank believes one prime bank is quoting to another prime bank for interbank term deposits in euro within the Participating Member States for the relevant period.

"**Reference Banks**" means the principal London offices of BNP Paribas, ING Bank NV and such other banks as may be appointed by the Agent in consultation with the Borrower.

"**Reference Period**" has the meaning given to that term in Clause 21.1 (*Financial definitions*).

"**Related Fund**" in relation to a fund (the "**first fund**"), means a fund which is managed or advised by the same investment manager or investment adviser as the first fund or, if it is managed by a different investment manager or adviser, a fund whose investment manager or investment adviser is an Affiliate of the investment manager or investment adviser of the first fund.

"**Relevant Commitment**" has the meaning given to that term in a relevant Accordion Confirmation.

"**Relevant Convertible/Exchangeable Obligations**" has the meaning given to that term in Clause 21.1 (*Financial definitions*).

"**Relevant Interbank Market**" means, in relation to euro, the European interbank market and, in relation to any other currency, the London interbank market.

"**Relevant Jurisdiction**" means, in relation to an Obligor:

(a) its jurisdiction of incorporation or formation;

(b) any jurisdiction where any asset subject to or intended to be subject to the Transaction Security to be created by it is situated;

(c) any jurisdiction where it conducts its business; and

(d) the jurisdiction whose laws govern the perfection of any of the Transaction Security Documents entered into by it.

"**Relevant Legislation**" has the meaning given to such term in the definition of Permitted Securitisations.

"**Relevant Proceeds**" means Caliza Proceeds, Centurion Proceeds, Disposal Proceeds, Permitted Fundraising Proceeds or Permitted Put/Call Proceeds.

"**Repeating Representations**" means each of the representations set out in Clause 19.1 (*Status*) to Clause 19.5 (*Validity and admissibility in evidence*) and paragraphs (a) and (b) of Clause 19.11 (*Financial statements*).

"**Representative**" means any delegate, agent, manager, administrator, nominee, attorney, trustee or custodian.

"**Reserve**" has the meaning given to such term in Clause 21.5 (*Reserve*).

"**Resignation Letter**" means a document substantially in the form set out in Schedule 8 (*Form of Resignation Letter)*.

"**Responsible Officer**" means the Chief Financial Officer and/or Chief Controlling Officer of the Borrower or a person holding equivalent status (or higher).

"**Restricted Debt Purchase Transaction**" means, in relation to a person, a transaction where such person enters into any sub-participation in respect of, or enters into any other agreement or arrangement having an economic effect substantially similar to a sub-participation in respect of, any Commitment or amount outstanding under this Agreement.

"**S&P**" means Standard & Poor's Rating Services, a division of The McGraw-Hill Companies, Inc., or any successor thereto from time to time.

"**Sanctioned Country**" means a country or territory that is, or whose government is, the subject of Sanctions broadly prohibiting dealings with such government, country, or territory, including, as of the date of this Agreement, Cuba, Iran, the Crimea, North Korea, Sudan and Syria.

"**Sanctions**" means:

(a) United Nations sanctions imposed pursuant to any United Nations Security Council Resolution;

(b) U.S. sanctions administered by the Office of Foreign Assets Control of the U.S. Department of the Treasury or any other U.S. Governmental Authority or department;

(c) EU restrictive measures implemented pursuant to any EU Council or Commission Regulation or Decision adopted pursuant to a Common Position in furtherance of the EU's Common Foreign and Security Policy;

(d) UK sanctions adopted by the Terrorist-Asset Freezing etc Act 2010 or other legislation and statutory instruments enacted pursuant to the United Nations Act 1946 or the European Communities Act 1972 or enacted by or pursuant to other laws and administered by Her Majesty's Treasury or any other Governmental Authority; and

(e) any other economic, trade sanctions or similar restrictive laws and regulations relating to economic or trade sanctions applicable to any Party or any of its Affiliates.

"**SAR**" means the Mexican Retirement Savings System (*Sistema de Ahorro para el Retiro*).

"**Screen Rate**" means:

(a) in relation to LIBOR, the London interbank offered rate administered by ICE Benchmark Administration Limited (or any other person which takes over the administration of that rate) for the relevant currency and for the relevant period displayed on pages LIBOR01 or LIBOR02 of the Thomson Reuters screen (or any replacement Thomson Reuters page which displays that rate); and

(b) in relation to EURIBOR, the euro interbank offered rate administered by the European Money Markets Institute (or any other person which takes over the administration of that rate) for the relevant period displayed on page EURIBOR01 of the Thomson Reuters screen (or any replacement Thomson Reuters page which displays that rate),

or, in each case, on the appropriate page of such other information service which publishes that rate from time to time in place of Thomson Reuters. If such page or service ceases to be available, the Agent may specify another page or service displaying the relevant rate after consultation with the Borrower and the Lenders.

"**SEC**" means the U.S. Securities Exchange Commission and any successor thereto.

"**Secured Parties**" means each Finance Party from time to time party to this Agreement and any Receiver or Delegate.

"**Security**" means a mortgage, charge, pledge, lien, security trust or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect.

"**Security Providers**" means the Original Security Providers and any Additional Security Provider other than any Original Security Provider or Additional Security Provider which has ceased to be a Security Provider pursuant to Clause 28.4 (*Resignation of a Security Provider*) and has not subsequently become an Additional Security Provider pursuant to Clause 28.2 (*Additional Guarantors and Additional Security Providers*), and "**Security Provider**" means any of them.

"**Selection Notice**" means a notice substantially in the form set out in Part II of Schedule 3 (*Requests and Notices*) given in accordance with Clause 10 (*Interest Periods*).

"**Spain**" means the Kingdom of Spain.

"**Spanish GAAP**" means the Spanish General Accounting Plan (*Plan general de contabilidad*) approved by Royal Decree 1514/2007 as in effect from time to time and consistent with those used in the preparation of the most recent audited financial statements referred to in Clause 20.1 (*Financial statements*).

"**Spanish Public Document**" means any obligation in an *Escritura Pública* or *póliza intervenida.*

"**Specified Time**" means a time determined in accordance with Schedule 14 (*Timetables*).

"**Subordinated Optional Convertible Securities**" means:

(a) the Existing Subordinated Convertible Notes; and

(b) any Financial Indebtedness incurred by any member of the Group the terms of which provide that such indebtedness is capable of optional conversion into equity securities or other equity-like instruments of the Borrower or any member of the Group and that repayment of principal and accrued but unpaid interest thereon is subordinated (under terms customary for an issuance of such Financial Indebtedness) to all senior Financial Indebtedness of the Borrower (including, but not limited to, the Facilities) except for: (A) indebtedness that states, or is issued under a deed, indenture, agreement or other instrument that states, that it is subordinated to or ranks equally with any Subordinated Optional Convertible Securities and (B) indebtedness between or among members of the Group **provided that:**

(i) if such Financial Indebtedness is being issued to refinance Existing Subordinated Convertible Notes (only) then:

(A) principal repayments in cash of such Financial Indebtedness shall:

(1) not exceed in aggregate the amount of the fees, costs and expenses related to the refinancing of the Existing Subordinated Convertible Notes being refinanced plus the higher of (x) the nominal value of such Existing Subordinated Convertible Notes and (y) the market value of such Existing Subordinated Convertible Notes; and

(2) if payable in cash in any instalments scheduled before (but excluding) the maturity date of the Existing Subordinated Convertible Notes being refinanced, such instalments are no greater in amount or sooner in time than provided for by the Existing Subordinated Convertible Notes being refinanced; or

(B) such Financial Indebtedness shall not have any scheduled principal repayments in cash until after the last Termination Date under this Agreement; and

(ii) in all other circumstances, such Financial Indebtedness shall not have any scheduled principal repayments in cash until after the last Termination Date under this Agreement.

"**Subsidiary**" means in relation to any company, partnership or corporation, a company, partnership or corporation:

(a) which is controlled, directly or indirectly, by the first mentioned company, partnership or corporation;

(b) in the case of a company or corporation, more than half the issued share capital of which is beneficially owned, directly or indirectly, by the first mentioned company, partnership or corporation; or

(c) which is a Subsidiary of another Subsidiary of the first mentioned company, partnership or corporation,

and for this purpose, a company or corporation shall be treated as being controlled by another if that other company or corporation is able to direct its affairs and/or to control the composition of its board of directors or equivalent body.

"**Super Majority Lenders**" means, at any time, a Lender or Lenders whose Commitments aggregate 85 per cent. or more of the Total Commitments (or, if the Total Commitments have been reduced to zero, aggregated 85 per cent. or more of the Total Commitments immediately prior to that reduction).

"**Swiss Obligor**" means an Obligor incorporated in Switzerland.

"**TARGET2**" means the Trans-European Automated Real-time Gross Settlement Express Transfer payment system which utilises a single shared platform and which was launched on 19 November 2007.

"**TARGET Day**" means any day on which TARGET2 is open for the settlement of payments in euro.

"**Tax**" means any tax, levy, impost, duty or other charge, deduction or withholding of a similar nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same).

"**Term Facility**" means:

(a) Facility A;

(b) Facility B;

(c) Facility C;

(d) Facility D1; or

(e) any new term loan facility established in accordance with Clause 2.2 (*Accordion*).

"**Term Loan**" means:

(a) a Facility A Loan;

(b) a Facility B Loan;

(c) a Facility C Loan;

(d) a Facility D1 Loan; or

(e) any term loan under any new term loan facility established in accordance with Clause 2.2 (*Accordion*).

"**Termination Date**" means, in each case subject to Clause 38.3 (*Facility Change*), (i) in relation to the Facilities originally granted under this Agreement, the date falling 60 Months after the date of this Agreement and (ii) in relation to any other Facility or Facilities granted pursuant to Clause 2.2 (*Accordion*) of this Agreement, the termination date in relation to that Facility or those Facilities (as applicable).

"**Third Party Disposal**" has the meaning given to such term in Clause 28.3 (*Resignation of a Guarantor*).

"**Total Commitments**" means the aggregate of the Total Facility A Commitments, Total Facility B Commitments, Total Facility C Commitments, Total Facility D1 Commitments, Total Facility D2 Commitments and any other commitments arising under any new facility established pursuant to Clause 2.2 (*Accordion*).

"**Total Facility A Commitments**" means the aggregate of the Facility A Commitments, being $1,234,435,319.98 at the date of this Agreement.

"**Total Facility B Commitments**" means the aggregate of the Facility B Commitments, being €740,532,026.74 at the date of this Agreement.

"**Total Facility C Commitments**" means the aggregate of the Facility C Commitments, being £343,612,270.82 at the date of this Agreement.

"**Total Facility D1 Commitments**" means the aggregate of the Facility D1 Commitments, being $377,013,090.91 at the date of this Agreement.

"**Total Facility D2 Commitments**" means the aggregate of the Facility D2 Commitments, being $1,134,994,890.95 at the date of this Agreement.

"**Transaction Security**" means the Security created or expressed to be created in favour of the Security Agent pursuant to the Transaction Security Documents.

"**Transaction Security Documents**" means the Mexican Security Trust Agreement, each of the documents listed as being a Transaction Security Document in paragraph 3 (*Transaction Security Documents*) of Part I of Schedule 2 (*Conditions Precedent*) and any document required to be delivered to the Agent under paragraph 3

(*Transaction Security Documents*) of Part II of Schedule 2 (*Conditions Precedent*) together with any other document entered into by any Obligor creating or expressed to create any Security over all or any part of its assets in respect of the obligations of any of the Obligors under any of the Finance Documents (and any other "Debt Documents" as defined in the Intercreditor Agreement).

"**Transfer Certificate**" means a certificate substantially in the form set out in Schedule 5 (*Form of Transfer Certificate*) or any other form agreed between the Agent and the Borrower.

"**Transfer Date**" means, in relation to an assignment or a transfer, the later of:

(a) the proposed Transfer Date specified in the relevant Assignment Agreement or Transfer Certificate; and

(b) the date on which the Agent executes the relevant Assignment Agreement or Transfer Certificate.

"**Treasury Transactions**" means any derivatives, swap, forward, option or other similar transaction whatsoever.

"**Trinidad Cement**" means Trinidad Cement Limited.

"**Trinidad Cement Group**" means Trinidad Cement and its Subsidiaries for the time being.

"**Trinidad Cement Offering Option**" has the meaning given to such term in paragraph (b) of the definition of Trinidad Cement Transaction.

"**Trinidad Cement Proceeds**" means the cash proceeds received by any member of the Group from a Trinidad Cement Transaction.

"**Trinidad Cement Transaction**" means:

(a) a Disposal by a member of the Group of any shares in Trinidad Cement to a person who is not a member of the Group; or

(b) an offering of shares in Trinidad Cement and including any put or other option (a "*Trinidad Cement Offering Option*") entered into with one or more financial institutions in respect of any share lending, over-allotment or other similar arrangement in connection with an offering of shares in Trinidad Cement provided that the exercise period for such put or other option shall be no longer than 30 days from the settlement date of the offering of shares in Trinidad Cement,

(in either case) whether by way of a single transaction or a series of transactions and which does not breach Clause 22.21 (*Disposals*).

"**Undisclosed Administration**" means, in relation to a Finance Party or an Acceptable Bank, 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 Finance

Party or Acceptable Bank is subject to home jurisdiction supervision if applicable law requires that such appointment is not to be publicly disclosed.

"**Unpaid Sum**" means any sum due and payable but unpaid by an Obligor under the Finance Documents.

"**U.S.**", "**US**" or "**United States**" means the United States of America.

"**U.S. Obligor**" means a Guarantor whose jurisdiction of organisation is a state of the United States or the District of Columbia.

"**Utilisation**" means a Loan.

"**Utilisation Date**" means the date of a Utilisation, being the date on which the relevant Loan is to be made.

"**Utilisation Request**" means a notice substantially in the form set out in Part I (*Utilisation Request*) of Schedule 3 (*Requests and Notices*).

"**VAT**" means value added tax as provided for in the Value Added Tax Act 1994 and any other tax of a similar nature.

1.2 **Construction**

(a) Unless a contrary indication appears a reference in this Agreement to:

(i) the "**Agent**", any "**Secured Party**", the "**Security Agent**", any "**Finance Party**", any "**Lender**", any "**Obligor**" or any "**Party**" shall be construed so as to include its successors in title, permitted assigns and permitted transferees and, in the case of the Security Agent, any person for the time being appointed as Security Agent or Security Agents in accordance with the Finance Documents;

(ii) a document in "**agreed form**" is a document which is previously agreed in writing by or on behalf of the Borrower and the Agent or, if not so agreed, is in the form specified by the Agent;

(iii) "**assets**" includes present and future properties, revenues and rights of every description;

(iv) a "**Finance Document**" or any other agreement or instrument is a reference to that Finance Document or other agreement or instrument as amended or novated;

(v) "**indebtedness**" includes any obligation (whether incurred as principal or as surety) for the payment or repayment of money, whether present or future, actual or contingent;

(vi) a Lender's "**participation**" in relation to a Loan means the amount of such Loan which such Lender has made or is to make available and thereafter that part of the Loan which is owed to such Lender;

(vii) a "**person**" includes any person, firm, company, corporation, government, state or agency of a state or any association, trust, joint venture, consortium or partnership (whether or not having separate legal personality) of two or more of the foregoing;

(viii) a "**regulation**" includes any regulation, rule, official directive, request or guideline (whether or not having the force of law but, if not having the force of law, with which persons who are subject thereto are accustomed to comply) of any governmental, intergovernmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation;

(ix) the "**winding-up**", "**dissolution**", "**administration**" or "**reorganisation**" of a company or corporation shall be construed so as to include any equivalent or analogous proceedings (such as, in Mexico, a *concurso mercantil* or *quiebra* and in Spain, any *situación concursal)* under the laws and regulations of the jurisdiction in which such company or corporation is incorporated or any jurisdiction in which such company or corporation carries on business including the seeking of liquidation, winding-up, reorganisation, bankruptcy, dissolution, administration, arrangement, adjustment, protection or relief of debtors;

(x) a provision of law is a reference to that provision as amended or re-enacted without material modification;

(xi) a time of day is a reference to London time;

(xii) a clause, paragraph or schedule, unless the context otherwise requires, is a reference to a clause, a paragraph of or a schedule to this Agreement;

(xiii) a "**guarantee**" (other than in Clause 18 (Guarantee *and Indemnity)* and unless otherwise stated) includes any guarantee, *aval, obligado solidario,* letter of credit, bond, indemnity, counter-indemnity or similar assurance against loss, or any obligation, direct or indirect, actual or contingent, to purchase or assume any indebtedness of any person or to make an investment in or loan to any person or to purchase assets of any person where, in each case, such obligation is assumed in order to maintain or assist the ability of such person to meet its indebtedness;

(xiv) where it relates to a Dutch entity:

(A) necessary action to authorise, where applicable, includes without limitation:

(1) any action required to comply with the Dutch Works Council Act (Wet *op de ondernemingsraden);* and

(2) obtaining unconditional positive advice (*advies*) from each competent works council;

(B) a winding-up, administration or dissolution includes a Dutch entity being:

(1) declared bankrupt (*failliet verklaard*); and

(2) dissolved (*ontbonden*);

(C) a moratorium includes *surséance van betaling* and granted a moratorium includes *surséance verleend*;

(D) a trustee in bankruptcy includes a *curator*;

(E) an administrator includes a *bewindvoerder*;

(F) a receiver or an administrative receiver does not include a *curator* or *bewindvoerder*; and

(G) an attachment includes a *beslag*; and

(xv) where it relates to a French entity:

(A) "**acting in concert**" has the meaning given in article L. 233-10 of the French Commercial Code;

(B) "**control**" has the meaning given in article L. 233-3 of the French Commercial Code;

(C) "**financial assistance**" has the meaning given in article L. 225-216 of the French Commercial Code;

(D) "**gross negligence**" means "*faute lourde*";

(E) a "**guarantee**" includes any "*cautionnement*", "*aval*" and any "*garantie*" which is independent from the debt to which it relates;

(F) a "**merger**" includes any "*fusion*" implemented in accordance with articles L. 236-1 to L. 236-24 of the French Commercial Code;

(G) a "**reconstruction**" includes, in relation to any company, any contribution of part of its business in consideration of shares (*apport partiel d'actifs*) and any demerger (*scission*) implemented in accordance with articles L. 236-1 to L. 236-24 of the French Commercial Code;

(H) a "**security interest**" includes any type of security (*sûreté réelle*), transfer or assignment by way of security and *fiducie-sûreté*; and

(I) "**wilful misconduct**" means "*dol*".

(b) Section, Clause and Schedule headings are for ease of reference only.

(c) Unless a contrary indication appears, a term used in any other Finance Document or in any notice given under or in connection with any Finance Document has the same meaning in that Finance Document or notice as in this Agreement.

(d) Unless otherwise provided for in this Agreement, for the purposes of determining whether a material adverse change or material adverse effect has occurred, the date from which the change or effect is assessed will be the date of this Agreement.

(e) A Default (including an Event of Default) is "**continuing**" if it has not been remedied or waived but, for the avoidance of doubt, no breach of any of the financial covenants set out in Clause 21 (*Financial Covenants*) shall be capable of being, or be deemed to be, remedied by virtue of the fact that upon any subsequent testing of such covenants pursuant to Clause 21 (*Financial Covenants*), there is no breach thereof.

1.3 **Currency Symbols and Definitions**

"**£**" and "**sterling**" denote the lawful currency of the United Kingdom, "**€**", "**EUR**" and "**euro**" denote the single currency unit of the Participating Member States, "**USD**", "**US$**", "**$**" and "**dollars**" denote the lawful currency of the United States of America, "**¥**", "**JPY**" and "**yen**" denote the lawful currency of Japan, "**Mexican pesos**", "**Mex$**", "**MXP$**" and "**pesos**" denote the lawful currency of Mexico and "**UDI**" denotes the Mexican *Unidad de Inversion*.

1.4 **Third party rights**

(a) Unless expressly provided to the contrary in a Finance Document and subject to paragraph (c) below, a person who is not a Party has no right under the Contracts (Rights of Third Parties) Act 1999 (the "**Third Parties Act**") to enforce or enjoy the benefit of any term of any Finance Document.

(b) Notwithstanding any term of any Finance Document, the consent of any person who is not a Party is not required to rescind or vary any Finance Document at any time.

(c) For the avoidance of doubt, the Arranger shall be entitled to enjoy the benefit of all relevant terms of this Agreement in its capacity as (i) the Arranger and (ii) a Finance Party (as applicable), in each case under the Third Parties Act.

1.5 **Intercreditor Agreement / this Agreement prevail**

To the maximum extent permitted by law:

(a) in the event of any inconsistency or conflict between the Intercreditor Agreement and any other Finance Document, the Intercreditor Agreement will prevail; and

(b) in the event of any inconsistency or conflict between this Agreement and any other Finance Document (other than the Intercreditor Agreement) the terms of this Agreement will prevail.

2. THE FACILITIES

2.1 The Facilities

Subject to the terms of this Agreement, the Lenders make available to the Borrower:

(a) a dollar term loan facility in an aggregate amount equal to the Total Facility A Commitments;

(b) a euro term loan facility in an aggregate amount equal to the Total Facility B Commitments;

(c) a sterling term loan facility in an aggregate amount equal to the Total Facility C Commitments;

(d) a dollar term loan facility in an aggregate amount equal to the Total Facility D1 Commitments; and

(e) a dollar revolving loan facility in an aggregate amount equal to the Total Facility D2 Commitments.

2.2 Accordion

(a) The Borrower may by giving not less than 5 Business Days' prior notice to the Agent request that the Total Commitments be increased by an amount in the Base Currency (in relation to any increase denominated in any currency other than dollars, converted at the Agent's Spot Rate of Exchange) which does not exceed a Base Currency Amount of up to $2,000,000,000, which may be secured by the Transaction Security (and the Total Commitments shall be so increased) as follows:

(i) the increased Commitments will be assumed by one or more Lenders or other banks, financial institutions, trusts, funds or other entities (each an "**Accordion Lender**") selected by the Borrower (each of which shall not be a member of the Group) and each of which confirms in writing (whether in the relevant Accordion Confirmation or otherwise) its willingness to assume and does assume all the obligations of a Lender corresponding to that part of the increased Commitments which it is to assume, as if it had been an Original Lender **provided that**:

(A) the increased Commitments shall be assumed under one or more of the Facilities existing on that date and/or a new facility (or facilities) **provided that** any new facility shall not be created while an Event of Default is continuing and shall:

(1) contain terms (in respect of undertakings and events of default but not, for the avoidance of doubt pricing, fees

or other elements) that are identical to those of one or more of the Facilities; or

(2) contain terms (in respect of undertakings and events of default but not, for the avoidance of doubt pricing, fees or other elements) that are substantially the same as those of one or more of the Facilities and such new facility shall not have a Termination Date earlier than that of any of the Facilities,

and provided further that, in any event, for any increase that takes effect on or after the date falling thirty-six Months after the date of this Agreement, the Termination Date for the repayment of any such new facility shall fall at least twelve Months after the Termination Date of the Facilities originally granted under this Agreement;

(ii) each of the Obligors and any Accordion Lender shall assume obligations towards one another and/or acquire rights against one another as the Obligors and the Accordion Lender would have assumed and/or acquired had the Accordion Lender been an Original Lender;

(iii) each Accordion Lender shall become a Party as a "Lender" and each Accordion Lender and each of the other Finance Parties shall assume obligations towards one another and acquire rights against one another as that Accordion Lender and those Finance Parties would have assumed and/or acquired had the Accordion Lender been an Original Lender;

(iv) the Commitments of the other Lenders shall continue in full force and effect; and

(v) any increase in the Commitments shall take effect on the later of:

(1) the date specified by the Borrower in the notice referred to above;

(2) the date on which the conditions set out in paragraph (b) below are satisfied; and

(3) the date on which any amendment agreement(s) required to create a new facility (or facilities) as contemplated by paragraph (a)(i)(A) above is executed by the Accordion Lenders, the Borrower (on behalf of each Obligor) and the Agent (and any such amendment shall be binding on all Parties),

provided that no increase in the Commitments may take effect after the date falling thirty Business Days prior to the Termination Date.

(b) Subject to paragraph (a)(v) above, an increase in the Commitments will only be effective on the date (the "**Increase Date**") on which:

(i) the Agent and the Security Agent execute an Accordion Confirmation from the relevant Accordion Lender; and

(ii) in relation to an Accordion Lender which is not a Lender immediately prior to the relevant increase:

(A) the Accordion Lender enters into the documentation required for it to accede to the Intercreditor Agreement as a Refinancing Creditor; and

(B) the Agent is satisfied that it has complied with all necessary "know your customer" or other similar checks under all applicable laws and regulations in relation to the assumption of the increased Commitments by that Accordion Lender. The Agent shall promptly notify the Borrower and the Accordion Lender upon being so satisfied,

and the Agent shall promptly notify the Borrower and the Accordion Lender of the occurrence of the Increase Date.

(c) Each Accordion Lender, by executing the Accordion Confirmation, confirms (for the avoidance of doubt) that the Agent has authority to execute on its behalf any amendment or waiver that has been approved by or on behalf of the requisite Lender or Lenders in accordance with this Agreement on or prior to the date on which the increase becomes effective.

(d) The Borrower shall, promptly on demand, pay the Agent and the Security Agent the amount of all costs and expenses (including legal fees) reasonably incurred by either of them and, in the case of the Security Agent, by any Receiver or Delegate) in connection with any increase in Commitments under this Clause 2.2.

(e) The Accordion Lender shall, on the date upon which the increase takes effect, pay to the Agent (for its own account) a fee in an amount equal to the fee which would be payable under Clause 26.3 (*Assignment or transfer fee*) if the increase was a transfer pursuant to Clause 26.5 (*Procedure for transfer*) and if the Accordion Lender was a New Lender.

(f) The Borrower may pay to any Accordion Lender a participation fee in the amount and at the times agreed between the Borrower and that Accordion Lender in a letter between the Borrower and that Accordion Lender **provided that**, only if the Accordion Lender becomes a Party as a "Lender" prior to the date falling six months from the date of this Agreement, such fee may not exceed the amount equal to the percentage of the increased Commitments assumed by that Accordion Lender paid to (or agreed in writing between the Borrower and) the Lenders that became a Party or increased their Commitments as a result of this Agreement. No fee, other than the participation fee referred to in this paragraph (f) and the commitment fee

referred to in Clause 12.1 (*Commitment fee),* shall be paid to an Accordion Lender. A reference in this Agreement to a Fee Letter shall include any letter referred to in this paragraph.

(g)

(i) The Base Currency Amount of the Utilisation of an Accordion Lender's Facility A Commitment shall be an amount equal to that Accordion Lender's Facility A Commitment (to the extent that such Commitment has not been cancelled or reduced under this Agreement).

(ii) The amount in euro of the Utilisation of an Accordion Lender's Facility B Commitment shall be an amount equal to that Accordion Lender's Facility B Commitment (to the extent that such Commitment has not been cancelled or reduced under this Agreement).

(iii) The amount in Sterling of the Utilisation of an Accordion Lender's Facility C Commitment shall be an amount equal to that Accordion Lender's Facility C Commitment (to the extent that such Commitment has not been cancelled or reduced under this Agreement).

(iv) The Base Currency Amount of the Utilisation of an Accordion Lender's Facility D1 Commitment shall be an amount equal to that Accordion Lender's Facility D1 Commitment (to the extent that such Commitment has not been cancelled or reduced under this Agreement).

(v) The Base Currency Amount of the first Utilisation of an Accordion Lender's Facility D2 Commitment:

(A) in the event that the Total Facility D2 Commitments of all the Earlier Lenders are fully drawn, shall be an amount equal to such Accordion Lender's Facility D2 Commitment;

(B) in the event that the Total Facility D2 Commitments of all the Earlier Lenders are not fully drawn:

(1) shall be an amount equal to such Accordion Lender's Facility D2 Commitment multiplied by the Target Facility Utilisation Percentage for Facility D2; and

(2) each of the Earlier Drawn Lenders shall make available its participation in a Facility D2 Loan in an amount equal to that Lender's Facility D2 Commitment multiplied by the percentage produced by deducting the Existing Facility Utilisation Percentage from the Target Facility Utilisation Percentage (in each case, for Facility D2).

(vi) In relation to any new Term Facility granted pursuant to this Clause 2.2, the Base Currency Amount (or amount in euro, sterling or other applicable currency) of the Utilisation of an Accordion Lender's

Commitment under that Term Facility shall be an amount equal to that Accordion Lender's Commitment under that Term Facility.

(vii) In relation to any new revolving loan Facility granted pursuant to this Clause 2.2, the Utilisation of an Accordion Lender's Commitment under that revolving Facility shall be treated as per Facility D2 and all applicable formulae shall be treated as referring to such new revolving Facility instead of Facility D2.

(viii) In this Clause 2.2:

"**Earlier Drawn Lenders"** means Earlier Lenders for whom this Utilisation of Facility D2 is not the first Utilisation of their Facility D2 Commitment (as appropriate);

"**Earlier Lenders"** means the Lenders immediately prior to the Increase Date preceding the proposed Utilisation Date; and

the Agent shall, in consultation with the Borrower, calculate:

(A) the "**Existing Facility Utilisation Percentage"** as: $\frac{a}{b}x100$

(B) the "**Target Facility Utilisation Percentage"** as: $\frac{a+y}{b+y}x100$

where:

"*a*" is the aggregate amount of all Facility D2 Loans (as appropriate) (excluding this proposed Utilisation) immediately prior to the proposed Utilisation Date;

"*b*" is the aggregate of the Facility D2 Commitments (as appropriate) of the Earlier Drawn Lenders; and

"*y*" is the amount of the proposed Utilisation, being equal to the amount of the Facility D2 Commitment(s) (as appropriate) of one or more Accordion Lenders nominated by the Borrower (none of whom have previously been so nominated).

(h) An Accordion Confirmation shall be raised to the status of a Spanish Public Document and the powers of attorney and authorisations granted under the Finance Documents shall have been ratified under such Spanish public deed, in each case on a date falling less than 30 days after the date of the Increase Date.

(i) Clause 26.4 (*Limitation of responsibility of Existing Lenders)* shall apply *mutatis mutandis* in this Clause 2.2 in relation to an Accordion Lender as if references in that Clause to:

(i) an "Existing Lender" were references to all the Lenders immediately prior to the relevant increase;

(ii) the "New Lender" were references to that "Accordion Lender"; and

(iii) a "re-transfer" and "re-assignment" were references to respectively a "transfer" and an "assignment".

(j) Each Obligor shall (and the Borrower shall procure that each member of the Group will) promptly do all such acts and execute all such documents as the Security Agent may reasonably specify (and in such form as the Security Agent may reasonably require in favour of the Security Agent or its nominee(s) or the Secured Parties) following an increase in the Commitments pursuant to this Clause 2.2 to preserve and perfect the Transaction Security created or evidenced or expressed to be created or evidenced pursuant to the Transaction Security Documents (and so that the Transaction Security extends to secure the Secured Obligations under this Agreement in respect of the increased Commitments).

(k) Subject to paragraphs (c) and (d) of Clause 29.1 (*Appointment of the Agent),* each Lender hereby authorises the Agent to do all such acts and execute all such documents as may be deemed necessary or desirable pursuant to this Clause 2.2, including, but not limited to, any amendment agreement(s) deemed necessary or desirable to create a new facility (or facilities) as contemplated by paragraph (a)(i)(A) above.

2.3 **Finance Parties' rights and obligations**

(a) The obligations of each Finance Party under the Finance Documents are several. Failure by a Finance Party to perform its obligations under the Finance Documents does not affect the obligations of any other Party under the Finance Documents. No Finance Party is responsible for the obligations of any other Finance Party under the Finance Documents.

(b) Except as otherwise stated in the Finance Documents, the rights of each Finance Party under or in connection with the Finance Documents are separate and independent rights and any debt arising under the Finance Documents to a Finance Party from an Obligor (other than a Security Provider which is not also the Borrower or a Guarantor) is a separate and independent debt in respect of which a Finance Party shall be entitled to enforce its rights in accordance with paragraph (c) below. The rights of each Finance Party include any debt owing to that Finance Party under the Finance Documents and, for the avoidance of doubt, any part of a Loan or any other amount owed by an Obligor which relates to a Finance Party's participation in a Facility or its role under a Finance Document (including any such amount payable to the Agent on its behalf) is a debt owing to that Finance Party by that Obligor.

(c) A Finance Party may, except as otherwise stated in the Finance Documents, separately enforce its rights under the Finance Documents.

3. PURPOSE

3.1 Purpose

The Borrower shall apply all amounts borrowed by it under the Facilities towards:

(a) first, the payment, or effecting the payment, of amounts outstanding under the Existing Club Loan Agreement (including, without limitation, the payment of costs and expenses involved in connection with this Agreement and the other Finance Documents); and

(b) secondly, its general corporate purposes.

3.2 Monitoring

No Finance Party is bound to monitor or verify the application of any amount borrowed pursuant to this Agreement.

4. CONDITIONS OF UTILISATION

4.1 Initial conditions precedent

(a) The Borrower may not deliver a Utilisation Request unless the Agent has received all of the documents and other evidence listed in Part I of Schedule 2 (*Conditions Precedent)* in form and substance satisfactory to the Agent (acting reasonably). The Agent shall notify the Borrower and the Lenders promptly upon being so satisfied.

(b) Other than to the extent that the Majority Lenders notify the Agent in writing to the contrary before the Agent gives the notification described in paragraph (a) above, the Lenders authorise (but do not require) the Agent to give that notification. The Agent shall not be liable for any damages, costs or losses whatsoever as a result of giving any such notification.

4.2 Further conditions precedent

(a) The Lenders will only be obliged to comply with Clause 5.4 (*Lenders' participation)* if on the date of the Utilisation Request and on the proposed Utilisation Date:

(i) no Default is continuing or would result from the proposed Loan; and

(ii) the Repeating Representations to be made by each Obligor are true in all material respects.

4.3 Maximum number of Loans

(a) The Borrower may not deliver a Utilisation Request if as a result of the proposed Utilisation:

(i) three or more Facility A Loans would be outstanding;

(ii) three or more Facility B Loans would be outstanding;

(iii) three or more Facility C Loans would be outstanding;

(iv) three or more Facility D1 Loans would be outstanding;

(v) ten or more Facility D2 Loans would be outstanding;

(vi) three or more Loans would be outstanding under any Term Facility established in accordance with Clause 2.2 (*Accordion*); or

(vii) ten or more Loans would be outstanding under any revolving loan Facility established in accordance with Clause 2.2 (*Accordion*).

(b) The Borrower may not request that a Loan be divided.

(c) Following an increase in the Commitments pursuant to Clause 2.2 (*Accordion*):

(i) the Facility A Loan made by the relevant Accordion Lender(s) in respect of the increased Facility A Commitment(s);

(ii) the Facility B Loan made by the relevant Accordion Lender(s) following the increase in the Facility B Commitments;

(iii) the Facility C Loan made by the relevant Accordion Lender(s) in respect of the increased Facility C Commitment(s);

(iv) the Facility D1 Loan made by the relevant Accordion Lender(s) in respect of the increased Facility D1 Commitment(s);

(v) the first Facility D2 Loan made by the relevant Lender(s) following the increase in the Facility D2 Commitments; and

(vi) the Loan made by the relevant Accordion Lender(s) in respect of any new Term Facility or the first Loan made by the relevant Accordion Lender(s) in respect of any new revolving loan Facility, in each case as established in accordance with Clause 2.2 (*Accordion*),

shall not be taken into account in this Clause 4.3.

5. UTILISATION

5.1 Delivery of a Utilisation Request

(a) The Borrower may utilise a Facility by delivery to the Agent of a duly completed Utilisation Request not later than the Specified Time.

(b) Each Lender that is a lender under the Existing Club Loan Agreement confirms and agrees that in order to facilitate the refinancing being undertaken by entering into this Agreement, the prepayment notice period for a voluntary prepayment is reduced in the Existing Club Loan Agreement to 3 Business Days.

5.2 Completion of a Utilisation Request

(a) Each Utilisation Request is irrevocable and will not be regarded as having been duly completed unless:

(i) it identifies the Facility to be utilised;

(ii) the proposed Utilisation Date is a Business Day within the relevant Availability Period;

(iii) the currency and amount of the Utilisation comply with Clause 5.3 (*Currency and amount*); and

(iv) the proposed Interest Period complies with Clause 10 (*Interest Periods*).

(b) Only one Loan may be requested in each Utilisation Request.

5.3 Currency and amount

(a) The currency specified in a Utilisation Request must be:

(i) in relation to Facility B, euro;

(ii) in relation to Facility C, sterling; and

(iii) otherwise, the Base Currency.

(b) The amount of the proposed Loan must be:

(i) if the currency selected is the Base Currency, a minimum of $25,000,000 for Facility A, $25,000,000 for Facility D1 and $25,000,000 for Facility D2 or in each case, if less, the Available Facility;

(ii) if the currency selected is euro, a minimum amount of €25,000,000 for Facility B or, if less, the Available Facility;

(iii) if the currency selected is sterling, a minimum amount of £25,000,000 for Facility C or, if less, the Available Facility; and

(iv) following an increase in the Commitments pursuant to Clause 2.2 (*Accordion*), determined pursuant to paragraph (g) of Clause 2.2 (*Accordion*).

5.4 **Lenders' participation**

(a) If the conditions set out in this Agreement have been met, each Lender shall make its participation in each Loan available by the Specified Time on the Utilisation Date through its Facility Office.

(b) Subject to paragraph (g) of Clause 2.2 (*Accordion*), the amount of each Lender's participation in each Loan will be equal to the proportion borne by its Available Commitment to the Available Facility immediately prior to making the Loan.

(c) The Agent shall notify each Lender (and, if applicable, any Accordion Lender which is anticipated to be a Lender on the proposed Utilisation Date pursuant to paragraph (b)(ii) of Clause 2.2 (*Accordion*)) of the amount and currency of each Loan, the amount of its participation in that Loan (and, in the case of a Loan under a revolving Facility, the amount of that participation to be made available in accordance with Clause 32.1 (*Payments to the Agent)*) in each case by the Specified Time.

5.5 **Promissory Notes**

(a) The Borrower shall, at the written request of any Lender participating in any Facility A Loan, Facility B Loan, Facility C Loan or Facility D1 Loan, on or before the Utilisation Date of that Facility A Loan, Facility B Loan, Facility C Loan or Facility D1 Loan (or at any time within ten Business Days following any subsequent written request) issue and deliver a Promissory Note to that Lender, setting forth the amount of that Lender's participation in that Loan and the applicable Margin on the relevant Utilisation Date. The Borrower shall, at the written request of any Lender participating in any Facility D2 Loan, on or before the first Utilisation Date of that Facility D2 Loan (or at any time within ten Business Days following any subsequent written request), issue and deliver a Promissory Note to that Lender, setting forth the amount of that Lender's Commitment in that Loan and the applicable Margin on the relevant Utilisation Date.

(b) The Borrower shall, at the written request of any Lender participating in any Loan to be made following any increase in any Commitments pursuant to Clause 2.2 (*Accordion*), on or before the Utilisation Date of that Loan to be made following any increase in any Commitments pursuant to Clause 2.2 (*Accordion*) (or at any time within ten Business Days following any subsequent written request), issue and deliver a Promissory Note to that Lender, setting forth the amount of that Lender's participation in that Loan and the applicable Margin on the relevant Utilisation Date.

(c) On an assignment or transfer by an Existing Lender of all of its Facility A Commitment, Facility B Commitment, Facility C Commitment, Facility D1 Commitment or Facility D2 Commitment (as applicable) to a New Lender, the Existing Lender shall, on or prior to the Transfer Date, endorse and deliver to the New Lender any Promissory Note(s) issued to the Existing Lender in respect of the transferred or assigned Facility A Commitment, Facility B Commitment, Facility C Commitment, Facility D1 Commitment or Facility D2 Commitment (as applicable). The Borrower shall, promptly upon request by the New Lender and at the Borrower's cost, replace the endorsed Promissory Note(s) by issuing new Promissory Note(s), setting forth the amount of the Facility A Commitment, Facility B Commitment, Facility C Commitment, Facility D1 Commitment or Facility D2 Commitment (as applicable) assigned or transferred to the New Lender, under the name of the New Lender, which shall be released (through the Custodian, if any), duly signed, to the New Lender, upon tendering of the endorsed Promissory Note(s) to the Borrower. On an assignment or transfer by an Existing Lender of all of its Commitment under any new facility established pursuant to Clause 2.2 (*Accordion*), the Existing Lender shall, on or prior to the Transfer Date, endorse and deliver to the New Lender any Promissory Note(s) issued to the Existing Lender in respect of that transferred or assigned Commitment under that new facility. The Borrower shall, promptly upon request by the New Lender and at the Borrower's cost, replace the endorsed Promissory Note(s) by issuing new Promissory Note(s), setting forth the amount of the Commitment under that new facility assigned or transferred to the New Lender, under the name of the New Lender, which shall be released (through the Custodian, if any), duly signed, to the New Lender, upon tendering of the endorsed Promissory Note(s) to the Borrower.

(d) On an assignment or transfer by an Existing Lender of part of its Facility A Commitment, Facility B Commitment, Facility C Commitment, Facility D1 Commitment or Facility D2 Commitment (as applicable) to a New Lender, such Existing Lender shall tender (or procure that the Custodian tenders) to the Borrower, on the Transfer Date, the Promissory Note(s) issued to such Existing Lender evidencing such Existing Lender's Facility A Commitment, Facility B Commitment, Facility C Commitment, Facility D1 Commitment or Facility D2 Commitment (as applicable), and the Borrower shall promptly, at the cost of the Borrower, issue (i) to the Existing Lender, a Promissory Note setting forth the amount of the Facility A Commitment, Facility B Commitment, Facility C Commitment, Facility D1 Commitment or Facility D2 Commitment (as applicable) of the Existing Lender not assigned or transferred to the New Lender and (ii) to the New Lender, a Promissory Note setting forth the amount of the Facility A Commitment, Facility B Commitment, Facility C Commitment, Facility D1 Commitment or Facility D2 Commitment (as applicable) of the New Lender assigned or transferred to it by the Existing Lender. Any such new Promissory Notes shall be issued under the name of the Existing Lender or the New Lender (as applicable), and shall be released (through the Custodian, if any), duly signed, to the Existing Lender and the New Lender, upon tendering to the Borrower of the Promissory Notes previously issued to the Existing Lender in respect of the relevant Facility A Commitment, Facility B Commitment, Facility C

Commitment, Facility D1 Commitment or Facility D2 Commitment (as applicable). On an assignment or transfer by an Existing Lender of part of its Commitment under any new facility established pursuant to Clause 2.2 (*Accordion*) to a New Lender, such Existing Lender shall tender (or procure that the Custodian tenders) to the Borrower, on the Transfer Date, the Promissory Note(s) issued to such Existing Lender evidencing such Existing Lender's Commitment under that new facility, and the Borrower shall promptly, at the cost of the Borrower, issue (i) to the Existing Lender, a Promissory Note setting forth the amount of the Commitment under that new facility of the Existing Lender not assigned or transferred to the New Lender and (ii) to the New Lender, a Promissory Note setting forth the amount of the Commitment under that facility assigned or transferred to it by the Existing Lender. Any such new Promissory Notes shall be issued under the name of the Existing Lender or the New Lender (as applicable), and shall be released (through the Custodian, if any), duly signed, to the Existing Lender and the New Lender, upon tendering to the Borrower of the Promissory Notes previously issued to the Existing Lender in respect of the relevant Commitment under that new facility.

(e) The Borrower:

(i) shall, within 15 Business Days of a written request of any Lender participating in any Loan (A) that has requested delivery of a Promissory Note which sets forth the Interest Period then in effect or (B) following any notification pursuant to Clause 9.4 (*Notification of rates of interest*) arising as a result of an increase in the applicable Margin following any event described in paragraphs (b)(i) to (b)(iii) (inclusive) of the definition of Margin, execute, and cause the execution by each Guarantor as *avalista*, issue and deliver a Promissory Note, setting forth the applicable Interest Period or Margin (as applicable), to each such Lender participating in a Loan or Facility to which the request or notification relates; and

(ii) shall, within 15 Business Days of a written request of any Lender participating in any Loan following (A) any notification pursuant to Clause 9.4 (*Notification of rates of interest*) arising as a result of a decrease in the applicable Margin following any event described in paragraphs (b)(i) to (b)(iv) of the definition of Margin or (B) any repayment of any Loan (other than a Facility D2 Loan) or decrease in the Total Commitments (other than a Facility D2 Commitment), execute, and cause the execution by each Guarantor as *avalista*, issue and deliver a Promissory Note to each such Lender participating in a Loan or Facility to which the relevant notification, repayment or decrease (as the case may be) relates,

provided that any Promissory Note held by or on behalf of such Lender in respect of that Loan (the "**Old Promissory Note**") is tendered or otherwise made available for exchange by the Custodian (or, if none, such Lender). Upon such exchange, the Old Promissory Note shall be cancelled and have no further effect. For the avoidance of doubt: (x) if the exchange does not take place the Old Promissory Note remains in full force and effect; and (y)

notwithstanding any Promissory Note, this Agreement determines, *inter alia,* the rate of interest accruing on Loans and any amount payable by the Obligors.

(f) Any obligation of the Borrower to deliver a Promissory Note to a Lender pursuant to this Agreement may be satisfied by delivery of such Promissory Note to the Custodian, if any.

(g) Notwithstanding any amount set forth in any Promissory Note issued to a Lender in respect of any Commitment of that Lender, no such Lender shall be entitled, and each such Lender that holds any Promissory Note evidencing any Commitment in accordance with this Agreement hereby waives the right, to claim any amount of principal in excess of the amounts disbursed and not repaid to such Lender in respect of the relevant Loan(s) at that time. Each Lender that holds any Promissory Note evidencing any Commitment in accordance with this Agreement agrees that the Borrower may introduce this Agreement (and in particular, the provisions of this Clause 5.5) as a defence in connection with any such claim.

(h) For the avoidance of doubt, no Lender may claim under a Promissory Note separately from under this Agreement, except for claims initiated before Mexican courts as permitted under Clause 42.1 *(Jurisdiction in relation to actions brought by or against parties organised or incorporated in Mexico)* (and in such circumstances the Agent will provide to the Borrower such information as the Borrower may reasonably request in connection with the aggregate amounts disbursed to the Borrower).

5.6 **Cancellation of Commitment**

Any Commitment which, at that time, is unutilised shall be immediately cancelled at the end of the applicable Availability Period.

SECTION 4
REPAYMENT, PREPAYMENT AND CANCELLATION

6. REPAYMENT

6.1 Repayment of Facility A Loans

(a) The Borrower shall repay the Facility A Loans in instalments by repaying on each Facility A Repayment Date an amount which reduces the aggregate Base Currency Amount of the outstanding Facility A Loans by an amount equal to the relevant percentage of all the Facility A Loans borrowed by the Borrower as at the close of business in London on the last day of the last Availability Period in relation to Facility A (after the application of Clause 5.6 *(Cancellation of Commitment)* at the end of that Availability Period) as set out in the table below:

Facility A Repayment Date	Facility A Repayment Instalment (percentage)
The date falling 36 Months after the date of this Agreement	20%
The date falling 42 Months after the date of this Agreement	20%
The date falling 48 Months after the date of this Agreement	20%
The date falling 54 Months after the date of this Agreement	20%
The Termination Date	20%

(b) The Borrower may not reborrow any part of Facility A which is repaid.

6.2 Repayment of Facility B Loans

(a) The Borrower shall repay the Facility B Loans in instalments by repaying on each Facility B Repayment Date an amount in euro which reduces the aggregate amount in euro of the outstanding Facility B Loans by an amount equal to the relevant percentage of all the Facility B Loans borrowed by the Borrower as at the close of business in London on the last day of the last Availability Period in relation to Facility B (after the application of Clause 5.6 *(Cancellation of Commitment)* at the end of that Availability Period) as set out in the table below:

Facility B Repayment Date	Facility B Repayment Instalment (percentage)
The date falling 36 Months after the date of this Agreement	20%

Facility B Repayment Date	Facility B Repayment Instalment (percentage)
The date falling 42 Months after the date of this Agreement	20%
The date falling 48 Months after the date of this Agreement	20%
The date falling 54 Months after the date of this Agreement	20%
The Termination Date	20%

(b) The Borrower may not reborrow any part of Facility B which is repaid.

6.3 **Repayment of Facility C Loans**

(a) The Borrower shall repay the Facility C Loans in instalments by repaying on each Facility C Repayment Date an amount in sterling which reduces the aggregate amount in sterling of the outstanding Facility C Loans by an amount equal to the relevant percentage of all the Facility C Loans borrowed by the Borrower as at the close of business in London on the last day of the last Availability Period in relation to Facility C (after the application of Clause 5.6 (*Cancellation of Commitment*) at the end of that Availability Period) as set out in the table below:

Facility C Repayment Date	Facility C Repayment Instalment (percentage)
The date falling 36 Months after the date of this Agreement	20%
The date falling 42 Months after the date of this Agreement	20%
The date falling 48 Months after the date of this Agreement	20%
The date falling 54 Months after the date of this Agreement	20%
The Termination Date	20%

(b) The Borrower may not reborrow any part of Facility C which is repaid.

6.4 **Repayment of Facility D1 Loans**

(a) The Borrower shall repay the Facility D1 Loans in instalments by repaying on each Facility D1 Repayment Date an amount which reduces the aggregate Base Currency Amount of the outstanding Facility D1 Loans by an amount equal to the relevant percentage of all the Facility D1 Loans borrowed by the

Borrower as at the close of business in London on the last day of the last Availability Period in relation to Facility D1 (after the application of Clause 5.6 *(Cancellation of Commitment)* at the end of that Availability Period) as set out in the table:

Facility D1 Repayment Date	Facility D1 Repayment Instalment (percentage)
The date falling 36 Months after the date of this Agreement	20%
The date falling 42 Months after the date of this Agreement	20%
The date falling 48 Months after the date of this Agreement	20%
The date falling 54 Months after the date of this Agreement	20%
The Termination Date	20%

(b) The Borrower may not reborrow any part of Facility D1 which is repaid.

6.5 **Repayment of Facility D2 Loans**

(a) The Borrower shall repay each Facility D2 Loan on the last day of its Interest Period.

(b) Without prejudice to the Borrower's obligation under paragraph (a) above, if:

(i) one or more Facility D2 Loans are to be made available:

(A) on the same day that a maturing Facility D2 Loan is due to be repaid; and

(B) in whole or in part for the purpose of refinancing the maturing Facility D2 Loan; and

(ii) the proportion borne by each Lender's participation in the maturing Facility D2 Loan to the amount of that maturing Facility D2 Loan is the same as the proportion borne by that Lender's participation in the new Facility D2 Loans to the aggregate amount of those new Facility D2 Loans,

the aggregate amount of the new Facility D2 Loans shall, unless the Borrower notifies the Agent to the contrary in the relevant Utilisation Request, be treated as if applied in or towards repayment of the maturing Facility D2 Loan so that:

(A) if the amount of the maturing Facility D2 Loan exceeds the aggregate amount of the new Facility D2 Loans:

(1) the Borrower will only be required to make a payment under Clause 32.1 (*Payments to the Agent*) in an amount in the relevant currency equal to that excess; and

(2) each Lender's participation in the new Facility D2 Loans shall be treated as having been made available and applied by the Borrower in or towards repayment of that Lender's participation in the maturing Facility D2 Loan and that Lender will not be required to make a payment under Clause 32.1 (*Payments to the Agent*) in respect of its participation in the new Facility D2 Loans; and

(B) if the amount of the maturing Facility D2 Loan is equal to or less than the aggregate amount of the new Facility D2 Loans:

(1) the Borrower will not be required to make a payment under Clause 32.1 (*Payments to the Agent*); and

(2) each Lender will be required to make a payment under Clause 32.1 (*Payments to the Agent*) in respect of its participation in the new Facility D2 Loans only to the extent that its participation in the new Facility D2 Loans exceeds that Lender's participation in the maturing Facility D2 Loan and the remainder of that Lender's participation in the new Facility D2 Loans shall be treated as having been made available and applied by the Borrower in or towards repayment of that Lender's participation in the maturing Facility D2 Loan.

6.6 **Application of repayments**

Any repayment of a Utilisation under this Clause 6 shall be applied *pro rata* to each Lender's participation in that Utilisation.

6.7 **Effect of cancellation and prepayment on scheduled repayments**

(a) If the Borrower cancels the whole or any part of any Available Commitment in accordance with Clause 7.5 (*Right of replacement or cancellation and repayment in relation to a single Lender*) or if the Available Commitment of any Lender is cancelled under Clause 7.1 (*Illegality*) then:

(i) in the case of the Facility A Commitments, the amount of the Facility A Repayment Instalment for each Facility A Repayment Date falling after that cancellation will reduce *pro rata* by the amount cancelled;

(ii) in the case of the Facility B Commitments, the amount of the Facility B Repayment Instalment for each Facility B Repayment Date falling after that cancellation will reduce *pro rata* by the amount cancelled;

(iii) in the case of the Facility C Commitments, the amount of the Facility C Repayment Instalment for each Facility C Repayment Date falling after that cancellation will reduce *pro rata* by the amount cancelled;

(iv) in the case of the Facility D1 Commitments, the amount of the Facility D1 Repayment Instalment for each Facility D1 Repayment Date falling after that cancellation will reduce *pro rata* by the amount cancelled;

(b) If the Borrower cancels the whole or any part of any Available Commitment in accordance with Clause 7.3 *(Voluntary cancellation)* then:

(i) in the case of the Facility A Commitments, the Facility A Repayment Instalment for each Facility A Repayment Date falling after that cancellation will reduce in the order selected by the Borrower by the amount cancelled;

(ii) in the case of the Facility B Commitments, the Facility B Repayment Instalment for each Facility B Repayment Date falling after that cancellation will reduce in the order selected by the Borrower by the amount cancelled;

(iii) in the case of the Facility C Commitments, the Facility C Repayment Instalment for each Facility C Repayment Date falling after that cancellation will reduce in the order selected by the Borrower by the amount cancelled; and

(iv) in the case of the Facility D1 Commitments, the Facility D1 Repayment Instalment for each Facility D1 Repayment Date falling after that cancellation will reduce in the order selected by the Borrower by the amount cancelled.

(c) If any Loan is prepaid in accordance with Clause 7.5 *(Right of replacement or cancellation and repayment in relation to a single Lender)* or Clause 7.1 *(Illegality)*, then:

(i) in the case of a Facility A Loan, the amount of the Facility A Repayment Instalments for each Facility A Repayment Date falling after that repayment or prepayment will reduce *pro rata* by the amount of the Facility A Loan prepaid;

(ii) in the case of a Facility B Loan, the amount of the Facility B Repayment Instalments for each Facility B Repayment Date falling after that repayment or prepayment will reduce *pro rata* by the amount of the Facility B Loan prepaid;

(iii) in the case of a Facility C Loan, the amount of the Facility C Repayment Instalments for each Facility C Repayment Date falling after that repayment or prepayment will reduce *pro rata* by the amount of the Facility C Loan prepaid; and

(iv) in the case of a Facility D1 Loan, the amount of the Facility D1 Repayment Instalments for each Facility D1 Repayment Date falling

after that repayment or prepayment will reduce *pro rata* by the amount of the Facility D1 Loan prepaid;

(d) If any Loan is prepaid in accordance with Clause 7.4 (*Voluntary prepayment)* then:

(i) in the case of a Facility A Loan, the amount of the Facility A Repayment Instalments for each Facility A Repayment Date falling after that repayment or prepayment will reduce in the order selected by the Borrower by the amount of the Facility A Loan prepaid;

(ii) in the case of a Facility B Loan, the amount of the Facility B Repayment Instalments for each Facility B Repayment Date falling after that repayment or prepayment will reduce in the order selected by the Borrower by the amount of the Facility B Loan prepaid;

(iii) in the case of a Facility C Loan, the amount of the Facility C Repayment Instalments for each Facility C Repayment Date falling after that repayment or prepayment will reduce in the order selected by the Borrower by the amount of the Facility C Loan prepaid; and

(iv) in the case of a Facility D1 Loan, the amount of the Facility D1 Repayment Instalments for each Facility D1 Repayment Date falling after that repayment or prepayment will reduce in the order selected by the Borrower by the amount of the Facility D1 Loan prepaid.

7. ILLEGALITY, CHANGE OF CONTROL AND VOLUNTARY PREPAYMENT

7.1 Illegality

If, at any time, it is or will become unlawful in any applicable jurisdiction for a Lender to perform any of its obligations as contemplated by the Finance Documents or to fund, issue or maintain its participation in any Utilisation:

(a) that Lender shall promptly notify the Agent upon becoming aware of that event;

(b) upon the Agent notifying the Borrower, each Available Commitment of that Lender will be immediately cancelled; and

(c) to the extent that the Lender's participation has not been transferred pursuant to Clause 38.4 (*Replacement of Lender),* the Borrower shall repay that Lender's participation in the Utilisations on the last day of the Interest Period for each Utilisation occurring after the Agent has notified the Borrower or, if earlier, the date specified by the Lender in the notice delivered to the Agent (being no earlier than the last day of any applicable grace period permitted by law) and that Lender's corresponding Commitment(s) shall be cancelled in the amount of the participations repaid.

7.2 **Change of Control**

(a) Upon the occurrence of a Change of Control:

(i) a Lender shall not be obliged to fund a Utilisation; and

(ii) the Agent shall, by notice to the Borrower, cancel the Total Commitments and declare all outstanding Loans, together with accrued interest, and all other amounts accrued under the Finance Documents immediately due and payable, whereupon the Total Commitments will be cancelled and all such outstanding Loans and amounts will become immediately due and payable.

(b) The Borrower shall promptly inform the Agent of the occurrence of any Change of Control.

7.3 **Voluntary cancellation**

Subject to Clause 8.8 (*Application of prepayments and cancellations*), the Borrower may, if it gives the Agent not less than three Business Days' (or such shorter period as the Majority Lenders and the Agent may agree) prior notice, cancel the whole or any part of an Available Facility (but, if in part, in a minimum amount of $20,000,000 (in the case of Facility A, Facility D1 and Facility D2), €20,000,000 (in the case of Facility B) or £20,000,000 (in the case of Facility C)).

7.4 **Voluntary prepayment**

Subject to Clause 8.8 (*Application of prepayments and cancellations*), the Borrower may, if it gives the Agent not less than three Business Days' (or such shorter period as the Majority Lenders and the Agent may agree) prior notice, prepay the whole or any part of a Loan (but, if in part, being an amount that reduces the aggregate amount of the Loans by a minimum amount of $20,000,000 (in the case of Facility A Loans, Facility D1 Loans and Facility D2 Loans), €20,000,000 (in the case of Facility B Loans) or £20,000,000 (in the case of Facility C Loans).

7.5 **Right of replacement or cancellation and repayment in relation to a single Lender**

(a) If:

(i) any sum payable to any Lender by an Obligor is required to be increased under paragraph (c) of Clause 13.2 *(Tax gross-up*); or

(ii) any Lender claims, or gives notice that it intends to claim, indemnification from the Borrower or an Obligor under Clause 13.3 (*Tax indemnity*) or Clause 14 (*Increased Costs*),

the Borrower may **(provided that**, no Default has occurred and is continuing), while the circumstance giving rise to the requirement for that increase or indemnification continues, give the Agent notice of cancellation of the Commitment(s) of that Lender and its intention to procure the repayment of that Lender's participation in the Utilisations.

(b) On receipt of a notice referred to in paragraph (a) above in relation to a Lender, the Commitment(s) of that Lender shall immediately be reduced to zero.

(c) On the last day of each Interest Period which ends after the Borrower has given notice under paragraph (a) above in relation to a Lender (or, if earlier, the date specified by the Borrower in that notice), each Borrower to which a Utilisation is outstanding shall repay that Lender's participation in that Utilisation together with all interest and other amounts accrued under the Finance Documents (including any amount payable to the Lender under paragraph (c) of Clause 13.2 *(Tax gross-up))*.

(d) The Borrower may, in the circumstances set out in paragraph (a) above, on three Business Days' prior notice to the Agent and that Lender, replace that Lender by requiring that Lender to (and, to the extent permitted by law, that Lender shall) transfer pursuant to Clause 26 *(Changes to the Lenders)* all (and not part only) of its rights and obligations under this Agreement to a Lender or other bank, financial institution, trust, fund or other entity selected by the Borrower which confirms its willingness to assume and does assume all the obligations of the transferring Lender in accordance with Clause 26 *(Changes to the Lenders)* (i) for a purchase price in cash payable at the time of the transfer in an amount equal to the outstanding principal amount of such Lender's participation in the outstanding Loans and all accrued interest (to the extent that the Agent has not given a notification under Clause 26.9 *(Pro rata interest settlement),* Break Costs and other amounts payable in relation thereto under the Finance Documents or (ii) for such purchase price as the transferring Lender may in its absolute discretion agree.

(e) The replacement of a Lender pursuant to paragraph (d) above shall be subject to the following conditions:

(i) the Borrower shall have no right to replace the Agent;

(ii) neither the Agent nor any Lender shall have any obligation to find a replacement Lender;

(iii) in no event shall the Lender replaced under paragraph (d) above be required to pay or surrender any of the fees received by such Lender pursuant to the Finance Documents; and

(iv) the Lender shall only be obliged to transfer its rights and obligations pursuant to paragraph (d) above once it is satisfied that it has complied with all necessary "know your customer" or other similar checks under all applicable laws and regulations in relation to that transfer.

(f) A Lender shall perform the checks described in paragraph (e)(iv) above as soon as reasonably practicable following delivery of a notice referred to in paragraph (d) above and shall notify the Agent and the Borrower when it is satisfied that it has complied with those checks.

8. RESTRICTIONS

8.1 Notices of Prepayment

Any notice of prepayment, authorisation or other election given by any Party under Clause 7 (*Illegality, Change of Control and Voluntary Prepayment*) (subject to the terms of that Clause) shall be irrevocable and, unless a contrary indication appears in this Agreement, shall specify the date or dates upon which the relevant cancellation or prepayment is to be made and the amount of that cancellation or prepayment.

8.2 Interest and other amounts

Any prepayment under this Agreement shall be made together with accrued interest on the amount prepaid and, subject to any Break Costs, without premium or penalty.

8.3 Prepayment and cancellation in accordance with Agreement

The Borrower shall not repay or prepay all or any part of the Loans or cancel any Commitments except at the times and in the manner expressly provided for in this Agreement.

8.4 Reborrowing of Facilities

(a) The Borrower may not reborrow any part of Facility A, Facility B, Facility C or Facility D1 which is prepaid.

(b) Unless a contrary indication appears in this Agreement, any part of Facility D2 which is repaid or prepaid may be reborrowed in accordance with this Agreement.

8.5 No reinstatement of Commitments

Subject to Clause 2.2 (*Accordion*), no amount of the Total Commitments cancelled under this Agreement may be subsequently reinstated.

8.6 Agent's receipt of Notices

If the Agent receives a notice or election under Clause 7 (*Illegality, Change of Control and Voluntary Prepayment*), it shall promptly forward a copy of that notice or election to either the Borrower or the affected Lender, as appropriate.

8.7 Effect of Repayment and Prepayment

(a) If all or part of a Utilisation under Facility A is repaid or prepaid, an amount of the Facility A Commitments (equal to the Base Currency Amount of the Utilisation which is repaid or prepaid) will be deemed to be cancelled on the date of repayment or prepayment.

(b) If all or part of a Utilisation under Facility B is repaid or prepaid, an amount of the Facility B Commitments (equal to the amount in euro of the Utilisation which is repaid or prepaid) will be deemed to be cancelled on the date of repayment or prepayment.

(c) If all or part of a Utilisation under Facility C is repaid or prepaid, an amount of the Facility C Commitments (equal to the amount in sterling of the Utilisation which is repaid or prepaid) will be deemed to be cancelled on the date of repayment or prepayment.

(d) If all or part of a Utilisation under Facility D1 is repaid or prepaid, an amount of the Facility D1 Commitments (equal to the Base Currency Amount of the Utilisation which is repaid or prepaid) will be deemed to be cancelled on the date of repayment or prepayment.

(e) Any cancellation under this Clause 8.7 shall, except in the case of a repayment made pursuant to Clause 7.1 (*Illegality*) or Clause 7.5 (*Right of replacement or cancellation and repayment in relation to a single Lender),* reduce the Commitments of the Lenders under the relevant Facility rateably.

8.8 **Application of prepayments and cancellations**

Any prepayment of a Utilisation or cancellation of any Commitments pursuant to Clause 7 (*Illegality*, *Change of Control and Voluntary Prepayment)* (other than pursuant to Clause 7.1 (*Illegality*), Clause 7.5 (*Right of replacement or cancellation and repayment in relation to a single Lender))* or paragraph (e) of Clause 21.5 (Reserve), shall be applied:

(a) in the case of a prepayment of a Utilisation, *pro rata* to each Lender's participation in that Utilisation;

(b) in the case of a cancellation of any Commitments under a Facility, so that it reduces the Commitments of the Lenders rateably under that Facility;

(c) in any case, as the Borrower may in its discretion determine as between the Total Facility A Commitments, Total Facility B Commitments, Total Facility C Commitments, Total Facility D1 Commitments, Total Facility D2 Commitments and commitments under any new facility established pursuant to Clause 2.2 (*Accordion*), but in relation to each Facility *pro rata* between the Lenders' Commitments under that Facility; and

(d) in each case so that any applicable Facility A Repayment Instalments, Facility B Repayment Instalments, Facility C Repayment Instalments and Facility D1 Repayment Instalments are reduced in the manner contemplated by Clause 6.7 (*Effect of cancellation and prepayment on scheduled repayments)*.

SECTION 5
COSTS OF UTILISATION

9. INTEREST

9.1 Calculation and payment of interest

The rate of interest on each Loan for each Interest Period is the percentage rate per annum which is the aggregate of the applicable:

(a) Margin; and

(b) LIBOR or, in relation to any Loan in euro, EURIBOR.

9.2 Payment of interest

(a) The Borrower shall pay accrued interest on that Loan on the last day of each Interest Period (and, if the Interest Period is longer than six Months, on the dates falling at six Monthly intervals after the first day of the Interest Period).

(b) If the Compliance Certificate received by the Agent which relates to the Borrower's annual consolidated financial statements delivered pursuant to Clause 20.1 (*Financial statements*) shows that:

(i) a higher Margin should have applied to an Interest Period at any point during the period since the Compliance Certificate was received by the Agent which related to the Borrower's previous set of annual consolidated financial statements, then the Borrower shall promptly pay to the Agent any amounts necessary to put the Agent and the Lenders in the position they would have been in had the appropriate rate of the Margin applied during such period; or

(ii) a lower Margin should have applied to an Interest Period at any point during the period since the Compliance Certificate was received by the Agent which related to the Borrower's previous set of annual consolidated financial statements, then the amount of interest due in relation to a Loan on the next interest payment date of that specific Loan shall be reduced by the amount necessary to put the Borrower in the position they would have been in had the appropriate rate of Margin applied during such period,

provided that (i) any such increase or reduction shall only apply to the extent that any Lender which received the underpayment or overpayment of interest remains a Lender at the date of such adjustment and no claim shall be made against the Borrower to the extent that any Lender has not remained a Lender under this Agreement and (ii) any amounts calculated under paragraphs (i) and (ii) above shall be netted.

9.3 Default interest

(a) If an Obligor fails to pay any amount payable by it under a Finance Document on its due date, interest shall accrue on the overdue amount from the due date

up to the date of actual payment (both before and after judgment) at a rate which, subject to paragraph (b) below, is 2.00 per cent. higher than the rate which would have been payable if the overdue amount had, during the period of non-payment, constituted a Loan or other amount outstanding in the currency of the overdue amount under the relevant Facility for successive Interest Periods, each of a duration selected by the Agent (acting reasonably). Any interest accruing under this Clause 9.3 shall be immediately payable by the Obligor on demand by the Agent.

(b) If any overdue amount consists of all or part of a Loan or other amount outstanding which became due on a day which was not the last day of an Interest Period relating to that Loan or other amount outstanding:

(i) the first Interest Period for that overdue amount shall have a duration equal to the unexpired portion of the current Interest Period relating to that Loan or other amount outstanding; and

(ii) the rate of interest applying to the overdue amount during that first Interest Period shall be 2.00 per cent. higher than the rate which would have applied if the overdue amount had not become due.

(c) Default interest (if unpaid) arising on an overdue amount will be compounded with the overdue amount at the end of each Interest Period applicable to that overdue amount but will remain immediately due and payable.

9.4 **Notification of rates of interest**

The Agent shall promptly notify the Lenders and the Borrower of the determination of a rate of interest under this Agreement.

10. INTEREST PERIODS

10.1 **Selection of Interest Periods**

(a) The Borrower may select an Interest Period for a Loan in the Utilisation Request for that Loan or (in relation to a Term Loan that has already been borrowed) in a Selection Notice.

(b) Each Selection Notice for a Term Loan is irrevocable and must be delivered to the Agent by the Borrower not later than the Specified Time.

(c) If the Borrower fails to deliver a Selection Notice to the Agent in accordance with paragraph (b) above, the relevant Interest Period will be one Month.

(d) Subject to this Clause 10, the Borrower may select an Interest Period of one, three or six Months or any other period agreed between the Borrower and the Agent (acting on the instructions of all the Lenders in relation to the relevant Loan and **provided that** no period shall be longer than six Months). In addition the Borrower may select an Interest Period of:

(i) (in relation to Facility A) a period of less than one Month, if necessary to ensure that there are Facility A Loans (with an aggregate Base

Currency Amount equal to or greater than the Facility A Repayment Instalment) which have an Interest Period ending on a Facility A Repayment Date for the Borrower to make the Facility A Repayment Instalment due on that date;

(ii) (in relation to Facility B) a period of less than one Month, if necessary to ensure that there are Facility B Loans (with an aggregate amount in euro equal to or greater than the Facility B Repayment Instalment) which have an Interest Period ending on a Facility B Repayment Date for the Borrower to make the Facility B Repayment Instalment due on that date;

(iii) (in relation to Facility C) a period of less than one Month, if necessary to ensure that there are Facility C Loans (with an aggregate amount in sterling equal to or greater than the Facility C Repayment Instalment) which have an Interest Period ending on a Facility C Repayment Date for the Borrower to make the Facility C Repayment Instalment due on that date; and

(iv) (in relation to Facility D1) a period of less than one Month, if necessary to ensure that there are Facility D1 Loans (with an aggregate Base Currency Amount equal to or greater than the Facility D1 Repayment Instalment) which have an Interest Period ending on a Facility D1 Repayment Date for the Borrower to make the Facility D1 Repayment Instalment due on that date.

(e) Following an increase in the Commitments pursuant to Clause 2.2 (Accordion), in relation to a Loan in respect of the increased Commitments, the first Interest Period following such increase shall end on the same date as an Interest Period for an outstanding Loan under the same Facility.

(f) An Interest Period for a Loan shall not extend beyond the Termination Date for the relevant Facility.

(g) Each Interest Period for a Loan shall start on the Utilisation Date or (if already made) on the last day of its preceding Interest Period.

10.2 **Non-Business Days**

If an Interest Period would otherwise end on a day which is not a Business Day, that Interest Period will instead end on the next Business Day in that calendar month (if there is one) or the preceding Business Day (if there is not).

10.3 **Consolidation of Term Loans**

If two or more Interest Periods:

(a) relate to Term Loans under the same Facility and in the same currency; and

(b) end on the same date,

those Term Loans will, unless the Borrower specifies to the contrary in the Selection Notice for the next Interest Period, be consolidated into, and treated as, a single Term Loan under the relevant Facility on the last day of the Interest Period.

11. CHANGES TO THE CALCULATION OF INTEREST

11.1 Absence of quotations

Subject to Clause 11.2 *(Market disruption)* if LIBOR or EURIBOR is to be determined by reference to the Reference Banks but a Reference Bank does not supply a quotation by the Specified Time on the Quotation Day, the applicable LIBOR or EURIBOR shall be determined on the basis of the quotations of the remaining Reference Banks.

11.2 Market disruption

(a) If a Market Disruption Event occurs in relation to a Loan for any Interest Period, then the rate of interest on each Lender's participation in that Loan for the Interest Period shall be the percentage rate per annum which is the sum of:

(i) the Margin; and

(ii) the rate notified to the Agent by that Lender as soon as practicable and in any event by close of business on the date falling five Business Days after the Quotation Day (or, if earlier, on the date falling five Business Days prior to the date on which interest is due to be paid in respect of that Interest Period), to be that which expresses as a percentage rate per annum the cost to that Lender of funding its participation in that Loan from whatever source it may reasonably select.

(b) If:

(i) the percentage rate per annum notified by a Lender pursuant to paragraph (a)(ii) above is less than LIBOR or, in relation to any Loan in euro, EURIBOR; or

(ii) a Lender has not notified the Agent of a percentage rate per annum pursuant to paragraph (a)(ii) above,

the cost to that Lender of funding its participation in that Loan for that Interest Period shall be deemed, for the purposes of paragraph (a) above, to be LIBOR or, in relation to any Loan in euro, EURIBOR.

(c) In this Agreement:

"Market **Disruption Event"** means:

(i) at or about noon on the Quotation Day for the relevant Interest Period the Screen Rate is not available (or, where applicable, it is not possible to calculate the Interpolated Screen Rate) and none or only one of the Reference Banks supplies a rate to the Agent to determine LIBOR for

dollars or sterling or EURIBOR for euro and the relevant Interest Period; or

(ii) before close of business in London on the Quotation Day for the relevant Interest Period, the Agent receives notifications from a Lender or Lenders (whose participations in a Loan exceed 35 per cent. of that Loan) that the cost to it of funding its participation in that Loan from whatever source it may reasonably select would be in excess of LIBOR or, as applicable, EURIBOR.

11.3 **Alternative basis of interest or funding**

(a) If a Market Disruption Event occurs and the Agent or the Borrower so requires, the Agent and the Borrower shall enter into negotiations (for a period of not more than 30 days) with a view to agreeing a substitute basis for determining the rate of interest.

(b) Any alternative basis agreed pursuant to paragraph (a) above shall, with the prior consent of all the Lenders and the Borrower, be binding on all Parties.

11.4 **Break Costs**

(a) The Borrower shall, within three Business Days of demand by a Lender, pay to that Lender its Break Costs attributable to all or any part of a Loan or Unpaid Sum being paid by that Borrower on a day other than the last day of an Interest Period for that Loan or Unpaid Sum.

(b) Each Lender to whom paragraph (a) above applies shall, as soon as reasonably practicable after a demand by the Agent, provide a certificate confirming the amount of its Break Costs for any Interest Period in which they accrue.

12. **FEES**

12.1 **Commitment fee**

(a) Subject to paragraph (c) below, the Borrower shall pay to the Agent (for the account of each Lender) a fee in the relevant currency for each Facility computed at a rate equal to, at any time, 35 per cent. of the then applicable Margin per annum on that Lender's Available Commitment under a Facility for the Availability Period applicable to that Facility.

(b) The accrued commitment fee is calculated on a daily basis and payable on the last day of each successive period of three Months beginning on the date falling five Business Days after the date of this Agreement or (in the case of a Commitment assumed by a Lender in accordance with Clause 2.2 (*Accordion*)), the date falling five Business Days after the relevant Increase Date and which ends during the relevant Availability Period, on the last day of the Availability Period and, if cancelled in full, on the cancelled amount of the relevant Lender's Commitment at the time the cancellation is effective.

(c) No commitment fee is payable to the Agent (for the account of a Lender) on any Available Commitment of that Lender for any day on which that Lender is a Defaulting Lender.

12.2 **Arrangement fee**

The Borrower shall pay to the Agent (for the account of each Arranger) an arrangement fee in the amount and at the times agreed in a Fee Letter.

12.3 **Upfront fee**

The Borrower shall pay to the Agent (for the account of each Original Lender) an upfront fee in the amount and at the times agreed in a Fee Letter.

12.4 **Agency fee**

The Borrower shall pay to the Agent (for its own account) an agency fee in the amount and at the times agreed in a Fee Letter.

12.5 **Security Agent fee**

The Borrower shall pay to the Security Agent (for its own account) the Security Agent fee in the amount and at the times agreed in a Fee Letter.

SECTION 6
ADDITIONAL PAYMENT OBLIGATIONS

13. TAX GROSS-UP AND INDEMNITIES

13.1 Definitions

In this Agreement:

"**Export Credit Agency**" means an official non Mexican financial institution for the promotion of exports.

"**Qualifying Lender**" means:

(a) any *institución de banca múltiple* established under the laws of Mexico and authorised to engage in the business of banking in Mexico by any of the Ministry of Finance and Public Credit (*Secretaría de Hacienda y Crédito Público*) or the National Banking and Securities Commission (*Comisión Nacional Bancaria y de Valores*);

(b) an Export Credit Agency; or

(c) a Treaty Lender

"**Treaty Lender**" means any person (or its main office is, if lending through a branch or agency), of any nature, that:

(a) qualifies as a resident, for tax purposes, of any jurisdiction with which Mexico has entered into a treaty for the avoidance of double taxation, which is in effect; and

(b) has provided to the Borrower, as soon as reasonably practical after the Borrower's written request, the documentation set forth in Sections 3.18.19. or 3.18.20 as applicable, of the Mexican *Resolución Miscelánea Fiscal* for 2017 (or any successor or substitute provisions thereof).

"**Tax Credit**" means a credit against, relief or remission for, or repayment of, any Tax.

"**Tax Deduction**" means a deduction or withholding for or on account of Tax from a payment under a Finance Document, other than a FATCA Deduction.

"**Tax Payment**" means either the increase in a payment made by an Obligor to a Finance Party under Clause 13.2 (*Tax gross-up*) or a payment, arising from such increase, under Clause 13.3 (*Tax indemnity*).

Unless a contrary indication appears, in this Clause 13 a reference to "**determines**" or "**determined**" means a determination made in the absolute discretion of the person making the determination.

13.2 **Tax gross-up**

(a) Each Obligor shall make all payments to be made by it without any Tax Deduction, unless a Tax Deduction is required by law.

(b) The Borrower shall promptly upon becoming aware that an Obligor must make a Tax Deduction (or that there is any change in the rate or the basis of a Tax Deduction, if a Tax Deduction was applicable on the date of this Agreement or would have been notified to the Agent following the date of this Agreement as contemplated by this Clause 13.2) under the Finance Documents notify the Agent accordingly. Similarly, a Finance Party or a New Lender shall notify the Agent on becoming so aware in respect of a Tax Deduction being applicable, other than Tax Deductions being applicable on the date of this Agreement or on the date of an assignment to a New Lender in accordance with this Agreement. If the Agent receives such notification from a Finance Party it shall notify the Borrower and that Obligor.

(c) Subject to paragraph (d), if a Tax Deduction is required by law to be made by an Obligor under the Finance Documents, the amount of the payment due from that Obligor shall be increased to an amount which (after making any Tax Deduction) leaves an amount equal to the payment which would have been due if no Tax Deduction had been required and will provide to the Agent, upon request, evidence of the payment of the applicable Taxes.

(d) A payment shall not be increased under paragraph (c) above by reason of a Tax Deduction on account of Tax imposed by Mexico if, on the date on which the payment falls due, the payment could have been made to the relevant Finance Party without a Tax Deduction, or subject to a Tax Deduction at a reduced rate, if the Finance Party had been a Qualifying Lender, but on that date that Finance Party is not or has ceased to be a Qualifying Lender, other than as a result of any change after the date it became a Finance Party under this Agreement in (or in the interpretation, administration, or application of) any law, regulation or treaty, or any published practice of any relevant taxing authority or for any other reason not attributable to the applicable Lender **provided that:**

(i) in respect of a Lender which is an assignee or transferee of an Original Lender, payments under paragraph (c) above shall not exceed the amounts payable under such paragraph (c) to that Original Lender immediately prior to the relevant assignment or transfer; and

(ii) in respect of a Lender that satisfies the definition of Treaty Lender, the maximum percentage in respect of which amounts under paragraph (c) shall be paid is 4.9 per cent. (or any other substitute percentage specified as a result of a change in applicable law) (as may be increased to permit payment in full after paragraph (c) has been applied).

(e) If an Obligor is required to make a Tax Deduction, that Obligor shall make that Tax Deduction and any payment required in connection with that Tax

Deduction within the time allowed and in the minimum amount required by law.

(f) Within 30 days of making either a Tax Deduction or any payment required in connection with that Tax Deduction, the Obligor making that Tax Deduction shall deliver to the Agent for the Finance Party entitled to the payment an original receipt (or certified copy thereof) or if unavailable such other evidence as is reasonably satisfactory to that Finance Party that the Tax Deduction has been made or (as applicable) any appropriate payment paid to the relevant taxing authority.

13.3 **Tax indemnity**

(a) The Borrower shall (within three Business Days of demand by the Agent) pay to a Protected Party an amount equal to the loss, liability or cost which that Protected Party determines will be or has been (directly or indirectly) suffered for or on account of Tax by that Protected Party in respect of a Finance Document.

(b) Paragraph (a) above shall not apply:

(i) with respect to any Tax assessed on a Finance Party:

(A) under the law of the jurisdiction in which that Finance Party is incorporated or, if different, the jurisdiction (or jurisdictions) in which that Finance Party is treated as resident for tax purposes; or

(B) under the law of the jurisdiction in which that Finance Party's Facility Office is located in respect of amounts received or receivable in that jurisdiction,

if that Tax is imposed on or calculated by reference to the net income received or receivable (but not any sum deemed to be received or receivable) by that Finance Party; or

(ii) to the extent a loss, liability or cost:

(A) is compensated for by an increased payment under Clause 13.2 (*Tax gross-up*);

(B) would have been compensated for by an increased payment under Clause 13.2 (*Tax gross-up*) but was not so compensated solely because the exclusion in paragraph (d) of Clause 13.2 (*Tax gross-up*) applied; or

(C) relates to a FATCA Deduction required to be made by a Party.

(c) A Protected Party making, or intending to make, a claim under paragraph (a) above shall promptly notify the Agent of the event which will give, or has given, rise to the claim, following which the Agent shall notify the Borrower.

(d) A Protected Party shall, on receiving a payment from an Obligor under this Clause 13.3, notify the Agent.

13.4 **Tax Credit**

If an Obligor makes a Tax Payment and the relevant Finance Party determines that:

(a) a Tax Credit is attributable either to an increased payment of which that Tax Payment forms part or to that Tax Payment; and

(b) that Finance Party has obtained, utilised and retained that Tax Credit,

the Finance Party shall pay an amount to the Obligor which that Finance Party determines will leave it (after that payment) in the same after-Tax position as it would have been in had the Tax Payment not been required to be made by the Obligor.

13.5 **Lender Status Confirmation**

(a) Each Original Lender confirms that it is a Qualifying Lender.

(b) Each Lender (other than an Original Lender) which becomes a Party to this Agreement after the date of this Agreement shall indicate, in the Transfer Certificate, Assignment Agreement or Accordion Confirmation which it executes on becoming a Party, and for the benefit of the Agent and without liability to any Obligor, which of the following categories it falls in:

(i) a Qualifying Lender (other than a Treaty Lender);

(ii) a Treaty Lender; or

(iii) not a Qualifying Lender.

(c) If a New Lender fails to indicate its status in accordance with this Clause 13.5 then such New Lender shall be treated for the purposes of this Agreement (including by each Obligor) as if it is not a Qualifying Lender until such time as it notifies the Agent which category applies (and the Agent, upon receipt of such notification, shall inform the Borrower). For the avoidance of doubt, a Transfer Certificate, Assignment Agreement or Accordion Confirmation shall not be invalidated by any failure of a Finance Party to comply with this Clause 13.5.

13.6 **FATCA Deduction**

(a) Each Party may make any FATCA Deduction it is required to make by FATCA, and any payment required in connection with that FATCA Deduction, and no Party shall be required to increase any payment in respect of which it makes such a FATCA Deduction or otherwise compensate the recipient of the payment for that FATCA Deduction.

(b) Each Party shall promptly, upon becoming aware that it must make a FATCA Deduction (or that there is any change in the rate or the basis of such FATCA Deduction), notify the Party to whom it is making the payment and, in

addition, shall notify the Borrower and the Agent and the Agent shall notify the other Finance Parties.

13.7 **Stamp taxes**

The Borrower shall pay and, within five Business Days of demand, indemnify each Secured Party against any cost, loss or liability that Secured Party incurs in relation to all stamp duty, registration and other similar Taxes payable in respect of any Finance Document.

13.8 **Value added tax**

(a) All consideration expressed to be payable under a Finance Document by any Party to a Finance Party shall be deemed to be exclusive of any VAT. If VAT is chargeable on any supply made by any Finance Party to any party in connection with a Finance Document, that Party shall pay to the Finance Party (in addition to and at the same time as paying the consideration) an amount equal to the amount of the VAT and such Finance Party shall promptly provide an appropriate VAT invoice to such Party.

(b) Where a Finance Document requires any Party to reimburse a Finance Party for any costs or expenses, that Party shall also at the same time pay and indemnify that Finance Party against all VAT incurred by the Finance Party in respect of the costs or expenses to the extent that the Finance party reasonably determines that it is not entitled to credit or repayment of the VAT.

13.9 **No double-recovery**

No Finance Party may recover more than once under the Finance Documents for any cost, loss or liability in respect of which it has a claim under this Clause 13, Clause 14 (*Increased Costs*) or Clause 15 (*Other Indemnities*).

13.10 **French Obligors**

All payments to be made under this Agreement by an Obligor resident or established in France shall be made to an account opened in a financial institution situated in a State or territory other than a non-cooperative State or territory (*Etat ou territoire non coopératif*) within the meaning of Article 238-0 A of the French tax code (*code général des impôts*).

14. **INCREASED COSTS**

14.1 **Increased costs**

(a) Subject to Clause 14.3 (*Exceptions*) the Borrower shall, within three Business Days of a demand by the Agent, pay for the account of a Finance Party the amount of any Increased Costs incurred by that Finance Party or any of its Affiliates as a result of:

(i) the introduction of or any change in (or in the interpretation, administration or application of) any law or regulation after the date of this Agreement; or

(ii) compliance with any law or regulation made after the date of this Agreement; or

(iii) the implementation or application of, or compliance with, (A) the Dodd-Frank Wall Street Reform and Consumer Protection Act (Public Law 111-203 (signed into law July 21, 2010)) and all requests, rules, guidelines or directives thereunder or issued in connection therewith or (B) Basel III or CRD IV or any law or regulation that implements or applies Basel III or CRD IV.

(b) In this Agreement:

(i) "**Increased Costs**" means:

(A) a reduction in the rate of return from a Facility or on a Finance Party's (or its Affiliate's) overall capital;

(B) an additional or increased cost; or

(C) a reduction of any amount due and payable under any Finance Document,

which is incurred or suffered by a Finance Party or any of its Affiliates to the extent that it is attributable to that Finance Party having entered into its Commitment or funding or performing its obligations under any Finance Document; and

(ii) "**Basel III**" means:

(A) the agreements on capital requirements, a leverage ratio and liquidity standards contained in "Basel III: A global regulatory framework for more resilient banks and banking systems", "Basel III: International framework for liquidity risk measurement, standards and monitoring" and "Guidance for national authorities operating the countercyclical capital buffer" published by the Basel Committee on Banking Supervision in December 2010, each as amended, supplemented or restated;

(B) the rules for global systemically important banks contained in "Global systemically important banks: assessment methodology and the additional loss absorbency requirement – Rules text" published by the Basel Committee on Banking Supervision in November 2011, as amended, supplemented or restated; and

(C) any further guidance or standards published by the Basel Committee on Banking Supervision relating to "Basel III".

(iii) "**CRD IV**" means:

(A) Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms; and

(B) Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC.

14.2 **Increased cost claims**

(a) A Finance Party intending to make a claim pursuant to Clause 14.1 (*Increased costs*) shall notify the Agent of the event giving rise to the claim, following which the Agent shall promptly notify the Borrower.

(b) Each Finance Party shall, as soon as practicable after a demand by the Agent, provide a certificate confirming the amount of its Increased Costs and setting out the calculation of the amount in reasonable detail.

14.3 **Exceptions**

(a) Clause 14.1 (*Increased costs*) does not apply to the extent any Increased Cost is:

(i) attributable to a Tax Deduction required by law to be made by an Obligor;

(ii) attributable to a FATCA Deduction required to be made by a Party;

(iii) compensated for by Clause 13.3 (*Tax indemnity*) (or would have been compensated for under Clause 13.3 (*Tax indemnity*) but was not so compensated solely because the exclusion in paragraph (b) of Clause 13.3 (*Tax indemnity*) applied);

(iv) attributable to the wilful breach by the relevant Finance Party or its Affiliates of any law or regulation; or

(v) attributable to the implementation of or compliance with the "International Convergence of Capital Measurements and Capital Standards - a Revised Framework" published by the Basel Committee on Banking Supervision in June 2004 in the form existing on the date of this Agreement ("**Basel II**") or any other law or regulation that implements Basel II (whether such implementation or compliance is by a government, governmental regulator, Finance Party or an Affiliate thereof) but, for the avoidance of doubt and without prejudice to Clause 14.1 (*Increased costs*), so that this exception does not apply to costs attributable to the implementation or application or compliance with Basel III or CRD IV or any law or regulation that implements or applies Basel III (including CRD IV) **provided that** the relevant Finance Party claiming for any Increased Cost relating to the implementation or application of or compliance with (i) Basel III (each, a "**Basel III Cost**") and (ii) CRD IV (each a "**CRD IV Cost**") and the Borrower shall negotiate in good faith for a period not exceeding 30 days following receipt by the Borrower of notice from

the Agent of a claim from such Finance Party to pay such Basel III Cost and CRD IV Cost (the "**Negotiation Period**"), with a view to identifying and agreeing the amount of such Basel III Cost and CRD IV Cost to be paid by the Borrower. If such mutually satisfactory arrangements are agreed within such Negotiation Period, these arrangements will be binding on the Borrower and the relevant Finance Party. If no such mutually satisfactory arrangements are agreed by the expiry of the Negotiation Period, then the Borrower shall within 15 days from the expiry of the Negotiation Period, pay the amount of such Basel III Costs and CRD IV Costs (whether or not such amount has been agreed), it being acknowledged that such payment obligation is without prejudice to the Borrower's right to replace or repay and cancel that Finance Party's participation in the Utilisations in accordance with Clause 7.5 (*Right of replacement or cancellation and repayment in relation to a single Lender*).

(b) In this Clause 14.3 reference to a "**Tax Deduction**" has the same meaning given to the term in Clause 13.1 (*Definitions*).

15. OTHER INDEMNITIES

15.1 Currency indemnity

(a) If any sum due from an Obligor under the Finance Documents (a "**Sum**"), or any order, judgment or award given or made in relation to a Sum, has to be converted from the currency (the "**First Currency**") in which that Sum is payable into another currency (the "**Second Currency**") for the purpose of:

(i) making or filing a claim or proof against that Obligor; or

(ii) obtaining or enforcing an order, judgment or award in relation to any litigation or arbitration proceedings,

that Obligor shall as an independent obligation, within three Business Days of demand, indemnify each Secured Party to whom that Sum is due against any cost, loss or liability arising out of or as a result of the conversion including any discrepancy between (A) the rate of exchange used to convert that Sum from the First Currency into the Second Currency and (B) the rate or rates of exchange available to that person at the time of its receipt of that Sum.

(b) Each Obligor waives any right it may have in any jurisdiction to pay any amount under the Finance Documents in a currency or currency unit other than that in which it is expressed to be payable.

15.2 Other indemnities

(a) The Borrower shall (or shall procure that an Obligor will), within three Business Days of demand, indemnify each Secured Party against any cost, loss or liability incurred by it as a result of:

(i) the occurrence of any Event of Default;

(ii) a failure by an Obligor to pay any amount due under a Finance Document on its due date, including without limitation, any cost, loss or liability arising as a result of Clause 31 (*Sharing among the Finance Parties*);

(iii) funding, or making arrangements to fund, its participation in a Utilisation but not made by reason of the operation of any one or more of the provisions of the Finance Documents (other than by reason of default or negligence by that Finance Party alone); or

(iv) a Utilisation (or part thereof) not being prepaid in accordance with a notice of prepayment given by the Borrower.

(b) The Borrower will indemnify and hold harmless each Finance Party and its Affiliates and each of their and their Affiliates' respective directors, officers, employees, agents, advisers and representatives (each being an "**Indemnified Person**") from and against any and all claims, damages, losses, liabilities, costs, legal expenses and other expenses (all together "**Losses**") which have been incurred by or awarded against any Indemnified Person, in each case arising out of or in connection with any claim, investigation, litigation or proceeding (or the preparation of any defence with respect thereto) commenced or threatened by any person other than itself, its respective directors, officers, employees, agents, advisers or representatives in relation to any of the Finance Documents (or in connection with the execution and/or notarisation of any Finance Document) except to the extent such Losses or claims result from such Indemnified Person's negligence or misconduct or a breach of any term of any Finance Document by that Indemnified Person. Any third party referred to in this paragraph (b) may rely on this Clause 15.2.

15.3 **Indemnity to the Agent**

The Borrower shall promptly indemnify the Agent against any cost, loss or liability incurred by the Agent (acting reasonably) as a result of:

(a) investigating any event which it reasonably believes is a Default; or

(b) acting or relying on any notice, request or instruction which it reasonably believes to be genuine, correct and appropriately authorised.

16. MITIGATION BY THE FINANCE PARTIES

16.1 **Mitigation**

(a) Each Finance Party shall, in consultation with the Borrower, take all reasonable steps to mitigate any circumstances which arise and which would result in any amount becoming payable under or pursuant to, or cancelled pursuant to, any of Clause 7.1 (*Illegality*), Clause 13 (*Tax Gross-Up and Indemnities*), Clause 14 (*Increased Costs*) or Clause 15 (*Other Indemnities*) including (but not limited to) transferring its rights and obligations under the Finance Documents to another Affiliate or Facility Office.

(b) Paragraph (a) above does not in any way limit the obligations of any Obligor under the Finance Documents.

16.2 **Limitation of liability**

(a) The Borrower shall promptly indemnify each Finance Party for all costs and expenses reasonably incurred by that Finance Party as a result of steps taken by it under Clause 16.1 (*Mitigation*) after consultation with the Borrower.

(b) A Finance Party is not obliged to take any steps under Clause 16.1 (*Mitigation*) if, in the opinion of that Finance Party (acting reasonably), to do so might be prejudicial to it.

17. COSTS AND EXPENSES

17.1 **Transaction expenses**

The Borrower shall promptly on demand pay (or procure to be paid) to the Agent and the Security Agent the amount of all costs and expenses (including legal fees) reasonably incurred by any of them (and, in the case of the Security Agent, by any Receiver or Delegate) in connection with the negotiation, preparation, printing, execution and perfection of:

(a) this Agreement and any other documents referred to in this Agreement and the Transaction Security; and

(b) any other Finance Documents executed after the date of this Agreement.

17.2 **Amendment costs**

If an Obligor requests an amendment, waiver or consent, the Borrower shall, within three Business Days of demand, reimburse (or procure to be reimbursed) each of the Agent and the Security Agent for the amount of all costs and expenses (including legal fees) reasonably incurred by the Agent and the Security Agent (and, in the case of the Security Agent, by any Receiver or Delegate) in responding to, evaluating, negotiating or complying with that request or requirement.

17.3 **Security Agent's ongoing costs**

(a) In the event of (i) a Default or (ii) the Security Agent considering it necessary or expedient or (iii) the Security Agent being requested by an Obligor or the Majority Lenders to undertake duties which the Security Agent and the Borrower agree to be of an exceptional nature and/or outside the scope of the normal duties of the Security Agent under the Finance Documents, the Borrower shall pay to the Security Agent any additional remuneration that may be agreed between them.

(b) If the Security Agent and the Borrower fail to agree upon the nature of the duties or upon any additional remuneration, that dispute shall be determined by an investment bank (acting as an expert and not as an arbitrator) selected by the Security Agent and approved by the Borrower or, failing approval, nominated (on the application of the Security Agent) by the President for the

time being of the Law Society of England and Wales (the costs of the nomination and of the investment bank being payable by the Borrower) and the determination of any investment bank shall be final and binding upon the parties to this Agreement.

17.4 **Enforcement and preservation costs**

The Borrower shall, within three Business Days of demand, pay (or procure to be paid) to each Secured Party the amount of all costs and expenses (including legal fees) incurred by it in connection with the enforcement of or the preservation of any rights under any Finance Document and the Transaction Security and any proceedings instituted by or against the Security Agent as a consequence of taking or holding the Transaction Security or enforcing these rights.

17.5 **Custodian**

The Borrower shall promptly on demand pay (or procure to be paid) to the Agent and the Custodian the amount of all costs and expenses (including legal fees) reasonably incurred by any of them in connection with the appointment of the Custodian or the performance by it of its duties in relation to this Agreement. The Custodian may rely on this Clause 17.5 subject to Clause 1.4 (*Third party rights*) and the provisions of the Third Parties Act.

SECTION 7
GUARANTEE

18. GUARANTEE AND INDEMNITY

18.1 Guarantee and indemnity

Each Guarantor irrevocably and unconditionally jointly and severally:

(a) guarantees to each Finance Party punctual performance by each other Obligor of that Obligor's obligations under the Finance Documents;

(b) undertakes with each Finance Party that whenever an Obligor does not pay any amount when due under or in connection with any Finance Document, it shall immediately on demand pay that amount as if it were the principal obligor; and

(c) agrees with each Finance Party that if any obligation guaranteed by it pursuant to this Clause 18.1 is or becomes unenforceable, invalid or illegal or is otherwise discharged by the operation of clause 8.2 (*Distressed Disposals*) of the Intercreditor Agreement, it will, as an independent and primary obligation, indemnify that Finance Party immediately on demand against any cost, loss or liability it incurs as a result of an Obligor not paying any amount which would, but for such unenforceability, invalidity or illegality, have been payable by it under any Finance Document on the date when it would have been due. The amount payable by a Guarantor under this indemnity will not exceed the amount it would have had to pay under this Clause 18 if the amount claimed had been recoverable on the basis of a guarantee.

18.2 Continuing Guarantee

Each guarantee is a continuing guarantee and will extend to the ultimate balance of sums payable by each Obligor under the Finance Documents, regardless of any intermediate payment or discharge in whole or in part.

18.3 Reinstatement

If any discharge, release or arrangement (whether in respect of the obligations of any Obligor or any security for those obligations or otherwise) is made by a Finance Party in whole or in part on the basis of any payment, security or other disposition which is avoided or must be restored in insolvency, liquidation, administration or otherwise, then the liability of each Guarantor under this Clause 18 will continue or be reinstated as if the discharge, release or arrangement had not occurred.

18.4 Waiver of defences

(a) The obligations of each Guarantor under this Clause 18 will not be affected by an act, omission, matter or thing which, but for this Clause 18, would reduce, release or prejudice any of its obligations under this Clause 18 (without limitation and whether or not known to it or any Finance Party) including:

(i) any time, waiver or consent granted to, or composition with, any other Obligor or other person;

(ii) the release of any other Obligor or any other person under the terms of any composition or arrangement with any creditor of any member of the Group;

(iii) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or security over assets of, any other Obligor or other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any security;

(iv) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of any other Obligor or any other person;

(v) any amendment, novation, supplement, extension, restatement (however fundamental and whether or not more onerous) or replacement of a Finance Document or any other document or security including, without limitation, any change in the purpose of, any extension of or increase in any facility or the addition of any new facility under any Finance Document or other document or security;

(vi) any unenforceability, illegality or invalidity of any obligation of any person under any Finance Document or any other document or security;

(vii) any insolvency, *concurso mercantil*, *quiebra* or similar proceedings;

(viii) the existence of any claim, set-off or other right which any of the Guarantors may have at any time against any Obligor, the Agent, any Lender or any other person, whether in connection with this transaction or with any unrelated transaction;

(ix) any provision of applicable law or regulation purporting to prohibit the payment by any Obligor of any amount payable by any Obligor under any Finance Document or the payment, observance, fulfilment or performance of any other obligations to the Lenders or the Agent now or in future existing under or in connection with the Finance Documents, whether direct or indirect, absolute or contingent, due or to become due;

(x) any change in the name, purposes, business, capital stock (including the ownership thereof) or constitution of any Obligor; or

(xi) any other act or omission to act or delay of any kind by any Obligor, the Agent, the Lenders or any other person or any other circumstance whatsoever which might otherwise constitute a legal or equitable discharge of or defense to any Guarantor's obligations hereunder.

(b) To the extent permitted by applicable law and notwithstanding any contrary principles under the laws of any other jurisdiction, each of the Guarantors hereby waives any and all defences to which it may be entitled, whether at common law, in equity or by statute which limits the liability of, or exonerates, guarantors or which may conflict with the terms of this Clause 18 including failure of consideration, breach of warranty, statute of frauds, merger or consolidation of any Obligor, statute of limitations, accord and satisfaction and usury. Without limiting the generality of the foregoing, each of the Guarantors consents that, without notice to such Guarantor and without the necessity for additional endorsement or consent by such Guarantor, and without impairing or affecting in any way the liability of such Guarantor hereunder, the Agent and the Lenders may at any time and from time to time, upon or without any terms or conditions and in whole or in part:

(i) change the manner, place or terms of payment of, and/or change or extend the time or payment of, renew or alter, any of the Guarantors' obligations under the Finance Documents, any security therefor, or any liability incurred directly or indirectly in respect thereof, and this Clause 18 shall apply to such obligations as so changed, extended, renewed or altered;

(ii) exercise or refrain from exercising any rights against any Obligor or others (including the Guarantors) or otherwise act or refrain from acting;

(iii) settle or compromise any such obligations, any security therefor or any liability (including any of those hereunder) incurred directly or indirectly in respect thereof or hereof, and may subordinate the payment of all or any part thereof to the payment of any such liability (whether due or not) of any Obligor to creditors of any Obligor other than the Agent and the Lenders and Guarantors;

(iv) apply any sums by whomsoever paid or howsoever realised, other than payments of the Guarantors of such obligations, to any liability or liabilities of any Obligor under the Finance Documents or any instruments or agreements referred to herein or therein, to the Agent and the Lenders regardless of which of such liability or liabilities of any Obligor under the Finance Documents or any instruments or agreements referred to herein or therein remain unpaid;

(v) consent to or waive any breach of, or any act, omission or default under such obligations or any of the instruments or agreements referred to in this Agreement and the other Finance Documents, or otherwise amend, modify or supplement such obligations or any of such instruments or agreements, including the Finance Documents; and/or

(vi) request or accept other support of such obligations or take and hold any security for the payment of such obligations, or allow the release, impairment, surrender, exchange, substitution, compromise, settlement, rescission or subordination thereof.

(c) Each Guarantor incorporated in Mexico expressly waives, irrevocably and unconditionally:

(i) any right to require that any Finance Party first proceed against, initiate any actions before a court or any other judge or authority, or enforce any other rights or security or claim payment from any Obligor or any other person, before claiming any amounts due from such Guarantor incorporated in Mexico hereunder;

(ii) any right to which it may be entitled to have the assets of the Borrower, any other Obligor or any other person first be used, applied or depleted as payment of the Obligor's obligations hereunder, prior to any amount being claimed from or paid by any Guarantor incorporated in Mexico hereunder;

(iii) any right to which it may be entitled to have claims against it, or assets to be used or applied as payment, divided among different Guarantors; and

(iv) to the extent applicable and taking into consideration that the guarantee is not intended to be a *fianza* under Mexican law, the benefits of *orden*, *excusión*, *división*, *quita* and *espera* and any right specified in Articles 2814, 2815, 2817, 2818, 2819, 2820, 2821, 2822, 2823, 2826, 2829, 2837, 2840, 2845, 2846, 2847 and any other related or applicable Articles that are not explicitly set forth herein because of the Guarantor's knowledge thereof, of the *Código Civil Federal* of Mexico and the *Código Civil* of each State of the Mexican Republic and the Federal District of Mexico.

18.5 **Immediate recourse**

(a) Each Guarantor waives any right it may have of first requiring any Finance Party (or any trustee or agent on its behalf) to proceed against or enforce any other rights or security or claim payment from any person before claiming from a Guarantor under this Clause 18. This waiver applies irrespective of any law or regulation or any provision of a Finance Document to the contrary.

(b) Each Guarantor also waives any right to be sued jointly with other Guarantors and to share liability resulting from any claim against it.

18.6 **Appropriations**

Until all amounts which may be or become payable by any Obligor under or in connection with the Finance Documents have been irrevocably paid in full, each Finance Party (or any trustee or agent on its behalf) may:

(a) refrain from applying or enforcing any other monies, security or rights held or received by that Finance Party (or any trustee or agent on its behalf) in respect of those amounts, or apply and enforce the same in such manner and order as it sees fit (whether against those amounts or otherwise) and no Guarantor shall be entitled to the benefit of the same; and

(b) hold in an interest-bearing suspense account any monies received from a Guarantor or on account of such Guarantor's liability under this Clause 18,

provided that the operation of this Clause 18.6 shall not be deemed to create any Security.

18.7 **Deferral of Guarantors' rights**

Until all amounts which may be or become payable by any Obligor under or in connection with the Finance Documents have been irrevocably paid in full and unless the Agent otherwise directs, no Guarantor will exercise any rights which it may have by reason of performance by it of its obligations under the Finance Documents or by reason of any amount being payable, or liability arising, under this Clause 18:

(a) to be indemnified by any other Obligor;

(b) to claim any contribution from any other guarantor of any other Obligor's obligations under the Finance Documents;

(c) to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Finance Parties under the Finance Documents or of any other guarantee or security taken pursuant to, or in connection with, the Finance Documents by any Finance Party;

(d) to bring legal or other proceedings for an order requiring any Obligor to make any payment, or perform any obligation, in respect of which any Guarantor has given a guarantee, undertaking or indemnity under, as the case may be, Clause 18.1 (*Guarantee and indemnity*);

(e) to exercise any right of set-off against any Obligor; and/or

(f) to claim or provide as a creditor of any Obligor in competition with any Finance Party.

If a Guarantor receives any benefit, payment or distribution in relation to such rights it shall hold that benefit, payment or distribution to the extent necessary to enable all amounts which may be or become payable to the Finance Parties by the Obligors under or in connection with the Finance Documents to be repaid in full on trust for the Finance Parties and shall promptly pay or transfer the same to the Agent or as the Agent may direct for application in accordance with Clause 32 (*Payment mechanics*).

18.8 **Additional security**

Each guarantee is in addition to and is not in any way prejudiced by any other guarantee or security now or subsequently held by any Finance Party.

18.9 **General limitation on guarantee**

In any action or proceeding involving any applicable corporate law, or any applicable bankruptcy, insolvency, reorganisation, *concurso mercantil, quiebra* or other law affecting the rights of creditors generally, if the obligations of any Guarantor under this Clause 18 would otherwise be held or determined to be void, invalid or

unenforceable, or subordinated to the claims of any other creditors, on account of the amount of its liability under this Clause 18, then, notwithstanding any other provision hereof to the contrary, the amount of such liability shall, without any further action by such Guarantor, any Lender, the Agent or any other person to the greatest extent permitted under applicable law, be automatically limited and reduced to the highest amount that is valid and enforceable and not subordinated to the claims of other creditors as determined in such action or proceeding.

18.10 **Bankruptcy and related matters**

(a) So long as any of the obligations under the Finance Documents are outstanding, each of the Guarantors shall not (unless required to do so by law or regulation), without the prior written consent of the Majority Lenders, commence or join with any other person in commencing any bankruptcy, liquidation, reorganisation, *concurso mercantil, quiebra* or insolvency proceedings of, or against, any Obligor.

(b) If acceleration of the time for payment of any amount payable by Borrower under the Finance Documents is stayed upon the insolvency, bankruptcy, reorganisation, *concurso mercantil*, *quiebra* or any similar event of any Obligor or otherwise, all such amounts otherwise subject to acceleration under the terms of this Agreement shall nonetheless be payable by the Guarantors hereunder forthwith on demand by the Agent made at the request of the Lenders.

(c) The obligations of each of the Guarantors under this Clause 18 shall not be reduced, limited, impaired, discharged, deferred suspended or terminated by any proceeding or action, voluntary or involuntary, involving the bankruptcy, insolvency, *concurso mercantil, quiebra*, receivership, reorganisation, marshalling of assets, assignment for the benefit of creditors, readjustment, liquidation or arrangement of any Obligor or similar proceedings or actions or by any defense which any Obligor may have by reason of the order, decree or decision of any court or administrative body resulting from any such proceeding or action. Without limiting the generality of the foregoing, the Guarantors' liability shall extend to all amounts and obligations under the Finance Documents and would be owed by any Obligor but for the fact that they are unenforceable or not allowable due to the existence of any such proceeding or action.

(d) Each of the Guarantors acknowledges and agrees that any interest on any portion of the obligations under the Finance Documents which accrues after the commencement of any proceeding or action referred to above in paragraph (c) of this Clause 18.10 (or, if interest on any portion of such obligations ceases to accrue by operation of law by reason of the commencement of said proceeding or action, such interest as would have accrued on such portion of such obligations if said proceedings or actions had not been commenced) shall be included in such obligations, it being the intention of the Guarantors, the Agent, and the Lenders that such obligations which are to be guaranteed by the Guarantors pursuant to this Clause 18 shall be determined without regard to any rule of law or order which may relieve any Obligor of any portion of such obligations. The Guarantors will take no action to prevent any trustee in

bankruptcy, receiver, debtor in possession, assignee for the benefit of creditors or similar person from paying the Agent, or allowing the claim of the Agent, for the benefit of the Agent, and the Lenders, in respect of any such interest accruing after the date of which such proceeding is commenced, except to the extent any such interest shall already have been paid by the Guarantors.

(e) Notwithstanding anything to the contrary contained herein, if all or any portion of the obligations under the Finance Documents are paid by or on behalf of any Obligor, the obligations of the Guarantors hereunder shall continue and remain in full force and effect or be reinstated, as the case may be, in the event that all or any part of such payment(s) are rescinded or recovered, directly or indirectly, from the Agent and/or the Lenders as a preference, preferential transfer, fraudulent transfer or otherwise, and any such payments which are so rescinded or recovered shall constitute obligations under the Finance Documents for all purposes under this Clause 18, to the extent permitted by applicable law.

18.11 **Dutch guarantee limitation**

Notwithstanding any other provision of this Clause 18 (*Guarantee and Indemnity*) the guarantees, indemnities and other obligations of any Dutch Obligor expressed to be assumed in this Clause 18 (*Guarantee and Indemnity*) shall be deemed not to be assumed by such Dutch Obligor to the extent that the same would constitute unlawful financial assistance within the meaning of Article 2:98c of the Dutch Civil Code (where applicable) or any other applicable financial assistance rules under any rules under any relevant jurisdiction (the "**Prohibition**") and the provisions of this Agreement and the other Finance Documents shall be construed accordingly. For the avoidance of doubt, it is expressly acknowledged that the relevant Dutch Obligors will continue to guarantee all such obligations which, if included, do not constitute a violation of the Prohibition.

18.12 **Spanish guarantee limitation**

Notwithstanding any other provision of this Clause 18 (*Guarantee and Indemnity*) the guarantees, indemnities and other obligations of any Obligor incorporated in Spain expressed to be assumed in this Clause 18 (*Guarantee and Indemnity*) shall be deemed not to be assumed by such Obligor incorporated in Spain to the extent that the same would constitute the provision of financial assistance within the meaning of either Article 150.1 of the 2010 Spanish Corporations Act (*Ley de Sociedades de Capital*) (in the case of a Spanish Obligor which is a *sociedad anónima*), or Article 143.2 of the 2010 Spanish Corporations Act (*Ley de Sociedades de Capital*) (in the case of a Spanish Obligor which is a *sociedad limitada*).

18.13 **Swiss guarantee limitation**

(a) The obligations and liabilities of an Obligor incorporated in Switzerland (the "**Swiss Obligor**") under this Agreement or any other Finance Document in relation to the obligations, undertakings, indemnities or liabilities of an Obligor other than that Swiss Obligor or any of its fully owned and controlled subsidiaries (the "**Restricted Obligations**") shall be limited to the amount of that Swiss Obligor's Free Reserves Available for Distribution at the time

payment is requested or the maximum amount permitted by Swiss law applicable at the time payment is requested, **provided that** such limitation is a requirement under applicable law (including any case law) at that point in time and that such limitation shall not free the Swiss Obligor from its obligations in excess thereof, but merely postpone the performance date until such time as performance is permitted notwithstanding such limitation.

(b) For the purpose of this Clause 18.13, "**Free Reserves Available for Distribution**" means an amount equal to the maximal amount in which the relevant Swiss Obligor can make a dividend payment to its shareholder(s) (being the balance sheet profit and any freely disposable reserves available for this purpose, in each case in accordance with applicable Swiss law).

(c) As soon as possible after having been requested to discharge a Restricted Obligation, the Swiss Obligor shall, if it cannot discharge the full amount of the Restricted Obligations, provide the Security Agent with an interim statutory balance sheet audited by the statutory auditors of the Swiss Obligor setting out the Free Reserves Available for Distribution and, immediately thereafter, pay the amount corresponding to the Free Reserves Available for Distribution to the Security Agent (save to the extent provided below).

(d) In respect of the Restricted Obligations, the Swiss Obligor shall:

(i) if and to the extent required by applicable law in force at the relevant time:

(A) subject to any applicable double taxation treaties, deduct Swiss withholding tax at the rate of 35 per cent. (or such other rate as is in force at that time) from any payment made by it;

(B) pay any such deduction to the Swiss Federal Tax Administration; and

(C) notify and provide evidence to the Security Agent that the Swiss withholding tax has been paid to the Swiss Federal Tax Administration; and

(ii) to the extent such deduction is made, not be required to make a gross-up, indemnify or otherwise hold harmless the Finance Parties for the deduction of the Swiss withholding tax notwithstanding anything to the contrary contained in the Finance Documents, unless grossing up is permitted under the laws of Switzerland then in force and **provided that** this should not in any way limit any obligations of any non-Swiss Obligors under the Finance Documents to indemnify the Finance Parties in respect of the deduction of the Swiss withholding tax, including, without limitation, in accordance with Clause 13 (*Tax Gross-Up and Indemnities*).

(e) In respect of the Restricted Obligations, if so required under applicable law (including tax treaties) at any time when the Security Agent is enforcing security interests granted by the Swiss Obligor, once the Security Agent is

satisfied that it has received all disposal proceeds from such enforcement of the security, it shall promptly notify the Swiss Obligor of the amount of proceeds from such enforcement, and such Swiss Obligor:

(i) shall use its best efforts to ensure that the proceeds of any such enforcement can be used 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 tax treaties) rather than payment of the tax, and

(ii) shall promptly notify the Security Agent that such notification has been made or, as the case may be, deduction at a reduced rate is possible, and provide the Security Agent with evidence that such a notification of the Swiss Federal Tax Administration has been made or, as the case may be, such taxes may be deducted at a reduced rate.

To the extent a notification procedure referred to in the preceding paragraph is not available, the Swiss Obligor shall:

(A) within 20 Business Days after the notification by the Security Agent of the amount of proceeds from any enforcement in accordance with this paragraph (e) notify the Security Agent that Swiss withholding tax is due by the Swiss Obligor; and

(B) provide the Security Agent with all relevant information necessary or reasonably requested by the Security Agent to make the relevant deduction including, but not limited to, the amount of such deduction to be made (it being understood by the Parties hereto that the Security Agent shall have the right but not the obligation to determine such amount, if any, pursuant to the terms of the Intercreditor Agreement, and in particular, but not limited to, pursuant to clause 11.7 (*Security Agent's actions*) and paragraph (c) of clause 11.8 (*Security Agent's discretions*) thereof),

whereupon the Security Agent (acting on the instructions of an Instructing Group (as defined in the Intercreditor Agreement)) shall deduct the Swiss withholding tax in the amount notified to it or determined by it in accordance with paragraph (e)(ii) above from the enforcement proceeds and shall pay such amount to the Swiss Federal Tax Administration in satisfaction of the Swiss withholding tax payment due by the Swiss Obligor in relation to such enforcement proceeds, provided, however, that the Security Agent will not assume any liabilities to any person in connection with the deduction or payments made by the Security Agent pursuant to this paragraph (e), any failure by the Swiss Obligor to comply with its obligation hereunder or in connection with any failure by the Security Agent to determine such amount of the deduction to be made to the extent not notified to it by the Swiss Obligor.

(f) The relevant Swiss Obligor shall use all reasonable efforts to procure that any person which is entitled to a full or partial refund of any Swiss withholding tax paid pursuant to paragraphs (d) or (e) above will, as soon as possible after the deduction of the Swiss withholding tax: (1) request a refund of the Swiss withholding tax under any applicable law (including double taxation treaties) and (2) pay to the Security Agent upon receipt any amount so refunded. The Security Agent shall, at the prior written request and (so long as reasonable) cost of the Swiss Obligor, take all reasonable steps to cooperate with the Swiss Obligor to secure such refund.

(g) The Swiss Obligor will take, and cause to be taken, all and any other action, including, without limitation, the passing of any shareholders' resolutions to approve any payment or other performance under the Finance Documents and the receipt of any confirmations from the Swiss Obligor's auditors, whether following a request to discharge a Restricted Obligation or which may be required as a matter of mandatory Swiss law in force at the time it is required to make a payment or perform other obligations under the Finance Documents in order to allow a prompt payment or performance of other obligations under the Finance Documents.

(h) If the enforcement of the Restricted Obligations would be limited due to the effects referred to in this Clause 18.13 and if any asset of the Swiss Obligor has a book value that is less than its market value (an "**Undervalued Asset**"), the Swiss Obligor shall, to the extent permitted by applicable law and its Accounting Standards (i) write up the book value of such Undervalued Asset such that its balance sheet reflects a book value that is equal to the market value of such Undervalued Asset, and (ii) make reasonable efforts to realise the Undervalued Asset for a sum which is at least equal to the market value of such asset. Without prejudice to the rights of the Security Agent under the Finance Documents, the Swiss Obligor will only be required to realise an Undervalued Asset if such asset is not necessary for the Swiss Obligor's business (*nicht betriebsnotwendig*).

18.14 **French guarantee limitation**

(a) The obligations and liabilities under the Finance Documents of any French Guarantor are subject to the limitations set out in this Clause 18.14.

(b) The obligations and liabilities of any French Guarantor under the Finance Documents and in particular under this Clause 18 (*Guarantee and Indemnity*) shall not include any obligation or liability which, if incurred, would constitute the provisions of financial assistance within the meaning of article L.255-216 of the French Commercial Code and/or would constitute a misuse of corporate assets within the meaning of article L. 241-3, L. 242-6 or L. 244-1 of the French Commercial Code or any other law or regulation having the same effect, as interpreted by French courts and/or would infringe article L. 511-7 of the French Monetary and Financial Code.

(c) The obligations and liabilities of any French Guarantor under this Clause 18 (*Guarantee and Indemnity*) for the obligations under the Finance Documents of any other Obligor which is not a Subsidiary of such French Guarantor shall

be limited, at any time, to an amount equal to the aggregate of all amounts directly or indirectly borrowed under this Agreement by such other Obligor to the extent directly or indirectly on-lent to such French Guarantor under intercompany loan agreements (excluding, for the avoidance of doubt, any cash-pooling arrangements or other cash management agreements, **provided that** no Facility made available under this Agreement shall finance, directly or indirectly, such cash pooling arrangements or other cash management agreements) and outstanding at the date a payment is to be made by such French Guarantor under this Clause 18 (*Guarantee and Indemnity*), it being specified that any payment made by a French Guarantor under this Clause 18 (*Guarantee and Indemnity*) in respect of the obligations of such Obligor shall reduce *pro tanto* the outstanding amount of the intercompany loans due by such French Guarantor under the intercompany loan agreements referred to above and that any repayment of the intercompany loans by the French Guarantor shall reduce *pro tanto* the amount payable by it under this Clause 18 (*Guarantee and Indemnity*).

(d) The obligations and liabilities of any French Guarantor under this Clause 18 (*Guarantee and Indemnity*) for the obligations under the Finance Documents of any other Obligor which is its Subsidiary shall not be limited and shall therefore cover all amounts due by such Obligor under this Agreement. However, where such Subsidiary is itself a Guarantor which guarantees the obligations of a member of the Group which is not a Subsidiary of the relevant French Guarantor, the amounts payable by such French Guarantor under this paragraph (d) in respect of the obligations of this Subsidiary as Guarantor, shall be limited as set out in paragraph (c) above.

(e) It is acknowledged that no French Guarantor is acting jointly and severally with the other Guarantors and no French Guarantor shall therefore be considered as "co-débiteur solidaire" as to its obligations pursuant to the guarantee given pursuant to this Clause 18 (*Guarantee and Indemnity*).

(f) In the event that there is any inconsistency between the provisions of this Clause 18.14 and any other provision in this Agreement or any other Finance Documents (each of which shall be expressly subject thereto), the provisions of this Clause 18.14 shall prevail.

(g) For the purpose of paragraphs (c) and (d) above, "Subsidiary" means, in relation to any company, another company which is controlled by it within the meaning of article L. 233-3 of the French Commercial Code.

SECTION 8
REPRESENTATIONS, UNDERTAKINGS AND EVENTS OF DEFAULT

19. REPRESENTATIONS

Each Obligor makes the representations and warranties set out in this Clause 19 to each Finance Party except that no representation or warranty is made by a Security Provider that is not also the Borrower or a Guarantor in respect of the representations and warranties set out in Clauses 19.9 (*No default*) to 19.11 (*Financial statements*), 19.13 (*No proceedings pending or threatened*) to 19.17 (*Environmental Claims*), 19.22 (*Accuracy of Existing Financial Indebtedness*), 19.23 (*Group Structure Chart*) and 19.26 (*Governmental Regulations*) to 19.29 (*Pension*, *Welfare and other Similar Plans*).

19.1 Status

(a) It is a corporation or limited liability company, duly organised and validly existing under the laws and regulations of its jurisdiction of incorporation or formation other than in the case of CEMEX UK, which is a private company duly incorporated with unlimited liability under the laws and regulations of England and Wales.

(b) It has the power to own its assets and carry on its business as it is being conducted.

19.2 Binding obligations

Subject to the Legal Reservations:

(a) the obligations expressed to be assumed by it in each Finance Document are legal, valid, binding and enforceable obligations; and

(b) (without limiting the generality of paragraph (a) above) each Transaction Security Document to which it is a party creates the Security which that Transaction Security Document purports to create and that Security is valid and effective.

19.3 Non-conflict with other obligations

The entry into and performance by it (or, in the case of paragraph (c) below, any Obligor) of, and the transactions contemplated by, the Finance Documents and any confirmations provided in respect of the Transaction Security do not and will not conflict with:

(a) any law or regulation applicable to it or any judgment or other administrative or judicial order affecting it or binding upon it or any of its assets;

(b) its constitutional documents or (in the case of an Obligor incorporated in Mexico) its by-laws (*estatutos sociales);*

(c) the Finance Documents or any documentation relating to any publicly-issued securities binding upon it; or

(d) any agreement or instrument binding upon it or any of its assets, in a manner or to an extent which would have or would be reasonably likely to have a Material Adverse Effect.

19.4 **Power and authority**

It has the power (and, in respect of Finance Documents already entered into, had the power) to enter into, perform and deliver, and has taken (and, in respect of Finance Documents already entered into, had taken) all necessary action to authorise its entry into, performance and delivery of, the Finance Documents to which it is a party and the transactions contemplated by those Finance Documents.

19.5 **Validity and admissibility in evidence**

All Authorisations required or desirable:

(a) to enable it lawfully to enter into, exercise its rights and comply with its obligations under the Finance Documents to which it is a party; and

(b) to make the Finance Documents to which it is a party admissible in evidence in its jurisdiction of incorporation,

have been obtained or effected and are in full force and effect.

19.6 **Governing law, choice of forum and enforcement**

Subject to the Legal Reservations:

(a) the choice of governing law of each Finance Document to which it is a party in the jurisdiction of the governing law of that Finance Document, will be recognised and enforced in its jurisdiction of incorporation;

(b) the choice of the English courts set forth in this Agreement is a valid and enforceable choice of forum under any other applicable law; and

(c) any judgment obtained in relation to a Finance Document to which it is a party in the jurisdiction of the governing law of that Finance Document will be recognised and enforced in its jurisdiction of incorporation.

19.7 **Tax**

(a) The Borrower is not required under the laws and regulations of its jurisdiction of incorporation to make any deduction for or on account of Tax from any payment it may make under any Finance Document to any Lender (other than withholding taxes on payments of interest made by the Borrower or any other Obligor incorporated in Mexico, to any Lender that is not a resident of Mexico for tax purposes).

(b) In respect of the Dutch Obligors only, no notice under Article 36 Tax Collection Act (*Invorderingswet 1990*) has been given prior to the date of this Agreement.

19.8 **No filing or stamp taxes**

(a) Subject to the Legal Reservations, no order, permission, consent, approval, license, authorisation, registration or validation of, or notice to, or filing with, or exemption by, any Governmental Authority or third party is required to authorise, or is required in connection with, the execution, delivery and performance by each Obligor of the Finance Documents or the taking of any action contemplated thereby.

(b) Under the laws and regulations of its jurisdiction of incorporation it is not necessary that any stamp, registration or similar tax be paid on or in relation to the Finance Documents or the transactions contemplated by the Finance Documents except any tax or fee which is referred to in any Legal Opinion and which will be paid promptly after the date of the relevant Finance Document.

(c) Each Finance Document is in proper legal form under the law of the jurisdiction of organisation of each Obligor for the enforcement thereof against each such Obligor under the law of its respective jurisdiction of organisation. To ensure the legality, validity, enforceability or admissibility in evidence of any Finance Document in such jurisdiction, it is not necessary that any Finance Document be filed or recorded with any Governmental Authority in such jurisdiction (other than the registration of the Transaction Security Document referred to in paragraph (b) of Clause 22.34 (*Conditions subsequent*) with the *Registro Único de Garantías Mobiliarias* of Mexico) which has been completed), or that any stamp or similar tax be paid on or in respect of any Finance Document, unless such stamp or similar taxes have been paid by the Borrower, **provided that** in the event that any legal proceedings are brought to the courts of Mexico or Spain, a Spanish translation of the documents required in such proceedings prepared by a court-approved translator (or, in the case of the courts of Spain, an authorised sworn translator), would have to be approved by the court after the defendant had been given an opportunity to be heard with respect to the accuracy of the translation, and proceedings would thereafter be based upon the translated documents.

(d) It is not necessary (i) in order for the Agent or any Lender to enforce any right or remedies under the Finance Documents, or (ii) solely by reason of the execution, delivery and performance of any Finance Document by the Agent or any Lender, that the Agent or such Lender be licensed or qualified with any Governmental Authority or be entitled to carry on business, in each case in the jurisdiction of organisation of the applicable Obligors.

19.9 **No default**

(a) No Default or Event of Default is continuing or might reasonably be expected to result from the making of any Utilisation.

(b) No other event or circumstance is outstanding which constitutes a default under any other agreement or instrument which is binding on it or any of its

Subsidiaries or to which its (or its Subsidiaries') assets are subject which would have or would be reasonably likely to have a Material Adverse Effect.

19.10 **No misleading information**

All written information provided by or on behalf of any member of the Group to a Finance Party under or in connection with the transaction contemplated by the Finance Documents was true, complete and accurate in all material respects as at the date it was provided and was not misleading in any material respect as at such date.

19.11 **Financial statements**

(a) Its Original Financial Statements were prepared in accordance with Applicable GAAP (save as disclosed therein) consistently applied and are complete and accurate in all material respects.

(b) Its Original Financial Statements fairly represent its financial condition and operations during the relevant financial year unless expressly disclosed to the Agent in writing prior to the date of this Agreement.

(c) For the purposes of any repetition of the representations contained in paragraphs (a) and (b) of this Clause 19.11 (pursuant to Clause 19.31 (*Times at which representations are made*)) the representations will be made in respect of the latest consolidated (or if, other than in the case of the Borrower or CEMEX España, consolidated financial statements are not available, unconsolidated) financial statements of the Borrower and each Guarantor instead of the Original Financial Statements.

19.12 **Ranking**

(a) Its payment obligations under the Finance Documents rank at least *pari passu* with the claims of all its other unsecured and unsubordinated creditors, except for obligations mandatorily preferred by law or regulation applying to companies generally.

(b) The Transaction Security has or will have the ranking in priority which it is expressed to have in the Transaction Security Documents and it is not subject to any prior ranking or *pari passu* ranking Security.

(c) Each Finance Document constitutes a direct, unconditional and unsubordinated obligation of each Obligor which is a party to such Finance Document.

19.13 **No proceedings pending or threatened**

Except as disclosed in Schedule 12 (*Proceedings Pending or Threatened*), no litigation, arbitration or administrative proceedings of or before any court, arbitral body or agency which:

(a) are likely to be adversely determined and which, if so determined, would be reasonably likely to have a Material Adverse Effect; or

(b) purport to affect the legality, validity or enforceability of any of the obligations under the Finance Documents, have been started or threatened against it or, in the case of the Borrower, any Obligor or Material Subsidiary.

19.14 **No winding-up**

No legal proceedings or other procedures or steps have been taken or, to the Borrower's knowledge after reasonable enquiry, are being threatened, in relation to the winding-up, dissolution, administration or reorganisation of any Obligor or Material Subsidiary (other than a solvent liquidation or reorganisation of any Material Subsidiary which is not an Obligor).

19.15 **Material Adverse Change**

There has been no material adverse change in the Borrower's business, condition (financial or otherwise), operations, performance or assets taken as a whole (or the business, consolidated condition (financial or otherwise) operations, performance or the assets generally of the Group taken as a whole) since its Original Financial Statements save as disclosed by publicly available information filed with the SEC.

19.16 **Environmental compliance**

Each member of the Group has performed and observed in all material respects all Environmental Law, Environmental Permits and all other material covenants, conditions, restrictions or agreements directly or indirectly concerned with any contamination, pollution or waste or the release or discharge of any toxic or hazardous substance in connection with any real property which is or was at any time owned, leased or occupied by any member of the Group or on which any member of the Group has conducted any activity where failure to do so might reasonably be expected to have a Material Adverse Effect.

19.17 **Environmental Claims**

No Environmental Claim has been commenced or (to the best of its knowledge and belief) is threatened against any member of the Group where that claim would be reasonably likely, if determined against that member of the Group, to have a Material Adverse Effect.

19.18 **Anti-corruption law**

Each Obligor and their respective officers and directors has conducted its businesses in compliance with applicable anti-corruption, anti-bribery and anti-money laundering laws and regulations. The Borrower has instituted and maintained policies and procedures designed to promote and achieve compliance with applicable anti-corruption, anti-bribery and anti-money laundering laws and regulations laws.

19.19 **Sanctions**

Neither it nor any other Obligor, none of their respective officers or directors, and no other member of the Group, and, to its knowledge, no director or officer of a member

of the Group which is not an Obligor and no agent, employee or Affiliate of any member of the Group, is a person that is, or is controlled by a person that is, (a) currently a designated target of, or is otherwise a subject of, Sanctions, or (b) located, organised or resident in a Sanctioned Country provided that this representation is not made to or for the benefit of any Finance Party or any director, officer or employee thereof to the extent that this provision would expose that Finance Party or any director, officer or employee thereof to liability under any applicable anti-boycott law, regulation or statute.

19.20 **No Immunity**

In any proceedings taken in its jurisdiction of incorporation in relation to any Finance Document, it will not be entitled to claim for itself or any of its assets immunity from suit, execution, attachment (prior to judgment or in aid of execution) or other legal process.

19.21 **Private and commercial acts**

Its execution of the Finance Documents constitutes, and its exercise of its rights and performance of its obligations hereunder will constitute, private and commercial acts done and performed for private and commercial purposes.

19.22 **Accuracy of Existing Financial Indebtedness**

The list of Existing Financial Indebtedness of members of the Group which are not Obligors contained in Schedule 10 (*Existing Financial Indebtedness*) is, in all material respects, a true, complete and accurate list of the existing Financial Indebtedness of those members of the Group that are not Obligors as at the date of this Agreement.

19.23 **Group Structure Chart**

The Group Structure Chart is true, complete and accurate in all material respects as of 30 June 2017.

19.24 **Legal and beneficial ownership**

It and each of its Subsidiaries is the sole legal and beneficial owner of the respective assets over which it has granted Transaction Security.

19.25 **Shares**

(a) The shares of any member of the Group which are subject to the Transaction Security are fully paid and not subject to any option to purchase or similar rights. The constitutional documents of companies whose shares are subject to the Transaction Security do not and could not restrict or inhibit any transfer of those shares on creation or enforcement of the Transaction Security. There are no agreements in force which provide for the issue or allotment of, or grant any person the right to call for the issue or allotment of, any share or loan capital of any Obligor or Material Subsidiary (including any option or right of pre-emption or conversion) other than:

(i) pre-emptive rights (A) arising under applicable law in favour of shareholders generally; and (B) arising under any obligation in respect of any Executive Compensation Plan; and

(ii) obligations to deliver shares to the holder(s) of convertible or exchangeable securities comprising Existing Financial Indebtedness pursuant to the terms and conditions of such convertible or exchangeable securities.

(b) Under the Transaction Security Documents, Transaction Security is granted over all the issued share capital in each member of the Group whose shares are subject to the Transaction Security except:

(i) in the case of CEMEX España, at a maximum:

(A) 0.2444% of the issued share capital, being shares owned by CEMEX España; and

(B) 0.1164% of the issued share capital, being shares owned by persons that are not members of the Group;

(ii) in the case of CEMEX TRADEMARKS HOLDING Ltd., 8,424,037 shares owned by the Borrower (and formerly owned by CEMEX Inc.) representing 0.4326% of the issued share capital of CEMEX TRADEMARKS HOLDING Ltd. and the Borrower shall, in accordance with the relevant Transaction Security Document, grant Transaction Security over such shares following the issuance of a new share certificate;

(iii) at a maximum, in the case of each Mexican company whose shares are the subject of Transaction Security (except in the case of CEMEX México), the single share held by a minority shareholder that is a member of the Group; and

(iv) at a maximum, in the case of CEMEX México, 0.1183% of the issued share capital, being shares owned by CEMEX, Inc.

19.26 **Governmental Regulations**

The Borrower is not controlled by an "investment company" within the meaning of the United States Investment Company Act of 1940, as amended.

19.27 **Taxes**

(a) It has filed all material tax returns which are required to be filed by it and has paid all taxes due pursuant to such returns or pursuant to any material assessment received by it, except where the same may be contested in good faith by appropriate proceedings and as to which such Obligor maintains reserves to the extent it is required to do so by law or pursuant to Applicable GAAP. The charges, accruals and reserves on the books of each Obligor in respect of taxes or other governmental charges are, in the opinion of the Borrower, adequate.

(b) Except for taxes imposed by way of withholding on interest, fees and commissions paid to non-residents (for Tax purposes) of the jurisdiction of organisation of the Borrower, there is no tax (other than taxes on, or measured by, income or profits), levy, impost, deduction, charge or withholding imposed, levied, charged, assessed or made by the jurisdiction of organisation of the Borrower or any political subdivision or taxing authority thereof or therein either (i) on or by virtue of the execution of delivery of this Agreement or (ii) on any payment to be made by the Borrower pursuant to this Agreement. It is permitted to pay any additional amounts payable pursuant to Clause 13 (*Tax Gross-Up and Indemnities*) or Clause 13.7 (*Stamp taxes*).

19.28 **Treasury Transactions**

The Borrower represents and warrants that, as of the date of this Agreement, neither it nor any member of the Group is party to any Treasury Transaction other than as permitted in accordance with Clause 22.27 (*Treasury Transactions*).

19.29 **Pension, Welfare and other Similar Plans**

Neither it nor, to its knowledge, any ERISA Affiliate has taken any steps to terminate any Pension Plan or has failed to make any contribution with respect to any Pension Plan sufficient to give rise to a Security under Section 303(k) of ERISA. Neither it nor, to its knowledge, any ERISA Affiliate has failed to make any contribution to any Multiemployer Plan. No event or transaction has occurred with respect to any Pension Plan, any Non-US Pension Plan or any Multiemployer Plan which has resulted in or which would reasonably be expected to result in the incurrence by the Obligor or any of its ERISA Affiliates of any liability, fine or penalty (other than liabilities incurred in the ordinary course of maintaining the applicable plan), which would have or be reasonably likely to have a Material Adverse Effect. Neither it nor any of its Subsidiaries has any contingent liability with respect to any post-retirement benefit under any employee welfare benefit plan (as defined in Section 3(1) of ERISA) which would reasonably be expected to have a Material Adverse Effect, other than liability for continuation coverage described in Part 6 of Title I of ERISA. Except as would not have or be reasonably likely to have a Material Adverse Effect, the Borrower is in compliance with and has duly and in a timely manner paid any amounts due to IMSS or INFONAVIT, pursuant to SAR laws, or as required under any mandatory retirement fund laws.

19.30 **International Banking Facility**

The Borrower, being a non-bank entity located outside the United States, understands that it is the policy of the Federal Reserve Board that the extension of credit by Citibank, N.A. International Banking Facility, being a United States financial institution operating through its international banking facility, may be used only to finance operations of the Borrower, or that of the Borrower's Affiliates, outside the United States.

19.31 **Times at which representations are made**

(a) All the representations and warranties in this Clause 19 are made to each Finance Party on the date of this Agreement.

(b) The Repeating Representations are deemed to be made by each Obligor to each Finance Party on the first day of each Interest Period.

(c) The Repeating Representations are deemed to be made by each Additional Guarantor to each Finance Party on the day on which it becomes an Additional Guarantor.

(d) Each representation or warranty deemed to be made after the date of this Agreement shall be made by reference to the facts and circumstances existing at the date the representation or warranty is made.

(e) The representation and warranty set out in Clause 19.30 (*International Banking Facility*) is made on the Utilisation Date of any Loan in which Citibank, N.A. International Banking Facility participates.

20. INFORMATION UNDERTAKINGS

The undertakings in this Clause 20 remain in force from the date of this Agreement for so long as any amount is outstanding under the Finance Documents or any Commitment is in force.

20.1 Financial statements

The Borrower shall supply to the Agent (for distribution to the Lenders):

(a) as soon as the same become available, but in any event within 120 days after the end of each of the Borrower's Financial Years, a copy of the annual audit report for such Financial Year for the Borrower and its Subsidiaries containing consolidated and consolidating balance sheets of the Borrower and its Subsidiaries, as of the end of such Financial Year and consolidated statements of income and cash flows of the Borrower and its Subsidiaries, for such Financial Year, in each case accompanied by an opinion acceptable to the Majority Lenders (acting reasonably) by KPMG Cardenas Dosal, S.C. or other independent public accountants of recognised standing acceptable to the Majority Lenders, together with (i) a certificate of such accounting firm to the Lenders stating that in the course of the regular audit of the business of the Borrower and its Subsidiaries, which audit was conducted by such accounting firm in accordance with Applicable GAAP of the Borrower, such accounting firm has obtained no knowledge that a Default or Event of Default has occurred and is continuing, or if, in the opinion of such accounting firm a Default or Event of Default has occurred and is continuing, a statement as to the nature thereof; and (ii) a certificate of a Responsible Officer of the Borrower stating that no Default or Event of Default has occurred and is continuing or, if a Default or Event of Default has occurred and is continuing, a statement as to the nature thereof and the action that the Borrower has taken and proposes to take with respect thereto;

(b) as soon as the same become available, but in any event within 120 days after the end of each of the Borrower's Financial Years, the Borrower's audited unconsolidated financial statements for that Financial Year;

(c) as soon as the same become available, but in any event within 180 days after the end of each of CEMEX España's financial years, CEMEX España's audited consolidated and unconsolidated financial statements for that financial year;

(d) as soon as the same become available, but in any event within 180 days after the end of each financial year of each Obligor (other than CEMEX España, the Borrower and each Security Provider), such Obligor's audited consolidated (to the extent available) and unconsolidated financial statements for that financial year;

(e) as soon as the same become available, but in any event within 90 days after the end of the first half of each of CEMEX España's financial years, CEMEX España's consolidated financial statements for that period;

(f) as soon as the same become available, but in any event within 60 days after the end of each of the first three Financial Quarters of each of the Borrower's Financial Years, consolidated balance sheets of the Borrower and its Subsidiaries, as of the end of such quarter and consolidated statements of income and cash flows of the Borrower and its Subsidiaries for the period commencing at the end of the previous Financial Year and ending with the end of such Financial Quarter, duly certified (subject to year-end audit adjustments) by a Responsible Officer of the Borrower as having been prepared in accordance with Applicable GAAP of the Borrower and together with a certificate of a Responsible Officer of the Borrower, as to compliance with the terms of this Agreement and stating that no Default or Event of Default has occurred and is continuing or, if a Default or Event of Default has occurred and is continuing, the nature thereof and the action that the Borrower has taken and proposes to take with respect thereto; and

(g) as soon as the same become available, but in any event within 90 days after the end of each of the first three quarterly periods of each of the financial years of each Obligor (other than the Borrower, CEMEX España and each Security Provider), its unconsolidated financial statements for that period.

20.2 **Compliance Certificate**

(a) The Borrower shall supply to the Agent (for distribution to the Lenders), with each set of consolidated financial statements delivered pursuant to paragraph (a) of Clause 20.1 (*Financial statements*) above and each set of consolidated financial statements delivered pursuant to paragraph (f) of Clause 20.1 (*Financial statements*) for a Financial Quarter, a single Compliance Certificate setting out (in reasonable detail) computations as to compliance with Clause 21 (*Financial Covenants*) as at the date at which those financial statements were drawn up.

(b) Each Compliance Certificate shall be signed by two Responsible Officers of the Borrower and, if required to be delivered with the consolidated financial statements delivered pursuant to paragraph (a) of Clause 20.1 (*Financial statements*), the Borrower shall provide to the Agent (for distribution to the Lenders), by no later than 180 days after the end of the relevant Financial

Year, a letter (in a form approved by the Agent) from the Borrower's auditors or any other internationally recognised accounting firm confirming that the numbers used in the Compliance Certificate calculations have been correctly extracted from the consolidated financial statements of the Borrower.

20.3 **Requirements as to financial statements**

(a) Each set of financial statements delivered by the Borrower pursuant to Clause 20.1 (*Financial statements*) shall be certified by a Responsible Officer of the relevant company as fairly representing its financial condition as at the date at which those financial statements were drawn up.

(b) The audited consolidated accounts of the Borrower and each other set of financial statements described pursuant to Clause 20.1 (*Financial statements*) which the relevant member of the Group ordinarily produces in English shall be provided in English.

(c) The Borrower shall procure that each set of financial statements delivered pursuant to Clause 20.1 (*Financial statements*) is prepared using Applicable GAAP and accounting practices and financial reference periods consistent with those applied to the preparation of the Original Financial Statements for that Obligor unless: (i) in the case of CEMEX España, it notifies the Agent that it has adopted IFRS in which case CEMEX España shall be entitled to deliver financial statements prepared in accordance with IFRS; or (ii) in the case of any other Obligor, in relation to any set of financial statements, it notifies the Agent that there has been a change in Applicable GAAP, or the accounting practices or reference periods and, unless amendments are agreed in accordance with paragraph (d) below, its auditors deliver to the Agent a description of any change necessary for those financial statements to reflect the Applicable GAAP, accounting practices and reference periods upon which that Obligor's Original Financial Statements were prepared.

Any reference in this Agreement to those financial statements shall be construed as a reference to those financial statements as adjusted to reflect the basis upon which the Original Financial Statements for that Obligor were prepared.

(d) If a relevant Obligor adopts IFRS or, unless the procedure in paragraph (c) above is utilised, there are changes to Applicable GAAP, or the accounting practices or reference periods, the relevant Obligor and the Agent (acting on the instructions of the Majority Lenders) shall, at the relevant Obligor's request, negotiate in good faith with a view to agreeing such amendments to the financial covenants in Clause 21 (*Financial Covenants*) and the definitions used therein as may be necessary to ensure that the criteria for evaluating the Group's financial condition grant to the Lenders protection equivalent to that which would have been enjoyed by them had the relevant Obligor not adopted IFRS or there had not been a change in Applicable GAAP, or the accounting practices or reference periods (subject to compliance with paragraph (b) above). Any amendments agreed will take effect on the date agreed between the Agent and the relevant Obligor subject to the consent of the Majority Lenders. If no such agreement is reached within 90 days of the relevant

Obligor's request, the relevant Obligor will remain subject to the obligation to deliver the information specified in paragraph (c) of this Clause 20.3 and the financial covenants in Clause 21 (*Financial Covenants*) and the financial ratios to calculate the Margin shall be based on the information delivered.

20.4 **Information: miscellaneous**

The Borrower shall supply to the Agent (for distribution to the Lenders):

(a) all documents despatched by the Borrower to its shareholders (or any class of them) or its creditors generally at the same time as they are despatched (including, for the avoidance of doubt, information made available to the public through electronic means);

(b) within five days after the same are sent, copies of all financial statements and reports that the Borrower sends to the holders of any class of its debt securities (including, for the avoidance of doubt, copies made available to the public through electronic means);

(c) promptly upon becoming aware of them, the details of any litigation, arbitration, administrative proceedings or enforcement proceedings and any material tax related event or assessment which are current, or which, to the Borrower's knowledge after reasonable enquiry, are being threatened or are pending and are likely to be adversely determined against any member of the Group which, in the reasonable opinion of the Borrower, are not spurious or vexatious, and which might, if adversely determined, have a Material Adverse Effect;

(d) promptly, such further information as the Security Agent may reasonably require about the Charged Property and compliance of the Obligors with the terms of any Transaction Security Documents;

(e) promptly, such further information regarding the financial condition, assets and business of any Obligor or member of the Group as the Agent (or any Lender through the Agent) may reasonably request (including, but not limited to, information on Ratings, if such credit rating has not been publicly announced) other than any information the disclosure of which would result in a breach of any applicable law or regulation or confidentiality agreement entered into in good faith **provided that** the Borrower shall use reasonable efforts to be released from any such confidentiality agreement; and

(f) promptly upon becoming aware of them, the details of any Environmental Claim which is current, threatened or pending against any member of the Group which is referred to in Clause 22.12 (*Environmental Claims*) which are not spurious or vexatious, which are likely to be adversely determined against any member of the Group and which could reasonably be expected, if adversely determined, to have a Material Adverse Effect.

20.5 **Notification of Default**

(a) Each Obligor shall notify the Agent of any Default (and the steps, if any, being taken to remedy it) promptly upon becoming aware of its occurrence (unless that Obligor is aware that a notification has already been provided by another Obligor).

(b) Promptly upon a request by the Agent, the Borrower shall supply to the Agent a certificate signed by an Authorised Signatory on its behalf certifying that no Default is continuing (or if a Default is continuing, specifying the Default and the steps, if any, being taken to remedy it).

20.6 **"Know your client" checks**

(a) Each Obligor shall promptly, upon the request of the Agent or any Lender, and each Lender shall promptly upon the request of the Agent, supply, or procure the supply of, such documentation and other evidence as is reasonably requested by the Agent (for itself or on behalf of any Lender) or any Lender (for itself or on behalf of any prospective New Lender) in order for the Agent, such Lender or any prospective New Lender to carry out and be satisfied with the results of all necessary "know your client" or other checks, such as the checks required by the US Patriot Act (Title III of Pub. L. 107-55 (signed into law on 26 October 2001)) in relation to the identity of any person that it is required by law to carry out in relation to the transactions contemplated in the Finance Documents. For the avoidance of doubt, a Lender will have no obligation towards the Agent to evidence that it has complied with any "know your client" or similar checks in relation to the Obligors.

(b) The Borrower shall, by not less than five Business Days' written notice to the Agent, notify the Agent (which shall promptly notify the Lenders) of its intention to request that one of its Subsidiaries becomes an Additional Guarantor or Additional Security Provider pursuant to Clause 28 (*Changes to the Obligors*).

(c) Following the giving of any notice pursuant to paragraph (b) above, the Borrower shall promptly upon the request of the Agent or any Lender supply, or procure the supply of, such documentation and other evidence as is reasonably requested by the Agent (for itself or on behalf of any Lender) or any Lender (for itself or on behalf of any prospective New Lender) in order for the Agent, such Lender or any prospective New Lender to carry out and be satisfied with the results of all necessary "know your client" or other checks in relation to the identity of any person that it is required by law to carry out in relation to the accession of such Additional Guarantor or Additional Security Provider to this Agreement.

20.7 **FATCA Information**

(a) Subject to paragraph (c) below, each Party shall, within ten Business Days of a reasonable request by another Party:

(i) confirm to that other Party whether it is:

(A) a FATCA Exempt Party; or

(B) not a FATCA Exempt Party;

(ii) supply to that other Party such forms, documentation and other information relating to its status under FATCA as that other Party reasonably requests for the purposes of that other Party's compliance with FATCA;

(iii) supply to that other Party such forms, documentation and other information relating to its status as that other Party reasonably requests for the purposes of that other Party's compliance with any other law, regulation, or exchange of information regime.

(b) If a Party confirms to another Party pursuant to paragraph (a)(i) above that it is a FATCA Exempt Party and it subsequently becomes aware that it is not or has ceased to be a FATCA Exempt Party, that Party shall notify that other Party reasonably promptly.

(c) Paragraph (a) above shall not oblige any Finance Party to do anything, and paragraph (a)(iii) above shall not oblige any other Party to do anything, which would or might in its reasonable opinion constitute a breach of:

(i) any law or regulation;

(ii) any policy of that Finance Party;

(iii) any fiduciary duty; or

(iv) any duty of confidentiality.

(d) If a Party fails to confirm whether or not it is a FATCA Exempt Party or to supply forms, documentation or other information requested in accordance with paragraph (a)(i) or (ii) above (including, for the avoidance of doubt, where paragraph (c) above applies), then such Party shall be treated for the purposes of the Finance Documents (and payments under them) as if it is not a FATCA Exempt Party until such time as the Party in question provides the requested confirmation, forms, documentation or other information.

20.8 **Confirmation as to public information**

The Borrower will, by notice in writing to the Agent at the same time as any information is delivered to the Agent under the Finance Documents, confirm whether that information is publicly available information or not and any Lender that is unable to receive non-publicly available information will be able to elect, by making a

declaration on the Designated Website (as defined in paragraph (a) of Clause 34.9 (*Use of websites*)) in accordance with the terms set out therein, not to receive any information confirmed by the Borrower to be non-publicly available information.

21. FINANCIAL COVENANTS

21.1 Financial definitions

In this Agreement:

"**Capital Expenditure**" means any expenditure or obligation in respect of expenditure which, in accordance with Applicable GAAP of the Borrower, is treated as a purchase of property, plant or equipment (and including the capital element of any expenditure or obligation incurred in connection with a Capital Lease).

"**Capital Lease**" means, as to any person, the obligations of such person to pay rent or other amounts under any lease of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, which obligations are required to be classified and accounted for as capital leases on a balance sheet of the Borrower under Applicable GAAP of the Borrower (excluding any operating lease which is or becomes classified and accounted for as, or in an equivalent manner to, a capital lease on a balance sheet of the Borrower pursuant to any change in Applicable GAAP after the date of this Agreement) and, for the purposes of this Agreement, the amount of such obligations at any time shall be the capitalised amount thereof at such time determined in accordance with Applicable GAAP of the Borrower.

"**Capital Stock**" means any and all shares, interests, participations or other equivalents (however designed) of capital stock of a corporation, any and all equivalent ownership interests in a person (other than a corporation) and any and all warrants, rights or options to purchase any of the foregoing.

"**Consolidated Coverage Ratio**" means, on any date of determination, the ratio of (a) EBITDA for the one (1) year period ending on such date to (b) Consolidated Interest Expense for the one (1) year period ending on such date.

"**Consolidated Debt**" means, at any date, the sum (without duplication) of (a) the aggregate amount of all Debt of the Borrower and its Subsidiaries at such date, which shall include the amount of any recourse in respect of Inventory Financing permitted under paragraph (b)(iv) of the definition of Permitted Financial Indebtedness or any recourse in respect of Inventory Financing incurred by an Obligor, *plus* (b) to the extent not included in Debt, the aggregate net mark-to-market amount of all derivative financing in the form of equity swaps outstanding at such date (except to the extent such exposure is cash collateralised to the extent permitted under the Finance Documents).

"**Consolidated Funded Debt**" means, for any period, Consolidated Debt less the sum (without duplication) of (a) all obligations of such person to pay the deferred purchase price of property or services, (b) all obligations of such person as lessee under Capital Leases, and (c) all obligations of such person with respect to product invoices incurred in connection with export financing.

"**Consolidated Interest Expense**" means, for any period, the sum of (a) the total gross cash and non cash interest expense of the Borrower and its consolidated Subsidiaries relating to Consolidated Funded Debt of such persons, (b) any amortisation or accretion of debt discount or any interest paid on Consolidated Funded Debt of the Borrower and its Subsidiaries in the form of additional Financial Indebtedness (but excluding any amortisation of deferred financing and debt issuance costs), (c) the net costs under Treasury Transactions in respect of interest rates (but excluding amortisation of fees), (d) any amounts paid in cash on preferred stock, and (e) any interest paid or accrued in respect of Consolidated Funded Debt without a maturity date, regardless of whether considered interest expense under Applicable GAAP of the Borrower.

"**Consolidated Leverage Ratio**" means, on any date of determination, the ratio of (a) Consolidated Funded Debt on such date to (b) EBITDA for the one (1) year period ending on such date.

"**Debt**" of any person means, without duplication:

(a) all obligations of such person for borrowed money;

(b) all obligations of such person evidenced by bonds, debentures, notes or other similar instruments, including perpetual bonds;

(c) the aggregate net mark-to-market of Treasury Transactions (except to the extent such exposure is cash collateralised to the extent permitted under, or not restricted by, the Finance Documents) of such person but excluding Treasury Transactions relating to the rate or price of energy or any commodity;

(d) all obligations of such person to pay the deferred purchase price of property or services, except trade accounts payable arising in the ordinary course of trading;

(e) all obligations of such person as lessee under Capital Leases;

(f) all Debt of others secured by Security on any asset of such person, up to the value of such asset;

(g) all obligations of such person with respect to product invoices incurred in connection with export financing;

(h) all obligations of such person under repurchase agreements for the stock issued by such person or another person;

(i) all obligations of such person in respect of Inventory Financing permitted under paragraph (b)(iv) of the definition of Permitted Financial Indebtedness or any obligations of an Obligor in respect of any similar Inventory Financing; and

(j) all guarantees of such person in respect of any of the foregoing,

provided, however, that:

(i) for the purposes of calculating the Consolidated Funded Debt element of the Consolidated Leverage Ratio, Relevant Convertible/Exchangeable Obligations (and any other outstanding hybrid bonds or convertible securities) shall be excluded from each of the foregoing paragraphs (a) to (j) inclusive (**provided that**, in the case of outstanding Financial Indebtedness under any Subordinated Optional Convertible Securities (A) only the principal amount thereof shall be excluded and (B) such exclusion shall apply only for so long as such amounts remain subordinated in accordance with the terms of that definition);

(ii) for the avoidance of doubt, a Permitted Securitisation shall not be deemed to be Debt **except that** any recourse required as a result of the Relevant Legislation and which is not recourse over the collection of receivables and would, but for this provision, be treated as Debt will, to the extent of the required recourse under the Relevant Legislation, be counted as Debt;

(iii) for the avoidance of doubt, all performance bonds, guarantees, bonding, documentary or stand-by letters of credit, banker's acceptances or similar credit transactions, including reimbursement obligations in respect thereof, are not Debt until they are required to be funded; and

(iv) the proceeds of any Permitted Financial Indebtedness shall, for the period of twelve Months from the date that such proceeds are credited to a Reserve in accordance with Clause 21.5 (*Reserve*) and for so long as such proceeds stand to the credit of such Reserve during that period, be deducted from the aggregate calculation of Debt resulting from this definition, except where the calculation of Debt is for the purposes of calculating the Consolidated Leverage Ratio to establish if:

(A) the conditions for the Covenant Reset Date have been satisfied; or

(B) the conditions set out in Clause 24.1 (*Release of Mexican Security Trust Agreement*) have been satisfied or Clause 24.2 (*Release of Transaction Security - other jurisdictions*) have been satisfied),

and, for the avoidance of doubt, for the purposes set out in paragraphs (A) and (B) above, the Borrower shall prepare the computations without the deduction specified in this paragraph (iv) and not be required to include it in that computation.

"**Discontinued EBITDA**" means, for any period, the sum for Discontinued Operations of (a) operating income, and (b) the depreciation and amortisation expense, in each case determined in accordance with Applicable GAAP of the Borrower consistently applied for such period.

"**Discontinued Operations**" means operations that are accounted for as discontinued operations pursuant to Applicable GAAP of the Borrower for which the Disposal of such assets has not yet occurred.

"**EBITDA**" means, for any period, the sum for the Borrower and its Subsidiaries, determined on a consolidated basis of (x) operating income and (y) depreciation and amortisation expense, in each case determined in accordance with Applicable GAAP of the Borrower, subject to the adjustments herein, consistently applied for such period and adjusted for Discontinued EBITDA as follows: if the amount of Discontinued EBITDA is a positive amount, then EBITDA shall increase by such amount, and if the amount of Discontinued EBITDA is a negative amount, then EBITDA shall decrease by the absolute value of such amount. For the purposes of calculating EBITDA for any applicable period pursuant to any determination of the Consolidated Leverage Ratio (but not the Consolidated Coverage Ratio):

(a) if at any time during such applicable period the Borrower or any of its Subsidiaries shall have made:

(i) any Material Disposal, the EBITDA for such applicable period shall be reduced by an amount equal to the EBITDA (if positive) attributable to the property that is the subject of such Material Disposal for such applicable period (but when the Material Disposal is by way of lease, income received by the Borrower or any of its Subsidiaries under such lease shall be included in EBITDA); and

(ii) any Material Acquisition, EBITDA for such applicable period shall be calculated after giving *pro-forma* effect thereto as if such Material Acquisition had occurred on the first day of such applicable period,

and if since the beginning of such applicable period any person that subsequently shall have become a Subsidiary or was merged or consolidated with the Borrower or any of its Subsidiaries as a result of a Material Acquisition occurring during such applicable period shall have made any Material Disposal or Material Acquisition of property that would have required an adjustment pursuant to sub-paragraph (i) or (ii) above if made by the Borrower or any of its Subsidiaries during such applicable period, EBITDA for such period shall be calculated after giving *pro-forma* effect thereto as if such Material Disposal or Material Acquisition had occurred on the first day of such applicable period; and

(b) EBITDA will be recalculated by multiplying each month's EBITDA by the Ending Exchange Rate and dividing the amount obtained thereto by the exchange rate used by the Borrower in preparation of its monthly financial statements in accordance with Applicable GAAP of the Borrower to convert USD into Mexican pesos.

"**Ending Exchange Rate**" means the exchange rate at the end of a Reference Period for converting USD into Mexican pesos as used by the Borrower and its auditors in preparation of the Borrower's financial statements in accordance with Applicable GAAP of the Borrower.

"Financial Quarter" means the period commencing on the day after one Quarter Date and ending on the next Quarter Date.

"**Financial Year**" means the annual accounting period of the Borrower ending on or about 31 December in each year.

"**Material Acquisition**" means any (a) acquisition of property or series of related acquisitions of property that constitutes assets comprising all or substantially all of an operating unit, division or line of business or (b) acquisition of or other investment in the Capital Stock of any Subsidiary or any person which becomes a Subsidiary or is merged or consolidated with the Borrower or any of its Subsidiaries, in each case, which involves the payment of consideration by the Borrower and its Subsidiaries in excess of $100,000,000 (or the equivalent in other currencies).

"**Material Disposal**" means any Disposal of property or series of related Disposals of property that yields gross proceeds to the Borrower or any of its Subsidiaries in excess of $100,000,000 (or the equivalent in other currencies).

"**Quarter Date**" means each of 31 March, 30 June, 30 September and 31 December.

"**Reference Period**" means a period of four consecutive Financial Quarters.

"**Relevant Convertible/Exchangeable Obligations**" means:

(a) any Financial Indebtedness incurred by any person the terms of which provide that satisfaction of the principal amount owing under such Financial Indebtedness (whether on or prior to its maturity and whether as a result of bankruptcy, liquidation or other default by such person or otherwise) shall occur solely by delivery of shares or common equity securities in the Borrower or any other member of the Group; and

(b) any Financial Indebtedness under any Subordinated Optional Convertible Securities.

21.2 **Financial condition**

The Borrower shall ensure that:

(a) *Consolidated Coverage Ratio*: the Consolidated Coverage Ratio in respect of any Reference Period specified in column 1 below shall not be less than the ratio set out in column 2 below opposite that Reference Period.

Column 1 **Reference Period ending**	**Column 2** **Ratio**
30 September 2017	2.00:1
31 December 2017	2.50:1
31 March 2018	2.50:1

Column 1 Reference Period ending	Column 2 Ratio
30 June 2018	2.50:1
30 September 2018	2.50:1
31 December 2018	2.50:1
31 March 2019	2.50:1
30 June 2019	2.50:1
30 September 2019	2.50:1
31 December 2019	2.50:1
31 March 2020	2.50:1
30 June 2020 and each subsequent Reference Period	2.75:1

(b) *Consolidated Leverage Ratio*: the Consolidated Leverage Ratio in respect of any Reference Period specified in column 1 below shall not exceed the ratio set out in column 2 below opposite that Reference Period.

Column 1 Reference Period ending	Column 2 Ratio
30 September 2017	5.50:1
31 December 2017	5.25:1
31 March 2018	5.25:1
30 June 2018	5.00:1
30 September 2018	5.00:1
31 December 2018	4.75:1
31 March 2019	4.75:1
30 June 2019	4.50:1
30 September 2019	4.50:1
31 December 2019	4.50:1
31 March 2020	4.50:1
30 June 2020 and each subsequent	4.25:1

Reference Period

(c) *Capital Expenditure*: The aggregate Capital Expenditure of the Group (other than: (i) any Caliza Expansion Capital; (ii) any Centurion Expansion Capital; and (iii) any amount of Capital Expenditure that is funded from Relevant Proceeds (including any amount of Financial Indebtedness incurred which corresponds with any amount of Relevant Proceeds utilised to repay Financial Indebtedness)) in respect of any Financial Year shall not exceed $1,000,000,000.

If in any Financial Year (the "**First Financial Year**") the amount of the Capital Expenditure of the Group is less than the maximum amount permitted for that Financial Year (the difference being referred to as the "**Unused Amount**"), then a portion of the Capital Expenditure incurred in the Financial Quarter immediately following the First Financial Year in an amount up to the Unused Amount will be treated for the purposes of this paragraph (c) as if it had been incurred in the First Financial Year.

(d) *Caliza Capital Expenditure*: in addition to the amount referred to in paragraph (c) above, the Caliza Group shall be entitled to incur Capital Expenditure in an aggregate amount (when aggregated with all other amounts of Caliza Expansion Capital then incurred but excluding any amount of Capital Expenditure that is funded from Relevant Proceeds of the Caliza Group) not exceeding the Caliza Expansion Capital Permitted Limit over the life of the Facilities.

(e) *Centurion Capital Expenditure*: in addition to the amount referred to in paragraph (c) above, the Centurion Group shall be entitled to incur Capital Expenditure in an aggregate amount (when aggregated with all other amounts of Centurion Expansion Capital then incurred but excluding any amount of Capital Expenditure that is funded from Relevant Proceeds of the Centurion Group) not exceeding the Centurion Expansion Capital Permitted Limit over the life of the Facilities.

21.3 **Financial testing**

The financial covenants set out in Clause 21.2 (*Financial condition*) shall be tested quarterly by reference to the Borrower's consolidated financial statements delivered pursuant to paragraphs (a) and (f) of Clause 20.1 (*Financial statements*) and/or each Compliance Certificate delivered pursuant to Clause 20.2 (*Compliance Certificate*).

21.4 **Accounting terms**

All accounting expressions which are not otherwise defined herein shall have the meaning ascribed thereto in Applicable GAAP of the Borrower.

21.5 **Reserve**

(a) The Borrower (and any of its Subsidiaries) may, at its election, create a reserve (a "**Reserve**") for the purpose of holding the proceeds of any Permitted Financial Indebtedness to be utilised by the Borrower or the relevant

Subsidiary within a period of twelve Months of the date that such proceeds are so credited to such Reserve solely for the purpose of prepaying or repaying any Financial Indebtedness which constitutes Consolidated Funded Debt.

(b) If any proceeds of any Permitted Financial Indebtedness credited to a Reserve are not utilised to repay or prepay Financial Indebtedness as described, and within the time period set out, in paragraph (a) above, such proceeds which have not been so utilised at the end of that period must be applied in accordance with paragraph (e) below to prepay the Facilities at the Borrower's election on the last day of that period.

(c) For the avoidance of doubt, any proceeds of any Permitted Financial Indebtedness held in a Reserve are not required to be held in separate bank accounts and may be held in one or more bank account(s), in one or more currencies and documented by ledger entries only.

(d) The Borrower shall:

(i) notify the Agent in writing of any proceeds of any Permitted Financial Indebtedness credited to a Reserve and deliver a Reserve Certificate to the Agent detailing such proceeds (and, until such notice and Reserve Certificate are received by the Agent, no such proceeds shall be treated as credited to a Reserve); and

(ii) notify the Agent in writing of any proceeds of any Permitted Financial Indebtedness previously credited to a Reserve (as specified in a Reserve Certificate delivered for the purposes of paragraph (i) above) which have been used in repayment or prepayment of Financial Indebtedness as described in paragraph (a) above and deliver a Reserve Certificate to the Agent detailing such proceeds and the application thereof.

(e) If any proceeds of any Permitted Financial Indebtedness are (at the election of the Borrower) credited to a Reserve in accordance with this Clause, the Borrower shall (and shall ensure that any Subsidiary which has credited such proceeds to a Reserve will) use such proceeds to prepay or repay any Financial Indebtedness which constitutes Consolidated Funded Debt within a period of twelve Months of the date that such proceeds are so credited to such Reserve and, if at the end of that period any such proceeds have not been so applied, such proceeds shall be applied in immediate prepayment of the Facilities in accordance with Clause 8.8 (*Application of prepayments and cancellations*).

(f) In this Agreement:

"**Reserve Certificate**" means:

(i) for the purposes of paragraph (d)(i) above, a certificate signed by a Responsible Officer setting out the amount of proceeds from an incurrence of Permitted Financial Indebtedness that the Borrower (or any of its Subsidiaries) wishes to be applied to a Reserve in accordance

with this Clause 21.5 (*Reserve*) and which has been actually credited to that Reserve; and

(ii) for the purposes of paragraph (d)(ii) above, a certificate signed by a Responsible Officer setting out the amount of proceeds from an incurrence of Permitted Financial Indebtedness standing to the credit of a Reserve that the Borrower (or any of its Subsidiaries) wishes to be applied in repayment or prepayment of Financial Indebtedness as described in paragraph (a) above and which is so applied.

22. GENERAL UNDERTAKINGS

The undertakings in this Clause 22 remain in force from the date of this Agreement for so long as any amount is outstanding under the Finance Documents or any Commitment is in force.

22.1 Authorisations

Each Obligor shall promptly:

(a) obtain, comply with and do all that is necessary to maintain in full force and effect; and

(b) supply certified copies to the Agent of,

any Authorisation required under any law or regulation of its jurisdiction of incorporation to enable it to perform its obligations under the Finance Documents and to ensure the legality, validity, enforceability or admissibility in evidence in its jurisdiction of incorporation of any Finance Document.

22.2 Preservation of corporate existence

Subject to Clause 22.8 (*Merger*), each Obligor shall (and the Borrower shall ensure that each of its Material Subsidiaries will), preserve and maintain its corporate existence and rights.

22.3 Preservation of properties

Each Obligor shall (and the Borrower shall ensure that each of its Material Subsidiaries will):

(a) maintain and preserve all of its properties that are used in the conduct of its business in good working order and condition, ordinary wear and tear excepted; and

(b) maintain, preserve and protect all Intellectual Property and all necessary governmental and third party approvals, franchises, licenses and permits, material to the business of the Borrower or its Subsidiaries,

provided neither paragraph (a) nor paragraph (b) shall prevent the Borrower or any of its Subsidiaries from discontinuing the operation and maintenance of any of its properties or allowing to lapse certain approvals, licenses or permits which

discontinuance is desirable in the conduct of its business and which discontinuance could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

22.4 **Compliance with laws, regulations and contractual obligations**

(a) Each Obligor shall (and shall procure that each of its Subsidiaries will) comply in all respects with all laws and regulations to which it may be subject and all material contractual obligations to which it is a party or by which it or any of its property or assets is bound, in each case, if failure to comply would be likely to have a Material Adverse Effect.

(b) The Borrower and each Obligor shall (and shall procure that each of its respective Subsidiaries will) comply with all applicable requirements under ERISA and laws relating to IMSS, INFONAVIT, SAR laws or under other mandatory pension or retirement fund laws and will ensure that the levels of contribution to pension schemes are in accordance with all its and their material obligations under such schemes and generally under applicable laws (including ERISA) and regulations, except where such failure to comply or failure to make such contributions would not reasonably be expected to have a Material Adverse Effect.

(c) Each Dutch Obligor will comply with the Dutch FSA if failure to comply would be likely to have a Material Adverse Effect.

22.5 **Negative pledge**

The Borrower shall not and shall not permit any of its Subsidiaries:

(a) directly or indirectly, to create, incur, assume or permit to exist any Security on or with respect to any of its property or assets or those of any Subsidiary, whether now owned or held or hereafter acquired; or

(b) to:

(i) sell, transfer or otherwise dispose of any of its assets on terms whereby they are or may be leased to or re-acquired by an Obligor or any other member of the Group;

(ii) sell, transfer or otherwise dispose of any of its receivables on recourse terms;

(iii) enter into any arrangement under which money or the benefit of a bank or other account may be applied, set-off or made subject to a combination of accounts; or

(iv) enter into any other preferential arrangement having a similar effect,

in circumstances where the arrangement or transaction is entered into primarily as a method of raising Financial Indebtedness or of financing the acquisition of an asset (such arrangement or transaction being "**Quasi- Security**"),

other than the following Security and Quasi-Security ("**Permitted Security**"):

(A) Security for taxes, assessments and other governmental charges the payment of which is being contested in good faith by appropriate proceedings promptly initiated and diligently conducted and for which such reserves or other appropriate provision, if any, as shall be required by Applicable GAAP of the Borrower shall have been made;

(B) Security granted pursuant to or in connection with any netting or set-off arrangements entered into in the ordinary course of trading (including, for the avoidance of doubt, any cash pooling or cash management arrangements in place with a bank or financial institution falling within paragraph (b)(ix) of the definition of Permitted Financial Indebtedness or any similar Financial Indebtedness incurred by an Obligor);

(C) statutory liens of landlords and liens of carriers, warehousemen, mechanics and materialmen incurred in the ordinary course of business for sums not yet due or the payment of which is being contested in good faith by appropriate proceedings promptly initiated and diligently conducted and for which such reserves or other appropriate provision, if any, as shall be required by Applicable GAAP of the Borrower shall have been made;

(D) liens incurred or deposits made in the ordinary course of business in connection with (1) workers' compensation, unemployment insurance and other types of social security, or (2) other insurance maintained by the Group in accordance with Clause 22.10 (*Insurance*);

(E) any attachment or judgment lien, unless the judgment it secures shall not, within 60 days after the entry thereof, have been discharged or execution thereof stayed pending appeal, or shall not have been discharged within 60 days after the expiration of any such stay;

(F) Security and Quasi-Security existing as at 30 June 2017 as described in Schedule 11 (*Existing Security and Quasi-Security*) and any equivalent Security and Quasi-Security in relation to any Financial Indebtedness that is refinancing or replacing any Financial Indebtedness over which Security or Quasi-Security is in place described in Schedule 11 (*Existing Security and Quasi-Security*) **provided that** the principal amount secured thereby is not increased (save that principal amounts secured by Security or Quasi-Security in respect of:

(1) Treasury Transactions where there are fluctuations in the mark-to-market exposures of those Treasury Transactions; and

(2) Financial Indebtedness where principal may increase by virtue of capitalisation of interest,

may be increased by the amount of such fluctuations or capitalisations, as the case may be);

(G) any Security or Quasi-Security permitted by the Agent, acting on the instructions of the Majority Lenders;

(H) any Security created or deemed created pursuant to a Permitted Securitisation;

(I) any Security or Quasi-Security granted in connection with any Treasury Transaction, excluding any Treasury Transaction described in Schedule 11 (*Existing Security and Quasi-Security*), that constitutes Permitted Financial Indebtedness **provided that** the aggregate value of the assets that are the subject of such Security or Quasi-Security does not exceed $200,000,000 (or its equivalent in other currencies) at any time;

(J) Security or Quasi-Security granted or arising over receivables, inventory, plant or equipment that fall within paragraph (b)(iv) of the definition of Permitted Financial Indebtedness or any similar Financial Indebtedness incurred by an Obligor;

(K) the Transaction Security including, for the avoidance of doubt, any sharing in the Transaction Security referred to in paragraph (a) of the definition of Permitted Financial Indebtedness;

(L) any Security or Quasi Security 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*);

(M) any Security or Quasi-Security that is created or deemed created on shares of the Borrower or, as the case may be, Caliza, Centurion or, as applicable, Trinidad Cement, 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 Quasi-Security is customary for such transaction;

(N)

(1) any Security or Quasi-Security granted over assets of the Caliza Group in connection with any Permitted Financial Indebtedness referred to in paragraph (b)(xiii) of that definition or any similar Financial Indebtedness incurred by an Obligor; or

(2) any Security or Quasi-Security granted over assets of the Centurion Group in connection with any Permitted Financial Indebtedness referred to in paragraph (b)(xiv) of that definition or any similar Financial Indebtedness incurred by an Obligor; or

(O) in addition to the Security and Quasi-Security permitted by the foregoing paragraphs (A) to (N), Security or Quasi-Security securing indebtedness of the Borrower and its Subsidiaries (taken as a whole) not in excess of $500,000,000.

22.6 **Financial Indebtedness**

(a) Except as permitted under paragraph (b) below, the Borrower shall ensure that no member of the Group will incur or allow to remain outstanding any Financial Indebtedness. For the avoidance of any doubt, any Obligor may incur and allow to remain outstanding any Financial Indebtedness whatsoever without restriction as provided under paragraph (a) of the definition of Permitted Financial Indebtedness.

(b) Paragraph (a) above does not apply to Financial Indebtedness which is Permitted Financial Indebtedness, Permitted Security, a Permitted Guarantee or Financial Indebtedness constituting (or incurred pursuant to) a Permitted Transaction.

22.7 **Subordinated Optional Convertible Securities**

The Borrower may only (and shall ensure that each relevant member of the Group may only) prepay any Financial Indebtedness arising from the issuance of Subordinated Optional Convertible Securities prior to its stated maturity with (i) the proceeds of another issuance of Subordinated Optional Convertible Securities and/or (ii) Permitted Fundraising Proceeds.

22.8 **Merger**

No Obligor shall (and the Borrower shall ensure that none of its Subsidiaries will) enter into any amalgamation, demerger, merger, *fusión*, *escisión* or other corporate reconstruction (a "**Reconstruction**") where (i) as a result the then existing Ratings of the Borrower would be downgraded or the Outlook would as a result of the Reconstruction be negative, in each case at the date of announcement of the relevant Reconstruction; (ii) a Default shall have occurred and be continuing at the time of such Reconstruction or would result therefrom or (iii) the resulting entity, if it is not an Obligor, does not assume the obligations of the Obligor that is the subject of the merger.

22.9 **Change of business**

The Borrower shall procure that no substantial change is made to the general nature of the business of the Borrower and the Obligors (taken as a whole) from that carried on at the date of this Agreement.

22.10 **Insurance**

The Obligors (other than a Security Provider that is not also the Borrower or a Guarantor) shall (and the Borrower shall ensure that each of its Material Subsidiaries will) maintain insurances on and in relation to its business and assets with reputable underwriters or insurance companies against those risks and to the extent as is usual for companies carrying on the same or substantially similar business where such insurance is available on reasonable commercial terms.

22.11 **Environmental Compliance**

The Borrower shall (and the Borrower shall ensure that each of its Subsidiaries will) comply in all material respects with all Environmental Laws and obtain and maintain any Environmental Permits and take all reasonable steps in anticipation of known or expected future changes to or obligations under the same, in each case where failure to do so might reasonably be expected to have a Material Adverse Effect.

22.12 **Environmental Claims**

The Borrower shall inform the Agent in writing as soon as reasonably practicable upon becoming aware of the same:

(a) if any Environmental Claim has been commenced or (to the best of the Borrower's knowledge and belief) is threatened against any member of the Group which is likely to be determined adversely to the member of the Group; or

(b) of any facts or circumstances which will or are reasonably likely to result in any Environmental Claim being commenced or threatened against any member of the Group,

where the claim would be reasonably likely, if determined against that member of the Group, to have a Material Adverse Effect.

22.13 **Anti-corruption law**

(a) No Obligor shall directly or, to the knowledge of such Obligor, indirectly use the proceeds of the Facilities for any purpose which would breach the Bribery Act 2010, the United States Foreign Corrupt Practices Act of 1977 or other similar legislation in other jurisdictions.

(b) The Borrower shall maintain policies and procedures designed to promote and achieve compliance by the Obligors with applicable anti-corruption, anti-bribery and anti-money laundering laws and regulations.

22.14 **Sanctions**

No Obligor shall directly or, to the knowledge of such Obligor, indirectly use the proceeds of the Facilities (or lend, contribute or otherwise make available such proceeds to any person):

(a) to directly fund or facilitate any activities or business (i) of, with or related to (or otherwise make funds available to or for the benefit of) any person, who is a designated target of or who is otherwise the subject of Sanctions or (ii) in any country or territory that is a Sanctioned Country, each as of the time of such funding; or

(b) in any manner or for any purpose that is prohibited by Sanctions:

(i) applicable to such Obligor; or

(ii) that would result in a violation of Sanctions by any Obligor,

provided that this undertaking is not made to or for the benefit of any Finance Party or any director, officer or employee thereof to the extent that this provision would expose that Finance Party or any director, officer or employee thereof to liability under any applicable anti-boycott law, regulation or statute.

22.15 **Transactions with Affiliates**

Each Obligor shall (and the Borrower shall ensure that its Subsidiaries will) ensure that any transactions with respective Affiliates (other than a Permitted Reorganisation) are on terms that are fair and reasonable and no less favourable to such Obligor or such Subsidiary than it would obtain in a comparable arm's length transaction with a person not an Affiliate (and, if applicable, in accordance with any requirement of law (such as the Mexican Security Market Law (*Ley del Mercado de Valores*)).

22.16 **Pari passu ranking**

Each Obligor shall ensure that at all times its payment obligations under the Finance Documents rank at least *pari passu* with the claims of all its other unsecured and unsubordinated creditors, except for obligations mandatorily preferred by law or regulation applying to companies generally from time to time.

22.17 **Payment restrictions affecting Subsidiaries**

(a) Except as permitted under paragraph (b) below, the Borrower shall not enter into or suffer to exist, or permit any of its Subsidiaries to enter into or suffer to exist, any agreement or arrangement (other than any Finance Document) directly limiting the ability of any of its Subsidiaries to:

(i) declare or pay dividends or other distributions in respect of its or their respective equity interests in a Subsidiary, except any agreement or arrangement entered into by a person prior to such person becoming a Subsidiary, in which case the Borrower shall use its reasonable endeavours to remove such limitations. If, however, such limitations are reasonably likely to affect the ability of any Obligor to satisfy its payment obligations under this Agreement, the Borrower shall use its best endeavours to remove such limitations as soon as possible; or

(ii) repay or capitalise any intercompany indebtedness owed by any Subsidiary to any Obligor and, for the avoidance of doubt,

subordination provisions shall not be considered a limitation for the purpose of this Clause 22.17.

(b) The provision of paragraph (a) above shall not restrict:

(i) any agreements or arrangements that are binding upon any person in connection with a Permitted Securitisation and any agreement or arrangement that limits the ability of any Subsidiary of the Borrower that transfers receivables and related assets pursuant to a Permitted Securitisation to distribute or transfer receivables and related assets **provided that**, in each case, all such agreements and arrangements are customarily required by the institutional sponsor or arranger of such Permitted Securitisation in similar types of documents relating to the purchase of receivables and related assets in connection with the financing thereof;

(ii) customary provisions in Joint Venture agreements relating to dividends or other distributions in respect of such Joint Venture or the securities, assets or revenues of such Joint Venture;

(iii) restrictions on distributions applicable to Subsidiaries of the Borrower that are the subject of agreements to sell or otherwise dispose of the stock or assets of such Subsidiaries pending such sale or other disposition;

(iv) any repayments of intercompany indebtedness owed by Caliza to the Borrower or any other member of the Group;

(v) (subject to such Financial Indebtedness being Permitted Financial Indebtedness, and there being no other requirements restricting the same) entry by any member of the Caliza Group into a working capital facility the terms of which limit the amount of dividends or other distributions as referred to in paragraph (a) above or the amount of repayments or capitalisation of intercompany indebtedness as referred to in paragraph (a)(ii) above which may be made (in each case) by Caliza to any member of the Group at any time;

(vi) any repayments of intercompany indebtedness owed by Centurion to the Borrower or any other member of the Group;

(vii) (subject to such Financial Indebtedness being Permitted Financial Indebtedness, and there being no other requirements restricting the same) entry by any member of the Centurion Group into a working capital facility the terms of which limit the amount of dividends or other distributions as referred to in paragraph (a) above or the amount of repayments or capitalisation of intercompany indebtedness as referred to in paragraph (a)(ii) above which may be made (in each case) by Centurion to any member of the Group at any time;

(viii) any repayments of intercompany indebtedness owed by Trinidad Cement to the Borrower or any other member of the Group; or

(ix) (subject to such Financial Indebtedness being Permitted Financial Indebtedness, and there being no other requirements restricting the same) entry by any member of the Trindad Cement Group into a working capital facility the terms of which limit the amount of dividends or other distributions as referred to in paragraph (a) above or the amount of repayments or capitalisation of intercompany indebtedness as referred to in paragraph (a)(ii) above which may be made (in each case) by Trindad Cement to any member of the Group at any time.

22.18 **Notification of adverse change in Ratings**

The Borrower shall promptly notify the Agent of any change in its Ratings or Outlook.

22.19 **Acquisitions**

(a) Except as permitted under paragraph (b) below, no Obligor shall (and the Borrower shall ensure that no other member of the Group will) acquire a company or any shares or securities or a business or undertaking (or, in each case, any interest in any of them).

(b) Paragraph (a) above does not apply to an acquisition of a company, of shares, securities or a business or undertaking (or, in each case, any interest in any of them) or the incorporation of a company which is a Permitted Acquisition, a Permitted Joint Venture or a Permitted Transaction.

22.20 **Joint ventures**

(a) Except as permitted under paragraph (b) below, no Obligor shall (and the Borrower shall ensure that no member of the Group will):

(i) enter into, invest in or acquire (or agree to acquire) any shares, stocks, securities or other interest in any Joint Venture; or

(ii) transfer any assets or lend to or guarantee or give an indemnity for or give Security for the obligations of a Joint Venture or maintain the solvency of or provide working capital to any Joint Venture (or agree to do any of the foregoing).

(b) Paragraph (a) above does not apply to any acquisition of (or agreement to acquire) any interest in a Joint Venture or transfer of assets (or agreement to transfer assets) to a Joint Venture or loan made to or guarantee or indemnity or Security given in respect of the obligations of a Joint Venture if such transaction is a Permitted Acquisition, a Permitted Transaction, a Permitted Disposal, a Permitted Loan, Permitted Security or a Permitted Joint Venture.

22.21 **Disposals**

No Obligor shall (and the Borrower shall ensure that no member of the Group will) enter into a single transaction or a series of transactions (whether related or not) and

whether voluntary or involuntary to sell, lease, transfer or otherwise dispose of any asset unless such disposal constitutes a Permitted Disposal or a Permitted Transaction.

22.22 **Arm's length basis**

(a) Except as permitted by paragraph (b) below, no Obligor shall (and the Borrower shall ensure no member of the Group will) enter into any transaction with any person except on arm's length terms and for full market value.

(b) The following transactions shall not be a breach of this Clause 22.22:

(i) intra-Group loans permitted under Clause 22.23 (*Loans or credit*);

(ii) any Permitted Reorganisation or Permitted Transaction.

22.23 **Loans or credit**

(a) Except as permitted under paragraph (b) below, no Obligor shall (and the Borrower shall ensure that no member of the Group will) be a creditor in respect of any Financial Indebtedness.

(b) Paragraph (a) above does not apply to:

(i) a Permitted Loan; or

(ii) a Permitted Transaction.

22.24 **No Guarantees or indemnities**

(a) Except as permitted under paragraph (b) below, the Borrower shall ensure that no member of the Group will incur or allow to remain outstanding any guarantee in respect of any obligation of any person.

(b) Paragraph (a) does not apply to a guarantee which is:

(i) a Permitted Guarantee; or

(ii) a Permitted Transaction.

22.25 **Dividends and share redemption**

(a) Except as permitted under paragraph (b) below, no Obligor shall (and the Borrower shall ensure that no other member of the Group will):

(i) declare, make or pay any dividend, charge, fee or other distribution (or interest on any unpaid dividend, charge, fee or other distribution) (whether in cash or in kind) on or in respect of its share capital (or any class of its share capital);

(ii) repay or distribute any dividend or share premium reserve;

(iii) pay or allow any member of the Group to pay any management, advisory or other fee to or to the order of any of its shareholders; or

(iv) redeem, repurchase, defease, retire or repay any of its share capital or resolve to do so,

other than, in each case, in connection with the entry into or performance of obligations or distribution or settlement under any Permitted Put/Call Transaction or, in the case of sub-paragraph (iv) above, in connection with the entry into or performance of obligations or distribution or settlement under any Caliza Offering Option, any Centurion Offering Option or any Trinidad Cement Offering Option.

(b) Paragraph (a) above does not apply to:

(i) a Permitted Distribution;

(ii) a Permitted Acquisition; or

(iii) a Permitted Transaction (other than one referred to in paragraph (d) of the definition of that term).

22.26 **Share capital**

No Obligor shall (and the Borrower shall ensure no member of the Group will) issue any shares except pursuant to:

(a) a Permitted Share Issue;

(b) a Permitted Distribution;

(c) a Permitted Transaction; and

(d) a Permitted Exchange.

22.27 **Treasury Transactions**

No Obligor shall (and the Borrower will procure that no members of the Group will) engage in any Treasury Transaction, other than for the purpose of managing a specific risk associated with an asset, liability, income or expense owned, incurred, earned or made (or reasonably likely to be owned, incurred, earned or made) by a member of the Group, provided that they are not entered into for speculative purposes.

22.28 **Transaction Security**

The Borrower will ensure that, under the Transaction Security Documents, save as a result of the operation of Clause 24 (*Automatic Release of Transaction Security*), the Lenders have Transaction Security over:

(a) all of the shares in each entity that is a direct or indirect shareholder in CEMEX España (except (i) CEMEX Trading LLC, Sunbelt Trading, SRL and Sunbelt-Re Limited; (ii) 0.1200% of the shares in CEMEX México held by CEMEX, Inc. and (iii) the single share held by a minority shareholder that is a member of the Group in each Mexican company whose shares are the subject of Transaction Security (other than CEMEX Mexico)); and

(b) all of the shares in CEMEX España (except (i) 0.2444% of the issued share capital, being shares owned by CEMEX España; and (ii) 0.1164% of the issued share capital, being shares owned by persons that are not members of the Group),

such Transaction Security to be, in each case, in substantially the form of the Transaction Security referred to in paragraph 3 (*Transaction Security Documents*) of Part I of Schedule 2 (*Conditions Precedent*) granted in the jurisdiction of incorporation or establishment of the company whose shares are the subject of the Transaction Security or, where there is no Transaction Security referred to in paragraph 3 (*Transaction Security Documents*) of Part I of Schedule 2 (*Conditions Precedent*) granted in such jurisdiction, in form and substance satisfactory to the Agent (acting reasonably).

22.29 **Further assurance**

(a) Each Obligor shall (and the Borrower shall procure that each member of the Group will) promptly do all such acts or execute all such documents (including assignments, transfers, mortgages, charges, notices and instructions) as the Security Agent may reasonably specify (and in such form as the Security Agent may reasonably require in favour of the Security Agent or its nominee(s)):

(i) to perfect the Security created or intended to be created under or evidenced by the Transaction Security Documents (which may include the execution of a mortgage, security trust, charge, assignment or other Security over all or any of the assets which are, or are intended to be, the subject of the Transaction Security) or for the exercise of any rights, powers and remedies of the Security Agent or the Finance Parties provided by or pursuant to the Finance Documents or by law (directly, through the Agent or Security Agent, through any sub-agent appointed thereby or otherwise);

(ii) to confer on the Security Agent (or confer on the Finance Parties) Security over any property and assets of that Obligor located in any jurisdiction equivalent or similar to the Security intended to be conferred by or pursuant to the Transaction Security Documents; and/or

(iii) to facilitate the realisation of the assets which are, or are intended to be, the subject of the Transaction Security.

(b) Each Obligor shall (and the Borrower shall procure that each member of the Group shall) take all such action as is available to it (including making all filings and registrations) as may be necessary for the purpose of the creation, perfection, protection or maintenance of any Security conferred or intended to be conferred on the Security Agent or the Finance Parties by or pursuant to the Finance Documents.

22.30 **Payment of Obligations**

The Borrower will pay and discharge, and cause each of its Subsidiaries to pay and discharge, before the same shall become delinquent, (a) all taxes, assessments and governmental charges or levies assessed, charged or imposed upon it or upon its property and (b) all lawful claims that, if unpaid, might by law become a Security upon its property, except where the failure to make such payments or effect such discharges could not reasonably be expected to have a Material Adverse Effect, **provided**, **however**, **that** neither Borrower nor any of its Subsidiaries shall be required to pay or discharge or cause to be paid or discharged any such tax, assessment, charge or claim that is being contested in good faith and proper proceedings and as to which appropriate reserves are being maintained in accordance with Applicable GAAP of the Borrower, unless and until any Security resulting therefrom attaches to its property and becomes enforceable against its other creditors.

22.31 **Margin regulations**

The Borrower shall not use any part of the proceeds of the Utilisations for any purpose which would result in any violation (whether by the Borrower, the Agent or the Lenders) of Regulation T, U or X of the Board of Governors of the Federal Reserve System or to extend credit to others for any such purpose. The Borrower shall not engage in, or maintain as one of its important activities, the business of extending credit for the purpose of purchasing or carrying any margin stock (as defined in such regulations).

22.32 **Caliza and Centurion**

(a) The Borrower shall if it owns (directly or indirectly) any shares in Caliza, ensure that:

(i) it has the power to:

(A) cast, or control the casting of, at least 51% of the maximum number of votes that might be cast at a general meeting of Caliza; and

(B) appoint or remove all, or the majority, of the directors or other equivalent officers of Caliza; and

(ii) it has the right to receive at least 51% of all dividends and other distributions in respect of equity interests in Caliza.

(b) The Borrower shall if it owns (directly or indirectly) any shares in Centurion, ensure that:

(i) it has the power to:

(A) cast, or control the casting of, at least 51% of the maximum number of votes that might be cast at a general meeting of Centurion; and

(B) appoint or remove all, or the majority, of the directors or other equivalent officers of Centurion; and

(ii) it has the right to receive at least 51% of all dividends and other distributions in respect of equity interests in Centurion.

22.33 **Swiss restrictions on Facilities**

The Borrower shall not (and shall ensure that no other member of the Group will) permit that any proceeds of the Facilities be remitted, directly or indirectly, to any Swiss tax resident company or Swiss tax resident permanent establishment, where this remittance could be viewed as a use of such proceeds in Switzerland (whether through an intercompany loan or advance by any other Group entities or otherwise) as per the practice of the Swiss Federal Tax Administration, unless the Swiss Federal Tax Administration confirms in a written advance tax ruling (based on a fair description of the fact pattern in the tax ruling request made by the Borrower or other relevant member of the Group) that such use of proceeds in Switzerland does not lead to Swiss withholding tax becoming due on or in respect of a Facility or any part thereof.

22.34 **Conditions subsequent**

(a) The Borrower shall appear (and ensure that each member of the Group party to the relevant document appears) before a notary in Spain for the purpose of raising this Agreement, the document described at paragraph 3(a)(i) of Part I (*Initial Conditions Precedent*) of Schedule 2 and any document required for the Borrower and each Original Guarantor to accede to the Intercreditor Agreement to the status of a Spanish Public Document on or before the date falling 10 Business Days after the date of this Agreement.

(b) On or before the first Utilisation Date, the Borrower shall execute and appear before a notary in Mexico (and shall ensure that each member of the Group party thereto executes and appears before a notary in Mexico) the amendment and restatement agreement substantially in the form distributed to the Original Lenders prior to the date of this Agreement and otherwise in form and substance satisfactory to the Security Agent relating to the Mexican Security Trust Agreement.

(c) The Borrower shall ensure that, on or before the date falling 30 Business Days after the date of this Agreement, the Security Agent has received evidence in form and substance satisfactory to it of the registration of the Transaction Security Document referred to in paragraph (a) above with the *Registro Único de Garantías Mobiliarias* of Mexico.

(d) The Borrower shall (and shall ensure that each member of the Group party to the relevant document will), upon the request of the Agent, appear before a notary in Spain for the purpose of raising to the status of a Spanish Public Document:

(i) any Accession Letter; and

(ii) any other Finance Document (or other document required in connection with a Finance Document) that the Agent may reasonably request be raised to the status of a Spanish Public Document,

provided that (unless the Borrower otherwise agrees) the Agent may not request that any member of the Group appear before a notary:

(A) on a date falling less than 30 days after the date of the request; and

(B) (where the Lenders are also required to appear before the notary in relation to a document) unless Lenders representing at least 80 per cent. of the Total Commitments (or such lesser number as would represent the remainder of the Lenders that have yet to appear in relation to the document) will also appear before the notary at the same time.

(e) In the case of the 8,424,037 shares owned by the Borrower (and formerly owned by CEMEX Inc.) representing 0.4326% of the issued share capital of CEMEX TRADEMARKS HOLDING Ltd., the Borrower shall shall, in accordance with the relevant Transaction Security Document, grant Transaction Security over such shares following the issuance of a new share certificate.

22.35 **Intercreditor Agreement**

(a) The Borrower shall procure, on or before (and with effect on and from) the 2017 Amendment Intercreditor Effective Date, the amendment and restatement of the Intercreditor Agreement.

(b) The Finance Parties authorise the Agent and Security Agent (as applicable) to effect the amendment of the Intercreditor Agreement pursuant to paragraph (a) and any related amendments to the Finance Documents.

23. **COVENANT RESET DATE**

On or after the Covenant Reset Date this Agreement shall, if the Borrower so elects by written notice to the Agent, automatically be amended as follows:

(a) The definition of "**Majority Lenders**" shall be amended so that to the words "66 ⅔ % or more" shall in (both places where it appears) be replaced with "more than 50%".

(b) Paragraph (l) of the definition of Permitted Acquisition in Clause 1.1 (*Definitions*) shall be deleted and replaced by the following:

"(l) any other acquisition of a company, of shares, securities or a business or undertaking (or, in any case, any interest in any of them) **provided that** the Borrower has delivered to the Agent a certificate signed by an Authorised Signatory confirming that, on a *pro forma* basis, assuming that the Acquisition had been made immediately prior to the first day of the most recent Reference Period for which a Compliance

Certificate has been or is required to have been delivered under this Agreement, the Borrower would have been in compliance with the financial covenant in paragraph (b) of Clause 21.2 (*Financial condition*) as at the last day of the most recent Reference Period for which a Compliance Certificate has been or is required to have been delivered under this Agreement;"

(c) Paragraph (o) of the definition of Permitted Acquisition in Clause 1.1 (*Definitions*) shall be deleted and replaced by the following:

"(o) the acquisition or repurchase by the Borrower, Caliza, Centurion or Trinidad Cement of its own shares provided that, in the case of the Borrower, the aggregate nominal value of any shares acquired or repurchased by it in any Financial Year pursuant to this paragraph (o) does not exceed the greater of (A) $250,000,000 (or its equivalent) and (B) the accumulated amount of "controlling interest net income" on and from 1 January 2016 minus the accumulated amount of cash dividends paid, and share repurchases made, since that date;"

(d) Paragraph (b)(xv) of the definition of Permitted Financial Indebtedness in Clause 1.1 (*Definitions*) shall be deleted and replaced by the following:

"(xv) not permitted by the preceding paragraphs or as a Permitted Transaction and the outstanding principal amount of which does not exceed $1,000,000,000 (or its equivalent) in aggregate for members of the Group which are not Obligors at any time."

(e) In paragraph (b)(xi) of the definition of Permitted Guarantee in Clause 1.1 (*Definitions*) the figure "$500,000,000" shall be deleted and replaced with "$1,000,000,000":

(f) In paragraph (j) of the definition of Permitted Loan in Clause 1.1 (*Definitions*), the figure "$250,000,000" shall be deleted and replaced with "$500,000,000".

(g) Paragraph (a) (*Consolidated Coverage Ratio*) of Clause 21.2 (*Financial condition*) shall be deleted and replaced by the following:

"(a) Consolidated Coverage Ratio: the Consolidated Coverage Ratio in respect of any Reference Period shall not be less than 2.75:1."

(h) Paragraph (b) (*Consolidated Leverage Ratio*) of Clause 21.2 (*Financial condition*) shall be deleted and replaced by the following:

"(b) Consolidated Leverage Ratio: the Consolidated Leverage Ratio in respect of any Reference Period shall not exceed 4.25:1."

(i) Paragraphs (c) (*Capital Expenditure*), (d) (*Caliza Capital Expenditure*) and (e) (*Centurion Capital Expenditure*) of Clause 21.2 (*Financial condition*) shall be deleted, and there shall be no limit on such Capital Expenditure.

(j) In paragraph (b)(O) of Clause 22.5 (*Negative pledge*), the figure "$500,000,000" shall be deleted and replaced by "five per cent. of the total consolidated gross assets of the Group at that time."

(k) Clause 22.20 (*Joint ventures*) shall be deleted and replaced with the following:

"Any member of the Group may:

(a) enter into, invest in or acquire (or agree to acquire) any shares, stocks, securities or other interest in any Joint Venture; or

(b) transfer any assets or lend to or guarantee or give an indemnity for or give Security for the obligations of a Joint Venture or maintain the solvency of or provide working capital to any Joint Venture (or agree to do any of the foregoing)."

(l) Clause 22.25 (*Dividends and share redemption*) shall be deleted and replaced with the following:

"22.25 **Dividends and share redemption**

The Borrower shall not, in any Financial Year:

(a) declare, make or pay any dividend, charge, fee or other distribution (or interest on any unpaid dividend, charge, fee or other distribution) (whether in cash or in kind) on or in respect of its share capital (or any class of its share capital);

(b) repay or distribute any dividend or share premium reserve;

(c) pay any management, advisory or other fee to or to the order of any of its shareholders; or

(d) redeem, repurchase, defease, retire or repay any of its share capital or resolve to do so,

if the aggregate of any such amounts paid in that Financial Year would exceed the greater of (i) $250,000,000 and (ii) the accumulated amount of "controlling interest net income" on and from 1 January 2016 minus the accumulated amount of cash dividends paid, and share repurchases made, since that date."

(m) Clause 22.26 (*Share capital*) shall be deleted and replaced with the following:

"Any member of the Group may issue shares whether common equity securities or otherwise."

24. AUTOMATIC RELEASE OF TRANSACTION SECURITY

24.1 Release of Mexican Security Trust Agreement

Notwithstanding any term in the Intercreditor Agreement to the contrary, on the first Business Day falling after the date of this Agreement on which all of the following conditions are met:

(a) either:

(i) for the two most recently completed Reference Periods in respect of which Compliance Certificates have been (or are required to have been) delivered under this Agreement, the Consolidated Leverage Ratio was 3.50:1 or lower; or

(ii) for the three most recently completed Reference Periods in respect of which Compliance Certificates have been (or are required to have been) delivered under this Agreement, the Consolidated Leverage Ratio for the first and third of those Reference Periods was 3.50:1 or lower and in the second Reference Period would have been 3.50:1 or lower but for the proceeds of any Permitted Financial Indebtedness standing to the credit of a Reserve being included in the definition of Debt as described in paragraph (iv) of that definition; and

(b) the Borrower has delivered a certificate (signed by an Authorised Signatory and dated no earlier than the date of most recent Compliance Certificate referred to in paragraph (a)(i) or, as applicable, (a)(ii) above) confirming that no Default is continuing at the date of that certificate,

provided that no other unsubordinated Financial Indebtedness of the Borrower shall benefit from the Mexican Security Trust Agreement, and (subject to receipt of written notice from the Agent in accordance with Clause 24.3 (*Notification by Agent*) below the Security Agent is irrevocably authorised (at the cost of the relevant Obligor, Security Provider or the Borrower and without any consent, sanction, authority or further confirmation from any Secured Party, Obligor or Security Provider) to promptly instruct (and the Security Agent shall so instruct) the Mexican Security Trustee to release the Security over the assets of the Mexican Security Trust Agreement and any of the assets subject to the Mexican Security Trust Agreement, and to execute and deliver or enter into any termination or release of that Transaction Security and any assets affected thereunder if approved in exchange for a release from the other parties to the Mexican Security Trust Agreement.

24.2 Release of Transaction Security - other jurisdictions

Notwithstanding any term in the Intercreditor Agreement to the contrary, on the first Business Day falling after the date of this Agreement on which all of the following conditions are met:

(a) either:

(i) for the two most recently completed Reference Periods in respect of which Compliance Certificates have been (or are required to have

been) delivered under this Agreement, the Consolidated Leverage Ratio was 3.50:1 or lower; or

(ii) for the three most recently completed Reference Periods in respect of which Compliance Certificates have been (or are required to have been) delivered under this Agreement, the Consolidated Leverage Ratio for the first and third of those Reference Periods was 3.50:1 or lower and in the second Reference Period would have been 3.50:1 or lower but for the proceeds of any Permitted Financial Indebtedness standing to the credit of a Reserve being included in the definition of Debt as described in paragraph (iv) of that definition; and

(b) the Borrower has delivered a certificate (signed by an Authorised Signatory and dated no earlier than the date of most recent Compliance Certificate referred to in paragraph (a)(i) or, as applicable, (a)(ii) above) confirming that no Default is continuing at the date of that certificate,

provided that no other unsubordinated Financial Indebtedness of the Borrower shall benefit from the Transaction Security not referred to in Clause 24.1 (*Release of Mexican Security Trust Agreement*) and (subject to receipt of written notice from the Agent in accordance with Clause 24.3 (*Notification by Agent*) below) the Security Agent is irrevocably authorised (at the cost of the relevant Obligor, Security Provider or the Borrower and without any consent, sanction, authority or further confirmation from any Secured Party, Obligor or Security Provider) to promptly release (and the Security Agent shall so release) the Transaction Security not already released pursuant to Clause 24.1 (*Release of Mexican Security Trust Agreement*) above and any other claim over the assets subject to that Transaction Security, and to execute and deliver or enter into (and the Security Agent shall execute and deliver or enter into) any release of that Transaction Security or claim that may, in the discretion of the Security Agent, be considered necessary or desirable.

24.3 **Notification by Agent**

The Agent shall promptly notify the Security Agent in writing on the date at which the conditions set out in Clause 24.1 (*Release of Mexican Security Trust Agreement*) have been satisfied and on the date at which the conditions set out in Clause 24.2 (*Release of Transaction Security - other jurisdictions*) have been satisfied.

24.4 **Finance Parties' and Obligors' actions**

Each Finance Party and each Obligor will:

(a) do all things that the Security Agent or the Borrower reasonably requests in order to give effect to this Clause 24 (which shall include, without limitation, the execution of any assignments, transfers, releases or other documents that the Security Agent or the Borrower may consider to be necessary to give effect to the releases contemplated by Clause 24.1 (*Release of Mexican Security Trust Agreement*) and Clause 24.2 (*Release of Transaction Security - other jurisdictions*) and the voting in favour of any amendment to the Intercreditor Agreement proposed by the Borrower in order to give effect to this Clause 24);

(b) if the Security Agent is not entitled to take any of the actions contemplated by this Clause 24 or is otherwise prevented from taking or, with respect to any Finance Party, is unable to take the actions contemplated by this Clause 24 and requests that a Finance Party take that action, each Finance Party will undertake that action itself in accordance with the instructions of the Security Agent or grant a power of attorney to the Security Agent (on such terms as the Security Agent may reasonably require) to enable the Security Agent to take such action under applicable law (any such power of attorney, with respect to any enforcement of Transaction Security governed by Spanish law or any claim against an Obligor or Security Provider incorporated in Spain, shall be notarised and apostilled); and

(c) if the Security Agent is not entitled to take any of the actions contemplated by this Clause 24 with respect to any Obligor or requests that any Obligor take any such action, such Obligor shall take that action itself in accordance with the instructions of the Security Agent.

25. EVENTS OF DEFAULT

Each of the events or circumstances set out in this Clause 25 (except for Clause 25.16 (*Acceleration*)) is an Event of Default.

25.1 Non-payment

An Obligor does not pay on the due date any amount payable to or for the account of a Lender pursuant to a Finance Document at the place at and in the currency in which it is expressed to be payable unless such failure to pay is caused by an administrative error or technical difficulties within the banking system in relation to the transmission of funds and payment is made within three Business Days of its due date.

25.2 Financial Covenants and other obligations

Any requirement of Clause 21 (*Financial Covenants*) is not satisfied or the Borrower fails to deliver any Compliance Certificate in accordance with Clause 20.2 (*Compliance Certificate*).

25.3 Other obligations

(a) An Obligor or any other member of the Group does not comply with any provision of the Finance Documents (other than those referred to in Clause 25.1 (*Non-payment*) and Clause 25.2 (*Financial Covenants and other obligations*)).

(b) No Event of Default under paragraph (a) of this Clause 25.3 will occur if the failure to comply is capable of remedy and is remedied within 15 Business Days of the Agent giving written notice to the Borrower or an Obligor becoming aware of the failure to comply, whichever is the earlier.

25.4 Misrepresentation

(a) Any representation or statement made or deemed to be made by an Obligor in the Finance Documents or any other document delivered by or on behalf of

any Obligor under or in connection with any Finance Document is or proves to have been incorrect or misleading in any material respect when made or deemed to be made.

(b) No Event of Default under paragraph (a) of this Clause 25.4 will arise if the circumstances giving rise to the misrepresentation are capable of remedy and are remedied within 15 Business Days of the Agent giving written notice to the Borrower or an Obligor becoming aware of the failure to comply, whichever is the earlier.

25.5 **Cross default**

(a) Any Financial Indebtedness of any Obligor or member of the Group is not paid when due nor within any originally applicable grace period.

(b) Any Financial Indebtedness of any Obligor or member of the Group is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (however described).

(c) Any creditor of any member of the Group or any Obligor becomes entitled to declare any Financial Indebtedness of any member of the Group or any Obligor due and payable prior to its specified maturity as a result of an event of default (however described).

(d) No Event of Default will occur under this Clause 25.5 if the aggregate amount of Financial Indebtedness falling within paragraphs (a) to (c) of this Clause 25.5 is less than $50,000,000 (or its equivalent in any other currency or currencies).

25.6 **Insolvency**

(a) Any of the Obligors or Material Subsidiaries is unable or admits inability to pay its debts as they fall due (including a state of *cessation des paiements* within the meaning of the French Commercial Code) or, by reason of actual financial difficulties: (i) suspends or threatens to suspend making payments on any of its debts in an aggregate amount exceeding $50,000,000 (or its equivalent in any other currency or currencies) or (ii) commences negotiations with one or more of its creditors with a view to rescheduling any of its indebtedness in respect of an aggregate amount of indebtedness exceeding $50,000,000 (or its equivalent in any other currency or currencies).

(b) The value of the assets of any of the Obligors or Material Subsidiaries is less than its liabilities (taking into account contingent and prospective liabilities other than any such liabilities arising under Clause 18 (*Guarantee and Indemnity*)) except for any liabilities owed to another member of the Group **provided that** such liabilities are subordinated to the claims of the Lenders in the event of the bankruptcy, winding-up or liquidation of the relevant Obligor or Material Subsidiary or an acceleration under Clause 25.16 (*Acceleration*).

(c) A moratorium is declared in respect of any indebtedness of any of the Obligors or Material Subsidiaries.

25.7 **Insolvency proceedings**

Any corporate action, legal proceeding or other procedure or step is taken in relation to:

(a) the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, administration, the opening of proceedings for *sauvegarde, sauvegarde accélérée, sauvegarde financière accélérée, redressement judiciaire* or *liquidation judiciaire* or judgment for *cession totale ou partielle de l'entreprise* pursuant to articles L. 620-1 to L. 670-8 of the French Commercial Code, reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise, including, in the context of a *mandat ad hoc* or of a *conciliation* in accordance with articles L. 611-3 to L. 611-16 of the French Commercial Code), *concurso mercantil, quiebra* of any of the Obligors or Material Subsidiaries other than a solvent liquidation or reorganisation of any of the Material Subsidiaries;

(b) a composition, assignment or arrangement with any class of creditor of any of the Obligors or Material Subsidiaries;

(c) the appointment of a liquidator (other than in respect of a solvent liquidation of any of the Material Subsidiaries), receiver, administrator, *mandataire ad hoc, conciliateur, conciliador, síndico,* administrative receiver, compulsory manager or other similar officer in respect of any of the Obligors or Material Subsidiaries or any of their assets,

or any analogous procedure or step is taken in any jurisdiction.

This paragraph shall not apply to any winding-up petition (or equivalent procedure in any jurisdiction) which is frivolous or vexatious and is discharged, stayed or dismissed within 60 days of commencement.

25.8 **Expropriation and sequestration**

(a) Any expropriation or sequestration (or equivalent event under any applicable law) affects any asset or assets of any Obligor or any Material Subsidiary and has a Material Adverse Effect.

(b) The authority or ability of the Borrower or any Material Subsidiary to conduct its business is limited or wholly or substantially curtailed by any seizure, expropriation, nationalisation, intervention, restriction or other action by or on behalf of any governmental, regulatory or other authority or other person in relation to the Borrower or any Material Subsidiary (or, in each case, any of its assets) with an aggregate book value equal to 5 per cent. or more of the gross book value of the assets of the Group (on a consolidated basis).

25.9 **Availability of foreign exchange**

(a) Any restriction or requirement not in effect on the date hereof shall be imposed, whether by legislative enactment, decree, regulation, order or otherwise, which limits the availability or the transfer of foreign exchange by any Obligor for the purpose of performing any material obligations under the

Finance Documents, any certificates, waivers, or any other agreements delivered pursuant to the Finance Documents.

(b) Paragraph (a) above shall not apply to any such restriction or requirement imposed as a result of a member state of the European Union which is a Participating Member State in relation to the euro ceasing to be a Participating Member State in relation to the euro, unless such restriction or requirement would be reasonably likely to result in a Material Adverse Effect.

25.10 **Creditors' process and enforcement of Security**

(a) Any Security is enforced against any Obligor or any Material Subsidiary.

(b) Any attachment, distress or execution (including any of the enforcement proceedings provided for in the French *Code des Procédures Civiles d'Exécution*) affects any asset or assets of any Obligor or any Material Subsidiary which is reasonably likely to cause a Material Adverse Effect.

(c) No Event of Default under paragraph (a) or (b) of this Clause 25.10 will occur if:

(i) the action is being contested in good faith by appropriate proceedings;

(ii) the principal amount of the indebtedness secured by such Security or in respect of which such attachment, distress or execution is carried out represents less than $50,000,000 (or its equivalent in any other currency or currencies); and

(iii) the enforcement proceedings, attachment, distress or execution is or are discharged within 60 days of commencement.

25.11 **Ownership of Obligors**

Any Obligor (other than the Borrower) ceases to be a wholly owned Subsidiary of the Borrower (or, in the case of CEMEX España, CEMEX Concretos, CEMEX Finance, CEMEX Corp. or any España Subsidiary Guarantor, the Borrower's percentage indirect shareholding in CEMEX España, CEMEX Concretos, CEMEX Finance, CEMEX Corp. or that España Subsidiary Guarantor is reduced from the percentage as at the date of this Agreement) except if it is the subject of a Third Party Disposal.

In this Agreement, "**España Subsidiary Guarantor**" means Cemex Research Group AG, CEMEX Asia B.V., CEMEX France Gestion (S.A.S.), CEMEX UK and CEMEX Egyptian Investments B.V.

25.12 **Judgment**

(a) A final judgment or judgments or order or orders not subject to further appeal for the payment of money in an aggregate amount in excess of $50,000,000 shall be rendered against the Borrower and/or any of its Subsidiaries that are neither discharged nor bonded in full within 60 days thereafter; or

(b) Any Obligor or any Material Subsidiary fails to comply with or pay any sum due from it under any judgment or any order made or given by any court of competent jurisdiction (in each case in an amount in aggregate exceeding $50,000,000 at any time) save unless payment of any such sum is suspended pending an appeal.

25.13 **Unlawfulness**

(a) It is or becomes unlawful for an Obligor or any other member of the Group that is a party to the Intercreditor Agreement to perform any of its obligations under the Finance Documents where non-performance is reasonably likely to cause a Material Adverse Effect.

(b) Any Transaction Security created or expressed to be created or evidenced by the Transaction Security Documents ceases to be effective except in accordance with the terms of the Finance Documents.

(c) Any obligation or obligations of any Obligor under any Finance Documents or any other member of the Group under the Intercreditor Agreement are not (subject to the Legal Reservations) or cease to be legal, valid, binding or enforceable and the cessation individually or cumulatively materially and adversely affects the interests of the Lenders under the Finance Documents.

(d) Any Finance Document ceases to be in full force and effect or is alleged by an Obligor to be ineffective except in accordance with the terms of the Finance Documents.

25.14 **Repudiation**

An Obligor repudiates a Finance Document or any of the Transaction Security or evidences an intention to repudiate a Finance Document or any of the Transaction Security.

25.15 **Failure to perform payment obligations**

Any material adverse change arises in the financial condition of the Group taken as a whole which the Majority Lenders reasonably determine would result in the failure by the Obligors (taken as a whole) to perform their payment obligations under any of the Finance Documents.

25.16 **Acceleration**

On and at any time after the occurrence of an Event of Default which is continuing the Agent may, without *mise en demeure* or any other judicial or extra judicial step, and shall if so directed by the Majority Lenders, by notice to the Borrower (but, in respect of any French Obligor, subject to the mandatory provisions of Book VI (Difficulties faced by businesses) of the French Commercial Code):

(a) cancel the Total Commitments at which time they shall immediately be cancelled;

(b) declare that all or part of the Loans, together with accrued interest, and all other amounts accrued or outstanding under the Finance Documents be immediately due and payable, at which time they shall become immediately due and payable without presentment, demand, protest or other notice of any kind, all of which are hereby expressly waived;

(c) declare that all or part of the Loans be payable on demand, at which time they shall immediately become payable on demand by the Agent on the instructions of the Majority Lenders;

(d) make demand on any Guarantor under this Agreement in respect of amounts due and payable under or in connection with this Agreement without presentment, demand, protest or other notice of any kind, all of which are hereby expressly waived; and/or

(e) subject to the Intercreditor Agreement (including the requirements of Clause 7.3 (*Enforcement Instructions*) thereof), exercise or direct the Security Agent to exercise any or all of its rights, remedies, powers or discretions under the Finance Documents,

provided that, in the case of an Event of Default under Clause 25.6 (*Insolvency*) or Clause 25.7 (*Insolvency proceedings*) with respect to an Obligor, all of the Total Commitments shall be cancelled automatically and immediately and all Utilisations under the Facilities (together with accrued interest and all other amounts accrued under the Finance Documents) shall become due and payable automatically and immediately without presentment, demand, protest or other notice of any kind, all of which are hereby expressly waived.

SECTION 9
CHANGES TO PARTIES

26. CHANGES TO THE LENDERS

26.1 Assignments and transfers by the Lenders

Subject to this Clause 26 and to Clause 27 (*Debt Purchase Transactions*), a Lender (the "**Existing Lender**") may:

(a) assign any of its rights and benefits; or

(b) transfer by novation any of its rights, benefits and obligations,

under any Finance Document to:

(i) any person, at a time when an Event of Default is continuing; or

(ii) at any other time, another bank or financial institution or to a trust, fund or other entity which is regularly engaged in or established for the purpose of making, purchasing or investing in loans, securities or other financial assets,

(in each case, the "**New Lender**").

26.2 Conditions of assignment or transfer

(a) The express written consent of the Borrower is required for an assignment or transfer by an Existing Lender, unless the assignment or transfer is:

(i) to a bank;

(ii) to another Lender or an Affiliate of a Lender; or

(iii) made at a time when an Event of Default is continuing.

(b) The express written consent of the Borrower to an assignment or transfer must not be unreasonably withheld or delayed. The Borrower will be deemed to have given its consent ten Business Days after the Existing Lender has requested it unless consent is expressly refused by the Borrower within that time. For the avoidance of doubt, it shall not be considered unreasonable for the consent of the Borrower to be withheld in the case of an assignment or transfer to a hedge fund.

(c) (Other than in the case of an assignment permitted by paragraph (b) of Clause 27.1 (*Permitted Debt Purchase Transactions*)) an assignment will only be effective on:

(i) receipt by the Agent (whether in the Assignment Agreement or otherwise) of written confirmation from the New Lender (in form and substance satisfactory to the Agent) that the New Lender will assume

the same obligations to the other Finance Parties and the other Secured Parties as it would have been under if it was an Original Lender;

(ii) the New Lender entering into the documentation required for it to accede as a party to the Intercreditor Agreement; and

(iii) the performance by the Agent of all necessary "know your customer" or other similar checks under all applicable laws and regulations in relation to such assignment to a New Lender, the completion of which the Agent shall promptly notify to the Existing Lender and the New Lender.

(d) A transfer will only be effective if the New Lender enters into the documentation required for it to accede as a party to the Intercreditor Agreement and if the procedures set out in Clause 26.5 (*Procedure for transfer*) are complied with.

(e) If:

(i) a Lender assigns, transfers, declares a trust or grants Security over any of its rights or obligations under the Finance Documents or changes its Facility Office; and

(ii) as a result of the assignment, transfer, declaration of trust, grant of Security or change (other than because of any change in law), an Obligor would be obliged to make a payment to the New Lender or Lender acting through its new Facility Office under Clause 13 (*Tax Gross-Up and Indemnities*) or Clause 14 (*Increased Costs*),

then the New Lender or Lender acting through its new Facility Office is only entitled to receive payment under that Clause to the same extent as the Existing Lender or Lender acting through its previous Facility Office would have been if the assignment, transfer, declaration of trust, grant of Security or change had not occurred.

(f) An assignment or transfer shall (unless the Agent at its discretion (and acting in accordance with Clause 29.2 (*Interests of Lenders*)) agrees otherwise) only be effective if the Assignment Agreement or (as applicable) Transfer Certificate has been raised to the status of a Spanish Public Document and the powers of attorney and authorisations granted under the Finance Documents have been ratified under such Spanish public deed. For the avoidance of doubt, the Agent shall not be responsible for the cost of raising the Assignment Agreement or (as applicable) Transfer Certificate to the status of a Spanish Public Document.

(g) On an assignment or transfer by an Existing Lender of all of its Facility A Commitment, all of its Facility B Commitment, all of its Facility C Commitment, all of its Facility D1 Commitment or all of its Facility D2 Commitment to a New Lender, the Existing Lender shall, on or prior to the Transfer Date, endorse and deliver to the New Lender any Promissory Note(s) issued to the Existing Lender in respect of the transferred or assigned Facility

A Commitment, Facility B Commitment, Facility C Commitment, Facility D1 Commitment or Facility D2 Commitment, as applicable. The Borrower shall, promptly upon request by the New Lender and at the Borrower's cost, replace the endorsed Promissory Note(s) by issuing new Promissory Note(s), setting forth the amount of such Facility A Commitment assigned or transferred to the New Lender, Facility B Commitment assigned or transferred to the New Lender, Facility C Commitment assigned or transferred to the New Lender, Facility D1 Commitment assigned or transferred to the New Lender or (as applicable) the amount of the Facility D2 Commitment assigned or transferred to the New Lender, under the name of the New Lender, which shall be released (through the Custodian, if any), duly signed, to the New Lender, upon tendering of the endorsed Promissory Note(s) to the Borrower.

(h) On an assignment or transfer by an Existing Lender of part of its Facility A Commitment, part of its Facility B Commitment, part of its Facility C Commitment, part of its Facility D1 Commitment or part of its Facility D2 Commitment to a New Lender, such Existing Lender shall tender (or procure that the Custodian tenders) to the Borrower, on the Transfer Date, any Promissory Note(s) issued to such Existing Lender evidencing such Existing Lender's Facility A Commitment, Facility B Commitment, Facility C Commitment, Facility D1 Commitment or Facility D2 Commitment (as applicable), and the Borrower shall promptly, at the cost of the Borrower, issue (i) to the Existing Lender, a Promissory Note setting forth the amount of the Facility A Commitment of the Existing Lender not assigned or transferred to the New Lender, a Promissory Note setting forth the amount of the Facility B Commitment of the Existing Lender not assigned or transferred to the New Lender, a Promissory Note setting forth the amount of the Facility C Commitment of the Existing Lender not assigned or transferred to the New Lender, a Promissory Note setting forth the amount of the Facility D1 Commitment of the Existing Lender not assigned or transferred to the New Lender or (as applicable) a Promissory Note setting forth the amount of the Facility D2 Commitment of the Existing Lender not assigned or transferred to the New Lender and (ii) to the New Lender, a Promissory Note setting forth the amount of the Facility A Commitment of the New Lender assigned or transferred to it by the Existing Lender, a Promissory Note setting forth the amount of the Facility B Commitment of the New Lender assigned or transferred to it by the Existing Lender, a Promissory Note setting forth the amount of the Facility C Commitment of the New Lender assigned or transferred to it by the Existing Lender, a Promissory Note setting forth the amount of the Facility D1 Commitment of the New Lender assigned or transferred to it by the Existing Lender or (as applicable) a Promissory Note setting forth the amount of the Facility D2 Commitment of the New Lender assigned or transferred to it by the Existing Lender. Any such new Promissory Notes shall be issued under the name of the Existing Lender or the New Lender (as applicable), and shall be released (through the Custodian, if any), duly signed, to the Existing Lender and the New Lender, upon tendering to the Borrower of the Promissory Notes previously issued to the Existing Lender in respect of the relevant Facility A Commitments, Facility B Commitments, Facility C Commitments, Facility D1 Commitments or Facility D2 Commitments, as applicable.

(i) Each New Lender, by executing the relevant Transfer Certificate or Assignment Agreement, confirms, for the avoidance of doubt, that the Agent has authority to execute on its behalf any amendment or waiver that has been approved by or on behalf of the requisite Lender or Lenders in accordance with this Agreement on or prior to the date on which the transfer or assignment becomes effective in accordance with this Agreement and that it is bound by that decision to the same extent as the Existing Lender would have been had it remained a Lender.

(j) The minimum amount of an assignment or transfer shall be the lower of $1,000,000 (or equivalent) or (if less) the amount of a Lender's Commitments.

(k) Following an increase in term loan Commitments pursuant to Clause 2.2 (*Accordion*), an Accordion Lender in respect of that term loan increase may not assign or transfer its rights or obligations in relation to its increased Commitments until after the end of the Availability Period in relation to those increased Commitments.

(l) In relation to any assignment or transfer by an Existing Lender of part of its Commitments in relation to a Facility, where the Existing Lender has, on the Transfer Date immediately prior to the assignment or transfer, any Available Commitment in relation to that Facility, the assignment or transfer shall be made such that a proportionate amount of the Existing Lender's Available Commitment is assigned or transferred to the New Lender.

26.3 **Assignment or transfer fee**

Unless the Agent otherwise agrees, the New Lender shall, on the date upon which an assignment or transfer takes effect, pay to the Agent (for its own account) a fee of $3,000.

26.4 **Limitation of responsibility of Existing Lenders**

(a) Unless expressly agreed to the contrary, an Existing Lender makes no representation or warranty and assumes no responsibility to a New Lender for:

(i) the legality, validity, effectiveness, adequacy or enforceability of the Finance Documents, the Transaction Security or any other documents;

(ii) the financial condition of any Obligor;

(iii) the performance and observance by any Obligor of its obligations under the Finance Documents or any other documents; or

(iv) the accuracy of any statements (whether written or oral) made in or in connection with any Finance Document or any other document,

and any representations or warranties implied by law are excluded.

(b) Each New Lender confirms to the Existing Lender, the other Finance Parties and the Secured Parties that it:

(i) has made (and shall continue to make) its own independent investigation and assessment of the financial condition and affairs of each Obligor and its related entities in connection with its participation in the Finance Documents and has not relied exclusively on any information provided to it by the Existing Lender or any other Finance Party in connection with any Finance Document or the Transaction Security; and

(ii) will continue to make its own independent appraisal of the creditworthiness of each Obligor and its related entities while any amount is or may be outstanding under the Finance Documents or any Commitment is in force.

(c) Nothing in any Finance Document obliges an Existing Lender to:

(i) accept a re-transfer or re-assignment from a New Lender of any of the rights and obligations assigned or transferred under this Clause 26; or

(ii) support any losses directly or indirectly incurred by the New Lender by reason of the non-performance by any Obligor of its obligations under the Finance Documents or otherwise.

26.5 **Procedure for transfer**

(a) Subject to the conditions set out in Clause 26.2 (*Conditions of assignment or transfer*) a transfer is effected in accordance with paragraph (c) below when the Agent executes an otherwise duly completed Transfer Certificate delivered to it by the Existing Lender and the New Lender. The Agent shall, subject to paragraph (b) below, as soon as reasonably practicable after receipt by it of a duly completed Transfer Certificate appearing on its face to comply with the terms of this Agreement and delivered in accordance with the terms of this Agreement, execute that Transfer Certificate.

(b) The Agent shall only be obliged to execute a Transfer Certificate delivered to it by the Existing Lender and the New Lender once it is satisfied it has complied with all necessary "know your customer" or other similar checks under all applicable laws and regulations in relation to the transfer to such New Lender.

(c) Subject to Clause 26.9 (*Pro rata interest settlement*), on the Transfer Date:

(i) to the extent that in the Transfer Certificate the Existing Lender seeks to transfer by novation its rights and obligations under the Finance Documents and in respect of the Transaction Security each of the Obligors and the Existing Lender shall be released from further obligations towards one another under the Finance Documents and in respect of the Transaction Security and their respective rights against one another under the Finance Documents and in respect of the

Transaction Security shall be cancelled (being the "**Discharged Rights and Obligations**");

(ii) each of the Obligors and the New Lender shall assume obligations towards one another and/or acquire rights against one another which differ from the Discharged Rights and Obligations only insofar as that Obligor or other member of the Group and the New Lender have assumed and/or acquired the same in place of that Obligor and the Existing Lender;

(iii) the Agent, the Security Agent, the New Lender and the other Lenders shall acquire the same rights and assume the same obligations between themselves and in respect of the Transaction Security as they would have acquired and assumed had the New Lender been an Original Lender with the rights and/or obligations acquired or assumed by it as a result of the transfer and to that extent the Agent, the Security Agent, and the Existing Lender shall each be released from further obligations to each other under the Finance Documents; and

(iv) the New Lender shall become a Party as a "Lender".

26.6 **Procedure for assignment**

(a) Subject to the conditions set out in Clause 26.2 (*Conditions of assignment or transfer*) an assignment may be effected in accordance with paragraph (c) below when the Agent executes an otherwise duly completed Assignment Agreement delivered to it by the Existing Lender and the New Lender. The Agent shall, subject to paragraph (b) below, as soon as reasonably practicable after receipt by it of a duly completed Assignment Agreement appearing on its face to comply with the terms of this Agreement and delivered in accordance with the terms of this Agreement, execute that Assignment Agreement.

(b) The Agent shall only be obliged to execute an Assignment Agreement delivered to it by the Existing Lender and the New Lender once it is satisfied it has complied with all necessary "know your customer" or other similar checks under all applicable laws and regulations in relation to the assignment to such New Lender.

(c) Subject to Clause 26.9 (*Pro rata interest settlement*), on the Transfer Date:

(i) the Existing Lender will assign absolutely to the New Lender its rights under the Finance Documents and in respect of the Transaction Security expressed to be the subject of the assignment in the Assignment Agreement;

(ii) the Existing Lender will be released from the obligations (the "**Relevant Obligations**") expressed to be the subject of the release in the Assignment Agreement (and any corresponding obligations by which it is bound in respect of the Transaction Security); and

(iii) the New Lender shall become a Party as a "Lender" and will be bound by obligations equivalent to the Relevant Obligations.

(d) Lenders may utilise procedures other than those set out in this Clause 26.6 to assign their rights under the Finance Documents (but not, without the consent of the relevant Obligor or unless in accordance with Clause 26.5 (*Procedure for transfer*), to obtain a release by that Obligor from the obligations owed to that Obligor by the Lenders nor the assumption of equivalent obligations by a New Lender) **provided that** they comply with the conditions set out in Clause 26.2 (Conditions of assignment or transfer).

26.7 **Copy of Transfer Certificate, Assignment Agreement or Accordion Confirmation to Borrower**

The Agent shall, as soon as reasonably practicable after it has executed a Transfer Certificate, an Assignment Agreement or an Accordion Confirmation, send to the Borrower a copy of that Transfer Certificate, Assignment Agreement or Accordion Confirmation.

26.8 **Security over Lenders' rights**

In addition to the other rights provided to Lenders under this Clause 26, each Lender may, without consulting with or obtaining consent from any Obligor, at any time charge, assign or otherwise create Security in or over (whether by way of collateral or otherwise) all or any of its rights under any Finance Document to secure obligations of that Lender including, without limitation:

(a) any charge, assignment or other Security to secure obligations to a federal reserve or central bank; and

(b) in the case of any Lender which is a fund, any charge, assignment or other Security granted to any holders (or trustee or representatives of holders) of obligations owed, or securities issued, by that Lender as security for those obligations or securities,

except that no such charge, assignment or Security shall:

(i) release a Lender from any of its obligations under the Finance Documents or substitute the beneficiary of the relevant charge, assignment or other Security for the Lender as a party to any of the Finance Documents; or

(ii) require any payments to be made by an Obligor or grant to any person any more extensive rights than those required to be made or granted to the relevant Lender under the Finance Documents.

26.9 **Pro rata interest settlement**

If the Agent has notified the Lenders that it is able to distribute interest payments on a **"*pro rata* basis"** to Existing Lenders and New Lenders then (in respect of any transfer pursuant to Clause 26.5 (*Procedure for transfer*) or any assignment pursuant to

Clause 26.6 (*Procedure for assignment*) the Transfer Date of which, in each case, is after the date of such notification and is not on the last day of an Interest Period):

(a) any interest or fees in respect of the relevant participation which are expressed to accrue by reference to the lapse of time shall continue to accrue in favour of the Existing Lender up to but excluding the Transfer Date ("**Accrued Amounts**") and shall become due and payable to the Existing Lender (without further interest accruing on them) on the last day of the current Interest Period (or, if the Interest Period is longer than six Months, on the next of the dates which falls at six Monthly intervals after the first day of that Interest Period); and

(b) the rights assigned or transferred by the Existing Lender will not include the right to the Accrued Amounts so that, for the avoidance of doubt:

(i) when the Accrued Amounts become payable, those Accrued Amounts will be payable for the account of the Existing Lender; and

(ii) the amount payable to the New Lender on that date will be the amount which would, but for the application of this Clause 26.9, have been payable to it on that date, but after deduction of the Accrued Amounts.

26.10 **French law provisions**

(a) To the extent a transfer of rights and obligations hereunder could be construed as a novation within the meaning of articles 1329 *et seq.* of the French Civil Code, each Party agrees that upon a transfer under Clauses 26.1 (*Assignments and transfers by the Lenders*) and 26.5 (*Procedure for transfer*), the Security created under the French law governed Transaction Security Documents shall be preserved and maintained for the benefit of the Security Agent, the New Lender and the remaining Finance Parties pursuant to articles 1334 *et seq.* of the French Civil Code.

(b) In the case of a transfer of rights and/or obligations by an Existing Lender hereunder, the New Lender should, if it considers it necessary to make the transfer effective as against any French Obligor, arrange for such transfer to be notified to, or acknowledged by, such French Obligor.

27. DEBT PURCHASE TRANSACTIONS

27.1 **Permitted Debt Purchase Transactions**

(a) The Borrower shall not (and shall procure that no other member of the Group or any Affiliate of the Borrower shall) (i) enter into any Permitted Debt Purchase Transaction other than in accordance with the other provisions of this Clause 27.1 or (ii) be party to (or beneficially own all or any part of the share capital of a company that is a Lender or a party to) any Restricted Debt Purchase Transaction.

(b) The Borrower may purchase by way of assignment, pursuant to Clause 26 (*Changes to the Lenders*), a participation in any Term Loan and any related Commitment where:

(i) such purchase is made using one of the processes set out at paragraphs (c) and (d) below; and

(ii) such purchase is made at a time when no Default is continuing.

(c)

(i) A Permitted Debt Purchase Transaction referred to in paragraph (a) above may be entered into pursuant to a solicitation process (a "**Solicitation Process**") which is carried out as follows.

(ii) Prior to 11.00 am on a given Business Day (the "**Solicitation Day**") the Borrower or a financial institution acting on its behalf (the "**Purchase Agent")** will approach at the same time each Lender which participates in the relevant Term Facilities to enable them to offer to sell to the Borrower an amount of their participation in one or more Term Facilities. Any Lender wishing to make such an offer shall, by 11.00 am on the second Business Day following such Solicitation Day, communicate to the Purchase Agent details of the amount of its participations in the Term Facilities it is offering to sell and the price at which it is offering to sell such participations. Any such offer shall be irrevocable until 11.00 am on the third Business Day following such Solicitation Day and shall be capable of acceptance by the Borrower on or before such time by communicating its acceptance in writing to the Purchase Agent or, if it is the Purchase Agent, the relevant Lenders. The Purchase Agent (if someone other than the Borrower) will communicate to the relevant Lenders which offers have been accepted by 12 noon on the third Business Day following such Solicitation Day. In any event by 11.00 am on the fourth Business Day following such Solicitation Day, the Borrower shall notify the Agent of the amounts of the participations purchased through the relevant Solicitation Process and the average price paid for the purchase of participations. The Agent shall disclose such information to any Lender that requests such disclosure.

(iii) Any purchase of participations in the Term Facilities pursuant to a Solicitation Process shall be completed and settled on or before the fifth Business Day after the relevant Solicitation Day.

(iv) In accepting any offers made pursuant to a Solicitation Process the Borrower shall be free to select which offers and in which amounts it accepts but on the basis that in relation to a participation in the Term Facility it accepts offers in inverse order of the price offered (with the offer or offers at the lowest price being accepted first) and that if in respect of participations in the Term Facility receives two or more offers at the same price it shall only accept such offers on a *pro rata* basis.

(d)

(i) A Permitted Debt Purchase Transaction referred to in paragraph (a) above may also be entered into pursuant to an open order process (an "**Open Order Process**") which is carried out as follows.

(ii) The Borrower may by itself or through another Purchase Agent place an open order (an "**Open Order**") to purchase participations in one or more of the Term Facilities up to a set aggregate amount at a set price by notifying at the same time all the Lenders participating in the relevant Term Facilities of the same. Any Lender wishing to sell pursuant to an Open Order will, by 11.00 am on any Business Day following the date on which the Open Order is placed but no earlier than the first Business Day, and no later than the fifth Business Day, following the date on which the Open Order is placed, communicate to the Purchase Agent details of the amount of its participations, and in which Term Facilities, it is offering to sell. Any such offer to sell shall be irrevocable until 11.00 am on the Business Day following the date of such offer from the Lender and shall be capable of acceptance by the Borrower on or before such time by it communicating such acceptance in writing to the relevant Lender.

(iii) Any purchase of participations in the Term Facilities pursuant to an Open Order Process shall be completed and settled by the Borrower on or before the fourth Business Day after the date of the relevant offer by a Lender to sell under the relevant Open Order.

(iv) If in respect of participations in a Term Facility the Purchase Agent receives on the same Business Day two or more offers at the set price such that the maximum amount of the Term Loans to which an Open Order relates would be exceeded, the Borrower shall only accept such offers on a *pro rata* basis.

(v) The Borrower shall, by 11.00 am on the sixth Business Day following the date on which an Open Order is placed, notify the Agent of the amounts of the participations purchased through such Open Order Process and the identity of the Term Facilities to which they relate. The Agent shall disclose such information to any Lender that requests the same.

(e) For the avoidance of doubt, there is no limit on the number of occasions a Solicitation Process or an Open Order Process may be implemented.

(f) In relation to any Permitted Debt Purchase Transaction entered into pursuant to this Clause 27.1, notwithstanding any other term of this Agreement or the other Finance Documents:

(i) on completion of the relevant assignment pursuant to Clause 26 (*Changes to the Lenders*), the portions of the Term Loans to which it relates shall be extinguished and any related Repayment Instalments will be reduced *pro rata* accordingly;

(ii) such Permitted Debt Purchase Transaction and the related extinguishment referred to in paragraph (i) above shall not constitute a prepayment of the Facilities;

(iii) the Borrower shall be deemed to be an entity which fulfils the requirements of Clause 26.1 (*Assignments and transfers by the Lenders*) to be a New Lender (as defined in such Clause);

(iv) no member of the Group shall be deemed to be in breach of any provision of Clause 22 (*General Undertakings*) solely by reason of such Permitted Debt Purchase Transaction;

(v) Clause 31 (*Sharing among the Finance Parties*) shall not be applicable to the consideration paid under such Permitted Debt Purchase Transaction; and

(vi) for the avoidance of doubt, any extinguishment of any part of the Utilisations shall not affect any amendment or waiver which prior to such extinguishment had been approved by or on behalf of the requisite Lender or Lenders in accordance with this Agreement.

(g) The Agent shall be under no obligation to act as Purchase Agent under any transaction contemplated by this Clause 27.1.

28. CHANGES TO THE OBLIGORS

28.1 Assignment and Transfers by Obligors

No Obligor or any other member of the Group may assign any of its rights or transfer any of its rights or obligations under the Finance Documents.

28.2 Additional Guarantors and Additional Security Providers

(a) Subject to compliance with the provisions of paragraphs (b) and (c) of Clause 20.6 (*"Know your client" checks*), the Borrower may request that any of its Subsidiaries become an Additional Guarantor or an Additional Security Provider by:

(i) the Borrower delivering to the Agent a duly completed and executed Accession Letter; and

(ii) the Borrower delivers (or procures that the Additional Guarantor or Additional Security Provider (as the case may be) delivers) all of the documents and other evidence referred to in Part II of Schedule 2 (*Conditions Precedent*) in relation to that Additional Guarantor or Additional Security Provider to the Agent.

(b) The Agent shall notify the Obligors and the Lenders promptly upon being satisfied that it has received all the documents and other evidence listed in Part II of Schedule 2 (*Conditions Precedent*).

28.3 **Resignation of a Guarantor**

(a) In this Clause 28.3 (*Resignation of a Guarantor*) and Clause 28.6 (*Resignation and release of Security on disposal*), "**Third Party Disposal**" means the disposal of all of the issued share capital of an Obligor to a person which is not a member of the Group where that disposal is permitted under Clause 22.21 (*Disposals*) or made with the approval of the Majority Lenders (and the Borrower has confirmed this is the case).

(b) The Borrower may request that a Guarantor (other than the Borrower) ceases to be a Guarantor by delivering to the Agent a Resignation Letter if:

(i) that Guarantor is being disposed of by way of a Third Party Disposal and the Borrower has confirmed this is the case; or

(ii) all the Lenders have consented to the resignation of that Guarantor.

(c) The Agent shall accept a Resignation Letter and notify the Borrower and the Lenders of its acceptance if:

(i) the Borrower has confirmed that no Default is continuing or would result from the acceptance of the Resignation Letter; and

(ii) no payment is due from the Guarantor under Clause 18 (*Guarantee and Indemnity*).

(d) The resignation of a Guarantor shall not be effective until the date of the relevant Third Party Disposal, at which time that company shall cease to be a Guarantor and shall have no further rights or obligations under the Finance Documents as a Guarantor.

28.4 **Resignation of a Security Provider**

(a) The Borrower may request that a Security Provider ceases to be a Security Provider by delivering to the Agent a Resignation Letter if:

(i) the Transaction Security granted by that Security Provider is being released under and in accordance with the Intercreditor Agreement and the Borrower has confirmed that this is the case; or

(ii) all the Lenders have consented to the resignation of that Security Provider.

(b) The Agent shall accept a Resignation Letter and notify the Borrower and the Lenders of its acceptance if:

(i) the Borrower has confirmed that no Default is continuing or would result from the acceptance of the Resignation Letter;

(ii) the Borrower has confirmed that the Transaction Security granted by that Security Provider has not become enforceable in accordance with its terms.

(c) The resignation of that Security Provider shall not be effective until the date on which the Transaction Security granted by the Security Provider has been released under and in accordance with the Intercreditor Agreement, at which time that company shall cease to be a Security Provider and shall have no further rights or obligations under the Finance Documents as a Security Provider.

28.5 **Repetition of Representations**

Delivery of an Accession Letter constitutes confirmation by the relevant Affiliate that the Repeating Representations are true and correct in relation to it as at the date of delivery as if made by reference to the facts and circumstances then existing.

28.6 **Resignation and release of Security on disposal**

If a Guarantor is or is proposed to be the subject of a Third Party Disposal then:

(a) where that Obligor created Transaction Security over any of its assets or business in favour of the Security Agent, or Transaction Security in favour of the Security Agent was created over the shares (or equivalent) of that Obligor, the Security Agent may, at the cost and request of the Borrower, release those assets, business or shares (or equivalent) and issue certificates of non-crystallisation;

(b) the resignation of that Obligor and related release of Transaction Security referred to in paragraph (a) above shall not become effective until the date of that disposal; and

(c) if the disposal of that Obligor is not made, the Resignation Letter of that Obligor and the related release of Transaction Security referred to in paragraph (a) above shall have no effect and the obligations of the Obligor and the Transaction Security created or intended to be created by or over that Obligor shall continue in such force and effect as if that release had not been effected.

SECTION 10
THE FINANCE PARTIES

29. ROLE OF THE AGENT

29.1 Appointment of the Agent

(a) Each of the Lenders appoints the Agent to act as its agent under and in connection with the Finance Documents. For such purposes, each Lender hereby appoints and authorizes the Agent as it 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 the Agent under or in connection with the Finance Documents.

(b) Each of the Lenders authorises the Agent to exercise the rights, powers, authorities and discretions specifically given to the Agent under or in connection with the Finance Documents (including the appointment of any sub-agents or local agents to assist in administration of payments, the supervision or enforcement of any of the Finance Documents) together with any other incidental rights, powers, authorities and discretions.

(c) The appointment by a Designated Lender of the Agent as its agent pursuant to paragraph (a) and the authorisations in paragraph (b) above expressly exclude authority for the Agent to:

(i) execute and deliver documents on behalf of that Designated Lender;

(ii) enforce any Security Document on behalf of that Designated Lender; or

(iii) present petitions for winding up any Obligor (or similar petitions) on behalf of that Designated Lender; or

(iv) to instruct the Security Agent to take any of the foregoing actions on behalf of that Designated Lender,

(together,the "**Restricted Actions**").

(d) Notwithstanding paragraph (c) above, each Designated Lender undertakes so long as it is a Lender to:

(i) join the Agent if applicable in any Restricted Action instructed by the Majority Lenders, in accordance with this Agreement or, if required, to the extent possible, to grant powers of attorney in favour of the Agent so that it can take such Restricted Action; and

(ii) abide by and act, or refrain from acting, in accordance with, any decision of the Majority Lenders made in accordance with this Agreement.

(e) For this purpose a Designated Lender is a Lender that has notified the Agent and the Borrower that it is to be treated as a Designated Lender.

29.2 **Interests of Lenders**

Without limiting paragraphs (a) to (c) of Clause 29.8 (*Majority Lenders' instructions*), in connection with the exercise of its powers, authorities or discretions (including, but not limited to, those in relation to any proposed modifications, waiver or authorisation of any breach or proposed breach of any of the provisions of this Agreement), the Agent shall have regard to the general interests of the Lenders (taken as a whole) and shall not have regard to any interest arising from circumstances particular to individual Lenders.

29.3 **Duties of the Agent**

(a) Subject to paragraph (b) below, the Agent shall promptly forward to a Party the original or a copy of any document which is delivered to the Agent for that Party by any other Party.

(b) Without prejudice to Clause 26.7 (*Copy of Transfer Certificate, Assignment Agreement or Accordion Confirmation to Borrower*), paragraph (a) above shall not apply to any Transfer Certificate, any Assignment Agreement or any Accordion Confirmation.

(c) The Agent is not obliged to review or check the adequacy, accuracy or completeness of any document it forwards to another Party.

(d) If the Agent receives notice from a Party referring to this Agreement, describing a Default and stating that the circumstance described is a Default, it shall promptly notify the other Finance Parties.

(e) If the Agent is aware of the non-payment of any principal, interest or fee payable to a Finance Party (other than the Agent or the Security Agent) under this Agreement it shall promptly notify the other Finance Parties.

(f) The Agent shall provide to the Borrower within three Business Days of a request by the Borrower (but no more frequently than once per calendar month) a list (which may be in electronic form) setting out the names of the Lenders as at that Business Day, their respective Commitments, and the name of the contact person, if any, for whose attention any communication sent to that Lender is to be made or any document delivered under or in connection with the Finance Documents and, in the case of any Lender to whom any communication under or in connection with the Finance Documents may be made by that means, the electronic mail address and/or any other information required to enable the sending and receipt of information by electronic mail or other electronic means to and by that Lender.

(g) The Agent's duties under the Finance Documents are solely mechanical and administrative in nature.

29.4 **Role of the Arranger**

Except as specifically provided in the Finance Documents, the Arranger does not have any obligations or liabilities of any kind to any other Party under or in connection with any Finance Document.

29.5 **No fiduciary duties**

(a) Nothing in this Agreement constitutes the Agent or the Arranger as a trustee or fiduciary of any other person.

(b) None of the Agent or the Security Agent or the Arranger shall be bound to account to any Lender for any sum or the profit element of any sum received by it for its own account.

29.6 **Business with the Group**

The Agent, the Security Agent or the Arranger may accept deposits from, lend money to and generally engage in any kind of banking or other business with any member of the Group.

29.7 **Rights and discretions**

(a) The Agent may rely on:

(i) any representation, notice or document (including, for the avoidance of doubt, any representation, notice or document communicating the consent of the Majority Lenders pursuant to Clause 38.1 (*Required consents*)) believed by it to be genuine, correct and appropriately authorised; and

(ii) any statement made by a director, authorised signatory or employee of any person regarding any matters which may reasonably be assumed to be within his knowledge or within his power to verify.

(b) The Agent may assume (unless it has received notice to the contrary in its capacity as agent for the Lenders) that:

(i) no Default has occurred (unless it has actual knowledge of a Default arising under Clause 25.1 (*Non-payment*));

(ii) any right, power, authority or discretion vested in any Party or the Majority Lenders has not been exercised;

(iii) any notice or request made by the Borrower (other than a Selection Notice) is made on behalf of and with the consent and knowledge of all the Obligors.

(c) The Agent may engage, pay for and rely on the advice or services of any lawyers, accountants, surveyors or other experts including any Custodian.

(d) The Agent may act in relation to the Finance Documents through its personnel and agents and through any necessary sub-agent, local agent or Affiliate and, for that purpose, may enter into any agreement or cause any agreement to be entered into, by any such sub-agent, local agent or Affiliate, including the execution, delivery, performance or enforcement of any Transaction Security Document.

(e) The Agent may disclose to any other Party any information it reasonably believes it has received as agent under this Agreement.

(f) Without prejudice to the generality of paragraph (e) above, the Agent may disclose the identity of a Defaulting Lender to the other Finance Parties and the Borrower and shall disclose the same upon the written request of the Borrower or the Majority Lenders.

(g) Notwithstanding any other provision of any Finance Document to the contrary, neither the Agent nor the Arranger is obliged to do or omit to do anything if it would or might in its reasonable opinion constitute a breach of any law or regulation or a breach of a fiduciary duty or duty of confidentiality.

(h) The Agent is not obliged to disclose to any Finance Party but shall disclose to the Borrower as soon as reasonably practical following a request to do so any details of the rate notified to the Agent by any Lender or the identity of any such Lender for the purpose of paragraph (a)(ii) of Clause 11.2 (*Market disruption*) (**provided that** the Borrower, by its signature to this Agreement, agrees to keep such information confidential and not to disclose it to anyone except for its officers, directors, employees and professional advisers on a confidential and "need to know" basis).

29.8 **Majority Lenders' instructions**

(a) Unless a contrary indication appears in a Finance Document, the Agent shall (i) exercise any right, power, authority or discretion vested in it as Agent in accordance with any instructions given to it by the Majority Lenders (or, if so instructed by the Majority Lenders, refrain from exercising any right, power, authority or discretion vested in it as Agent) and (ii) not be liable for any act (or omission) if it acts (or refrains from taking any action) in accordance with an instruction of the Majority Lenders.

(b) Unless a contrary indication appears in a Finance Document, any instructions given by the Majority Lenders will be binding on all the Finance Parties other than the Security Agent.

(c) The Agent may refrain from acting in accordance with the instructions of the Majority Lenders (or, if appropriate, the Lenders) until it has received such security as it may require for any cost, loss or liability (together with any associated VAT) which it may incur in complying with the instructions.

(d) In the absence of instructions from the Majority Lenders, (or, if appropriate, the Lenders) the Agent may act (or refrain from taking action) as it considers to be in the best interest of the Lenders (taken as a whole).

(e) The Agent is not authorised to act on behalf of a Lender (without first obtaining that Lender's consent) in any legal or arbitration proceedings relating to any Finance Document. This paragraph (e) shall not apply to any legal or arbitration proceeding relating to the perfection, preservation or protection of rights under the Transaction Security Documents or enforcement of the Transaction Security or Transaction Security Documents.

29.9 **Responsibility for documentation**

Neither the Agent nor the Arranger is:

(a) responsible for the adequacy, accuracy and/or completeness of any information (whether oral or written) supplied by the Agent, an Obligor or any other person given in or in connection with any Finance Document or the Transaction Security;

(b) responsible for the legality, validity, effectiveness, adequacy or enforceability of any Finance Document or the Transaction Security or any other agreement, arrangement or document entered into, made or executed in anticipation of or in connection with any Finance Document or the Transaction Security; or

(c) responsible for any determination as to whether any information provided or to be provided to any Finance Party is non-public information the use of which may be regulated or prohibited by applicable law or regulation relating to insider dealing or otherwise.

29.10 **Exclusion of liability**

(a) Without limiting paragraph (b) below, neither the Agent nor the Arranger will be liable for any action taken by it under or in connection with any Finance Document or the Transaction Security (or the negotiation or implementation of such documents) unless directly caused by its gross negligence or wilful misconduct or wilful breach of any Finance Document (and, for the avoidance of doubt, neither the Agent nor the Arranger will be liable in any circumstances for any consequential loss).

(b) No Party (other than the Agent) may take any proceedings against any officer, employee or agent of the Agent in respect of any claim it might have against the Agent or in respect of any act or omission of any kind by that officer, employee or agent in relation to any Finance Document and any officer, employee or agent of the Agent may rely on this Clause 29 subject to Clause 1.4 (*Third party rights*) and the provisions of the Third Parties Act.

(c) The Agent will not be liable for any delay (or any related consequences) in crediting an account with an amount required under the Finance Documents to be paid by the Agent if the Agent has taken all necessary steps as soon as reasonably practicable to comply with the regulations or operating procedures of any recognised clearing or settlement system used by the Agent for that purpose.

(d) Nothing in this Agreement shall oblige the Agent or the Arranger to carry out any checks pursuant to any laws or regulations relating to money laundering in relation to any person on behalf of any Lender and each Lender confirms to the Agent and the Arranger that it is solely responsible for any such checks it is required to carry out and that it may not rely on any statement in relation to such checks made by the Agent or the Arranger.

(e) The Agent will have no liability for the acts of its agents, sub-agents or delegates (including Affiliates acting in such capacities) except to the extent that the acts or omissions of such agent or sub-agent (to the extent that it is an Affiliate of the Agent) constitute gross negligence or wilful misconduct.

29.11 **Lenders' indemnity to the Agent**

Each Lender shall (in proportion to its share of the Total Commitments or, if the Total Commitments are then zero, to its share of the Total Commitments immediately prior to their reduction to zero) indemnify the Agent and its Affiliates (to the extent they act as agents, sub-agents or delegates in relation to the Finance Documents), within three Business Days of demand, against any cost, loss or liability incurred by the Agent and its Affiliates (to the extent they act as agents, sub-agents or delegates in relation to the Finance Documents) (otherwise than by reason of the Agent's or the relevant Affiliate's gross negligence or wilful misconduct) in acting as (or, as the case may be, assisting the) Agent under the Finance Documents (unless the Agent or the relevant Affiliate has been reimbursed by an Obligor pursuant to a Finance Document). Any third party referred to in this Clause 29.11 may rely on this Clause 29.11.

29.12 **Resignation of the Agent**

(a) The Agent may resign and appoint one of its Affiliates acting through an office in the United Kingdom or a member state of the European Union as successor by giving notice to the other Finance Parties and the Borrower.

(b) Alternatively the Agent may resign by giving notice to the other Finance Parties and the Borrower, in which case the Majority Lenders (after consultation with the Borrower) may appoint a successor Agent.

(c) If the Majority Lenders have not appointed a successor Agent in accordance with paragraph (b) above within 30 days after notice of resignation was given, the Agent (after consultation with the Borrower) may appoint a successor Agent (acting through an office in the United Kingdom or a member state of the European Union).

(d) The retiring Agent shall, at its own cost, make available to the successor Agent such documents and records and provide such assistance as the successor Agent may reasonably request for the purposes of performing its functions as Agent under the Finance Documents.

(e) The Agent's resignation notice shall only take effect upon the appointment of a successor.

(f) Upon the appointment of a successor, the retiring Agent shall be discharged from any further obligation in respect of the Finance Documents but shall remain entitled to the benefit of this Clause 29.12. Its successor and each of the other Parties shall have the same rights and obligations amongst themselves as they would have had if such successor had been an original Party.

(g) The Agent shall resign in accordance with paragraph (b) above (and, to the extent applicable, shall use reasonable endeavours to appoint a successor Agent pursuant to paragraph (c) above) if on or after the date which is three months before the earliest FATCA Application Date relating to any payment to the Agent under the Finance Documents, either:

(i) the Agent fails to respond to a request under Clause 20.7 (*FATCA Information*) and the Borrower or a Lender reasonably believes that the Agent will not be (or will have ceased to be) a FATCA Exempt Party on or after that FATCA Application Date;

(ii) the information supplied by the Agent pursuant to Clause 20.7 (*FATCA Information*) indicates that the Agent will not be (or will have ceased to be) a FATCA Exempt Party on or after that FATCA Application Date; or

(iii) the Agent notifies the Borrower and the Lenders that the Agent will not be (or will have ceased to be) a FATCA Exempt Party on or after that FATCA Application Date,

and (in each case) the Borrower or a Lender reasonably believes that a Party will be required to make a FATCA Deduction that would not be required if the Agent were a FATCA Exempt Party, and the Borrower or that Lender, by notice to the Agent, requires it to resign.

29.13 **Replacement of the Agent**

(a) After consultation with the Borrower, the Majority Lenders may, by giving 30 days' notice to the Agent (or, at any time the Agent is an Impaired Agent, by giving any shorter notice determined by the Majority Lenders) replace the Agent by appointing a successor Agent (acting through an office in the United Kingdom or a member state of the European Union).

(b) The retiring Agent shall (at its own cost if it is an Impaired Agent and otherwise at the expense of the Lenders) make available to the successor Agent such documents and records and provide such assistance as the successor Agent may reasonably request for the purposes of performing its functions as Agent under the Finance Documents.

(c) The appointment of the successor Agent shall take effect on the date specified in the notice from the Majority Lenders to the retiring Agent. As from this date, the retiring Agent shall be discharged from any further obligation in respect of the Finance Documents but shall remain entitled to the benefit of this Clause 29 (and any agency fees for the account of the retiring Agent shall cease to accrue from (and shall be payable on) that date).

(d) Any successor Agent and each of the other Parties shall have the same rights and obligations among themselves as they would have had if such successor had been an original Party.

29.14 **Confidentiality**

(a) In acting as agent for the Finance Parties, the Agent shall be regarded as acting through its agency division which shall be treated as a separate entity from any other of its divisions or departments.

(b) If information is received by another division or department of the Agent, it may be treated as confidential to that division or department and the Agent shall not be deemed to have notice of it.

(c) Notwithstanding any other provision of any Finance Document to the contrary, the Agent is not obliged to disclose to any other person (i) any confidential information or (ii) any other information if the disclosure would or might in its reasonable opinion constitute a breach of any law or a breach of a fiduciary duty.

29.15 **Relationship with the Lenders**

(a) Subject to Clause 26.9 (*Pro rata interest settlement*), the Agent may treat the person shown in its records as Lender at the opening of business (in the place of the Agent's principal office as notified to the Finance Parties from time to time) as the Lender acting through its Facility Office:

(i) entitled to or liable for any payment due under any Finance Document on that day; and

(ii) entitled to receive and act upon any notice, request, document or communication or make any decision or determination under any Finance Document made or delivered on that day,

unless it has received not less than five Business Days' prior notice from that Lender to the contrary in accordance with the terms of this Agreement.

(b) Each Lender shall supply the Agent with any information that the Security Agent may reasonably specify (through the Agent) as being necessary or desirable to enable the Security Agent to perform its functions as Security Agent. Each Lender shall deal with the Security Agent exclusively through the Agent and shall not deal directly with the Security Agent.

(c) The Agent may disclose to any Lender any information received by it in its capacity as Agent (including, without limitation, details of the identities and Commitments of the Lenders).

(d) Any Lender may by notice to the Agent appoint a person to receive on its behalf all notices, communications, information and documents to be made or despatched to that Lender under the Finance Documents. Such notice shall contain the address, fax number and (where communication by electronic mail or other electronic means is permitted under Clause 34.6 (*Electronic communication*)) electronic mail address and/or any other information required to enable the sending and receipt of information by that means (and, in each case, the department or officer, if any, for whose attention communication is to be made) and be treated as a notification of a substitute

address, fax number, electronic mail address, department and officer by that Lender for the purposes of Clause 34.2 (*Addresses*) and paragraph (a)(iii) of Clause 34.6 (*Electronic communication*) and the Agent shall be entitled to treat such person as the person entitled to receive all such notices, communications, information and documents as though that person were that Lender.

29.16 **Credit appraisal by the Lenders**

Without affecting the responsibility of any Obligor for information supplied by it or on its behalf in connection with any Finance Document, each Lender confirms to the Agent and the Arranger that it has been, and will continue to be, solely responsible for making its own independent appraisal and investigation of all risks arising under or in connection with any Finance Document including but not limited to:

(a) the financial condition, status and nature of each member of the Group;

(b) the legality, validity, effectiveness, adequacy or enforceability of any Finance Document and the Transaction Security and any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document or the Transaction Security;

(c) whether that Secured Party has recourse, and the nature and extent of that recourse, against any Party or any of its respective assets under or in connection with any Finance Document, the Transaction Security or the transactions contemplated by the Finance Documents or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document;

(d) the adequacy, accuracy and/or completeness of any information provided by the Agent, any Party or by any other person under or in connection with any Finance Document, the transactions contemplated by the Finance Documents or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document;

(e) the right or title of any person in or to, or the value or sufficiency of any part of the Charged Property, the priority of any of the Transaction Security or the existence of any Security affecting the Charged Property; and

(f) the legality, validity, effectiveness, adequacy or enforceability of any action taken or made in connection with any Finance Document.

29.17 **Reference Banks**

The Parties agree and acknowledge that:

(a) the Obligors have proposed the names of the entities referred to in the definition of Reference Banks and the appointment of those Reference Banks has been accepted by the Original Lenders and such Reference Banks; and

(b) each Obligor represents that it considers it beneficial for it to appoint banks of international repute which are Lenders hereunder as Reference Banks for the purposes of this Agreement (instead of other banks which are not Lenders hereunder in order to have Reference Banks which are not Lenders the rates of which could be less representative of market rates).

29.18 **Agent's management time**

Any amount payable to the Agent under Clause 15.3 (*Indemnity to the Agent*), Clause 17 (*Costs and Expenses*) and Clause 29.11 *(Lenders' indemnity to the Agent*) shall include the cost of utilising the Agent's management time or other resources and will be calculated on the basis of such reasonable daily or hourly rates as the Agent may notify to the Borrower and the Lenders, and is in addition to any fee paid or payable to the Agent under Clause 12 (*Fees*).

29.19 **Deduction from amounts payable by the Agent**

If any Party owes an amount to the Agent under the Finance Documents the Agent may, after giving notice to that Party, deduct an amount not exceeding that amount from any payment to that Party which the Agent would otherwise be obliged to make under the Finance Documents and apply the amount deducted in or towards satisfaction of the amount owed. For the purposes of the Finance Documents that Party shall be regarded as having received any amount so deducted.

29.20 **Role of the Security Agent**

(a) The Security Agent's duties under this Agreement are solely mechanical and administrative in nature.

(b) In particular, the role and, *inter alia,* duties, rights, powers, protections and benefits of the Security Agent are more particularly described in the Intercreditor Agreement, which sets out the basis upon which the Security Agent acts under this Agreement. Should any provision regarding the duties, discretions, rights, benefits, protections, indemnities and immunities of the Security Agent (the "**Security Agent Provisions**") conflict or otherwise be inconsistent as between this Agreement and the Intercreditor Agreement, then the Security Agent Provisions as contained in the Intercreditor Agreement shall prevail.

29.21 **Reliance and engagement letters**

Each Finance Party and Secured Party confirms that the Agent has authority to accept on its behalf (and ratifies the acceptance on its behalf of any letters or reports already accepted by the Agent) the terms of any reliance letter or engagement letters relating to any reports or letters provided by accountants in connection with the Finance Documents or the transactions contemplated in the Finance Documents and to bind it in respect of those reports or letters and to sign such letters on its behalf and further confirms that it accepts the terms and qualifications set out in such letters.

29.22 **Specific Intercreditor Agreement amendment instructions**

Each Lender hereby instructs the Agent to enter into the deed of amendment to the Intercreditor Agreement previously circulated to each of the Finance Parties prior to the date hereof in order to amend the Intercreditor Agreement in the form attached thereto and to instruct the Security Agent to do so also. The Agent hereby accordingly instructs the Security Agent to enter into such deed of amendment.

30. CONDUCT OF BUSINESS BY THE FINANCE PARTIES

No provision of this Agreement will:

(a) interfere with the right of any Finance Party to arrange its affairs (tax or otherwise) in whatever manner it thinks fit;

(b) oblige any Finance Party to investigate or claim any credit, relief, remission or repayment available to it or the extent, order and manner of any claim; or

(c) oblige any Finance Party to disclose any information relating to its affairs (tax or otherwise) or any computations in respect of Tax.

31. SHARING AMONG THE FINANCE PARTIES

31.1 Payments to Finance Parties

If a Finance Party (a "**Recovering Finance Party**") receives or recovers any amount from an Obligor other than in accordance with Clause 32 (*Payment Mechanics*) or otherwise receives or recovers more than the amount to which it is entitled under the Finance Documents (a **"Recovered Amount**") and applies that amount to a payment due under the Finance Documents then:

(a) the Recovering Finance Party shall, within three Business Days, notify details of the receipt or recovery, to the Agent;

(b) the Agent shall determine whether the receipt or recovery is in excess of the amount the Recovering Finance Party would have been paid had the receipt or recovery been received or made by the Agent and distributed in accordance with Clause 32 (*Payment Mechanics*), without taking account of any Tax which would be imposed on the Agent in relation to the receipt, recovery or distribution;

(c) the Recovering Finance Party shall, within three Business Days of demand by the Agent, pay to the Agent an amount (the "**Sharing Payment**") equal to such receipt or recovery less any amount which the Agent determines may be retained by the Recovering Finance Party as its share of any payment to be made, in accordance with Clause 32.6 (*Partial payments*); and

(d) for the avoidance of doubt, if circumstances exist where:

(i) there is an unavailability or shortage of foreign exchange in any applicable jurisdiction of an Obligor or there has occurred a general

moratorium or general debt rescheduling with respect to indebtedness of entities in such Obligor's jurisdiction; and

(ii) as a result of a Recovering Finance Party having preferential treatment or creditor status, any applicable governmental authority of the Obligor's jurisdiction is permitting such Obligor to access and/or transfer, freely convertible and transferable currencies ("**Convertible Currencies**") in order to pay obligations denominated in Convertible Currencies which are owed to such Recovering Finance Party (by way of exemption to, or preferential treatment under, such foreign exchange restrictions), but is not permitting such Obligor to do so in order to pay obligations denominated in Convertible Currencies which are owed to other Finance Parties, which do not have preferential treatment or creditor status,

then such Recovering Finance Party may retain amounts received by it in such Convertible Currencies provided that:

(A) all amounts available to the Finance Parties from the Obligors are first allocated to each of the Finance Parties in accordance with the relevant requirements of this Agreement or the Intercreditor Agreement (as the case may be) in the currency that such amounts are made available, with such allocation calculated assuming such amounts had been in the hands of the Agent or Security Agent, as the case may be (and for the avoidance of doubt, nothing in this clause is intended to change, affect or relate to, such allocation); and

(B) the amount received by such Recovering Finance Party does not exceed the amount which such Recovering Finance Party is entitled to receive as a result of the above-mentioned allocation,

and provided further that the foregoing clause shall in no way restrict, limit or prejudice the rights and claims of any Finance Party against any Obligor, including any Obligor to whom such unavailability or shortage of foreign exchange or general moratorium or general debt rescheduling does not apply, or the right of any Finance Party to, in its sole discretion, accept or refuse to accept any payment other than in the currency in which payment is due and in accordance with Clause 32.1 (*Payments to the Agent*). Any Recovering Finance Party shall promptly upon the written request of the Agent, the Security Agent or the Borrower confirm the amount of Convertible Currencies so received.

31.2 **Redistribution of payments**

The Agent shall treat the Sharing Payment as if it had been paid by the relevant Obligor and distribute it between the Finance Parties (other than the Recovering Finance Party) (the "**Sharing Finance Parties**") in accordance with Clause 32.6 (*Partial payments*) towards the obligations of that Obligor to the Sharing Finance Parties.

31.3 **Recovering Finance Party's rights**

(a) On a distribution by the Agent under Clause 31.2 (*Redistribution of payments*), of a payment received by a Recovering Finance Party from an Obligor, as between the relevant Obligor and the Recovering Finance Party, an amount of the Recovered Amount equal to the Sharing Payment will be treated as not having been paid by that Obligor.

(b) If and to the extent that the Recovering Finance Party is not able to rely on its rights under paragraph (a) above, the relevant Obligor shall be liable to the Recovering Finance Party for a debt equal to the Sharing Payment which is immediately due and payable.

31.4 **Reversal of redistribution**

If any part of the Sharing Payment received or recovered by a Recovering Finance Party becomes repayable and is repaid by that Recovering Finance Party, then:

(a) each Sharing Finance Party shall, upon request of the Agent, pay to the Agent for the account of that Recovering Finance Party an amount equal to the appropriate part of its share of the Sharing Payment (together with an amount as is necessary to reimburse that Recovering Finance Party for its proportion of any interest on the Sharing Payment which that Recovering Finance Party is required to pay) (the "**Redistributed Amount**"); and

(b) that Recovering Finance Party's right of subrogation in respect of any reimbursement shall be cancelled and, as between the relevant Obligor and each relevant Sharing Finance Party, an amount equal to the relevant Redistributed Amount will be treated as not having been paid by that Obligor.

31.5 **Exceptions**

(a) This Clause 31 shall not apply to the extent that the Recovering Finance Party would not, after making any payment pursuant to this Clause, have a valid and enforceable claim against the relevant Obligor.

(b) A Recovering Finance Party is not obliged to share with any other Finance Party any amount which the Recovering Finance Party has received or recovered as a result of taking legal or arbitration proceedings, if:

(i) it notified the other Finance Party of the legal or arbitration proceedings; and

(ii) the other Finance Party had an opportunity to participate in those legal or arbitration proceedings but did not do so as soon as reasonably practicable having received notice and did not take separate legal or arbitration proceedings.

(c) This Clause 31 shall not impose any obligation on the Security Agent to pay a Sharing Payment to the Agent under Clause 31.1 (*Payments to Finance Parties)* or Clause 31.4 (*Reversal of redistribution*).

32. PAYMENT MECHANICS

32.1 Payments to the Agent

(a) Subject to paragraph (b), on each date on which an Obligor or a Lender is required to make a payment under a Finance Document, that Obligor or Lender shall make the same available to the Agent (unless a contrary indication appears in a Finance Document) for value on the due date at the time and in such funds specified by the Agent as being customary at the time for settlement of transactions in the relevant currency in the place of payment.

(b) Payment shall be made to such account in the principal financial centre of the country of that currency (or, in relation to euro, in a principal financial centre in a Participating Member State or London) with such bank as the Agent specifies.

32.2 Distributions by the Agent

Each payment received by the Agent under the Finance Documents for another Party shall, subject to Clause 32.3 (*Distributions to an Obligor*) and Clause 32.4 (*Clawback*) and Clause 29.19 *(Deduction from amounts payable by the Agent*), be made available by the Agent as soon as practicable after receipt to the Party entitled to receive payment in accordance with this Agreement for the account of its Facility Office, to such account as that Party may notify to the Agent by not less than five Business Days' notice with a bank in the principal financial centre of the country of that currency (or, in relation to euro, in the principal financial centre of a Participating Member State or London).

32.3 Distributions to an Obligor

The Agent may (with the consent of the Obligor or in accordance with Clause 33 (*Set-Off*)) apply any amount received by it for that Obligor in or towards payment (on the date and in the currency and funds of receipt) of any amount due from that Obligor under the Finance Documents or in or towards purchase of any amount of any currency to be so applied.

32.4 Clawback

(a) Where a sum is to be paid to the Agent under the Finance Documents for another Party, the Agent is not obliged to pay that sum to that other Party (or to enter into or perform any related exchange contract) until it has been able to establish to its satisfaction that it has actually received that sum.

(b) If the Agent pays an amount to another Party and it proves to be the case that the Agent had not actually received that amount, then the Party to whom that amount (or the proceeds of any related exchange contract) was paid by the Agent shall on demand refund the same to the Agent together with interest on that amount from the date of payment to the date of receipt by the Agent, calculated by the Agent to reflect its cost of funds.

32.5 **Impaired Agent**

(a) If, at any time, the Agent becomes an Impaired Agent, an Obligor or a Lender which is required to make a payment under the Finance Documents to the Agent in accordance with Clause 32.1 (*Payments to the Agent*) may instead either pay that amount direct to the required recipient or pay that amount to an interest-bearing account held with an Acceptable Bank within the meaning of paragraph (a) of the definition of "Acceptable Bank" and in relation to which no Insolvency Event has occurred and is continuing, in the name of the Obligor or the Lender making the payment and designated as a trust account for the benefit of the Party or Parties beneficially entitled to that payment under the Finance Documents. In each case such payments must be made on the due date for payment under the Finance Documents.

(b) All interest accrued on the amount standing to the credit of the trust account shall be for the benefit of the beneficiaries of that trust account *pro rata* to their respective entitlements.

(c) A Party which has made a payment in accordance with this Clause 32.5 shall be discharged of the relevant payment obligation under the Finance Documents and shall not take any credit risk with respect to the amounts standing to the credit of the trust account.

(d) Promptly upon the appointment of a successor Agent in accordance with Clause 29.13 (*Replacement of the Agent*), each Party which has made a payment to a trust account in accordance with this Clause 32.5 shall give all requisite instructions to the bank with whom the trust account is held to transfer the amount (together with any accrued interest) to the successor Agent for distribution in accordance with Clause 32.2 (*Distributions by the Agent*).

32.6 **Partial payments**

(a) Subject to the provisions of the Intercreditor Agreement, if the Agent receives a payment for application against amounts due in respect of any Finance Documents that is insufficient to discharge all the amounts then due and payable by an Obligor under those Finance Documents, the Agent shall apply that payment towards the obligations of that Obligor under those Finance Documents in the following order:

(i) **first**, in or towards payment *pro rata* of any unpaid fees, costs and expenses of the Agent and the Security Agent under those Finance Documents;

(ii) **secondly**, in or towards payment *pro rata* of any accrued interest, fee or commission due but unpaid under those Finance Documents;

(iii) **thirdly**, in or towards payment *pro rata* of any principal due but unpaid under those Finance Documents; and

(iv) **fourthly**, in or towards payment *pro rata* of any other sum due but unpaid under the Finance Documents.

(b) The Agent shall, if so directed by the Majority Lenders, vary the order set out in paragraphs (a)(ii) to (iv) above (but not, for the avoidance of doubt, the *pro rata* allocation of payments falling within any such paragraph).

(c) Paragraphs (a) and (b) above will override any appropriation made by an Obligor.

32.7 **Set-off by Obligors**

All payments to be made by an Obligor under the Finance Documents shall be calculated and be made without (and free and clear of any deduction for) set-off or counterclaim.

32.8 **Business Days**

(a) Any payment which is due to be made on a day that is not a Business Day shall be made on the next Business Day in the same calendar month (if there is one) or the preceding Business Day (if there is not).

(b) During any extension of the due date for payment of any principal or Unpaid Sum under this Agreement interest is payable on the principal or Unpaid Sum at the rate payable on the original due date.

32.9 **Currency of account**

(a) Subject to paragraphs (b) to (e) below, dollars is the currency of account and payment for any sum due from an Obligor under any Finance Document.

(b) A repayment of a Utilisation or Unpaid Sum or a part of a Utilisation or Unpaid Sum shall be made in the currency in which that Utilisation or Unpaid Sum is denominated on its due date.

(c) Each payment of interest shall be made in the currency in which the sum in respect of which the interest is payable was denominated when that interest accrued.

(d) Each payment in respect of costs, expenses or Taxes shall be made in the currency in which the costs, expenses or Taxes are incurred.

(e) Any amount expressed to be payable in a currency other than dollars shall be paid in that other currency.

32.10 **Change of currency**

(a) Unless otherwise prohibited by law, if more than one currency or currency unit is at the same time recognised by the central bank of any country as the lawful currency of that country, then:

(i) any reference in the Finance Documents to, and any obligations arising under the Finance Documents in, the currency of that country shall be translated into, or paid in, the currency or currency unit of that country designated by the Agent (after consultation with the Borrower); and

(ii) any translation from one currency or currency unit to another shall be at the official rate of exchange recognised by the central bank for the conversion of that currency or currency unit into the other, rounded up or down by the Agent (acting reasonably).

(b) If a change in any currency of a country occurs, this Agreement will, to the extent the Agent (acting reasonably and after consultation with the Borrower) specifies to be necessary, be amended to comply with any generally accepted conventions and market practice in the Relevant Interbank Market and otherwise to reflect the change in currency.

33. SET-OFF

A Finance Party may set off any matured obligation due from an Obligor under the Finance Documents (to the extent beneficially owned by that Finance Party) against any matured obligation owed by that Finance Party to that Obligor, regardless of the place of payment, booking branch or currency of either obligation. If the obligations are in different currencies, the Finance Party may convert either obligation at a market rate of exchange in its usual course of business for the purpose of the set-off.

34. NOTICES

34.1 Communications in writing

Any communication to be made under or in connection with the Finance Documents shall be made in writing and, unless otherwise stated, may be made by fax or letter or (in accordance with Clause 34.6 (*Electronic communication*)) by email.

34.2 Addresses

The address and fax number (and the department or officer, if any, for whose attention the communication is to be made) of each Party for any communication or document to be made or delivered under or in connection with the Finance Documents is:

(a) in the case of the Borrower:

Address:	CEMEX, S.A.B. de C.V. Avenida Ricardo Margáin #325 Colonia Valle del Campestre San Pedro Garza García Nuevo León, 66265 México
Fax:	+52 (81) 8888 4465
Attention:	Corporate Finance Director;

with a copy to:

Address: CEMEX, S.A.B. de C.V.
Avenida Ricardo Margáin #325
Colonia Valle del Campestre
San Pedro Garza García
Nuevo León, 66265
México

Fax: +52 (81) 8888 6779

Attention: Financial Operations Manager;

(b) in the case of each Lender, or any other Obligor, that notified in writing to the Agent on or prior to the date on which it becomes a Party;

(c) in the case of the Agent:

Address: Citibank Europe plc, UK Branch
5th Floor, Citigroup Centre
Mail Drop CGC2 05-65
25 Canada Square, Canary Wharf
London E14 5LB
United Kingdom

Fax: +44 (0) 20 7492 3980 / +44 (0) 20 7067 9536

Attention: EMEA Loans Agency; and

(d) in the case of the Security Agent:

Address: Third Floor, 1 King's Arms Yard
London EC2R 7AF
United Kingdom

Fax: +44 (0) 20 7397 3601

Attention: George Bollas / Keith Reader,

or any substitute address, fax number or department or officer as the Party may notify to the Agent (or the Agent may notify to the other Parties, if a change is made by the Agent) by not less than five Business Days' notice.

34.3 **Delivery**

(a) Any communication or document made or delivered by one person to another under or in connection with the Finance Documents will only be effective:

(i) if by way of fax, when received in legible form; or

(ii) if by way of letter, when it has been left at the relevant address or five Business Days after being deposited in the post (postage prepaid) in an envelope addressed to it at that address,

and, if a particular department or officer is specified as part of its address details provided under Clause 34.2 (*Addresses*), if addressed to that department or officer.

(b) Any communication or document to be made or delivered to the Agent or the Security Agent will be effective only when actually received by the Agent or Security Agent and then only if it is expressly marked for the attention of the department or officer identified in Clause 34.2 (*Addresses*) (or any substitute department or officer as the Agent or Security Agent shall specify for this purpose).

(c) All notices from or to an Obligor shall be sent through the Agent. The Borrower may make and/or deliver as agent of each Obligor notices and/or requests on behalf of each Obligor.

(d) Any communication or document made or delivered to the Borrower in accordance with this Clause 34.3 will be deemed to have been made or delivered to each of the Obligors.

34.4 **Notification of address and fax number**

Promptly upon receipt of notification of an address or fax number or change of address or fax number pursuant to Clause 34.2 (*Addresses*) or changing its own address or fax number, the Agent shall notify the other Parties.

34.5 **Communication when Agent is Impaired Agent**

If the Agent is an Impaired Agent the Parties may, instead of communicating with each other through the Agent, communicate with each other directly and (while the Agent is an Impaired Agent) all the provisions of the Finance Documents which require communications to be made or notices to be given to or by the Agent shall be varied so that communications may be made and notices given to or by the relevant Parties directly. This provision shall not operate after a replacement Agent has been appointed.

34.6 **Electronic communication**

(a) Any communication to be made between the Agent or the Security Agent and a Lender and/or any member of the Group under or in connection with the Finance Documents may be made by electronic mail or other electronic means, if the Agent, the Security Agent and the relevant Lender and/or member of the Group:

(i) agree that, unless and until notified to the contrary, this is to be an accepted form of communication;

(ii) notify each other in writing of their electronic mail address and/or any other information required to enable the sending and receipt of information by that means; and

(iii) notify each other of any change to their address or any other such information supplied by them.

(b) Any electronic communication made between the Agent and a Lender or the Security Agent and/or any member of the Group will be effective only when actually received in readable form and, in the case of any electronic communication made by a Lender and/or the Security Agent and/or any member of the Group to the Agent, only if it is addressed in such a manner as the Agent or Security Agent shall specify for this purpose.

(c) As at the date of this Agreement, the Security Agent has not agreed that electronic communication as contemplated by this Clause 34.6 is an accepted form of communication unless any communication from a Party to the Security Agent by electronic means is also made by fax, and such communication shall only be effective when such fax is received in legible form.

34.7 **English language**

(a) Any notice given under or in connection with any Finance Document must be in English.

(b) All other documents provided under or in connection with any Finance Document must be:

(i) in English; or

(ii) if not in English, and if so required by the Agent, accompanied by a certified English translation and, in this case, the English translation will prevail unless the document is a constitutional, statutory or other official document.

34.8 **Obligor Agent**

(a) Each Obligor (other than the Borrower) by its execution of this Agreement or an Accession Letter (as the case may be) irrevocably appoints the Borrower to act on its behalf as its agent in relation to the Finance Documents and irrevocably authorises:

(i) the Borrower on its behalf to supply all information concerning itself contemplated by this Agreement to the Finance Parties and to give all notices and instructions, to execute on its behalf any documents required hereunder and to make such agreements capable of being given or made by any Obligor notwithstanding that they may affect such Obligor, without further reference to or consent of such Obligor;

(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 Finance Documents; and

(iii) each Finance Party to give any notice, demand or other communication to such Obligor pursuant to the Finance Documents to the Borrower on its behalf,

and in each case such Obligor shall be bound thereby as though such Obligor itself had given such notices and instructions or executed or made such agreements or received any notice, demand or other communication.

(b) Every act, agreement, undertaking, settlement, waiver, notice or other communication given or made by the Borrower, or given to the Borrower, in its capacity as agent in accordance with paragraph (a) of this Clause 34.8, in connection with this Agreement shall be binding for all purposes on such Obligors as if the other Obligors had expressly made, given or concurred with the same. In the event of any conflict between any notices or other communications of the Borrower and any other Obligor, those of the Borrower shall prevail.

34.9 **Use of websites**

(a) The Borrower may satisfy its obligation under this Agreement to deliver any information in relation to those Lenders (the "**Website Lenders**") who accept this method of communication by posting this information on to an electronic website designated by the Borrower and the Agent (the "**Designated Website**") if:

(i) the Agent expressly agrees (after consultation with each of the Lenders) that it will accept communication of the information by this method;

(ii) both the Borrower and the Agent are aware of the address of and any relevant password specifications for the Designated Website; and

(iii) the information is in a format previously agreed between the Borrower and the Agent.

If any Lender does not agree to the delivery of information electronically then the Agent shall notify the Borrower accordingly and the Borrower shall supply the information to the Agent in paper form. In any event the Borrower shall supply the Agent with at least one copy in paper form of any information required to be provided by it.

(b) The Agent shall supply each Website Lender with the address of and any relevant password specifications for the Designated Website following designation of that website by the Borrower and the Agent.

(c) The Borrower shall promptly upon becoming aware of its occurrence notify the Agent if:

(i) the Designated Website cannot be accessed due to technical failure;

(ii) the password specifications for the Designated Website change;

(iii) any new information which is required to be provided under this Agreement is posted on to the Designated Website;

(iv) any existing information which has been provided under this Agreement and posted on to the Designated Website is amended; or

(v) the Borrower becomes aware that the Designated Website or any information posted on to the Designated Website is or has been infected by any electronic virus or similar software.

If the Borrower notifies the Agent under paragraph (c)(i) or paragraph (c)(v) above, all information to be provided by the Borrower under this Agreement after the date of that notice shall be supplied in paper form unless and until the Agent and each Website Lender are satisfied that the circumstances giving rise to the notification are no longer continuing.

(d) Any Website Lender may request, through the Agent, one paper copy of any information required to be provided under this Agreement which is posted on to the Designated Website. The Borrower shall at its own cost comply with any such request within ten Business Days.

35. CALCULATIONS AND CERTIFICATES

35.1 Accounts

In any litigation or arbitration proceedings arising out of or in connection with a Finance Document, the entries made in the accounts maintained by a Finance Party are *prima facie* evidence of the matters to which they relate.

35.2 Certificates and determinations

Any certification or determination by a Finance Party of a rate or amount under any Finance Document is, in the absence of manifest error, conclusive evidence of the matters to which it relates.

35.3 Day count convention

Any interest, commission or fee accruing under a Finance Document will accrue from day to day and is calculated on the basis of the actual number of days elapsed and a year of 360 days or, in any case where the practice in the Relevant Interbank Market differs, in accordance with that market practice.

35.4 **Spanish Civil Procedure**

In the event that this Agreement is raised to a Spanish Public Document, for the purposes of Article 572.2 of the Spanish Civil Procedure Law (*Ley de Enjuiciamiento Civil*), all parties expressly agree that the exact amount due at any time by the Obligors to the Lenders will be the amount specified in a certificate issued by the Agent (and/or any Lender) in accordance with Clause 35.2 (*Certificates and determinations*) as representative of the Lenders reflecting the balance of the accounts referred to in Clause 35.1 (*Accounts*).

35.5 **No personal liability**

If an individual signs a certificate on behalf of any member of the Group and the certificate proves to be incorrect, the individual will incur no personal liability as a result, unless the individual acted fraudulently in giving the certificate. In this case any liability of the individual will be determined in accordance with applicable law.

36. PARTIAL INVALIDITY

If, at any time, any provision of the Finance Documents is or becomes illegal, invalid or unenforceable in any respect under any law or regulation of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions nor the legality, validity or enforceability of such provision under the law or regulations of any other jurisdiction will in any way be affected or impaired.

37. REMEDIES AND WAIVERS

No failure to exercise, nor any delay in exercising, on the part of any Finance Party or Secured Party, any right or remedy under the Finance Documents shall operate as a waiver of any such right or remedy or constitute an election to affirm any of the Finance Documents. No election to affirm any of the Finance Documents on the part of any Finance Party shall be effective unless it is in writing. No single or partial exercise of any right or remedy shall prevent any further or other exercise or the exercise of any other right or remedy. The rights and remedies provided in this Agreement are cumulative and not exclusive of any rights or remedies provided by law or regulation.

38. AMENDMENTS AND WAIVERS

38.1 **Required consents**

(a) Subject to Clause 38.2 (*Exceptions*) and Clause 38.3 (*Facility Change*), any term of the Finance Documents may be amended or waived only with the consent of the Majority Lenders and the Borrower and any such amendment or waiver will be binding on all Parties.

(b) Subject to paragraphs (c) to (e) of Clause 29.1 (*Appointment of the Agent*), the Agent may effect, on behalf of any Finance Party, any amendment or waiver permitted by this Clause 38.

(c) Each Obligor agrees to any such amendment or waiver permitted by this Clause 38 which is agreed to by the Borrower. This includes any amendment

or waiver which would, but for this paragraph (c), require the consent of all of the Guarantors.

38.2 **Exceptions**

(a) An amendment or waiver that has the effect of changing or which relates to:

(i) the definition of "Majority Lenders" or "Super Majority Lenders" in Clause 1.1 (*Definitions*);

(ii) an extension to the Termination Date or to the date of any scheduled payment of any amount under the Finance Documents (except pursuant to Clause 2.2 (*Accordion*) or a Facility Change);

(iii) a reduction in the Margin or a reduction in the amount (or, in respect of interest, fees and commissions, the rate) of any payment of principal, interest, fees or commission payable;

(iv) the allocation as among the Lenders of any amount payable under the Finance Documents;

(v) a change in currency of payment of any amount under the Finance Documents;

(vi) an increase in or an extension of any Commitment or the Total Commitments (except pursuant to Clause 2.2 (*Accordion*) or a Facility Change);

(vii) a change to the Borrower or any of the Guarantors other than in accordance with Clause 28 (*Changes to the Obligors*);

(viii) any provision which expressly requires the consent of all the Lenders;

(ix) Clause 2.3 (*Finance Parties' rights and obligations*), Clause 18 (*Guarantee and Indemnity*), Clause 26 (*Changes to the Lenders*), Clause 28 (*Changes to the Obligors*) or this Clause 38; or

(x) any amendment to the order of priority or subordination under the Intercreditor Agreement,

shall not be made without the prior consent of all of the Lenders (save in circumstances where such change is made pursuant to Clause 2.2 (*Accordion*) or Clause 23 (*Covenant Reset Date*)).

(b) An amendment or waiver which relates to the rights or obligations of the Agent, the Arranger or, as the case may be, the Security Agent may not be effected without the consent of the Agent, the Arranger or, as the case may be, the Security Agent at such time.

(c) Any amendment or waiver that has the effect of changing or that relates to:

(i) the nature or scope of the Charged Property or the manner in which the proceeds of enforcement of the Transaction Security are distributed (except insofar as it relates to a sale or disposal of an asset which is the subject of the Transaction Security where such sale or disposal is expressly permitted under this Agreement or any other Finance Document);

(ii) the release of any guarantee and indemnity granted under Clause 18 (*Guarantee and Indemnity*) or of any Transaction Security unless permitted under this Agreement or any other Finance Document or relating to a sale or disposal of an asset which is the subject of the Transaction Security where such sale or disposal is expressly permitted under this Agreement or any other Finance Document,

may only be made with the consent of the Super Majority Lenders.

(d) If any Lender fails to respond to a request for a consent, waiver or amendment of or in relation to any of the terms of any Finance Document or other vote of Lenders under the terms of this Agreement within 20 Business Days of that request being made (or such longer period as the Borrower may, in its absolute discretion, specify (subject to prior notice being given by the Borrower to the Agent)), its Commitment and/or participation shall not be included for the purpose of calculating the Total Commitments or participations under the relevant Facility/ies when ascertaining whether any relevant percentage (including, for the avoidance of doubt, unanimity) of Total Commitments and/or participations has been obtained to approve that request.

38.3 **Facility Change**

(a) The Borrower may, by notice to the Agent for circulation to all Lenders, request the consent of each Lender to an extension of the Termination Date with respect to that Lender's Commitment and participation in the Loans (such extension, a "**Facility Change**", and any such Lender which consents to an extension of the Termination Date with respect to its Commitment and participation in the Loans, a "**Facility Change Lender**").

(b) A Facility Change shall be implemented by way of an amendment to this Agreement (and, if required, any other Finance Document) to reflect the Facility Change in relation to the relevant Facility Change Lender(s) (but, for the avoidance of doubt, in relation to no other Lender) (including, without limitation, by the creation of sub-tranches or a new facility comprising the Commitment and participation in the Loans of some or all of the Facility Change Lender(s), and to which the extended Termination Date is to apply).

(c) Notwithstanding anything in this Clause 38 or any other provision of the Finance Documents to the contrary, an amendment to any term of the Finance Documents made in accordance with this Clause 38.3 in order to implement a Facility Change may be approved with the consent of the relevant Facility

Change Lender and the Borrower (and countersigned by the Agent) and any such amendment will be binding on all Parties.

38.4 **Replacement of Lender**

(a) If at any time:

(i) any Lender becomes a Non-Consenting Lender (as defined in paragraph (c) below); or

(ii) an Obligor other than a Security Provider that is not also the Borrower or a Guarantor becomes obliged to repay any amount in accordance with Clause 7.1 (*Illegality*) or to pay additional amounts pursuant to Clause 14.1 (*Increased costs),* Clause 13.2 (*Tax gross-up)* or Clause 13.3 (*Tax indemnity)* to any Lender in excess of amounts payable to the other Lenders generally,

then the Borrower may, on 10 Business Days' prior written notice to the Agent and such Lender, replace such Lender by requiring such Lender to (and such Lender shall) transfer pursuant to Clause 26 (*Changes to the Lenders)* all (and not part only) of its rights and obligations under this Agreement to a Lender or other bank, financial institution, trust, fund or other entity (a "**Replacement Lender**") selected by the Borrower, and (unless at such time the Agent is an Impaired Agent) which is acceptable to the Agent (acting reasonably), which confirms its willingness to assume and does assume all the obligations of the transferring Lender (including the assumption of the transferring Lender's participations on the same basis as the transferring Lender) for a purchase price in cash payable at the time of transfer equal to the outstanding principal amount of such Lender's participation in the outstanding Utilisations and all accrued interest and/or Break Costs and other amounts payable in relation thereto under the Finance Documents.

(b) The replacement of a Lender pursuant to this Clause 38.4 shall be subject to the following conditions:

(i) the Borrower shall have no right to replace the Agent or Security Agent;

(ii) neither the Agent nor the Lender shall have any obligation to the Borrower to find a Replacement Lender;

(iii) in the event of a replacement of a Non-Consenting Lender such replacement must take place no later than 180 days after the date on which the Non-Consenting Lender notifies the Borrower and the Agent of its failure or refusal to give a consent in relation to, or agree to any waiver or amendment to the Finance Documents requested by the Borrower; and

(iv) in no event shall the Lender replaced under this paragraph (b) be required to pay or surrender to such Replacement Lender any of the fees received by such Lender pursuant to the Finance Documents.

(c) In the event that:

(i) the Borrower or the Agent (at the request of the Borrower) has requested the Lenders to give a consent in relation to, or to agree to a waiver or amendment of, any provisions of the Finance Documents;

(ii) the consent, waiver or amendment in question requires the approval of all the Lenders; and

(iii) Lenders whose Commitments aggregate more than 85 per cent. of the Total Commitments (or, if the Total Commitments have been reduced to zero, aggregated more than 85 per cent. of the Total Commitments prior to that reduction) have consented or agreed to such waiver or amendment,

then any Lender who does not and continues not to consent or agree to such waiver or amendment shall be deemed a "**Non-Consenting Lender**".

38.5 **Replacement of a Defaulting Lender**

(a) The Borrower may, at any time a Lender has become and continues to be a Defaulting Lender, by giving 10 Business Days' prior written notice to the Agent and such Lender, replace such Lender by requiring such Lender to (and such Lender shall) transfer pursuant to Clause 26 (*Changes to the Lenders)* all (and not part only) of its rights and obligations under this Agreement to a Lender or Replacement Lender selected by the Borrower, and which (unless the Agent is an Impaired Agent) is acceptable to the Agent (acting reasonably), which confirms its willingness to assume and does assume all the obligations or all the relevant obligations of the transferring Lender (including the assumption of the transferring Lender's participations or unfunded participations (as the case may be) on the same basis as the transferring Lender) for a purchase price in cash payable at the time of transfer equal to the outstanding principal amount of such Lender's participation in the outstanding Utilisations and all accrued interest, Break Costs and other amounts payable in relation thereto under the Finance Documents.

(b) Any transfer of rights and obligations of a Defaulting Lender pursuant to this Clause 38.5 shall be subject to the following conditions:

(i) the Borrower shall have no right to replace the Agent or Security Agent;

(ii) neither the Agent nor the Defaulting Lender shall have any obligation to the Borrower to find a Replacement Lender;

(iii) the transfer must take place no later than 180 days after the notice referred to in paragraph (a) above; and

(iv) in no event shall the Defaulting Lender be required to pay or surrender to the Replacement Lender any of the fees received by the Defaulting Lender pursuant to the Finance Documents.

39. CONFIDENTIALITY

39.1 Confidential Information

Each Finance Party agrees to keep all Confidential Information confidential and not to disclose it to anyone, save to the extent permitted by Clause 39.2 (*Disclosure of Confidential Information)* and Clause 39.3 (*Disclosure to numbering service providers),* and to ensure that all Confidential Information is protected with security measures and a degree of care that would apply to its own confidential information.

39.2 Disclosure of Confidential Information

Any Finance Party may, subject (where applicable) to the provisions of article L. 511-33 of the French Monetary and Financial Code, disclose:

(a) to any of its Affiliates and Related Funds and any of its or their officers, directors, employees, professional advisers, auditors, partners and Representatives such Confidential Information as that Finance Party shall consider appropriate if any person to whom the Confidential Information is to be given pursuant to this paragraph (a) is informed in writing of its confidential nature and that some or all of such Confidential Information may be price-sensitive information except that there shall be no such requirement to inform if the recipient is subject to professional obligations to maintain the confidentiality of the information or is otherwise bound by requirements of confidentiality in relation to the Confidential Information;

(b) to any person:

(i) to (or through) whom it assigns or transfers (or may potentially assign or transfer) all or any of its rights and/or obligations under one or more Finance Documents and to any of that person's Affiliates, Related Funds, Representatives and professional advisers;

(ii) with (or through) whom it enters into (or may potentially enter into), whether directly or indirectly, any sub-participation in relation to, or any other transaction under which payments are to be made or may be made by reference to, one or more Finance Documents and/or one or more Obligors and to any of that person's Affiliates, Related Funds, Representatives and professional advisers;

(iii) appointed by any Finance Party or by a person to whom paragraph (b)(i) or (ii) above applies to receive communications, notices, information or documents delivered pursuant to the Finance Documents on its behalf (including, without limitation, any person appointed under paragraph (d) of Clause 29.15 (*Relationship with the Lenders*));

(iv) who invests in or otherwise finances (or may potentially invest in or otherwise finance), directly or indirectly, any transaction referred to in paragraph (b)(i) or (b)(ii) above;

(v) to whom information is required or requested to be disclosed by any court of competent jurisdiction or any governmental, banking, taxation or other regulatory authority or similar body, the rules of any relevant stock exchange or pursuant to any applicable law or regulation;

(vi) to whom or for whose benefit that Finance Party charges, assigns or otherwise creates Security (or may do so) pursuant to Clause 26.8 (*Security over Lenders' rights);*

(vii) to whom information is required to be disclosed in connection with, and for the purposes of, any litigation, arbitration, administrative or other investigations, proceedings or disputes;

(viii) which is a credit risk insurer or potential credit risk insurer;

(ix) who is a Party; or

(x) with the consent of the Borrower;

in each case, such Confidential Information as that Finance Party shall consider appropriate if:

(A) in relation to paragraphs (b)(i), (b)(ii) and b(iii) above, the person to whom the Confidential Information is to be given has entered into a Confidentiality Undertaking except that there shall be no requirement for a Confidentiality Undertaking if the recipient is a professional adviser and is subject to professional obligations to maintain the confidentiality of the Confidential Information;

(B) in relation to paragraph (b)(iv) above, the person to whom the Confidential Information is to be given has entered into a Confidentiality Undertaking or is otherwise bound by requirements of confidentiality in relation to the Confidential Information they receive and is informed that some or all of such Confidential Information may be price-sensitive information;

(C) in relation to paragraphs (b)(v), (b)(vi), (b)(vii) and (b)(viii) above, the person to whom the Confidential Information is to be given is informed of its confidential nature and that some or all of such Confidential Information may be price-sensitive information except that there shall be no requirement to so inform if, in the opinion of that Finance Party, it is not practicable so to do in the circumstances;

(c) to any person appointed by that Finance Party or by a person to whom paragraph (b)(i) or (b)(ii) above applies to provide administration or settlement services in respect of one or more of the Finance Documents, including without limitation, in relation to the trading of participations in respect of the Finance Documents, such Confidential Information as may be required to be

disclosed to enable such service provider to provide any of the services referred to in this paragraph (c) if the service provider to whom the Confidential Information is to be given has entered into a confidentiality agreement substantially in the form of the LMA Master Confidentiality Undertaking for Use With Administration/Settlement Service Providers or such other form of confidentiality undertaking agreed between the Borrower and the relevant Finance Party; and

(d) to any rating agency (including its professional advisers) such Confidential Information as may be required to be disclosed to enable such rating agency to carry out its normal rating activities in relation to the Finance Documents and/or the Obligors if the rating agency to whom the Confidential Information is to be given is informed of its confidential nature and that some or all of such Confidential Information may be price-sensitive information.

39.3 **Disclosure to numbering service providers**

(a) Any Finance Party may, subject (where applicable) to the provisions of article L. 511-33 of the French Monetary and Financial Code, disclose to any national or international numbering service provider appointed by that Finance Party to provide identification numbering services in respect of this Agreement, the Facilities and/or one or more Obligors the following information:

(i) names of Obligors;

(ii) country of domicile of Obligors;

(iii) place of incorporation of Obligors;

(iv) date of this Agreement;

(v) the name of the Agent;

(vi) date of each amendment and restatement of this Agreement;

(vii) amount of the Commitments under each Facility;

(viii) currencies of the Facilities;

(ix) type of Facilities;

(x) ranking of Facilities;

(xi) Termination Date for Facilities;

(xii) law and jurisdiction of the Facilities;

(xiii) changes to any of the information previously supplied pursuant to paragraphs (i) to (xii) above; and

(xiv) such other information agreed between such Finance Party and the Borrower,

to enable such numbering service provider to provide its usual syndicated loan numbering identification services.

(b) The Parties acknowledge and agree that each identification number assigned to this Agreement, the Facilities and/or one or more Obligors by a numbering service provider and the information associated with each such number may be disclosed to users of its services in accordance with the standard terms and conditions of that numbering service provider.

(c) The Agent shall notify the Borrower and the other Finance Parties of:

(i) the name of any numbering service provider appointed by the Agent in respect of this Agreement, the Facilities and/or one or more Obligors; and

(ii) the number or, as the case may be, numbers assigned to this Agreement, the Facilities and/or one or more Obligors by such numbering service provider.

39.4 **Entire agreement**

Subject to the provisions of article L. 511-33 of the French Monetary and Financial Code, this Clause 39 constitutes the entire agreement between the Parties in relation to the obligations of the Finance Parties under the Finance Documents regarding Confidential Information and supersedes any previous agreement, whether express or implied, regarding Confidential Information.

39.5 **Inside information**

Each of the Finance Parties acknowledges that some or all of the Confidential Information is or may be price-sensitive information and that the use of such information may be regulated or prohibited by applicable legislation including securities law relating to insider dealing and market abuse and each of the Finance Parties undertakes not to use any Confidential Information for any unlawful purpose.

39.6 **Notification of disclosure**

Each of the Finance Parties agrees (to the extent permitted by law and regulation) to inform the Borrower as soon as reasonably practicable:

(a) of the circumstances of any disclosure of Confidential Information made pursuant to paragraph (b)(v) of Clause 39.2 (*Disclosure of Confidential Information)* except where such disclosure is made to any of the persons referred to in that paragraph during the ordinary course of its supervisory or regulatory function; and

(b) upon becoming aware that Confidential Information has been disclosed in breach of this Clause 39.

39.7 **Continuing obligations**

The obligations in this Clause 39 are continuing and, in particular, shall survive and remain binding on each Finance Party for a period of 12 months from the earlier of:

(a) the date on which all amounts payable by the Obligors under or in connection with the Finance Documents have been paid in full and all Commitments have been cancelled or otherwise cease to be available; and

(b) the date on which such Finance Party otherwise ceases to be a Finance Party.

40. **COUNTERPARTS**

Each Finance Document may be executed in any number of counterparts, and this has the same effect as if the signatures on the counterparts were on a single copy of the Finance Document.

SECTION 12
GOVERNING LAW AND ENFORCEMENT

41. **GOVERNING LAW**

(a) This Agreement and all non-contractual obligations arising from or connected with it are governed by English law.

(b) If any of the Original Obligors is represented by an attorney or attorneys in connection with the signing and/or execution and/or delivery of this Agreement or any agreement or document referred to herein or made pursuant hereto and the relevant power or powers of attorney is or are expressed to be governed by the laws and regulations of a particular jurisdiction, it is hereby expressly acknowledged and accepted by the other parties hereto that such laws and regulations shall govern the existence and extent of such attorney's or attorney's authority and the effects of the exercise thereof.

42. **ENFORCEMENT**

42.1 **Jurisdiction in relation to actions brought by or against parties organised or incorporated in Mexico**

In relation to actions brought by or against any Party organised or incorporated in Mexico:

(a) each of the Parties agrees that the courts of England and the courts of each Party's corporate domicile (but only in respect of actions brought against such Party as a defendant), have jurisdiction to settle any dispute arising out of or in connection with this Agreement (including a dispute regarding the existence, validity or termination of this Agreement or any non-contractual obligations arising from or connected with this Agreement) (a "**Dispute**"); and

(b) each of the Parties agrees that the courts of England and such courts of each Party's corporate domicile (but only in respect of actions brought against such Party as a defendant) are the most appropriate and convenient courts to settle Disputes and accordingly no Party will argue to the contrary and hereby waives any right to any other jurisdiction to which any of them may be entitled on account of place of residence or domicile or otherwise.

42.2 **Jurisdiction of English Courts in other cases**

Subject to Clause 42.1 (*Jurisdiction in relation to actions brought by or against parties organised or incorporated in Mexico)* above:

(a) the courts of England have jurisdiction to settle any Dispute;

(b) the Parties agree that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly no Party will argue to the contrary and hereby waives any right to any other jurisdiction to which any of them may be entitled on account of place of residence or domicile or otherwise; and

(c) this Clause 42.2 is for the benefit of the Finance Parties and Secured Parties only. As a result, no Finance Party or Secured Party shall be prevented from taking proceedings relating to a Dispute (or any other dispute whatsoever) in any other courts with jurisdiction. To the extent allowed by law or regulation, the Finance Parties and Secured Parties may take concurrent proceedings in any number of jurisdictions.

42.3 **Service of process**

Without prejudice to any other mode of service allowed under any relevant law or regulation, each Obligor (other than an Obligor incorporated in England and Wales):

(a) irrevocably appoints the Process Agent as its agent for service of process in relation to any proceedings before the English courts in connection with any Finance Document (and the Process Agent, by its execution of this Agreement, accepts that appointment); and

(b) agrees that failure by the Process Agent to notify the relevant Obligor of the process will not invalidate the proceedings concerned,

and each Obligor, including each Additional Guarantor or Additional Security Provider, that is incorporated in Mexico shall grant an irrevocable power of attorney for lawsuits and collections (*pleitos y cobranzas*) granted before a Mexican notary public, appointing the Process Agent as its agent for service of process as provided herein on or before the date of this Agreement or any other Finance Document or when it becomes a Party to this Agreement or any other Finance Document, as applicable.

42.4 **Waiver of right to trial by jury**

TO THE EXTENT PERMITTED BY APPLICABLE LAW, EACH PARTY TO THIS AGREEMENT HEREBY EXPRESSLY AND IRREVOCABLY WAIVES ANY RIGHT TO TRIAL BY JURY OF ANY CLAIM, DEMAND, ACTION OR CAUSE OF ACTION ARISING UNDER ANY FINANCE DOCUMENT OR IN ANY WAY CONNECTED WITH OR RELATED OR INCIDENTAL TO THE DEALINGS OF THE PARTIES HERETO OR ANY OF THEM WITH RESPECT TO ANY FINANCE DOCUMENT, OR THE TRANSACTIONS RELATED THERETO, IN EACH CASE WHETHER NOW EXISTING OR HEREAFTER ARISING, AND WHETHER FOUNDED IN CONTRACT OR TORT OR OTHERWISE; AND EACH PARTY HEREBY AGREES AND CONSENTS THAT ANY SUCH CLAIM, DEMAND, ACTION OR CAUSE OF ACTION SHALL BE DECIDED BY COURT TRIAL WITHOUT A JURY. Each Party acknowledges that (a) this waiver is a material inducement to enter into this Agreement, (b) it has already relied on this waiver in entering into this Agreement and (c) it will continue to rely on this waiver in future dealings. Each Party represents that it has reviewed this waiver with its legal advisers and that it knowingly and voluntarily waives its jury trial rights after consultation with its legal advisers. Each Party hereby agrees and consents that any Party to this Agreement may file an original counterpart or a copy of this Clause 42.4 with any court as written evidence of the consent of the signatories hereto to the waiver of their right to trial by jury.

43. CONTRACTUAL RECOGNITION OF BAIL-IN

43.1 Bail-In

Notwithstanding any other term of any Finance Document or any other agreement, arrangement or understanding between the Parties, each Party acknowledges and accepts that any liability of any Party to any other Party under or in connection with the Finance Documents may be subject to Bail-In Action by the relevant Resolution Authority and acknowledges and accepts to be bound by the effect of:

(a) any Bail-In Action in relation to any such liability, including (without limitation):

(i) a reduction, in full or in part, in the principal amount, or outstanding amount due (including any accrued but unpaid interest) in respect of any such liability;

(ii) a conversion of all, or part of, any such liability into shares or other instruments of ownership that may be issued to, or conferred on, it; and

(iii) a cancellation of any such liability; and

(b) a variation of any term of any Finance Document to the extent necessary to give effect to any Bail-In Action in relation to any such liability.

43.2 Definitions

In this Clause 43:

"Bail-In Action" means the exercise of any Write-down and Conversion Powers.

"Bail-In Legislation" means:

(a) in relation to an EEA Member Country which has implemented, or which at any time implements, Article 55 of Directive 2014/59/EU establishing a framework for the recovery and resolution of credit institutions and investment firms, the relevant implementing law or regulation as described in the EU Bail-In Legislation Schedule from time to time ; and

(b) in relation to any other state, any analogous law or regulation from time to time which requires contractual recognition of any Write-down and Conversion Powers contained in that law or regulation.

"EEA Member Country" means any member state of the European Union, Iceland, Liechtenstein and Norway.

"EU Bail-In Legislation Schedule" means the document described as such and published by the Loan Market Association (or any successor person) from time to time.

"Resolution Authority" means any body which has authority to exercise any Write-down and Conversion Powers.

"Write-down and Conversion Powers" means:

(a) in relation to any Bail-In Legislation described in the EU Bail-In Legislation Schedule from time to time, the powers described as such in relation to that Bail-In Legislation in the EU Bail-In Legislation Schedule; and

(b) in relation to any other applicable Bail-In Legislation:

(i) any powers under that Bail-In Legislation to cancel, transfer or dilute shares issued by a person that is a bank or investment firm or other financial institution or affiliate of a bank, investment firm or other financial institution, to cancel, reduce, modify or change the form of a liability of such a person 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; and

(ii) any similar or analogous powers under that Bail-In Legislation.

This Agreement has been entered into on the date stated at the beginning of this Agreement.

SCHEDULE 1
THE ORIGINAL PARTIES

PART I
THE ORIGINAL OBLIGORS

Name of Original Borrower	**Registration number or equivalent**
CEMEX, S.A.B. de C.V.	CEM-880726-UZA (Mexico)
Name of Original Guarantors	**Registration number or equivalent**
CEMEX España, S.A.	A-46004214 (Spain)
CEMEX México, S.A. de C.V.	CME-820101-LJ4 (Mexico)
CEMEX Concretos, S.A. de C.V.	CCO-740918-9M1 (Mexico)
Empresas Tolteca de México, S.A. de C.V.	ETM-890720-DJ2 (Mexico)
New Sunward Holding B.V.	34133556 (The Netherlands)
CEMEX Corp.	File #: 2162255 (Delaware)
CEMEX Finance LLC (formerly known as CEMEX España Finance LLC)	File #: 3654572 (Delaware)
Cemex Research Group AG	CHE-113.951.069 (Switzerland)
CEMEX Asia B.V.	34228466 (The Netherlands)
CEMEX France Gestion (S.A.S.)	334 533 288 R.C.S. Créteil (France)
CEMEX UK	05196131 (England)
CEMEX Egyptian Investments B.V.	34108365 (The Netherlands)
Name of Original Security Providers	**Registration number or equivalent**
CEMEX, S.A.B. de C.V.	CEM-880726-UZA (Mexico)

CEMEX Central, S.A. de C.V.	CCE911110JE1 (Mexico)
CEMEX México, S.A. de C.V.	CME-820101-LJ4 (Mexico)
CEMEX Operaciones México, S.A. de C.V.	CDC-960913-SK6 (Mexico)
Empresas Tolteca de México, S.A. de C.V.	ETM-890720-DJ2 (Mexico)
Interamerican Investments, Inc.	File #: 2252951 (Delaware)
New Sunward Holding B.V.	34133556 (The Netherlands)
CEMEX TRADEMARKS HOLDING Ltd.	CHE-109.294.363 (Switzerland)

PART II
THE ORIGINAL LENDERS

Name of Original Lender	Facility A Commitment	Facility B Commitment	Facility C Commitment	Facility D1 Commitment	Facility D2 Commitment
BBVA Bancomer S.A., Institución de Banca Múltiple, Grupo Financiero BBVA Bancomer	$122,795,018.18	€ 0	£ 0	$32,160,600.00	$78,939,654.55
Banco Bilbao Vizcaya Argentaria, S.A.	$ 0	€50,626,682.41	£ 0	$ 0	$ 0
Banco Santander (México) S.A., Institución de Banca Múltiple, Grupo Financiero Santander México	$ 70,168,581.81	€58,220,684.77	£33,618,523.30	$32,160,600.00	$78,939,654.55
Bank of America N.A., London Branch	$137,413,472.72	€ 0	£33,618,523.30	$32,160,600.00	$78,939,654.55
Citibank, N.A. International Banking Facility	$ 0	€ 0	£33,618,523.30	$ 0	$ 0
Banco Nacional de México, S.A., integrante del Grupo Financiero Banamex	$137,413,472.72	€ 0	£ 0	$32,160,600.00	$78,939,654.55
BNP PARIBAS, S.A. Sucursal en España	$ 0	€60,752,018.89	£38,100,993.06	$ 0	$ 0
BNP PARIBAS, New York	$ 61,397,509.10	€ 0	£ 0	$32,160,600.00	$78,939,654.55

ING Bank N.V., Dublin Branch	$ 0	€156,942,715.46	£17,929,879.09	$ 8,771,072.73	$ 78,939,654.55
Crédit Agricole Corporate and Investment Bank	$ 64,321,200.00	€101,253,364.81	£ 0	$32,160,600.00	$ 78,939,654.55
Banco Mercantil del Norte, S.A., Institución de Banca Múltiple, Grupo Financiero Banorte	$154,955,618.18	€ 0	£ 0	$58,473,818.18	$ 78,939,654.55
JPMorgan Chase Bank, N.A.	$146,184,545.46	€ 0	£ 0	$ 0	$146,184,545.45
Mizuho Bank, Ltd.	$ 64,321,200.00	€ 75,940,023.61	£22,412,348.86	$32,160,600.00	$ 78,939,654.55
HSBC México, S.A., Institución de Banca Múltiple, Grupo Financiero HSBC	$140,921,901.81	€ 0	£ 0	$32,160,600.00	$ 0
HSBC Bank USA, National Association	$ 0	€ 0	£ 0	$ 0	$ 40,000,000.00
HSBC Bank plc, Sucursal en España	$ 0	€ 0	£30,929,041.43	$ 0	$ 38,939,654.55
Intesa Sanpaolo S.p.A.	$ 0	€134,199,134.20	£15,331,544.65	$ 7,500,000.00	$ 67,500,000.00
Banco Nacional de Comercio Exterior, Sociedad Nacional de Crédito, Institución de Banca de Desarrollo	$ 98,542,800.00	€ 0	£ 0	$17,483,400.00	$ 42,913,800.00
Export Development Canada	$ 0	€ 0	£76,657,723.27	$ 0	$ 0
Société Générale	$ 0	€ 46,753,246.75	£ 0	$11,000,000.00	$ 35,000,000.00
Sabcapital, S.A. de C.V., Sociedad Financiera de Objeto Múltiple, Entidad	$ 21,000,000.00	€ 19,393,939.39	£ 0	$ 7,700,000.00	$ 18,900,000.00

Regulada					
Sumitomo Mitsui Banking Corporation	$15,000,000.00	€ 9,523,809.53	£ 3,832,886.16	$5,500,000.00	$13,500,000.00
National Westminster Bank plc	$ 0	€ 0	£27,980,068.99	$ 0	$13,500,000.00
Crédit Industriel et Commercial, London Branch	$ 0	€16,103,896.10	£ 0	$3,300,000.00	$ 8,100,000.00
Bayerische Landesbank, New York Branch	$ 0	€10,822,510.82	£ 9,582,215.41	$ 0	$ 0

SCHEDULE 2
CONDITIONS PRECEDENT

PART I
INITIAL CONDITIONS PRECEDENT

1. **Obligors**

(a) A copy (in the case of an Obligor incorporated in Mexico, certified by a notary public or otherwise authenticated) of the current constitutional documents of each Original Obligor other than a Dutch Obligor, a Swiss Obligor or a French Obligor (or, in the case of an Original Obligor incorporated in Spain, a certificate or excerpt from the relevant Mercantile Registry including the updated by-laws of the Original Obligor).

(b) A copy (in the case of the Borrower) of the resolutions of the board of directors including the powers of attorney delegating sufficient powers (which are themselves delegable) to authorise the entry into the Facilities.

(c) A copy of a resolution of the board of directors (or any other competent body) (or, in the case of an Original Obligor incorporated in Spain, a certificate issued by the secretary with the approval of the president and raised to public document status) of each Original Obligor (except any Original Guarantor or Original Security Provider incorporated in Mexico, any Dutch Obligor, Swiss Obligor or French Obligor):

(i) approving the terms of, and the transactions contemplated by, the Finance Documents to which it is a party and resolving that it execute the Finance Documents to which it is a party;

(ii) authorising a specified person or persons to execute the Finance Documents to which it is a party on its behalf (including, in the case of an Original Obligor incorporated in Spain, the authority to irrevocably appoint a process agent ("*mandatario ad litem*") unless such appointment has been made by other means by a duly authorised representative); and

(iii) authorising a specified person or persons, on its behalf, to sign and/or despatch all documents and notices to be signed and/or despatched by it under or in connection with the Finance Documents to which it is a party.

(d) In the case of an Obligor incorporated in Mexico (to the extent not covered under paragraph (b) above), (i) powers of attorney duly notarised containing authority for acts of administration, and if applicable for acts of disposition (in respect of any Transaction Security Document) and to execute negotiable instruments; and (ii) powers of attorney for lawsuits and collections (*pleitos y cobranzas*) for the Process Agent, duly notarised before a Mexican notary public, together with any necessary appointment and acceptance letter.

(e) A specimen of the signature of each person authorised by the resolution referred to in paragraph (c) above in relation to the Finance Documents.

(f) In the case of Dutch Obligors:

(i) a copy of the deed of incorporation (*oprichtingsakte*) and where the articles of association have been amended since the date of incorporation the articles of association (*statuten*) of each Dutch Obligor, as well as an extract (*uittreksel*) from the Dutch Commercial Register (*Handelsregister*) of such Dutch Obligor;

(ii) a copy of the resolution of the board of managing directors of each Dutch Obligor:

(A) approving the terms of, and the transactions contemplated by, the Finance Documents to which it is a party and resolving that it execute the Finance Documents to which it is a party;

(B) if applicable, authorising a specified person or persons to execute the Finance Documents to which it is a party on its behalf; and

(C) if applicable, authorising a specified person or persons, on its behalf, to sign and/or despatch all documents and notices to be signed and/or despatched by it under or in connection with the Finance Documents to which it is a party;

(iii) a specimen of the signature of each member of the board of managing directors of each Dutch Obligor and, if applicable, each person authorised by the resolutions referred to in paragraph (ii)(B) and/or (C) above in relation to the Finance Documents;

(iv) if applicable, a copy of the resolution of the board of supervisory directors of each Dutch Obligor approving the resolutions of the board of managing directors referred to under (ii) above;

(v) if applicable, a copy of the resolution of the shareholder(s) of each Dutch Obligor approving the resolutions of the board of managing directors referred to under (ii) above; and

(vi) if applicable, a copy of (i) the request for advice from each works council, or central or European works council with jurisdiction over the transactions contemplated by this Agreement and (ii) the unconditional positive advice from such works council.

(g) In the case of a Swiss Obligor:

(i) an up-to-date certified copy of the articles of association (*Statuten*) of each Swiss Obligor, as well as a certified extract from the Commercial Register (*Handelsregister*) of that Swiss Obligor;

(ii) a copy of a unanimous resolution of the board of directors of that Swiss Obligor:

(A) approving the terms of, and the transactions contemplated by, the Finance Documents to which it is a party and resolving that it executes the Finance Documents to which it is a party;

(B) resolving that the execution of the transactions contemplated by the Finance Documents to which it is a party is in the best interest of such Swiss Obligor;

(C) if applicable, authorising a specified person or persons to execute the Finance Documents to which it is a party on its behalf; and

(D) if applicable, authorising a specified person or persons, on its behalf, to sign and/or despatch all documents and notices to be signed and/or despatched by it under or in connection with the Finance Documents to which it is a party;

(iii) a copy of the unanimous shareholders' resolution of that Swiss Obligor approving the terms of, and the transactions contemplated by, the Finance Documents to which it is a party and resolving that (i) it executes the Finance Documents to which it is a party and (ii) the execution of the transactions contemplated by the Finance Documents to which it is a party is in its best interest;

(iv) a specimen of the signature of each member of the board of directors of that Swiss Obligor and, if applicable, each person authorised by the resolutions referred to in paragraph (ii)(C) and/or (D) above in relation to the Finance Documents; and

(v) evidence to the effect that the Swiss Obligor's articles of association empower such Swiss Obligor to enter into upstream and/or cross-stream obligations.

(h) In the case of a French Obligor:

(i) a certified copy of its constitutive documents (*statuts*);

(ii) an original extract (*extrait K-bis*) provided by the commercial and companies registry (*registre du commerce et des sociétés),* not more than fifteen (15) days old;

(iii) a non-bankruptcy certificate (*certificat de recherche de procédures collectives)* provided by the commercial and companies registry *(registre du commerce et des sociétés),* not more than fifteen (15) days old;

(iv) a copy of the resolution of the shareholder(s) of each French Obligor approving:

(A) the terms of, and the transactions contemplated by, the Finance Documents to which it is a party; and

(B) the execution of the Finance Documents to which it is a party;

(v) a copy of the resolution of the board of directors (or any other competent body) of each French Obligor:

(A) approving the terms of, and the transactions contemplated by, the Finance Documents to which it is a party and resolving that it executes the Finance Documents to which it is a party;

(B) authorising a specified person or persons to execute the Finance Documents to which it is a party on its behalf; and

(C) authorising a specified person or persons on its behalf to sign and/or despatch all documents and notices to be signed and/or despatched by it under or in connection with the Finance Documents to which it is a party; and

(vi) evidence that the person(s) who has(ve) signed the Finance Documents on behalf of each French Obligor was (were) duly authorised to sign.

(i) In the case of a U.S. Obligor:

(i) a copy of a good standing certificate with respect to such U.S. Obligor, issued as of a recent date by the Secretary of State or other appropriate official of such U.S. Obligor's jurisdiction of incorporation or organisation; and

(ii) a certificate in form and substance satisfactory to the Agent of the chief financial officer, director of finance or other appropriate person of each U.S. Obligor as to the solvency of such U.S. Obligor.

(j) In the case of an English Obligor, a copy of a resolution signed by all the holders of the issued shares in that English Guarantor, approving the terms of, and the transactions contemplated by, the Finance Documents to which that English Obligor is a party.

(k) A certificate of each Original Obligor (signed by an Authorised Signatory) confirming that borrowing or guaranteeing or granting Security in respect of, as appropriate, the Total Commitments would not cause any borrowing, guarantee, security or similar limit binding on that Original Obligor to be exceeded.

(l) A certificate of an Authorised Signatory of the relevant Original Obligor certifying that each copy document relating to it specified in this Part I of Schedule 2 is correct, complete and in full force and effect as at a date no earlier than the date of this Agreement.

2. **Finance Documents (other than Transaction Security Documents)**

(a) The documents required for each Original Lender, the Agent, the Borrower and each Original Guarantor to accede to the Intercreditor Agreement in accordance with its terms (as a Refinancing Creditor, Refinancing Creditor Representative or (as applicable) Debtor (each as defined in the Intercreditor Agreement) in respect of this Agreement), in each case executed by each party thereto.

(b) The deed of amendment to the Intercreditor Agreement substantially in the form distributed to the Lenders prior to the date of this Agreement and executed by the parties thereto (other than the Agent and the Security Agent).

(c) For each Lender participating in a Loan which has requested a Promissory Note for its participation in that Loan, a Promissory Note evidencing that Lender's participation in that Loan.

(d) The Fee Letters executed by the Borrower.

3. **Transaction Security Documents**

(a) A copy of any deed of confirmation, ratification or extension, any letter of designation or appointment or any other document that is required for the Transaction Security evidenced or expressed to be created or evidenced under or pursuant to the following Transaction Security Documents listed in paragraph (i) below to extend to secure the Secured Obligations under this Agreement, in each case substantially in the form distributed (together with an English translation, if not in English) to the Lenders prior to the date of this Agreement and otherwise in form and substance satisfactory to the Security Agent, and executed by the relevant Obligors:

(i) a deed of ratification and extension (together with irrevocable powers of attorney in the agreed form) in relation to the share pledge agreement dated 8 November 2012 between, among others, CEMEX, S.A.B. de C.V. and New Sunward Holding B.V. as pledgors, the Security Agent as pledgee, the entities listed therein as original creditors, Banco Bilbao Vizcaya Argentaria, S.A. as custodian and CEMEX España as the company (in the case of this document, in a form ready for notarisation pursuant to paragraph (a) of Clause 22.34 (*Conditions subsequent)*);

(ii) a Swiss law security confirmation agreement between CEMEX, S.A.B. de C.V., CEMEX México S.A. de C.V., Interamerican Investments, Inc., Empresas Tolteca de México, S.A. de C.V. as pledgors and Wilmington Trust (London) Limited as security agent acting for itself and as direct representative (*direkter Stellvertreter)* in the name and for the account of all other pledgees concerning the confirmation of the pledge of 1,938,958,014 shares in CEMEX TRADEMARKS HOLDING Ltd.; and

(iii) a Dutch law security confirmation agreement between Cemex Operaciones Mexico S.A. de C.V. CEMEX TRADEMARKS HOLDING Ltd. as security providers, New Sunward Holding B.V. as the company in the capital of which shares are pledged and Wilmington Trust (London) Limited as security agent in connection with certain notarial deeds of pledge over the capital of New Sunward Holding B.V.

(b) A copy of each notice required to be sent under the documents referred to in paragraph (a) above (duly acknowledged by the addressee) and evidence that any other action required to perfect the Transaction Security created or evidenced or expressed to be created or evidenced pursuant to those documents has been taken.

(c) Unless already held by the Security Agent, a copy of all share certificates, transfers and stock transfer forms or equivalent duly executed by the relevant Obligor in blank in relation to the assets subject to or expressed to be subject to the Transaction Security and other documents of title to be provided under the Transaction Security Documents.

4. **Legal opinions**

Dutch law

(a) An opinion with respect to the laws and regulations of The Netherlands from Clifford Chance LLP, substantially in the form distributed to the Original Lenders, the Agent and the Security Agent prior to signing this Agreement.

English law

(b) An opinion with respect to the laws and regulations of England and Wales from Clifford Chance, S.L.P., substantially in the form distributed to the Original Lenders, the Agent and the Security Agent prior to signing this Agreement.

French law

(c) An incorporation and authority opinion with respect to the laws and regulations of France from in-house counsel of the Borrower, substantially in the form distributed to the Original Lenders, the Agent and the Security Agent prior to signing this Agreement.

(d) An opinion with respect to the laws and regulations of France from Clifford Chance Europe LLP, substantially in the form distributed to the Original Lenders, the Agent and the Security Agent prior to signing this Agreement.

Mexican law

(e) An incorporation and authority opinion with respect to the laws and regulations of Mexico from in-house counsel of the Borrower, substantially in the form distributed to the Original Lenders, the Agent and the Security Agent prior to signing this Agreement.

(f) An opinion with respect to the laws and regulations of Mexico from Galicia Abogados, S.C., substantially in the form distributed to the Original Lenders, the Agent and the Security Agent prior to signing this Agreement.

Spanish law

(g) An incorporation and authority opinion with respect to the laws and regulations of Spain from in-house counsel of the Borrower, substantially in the form distributed to the Original Lenders, the Agent and the Security Agent prior to signing this Agreement.

(h) An opinion with respect to the laws and regulations of Spain from Clifford Chance, S.L.P., substantially in the form distributed to the Original Lenders, the Agent and the Security Agent prior to signing this Agreement.

Swiss law

(i) An opinion with respect to the laws and regulations of Switzerland from Bär & Karrer AG, substantially in the form distributed to the Original Lenders, the Agent and the Security Agent prior to signing this Agreement.

US law (Delaware)

(j) An opinion with respect to the laws and regulations of Delaware from Skadden, Arps, Slate, Meagher & Flom LLP, substantially in the form distributed to the Original Lenders, the Agent and the Security Agent prior to signing this Agreement.

5. **Other documents and evidence**

(a) The Group Structure Chart.

(b) The Original Financial Statements of the Borrower and each Guarantor.

(c) Evidence that the fees, costs and expenses then due from the Borrower to any Finance Party under the Finance Documents have been paid or will be paid by the first Utilisation Date and evidence that all existing and unfunded commitments under the Existing Club Loan Agreement have been, or will be, cancelled on or prior to the first Utilisation Date.

(d) Each Lender and the Security Agent having confirmed to the Agent that it is satisfied that it has (and the Agent being satisfied that they have) complied with all necessary "know your customer" or other similar checks under all applicable laws and regulations in relation to each Obligor then party to this Agreement.

PART II
CONDITIONS PRECEDENT REQUIRED TO BE DELIVERED BY AN ADDITIONAL OBLIGOR

1. **Additional Guarantor/Additional Security Provider**

(a) A copy (in the case of an Obligor incorporated in Mexico, certified by a notary public or otherwise authenticated) of the constitutional documents of the Additional Guarantor or an Additional Security Provider (other than a Dutch Obligor, Swiss Obligor or French Obligor) (or, in the case of an Additional Guarantor or Additional Security Provider incorporated in Spain, a certificate or excerpt from the relevant Mercantile Registry including the updated by-laws of the Additional Guarantor or Additional Security Provider).

(b) A copy (or, in the case of an Additional Guarantor or Additional Security Provider incorporated in Spain, a certificate issued by the secretary with the approval of the president and raised to public document status) of a resolution of the board of directors (or any other competent body) of the Additional Guarantor or Additional Security Provider (other than a Dutch Obligor, Swiss Obligor or French Obligor) and, when applicable, in the case of any Additional Guarantor or Additional Security Provider incorporated in Mexico, a resolution of its shareholder's meeting:

(i) approving the terms of, and the transactions contemplated by, the Accession Letter and the Finance Documents and resolving that it execute the Accession Letter;

(ii) authorising a specified person or persons to execute the Accession Letter and other Finance Documents on its behalf (including, in the case of an Additional Guarantor or Additional Security Provider incorporated in Spain, the authority to irrevocably appoint a process agent ("*mandatario ad litem*") unless such appointment has been made by other means by a duly authorised representative); and

(iii) authorising a specified person or persons, on its behalf, to sign and/or despatch all documents and notices to be signed and/or despatched by it under or in connection with the Finance Documents to which it is a party.

(c) In the case of an Additional Guarantor or Additional Security Provider incorporated in Mexico, (to the extent not covered or not applicable under paragraph (b) above) (i) powers of attorney duly notarised containing authority for acts of administration, for acts of disposition (in respect of any Transaction Security Document) and to execute negotiable instruments; and (ii) powers of attorney for lawsuits and collections (*pleitos y cobranzas*) for the Process Agent, duly notarised before a Mexican notary public, together with any necessary appointment and acceptance letter.

(d) A specimen of the signature of each person authorised by the resolution referred to in paragraph (b) above.

(e) In the case of Dutch Obligors:

(i) a copy of the deed of incorporation (*oprichtingsakte*) and where the articles of association have been amended since the date of incorporation, the articles of association (*statuten*) of each Dutch Obligor, as well as an extract (*uittreksel*) from the Dutch Commercial Register (*Handelsregister*) of such Dutch Obligor;

(ii) a copy of the resolution of the board of managing directors of each Dutch Obligor:

(A) approving the terms of, and the transactions contemplated by, the Finance Documents to which it is a party and resolving that it execute the Finance Documents to which it is a party;

(B) if applicable, authorising a specified person or persons to execute the Finance Documents to which it is a party on its behalf; and

(C) if applicable, authorising a specified person or persons, on its behalf, to sign and/or despatch all documents and notices to be signed and/or despatched by it under or in connection with the Finance Documents to which it is a party;

(iii) if applicable, a copy of the resolution of the board of supervisory directors of each Dutch Obligor approving the resolutions of the board of managing directors referred to under (ii) above and, to the extent applicable, appointing an authorised person to represent the relevant Dutch Obligor in case of a conflict of interest;

(iv) if applicable, a copy of the resolution of the shareholder(s) of each Dutch Obligor approving the resolutions of the board of managing directors referred to under (ii) above and, to the extent applicable, appointing an authorised person to represent the relevant Dutch Obligor in case of a conflict of interest;

(v) if applicable, a copy of (i) the request for advice from each works council, or central or European works council with jurisdiction over the transactions contemplated by this Agreement, (ii) the positive advice from such works council which contains no condition, which if complied with, could result in a breach of any of the Finance Documents and (iii) positive advice in respect of the security to be granted by the Dutch Obligor as well as the conditional transfer of the voting rights attached to the shares which are subject to security; and

(vi) a specimen of the signature of each member of the board of managing directors of each Dutch Obligor and, if applicable, each person authorised by the resolutions referred to in paragraph (ii) sub-paragraph (B) and/or (C) above in relation to the Finance Documents.

(f) In the case of a Swiss Obligor:

(i) a copy of the articles of association (*Statuten*) of the Swiss Obligor, as well as an extract from the Commercial Register (*Handelsregister*) of such Swiss Obligor;

(ii) a copy of a unanimous resolution of the board of directors of the Swiss Obligor:

(A) approving the terms of, and the transactions contemplated by, the Finance Documents to which it is a party and resolving that it executes the Finance Documents to which it is a party;

(B) resolving that the execution of the transactions contemplated by the Finance Documents to which it is a party is in the best interest of such Swiss Obligor;

(C) if applicable, authorising a specified person or persons to execute the Finance Documents to which it is a party on its behalf; and

(D) if applicable, authorising a specified person or persons, on its behalf, to sign and/or despatch all documents and notices to be signed and/or despatched by it under or in connection with the Finance Documents to which it is a party;

(iii) a copy of the unanimous shareholders' resolution of the Swiss Obligor approving the terms of, and the transactions contemplated by, the Finance Documents to which it is a party and resolving that (i) it executes the Finance Documents to which it is a party and (ii) the execution of the transactions contemplated by the Finance Documents to which it is a party is in its best interest;

(iv) a specimen of the signature of each member of the board of directors of the Swiss Obligor and, if applicable, each person authorised by the resolutions referred to in paragraph (ii)(C) and/or (D) above in relation to the Finance Documents; and

(v) evidence to the effect that the Swiss Obligor's articles of association empower such Swiss Obligor to enter into upstream and/or cross- stream obligations.

(g) In the case of a French Obligor:

(i) a certified copy of its constitutive documents (*statuts*);

(ii) an original extract (*extrait K-bis*) provided by the commercial and companies registry (*registre du commerce et des sociétés*), not more than fifteen (15) days old;

(iii) a non-bankruptcy certificate (*certificat de recherche de procédures collectives*) provided by the commercial and companies registry

(*registre du commerce et des sociétés*), not more than fifteen (15) days old;

(iv) a copy of the resolution of the shareholder(s) of each French Obligor approving:

(A) the terms of, and the transactions contemplated by, the Finance Documents to which it is a party; and

(B) the execution of the Finance Documents to which it is a party;

(v) a copy of the resolution of the board of directors (or any other competent body) of each French Obligor:

(A) approving the terms of, and the transactions contemplated by, the Finance Documents to which it is a party and resolving that it executes the Finance Documents to which it is a party;

(B) authorising a specified person or persons to execute the Finance Documents to which it is a party on its behalf; and

(C) authorising a specified person or persons on its behalf to sign and/or despatch all documents and notices to be signed and/or despatched by it under or in connection with the Finance Documents to which it is a party; and

(vi) evidence that the person(s) who has(ve) signed the Finance Documents on behalf of each French Obligor was(were) duly authorised to sign.

(h) In the case of a U.S. Obligor:

(i) a copy of a good standing certificate with respect to such U.S. Obligor, issued as of a recent date by the Secretary of State or other appropriate official of such U.S. Obligor's jurisdiction of incorporation or organisation; and

(ii) a certificate in form and substance satisfactory to the Agent of the chief financial officer, director of finance or other appropriate person of each U. S. Obligor as to the solvency of such U.S. Obligor.

(i) Should the legal advisers of the Lenders consider it advisable, a copy of a resolution signed by all the holders of the issued shares of the Additional Guarantor or Additional Security Provider, approving the terms of, and the transactions contemplated by, the Finance Documents to which the Additional Guarantor or Additional Security Provider is a party.

(j) A certificate of the Additional Guarantor or Additional Security Provider (signed by an Authorised Signatory) confirming that guaranteeing the Total Commitments would not cause any guaranteeing or similar limit binding on it to be exceeded.

(k) A certificate of an Authorised Signatory of the Additional Guarantor or Additional Security Provider certifying that each copy document listed in this Part II of Schedule 2 is correct, complete and in full force and effect as at a date no earlier than the date of the Accession Letter.

2. **Finance Documents (other than Transaction Security Documents)**

(a) An Accession Letter, duly executed by the Additional Guarantor or Additional Security Provider and the Borrower.

(b) A Debtor/Security Provider Accession Deed for the Additional Guarantor or Additional Security Provider to accede to the Intercreditor Agreement, executed by the Additional Guarantor or Additional Security Provider.

(c) Executed *avales* by the Additional Guarantor to be attached to each of the Promissory Notes existing in favour of each Lender which has requested that such *avales* be executed by the Additional Guarantor.

3. **Transaction Security Documents**

(a) In relation to an Additional Security Provider, any Transaction Security Documents that are required by the Agent to be executed by the Additional Security Provider.

(b) A copy of each notice required to be sent under the documents referred to in paragraph (a) above (duly acknowledged by the addressee) and evidence that any other action required to perfect the Transaction Security created or evidenced or expressed to be created or evidenced pursuant to those documents has been taken.

(c) Unless already held by the Security Agent, a copy of all share certificates, transfers and stock transfer forms or equivalent duly executed by the relevant Additional Security Provider in blank in relation to the assets subject to or expressed to be subject to the documents referred to in paragraph (a) above and other documents of title to be provided under those documents.

4. **Legal opinions**

(a) A legal opinion of the legal advisers to the Additional Guarantor or Additional Security Provider in form and substance reasonably satisfactory to the legal advisers of the Lenders.

(b) A legal opinion of the legal advisers to the Lenders.

5. **Other documents and evidence**

(a) Evidence that any process agent referred to in Clause 42.3 (*Service of process*) has accepted its appointment and, in respect of each Additional Obligor that is incorporated in Mexico, that an irrevocable power of attorney has been granted before a Mexican notary public, appointing such process agent as its agent for service of process.

(b) A copy of any other Authorisation or other document, opinion or assurance which the Agent considers (after having taken appropriate legal advice) to be necessary or desirable (if it has notified the Additional Guarantor or Additional Security Provider and the Borrower accordingly) in connection with the entry into and performance of the transactions contemplated by any Finance Document or for the validity and enforceability of any Finance Document.

(c) In the case of an Additional Guarantor, its Original Financial Statements.

SCHEDULE 3
REQUESTS AND NOTICES

PART I
UTILISATION REQUEST

From: CEMEX, S.A.B. de C.V. as the Borrower

To: [•] as the Agent

Dated:

Dear Sirs

CEMEX, S.A.B. de C.V. – Facilities Agreement
dated [ ] July 2017 (the "Facilities Agreement")

1. We refer to the Facilities Agreement. This is a Utilisation Request. Terms defined in the Facilities Agreement have the same meaning in this Utilisation Request unless given a different meaning in this Utilisation Request.

2. We wish to borrow a Loan on the following terms:

(a)	Borrower:	CEMEX, S.A.B. de C.V.
(b)	Proposed Utilisation Date:	[•] (or, if that is not a Business Day, the next Business Day)
(c)	Facility to be utilised:	[Facility A]/[Facility B]/[Facility C]/[Facility D1]/[Facility D2]*
(d)	Currency of Loan:	[US$]/[EUR]/[sterling]**
(e)	Amount:	[•] or, if less, the Available Facility ***
(f)	Interest Period:	[•]

3. We confirm that each condition specified in Clause 4.2 (*Further conditions precedent*) is satisfied on the date of this Utilisation Request.

4. [This Loan is to be made in [whole]/[part] for the purpose of refinancing [*identify maturing Facility D2 Loan]*./[The proceeds of this Loan should be credited to [*account*]].

5. This Utilisation Request is irrevocable.

Yours faithfully

_____

authorised signatory for and on behalf of
CEMEX, S.A.B. de C.V.

NOTES:

* Select the Facility to be utilised and delete references to the other Facilities.

** Select the currency to be utilised and delete the reference to the other currencies.

*** If paragraph (g) of Clause 2.2 (Accordion) of the Facilities Agreement applies, identify Lender(s) nominated for "y".

PART II
SELECTION NOTICE

From: CEMEX, S.A.B. de C.V. as the Borrower

To: [●] as the Agent

Dated:

Dear Sirs

CEMEX, S.A.B. de C.V. – Facilities Agreement
dated [ ] July 2017 (the "Facilities Agreement")

1. We refer to the Facilities Agreement. This is a Selection Notice. Terms defined in the Facilities Agreement have the same meaning in this Selection Notice unless given a different meaning in this Selection Notice.

2. [We refer to the following [Facility A Loan[s]]/[Facility B Loan[s]]/[Facility C Loan[s]]/[Facility D1 Loan[s]]] with an Interest Period ending on [●].]*

3. We request that the next Interest Period for the above Loan[s] is [●].

4. This Selection Notice is irrevocable.

Yours faithfully

_____
authorised signatory for and on behalf of
CEMEX, S.A.B. de C.V.

NOTES:

* Insert details of all Term Loans for the relevant Facility which have an Interest Period ending on the same date.

SCHEDULE 4
FORM OF PROMISSORY NOTE

PAGARÉ NO NEGOCIABLE /
NON-NEGOTIABLE PROMISSORY NOTE

PART I
TERM LOANS IN DOLLARS
PAGARÉ NO NEGOCIABLE /
NON-NEGOTIABLE PROMISSORY NOTE

US$

For value received, the undersigned, CEMEX, S.A.B. de C.V., by this Promissory Note unconditionally promises to pay to the order of (the "**Creditor**"), in dollars of the United States of America ("**Dollars**"), the following principal sums payable on the following dates (each a "**Principal Payment Date**", and the last such date, the "**Final Payment Date"**):

Principal Payment Date	Amount[1]
[•][2]	US$ [•]
[•][3]	US$ [•]
[•][4]	US$ [•]
[•][5]	US$ [•]
[•][6]	US$ [•]

provided that, on the Final Payment Date, any and all principal amounts then due, shall be paid.

The undersigned also promises to pay interest on the outstanding and unpaid principal amount of this Promissory Note, from the date hereof, for each day during each Interest Period (as defined below), at a rate per annum equal to LIBOR (as defined below) plus the Margin (as defined below), payable in arrears, on each Interest Payment Date (as defined below), until payment in full of the outstanding principal amount hereof **provided, however, that**

E.U.A. $

Por valor recibido, la suscrita, CEMEX, S.A.B. de C.V., por este Pagaré promete incondicionalmente pagar a la orden de (el "**Acreedor**"), en dólares de los Estados Unidos de América ("**Dólares**"), las siguientes sumas de principal pagaderas en las siguientes fechas (cada una, una "**Fecha de Pago de Principal**" y la última de dichas fechas, la "**Fecha de Vencimiento**"):

Fecha de Pago de Principal	Monto
[•]	EUA$[•]
[•]	EUA$[•]
[•]	EUA$[•]
[•]	EUA$[•]
[•]	EUA$[•]

en la inteligencia que, en la Fecha de Vencimiento, todas las sumas de principal pagaderas, deberán pagarse.

La suscrita promete, así mismo, pagar intereses sobre el saldo insoluto de la suma de principal de este Pagaré, a partir de la fecha de suscripción del presente Pagaré, por cada día respecto de cada Período de Interés (según este término se define a continuación), a una tasa anual igual a LIBOR (según este término se define a continuación) más el Margen (según este término se define a continuación), pagaderos en forma vencida, en cada

1 Include amount equal to 20% of the Loan.
2 Include date that is 36 months after the date of the Facilities Agreement.
3 Include date that is 42 months after the date of the Facilities Agreement.
4 Include date that is 48 months after the date of the Facilities Agreement.
5 Include date that is 54 months after the date of the Facilities Agreement.
6 Include date that is 60 months after the date of the Facilities Agreement.

upon any repayment or prepayment of any principal amount of this Promissory Note, interest accrued and unpaid on the principal amount repaid or prepaid, shall be payable on the date of such repayment or prepayment.]

Any principal amount and (to the extent permitted by applicable law) interest not paid when due under this Promissory Note, shall bear interest for each day until paid, payable on demand, at a rate per annum equal to the sum of two percent (2%) plus the interest rate then applicable hereunder as provided in the preceding paragraph.

Interest hereunder shall be calculated on the basis of the actual number of days elapsed, divided by three hundred and sixty (360).

For purposes of this Promissory Note, the following terms shall have the following meanings:

"**Agent**" means Citibank Europe plc, UK Branch.

"**Business Day**" means a day (other than a Saturday or Sunday) on which banks are open for general business in London, United Kingdom, New York, United States of America and Mexico City, United Mexican States.

"**Interest Payment Date**" means the last day of each Interest Period.

"**Interest Period**" means (a) initially, the period commencing on the date hereof and ending on the numerically corresponding day in the calendar month [one (1)/three (3)/six (6)] month[s] thereafter, and (b) thereafter, each period commencing on the last day of the immediately preceding Interest Period and ending on the numerically corresponding day in the [applicable calendar month]/[calendar month [one (1)/three (3)/six (6)] month[s]][7] thereafter provided that (i) any Interest Period that would otherwise end on a day that is not a Business Day, shall be extended to the immediately succeeding Business Day, unless such immediately succeeding Business Day falls in the next calendar month, in which case such Interest Period shall end on the immediately preceding Business Day; (ii) any Interest Period that begins on

Fecha de Pago de Interés (según este término se define a continuación), hasta que se efectúe el pago de la totalidad del saldo insoluto del presente **en el entendido, sin embargo, que** en el caso de cualquier repago o prepago de cualquier suma principal de este Pagaré, los intereses devengados e insolutos sobre la suma repagada o prepagada, serán pagaderos en la fecha en que se realice dicho repago o prepago.

Cualquier monto de principal y (en la medida permitida por la legislación aplicable) de intereses que no sea pagado cuando sea debido conforme a este Pagaré, devengará intereses por cada día hasta que sea pagado, pagaderos a la vista, a una tasa anual igual a la suma de dos por ciento (2%) más la tasa de interés aplicable conforme a lo previsto en el párrafo anterior.

Los intereses conforme al presente serán calculados sobre la base del número de días efectivamente transcurridos, divididos entre trescientos sesenta (360).

Para efectos de éste Pagaré, los siguientes términos tendrán los significados indicados a continuación:

"**Agente**" significa Citibank Europe plc, UK Branch.

"**Día Hábil"** significa cualquier día (que no sea sábado o domingo), en el cual los bancos comerciales en las ciudades de Londres, Reino Unido, Nueva York, Estados Unidos de América y Ciudad de México, Estados Unidos Mexicanos estén abiertos para celebrar operaciones en general.

"**Fecha de Pago de Interés**" significa el último día de cada Período de Interés.

"**Período de Interés**" significa (a) inicialmente, el período que comienza en la fecha del presente pagaré y termina en el día numéricamente correspondiente en el mes calendario que sea [un (1)/tres (3)/seis (6)] mes[es] después de dicha fecha, y (b) en adelante, cada período comenzando en el último día del Período de Intereses inmediatamente anterior y que termine el día numéricamente correspondiente en el mes calendario [aplicable que ocurra]/[que ocurra [un (1)/tres (3)/seis (6)] mes[es]] después de dicha fecha en el entendido que (i) cualquier Período de Intereses que termine en una fecha que no sea un Día Hábil, será extendido al Día Hábil inmediato siguiente, salvo en el caso de que dicho Día Hábil inmediato siguiente sea en el mes calendario siguiente, en cuyo caso, dicho Período de Intereses terminará en el Día Hábil

7 Language to be included only if a bank requests that the note includes the applicable Interest Period.

the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month in which that Interest Period is to end) shall end on the last Business Day of the calendar month in which that Interest Period is to end; and (iii) no Interest Period shall extend beyond the Final Payment Date.

"**LIBOR**" means (a) the applicable Screen Rate, or (b) if no Screen Rate is available for an applicable Interest Period, the Interpolated Screen Rate, or (c) if no Screen Rate is available for (i) Dollars or (ii) an applicable Interest Period and it is not possible to calculate an Interpolated Screen Rate for that Interest Period, the Reference Bank Rate, in the case of paragraphs (a) and (c) above, as of approximately 11:00 a.m. (London time) on the Quotation Day for the offering of deposits in Dollars and for a period comparable to the Interest Period and, if the rate is less than zero, LIBOR shall be deemed to be zero.

"**London Business Day**" means a day (other than a Saturday or Sunday) on which banks are open for general business in London, United Kingdom.

"**Interpolated Screen Rate**" means the rate which results from interpolating on a linear basis between (a) the applicable Screen Rate for the longest period (for which that Screen Rate is available) which is less than the Interest Period; and (b) the applicable Screen Rate for the shortest period (for which that Screen Rate is available) which exceeds the Interest Period, as of approximately 11:00 a.m. (London time) on the Quotation Day for the offering of deposits in Dollars and for a period comparable to the Interest Period.

"**Margin**" means [•] per cent ([•]%) per annum.[8]

"**Quotation Day**" means, in relation to any period for which an interest rate is to be determined, two (2) London Business Days before the first day of that period, unless market practice differs in the Relevant Interbank Market, in which case the Quotation Day will be determined by the Agent in accordance with market practice in the Relevant Interbank Market (and if quotations would normally be given by leading banks in the Relevant Interbank Market on more than one day, the Quotation Day

inmediato anterior; (ii) cualquier Período de Intereses que inicie el último Día Hábil de un mes calendario (o en un día para el cual no exista fecha numéricamente correspondiente en el mes calendario en el cual dicho Período de Intereses deba terminar) terminará en el último Día Hábil del mes calendario en el cual dicho Período de Intereses deba terminar; y (iii) ningún Período de Intereses terminará después de la Fecha de Vencimiento.

"**LIBOR**" significa (a) la Tasa de Pantalla aplicable, o (b) si la Tasa de Pantalla no estuviere disponible para el Período de Interés de que se trate, la Tasa de Pantalla Interpolada, o (c) si la Tasa de Pantalla no estuviere disponible para (i) Dólares o (ii) el Período de Interés de que se trate y no fuere posible calcular la Tasa de Pantalla Interpolada para dicho Período de Intereses, la Tasa de los Bancos de Referencia, en los supuestos previstos en los incisos (a) y (c) anteriores, aproximadamente a las 11:00 a.m. (hora de Londres) en la Fecha de Cotización respecto de la oferta de depósitos en Dólares y por un período comparable al Período de Interés y, en caso que la tasa sea menor de cero, entonces LIBOR deberá ser cero.

"**Día Hábil en Londres**" significa cualquier día (que no sea sábado o domingo), en el cual los bancos comerciales en la ciudad de Londres, Reino Unido estén abiertos para celebrar operaciones en general.

"**Tasa de Pantalla Interpolada**" significa la tasa que resulte de interpolar en forma lineal (a) la Tasa de Pantalla aplicable para el período más largo (para el cual la Tasa de Pantalla esté disponible) pero que sea menor al Período de Intereses y (b) la Tasa de Pantalla aplicable para el período más corto (para el cual la Tasa de Pantalla esté disponible) pero que exceda el Período de Interés, aproximadamente a las 11:00 a.m. (hora de Londres) en la Fecha de Cotización respecto de la oferta de depósitos en Dólares y por un período comparable al Período de Interés.

"**Margen**" significa [•] por ciento ([•]%) por año.

"**Fecha de Cotización**" significa, respecto de cualquier período para el cual una tasa de interés deba ser determinada, dos (2) Días Hábiles en Londres antes del primer día de tal período, a menos que la práctica de mercado en el Mercado Interbancario Relevante sea distinta, en cuyo caso la Fecha de Cotización será determinada por el Agente de conformidad con la práctica de mercado en el Mercado Interbancario Relevante (y en caso de que las cotizaciones normalmente sean proporcionadas

8 Margin in effect on date the pagaré is signed.

will be the last of those days).

"**Relevant Interbank Market**" means the London interbank market.

"**Reference Banks**" means the principal London offices of BNP Paribas and ING Bank NV.

"**Reference Bank Rate**" means the arithmetic mean of the rates (rounded upwards to four decimal places), as supplied to the Agent at its request by the Reference Banks, at which the relevant Reference Bank could borrow funds in the London interbank market in Dollars and for the relevant period, were it to do so by asking for and then accepting interbank offers for deposits in reasonable market size in Dollars and for that period.

"**Screen Rate**" means the London interbank offered rate administered by ICE Benchmark Administration Limited (or any other person which takes over the administration of that rate) for Dollars for the relevant period displayed on pages LIBOR01 or LIBOR02 of the Thomson Reuters screen (or any replacement Thomson Reuters page which displays that rate) or on the appropriate page of such other information service which publishes that rate from time to time in place of Thomson Reuters. If such page or service ceases to be available or is replaced, the Agent may specify another page or service displaying the relevant rate.

All payments by the undersigned of principal, interest and other payments hereunder, shall be made without setoff, deduction or counterclaim not later than 11:00 a.m., London time, on the due date for each such payment, in Dollars and in immediately available funds, at the office of the Agent located at 5th Floor, Citigroup Centre, 25 Canada Square, Canary Wharf, London E14 5LB, United Kingdom, Attention: Loans Agency. The undersigned agree to reimburse upon demand, in like manner and funds, all losses, costs and expenses of the holder hereof, incurred in connection with the enforcement of this Promissory Note.

Any payment which is due to be made on a day that is not a Business Day shall be made on the next Business Day in the same calendar month (if there

por bancos líderes en el Mercado Interbancario Relevante en más de un día, la Fecha de Cotización será el último de dichos días).

"**Mercado Interbancario Relevante**" significa el mercado interbancario de Londres.

"**Bancos de Referencia**" significa las oficinas principales de BNP Paribas y ING Bank NV en Londres.

"**Tasa de los Bancos de Referencia**" significa el promedio aritmético de las tasas (redondeadas hacia arriba, a cuatro decimales) que proporcionen los Bancos de Referencia a petición del Agente, de la tasa de interés a la cual el Banco de Referencia que corresponda podría recibir fondos en préstamo en el mercado interbancario de Londres en Dólares y por el período de que se trate, en caso que dicho Banco de Referencia obtuviera fondos en préstamo después de haber pedido y aceptado dichas ofertas interbancarias para depósitos en tamaños de mercado razonables, en Dólares y por ese mismo período.

"**Tasa de Pantalla**" significa la tasa ofrecida en el mercado interbancario de Londres administrada por ICE Benchmark Administration Limited (o cualquier otra persona que asuma la administración de dicha tasa) para Dólares y para el período de que se trate, que aparezca en las páginas LIBOR01 o LIBOR02 de la pantalla Thomson Reuters (o cualquier página que reemplace la pantalla Thomson Reuters que divulgue dicha tasa) o la página que corresponda del servicio que provea dicha tasa de tiempo en tiempo en lugar de Thomson Reuters. Si la página o servicio es reemplazada deja de estar disponible, el Agente puede señalar otra página o servicio para que divulgue la tasa apropiada.

Todos los pagos que deban hacerse conforme a este Pagaré por las suscritas, de principal, intereses y por otros conceptos, serán efectuados sin compensación, deducción o defensa, antes de las 11:00 a.m., hora de la ciudad de Londres, en la fecha en que el pago de que se trate venza, en Dólares y en fondos disponibles inmediatamente, en la oficina del Agente ubicada en el 5to piso de Citigroup Centre, 25 Canada Square, Canary Wharf, Londres E14 5LB, Reino Unido, Atención: Agente de Créditos. Las suscritas convienen en reembolsar a la vista, en la misma forma y fondos, cualesquiera pérdidas, costos y gastos del tenedor del presente, incurridos en relación con el procedimiento de cobro del presente Pagaré.

Cualquier pago que deba hacerse conforme al presente en un día que no sea un Día Hábil, deberá hacerse en el siguiente Día Hábil durante el mismo

is one) or the preceding Business Day (if there is not). During any extension of the due date of payment of any principal, interest is payable on the principal at the rate payable on the original due date.

All payments by the undersigned hereunder, shall be made free and clear of, and without deduction, set-off or counterclaim for, any present or future tax, levy, impost, duty or other charge, deduction or withholding of a similar nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same), imposed by the United Mexican States or any other jurisdiction from which any amount payable hereunder is made, or any taxing authority thereof or therein, unless required by law. In the event that the undersigned shall be compelled by law to make any such deduction or withholding, in respect of any payments hereunder, then the undersigned shall (i) pay such additional amounts as may be necessary so that the holder hereof would receive the full amounts it would have received, if such deductions or withholdings would not have been made, (ii) make all such deductions or withholdings and (iii) pay the full amount deducted or withheld to the relevant taxation authority or other authority in accordance with applicable law.

This Promissory Note shall be governed by, and construed in accordance with, the laws of England; **provided, however, that** if any action or proceedings in connection with this Promissory Note were brought to any courts in the United Mexican States, this Promissory Note shall be deemed as governed under the laws of the United Mexican States on account of place of their present or future domicile or residence or for any other reason.

Any legal action or proceeding arising out of or relating to this Promissory Note may be brought to the jurisdiction of the courts of England and any appellate court thereof, or any federal court sitting in Mexico City, United Mexican States; the undersigned waive the right to jurisdiction of any other courts, on account of place of their present or future residence or domicile or for any other reason.

The undersigned hereby waive diligence, demand, protest, presentment, notice of dishonor or any other notice or demand whatsoever.

This Promissory Note is executed in both English

mes calendario (si existe uno) o en el Día Hábil previo (si no existe uno). Respecto de cualquier extensión de cualquier fecha de pago de principal, los intereses que correspondan al pago de principal se devengarán a la tasa de interés pagadera en la fecha de pago original.

Todos los pagos que se efectúen por las suscritas en términos del presente, deberán hacerse libres de y sin retención, deducción o compensación alguna por, cualquier impuesto, contribución, carga, derecho u otras cargas, deducciones o retenciones, presentes o futuras, de cualquier naturaleza (incluyendo cualquier multa o interés pagadero por el incumplimiento o retraso en el pago de cualquiera de dichas sumas), establecidos o determinados por los Estados Unidos Mexicanos o por cualquier otra jurisdicción de la que se paguen cantidades adeudadas conforme al presente, a menos que sea requerido por ley. En caso que las suscritas estén obligadas legalmente a llevar a cabo cualquier retención o deducción, respecto de cualesquiera pagos conforme al presente, las suscritas (i) pagarán las sumas adicionales que sean necesarias para asegurar que las sumas recibidas por el tenedor del presente sean iguales a la suma que el tenedor hubiera recibido, si tales retenciones o deducciones no se hubieren realizado, (ii) realizarán las deducciones o retenciones, y (iii) pagarán el monto completo deducido o retenido a la autoridad fiscal correspondiente o cualquier otra autoridad de conformidad con la legislación aplicable.

Este Pagaré se regirá e interpretará de acuerdo con las leyes de Inglaterra; **en el entendido, sin embargo, que** si cualquier acción o procedimiento en relación con este Pagaré se iniciara en los tribunales de los Estados Unidos Mexicanos, este Pagaré se considerará regido de acuerdo con las leyes de los Estados Unidos Mexicanos en virtud de su domicilio presente o futuro o par cualquier otra razón.

Cualquier acción o procedimiento legal que derive o se relacione con este Pagaré podrá ser iniciado en los tribunales de Inglaterra, o en cualquier tribunal de apelación de los mismos, o cualquier tribunal federal localizado en la Ciudad de México, Estados Unidos Mexicanos, renunciando la suscrita a la jurisdicción de cualesquiera otros tribunales, en virtud de su domicilio presente o futuro, o por cualquier otra razón.

Las suscritas en este acto renuncian a diligencia, demanda, protesto, presentación, notificación de no aceptación y a cualquier notificación o demanda de cualquier naturaleza.

El presente Pagaré se suscribe en versiones en

and Spanish versions. In the case of any conflict or doubt as to the proper construction of this Promissory Note, the English version shall govern; **provided, however, that** in any action or proceeding brought in any court in the United Mexican States, the Spanish version shall prevail.

If the laws of the United Mexican States apply, for the purposes of Article 128 of the General Law of Negotiable Instruments and Credit Transactions of the United Mexican States, the term of presentation of this Promissory Note is hereby irrevocably extended until the date that is six (6) months after the Final Payment Date, **it being understood** that such extension shall not be deemed to prevent presentation of this Promissory Note prior to such date.

For any notice in the United Mexican States related to this Promissory Note, the undersigned designate their domicile at [ ]

IN WITNESS WHEREOF, the undersigned have duly executed this Promissory Note on the date indicated below.

inglés y español. En caso de conflicto o duda en relación con la debida interpretación de este Pagaré, la versión en inglés prevalecerá; **en el entendido, sin embargo, que** en cualquier procedimiento iniciado en cualquier tribunal de los Estados Unidos Mexicanos, prevalecerá la versión en español.

Si la legislación de los Estados Unidos Mexicanos fuere aplicable, para los efectos del Artículo 128 de la Ley General de Títulos y Operaciones de Crédito de los Estados Unidos Mexicanos, por medio del presente se prorroga irrevocablemente el plazo de presentación de este Pagaré hasta la fecha que sea seis (6) meses después de la Fecha de Vencimiento, **en el entendido** de que dicha prórroga no impedirá la presentación de este Pagaré con anterioridad a dicha fecha.

Para cualquier aviso en los Estados Unidos Mexicanos relacionado con este Pagaré, las suscritas designan la siguiente dirección como su domicilio [ ].

EN VIRTUD DE LO CUAL, las suscritas han firmado este Pagaré en la fecha abajo mencionada.

, , a de .

, , , .

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

By/Por _____
Name/Nombre:
Title/Cargo:

Guaranteed/Por Aval:
CEMEX España, S.A.

By/Por _____
Name/Nombre:
Title/Cargo:

Guaranteed/Por Aval:
CEMEX México, S.A. de C.V.

By/Por _____
Name/Nombre:
Title/Cargo:

Guaranteed/Por Aval:
CEMEX Concretos, S.A. de C.V.

By/Por _____
Name/Nombre:
Title/Cargo:

Guaranteed/Por Aval:
Empresas Tolteca de México, S.A. de C.V.

By/Por _____
Name/Nombre:
Title/Cargo:

Guaranteed/Por Aval:
New Sunward Holding B.V.

By/Por _____
Name/Nombre:
Title/Cargo:

Guaranteed/Por Aval:
CEMEX Corp.

By/Por _____
Name/Nombre:
Title/Cargo:

Guaranteed/Por Aval:
CEMEX Finance LLC

By/Por _____
Name/Nombre:
Title/Cargo:

Guaranteed/Por Aval:
CEMEX Research Group AG

By/Por _____
Name/Nombre:
Title/Cargo:

Guaranteed/Por Aval:
CEMEX Asia B.V.

By/Por _____
Name/Nombre:
Title/Cargo:

Guaranteed/Por Aval:
CEMEX France Gestion (S.A.S.)

By/Por _____
Name/Nombre:
Title/Cargo:

Guaranteed/Por Aval:
CEMEX UK

By/Por _____
Name/Nombre:
Title/Cargo:

Guaranteed/Por Aval:
CEMEX Egyptian Investments B.V.

By/Por _____
Name/Nombre:
Title/Cargo:

Guaranteed/Por Aval:
CEMEX Central, S.A. de C.V.

By/Por _____
Name/Nombre:
Title/Cargo:

PART II
LOANS IN DOLLARS UNDER THE REVOLVING LOAN FACILITY
PAGARÉ NO NEGOCIABLE /
NON-NEGOTIABLE PROMISSORY NOTE

US$

For value received, the undersigned, CEMEX, S.A.B. de C.V., by this Promissory Note unconditionally promises to pay to the order of (the "**Creditor**"), in dollars of the United States of America ("**Dollars**"), the principal sum of US$ payable on (the "**Final Payment Date**").

The undersigned also promises to pay interest on the outstanding and unpaid principal amount of this Promissory Note, from the date hereof, for each day during each Interest Period (as defined below), at a rate per annum equal to LIBOR (as defined below) plus the Margin (as defined below), payable in arrears, each Interest Payment Date (as defined below), until payment in full of the outstanding principal amount hereof **provided, however, that** upon any repayment or prepayment of any principal amount of this Promissory Note, interest accrued and unpaid on the principal amount repaid or prepaid, shall be payable on the date of such repayment or prepayment.

Any principal amount and (to the extent permitted by applicable law) interest not paid when due under this Promissory Note, shall bear interest for each day until paid, payable on demand, at a rate per annum equal to the sum of two percent (2%) plus the interest rate then applicable hereunder as provided in the preceding paragraph.

Interest hereunder shall be calculated on the basis of the actual number of days elapsed, divided by three hundred and sixty (360).

For purposes of this Promissory Note, the following terms shall have the following meanings:

"**Agent**" means Citibank Europe plc, UK Branch.

"**Business Day**" means a day (other than a Saturday or Sunday) on which banks are open for general business in London, United Kingdom, New York, United States of America and Mexico City, United

E.U.A.$

Por valor recibido, la suscrita, CEMEX, S.A.B. de C.V., por este Pagaré promete incondicionalmente pagar a la orden de (el "**Acreedor**"), en dólares de los Estados Unidos de América ("**Dólares**"), la suma de principal de E.U.A.$ pagadera el (la "**Fecha de Vencimiento**").

La suscrita promete, así mismo, pagar intereses sobre el saldo insoluto de la suma de principal de este Pagaré, a partir de la fecha de suscripción del presente Pagaré, por cada día respecto de cada Período de Interés (según este término se define a continuación), a una tasa anual igual a LIBOR (según este término se define a continuación) más el Margen (según este término se define a continuación), pagaderos en forma vencida, en cada Fecha de Pago de Interés (según este término se define a continuación), hasta que se efectúe el pago de la totalidad del saldo insoluto del presente **en el entendido, sin embargo, que** en el caso de cualquier repago o prepago de cualquier suma principal de este Pagaré, los intereses devengados e insolutos sobre la suma repagada o prepagada, serán pagaderos en la fecha en que se realice dicho repago o prepago.

Cualquier monto de principal y (en la medida permitida por la legislación aplicable) de intereses que no sea pagado cuando sea debido conforme a este Pagaré, devengará intereses por cada día hasta que sea pagado, pagaderos a la vista, a una tasa anual igual a la suma de dos por ciento (2%) más la tasa de interés aplicable conforme a lo previsto en el párrafo anterior.

Los intereses conforme al presente serán calculados sobre la base del número de días efectivamente transcurridos, divididos entre trescientos sesenta (360).

Para efectos de éste Pagaré, los siguientes términos tendrán los significados indicados a continuación:

"**Agente**" significa Citibank Europe plc, UK Branch.

"**Día Hábil**" significa cualquier día (que no sea sábado o domingo), en el cual los bancos comerciales en las ciudades de Londres, Reino Unido, Nueva York, Estados Unidos de América y Ciudad de México, Estados Unidos Mexicanos

Mexican States.

"**Interest Payment Date**" means the last day of each Interest Period.

"**Interest Period**" means (a) initially, the period commencing on the date hereof and ending on the numerically corresponding day in the calendar month [one (1)/three (3)/six (6)] month[s] thereafter, and (b) thereafter, each period commencing on the last day of the immediately preceding Interest Period and ending on the numerically corresponding day in the [applicable calendar month]/[calendar month [one (1)/three (3)/six (6)] month[s]][9] thereafter provided that (i) any Interest Period that would otherwise end on a day that is not a Business Day, shall be extended to the immediately succeeding Business Day, unless such immediately succeeding Business Day falls in the next calendar month, in which case such Interest Period shall end on the immediately preceding Business Day; (ii) any Interest Period 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 in which that Interest Period is to end) shall end on the last Business Day of the calendar month in which that Interest Period is to end; and (iii) no Interest Period shall extend beyond the Final Payment Date.

"**LIBOR**" means (a) the applicable Screen Rate, or (b) if no Screen Rate is available for an applicable Interest Period, the Interpolated Screen Rate, or (c) if no Screen Rate is available for (i) Dollars or (ii) an applicable Interest Period and it is not possible to calculate an Interpolated Screen Rate for that Interest Period, the Reference Bank Rate, in the case of paragraphs (a) and (c) above, as of approximately 11:00 a.m. (London time) on the Quotation Day for the offering of deposits in Dollars and for a period comparable to the Interest Period and, if the rate is less than zero, LIBOR shall be deemed to be zero.

"**London Business Day**" means a day (other than a Saturday or Sunday) on which banks are open for general business in London, United Kingdom.

"**Interpolated Screen Rate**" means the rate which results from interpolating on a linear basis between (a) the applicable Screen Rate for the longest period

estén abiertos para celebrar operaciones en general.

"**Fecha de Pago de Interés**" significa el último día de cada Período de Interés.

"**Período de Interés**" significa (a) inicialmente, el período que comienza en la fecha del presente pagaré y termina en el día numéricamente correspondiente en el mes calendario que sea [un (1)/tres (3)/seis (6)] mes[es] después de dicha fecha, y (b) en adelante, cada período comenzando en el último día del Período de Intereses inmediatamente anterior y que termine el día numéricamente correspondiente en el mes calendario [aplicable que ocurra]/[que ocurra [un (1)/tres (3)/seis (6)] mes[es]] después de dicha fecha en el entendido que (i) cualquier Período de Intereses que termine en una fecha que no sea un Día Hábil, será extendido al Día Hábil inmediato siguiente, salvo en el caso de que dicho Día Hábil inmediato siguiente sea en el mes calendario siguiente, en cuyo caso, dicho Período de Intereses terminará en el Día Hábil inmediato anterior; (ii) cualquier Período de Intereses que inicie el último Día Hábil de un mes calendario (o en un día para el cual no exista fecha numéricamente correspondiente en el mes calendario en el cual dicho Período de Intereses deba terminar) terminará en el último Día Hábil del mes calendario en el cual dicho Período de Intereses deba terminar; y (iii) ningún Período de Intereses terminará después de la Fecha de Vencimiento.

"**LIBOR**" significa (a) la Tasa de Pantalla aplicable, o (b) si la Tasa de Pantalla no estuviere disponible para el Período de Interés de que se trate, la Tasa de Pantalla Interpolada, o (c) si la Tasa de Pantalla no estuviere disponible para (i) Dólares o (ii) el Período de Interés de que se trate y no fuere posible calcular la Tasa de Pantalla Interpolada para dicho Período de Intereses, la Tasa de los Bancos de Referencia, en los supuestos previstos en los incisos (a) y (c) anteriores, aproximadamente a las 11:00 a.m. (hora de Londres) en la Fecha de Cotización respecto de la oferta de depósitos en Dólares y por un período comparable al Período de Interés y, en caso que la tasa sea menor de cero, entonces LIBOR deberá ser cero.

"**Día Hábil en Londres**" significa cualquier día (que no sea sábado o domingo), en el cual los bancos comerciales en la ciudad de Londres, Reino Unido estén abiertos para celebrar operaciones en general.

"**Tasa de Pantalla Interpolada**" significa la tasa que resulte de interpolar en forma lineal (a) la Tasa de Pantalla aplicable para el período más largo (para

9 Language to be included only if a bank requests that the note includes the applicable Interest Period.

(for which that Screen Rate is available) which is less than the Interest Period; and (b) the applicable Screen Rate for the shortest period (for which that Screen Rate is available) which exceeds the Interest Period, as of approximately 11:00 a.m. (London time) on the Quotation Day for the offering of deposits in Dollars and for a period comparable to the Interest Period.

"**Margin**" means [•] per cent ([•]%) per annum.[10]

"**Quotation Day**" means, in relation to any period for which an interest rate is to be determined, two (2) London Business Days before the first day of that period, unless market practice differs in the Relevant Interbank Market, in which case the Quotation Day will be determined by the Agent in accordance with market practice in the Relevant Interbank Market (and if quotations would normally be given by leading banks in the Relevant Interbank Market on more than one day, the Quotation Day will be the last of those days).

"**Relevant Interbank Market**" means the London interbank market.

"**Reference Banks**" means the principal London offices of BNP Paribas and ING Bank NV.

"**Reference Bank Rate**" means the arithmetic mean of the rates (rounded upwards to four decimal places), as supplied to the Agent at its request by the Reference Banks, at which the relevant Reference Bank could borrow funds in the London interbank market in Dollars and for the relevant period, were it to do so by asking for and then accepting interbank offers for deposits in reasonable market size in Dollars and for that period.

"**Screen Rate**" means the London interbank offered rate administered by ICE Benchmark Administration Limited (or any other person which takes over the administration of that rate) for Dollars for the relevant period displayed on pages LIBOR01 or LIBOR02 of the Thomson Reuters screen (or any replacement Thomson Reuters page which displays that rate) or on the appropriate page of such other information service which publishes that rate from time to time in place of Thomson

el cual la Tasa de Pantalla esté disponible) pero que sea menor al Período de Intereses y (b) la Tasa de Pantalla aplicable para el período más corto (para el cual la Tasa de Pantalla esté disponible) pero que exceda el Período de Interés, aproximadamente a las 11:00 a.m. (hora de Londres) en la Fecha de Cotización respecto de la oferta de depósitos en Dólares y por un período comparable al Período de Interés.

"**Margen**" significa [•] por ciento ([•]%) por año.

"**Fecha de Cotización**" significa, respecto de cualquier período para el cual una tasa de interés deba ser determinada, dos (2) Días Hábiles en Londres antes del primer día de tal período, a menos que la práctica de mercado en el Mercado Interbancario Relevante sea distinta, en cuyo caso la Fecha de Cotización será determinada por el Agente de conformidad con la práctica de mercado en el Mercado Interbancario Relevante (y en caso de que las cotizaciones normalmente sean proporcionadas por bancos líderes en el Mercado Interbancario Relevante en más de un día, la Fecha de Cotización será el último de dichos días).

"**Mercado Interbancario Relevante**" significa el mercado interbancario de Londres.

"**Bancos de Referencia**" significa las oficinas principales de BNP Paribas y ING Bank NV en Londres.

"**Tasa de los Bancos de Referencia**" significa el promedio aritmético de las tasas (redondeadas hacia arriba, a cuatro decimales) que proporcionen los Bancos de Referencia a petición del Agente, de la tasa de interés a la cual el Banco de Referencia que corresponda podría recibir fondos en préstamo en el mercado interbancario de Londres en Dólares y por el período de que se trate, en caso que dicho Banco de Referencia obtuviera fondos en préstamo después de haber pedido y aceptado dichas ofertas interbancarias para depósitos en tamaños de mercado razonables, en Dólares y por ese mismo período.

"**Tasa de Pantalla**" significa la tasa ofrecida en el mercado interbancario de Londres administrada por ICE Benchmark Administration Limited (o cualquier otra persona que asuma la administración de dicha tasa) para Dólares y para el período de que se trate, que aparezca en las páginas LIBOR01 o LIBOR02 de la pantalla Thomson Reuters (o cualquier página que reemplace la pantalla Thomson Reuters que divulgue dicha tasa) o la página que corresponda del servicio que provea

10 Margin in effect on date the pagaré is signed.

Reuters. If such page or service ceases to be available or is replaced, the Agent may specify another page or service displaying the relevant rate.

All payments by the undersigned of principal, interest and other payments hereunder, shall be made without setoff, deduction or counterclaim not later than 11:00 a.m., London time, on the due date for each such payment, in Dollars and in immediately available funds, at the office of the Agent located at 5th Floor, Citigroup Centre, 25 Canada Square, Canary Wharf, London E14 5LB, United Kingdom, Attention: Loans Agency. The undersigned agree to reimburse upon demand, in like manner and funds, all losses, costs and expenses of the holder hereof, incurred in connection with the enforcement of this Promissory Note.

Any payment which is due to be made on a day that is not a Business Day shall be made on the next Business Day in the same calendar month (if there is one) or the preceding Business Day (if there is not). During any extension of the due date of payment of any principal, interest is payable on the principal at the rate payable on the original due date.

All payments by the undersigned hereunder, shall be made free and clear of, and without deduction, set-off or counterclaim for, any present or future tax, levy, impost, duty or other charge, deduction or withholding of a similar nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same), imposed by the United Mexican States or any other jurisdiction from which any amount payable hereunder is made, or any taxing authority thereof or therein, unless required by law. In the event that the undersigned shall be compelled by law to make any such deduction or withholding, in respect of any payments hereunder, then the undersigned shall (i) pay such additional amounts as may be necessary so that the holder hereof would receive the full amounts it would have received, if such deductions or withholdings would not have been made, (ii) make all such deductions or withholdings and (iii) pay the full amount deducted or withheld to the relevant taxation authority or other authority in accordance with applicable law.

This Promissory Note shall be governed by, and construed in accordance with, the laws of England;

dicha tasa de tiempo en tiempo en lugar de Thomson Reuters. Si la página o servicio es reemplazada deja de estar disponible, el Agente puede señalar otra página o servicio para que divulgue la tasa apropiada.

Todos los pagos que deban hacerse conforme a este Pagaré por las suscritas, de principal, intereses y por otros conceptos, serán efectuados sin compensación, deducción o defensa, antes de las 11:00 a.m., hora de la ciudad de Londres, en la fecha en que el pago de que se trate venza, en Dólares y en fondos disponibles inmediatamente, en la oficina del Agente ubicada en el 5to piso de Citigroup Centre, 25 Canada Square, Canary Wharf, Londres E14 5LB, Reino Unido, Atención: Agente de Créditos. Las suscritas convienen en reembolsar a la vista, en la misma forma y fondos, cualesquiera pérdidas, costos y gastos del tenedor del presente, incurridos en relación con el procedimiento de cobro del presente Pagaré.

Cualquier pago que deba hacerse conforme al presente en un día que no sea un Día Hábil, deberá hacerse en el siguiente Día Hábil durante el mismo mes calendario (si existe uno) o en el Día Hábil previo (si no existe uno). Respecto de cualquier extensión de cualquier fecha de pago de principal, los intereses que correspondan al pago de principal se devengarán a la tasa de interés pagadera en la fecha de pago original.

Todos los pagos que se efectúen por las suscritas en términos del presente, deberán hacerse libres de y sin retención, deducción o compensación alguna por, cualquier impuesto, contribución, carga, derecho u otras cargas, deducciones o retenciones, presentes o futuras, de cualquier naturaleza (incluyendo cualquier multa o interés pagadero por el incumplimiento o retraso en el pago de cualquiera de dichas sumas), establecidos o determinados por los Estados Unidos Mexicanos o por cualquier otra jurisdicción de la que se paguen cantidades adeudadas conforme al presente, a menos que sea requerido por ley. En caso que las suscritas estén obligadas legalmente a llevar a cabo cualquier retención o deducción, respecto de cualesquiera pagos conforme al presente, las suscritas (i) pagarán las sumas adicionales que sean necesarias para asegurar que las sumas recibidas por el tenedor del presente sean iguales a la suma que el tenedor hubiera recibido, si tales retenciones o deducciones no se hubieren realizado, (ii) realizarán las deducciones o retenciones, y (iii) pagarán el monto completo deducido o retenido a la autoridad fiscal correspondiente o cualquier otra autoridad de conformidad con la legislación aplicable.

Este Pagaré se regirá e interpretará de acuerdo con las leyes de Inglaterra; **en el entendido, sin**

provided, however, that if any action or proceedings in connection with this Promissory Note were brought to any courts in the United Mexican States, this Promissory Note shall be deemed as governed under the laws of the United Mexican States on account of place of their present or future domicile or residence or for any other reason.

Any legal action or proceeding arising out of or relating to this Promissory Note may be brought to the jurisdiction of the courts of England and any appellate court thereof, or any federal court sitting in Mexico City, United Mexican States; the undersigned waive the right to jurisdiction of any other courts, on account of place of their present or future residence or domicile or for any other reason.

The undersigned hereby waive diligence, demand, protest, presentment, notice of dishonor or any other notice or demand whatsoever.

This Promissory Note is executed in both English and Spanish versions. In the case of any conflict or doubt as to the proper construction of this Promissory Note, the English version shall govern; **provided, however, that** in any action or proceeding brought in any court in the United Mexican States, the Spanish version shall prevail.

For any notice in the United Mexican States related to this Promissory Note, the undersigned designate their domicile at [ ]

IN WITNESS WHEREOF, the undersigned have duly executed this Promissory Note on the date indicated below.

embargo, que si cualquier acción o procedimiento en relación con este Pagaré se iniciara en los tribunales de los Estados Unidos Mexicanos, este Pagaré se considerará regido de acuerdo con las leyes de los Estados Unidos Mexicanos en virtud de su domicilio presente o futuro o par cualquier otra razón.

Cualquier acción o procedimiento legal que derive o se relacione con este Pagaré podrá ser iniciado en los tribunales de Inglaterra, o en cualquier tribunal de apelación de los mismos, o cualquier tribunal federal localizado en la Ciudad de México, Estados Unidos Mexicanos, renunciando la suscrita a la jurisdicción de cualesquiera otros tribunales, en virtud de su domicilio presente o futuro, o por cualquier otra razón.

Las suscritas en este acto renuncian a diligencia, demanda, protesto, presentación, notificación de no aceptación y a cualquier notificación o demanda de cualquier naturaleza.

El presente Pagaré se suscribe en versiones en inglés y español. En caso de conflicto o duda en relación con la debida interpretación de este Pagaré, la versión en inglés prevalecerá; **en el entendido, sin embargo, que** en cualquier procedimiento iniciado en cualquier tribunal de los Estados Unidos Mexicanos, prevalecerá la versión en español.

Para cualquier aviso en los Estados Unidos Mexicanos relacionado con este Pagaré, las suscritas designan la siguiente dirección como su domicilio [ ].

EN VIRTUD DE LO CUAL, las suscritas han firmado este Pagaré en la fecha abajo mencionada.

, , a de .

, , , .

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

By/Por _____
Name/Nombre:
Title/Cargo:

Guaranteed/Por Aval:
CEMEX España, S.A.

By/Por _____
Name/Nombre:
Title/Cargo:

Guaranteed/Por Aval:
CEMEX México, S.A. de C.V.

By/Por _____
Name/Nombre:
Title/Cargo:

Guaranteed/Por Aval:
CEMEX Concretos, S.A. de C.V.

By/Por _____
Name/Nombre:
Title/Cargo:

Guaranteed/Por Aval:
Empresas Tolteca de México, S.A. de C.V.

By/Por _____
Name/Nombre:
Title/Cargo:

Guaranteed/Por Aval:
New Sunward Holding B.V.

By/Por _____
Name/Nombre:
Title/Cargo:

Guaranteed/Por Aval:
CEMEX Corp.

By/Por _____
Name/Nombre:
Title/Cargo:

Guaranteed/Por Aval:
CEMEX Finance LLC

By/Por _____
Name/Nombre:
Title/Cargo:

Guaranteed/Por Aval:
CEMEX Research Group AG

By/Por _____
Name/Nombre:
Title/Cargo:

Guaranteed/Por Aval:
CEMEX Asia B.V.

By/Por _____
Name/Nombre:
Title/Cargo:

Guaranteed/Por Aval:
CEMEX France Gestion (S.A.S.)

By/Por _____
Name/Nombre:
Title/Cargo:

Guaranteed/Por Aval:
CEMEX UK

By/Por _____
Name/Nombre:
Title/Cargo:

Guaranteed/Por Aval:
CEMEX Egyptian Investments B.V.

By/Por _____
Name/Nombre:
Title/Cargo:

Guaranteed/Por Aval:
CEMEX Central, S.A. de C.V.

By/Por _____
Name/Nombre:
Title/Cargo:

PART III
TERM LOANS IN STERLING
PAGARÉ NO NEGOCIABLE /
NON-NEGOTIABLE PROMISSORY NOTE

£

For value received, the undersigned, CEMEX, S.A.B. de C.V., by this Promissory Note unconditionally promises to pay to the order of (the "**Creditor**"), in sterling, lawful currency of the United Kingdom ("**sterling**"), the following principal sums payable on the following dates (each a "**Principal Payment Date**", and the last such date, the "**Final Payment Date**"):

Principal Payment Date	Amount[11]
[•][12]	£ [•]
[•][13]	£ [•]
[•][14]	£ [•]
[•][15]	£ [•]
[•][16]	£ [•]

provided that, on the Final Payment Date, any and all principal amounts then due, shall be paid.

The undersigned also promises to pay interest on the outstanding and unpaid principal amount of this Promissory Note, from the date hereof, for each day during each Interest Period (as defined below), at a rate per annum equal to LIBOR (as defined below) plus the Margin (as defined below), payable in arrears, on each Interest Payment Date (as defined below), until payment in full of the outstanding principal amount hereof **provided, however, that** upon any repayment or prepayment of any principal amount of this Promissory Note, interest accrued and unpaid on the principal amount repaid or prepaid, shall be payable on the date of such repayment or prepayment.

£

Por valor recibido, la suscrita, CEMEX, S.A.B. de C.V., por este Pagaré promete incondicionalmente pagar a la orden de (el "**Acreedor**"), en libras esterlinas, moneda de curso legal en Reino Unido ("**libras esterlinas**"**)**, las siguientes sumas de principal pagaderas en las siguientes fechas (cada una, una "**Fecha de Pago de Principal**" y la última de dichas fechas, la "**Fecha de Vencimiento**"**)**:

Fecha de Pago de Principal	Monto
[•]	£ [•]
[•]	£ [•]
[•]	£ [•]
[•]	£ [•]
[•]	£ [•]

Vencimiento, todas las sumas de principal pagaderas, deberán pagarse.

La suscrita promete, así mismo, pagar intereses sobre el saldo insoluto de la suma de principal de este Pagaré, a partir de la fecha de suscripción del presente Pagaré, por cada día respecto de cada Período de Interés (según este término se define a continuación), a una tasa anual igual a LIBOR (según este término se define a continuación) más el Margen (según este término se define a continuación), pagaderos en forma vencida, en cada Fecha de Pago de Interés (según este término se define a continuación), hasta que se efectúe el pago de la totalidad del saldo insoluto del presente **en el entendido, sin embargo, que** en el caso de cualquier repago o prepago de cualquier suma principal de este Pagaré, los intereses devengados e

11 Include amount equal to 20% of the Loan.
12 Include date that is 36 months after the date of the Facilities Agreement.
13 Include date that is 42 months after the date of the Facilities Agreement.
14 Include date that is 48 months after the date of the Facilities Agreement.
15 Include date that is 54 months after the date of the Facilities Agreement.
16 Include date that is 60 months after the date of the Facilities Agreement.

Any principal amount and (to the extent permitted by applicable law) interest not paid when due under this Promissory Note, shall bear interest for each day until paid, payable on demand, at a rate per annum equal to the sum of two percent (2%) plus the interest rate then applicable hereunder as provided in the preceding paragraph.

Interest hereunder shall be calculated on the basis of the actual number of days elapsed, divided by three hundred and sixty (360).

For purposes of this Promissory Note, the following terms shall have the following meanings:

"**Agent**" means Citibank Europe plc, UK Branch.

"**Business Day**" means a day (other than a Saturday or Sunday) on which banks are open for general business in London, United Kingdom, New York, United States of America and Mexico City, United Mexican States.

"**Interest Payment Date**" means the last day of each Interest Period.

"**Interest Period**" means (a) initially, the period commencing on the date hereof and ending on the numerically corresponding day in the calendar month [one (1)/three (3)/six (6)] month[s] thereafter, and (b) thereafter, each period commencing on the last day of the immediately preceding Interest Period and ending on the numerically corresponding day in the [applicable calendar month]/[calendar month [one (1)/three (3)/six (6)] month[s]][17] thereafter provided that (i) any Interest Period that would otherwise end on a day that is not a Business Day, shall be extended to the immediately succeeding Business Day, unless such immediately succeeding Business Day falls in the next calendar month, in which case such Interest Period shall end on the immediately preceding Business Day; (ii) any Interest Period 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 in which that Interest Period is to end) shall end on the last Business Day of the calendar month in which that Interest Period is to end; and (iii) no Interest Period shall extend

insolutos sobre la suma repagada o prepagada, serán pagaderos en la fecha en que se realice dicho repago o prepago.

Cualquier monto de principal y (en la medida permitida por la legislación aplicable) de intereses que no sea pagado cuando sea debido conforme a este Pagaré, devengará intereses por cada día hasta que sea pagado, pagaderos a la vista, a una tasa anual igual a la suma de dos por ciento (2%) más la tasa de interés aplicable conforme a lo previsto en el párrafo anterior.

Los intereses conforme al presente serán calculados sobre la base del número de días efectivamente transcurridos, divididos entre trescientos sesenta (360).

Para efectos de éste Pagaré, los siguientes términos tendrán los significados indicados a continuación:

"**Agente**" significa Citibank Europe plc, UK Branch.

"**Día Hábil**" significa cualquier día (que no sea sábado o domingo), en el cual los bancos comerciales en las ciudades de Londres, Reino Unido, Nueva York, Estados Unidos de América y Ciudad de México, Estados Unidos Mexicanos estén abiertos para celebrar operaciones en general.

"**Fecha de Pago de Interés**" significa el último día de cada Período de Interés.

"**Período de Interés**" significa (a) inicialmente, el período que comienza en la fecha del presente pagaré y termina en el día numéricamente correspondiente en el mes calendario que sea [un (1)/tres (3)/seis (6)] mes[es] después de dicha fecha, y (b) en adelante, cada período comenzando en el último día del Período de Intereses inmediatamente anterior y que termine el día numéricamente correspondiente en el mes calendario [aplicable que ocurra]/[que ocurra [un (1)/tres (3)/seis (6)] mes[es]] después de dicha fecha en el entendido que (i) cualquier Período de Intereses que termine en una fecha que no sea un Día Hábil, será extendido al Día Hábil inmediato siguiente, salvo en el caso de que dicho Día Hábil inmediato siguiente sea en el mes calendario siguiente, en cuyo caso, dicho Período de Intereses terminará en el Día Hábil inmediato anterior; (ii) cualquier Período de Intereses que inicie el último Día Hábil de un mes calendario (o en un día para el cual no exista fecha numéricamente correspondiente en el mes calendario en el cual dicho Período de Intereses deba terminar) terminará en el último Día Hábil del

17 Language to be included only if a bank requests that the note includes the applicable Interest Period.

beyond the Final Payment Date.

"**LIBOR**" means (a) the applicable Screen Rate, or (b) if no Screen Rate is available for an applicable Interest Period, the Interpolated Screen Rate, or (c) if no Screen Rate is available for (i) sterling or (ii) an applicable Interest Period and it is not possible to calculate an Interpolated Screen Rate for that Interest Period, the Reference Bank Rate, in the case of paragraphs (a) and (c) above, as of approximately 11:00 a.m. (London time) on the Quotation Day for the offering of deposits in sterling and for a period comparable to the Interest Period and, if the rate is less than zero, LIBOR shall be deemed to be zero.

"**Interpolated Screen Rate**" means the rate which results from interpolating on a linear basis between (a) the applicable Screen Rate for the longest period (for which that Screen Rate is available) which is less than the Interest Period; and (b) the applicable Screen Rate for the shortest period (for which that Screen Rate is available) which exceeds the Interest Period, as of approximately 11:00 a.m. (London time) on the Quotation Day for the offering of deposits in sterling and for a period comparable to the Interest Period.

"**Margin**" means [●] per cent ([●]%) per annum.[18]

"**Quotation Day**" means, in relation to any period for which an interest rate is to be determined, the first day of that period, unless market practice differs in the Relevant Interbank Market, in which case the Quotation Day will be determined by the Agent in accordance with market practice in the Relevant Interbank Market (and if quotations would normally be given by leading banks in the Relevant Interbank Market on more than one day, the Quotation Day will be the last of those days).

"**Relevant Interbank Market**" means the London interbank market.

"**Reference Banks**" means the principal London offices of BNP Paribas and ING Bank NV.

"**Reference Bank Rate**" means the arithmetic

mes calendario en el cual dicho Período de Intereses deba terminar; y (iii) ningún Período de Intereses terminará después de la Fecha de Vencimiento.

"**LIBOR**" significa (a) la Tasa de Pantalla aplicable, o (b) si la Tasa de Pantalla no estuviere disponible para el Período de Interés de que se trate, la Tasa de Pantalla Interpolada, o (c) si la Tasa de Pantalla no estuviere disponible para (i) libras esterlinas o (ii) el Período de Interés de que se trate y no fuere posible calcular la Tasa de Pantalla Interpolada para dicho Período de Intereses, la Tasa de los Bancos de Referencia, en los supuestos previstos en los incisos (a) y (c) anteriores, aproximadamente a las 11:00 a.m. (hora de Londres) en la Fecha de Cotización respecto de la oferta de depósitos en libras esterlinas y por un período comparable al Período de Interés y, en caso que la tasa sea menor de cero, entonces LIBOR deberá ser cero.

"**Tasa de Pantalla Interpolada**" significa la tasa que resulte de interpolar en forma lineal (a) la Tasa de Pantalla aplicable para el período más largo (para el cual la Tasa de Pantalla esté disponible) pero que sea menor al Período de Intereses y (b) la Tasa de Pantalla aplicable para el período más corto (para el cual la Tasa de Pantalla esté disponible) pero que exceda el Período de Interés, aproximadamente a las 11:00 a.m. (hora de Londres) en la Fecha de Cotización respecto de la oferta de depósitos en libras esterlinas y por un período comparable al Período de Interés.

"**Margen**" significa [●] por ciento ([●]%) por año.

"**Fecha de Cotización**" significa, respecto de cualquier período para el cual una tasa de interés deba ser determinada, el primer día de tal período, a menos que la práctica de mercado en el Mercado Interbancario Relevante sea distinta, en cuyo caso la Fecha de Cotización será determinada por el Agente de conformidad con la práctica de mercado en el Mercado Interbancario Relevante (y en caso de que las cotizaciones normalmente sean proporcionadas por bancos líderes en el Mercado Interbancario Relevante en más de un día, la Fecha de Cotización será el último de dichos días).

"**Mercado Interbancario Relevante**" significa el mercado interbancario de Londres.

"**Bancos de Referencia**" significa las oficinas principales de BNP Paribas y ING Bank NV en Londres.

"**Tasa de los Bancos de Referencia**" significa el

18 Margin in effect on date the pagaré is signed.

mean of the rates (rounded upwards to four decimal places), as supplied to the Agent at its request by the Reference Banks, at which the relevant Reference Bank could borrow funds in the London interbank market in sterling and for the relevant period, were it to do so by asking for and then accepting interbank offers for deposits in reasonable market size in sterling and for that period.

"**Screen Rate**" means the London interbank offered rate administered by ICE Benchmark Administration Limited (or any other person which takes over the administration of that rate) for sterling for the relevant period displayed on pages LIBOR01 or LIBOR02 of the Thomson Reuters screen (or any replacement Thomson Reuters page which displays that rate) or on the appropriate page of such other information service which publishes that rate from time to time in place of Thomson Reuters. If such page or service ceases to be available, the Agent may specify another page or service displaying the relevant rate.

All payments by the undersigned of principal, interest and other payments hereunder, shall be made without setoff, deduction or counterclaim not later than 11:00 a.m., London time, on the due date for each such payment, in sterling and in immediately available funds, at the office of the Agent located at 5th Floor, Citigroup Centre, 25 Canada Square, Canary Wharf, London E14 5LB, United Kingdom, Attention: Loans Agency. The undersigned agree to reimburse upon demand, in like manner and funds, all losses, costs and expenses of the holder hereof, incurred in connection with the enforcement of this Promissory Note.

Any payment which is due to be made on a day that is not a Business Day shall be made on the next Business Day in the same calendar month (if there is one) or the preceding Business Day (if there is not). During any extension of the due date of payment of any principal, interest is payable on the principal at the rate payable on the original due date.

All payments by the undersigned hereunder, shall be made free and clear of, and without deduction, set-off or counterclaim for, any present or future tax, levy, impost, duty or other charge, deduction or

promedio aritmético de las tasas (redondeadas hacia arriba, a cuatro decimales) que proporcionen los Bancos de Referencia a petición del Agente, de la tasa de interés a la cual el Banco de Referencia que corresponda podría recibir fondos en préstamo en el mercado interbancario de Londres en libras esterlinas y por el período de que se trate, en caso que dicho Banco de Referencia obtuviera fondos en préstamo después de haber pedido y aceptado dichas ofertas interbancarias para depósitos en tamaños de mercado razonables, en libras esterlinas y por ese mismo período.

"**Tasa de Pantalla**" significa la tasa ofrecida en el mercado interbancario de Londres administrada por ICE Benchmark Administration Limited (o cualquier otra persona que asuma la administración de dicha tasa) para libras esterlinas y para el período de que se trate, que aparezca en las páginas LIBOR01 o LIBOR02 de la pantalla Thomson Reuters (o cualquier página que reemplace la pantalla Thomson Reuters que divulgue dicha tasa) o la página que corresponda del servicio que provea dicha tasa de tiempo en tiempo en lugar de Thomson Reuters. Si la página o servicio deja de estar disponible, el Agente puede señalar otra página o servicio para que divulgue la tasa apropiada.

Todos los pagos que deban hacerse conforme a este Pagaré por las suscritas, de principal, intereses y por otros conceptos, serán efectuados sin compensación, deducción o defensa, antes de las 11:00 a.m., hora de la ciudad de Londres, en la fecha en que el pago de que se trate venza, en libras esterlinas y en fondos disponibles inmediatamente, en la oficina del Agente ubicada en el 5to piso de Citigroup Centre, 25 Canada Square, Canary Wharf, Londres E14 5LB, Reino Unido, Atención: Agente de Créditos. Las suscritas convienen en reembolsar a la vista, en la misma forma y fondos, cualesquiera pérdidas, costos y gastos del tenedor del presente, incurridos en relación con el procedimiento de cobro del presente Pagaré.

Cualquier pago que deba hacerse conforme al presente en un día que no sea un Día Hábil, deberá hacerse en el siguiente Día Hábil durante el mismo mes calendario (si existe uno) o en el Día Hábil previo (si no existe uno). Respecto de cualquier extensión de cualquier fecha de pago de principal, los intereses que correspondan al pago de principal se devengarán a la tasa de interés pagadera en la fecha de pago original.

Todos los pagos que se efectúen por las suscritas en términos del presente, deberán hacerse libres de y sin retención, deducción o compensación alguna por, cualquier impuesto, contribución, carga,

withholding of a similar nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same), imposed by the United Mexican States or any other jurisdiction from which any amount payable hereunder is made, or any taxing authority thereof or therein, unless required by law. In the event that the undersigned shall be compelled by law to make any such deduction or withholding, in respect of any payments hereunder, then the undersigned shall (i) pay such additional amounts as may be necessary so that the holder hereof would receive the full amounts it would have received, if such deductions or withholdings would not have been made, (ii) make all such deductions or withholdings and (iii) pay the full amount deducted or withheld to the relevant taxation authority or other authority in accordance with applicable law.

This Promissory Note shall be governed by, and construed in accordance with, the laws of England; **provided, however, that** if any action or proceedings in connection with this Promissory Note were brought to any courts in the United Mexican States, this Promissory Note shall be deemed as governed under the laws of the United Mexican States on account of place of their present or future domicile or residence or for any other reason.

Any legal action or proceeding arising out of or relating to this Promissory Note may be brought to the jurisdiction of the courts of England and any appellate court thereof, or any federal court sitting in Mexico City, United Mexican States; the undersigned waive the right to jurisdiction of any other courts, on account of place of their present or future residence or domicile or for any other reason.

The undersigned hereby waive diligence, demand, protest, presentment, notice of dishonor or any other notice or demand whatsoever.

This Promissory Note is executed in both English and Spanish versions. In the case of any conflict or doubt as to the proper construction of this Promissory Note, the English version shall govern; **provided, however, that** in any action or proceeding brought in any court in the United Mexican States, the Spanish version shall prevail.

If the laws of the United Mexican States apply, for the purposes of Article 128 of the General Law of

derecho u otras cargas, deducciones o retenciones, presentes o futuras, de cualquier naturaleza (incluyendo cualquier multa o interés pagadero por el incumplimiento o retraso en el pago de cualquiera de dichas sumas), establecidos o determinados por los Estados Unidos Mexicanos o por cualquier otra jurisdicción de la que se paguen cantidades adeudadas conforme al presente, a menos que sea requerido por ley. En caso que las suscritas estén obligadas legalmente a llevar a cabo cualquier retención o deducción, respecto de cualesquiera pagos conforme al presente, las suscritas (i) pagarán las sumas adicionales que sean necesarias para asegurar que las sumas recibidas por el tenedor del presente sean iguales a la suma que el tenedor hubiera recibido, si tales retenciones o deducciones no se hubieren realizado, (ii) realizarán las deducciones o retenciones, y (iii) pagarán el monto completo deducido o retenido a la autoridad fiscal correspondiente o cualquier otra autoridad de conformidad con la legislación aplicable.

Este Pagaré se regirá e interpretará de acuerdo con las leyes de Inglaterra; **en el entendido, sin embargo, que** si cualquier acción o procedimiento en relación con este Pagaré se iniciara en los tribunales de los Estados Unidos Mexicanos, este Pagaré se considerará regido de acuerdo con las leyes de los Estados Unidos Mexicanos en virtud de su domicilio presente o futuro o par cualquier otra razón.

Cualquier acción o procedimiento legal que derive o se relacione con este Pagaré podrá ser iniciado en los tribunales de Inglaterra, o en cualquier tribunal de apelación de los mismos, o cualquier tribunal federal localizado en la Ciudad de México, Estados Unidos Mexicanos, renunciando la suscrita a la jurisdicción de cualesquiera otros tribunales, en virtud de su domicilio presente o futuro, o por cualquier otra razón.

Las suscritas en este acto renuncian a diligencia, demanda, protesto, presentación, notificación de no aceptación y a cualquier notificación o demanda de cualquier naturaleza.

El presente Pagaré se suscribe en versiones en inglés y español. En caso de conflicto o duda en relación con la debida interpretación de este Pagaré, la versión en inglés prevalecerá; **en el entendido, sin embargo, que** en cualquier procedimiento iniciado en cualquier tribunal de los Estados Unidos Mexicanos, prevalecerá la versión en español.

Si la legislación de los Estados Unidos Mexicanos fuere aplicable, para los efectos del Artículo 128 de

Negotiable Instruments and Credit Transactions of the United Mexican States, the term of presentation of this Promissory Note is hereby irrevocably extended until the date that is six (6) months after the Final Payment Date, **it being understood** that such extension shall not be deemed to prevent presentation of this Promissory Note prior to such date.

For any notice in the United Mexican States related to this Promissory Note, the undersigned designate their domicile at [ ]

IN WITNESS WHEREOF, the undersigned have duly executed this Promissory Note on the date indicated below.

la Ley General de Títulos y Operaciones de Crédito de los Estados Unidos Mexicanos, por medio del presente se prorroga irrevocablemente el plazo de presentación de este Pagaré hasta la fecha que sea seis (6) meses después de la Fecha de Vencimiento, **en el entendido** de que dicha prórroga no impedirá la presentación de este Pagaré con anterioridad a dicha fecha.

Para cualquier aviso en los Estados Unidos Mexicanos relacionado con este Pagaré, las suscritas designan la siguiente dirección como su domicilio [ ].

EN VIRTUD DE LO CUAL, las suscritas han firmado este Pagaré en la fecha abajo mencionada.

, , a de .

, , , .

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

By/Por _____
Name/Nombre:
Title/Cargo:

Guaranteed/Por Aval:
CEMEX España, S.A.

By/Por _____
Name/Nombre:
Title/Cargo:

Guaranteed/Por Aval:
CEMEX México, S.A. de C.V.

By/Por _____
Name/Nombre:
Title/Cargo:

Guaranteed/Por Aval:
CEMEX Concretos, S.A. de C.V.

By/Por _____
Name/Nombre:
Title/Cargo:

Guaranteed/Por Aval:
Empresas Tolteca de México, S.A. de C.V.

By/Por _____
Name/Nombre:
Title/Cargo:

Guaranteed/Por Aval:
New Sunward Holding B.V.

By/Por _____
Name/Nombre:
Title/Cargo:

Guaranteed/Por Aval:
CEMEX Corp.

By/Por _____
Name/Nombre:
Title/Cargo:

Guaranteed/Por Aval:
CEMEX Finance LLC

By/Por _____
Name/Nombre:
Title/Cargo:

Guaranteed/Por Aval:
CEMEX Research Group AG

By/Por _____
Name/Nombre:
Title/Cargo:

Guaranteed/Por Aval:
CEMEX Asia B.V.

By/Por _____
Name/Nombre:
Title/Cargo:

Guaranteed/Por Aval:
CEMEX France Gestion (S.A.S.)

By/Por _____
Name/Nombre:
Title/Cargo:

Guaranteed/Por Aval:
CEMEX UK

By/Por _____
Name/Nombre:
Title/Cargo:

Guaranteed/Por Aval:
CEMEX Egyptian Investments B.V.

By/Por _____
Name/Nombre:
Title/Cargo:

Guaranteed/Por Aval:
CEMEX Central, S.A. de C.V.

By/Por _____
Name/Nombre:
Title/Cargo:

PART IV
TERM LOANS IN EURO
PAGARÉ NO NEGOCIABLE /
NON-NEGOTIABLE PROMISSORY NOTE

EUR

For value received, the undersigned, CEMEX, S.A.B. de C.V., by this Promissory Note unconditionally promises to pay to the order of (the "**Creditor**"), in euro, single currency unit of the Participating Member States, ("**euro**"), the following principal sums payable on the following dates (each a "**Principal Payment Date**", and the last such date, the "**Final Payment Date**"):

Principal Payment Date	Amount[19]
[•][20]	EUR[•]
[•][21]	EUR[•]
[•][22]	EUR[•]
[•][23]	EUR[•]
[•][24]	EUR[•]

provided that, on the Final Payment Date, any and all principal amounts then due, shall be paid.

The undersigned also promises to pay interest on the outstanding and unpaid principal amount of this Promissory Note, from the date hereof, for each day during each Interest Period (as defined below), at a rate per annum equal to EURIBOR (as defined below) plus the Margin (as defined below), payable in arrears, on each Interest Payment Date (as defined below), until payment in full of the outstanding principal amount hereof, **provided, however, that** upon any repayment or prepayment of any principal amount of this Promissory Note, interest accrued and unpaid on the principal amount repaid or prepaid, shall be payable on the date of such repayment or prepayment.

EUR

Por valor recibido, la suscrita, CEMEX, S.A.B. de C.V., por este Pagaré promete incondicionalmente pagar a la orden de (el "**Acreedor**"), en euros, moneda única de los Estados Miembros Participantes, ("**euros**"), las siguientes sumas de principal pagaderas en las siguientes fechas (cada una, una "**Fecha de Pago de Principal**" y la última de dichas fechas, la "**Fecha de Vencimiento**"):

Fecha de Pago de Principal	Monto
[•]	EUR[•]
[•]	EUR[•]
[•]	EUR[•]
[•]	EUR[•]
[•]	EUR[•]

en la inteligencia que, en la Fecha de Vencimiento, todas las sumas de principal pagaderas, deberán pagarse.

La suscrita promete, así mismo, pagar intereses sobre el saldo insoluto de la suma de principal de este Pagaré, a partir de la fecha de suscripción del presente Pagaré, por cada día respecto de cada Período de Interés (según este término se define a continuación), a una tasa anual igual a EURIBOR (según este término se define a continuación) más el Margen (según este término se define a continuación), pagaderos en forma vencida, en cada Fecha de Pago de Interés (según este término se define a continuación), hasta que se efectúe el pago de la totalidad del saldo insoluto del presente **en el entendido, sin embargo, que** en el caso de cualquier repago o prepago de cualquier suma principal de este Pagaré, los intereses devengados e

19 Include amount equal to 20% of the Loan.
20 Include date that is 36 months after the date of the Facilities Agreement.
21 Include date that is 42 months after the date of the Facilities Agreement.
22 Include date that is 48 months after the date of the Facilities Agreement.
23 Include date that is 54 months after the date of the Facilities Agreement.
24 Include date that is 60 months after the date of the Facilities Agreement.

Any principal amount and (to the extent permitted by applicable law) interest not paid when due under this Promissory Note, shall bear interest for each day until paid, payable on demand, at a rate per annum equal to the sum of two percent (2%) plus the interest rate then applicable hereunder as provided in the preceding paragraph.

Interest hereunder shall be calculated on the basis of the actual number of days elapsed, divided by three hundred and sixty (360).

For purposes of this Promissory Note, the following terms shall have the following meanings:

"**Agent**" means Citibank Europe plc, UK Branch.

"**Business Day**" means a day (other than a Saturday or Sunday) on which banks are open for general business in London, United Kingdom, New York, United States of America and Mexico City, United Mexican States, and a day which is a TARGET Day.

"**Interest Payment Date**" means the last day of each Interest Period.

"**Interest Period**" means (a) initially, the period commencing on the date hereof and ending on the numerically corresponding day in the calendar month [one (1)/three (3)/six (6)] month[s] thereafter, and (b) thereafter, each period commencing on the last day of the immediately preceding Interest Period and ending on the numerically corresponding day in the [applicable calendar month]/[calendar month [one (1)/three (3)/six (6)] month[s]][25] thereafter provided that (i) any Interest Period that would otherwise end on a day that is not a Business Day, shall be extended to the immediately succeeding Business Day, unless such immediately succeeding Business Day falls in the next calendar month, in which case such Interest Period shall end on the immediately preceding Business Day; (ii) any Interest Period 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 in which that Interest Period is to end) shall end on the last Business Day of the calendar month in which that Interest Period

insolutos sobre la suma repagada o prepagada, serán pagaderos en la fecha en que se realice dicho repago o prepago.

Cualquier monto de principal y (en la medida permitida por la legislación aplicable) de intereses que no sea pagado cuando sea debido conforme a este Pagaré, devengará intereses por cada día hasta que sea pagado, pagaderos a la vista, a una tasa anual igual a la suma de dos por ciento (2%) más la tasa de interés aplicable conforme a lo previsto en el párrafo anterior.

Los intereses conforme al presente serán calculados sobre la base del número de días efectivamente transcurridos, divididos entre trescientos sesenta (360).

Para efectos de éste Pagaré, los siguientes términos tendrán los significados indicados a continuación:

"**Agente**" significa Citibank Europe plc, UK Branch.

"**Día Hábil**" significa cualquier día (que no sea sábado o domingo), en el cual los bancos comerciales en las ciudades de Londres, Reino Unido, Nueva York, Estados Unidos de América y Ciudad de México, Estados Unidos Mexicanos estén abiertos para celebrar operaciones en general, y un día que sea un Día TARGET.

"**Fecha de Pago de Interés**" significa el último día de cada Período de Interés.

"**Período de Interés**" significa (a) inicialmente, el período que comienza en la fecha del presente pagaré y termina en el día numéricamente correspondiente en el mes calendario que sea [un (1)/tres (3)/seis (6)] mes[es] después de dicha fecha, y (b) en adelante, cada período comenzando en el último día del Período de Intereses inmediatamente anterior y que termine el día numéricamente correspondiente en el mes calendario [aplicable que ocurra]/[que ocurra [un (1)/tres (3)/seis (6)] mes[es]] después de dicha fecha en el entendido que (i) cualquier Período de Intereses que termine en una fecha que no sea un Día Hábil, será extendido al Día Hábil inmediato siguiente, salvo en el caso de que dicho Día Hábil inmediato siguiente sea en el mes calendario siguiente, en cuyo caso, dicho Período de Intereses terminará en el Día Hábil inmediato anterior; (ii) cualquier Período de Intereses que inicie el último Día Hábil de un mes calendario (o en un día para el cual no exista fecha numéricamente correspondiente en el mes calendario en el cual dicho Período de Intereses

25 Language to be included only if a bank requests that the note includes the applicable Interest Period.

is to end; and (iii) no Interest Period shall extend beyond the Final Payment Date.

"**EURIBOR**" means (a) the applicable Screen Rate, or (b) if no Screen Rate is available for an applicable Interest Period, the Interpolated Screen Rate, or (c) if (i) no Screen Rate is available for euro or (ii) no Screen Rate is available for an applicable Interest Period and it is not possible to calculate an Interpolated Screen Rate for that Interest Period, the Reference Bank Rate, in the case of paragraphs (a) and (c) above, as of approximately 11:00 a.m. (Brussels time) on the Quotation Day for euro and for a period equal in length to the Interest Period and, if the rate is less than zero, EURIBOR shall be deemed to be zero.

"**Interpolated Screen Rate**" means the rate which results from interpolating on a linear basis between (a) the applicable Screen Rate for the longest period (for which that Screen Rate is available) which is less than the Interest Period; and (b) the applicable Screen Rate for the shortest period (for which that Screen Rate is available) which exceeds the Interest Period, as of approximately 11:00 a.m. (Brussels time) on the Quotation Day for the offering of euro and for a period comparable to the Interest Period.

"**Margin**" means [•] per cent ([•]%) per annum.[26]

"**Participating Member State**" means any member state of the European Union that has the euro as its lawful currency in accordance with legislation of the European Union relating to Economic and Monetary Union.

"**Quotation Day**" means, in relation to any period for which an interest rate is to be determined, two (2) TARGET Days before the first day of that period, unless market practice differs in the Relevant Interbank Market, in which case the Quotation Day will be determined by the Agent in accordance with market practice in the Relevant Interbank Market (and if quotations would normally be given by leading banks in the Relevant Interbank Market on more than one day, the Quotation Day will be the last of those days).

deba terminar) terminará en el último Día Hábil del mes calendario en el cual dicho Período de Intereses deba terminar; y (iii) ningún Período de Intereses terminará después de la Fecha de Vencimiento.

"**EURIBOR**" significa (a) la Tasa de Pantalla aplicable, o (b) si la Tasa de Pantalla no estuviere disponible para el Período de Interés de que se trate, la Tasa de Pantalla Interpolada, o (c) si (i) la Tasa de Pantalla no estuviere disponible para euros o (ii) la Tasa de Pantalla no estuviere disponible para el Período de Interés de que se trate y no fuere posible calcular la Tasa de Pantalla Interpolada para dicho Período de Intereses, la Tasa de los Bancos de Referencia, en los supuestos previstos en los incisos (a) y (c) anteriores, aproximadamente a las 11:00 a.m. (hora de Bruselas) en la Fecha de Cotización respecto de euros y por un período cuya duración sea igual al Período de Interés y, en caso que la tasa sea menor de cero, entonces EURIBOR deberá ser cero.

"**Tasa de Pantalla Interpolada**" significa la tasa que resulte de interpolar en forma lineal (a) la Tasa de Pantalla aplicable para el período más largo (para el cual la Tasa de Pantalla esté disponible) pero que sea menor al Período de Intereses y (b) la Tasa de Pantalla aplicable para el período más corto (para el cual la Tasa de Pantalla esté disponible) pero que exceda el Período de Interés, aproximadamente a las 11:00 a.m. (hora de Bruselas) en la Fecha de Cotización respecto de la oferta de depósitos en euros y por un período comparable al Período de Interés.

"**Margen**" significa [•] por ciento ([•]%) por año.

"**Estados Miembros Participantes**" significa cualquier estado de la Unión Europea que adopte o haya adoptado al euro como su moneda de curso legal conforme a la legislación de la Unión Europea relacionada a la Unión Económica y Monetaria.

"**Fecha de Cotización**" significa, respecto de cualquier período para el cual una tasa de interés deba ser determinada, dos (2) Días TARGET antes del primer día de tal período, a menos que la práctica de mercado en el Mercado Interbancario Relevante sea distinta, en cuyo caso la Fecha de Cotización será determinada por el Agente de conformidad con la práctica de mercado en el Mercado Interbancario Relevante (y en caso de que las cotizaciones normalmente sean proporcionadas por bancos líderes en el Mercado Interbancario Relevante en más de un día, la Fecha de Cotización será el último de dichos días).

26 Margin in effect on date the pagaré is signed.

"**Relevant Interbank Market**" means the European interbank market.

"**Reference Banks**" means the principal London offices of BNP Paribas and ING Bank NV.

"**Reference Bank Rate**" means the arithmetic mean of the rates (rounded upwards to four decimal places), as supplied to the Agent at its request by the Reference Banks, at which the relevant Reference Bank believes one prime bank is quoting to another prime bank for interbank term deposits in euro within the Participating Member States for the relevant period.

"**Screen Rate**" means the euro interbank offered rate administered by the European Money Markets Institute (or any other person which takes over the administration of that rate) for the relevant period displayed on page EURIBOR01 of the Thomson Reuters screen (or any replacement Thomson Reuters page which displays that rate) or on the appropriate page of such other information service which publishes that rate from time to time in place of Thomson Reuters. If such page or service ceases to be available, the Agent may specify another page or service displaying the relevant rate.

"**TARGET2**" means the Trans-European Automated Real-time Gross Settlement Express Transfer payment system which utilises a single shared platform and which was launched on 19 November 2007.

"**TARGET Day**" means any day on which TARGET2 is open for the settlement of payments in euro.

All payments by the undersigned of principal, interest and other payments hereunder, shall be made without setoff, deduction or counterclaim not later than 11:00 a.m., London time, on the due date for each such payment, in euro and in immediately available funds, at the office of the Agent located at 5th Floor, Citigroup Centre, 25 Canada Square, Canary Wharf, London E14 5LB, United Kingdom, Attention: Loans Agency. The undersigned agree to reimburse upon demand, in like manner and funds, all losses, costs and expenses of the holder hereof, incurred in connection with the enforcement of this Promissory Note.

"**Mercado Interbancario Relevante**" significa el mercado interbancario Europeo.

"**Bancos de Referencia**" significa las oficinas principales de BNP Paribas y ING Bank NV en Londres.

"**Tasa de los Bancos de Referencia**" significa el promedio aritmético de las tasas (redondeadas hacia arriba, a cuatro decimales) que proporcionen los Bancos de Referencia a petición del Agente, de la tasa de interés a la cual el Banco de Referencia que corresponda considere que un banco de primer orden cotice a otro banco de primer orden, depósitos interbancarios en euros dentro de los Estados Miembros Participantes y por el período de que se trate.

"**Tasa de Pantalla**" significa la tasa ofrecida en el mercado interbancario de euros administrada por el European Money Markets Institute (o cualquier otra persona que asuma la administración de dicha tasa) para el período de que se trate, que aparezca en la página EURIBOR01 de la pantalla Thomson Reuters (o cualquier página que reemplace la pantalla Thomson Reuters que divulgue dicha tasa) o la página que corresponda del servicio que provea dicha tasa de tiempo en tiempo en lugar de Thomson Reuters. Si la página o servicio deja de estar disponible, el Agente puede señalar otra página o servicio para que divulgue la tasa apropiada.

"**TARGET2**" significa el Sistema Automatizado Transeuropeo de Transferencias de Liquidación de Pagos Brutos en Tiempo Real (*Trans–European Automated Real–time Gross Settlement Express Transfer*) que utiliza una plataforma común y que fue lanzado el 19 de noviembre de 2007.

"**Día TARGET**" significa cualquier día en que TARGET2 esté abierto para la liquidación de pagos en euros.

Todos los pagos que deban hacerse conforme a este Pagaré por las suscritas, de principal, intereses y por otros conceptos, serán efectuados sin compensación, deducción o defensa, antes de las 11:00 a.m., hora de la ciudad de Londres, en la fecha en que el pago de que se trate venza, en euros y en fondos disponibles inmediatamente, en la oficina del Agente ubicada en el 5to piso de Citigroup Centre, 25 Canada Square, Canary Wharf, Londres E14 5LB, Reino Unido, Atención: Agente de Créditos. Las suscritas convienen en reembolsar a la vista, en la misma forma y fondos, cualesquiera pérdidas, costos y gastos del tenedor del presente, incurridos en relación con el procedimiento de cobro del presente Pagaré.

Any payment which is due to be made on a day that is not a Business Day shall be made on the next Business Day in the same calendar month (if there is one) or the preceding Business Day (if there is not). During any extension of the due date of payment of any principal, interest is payable on the principal at the rate payable on the original due date.

All payments by the undersigned hereunder, shall be made free and clear of, and without deduction, set-off or counterclaim for, any present or future tax, levy, impost, duty or other charge, deduction or withholding of a similar nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same), imposed by the United Mexican States or any other jurisdiction from which any amount payable hereunder is made, or any taxing authority thereof or therein, unless required by law. In the event that the undersigned shall be compelled by law to make any such deduction or withholding, in respect of any payments hereunder, then the undersigned shall (i) pay such additional amounts as may be necessary so that the holder hereof would receive the full amounts it would have received, if such deductions or withholdings would not have been made, (ii) make all such deductions or withholdings and (iii) pay the full amount deducted or withheld to the relevant taxation authority or other authority in accordance with applicable law.

This Promissory Note shall be governed by, and construed in accordance with, the laws of England; **provided, however, that** if any action or proceedings in connection with this Promissory Note were brought to any courts in the United Mexican States, this Promissory Note shall be deemed as governed under the laws of the United Mexican States on account of place of their present or future domicile or residence or for any other reason.

Any legal action or proceeding arising out of or relating to this Promissory Note may be brought to the jurisdiction of the courts of England and any appellate court thereof, or any federal court sitting in Mexico City, United Mexican States; the undersigned waive the right to jurisdiction of any other courts, on account of place of their present or future residence or domicile or for any other reason.

The undersigned hereby waive diligence, demand, protest, presentment, notice of dishonor or any other

Cualquier pago que deba hacerse conforme al presente en un día que no sea un Día Hábil, deberá hacerse en el siguiente Día Hábil durante el mismo mes calendario (si existe uno) o en el Día Hábil previo (si no existe uno). Respecto de cualquier extensión de cualquier fecha de pago de principal, los intereses que correspondan al pago de principal se devengarán a la tasa de interés pagadera en la fecha de pago original.

Todos los pagos que se efectúen por las suscritas en términos del presente, deberán hacerse libres de y sin retención, deducción o compensación alguna por, cualquier impuesto, contribución, carga, derecho u otras cargas, deducciones o retenciones, presentes o futuras, de cualquier naturaleza (incluyendo cualquier multa o interés pagadero por el incumplimiento o retraso en el pago de cualquiera de dichas sumas), establecidos o determinados por los Estados Unidos Mexicanos o por cualquier otra jurisdicción de la que se paguen cantidades adeudadas conforme al presente, a menos que sea requerido por ley. En caso que las suscritas estén obligadas legalmente a llevar a cabo cualquier retención o deducción, respecto de cualesquiera pagos conforme al presente, las suscritas (i) pagarán las sumas adicionales que sean necesarias para asegurar que las sumas recibidas por el tenedor del presente sean iguales a la suma que el tenedor hubiera recibido, si tales retenciones o deducciones no se hubieren realizado, (ii) realizarán las deducciones o retenciones, y (iii) pagarán el monto completo deducido o retenido a la autoridad fiscal correspondiente o cualquier otra autoridad de conformidad con la legislación aplicable.

Este Pagaré se regirá e interpretará de acuerdo con las leyes de Inglaterra; **en el entendido, sin embargo, que** si cualquier acción o procedimiento en relación con este Pagaré se iniciara en los tribunales de los Estados Unidos Mexicanos, este Pagaré se considerará regido de acuerdo con las leyes de los Estados Unidos Mexicanos en virtud de su domicilio presente o futuro o par cualquier otra razón.

Cualquier acción o procedimiento legal que derive o se relacione con este Pagaré podrá ser iniciado en los tribunales de Inglaterra, o en cualquier tribunal de apelación de los mismos, o cualquier tribunal federal localizado en la Ciudad de México, Estados Unidos Mexicanos, renunciando la suscrita a la jurisdicción de cualesquiera otros tribunales, en virtud de su domicilio presente o futuro, o por cualquier otra razón.

Las suscritas en este acto renuncian a diligencia, demanda, protesto, presentación, notificación de no aceptación y a cualquier notificación o demanda de

notice or demand whatsoever.

This Promissory Note is executed in both English and Spanish versions. In the case of any conflict or doubt as to the proper construction of this Promissory Note, the English version shall govern; **provided, however, that** in any action or proceeding brought in any court in the United Mexican States, the Spanish version shall prevail.

If the laws of the United Mexican States apply, for the purposes of Article 128 of the General Law of Negotiable Instruments and Credit Transactions of the United Mexican States, the term of presentation of this Promissory Note is hereby irrevocably extended until the date that is six (6) months after the Final Payment Date, **it being understood** that such extension shall not be deemed to prevent presentation of this Promissory Note prior to such date.

For any notice in the United Mexican States related to this Promissory Note, the undersigned designate their domicile at [ ]

IN WITNESS WHEREOF, the undersigned have duly executed this Promissory Note on the date indicated below.

cualquier naturaleza.

El presente Pagaré se suscribe en versiones en inglés y español. En caso de conflicto o duda en relación con la debida interpretación de este Pagaré, la versión en inglés prevalecerá; **en el entendido, sin embargo, que** en cualquier procedimiento iniciado en cualquier tribunal de los Estados Unidos Mexicanos, prevalecerá la versión en español.

Si la legislación de los Estados Unidos Mexicanos fuere aplicable, para los efectos del Artículo 128 de la Ley General de Títulos y Operaciones de Crédito de los Estados Unidos Mexicanos, por medio del presente se prorroga irrevocablemente el plazo de presentación de este Pagaré hasta la fecha que sea seis (6) meses después de la Fecha de Vencimiento, **en el entendido de que** dicha prórroga no impedirá la presentación de este Pagaré con anterioridad a dicha fecha.

Para cualquier aviso en los Estados Unidos Mexicanos relacionado con este Pagaré, las suscritas designan la siguiente dirección como su domicilio [ ].

EN VIRTUD DE LO CUAL, las suscritas han firmado este Pagaré en la fecha abajo mencionada.

, , a de .
, , , .

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

By/Por _____
Name/Nombre:
Title/Cargo:

Guaranteed/Por Aval:
CEMEX España, S.A.

By/Por _____
Name/Nombre:
Title/Cargo:

Guaranteed/Por Aval:
CEMEX México, S.A. de C.V.

By/Por _____
Name/Nombre:
Title/Cargo:

Guaranteed/Por Aval:
CEMEX Concretos, S.A. de C.V.

By/Por _____
Name/Nombre:
Title/Cargo:

Guaranteed/Por Aval:
Empresas Tolteca de México, S.A. de C.V.

By/Por _____
Name/Nombre:
Title/Cargo:

Guaranteed/Por Aval:
New Sunward Holding B.V.

By/Por _____
Name/Nombre:
Title/Cargo:

Guaranteed/Por Aval:
CEMEX Corp.

By/Por _____
Name/Nombre:
Title/Cargo:

Guaranteed/Por Aval:
CEMEX Finance LLC

By/Por _____
Name/Nombre:
Title/Cargo:

Guaranteed/Por Aval:
CEMEX Research Group AG

By/Por _____
Name/Nombre:
Title/Cargo:

Guaranteed/Por Aval:
CEMEX Asia B.V.

By/Por _____
Name/Nombre:
Title/Cargo:

Guaranteed/Por Aval:
CEMEX France Gestion (S.A.S.)

By/Por _____
Name/Nombre:
Title/Cargo:

Guaranteed/Por Aval:
CEMEX UK

By/Por _____
Name/Nombre:
Title/Cargo:

Guaranteed/Por Aval:
CEMEX Egyptian Investments B.V.

By/Por _____
Name/Nombre:
Title/Cargo:

Guaranteed/Por Aval:
CEMEX Central, S.A. de C.V.

By/Por _____
Name/Nombre:
Title/Cargo:

FORM OF SIDE LETTER TO PROMISSORY NOTE

CEMEX, S.A.B. de C.V.
Av. Ricardo Margáin #325
Colonia Valle del Campestre
San Pedro Garza García,
Nuevo León, 66265
Mexico

[Date]

RE: PROMISSORY NOTE

Dear Sirs:

Reference is made to the promissory note (*pagaré*) (the "**Promissory Note**") issued by CEMEX, S.A.B. de C.V. (the "**Issuer**"), dated , [ ] for the amount of USD $ (Dollars, currency of the United States of America 00/100) in favor of (the "**Holder**").

The parties to this letter agree that notwithstanding anything to the contrary in the Promissory Note, (i) [principal and][27] interest payments in respect of the Promissory Note shall be made at the times, on the dates, in the amounts and in the manner provided for in the Facilities Agreement dated , [ ] between the Issuer, as borrower, certain direct and indirect subsidiaries of the Issuer, as guarantors or security providers, the financial institutions named therein as original lenders, and Citibank Europe plc, UK Branch, as agent and Wilmington Trust (London) Limited as security agent (as amended from time to time in accordance with its terms, the "**Facilities Agreement**") and (ii) interest shall be calculated in the manner provided for in the Facilities Agreement. Without limiting the generality of the above, the parties to this letter agree that notwithstanding anything else to the contrary in the Promissory Note, the loan represented by the Promissory Note may bear interest at the rates provided for in the Facilities Agreement. In the case of any inconsistency between the terms of the Facilities Agreement and the Promissory Note, the Facilities Agreement shall prevail.

Sincerely,

[ ]

By:

Name:

Title:

Accepted and agreed,
CEMEX, S.A.B. de C.V.

By:
Name:
Title:

27 To be included only in respect of Promissory Notes related to revolving facility Commitments.

Accepted and agreed,
CEMEX España, S.A., as guarantor

By:
Name:
Title:

Accepted and agreed,
CEMEX México, S.A. de C.V., as guarantor

By:
Name:
Title:

Accepted and agreed,
CEMEX Concretos, S.A. de C.V., as guarantor

By:
Name:
Title:

Accepted and agreed,
Empresas Tolteca de México, S.A. de C.V., as guarantor

By:
Name:
Title:

Accepted and agreed,
New Sunward Holding B.V., as guarantor

By:
Name:
Title:

Accepted and agreed,
CEMEX Corp., as guarantor

By:
Name:
Title:

Accepted and agreed,
CEMEX Finance LLC, as guarantor

By:
Name:
Title:

Accepted and agreed,
CEMEX Research Group AG, as guarantor

By:
Name:
Title:

Accepted and agreed,
CEMEX Asia B.V., as guarantor

By:
Name:
Title:

Accepted and agreed,
CEMEX France Gestion (S.A.S.), as guarantor

By:
Name:
Title:

Accepted and agreed,
CEMEX UK, as guarantor

By:
Name:
Title:

Accepted and agreed,
CEMEX Egyptian Investments B.V., as guarantor

By:
Name:
Title:

Accepted and agreed,
CEMEX Central, S.A. de C.V.

By:
Name:
Title:

SCHEDULE 5
FORM OF TRANSFER CERTIFICATE

To: [•] as Agent and [•] as Security Agent

From: [*The Existing Lender*] (the "**Existing Lender**") and [*The New Lender*] (the "**New Lender**")

Dated:

CEMEX, S.A.B. de C.V.– Facilities Agreement
dated [ ] July 2017 (the "Facilities Agreement")

1. We refer to the Facilities Agreement and to the Intercreditor Agreement (as defined in the Facilities Agreement). This agreement (the "**Agreement**") shall take effect as a Transfer Certificate for the purpose of the Facilities Agreement and as a Creditor/Agent/Security Agent Accession Undertaking for the purposes of the Intercreditor Agreement (and as defined in the Intercreditor Agreement). Terms defined in the Facilities Agreement have the same meaning in this Agreement unless given a different meaning in this Agreement.

2. We refer to Clause 26.5 (*Procedure for transfer*) of the Facilities Agreement:

   (a) The Existing Lender and the New Lender agree to the Existing Lender transferring to the New Lender by novation all or part of the Existing Lender's Commitment, rights and obligations referred to in the Schedule in accordance with Clause 26.5 (*Procedure for transfer*) of the Facilities Agreement.

   (b) The proposed Transfer Date is [•].

   (c) The Facility Office and address, fax number and attention details for notices of the New Lender for the purposes of Clause 34.2 (*Addresses*) of the Facilities Agreement are set out in the Schedule.

3. The New Lender expressly acknowledges the limitations on the Existing Lender's obligations set out in paragraph (c) of Clause 26.4 (*Limitation of responsibility of Existing Lenders*) of the Facilities Agreement.

4. The New Lender confirms, for the benefit of the Agent and without liability to any Obligor, that it is [a Qualifying Lender (other than a Treaty Lender)]/[a Treaty Lender]/[not a Qualifying Lender]*.

5. We refer to clause 14.6 (*Creditor/Agent/Security Agent Accession Undertaking*) of the Intercreditor Agreement.

   In consideration of the New Lender being accepted as a Refinancing Creditor for the purposes of the Intercreditor Agreement (and as defined in the Intercreditor Agreement), the New Lender confirms that, as from the Transfer Date, it intends to be party to the Intercreditor Agreement as a Refinancing Creditor, and undertakes to perform all the obligations expressed in the Intercreditor Agreement to be assumed by a Refinancing Creditor and agrees that it shall be bound by all the provisions of the

Intercreditor Agreement, as if it had been an original party to the Intercreditor Agreement.

6. For the purposes of articles 1278 *et seq.* of the French Civil Code, it is expressly agreed that the Security created under the Security Documents governed by French law shall be preserved and maintained for the benefit of the Security Agent, the New Lender and the remaining Finance Parties.

7. The New Lender may, in the case of an assignment of rights by the Existing Lender under this Transfer Certificate, if it considers it necessary to make the assignment effective against third parties, arrange for it to be notified to any Obligor established or domiciled in France in accordance with the provisions of article 1690 of the French Civil Code.

8. This Agreement may be executed in any number of counterparts and this has the same effect as if the signatures on the counterparts were on a single copy of this Agreement.

9. This Agreement and any non-contractual obligations arising out of or in connection with it are governed by English law.

This Agreement has been entered into on the date stated at the beginning of this Agreement.

Notes: * Delete as applicable - each New Lender is required to confirm which of these three categories it falls within.

The execution of this Transfer Certificate may not transfer a proportionate share of the Existing Lender's interest in the Transaction Security in all jurisdictions. It is the responsibility of the New Lender to ascertain whether any other documents or other formalities are required to perfect a transfer of such a share in the Existing Lender's Transaction Security in any jurisdiction and, if so, to arrange for execution of those documents and completion of those formalities.

THE SCHEDULE

Commitment/rights and obligations to be transferred

[*insert relevant details*]
[*Facility Office address, fax number and attention details for notices and account details for payments*]

[Existing Lender] [New Lender]

By: By:

This Agreement is accepted as a Transfer Certificate for the purposes of the Facilities Agreement by the Agent, and as a Creditor/Agent/Security Agent Accession Undertaking for the purposes of the Intercreditor Agreement by the Security Agent, and the Transfer Date is confirmed as [•].

[Agent]

By:

[Security Agent]

By:

SCHEDULE 6
FORM OF ASSIGNMENT AGREEMENT

To: [•] as Agent, [•] as Security Agent and CEMEX, S.A.B. de C.V. as Borrower for and on behalf of each Obligor

From: [*the Existing Lender*] (the "**Existing Lender**") and [*the New Lender*] (the "**New Lender**")

Dated:

CEMEX, S.A.B. de C.V.– Facilities Agreement
dated [ ] July 2017 (the "Facilities Agreement")

1. We refer to the Facilities Agreement and to the Intercreditor Agreement (as defined in the Facilities Agreement). This is an Assignment Agreement. This agreement (the "**Agreement**") shall take effect as an Assignment Agreement for the purpose of the Facilities Agreement and as a Creditor/Agent/Security Agent Accession Undertaking for the purposes of the Intercreditor Agreement (and as defined in the Intercreditor Agreement). Terms defined in the Facilities Agreement have the same meaning in this Agreement unless given a different meaning in this Agreement.

2. We refer to Clause 26.6 (*Procedure for assignment*) of the Facilities Agreement:

   (a) The Existing Lender assigns absolutely to the New Lender all the rights of the Existing Lender under the Facilities Agreement, the other Finance Documents and in respect of the Transaction Security which correspond to that portion of the Existing Lender's Commitments and participations in Utilisations under the Facilities Agreement as specified in the Schedule.

   (b) The Existing Lender is released from all the obligations of the Existing Lender which correspond to that portion of the Existing Lender's Commitments and participations in Utilisations under the Facilities Agreement specified in the Schedule.

   (c) The New Lender becomes a Party as a Lender and is bound by obligations equivalent to those from which the Existing Lender is released under paragraph (b) above.

3. The proposed Transfer Date is [•].

4. On the Transfer Date the New Lender becomes:

   (a) party to the relevant Finance Documents (other than the Intercreditor Agreement) as a Lender; and

   (b) party to the Intercreditor Agreement as a Facilities Lender.

5. The Facility Office and address, fax number and attention details for notices of the New Lender for the purposes of Clause 34.2 (Addresses) of the Facilities Agreement are set out in the Schedule.

6. The New Lender expressly acknowledges the limitations on the Existing Lender's obligations set out in paragraph (c) of Clause 26.4 (*Limitation of responsibility of Existing Lenders*) of the Facilities Agreement.

7. The New Lender confirms, for the benefit of the Agent and without liability to any Obligor, that it is [a Qualifying Lender (other than a Treaty Lender)]/[a Treaty Lender]/[not a Qualifying Lender]*.

8. We refer to clause 14.6 (*Creditor/Agent/Security Agent Accession Undertaking)* of the Intercreditor Agreement.

   In consideration of the New Lender being accepted as a Refinancing Creditor for the purposes of the Intercreditor Agreement (and as defined in the Intercreditor Agreement), the New Lender confirms that, as from the Transfer Date, it intends to be party to the Intercreditor Agreement as a Refinancing Creditor, and undertakes to perform all the obligations expressed in the Intercreditor Agreement to be assumed by a Refinancing Creditor and agrees that it shall be bound by all the provisions of the Intercreditor Agreement, as if it had been an original party to the Intercreditor Agreement.

9. This Agreement acts as notice to the Agent (on behalf of each Finance Party) and, upon delivery in accordance with Clause 26.7 (*Copy of Transfer Certificate, Assignment Agreement or Accordion Confirmation to Borrower*), to the Borrower (on behalf of each Obligor) of the assignment referred to in this Agreement.

10. This Agreement may be executed in any number of counterparts and this has the same effect as if the signatures on the counterparts were on a single copy of this Agreement.

11. This Agreement and any non-contractual obligations arising out of or in connection with it are governed by English law.

This Agreement has been entered into on the date stated at the beginning of this Agreement.

Notes: The execution of this Assignment Agreement may not transfer a proportionate share of the Existing Lender's interest in the Transaction Security in all jurisdictions. It is the responsibility of the New Lender to ascertain whether any other documents or other formalities are required to perfect a transfer of such a share in the Existing Lender's Transaction Security in any jurisdiction and, if so, to arrange for execution of those documents and completion of those formalities.

THE SCHEDULE

Commitment/rights and obligations to be transferred by assignment, release and accession

[insert *relevant details]*

[Facility *office address, fax number and attention details for notices and account details for payments]*

[Existing Lender]	[New Lender]
By:	By:

This Agreement is accepted as an Assignment Agreement for the purposes of the Facilities Agreement by the Agent, and as a Creditor/Agent/Security Agent Accession Undertaking for the purposes of the Intercreditor Agreement by the Security Agent, and the Transfer Date is confirmed as [•].

Signature of this Agreement by the Agent constitutes confirmation by the Agent of receipt of notice of the assignment referred to in this Agreement, which notice the Agent receives on behalf of each Finance Party.

[Agent]

By:

[Security Agent]

By:

NOTES:

* Delete as applicable - each New Lender is required to confirm which of these three categories it falls within

SCHEDULE 7
FORM OF ACCESSION LETTER

To: [•] as Agent and [•] as Security Agent for itself and each of the other parties to the Intercreditor Agreement referred to below

From: [*Subsidiary*] and [*Borrower*]

Dated:

Dear Sirs

CEMEX, S.A.B. de C.V. – Facilities Agreement
dated [ ] July 2017 (the "Facilities Agreement")

1. We refer to the Facilities Agreement and to the Intercreditor Agreement. This deed (the "**Accession Letter**") shall take effect as an Accession Letter for the purposes of the Facilities Agreement and as a Debtor/Security Provider Accession Deed for the purposes of the Intercreditor Agreement (and as defined in the Intercreditor Agreement). Terms defined in the Facilities Agreement have the same meaning in paragraphs 1 to 3 of this Accession Letter unless given a different meaning in this Accession Letter.

2. [*Subsidiary*] agrees to become an Additional [Guarantor]/[Security Provider] and to be bound by the terms of the Facilities Agreement and the other Finance Documents (other than the Intercreditor Agreement) as an Additional [Guarantor][Security Provider] pursuant to Clause 28.2 (*Additional Guarantors and Additional Security Providers*)] of the Facilities Agreement. [*Subsidiary*] is a company duly incorporated under the laws of [*name of relevant jurisdiction*] and is a limited liability company and registered number [•].

3. [*Subsidiary's*] administrative details for the purposes of the Facilities Agreement and the Intercreditor Agreement are as follows:

   Address:

   Fax No.:

   Attention:

4. [*Subsidiary*] (for the purposes of this paragraph 4, the "**Acceding Debtor**") intends to [incur Liabilities under the following documents]/[give a guarantee, indemnity or other assurance against loss in respect of Liabilities under the following documents]:

   [Insert details (date, parties and description) of relevant documents]

   the "**Relevant Documents**".

IT IS AGREED as follows:

(a) Terms defined in the Intercreditor Agreement shall, unless otherwise defined in this Accession Letter, bear the same meaning when used in this paragraph 4.

(b) The Acceding Debtor and the Security Agent agree that the Security Agent shall hold:

(i) [any Security in respect of Liabilities created or expressed to be created pursuant to the Relevant Documents;

(ii) all proceeds of that Security; and]

(iii) all obligations expressed to be undertaken by the Acceding Debtor to pay amounts in respect of the Liabilities to the Security Agent as trustee for the Secured Parties (in the Relevant Documents or otherwise) and secured by the Transaction Security together with all representations and warranties expressed to be given by the Acceding Debtor (in the Relevant Documents or otherwise) in favour of the Security Agent as trustee for the Secured Parties,

on trust, or as otherwise provided in the Finance Documents, for the Secured Parties on the terms and conditions contained in the Intercreditor Agreement.

(c) The Acceding Debtor confirms that it intends to be party to the Intercreditor Agreement as a Debtor, undertakes to perform all the obligations expressed to be assumed by a Debtor under the Intercreditor Agreement and agrees that it shall be bound by all the provisions of the Intercreditor Agreement as if it had been an original party to the Intercreditor Agreement.

[4]/[5] This Accession Letter and any non-contractual obligations arising out of or in connection with it is governed by English law.

THIS ACCESSION LETTER has been signed on behalf of the Security Agent (for the purposes of paragraph 4 above only), signed on behalf of the Borrower and executed as a deed by [*Subsidiary*] and is delivered on the date stated above.

[*Subsidiary*]

[EXECUTED AS A DEED]
By: [*Subsidiary*])

_____ Director

_____ Director/Secretary

OR

[EXECUTED AS A DEED

By: [*Subsidiary*]

_____ Signature of Director

_____ Name of Director

in the presence of

_____ Signature of witness

_____ Name of witness

_____ Address of witness

_____

_____

_____

_____ Occupation of witness]

The Borrower

[*Borrower*]

By:

The Security Agent

[*Full Name of Current Security Agent*]

By:

Date:

SCHEDULE 8
FORM OF RESIGNATION LETTER

To: [•] as Agent

From: [*resigning Obligor*] and CEMEX, S.A.B. de C.V.

Dated:

Dear Sirs

CEMEX, S.A.B. de C.V.– Facilities Agreement
dated [ ] July 2017 (the "Facilities Agreement")

1. We refer to the Facilities Agreement. This is a Resignation Letter. Terms defined in the Facilities Agreement have the same meaning in this Resignation Letter unless given a different meaning in this Resignation Letter.
2. Pursuant to [Clause 28.3 (*Resignation of a Guarantor*)][Clause 28.4 (*Resignation of a Security Provider*)], we request that [*resigning Obligor*] be released from its obligations as a [Guarantor]/[Security Provider] under the Facilities Agreement and the Finance Documents (other than the Intercreditor Agreement).
3. We confirm that:
   (a) no Default is continuing or would result from the acceptance of this request; and
   (b) [this request is given in relation to a Third Party Disposal of [*resigning Obligor*];]*
   (c) [no payment is due from [*resigning Obligor]* under Clause 18 (*Guarantee and Indemnity*);]*
   (d) [the Transaction Security granted by [*resigning Obligor*] has not become enforceable in accordance with its terms.]*
4. This Resignation Letter and any non-contractual obligations arising out of or in connection with it are governed by English law.
5. The Borrower agrees to indemnify the Finance Parties and Secured Parties for any costs, expenses, or liabilities which would have been payable by [*resigning Obligor*] in connection with the Finance Documents but for the release set out in paragraph 2 above.

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

By:

[***resigning Obligor***]

By:

* Include / delete as applicable.

SCHEDULE 9
FORM OF COMPLIANCE CERTIFICATE

To: [•] as Agent

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

Dated:

Dear Sirs

CEMEX, S.A.B. de C.V.– Facilities Agreement
dated [ ] July 2017 (the "Facilities Agreement")

1. We refer to the Facilities Agreement. This is a Compliance Certificate. Terms defined in the Facilities Agreement have the same meaning when used in this Compliance Certificate unless given a different meaning in this Compliance Certificate.

2. We confirm that:

   (a) For the Reference Period ending [•], EBITDA was $[•] and Consolidated Interest Expense was $[•]. Therefore the Consolidated Coverage Ratio for such Reference Period was [•]:1 which [is/is not] in compliance with paragraph (a) of Clause 21.2 (*Financial condition*) of the Facilities Agreement.

   (b) Consolidated Funded Debt as at the last day of the Reference Period ending [•] was $[•] and EBITDA for the Reference Period ending [•] was $[•]. Therefore the Consolidated Leverage Ratio for such Reference Period was [•]:1 which [is/is not] in compliance with paragraph (b) of Clause 21.2 (*Financial condition*) of the Facilities Agreement.

   (c) Capital Expenditure of the Group for the Financial Year ending [•] was $[•]. Therefore the requirements of paragraph (c) of Clause 21.2 (*Financial condition*) of the Facilities Agreement [have/have not] been complied with.

   (d) Caliza Capital Expenditure for the Financial Year ending [•] was $[•]. Therefore the requirements of paragraph (d) of Clause 21.2 (*Financial condition*) of the Facilities Agreement [have/have not] been complied with.

   (e) Centurion Capital Expenditure for the Financial Year ending [•] was $[•]. Therefore the requirements of paragraph (e) of Clause 21.2 (*Financial condition*) of the Facilities Agreement [have/have not] been complied with.

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

SCHEDULE 10
EXISTING FINANCIAL INDEBTEDNESS

(Figures as at 30 June 2017)

Part I. Non Obligor Bilateral Bank Facilities

Obligation	Type	Outstanding Principal Amounts	Obligor	Guarantor(s)	Bank Party	Security	Maturity
Bank Facility CEMEX Colombia S.A.	Bank Facility	COP 26,119,437,176	CEMEX Colombia S.A.	None	Banco de Bogotá	None	12-Jun-18
Bank Facility CEMEX Colombia S.A.	Bank Facility	COP 21,413,943,487	CEMEX Colombia S.A.	None	Banco AV Villas	None	18-May-18
Bank Facility CEMEX Inc	Bank Facility	USD 1,863,936	CEMEX Inc.	None	Mc Duffie land	None	1-Aug-26
Promissory Note, Readymix USA LLC	Bank Facility	USD 108,801	Readymix USA LLC	None	Wayne Gentry & Henry Gentry	None	1-May-21
Bank Facility, CEMEX UK Operations Ltd	Bank Facility	GBP 712,117	CEMEX UK Operations Ltd	None	HBM HUB Limited	None	31-Jul-18
Bank Facility, CEMEX UK Operations Ltd	Bank Facility	GBP 150,000	CEMEX UK Operations Ltd	None	Lafarge (Joint Venture)	None	31-Jul-18
Bank Facility, CEMEX Polska Sp. z o.o.	Bank Facility	PLN 7,293,421	Cemex Polska Sp. z o.o.	None	Narodowy Fundusz Ochrony Środowiska	None	30-Sep-23
Bank Facility, CEMEX Kamen d.o.o.	Bank Facility	HRK 1,955,773	CEMEX Kamen d.o.o.	None	Loans from Minority Shareholders (JV)	None	6-Oct-17
Loan Agreement, Trinidad Cement Limited	Loan Agreement	TTD 245,000,000	Trinidad Cement Limited	CEMEX S.A.B. de C.V.	First Citizens Bank Limited, Citibank (Trinidad & Tobago) Limited	None	26-Oct-17
Loan Agreement, Assiut Cement Company S.A.E.	Loan Agreement	EUR 50,000,000	Assiut Cement Company S.A.E	CEMEX España S.A.	European Bank for Reconstruction and Development	None	1-Jul-22
Facility Agreement, CEMEX Holdings Philippines, Inc.	Loan Agreement	USD 280,000,000	CEMEX Holdings Philippines, Inc.	None	Banco de Oro	None	2-Feb-24
Bank Facility, CEMEX Deutschland AG	Bank Facility	EUR 200,252	CEMEX Deutschland AG	TBR Transportbeton Regen GmbH & Co. KG	TBI Transportbeton Ingolstadt GmbH & Co. KG	Capital Contribution	Unlimited
Bank Facility, CEMEX Deutschland AG	Bank Facility	EUR 51,129	CEMEX Deutschland AG	Kann Industrie GmbH & Co. KG	TBI Transportbeton Ingolstadt GmbH & Co. KG	Capital Contribution	Unlimited
Overdraft, CEMEX Cement a.s.	Overdraft	CZK 15,611,629	CEMEX Cement a.s.	None	ING Bank N.V.	None	31-Jul-17
Overdraft, CEMEX Cement a.s.	Overdraft	EUR 401,489	CEMEX Cement a.s.	None	ING Bank N.V.	None	31-Jul-17
Overdraft, CEMEX UK Operations Limited	Overdraft	GBP 6,515,000	CEMEX UK Operations Limited	None	Royal Bank of Scotland	None	10-Aug-17
Overdraft, CEMEX France Services	Overdraft	EUR 1,385,000	CEMEX France Services	None	BRED Banque Populaire société anonyme de banque populaire	None	10-Aug-17

Part I. Non Obligor Bilateral Bank Facilities

Obligation	Type	Outstanding Principal Amounts	Obligor	Guarantor(s)	Bank Party	Security	Maturity
Overdraft, CEMEX France Services	Overdraft	EUR 2,129,000	CEMEX France Services	None	BNP Paribas	None	10-Aug-17
Overdraft, CEMEX France Services	Overdraft	EUR 2,129,000	CEMEX France Services	None	BNP Paribas	None	10-Aug-17
Overdraft, ReadyMix Industries (Israel) LTD	Overdraft	ILS 17,900,000	ReadyMix Industries (Israel) LTD	None	First International Bank	None	10-Aug-17
Overdraft, ReadyMix Industries (Israel) LTD	Overdraft	ILS 4,700,000	ReadyMix Industries (Israel) LTD	None	Bank Hapoalim	None	10-Aug-17
Overdraft, ReadyMix Industries (Israel) LTD	Overdraft	ILS 11,300,000	ReadyMix Industries (Israel) LTD	None	Bank Leumi	None	10-Aug-17
Overdraft, APO Cement Corporation	Overdraft	PHP 290,000,000	ReadyMix Industries (Israel) LTD	None	Banco de Oro	None	10-Aug-17
Overdraft, Solid Cement Corporation	Overdraft	PHP 180,000,000	ReadyMix Industries (Israel) LTD	None	Banco de Oro	None	10-Aug-17

Part II. Non Obligor Public Debt Instruments

Obligation	Type	Outstanding Principal Amounts	Obligor	Guarantor(s)	Bank Party	Security	Maturity
US$149,897,000 Rinker 2025 Indenture, dated 1 April 2003 (as supplemented)	Public Debt Instruments	USD 149,897,000	CEMEX Materials LLC	CEMEX Corp.	JPMorgan Chase Bank	None	July 21, 2025

Part III. Non Obligor Capital Leases

Obligation	**Type**	**Outstanding Principal Amounts**	**Obligor**	**Guarantor(s)**	**Bank Party**	**Security**	**Maturity**
Capital Lease, CEMEX Colombia S.A.	Capital Lease	COP 1,133,860,006	CEMEX Colombia S.A.	None	Helm Bank	Leased Asset	10-Jul-18
Capital Lease, CEMEX Colombia S.A.	Capital Lease	COP 3,554,839,632	CEMEX Colombia S.A.	None	Bancolombia	Leased Asset	26-Sep-18
Capital Lease, CEMEX Colombia S.A.	Capital Lease	COP 990,092,550	CEMEX Colombia S.A.	None	Banco de Bogotá	Leased Asset	10-Sep-18
Capital Lease, CEMEX Construction Materials	Capital Lease	USD 94,564	CEMEX Construction Materials	None	Bank of America Leasing	Leased Asset	1-Nov-19
Capital Lease, CEMEX Construction Materials	Capital Lease	USD 2,068,595	CEMEX Construction Materials	None	BMO	Leased Asset	6-Jun-21
Capital Lease, CEMEX Construction Materials	Capital Lease	USD 103,916	CEMEX Construction Materials	None	Capital Source	Leased Asset	1-Jul-19
Capital Lease, CEMEX Construction Materials	Capital Lease	USD 3,068,429	CEMEX Construction Materials	None	Caterpillar	Leased Asset	12-Aug-21
Capital Lease, CEMEX Construction Materials	Capital Lease	USD 2,357,013	CEMEX Construction Materials	None	CIT Financial	Leased Asset	1-Jan-19
Capital Lease, CEMEX Construction Materials	Capital Lease	USD 17,433,014	CEMEX Construction Materials	None	Daimler Truck Finance	Leased Asset	15-Dec-20
Capital Lease, CEMEX Construction Materials	Capital Lease	USD 47,950	CEMEX Construction Materials	None	DE Lage Landen	Leased Asset	15-Feb-18
Capital Lease, CEMEX Construction Materials	Capital Lease	USD 1,035,121	CEMEX Construction Materials	None	John Deere	Leased Asset	1-Jun-21
Capital Lease, CEMEX Construction Materials	Capital Lease	USD 52,055,920	CEMEX Construction	None	Paccar Financial	Leased Asset	10-Oct-21

Part III. Non Obligor Capital Leases

Obligation	Type	Outstanding Principal Amounts	Obligor	Guarantor(s)	Bank Party	Security	Maturity
			Materials				
Capital Lease, CEMEX Construction Materials	Capital Lease	USD 404,308	CEMEX Construction Materials	None	Siemens Financial	Leased Asset	14-Feb-21
Capital Lease, CEMEX Construction Materials	Capital Lease	USD 458,261	CEMEX Construction Materials	None	Signature Financial	Leased Asset	1-Mar-21
Capital Lease, CEMEX Construction Materials	Capital Lease	USD 6,343,515	CEMEX Construction Materials	None	Universal Equipment Finance	Leased Asset	28-Aug-19
Capital Lease, CEMEX Construction Materials	Capital Lease	USD 6,752,522	CEMEX Construction Materials	None	VFS Leasing Co.	Leased Asset	28-Apr-21
Capital Lease, CEMEX Construction Materials	Capital Lease	USD 2,317,253	CEMEX Construction Materials	None	Citizens	Leased Asset	1-Aug-26
Capital Lease, CEMEX Construction Materials	Capital Lease	USD 1,057,300	CEMEX Construction Materials	None	North American Coal Company	Leased Asset	28-Dec-18
Capital Lease, CEMEX Construction Materials	Capital Lease	USD 12,381,297	CEMEX Construction Materials	None	RBS Asset Finance	Leased Asset	1-Feb-19
Capital Lease, CEMEX UK Materials Limited	Capital Lease	GBP 3,016,174	CEMEX UK Materials Limited	None	CAT Financial Services	Leased Asset	29-Nov-20
Capital Lease, CEMEX UK Operations Limited	Capital Lease	GBP 523,103	CEMEX UK Operations Limited	None	Volvo Financial Services	Leased Asset	20-Dec-18
Capital Lease, Cemex Polska Sp. z o.o.	Capital Lease	PLN 1,477,962	Cemex Polska Sp. z o.o.	None	ING Bank N.V.	Leased Asset	15-Apr-18
Capital Lease, Cemex Polska Sp. z o.o.	Capital Lease	PLN 506,590	Cemex Polska Sp. z o.o.	None	ING Bank N.V.	Leased Asset	2-Feb-20
Capital Lease, Cemex Polska Sp. z o.o.	Capital Lease	PLN 5,223,881	Cemex Polska Sp. z o.o.	None	ING Bank N.V.	Leased Asset	26-Apr-20
Capital Lease, Cemex Polska Sp. z o.o.	Capital Lease	PLN 5,135,332	Cemex Polska Sp. z o.o.	None	ING Bank N.V.	Leased Asset	2-Oct-20
Capital Lease, Cemex Polska Sp. z o.o.	Capital Lease	PLN 2,351,106	Cemex Polska Sp. z o.o.	None	SG Equipment Finance	Leased Asset	5-Apr-22
Capital Lease, Cemex Polska Sp. z o.o.	Capital Lease	PLN 284,325	Cemex Polska Sp. z o.o.	None	SG Equipment Finance	Leased Asset	5-Oct-22
Capital Lease, Cemex Polska Sp. z o.o.	Capital Lease	PLN 284,371	Cemex Polska Sp. z o.o.	None	SG Equipment Finance	Leased Asset	25-Oct-22
Capital Lease, Cemex Polska Sp. z o.o.	Capital Lease	PLN 232,697	Cemex Polska Sp. z o.o.	None	De Lage Landen	Leased Asset	25-Jul-17
Capital Lease, CEMEX Deutschland AG	Capital Lease	EUR 127,863	CEMEX Deutschland AG	Schwing GmbH	Mercedes- Benz Leasing GmbH	Leased Asset	25-Oct-18
Capital Lease, CEMEX Deutschland AG	Capital Lease	EUR 261,689	CEMEX Deutschland AG	Putzmeister Concrete Pumps GmbH	UTA Truck Lease GmbH	Leased Asset	31-Jan-19
Capital Lease, CEMEX Logistik	Capital Lease, CEMEX Logistik	EUR 82,652	CEMEX Logistik	F.X. MEILLER Fahrzeug- und Maschinenfabrik- GmbH & Co. KG	DML Düsseldorfer Mobilien Leasing GmbH & Co. KG	Leased Asset	30-Nov-20
Capital Lease, CEMEX Logistik	Capital Lease, CEMEX Logistik	EUR 330,609	CEMEX Logistik	Langendorf GmbH	DML Düsseldorfer Mobilien Leasing GmbH & Co. KG	Leased Asset	30-Nov-20
Capital Lease, CEMEX Logistik	Capital Lease	EUR 123,684	CEMEX Logistik	F.X. MEILLER Fahrzeug- und Maschinenfabrik- GmbH & Co. KG	Akf leasing GmbH & Co. KG	Leased Asset	31-Mar-19

Part III. Non Obligor Capital Leases

Obligation	Type	Outstanding Principal Amounts	Obligor	Guarantor(s)	Bank Party	Security	Maturity
Capital Lease, CEMEX Deutschland AG	Capital Lease	EUR 123,545	CEMEX Deutschland AG	Putzmeister Concrete Pumps GmbH	Akf leasing GmbH & Co. KG	Leased Asset	30-Nov-19
Capital Lease, CEMEX Agregados	Capital Lease	USD 4,219,757	CEMEX Agregados	CEMEX S.A.B. de C.V.	Banco Mercantil del Norte S.A. Institución de Banca Múltiple, Grupo Financiero Banorte	Leased Asset	1-Oct-21
Capital Lease, CEMEX Granulats SO	Capital Lease	EUR 121,325	CEMEX Granulats SO	None	Caterpillar Finance	None	19-Jun-18
Capital Lease, CEMEX Granulats RM	Capital Lease	EUR 120,706	CEMEX Granulats RM	None	Caterpillar Finance	None	29-Jun-18
Capital Lease, CEMEX Granulats RM	Capital Lease	EUR 239,078	CEMEX Granulats RM	None	Caterpillar Finance	None	30-Jul-18
Capital Lease, CEMEX Granulats	Capital Lease	EUR 207,062	CEMEX Granulats	None	Caterpillar Finance	None	9-Jul-19
Capital Lease, CEMEX Granulats	Capital Lease	EUR 356,726	CEMEX Granulats	None	Caterpillar Finance	None	9-Nov-19
Capital Lease, CEMEX Granulats RM	Capital Lease	EUR 168,823	CEMEX Granulats RM	None	Caterpillar Finance	None	9-Jul-20
Capital Lease, CEMEX Granulats SO	Capital Lease	EUR 158,367	CEMEX Granulats SO	None	Caterpillar Finance	None	19-Jul-20
Capital Lease, CEMEX Granulats RM	Capital Lease	EUR 223,312	CEMEX Granulats RM	None	Caterpillar Finance	None	30-Jul-20
Capital Lease, CEMEX Granulats	Capital Lease	EUR 261,084	CEMEX Granulats	None	Caterpillar Finance	None	31-Dec-20
Capital Lease, CEMEX Bétons SE	Capital Lease	EUR 62,489	CEMEX Granulats	None	KOMATSU Finance	Leased Asset	27-Nov-20
Capital Lease, CEMEX Granulats	Capital Lease	EUR 208,633	CEMEX Granulats	None	KOMATSU Finance	Leased Asset	1-Nov-20
Capital Lease, CEMEX Granulats RM	Capital Lease	EUR 30,764	CEMEX Granulats RM	None	KOMATSU Finance	Leased Asset	20-Apr-19
Capital Lease, CEMEX Granulats	Capital Lease	EUR 128,658	CEMEX Granulats	None	KOMATSU Finance	Leased Asset	1-Aug-20
Capital Lease, CEMEX Granulats	Capital Lease	EUR 569,970	CEMEX Granulats	None	KOMATSU Finance	Leased Asset	1-Nov-21
Capital Lease, CEMEX Granulats	Capital Lease	EUR 159,148	CEMEX Granulats	None	GE Capital CDG	Leased Asset	1-Apr-19
Capital Lease, CEMEX Granulats SO	Capital Lease	EUR 149,040	CEMEX Granulats SO	None	GE Capital CDG	Leased Asset	27-Aug-19
Capital Lease, CEMEX Granulats SO	Capital Lease	EUR 148,496	CEMEX Granulats SO	None	GE Capital CDG	Leased Asset	24-Aug-19
Capital Lease, CEMEX Granulats	Capital Lease	EUR 36,907	CEMEX Granulats	None	GE Capital CDG	Leased Asset	1-Jul-19
Capital Lease, CEMEX Granulats	Capital Lease	EUR 140,607	CEMEX Granulats	None	GE Capital CDG	Leased Asset	14-Aug-19
Capital Lease, CEMEX Granulats RM	Capital Lease	EUR 144,394	CEMEX Granulats	None	GE Capital CDG	Leased Asset	3-Sep-19
Capital Lease, CEMEX Granulats SO	Capital Lease	EUR 148,677	CEMEX Granulats	None	GE Capital CDG	Leased Asset	25-Aug-19
Capital Lease, France Liants	Capital Lease	EUR 56,352	CEMEX Granulats	None	GE Capital CDG	Leased Asset	9-Jul-20
Capital Lease, CEMEX Bétons NO	Capital Lease	EUR 53,265	CEMEX Granulats	None	GE Capital CDG	Leased Asset	5-Aug-20
Capital Lease, CEMEX Bétons CO	Capital Lease	EUR 53,398	CEMEX Granulats	None	GE Capital CDG	Leased Asset	8-Aug-20
Capital Lease, CEMEX Bétons SE	Capital Lease	EUR 54,973	CEMEX Granulats	None	GE Capital CDG	Leased Asset	23-Sep-20
Capital Lease, CEMEX Bétons SE	Capital Lease	EUR 168,756	CEMEX Granulats	None	GE Capital CDG	Leased Asset	2-Dec-20
Capital Lease, CEMEX Granulats	Capital Lease	EUR 303,447	CEMEX Granulats	None	CA Lease	Leased Asset	8-Dec-20
Capital Lease, CEMEX Granulats	Capital Lease	EUR 368,284	CEMEX Granulats	CEMEX France Gestion	CAPITOLE Finance	Leased Asset	20-Sep-19
Capital Lease, CEMEX Granulats	Capital Lease	EUR 107,926	CEMEX Granulats	None	LIEBHERR	Leased Asset	31-Jan-22
Capital Lease, Kadmani Readymix Concrete	Capital Lease	ILS 436,742	Kadmani Readymix Concrete	None	Kalmobil	Leased Asset	1-Jun-19

SCHEDULE 11
EXISTING SECURITY AND QUASI-SECURITY

(Figures in Millions $ as at 30 June 2017 and not including Transaction Security)

CEMEX Subsidiary	Counterparty	Lien Concept	Maturity Date	Secured Amount	Agreement Type
CEMEX S.A.B. de C.V.	Bank of America	Cash Collateral	Open Ended	2.91	ISDA Master Agreement dated
CEMEX Agregados, S.A.	Banorte	Plant Equipment Lien	1-Oct-21	4.22	Capital Lease
CEMEX México, S.A. de C.V.	Briggs (Arrendadora)	Plant Equipment Lien	10-Sep-19	2.55	Capital Lease
CEMEX Colombia	Liberty	Cash Collateral	Open Ended	2.05	Bank Guarantee
CEMEX Colombia, S.A.	Bancolombia	Plant Equipment Lien	1-Sep-17	1.17	Capital Lease
CEMEX Colombia, S.A.	Banco de Bogota	Plant Equipment Lien	1-Sep-17	0.33	Capital Lease
CEMEX Colombia, S.A.	Helm Bank	Plant Equipment Lien	1-Sep-17	0.37	Capital Lease
CEMEX Concretos, S.A. de C.V.	Grupo Financiero Banorte S.A.B. de C.V.	Plant Equipment Lien	1-Aug-15	2.35	Capital Lease
CEMEX Construction Materials Florida	Lake Louisa, LLC	Land Lien	1-Apr-22	5.00	Capital Lease
CEMEX Construction Materials	Bank of America Leasing	Mobile Equipment Lien	1-Nov-19	0.95	Capital Lease
CEMEX Construction Materials	BMO	Mobile Equipment Lien	6-Jun-21	2.07	Capital Lease
CEMEX Construction Materials	Capital Source	Mobile Equipment Lien	1-Jul-19	0.10	Capital Lease
CEMEX Construction Materials	Caterpillar	Mobile Equipment Lien	12-Aug-21	3.07	Capital Lease
CEMEX Construction Materials	CIT Financial	Mobile Equipment Lien	1-Jan-19	2.36	Capital Lease
CEMEX Construction Materials	Daimler Truck Finance	Mobile Equipment Lien	15-Dec-20	17.43	Capital Lease
CEMEX Construction Materials	DE Lage Landen	Mobile Equipment Lien	15-Feb-18	0.48	Capital Lease
CEMEX Construction Materials	John Deere	Mobile Equipment Lien	1-Jun-21	1.04	Capital Lease
CEMEX Construction Materials	Paccar Financial	Mobile Equipment Lien	10-Oct-21	52.06	Capital Lease
CEMEX Construction Materials	Siemens Financial	Mobile Equipment Lien	14-Feb-21	0.40	Capital Lease
CEMEX Construction Materials	Signature Financial	Mobile Equipment Lien	1-Mar-21	0.46	Capital Lease

CEMEX Subsidiary	Counterparty	Lien Concept	Maturity Date	Secured Amount	Agreement Type
CEMEX Construction Materials	Universal Equipment Finance	Mobile Equipment Lien	28-Aug-19	6.34	Capital Lease
CEMEX Construction Materials	VFS Leasing Co.	Mobile Equipment Lien	28-Apr-21	6.75	Capital Lease
CEMEX Construction Materials	Citizens	Plant Equipment Lien	1-Aug-26	2.32	Capital Lease
CEMEX Construction Materials	North American Coal Company	Plant Equipment Lien	28-Dec-18	1.06	Capital Lease
CEMEX Construction Materials	RBS Asset Finance	Plant Equipment Lien	1-Feb-19	12.38	Capital Lease
CEMEX Deutschland AG	akf leasing GmbH & Co. KG	Plant Equipment Lien	30-Nov-19	0.14	Capital Lease
CEMEX Deutschland AG	Bayern LB	Cash Collateral	Revolving	1.02	Bank Guarantees (local government: gravel and sand mining supply)
CEMEX Deutschland AG	Bayern LB	Cash Collateral	Revolving	0.07	Bank Guarantees (local government: gravel and sand mining supply + customer)
CEMEX Deutschland AG	Bayern LB	Cash Collateral	Revolving	0.08	Bank Guarantees (local government: cement plant)
CEMEX Deutschland AG	Commerzbank	Cash Collateral	Revolving	3.34	Bank Guarantees
CEMEX Deutschland AG	HypoVereinsba n (Unicredit)	Cash Collateral	Revolving	1.59	Daily Cash Operations
CEMEX Deutschland AG	HypoVereinsba n (Unicredit)	Cash Collateral	Revolving	0.70	Bank Guarantees
CEMEX Deutschland AG	Private Investor Günter Wunder	Servitude	31-Dec-17	6.51	Plant Investment + Operating Lease - Project Kieswerk Löwen GmbH
CEMEX Deutschland AG	PUTZMEISTE R Concrete Pumps GmbH	Plant Equipment Lien	31-Jan-19	0.30	Capital Lease
CEMEX Deutschland AG	Schwing GmbH	Plant Equipment Lien	25-Oct-18	0.15	Capital Lease
CEMEX Deutschland AG	TBI Transportbeton Ingolstadt GmbH & Co. KG	Plant Equipment Lien	Unlimited	0.26	Capital Lease
CEMEX Deutschland AG	TBI Transportbeton Ingolstadt GmbH & Co. KG	Plant Equipment Lien	Unlimited	0.07	Capital Lease
Cemex España	Autoridad Portuaria Alicante	Cash Collateral	1-Jan-20	0.00	Bond
CEMEX Falcon LLC	Ministry of Labour	Cash Collateral	Open Ended	0.00	Labor GTEE - required by gov. authority
CEMEX Granulats SO	CATERPILLA R Finance	Mobile Equipment Lien	19-Jun-18	0.14	Capital Lease

CEMEX Subsidiary	Counterparty	Lien Concept	Maturity Date	Secured Amount	Agreement Type
CEMEX Granulats RM	CATERPILLA R Finance	Mobile Equipment Lien	29-Jun-18	0.14	Capital Lease
CEMEX Granulats RM	CATERPILLA R Finance	Mobile Equipment Lien	30-Jul-18	0.27	Capital Lease
CEMEX Granulats	CATERPILLA R Finance	Mobile Equipment Lien	9-Jul-19	0.24	Capital Lease
CEMEX Granulats	CATERPILLA R Finance	Mobile Equipment Lien	9-Nov-19	0.41	Capital Lease
CEMEX Granulats RM	CATERPILLA R Finance	Mobile Equipment Lien	9-Jul-20	0.19	Capital Lease
CEMEX Granulats SO	CATERPILLA R Finance	Mobile Equipment Lien	19-Jul-20	0.18	Capital Lease
CEMEX Granulats RM	CATERPILLA R Finance	Mobile Equipment Lien	30-Jul-20	0.26	Capital Lease
CEMEX Granulats	CATERPILLA R Finance	Mobile Equipment Lien	31-Dec-20	0.3	Capital Lease
CEMEX France	CM-CIC Bail	Mobile Equipment Lien	4-Sep-19	1.53	Capital Lease
CEMEX Granulats RM	KOMATSU Finance	Mobile Equipment Lien	20-Apr-19	0.04	Capital Lease
CEMEX Granulats	KOMATSU Finance	Mobile Equipment Lien	1-Aug-20	0.15	Capital Lease
CEMEX Granulats	KOMATSU Finance	Mobile Equipment Lien	1-Nov-20	0.24	Capital Lease
CEMEX Bétons SE	KOMATSU Finance	Mobile Equipment Lien	27-Nov-20	0.07	Capital Lease
CEMEX Granulats	KOMATSU Finance	Mobile Equipment Lien	1-Nov-21	0.65	Capital Lease
CEMEX Granulats	GE Capital CDG	Mobile Equipment Lien	1-Apr-19	0.18	Capital Lease
CEMEX Granulats SO	GE Capital CDG	Mobile Equipment Lien	27-Aug-19	0.17	Capital Lease
CEMEX Granulats SO	GE Capital CDG	Mobile Equipment Lien	24-Aug-19	0.17	Capital Lease
CEMEX Granulats	GE Capital CDG	Mobile Equipment Lien	1-Jul-19	0.04	Capital Lease
CEMEX Granulats	GE Capital CDG	Mobile Equipment Lien	14-Aug-19	0.16	Capital Lease
CEMEX Granulats	GE Capital CDG	Mobile Equipment Lien	3-Sep-19	0.16	Capital Lease
CEMEX Granulats	GE Capital CDG	Mobile Equipment Lien	25-Aug-19	0.17	Capital Lease
CEMEX Granulats	GE Capital CDG	Mobile Equipment Lien	9-Jul-20	0.06	Capital Lease
CEMEX Granulats	GE Capital CDG	Mobile Equipment Lien	5-Aug-20	0.06	Capital Lease
CEMEX Granulats	GE Capital CDG	Mobile Equipment Lien	8-Aug-20	0.06	Capital Lease
CEMEX Granulats	GE Capital CDG	Mobile Equipment Lien	23-Sep-20	0.06	Capital Lease
CEMEX Granulats	GE Capital CDG	Mobile Equipment Lien	2-Dec-20	0.19	Capital Lease
CEMEX France	CAPITOLE Finance	Mobile Equipment Lien	1-Apr-19	0.42	Capital Lease
CEMEX France	CA Lease	Mobile Equipment Lien	8-Dec-20	0.35	Capital Lease
CEMEX France	LIEBHERR	Mobile Equipment Lien	31-Jan-22	0.12	Capital Lease
CEMEX Logistik GmbH	F.X. MEILLER Fahrzeug- und Maschinenfabri k-GmbH & Co. KG	Plant Equipment Lien	30-Nov-20	0.10	Capital Lease

CEMEX Subsidiary	Counterparty	Lien Concept	Maturity Date	Secured Amount	Agreement Type
CEMEX Logistik GmbH	F.X. MEILLER Fahrzeug- und Maschinenfabrik-GmbH & Co. KG	Plant Equipment Lien	31-Mar-19	0.14	Capital Lease
CEMEX Logistik GmbH	Langendorf GmbH	Plant Equipment Lien	30-Nov-20	0.38	Capital Lease
CEMEX Materials	RBS	Plant Equipment Lien	1-Feb-19	13.71	Capital Lease
CEMEX Materials	ALICO	Plant Equipment Lien	1-Dec-18	0.57	Capital Lease
CEMEX Materials	KROME	Plant Equipment Lien	1-Dec-18	0.52	Capital Lease
CEMEX México, S.A. de C.V.	Hewlett Packard	Plant Equipment Lien	25-Jul-18	0.63	Capital Lease
Cemex Philippines	Paramount Ins	Cash Collateral	Open Ended	0.01	Judicial (labor case)
Cemex Polska Sp. z o.o.	ING LEASE	Plant Equipment Lien	15-Apr-18	0.72	Capital Lease
Cemex Polska Sp. z o.o.	ING LEASE	Plant Equipment Lien	2-Feb-20	0.72	Capital Lease
Cemex Polska Sp. z o.o.	ING LEASE	Plant Equipment Lien	26-Apr-20	0.41	Capital Lease
Cemex Polska Sp. z o.o.	ING LEASE	Plant Equipment Lien	2-Oct-20	1.41	Capital Lease
Cemex Polska Sp. z o.o.	SG Equipment Finance	Plant Equipment Lien	5-Apr-22	0.64	Capital Lease
Cemex Polska Sp. z o.o.	SG Equipment Finance	Plant Equipment Lien	5-Oct-22	0.08	Capital Lease
Cemex Polska Sp. z o.o.	SG Equipment Finance	Plant Equipment Lien	25-Oct-22	0.08	Capital Lease
Cemex Polska Sp. z o.o.	De Lage Landen	Plant Equipment Lien	25-Jul-17	0.07	Capital Lease
CEMEX Supermix LLC	Ministry of Labour	Cash Collateral	Open Ended	0.53	Labor GTEE - required by gov. authority
CEMEX Topmix LLC	EPPCO	Cash Collateral	Open Ended	0.03	Supply of Petroleum Products (Treasury Transaction)
CEMEX UK Operations Limited	Volvo Financial Services	Mobile Equipment Lien	20-Dec-18	1.91	Capital Lease
CEMEX UK Operations Limited	Hampshire County Council	Cash Collateral	1-Sep-21	0.05	Cash collateral required for extraction of mineral reserves. Supplemented by a performance bond.
CX UK MATERIALS LTD	CAT Financial Services	Plant Equipment Lien	29-Nov-20	2.51	Capital Lease
Gulf Quarries (CEMEX Topmix LLC)	Ministry of Labour	Cash Collateral	Open Ended	0.03	Labor GTEE - required by gov. authority
Kadmani Readymix Concrete LTD	Kalmobil	Plant Equipment Lien	1-Jun-19	0.13	Capital Lease
RMC Aggregates	Tenaga Nasional Berhad	Cash Collateral	Open Ended	0.01	Cash Deposit
RMC Concrete	Dewan Bandaraya Kuala Lumpur	Cash Collateral	Open Ended	0.06	Cash Deposit
RMC Concrete	Dewan Bandaraya	Cash Collateral	Open Ended	0.06	Cash Deposit

CEMEX Subsidiary	Counterparty	Lien Concept	Maturity Date	Secured Amount	Agreement Type
	Kuala Lumpur				
RMC Concrete	Dewan Bandaraya Kuala Lumpur	Cash Collateral	Open Ended	0.06	Cash Deposit
RMC Concrete	Tenaga Nasional Berhad	Cash Collateral	Open Ended	0.00	Cash Deposit
Solid Cement Corporation	Intra Strata Insurance Co.	Cash Collateral	Open Ended	1.44	IQAC Tax Cases
Solid Cement Corporation	San Miguel Electric Corporation (SMELC	Cash Collateral	6-Oct-16	0.40	Distribution Wheeling Services Bill Deposit
Solid Cement Corporation	Sinoma Energy Conservation (Philippines) Waste Heat Recovery Co., Inc.	Cash Collateral	9-Apr-30	0.38	Security Deposit for Power purchase

Note: This Schedule 11 (*Existing Security and Quasi-Security*) contains Security and Quasi- Security in relation to the Financial Indebtedness which does not share in the Transaction Security. It does not include any Financial Indebtedness which does share in the Transaction Security (which includes any Financial Indebtedness permitted to share in the Transaction Security pursuant to the terms of this Agreement and the Intercreditor Agreement).

SCHEDULE 12
PROCEEDINGS PENDING OR THREATENED

Regulatory Matters and Legal Proceedings
As of June 15, 2017

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

Antitrust Proceedings

Polish Antitrust Investigation. On January 2, 2007, 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 approximately Polish Zloty 115.56 million (approximately U.S.$29.19 million as of March 31, 2017, based on an exchange rate of Polish Zloty 3.9582 to U.S.$1.00), which is approximately 10% of CEMEX Polska's total revenue in 2008. CEMEX Polska disagreed with the decision, denied that it committed the practices alleged by the Protection Office and, therefore, on December 23, 2009, CEMEX Polska filed an appeal before the Polish Court of Competition and Consumer Protection in Warsaw (the "First Instance Court"). After a series of hearings, on December 13, 2013, the First Instance Court issued its judgment in regards with the appeals filed by CEMEX Polska and other cement producers, which were previously combined into a joint appeal. The First Instance Court reduced the penalty imposed on CEMEX Polska to approximately Polish Zloty 93.89 million (approximately U.S.$23.72 million as of March 31, 2017 based on an exchange rate of Polish Zloty 3.9582 to U.S.$1.00), which is equal to 8.125% of CEMEX Polska's revenue in 2008. On May 8, 2014, CEMEX Polska filed an appeal against the First Instance Court judgment before the Appeals Court in Warsaw. After several hearings in the Appeals Court, on a hearing held on March 11, 2016, the Appeals Court did not announce a final judgment; instead, it reopened the hearing phase which had been closed on February 26, 2016. The parties involved were informed that the Appeals Court will ask certain questions to the Polish Constitutional Tribunal regarding the conformity with the Polish Constitution of the calculation of the reduced penalty imposed on CEMEX Polska. The Constitutional Tribunal by the decision taken on 5th of April 2017 (without the hearing) rejected to answer the questions of the Appeal Court due to secondary formal reasons informing the Court that it is entitled to interpret independently the competition law rules in a way to assure their compliance with the Polish Constitution for purpose of this particular court case. The files of the case were returned to the Appeal Court in the beginning of May, 2017. CEMEX Poland currently estimates that the case will speed up and the Appeal Court may issue its final decision in the case by the end of September 2017. The above-mentioned penalty is not enforceable until the Appeals Court issues its final judgment and if the penalty is maintained in the Appeals Court final resolution, then the penalty will be payable within 14 calendar days of the announcement of the Appeals Court order regarding its final resolution. CEMEX Polska has created the accounting provision in relation with this proceeding in an amount equal to 100% of the reduced penalty of the First Instance Court judgment. As of June 15, 2017, we do not expect that an adverse resolution to this matter would have a material adverse impact on our results of operations, liquidity and financial condition.

Antitrust Investigation in Spain by the CNMC. On September 16 and 17, 2014, the Competition Directorate (*Dirección de Competencia)* of the Spanish National Commission of Markets and Competition (*Comisión Nacional de los Mercados y la Competencia)* ("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 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 considers 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 has been required to pay a fine of €5,865,480 (approximately U.S.$6.25 million as of March 31, 2017, based on an exchange rate of €0.9380 to U.S.$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 has been requested to suspend the sanction, and, by a resolution issued on December 22, 2016, the National Court granted the requested suspension, subject to issuance of a bank guarantee for the principal amount of the sanction. The CNMC has been notified of both the interposition of the appeal and the request for suspension. As of June 15, 2017, we do not expect that an adverse resolution to this matter would have a material adverse impact on our results of operations, liquidity and financial condition.

Antitrust Investigation in Colombia. On September 5, 2013, CEMEX Colombia was notified of Resolution No. 49141 dated August 21, 2013, issued by the Colombian Superintendency of Industry and Commerce (*Superintendencia de Industria y Comercio*) ("SIC") pursuant to which the SIC opened an investigation and issued a statement of objections (*pliego de cargos*) against five cement companies and fourteen directors of those companies, including CEMEX Colombia, for alleged anti-competitive practices. On October 7, 2013, CEMEX Colombia answered the statement of objections and submitted evidence. The investigated parties are accused of allegedly breaching: (i) Article 1 of Law 155 of 1959, which prohibits any kind of practice, procedure or system designed to limit free competition and determining or maintaining unfair prices; (ii) numeral 1 of Article 47 of Decree 2153 of 1992, which prohibits any agreements designed to directly or indirectly fix prices; and (iii) numeral 3 of Article 47 of Decree 2153 of 1992, which prohibits any market sharing agreements between producers or between distributors. Additionally, the fourteen executives, including a former legal representative and the current President of CEMEX Colombia, are being investigated for allegedly breaching paragraph 16 of Article 4 of Decree 2153 of 1992, as amended by Article 26 of Law 1340 of 2009, which provides that the SIC may investigate and sanction any individual who collaborates, facilitates, authorizes, executes or tolerates behavior that violates free competition rules. Although the SIC announced three charges, only two of them were under investigation, namely, price fixing agreements and market sharing agreements.

If the alleged infringements investigated by the SIC are substantiated, aside from any measures that could be ordered to stop the alleged anti-competitive practices, the following penalties may be imposed against CEMEX Colombia pursuant to Law 1340 of 2009: (i) up to 100,000 times the legal monthly minimum wage, which equals approximately 58,950 million Colombian Pesos (approximately U.S.$20.46 million as of March 31, 2017, based on an exchange rate of 2,880.24 Colombian Pesos to U.S.$1.00) for each violation and to each company being declared in breach of the competition rules, and (ii) up to 2,000 times the legal monthly minimum wage, which equals approximately 1,179 million Colombian Pesos (approximately U.S.$409,340.89 as of March 31, 2017, based on an exchange rate of 2,880.24 Colombian Pesos to U.S.$1.00) against those individuals found responsible of collaborating, facilitating, authorizing, executing or tolerating behavior that violates free competition rules. On December 18, 2014, a hearing regarding this matter took place and the parties involved presented their closing arguments. A non-binding report which contains an analysis of all evidence gathered during the investigation and which could provide a recommendation to impose sanctions or to close the investigation is expected to be issued by the Superintendent Delegate for Competition Protection for the benefit of the SIC. As of June 15, 2017, this non-binding report has not been issued and we cannot estimate when it will be issued. Once the non-binding report is issued, the investigated parties will have twenty business days to file their final arguments against it. If the SIC decides to impose a sanction against CEMEX Colombia, we have the possibility of filing several recourses that are available to us, including a reconsideration request before the SIC and, if the reconsideration request does not succeed, challenging the validity of the SIC's decision before the Colombian Administrative Courts, which could take more than six years in order to have a final decision. At this stage of the investigations, as of June 15, 2017, we are not able to assess the likelihood of the SIC imposing any measures and/or penalties against CEMEX Colombia, but if any penalties are imposed, as we do not expect such penalties would be for the maximum amounts permitted by applicable laws and because there are recourses available to us that would take a considerable amount of time to get resolved, we do not expect this

matter to have a material adverse impact on our results of operations, liquidity and financial condition.

Information Request in Costa Rica. In March 2016, the Competition Directorate of Costa Rica notified CEMEX Costa Rica of a formal information request that has the objective of calculating the cement market share in Costa Rica and the geographical areas in which CEMEX Costa Rica has a presence. The Competition Directorate of Costa Rica is requesting this information as a result of a claim made by a third party. CEMEX Costa Rica delivered the requested information also during March 2016. In July 2016, the Competition Directorate of Costa Rica resolved that there is no evidence of anti-competitive practice and took no further action with respect to the claim.

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 policies require that each of our subsidiaries respect and comply with local laws and meet our own internal standards to minimize the use of non-renewable resources and the generation of hazardous and other wastes. We use processes that are designed to reduce the impact of our operations on the environment throughout all the production stages in all our operations worldwide. In addition, during 2012 we started the implementation of a global 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 June 15, 2017, we expect to finish the implementation of the EMS at all of our operating sites by December 31, 2020. It will be used to support sites and businesses across CEMEX globally to document, maintain and continuously improve our environmental performance. We believe that, as of June 15, 2017, a substantial part of our operations already comply with all material environmental laws applicable to us, as the majority of our cement plants already have some kind of EMS (most of which are ISO 14000 certified by the International Organization for Standardization ("ISO")), with the remaining implementation efforts directed mainly on our aggregates and ready-mix plants.

We regularly incur capital expenditures that have an environmental component or that are impacted by environmental regulations. However, we do not keep separate accounts for such mixed capital and environmental expenditures. Environmental expenditures that extend the life, increase the capacity, improve the safety or efficiency of assets or are incurred to mitigate or prevent future environmental contamination may be capitalized. Other environmental costs are expensed when incurred. For the years ended December 31, 2014, 2015 and 2016, our sustainability capital expenditures (including our environmental expenditures and investments in alternative fuels and cementitious materials) were approximately U.S.$85.1 million, approximately U.S.$86.03 million and approximately U.S.$79.9 million, respectively. As of June 15, 2017, we do not expect a material increase in our environmental expenditures in 2017.

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 June 15, 2017, our operating cement plants had CICs or were in the process of renewing them. We expect the renewal of all currently expired CICs.

For over a decade, the technology for co-processing used tires into an energy source has been employed in our plants located in Ensenada and Huichapan. By the end of 2016, almost all our cement plants in Mexico were using tires as an alternative fuel (except for installations in Torreon and Valles). Municipal collection centers in the cities of Tijuana, Mexicali, Ensenada, Mexico City, Reynosa, Nuevo Laredo and Guadalajara currently enable us to seize as alternative fuel an estimated 24,000 tons of tires per year. Overall, approximately 14.02% of the total fuel used in our operating cement plants in Mexico during 2016 was comprised of alternative fuels.

Between 1999 and June 15, 2017, our operations in Mexico have invested approximately U.S.$114.96 million in the acquisition of environmental protection equipment and the implementation of the ISO 14001:2004 environmental management standards of ISO. The audit to obtain the renewal of the ISO 14001:2004 certification took place during the first quarter of 2015 and our operating cement plants in Mexico obtained the renewal of the ISO 14001:2004 certification for environmental management systems which is valid for a three year period.

On June 6, 2012 the General Law on Climate Change (*Ley General de Cambio Climático*) (the "Climate Change Law") was published in the Mexican Official Gazette. The Climate Change Law establishes a legal framework to regulate policies for climate change mitigation and adaptation. Many important provisions require the development of secondary legislation, and depend on the publication of subsequent implementing regulations. For instance, the Climate Change Law provides, among others, 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. 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 carbon dioxide emissions to SEMARNAT under a voluntary scheme. The Climate Change Law also allows for the establishment of specific greenhouse gas reduction targets in accordance with the respective contribution of each economic sector to the national greenhouse gas emissions. We cannot estimate at this time the impact, if any, that any measures related to this may have upon our operations in Mexico. Although the Climate Change Law does not establish a program for emissions trading, it does vest on the Mexican federal government the power to create, authorize and regulate such a scheme, which may be voluntary or binding. We are closely observing the development of implementing regulations and, as of June 15, 2017, we cannot estimate the impact, if any, that any measures related to this may have upon our operations in Mexico. A Special Tax on Production and Services (*Impuesto Especial Sobre Producción y Servicios*) on the sale and import of fossil fuels was included in the tax reform that became effective on January 1, 2014. For 2017, petroleum coke, a primary fuel widely used in our kilns in Mexico has been taxed at a rate of Ps17.15 (approximately U.S.$0.84 as of March 31, 2017, based on an exchange rate of Ps18.73 to U.S.$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 have been 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, starting in 2018, we will be required to acquire clean energy certificates to comply with the clean energy obligations for

the fraction of energy supply that does not come from clean generators. Over time, according to the penalty levels set by the Mexican Energy Regulatory Commission (*Comisión Reguladora de Energía*), non-compliance with the clean energy procurement obligations could have a material adverse impact on our business or operations.

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 June 15, 2017, we do not participate in the Electricity Market but have submitted offers at long-term clean power auctions for certain projects we are developing.

During 2016 a new electrical standard code was issued in Mexico (Codigo de Red). The Code establishes new standards for electrical operation that will be enforced starting on 2018 to consumers connected to the national grid. The implementation of the Code may require investments across our operating assets in Mexico, An assessment has started and the specific investments will be identified by the end of 2017, at this moment we cannot determine if those required investments, if any, may be material.

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

As of March 31, 2017, CEMEX, Inc. and its subsidiaries had accrued liabilities specifically relating to environmental matters in the aggregate amount of approximately U.S.$31.99 million. The environmental matters relate to (i) the disposal of various materials, in accordance with past industry practice, that might be categorized as hazardous substances or wastes, and (ii) the cleanup of hazardous substances or wastes at sites used or operated by CEMEX, Inc. and its subsidiaries including discontinued operations, either individually or jointly with other parties. Most of the proceedings are in the preliminary stages, and a final resolution might take several years. For purposes of recording the provision, CEMEX, Inc. and its subsidiaries consider that it is probable that a liability has been incurred and the amount of the liability is reasonably estimable, whether or not claims have been asserted, and without giving effect to any possible future recoveries. Based on information developed to date, CEMEX, Inc. does not believe it will be required to spend significant sums on these matters, in excess of the amounts previously recorded. The ultimate cost that might be incurred to resolve these environmental issues cannot be assured until all environmental studies, investigations, remediation work, and negotiations with, or litigation against, potential sources of recovery have been completed.

In 2007, the EPA launched a CAA enforcement initiative against the U.S. cement industry. The primary goal of the initiative is to assess the industry's historic compliance with the CAA's New Source Review program and to reduce emissions from the industry through the installation of add-on controls. CEMEX has actively engaged with the EPA on its investigations, which involve multiple CEMEX facilities, and has entered into four settlements involving a total of U.S.$6.1 million in civil penalties and a commitment to incur certain capital expenditures for pollution control equipment at its Victorville, California, Fairborn (divested on February 10, 2017), Ohio, Lyons, Colorado, Knoxville, Tennessee, Louisville, Kentucky, 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 June 15, 2017, we believe any further proceedings will not have a material adverse impact on our results of

operations, liquidity and financial condition.

In 2002, CEMEX Construction Materials Florida, LLC (formerly Rinker Materials of Florida, Inc.) ("CEMEX Florida"), a subsidiary of CEMEX, Inc., was granted a federal quarry permit and was the beneficiary of another federal quarry permit for the Lake Belt area in South Florida. The permit held by CEMEX Florida covered CEMEX Florida's SCL and FEC quarries. CEMEX Florida's Kendall Krome quarry is operated under the permit of which it was a beneficiary. The FEC quarry is the largest of CEMEX Florida's quarries measured by volume of aggregates mined and sold. CEMEX Florida's Miami cement mill is located at the SCL quarry and is supplied by that quarry, while the FEC and Kendall Krome quarries have supplied aggregates to CEMEX and third-party users. In response to litigation brought by environmental groups concerning the manner in which the federal quarry permits were granted, in January 2009, the U.S. District Court for the Southern District of Florida ordered the withdrawal of the federal quarry permits for CEMEX Florida's SCL, FEC and Kendall Krome quarries. The judge ruled that there were deficiencies in the procedures and analysis undertaken by the Army Corps of Engineers ("Corps") in connection with the issuance of the permits. Upon appeal, on January 21, 2010, the Eleventh Circuit Court of Appeals affirmed the district court's ruling withdrawing the federal quarry permits for the three CEMEX Florida quarries as well as other third-party federal quarry permits subject to the litigation. On January 29, 2010, the Corps completed a multi-year review commenced as a result of this litigation and issued a Record of Decision ("ROD") supporting the issuance of new federal quarry permits for the FEC and SCL quarries. Excavation of new aggregates was stopped at the FEC and SCL quarries from January 20, 2009 until new permits were issued. The FEC permit was issued on February 3, 2010, and the SCL permit on February 18, 2010. The ROD also indicated that a number of potential environmental impacts must be addressed at the wetlands located at the Kendall Krome site before a new federal quarry permit may be issued for mining at that quarry. It is unclear how long it will take to fully address the Corps' concerns regarding mining in the Kendall Krome wetlands. While no new aggregates will be quarried from wetland areas at Kendall Krome pending the resolution of the potential environmental issues, the FEC and SCL quarries will continue to operate. If CEMEX Florida is unable to maintain the new Lake Belt permits, CEMEX Florida would need to source aggregates, to the extent available, from other locations in Florida or import aggregates. This would likely affect operating income from our Florida operations. Any adverse impacts on the Florida economy arising from the cessation or significant restriction of quarrying operations in the Lake Belt area could also have a material adverse impact on our results of operations, liquidity and financial condition.

In June 2010, the EPA proposed regulating Coal Combustion Residuals ("CCRs") generated by electric utilities and independent power producers as a hazardous or special waste under the Resource Conservation and Recovery Act. CEMEX uses CCRs as a raw material in the cement manufacturing process, as well as a supplemental cementitious material in some of our ready-mix concrete products. On December 19, 2014, the EPA issued a final rule on the regulation of CCRs (the "Final Rule"). As of June15, 2017, we expect that the effects of the Final Rule will not have a material adverse impact on our results of operations, liquidity and financial condition.

We are subject to a number of federal and state laws and regulations addressing climate change. On the federal side, EPA has promulgated a series of regulations pertaining to emissions of GHGs from industrial sources. EPA issued the Mandatory Reporting of GHGs Rule, effective December 29, 2009, which requires certain covered sectors, including cement manufacturing, with GHG emissions above an established threshold to inventory and report their GHG emissions annually on a facility-by-facility basis. In 2010, EPA issued a final rule that establishes GHG thresholds for the New Source Review Prevention of Significant Deterioration ("PSD") and Title V Operating Permit programs. The rule "tailors" the requirements of these CAA permitting programs to limit which facilities will be required to obtain PSD and Title V permits for GHG emissions. Cement production facilities are included within the categories of facilities required to obtain permits, provided that their GHG emissions exceed the thresholds in the tailoring rule. The PSD program requires new major sources of regulated pollutants and major modifications at existing major sources to secure pre-construction permits that establish, among other things, limits on pollutants based on Best Available Control Technology ("BACT"). According to EPA's rules, stationary sources, such as cement manufacturing, which are already regulated under the PSD program for non-GHG pollutants, need to apply for a PSD permit for any GHG emissions increases above 75,000 tons/year of carbon dioxide equivalent ("CO2E"). Therefore, new cement plants and existing plants undergoing modification which are major sources for non-GHG pollutants regulated under the

CAA need to acquire a PSD permit for construction or modification activities that increase CO2E by 75,000 or more tons/year, and would have to determine and install BACT controls for those emissions. Furthermore, any new source that emits 100,000 tons/year of CO2E or any existing source that emits 100,000 tons/year of CO2E and undergoes modifications that would increase CO2E 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. The costs of future GHG-related regulation of our facilities through these efforts or others could have a material economic impact on our U.S. operations and the U.S. cement manufacturing industry.

With respect to state efforts to address climate change, in 2006, the State of California adopted the Global Warming Solutions Act (Assembly Bill 32 or "AB32") setting into law a goal to reduce the State's carbon dioxide emissions to 1990 levels by 2020. As part of the measures derived from AB32, the California Air Resources Board ("CARB") developed a cap-and-trade program, enforced from 2013, that covers most industrial sources of greenhouse gas emissions in the State, including cement production facilities. The program involves allocating a number of allowances free of charge to covered installations, which must subsequently surrender back to the regulator a number of allowances or qualified offset credits matching their verified emissions during the compliance period. Based on the free allowances received for the second compliance period (2015-2017), we expect that our Victorville cement plant will meet all of its compliance obligations for that period without a material impact on its operating costs. Furthermore, we are actively pursuing initiatives to substitute 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, we cannot assure you that the overall costs of complying with a cap-and-trade program will not have a material impact on our operations in California.

In 2007, CARB approved a regulation that requires California equipment owners/operators to reduce diesel particulate and nitrogen oxide emissions from in-use off-road diesel equipment and to meet progressively more restrictive emission targets. In 2008, CARB approved a similar regulation for in-use on-road diesel equipment. The emission targets requires us to retrofit our California-based equipment with diesel emission control devices or replace equipment with new engine technology in accordance with certain deadlines. As of June 15, 2017, compliance with the CARB regulations has resulted in equipment related expenses or capital investments, including overhauling engines and purchases of new equipment directly related to the CARB regulations, in excess of U.S.$32.45 million. We may continue to incur substantial expenditures to comply with these requirements.

Europe.

General overview of EU industrial regulation

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

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

The EU legal system also operates in a way different to federal systems. The EU legal regime is what is referred to as "supra-national" law. It sits "above" the legal systems of the different Member States, which retain their independence subject to tight oversight from EU institutions, especially the Court of Justice, the European Commission, and the European Parliament. As such, EU law operates (in its many fields of

application, including industrial regulation) in order to "control" and authoritatively interpret the legislation and implementation of law (EU and domestic) in those Member States. One of the key manifestations of this "supra-national control" are the inter-related doctrines of the supremacy of EU law and of conforming interpretation. Essentially, where an area of legal control in a Member State has its origin in an EU Directive, then the Member States must transpose the Directive fully and effectively into their domestic law and every organ of the Member State, including its regulators and its Courts, must interpret (and if necessary change) domestic law in order to conform with the objectives and the letter of the relevant EU Directive. This is of relevance to the cement sector since almost every aspect of its environmental regulation has its origins in EU legislation.

EU Industrial Permits and Emissions Controls

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

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

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

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

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

essential substance of the Incineration Directive has been followed through into the IED.

The IED has applied to new industrial installations since January 7, 2013 and to existing industrial installations (other than large combustion plants) since January 7, 2014. Under the IED, operators of industrial installations, including cement plants, are required to obtain an integrated permit from the relevant permitting authority in the Member States. As with the IPPC Directive, permit conditions, including emission limit values, must be based on BAT and a total of 35 BREFs are being rewritten or revised for the IED. However, there is an important difference between the IPPC Directive and the IED. Under the IPPC Directive, the BREFs were considered as guidance only. This is not the case under the IED. Where BAT conclusions specify emission levels, permitting authorities are required to set emission limit values that do not exceed these levels. They may derogate from this requirement only where the costs associated with the achievement of the emission levels associated with the BAT disproportionately outweigh the environmental benefits due to the geographical location, the local environmental conditions or the technical characteristics of the installation concerned. The permitting authorities must document the reasons for the derogation from the emission limit values in the permit, including the result of the cost-benefit assessment. In April 2013, 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 manufacture 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. While we are not currently able to assess what impact the IED will have on our operations, it is reasonable to assume that there will be an impact given the change in regulatory approach heralded by the legislation and the fact that it will be key to the permitting of the cement industry in the EU. In particular, the European Commission describes review of the BREFs as a continuing process due to ongoing technological advances and so updates may be expected. This has the potential to require our operations to be adapted to conform to the latest BAT.

As a result of a lawsuit filed by the city of Kaštela against the Ministry of Environment of the Republic of Croatia, the IPPC Permit issued on behalf of CEMEX Croatia by the Ministry of Environment was revoked on July 6, 2015 by a final and non-appealable judgment of a first instance court in Split, Croatia. The judgment required the Ministry of Environment to repeat the procedure for the issuance of a new IPPC Permit. On November 23, 2015, the Ministry of Environment issued a new IPPC Permit, which has been challenged by the city of Kaštela. On January 7, 2016, CEMEX Croatia received the claim and replied to it in due time. The Ministry of Environment also replied to the claim. At a court hearing held on September 14, 2016, the litigation proceedings concluded. On November 18, 2016, the administrative court in Split, Croatia notified CEMEX Croatia that the decision regarding the IPPC Permit was annulled and the matter was remanded to the Ministry of Environment in order to repeat the procedure. On December 2, 2016, CEMEX Croatia and the Ministry of Environment filed an appeal against such judgment. As of June 15, 2017, CEMEX Croatia is awaiting the decision on the appeal. If the IPPC Permit is conclusively annulled, we do not believe that such judgment would have a material adverse impact on our results of operations, liquidity and financial condition.

In addition, in accordance with Article 21(3) of the IED, within four years of BAT conclusion publications, the competent authority is to reconsider and, if necessary, update all permit conditions and ensure that the installation complies with such permit conditions. Accordingly, on January 3, 2017, the Ministry of Environment invited CEMEX Croatia to submit relevant expert opinions in order to update the existing permit conditions and ensure compliance with permit conditions. On March 20, 2017, CEMEX Croatia submitted expert opinions to the Ministry of Environment, and, as of June 15, 2017, CEMEX Croatia had not yet been notified of the decision on the Ministry of Environment's appeal. Should the IPPC Permit be finally annulled, we do not believe that the judgment would have a material adverse impact on our results of operations, liquidity and financial condition. In the meantime, a new permit will be issued in accordance with the IED.

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 2008-2012 (“first commitment period”); future mandatory targets were expected to be established for commitment periods after 2012. To compensate for the sting of binding targets, the Kyoto Protocol allows three “flexibility” mechanisms to be used by parties in meeting their emission limitation commitments: the Clean Development Mechanism (“CDM”), Joint Implementation (“JI”) and International Emissions Trading.

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

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

In addition to carbon allowances, the ETS also allows the use of Kyoto Protocol units: the Emission Reduction Unit, representing a metric ton of carbon saved by a project under the JI mechanism, and the Certified Emission Reduction unit (“CERs”) under the CDM. The ETS recognizes these units as equivalent to its carbon allowances and allows them to be used by companies for compliance up to a certain limit to offset their carbon emissions in the EU. We have registered 19 CDM projects with a total potential to reduce approximately 2.44 million tons of CO2e emissions per year. The corresponding CERs from these projects could be used for internal purposes or sold to third parties. Croatia, as a new entrant, has a right to use only 4.5% of its verified carbon emissions in relation to other EU ETS members which have a right to use up to 11% of their free allocation of EU allowances.

The ETS consists of three trading phases: Phase I which lasted from January 1, 2005 to December 31, 2007, Phase II, which lasted from January 1, 2007 to December 31, 2012, and was intended to meet commitments under the Kyoto first commitment period, and Phase III which commenced on January 1, 2013 and will end on December 31, 2020. For Phase III of the ETS there is also a cap on nitrous oxide and perfluorocarbons (PFC) emissions. Prior to the commencement of each of ETS Phases I and II, each Member State was responsible for publishing its National Allocation Plan (“NAP”), a document which sets out a national cap on the total amount of carbon emissions by all installations during each relevant trading phase and the methodology by which the cap would be allocated to the different sectors in the ETS and their respective installations. Each Member State’s cap contributed to an overall EU cap on emissions, where one carbon allowance must be surrendered to account for 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 has been replaced by a single EU-wide, top-down, cap on CO2 emissions, with allocation for all installations made according to harmonized EU rules and set out in each Member State’s National Implementation Measures (“NIM”). Additional restrictions have been introduced on the extent to which Kyoto Protocol units can be used to offset EU carbon emissions, and auctioning, not free allocation, has become the default method for distributing allowances. For those allowances that are still given away free, as discussed below, harmonized rules apply based on EU-wide benchmarks of emissions performance.

EU policymakers see the free allocation of allowances as a principle way to reduce the risk of carbon leakage—that is, the risk that energy-intensive industries, facing higher costs because of the ETS, will move their facilities beyond the EU’s borders to countries that do not have climate change controls, thus resulting in a leakage of CO2 emissions without any environmental benefits. In 2009, a list of ETS sectors deemed to be

at significant risk of carbon leakage was formally adopted by the European Commission, following agreement by Member States and the European Parliament. The list which was valid from 2010 to 2014 included the cement production sector, on the basis that the additional costs imposed by the ETS would lead to a 30% or more increase in production costs as a proportion of the "gross value added." A decision on the list of sectors deemed to be at significant risk of carbon leakage for the period 2015-2019 was adopted by the European Commission on October 29, 2014 and the cement production sector resulted selected again. Sectors classified as deemed to be at significant risk of carbon leakage will continue to receive 100% of their benchmark allocation of allowances free of charge during Phase III, adjusted by a cross-sectoral correction factor that is being applied uniformly upon all participating facilities in Europe in order to reduce the amount of free allocation that each installation so that the total sum does not exceed the authorized EU-wide cap for free allocation. By contrast, sectors that are not considered at risk of carbon leakage received 80% of their benchmark allowances for free in 2013, declining to 30% by 2020.

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

On February 26, 2014, the European Commission adopted a Decision on national allocation allowances for the last group of Member States including Croatia, which was granted 5.56 million of free allowances. Since this time, a regularly updated allocation table showing the number of allowances that have been allocated per Member State is published on the European Commission's website. Based on the European Commission approved NIMs that were published in the first quarter of 2014 for Phase III, we expect that the aggregate amount of allowances that will be annually allocated for free to CEMEX in Phase III of the ETS will be sufficient to operate. An important factor in providing such assurance is the European Commission Decision 2014/746/EU (which took effect on January 1, 2015) which, as mentioned, included the manufacture of cement as an industry at significant risk of carbon leakage meaning that the industry will continue to receive 100% of its benchmark allocation of allowances free of charge during Phase III. Although the European Council has indicated that the free allocation of allowances to carbon leakage sectors will continue beyond Phase III, a future decision that the cement industry should no longer be regarded as at significant risk of carbon leakage could have a material impact on our operations and our results of operations, liquidity and financial condition.

An installation can only receive its full allocation of free allowances if it is deemed to have not partially ceased under the "partial cessation rule" of the ETS. Partial cessation applies where a sub-installation which contributes at least 30% of the installation's final annual amount of emissions allocated, or contributes to more than 50,000 allowances, reduces its activity level by at least 50% of its historic activity levels. If activity levels are reduced to between 50% and 75% of the historic activity level, the amount of free carbon allowances the sub-installation will receive will reduce by half in the following year;

if activity levels are reduced by 75% to 90% compared to historic activity levels, the amount of free carbon allowances the sub-installation will receive will reduce by 75% in the following year; and if activity levels are reduced by 90% or more compared to historic activity levels, no allowances shall be allocated free of charge the following year with respect to the sub-installation concerned. This represents a change from ETS Phase II, in which the rules for partial cessation were defined by each Member State's NAP and often did not result in any reduction in the level of free allocation, but an installation was no longer entitled to a free allocation from the following year if it had permanently ceased operating. The new rules are therefore more stringent, and to the extent that they result in our plants foregoing free carbon allowances, they could represent a significant loss of revenue to us, since carbon allowances are also tradable.

Despite having sold a substantial amount of allowances during Phase II of the ETS, as mentioned, we believe that the aggregate amount of allowances that will be annually allocated for free to CEMEX in Phase III of the ETS (2013-2020) will be sufficient to operate. This assessment stems from various factors, notably our efforts to reduce emissions per unit of clinker produced, the stream of offset credits coming from our internal portfolio of CDM projects and our expected long position in the initial years of Phase III of the ETS. We are taking measures intended to minimize our exposure to this market, while continuing to supply our products to our customers. It is not possible to predict with any certainty at this stage how CEMEX will be affected by potential reform to the EU ETS in Phase IV. However, the European Council has indicated that the EU-wide overall cap on emission allowances will be reduced by 2.2% every year from 2021, and that benchmarks will be updated based on recent data and that a more dynamic allocation based on recent production shall replace the "historical activity level." These modifications, which are still subject to final approval by EU institutions (presumably during 2017), suggest that there may be fewer allowances available with respect to our operations in the future.

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 £131,499,747 (approximately U.S.$169.08 million as of May 31, 2017, based on an exchange rate of £0.7777 to U.S.$1.00) as of May 31, 2017, and we made an accounting provision for this amount at May 31, 2017.

Colombian Water Use Litigation

On June 5, 2010, the District of Bogotá's Environmental Secretary (*Secretaría Distrital de Ambiente de Bogotá*) (the "Environmental Secretary") issued a temporary injunction suspending all mining activities at CEMEX Colombia's El Tunjuelo quarry, located in Bogotá, Colombia. As part of the temporary injunction, Holcim Colombia and Fundación San Antonio (local aggregates producers that also have mining activities located in the same area as the El Tunjuelo quarry) were ordered to suspend mining activities in that area. The Environmental Secretary alleged that during the past 60 years, CEMEX Colombia and the other companies illegally changed the course of the Tunjuelo River, used the percolating waters without permission and improperly used the edge of the river for mining activities. In connection with the temporary injunction, in June 2010, the Environmental Secretary initiated proceedings to impose fines against CEMEX Colombia. CEMEX Colombia has requested that the temporary injunction be revoked, arguing that its mining activities are supported by all authorizations required pursuant to the applicable environmental laws and that all the environmental impact statements submitted by CEMEX Colombia have been reviewed and authorized by the Ministry of Environment and Sustainable Development (*Ministerio de Ambiente y Desarrollo Sostenible*). On June 11, 2010, the local authorities in Bogotá, in compliance with the Environmental Secretary's decision, sealed off the mine to machinery and prohibited the extraction of CEMEX Colombia's aggregates inventory. Although there is not an official quantification of the possible fine, the Environmental Secretary has publicly declared that the fine could be as much as 300 billion Colombian Pesos (approximately U.S.$104.16 million as of March 31, 2017, based on an exchange rate of 2,880.24 Colombian Pesos to U.S.$1.00). The temporary injunction does not currently compromise the production and supply of ready-mix concrete to any of our clients in Colombia. At this stage, as of June 15, 2017, we are not able to assess the likelihood of an adverse result, but if adversely resolved, it could have a material adverse impact on our

results of operations, liquidity and financial condition.

Tariffs

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

Mexico. Mexican tariffs on imported goods vary by product and have historically been as high as 100%. 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 NAFTA, as of January 1, 1998, the tariff on cement imported into Mexico from the United States or Canada was eliminated. While the lack of existence or reduction in tariffs could lead to increased competition from imports in our Mexican markets, it is possible that other factors, such as that 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. Cement imported into the United States from Cuba and North Korea is subject to custom duties depending on the specific type of cement. Imports into the United States from Cuba and North Korea are generally prohibited due to the U.S. import/export controls and economic sanctions. In order to import cement and other products into the United States from Cuba or North Korea, an importer would be required to obtain a license from the U.S. government or otherwise establish the existence of a license exception.

Cement imports from countries other than Cuba 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 June 15, 2017, 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.

Tax Matters

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

For the 2010 fiscal year, CEMEX was required to pay (at the new, 30% tax rate) 25% of the Additional Consolidated Taxes for the period between 1999 and 2004, with the remaining 75% payable as follows: 25% in 2011, 20% in 2012, 15% in 2013 and 15% in 2014. Additional Consolidated Taxes arising after the 2004 tax year are taken into account in the sixth fiscal year after such year and are payable over the succeeding five years in the same proportions (25%, 25%, 20%, 15% and 15%). Applicable taxes payable as a result of this tax reform are increased by inflation adjustments as required by the Mexican Income Tax Law (*Ley del Impuesto Sobre la Renta*). In connection with these changes in the tax consolidation regime in Mexico, as of December 31, 2009, we recognized a liability of approximately Ps10.5 billion (approximately U.S.$560.60 million as of March 31, 2017, based on an exchange rate of Ps18.73 to U.S.$1.00), of which approximately

Ps8.2 billion (approximately U.S.$437.80 million as of March 31, 2017, based on an exchange rate of Ps18.73 to U.S.$1.00) was recognized under "Other non-current assets" in connection with the net liability recognized under the new tax law and that we expect to realize in connection with the payment of this tax liability, and approximately Ps2.2 billion (approximately U.S.$117.46 million as of March 31, 2017, based on an exchange rate of Ps18.73 to U.S.$1.00) was recognized against "Retained earnings" upon adoption of IFRS according to the new law, related to: (a) the difference between the sum of the equity of the controlled entities for tax purposes and the equity for tax purposes of the consolidated entity, (b) dividends from the controlled entities for tax purposes to CEMEX, S.A.B. de C.V., and (c) other transactions among the companies included in the tax consolidation group that represented the transfer of resources within such group.

On June 30, 2010, CEMEX paid approximately Ps325 million (approximately U.S.$17.35 million as of March 31, 2017, based on an exchange rate of Ps18.73 to U.S.$1.00) of Additional Consolidated Taxes. This first payment represented 25% of the Additional Consolidated Taxes for the period that includes from 1999 to 2004. On March 31, 2011, CEMEX made a second payment of approximately Ps506 million (approximately U.S.$27.02 million as of March 31, 2017, based on an exchange rate of Ps18.73 to U.S.$1.00). This second payment, together with the prior payment, represented 50% of the Additional Consolidated Taxes for the period that includes from 1999 to 2004, and also included the first payment of 25% of the Additional Consolidated Taxes for the period that corresponds to 2005. On March 30, 2012, CEMEX paid Ps698 million (approximately U.S.$37.27 million as of March 31, 2017, based on an exchange rate of Ps18.73 to U.S.$1.00). This third payment, together with the two prior payments, represented 70% of the Additional Consolidated Taxes for the period that includes from 1999 to 2004, 50% of the Additional Consolidated Taxes for the period that corresponds to 2005 and it also included the first payment of 25% of the Additional Consolidated Taxes for the period that corresponds to 2006. On March 27, 2013, CEMEX paid Ps2 billion (approximately U.S.$106.78 million as of March 31, 2017, based on an exchange rate of Ps18.73 to U.S.$1.00). This fourth payment, together with the three prior payments, represented 85% of the Additional Consolidated Taxes for the period that includes from 1999 to 2004, 70% of the Additional Consolidated Taxes for the period that corresponds to 2005, 50% of the Additional Consolidated Taxes for the period that corresponds to 2006 and 25% of the Additional Consolidated Taxes for the period that corresponds to 2007. On March 31, 2014, CEMEX paid Ps2 billion (approximately U.S.$96.53 million as of March 31, 2017, based on an exchange rate of Ps18.73 to U.S.$1.00). This fifth payment, together with the four prior payments, represented 100% of the Additional Consolidated Taxes for the period that includes from 1999 to 2004, 85% of the Additional Consolidated Taxes for the period that corresponds to 2005, 70% of the Additional Consolidated Taxes for the period that corresponds to 2006 and 50% of the Additional Consolidated Taxes for the period that corresponds to 2007. On March 31, 2015, CEMEX paid Ps1.5 billion (approximately U.S.$80.09 million as of March 31, 2017, based on an exchange rate of Ps18.73 to U.S.$1.00). This sixth payment, together with the five prior payments, represented 100% of the Additional Consolidated Taxes for the period that includes from 1999 to 2004, 100% of the Additional Consolidated Taxes for the period that corresponds to 2005, 85% of the Additional Consolidated Taxes for the period that corresponds to 2006 and 70% of the Additional Consolidated Taxes for the period that corresponds to 2007. On March 31, 2016, CEMEX paid Ps119 million (approximately U.S.$6.35 million as of March 31, 2017, based on an exchange rate of Ps18.73 to U.S.$1.00). This seventh payment, together with the six prior payments, represented 100% of the Additional Consolidated Taxes for the period that includes from 1999 to 2004, 100% of the Additional Consolidated Taxes for the period that corresponds to 2005, 100% of the Additional Consolidated Taxes for the period that corresponds to 2006 and 85% of the Additional Consolidated Taxes for the period that corresponds to 2007. On March 31, 2017, CEMEX paid Ps38 million (approximately U.S.$2.06 million as of March 31, 2017, based on an exchange rate of Ps18.73 to U.S.$1.00). This eighth payment, together with the seven prior payments, represented 100% of the Additional Consolidated Taxes for the period from 1999 to 2004, 100% of the Additional Consolidates Taxes for the period that corresponds to 2005, 100% of the Additional Consolidated Taxes for the period that corresponds to 2006 and 100% of the Additional Consolidated Taxes for the period that corresponds to 2007. As of June 15, 2017, we have paid an aggregate amount of approximately Ps7.3 billion (approximately U.S.$389.74 million as of March 31, 2017, based on an exchange rate of Ps18.73 to U.S.$1.00) of Additional Consolidated Taxes.

In December 2010, pursuant to certain additional rules, the tax authorities granted the option to defer the calculation and payment of certain items included in the law in connection with the taxable amount for the difference between the sum of the equity of controlled entities for tax purposes and the equity of the

consolidated entity for tax purposes. As a result, CEMEX reduced its estimated tax payable by approximately Ps2.9 billion (approximately U.S.$154.83 million as of March 31, 2017, based on an exchange rate of Ps18.73 to U.S.$1.00) against a credit to the income statement when the new tax enactment took place. In addition, after accounting for the following that took place in 2010: (a) cash payments, (b) income tax from subsidiaries paid to the parent company, and (c) other adjustments, the estimated tax payable for tax consolidation in Mexico amounted to approximately Ps10.1 billion (approximately U.S.$539.24 million as of March 31, 2017, based on an exchange rate of Ps18.73 to U.S.$1.00) as of December 31, 2010. Furthermore, after accounting for the following that took place in 2011: (a) cash payments, (b) income tax from subsidiaries paid to the parent company, and (c) other adjustments, the estimated tax payable for tax consolidation in Mexico increased to approximately Ps12.4 billion (approximately U.S.$662.04 million as of March 31, 2017, based on an exchange rate of Ps18.73 to U.S.$1.00) as of December 31, 2011. Additionally, after accounting for the following that took place in 2012: (a) cash payments, (b) income tax from the subsidiaries paid to the parent company, and (c) other adjustments, as of December 31, 2012, the estimated tax payable for tax consolidation in Mexico increased to approximately Ps14.5 billion (approximately U.S.$774.16 million as of March 31, 2017, based on an exchange rate of Ps18.73 to U.S.$1.00). Furthermore, after accounting for the following that took place in 2013: (a) cash payments, (b) income tax from subsidiaries paid to the parent company, (c) other adjustments, and (d) effects of tax deconsolidation, as of December 31, 2013, the estimated tax payable for tax consolidation in Mexico increased to approximately Ps24.8 billion (approximately U.S.$1.32 billion as of March 31, 2017, based on an exchange rate of Ps18.73 to U.S.$1.00). Additionally, after accounting for the following that took place in 2014: (a) payments, the majority of which were in cash, and (b) other adjustments, as of December 31, 2014, the estimated tax payable for tax consolidation in Mexico decreased to approximately Ps21.4 billion (approximately U.S.$1.14 billion as of March 31, 2017, based on an exchange rate of Ps18.73 to U.S.$1.00). Additionally, after accounting for the following that took place in 2015 and after giving effect to the 2016 Tax Reform (as defined below), as a result of: (a) payments made during the period, the tax payable for tax consolidation in Mexico was decreased to approximately Ps16.2 billion (approximately U.S.$864.92 million as of March 31, 2017, based on an exchange rate of Ps18.73 to U.S.$1.00), which after the application of (b) different tax credits, and (c) assets for tax loss carryforwards worth, before discount, approximately Ps11.9 billion (approximately U.S.$635.34 million as of March 31, 2017, based on an exchange rate of Ps18.73 to U.S.$1.00), as of December 31, 2015, the estimated tax payable for tax consolidation in Mexico further decreased to approximately Ps3.9 billion (approximately U.S.$208.22 million as of March 31, 2017, based on an exchange rate of Ps18.73 to U.S.$1.00). Additionally, after accounting for the following that took place in 2016: (a) cash payments, and (b) other adjustments, as of December 31, 2016, the estimated tax payable for tax consolidation in Mexico decreased to approximately Ps3.2 billion (approximately U.S.$170.84 million as of March 31, 2017, based on an exchange rate of Ps18.73 to U.S.$1.00).

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

On February 12, 2014, we filed a constitutional challenge (*juicio de amparo*) against the 2014 Tax Reform that abrogated the tax consolidation regime. The purpose of the challenge was to obtain certainty in the applicable statutory rules in order to assess and pay the tax liability derived from such reform according to constitutional principles. On February 26, 2016, we withdrew the constitutional challenge (*juicio de amparo*).

On April 30, 2014, CEMEX paid Ps2.3 billion (approximately U.S.$122.80 million as of March 31, 2017, based on an exchange rate of Ps18.73 to U.S.$1.00). From this amount, Ps987 million (approximately U.S.$52.70 million as of March 31, 2017, based on an exchange rate of Ps18.73 to U.S.$1.00) were paid in

cash and Ps1.3 billion (approximately U.S.$70.76 million as of March 31, 2017, based on an exchange rate of Ps18.73 to U.S.$1.00) were paid through the application of a tax credit, which represented approximately 25% of the Deconsolidation Taxes for the period that corresponded to the 2008 tax year. On April 30, 2015, CEMEX paid Ps3.7 billion (approximately U.S.$197.54 million as of March 31, 2017, based on an exchange rate of Ps18.73 to U.S.$1.00). From this amount, Ps2.3 billion (approximately U.S.$122.80 million as of March 31, 2017, based on an exchange rate of Ps18.73 to U.S.$1.00) were paid in cash and Ps1.4 billion (approximately U.S.$74.75 million as of March 31, 2017, based on an exchange rate of Ps18.73 to U.S.$1.00) were paid through the application of a tax credit. This second payment, together with the first payment, represented 50% of the Deconsolidation Taxes for the period that corresponds to the 2008 tax year and 25% of the Deconsolidation Taxes for the period that corresponds to the 2009 tax year. On April 29, 2016, CEMEX paid Ps728 million (approximately U.S.$38.87 million as of March 31, 2017, based on an exchange rate of Ps18.73 to U.S.$1.00). This third payment, together with the two prior payments, represented 70% of the Deconsolidation Taxes for the period that corresponds to the 2008 tax year, 50% of the Deconsolidation Taxes for the period that corresponds to the 2009 tax year and 25% of the Deconsolidation Taxes for the period that corresponds to the 2010 tax year. On April 28, 2017, CEMEX paid Ps924 million. This fourth payment, together with the three prior payments represented 85% of the Deconsolidation Taxes for the period that corresponds to the 2008 tax year, 70% of the Deconsolidation Taxes for the period that corresponds to the 2009 tax year, 50% of the Deconsolidation Taxes for the period that corresponds to the 2010 tax year and 25% of the Deconsolidation Taxes for the period that corresponds to the 2011 tax year.

In October 2015, the Mexican Congress approved a tax reform, effective as of January 1, 2016 (the "2016 Tax Reform"). Specifically, the 2016 Tax Reform granted Mexican companies two tax credits to offset part of the Deconsolidation Taxes payable as a result of the elimination of the group taxation regime: (a) 50% of the taxes due as a result of unamortized losses used to compute the consolidated tax could be settled with individual accumulated losses adjusted for inflation using a factor of .15 multiplied by such losses, and (b) tax credit against Deconsolidation Taxes related to intercompany dividends that were paid without having sufficient tax profits. CEMEX applied both tax credits against its remaining Deconsolidation Taxes through the filing of amended tax returns regarding the year ending on December 31, 2015 and upon the withdrawal of the constitutional challenge (*juicio de amparo*) against the 2014 Tax Reform filed by us on February 12, 2015. Additionally, the 2016 Tax Reform granted Mexican companies the option not to pay the remaining asset tax payments included in the Deconsolidation Tax liability. CEMEX also applied this option.

As of June 15, 2017, taking into account the effects of the 2016 Tax Reform, our estimated payment schedule of Deconsolidation Taxes (which includes the Additional Consolidated Taxes) is as follows: approximately Ps897 million (approximately U.S.$47.94 million as of March 31, 2017, based on an exchange rate of Ps18.73 to U.S.$1.00) in 2018; approximately Ps527 million (approximately U.S.$47.89 million as of March 31, 2017, based on an exchange rate of Ps18.73 to U.S.$1.00) in 2019; and approximately Ps876 million (approximately U.S.$74.76 million as of March 31, 2017, based on an exchange rate of Ps18.73 to U.S.$1.00) in 2020 and thereafter.

United States. As of March 31, 2017, the Internal Revenue Service ("IRS") concluded its audit for the year 2014. The final findings did not alter the originally filed CEMEX return, which had no reserves set aside for any potential tax issues. On April 24, 2015 and May 18, 2016, the IRS commenced its audit of the 2015 and 2016 tax year, respectively, under the Compliance Assurance Process. We have not identified any material audit issues and, as such, no reserves are recorded for either the 2015 or the 2016 audit in our financial statements.

Colombia. On April 1, 2011, the Colombian Tax Authority notified CEMEX Colombia of a proceeding notice in which the Colombian Tax Authority rejected certain deductions taken by CEMEX Colombia in its 2009 year-end tax return. The Colombian Tax Authority assessed an increase in taxes to be paid by CEMEX Colombia in the amount of approximately 90 billion Colombian Pesos (approximately U.S.$31.24 million as of March 31, 2017, based on an exchange rate of 2,880.24 Colombian Pesos to U.S.$1.00) and imposed a penalty in the amount of approximately 144 billion Colombian Pesos (approximately U.S.$39.58 million as of March 31, 2017, based on an exchange rate of 2,880.24 Colombian Pesos to U.S.$1.00). The Colombian Tax Authority argues that certain expenses are not deductible for fiscal purposes because they are not linked to direct revenues recorded in the same fiscal year, without taking into consideration that future revenue will

be taxed with income tax in Colombia. CEMEX Colombia responded to the proceeding notice on June 25, 2011. On December 15, 2011, the Colombian Tax Authority issued its final determination, which confirmed the information in the special proceeding. CEMEX Colombia appealed the final determination on February 15, 2012. On January 17, 2013, the Colombian Tax Authority notified CEMEX Colombia of the resolution confirming the official liquidation. CEMEX Colombia appealed the final determination on May 10, 2013 which was admitted on June 21, 2013. On July 3, 2013, the appeal was notified to the Colombian Tax Authority, and hearings took place on February 18, 2014 and March 11, 2014. An adverse resolution to the appeal was notified to CEMEX Colombia on July 14, 2014 and on July 22, 2014, CEMEX Colombia filed an appeal before the Colombian *Consejo de Estado* against such adverse resolution. At this stage of the proceeding, as of June 15, 2017, we are not able to assess the likelihood of an adverse result in this special proceeding, but if adversely resolved, they could have a material adverse impact on our results of operations, liquidity and financial condition.

Spain. On July 7, 2011, the tax authorities in Spain notified CEMEX España of a tax audit process in Spain covering the tax years from and including 2006 to 2009. The tax authorities in Spain have challenged part of the tax losses reported by CEMEX España for such years. CEMEX España has been formally notified of fines in the aggregate amount of approximately €456 million (approximately U.S.$486.14 million as of March 31, 2017, based on an exchange rate of €0.9380 to U.S.$1.00) resulting from the July 7, 2011 tax audit process in Spain. The laws of Spain provide a number of appeals that can be filed against such fines without CEMEX España having to make any payment until such appeals are finally resolved. On April 22, 2014, CEMEX España filed appeals against such fines. At this stage, as of June 15, 2017, we are not able to assess the likelihood of an adverse result regarding this matter, and the appeals that CEMEX España has filed could take an extended amount of time to be resolved, but if all appeals filed by CEMEX España are adversely resolved, it could have a material adverse impact on our results of operations, liquidity and financial condition.

Egypt. On February 9, 2014, ACC was notified of the decision of the Egyptian Ministry of Finance's Appeals Committee (the "Appeals Committee") pursuant to which ACC has been required to pay a development levy on clay (the "Levy on Clay") applied to the Egyptian cement industry in the amount of: (i) approximately 322 million Egyptian Pounds (approximately U.S.$17.75 million as of March 31, 2017, based on an exchange rate of Egyptian Pounds 18.1358 to U.S.$1.00) for the period from May 5, 2008 to August 31, 2011; and (ii) approximately 50,235 Egyptian Pounds (approximately U.S.$2,769.94 as of March 31, 2017, based on an exchange rate of Egyptian Pounds 18.1358 to U.S.$1.00) for the period from September 1, 2011 to November 30, 2011. On March 10, 2014, ACC filed a claim before the North Cairo Court requesting the nullification of the Appeals Committee's decision and requesting that the North Cairo Court rule that the Egyptian tax authority is not entitled to require payment of the aforementioned amounts. 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 June 15, 2017, 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 (approximately U.S.$3,064.99 as of March 31, 2017, based on an exchange rate of Egyptian Pounds 18.1358 to U.S.$1.00). On a March 7, 2016 session of the North Cairo Court, ACC submitted the Settlement Memorandum and the Ministerial Committee's Decision. At 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. The North Cairo Court adjourned the jointly reviewed cases to June 25, 2016. These cases were thereafter re-adjourned to July 30, 2016 for submission of documents by the attorney for the State pertaining to the settlement of the dispute with ACC. At the session of July 30, 2016, the two cases were adjourned first to September 19, 2016, and afterwards to October 10, 2016 and December 27, 2016 for the foregoing reason. 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. As of June 15, 2017, no session has yet been scheduled before the Cairo Administrative Judiciary Court in order to review the two referred cases. We do not expect that such referral will prejudice ACC's favorable legal position in this dispute. As of June 15, 2017, we do not expect our operations, liquidity and financial condition to suffer a material adverse impact because of this matter.

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 approximately 100 billion Colombian Pesos (approximately U.S.$34.72 million as of March 31, 2017, based on an exchange rate of 2,880.24 Colombian Pesos to U.S.$1.00). The lawsuit was filed within the context of a criminal investigation against a former director and two officers of the UDI, the contractor, the inspector and two ASOCRETO officers. On January 21, 2008, a court issued an order, sequestering the El Tunjuelo quarry, as security for payment of a possible future money judgment against CEMEX Colombia. The court determined that in order to lift this attachment and prevent further attachments, CEMEX Colombia was required to deposit 337.8 billion Colombian Pesos (approximately U.S.$117.28 million as of March 31, 2017, based on an exchange rate of 2,880.24 Colombian Pesos to U.S.$1.00) in cash instead of posting an insurance policy to secure such recovery. CEMEX Colombia appealed this decision and the Superior Court of Bogotá *(Tribunal Superior de Bogotá)* allowed CEMEX to present an insurance policy in the amount of 20 billion Colombian Pesos (approximately U.S.$6.94 million as of March 31, 2017, based on an exchange rate of 2,880.24 Colombian Pesos to U.S.$1.00). CEMEX gave the aforementioned security and, on July 27, 2009, the court lifted the attachment on the quarry.

On October 10, 2012 the court issued a first instance judgment pursuant to which the accusation made against the ASOCRETO officers was nullified. The judgment also convicted a former UDI director, the contractor's legal representatives and the inspector to a prison term of 85 months and a fine of 32 million Colombian Pesos (approximately U.S.$11,110.19 as of March 31, 2017, based on an exchange rate of 2,880.24 Colombian Pesos to U.S.$1.00). As a consequence of the nullification, the judge ordered a restart of the proceeding against the ASOCRETO officers. The UDI and other parties to the legal proceeding appealed the first instance judgment and on August 30, 2013 the Superior Court of Bogotá resolved to reduce the prison term imposed to the former UDI director and the UDI officers to 60 months and imposed a fine equivalent to 8.8 million Colombian Pesos (approximately U.S.$3,055.30 as of March 31, 2017, based on an exchange rate of 2,880.24 Colombian Pesos to U.S.$1.00). Additionally, the UDI officers were sentenced to severally pay the amount of 108,000 million Colombian Pesos (approximately U.S.$37.50 million as of March 31, 2017, based on an exchange rate of 2,880.24 Colombian Pesos to U.S.$1.00) for the purported damages in the concrete slabs of the TransMilenio bus rapid transit system. Additionally, the Superior Court of Bogotá overturned the penalty imposed to the contractor's legal representatives and inspector because the criminal action against them was time barred. Furthermore, the Superior Court of Bogotá revoked the annulment in favor of the ASOCRETO officers and ordered the first instance judge to render a judgment regarding the ASOCRETO officers' liability or lack thereof. On June 25, 2014, the Supreme Court of Colombia's Penal

Cassation Chamber (*Sala de Casación Penal de la Corte Suprema de Justicia de Colombia*) dismissed the cassation claim filed by the former UDI director and the UDI officers against the Superior Court of Bogotá's judgment. Dismissal of the cassation claim has no effect on CEMEX Colombia's or the ASOCRETO officers' interests in these proceedings. On January 21, 2015, the Penal Circuit Court of Bogotá issued a resolution agreeing with the arguments presented by CEMEX Colombia regarding the application of the statute of limitations to the criminal investigation against the ASOCRETO officers and acknowledging that the ASOCRETO officers were not public officers, and as a consequence, finalizing the process against the ASOCRETO officers and the civil responsibility claim against CEMEX Colombia. 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. In addition, six legal actions related to the premature distress of the concrete slabs of the Autopista Norte trunk line of the TransMilenio bus rapid transit system were brought against CEMEX Colombia. The Cundinamarca Administrative Court (*Tribunal Administrativo de Cundinamarca*) nullified five of these actions and, as of June 15, 2017, only one remains outstanding. In addition, the UDI filed another action alleging that CEMEX Colombia made misleading advertisements on the characteristics of the flowable fill used in the construction of the concrete slabs. CEMEX Colombia participated in this project solely and exclusively as supplier of the ready-mix concrete and flowable fill, which were delivered and received to the satisfaction of the contractor, complying with all the required technical specifications. CEMEX Colombia neither participated in nor had any responsibility on the design, sourcing of materials or their corresponding technical specifications or construction. On May 24, 2016, the Civil Court of Bogota settled the action filed by the UDI against CEMEX Colombia. The court accepts the arguments in defense of CEMEX Colombia, ruling that the flowable fill is not what caused the damage to the slabs and that the damages were caused by design changes when executing the road without consulting the original designer and the lack of drains. The UDI filed an appeal against the court's ruling. On December 7, 2016, the Superior Court of Bogota (*Tribunal Superior de Bogotá*) upheld the Civil Court of Bogota's decision. At this stage of the proceedings, as of June 15, 2017, we are not able to assess the likelihood of an adverse result regarding the remaining pending action filed before the Cundinamarca Administrative Court, but if adversely resolved, we do not expect that it will have a material adverse impact on our results of operations, liquidity and financial condition.

Croatian Concession Litigation. After an extended consultation period, in April 2006, the cities of Kaštela and Solin in Croatia published their respective Master (physical) Plans defining the development zones within their respective municipalities, adversely impacting the mining concession granted to CEMEX Croatia by the Government of Croatia in September 2005. During the consultation period, CEMEX Croatia submitted comments and suggestions to the Master Plans intended to protect and preserve the rights of CEMEX Croatia's mining concession, but these were not taken into account or incorporated into the Master Plans by Kaštela and Solin. Immediately after publication of the Master Plans, CEMEX Croatia filed a series of lawsuits and legal actions before the local and federal courts to protect its acquired rights under the mining concessions, including: (i) on May 17, 2006, a constitutional appeal before the constitutional court in Zagreb, seeking a declaration by the court concerning CEMEX Croatia's constitutional claim for decrease and obstruction of rights earned by investment and seeking prohibition of implementation of the Master Plans; and (ii) on May 17, 2006, an administrative proceeding before an administrative court seeking a declaration from the Government of Croatia confirming that CEMEX Croatia acquired rights under the mining concessions. The administrative court subsequently ruled in favor of CEMEX Croatia, validating the legality of the mining concession granted to CEMEX Croatia by the Government of Croatia, in September 2005. On June 15, 2012, we were notified that the case had been transferred from the constitutional court to the administrative court as a result of a new law that places the administrative courts in charge of disputes relating to environmental planning. In February 2014, the administrative court requested CEMEX Croatia to declare if it was still interested in proceeding with the concession litigation and if so, to provide additional clarification and documentation to support such claims. On March 3, 2014, CEMEX Croatia submitted the clarification and required documentation and on April 4, 2014, CEMEX Croatia was notified that the administrative court rejected its claims and found that its acquired rights or interests under the mining concessions had not been violated as a result of any act or decision made by the cities of Solin or Kaštela or any other governmental body. On April 29, 2014, CEMEX Croatia filed two claims before the Constitutional Court of the Republic of Croatia alleging that CEMEX Croatia's constitutional rights to a fair trial and judicial protection had been violated. On August 1, 2014, CEMEX Croatia also filed an application before the European Court of Human Rights alleging that CEMEX Croatia's constitutional rights to a fair trial, property rights, concession rights and

investment had been violated due to irregularities in a general act, which has been denied. The European Court of Human Rights found the application to be inadmissible pursuant to articles 34 and 35 of the Convention for the Protection of Human Rights and Fundamental Freedoms, meaning that CEMEX Croatia did not exhaust all its domestic legal remedies, thus stipulating the Constitutional Court of the Republic of Croatia's jurisdiction in this matter. On February 6, 2015, the decision of the European Court of Human Rights was sent to the Constitutional Court of the Republic of Croatia. The Constitutional Court of the Republic of Croatia granted the claim, annulled the decision of the administrative court and remanded the case to the administrative court for a new trial. On June 9, 2017, the administrative court issued a decision rejecting CEMEX Croatia's request. CEMEX will not file an appeal, thus the administrative court's decision is final. During May 2015, CEMEX Croatia obtained a new location permit from the Croatian Ministry of Construction and Physical Planning for CEMEX Croatia's Sveti Juraj-Sveti Kajo quarry. On August 2, 2016, CEMEX Croatia obtained a decision pursuant to which a right of way was granted on land owned by the Republic of Croatia and located in Sveti Juraj-Sveti Kajo quarry. The period of such right of way will be compatible with the location permit previously granted. Such decision is one of the prerequisites for obtaining a new mining concession. As of June 15, 2017, in order to alleviate the adverse impact of the Master Plans, CEMEX Croatia is in the process of negotiating and preparing all documentation necessary to comply with applicable rules and regulations in order to obtain a new mining concession.

Israeli Class Action Litigation. On June 21, 2012, one of our subsidiaries in Israel was notified about an application for the approval of a class action suit against it. The application was filed by a homeowner who built his house with concrete supplied by our Israeli subsidiary in October 2010 (a same application was filed against three other companies by the same legal representative). According to the application, the plaintiff claims that the concrete supplied to him did not meet with the "Israel Standard for Concrete Strength No. 118" and that, as a result, our Israeli subsidiary acted unlawfully toward all of its customers who requested a specific type of concrete but that received concrete that did not comply with Israeli standard requirements. As per the application, the plaintiff claims that the supply of the alleged non-conforming concrete has caused financial and non-financial damages to those customers, including the plaintiff. We presume that the class action would represent the claim of all the clients who purchased the alleged non-conforming concrete from our Israeli subsidiary during the past seven years, the limitation period according to applicable laws in Israel. The damages that could be sought amount to approximately 276 million Israeli Shekels (approximately U.S.$75.99 million as of March 31, 2017, based on an exchange rate of 3.632 Israeli Shekels to U.S.$1.00). Our Israeli subsidiary submitted a formal response to the corresponding court. Both parties presented their preliminary arguments. In a hearing held on December 20, 2015, the preliminary proceeding was completed and the court set dates for hearing evidence on May 8, 10 and 16, 2016. In addition, the court decided to join together all claims against all four companies, including our subsidiary in Israel, in order to simplify and shorten court proceedings, however, it should be mentioned that the court had not formally decided to join together all claims. On the hearing dates, the applicants in all four claims presented evidence, including expert testimony. The evidentiary hearing has not been completed as of June 15, 2017, and the court has set October 25, 2017 as the date to hear evidence on behalf of two other companies. As of June 15, 2017, our subsidiary in Israel is not able to assess the likelihood of the class action application being approved or, if approved, of an adverse result, such as an award for damages in the full amount that could be sought, but if adversely resolved, we do not believe the final resolutions would have a material adverse impact on our results of operations, liquidity and financial condition.

Egypt Share Purchase Agreement. On April 7, 2011 and March 6, 2012, lawsuits seeking, among other things, the annulment of the share purchase agreement entered into by and between CEMEX and state-owned Metallurgical Industries Company (the "Holding Company") in November 1999 pursuant to which CEMEX acquired a controlling interest in ACC (the "Share Purchase Agreement"), were filed by different plaintiffs, including 25 former employees of ACC, before the 7th and 8th Circuits of Cairo's State Council Administrative Judiciary Court, respectively. Hearings in both cases were adjourned in order for the State Commissioner Authority ("SCA") to prepare the corresponding reports to be submitted for the consideration of the 7th and 8th Circuits of Cairo's State Council Administrative Judiciary Court. During March 2015, the SCA submitted the relevant reports recommending, in both cases, that the 7th and 8th Circuits of Cairo's State Council Administrative Judiciary Court stays the proceedings until the 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 has expired without the plaintiff filing a 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 June 15, 2017, 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, on September 13, 2012, the first instance court of Assiut, Egypt issued a judgment (the "First Instance Judgment") to (i) annul the Share Purchase Agreement; and (ii) reinstate former employees to their former jobs at ACC. The First Instance Judgment was notified to ACC on September 19, 2012. On October 18, 2012, ACC filed an appeal against the First Instance Judgment, which was followed by the Holding Company's appeal filed on October 20, 2012 before the 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") for a hearing to be held on March 16, 2014. This hearing was subsequently rescheduled to May 17, 2014 and ultimately was not held because the case file had not been completed on time in order for it to be referred to the Assiut Administrative Court. The SCA submitted a report recommending that the Assiut Administrative Court to declare itself incompetent to review this case and to refer it to the Assiut Administrative Judiciary Court (the "Assiut Administrative Judiciary Court"). The Assiut Administrative Court scheduled a new hearing for October 11, 2014 to review the case. On October 15, 2014, the Assiut Administrative Court ruled for its non-jurisdiction to review the case and referred the case to the Assiut Administrative Judiciary Court. On December 11, 2014, ACC filed an appeal against the Assiut Administrative Court ruling requesting that its enforcement be suspended until a judgment is issued on the appeal filed before the Cassation Court on March 12, 2014 (the "Appeal"). On February 10, 2015 and March 17, 2015, hearings were held before the Assiut Administrative Judiciary Court's SCA in which the SCA decided to adjourn in order to prepare the corresponding report to be submitted for the consideration of the Assiut Administrative Judiciary Court. On October 2015, the SCA issued a report recommending mainly that due to the absence of geographical jurisdiction to review the case, it should be referred to the 7th Circuit of "Economic and Investment Disputes" of Cairo's State Council Administrative Judiciary Court. The Assiut Administrative Judiciary Court held a hearing for the case 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. Cairo's State Council Administrative Judiciary Court held a hearing on March 28, 2017 to notify the parties of the procedures, whereupon the court adjourned the hearing until June 13, 2017 in order for the parties to submit their memoranda. On June 13, 2017 the court decided to refer the case back to SCA to prepare and submit a complementary report on the merits. The SCA shall notify ACC with a new hearing date before the SCA. 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 November 9, 2016, the Assiut Administrative Judiciary Court held a session in order to review the referred Appeal, and adjourned the Appeal to February 8, 2017. On February 8, 2017, the court adjourned the hearing until June 14, 2017 in order for the parties to submit their final memoranda. On June 14, 2017 the court has postponed the case to a hearing on November 23, 2017 in order for the parties to review the submitted documents. As of June 15, 2017, we are not able to assess the likelihood of an adverse resolution regarding this lawsuit filed before the First 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.

On March 12, 2014, ACC filed a challenge before the Cassation Court against the part of the Appeal Judgment that refers to the referral of the case to the Assiut Administrative Court and payment of the appeal expenses and attorney fees, and requested a suspension of the Appeal Judgment execution with respect to these matters until the Cassation Court renders its judgment (the "Challenge"). A hearing was held on April 12, 2016 in order to review the Challenge's summary request only, which requested the Cassation Court to stay the execution of part of the Appeal Judgment regarding the referral of the case to the Assiut Administrative Court and payment of the appeal expenses and attorney fees. At this hearing the Cassation Court rejected the summary request. As of June 15, 2017, ACC has not been notified of a session before the Cassation Court in order to review the subject matter of the Challenge. As of June 15, 2017, we are not able to assess the likelihood of an adverse resolution regarding the Challenge, but if adversely resolved, we do not believe the resolution would have an immediate material adverse impact on our results of operations, liquidity and financial condition as there are different recourses that we could take. However, if we exhaust all legal recourses available to us, a final adverse resolution of this matter could have a material adverse impact on our operations, liquidity and financial condition.

Also, on February 23, 2014, 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 No.32/2014. As of June 15, 2017, we do not have sufficient information to assess the likelihood of the 7th Circuit of Cairo's State Council Administrative Judiciary Court cancelling the resolutions adopted by the Holding Company's shareholders, or, if such shareholders' resolutions are cancelled, how would such cancellation affect us, but if adversely resolved, we do not believe the resolution in this first instance would have an immediate material adverse impact on our results of operations, liquidity and financial condition as there are different legal recourses that we could take. However, if we exhaust all legal recourses available to us, a final adverse resolution of this matter could have a material adverse impact on our operations, liquidity and financial condition.

On April 22, 2014, Law 32/2014, which regulates legal actions to challenge agreements entered into by the Egyptian State (including its ministries, departments, special budget entities, local administrative units, authorities and state-participated companies) and third parties, was published in the Official Gazette, becoming effective as of April 23, 2014, but subject to its presentation, discussion and approval by the House of Representatives 15 days after it 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 March 31, 2017, a constitutional challenge has been filed against Law 32/2014 before the High Constitutional Court. The High Constitutional Court has 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 June 15, 2017, we are 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.

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 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 an expiration of property proceeding 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"). In order to protect its interests in the Affected Assets, CEMEX Colombia joined the expiration of property proceeding, attended each procedural stage and cooperated with the Attorney General's Office. CEMEX Colombia also requested the dismissal of the expiration of property proceeding 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 expiration of property proceeding. The expiration of property proceeding is in its investigative phase, pending the appointment of the *ad litem* curators by the Attorney General's Office. Upon appointment of the *ad litem* curators, the evidentiary phase will commence and the relevant evidence will be presented and studied. We expect that the Attorney General's Office's final decision as to whether it will proceed with the expiration of property proceeding 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 expiration of property proceeding. The Lease Agreement is currently set to expire on July 15, 2018, unless earlier terminated by the Colombian Administrator of Special Assets (*Sociedad de Activos Especiales S.A.S*) (the "SAE"), which assumed the functions of the CNND after the CNND's liquidation. CEMEX Colombia plans to negotiate an extension to the term of the Lease Agreement and intends to continue using the Affected Assets pursuant to the terms of the Lease Agreement and accompanying mandate.

Assuming that CEMEX Colombia conducted itself in good faith, and taking into account 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. Colombian law provides that, if a person builds on another person's property with the knowledge of such other person, the person that built on the property shall be compensated with the value of what was built or otherwise be transferred the property in the event the owner of the property decides to recover possession. We also believe that, during the term of the Lease Agreement and the accompanying mandate, 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 or not to extend the Lease Agreement. In either case, under Colombian law, CEMEX Colombia would be entitled to compensation for the value of the investments made in the Maceo Project. As of June 15, 2017, we were not able to assess the likelihood of CEMEX Colombia receiving an adverse decision relating to the expiration of property 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 June 15, 2017, 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 over U.S.$15 million, including cash payments and interest (based on an exchange rate of 2,880.24 Colombian Pesos to U.S.$1.00 as of March 31, 2017). Due to the expiration of property proceeding against the Affected Assets described above, the acquisition of the Affected Assets was not finalized.

During 2016, CEMEX, S.A.B. de C.V. received reports through its anonymous reporting hotline regarding potential misconduct by certain employees, including with regard to the Maceo Project. CEMEX, S.A.B. de C.V. initiated an investigation and internal audit pursuant to its corporate governance policies and its code of ethics. On September 23, 2016, CEMEX Latam disclosed that it had identified irregularities in the process for the purchase of the land related to the Maceo Project in an accusation with the Attorney General's Office so that the Attorney General's Office may take the actions it deems appropriate. Further, on December 20, 2016, CEMEX Latam enhanced such filing with additional information and findings obtained as of such date. On June 1, 2017 the Attorney General's Office petitioned a hearing for imputation of charges (*audiencia de imputación de cargos*) against two former employees of CEMEX and a representative of CI Calizas, such hearing is scheduled to take place on August 1, 2017.

On September 23, 2016, CEMEX Latam and CEMEX Colombia terminated the employment of the Vice President of Planning of CEMEX Latam, who was also CEMEX Colombia's Director of Planning, and the Legal Counsel of CEMEX Latam, who was also the General Counsel of CEMEX Colombia. In addition, effective as of September 23, 2016, the Chief Executive Officer of CEMEX Latam, 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 CEMEX Latam resolved to split the roles of Chairman of the Board of Directors of CEMEX Latam, Chief Executive Officer of CEMEX Latam and Director of CEMEX Colombia, and appointed a new Chairman of the Board of Directors of CEMEX Latam, a new Chief Executive Officer of CEMEX Latam, a new Director of CEMEX Colombia and a new Vice President of Planning of CEMEX Latam and CEMEX Colombia. A new legal counsel for CEMEX Latam 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 CEMEX Latam's audit committees, CEMEX Colombia retained external counsel to assist CEMEX Latam 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 engaged, as well.

The Attorney General's Office is investigating the irregularities in connection with the transactions conducted pursuant to the MOU and the Land MOU. Such investigation is in its initial phase and, as such, we cannot predict what actions, if any, the Attorney General's Office may implement. Any actions by the Attorney General's Office and any actions taken by us in response to the aforementioned irregularities regarding the Maceo Project, including, but not limited to, the departure of the abovementioned executives, could have a material adverse effect on our results of operations, liquidity or financial condition.

SEC Investigation Relating to the Legal Proceedings in Colombia. 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. These subpoenas do not mean that the SEC has concluded that CEMEX, S.A.B. de C.V. or any of its affiliates violated the law. As discussed in "*— Maceo, Colombia—Legal Proceedings in Colombia,"* internal audits and investigations by CEMEX, S.A.B. de C.V. and CEMEX Latam 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 CEMEX Latam's internal controls. As announced on September 23, 2016, the CEMEX Latam and CEMEX Colombia officers responsible for the implementation and execution of the above referenced payments were terminated and the then Chief Executive Officer of CEMEX Latam resigned. CEMEX, S.A.B. de C.V. has been cooperating with the SEC and the Attorney General's Office and intends to continue cooperating fully with the SEC and the Attorney General's Office. It is possible that the United States Department of Justice or investigatory entities in other jurisdictions may also open investigations into this matter. To the extent they do so, CEMEX, S.A.B. de C.V. intends to cooperate fully with any such inquiries. As of June 15, 2017, CEMEX, S.A.B. de C.V. is unable to predict the duration, scope, or outcome of the SEC investigation or any other investigation that may arise; however, CEMEX,

S.A.B. de C.V. does not expect the SEC investigation to have a material adverse impact on its consolidated results of operations, liquidity or financial position.

Maceo, Colombia—Operational Matters. On October 27, 2016, CEMEX Latam decided to postpone the commencement of operations of the cement plant in Maceo, Colombia. This decision was mainly due to the following circumstances:

(1) CEMEX Colombia has not received permits required to finalize road access to such cement plant. If such permits are obtained, CEMEX Latam estimates that the road access could be available in July 2017. The only existing access to such cement plant cannot guarantee safety or operations and could limit the capacity to transport products from the cement plant;

(2) CEMEX Colombia has not received a final response to the 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 CEMEX Colombia's capability to consolidate the benefits that would otherwise be available for CEMEX Colombia in the area. As of June 15, 2017, the Colombian Ministry of Trade, Industry and Tourism (*Ministerio de Comercio, Industria y Turismo*) has not reached a final decision with respect to CEMEX Colombia's request to expand the free trade zone. CEMEX Colombia believes the delay in such decision could be related to the expiration of property proceeding against the Affected Assets, as discussed in "*—Maceo, Colombia—Legal Proceedings in Colombia*";

(3) The environmental license and the mining concession related to the Maceo Project are currently held by different legal entities, which is contrary to typical procedure in Colombia. The environmental license related to the Maceo Project is held by Central de Mezclas S.A. ("Central de Mezclas"), a subsidiary of CEMEX Colombia. However, the mining permit related to the Maceo Project was remanded back to CI Calizas as a result of the revocation of such mining concession by the Mining Secretariat (*Secretaría de Minas*) of Antioquia in December 2013; and

(4) CEMEX Colombia determined that the area covered by the environmental license related to the Maceo Project partially overlapped with a District of Integrated Management (*Distrito de Manejo Integrado*), which could limit the granting of the environmental license modification. Such modification seeks to achieve an increase in the proposed production under the project of up to 950,000 tons.

In connection with the environmental license that had been issued for the Maceo Project, during the second half of 2016, Corantioquia, the regional environmental agency with jurisdiction over the Maceo Project environmental license, requested authorization and consent from Central de Mezclas to reverse the assignment of the environmental license for the Maceo Project back to CI Calizas, which also holds the corresponding mining title. Central de Mezclas has petitioned Corantioquia to evaluate the basis for such request.

CEMEX Colombia had requested a modification to the environmental license, and on December 13, 2016, Corantioquia notified Central de Mezclas that it had adopted the decision to deny the request for modification of the environmental license related to the Maceo Project to 950,000 tons per annum on the basis of the overlap of the project area with the District of Integrated Management. On December 14, 2016, Central de Mezclas appealed the decision. On March 28, 2017, Central de Mezclas was notified of Corantioquia's decision, which affirmed the decision that had previously denied the modification of the environmental license for a 950,000 per annum project. As a result, as of June 15, 2017, CEMEX Colombia was actively working on the zoning and compatibility of the District of Integrated Management, as well as analyzing alternatives for a partial adjustment to the District of Integrated Management, to avoid future discussions regarding feasibility of expanding the proposed production in the Maceo Project beyond 950,000 tons per annum.

Once these alternatives are implemented, CEMEX Colombia will reconsider submitting a new request pursuing the modification of the environmental license to expand its production of 950,000 tons per annum as initially planned. In the meantime, CEMEX Colombia will limit its activities to those that do not have a negative impact on the District of Integrated Management.

CEMEX Colombia and Central de Mezclas plan to continue to work on solving the issues causing the

postponement of the commissioning of the Maceo Project cement 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 expiration of property proceeding against the Affected Assets. As of June 15, 2017, 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 Project cement 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 approximately €55 million (approximately U.S.$58.63 million as of March 31, 2017, based on an exchange rate of €0.9380 to U.S.$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 approximately €55 million (approximately U.S.$58.63 million as of March 31, 2017, based on an exchange rate of €0.9380 to U.S.$1.00). We believe this judgment is not enforceable. On June 6, 2016, CEMEX Granulats filed the notice of appeal with the appeals court in Lyon, France and on September 5, 2016, CEMEX Granulats filed the first submission of the full appeal together with its arguments and evidence. Proceedings on any additional hearings regarding this appeal or any other actions CEMEX Granulats may initiate in this matter could take approximately 18 months to be finalized. There can be no assurance as to whether or not CEMEX Granulats will receive an adverse result to any appeals or any other recourses it may pursue. An adverse resolution on this matter could have a material adverse impact on our results of operations, liquidity and financial condition.

As of June 15, 2017, we are involved in various legal proceedings involving, but not limited to, product warranty claims, environmental claims, claims regarding the procurement and supply of products, indemnification claims relating to divestments and acquisitions and similar types of claims brought against us that have arisen in the ordinary course of business. We believe we have made adequate provisions to cover both current and contemplated general and specific litigation risks, and we believe these matters will be resolved without any significant effect on our operations, financial position and results of operations. We are sometimes able to make and disclose reasonable estimates of the expected loss or range of possible loss, as well as disclose any provision accrued for such loss. However, for a limited number of ongoing legal proceedings, we may not be able to make a reasonable estimate of the expected loss or range of possible loss or may be able to do so but believe that disclosure of such information on a case-by-case basis would seriously prejudice our position in the ongoing legal proceedings or in any related settlement discussions. Accordingly, in these cases, we have disclosed qualitative information with respect to the nature and characteristics of the contingency, but have not disclosed the estimate of the range of potential loss.

SCHEDULE 13
MATERIAL SUBSIDIARIES

As at 31 December 2016

Assiut Cement Company

Cementos Bayano, S.A.

CEMEX Asia B.V.

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

CEMEX Colombia, S.A.

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

CEMEX Construction Materials Florida LLC

CEMEX Construction Materials Pacific LLC

CEMEX Corp.

CEMEX Egypt for Distribution S.A.E.

Cemex Egyptian Investment B.V.

CEMEX España, S.A.

CEMEX Finance LLC

CEMEX France Gestion (S.A.S.)

CEMEX, Inc.

CEMEX Investments Limited

CEMEX Materials, LLC

CEMEX México, S.A. de C.V.

CEMEX Operaciones México, S.A. de C.V.

CEMEX Research Group AG

CEMEX TRADEMARKS HOLDING Ltd.

CEMEX UK

CEMEX UK Operations Limited

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

Corporación Cementera Latinoamericana, S.L.U.

Empresas Tolteca de México, S.A. de C.V.

Interamerican Investments, Inc.

New Sunward Holding BV

Sunbelt Investment, Inc.

SCHEDULE 14
TIMETABLES

	Loans in dollars	**Loans in sterling**	**Loans in euro**
Delivery of a duly completed Utilisation Request (Clause 5.1 (*Delivery of a Utilisation Request*) or a Selection Notice (Clause 10.1 (*Selection of Interest Periods*))	U-3 9:30 a.m.	U-3 9:30 a.m.	U-3 9:30 a.m.
Agent notifies the Lenders of the Loan in accordance with Clause 5.4 (*Lenders' participation*)	U-3 3:00 p.m.	U-3 3:00 p.m.	U-3 3:00 p.m.
LIBOR or EURIBOR is fixed	Quotation Day 11:00 a.m. in respect of LIBOR	Quotation Day 11:00 a.m. in respect of LIBOR	Quotation Day 11:00 a.m. (Brussels time) in respect of EURIBOR
Delivery of funds corresponding to each Lender's participation in the Loan	U 9:00 a.m.	U 9.00 a.m.	U 9:00 a.m.

"**U**" = date of utilisation or, if applicable, in the case of a Loan that has already been borrowed, the first day of the relevant Interest Period for that Loan.

"**U – X**" = X Business Days prior to date of utilisation or, if applicable, in the case of a Loan that has already been borrowed, the first day of the relevant Interest Period for that Loan.

SCHEDULE 15
FORM OF CONFIDENTIALITY UNDERTAKING

CONFIDENTIALITY UNDERTAKING

[Letterhead of Potential Purchaser]

To: [*Insert name of Seller*]

From: [*Insert name of Potential Purchaser*]

Dated:

Dear Sirs

CEMEX, S.A.B. de C.V. – Facilities Agreement
dated [ ] July 2017 (the "Facilities Agreement")

We are considering acquiring an interest in the Facilities Agreement which, subject to the terms of the Facilities Agreement, may be by way of novation, assignment, the entering into, whether directly or indirectly, of a sub-participation or any other similar transaction under which payments are to be made or may be made by reference to one or more relevant Finance Documents and/or one or more relevant Obligors or by way of investing in or otherwise financing, directly or indirectly, any such novation, assignment, sub-participation or other similar transaction (each, an "**Acquisition**"). In consideration of you agreeing to make available to us certain information in relation to each Acquisition, by our signature of this letter we agree as follows (acknowledged and agreed by you by your signature of a copy of this letter):

1. **Confidentiality Undertaking**

We undertake in relation to each Acquisition whether completed or not, (a) to keep all Confidential Information confidential and not to disclose it to anyone, save to the extent permitted by paragraph 2 below and to ensure that all Confidential Information is protected with security measures and a degree of care that would apply to our own confidential information, (b) until that Acquisition is completed to use the Confidential Information only for the Permitted Purpose, (c) to keep confidential and not disclose to anyone except as provided for by paragraph 2 below the fact that the Confidential Information has been made available or that discussions or negotiations are taking place or have taken place between us in connection with the Facilities, and (d) to use all reasonable endeavours to ensure that any person to whom we pass any Confidential Information (unless disclosed under paragraph 2 below) acknowledges and complies with the provisions of this letter as if that person were also a party to it.

2. **Permitted Disclosure**

You agree that we may disclose:

2.1 to any of our Affiliates and any of our or their officers, directors, employees, professional advisers and auditors such Confidential Information as we shall consider appropriate if any person to whom the Confidential Information is to be given pursuant to this paragraph 2.1 is informed in writing of its confidential nature and that

some or all of such Confidential Information may be price-sensitive information, except that there shall be no such requirement to so inform if the recipient is subject to professional obligations to maintain the confidentiality of the information or is otherwise bound by requirements of confidentiality in relation to the Confidential Information;

2.2 subject to the requirements of the Facilities Agreement, to any person:

(a) to (or through) whom we assign or transfer (or may potentially assign or transfer) all or any of our rights and/or obligations which we may acquire under the Facilities Agreement such Confidential Information as we shall consider appropriate if the person to whom the Confidential Information is to be given pursuant to this sub-paragraph (a) of paragraph 2.2 has delivered a letter to you materially in equivalent form to this letter;

(b) with (or through) whom we enter into (or may potentially enter into) any sub-participation in relation to, or any other transaction under which payments are to be made or may be made by reference to the Facilities Agreement in relation to that Acquisition or any Obligor such Confidential Information as we shall consider appropriate if the person to whom the Confidential Information is to be given pursuant to this sub-paragraph (b) of paragraph 2.2 has delivered a letter to you in materially equivalent form to this letter;

(c) to whom information is required or requested to be disclosed by any governmental, banking, taxation or other regulatory authority or similar body, the rules of any recognised stock exchange or pursuant to any applicable law or regulation such Confidential Information as we shall consider appropriate; and

2.3 notwithstanding paragraphs 2.1 and 2.2 above, Confidential Information to such persons to whom, and on the same terms as, a Finance Party is permitted to disclose Confidential Information under the Facilities Agreement to which that Acquisition relates, as if such permissions were set out in full in this letter and as if references in those permissions to Finance Party were references to us for the purposes of that Acquisition.

3. **Notification of Disclosure**

We agree in relation to each Acquisition (whether completed or not), (to the extent permitted by law and regulation) to inform you:

3.1 of the circumstances of any disclosure of Confidential Information made pursuant to sub-paragraph (c) of paragraph 2.2 above, except where such disclosure is made to any of the persons referred to in that paragraph during the ordinary course of its supervisory or regulatory function; and

3.2 upon becoming aware that Confidential Information has been disclosed in breach of this letter.

4. **Return of Copies**

If we do not enter into or complete the Acquisition and you so request in writing, we shall return all Confidential Information supplied by you to us in relation to that Acquisition and destroy or permanently erase (to the extent technically practicable) all copies of Confidential Information made by us and use all reasonable endeavours to ensure that anyone to whom we have supplied any Confidential Information destroys or permanently erases (to the extent technically practicable) such Confidential Information and any copies made by them, in each case save to the extent that we or the recipients are required to retain any such Confidential Information by any applicable law, rule or regulation or by any competent judicial, governmental, supervisory or regulatory body or in accordance with internal policy, or where the Confidential Information has been disclosed under sub-paragraph (c) of paragraph 2.2 above.

5. **Continuing Obligations**

The obligations in this letter are continuing and, in particular, shall survive and remain binding on us in relation to each Acquisition (whether completed or not) until (a) if we become a party to the Facilities Agreement as a lender of record, the date on which we become such a party to the Facilities Agreement; (b) if we enter into the Acquisition but it does not result in us becoming a party to the Facilities Agreement as a lender of record, the date falling twelve months after the date on which all of our rights and obligations contained in the documentation entered into to implement the Acquisition have terminated; or (c) in any other case the date falling twelve months after the date at which we have returned all Confidential Information supplied by you to us and destroyed or permanently erased (to the extent technically practicable) all copies of Confidential Information made by us (other than any such Confidential Information or copies which have been disclosed under paragraph 2 above (other than paragraph 2(a)) or which, pursuant to paragraph 4 above, are not required to be returned or destroyed).

6. **No Representation; Consequences of Breach, etc**

We acknowledge and agree that:

6.1 neither you, nor any member of the Group nor any of your or their respective officers, employees or advisers (each a "**Relevant Person**") (i) make any representation or warranty, express or implied, as to, or assume any responsibility for, the accuracy, reliability or completeness of any of the Confidential Information or any other information supplied by you in relation to the Acquisition or the assumptions on which it is based or (ii) shall be under any obligation to update or correct any inaccuracy in the Confidential Information or any other information supplied by you in relation to the Acquisition or be otherwise liable to us or any other person in respect of the Confidential Information or any such information; and

6.2 you or members of the Group may be irreparably harmed by the breach of the terms of this letter and damages may not be an adequate remedy; each Relevant Person may be granted an injunction or specific performance for any threatened or actual breach of the provisions of this letter by us.

7. **Entire Agreement: No Waiver; Amendments, etc**

7.1 This letter constitutes the entire agreement between us in relation to our obligations regarding Confidential Information and supersedes any previous agreement, whether express or implied, regarding Confidential Information.

7.2 No failure to exercise, nor any delay in exercising, any right or remedy under this letter will operate as a waiver of any such right or remedy or constitute an election to affirm this letter. No election to affirm this letter will be effective unless it is in writing. No single or partial exercise of any right or remedy will prevent any further or other exercise thereof or the exercise of any other right or remedy under this letter.

7.3 The terms of this letter and our obligations under this letter may only be amended or modified by written agreement between the parties and the Borrower.

8. **Inside Information**

We acknowledge that some or all of the Confidential Information is or may be price-sensitive information and that the use of such information may be regulated or prohibited by applicable legislation including securities laws relating to insider dealing and market abuse, and we undertake not to use any Confidential Information for any unlawful purpose.

9. **Nature of Undertakings**

The undertakings given by us under this letter are given to you and are also given for the benefit of the Borrower and each other member of the Group.

10. **Third Party Rights**

10.1 Subject to this paragraph 10 and to paragraphs 6 and 9, a person who is not a party to this letter has no right under the Contracts (Rights of Third Parties) Act 1999 (the "**Third Parties Act**") to enforce or to enjoy the benefit of any term of this letter.

10.2 The Relevant Persons may enjoy the benefit of the terms of paragraphs 6 and 9 subject to and in accordance with this paragraph 10 and the provisions of the Third Parties Act.

10.3 Notwithstanding any provisions of this letter, the parties to this letter do not require the consent of any Relevant Person (other than the Borrower) to rescind or vary this letter at any time.

11. **Governing Law and Jurisdiction**

11.1 This letter (including the agreement constituted by your acknowledgement of its terms) (the "**Letter**") and any non-contractual obligations arising out of or in connection with it (including any non-contractual obligations arising out of the negotiation of the transaction contemplated by this Letter) are governed by English law.

11.2 The parties hereto agree that the courts of England have non-exclusive jurisdiction to settle any dispute arising out of or in connection with this Letter (including a dispute

relating to any non-contractual obligation arising out of or in connection with either this Letter or the negotiation of the transaction contemplated by this Letter) and hereby waive any right to which any of them may be entitled on account of place of their present or future residence or domicile or for any other reason.

12. **Definitions**

In this letter (including the acknowledgement set out below) terms defined in the Facilities Agreement shall, unless the context otherwise requires, have the same meaning and:

"**Confidential Information**" means, in relation to each Acquisition, all information relating to the Borrower, any Obligor, the Group, the Finance Documents, the Facilities and/or the Acquisition which is provided to us in relation to the Finance Documents or the Facilities by you or any of your affiliates or advisers, in whatever form, and includes information given orally and any document, electronic file or any other way of representing or recording information which contains or is derived or copied from such information but excludes information that:

(a) is or becomes public information other than as a direct or indirect result of any breach by us of this letter; or

(b) is identified in writing at the time of delivery as non-confidential by you or your advisers; or

(c) is known by us before the date the information is disclosed to us by you or any of your affiliates or advisers or is lawfully obtained by us after that date, from a source which is, as far as we are aware, unconnected with the Group and which, in either case, as far as we are aware, has not been obtained in breach of, and is not otherwise subject to, any obligation of confidentiality.

"**Group**" means the Borrower and each of its subsidiaries for the time being.

"**Permitted Purpose**" means considering and evaluating whether to enter into and complete the Acquisition.

Please acknowledge your agreement to the above by signing and returning the enclosed copy of this letter.

Yours faithfully

_____

For and on behalf of

[*Potential Purchaser*]

To: [*Potential Purchaser*]

We acknowledge and agree to the above:

_____

For and on behalf of

[*Seller*]

SCHEDULE 16
FORM OF ACCORDION CONFIRMATION

To: [●] as Agent, **[●]** as Security Agent for itself and each of the other parties to the Intercreditor Agreement referred to below, and CEMEX, S.A.B. de C.V. as the Borrower, for and on behalf of each Obligor

From: [*the Increase Lender*] (the "**Accordion Lender**")

Dated:

CEMEX, S.A.B. de C.V. – Facilities Agreement
dated [ ] July 2017 (the "Facilities Agreement")

1. We refer to the Facilities Agreement and to the Intercreditor Agreement (as defined in the Facilities Agreement). This agreement (the "**Agreement**") shall take effect as an Accordion Confirmation for the purpose of the Facilities Agreement and as a Creditor/Agent/Security Agent Accession Undertaking (as defined in the Intercreditor Agreement) for the purposes of the Intercreditor Agreement (and as defined in the Intercreditor Agreement). Terms defined in the Facilities Agreement have the same meaning in this Agreement unless given a different meaning in this Agreement.

2. We refer to Clause 2.2 (*Accordion*) of the Facilities Agreement.

3. The Accordion Lender agrees to assume and will assume all of the obligations corresponding to the Commitment specified in the Schedule (the "**Relevant Commitment**") as if it was an Original Lender under the Facilities Agreement.

4. The proposed date on which the increase in relation to the Accordion Lender and the Relevant Commitment is to take effect (the "**Increase Date**") is [●].

5. The Availability Period for the first Utilisation of the Relevant Commitment means the period from and including the Increase Date to the date falling 15 Business Days after the Increase Date.

6. On the Increase Date, the Accordion Lender becomes:

   (a) party to the relevant Finance Documents (other than the Intercreditor Agreement) as a Lender; and

   (b) party to the Intercreditor Agreement as a Refinancing Creditor (as defined in the Intercreditor Agreement).

7. The Facility Office and address, fax number and attention details for notices to the Lender for the purposes of Clause 34.2 (*Addresses*) are set out in the Schedule.

8. The Accordion Lender expressly acknowledges the limitations on the Lenders' obligations referred to in paragraph (i) of Clause 2.2 (*Accordion*).

9. The Accordion Lender confirms, for the benefit of the Agent and without liability to any Obligor, that it is [a Qualifying Lender (other than a Treaty Lender)]/[a Treaty Lender]/[not a Qualifying Lender]*.

10. We refer to clause 14.6 (*Creditor/Agent/Security Agent Accession Undertaking*) of the Intercreditor Agreement.

    In consideration of the Accordion Lender being accepted as a Refinancing Creditor for the purposes of the Intercreditor Agreement (and as defined in the Intercreditor Agreement), the Accordion Lender confirms that, as from the Increase Date, it intends to be party to the Intercreditor Agreement as a Refinancing Creditor, and undertakes to perform all the obligations expressed in the Intercreditor Agreement to be assumed by a Refinancing Creditor and agrees that it shall be bound by all the provisions of the Intercreditor Agreement, as if it had been an original party to the Intercreditor Agreement.

11. For the purposes of articles 1278 *et seq*. of the French Civil Code, it is expressly agreed that the Security created under the Security Documents governed by French law shall be preserved and maintained for the benefit of the Security Agent, the Accordion Lender and the remaining Finance Parties.

12. The Accordion Lender may, in the case of an assignment of rights by the Existing Lender under this Transfer Certificate, if it considers it necessary to make the assignment effective against third parties, arrange for it to be notified to any Obligor established or domiciled in France in accordance with the provisions of article 1690 of the French Civil Code.

13. This Agreement may be executed in any number of counterparts and this has the same effect as if the signatures on the counterparts were on a single copy of this Agreement.

14. This Agreement and any non-contractual obligations arising out of or in connection with it are governed by English law.

15. This Agreement has been entered into on the date stated at the beginning of this Agreement.

Note: **The execution of this Accordion Confirmation may not be sufficient for the Accordion Lender to obtain the benefit of the Transaction Security in all jurisdictions. It is the responsibility of the Accordion Lender to ascertain whether any other documents or other formalities are required to obtain the benefit of the Transaction Security in any jurisdiction and, if so, to arrange for execution of those documents and completion of those formalities.**

THE SCHEDULE

Relevant Commitment/rights and obligations to be assumed by the Accordion Lender

[*insert relevant details*]

Accordion Lender's Facility A Commitment

[●]

Accordion Lender's Facility B Commitment

[●]

Accordion Lender's Facility C Commitment

[●]

Accordion Lender's Facility D1 Commitment

[●]

Accordion Lender's Facility D2 Commitment

[●]

[Note: includes provision for a new tranche as per accordion provisions]

[*Facility Office address, fax number and attention details for notices and account details for payments***]**

[Accordion Lender]

By:

This Agreement is accepted as an Accordion Confirmation for the purposes of the Facilities Agreement by the Agent, and as a Creditor/Agent/Security Agent Accession Undertaking for the purposes of the Intercreditor Agreement by the Security Agent and the Increase Date is confirmed as [●].

For and on behalf of

Agent

By:

For and on behalf of

Security Agent

By:

NOTES:

* Delete as applicable - each Accordion Lender is required to confirm which of these three categories it falls within.

The Borrower

For and on behalf of

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

By: /s/ Francisco Javier Garcia Ruiz de Morales
Francisco Javier Garcia Ruiz de Morales

The Original Lenders

For and on behalf of

Banco Bilbao Vizcaya Argentaria, S.A. as Original Lender

By: /s/ Miguel Castillo
Miguel Castillo

/s/ Bosco Eguilior
Bosco Eguilior

For and on behalf of

Banco Mercantil del Norte, S.A., Institución de Banca Múltiple, Grupo Financiero Banorte as Original Lender

By: /s/ Fidel Garcia Chapo
Fidel Garcia Chapo

/s/ René D. Sotomayor
René D. Sotomayor

For and on behalf of

Banco Nacional de Comercio Exterior, Sociedad Nacional de Crédito,

Institución de Banca de Desarrollo as Original Lender

By: /s/ Adriana Pérez Cáceres
Adriana Pérez Cáceres

For and on behalf of

Banco Nacional de México, S.A., integrante del Grupo Financiero Banamex as Original Lender

By: /s/ Salvador Guerra Pérez
Salvador Guerra Pérez
Sub-director

/s/ Julio Alvarez González
Julio Alvarez González
Managing Director
Banca Corporativa y de inversión
213 - 53

For and on behalf of

Banco Santander (México) S.A., Institución de Banca Múltiple, Grupo Financiero Santander México as Original Lender

By: /s/ Banco Santander (México) S.A.,
/s/ Institución de Banca Múltiple, Grupo Financiero Santander México

For and on behalf of

Bank of America N.A., London Branch as Original Lender

By: /s/ Bank of America N.A., London Branch

For and on behalf of

Bayerische Landesbank, New York Branch as Original Lender

By: /s/ Rolf Siebert
Rolf Siebert
Executive Director

By: /s/ Michael Hintz
Michael Hintz
Senior Director

For and on behalf of

BBVA Bancomer S.A., Institución de Banca Múltiple, Grupo Financiero BBVA Bancomer as Original Lender

By: /s/ Ernesto Enrique Meier Moran
Ernesto Enrique Meier Moran

/s/ David Gerardo Licon Saenz
David Gerardo Licon Saenz

For and on behalf of

BNP PARIBAS, New York as Original Lender

By: /s/ Julien Pecoud-Bouvet
Julien Pecoud-Bouvet
Vice President

By: /s/ Sang W. Han
Sang W. Han
Vice President

For and on behalf of

BNP PARIBAS, S.A. Sucursal en España as Original Lender

By: /s/ Jaime Rumeu de Armas
Jaime Rumeu de Armas
Head of Coverage Multinational

/s/ Patricia Sendino Gómez
Patricia Sendino Gómez
Senior Legal Counsel

For and on behalf of

Citibank, N.A. International Banking Facility as Original Lender

By: /s/ Citibank, N.A. International Banking Facility

Attorney-in-Fact

For and on behalf of

Crédit Agricole Corporate and Investment Bank as Original Lender

By: /s/ Jaime Frontera
Jaime Frontera
Managing Director

For and on behalf of

Crédit Agricole Corporate and Investment Bank as Original Lender

By: /s/ Rose Mary Perez
Rose Mary Perez
Director

For and on behalf of

Crédit Industriel et Commercial, London Branch as Original Lender

By: /s/ Ben Travers
Ben Travers
Corporate Finance Manager

/s/ Alexandre Berthier
Alexandre Berthier
Corporate Finance Manager

For and on behalf of

Export Development Canada as Original Lender

By: /s/ Marie Poulin
Marie Poulin
Financing Manager

/s/ Jeff Patterson
Jeff Patterson
Manager

For and on behalf of

HSBC Bank plc, Sucursal en España as Original Lender

By: /s/ Antonio Vilela
Antonio Vilela

/s/ Javier Rubio
Javier Rubio

For and on behalf of

HSBC Bank USA, National Association as Original Lender

By: /s/ Christopher Samms
Christopher Samms, Senior Vice President, #9426

For and on behalf of

HSBC México, S.A., Institución de Banca Múltiple, Grupo Financiero HSBC as Original Lender

By: /s/ HSBC México, S.A., /s/ Institución de Banca Múltiple, Grupo Financiero HSBC

For and on behalf of

ING Bank N.V., Dublin Branch as Original Lender

By: /s/ Barry Fehily
Barry Fehily
Managing Director

/s/ Shaun Hawley
Shaun Hawley
Director

For and on behalf of

Intesa Sanpaolo S.p.A. as Original Lender

By: /s/ Glen Binder
Glen Binder
GRM

/s/ Francesco Di Mario
Francesco Di Mario
FVP, Credit Manager

For and on behalf of

JPMorgan Chase Bank, N.A. as Original Lender

By: /s/ Christophe Vohmann
Christophe Vohmann
Executive Director

For and on behalf of

Mizuho Bank, Ltd. as Original Lender

By: /s/ Keiichi Niinuma

For and on behalf of

National Westminster Bank plc as Original Lender

By: /s/ National Westminster Bank plc

For and on behalf of

Sabcapital, S.A. de C.V., Sociedad Financiera de Objeto Múltiple, Entidad Regulada as Original Lender

By: /s/ Eduardo Barrera Moñtanez
Attorney-in-Fact

For and on behalf of

Société Générale as Original Lender

By: /s/ Nigel Elvey
Nigel Elvey
Director

For and on behalf of

Sumitomo Mitsui Banking Corporation as Original Lender

By: /s/ Carl Adams
Carl Adams
Managing Director

The Original Guarantors

For and on behalf of

CEMEX Asia B.V. as Original Guarantor

By: /s/ Patricio Trevino Garza
Patricio Trevino Garza

For and on behalf of

CEMEX Concretos, S.A. de C.V. as Original Guarantor

By: /s/ Francisco Javier Garcia Ruiz de Morales
Francisco Javier Garcia Ruiz de Morales

For and on behalf of

CEMEX Corp. as Original Guarantor

By: /s/ Patricio Trevino Garza
Patricio Trevino Garza

For and on behalf of

CEMEX Egyptian Investments B.V. as Original Guarantor

By: /s/ Patricio Trevino Garza
Patricio Trevino Garza

For and on behalf of

CEMEX España, S.A. as Original Guarantor

By: /s/ Francisco Javier Garcia Ruiz de Morales
Francisco Javier Garcia Ruiz de Morales

For and on behalf of

CEMEX Finance LLC (formerly known as CEMEX España Finance LLC) as Original Guarantor

By: /s/ Patricio Trevino Garza
Patricio Trevino Garza

For and on behalf of

CEMEX France Gestion (S.A.S.) as Original Guarantor

By: /s/ Patricio Trevino Garza
Patricio Trevino Garza

For and on behalf of

CEMEX México, S.A. de C.V. as Original Guarantor

By: /s/ Francisco Javier Garcia Ruiz de Morales
Francisco Javier Garcia Ruiz de Morales

For and on behalf of

Cemex Research Group AG as Original Guarantor

By: /s/ Patricio Trevino Garza
Patricio Trevino Garza

For and on behalf of

CEMEX UK as Original Guarantor

By: /s/ Patricio Trevino Garza
Patricio Trevino Garza

For and on behalf of

Empresas Tolteca de México, S.A. de C.V. as Original Guarantor

By: /s/ Francisco Javier Garcia Ruiz de Morales
Francisco Javier Garcia Ruiz de Morales

For and on behalf of

New Sunward Holding B.V. as Original Guarantor

By: /s/ Patricio Trevino Garza
Patricio Trevino Garza

The Original Security Providers

For and on behalf of

CEMEX Central, S.A. de C.V. as Original Security Provider

By: /s/ Francisco Javier Garcia Ruiz de Morales
Francisco Javier Garcia Ruiz de Morales

For and on behalf of

CEMEX México, S.A. de C.V. as Original Security Provider

By: /s/ Francisco Javier Garcia Ruiz de Morales
Francisco Javier Garcia Ruiz de Morales

For and on behalf of

CEMEX Operaciones México, S.A. de C.V. as Original Security Provider

By: /s/ Francisco Javier Garcia Ruiz de Morales
Francisco Javier Garcia Ruiz de Morales

For and on behalf of

CEMEX TRADEMARKS HOLDING Ltd. as Original Security Provider

By: /s/ Patricio Trevino Garza
Patricio Trevino Garza

For and on behalf of

CEMEX, S.A.B. de C.V. as Original Security Provider

By: /s/ Francisco Javier Garcia Ruiz de Morales
Francisco Javier Garcia Ruiz de Morales

For and on behalf of

Empresas Tolteca de México, S.A. de C.V. as Original Security Provider

By: /s/ Francisco Javier Garcia Ruiz de Morales
Francisco Javier Garcia Ruiz de Morales

For and on behalf of

Interamerican Investments, Inc. as Original Security Provider

By: /s/ Patricio Trevino Garza
Patricio Trevino Garza

For and on behalf of

New Sunward Holding B.V. as Original Security Provider

By: /s/ Patricio Trevino Garza
Patricio Trevino Garza

The Agent

For and on behalf of

CITIBANK Europe plc, UK Branch

By: /s/ Robert Skews
Robert Skews

The Security Agent

For and on behalf of

WILMINGTON TRUST (LONDON) LIMITED

By: /s/ Keith Reader
Keith Reader
Authorised Signatory

Exhibit 4.30

EXECUTION VERSION

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

THE NOTE GUARANTORS PARTY HERETO,

THE BANK OF NEW YORK MELLON,

AS TRUSTEE

AND

THE BANK OF NEW YORK MELLON, LONDON BRANCH,

AS PAYING AGENT AND TRANSFER AGENT

2.750% SENIOR SECURED NOTES DUE 2024 INDENTURE

(€ Denominated Notes)

Dated as of December 5, 2017

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INDENTURE, dated as of December 5, 2017, among CEMEX, S.A.B. de C.V., a publicly traded stock corporation with variable capital (*sociedad anónima bursátil de capital variable*) organized under the laws of the United Mexican States (the "Issuer"), the guarantors listed on Schedule I hereto, as guarantors of the Issuer's obligations under this Indenture and the Notes, The Bank of New York Mellon, as trustee (the "Trustee") and The Bank of New York Mellon, London Branch, as paying agent (the "Paying Agent") and transfer agent (the "Transfer Agent").

Each party agrees as follows for the benefit of the other parties and for the equal and ratable benefit of the Holders of the Issuer's 2.750% Senior Secured Notes due 2024 issued hereunder.

ARTICLE I

DEFINITIONS AND INCORPORATION BY REFERENCE

Section 1.1 Definitions.

"Acquired Indebtedness" means Indebtedness of a Person or any of its Subsidiaries existing at the time such Person becomes a Restricted Subsidiary or at the time it merges or consolidates with the Issuer or any of its Restricted Subsidiaries or is assumed in connection with the acquisition of assets from such Person. Such Indebtedness will be deemed to have been Incurred at the time such Person becomes a Restricted Subsidiary or at the time it merges or consolidates with the Issuer or a Restricted Subsidiary or at the time such Indebtedness is assumed in connection with the acquisition of assets from such Person.

"Acquired Subsidiary" means any Subsidiary acquired by the Issuer or any other Subsidiary after the Issue Date in an Acquisition, and any Subsidiaries of such Acquired Subsidiary on the date of such Acquisition.

"Acquiring Subsidiary" means any Subsidiary formed by the Issuer or one of its Subsidiaries solely for the purpose of participating as the acquiring party in any Acquisition, and any Subsidiaries of such Acquiring Subsidiary acquired in such Acquisition.

"Acquisition" means any merger, consolidation, acquisition or lease of assets, acquisition of securities or business combination or acquisition, or any two or more of such transactions, if, upon the completion of such transaction or transactions, the Issuer or any Restricted Subsidiary thereof has acquired an interest in any Person who would be deemed to be a Restricted Subsidiary under this Indenture and was not a Restricted Subsidiary prior thereto.

"Additional Amounts" has the meaning assigned to it in Section 3.21(b).

"Additional Note Certificate" has the meaning assigned to it in Section 2.14(b).

"Additional Note Guarantors" means New Sunward Holding B.V., CEMEX Concretos, S.A. de C.V. and Empresas Tolteca de México, S.A. de C.V.

"Additional Note Supplemental Indenture" means a supplement to this Indenture duly executed and delivered by the Issuer, each Note Guarantor and the Trustee pursuant to Article IX providing for the issuance of Additional Notes.

"Additional Notes" has the meaning assigned to it in Section 2.14(a).

"Affiliate" means, with respect to any specified Person, any other Person who directly or indirectly through one or more intermediaries controls, or is controlled by, or is under common control with, such specified Person. The term "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise. For purposes of this definition, the terms "controlling," "controlled by" and "under common control with" have correlative meanings.

"Affiliate Transaction" has the meaning assigned to it in Section 3.18(a).

"Agent Members" has the meaning assigned to it in Section 2.7(b).

"Agents" means, collectively, the Registrar, any co-Registrar, the Paying Agents, the Transfer Agent and any other agent appointed by the Issuer hereunder.

"Applicable Procedures" means, with respect to any transfer or exchange of or for beneficial interests in a Global Note, the rules and procedures of Euroclear and Clearstream, as the case may be, that apply to such transfer or exchange, including the "Operating Procedures of the Euroclear System" and "Terms and Conditions Governing Use of Euroclear" of Euroclear and the "General Terms and Conditions of Clearstream Banking" and "Customer Handbook" of Clearstream.

"Asset Sale" means any direct or indirect sale, disposition, issuance, conveyance, transfer, lease (other than an operating lease entered into in the ordinary course of business), assignment or other transfer, including a Sale and Leaseback Transaction (each, a "disposition") by the Issuer or any Restricted Subsidiary of:

(a) any Capital Stock other than Capital Stock of the Issuer; or

(b) any property or assets (other than cash, Cash Equivalents or Capital Stock) of the Issuer or any Restricted Subsidiary;

Notwithstanding the preceding, the following will not be deemed to be Asset Sales:

(1) the disposition of all or substantially all of the assets of the Issuer and its Restricted Subsidiaries as permitted under Section 3.12;

(2) any disposition of equipment that is not usable or is obsolete or worn out equipment in the ordinary course of business or any disposition of inventory or goods (or other assets) held for sale or no longer used in the ordinary course of business;

(3) dispositions of assets with a Fair Market Value not to exceed U.S.$25.0 million in a single transaction or series of related transactions;

(4) for purposes of Section 3.12 only, the making or disposition of a Permitted Investment or Restricted Payment permitted under Section 3.11;

(5) a disposition to the Issuer or a Restricted Subsidiary, including a Person that is or will become a Restricted Subsidiary immediately after the disposition;

(6) the creation of a Lien permitted under this Indenture (other than a deemed Lien in connection with a Sale and Leaseback Transaction);

(7) (i) the disposition of Receivables Assets pursuant to a Qualified Receivables Transaction and (ii) the disposition of other accounts receivable in the ordinary course of business;

(8) the disposition of any asset constituted by a license of intellectual property in the ordinary course of business;

(9) the disposition of inventory pursuant to an Inventory Financing or similar arrangement that is otherwise permitted under this Indenture;

(10) the disposition of any asset compulsorily acquired by a governmental authority; and

(11) sales, transfers and other dispositions of Investments in joint ventures to the extent required by, or made pursuant to, customary buy/sell arrangements between the joint venture parties set forth in joint venture arrangements and similar binding arrangements.

"Asset Sale Offer" has the meaning assigned to it in Section 3.12(c).

"Asset Sale Offer Amount" has the meaning assigned to it in Section 3.12(c).

"Asset Sale Offer Notice" means notice of an Asset Sale Offer made pursuant to Section 3.12, which shall state:

(1) the circumstances of the Asset Sale or Sales, the Net Cash Proceeds of which are included in the Asset Sale Offer, that an Asset Sale Offer is being made pursuant to Section 3.12(c), and that all Notes that are timely tendered will be accepted for payment;

(2) the Asset Sale Offer Amount and the Asset Sale Offer Payment Date, which date shall be a Business Day no earlier than 30 days nor later than 60 days from the date the Asset Sale Offer Notice is mailed (other than as may be required by law);

(3) that any Notes or portions thereof not tendered or accepted for payment will continue to accrue interest;

(4) that, unless the Issuer defaults in the payment of the Asset Sale Offer Amount with respect thereto, all Notes or portions thereof accepted for payment pursuant to the Asset Sale Offer shall cease to accrue interest from and after the Asset Sale Offer Payment Date;

(5) that any Holder electing to have any Notes or portions thereof purchased pursuant to the Asset Sale Offer will be required to surrender such Notes, with the form entitled "Option of Holder to Elect Purchase" on the reverse of such Notes completed, to the Paying Agent at the address specified in the notice prior to the close of business on the third Business Day preceding the Asset Sale Offer Payment Date;

(6) that any Holder shall be entitled to withdraw such election if the Paying Agent receives, not later than the close of business on the second Business Day preceding the Asset Sale Offer Payment Date, a facsimile transmission or letter, setting forth the name of the Holder, the principal amount of Notes delivered for purchase, and a statement that such Holder is withdrawing such Holder's election to have such Notes or portions thereof purchased pursuant to the Asset Sale Offer;

(7) that any Holder electing to have Notes purchased pursuant to the Asset Sale Offer must specify the principal amount that is being tendered for purchase, which principal amount must be €100,000 and in integral multiples of €1,000 in excess thereof;

(8) that any Holder of Certificated Notes whose Certificated Notes are being purchased only in part will be issued new Certificated Notes equal in principal amount to the unpurchased portion of the Certificated Note or Notes surrendered, which unpurchased portion will be equal in principal amount to €100,000 and in integral multiples of €1,000 in excess thereof;

(9) that the Trustee will return to the Holder of a Global Note that is being purchased in part, such Global Note with a notation on the schedule of increases or decreases thereof adjusting the principal amount thereof to be equal to the unpurchased portion of such Global Note; and

(10) any other information necessary to enable any Holder to tender Notes and to have such Notes purchased pursuant to Section 3.12.

"Asset Sale Offer Payment Date" has the meaning assigned to it in Section 3.12(f).

"Authenticating Agent" has the meaning assigned to it in Section 2.2(b).

"Authorized Agent" has the meaning assigned to it in Section 12.7(c).

"Bail-in Legislation" means in relation to a member state of the European Economic Area which has implemented, or which at any time implements, the BRRD, the relevant implementing law, regulation, rule or requirement as described in the EU Bail-in Legislation Schedule from time to time.

"Bail-in Powers" means any Write-down and Conversion Powers as defined in the EU Bail-in Legislation Schedule, in relation to the relevant Bail-in Legislation.

"Bankruptcy Event of Default" means:

(1) the entry by a court of competent jurisdiction of: (i) a decree or order for relief in respect of any Bankruptcy Party in an involuntary case or proceeding under any Bankruptcy Law or (ii) a decree or order (A) adjudging any Bankruptcy Party a bankrupt or insolvent, in *concurso mercantil* or *quiebra*, (B) approving as properly filed a petition seeking reorganization, *concurso mercantil*, arrangement, adjustment or composition of, or in respect of, any Bankruptcy Party under any Bankruptcy Law, (C) appointing a Custodian of any Bankruptcy Party or of any substantial part of the property of any Bankruptcy Party, or (D) ordering the winding-up or liquidation of the affairs of any Bankruptcy Party, and in each case, the continuance of any such decree or order for relief or any such other decree or order unstayed and in effect for a period of 60 consecutive calendar days; or

(2) (i) the commencement by any Bankruptcy Party of a voluntary case or proceeding under any Bankruptcy Law or of any other case or proceeding to be adjudicated a bankrupt or insolvent, in *concurso mercantil* or *quiebra*, (ii) the consent by any Bankruptcy Party to the entry of a decree or order for relief in respect of such Bankruptcy Party in an involuntary case or proceeding under any Bankruptcy Law or to the commencement of any bankruptcy or insolvency case or proceeding against any Bankruptcy Party, (iii) the filing by any Bankruptcy Party of a petition or answer or consent seeking reorganization, *concurso mercantil*, or relief under any Bankruptcy Law, (iv) the consent by any Bankruptcy Party to the filing of such petition or to the appointment of or taking possession by a Custodian of any Bankruptcy Party or of any substantial part of the property of any Bankruptcy Party, (v) the making by any Bankruptcy Party of an assignment for the benefit of creditors, (vi) the admission by any Bankruptcy Party in writing of its inability to pay its debts generally as they become due, or (vii) the approval by stockholders of any Bankruptcy Party of any plan or proposal for the liquidation or dissolution of such Bankruptcy Party, or (viii) the taking of corporate action by any Bankruptcy Party in furtherance of any action referred to in clauses (i) – (vii) above.

"Bankruptcy Law" means Title 11, U.S. Code or any similar Federal, state or non-U.S. law for the relief of debtors, including the Mexican *Ley de Concursos Mercantiles and* Spanish Law 22/2003 of 9 July (*Ley 22/2003 de 9 de julio, Concursal*), as amended.

"Bankruptcy Party" means the Issuer and any Significant Subsidiary of the Issuer or group of Subsidiaries that, taken together would constitute a Significant Subsidiary of the Issuer.

"Board of Directors" means, as to any Person, the board of directors, management committee or similar governing body of such Person or any duly authorized committee thereof.

"BRRD" means Directive 2014/59/EU establishing a framework for the recovery and resolution of credit institutions and investment firms.

"BRRD Liability" means a liability in respect of which the relevant Write Down and Conversion Powers in the applicable Bail-in Legislation may be exercised.

"BRRD Party" means The Bank of New York Mellon, London Branch, as it is subject to Bail-in Powers.

"Business Day" means any day that is not a Saturday, Sunday or other day on which commercial banks in New York City, Mexico City or London are authorized or required by law, regulation or other governmental action to remain closed; *provided that*, for purposes of payments to be made hereunder, a "Business Day" must also be a day on which the Trans-European Automated Real-time Gross Settlement Express Transfer system (TARGET2) is open for the settlement of payments.

"Capital Stock" means:

(1) with respect to any Person that is a corporation, any and all shares, interests, participations or other equivalents (however designated and whether or not voting) of corporate stock, including each class of Common Stock and Preferred Stock of such Person;

(2) with respect to any Person that is not a corporation, any and all partnership or other equity or ownership interests of such Person; and

(3) any warrants, rights or options to purchase any of the instruments or interests referred to in clause (1) or (2) above, but excluding any Convertible Indebtedness.

"Capitalized Lease Obligation" means, as to any Person, at the time any determination is to be made, the amount of the liability in respect of a capital lease that would at that time be required to be capitalized on a balance sheet prepared in accordance with GAAP; *provided* that, the amount of obligations attributable to any Capital Lease Obligations shall be the amount thereof accounted for as a liability in accordance with GAAP.

"Cash Equivalents" means:

(1) marketable direct obligations issued by, or unconditionally guaranteed by, the United States government, the United Kingdom or any member nation of the European Union or issued by any agency thereof and backed by the full faith and credit of the United States, the United Kingdom, such member nation of the European Union or any European Union central bank, in each case maturing within one year from the date of acquisition thereof;

(2) marketable direct obligations issued by the Mexican government, or issued by any agency thereof, including but not limited to, *Certificados de la Tesorería de la Federación* (Cetes) or *Bonos de Desarrollo del Gobierno Federal* (Bondes), in each case, issued by the government of Mexico and maturing not later than one year after the acquisition thereof;

(3) marketable direct obligations issued by any state of the United States of America or any political subdivision of any such state or any public instrumentality thereof maturing within one year from the date of acquisition thereof and, at the time of acquisition, having one of the two highest ratings obtainable from either S&P or Fitch or any successor thereto;

(4) commercial paper or corporate debt obligations maturing no more than one year from the date of creation thereof and, at the time of acquisition, having a rating of at least A-1 or AAA from S&P, at least F-1 or AAA from Fitch or P-1 or Aaa from Moody's;

(5) demand deposits, certificates of deposit, time deposits or bankers' acceptances or other short-term unsecured debt obligations (and any cash or deposits in transit in any of the foregoing) maturing within one year from the date of acquisition thereof issued by (a) any bank organized under the laws of the United States of America or any state thereof or the District of Columbia, the United Kingdom or any country of the European Union, (b) any U.S. branch of a non-U.S. bank having at the date of acquisition thereof combined capital and surplus of not less than U.S.$500.0 million, or (c) in the case of Mexican peso deposits, any financial institution in good standing with Banco de México organized under the laws of Mexico;

(6) repurchase obligations with a term of not more than seven days for underlying securities of the types described in clause (1) and (2) above entered into with any bank meeting the qualifications specified in clause (5) above;

(7) investments in money market funds which invest substantially all of their assets in securities of the types described in clauses (1) through (6), (8) and (9);

(8) certificates of deposit issued by any of Nacional Financiera, S.N.C., Banco Nacional de Comercio Exterior, S.N.C., Banco Nacional de Obras y Servicios Públicos, S.N.C. or any other development bank controlled by the Mexican government;

(9) any other debt instrument rated "investment grade" (or the local equivalent thereof according to local criteria in a country in which the Issuer or a Restricted Subsidiary operates and in which local pensions are permitted by law to invest) with maturities of 12 months or less from the date of acquisition;

(10) Investments in mutual funds, managed by banks, with a local currency credit rating of at least MxAA by S&P or other equally reputable local rating agency, that invest principally in marketable direct obligations issued by the Mexican Government, or issued by any agency or instrumentality thereof; and

(11) any other cash equivalent investments permitted by the Issuer's investment policy as such policy is in effect from time to time.

In the case of Investments by any Restricted Subsidiary, Cash Equivalents will also include (a) investments of the type and maturity described in clauses (1) through (11) of any Restricted Subsidiary outside of Mexico in the country in which such Restricted Subsidiary operates, which Investments or obligors (or the parents of such obligors) have ratings described in such clauses or equivalents ratings from comparable foreign rating agencies, (b) local currencies and other short-term investments utilized by Restricted Subsidiaries in accordance with normal investment practices for cash management in investments analogous to the foregoing investments in clauses (1) through (11) and in this paragraph and (c) investments of the type described in clauses (1) through (9) maturing within one year of the Issue Date.

"Certificated Note" means any Note issued in fully registered form, other than a Global Note, which shall be substantially in the form of Exhibit A hereto, with appropriate legends as specified in Section 2.8 and Exhibit A.

"Change of Control" means the beneficial ownership (within the meaning of Rule 13d-3 promulgated by the Commission under the Exchange Act) of twenty percent (20%) or more in voting power of the outstanding Voting Stock of the Issuer is acquired by any Person. Notwithstanding the foregoing, a transaction will not be deemed to constitute a Change of Control if (1) the Issuer 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 Issuer'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 Notice" means notice of a Change of Control Offer made pursuant to Section 3.8, which notice shall state:

(1) that a Change of Control has occurred, the circumstances or events causing such Change of Control and that a Change of Control Offer is being made pursuant to Section 3.8, and that all Notes that are timely tendered will be accepted for payment;

(2) the Change of Control Payment, and the Change of Control Payment Date, which date shall be a Business Day no earlier than 30 calendar days nor later than 60 calendar days subsequent to the date such notice is mailed (other than as may be required by law);

(3) that any Notes or portions thereof not tendered or accepted for payment will continue to accrue interest;

(4) that, unless the Issuer defaults in the payment of the Change of Control Payment with respect thereto, all Notes or portions thereof accepted for payment pursuant to the Change of Control Offer shall cease to accrue interest from and after the Change of Control Payment Date;

(5) that any Holder electing to have any Notes or portions thereof purchased pursuant to a Change of Control Offer will be required to tender such Notes, with the form entitled "Option of Holder to Elect Purchase" on the reverse of such Notes completed, to the Paying Agent at the address specified in the notice prior to the close of business on the third Business Day preceding the Change of Control Payment Date;

(6) that any Holder shall be entitled to withdraw such election if the Paying Agent receives, not later than the close of business on the second Business Day preceding the Change of Control Payment Date, a facsimile transmission or letter, setting forth the name of the Holder, the principal amount of Notes delivered for purchase, and a statement that such Holder is withdrawing such Holder's election to have such Notes or portions thereof purchased pursuant to the Change of Control Offer;

(7) that any Holder electing to have Notes purchased pursuant to the Change of Control Offer must specify the principal amount that is being tendered for purchase, which principal amount must be €100,000 and in integral multiples of €1,000 in excess thereof;

(8) that any Holder of Certificated Notes whose Certificated Notes are being purchased only in part will be issued new Certificated Notes equal in principal amount to the unpurchased portion of the Certificated Note or Notes surrendered, which unpurchased portion will be equal in principal

amount to €100,000 and in integral multiples of €1,000 in excess thereof; that the Trustee will return to the Holder of a Global Note that is being purchased in part, such Global Note with a notation on Schedule A thereof adjusting the principal amount thereof to be equal to the unpurchased portion of such Global Note; and

(9) any other information necessary to enable any Holder to tender Notes and to have such Notes purchased pursuant to Section 3.8(b).

"Change of Control Offer" has the meaning assigned to it in Section 3.8(b).

"Change of Control Payment" has the meaning assigned to it in Section 3.8(a).

"Change of Control Payment Date" has the meaning assigned to it in Section 3.8(b).

"Clearstream" means Clearstream Banking, *société anonyme*, or the successor to its securities clearance and settlement operations.

"Code" means the Internal Revenue Code of 1986, as amended.

"Collateral" means "Transaction Security" as defined in the Intercreditor Agreement from time to time.

"Commission" means the U.S. Securities and Exchange Commission.

"Commodity Price Purchase Agreement" means, in respect of any Person, any forward contract, commodity swap agreement, commodity option agreement or other similar agreement or arrangement designed to protect such Person from fluctuations in commodity prices.

"Common Depositary" means The Bank of New York Mellon, London Branch, as common depositary for Euroclear and Clearstream.

"Common Stock" of any Person means any and all shares, interests or other participations in, and other equivalents (however designated and whether voting or non-voting) of such Person's common equity interests, whether outstanding on the Issue Date or issued after the Issue Date, and includes, without limitation, all series and classes of such common equity interests. For the avoidance of doubt, "Common Stock" of the Issuer will be deemed to include the Issuer's American Depositary Receipts.

"Compensation Related Hedging Obligations" means (i) the obligations of any Person pursuant to any equity option contract, equity forward contract, equity swap, warrant, rights or other similar agreement designed to hedge risks or obligations relating to employee, director or consultant compensation, pension, benefits or similar activities of the Issuer and/or any of its Subsidiaries and (ii) the obligations of any Person pursuant to any agreement that requires another Person to make payments or deliveries that are otherwise required to be made by the first Person relating to employee, director or consultant compensation, pension, benefits or similar activities of the Issuer and/or any of its Subsidiaries, in each case in the ordinary course of business.

"Consolidated Adjusted EBITDA" means, for any Person for any period, Consolidated Net Income for such Person for such period, plus the following, without duplication, to the extent deducted or added in calculating such Consolidated Net Income:

(1) Consolidated Income Tax Expense for such Person for such period;

(2) Consolidated Interest Expense for such Person for such period net of consolidated interest income for such period;

(3) Consolidated Non-cash Charges for such Person for such period;

(4) the amount of any nonrecurring restructuring charge or reserve deducted in such period in computing Consolidated Net Income;

(5) the net effect on income or loss in respect of Hedging Obligations or other derivative instruments, which shall include, for the avoidance of doubt, all amounts not excluded from Consolidated Net Income pursuant to the proviso in clause (9) thereof;

(6) net income of such Person attributable to minority interests in Subsidiaries of such Person; and

(7) the amount of "run-rate" cost savings, synergies and operating expense reductions related to restructurings, cost savings initiatives or other initiatives that are projected by the Issuer in good faith to result from actions either taken or with respect to which substantial steps have been taken or are expected to be taken within 18 months after the end of such period, calculated as though such cost savings, synergies and operating expense reductions had been realized on the first day of such period and net of the amount of actual benefits received during such period from such actions; *provided* that (A) any such pro forma adjustments in respect of such cost savings, synergies and operating expense reductions shall not exceed 15% of Consolidated Adjusted EBITDA (prior to giving effect to such pro forma adjustment) for the Four Quarter Period, (B) such cost savings, synergies and operating expenses are reasonably identifiable, expected and factually supportable in the good faith judgment of the Issuer and (C) no cost savings or synergies shall be added pursuant to this clause (7) to the extent duplicative of any expenses or charges otherwise added to Consolidated Adjusted EBITDA, whether through a pro forma adjustment or otherwise, for such period; for purposes of this clause (7) "run rate" means the full recurring benefit that is associated with any action taken or with respect to which substantial steps have been taken or are expected to be taken, whether prior to or following the Issue Date;

less (x) all non-cash credits and gains increasing Consolidated Net Income for such Person for such period and (y) all cash payments made by such Person and its Restricted Subsidiaries during such period relating to Consolidated Non-cash Charges that were added back in determining Consolidated Adjusted EBITDA in any prior period.

"Consolidated Fixed Charge Coverage Ratio" means, for any Person as of any date of determination (the "Fixed Charge Calculation Date"), the ratio of the aggregate amount of Consolidated Adjusted EBITDA of such Person for the four most recent full fiscal quarters for which financial statements are available ending prior to the date of such determination (the "Four Quarter Period") to Consolidated Fixed Charges for such Person for such Four Quarter Period. For purposes of making the computation referred to above, Material Acquisitions and Material Dispositions (as determined in accordance with GAAP) that have been made by the Issuer or any of its Restricted Subsidiaries during the Four Quarter Period or subsequent to such Four Quarter Period and on or prior to or simultaneously with the Fixed Charge Calculation Date shall be calculated on a *pro forma* basis assuming that all such Material Acquisitions and Material Dispositions (and the change in any associated fixed charge obligations and the change in Consolidated Adjusted EBITDA resulting therefrom) had occurred on the first day of the Four Quarter Period. If since the beginning of such period any Person that subsequently became a Restricted Subsidiary or was merged with or into the Issuer or any of its Restricted Subsidiaries since the beginning of such period shall have made any Material Acquisition or Material Disposition that would have required adjustment pursuant to this definition, then the Consolidated Fixed Charge Coverage Ratio shall be calculated giving *pro forma* effect thereto.

For purposes of this definition, whenever *pro forma* effect is to be given to a Material Acquisition or Material Disposition and the amount of income or earnings relating thereto or with respect to other *pro forma* calculations under this definition, such *pro forma* calculations shall be made in good faith by a responsible financial or accounting officer of the Issuer. If any Indebtedness bears a floating rate of interest and is being given *pro forma* effect, the interest on such Indebtedness shall be calculated as if the rate in effect on the Fixed Charge Calculation Date had been the applicable rate for the entire period (taking into account any Hedging Obligations applicable to such Indebtedness). Interest on a Capitalized Lease Obligation shall be deemed to accrue at an interest rate reasonably determined by a responsible financial or accounting officer of the Issuer to be the rate of interest implicit in such Capitalized Lease Obligation in accordance with GAAP. For purposes of making the computation referred to above, interest on any Indebtedness under a revolving credit facility computed on a *pro forma* basis shall be computed based upon the average daily balance of such Indebtedness during the applicable period except as set forth in the first paragraph of this definition. Interest on Indebtedness that may optionally be determined at an interest rate based upon a factor of a prime or similar rate, a eurocurrency interbank offered rate, or other rate, shall be deemed to have been based upon the rate actually chosen, or, if none, then based upon such optional rate chosen as the Issuer may designate.

Furthermore, in calculating "Consolidated Fixed Charges" for purposes of determining the denominator (but not the numerator) of this "Consolidated Fixed Charge Coverage Ratio,"

(a) interest on outstanding Indebtedness determined on a fluctuating basis as of the date of determination and which will continue to be so determined thereafter will be deemed to have accrued at a fixed rate per annum equal to the rate of interest on such Indebtedness in effect on such date of determination;

(b) if interest on any Indebtedness actually Incurred on such date of determination may optionally be determined at an interest rate based upon a factor of a prime or similar rate, a eurocurrency interbank offered rate, or other rates, then the interest rate in effect on such date of determination will be deemed to have been in effect during the Four Quarter Period; and

(c) notwithstanding clause (a) above, interest on Indebtedness determined on a fluctuating basis, to the extent such interest is covered by Hedging Obligations, will be deemed to accrue at the rate per annum resulting after giving effect to the operation of such agreements.

"Consolidated Fixed Charges" means, for any Person for any period, the sum, without duplication, of:

(1) Consolidated Interest Expense for such Person for such period, plus

(2) to the extent not included in (1) above, payments during such period in respect of the financing costs of financial derivatives in the form of equity swaps, plus

(3) the product of:

(a) the amount of all cash and non-cash dividend payments on any series of Preferred Stock or Disqualified Capital Stock of such Person (other than dividends paid in Qualified Capital Stock) or any Subsidiary of such Person (Restricted Subsidiary in the case of the Issuer) paid, accrued or scheduled to be paid or accrued during such period, excluding dividend payments on Preferred Stock or Disqualified Capital Stock paid, accrued or scheduled to be paid to such Person or another Subsidiary (Restricted Subsidiary in the case of the Issuer), times

(b) a fraction, the numerator of which is one and the denominator of which is one minus the then current effective tax rate of such Person in its principal taxpaying jurisdiction (Mexico, in the case of the Issuer), expressed as a decimal.

"Consolidated Income Tax Expense" means, with respect to any Person for any period, the provision for federal, state and local income and asset taxes payable, including current and deferred taxes, by such Person and its Subsidiaries (Restricted Subsidiaries in the case of the Issuer) for such period as determined on a consolidated basis in accordance with GAAP.

"Consolidated Interest Expense" means, for any Person for any period, the sum of, without duplication determined on a consolidated basis in accordance with GAAP:

(1) the aggregate of cash and non-cash interest expense of such Person and its Subsidiaries (Restricted Subsidiaries in the case of the Issuer) for such period determined on a consolidated basis in accordance with GAAP, including, without limitation the following for such Person and its Subsidiaries (Restricted Subsidiaries in the case of the Issuer) whether or not interest expense in accordance with GAAP:

(a) any amortization or accretion of debt discount or any interest paid on Indebtedness of such Person and its Subsidiaries (Restricted Subsidiaries in the case of the Issuer) in the form of additional Indebtedness,

(b) any amortization of deferred financing costs; *provided*, that any such amortization resulting from costs incurred prior to the Issue Date shall be excluded for the calculation of Consolidated Interest Expense,

(c) the net costs under Hedging Obligations relating to Indebtedness (including amortization of fees but excluding foreign exchange adjustments on the notional amounts of the Hedging Obligations),

(d) all capitalized interest,

(e) the interest portion of any deferred payment obligation,

(f) commissions, discounts and other fees and charges Incurred in respect of letters of credit or bankers' acceptances or in connection with sales or other dispositions of accounts receivable and related assets,

(g) any interest expense on Indebtedness of another Person that is Guaranteed by such Person or one of its Subsidiaries (Restricted Subsidiary in the case of the Issuer) or secured by a Lien on the assets of such Person or one of its Subsidiaries (Restricted Subsidiaries in the case of the Issuer), whether or not such Guarantee or Lien is called upon, and

(h) any interest accrued in respect of Indebtedness without a maturity date; and

(2) the interest component of Capitalized Lease Obligations paid, accrued and/or scheduled to be paid or accrued by such Person and its Subsidiaries (Restricted Subsidiaries in the case of the Issuer) during such period.

"Consolidated Leverage Ratio" shall have the meaning set forth in Exhibit E hereto.

"Consolidated Net Income" means, with respect to any Person for any period, the aggregate net income (or loss) of such Person and its Subsidiaries for such period on a consolidated basis (after deducting (i) the portion of such net income attributable to minority interests in Subsidiaries of such Person and (ii) any interest paid or accrued in respect of Indebtedness without a maturity date), determined in accordance with GAAP; *provided*, that there shall be excluded therefrom:

(1) net after-tax gains and losses from Asset Sale transactions or abandonments or reserves relating thereto;

(2) net after-tax items classified as extraordinary gains or losses;

(3) the net income (but not loss) of any Subsidiary of such Person (or in the case of the Issuer, any Subsidiary of the Issuer other than a Note Guarantor) to the extent that a corresponding amount could not be distributed to such Person at the date of determination as a result of any restriction pursuant to the constituent documents of such Subsidiary (or in the case of the Issuer, any Subsidiary of the Issuer other than a Note Guarantor) or any law, regulation, agreement or judgment applicable to any such distribution; *provided* that, to the extent that any such net income was so excluded in a prior period, it shall be added to Consolidated Net Income for purposes of this definition in a subsequent period to the extent that such restrictions cease to apply;

(4) any net income (loss) of any Person (other than the Issuer) if such Person is not a Restricted Subsidiary, except that the aggregate amount of cash distributed by such Person during such period to the Issuer or a Restricted Subsidiary as a dividend or other distribution (subject, in the case of a dividend or other distribution to a Restricted Subsidiary, to the limitations contained in this clause) shall be included in such Consolidated Net Income;

(5) [Reserved];

(6) any restoration to income of any contingency reserve, except to the extent that provision for such reserve was made out of Consolidated Net Income accrued at any time after December 31, 2016;

(7) any net after-tax gain (or loss) from foreign exchange translation or change in net monetary position;

(8) any gain (or loss) from the cumulative effect of changes in accounting principles; and

(9) any net after-tax gain or loss (after any offset) resulting in such period from Hedging Obligations or other derivative instruments; *provided*, that the net effect on income or loss (including in any prior periods) shall be included upon any termination or early extinguishment of such Hedging Obligations or other derivative instrument, other than any Hedging Obligations with respect to Indebtedness (that is not itself a Hedging Obligation) that are extinguished concurrently with the termination or other prepayment of such Indebtedness.

"Consolidated Non-cash Charges" means, for any Person for any period, the aggregate depreciation, amortization (including amortization of goodwill and other Intangible Assets) and other non-cash expenses or losses of such Person and its Subsidiaries (Restricted Subsidiaries in the case of the Issuer) for such period, determined on a consolidated basis in accordance with GAAP (excluding any such charge which constitutes an accrual of or a reserve for cash charges for any future period or the amortization of a prepaid cash expense paid in a prior period).

"Consolidated Tangible Assets" means, for any Person at any time, the total consolidated assets of such Person and its Subsidiaries (Restricted Subsidiaries in the case of the Issuer) as set forth on the balance sheet as of the most recent fiscal quarter of such Person, prepared in accordance with GAAP, less Intangible Assets.

"Convertible Indebtedness" means any Indebtedness the terms of which provide for conversion into, or exchange for, Common Stock of the Issuer, cash in lieu thereof and/or a combination of Common Stock of the Issuer 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 101 Barclay Street, 7E, New York, New York 10286, Attention: International Corporate Trust, or such other address as the Trustee may designate from time to time by notice to the Holders and the Issuer.

"Covenant Defeasance" has the meaning assigned to it in Section 8.1(c).

"Covenant Suspension Event" has the meaning assigned to it in Section 3.22(b).

"Credit Agreement" means the facilities agreement, dated as of July 19, 2017, entered into among the Issuer and certain of its Subsidiaries, the financial institutions party thereto as original lenders, Citibank Europe PLC, UK Branch, as agent, and the Security Agent, as such agreement, in whole or in part, in one or more instances, may be amended, supplemented, waived or otherwise modified from time to time, and, if designated by the Issuer to be included in the definition of "Credit Agreement," such agreement as renewed, extended, substituted, refinanced, restructured or replaced (including, in each case, by means of one or more credit agreements, note purchase agreements or sales of debt securities to institutional investors whether with the original agents and lenders or otherwise and including, without limitation, any successive renewals, extensions, substitutions, refinancings, restructurings, replacements, supplementations or other modifications of the foregoing) and including, without limitation, to increase the amount of available borrowing thereunder or to add additional borrowers or guarantors or otherwise.

"Credit Agreement Indebtedness" means the Indebtedness that is subject to and outstanding under the Credit Agreement.

"Currency Agreement" means, in respect of any Person, any foreign exchange contract, currency swap agreement or other similar agreement as to which such Person is a party designed to hedge foreign currency risk of such Person.

"Custodian" means any receiver, trustee, *conciliador*, assignee, liquidator, sequestrator or similar official under any Bankruptcy Law.

"Default" means an event or condition the occurrence of which is, or with the lapse of time or the giving of notice or both would be, an Event of Default.

"Defaulted Interest" has the meaning assigned to it in Section 2.13 and Section 1, paragraph 2 of the Form of Reverse Side of Note contained in Exhibit A hereto.

"Designated Non-cash Consideration" means the Fair Market Value of non-cash consideration received by the Issuer or a Restricted Subsidiary in connection with an Asset Sale that is so designated as Designated Non-cash Consideration pursuant to an Officer's Certificate setting forth the basis of such valuation.

"Designation" has the meaning assigned to it in Section 3.14(a).

"Designation Amount" has the meaning assigned to it in clause (iii) of Section 3.14(a).

"Disposition" means, with respect to any property, any sale, lease, Sale and Leaseback Transaction, assignment, conveyance, transfer or other disposition thereof.

"Disqualified Capital Stock" means that portion of any Capital Stock which, by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable at the option of the Holder thereof), or upon the happening of any event, matures or is mandatorily redeemable, pursuant to a sinking fund obligation or otherwise, or is redeemable at the sole option of the Holder thereof, in any case, on or prior to the 91st day after the final maturity date of the Notes, but excluding with respect to Mexican companies, any shares of such Mexican company that are part of the variable portion of its Capital Stock and that are redeemable under the Mexican General Law of Business Corporations (*Ley General de Sociedades Mercantiles*).

"Distribution Compliance Period" means, in respect of any Regulation S Global Note (or Certificated Note issued in respect thereof pursuant to Section 2.7(c)), the 40 consecutive days beginning on and including the later of (a) the day on which any Notes represented thereby are offered to persons other than distributors (as defined in Regulation S) pursuant to Regulation S or (b) the issue date for such Notes.

"Equity Derivative Agreement" means any equity derivative agreement referencing the Common Stock of the Issuer entered into in connection with any Convertible Indebtedness, including, but not limited to, any bond hedge, warrant or capped call agreement.

"Equity Offering" has the meaning assigned to it in Section 5 of the Form of Reverse Side of Note contained in Exhibit A hereto.

"EU Bail-in Legislation Schedule" means the document described as such, then in effect, and published by the Loan Market Association (or any successor person) from time to time at http://www.lma.eu.com/pages.aspx?p=499.

"euro" means the single currency of participating member states of the EMU.

"Euroclear" means Euroclear Bank S.A./N.V., as operator of the Euroclear System, N.V., or its successor in such capacity.

"European Government Obligations" means direct non-callable and non-redeemable obligations denominated in euros (in each case, with respect to the issuer thereof) of any member state of the European Union that is a member of the European Union as of the date of this Indenture.

"Event of Default" has the meaning assigned to it in Section 6.1.

"Exchange Act" means the Securities Exchange Act of 1934, as amended, or any successor statute or statutes thereto.

"Existing Senior Notes" means the U.S. Dollar-denominated 6.500% Senior Secured Notes due 2019 issued by the Issuer, the U.S. Dollar-denominated 7.250% Senior Secured Notes due 2021 issued by the Issuer, the U.S. Dollar-denominated Floating Rate Senior Secured Notes due 2018 issued by the Issuer, the U.S. Dollar-denominated 6.000% Senior Secured Notes due 2024 guaranteed by the Issuer, the U.S. Dollar-denominated 5.700% Senior Secured Notes due 2025 issued by the Issuer, the Euro-denominated 4.750% Senior Secured Notes due 2022 issued by the Issuer, the U.S. Dollar-denominated 6.125% Senior Secured Notes due 2025 issued by the Issuer, the Euro-denominated 4.375% Senior Secured Notes due 2023 issued by the Issuer, the U.S. Dollar-denominated 7.750% Senior Secured Notes due 2026 issued by the Issuer and the Euro-denominated 4.625% Senior Secured Notes due 2024 guaranteed by the Issuer.

"Fair Market Value" means, with respect to any asset, the price (after taking into account any liabilities relating to such assets) which could be negotiated in an arm's-length free market transaction, for cash, between a willing seller and a willing and able buyer, neither of which is under any compulsion to complete the transaction. Fair Market Value shall be determined, except as otherwise provided, by the Issuer in good faith.

"Fitch" means Fitch Ratings and any successor to its rating agency business.

"Four Quarter Period" has the meaning assigned to it in the definition of "Consolidated Fixed Charge Coverage Ratio" above.

"Free Reserves Available for Distribution" has the meaning assigned to it in Section 10.6(c).

"French Note Guarantor" has the meaning assigned to it in Section 10.5(a).

"GAAP" means IFRS as in effect on the Issue Date. At any time, and from time to time, after the Issue Date, the Issuer may elect to apply IFRS as in effect at such time in lieu of GAAP and, upon any such election, references herein to GAAP shall thereafter be construed to mean IFRS as in effect on the date of such election; *provided*, that any such election, once made, shall be irrevocable. The Issuer shall give notice of any such election to the Trustee.

"Global Note" means any Note issued in fully registered form to Euroclear or Clearstream (or its nominee), as depositary for the beneficial owners thereof, which shall be substantially in the form of Exhibit A, with appropriate legends as specified in Section 2.8 and Exhibit A hereto.

"Guarantee" means any obligation, contingent or otherwise, of any Person directly or indirectly guaranteeing any Indebtedness of any other Person:

(1) to purchase or pay, or advance or supply funds for the purchase or payment of, such Indebtedness of such other Person, whether arising by virtue of partnership arrangements, or by agreement to keep-well, to purchase assets, goods, securities or services, to take-or-pay, or to maintain financial statement conditions or otherwise, or

(2) entered into for purposes of assuring in any other manner the obligee of such Indebtedness of the payment thereof or to protect such obligee against loss in respect thereof, in whole or in part,

provided, that "Guarantee" will not include endorsements for collection or deposit in the ordinary course of business. "Guarantee" used as a verb has a corresponding meaning.

"Guaranteed Obligations" has the meaning assigned to it in Section 10.1(a).

"Hedging Agreement" means any Interest Rate Agreement, Currency Agreement, Commodity Price Purchase Agreement, Transportation Agreement, or Equity Derivative Agreement (or any combination thereof), in each case, not entered into for speculative purposes.

"Hedging Obligations" means the obligations of any Person pursuant to any Hedging Agreement.

"Holder" means the Person in whose name a Note is registered in the Note Register.

"IFRS" means the International Financial Reporting Standards as issued by the International Accounting Standards Board.

"Incur" means, with respect to any Indebtedness or other obligation of any Person, to create, issue, incur (including by conversion, exchange or otherwise), assume, Guarantee or otherwise become liable in respect of such Indebtedness or other obligation on the balance sheet of such Person (and "Incurrence," "Incurred" and "Incurring" will have meanings correlative to the preceding).

"Indebtedness" means with respect to any Person, without duplication:

(1) the principal amount (or, if less, the accreted value) of all obligations of such Person for borrowed money;

(2) the principal amount (or, if less, the accreted value) of all obligations of such Person evidenced by bonds, debentures, notes or other similar instruments, including any perpetual bonds, debenture notes or similar instruments without regard to maturity date;

(3) all Capitalized Lease Obligations of such Person;

(4) all obligations of such Person issued or assumed as the deferred purchase price of property, all conditional sale obligations and all payment obligations under any title retention agreement (but excluding trade accounts payable and other accrued liabilities accounted for as current liabilities (in accordance with GAAP) arising in the ordinary course of business) to the extent of any reimbursement obligations in respect thereof;

(5) reimbursement obligations with respect to letters of credit, banker's acceptances or similar credit transactions;

(6) Guarantees and other contingent obligations of such Person in respect of Indebtedness referred to in clauses (1) through (5) above and clauses (8) through (10) below;

(7) all Indebtedness of any other Person of the type referred to in clauses (1) through (6) which is secured by any Lien on any property or asset of the first Person, the amount of such Indebtedness being deemed to be the lesser of the Fair Market Value of such property or asset or the amount of the Indebtedness so secured;

(8) all obligations under Hedging Agreements or other derivatives of such Person;

(9) all liabilities (contingent or otherwise) of such Person in connection with a sale or other disposition of accounts receivable and related assets (not including Qualified Receivables Transactions), irrespective of their treatment under GAAP or IFRS; and

(10) all Disqualified Capital Stock issued by such Person with the amount of Indebtedness represented by such Disqualified Capital Stock being equal to the greater of its voluntary or involuntary liquidation preference and its maximum fixed repurchase price, but excluding accrued dividends, if any; *provided*, that:

(a) if the Disqualified Capital Stock does not have a fixed repurchase price, such maximum fixed repurchase price will be calculated in accordance with the terms of the Disqualified Capital Stock as if the Disqualified Capital Stock were purchased on any date on which Indebtedness will be required to be determined pursuant to this Indenture, and

(b) if the maximum fixed repurchase price is based upon, or measured by, the fair market value of the Disqualified Capital Stock, the fair market value will be the Fair Market Value thereof.

"Indenture" means this Indenture as amended or supplemented from time to time, including the Schedule and Exhibits hereto.

"Intangible Assets" means with respect to any Person all unamortized debt discount and expense, unamortized deferred charges, goodwill, patents, trademarks, service marks, trade names, copyrights and all other items which would be treated as intangibles on the consolidated balance sheet of such Person prepared in accordance with GAAP.

"Intercreditor Agreement" means the intercreditor agreement, dated as of September 17, 2012, as amended on October 31, 2014 and July 23, 2015 and as further amended and restated on July 19, 2017, entered into among the Issuer and certain of its Subsidiaries named therein, the financial institutions and noteholders party thereto, Citibank Europe PLC, UK Branch, as facility agent, and the Security Agent, as such agreement may be amended, modified or waived from time to time.

"Interest Payment Date" means the stated due date of an installment of interest on the Notes as specified in the Form of Face of Note contained in Exhibit A hereto.

"Interest Rate Agreement" of any Person means any interest rate protection agreement (including, without limitation, interest rate swaps, caps, floors, collars, derivative instruments and similar agreements) and/or other types of hedging agreements designed to hedge interest rate risk of such Person.

"Inventory Financing" means a financing arrangement pursuant to which the Issuer or any of its Restricted Subsidiaries sells inventory to a bank or other institution (or a special purpose vehicle or partnership incorporated or established by or on behalf of such bank or other institution or an Affiliate of such bank or other institution) and has an obligation to repurchase such inventory to the extent that it is not sold to a third party within a specified period.

"Investment" means, with respect to any Person, any (1) direct or indirect loan, advance or other extension of credit (including, without limitation, a Guarantee) to any other Person, (2) capital contribution (by means of any transfer of cash or other property to others or any payment for property or services for the account or use of others) to any other Person, or (3) purchase or acquisition by such Person of any Capital Stock, bonds, notes, debentures or other securities or evidences of Indebtedness issued by any other Person. "Investment" will exclude accounts receivable, extensions of credit in connection with supplier or customer financings consistent with industry or past practice, advance payment of capital expenditures arising in the ordinary course of business, deposits arising in the ordinary course of business and transactions (other than (i) any sale, lease, license, transfer or other disposal and (ii) the granting or creation of a Lien or the Incurring or permitting to subsist of Indebtedness) conducted in the ordinary course of business on arm's-length terms.

For purposes of Section 3.11, the Issuer will be deemed to have made an "Investment" in an Unrestricted Subsidiary at the time of its Designation, which will be valued at the Fair Market Value of the sum of the net assets of such Unrestricted Subsidiary multiplied by the percentage equity ownership of the Issuer and its Restricted Subsidiaries in such designated Unrestricted Subsidiary at the time of its Designation and the amount of any Indebtedness of such Unrestricted Subsidiary or owed to the Issuer or any Restricted Subsidiary immediately following such Designation. Any property transferred to or from an Unrestricted Subsidiary will be valued at its Fair Market Value at the time of such transfer. If the Issuer or any Restricted Subsidiary sells or otherwise disposes of any Capital Stock of a Restricted Subsidiary (including any issuance and sale of Capital Stock by a Restricted Subsidiary) such that, after giving effect to any such sale or disposition, such Restricted Subsidiary would cease to be a Subsidiary of the Issuer, the Issuer will be deemed to have made an Investment on the date of any such sale or disposition equal to sum of the Fair Market Value of the Capital Stock of such former Restricted Subsidiary held by the Issuer or any Restricted Subsidiary immediately following such sale or other disposition and the amount of any Indebtedness of such former Restricted Subsidiary Guaranteed by the Issuer or any Restricted Subsidiary or owed to the Issuer or any other Restricted Subsidiary immediately following such sale or other disposition. The acquisition by the Issuer or any Restricted Subsidiary of the Issuer of a Person that holds an Investment in a third Person will be deemed to be an Investment by the Issuer or such Restricted Subsidiary in such third Person in an amount equal to the Fair Market Value of the Investments held by the acquired Person in such third Person. Except as otherwise provided in this Indenture, the amount of an Investment will be determined at the time the Investment is made without giving effect to subsequent changes in value.

"Investment Grade Rating" means a rating equal to or higher than BBB- (or the equivalent) by Fitch, Baa3 (or the equivalent) by Moody's and BBB- (or the equivalent) by S&P.

"Investment Return" means, in respect of any Investment (other than a Permitted Investment) made after the Issue Date by the Issuer or any Restricted Subsidiary:

(1) the cash proceeds received by the Issuer upon the sale, liquidation or repayment of such Investment or, in the case of a Guarantee, the amount of the Guarantee upon the unconditional release of the Issuer and its Restricted Subsidiaries in full, less any payments previously made by the Issuer or any Restricted Subsidiary in respect of such Guarantee;

(2) in the case of the Revocation of the Designation of an Unrestricted Subsidiary, an amount equal to the lesser of:

(a) the Issuer's Investment in such Unrestricted Subsidiary at the time of such Revocation;

(b) that portion of the Fair Market Value of the net assets of such Unrestricted Subsidiary at the time of Revocation that is proportionate to the Issuer's equity interest in such Unrestricted Subsidiary at the time of Revocation; and

(c) the Designation Amount with respect to such Unrestricted Subsidiary upon its Designation which was treated as a Restricted Payment;

(3) in the event the Issuer or any Restricted Subsidiary makes any Investment in a Person that, as a result of or in connection with such Investment, becomes a Restricted Subsidiary, the existing Investment of the Issuer and its Restricted Subsidiaries in such Person,

in the case of each of (1), (2) and (3), up to the amount of such Investment that was treated as a Restricted Payment under Section 3.11 less the amount of any previous Investment Return in respect of such Investment.

"Issue Date" means the first date of issuance of Notes under this Indenture and following a Partial Covenant Suspension Event or a Covenant Suspension Event, except under "*Optional Redemption for Changes in Withholding Taxes*" under clause (5) in Exhibit A hereto and Section 3.22, the most recent Partial Covenant Reversion Date or Reversion Date, as applicable.

"Issue Date Notes" means the €650,000,000 aggregate principal amount of Notes originally issued on the Issue Date, and any replacement Notes issued therefor in accordance with this Indenture.

"Issuer" means the party named as such in the introductory paragraph to this Indenture and its successors and assigns.

"Issuer Order" has the meaning assigned to it in Section 2.2(c).

"Legal Defeasance" has the meaning assigned to it in Section 8.1(b).

"Legal Holiday" has the meaning assigned to it in Section 12.6.

"Lien" means, with respect to any asset, any mortgage, lien, pledge, charge, security interest or encumbrance of any kind in respect of such asset. The Issuer or any Restricted Subsidiary shall be deemed to own, subject to a Lien, any asset that it has acquired or holds subject to the interest of a vendor or lessor under any conditional sale agreement, Capitalized Lease Obligations or other title retention lease relating to such asset, or any account receivable transferred by it with recourse (including any such transfer subject to a holdback or similar arrangement that effectively imposes the risk of collectability on the transferor).

"Make-Whole Amount" has the meaning assigned to it in the Form of Reverse Side of Note contained in Exhibit A hereto.

"Material Acquisition" means:

(1) an Investment by the Issuer or any Restricted Subsidiary in any other Person pursuant to which such Person will become a Restricted Subsidiary, or will be merged with or into the Issuer or any Restricted Subsidiary;

(2) the acquisition by the Issuer or any Restricted Subsidiary of the assets of any Person (other than a Subsidiary of the Issuer) which constitute all or substantially all of the assets of such Person or comprises any division or line of business of such Person or any other properties or assets of such Person other than in the ordinary course of business; or

(3) any Revocation with respect to an Unrestricted Subsidiary;

in each case which involves an Investment, Designation or payment of consideration in excess of U.S.$50.0 million (or the equivalent in other currencies).

"Material Disposition" means any Asset Sale and, whether or not constituting an Asset Sale, (1) any sale or other disposition of Capital Stock, (2) any Designation with respect to an Unrestricted Subsidiary and (3) any sale or other disposition of property or assets excluded from the definition of Asset Sale by clause (4) of that definition, in each case which involves an Investment, Designation or payment of consideration in excess of U.S.$50.0 million (or the equivalent in other currencies).

"Maturity Date" means December 5, 2024.

"Moody's" means Moody's Investors Service, Inc. and any successor to its rating agency business.

"Net Cash Proceeds" means, with respect to any Asset Sale, the proceeds in the form of cash or Cash Equivalents, including payments in respect of deferred payment obligations when received in the form of cash or Cash Equivalents received by the Issuer or any of its Restricted Subsidiaries from such Asset Sale, net of:

(1) reasonable out-of-pocket expenses and fees relating to such Asset Sale (including, without limitation, legal, accounting and investment banking fees and sales commissions);

(2) taxes paid or payable in respect of such Asset Sale after taking into account any reduction in consolidated tax liability due to available tax credits or deductions and any tax sharing arrangements;

(3) repayment of Indebtedness secured by a Lien permitted under this Indenture that is required to be repaid in connection with such Asset Sale; and

(4) appropriate amounts to be provided by the Issuer or any Restricted Subsidiary, as the case may be, as a reserve, in accordance with GAAP, against any liabilities associated with such Asset Sale and retained by the Issuer or any Restricted Subsidiary, as the case may be, after such Asset Sale, including, without limitation, pension and other post-employment benefit liabilities, liabilities related to environmental matters and liabilities under any indemnification obligations associated with such Asset Sale, but excluding any reserves with respect to Indebtedness.

"New York Business Day" means any day that is not a Saturday, Sunday or other day on which commercial banks in New York City are authorized or required by law, regulation or other governmental action to remain closed.

"Non-U.S. Person" means a person who is not a U.S. person, as defined in Regulation S.

"Note Custodian" means the custodian with respect to any Global Note appointed by Euroclear or Clearstream, or any successor Person thereto, and shall initially be the Common Depositary.

"Note Guarantee" means any guarantee of the Issuer's Obligations under this Indenture and the Notes by any Note Guarantor pursuant to Article X.

"Note Guarantors" means (i) each of the Issuer's Restricted Subsidiaries that executes this Indenture as a Note Guarantor or an Additional Note Guarantor and (ii) each of the Issuer's Restricted Subsidiaries that in the future executes a supplemental indenture in which such Restricted Subsidiary agrees to be bound by the terms of this Indenture as a Note Guarantor, and their respective successors and assigns; provided, that any Person constituting a Note Guarantor as described above shall cease to constitute a Note Guarantor when its respective Note Guarantee is released in accordance with the terms of this Indenture.

"Note Register" has the meaning assigned to it in Section 2.3(a).

"Notes" means any of the Issuer's 2.750% Senior Secured Notes due 2024, issued and authenticated pursuant to this Indenture.

"Obligations" means, with respect to any Indebtedness, any principal, interest (including, without limitation, Post-Petition Interest), penalties, fees, indemnifications, reimbursements, damages, and other liabilities payable under the documentation governing such Indebtedness, including, in the case of the Notes, the Note Guarantees and this Indenture.

"Office of the Paying Agent" means the principal office of the Paying Agent at which at any time its corporate trust business shall be administered, which office at the date hereof is located at One Canada Square, London E14 5AL, United Kingdom, or such other address as the Paying Agent may designate from time to time by notice to the Trustee, the Issuer and the Company.

"Officer" means, when used in connection with any action to be taken by the Issuer or a Note Guarantor, as the case may be, the Chairman of the Board, the Chief Executive Officer, the President, the Chief Financial Officer, any Vice President, the Treasurer, the Controller, the Secretary or an attorney-in-fact of the Issuer or such Note Guarantor, as the case may be.

"Officer's Certificate" means a certificate signed on behalf of a Person by an Officer of such Person, who must be the principal executive officer, the principal financial officer, the treasurer, the Vice President – Corporate Finance, the principal accounting officer or an attorney-in-fact of such Person, that meets the requirements set forth in this Indenture.

"Opinion of Counsel" means a written opinion of counsel, who may be an employee of or counsel for the Issuer or any Note Guarantor, and who shall be reasonably acceptable to the Trustee.

"Outstanding" means, as of the date of determination, all Notes theretofore authenticated and delivered under this Indenture, *except*:

(1) Notes theretofore canceled by the Trustee or delivered to the Trustee for cancellation;

(2) Notes, or portions thereof, for the payment, redemption or, in the case of an Asset Sale Offer or Change of Control Offer, purchase of which, money in the necessary amount has been theretofore deposited with the Trustee or any Paying Agent (other than the Issuer or an Affiliate of the Issuer) in trust or set aside and segregated in trust by the Issuer or an Affiliate of the Issuer (if the Issuer or such Affiliate is acting as the Paying Agent) for the Holders of such Notes; *provided*, that if Notes (or portions thereof) are to be redeemed or purchased, notice of such redemption or purchase has been duly given pursuant to this Indenture or provision therefor satisfactory to the Trustee has been made;

(3) Notes which have been surrendered pursuant to Section 2.9 or Notes in exchange for which or in lieu of which other Notes have been authenticated and delivered pursuant to this Indenture, other than any such Notes in respect of which there shall have been presented to the Trustee proof satisfactory to it that such Notes are held by a protected purchaser in whose hands such Notes are valid obligations of the Issuer; and

(4) solely to the extent provided in Article VIII, Notes which are subject to Legal Defeasance or Covenant Defeasance as provided in Article VIII;

provided, however, that in determining whether the Holders of the requisite aggregate principal amount of the Outstanding Notes have given any request, demand, authorization, direction, notice, consent or waiver hereunder, Notes owned by the Issuer, a Note Guarantor or any other obligor upon the Notes or any Affiliate of the Issuer or of such other obligor shall be disregarded and deemed not to be Outstanding, except that, in determining whether the Trustee shall be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Notes which a Trust Officer of the Trustee actually knows to be so owned shall be so disregarded. Notes so owned which have been pledged in good faith may be regarded as Outstanding if the pledgee establishes to the satisfaction of the Trustee the pledgee's right so to act with respect to such Notes and that the pledgee is not the Issuer or any other obligor upon the Notes or any Affiliate of the Issuer or of such other obligor.

"Partial Covenant Reversion Date" has the meaning set forth under Section 3.22(e).

"Partial Covenant Suspension Date" has the meaning set forth under Section 3.22(c).

"Partial Covenant Suspension Event" has the meaning set forth under Section 3.22(a).

"Partial Suspended Covenants" has the meaning set forth under Section 3.22(a).

"Partial Suspension Period" has the meaning set forth under Section 3.22(e).

"Paying Agent" means the party named as such in the introductory paragraph to this Indenture until a successor replaces it in accordance with the terms of this Indenture and, thereafter, means the successor.

"Permitted Asset Swap Transaction" means a transaction consisting substantially of the concurrent (i) disposition by the Issuer or any of its Restricted Subsidiaries of any asset, property or cash consideration (other than a Restricted Subsidiary) in exchange for assets, property or cash consideration transferred to the Issuer or a Restricted Subsidiary, to be used in a Permitted Business or (ii) disposition by the Issuer or any of its Restricted Subsidiaries of Capital Stock of a Restricted Subsidiary in exchange for Capital Stock of another Restricted Subsidiary or of Capital Stock of any Person that becomes a Restricted Subsidiary after giving effect to such transaction; *provided*, that any cash or Cash Equivalents received in such a transaction shall constitute Net Cash Proceeds to be applied in accordance with Section 3.12.

"Permitted Business" means the business or businesses conducted by the Issuer and its Restricted Subsidiaries as of the Issue Date and any business ancillary, complementary or related thereto or any other business that would not constitute a substantial change to the general nature of its business from that carried on as of the Issue Date.

"Permitted Indebtedness" has the meaning set forth in Section 3.9(b).

"Permitted Investments" means:

(1) Investments by the Issuer or any Restricted Subsidiary in any Person that is, or that result in any Person becoming, immediately after such Investment, a Restricted Subsidiary or constituting a merger or consolidation of such Person into the Issuer or with or into a Restricted Subsidiary;

(2) any Investment in the Issuer;

(3) Investments in cash and Cash Equivalents;

(4) any extension, modification or renewal of any Investments existing as of the Issue Date (but not Investments involving additional advances, contributions or other investments of cash or property or other increases thereof, other than as a result of the accrual or accretion of interest or original issue discount or payment-in-kind pursuant to the terms of such Investment as of the Issue Date);

(5) Investments permitted pursuant to clause (ii), (vi) or (vii) of Section 3.18(b);

(6) Investments received as a result of the bankruptcy or reorganization of any Person or taken in settlement of or other resolution of claims or disputes, and, in each case, extensions, modifications and renewals thereof;

(7) Investments made by the Issuer or its Restricted Subsidiaries as a result of non-cash consideration permitted to be received in connection with an Asset Sale made in compliance with Section 3.12;

(8) Investments in the form of Compensation Related Hedging Obligations permitted under clause (iv) of Section 3.9(b) or under any Hedging Agreement;

(9) Investments in existence on the Issue Date or made pursuant to binding commitments in effect on the Issue Date or any Investment consisting of any extension, modification or renewal of any Investment existing on the Issue Date; *provided*, that the amount of any such Investment may be increased (a) as required by the terms of such Investment as in existence on the Issue Date or (b) as otherwise permitted by this Indenture;

(10) Investments by the Issuer or any Restricted Subsidiary in a Receivables Entity in connection with a Qualified Receivables Transaction which does not constitute an Asset Sale by virtue of clause (7) of the definition thereof; *provided, however*, that any such Investments are made only in the form of Receivables Assets;

(11) Investments in marketable securities or instruments, to fund the Issuer's or a Restricted Subsidiary's pension and other employee-related obligations in the ordinary course of business pursuant to compensation arrangements approved by the Board of Directors or senior management of the Issuer;

(12) any Investment that:

(a) when taken together with all other Investments made pursuant to this clause (12) that are at the time outstanding (and, if the Issuer so elects, net of cash benefits to the Issuer or a Restricted Subsidiary from Investments pursuant to this clause (12)), does not exceed the greater of U.S.$250.0 million and 3% of Consolidated Tangible Assets; or

(b) when taken together with all other Investments made pursuant to this clause (12) in any fiscal year that are at the time outstanding, does not exceed U.S.$100.0 million in any fiscal year;

(13) Investments in the Capital Stock of any Person other than a Restricted Subsidiary that are required to be held pursuant to an involuntary governmental order of condemnation, nationalization, seizure or expropriation or other similar order with respect to Capital Stock of such Person (prior to which order such Person was a Restricted Subsidiary); *provided*, that such Person contests such order in good faith in appropriate proceedings;

(14) repurchases of Existing Senior Notes or the Notes;

(15) Investments in the SPV Perpetuals or the notes related thereto; *provided*, that any payment or other contribution to one of the special purpose vehicles issuing the SPV Perpetuals in connection with such Investment is promptly paid or contributed to the Issuer or a Restricted Subsidiary following receipt thereof;

(16) any Investment that constitutes Indebtedness permitted under clause (vii)(E) of Section 3.9(b);

(17) (a) Investments to which the Issuer or any of its Restricted Subsidiaries is contractually committed as of the Issue Date in any Person (other than a Subsidiary) in which the Issuer or any of its Restricted Subsidiaries maintains an Investment and (b) Investments in any Person (other than a Subsidiary) in which the Issuer or any of its Restricted Subsidiaries maintains an Investment of up to U.S.$100.0 million in any calendar year minus the amount of any guarantees Incurred in such calendar year under clause (xviii)(B) of Section 3.9(b); and

(18) any Investment made by the Issuer or any of its Restricted Subsidiaries to the extent that the consideration provided for such Investment consists of Qualified Capital Stock of the Issuer.

"Permitted Liens" means any of the following:

(1) statutory Liens of landlords and Liens of carriers, warehousemen, mechanics and materialmen incurred in the ordinary course of business for sums not yet due or the payment of which is being contested in good faith by appropriate proceedings promptly initiated and diligently conducted and for which such reserves or other appropriate provision, if any, as shall be required by GAAP, shall have been made and any other Liens created by operation of law;

(2) Liens Incurred or deposits made in the ordinary course of business in connection with (i) workers' compensation, unemployment insurance and other types of social security or (ii) other insurance maintained by the Issuer and its Subsidiaries in compliance with the Credit Agreement (or any refinancing thereof);

(3) Liens for taxes, assessments and other governmental charges the payment of which is being contested in good faith by appropriate proceedings promptly initiated and diligently conducted and for which such reserves or other appropriate provision, if any, as shall be required by GAAP shall have been made;

(4) any attachment or judgment Lien, unless the judgment it secures shall not, within 60 days after the entry thereof, have been discharged or execution thereof stayed pending appeal, or shall not have been discharged within 60 days after the expiration of any such stay;

(5) (i) Liens existing on the Issue Date other than in respect of the Collateral and (ii) Liens in respect of the Collateral to the extent equally and ratably securing the Notes and the Permitted Secured Obligations;

(6) (i) any Lien on property acquired by the Issuer or its Restricted Subsidiaries after the Issue Date that was existing on the date of acquisition of such property; *provided*, that such Lien was not incurred in anticipation of such acquisition; and (ii) any Lien created to secure all or any part of the purchase price, or to secure Indebtedness incurred or assumed to pay all or any part of the purchase price, of property acquired by the Issuer or any of its Restricted Subsidiaries after the Issue Date; *provided further*, that (A) any such Lien permitted pursuant to this clause (6) shall be confined solely to the item or items of property so acquired

(including, in the case of any Acquisition of a corporation through the acquisition of 51% or more of the Voting Stock of such corporation, the stock and assets of any Acquired Subsidiary or Acquiring Subsidiary) and, if required by the terms of the instrument originally creating such Lien, other property which is an improvement to, or is acquired for specific use with, such acquired property; and (B) if applicable, any such Lien shall be created within nine months after, in the case of property, its acquisition, or, in the case of improvements, their completion;

(7) any Liens renewing, extending or refunding any Lien permitted by clause (5)(i) above; *provided*, that such Lien is not extended to other property (or, instead, is only extended to equivalent property) and the principal amount of Indebtedness secured by such Lien immediately prior thereto is not increased or the maturity thereof reduced, except that the principal amount secured by any such Lien in respect of:

(a) Hedging Obligations or other derivatives where there are fluctuations in mark-to-market exposures of those Hedging Obligations or other derivatives, and

(b) Indebtedness consisting of any "*Certificados Bursátiles de Largo Plazo*" or any Refinancing thereof, where principal may increase by virtue of capitalization of interest,

may be increased by the amount of such fluctuations, capitalizations or drawings, as the case may be;

(8) Liens on Receivables Assets or Capital Stock of a Receivables Subsidiary, in each case granted in connection with a Qualified Receivables Transaction;

(9) Liens granted pursuant to or in connection with any netting or set-off arrangements entered into in the ordinary course of business;

(10) any Lien permitted by the Trustee, acting on the instructions of at least 50% of the Holders;

(11) any Lien granted by the Issuer or any of its Restricted Subsidiaries to secure Indebtedness under a Permitted Liquidity Facility; *provided*, that: (i) such Lien is not granted in respect of the Collateral, and (ii) the maximum amount of such Indebtedness secured by such Lien does not exceed U.S.$500.0 million at any time;

(12) Liens to secure, or in respect of, Indebtedness permitted by Section 3.9(b)(iv); provided that the maximum amount of such Indebtedness secured by such Lien does not exceed U.S.$200.0 million at any time; or

(13) in addition to the Liens permitted by the foregoing clauses (1) through (12), Liens securing obligations of the Issuer and its Restricted Subsidiaries that in the aggregate secure obligations in an amount not in excess of the greater of (i) 10% of Consolidated Tangible Assets, and (ii) U.S.$1.0 billion.

"Permitted Liquidity Facility" means a loan facility or facilities made available to the Issuer or any Restricted Subsidiary; *provided*, that the aggregate principal amount of utilized and unutilized commitments under such facilities must not exceed U.S.$1.0 billion (or its equivalent in another currency) at any time.

"Permitted Merger Jurisdictions" has the meaning set forth in Section 4.1(a)(i)(B)(1).

"Permitted Secured Obligations" means (i) indebtedness under the Credit Agreement and any refinancing thereof made in accordance with the Credit Agreement that is secured by the Collateral, (ii) notes (or similar instruments, including *certificados bursátiles*) outstanding on the date of the Credit Agreement required to be secured by the Collateral pursuant to their terms, or any refinancing thereof permitted by the Credit Agreement, (iii) the Existing Senior Notes and (iv)future Indebtedness secured by the Collateral to the extent permitted by the Credit Agreement .

"Person" means an individual, partnership, limited partnership, corporation, company, limited liability company, unincorporated organization, trust or joint venture, or a governmental agency or political subdivision thereof.

"Post-Petition Interest" means all interest accrued or accruing after the commencement of any insolvency or liquidation proceeding (and interest that would accrue but for the commencement of any insolvency or liquidation proceeding) in accordance with and at the contract rate (including, without limitation, any rate applicable upon default) specified in the agreement or instrument creating, evidencing or governing any Indebtedness, whether or not, pursuant to applicable law or otherwise, the claim for such interest is allowed as a claim in such insolvency or liquidation proceeding.

"Preferred Stock" of any Person means any Capital Stock of such Person that has preferential rights over any other Capital Stock of such Person with respect to dividends, distributions or mandatory redemptions or upon liquidation.

"Private Placement Legend" has the meaning assigned to it in Section 2.8(b).

"Purchase Money Indebtedness" means Indebtedness Incurred for the purpose of financing all or any part of the purchase price or cost of construction of any property other than Capital Stock; *provided*, that the aggregate principal amount of such Indebtedness does not exceed the lesser of the Fair Market Value of such property or such purchase price or cost, including any Refinancing of such Indebtedness that does not increase the aggregate principal amount (or accreted amount, if less) thereof as of the date of Refinancing.

"QIB" means a "qualified institutional buyer" as defined in Rule 144A.

"Qualified Capital Stock" means any Capital Stock that is not Disqualified Capital Stock and any warrants, rights or options to purchase or acquire Capital Stock that is not Disqualified Capital Stock that are not convertible into or exchangeable into Disqualified Capital Stock.

"Qualified Receivables Transaction" means any transaction or series of transactions that may be entered into by the Issuer or any Restricted Subsidiary pursuant to which the Issuer or any Restricted Subsidiary may sell, convey, assign or otherwise transfer to a Receivables Entity any Receivables Assets to obtain funding for the operations of the Issuer and its Restricted Subsidiaries:

(1) for which no term of any portion of the Indebtedness or any other obligations (contingent or otherwise) or securities Incurred or issued by any Person in connection therewith:

  (a) directly or indirectly provides for recourse to, or any obligation of, the Issuer or any Restricted Subsidiary in any way, whether pursuant to a Guarantee or otherwise, except for Standard Undertakings,

  (b) directly or indirectly subjects any property or asset of the Issuer or any Restricted Subsidiary (other than Capital Stock of a Receivables Subsidiary) to the satisfaction thereof, except for Standard Undertakings, or

  (c) results in such Indebtedness, other obligations or securities constituting Indebtedness of the Issuer or a Restricted Subsidiary, including following a default thereunder, and

(2) for which the terms of any Affiliate Transaction between the Issuer or any Restricted Subsidiary, on the one hand, and any Receivables Entity, on the other, other than Standard Undertakings and Permitted Investments, are no less favorable than those that could reasonably be expected to be obtained in a comparable transaction at such time on an arm's-length basis from a Person that is not an Affiliate of the Issuer, and

(3) in connection with which, neither the Issuer nor any Restricted Subsidiary has any obligation to maintain or preserve a Receivable Entity's financial condition, cause a Receivables Entity to achieve certain levels of operating results, fund losses of a Receivables Entity, or except in connection with Standard Undertakings, purchase assets of a Receivables Entity.

"Rating Agencies" mean Fitch, Moody's and S&P. In the event that Fitch, Moody's or S&P is no longer in existence or issuing ratings, such organization may be replaced by a nationally recognized statistical rating organization (as defined in Rule 15c3-1(c)(2)(vi)(F) of the Exchange Act or any successor provision) designated by the Issuer with notice to the Trustee.

"Receivables Assets" means:

(1) accounts receivable, leases, conditional sale agreements, instruments, chattel paper, installment sale contracts, obligations, general intangibles, and other similar assets, in each case relating to goods, inventory or services of the Issuer and its Subsidiaries,

(2) equipment and equipment residuals relating to any of the foregoing,

(3) contractual rights, Guarantees, letters of credit, Liens, insurance proceeds, collections and other similar assets, in each case related to the foregoing, and

(4) proceeds of all of the foregoing.

"Receivables Entity" means a Receivables Subsidiary or any other Person not an Affiliate of the Issuer, in each case whose sole business activity is to engage in Qualified Receivables Transactions, including to issue securities or other interests in connection with a Qualified Receivables Transaction.

"Receivables Subsidiary" means an Unrestricted Subsidiary of the Issuer that engages in no activities other than Qualified Receivables Transactions and activities related thereto and that is designated by the Issuer as a Receivables Subsidiary. Any such designation by the Issuer will be evidenced to the Trustee by filing with the Trustee an Officer's Certificate of the Issuer.

"Record Date" has the meaning assigned to it in the Form of Face of Note contained in Exhibit A hereto.

"Redemption Date" means, with respect to any redemption of the Notes, the date fixed for such redemption pursuant to this Indenture and the Notes.

"Refinance" means, in respect of any Indebtedness, to issue any Indebtedness in exchange for or to refinance, repay, redeem, replace, defease or refund such Indebtedness in whole or in part. "Refinanced" and "Refinancing" will have correlative meanings. Indebtedness the proceeds of which are applied to temporarily repay outstanding amounts under the Credit Agreement, which amounts are then redrawn and applied to refinance, repay, redeem, replace, defease or refund other Indebtedness, shall be deemed to Refinance such other Indebtedness.

"Refinancing Indebtedness" means Indebtedness of the Issuer or any Restricted Subsidiary issued to Refinance any other Indebtedness of the Issuer or a Restricted Subsidiary so long as:

(1) the aggregate principal amount (or initial accreted value, if applicable) of such new Indebtedness as of the date of such proposed Refinancing does not exceed the aggregate principal amount (or accreted value as of such date, if applicable) of the Indebtedness being Refinanced (plus fees, underwriting discounts and expenses, including any premium and defeasance costs);

(2) such new Indebtedness has:

(a) a Weighted Average Life to Maturity that is equal to or greater than the Weighted Average Life to Maturity of the Indebtedness being Refinanced, and

(b) a final maturity that is equal to or later than the final maturity of the Indebtedness being Refinanced or, in the case of Indebtedness without a stated maturity, July 19, 2022; and

(3) if the Indebtedness being Refinanced is:

(a) Indebtedness of the Issuer, then such Refinancing Indebtedness will be Indebtedness of the Issuer and/or any Note Guarantor,

(b) Indebtedness of a Note Guarantor, then such Refinancing Indebtedness will be Indebtedness of the Issuer and/or any Note Guarantor,

(c) Indebtedness of any of the Restricted Subsidiaries, then such Refinancing Indebtedness will be Indebtedness of such Restricted Subsidiary, the Issuer and/or any Note Guarantor, and

(d) Subordinated Indebtedness, then such Refinancing Indebtedness shall be subordinate to the Notes or the relevant Note Guarantee, if applicable, at least to the same extent and in the same manner as the Indebtedness being Refinanced.

"Registrar" has the meaning assigned to it in Section 2.3(a).

"Regulation S" means Regulation S under the Securities Act or any successor regulation.

"Regulation S Global Note" has the meaning assigned to it in Section 2.1(e).

"Relevant Resolution Authority" means the resolution authority with the ability to exercise any Bail-in Powers in relation to the BRRD Party.

"Resale Restriction Termination Date" means for any Restricted Note (or beneficial interest therein), that is (a) not a Regulation S Global Note, the date on which the Issuer instructs the Trustee in writing to remove the Private Placement Legend from the Restricted Notes in accordance with the procedures described in Section 2.9(h) (which instruction is expected to be given on or about the one year anniversary of the issuance of the Restricted Notes) or (b) a Regulation S Global Note (or Certificated Note issued in respect thereof pursuant to Section 2.7(c)), the date on which the Distribution Compliance Period therefor terminates.

"Restricted Note" means any Issue Date Note (or beneficial interest therein) or any Additional Note (or beneficial interest therein) not originally issued and sold pursuant to an effective registration statement under the Securities Act until such time as:

(i) the Resale Restriction Termination Date therefor has passed; or

(ii) the Private Placement Legend therefor has otherwise been removed pursuant to Section 2.9 or, in the case of a beneficial interest in a Global Note, such beneficial interest has been exchanged for an interest in a Global Note not bearing a Private Placement Legend.

"Restricted Obligations" has the meaning assigned to it in Section 10.6(b).

"Restricted Payment" has the meaning set forth in Section 3.11(a).

"Restricted Subsidiary" means any Subsidiary of the Issuer, which at the time of determination is not an Unrestricted Subsidiary.

"Reversion Date" has the meaning assigned to in Section 3.22(e).

"Revocation" has the meaning set forth in Section 3.14(b).

"Rule 144" means Rule 144 under the Securities Act (or any successor rule).

"Rule 144A" means Rule 144A under the Securities Act (or any successor rule).

"Rule 144A Global Note" has the meaning assigned to it in Section 2.1(d).

"S&P" means Standard & Poor's Ratings Group and any successor to its rating agency business.

"Sale and Leaseback Transaction" means any direct or indirect arrangement with any Person or to which any such Person is a party providing for the leasing to the Issuer or a Restricted Subsidiary of any property, whether owned by the Issuer or any Restricted Subsidiary at the Issue Date or later acquired, which has been or is to be sold or transferred by the Issuer or such Restricted Subsidiary to such Person or to any other Person by whom funds have been or are to be advanced on the security of such Property.

"Securities Act" means the Securities Act of 1933, as amended.

"Security Agent" means Wilmington Trust (London) Limited, as security agent under the Credit Agreement and the Intercreditor Agreement.

"Security Documents" has the meaning assigned to it in Section 7.13.

"Senior Indebtedness" means (i) the Notes and any other Indebtedness of the Issuer or any Note Guarantor that ranks equal in right of payment with the Notes or the relevant Note Guarantee, as the case may be or (ii) Indebtedness for borrowed money or constituting Capitalized Lease Obligations of any Restricted Subsidiary other than a Note Guarantor.

"Significant Subsidiary" means a Subsidiary of the Issuer constituting a "Significant Subsidiary" of the Issuer in accordance with Rule 1-02(w) of Regulation S-X under the Securities Act in effect on the date hereof.

"Similar Business" means (1) any business engaged in by the Issuer or any Restricted Subsidiary on the Issue Date, and (2) any business or other activities, including non-profit or charitable activities, that are reasonably similar, ancillary, complementary or related to, or a reasonable extension, development or expansion of, the businesses and activities in which the Issuer or any Restricted Subsidiary is engaged on the Issue Date, including, but not limited to, infrastructure projects, public works programs and consumer or supplier financing.

"Special Record Date" has the meaning assigned to it in Section 2.13(a).

"SPV Perpetuals" means the perpetual debentures issued by special purpose vehicles in December 2006, February 2007 and March 2007, as amended or supplemented from time to time.

"Standard Undertakings" means representations, warranties, covenants, indemnities and similar obligations, including servicing obligations, entered into by the Issuer or any Subsidiary of the Issuer in connection with a Qualified Receivables Transaction, which are customary in similar non-recourse receivables securitization, purchase or financing transactions.

"Subordinated Indebtedness" means, with respect to the Issuer or any Note Guarantor, any Indebtedness of the Issuer or such Note Guarantor, as the case may be, which is expressly subordinated in right of payment to the Notes or the relevant Note Guarantee, as the case may be.

"Subsidiary" means with respect to any Person, any corporation, partnership, joint venture, limited liability company, trust, estate or other entity of which (or in which) more than fifty percent (50%) of (a) in the case of a corporation, the issued and outstanding Capital Stock having ordinary voting power to elect a majority of the board of directors of such corporation (irrespective of whether at the time Capital Stock of any other class or classes of such corporation shall or might have voting power upon the occurrence of any contingency that has not occurred and is not in the control of such Person), (b) in the case of a limited liability company, partnership or joint venture, the voting or other power to control the actions of such limited liability company, partnership or joint venture or (c) in the case of a trust or estate, the voting or other power to control the actions of such trust or estate, is at the time directly or indirectly owned or controlled by (X) such Person, (Y) such Person and one or more of its other Subsidiaries or (Z) one or more of such Person's other Subsidiaries. Unless the context otherwise requires, all references herein to a "Subsidiary" shall refer to a Subsidiary of the Issuer.

"Successor Issuer" has the meaning assigned to it in Section 4.1(a)(i)(B).

"Successor Note Guarantor" has the meaning assigned to it in Section 4.1(b)(i).

"Suspended Covenants" has the meaning assigned to it in Section 3.22(b).

"Suspension Date" has the meaning assigned to it in Section 3.22(c).

"Suspension Period" has the meaning assigned to it in Section 3.22(e).

"Swiss Note Guarantor" has the meaning assigned to it in Section 10.6(a).

"Taxes" has the meaning assigned to it in Section 3.21(a).

"Taxing Jurisdiction" has the meaning assigned to it in Section 3.21(a).

"Transfer Agent" means the party named as such in the introductory paragraph to this Indenture until a successor replaces it in accordance with the terms of this Indenture and, thereafter, means the successor.

"Transportation Agreements" means, in respect of any Person, any agreement or arrangement designed to protect such Person from fluctuations in prices related to transportation.

"Trust Officer" means, when used with respect to the Trustee, any officer within the corporate trust department of the Trustee, having direct responsibility for the administration of this Indenture, or any other officer of the Trustee to whom any corporate trust matter is referred because of such person's knowledge of and familiarity with the particular subject.

"Trustee" means the party named as such in the introductory paragraph to this Indenture until a successor replaces it in accordance with the terms of this Indenture and, thereafter, means the successor.

"Undervalued Asset" has the meaning assigned to it in Section 10.6(f).

"USA PATRIOT Act" has the meaning assigned to it in Section 12.16.

"U.S. Person" means a "U.S. person" as defined in Regulation S.

"Uniform Commercial Code" means the Uniform Commercial Code as in effect from time to time in the State of New York.

"Unrestricted Subsidiary" means any Subsidiary of the Issuer designated as such pursuant to Section 3.14. Any such Designation may be revoked by the Issuer, subject to the provisions of such covenant.

"Voting Stock" with respect to any Person, means securities of any class of Capital Stock of such Person entitling the holders thereof (whether at all times or only so long as no senior class of stock has voting power by reason of any contingency) to vote in the election of members of the Board of Directors (or equivalent governing body) of such Person.

"Weighted Average Life to Maturity" means, when applied to any Indebtedness at any date, the number of years (calculated to the nearest one-twelfth) obtained by dividing:

(1) the sum of the products obtained by multiplying:

(a) the amount of each then remaining installment, sinking fund, serial maturity or other required payment of principal or liquidation preference, as the case may be, including payment at final maturity, in respect thereof, by

(b) the number of years (calculated to the nearest one-twelfth) which will elapse between such date and the making of such payment; by

(2) the then outstanding aggregate principal amount or liquidation preference, as the case may be, of such Indebtedness.

"Wholly Owned Subsidiary" means, for any Person, any Subsidiary (Restricted Subsidiary in the case of the Issuer) of which at least 99.5% of the outstanding Capital Stock (other than, in the case of a Subsidiary not organized in the United States, directors' qualifying shares or an immaterial amount of shares required to be owned by other Persons pursuant to applicable law) is owned by such Person or any other Person that satisfies this definition in respect of such Person.

Section 1.2 [Reserved].

Section 1.3 Rules of Construction. Unless the context otherwise requires:

(1) a term has the meaning assigned to it;

(2) an accounting term not otherwise defined has the meaning assigned to it in accordance with GAAP;

(3) "or" is not exclusive;

(4) "including" means including without limitation;

(5) words in the singular include the plural and words in the plural include the singular; and

(6) references to the payment of principal of the Notes shall include applicable premium, if any.

ARTICLE II

THE NOTES

Section 2.1 Form and Dating.

(a) The Issue Date Notes are being originally offered and sold by the Issuer pursuant to a Purchase Agreement, dated as of November 28, 2017, among the Issuer, the Note Guarantors party thereto, and Banca IMI S.p.A, Banco Bilbao Vizcaya Argentaria, S.A., BNP Paribas, HSBC Bank plc, ING Bank N.V., London Branch and J.P. Morgan Securities plc, as Initial Purchasers with respect to the Notes. The Notes will be issued as one or more Global Notes in fully registered form without interest coupons, and only in denominations of €100,000 and in integral multiples of €1,000 in excess thereof. Each such Global Note shall constitute a single Note for all purposes under this Indenture. Certificated Notes, if issued pursuant to the terms hereof, will be issued in fully registered certificated form without coupons. The Notes may only be issued in definitive fully registered form without coupons and only in denominations of €100,000 and in integral multiples of €1,000 in excess thereof. The Notes and the Trustee's certificate of authentication shall be substantially in the form of Exhibit A hereto.

(b) The terms and provisions of the Notes, the form of which is in Exhibit A hereto, shall constitute, and are hereby expressly made, a part of this Indenture, and, to the extent applicable, the Issuer, the Note Guarantors and the Trustee, by their execution and delivery of this Indenture, expressly agree to such terms and provisions and to be bound thereby. Except as otherwise expressly permitted in this Indenture, all Notes (including Additional Notes) shall be identical in all respects. Notwithstanding any differences among them, all Notes issued under this Indenture shall vote and consent together on all matters as one class and are otherwise treated as a single issue of securities.

(c) The Notes may have notations, legends or endorsements as specified in Section 2.8 or as otherwise required by law, stock exchange rule or Euroclear or Clearstream rule or usage. The Issuer and the Trustee shall approve any changes to the form of the Notes attached to this Indenture and any additional notation, legend or endorsement required to be inserted on them. Each Note shall be dated the date of its authentication.

(d) Notes originally offered and sold to QIBs in reliance on Rule 144A will be issued in the form of one or more permanent Global Notes (each, a "Rule 144A Global Note").

(e) Notes originally offered and sold outside the United States in reliance on Regulation S will be issued in the form of one or more permanent Global Notes (each, a "Regulation S Global Note").

(f) Each Global Note shall be deposited on behalf of the purchasers of the Notes represented thereby with the Note Custodian or its nominee, for credit to Euroclear or Clearstream. In no event shall any Person hold an interest in a Regulation S Global Note other than in or through accounts maintained by Euroclear or Clearstream.

Section 2.2 Execution and Authentication.

(a) Any Officer of the Issuer may sign the Notes for the Issuer by manual or facsimile signature. If an Officer whose signature is on a Note no longer holds that office at the time the Trustee authenticates the Note, the Note shall be valid nevertheless.

(b) A Note shall not be valid until manually authenticated by an authorized signatory of the Trustee or an agent appointed by the Trustee (and reasonably acceptable to the Issuer) for such purpose (an "Authenticating Agent"). The signature of an authorized signatory of the Trustee or an Authenticating Agent on a Note shall be conclusive evidence that such Note has been duly and validly authenticated and issued under this Indenture. Unless limited by the terms of its appointment, an Authenticating Agent may authenticate Notes whenever the Trustee may do so. Each reference in this Indenture to authentication by the Trustee includes authentication by an Authenticating Agent.

(c) At any time and from time to time after the execution and delivery of this Indenture, the Trustee shall authenticate and make available for delivery Notes upon a written order of the Issuer signed by an Officer of the Issuer (the "Issuer Order"). An Issuer Order shall specify the amount of the Notes to be authenticated and the date on which the original issue of Notes is to be authenticated.

(d) In case a Successor Issuer has executed an indenture supplemental hereto with the Trustee pursuant to Article IV, any of the Notes authenticated or delivered prior to such transaction may, from time to time, at the request of the Successor Issuer be exchanged for other Notes executed in the name of the Successor Issuer with such changes in phraseology and form as may be appropriate, but otherwise identical to the Notes surrendered for such exchange and of like principal amount; and the Trustee, upon Issuer Order of the Successor Issuer, shall authenticate and deliver Notes as specified in such order for the purpose of such exchange. If Notes shall at any time be authenticated and delivered in any new name of a Successor Issuer pursuant to this Section 2.2 in exchange or substitution for or upon registration of transfer of any Notes, such Successor Issuer, at the option of the Holders but without expense to them, shall provide for the exchange of all Notes at the time Outstanding for Notes authenticated and delivered in such new name.

Section 2.3 Registrar, Paying Agent and Transfer Agent.

(a) The Issuer shall maintain an office or agency in the Borough of Manhattan, City of New York, that shall keep a register of the Notes (the "Note Register") and of their transfer and exchange (the "Registrar"), and for the service of notices and demands to or upon the Issuer in respect of the Notes and this Indenture. The Issuer shall maintain an office or agency in London, England where Notes may be presented for payment and where Notes may be presented or surrendered for registration of transfer or for exchange. The Issuer may have one or more co-Registrars and one or more additional paying agents. The term "Paying Agent" includes any additional paying agent.

(b) The Issuer shall enter into an appropriate agency agreement with any Registrar, Paying Agent or co-Registrar not a party to this Indenture. The agreement shall implement the provisions of this Indenture that relate to such agent. The Issuer shall notify the Trustee of the name and address of each such agent. If the Issuer fails to maintain a Registrar or Paying Agent, the Trustee shall act as such and shall be entitled to appropriate compensation therefor pursuant to Section 7.7. The Issuer or any Affiliate of the Issuer may act as Paying Agent, Registrar or co-Registrar, or transfer agent.

(c) The Issuer initially designates (i) the Corporate Trust Office of the Trustee as such office or agency of the Issuer as required by Section 2.3(a) and appoints the Trustee as Registrar and agent for service of demands and notices, and (ii) the Office of the Paying Agent as such office or agency of the Issuer as required by Section 2.3(a), and appoints The Bank of New York Mellon, London Branch, as Paying Agent and Transfer Agent, in connection with the Notes and this Indenture, in each case until such time as another Person is appointed as such.

Section 2.4 Paying Agent to Hold Money in Trust. The Issuer shall require each paying agent (other than the Trustee or the Paying Agent) to agree in writing that such paying agent shall hold in trust for the benefit of Holders or the Trustee all money held by such paying agent for the payment of principal of or interest on the Notes and shall notify the Trustee in writing of any Default by the Issuer or any Note Guarantor in making any such payment. If the Issuer or an Affiliate of the Issuer acts as Paying Agent, it shall segregate the money held by it as Paying Agent and hold it as a separate trust fund. The Issuer at any time may require a Paying Agent (other than the Trustee) to pay all money held by it to the Trustee and to account for any funds disbursed by such Paying Agent. Upon complying with this Section 2.4, the Paying Agent (if other than the Issuer or any Affiliate of the Issuer) shall have no further liability for the money delivered to the Trustee. Upon any proceeding under any Bankruptcy Law with respect to the Issuer or any Affiliate of the Issuer, if the Issuer or such Affiliate is then acting as Paying Agent, the Trustee shall replace the Issuer or such Affiliate as Paying Agent.

Section 2.5 Holder Lists. The Trustee shall preserve in as current a form as is reasonably practicable the most recent list available to it of the names and addresses of Holders. At any time that the Trustee is not the Registrar the Issuer shall furnish to the Trustee, in writing at least seven Business Days before each Interest Payment Date and at such other times as the Trustee may request in writing, a list in such form and as of such date as the Trustee may reasonably require of the names and addresses of Holders.

Section 2.6 ISIN Numbers. The Issuer in issuing Notes may use "ISIN" numbers, as applicable (if then generally in use), and, if so, the Trustee shall use for the Securities "ISIN" number in notices to the Holders as a convenience to such Holders; *provided*, that any such notice may state that no representation is made as to the correctness of such numbers either as printed on the Notes or as contained in any notice and that reliance may be placed only on the other identification numbers printed on the Notes, and any such notice shall not be affected by any defect in or omission of such numbers. The Issuer will promptly notify the Trustee in writing of any changes in the "ISIN" numbers.

Section 2.7 Global Note Provisions.

(a) Each Global Note initially shall: (i) be registered in the name of the Common Depositary as nominee for Euroclear or Clearstream, (ii) be delivered to the Note Custodian and (iii) bear the appropriate legends as set forth in Section 2.8 and Exhibit A hereto. Any Global Note may be represented by one or more certificates. The aggregate principal amount of each Global Note may from time to time be increased or decreased by adjustments made on the records of the Note Custodian, as provided in this Indenture.

(b) Except as provided in clause (iii) of Section 2.7(c), members of, or participants in, Euroclear or Clearstream ("Agent Members") shall have no rights under this Indenture with respect to any Global Note held on their behalf by Euroclear or Clearstream or by the Note Custodian, and Euroclear or Clearstream may be treated by the Issuer, any Note Guarantor, the Trustee, the Paying Agent, the Transfer Agent, the Note Custodian, the Registrar and any of their respective agents as the absolute owner of such Global Note for all purposes whatsoever. Notwithstanding the foregoing, nothing herein shall (i) prevent the Issuer, the Trustee, the Paying Agent, the Transfer Agent, the Note Custodian, the Registrar or any of their respective agents from giving effect to any written certification, proxy or other authorization furnished by Euroclear or Clearstream or (ii) impair, as between Euroclear or Clearstream and its Agent Members, the operation of customary practices of Euroclear or Clearstream governing the exercise of the rights of an owner of a beneficial interest in any Global Note. The registered Holder of a Global Note may grant proxies and otherwise authorize any person, including Euroclear or Clearstream, or its nominee, Agent Members and persons that may hold interests through Agent Members, to take any action that a Holder is entitled to take under this Indenture or the Notes.

(c) Except as provided in this Section 2.7(c), owners of beneficial interests in Global Notes will not be entitled to receive Certificated Notes in exchange for such beneficial interests.

(i) Certificated Notes shall be issued to all owners of beneficial interests in a Global Note in exchange for such beneficial interests if (A) Euroclear or Clearstream notifies the Issuer that it is unwilling or unable to continue as depositary for such Global Note or (B) Euroclear or Clearstream ceases to be a clearing agency registered under the Exchange Act, at a time when Euroclear or Clearstream is required to be so registered in order to act as depositary, and in each case a successor depositary is not appointed by the Issuer within 90 days of such notice. In connection with the exchange of an entire Global Note for Certificated Notes pursuant to this clause (i) of this Section 2.7(c), such Global Note shall be deemed to be surrendered to the Trustee for cancellation, and the Issuer shall execute, and upon Issuer Order, the Trustee shall authenticate and deliver to each beneficial owner identified by Euroclear or Clearstream in exchange for its beneficial interest in such Global Note, an equal aggregate principal amount of Certificated Notes of authorized denominations, and the Registrar shall register such exchanges in the Note Register.

(ii) The owner of a beneficial interest in a Global Note will be entitled to receive Certificated Notes in exchange for such interest if an Event of Default has occurred and is continuing. If an Event of Default has occurred and is continuing, upon receipt by the Registrar of instructions from Agent Members on behalf of the owner of a beneficial interest in a Global Note directing the Registrar to exchange such beneficial owner's beneficial interest in such Global Note for Certificated Notes, subject to and in accordance with the Applicable Procedures, the Issuer shall promptly execute, and upon Issuer Order, the Trustee shall authenticate and make available for delivery to such beneficial owner, Certificated Notes in a principal amount equal to such beneficial interest in such Global Note.

(iii) If (A) an event described in clause (i) of Section 2.7(c) occurs and Certificated Notes are not issued promptly to all beneficial owners or (B) the Registrar receives from a beneficial owner the instructions described in clause (ii) of Section 2.7(c) and Certificated Notes are not issued promptly to any such beneficial owner, the Issuer expressly acknowledges, with respect to the right of any Holder to pursue a remedy pursuant to Section 6.6 hereof, the right of any beneficial owner of Notes to pursue such remedy with respect to the portion of the Global Note that represents such beneficial owner's Notes as if such Certificated Notes had been issued.

Section 2.8 Legends.

(a) Each Global Note shall bear the legend specified therefor in Exhibit A hereto on the face thereof.

(b) Each Restricted Note shall bear the private placement legend specified therefor in Exhibit A hereto on the face thereof (the "Private Placement Legend").

Section 2.9 Transfer and Exchange.

(a) Transfers of Beneficial Interests in a Rule 144A Global Note. If the owner of a beneficial interest in a Rule 144A Global Note that is a Restricted Note wishes to transfer such interest (or portion thereof) pursuant to Rule 144 (if available) or to a Non-U.S. Person pursuant to Regulation S:

(i) upon receipt by the Registrar of:

(A) instructions from an Agent Member given to Euroclear or Clearstream in accordance with the Applicable Procedures directing Euroclear or Clearstream to credit or cause to be credited a beneficial interest in the Regulation S Global Note in a principal amount equal to the principal amount of the beneficial interest to be transferred,

(B) instructions given in accordance with the Applicable Procedures containing information regarding the account to be credited with such increase, and

(C) a certificate in the form of Exhibit B or Exhibit C hereto, as applicable, duly executed by the transferor;

(ii) the Note Custodian shall increase the Regulation S Global Note and decrease the Rule 144A Global Note in accordance with the foregoing, and the Registrar shall register the transfer in the Note Register.

(b) Transfers of Beneficial Interests in a Regulation S Global Note. Subject to the Applicable Procedures, the following provisions shall apply with respect to any proposed transfer of an interest in a Regulation S Global Note that is a Restricted Note:

If the owner of a beneficial interest in a Regulation S Global Note that is a Restricted Note wishes to transfer such interest (or a portion thereof) to a QIB pursuant to Rule 144A:

(A) upon receipt by the Registrar of:

(1) instructions from an Agent Member given to Euroclear or Clearstream in accordance with the Applicable Procedures directing Euroclear or Clearstream to credit or cause to be credited a beneficial interest in the Rule 144A Global Note in a principal amount equal to the principal amount of the beneficial interest to be transferred,

(2) instructions given in accordance with the Applicable Procedures containing information regarding the account to be credited with such increase, and

(3) a certificate in the form of Exhibit D hereto, duly executed by the transferor;

(B) the Note Custodian shall increase the Rule 144A Global Note and decrease the Regulation S Global Note in accordance with the foregoing, and the Registrar shall register the transfer in the Note Register.

(c) Other Transfers. Any registration of transfer of Restricted Notes (including Certificated Notes) not described above (other than a transfer of a beneficial interest in a Global Note that does not involve an exchange of such interest for a Certificated Note or a beneficial interest in another Global Note, which must be effected in accordance with applicable law and the Applicable Procedures, but is not subject to any procedure required by this Indenture) shall be made only upon receipt by the Registrar of such Opinions of Counsel, certificates and such other evidence reasonably required by and satisfactory to it in order to ensure compliance with the Securities Act or in accordance with Section 2.9(d).

(d) Use and Removal of Private Placement Legends. Upon the registration of transfer, exchange or replacement of Notes (or beneficial interests in a Global Note) not bearing (or not required to bear upon such transfer, exchange or replacement) a Private Placement Legend, the Note Custodian and Registrar shall exchange such Notes (or beneficial interests) for beneficial interests in a Global Note or Certificated Notes if they have been issued pursuant to Section 2.7(c) that does not bear a Private Placement Legend. Upon the registration of transfer, exchange or replacement of Notes (or beneficial interests in a Global Note) bearing a Private Placement Legend, the Note Custodian and Registrar shall deliver only Notes (or beneficial interests in a Global Note) that bear a Private Placement Legend unless:

(i) such Notes (or beneficial interests) are transferred pursuant to Rule 144 upon delivery to the Registrar of a certificate of the transferor in the form of Exhibit C hereto, and an Opinion of Counsel reasonably satisfactory to the Registrar;

(ii) such Notes (or beneficial interests) are transferred, replaced or exchanged after the Resale Restriction Termination Date therefor and, in the case of any such Restricted Notes, the Issuer has complied with the applicable procedures for delegending in accordance with Section 2.9(h); or

(iii) in connection with such registration of transfer, exchange or replacement the Registrar shall have received an Opinion of Counsel, certificates and such other evidence reasonably satisfactory to the Issuer and the Registrar to the effect that neither such Private Placement Legend nor the related restrictions on transfer are required in order to maintain compliance with the provisions of the Securities Act.

The Holder of a Global Note bearing a Private Placement Legend may exchange an interest therein for an equivalent interest in a Global Note not bearing a Private Placement Legend upon transfer of such interest pursuant to this Section 2.9(d).

(e) Consolidation of Global Notes and Exchange of Certificated Notes for Beneficial Interests in Global Notes. If a Global Note not bearing a Private Placement Legend is Outstanding at the time of a removal of legends pursuant to Section 2.9(h), any interests in a Global Note delegended pursuant to Section 2.9(h) shall be exchanged for interests in such Outstanding Global Note, subject to the proviso at the end of Section 2.14(a).

(f) Retention of Documents. The Registrar and the Trustee shall retain copies of all letters, notices and other written communications received pursuant to this Article II and in accordance with the Trustee's, or if different, the Registrar's, record retention procedures. The Issuer shall have the right to inspect and make copies of all such letters, notices or other written communications at any reasonable time upon the giving of reasonable written notice to the Registrar or the Trustee, as the case may be.

(g) General Provisions Relating to Transfers and Exchanges.

(i) Subject to the other provisions of this Section 2.9, when Notes are presented to the Registrar or a co-Registrar with a request to register the transfer of such Notes or to exchange such Notes for an equal principal amount of Notes of other authorized denominations, the Registrar or co-Registrar shall register the transfer or make the exchange as requested if its requirements for such transaction are met; *provided*, that any Notes presented or surrendered for registration of transfer or exchange shall be duly endorsed or accompanied by a written instrument of transfer in form satisfactory to the Registrar or co-Registrar, duly executed by the Holder thereof or his attorney duly authorized in writing.

(ii) To permit registrations of transfers and exchanges and subject to the other terms and conditions of this Article II, the Issuer will execute, and upon Issuer Order, the Trustee will authenticate and make available for delivery, Certificated Notes and Global Notes, as applicable, at the Registrar's or co-Registrar's request.

(iii) No service charge shall be made to a Holder for any registration of transfer or exchange, but the Issuer and the Trustee may require payment of a sum sufficient to cover any transfer tax, assessments, or similar governmental charge payable in connection therewith (other than any such transfer taxes, assessments or similar governmental charges payable upon exchange or transfer pursuant to Section 3.8, Section 3.9, Section 5.1 or Section 9.5).

(iv) The Registrar or co-Registrar shall not be required to register the transfer of or exchange of (x) any Note for a period beginning (1) 15 days before the mailing of a notice of an offer to repurchase or redeem Notes and ending at the close of business on the day of such mailing or (2) 15 days before an Interest Payment Date and ending on such Interest Payment Date and (y) any Note selected for repurchase or redemption, except the unrepurchased or unredeemed portion thereof, if any.

Prior to the due presentation for registration of transfer of any Note, the Issuer, the Trustee, the Paying Agent, the Transfer Agent, the Registrar or any co-Registrar may deem and treat the Person in whose name a Note is registered as the absolute owner of such Note for the purpose of receiving payment of principal of and interest on such Note and for all other purposes whatsoever, whether or not such Note is overdue, and none of the Issuer, the Trustee, the Paying Agent, the Transfer Agent, the Registrar or any co-Registrar or the Note Custodian shall be affected by notice to the contrary.

(v) 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.

(vi) Subject to Section 2.7 and this Section 2.9, in connection with the exchange of a portion of a Certificated Note for a beneficial interest in a Global Note, the Trustee shall cancel such Certificated Note, and the Issuer shall execute, and upon Issuer Order, the Trustee shall authenticate and make available for delivery to the exchanging Holder, a new Certificated Note representing the principal amount not so exchanged.

(h) Applicable Procedures for Delegending.

(i) Promptly after one year has elapsed following (A) the Issue Date or (B) if the Issuer has issued Additional Notes with the same terms and the same ISIN number as the Issue Date Notes pursuant to this Indenture within one year following the Issue Date, the date of original issuances of such Additional Notes, if the relevant Notes are freely tradable pursuant to Rule 144 under the Securities Act by Holders who are not Affiliates of the Issuer where no conditions of Rule 144 are then applicable (other than the holding period requirement in paragraph (d)(1)(ii) of Rule 144 so long as such holding period requirement is satisfied), the Issuer shall:

(1) instruct the Trustee in writing to remove the Private Placement Legend from such Notes, and upon receipt of such instruction, the Private Placement Legend shall be deemed removed from any Global Notes representing such Notes without further action on the part of Holders;

(2) notify Holders of such Notes that the Private Placement Legend has been removed or deemed removed; and

(3) instruct Euroclear or Clearstream to change the ISIN number for such Notes to the unrestricted ISIN number for the Notes.

In no event will the failure of the Issuer to provide any notice set forth in this paragraph or of the Trustee to remove the Private Placement Legend constitute a failure by the Issuer to comply with any of its covenants or agreements set forth in Section 6.1 or otherwise. Any Restricted Note (or security issued in exchange or substitution therefor) as to which such restrictions on transfer shall have expired in accordance with their terms may, upon surrender of such Restricted Note for exchange to the Registrar in accordance with the provisions of

Article II of this Indenture, be exchanged for a new Note or Notes, of like tenor and aggregate principal amount, which shall not bear the Private Placement Legend. The Issuer shall notify the Trustee in writing upon occurrence of the Resale Restriction Termination Date for any Note.

(ii) In the case of a Regulation S Global Note, after the Resale Restriction Termination Date of any such Regulation S Global Note, the Issuer may, at its sole option:

(1) instruct the Trustee in writing to remove the Private Placement Legend from such Regulation S Global Note (including setting forth the basis for such removal), and upon receipt of such instruction, the Private Placement Legend shall be deemed removed from such Regulation S Global Note without further action on the part of Holders; and

(2) instruct Euroclear or Clearstream to change the ISIN number for such Notes to the unrestricted ISIN number for the Notes.

(iii) Notwithstanding any provision herein to the contrary, in the event that Rule 144 as promulgated under the Securities Act (or any successor rule) is amended to change the one-year holding period thereunder (or the corresponding period under any successor rule), (A) each reference in this Section 2.9(h) to "one year" and in the Private Placement Legend described in Section 2.8(b) and Exhibit A hereto to "ONE YEAR" shall be deemed for all purposes hereof to be references to such changed period, and (B) all corresponding references in this Indenture (including the definition of Resale Restriction Termination Date), the Notes and the Private Placement Legends thereon shall be deemed for all purposes hereof to be references to such changed period; *provided*, that such changes shall not become effective if they are otherwise prohibited by, or would otherwise cause a violation of, the then-applicable federal securities laws; *provided further* that if such change does not apply to existing Notes, all references to "one year" in this Indenture shall not be deemed for all purposes hereof to be references to such changed period. This Section 2.9(h) shall apply to successive amendments to Rule 144 (or any successor rule) changing the holding period thereunder.

(i) No Obligation of the Trustee.

(i) The Trustee shall have no responsibility or obligation to any beneficial owner of an interest in a Global Note, Agent Members or any other

Persons with respect to the accuracy of the records of Euroclear or Clearstream or its nominee or of Agent Members, with respect to any ownership interest in the Notes or with respect to the delivery to any Agent Member, beneficial owner or other Person (other than Euroclear or Clearstream) of any notice (including any notice of redemption) or the payment of any amount or delivery of any Notes (or other security or property) under or with respect to such Notes. All notices and communications to be given to the Holders and all payments to be made to Holders in respect of the Notes shall be given or made only to or upon the order of the registered Holders (which shall be Euroclear or Clearstream or its nominee in the case of a Global Note). The rights of beneficial owners in any Global Note shall be exercised only through Euroclear or Clearstream, subject to the applicable rules and procedures of Euroclear or Clearstream. The Trustee may rely and shall be fully protected in relying upon information furnished by Euroclear or Clearstream with respect to its Agent Members and any beneficial owners.

(ii) The Trustee shall have no obligation or duty to monitor, determine or inquire as to compliance with any restrictions on transfer imposed under this Indenture or under applicable law with respect to any transfer of any interest in any Note (including any transfers between or among Agent Members or beneficial owners in any Global Note) other than to require delivery of such certificates and other documentation or evidence as are expressly required by, and to do so if and when expressly required by, the terms of this Indenture, and to examine the same to determine substantial compliance as to form with the express requirements hereof.

Section 2.10 Mutilated, Destroyed, Lost or Stolen Notes.

(a) If a mutilated Note is surrendered to the Registrar or if the Holder of a Note claims that the Note has been lost, destroyed or wrongfully taken, the Issuer shall execute, and upon Issuer Order, the Trustee shall authenticate and make available for delivery, a replacement Note for such mutilated, lost or stolen Note, of like tenor and principal amount, bearing a number not contemporaneously Outstanding if:

(i) the requirements of Section 8-405 of the Uniform Commercial Code are met,

(ii) the Holder satisfies any other reasonable requirements of the Trustee, and

(iii) neither the Issuer nor the Trustee has received notice that such Note has been acquired by a protected purchaser (as defined in Section 8-303 of the Uniform Commercial Code).

If required by the Trustee or the Issuer, such Holder shall furnish an affidavit of loss and indemnity bond sufficient in the judgment of the Issuer and the Trustee to protect the Issuer, the Trustee, the Paying Agent, the Transfer Agent, the Registrar or any co-Registrar and the Note Custodian from any loss that any of them may suffer if a Note is replaced.

(b) Upon the issuance of any new Note under this Section 2.10, the Issuer may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses (including the fees and expenses of the Trustee) in connection therewith.

(c) Every new Note issued pursuant to this Section 2.10 in exchange for any mutilated Note, or in lieu of any destroyed, lost or stolen Note, shall constitute an original additional contractual obligation of the Issuer, any Note Guarantor and any other obligor upon the Notes, whether or not the mutilated, destroyed, lost or stolen Note shall be at any time enforceable by anyone, and shall be entitled to all benefits of this Indenture equally and proportionately with any and all other Notes duly issued hereunder.

Section 2.11 Temporary Notes. Until definitive Notes are ready for delivery, the Issuer may execute, and upon Issuer Order, the Trustee will authenticate and make available for delivery, temporary Notes. Temporary Notes will be substantially in the form of definitive Notes but may have variations that the Issuer considers appropriate for temporary Notes. Without unreasonable delay, the Issuer will prepare and execute, and upon Issuer Order, the Trustee will authenticate and make available for delivery, definitive Notes. After the preparation of definitive Notes, the temporary Notes will be exchangeable for definitive Notes upon surrender of the temporary Notes at the office or agency maintained by the Issuer pursuant to Section 2.3 for that purpose and such exchange shall be without charge to the Holder. Upon surrender for cancellation of any one or more temporary Notes, the Issuer will execute, and upon Issuer Order, the Trustee will authenticate and make available for delivery in exchange therefor, one or more definitive Notes representing an equal principal amount of Notes. Until so exchanged, the Holder of temporary Notes shall in all respects be entitled to the same benefits under this Indenture as a Holder of definitive Notes.

Section 2.12 Cancellation. The Issuer at any time may deliver Notes to the Trustee for cancellation. The Registrar, the Paying Agent and the Transfer Agent shall forward to the Trustee any Notes surrendered to them for registration of transfer, exchange or payment. The Trustee and no one else shall cancel and dispose of canceled Notes in accordance with its policy of disposal or upon written request of the Issuer, return to the Issuer all Notes surrendered for registration of transfer, exchange, payment or cancellation. The Issuer may not issue new Notes to replace Notes it has paid or delivered to the Trustee for cancellation for any reason other than in connection with a registration of transfer or exchange upon Issuer Order.

Section 2.13 Defaulted Interest. When any installment of interest becomes overdue (a "Defaulted Interest"), such installment shall forthwith cease to be payable to the Holders in whose names the Notes were registered on the Record Date applicable to such installment of interest. Defaulted Interest (including any interest on such Defaulted Interest) shall be paid by the Issuer, at its election, as provided in clause (a) or clause (b) below.

(a) The Issuer may elect to make payment of any Defaulted Interest(including any interest payable on such Defaulted Interest) to the Holders in whose names the Notes are registered at the close of business on a special record date for the payment of such Defaulted Interest (a "Special Record Date"), which shall be fixed in the following manner. The Issuer shall notify the Trustee in writing of the amount of Defaulted Interest proposed to be paid and the date of the proposed payment, and at the same time the Issuer shall deposit with the Trustee an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Trustee for such deposit prior to the date of the proposed payment, such money when deposited to be held in trust for the benefit of the Holders entitled to such Defaulted Interest as provided in this Section 2.13(a). Thereupon the Trustee shall fix a Special Record Date for the payment of such Defaulted Interest, which shall be not more than fifteen (15) calendar days and not less than ten (10) calendar days prior to the date of the proposed payment and not less than ten (10) calendar days after the receipt by the Trustee of the notice of the proposed payment. The Trustee shall promptly notify the Issuer of such Special Record Date and, in the name and at the expense of the Issuer, shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be sent, first-class mail, postage prepaid, to each Holder at such Holder's address as it appears in the Note Register, not less than ten (10) calendar days prior to such Special Record Date. Notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor having been mailed as aforesaid, such Defaulted Interest shall be paid to the Holders in whose names the Notes are registered at the close of business on such Special Record Date and shall no longer be payable pursuant to clause (b) below; or

(b) The Issuer may make payment of any Defaulted Interest (including any interest on such Defaulted Interest) in any other lawful manner not inconsistent with the requirements of any securities exchange on which the Notes may be listed, and upon such notice as may be required by such exchange, if, after notice given by the Issuer to the Trustee of the proposed payment pursuant to this Section 2.13(b), such manner of payment shall be deemed practicable by the Trustee. The Trustee shall in the name and at the expense of the Issuer cause prompt notice of the proposed payment and the date thereof to be sent, first-class mail, postage prepaid, to each Holder at such Holder's address as it appears in the Note Register.

Section 2.14 Additional Notes.

(a) The Issuer may, from time to time, subject to compliance with any other applicable provisions of this Indenture, without the consent of the Holders, create and issue pursuant to this Indenture additional notes ("Additional Notes") that shall have terms and conditions identical to those of the other Outstanding Notes, except with respect to:

(i) the Issue Date;

(ii) the amount of interest payable on the first Interest Payment Date therefor;

(iii) the issue price; and

(iv) any adjustments necessary in order to conform to and ensure compliance with the Securities Act (or other applicable securities laws) and any agreement applicable to such Additional Notes, which are not adverse in any material respect to the Holder of any Outstanding Notes (other than such Additional Notes).

The Issue Date Notes and any Additional Notes shall be treated as a single series for all purposes under this Indenture; *provided* that such Additional Notes are either (i) part of the same "issue" as the Issue Date Notes for U.S. federal income tax purposes, (ii) issued pursuant to a "qualified reopening" for U.S. federal income tax purposes, or (iii) issued with a different ISIN or other similar numbers than the Issue Date Notes to the extent required to comply with securities or tax law requirements, including to permit delegending pursuant to Section 2.9(h).

(b) With respect to any Additional Notes, the Issuer will set forth in an Officer's Certificate of the Issuer (the "Additional Note Certificate"), copies of which will be delivered to the Trustee, the following information:

(i) the aggregate principal amount of such Additional Notes to be authenticated and delivered pursuant to this Indenture;

(ii) the Issue Date and the issue price of such Additional Notes; and

(iii) whether such Additional Notes will be subject to transfer restrictions under the Securities Act (or other applicable securities laws).

ARTICLE III

COVENANTS

Section 3.1 Payment of Notes.

(a) The Issuer shall pay the principal of and interest (including Defaulted Interest) on the Notes in euros on the dates and in the manner provided in the Notes and in this Indenture. Prior to 1:00 p.m. London time, on the Business Day prior to each Interest Payment Date and the Maturity Date, the Issuer shall deposit with the Paying Agent in immediately available funds euros sufficient to make cash payments due on such Interest Payment Date or Maturity Date, as the case may be. If the Issuer or an Affiliate of the Issuer is acting as Paying Agent, the Issuer or such Affiliate shall, prior to 3:00 p.m. London time on the Business Day prior to each Interest Payment Date and the Maturity Date, segregate and hold in trust euros, sufficient to make cash payments due on such Interest Payment Date or Maturity Date, as the case may be. Principal and interest shall be considered paid on the date due if on such date the Trustee or the Paying Agent (other than the Issuer or an Affiliate of the Issuer) holds in accordance with this Indenture euros designated for and sufficient to pay all principal and interest then due and the Trustee or the Paying Agent, as the case may be, is not prohibited from paying such money to the Holders on that date pursuant to the terms of this Indenture.

(b) Notwithstanding anything to the contrary contained in this Indenture, the Issuer may, to the extent it is required to do so by law, deduct or withhold income or other similar taxes imposed by the United States of America from principal or interest.

(c) In order to comply with applicable tax laws (inclusive of rules, regulations and interpretations promulgated by competent authorities) related to the Indenture in effect from time to time ("Applicable Tax Law") that a foreign financial institution, issuer, trustee, paying agent or other party is or has agreed to be subject to, the Issuer agrees (i) to provide to the Trustee and the Paying Agent sufficient information about the parties and/or transactions (including any modification to the terms of such transactions) so the Trustee and the Paying Agent can determine whether it has tax related obligations under Applicable Tax Law, (ii) that the Trustee and the Paying Agent shall be entitled to make any withholding or deduction from payments to the extent necessary to comply with Applicable Tax Law for which the Trustee and the Paying Agent shall not have any liability and (iii) to hold harmless the Trustee and the Paying Agent for any losses it may suffer due to the actions it takes to comply with Applicable Tax Law. The terms of this section shall survive the termination of this Indenture.

(d) The Issuer hereby instructs the Trustee to establish an "Issue Date Note Account" for reception of the interest and principal payments for the Issue Date Notes.

Section 3.2 Maintenance of Office or Agency.

(a) The Issuer shall maintain each office or agency required under Section 2.3. The Issuer will give prompt written notice to the Trustee of any change in the location of any such office or agency. If at any time the Issuer shall fail to maintain any such required office or agency or shall fail to furnish the Trustee with the address thereof, such presentations, surrenders, notices and demands may be made or served at the Corporate Trust Office of the Trustee, and the Issuer hereby appoints the Trustee as its agent to receive all such presentations, surrenders, notices and demands.

(b) The Issuer may also from time to time designate one or more other offices or agencies (in or outside of the City of New York) where the Notes may be presented or surrendered for registration of transfer or for exchange and may from time to time rescind any such designation; *provided, however*, that no such designation or rescission shall in any manner relieve the Issuer of its obligation to maintain an office or agency in the City of New York and in any city selected by the Issuer within the European Union for such purposes. The Issuer will give prompt written notice to the Trustee of any such designation or rescission and any change in the location of any such other office or agency.

Section 3.3 Corporate Existence. Subject to Article IV, the Issuer will do or cause to be done all things necessary to preserve and keep in full force and effect its corporate existence.

Section 3.4 Payment of Taxes and Other Claims. The Issuer will pay or discharge or cause to be paid or discharged, before the same shall become delinquent, (i) all taxes, assessments and governmental charges levied or imposed upon the Issuer or any Restricted Subsidiary or for which it or any of them are otherwise liable, or upon the income, profits or property of the Issuer or any Restricted Subsidiary and (ii) all lawful claims for labor, materials and supplies, which, if unpaid, might by law become a liability or Lien upon the property of the Issuer or any Restricted Subsidiary; *provided, however,* that the Issuer shall not be required to pay or discharge or cause to be paid or discharged any such tax, assessment, charge or claim whose amount, applicability or validity is being contested in good faith by appropriate proceedings and for which appropriate reserves, if necessary (in the good faith judgment of the Issuer), are being maintained in accordance with GAAP or where the failure to effect such payment will not be disadvantageous to the Holders.

Section 3.5 Compliance Certificate. The Issuer and each Note Guarantor shall deliver to the Trustee within 105 days after the end of each fiscal year of the Issuer (which fiscal year ends on December 31 of each year, subject to any change in fiscal year following the Issue Date) an Officer's Certificate stating that in the course of the performance by the signers of their duties as Officers of the Issuer or such Note Guarantor, as the case may be, they would normally have knowledge of any Default or Event of Default and whether or not the signers know of any Default or Event of Default that occurred during the previous fiscal year. If they do, the certificate shall describe the Default or Event of Default, its status and what action the Issuer or such Note Guarantor is taking or proposes to take with respect thereto.

Section 3.6 Further Instruments and Acts.

(a) The Issuer and each Note Guarantor will execute and deliver such further instruments and do such further acts as may be reasonably necessary or proper or as the Trustee may reasonably request to carry out more effectively the purpose of this Indenture.

(b) The Issuer and the Note Guarantors shall take, and shall cause their Subsidiaries party thereto to take, any and all actions required under the Intercreditor Agreement and the Security Documents to cause the Intercreditor Agreement and the Security Documents to create and maintain, as security for the Obligations of the Issuer and the Note Guarantors hereunder, a valid and enforceable perfected security interest on all the Collateral, in favor of the Security Agent for the equal and ratable benefit of the Holders of the Notes, and the other Permitted Secured Obligations, first in priority to any and all security interests at any time granted upon the Collateral, subject in all respects to Liens imposed by law and Liens for judgments, taxes, assessments or governmental charges.

Section 3.7 Waiver of Stay, Extension or Usury Laws. The Issuer and each Note Guarantor covenant (to the fullest extent permitted by applicable law) that they will not at any time insist upon, plead, or in any manner whatsoever claim or take the benefit or advantage of, any stay or extension law or any usury law or other law that would prohibit or forgive the Issuer or such Note Guarantor from paying all or any portion of the principal of or interest on the Notes as contemplated herein, wherever enacted, now or at any time hereafter in force, or which may affect the covenants or the performance of this Indenture. The Issuer and each Note Guarantor hereby expressly waives (to the fullest extent permitted by applicable law) all benefit or advantage of any such law, and covenants that it will not hinder, delay or impede the execution of any power herein granted to the Trustee, but will suffer and permit the execution of every such power as though no such law had been enacted.

Section 3.8 Change of Control.

(a) If a Change of Control occurs, each Holder will have the right to require that the Issuer purchase all or a portion (in integral multiples of €1,000) of the Holder's Notes at a purchase price equal to 101% of the principal amount thereof, plus accrued and unpaid interest thereon to, but not including, the date of purchase (the "Change of Control Payment") on the terms and conditions set forth herein.

(b) Within 30 days following the date upon which the Change of Control occurred, the Issuer shall send, electronically or by first-class mail, a Change of Control Notice to each Holder, with a copy to the Trustee, offering to purchase the Notes as described above (a "Change of Control Offer"). The Change of Control Notice shall state, among other things, the purchase date, which must be no earlier than 30 days nor later than 60 days from the date the notice is electronically sent or mailed, other than as may be required by law (the "Change of Control Payment Date").

(c) On the Change of Control Payment Date, the Issuer will, to the extent lawful:

(i) accept for payment all Notes or portions thereof properly tendered and not withdrawn pursuant to the Change of Control Offer;

(ii) deposit with the Paying Agent funds in an amount equal to the Change of Control Payment in respect of all Notes or portions thereof so tendered; and

(iii) deliver or cause to be delivered to the Trustee the Notes so accepted together with an Officer's Certificate stating the aggregate principal amount of Notes or portions thereof being purchased by the Issuer.

(d) If only a portion of a Note is purchased pursuant to a Change of Control Offer, a new Note in a principal amount equal to the portion thereof not purchased will be issued in the name of the Holder thereof upon cancellation of the original Note (or appropriate adjustments to the amount and beneficial interests in a Global Note will be made, as appropriate); *provided*, that each new Note shall be in a minimum principal amount of €100,000 and in integral multiples of €1,000 in excess thereof. Notes (or portions thereof) purchased pursuant to a Change of Control Offer will be canceled and cannot be reissued.

(e) The Issuer will not be required to make a Change of Control Offer upon a Change of Control if:

(i) a third party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth in this Indenture applicable to a Change of Control Offer made by the Issuer and purchases all Notes properly tendered and not withdrawn under the Change of Control Offer, or

(ii) notice of redemption with respect to all Outstanding Notes has been given pursuant to this Indenture as described under Section 5.4 unless and until there is a default in payment of the applicable redemption price.

(f) The Issuer will comply with the requirements of Rule 14e-1 under the Exchange Act and any other securities laws and regulations in connection with the purchase of Notes to the extent that they apply in connection with a Change of Control Offer. To the extent that the provisions of any securities laws or regulations conflict with the "Change of Control" provisions of this Indenture, the Issuer will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under this Indenture by doing so.

Section 3.9 Limitation on Incurrence of Additional Indebtedness.

(a) The Issuer will not, and will not cause or permit any of its Restricted Subsidiaries to, directly or indirectly, Incur any Indebtedness, including Acquired Indebtedness, except that the Issuer and/or any Restricted Subsidiary may Incur Indebtedness, including Acquired Indebtedness, if, at the time of and immediately after giving *pro forma* effect to the Incurrence thereof and the application of the proceeds therefrom, the Consolidated Fixed Charge Coverage Ratio of the Issuer is greater than or equal to 2.0 to 1.0; *provided* that, the amount of Indebtedness that may be Incurred by Restricted Subsidiaries that are not Note Guarantors under this Section 3.9(a) (after giving *pro forma* effect to the Incurrence thereof and the application of the proceeds therefrom), shall not exceed the greater of (i) 10% of Consolidated Tangible Assets and (ii) U.S.$1.5 billion, at any one time outstanding.

(b) Notwithstanding clause (a) above, the Issuer and/or any of its Restricted Subsidiaries, as applicable, may Incur the following Indebtedness ("Permitted Indebtedness"):

(i) Indebtedness consisting of the Notes, excluding Additional Notes;

(ii) Guarantees by the Issuer and/or any Note Guarantor of Indebtedness of the Issuer or any Restricted Subsidiary permitted under this Indenture; *provided*, that if any such Guarantee is of Subordinated Indebtedness, then the obligations of the Issuer under the Notes and this Indenture or the Note Guarantee of such Note Guarantor, as applicable, will be senior to the Guarantee of such Subordinated Indebtedness;

(iii) Indebtedness of the Issuer and/or any of its Restricted Subsidiaries outstanding on the Issue Date (excluding Indebtedness permitted under clauses (v), (vi), (vii) or (x) of this definition of Permitted Indebtedness);

(iv) Hedging Obligations, Compensation Related Hedging Obligations and any Guarantees thereof and any reimbursement obligations with respect to letters of credit related thereto, in each case entered into by the Issuer and/or any of its Restricted Subsidiaries; *provided*, that upon the drawing of such letters of credit, such obligations are reimbursed within 30 days following such drawing;

(v) intercompany Indebtedness between the Issuer and any Restricted Subsidiary or between any Restricted Subsidiaries; *provided*, that in the event that at any time any such Indebtedness ceases to be held by the Issuer or a Restricted Subsidiary, such Indebtedness shall be deemed to be Incurred and not permitted by this clause (v) at the time such event occurs;

(vi) Indebtedness of the Issuer and/or any of its Restricted Subsidiaries arising from (A) the honoring by a bank or other financial institution of a check, draft or similar instrument inadvertently drawn against insufficient funds in the ordinary course of business; *provided*, that such Indebtedness is extinguished within five Business Days of Incurrence; or (B) any cash pooling or other cash management agreements in place with a bank or financial institution but only to the extent of offsetting credit balances of the Issuer and/or its Restricted Subsidiaries pursuant to such cash pooling or other cash management agreement;

(vii) Indebtedness of the Issuer and/or any of its Restricted Subsidiaries represented by (A) endorsements of negotiable instruments in the ordinary course of business (excluding an *aval*), (B) documentary credits (including all forms of letter of credit), performance bonds or guarantees, advance payments, bank guarantees, bankers' acceptances, surety or appeal bonds or similar instruments for the account of, or guaranteeing performance by, the Issuer and/or any Restricted Subsidiary in the ordinary course of business, (C) reimbursement obligations with respect to letters of credit in the ordinary course of business, (D) reimbursement obligations with respect to letters of credit and performance Guarantees in the ordinary course of business to the extent required pursuant to the terms of any Investment made pursuant to clause (12) of the definition of "Permitted Investment" and (E) other Guarantees by the Issuer and/or any Restricted Subsidiary in favor of a bank or financial institution in respect of obligations of that bank or financial institution to a third party in an amount not to exceed U.S.$500.0 million at any one time outstanding; *provided*, that in the case of clauses (B), (C) and (D), upon the drawing of such letters of credit or the Incurrence of such Indebtedness, such obligations are reimbursed within 30 days following such drawing or Incurrence;

(viii) Refinancing Indebtedness in respect of:

(A) Indebtedness (other than Indebtedness owed to the Issuer or any Subsidiary of the Issuer) Incurred pursuant to clause (a) above (it being understood that no Indebtedness outstanding on the Issue Date is Incurred pursuant to such clause (a) above), or

(B) Indebtedness Incurred pursuant to clause (i), (ii) or (iii) above or this clause (viii);

(ix) Capitalized Lease Obligations, Sale and Leaseback Transactions, export credit facilities with a maturity of at least one year and Purchase Money Indebtedness of, including Guarantees of any of the foregoing by, the Issuer and/or any Restricted Subsidiary, in an aggregate principal amount at any one time outstanding not to exceed U.S.$1.75 billion;

(x) Indebtedness arising from agreements entered into by the Issuer and/or a Restricted Subsidiary providing for bona fide indemnification, adjustment of purchase price or similar obligations not for financing purposes, in each case, Incurred or assumed in connection with the acquisition or disposition of any business, assets or Capital Stock of a Restricted Subsidiary (including minority interests); *provided*, that in the case of a disposition, the maximum aggregate liability in respect of such Indebtedness shall at no time exceed the gross proceeds actually received by the Issuer and its Restricted Subsidiaries in connection with such disposition;

(xi) Indebtedness of the Issuer and/or any of its Restricted Subsidiaries in an aggregate amount not to exceed U.S.$1.0 billion at any one time outstanding; *provided*, that no more than U.S.$250.0 million of such Indebtedness at any one time outstanding (excluding any Indebtedness under a Permitted Liquidity Facility) may be Incurred by Restricted Subsidiaries that are not Note Guarantors, which amount shall be increased by the corresponding amount of other Indebtedness of Restricted Subsidiaries other than the Note Guarantors outstanding on the Issue Date and subsequently repaid from time to time but in any event not to exceed U.S.$500.0 million at any one time outstanding; *provided, further, however*, that (A) the Issuer and/or any of its Restricted Subsidiaries may Incur Indebtedness under a Permitted Liquidity Facility and (B) in the event that the Issuer and/or any of its Restricted Subsidiaries shall have Incurred Indebtedness under a Permitted Liquidity Facility that increases the amount outstanding at such time pursuant to this clause (xi) in excess of U.S.$1.0 billion, then up to U.S.$1.2 billion may be Incurred pursuant to this clause (xi) at any one time outstanding;

(xii) (A) Indebtedness of the Issuer and/or any of its Restricted Subsidiaries in respect of factoring arrangements or Inventory Financing arrangements or (B) other Indebtedness of the Issuer and/or any of its Restricted Subsidiaries with a maturity of 12 months or less for working capital purposes, not to exceed in the aggregate at any one time (calculated as of the end of the most recent fiscal quarter for which consolidated financial information of the Issuer is available) the greater of:

(1) The sum of:

(x) 20% of the net book value of the inventory of the Issuer and its Restricted Subsidiaries and

(y) 20% of the net book value of the accounts receivable of the Issuer and its Restricted Subsidiaries (excluding accounts receivable pledged to secure Indebtedness or subject to a Qualified Receivables Transaction), less, in each case, the amount of any permanent repayments or reductions of commitments in respect of such Indebtedness made with the Net Cash Proceeds of an Asset Sale in order to comply with Section 3.12; or

(2) U.S.$350.0 million;

(xiii) [Reserved];

(xiv) Indebtedness of the Issuer and/or any of its Restricted Subsidiaries for taxes levied, assessments due and other governmental charges required to be paid as a matter of law or regulation in the ordinary course of business; *provided*, that such Indebtedness shall be permitted to be Incurred only at such time that the Credit Agreement (or any refinancing thereof) shall contain an exception to allow the Incurrence of Indebtedness to pay taxes;

(xv) [Reserved];

(xvi) Indebtedness of the Issuer and/or any of its Restricted Subsidiaries Incurred and/or issued to refinance Qualified Receivables Transactions in existence on the Issue Date;

(xvii) Acquired Indebtedness in an aggregate amount at any one time outstanding under this clause (xvii) not to exceed U.S.$200.0 million; and

(xviii) (A) any Indebtedness that constitutes an Investment that the Issuer and/or any of its Restricted Subsidiaries is contractually committed to Incur as of the Issue Date in any Person (other than a Subsidiary) in which the Issuer or any of its Restricted Subsidiaries maintains an Investment; and (B) Guarantees up to U.S.$100.0 million in any calendar year by the Issuer and/or any Restricted Subsidiary of Indebtedness of any Person in which the Issuer or any of its Restricted Subsidiaries maintains an Investment minus any Investment other than such guarantees in such Person during such calendar year pursuant to clause (17)(b) of the definition of "Permitted Investments."

(c) Notwithstanding anything to the contrary contained in this Section 3.9,

(i) The Issuer shall not, and shall not permit any Note Guarantor to, Incur any Permitted Indebtedness pursuant to Section 3.9(b) if the proceeds thereof are used, directly or indirectly, to Refinance any Subordinated Indebtedness unless such Indebtedness shall be subordinated to the Notes or the applicable Note Guarantee, as the case may be, to at least the same extent as such Subordinated Indebtedness.

(ii) For purposes of determining compliance with, and the outstanding principal amount of, any particular Indebtedness Incurred pursuant to and in compliance with this Section 3.9, the amount of Indebtedness issued at a price that is less than the principal amount thereof will be equal to the amount of the liability in respect thereof determined in accordance with

GAAP. Accrual of interest, the accretion or amortization of original issue discount, the payment of regularly scheduled interest in the form of additional Indebtedness of the same instrument or the payment of regularly scheduled dividends on Disqualified Capital Stock in the form of additional Disqualified Capital Stock with the same terms will not be deemed to be an Incurrence of Indebtedness for purposes of this Section 3.9. For purposes of determining compliance with this Section 3.9, mark-to- market fluctuations of Hedging Obligations or derivatives shall not constitute Incurrence of Indebtedness.

(iii) For purposes of determining compliance with this Section 3.9, the principal amount of Indebtedness denominated in foreign currency shall be calculated based on the relevant currency exchange rate in effect on the date such Indebtedness was Incurred, in the case of term Indebtedness, or first committed, in the case of revolving credit Indebtedness; *provided*, that if such Indebtedness is Incurred to refinance other Indebtedness denominated in foreign currency, and such refinancing would cause the applicable restriction to be exceeded if calculated at the relevant currency exchange rate in effect on the date of such refinancing, such restriction shall be deemed not to have been exceeded so long as the principal amount of such Refinancing Indebtedness does not exceed the principal amount of such Indebtedness being refinanced. Notwithstanding any other provision of this Section 3.9, the maximum amount of Indebtedness Incurred to refinance other Indebtedness, if Incurred in a different currency from the Indebtedness being refinanced, shall be calculated based on the currency exchange rate applicable to the currencies in which such Refinancing Indebtedness is denominated that is in effect on the date of such refinancing.

(iv) For purposes of determining compliance with this Section 3.9:

(A) in the event that an item of Indebtedness meets the criteria of more than one of the types of Indebtedness described above, including, without limitation, in Section 3.9(a), the Issuer, in its sole discretion, will classify such item of Indebtedness at the time of Incurrence and only be required to include the amount and type of such Indebtedness in one of the above clauses and may later reclassify all or a portion of such item of Indebtedness as having been Incurred pursuant to any other clause to the extent such Indebtedness could be Incurred pursuant to such clause at the time of such reclassification; and

(B) the Issuer will be entitled to divide and classify an item of Indebtedness in more than one of the types of Indebtedness described above, including, without limitation, Section 3.9(a).

Section 3.10 [Reserved].

Section 3.11 Limitation on Restricted Payments.

(a) The Issuer will not, and will not cause or permit any of its Restricted Subsidiaries to, directly or indirectly, take any of the following actions (each, a "Restricted Payment"):

(i) declare or pay any dividend or return of capital or make any distribution on or in respect of shares of Capital Stock of the Issuer or any Restricted Subsidiary to holders of such Capital Stock, other than:

(A) dividends, distributions or returns on capital to the extent payable in Qualified Capital Stock of the Issuer,

(B) dividends, distributions or returns on capital payable to the Issuer and/or a Restricted Subsidiary,

(C) dividends, distributions or returns of capital made on a *pro rata* basis to the Issuer and its Restricted Subsidiaries, on the one hand, and minority holders of Capital Stock of a Restricted Subsidiary, on the other hand (or on less than a *pro rata* basis to any minority holder);

(ii) purchase, redeem or otherwise acquire or retire for value:

(A) any Capital Stock of the Issuer (other than in connection with the settlement or termination of an Equity Derivative Agreement to the extent that such settlement or termination would be deemed to be a purchase or redemption of Capital Stock of the Issuer), or

(B) any Capital Stock of any Restricted Subsidiary held by an Affiliate of the Issuer or any Preferred Stock of a Restricted Subsidiary, except for:

(1) Capital Stock held by the Issuer or a Restricted Subsidiary, or

(2) purchases, redemptions, acquisitions or retirements for value of Capital Stock on a *pro rata* basis from the Issuer and/or any Restricted Subsidiaries, on the one hand, and minority holders of Capital Stock of a Restricted Subsidiary, on the other hand, according to their respective percentage ownership of the Capital Stock of such Restricted Subsidiary;

(iii) make any principal payment on, purchase, defease, redeem, prepay, decrease or otherwise acquire or retire for value, prior to any scheduled final maturity, scheduled repayment or scheduled sinking fund payment, as the case may be, any Subordinated Indebtedness (excluding any intercompany indebtedness); or

(iv) make any Investment (other than Permitted Investments);

if at the time of the Restricted Payment immediately after giving effect thereto:

(A) a Default or an Event of Default shall have occurred and be continuing;

(B) the Issuer is not able to Incur at least U.S.$1.00 of additional Indebtedness pursuant to Section 3.9(a); or

(C) the aggregate amount (the amount expended for these purposes, if other than in cash, being the Fair Market Value of the relevant property at the time of the making thereof) of the proposed Restricted Payment and all other Restricted Payments made subsequent to the Issue Date up to the date thereof (including without duplication, Restricted Payments permitted by clause(b)(i) below, but excluding all other Restricted Payments permitted by clause (b) below, less any Investment Return calculated as of the date thereof, shall exceed the sum of:

(1) 50% of cumulative Consolidated Net Income of the Issuer (or, if cumulative Consolidated Net Income of the Issuer is a loss, 100% of the loss taken as a negative amount), accrued during the period, treated as one accounting period, beginning on January 1, 2017 to the end of the most recent fiscal quarter for which consolidated financial information of the Issuer is available, *less* the amount of cash benefits to the Issuer or a Restricted Subsidiary that the Issuer elects to net against Investments pursuant to clause (12) of the definition of "Permitted Investments"; plus

(2) 100% of the aggregate net cash proceeds received by the Issuer from any Person from any:

- contribution to the equity capital of the Issuer (not representing an interest in Disqualified Capital Stock) or issuance and sale of Qualified Capital Stock of the Issuer, in each case, subsequent to the Issue Date, or
- issuance and sale subsequent to the Issue Date (and, in the case of Indebtedness of a Restricted Subsidiary, at such time as it was a Restricted Subsidiary) of any Indebtedness for borrowed money of the Issuer or any Restricted Subsidiary that has been converted into or exchanged for Qualified Capital Stock of the Issuer, excluding, in each case, any net cash proceeds:
- received from a Subsidiary of the Issuer;
- used to redeem Notes under Article V;

- used to acquire Capital Stock or other assets from an Affiliate of the Issuer; or
- applied in accordance with clause (ii)(B) or (iii)(A) of Section 3.11(b) below; plus

(3) U.S.$500.0 million

(b) Notwithstanding Section 3.11(a), this Section 3.11 does not prohibit:

(i) the payment of any dividend within 60 days after the date of declaration of such dividend if the dividend would have been permitted on the date of declaration pursuant to Section 3.11(a);

(ii) if no Default or Event of Default shall have occurred and be continuing, the purchase, redemption or other acquisition or retirement for value of any Capital Stock of the Issuer or any Restricted Subsidiary,

(A) in exchange for Qualified Capital Stock of the Issuer, or

(B) through the application of the net cash proceeds received by the Issuer from a substantially concurrent sale of Qualified Capital Stock of the Issuer or a contribution to the equity capital of the Issuer not representing an interest in Disqualified Capital Stock, in each case not received from a Subsidiary of the Issuer;

provided, that the value of any such Qualified Capital Stock issued in exchange for such acquired Capital Stock and any such net cash proceeds shall be excluded from Section 3.11(a)(C)(2) (and were not included therein at any time);

(iii) if no Default or Event of Default shall have occurred and be continuing, the voluntary prepayment, purchase, defeasance, redemption or other acquisition or retirement for value of any Subordinated Indebtedness:

(A) solely in exchange for, or through the application of net cash proceeds of a substantially concurrent sale, other than to a Subsidiary of the Issuer, of Qualified Capital Stock of the Issuer, or

(B) solely in exchange for Refinancing Indebtedness for such Subordinated Indebtedness,

provided, that the value of any Qualified Capital Stock issued in exchange for Subordinated Indebtedness and any net cash proceeds referred to above shall be excluded from Section 3.11(a)(C)(2) (and were not included therein at any time);

(iv) repurchases by the Issuer of Common Stock of the Issuer or options, warrants or other securities exercisable or convertible into Common Stock of the Issuer from employees or directors of the Issuer or any of its Subsidiaries or their authorized representatives upon the death, disability or termination of employment or directorship of the employees or directors, in an amount not to exceed U.S.$5.0 million in any calendar year and any repurchases other than in connection with compensation of Common Stock of the Issuer pursuant to binding written agreements in effect on the Issue Date;

(v) payments of dividends on Disqualified Capital Stock issued pursuant to the covenant described under Section 3.9;

(vi) non-cash repurchases of Capital Stock deemed to occur upon exercise of stock options, warrants or other similar rights if such Capital Stock represents a portion of the exercise price of such options, warrants or other similar rights;

(vii) cash payments in lieu of the issuance of fractional shares in connection with the exercise of warrants, options or other securities convertible into or exchangeable for Capital Stock of the Issuer;

(viii) purchases of any Subordinated Indebtedness of the Issuer (A) at a purchase price not greater than 101% of the principal amount thereof (together with accrued and unpaid interest) in the event of the occurrence of a Change of Control or (B) at a purchase price not greater than 100% of the principal amount thereof (together with accrued and unpaid interest) in the event of an Asset Sale in accordance with provisions similar to those set forth under Section 3.12; *provided, however*, that prior to such purchase of any such Subordinated Indebtedness, the Issuer has made the Change of Control Offer or Asset Sale Offer as provided under Section 3.8 or Section 3.12, respectively, and has purchased all Notes validly tendered and not properly withdrawn pursuant thereto;

(ix) recapitalization of earnings on or in respect of the Qualified Capital Stock of the Issuer pursuant to which additional Qualified Capital Stock of the Issuer or the right to subscribe for additional Capital Stock of the Issuer is issued to the existing shareholders of the Issuer on a *pro rata* basis (which, for the avoidance of doubt, shall not allow any payment in cash to be made in respect of Qualified Capital Stock of the Issuer pursuant to this clause (ix));

(x) the making of any payment on, or the purchase, defeasance, redemption, prepayment, decrease or other acquisition or retirement for value of, any Subordinated Indebtedness Incurred pursuant to Section 3.9(a) or Section 3.9(b)(iii);

(xi) Restricted Payments that, when taken together with all Restricted Payments made pursuant to this clause (xi), do not exceed U.S.$250.0 million in any calendar year; and

(xii) so long as no Event of Default has occurred and is continuing other Restricted Payments so long as, on the date of such Restricted Payment and after giving effect thereto on a *pro forma* basis, the Consolidated Leverage Ratio of the Issuer would be no greater than 3.75 to 1.0.

(c) The amount of all Restricted Payments (or transfer or issuance that would constitute Restricted Payments but for the exclusions from the definition thereof) and Permitted Investments (other than cash) will be the Fair Market Value on the date of the transfer or issuance of the asset(s) or securities proposed to be transferred or issued by the Issuer or such Restricted Subsidiary, as the case may be, pursuant to the Restricted Payment (or transfer or issuance that would constitute a Restricted Payment but for the exclusions from the definition thereof) or Permitted Investment.

(d) For purposes of determining compliance with this Section 3.11, in the event that a proposed Restricted Payment (or a portion thereof) meets the criteria of clauses (i) through (xii) of Section 3.11(b) or is entitled to be made pursuant to Section 3.11(a) or as a Permitted Investment, the Issuer, in its sole discretion, will be able to classify or later reclassify (based on circumstances existing on the date of such reclassification) such Restricted Payment (or a portion thereof) between clauses (i) through (xii) of Section 3.11(b) and Section 3.11(a) or as a Permitted Investment in any manner that otherwise complies with this Section 3.11.

Section 3.12 Limitation on Asset Sales.

(a) The Issuer will not, and will not permit any of its Restricted Subsidiaries to, consummate an Asset Sale unless:

(i) the Issuer or the applicable Restricted Subsidiary, as the case may be, receives consideration at the time of the Asset Sale at least equal to the Fair Market Value (to be determined as of the date on which such sale is contracted) of the assets sold or otherwise disposed of, and

(ii) other than in respect of Permitted Asset Swap Transactions, at least 75% of the consideration received for the assets sold by the Issuer or the Restricted Subsidiary, as the case may be, in the Asset Sale shall be in the form of cash or Cash Equivalents received at the time of such Asset Sale; *provided, however*, for the purposes of this clause (ii), the following are also deemed to be cash or Cash Equivalents:

(A) the assumption of Indebtedness (other than Subordinated Indebtedness) of the Issuer or any Restricted Subsidiary and the release of the Issuer or such Restricted Subsidiary from all liability on such Indebtedness in connection with such Asset Sale;

(B) any securities, notes or obligation received by the Issuer or any Restricted Subsidiary from the transferee that are, within 180 days after the Asset Sale, converted by the Issuer or such Restricted Subsidiary into cash, to the extent of cash received in that conversion;

(C) Capital Stock of a Person who is or who, after giving effect to such Asset Sale, becomes, a Restricted Subsidiary; and

(D) any Designated Non-cash Consideration received by the Issuer or such Restricted Subsidiary in connection with such Asset Sale having an aggregate Fair Market Value which, when taken together with the Fair Market Value of all other Designated Non-cash Consideration received pursuant to this clause (D) since the Issue Date, does not exceed the sum of (1) 3.0% of Consolidated Tangible Assets of the Issuer calculated as of the end of the most recent fiscal quarter for which consolidated financial information is available (with the Fair Market Value of each item of Designated Non-cash Consideration being measured as of the date it was received and without giving effect to subsequent changes in value of any such item of Designated Non-cash Consideration) and (2) the amount of cash or Cash Equivalents received in connection with a subsequent sale of such Designated Non-cash Consideration.

(b) The Issuer or any Restricted Subsidiary may apply the Net Cash Proceeds of any such Asset Sale within 365 days thereof to:

(i) repay any Senior Indebtedness for borrowed money or constituting a Capitalized Lease Obligation and permanently reduce the commitments with respect thereto, or

(ii) purchase:

(A) assets (except for current assets as determined in accordance with GAAP or Capital Stock) to be used by the Issuer or any Restricted Subsidiary in a Permitted Business, or

(B) substantially all of the assets of a Permitted Business or Capital Stock of a Person engaged in a Permitted Business that will become, upon purchase, a Restricted Subsidiary from a Person other than the Issuer and its Restricted Subsidiaries.

(c) To the extent all or a portion of the Net Cash Proceeds of any Asset Sale are not applied within the 365 days of the Asset Sale as described in clause (i) or (ii) of Section 3.12(b), the Issuer will make an offer to purchase Notes (the "Asset Sale Offer"), at a purchase price equal to 100% of the principal amount of the Notes to be purchased, plus accrued and unpaid interest thereon, to, but not including, the date of purchase (the "Asset Sale Offer Amount").

The Issuer will purchase pursuant to an Asset Sale Offer from all tendering Holders on a *pro rata* basis, and, at the Issuer's option, on a *pro rata* basis with the holders of any other Senior Indebtedness with similar provisions requiring the Issuer to offer to purchase the other Senior Indebtedness with the proceeds of Asset Sales, that principal amount (or accreted value in the case of Indebtedness issued with original issue discount) of Notes and the other Senior Indebtedness to be purchased equal to such unapplied Net Cash Proceeds. The Issuer may satisfy its obligations under this Section 3.12 with respect to the Net Cash Proceeds of an Asset Sale by making an Asset Sale Offer prior to the expiration of the relevant 365-day period.

(d) Pending the final application of any Net Cash Proceeds pursuant to this Section 3.12, the holder of such Net Cash Proceeds may apply such Net Cash Proceeds temporarily to reduce Indebtedness outstanding under a revolving credit facility or otherwise invest such Net Cash Proceeds in any manner not prohibited by this Indenture.

(e) The purchase of Notes pursuant to an Asset Sale Offer shall occur not less than 20 Business Days following the date thereof, or any longer period as may be required by law, nor more than 45 days following the 365th day following the Asset Sale. The Issuer may, however, defer an Asset Sale Offer until there is an aggregate amount of unapplied Net Cash Proceeds from one or more Asset Sales equal to or in excess of U.S.$100.0 million. At that time, the entire amount of unapplied Net Cash Proceeds, and not just the amount in excess of U.S.$100.0 million, shall be applied as required pursuant to this Section 3.12.

(f) Each Asset Sale Offer Notice shall be sent electronically or by first class mail, postage prepaid, to the record Holders as shown on the Note Register within 20 days following such 365th day (or such earlier date as the Issuer shall have elected to make such Asset Sale Offer), with a copy to the Trustee offering to purchase the Notes as described above. Each notice of an Asset Sale Offer shall state, among other things, the purchase date, which must be no earlier than 30 days nor later than 60 days from the date the notice is sent or mailed, other than as may be required by law (the "Asset Sale Offer Payment Date"). Upon receiving notice of an Asset Sale Offer, Holders may elect to tender their Notes in whole or in part in minimum denominations of €100,000 and in any integral multiples of €1,000 in excess thereof in exchange for cash.

(g) On the Asset Sale Offer Payment Date, the Issuer will, to the extent lawful:

(i) accept for payment all Notes or portions thereof properly tendered pursuant to the Asset Sale Offer;

(ii) deposit with the Paying Agent funds in an amount equal to the Asset Sale Offer Amount in respect of all Notes or portions thereof so tendered; and

(iii) deliver or cause to be delivered to the Trustee the Notes so accepted together with an Officer's Certificate stating the aggregate principal amount of the Notes or portions thereof being purchased by the Issuer.

(h) To the extent Holders of Notes and holders of other Senior Indebtedness, if any, which are the subject of an Asset Sale Offer properly tender and do not withdraw Notes or the other Senior Indebtedness in an aggregate amount exceeding the amount of unapplied Net Cash Proceeds, the Issuer shall purchase the Notes and the other Senior Indebtedness on a pro rata basis (based on amounts tendered). If only a portion of a Note is purchased pursuant to an Asset Sale Offer, a new Note in a principal amount equal to the portion thereof not purchased shall be issued in the name of the holder thereof upon cancellation of the original Note (or appropriate adjustments to the amount and beneficial interests in a global note shall be made, as appropriate). Notes (or portions thereof) purchased pursuant to an Asset Sale Offer shall be canceled and cannot be reissued.

(i) The Issuer shall comply with the requirements of Rule 14e-1 under the Exchange Act and any other applicable securities laws in connection with the purchase of Notes pursuant to an Asset Sale Offer. To the extent that the provisions of any applicable securities laws or regulations conflict with this Section 3.12, the Issuer shall comply with these laws and regulations and shall not be deemed to have breached its obligations under the "Asset Sale" provisions of this Indenture by doing so.

(j) Upon completion of an Asset Sale Offer, the amount of Net Cash Proceeds shall be reset at zero. Accordingly, to the extent that the aggregate amount of Notes and other Indebtedness tendered pursuant to an Asset Sale Offer is less than the aggregate amount of unapplied Net Cash Proceeds, the Issuer may use any remaining Net Cash Proceeds for general corporate purposes of the Issuer and its Restricted Subsidiaries.

(k) In the event of the transfer of substantially all (but not all) of the property and assets of the Issuer and its Restricted Subsidiaries as an entirety to a Person in a transaction permitted under Article IV, the Successor Issuer shall be deemed to have sold the properties and assets of the Issuer and its Restricted Subsidiaries not so transferred for purposes of this Section 3.12, and shall comply with the provisions of this Section 3.12 with respect to the deemed sale as if it were an Asset Sale. In addition, the Fair Market Value of properties and assets of the Issuer or its Restricted Subsidiaries so deemed to be sold shall be deemed to be Net Cash Proceeds for purposes of this Section 3.12.

(l) If at any time any non-cash consideration received by the Issuer or any Restricted Subsidiary, as the case may be, in connection with any Asset Sale, is converted into or sold or otherwise disposed of for cash (other than interest received with respect to any non-cash consideration), the conversion or disposition shall be deemed to constitute an Asset Sale hereunder and the Net Cash Proceeds thereof shall be applied in accordance with this Section 3.12 within 365 days of conversion or disposition.

Section 3.13 [Reserved]

Section 3.14 Limitation on Designation of Unrestricted Subsidiaries.

(a) The Issuer may designate after the Issue Date any Subsidiary of the Issuer other than a Note Guarantor as an Unrestricted Subsidiary under this Indenture (a "Designation") only if:

(i) no Default or Event of Default shall have occurred and be continuing at the time of or after giving effect to such Designation and any transactions between the Issuer or any of its Restricted Subsidiaries and such Unrestricted Subsidiary are in compliance with Section 3.18; and

(ii) the Issuer would be permitted to make an Investment at the time of Designation (assuming the effectiveness of such Designation and treating such Designation as an Investment at the time of Designation) as a Restricted Payment pursuant to Section 3.11(a) in an amount (the "Designation Amount") equal to the amount of the Issuer's Investment in such Subsidiary on such date.

(b) The Issuer may revoke any Designation of a Subsidiary as an Unrestricted Subsidiary (a "Revocation") only if:

(i) no Default or Event of Default shall have occurred and be continuing at the time of and after giving effect to such Revocation; and

(ii) all Liens and Indebtedness of such Unrestricted Subsidiary outstanding immediately following such Revocation, if Incurred at such time, would have been permitted to be Incurred for all purposes of this Indenture.

(c) The Designation of a Subsidiary of the Issuer as an Unrestricted Subsidiary shall be deemed to include the Designation of all of the Subsidiaries of such Subsidiary as Unrestricted Subsidiaries. All Designations and Revocations must be evidenced by an Officer's Certificate of the Issuer, delivered to the Trustee certifying compliance with the preceding provisions.

Section 3.15 Limitation on Dividends and Other Payment Restrictions Affecting Restricted Subsidiaries.

(a) Except as provided in clause (b) below, the Issuer shall not, and shall not cause or permit any of its Restricted Subsidiaries to, directly or indirectly, create or otherwise cause or permit to exist or become effective any consensual encumbrance or restriction on the ability of any Restricted Subsidiary to:

(i) pay dividends or make any other distributions on or in respect of its Capital Stock to the Issuer or any other Restricted Subsidiary or pay any Indebtedness owed to the Issuer or any other Restricted Subsidiary;

(ii) make loans or advances to, or make any Investment in, the Issuer or any other Restricted Subsidiary; or

(iii) transfer any of its property or assets to the Issuer or any other Restricted Subsidiary.

(b) Section 3.15(a) shall not apply to encumbrances or restrictions existing under or by reason of:

(i) applicable law, rule, regulation or order;

(ii) this Indenture;

(iii) any encumbrance or restriction pursuant to an agreement in effect at or entered into on the Issue Date, and any amendments, restatements, renewals, replacements or refinancings thereof; *provided*, that any amendment, restatement, renewal, replacement or refinancing is not materially more restrictive with respect to such encumbrances or restrictions than those in existence on the Issue Date as determined in good faith by the Issuer's senior management;

(iv) customary non-assignment provisions of any contract and customary provisions restricting assignment or subletting in any lease governing a leasehold interest of any Restricted Subsidiary, or any customary restriction on the ability of a Restricted Subsidiary to dividend, distribute or otherwise transfer any asset which secures Indebtedness secured by a Lien, in each case permitted to be Incurred under this Indenture;

(v) any instrument governing Acquired Indebtedness not Incurred in connection with, or in anticipation or contemplation of, the relevant acquisition, merger or consolidation, which encumbrance or restriction is not applicable to any Person, or the properties or assets of any Person, other than the Person or the properties or assets of the Person so acquired;

(vi) restrictions with respect to a Restricted Subsidiary of the Issuer imposed pursuant to a binding agreement which has been entered into for the sale or disposition of Capital Stock or assets of such Restricted Subsidiary; *provided*, that such restrictions apply solely to the Capital Stock or assets of such Restricted Subsidiary being sold (and in the case of Capital Stock, its Subsidiaries);

(vii) customary restrictions imposed on the transfer of copyrighted or patented materials;

(viii) an agreement governing Indebtedness Incurred to Refinance the Indebtedness issued, assumed or Incurred pursuant to an agreement referred to in clause (iii) or (v) of this Section 3.15(b); *provided*, that such Refinancing agreement is not materially more restrictive with respect to such encumbrances or restrictions than those contained in the agreement referred to in such clause (iii) or (v) as determined in good faith by the Issuer's senior management;

(ix) Liens permitted to be Incurred pursuant to the provisions of the covenant described under Section 3.17 that limit the right of any person to transfer the assets subject to such Liens;

(x) Purchase Money Indebtedness for property acquired in the ordinary course of business and Capitalized Lease Obligations that impose restrictions of the nature discussed in clause (iii) of Section 3.15(a) above on the property so acquired;

(xi) restrictions on cash or other deposits imposed by customers under contracts or other arrangements entered into or agreed to in the ordinary course of business not materially more restrictive than those existing on the Issue Date as determined in good faith by the Issuer's senior management;

(xii) customary provisions in joint venture agreements relating to dividends or other distributions in respect of such joint venture or the securities, assets or revenues of such joint venture;

(xiii) restrictions in Indebtedness Incurred by a Restricted Subsidiary in compliance with the covenant described under Section 3.9; *provided*, that (A) such restrictions are not materially more restrictive with respect to such encumbrances and restrictions than those such Restricted Subsidiary was subject to in agreements related to obligations referenced in clause (iii) above as determined in good faith by the Issuer's senior management or (B) such Incurrence will not materially impair the Issuer's ability to make payments under the Notes when due as determined in good faith by the Issuer's senior management; and

(xiv) net worth provisions in leases entered into by the Issuer or any Restricted Subsidiary in the ordinary course of business not materially more restrictive than those existing on the Issue Date as determined in good faith by the Issuer's senior management.

Section 3.16 Limitation on Layered Indebtedness. The Issuer shall not, and shall not permit any Note Guarantor to, directly or indirectly, Incur any Indebtedness that is subordinate in right of payment to any other Indebtedness, unless such Indebtedness is expressly subordinate in right of payment to the Notes or, in the case of a Note Guarantor, its Note Guarantee, to the same extent, on the same terms and for so long (except as a result of the provisions of the Intercreditor Agreement applicable to Credit Agreement Indebtedness and any refinancing thereof) as such Indebtedness is subordinate to such other Indebtedness.

Section 3.17 Limitation on Liens. The Issuer shall not, and shall not cause or permit any of its Restricted Subsidiaries to, directly or indirectly, incur, grant, assume or suffer to exist any Liens of any kind (except for Permitted Liens) (a) against or upon any of their respective properties or assets, whether owned on the Issue Date or acquired after the Issue Date, or any proceeds therefrom, to secure any Indebtedness or trade payables or (b) deemed to exist in respect of Capitalized Lease Obligations (including any Capitalized Lease Obligations in respect of Sale and Leaseback Transactions), in each case, unless contemporaneously therewith effective provision is made:

(i) in the case of the Issuer or any Restricted Subsidiary that is not a Note Guarantor, to secure the Notes and all other amounts due under this Indenture; and

(ii) in the case of a Note Guarantor, to secure such Note Guarantor's Note Guarantee of the Notes and all other amounts due under this Indenture, in each case, equally and ratably with such Indebtedness or other obligation (or, in the event that such Indebtedness is subordinated in right of payment to the Notes or such Note Guarantee, as the case may be, prior to such Indebtedness or other obligation) with a Lien on the same properties and assets securing such Indebtedness or other obligation for so long as such Indebtedness or other obligation is secured by such Lien.

Section 3.18 Limitation on Transactions with Affiliates.

(a) The Issuer shall not, and shall not permit any of its Restricted Subsidiaries to, directly or indirectly, enter into any transaction or series of related transactions (including, without limitation, the purchase, sale, lease or exchange of any property or the rendering of any service) with, or for the benefit of, any Affiliate of the Issuer (each an "Affiliate Transaction"), unless the terms of such Affiliate Transaction are no less favorable than those that could reasonably be expected to be obtained in a comparable transaction at such time on an arm's-length basis from a Person that is not an Affiliate of the Issuer;

(b) The provisions of Section 3.18(a) above shall not apply to:

(i) Affiliate Transactions with or among the Issuer and any Restricted Subsidiary or between or among Restricted Subsidiaries;

(ii) reasonable fees and compensation paid to, and any indemnity provided on behalf of, officers, directors, employees, consultants or agents of the Issuer or any Restricted Subsidiary as determined in good faith by the Issuer's Board of Directors or, to the extent consistent with past practice, senior management;

(iii) Affiliate Transactions undertaken pursuant to any contractual obligations or rights in existence on the Issue Date (as in effect on the Issue Date with modifications, extensions and replacements thereof not materially adverse to the Issuer and its Restricted Subsidiaries) as determined in good faith by the Issuer's senior management;

(iv) any Restricted Payments in compliance with Section 3.11;

(v) payments and issuances of Qualified Capital Stock to any officers, directors and employees of the Issuer or any Restricted Subsidiary pursuant to any management equity plan or stock option plan or any other stock subscription or shareholder agreement, and any employment agreements, stock option plans or other compensatory arrangements (and any successor plans thereto) and any supplemental executive retirement benefit plans or arrangements with any such officers, directors or employees that are, in each case, approved in good faith by the Board of Directors or, to the extent consistent with past practice, senior management of the Issuer;

(vi) loans and advances to officers, directors and employees of the Issuer or any Restricted Subsidiary for travel, entertainment, moving and other relocation expenses, in each case made in the ordinary course of business in amounts consistent with the past practice of the Issuer or such Restricted Subsidiary; and

(vii) loans made by the Issuer or any Restricted Subsidiary to employees or directors in an aggregate amount not to exceed U.S.$15.0 million (or its equivalent in another currency) at any time outstanding.

Section 3.19 Conduct of Business. The Issuer and its Restricted Subsidiaries shall not engage in any business other than a Permitted Business.

Section 3.20 Reports to Holders.

(a) Notwithstanding that the Issuer may not be subject to the reporting requirements of Section 13 or 15(d) of the Exchange Act, so long as any Notes remain outstanding, the Issuer shall:

(i) provide the Trustee and the Holders with:

(A) annual reports on Form 20-F (or any successor form) containing the information required to be contained therein (or such successor form) within the time period required under the rules of the Commission for the filing of Form 20-F (or any successor form) by "foreign private issuers" (as defined in Rule 3b-4 of the Exchange Act (or any successor rule));

(B) reports on Form 6-K (or any successor form) including, whether or not required, unaudited quarterly financial statements (which shall include at least a balance sheet, income statement and cash flow statement) including a discussion of financial condition and results of operations of the Issuer in accordance with past practice, within 45 days after the end of each of the first three fiscal quarters of each fiscal year;

(C) such other reports on Form 6-K (or any successor form) promptly from time to time after the occurrence of an event that would be required to be reported on a Form 6-K (or any successor form); and

(ii) file with the Commission, to the extent permitted, the information, documents and reports referred to in clause (i) within the periods specified for such filings under the Exchange Act (whether or not applicable to the Issuer).

(b) In addition, at any time when the Issuer is not subject to or is not current in its reporting obligations under clause (ii) of Section 3.20(a), the Issuer shall make available, upon request, to any Holder and any prospective purchaser of Notes the information required pursuant to Rule 144A(d)(4) under the Securities Act.

(c) Notwithstanding anything in this Indenture to the contrary, the Issuer shall not be deemed to have failed to comply with any of its obligations hereunder for purposes of clause (iv) of Section 6.1(a) or for any other purpose hereunder until 75 days after the date any report hereunder is due.

(d) Delivery of such reports, information and documents to the Trustee is for informational purposes only and the Trustee's receipt of such reports shall not constitute actual or constructive notice of any information contained therein or determinable from information contained therein, including the Issuer's compliance with any of its covenants hereunder (as to which the Trustee is entitled to rely exclusively on Officer's Certificates).

Section 3.21 Payment of Additional Amounts.

(a) All payments made by the Issuer or the Note Guarantors under, or with respect to, the Notes shall be made free and clear of, and without withholding or deduction for or on account of any present or future tax, duty, levy, impost, assessment or other governmental charge (including penalties, interest and other liabilities related thereto) (collectively, "Taxes") imposed or levied by or on behalf of the United States, Mexico, Spain, the Netherlands, France, the United Kingdom, Switzerland or, in the event that the Issuer appoints additional paying agents, by the jurisdictions of such additional paying agents (a "Taxing Jurisdiction"), unless the Issuer or such Note Guarantor, as the case may be, is required to withhold or deduct Taxes by law or by the official interpretation or administration thereof.

(b) If the Issuer or any Note Guarantor is so required to withhold or deduct any amount for, or on account of, such Taxes from any payment made under or with respect to the Notes, the Issuer or such Note Guarantor, as the case may be, shall pay such additional amounts ("Additional Amounts") as may be necessary so that the net amount received by each Holder (including Additional Amounts) after such withholding or deduction shall not be less than the amount such Holder would have received if such Taxes had not been required to be withheld or deducted; *provided, however*, that the foregoing obligation to pay Additional Amounts does not apply to:

(i) any Taxes imposed solely because at any time there is or was a connection between the Holder and a Taxing Jurisdiction (other than the mere purchase of the Notes, or receipt of a payment or the ownership or holding of the Notes),

(ii) any estate, inheritance, gift, sales, transfer, personal property or similar Tax imposed with respect to the Notes,

(iii) any Taxes imposed solely because the Holder or any other person fails to comply with any certification, identification or other reporting requirement concerning the nationality, residence, identity or connection with a Taxing Jurisdiction of the Holder or any beneficial owner of the Note if compliance is required by the applicable law of the Taxing Jurisdiction as a precondition to exemption from, or reduction in the rate of, the tax, assessment or other governmental charge, and the Issuer has given the Holders at least 30 days' notice that Holders shall be required to provide such information and identification,

(iv) any Taxes payable otherwise than by deduction or withholding from payments on the Notes,

(v) [Reserved],

(vi) any Taxes that would have been avoided by presenting for payment (where presentation is required) the relevant Note to another Paying Agent,

(vii) any Taxes with respect to such Note presented for payment more than 30 days after the date on which the payment became due and payable or the date on which payment thereof is duly provided for and notice thereof given to Holders, whichever occurs later, except to the extent that the Holders of such Note would have been entitled to such Additional Amounts on presenting such Note for payment on any date during such 30 day period, or

(viii) any payment on the Note to a Holder that is a fiduciary or partnership or a person other than the sole beneficial owner of any such payment, to the extent that a beneficiary or settlor with respect to such fiduciary, a member of such a partnership or the beneficial owner of the payment would not have been entitled to the Additional Amounts had the beneficiary, settlor, member or beneficial owner been the Holder of the Note.

(c) The obligations in Section 3.21(b) and Section 3.21(c) shall survive any termination or discharge of this Indenture and shall apply mutatis mutandis to any Taxing Jurisdiction with respect to any successor to the Issuer or any Note Guarantor, as the case may be. The Issuer or such Note Guarantor, as applicable, shall (i) make such withholding or deduction and (ii) remit the full amount deducted or withheld to the relevant Taxing Jurisdiction in accordance with applicable law. The Issuer or such Note Guarantor, as applicable, shall use all reasonable efforts to obtain certified copies of tax receipts evidencing the payment of any Taxes so deducted or withheld from each Taxing Jurisdiction imposing such Taxes and shall furnish such certified copies to the Trustee within 30 days after the date the payment of any Taxes so deducted or so withheld is due pursuant to applicable law or, if such tax receipts are not reasonably available to the Issuer or such Note Guarantor, as applicable, furnish such other documentation that provides reasonable evidence of such payment by the Issuer or such Note Guarantor, as applicable.

(d) The exception to the Issuer's obligations to pay Additional Amounts pursuant to clause (iii) of Section 3.21(c) will not apply if (i) the provision of information, documentation or other evidence described in such clause would be materially more onerous, in form, in procedure or in the substance of information disclosed, to a Holder or beneficial owner of a Note than comparable information or other reporting requirements imposed under U.S. tax law, regulation (including proposed regulations) and administrative practice, or (ii) Article 166, Section II, paragraph (a), of the Mexican Income Tax Law (*Ley del Impuesto Sobre la Renta*) (or a substitute or equivalent provision) is in effect, unless (A) the provision of the information, documentation or other evidence described in clause (iii) of Section 3.21(b) is expressly required by the applicable Mexican laws and regulations in order to apply Article 166, Section II, paragraph (a), of the Mexican Income Tax Law (or substitute or equivalent provision), (B) the Issuer or any Note Guarantor cannot obtain the information, documentation or other evidence necessary to comply with the applicable Mexican laws and regulations on its own through reasonable diligence and (C) the Issuer or any Note Guarantor would not otherwise meet the requirements for application of the applicable Mexican laws and regulations.

(e) Clause (iii) of Section 3.21(c) does not require, and shall not be construed to require, that any holder, including any non-Mexican pension fund, retirement fund, tax- exempt organization or financial institution, register with the Tax Management Service (*Servicio de Administración Tributaria*) or the Mexican Ministry of Finance and Public Credit (*Secretaría de Hacienda y Crédito Público*) to establish eligibility for an exemption from, or a reduction of, Mexican withholding taxes.

(f) Any reference in this Indenture, any supplemental indenture or the Notes to principal, premium, interest or any other amount payable in respect of the Notes by the Issuer shall be deemed also to refer to any Additional Amount that may be payable with respect to that amount under the obligations referred to in this subsection. Payment of any Additional Amounts with respect to interest shall be considered as an interest payment under, or with respect to, the Notes.

(g) In the event that Additional Amounts actually paid with respect to the Notes pursuant to this Section 3.21 are based on rates of deduction or withholding of withholding taxes in excess of the appropriate rate applicable to the Holder of such Notes, and as a result thereof such Holder is entitled to make a claim for a refund or credit of such excess from the authority imposing such withholding tax, then such Holder shall, by accepting such Notes, and without any further action, be deemed to have assigned and transferred all right, title and interest to any such claim for a refund or credit of such excess to the Issuer. However, by making such assignment, the Holder makes no representation or warranty that the Issuer shall be entitled to receive such claim for a refund or credit and incurs no other obligation with respect thereto.

Section 3.22 Suspension of Covenants.

(a) During any period of time that the Notes do not have Investment Grade Ratings from two of the Rating Agencies and (i) the Consolidated Leverage Ratio of the Issuer is less than 3.5:1 and (ii) no Default or Event of Default has occurred and is continuing (the occurrence of the events described in the foregoing clauses (i) and (ii) being collectively referred to as a "Partial Covenant Suspension Event"), the Issuer and its Restricted Subsidiaries shall not be subject to the provisions of this Indenture described under Sections 3.12, 3.14(b), 3.15, 3.18, 3.19, and 4.1(a)(ii) (collectively, the "Partial Suspended Covenants").

(b) During any period of time that (i) the Notes have Investment Grade Ratings from two of the Rating Agencies and (ii) no Default or Event of Default has occurred and is continuing (the occurrence of the events described in the foregoing clauses (i) and (ii) being collectively referred to as a "Covenant Suspension Event"), the Issuer and its Restricted Subsidiaries shall not be subject to the provisions of this Indenture described under Sections 3.9, 3.11, 3.12, 3.14(b), 3.15, 3.16, 3.18, 3.19, and 4.1(a)(ii) (collectively, the "Suspended Covenants").

(c) In addition, (x) no Subsidiary that is a Restricted Subsidiary on the date of the occurrence of a Partial Covenant Suspension Event (the "Partial Covenant Suspension Date") or a Covenant Suspension Event (the "Suspension Date") may be redesignated as an Unrestricted Subsidiary during the Partial Suspension Period or the Suspension Period, as applicable and (y) each Additional Note Guarantor shall be released from its obligation to guarantee the Notes on the date of a Partial Covenant Suspension Event or a Covenant Suspension Event, as the case may be.

(d) The Additional Note Guarantors shall be released from their obligation to guarantee the Notes upon the occurrence of a Partial Covenant Suspension Event or a Covenant Suspension Event; *provided*, that upon the occurrence of a Partial Covenant Reversion Date or a Reversion Date, as applicable, the guarantee of the Notes by the Additional Note Guarantors shall be reinstated in accordance with and subject to the conditions in Section 3.22(e).

(e) In the event that the Issuer and its Restricted Subsidiaries are not subject to the Partial Suspended Covenants or the Suspended Covenants, as the case may be, for any period of time as a result of the foregoing, and on any subsequent date (in the case of Partial Suspended Covenants, such subsequent date being the "Partial Covenant Reversion Date" and, in the case of Suspended Covenants, such subsequent date being the "Reversion Date") (i) the Consolidated Leverage Ratio of the Issuer is not less than 3.5:1 during the applicable Partial Suspension Period or (ii) the Notes do not have Investment Grade Ratings from at least two of the Rating Agencies during the applicable Suspension Period, then in each case in clauses (i) and (ii), the Issuer and its Restricted Subsidiaries will thereafter again be subject to the Partial Suspended Covenants or the Suspended Covenants, as applicable, and the Notes will again be guaranteed by the Additional Note Guarantors (unless, solely with respect to any Additional Note Guarantor, the conditions for release as described under Section 10.2 are otherwise satisfied during the Partial Suspension Period or the Suspension Period, as applicable). The Issuer shall cause such Additional Note Guarantor to promptly execute and deliver to the Trustee a supplemental indenture hereto in form and substance reasonably satisfactory to the Trustee in accordance with

the provisions of Article IX, evidencing that such Additional Note Guarantor's guarantee on substantially the terms set forth in Article X. The period of time between the Partial Covenant Suspension Date and the Partial Covenant Reversion Date is referred to as the "Partial Suspension Period" and the period of time between the Suspension Date and the Reversion Date is referred to as the "Suspension Period." Notwithstanding that the Partial Suspended Covenants, the Suspended Covenants and the guarantees by the Additional Note Guarantors may be reinstated, no Default or Event of Default will be deemed to have occurred as a result of a failure to comply with the Partial Suspended Covenants during the Partial Suspension Period or the Suspended Covenants during the Suspension Period, as the case may be (or upon termination of the applicable Partial Suspension Period or the Suspension Period or after that time based solely on events that occurred during the applicable Partial Suspension Period or the Suspension Period, as the case may be).

(f) On the Reversion Date, all Indebtedness Incurred during the Suspension Period shall be deemed to have been outstanding on the Issue Date, so that it is classified as permitted under clause (iii) of Section 3.9(b). Calculations made after the Reversion Date of the amount available to be made as Restricted Payments under Section 3.11 shall be made as though Section 3.11 had been in effect prior to, but not during, the Suspension Period. The Issuer will give the Trustee written notice of any occurrence of a Reversion Date not later than five (5) Business Days after such Reversion Date. After any such notice of the occurrence of a Reversion Date, the Trustee shall assume the Suspended Covenants apply and are in full force and effect. Accordingly, Restricted Payments made during the Suspension Period will not reduce the amount available to be made as Restricted Payments under Section 3.11(a).

(g) The Issuer will give the Trustee written notice of any Partial Covenant Suspension Event or any Covenant Suspension Event and in any case no later than five (5) Business Days after such Partial Covenant Suspension Event or Covenant Suspension Event has occurred. In the absence of such notice, the Trustee shall assume that the Partial Suspended Covenants or the Suspended Covenants, as applicable, apply and are in full force and effect.

ARTICLE IV

SUCCESSOR ISSUER

Section 4.1 Merger, Consolidation and Sale of Assets.

(a) The Issuer shall not, in a single transaction or series of related transactions, consolidate or merge with or into any Person (whether or not the Issuer is the surviving or continuing Person), or sell, assign, transfer, lease, convey or otherwise dispose of all or substantially all of the Issuer's properties and assets (determined on a consolidated basis for the Issuer and its Restricted Subsidiaries), to any Person unless:

(i) either:

(A) the Issuer shall be the surviving or continuing corporation, or

(B) the Person (if other than the Issuer) formed by such consolidation or into which the Issuer is merged or the Person which acquires by sale, assignment, transfer, lease, conveyance or other disposition the properties and assets of the Issuer (determined on a consolidated basis for the Issuer and its Restricted Subsidiaries) substantially as an entirety (the "Successor Issuer"):

(1) shall be a Person organized and validly existing under the laws of Mexico, the United States of America, any State thereof or the District of Columbia, Canada, France, Belgium, Germany, Italy, Luxembourg, the Netherlands, Portugal, Spain, Switzerland or the United Kingdom, or any political subdivision thereof (the "Permitted Merger Jurisdictions"); and

(2) shall expressly assume, by a supplemental indenture (in form and substance satisfactory to the Trustee), executed and delivered to the Trustee, the due and punctual payment of the principal of, and premium, if any, and interest on all of the Notes and the performance and observance of every covenant of the Notes and this Indenture on the part of the Issuer to be performed or observed and provide the Trustee with an Officer's Certificate and Opinion of Counsel, and such transaction is otherwise in compliance with this Indenture;

(ii) immediately after giving effect to such transaction and the assumption contemplated by clause (i)(B)(2) of this Section 4.1(a) (including giving effect on a pro forma basis to any Indebtedness, including any Acquired Indebtedness, Incurred or anticipated to be Incurred or discharged in connection with or in respect of such transaction), the Issuer or such Successor Issuer, as the case may be:

(A) shall have a Consolidated Fixed Charge Coverage Ratio that shall be not less than the Consolidated Fixed Charge Coverage Ratio of the Issuer immediately prior to such transaction; or

(B) shall be able to Incur at least U.S.$1.00 of additional Indebtedness pursuant to Section 3.9(a);

(iii) immediately before and immediately after giving effect to such transaction and the assumption contemplated by clause (i)(B)(2) of this Section 4.1(a) (including, without limitation, giving effect on a pro forma basis to any Indebtedness, including any Acquired Indebtedness, Incurred or anticipated to be Incurred or discharged and any Lien granted in connection with or in respect of the transaction), no Default or Event of Default shall have occurred or be continuing;

(iv) in the case of a transaction resulting in a Successor Issuer, each Note Guarantor has confirmed by supplemental indenture that its Note Guarantee shall apply for Obligations of the Successor Issuer in respect of this Indenture and the Notes; and

(v) if the Issuer merges with a Person, or the Successor Issuer is, organized under the laws of any of the Permitted Merger Jurisdictions, the Issuer or the Successor Issuer shall have delivered to the Trustee an Opinion of Counsel stating that, as applicable:

(A) the Holders of the Notes shall not recognize income, gain or loss for the purposes of the income tax laws of the United States or the applicable Permitted Merger Jurisdiction as a result of the transaction and shall be taxed in the Holder's home jurisdiction in the same manner and on the same amounts (assuming solely for this purpose that no Additional Amounts are required to be paid on the Notes) and at the same times as would have been the case if the transaction had not occurred;

(B) any payment of interest or principal under or relating to the Notes or any Guarantees shall be paid in compliance with any requirements under Section 3.21; and

(C) no other taxes on income, including capital gains, shall be payable by Holders of the Notes under the laws of the United States or the applicable Permitted Merger Jurisdiction relating to the acquisition, ownership or disposition of the Notes, including the receipt of interest or principal thereon; *provided*, that the Holder does not use or hold, and is not deemed to use or hold the Notes in carrying on a business in the United States or the applicable Permitted Merger Jurisdiction.

The provisions of clauses (ii) and (iii) of this Section 4.1(a) will not apply to:

(x) any transfer of the properties or assets of a Restricted Subsidiary to the Issuer;

(y) any merger of a Restricted Subsidiary into the Issuer; or

(z) any merger of the Issuer into a Note Guarantor or a Wholly Owned Subsidiary of the Issuer.

For purposes of this Section 4.1, the transfer (by lease, assignment, sale or otherwise, in a single transaction or series of transactions) of all or substantially all of the properties or assets of one or more Restricted Subsidiaries of the Issuer, the Capital Stock of which constitutes all or substantially all of the properties and assets of the Issuer (determined on a consolidated basis for the Issuer and its Restricted Subsidiaries), shall be deemed to be the transfer of all or substantially all of the properties and assets of the Issuer.

The Successor Issuer will succeed to, and be substituted for, the Issuer under this Indenture and the Notes, as applicable. For the avoidance of doubt, compliance with this Section 4.1 will not affect the obligations of the Issuer (including a Successor Issuer, if applicable) under Section 3.8 if applicable.

(b) Each Note Guarantor shall not, and the Issuer shall not cause or permit any such Note Guarantor to, consolidate with or merge into, or sell or dispose of all or substantially all of its assets to, any Person (other than the Issuer) that is not a Note Guarantor unless:

(i) such Person (if such Person is the surviving entity) (the "Successor Note Guarantor") assumes all of the obligations of such Note Guarantor in respect of its Note Guarantee by executing a supplemental indenture and providing the Trustee with an Officer's Certificate and Opinion of Counsel, and such transaction is otherwise in compliance with this Indenture;

(ii) such Note Guarantee is to be released as provided under Section 10.2(b); or

(iii) such sale or other disposition of substantially all of such Note Guarantor's assets is made in accordance with Section 3.12.

Subject to certain limitations described in this Indenture, the Successor Note Guarantor will succeed to, and be substituted for, such Note Guarantor under this Indenture and such Note Guarantor's Note Guarantee. The provisions of clauses (i), (ii) and (iii) of this Section 4.1(b) will not apply to:

(x) any transfer of the properties or assets of a Note Guarantor to the Issuer or another Note Guarantor;

(y) any merger of a Note Guarantor into the Issuer or another Note Guarantor; or

(z) any merger of a Note Guarantor into a Wholly Owned Subsidiary of the Issuer.

ARTICLE V

OPTIONAL REDEMPTION OF NOTES

Section 5.1 Optional Redemption. The Issuer may redeem the Notes, at its option, in whole at any time or in part from time to time, subject to the satisfaction of one or more conditions precedent and at the redemption prices specified in the Form of Note in Exhibit A hereto.

Section 5.2 [Reserved].

Section 5.3 Notices to Trustee. If the Issuer elects to redeem the Notes pursuant to the optional redemption provisions of Section 5.1 hereof, it shall furnish to the Trustee, at least 15 days but not more than 60 days before the Redemption Date, an Officer's Certificate setting forth: (a) the Redemption Date, (b) the principal amount of Notes to be redeemed, (c) the ISIN number of the Notes, (d) the redemption price and (e) the amount of interest to be paid with respect to each multiple of €1,000 principal amount of Notes to be redeemed.

Section 5.4 Notice of Redemption.

(a) The Issuer shall prepare and deliver electronically in the case of global notes or mail or cause to be mailed a notice of redemption, in the manner provided for in Section 12.1, not less than 15 nor more than 60 days prior to the Redemption Date, to each Holder of Notes to be redeemed.

(b) All notices of redemption shall state:

(i) the Redemption Date,

(ii) the redemption price and the amount of any accrued interest payable as provided in Section 5.8,

(iii) whether or not the Issuer is redeeming all Outstanding Notes,

(iv) if the Issuer is not redeeming all Outstanding Notes, the aggregate principal amount of Notes that the Issuer is redeeming and the aggregate principal amount of Notes that will be Outstanding after the partial redemption, as well as the identification of the particular Notes, or portions of the particular Notes, that the Issuer is redeeming,

(v) if the Issuer is redeeming only part of a Note, the notice that relates to that Note shall state that on and after the Redemption Date, upon surrender of that Note, the Holder will receive, without charge, a new Note or Notes of authorized denominations for the principal amount of the Note remaining unredeemed,

(vi) that on the Redemption Date the redemption price and any accrued interest payable to the Redemption Date as provided in Section 5.8 will become due and payable in respect of each Note, or the portion of each Note, to be redeemed, and, unless the Issuer defaults in making the redemption payment, that interest on each Note, or the portion of each Note, to be redeemed, will cease to accrue on and after the Redemption Date,

(vii) the place or places where a Holder must surrender Notes for payment of the redemption price and any accrued interest payable on the Redemption Date, and

(viii) the ISIN number, if any, listed in the notice or printed on the Notes, and that no representation is made as to the accuracy or correctness of such ISIN number.

(c) In addition, if such redemption, purchase or notice is subject to satisfaction of one or more conditions precedent, as permitted by Section 5.1, such notice shall describe each such condition, and if applicable, shall state that, in the Issuer's discretion, the Redemption Date may be delayed until such time as any or all such conditions shall be satisfied, or such redemption or purchase may not occur and such notice may be rescinded in the event that any or all such conditions shall not have been satisfied by the Redemption Date, or by the Redemption Date as so delayed.

(d) At the Issuer's request, the Trustee shall give the notice of redemption in the Issuer's names and at its expense; *provided*, however, that the Issuer shall have delivered to the Trustee, at least 45 days prior to the Redemption Date, an Officer's Certificate requesting that the Trustee give such notice and setting forth the information to be stated in such notice as provided in the preceding Section 5.4(b).

Section 5.5 Selection of Notes to Be Redeemed in Part.

(a) If the Issuer is not redeeming all Outstanding Notes, the Trustee shall select the Notes to be redeemed in compliance with the requirements of the principal national securities exchange, if any, on which the Notes are listed or, if the Notes are not then listed on a national securities exchange, on a pro rata basis, by lot or by any other method as the Trustee shall deem fair and appropriate; provided, however, that if a partial redemption is made with the proceeds of an Equity Offering, selection of the Notes, or portions of the Notes, for redemption shall be made by the Trustee only on a pro rata basis, or on as nearly a pro rata basis as is practicable (subject to the procedures of Euroclear or Clearstream), unless the method is otherwise prohibited. The Trustee shall make the selection from the then Outstanding Notes not previously called for redemption. The Trustee shall promptly notify the Issuer in writing of the Notes selected for redemption and, in the case of any Notes selected for partial redemption, the principal amount of the Notes to be redeemed. In the event of a partial redemption by lot, the Trustee shall select the particular Notes to be redeemed not less than 15 nor more than 60 days prior to the relevant Redemption Date from the then Outstanding Notes not previously called-for redemption. No Notes of €100,000 principal amount or less shall be redeemed in part. The Trustee may select for redemption portions with minimum denominations of €100,000 and in integral multiples of €1,000 in excess thereof.

(b) For all purposes of this Indenture, unless the context otherwise requires, all provisions relating to redemption of Notes shall relate, in the case of any Note redeemed or to be redeemed only in part, to the portion of the principal amount of that Note which has been or is to be redeemed.

Section 5.6 Effect of Notice of Redemption. Once a notice of redemption is sent in accordance with Section 5.3 hereof, Notes called for redemption become irrevocably due and payable on the Redemption Date at the redemption price (assuming the satisfaction of any conditions precedent).

Section 5.7 Deposit of Redemption Price. On or prior to 10:00 a.m. London time, on the Business Day prior to the Redemption Date, the Issuer shall deposit with the Trustee or with a Paying Agent (or, if the Issuer or a Note Guarantor is acting as the Paying Agent, segregate and hold in trust as provided in Section 2.4) an amount of money in immediately available funds sufficient to pay the redemption price of, and accrued interest on, all the Notes that the Issuer is redeeming on that date.

Section 5.8 Notes Payable on Redemption Date. If the Issuer, or the Trustee on behalf of the Issuer, gives notice of redemption in accordance with this Article V, the Notes, or the portions of Notes, called-for redemption, shall, on the Redemption Date, become due and payable at the redemption price specified in the notice (together with accrued interest, if any, to the Redemption Date), and from and after the Redemption Date (unless the Issuer shall default in the payment of the redemption price and accrued interest) the Notes or the portions of Notes shall cease to bear interest. Upon surrender of any Note for redemption in accordance with the notice, the Issuer shall pay the Notes at the redemption price, together with accrued interest, if any, to the Redemption Date (subject to the rights of Holders of record on the relevant record date to receive interest due on the relevant Interest Payment Date). If the Issuer shall fail to pay any Note called-for redemption upon its surrender for redemption, the principal shall, until paid, bear interest from the Redemption Date at the rate borne by the Notes.

Section 5.9 Unredeemed Portions of Partially Redeemed Note. Upon surrender of a Note that is to be redeemed in part, the Issuer shall execute, and the Trustee shall authenticate and make available for delivery to the Holder of the Note, at the expense of the Issuer, a new Note or Notes, of any authorized denomination as requested by the Holder, in an aggregate principal amount equal to, and in exchange for, the unredeemed portion of the principal of the Note surrendered, *provided*, that each new Note will be in a principal amount of €100,000 and in integral multiples of €1,000 in excess thereof.

ARTICLE VI

DEFAULTS AND REMEDIES

Section 6.1 Events of Default.

(a) Each of the following is an "Event of Default":

(i) default in the payment when due of the principal of or premium, if any, on any Notes, including the failure to make a required payment to purchase Notes tendered pursuant to an optional redemption, a Change of Control Offer or an Asset Sale Offer;

(ii) default for 30 days or more in the payment when due of interest or Additional Amounts on any Notes;

(iii) the failure to perform or comply with any of the provisions described under Article IV;

(iv) the failure by the Issuer or any Restricted Subsidiary to comply with, or in the case of Restricted Subsidiaries that are not Note Guarantors, to perform according to, any other covenant or agreement contained in this Indenture or in the Notes for 45 days or more after written notice to the Issuer from the Trustee or the Holders of at least 25% in aggregate principal amount of the then Outstanding Notes;

(v) default by the Issuer or any Restricted Subsidiary under any Indebtedness which:

(A) is caused by a failure to pay principal of, or premium, if any, when due or interest on such Indebtedness prior to the later of the expiration of any applicable grace period provided in such Indebtedness on the date of such default or five (5) days past when due; or

(B) results in the acceleration of such Indebtedness prior to its stated maturity;

and the principal or accreted amount of Indebtedness covered by clauses (v)(A) or (v)(B) of this (a) at the relevant time, aggregates U.S.$50.0 million or more;

(vi) failure by the Issuer or any of its Restricted Subsidiaries to pay one or more final judgments against any of them, aggregating U.S.$100.0 million or more, which judgment(s) are not paid, discharged or stayed for a period of 60 days or more;

(vii) a Bankruptcy Event of Default; or

(viii) except as permitted herein, any Note Guarantee is held to be unenforceable or invalid in a judicial proceeding or ceases for any reason to be in full force and effect or any Note Guarantor, or any Person acting on behalf of any Note Guarantor, denies or disaffirms such Note Guarantor's obligations under its Note Guarantee.

The foregoing will constitute Events of Default whatever the reason for any such Event of Default and whether it is voluntary or involuntary or is effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body.

(b) The Issuer shall deliver within 30 days to the Trustee written notice of any event which would constitute a Default or Event of Default, their status and what action the Issuer is taking or proposes to take in respect thereof.

Section 6.2 Acceleration.

(a) If an Event of Default (other than an Event of Default specified in clause (vii) of Section 6.1(a) above with respect to the Issuer) shall occur and be continuing, the Trustee or the Holders of at least 25% in principal amount of then Outstanding Notes may declare the unpaid principal of (and premium, if any) and accrued and unpaid interest on all the Notes to be immediately due and payable by notice in writing to the Issuer and the Trustee specifying the Event of Default and that it is a "notice of acceleration." If an Event of Default specified in clause (vii) of Section 6.1(a) above occurs with respect to the Issuer, then the unpaid principal of (and premium, if any) and accrued and unpaid interest on all the Notes will become immediately due and payable without any declaration or other act on the part of the Trustee or any Holder.

(b) At any time after a declaration of acceleration with respect to the Notes as described in the preceding paragraph, the Holders of a majority in principal amount of the Notes may rescind and cancel such declaration and its consequences:

(i) if the rescission would not conflict with any judgment or decree;

(ii) if all existing Events of Default have been cured or waived, except nonpayment of principal or interest that has become due solely because of the acceleration;

(iii) to the extent the payment of such interest is lawful, interest on overdue installments of interest and overdue principal, which has become due otherwise than by such declaration of acceleration, has been paid; and

(iv) if the Issuer has paid the Trustee its reasonable compensation and reimbursed the Trustee for its reasonable expenses, disbursements and advances.

(c) The Trustee is not to be charged with knowledge of any Default or Event of Default or knowledge of any cure of any Default or Event of Default unless written notice of such Default or Event of Default has been given to an authorized officer of the Trustee with direct responsibility for the administration of this Indenture by the Issuer or any Holder.

Section 6.3 Other Remedies.

(a) If an Event of Default occurs and is continuing, the Trustee may pursue any available remedy to collect the payment of principal of and interest on the Notes or to enforce the performance of any provision of the Notes or this Indenture.

(b) The Trustee may maintain a proceeding even if it does not possess any of the Notes or does not produce any of them in the proceeding. A delay or omission by the Trustee or any Holder in exercising any right or remedy accruing upon an Event of Default shall not impair the right or remedy or constitute a waiver of or acquiescence in the Event of Default. No remedy is exclusive of any other remedy. All available remedies are cumulative to the extent permitted by law.

Section 6.4 Waiver of Past Defaults. Subject to Section 6.2, the Holders of a majority in principal amount of the then Outstanding Notes may waive any existing Default or Event of Default, and its consequences, except a default in the payment of the principal of, premium, if any, or interest on any Notes.

Section 6.5 Control by Majority. The Holders of a majority in principal amount of the then Outstanding Notes may direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or of exercising any trust or power conferred on the Trustee. Subject to Section 7.1 and Section 7.2, however, the Trustee may refuse to follow any direction that conflicts with law or this Indenture; *provided, however*, that the Trustee may take any other action deemed proper by the Trustee that is not inconsistent with such direction.

Section 6.6 Limitation on Suits.

(a) No Holder of any Notes shall have any right to institute any proceeding with respect hereto or for any remedy hereunder, unless:

(i) such Holder gives to the Trustee written notice of a continuing Event of Default;

(ii) Holders of at least 25% in principal amount of the then Outstanding Notes make a written request to pursue the remedy;

(iii) such Holders of the Notes provide to the Trustee indemnity satisfactory to it;

(iv) the Trustee does not comply within 60 days; and

(v) during such 60 day period the Holders of a majority in principal amount of the then Outstanding Notes do not give the Trustee a written direction which, in the opinion of the Trustee, is inconsistent with the request;

provided, that a Holder of a Note may institute suit for enforcement of payment of the principal of and premium, if any, or interest on such Note on or after the respective due dates expressed in such Note.

Section 6.7 Rights of Holders to Receive Payment. Notwithstanding any other provision of this Indenture (including, without limitation, Section 6.6), the right of any Holder to receive payment of principal or interest on the Notes held by such Holder, on or after the respective due dates, Redemption Dates or repurchase date expressed in this Indenture or the Notes, or to bring suit for the enforcement of any such payment on or after such respective dates, shall not be impaired or affected without the consent of such Holder.

Section 6.8 Collection Suit by Trustee. If an Event of Default specified in clause (i) and (ii) of Section 6.1(a) occurs and is continuing, the Trustee may recover judgment in its own name and as trustee of an express trust against the Issuer and each Note Guarantor for the whole amount then due and owing (together with applicable interest on any overdue principal and, to the extent lawful, interest on overdue interest) and the amounts provided for in Section 7.7.

Section 6.9 Trustee May File Proofs of Claim, etc.

(a) The Trustee may (irrespective of whether the principal of the Notes is then due):

(i) file such proofs of claim and other papers or documents as may be necessary or advisable in order to have the claims of the Trustee and the Holders under this Indenture and the Notes allowed in any bankruptcy, insolvency, liquidation or other judicial proceedings relative to the Issuer, any Note Guarantor or any Subsidiary of the Issuer or their respective creditors or properties; and

(ii) collect and receive any monies or other property payable or deliverable in respect of any such claims and distribute them in accordance with this Indenture.

Any receiver, trustee, liquidator, sequestrator (or other similar official) in any such proceeding is hereby authorized by each Holder to make such payments to the Trustee and, in the event that the Trustee shall consent to the making of such payments directly to the Holders, to pay to the Trustee any amount due to it for the reasonable compensation, expenses, taxes, disbursements and advances of the Trustee, its agent and counsel, and any other amounts due to the Trustee pursuant to Section 7.7.

(b) Nothing in this Indenture shall be deemed to authorize the Trustee to authorize or consent to or accept or adopt on behalf of any Holder any plan of reorganization, arrangement, adjustment or composition affecting the Notes or the rights of any Holder thereof, or to authorize the Trustee to vote in respect of the claim of any Holder in any such proceeding.

Section 6.10 Priorities. If the Trustee collects any money or property pursuant to this Article VI, it shall pay out the money or property in the following order:

FIRST: to the Trustee for amounts due under Section 7.7;

SECOND: if the Holders proceed against the Issuer directly without the Trustee in accordance with this Indenture, to Holders for their collection costs;

THIRD: to Holders for amounts due and unpaid on the Notes for principal and interest, ratably, without preference or priority of any kind, according to the amounts due and payable on the Notes for principal and interest, respectively; and

FOURTH: to the Issuer or, to the extent the Trustee collects any amount pursuant to Article X hereof from any Note Guarantor, to such Note Guarantor, or to such party as a court of competent jurisdiction shall direct.

The Trustee may, upon notice to the Issuer, fix a record date and payment date for any payment to Holders pursuant to this Section 6.10.

Section 6.11 Undertaking for Costs. In any suit for the enforcement of any right or remedy under this Indenture or in any suit against the Trustee for any action taken or omitted by it as Trustee, a court in its discretion may require the filing by any party litigant in the suit of an undertaking to pay the costs of the suit, and the court in its discretion may assess reasonable costs, including reasonable attorneys' fees, against any party litigant in the suit, having due regard to the merits and good faith of the claims or defenses made by the party litigant. This Section 6.11 does not apply to a suit by the Trustee, a suit by the Issuer, a suit by a Holder pursuant to Section 6.7 or a suit by Holders of more than 10% in principal amount of Outstanding Notes.

ARTICLE VII

TRUSTEE

Section 7.1 Duties of Trustee.

(a) If a Default or an Event of Default has occurred and is continuing, the Trustee shall exercise the rights and powers vested in it by this Indenture and use the same degree of care and skill in their exercise as a prudent man would exercise or use under the circumstances in the conduct of his own affairs.

(b) Except during the continuance of a Default or an Event of Default:

(i) the Trustee undertakes to perform such duties and only such duties as are specifically set forth in this Indenture and no implied covenants or obligations shall be read into this Indenture against the Trustee; and

(ii) in the absence of bad faith on its part, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Trustee and conforming to the requirements of this Indenture. However, in the case of any such certificates or opinions that by any provisions hereof are specifically required to be furnished to the Trustee, the Trustee shall examine such certificates and opinions to determine whether or not they conform to the requirements of this Indenture.

(c) The Trustee may not be relieved from liability for its own negligent action, its own negligent failure to act or its own willful misconduct, except that:

(i) this clause (c) does not limit the effect of clause (b) of this Section 7.1;

(ii) the Trustee shall not be liable for any error of judgment made in good faith by a Trust Officer unless it is proved that the Trustee was negligent in ascertaining the pertinent facts; and

(iii) the Trustee shall not be liable with respect to any action it takes or omits to take in good faith in accordance with a direction received by it pursuant to Section 6.2, 6.4 or 6.5.

(d) The Trustee shall not be liable for interest on any money received by it except as the Trustee may agree in writing with the Issuer.

(e) Money held in trust by the Trustee need not be segregated from other funds except to the extent required by law.

(f) No provision of this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur financial liability in the performance of any of its duties hereunder or in the exercise of any of its rights or powers, if it shall have reasonable grounds to believe that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

(g) Every provision of this Indenture relating to the conduct or affecting the liability of or affording protection to the Trustee shall be subject to the provisions of this Article VII.

(h) Unless otherwise specifically provided in this Indenture, any demand, request, direction or notice from the Issuer shall be sufficient if signed by an Officer of the Issuer.

(i) The Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request or direction of any of the Holders unless such Holders shall have offered to the Trustee reasonable security or indemnity against the costs, expenses (including reasonable attorneys' fees and expenses) and liabilities that might be incurred by it in compliance with such request or direction.

Section 7.2 Rights of Trustee.

Subject to Section 7.1:

(a) The Trustee may rely on any document reasonably believed by it to be genuine and to have been signed or presented by the proper person. The Trustee need not investigate any fact or matter stated in the document.

(b) Before the Trustee acts or refrains from acting at the direction of the Issuer or any Note Guarantor, it may require an Officer's Certificate or an Opinion of Counsel. The Trustee shall not be liable for any action it takes or omits to take in good faith in reliance on an Officer's Certificate or Opinion of Counsel.

(c) The Trustee may act through its attorneys and agents and shall not be responsible for the misconduct or negligence of any agent appointed with due care.

(d) The Trustee shall not be liable for any action it takes or omits to take in good faith which it believes to be authorized or within its rights or powers; provided, however, that the Trustee's conduct does not constitute willful misconduct or negligence.

(e) The Trustee may consult with counsel of its selection, and the advice or opinion of counsel with respect to legal matters relating to this Indenture and the Notes shall be full and complete authorization and protection from liability in respect to any action taken, omitted or suffered by it hereunder in good faith and in accordance with the advice or opinion of such counsel.

(f) If the Trustee shall determine, it shall be entitled to examine the books, records and premises of the Issuer, personally or by agent or attorney.

(g) The Trustee shall not be deemed to have notice of any Default or Event of Default unless a Trust Officer of the Trustee has received written notice at the Corporate Trust Office of any event which is in fact such a default, and such notice references the Notes and this Indenture.

(h) The rights, privileges, protections, immunities and benefits given to the Trustee, including, without limitation, its right to be indemnified, are extended to, and shall be enforceable by, the Trustee in each of its capacities hereunder, and to each agent, custodian and other Person employed to act hereunder.

(i) The Trustee may request that the Issuer deliver an Officer's Certificate setting forth the names of individuals and/or titles of officers authorized at such time to take specified actions pursuant to this Indenture, which Officer's Certificate may be signed by any Person authorized to sign an Officer's Certificate, including any Person specified as so authorized in any such certificate previously delivered and not superseded.

(j) The permissive rights of the Trustee enumerated herein shall not be construed as duties.

(k) In no event shall the Trustee be liable, directly or indirectly, for any special, indirect, punitive or consequential damages, even if the Trustee has been advised of the possibility of such damages.

(l) The Trustee shall not be responsible or liable for any failure or delay in the performance of its obligations under this Indenture arising out of or caused, directly or indirectly, by circumstances beyond its reasonable control, including without limitation, acts of God; earthquakes; fires; floods; wars; civil or military disturbances; sabotage; epidemics; riots, interruptions, loss or malfunctions of utilities, computer (hardware or software) or communications service; accidents; labor disputes; acts of civil or military authority or governmental actions; it being understood that the Trustee shall use its best efforts to resume performance as soon as practicable under the circumstances.

(m) The Trustee shall at no time have any responsibility or liability for or in respect to the legality, validity or enforceability of any Collateral or any arrangement or agreement between the Issuer and any other Person with respect thereto, or the perfection or priority of any security interest created in any of the Collateral or maintenance of any perfection and priority, or for or with respect to the sufficiency of the Collateral following an Event of Default.

Section 7.3 Individual Rights of Trustee. The Trustee in its individual or any other capacity may become the owner or pledgee of Notes and may otherwise deal with the Issuer, the Note Guarantors or any Affiliate of the Issuer with the same rights it would have if it were not Trustee. Any Paying Agent, Transfer Agent, Registrar or co-Registrar may do the same with like rights. However, the Trustee must comply with Section 7.10.

Section 7.4 Trustee's Disclaimer. The Trustee shall not be responsible for and makes no representation as to the validity or adequacy of this Indenture or the Notes, it shall not be accountable for the Issuer's use of the proceeds from the Notes, and it shall not be responsible for any statement of the Issuer in this Indenture or in any document issued in connection with the sale of the Notes or in the Notes other than the Trustee's certificate of authentication.

Section 7.5 Notice of Defaults. If a Default or Event of Default occurs and is continuing and if a Trust Officer has actual knowledge thereof, the Trustee shall deliver to each Holder notice of the Default or Event of Default within 90 days after the occurrence thereof. Except in the case of a Default or Event of Default in payment of principal or interest on any Note (including payments pursuant to the optional redemption or required repurchase provisions of such Note, if any), the Trustee may withhold the notice if and so long as a committee of its Trust Officers in good faith determines that withholding the notice is in the interests of the Holders.

Section 7.6 [Reserved].

Section 7.7 Compensation and Indemnity.

(a) The Issuer shall pay to the Trustee from time to time reasonable compensation for its acceptance of this Indenture and services hereunder as the Issuer and the Trustee shall from time to time agree in writing. The Trustee's compensation shall not be limited by any law on compensation of a trustee of an express trust. The Issuer shall reimburse the Trustee upon request for all reasonable out-of-pocket expenses incurred or made by it, including costs of collection, costs of preparing and reviewing reports, certificates and other documents, costs of preparation and mailing of notices to Holders and reasonable costs of counsel retained by the Trustee in connection with the review, negotiation, execution and delivery of this Indenture or otherwise, in addition to the compensation for its services. Such expenses shall include the reasonable compensation and expenses, disbursements and advances of the Trustee's agents, counsel, accountants and experts.

(b) The Issuer and each Note Guarantor shall jointly and severally indemnify the Trustee against any and all loss, liability or expense (including reasonable attorneys' fees and expenses) incurred by it without negligence, willful misconduct or bad faith on its part in connection with the acceptance and administration of this trust and the performance of its duties hereunder, including the costs and expenses of enforcing this Indenture (including this Section 7.7) and of defending itself against any claims (whether asserted by any Holder, the Issuer, any Note Guarantor or otherwise). The Trustee shall notify the Issuer and each Note Guarantor promptly of any claim for which it may seek indemnity. Failure by the Trustee to so notify the Issuer or any Note Guarantor shall not relieve the Issuer or any Note Guarantor of its obligations hereunder. The Issuer shall defend the claim and the Trustee may have separate counsel and the Issuer shall pay the fees and expenses of such counsel; *provided*, that the Issuer shall not be required to pay such fees and expenses if it assumes the Trustee's defense, and, in the reasonable judgment of outside counsel to the Trustee, there is no conflict of interest between the Issuer and the Trustee in connection with such defense. The Issuer need not reimburse any expense or indemnify against any loss, liability or expense incurred by the Trustee through the Trustee's own willful misconduct, negligence or bad faith.

(c) To secure the Issuer's payment obligations in this Section 7.7, the Trustee shall have a lien prior to the Notes on all money or property held or collected by the Trustee other than money or property held in trust to pay principal of and interest on particular Notes. The Trustee's right to receive payment of any amounts due under this Section 7.7 shall not be subordinate to any other liability or Indebtedness of the Issuer.

(d) The Issuer's obligations pursuant to this Section 7.7 shall survive the discharge of this Indenture and the resignation or removal of the Trustee. When the Trustee incurs expenses after the occurrence of a Bankruptcy Event of Default, the expenses are intended to constitute expenses of administration under any Bankruptcy Law; *provided, however*, that this shall not affect the Trustee's rights as set forth in this Section 7.7 or Section 6.10.

Section 7.8 Replacement of Trustee.

(a) The Trustee may resign at any time by so notifying the Issuer. The Holders of a majority in principal amount of the then Outstanding Notes may remove the Trustee by so notifying the Trustee and may appoint a successor Trustee reasonably acceptable to the Issuer. The Issuer shall remove the Trustee if:

(i) the Trustee fails to comply with Section 7.10;

(ii) the Trustee is adjudged bankrupt or insolvent;

(iii) a receiver or other public officer takes charge of the Trustee or its property; or

(iv) the Trustee otherwise becomes incapable of acting.

(b) If the Trustee resigns or is removed by the Issuer or by the Holders of a majority in principal amount of the then Outstanding Notes and such Holders do not reasonably promptly appoint a successor Trustee, or if a vacancy exists in the office of the Trustee for any reason (the Trustee in such event being referred to herein as the retiring Trustee), the Issuer shall promptly appoint a successor Trustee.

(c) A successor Trustee shall deliver a written acceptance of its appointment to the retiring Trustee and to the Issuer. Thereupon the resignation or removal of the retiring Trustee shall become effective, and the successor Trustee shall have all the rights, powers and duties of the Trustee under this Indenture. The successor Trustee shall mail a notice of its succession to Holders. The retiring Trustee shall promptly transfer all property held by it as Trustee to the successor Trustee, subject to the lien provided for in Section 7.7(c).

(d) If a successor Trustee does not take office within 30 days after the retiring Trustee resigns or is removed, the retiring Trustee or the Holders of 10% in principal amount of the then Outstanding Notes may petition, at the Issuer's expense, any court of competent jurisdiction for the appointment of a successor Trustee.

(e) If the Trustee fails to comply with Section 7.10, any Holder may petition any court of competent jurisdiction for the removal of the Trustee and the appointment of a successor Trustee.

(f) Notwithstanding the replacement of the Trustee pursuant to this Section 7.8, the Issuer's obligations under Section 7.7 shall continue for the benefit of the retiring Trustee.

Section 7.9 Successor Trustee by Merger.

(a) If the Trustee consolidates with, merges or converts into, or transfers all or substantially all its corporate trust business or assets to, another Person, the resulting, surviving or transferee Person without any further act shall be the successor Trustee.

(b) In case at the time such successor or successors to the Trustee shall succeed to the trusts created by this Indenture, any of the Notes shall have been authenticated but not delivered, any such successor to the Trustee may adopt the certificate of authentication of any predecessor trustee, and deliver such Notes so authenticated; and in case at that time any of the Notes shall not have been authenticated, any successor to the Trustee may authenticate such Notes either in the name of any predecessor hereunder or in the name of the successor to the Trustee; and in all such cases such certificates of authentication and such delivery shall be valid for purposes of this Indenture.

Section 7.10 Eligibility; Disqualification. The Trustee shall at all times be a Trustee hereunder that is a Person organized and doing business under the laws of the United States or of any state thereof that is authorized under such laws to exercise corporate trustee power, that is subject to supervision or examination by federal or state authorities and that has, together with its parent, a combined capital and surplus of at least U.S.$50,000,000 as set forth in its most recent published annual report of condition.

Section 7.11 [Reserved].

Section 7.12 [Reserved].

Section 7.13 Authorization and Instruction of the Trustee With Respect to the Collateral. Each Holder and the Issuer authorize and instruct the Trustee (a) to enter into (or cause an agent or grant such powers of attorney to enter into), on its own behalf and on behalf of the Holders of Notes, such documents (the "Security Documents") as are necessary or desirable (which shall be evidenced by a written instruction from the Issuer to the Trustee) in order to create and maintain the security interest of the Trustee and the Holders of Notes in the Collateral as may from time to time be provided to equally and ratably secure the Notes, (b) to grant such powers of attorney and to do or cause to be done all such acts and things, on its own behalf and in the name and on behalf of the Holders of Notes, as are necessary or desirable (which shall be evidenced by a written instruction from the Issuer to the Trustee) to create and maintain the security interest of the Trustee and the Holders of Notes in such Collateral, (c) to appoint the Security Agent to serve as direct representative of the Trustee and the Holders of Notes in connection with the creation and maintenance of the security interest of the Trustee and the Holders of Notes in such Collateral, (d) to accept the security interest in the Collateral on behalf of each Holder, and (e) to grant powers in favor of an attorney to execute an accession public

deed before a Spanish notary public accepting the security interest in the Collateral on behalf of the Holders of Notes. It is understood and acknowledged that, in certain circumstances, the Security Documents may be amended, modified or waived without the consent of the Trustee or the Holders of Notes. It is understood and acknowledged that the Security Agent, in addition to being appointed by and acting on behalf of the Trustee and the Holders of Notes, has also been appointed by and is acting on behalf of (and may in the future be appointed by and act on behalf of) other creditors of the Issuer and its Subsidiaries. The Trustee will not have the right to cause the Security Agent to foreclose on the Collateral upon the occurrence of an Event of Default in respect of the Notes. The Trustee shall at no time have any responsibility or liability for or in respect to the legality, validity or enforceability of any Collateral or any arrangement or agreement between the Issuer and any other Person with respect thereto, or the perfection or priority of any security interest created in any of the Collateral or maintenance of any perfection and priority, or for or with respect to the sufficiency of the Collateral following an Event of Default.

ARTICLE VIII

DEFEASANCE; DISCHARGE OF INDENTURE

Section 8.1 Legal Defeasance and Covenant Defeasance.

(a) The Issuer may, at its option, at any time, elect to have either Section 8.1(b) or Section 8.1(c) be applied to all Outstanding Notes upon compliance with the conditions set forth in Section 8.2.

(b) Upon the Issuer's exercise under Section 8.1(a) of the option applicable to this clause (b), the Issuer shall, subject to the satisfaction of the conditions set forth in Section 8.2, be deemed to have been discharged from its obligations with respect to all Outstanding Notes on the date all of the conditions set forth in Section 8.2 are satisfied (hereinafter, "Legal Defeasance"). For this purpose, Legal Defeasance means that the Issuer shall be deemed to have paid and discharged the entire Indebtedness represented by the then Outstanding Notes, which shall thereafter be deemed to be Outstanding only for the purposes of Section 8.3 hereof and the other sections of this Indenture referred to in subclause (i) or (ii) of this clause (b), and to have satisfied all its other obligations under such Notes and this Indenture (and the Trustee, on demand of and at the expense of the Issuer, shall execute proper instruments acknowledging the same), except for the following provisions, which shall survive until otherwise terminated or discharged hereunder:

(i) the rights of Holders of Outstanding Notes to receive solely from the trust fund described in Section 8.3, and as more fully set forth in Section 2.4 payments in respect of the principal of, premium, if any, and interest on such Notes when such payments are due,

(ii) the Issuer's obligations with respect to such Notes under Article II and Section 3.2 hereof,

(iii) the rights, powers, trusts, duties and immunities of the Trustee hereunder and the Issuer's obligations in connection therewith, and

(iv) this Article VIII.

Subject to compliance with this Article VIII, the Issuer may exercise its option under this clause (b) notwithstanding the prior exercise of its option under Section 8.1(c) hereof.

(c) Upon the Issuer's exercise under Section 8.1(a) hereof of the option applicable to this clause (c), the Issuer shall, subject to the satisfaction of the applicable conditions set forth in Section 8.2, be released from its obligations under Sections 3.4, 3.5, 3.8, 3.9, 3.11, 3.12, 3.14, 3.15, 3.16, 3.17, 3.18, 3.19, 3.20, 3.21, 3.22, 4.1(a) and 4.1(b) hereof with respect to the then Outstanding Notes on and after the date the conditions set forth below are satisfied (hereinafter, "Covenant Defeasance"), and the Notes shall thereafter be deemed not Outstanding for the purposes of any direction, waiver, consent or declaration or act of Holders (and the consequences of any thereof) in connection with such covenants, but shall continue to be Outstanding for all other purposes hereunder (it being understood that such Notes shall not be deemed Outstanding for accounting purposes). For this purpose, such Covenant Defeasance means that, with respect to the then Outstanding Notes, the Issuer may omit to comply with and shall have no liability in respect of any term, condition or limitation set forth in any such covenant, whether directly or indirectly, by reason of any reference elsewhere herein to any such covenant or by reason of any reference in any such covenant to any other provision herein or in any other document and such omission to comply shall not constitute a Default or an Event or Default under clause (iii) of Section 6.1(a) (solely with respect to any failure to perform under or comply with clause (ii) or (iii) of Section 4.1(a)), clause (iv) of Section 6.1(a) or clause (v) of Section 6.1(a) hereof, but, except as specified above, the remainder of this Indenture and such Notes shall be unaffected thereby.

Section 8.2 Conditions to Defeasance. The Issuer may exercise its Legal Defeasance option or its Covenant Defeasance option only if:

(a) the Issuer has irrevocably deposited with the Trustee, in trust, for the benefit of the Holders cash in euros or European Government Obligations or a combination thereof, in such amounts as will be sufficient without reinvestment, in the opinion of a nationally recognized firm of independent public accountants, to pay the principal of, premium, if any, and interest (including Additional Amounts) on the Notes on the stated date for payment thereof or on the applicable Redemption Date, as the case may be; *provided* that (x) 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 (y) 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;

(b) in the case of Legal Defeasance, the Issuer has delivered to the Trustee an Opinion of Counsel reasonably acceptable to the Trustee (subject to customary exceptions and exclusions) and independent of the Issuer to the effect that:

(i) the Issuer has received from, or there has been published by, the Internal Revenue Service a ruling; or

(ii) since the Issue Date, there has been a change in the applicable U.S. federal income tax law,

in either case to the effect that, and based thereon such Opinion of Counsel shall state that, the Holders will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such Legal Defeasance and will be subject to U.S. federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Legal Defeasance had not occurred;

(c) in the case of Covenant Defeasance, the Issuer has delivered to the Trustee an Opinion of Counsel reasonably acceptable to the Trustee (subject to customary exceptions and exclusions) to the effect that the Holders will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such Covenant Defeasance and will be subject to U.S. federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Covenant Defeasance had not occurred;

(d) no Default or Event of Default shall have occurred and be continuing on the date of the deposit pursuant to Section 8.2(a) (except any Default or Event of Default resulting from the failure to comply with Section 3.9 as a result of the borrowing of the funds required to effect such deposit);

(e) the Trustee has received an Officer's Certificate stating that such Legal Defeasance or Covenant Defeasance shall not result in a breach or violation of, or constitute a default under this Indenture or any other material agreement or instrument to which the Issuer or any of its Subsidiaries is a party or by which the Issuer or any of its Subsidiaries is bound;

(f) the Issuer has delivered to the Trustee an Officer's Certificate stating that the deposit was not made by the Issuer with the intent of preferring the Holders over any other creditors of the Issuer or any Subsidiary of the Issuer or with the intent of defeating, hindering, delaying or defrauding any other creditors of the Issuer or others;

(g) the Issuer has delivered to the Trustee an Officer's Certificate and an Opinion of Counsel from counsel reasonably acceptable to the Trustee (subject to customary exceptions and exclusions) and independent of the Issuer, each stating that all conditions precedent provided for or relating to the Legal Defeasance or the Covenant Defeasance have been complied with; and

(h) the Issuer has delivered to the Trustee an Opinion of Counsel from counsel reasonably acceptable to the Trustee and independent of the Issuer to the effect that the trust resulting from the deposit does not constitute, or is qualified as, a regulated investment company under the Investment Company Act of 1940.

Section 8.3 Application of Trust Money. The Trustee shall hold in trust euros or European Government Obligations deposited with it pursuant to this Article VIII. It shall apply the deposited euros or European Government Obligations through the Paying Agent and in accordance with this Indenture to the payment of principal of and interest on the Notes.

Section 8.4 Repayment to Issuer.

(a) The Trustee and the Paying Agent shall promptly turn over to the Issuer upon request any excess money or securities held by them upon payment of all the obligations under this Indenture.

(b) Subject to any applicable abandoned property law, the Trustee and the Paying Agent shall pay to the Issuer upon request any money held by them for the payment of principal of, premium or interest on the Notes that remains unclaimed for two years, and, thereafter, Holders entitled to the money must look to the Issuer for payment as general creditors.

Section 8.5 Indemnity for European Government Obligations. The Issuer shall pay and shall indemnify the Trustee against any tax, fee or other charge imposed on or assessed against deposited European Government Obligations or the principal and interest received on such European Government Obligations.

Section 8.6 Reinstatement. If the Trustee or Paying Agent is unable to apply any euros or European Government Obligations in accordance with this Article VIII by reason of any legal proceeding or by reason of any order or judgment of any court or governmental authority enjoining, restraining or otherwise prohibiting such application, the obligations of the Issuer under this Indenture and the Notes shall be revived and reinstated as though no deposit had occurred pursuant to this Article VIII until such time as the Trustee or Paying Agent is permitted to apply all such euros or European Government Obligations in accordance with this Article VIII; *provided, however*, that, if the Issuer has made any payment of principal of, premium or interest on any Notes because of the reinstatement of its obligations, the Issuer shall be subrogated to the rights of the Holders of such Notes to receive such payment from euros or European Government Obligations held by the Trustee or Paying Agent.

Section 8.7 Satisfaction and Discharge. This Indenture will be discharged and will cease to be of further effect (except as to surviving rights of registration of transfer or exchange of the Notes, as expressly provided for in this Indenture) as to all Outstanding Notes when:

(a) either:

(i) all the Notes theretofore authenticated and delivered (except lost, stolen or destroyed Notes which have been replaced or paid and Notes for whose payment money has theretofore been deposited in trust or segregated and held in trust by the Issuer and thereafter repaid to the Issuer or discharged from such trust) have been delivered to the Trustee for cancellation; or

(ii) (x) all Notes not theretofore delivered to the Trustee for cancellation have become due and payable by reason of the making 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 mailing or electronic delivery of a notice of redemption, after any conditions precedent to redemption have been satisfied or waived in writing by the Issuer), 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 Issuer, and the Issuer or any Guarantor has irrevocably deposited or caused to be deposited with the Trustee, in trust, for the benefit of the holders, cash in Euros, European 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; *provided* that (x) 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 (y) 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 Issuer 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 Issuer has paid all other sums payable under this Indenture and the Notes by it; and

(c) the Issuer has delivered to the Trustee an Officer's Certificate and an Opinion of Counsel stating that all conditions precedent under this Indenture relating to the satisfaction and discharge of this Indenture have been complied with.

ARTICLE IX

AMENDMENTS

Section 9.1 Without Consent of Holders.

(a) The Issuer, the Note Guarantors and the Trustee may amend or supplement this Indenture, the Notes or the Note Guarantees without notice to or consent of any Holder:

(i) to cure any ambiguity, omission, defect or inconsistency;

(ii) to comply with Article IV in respect of the assumption by a Successor Issuer of the obligations of the Issuer under the Notes and this Indenture;

(iii) to provide for uncertificated Notes in addition to or in place of Certificated Notes; provided, however, that the uncertificated Notes are issued in registered form for purposes of Section 163(f) of the Code;

(iv) to add guarantees with respect to the Notes or to secure the Notes;

(v) to add to the covenants of the Issuer or the Note Guarantors for the benefit of the Holders or to surrender any right or power herein conferred upon the Issuer or the Note Guarantors;

(vi) to make any change that does not, in the opinion of the Issuer, as conclusively evidenced by an Officer's Certificate to such effect, adversely affect the rights of any Holder in any material respect;

(vii) to conform the text of this Indenture, the Note Guarantees or the Notes to any provision of the section "Description of Notes" in the Offering Memorandum to the extent that such provision in such "Description of Notes" was intended to be a verbatim recitation of a provision of this Indenture or the Notes or Note Guarantees;

(viii) to comply with the requirements of any applicable securities depositary;

(ix) to provide for the issuance of Additional Notes as permitted by Section 2.2(c) and Section 2.14, which will have terms substantially identical to the other Outstanding Notes except as specified in Section 2.13, or Section 2.14, and which will be treated, together with any other Outstanding Notes, as a single issue of securities; or

(x) in order to effect and maintain the listing of the Notes on the Global Exchange Market of the Irish Stock Exchange.

(b) After an amendment or supplement under this Section 9.1 becomes effective, the Issuer shall mail to Holders a notice briefly describing such amendment. The failure to give such notice to all Holders, or any defect therein, shall not impair or affect the validity of an amendment under this Section 9.1.

Section 9.2 With Consent of Holders.

(a) The Issuer, the Note Guarantors and the Trustee may amend or supplement this Indenture or the Notes without notice to any Holder but with the written consent of the Holders of at least a majority in principal amount of the then Outstanding Notes(including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, Notes). Subject to Section 6.4, the Holder or Holders of a majority in aggregate principal amount of the then Outstanding Notes may waive compliance by the Issuer and the Note Guarantors with any provision of this Indenture or the Notes. However, without the consent of each Holder affected, an amendment, supplement or waiver may not:

(i) reduce the amount of Notes whose Holders must consent to an amendment, supplement or waiver;

(ii) reduce the rate of or change or have the effect of changing the time for payment of interest, including Defaulted Interest, on any Notes;

(iii) reduce the principal of or change or have the effect of changing the fixed maturity of any Notes, or change the date on which any Notes may be subject to redemption, or reduce the redemption price therefor;

(iv) make any Notes payable in money other than that stated in the Notes;

(v) make any change in the provisions of this Indenture entitling each Holder to receive payment of principal of, premium, if any, and interest on such Notes on or after the due date thereof or to bring suit to enforce such payment, or permitting Holders of a majority in principal amount of the then Outstanding Notes to waive Defaults or Events of Default;

(vi) amend, change or modify in any material respect any obligations of the Issuer to make and consummate a Change of Control Offer in respect of a Change of Control that has occurred or make and consummate an Asset Sale Offer with respect to any Asset Sale that has been consummated;

(vii) make any change in the provisions of this Indenture described under Section 3.21 that adversely affects the rights of any Holder or amend the terms of the Notes in a way that would result in a loss of exemption from Taxes; or

(viii) make any change to the provisions of this Indenture or the Notes that adversely affect the ranking of the Notes.

(b) It shall not be necessary for the consent of the Holders under this Section 9.2 to approve the particular form of any proposed amendment, supplement or waiver but it shall be sufficient if such consent approves the substance thereof.

(c) After an amendment, supplement or waiver under this Section 9.2 becomes effective, the Issuer shall mail to Holders a notice briefly describing such amendment, supplement or waiver. The failure to give such notice to all Holders, or any defect therein, shall not impair or affect the validity of an amendment, supplement or waiver under this Section 9.2.

(d) The Notes issued on the Issue Date, and any Additional Notes part of the same series, will be treated as a single series for all purposes under this Indenture, including with respect to waivers and amendments. For the purposes of calculating the aggregate principal amount of Notes that have consented to or voted in favor of any amendment, waiver, consent, modifications or other similar action, the Issuer (acting reasonably and in good faith) shall be entitled to select a record date as of which the principal amount of any Notes shall be calculated in such consent or voting process.

Section 9.3 [Reserved].

Section 9.4 Revocation and Effect of Consents and Waivers.

(a) A consent to an amendment, supplement or waiver by a Holder of a Note shall bind the Holder and every subsequent Holder of that Note or portion of the Note that evidences the same debt as the consenting Holder's Note, even if notation of the consent or waiver is not made on the Note. However, any such Holder or subsequent Holder may revoke the consent or waiver as to such Holder's Note or portion of the Note if the Trustee receives the notice of revocation before the date the amendment, supplement or waiver becomes effective. After an amendment, supplement or waiver becomes effective, it shall bind every Holder, except as otherwise provided in this Article IX. An amendment, supplement or waiver shall become effective upon receipt by the Trustee of the requisite number of written consents under Section 9.2.

(b) The Issuer may, but shall not be obligated to, fix a record date for the purpose of determining the Holders entitled to give their consent or take any other action described above or required or permitted to be taken pursuant to this Indenture. If a record date is fixed, then notwithstanding the immediately preceding paragraph, those Persons who were Holders at such record date (or their duly designated proxies), and only those Persons, shall be entitled to give such consent or to revoke any consent previously given or to take any such action, whether or not such Persons continue to be Holders after such record date. No such consent shall be valid or effective for more than 90 days after such record date.

Section 9.5 Notation on or Exchange of Notes. If an amendment or supplement changes the terms of a Note, the Trustee may require the Holder of the Note to deliver it to the Trustee. The Trustee may place an appropriate notation on the Note regarding the changed terms and return it to the Holder. Alternatively, if the Issuer or the Trustee so determines, the Issuer, in exchange for the Note, will execute and upon Issuer Order, the Trustee will authenticate and make available for delivery a new Note that reflects the changed terms. Failure to make the appropriate notation or to issue a new Note shall not affect the validity of such amendment or supplement.

Section 9.6 Trustee to Sign Amendments and Supplements. The Trustee shall sign any amendment, supplement or waiver authorized pursuant to this Article IX if the amendment or supplement does not adversely affect the rights, duties, liabilities or immunities of the Trustee. If it does, the Trustee may but need not sign it. In signing such amendment, supplement or waiver, the Trustee shall be entitled to receive indemnity reasonably satisfactory to it and to receive, and (subject to Section 7.1 and Section 7.2) shall be fully protected in relying upon, in addition to the documents required by Section 12.4, an Opinion of Counsel and an Officer's Certificate each stating that such amendment, supplement or waiver is authorized or permitted by this Indenture and that all conditions precedent to the execution of such amendment, supplement or waiver have been complied with.

ARTICLE X

NOTE GUARANTEES

Section 10.1 Note Guarantees.

(a) Each Note Guarantor hereby fully and unconditionally guarantees, as primary obligor and not merely as surety, jointly and severally with each other Note Guarantor, to each Holder and the Trustee, the full and punctual payment when due, whether at maturity, by acceleration, by redemption or otherwise, of the Obligations (such guaranteed Obligations, the "Guaranteed Obligations"). Each Note Guarantor further agrees that its Note Guarantee herein constitutes a guarantee of payment when due (and not a guarantee of collection) and agrees to pay, in addition to the amounts stated in Section 10.1(f), any and all expenses (including reasonable counsel fees and expenses) incurred by the Trustee or the Holders in enforcing or exercising any rights under any Note Guarantee.

(b) In no event shall the Trustee or the Holders be obligated to take any action, obtain any judgment or file any claim prior to enforcing or exercising any rights under any Note Guarantee.

(c) Each Note Guarantor further agrees that its Note Guarantee constitutes an absolute and unconditional and continuing guarantee. Each Note Guarantor hereby waives, to the extent permitted by law:

(i) any claim as to the legality, validity, regularity or enforceability of this Indenture, the Notes or any other agreement;

(ii) any claim as to the lack of authority of the Issuer to execute or deliver this Indenture, the Notes or any other agreement;

(iii) diligence, presentation to, demand of payment from and protest to the Issuer of any of the Obligations and notice of protest for nonpayment;

(iv) the occurrence of any Default or Event of Default under this Indenture, the Notes or any other agreement;

(v) notice of any Default or Event of Default under this Indenture, the Notes or any other agreement;

(vi) the failure of the Trustee or any Holder to assert any claim or demand or to enforce any right or remedy against the Issuer or any other Person under this Indenture, the Notes or any other agreement;

(vii) any extension or renewal of the Obligations, this Indenture, the Notes or any other agreement;

(viii) any rescission, waiver, amendment or modification of any of the terms or provisions of this Indenture, the Notes or any other agreement;

(ix) the existence of any bankruptcy, insolvency, reorganization or similar proceedings involving the Issuer;

(x) any setoff, counterclaim, recoupment, termination or defense of any kind or nature which may be available to or asserted by any Note Guarantor or the Issuer against the Holders or the Trustee;

(xi) any impairment, taking, furnishing, exchange or release of, or failure to perfect or obtain protection of any security interest in, any collateral securing this Indenture and the Notes and any right to require that any resort be had by the Trustee or any Holder to any such collateral;

(xii) the failure of the Trustee or any Holder to exercise any right or remedy against any other Note Guarantor;

(xiii) any change in the ownership of the Issuer;

(xiv) any change in the laws, rules or regulations of any jurisdiction;

(xv) any present or future action of any governmental authority or court amending, varying, reducing or otherwise affecting, or purporting to amend, vary, reduce or otherwise affect, any of the obligations of the Issuer under this Indenture or the Notes or of any Note Guarantor under its Note Guarantee; and

(xvi) any other act or thing or omission or delay to do any other act or thing which may or might in any manner or to any extent vary the risk of each Note Guarantor or would otherwise operate as a discharge of such Note Guarantor as a matter of law or equity.

(d) Each of the Note Guarantors further expressly waives irrevocably and unconditionally:

(i) Any right it may have to first require any Holder to proceed against, initiate any actions before a court of law or any other judge or authority, or enforce any other rights or security or claim payment from the Issuer or any other Person (including any Note Guarantor or any other guarantor of the Notes) before claiming from it under this Indenture;

(ii) Any right to which it may be entitled to have the assets of the Issuer or any other Person (including any Note Guarantor or any other guarantor of the Notes) first be used, applied or depleted as payment of the Issuer's or the Note Guarantors' obligations hereunder, prior to any amount being claimed from or paid by any of the Note Guarantors hereunder;

(iii) Any right to which it may be entitled to have claims hereunder divided between the Note Guarantors;

(iv) To the extent applicable, the benefits of *orden*, *excusión*, *división*, *quita* and *espera* and any right specified in articles 2814, 2815, 2817, 2818, 2819, 2820, 2821, 2822, 2823, 2826, 2837, 2838, 2839, 2840, 2845, 2846, 2847 and any other related or applicable articles that are not explicitly set forth herein because of Note Guarantor's knowledge thereof of the *Código Civil Federal* of Mexico, and the *Código Civil* of each State of the Mexican Republic and the Federal District of Mexico.

(e) The obligations assumed by each Note Guarantor hereunder shall not be affected by the absence of judicial request of payment by a Holder to the Issuer or by whether any such person takes timely action pursuant to articles 2848 and 2849 of the Código Civil Federal of Mexico and the Código Civil of each State of the Mexican Republic and the Federal District of Mexico and each Note Guarantor hereby expressly waives the provisions of such articles.

(f) The obligations of each Note Guarantor hereunder shall not be subject to any reduction, limitation, impairment or termination for any reason (other than payment of the Obligations in full), including any claim of waiver, release, surrender, alteration or compromise, and shall not be subject to any defense of setoff, counterclaim, recoupment or termination whatsoever or by reason of the invalidity, illegality or unenforceability of the Obligations or otherwise. Without limiting the generality of the foregoing, the obligations of each Note Guarantor herein shall not be discharged or impaired or otherwise affected by the failure of any Holder to assert any claim or demand or to enforce any remedy under this Indenture, the Notes or any other agreement, by any waiver or modification of any thereof, by any default, failure or delay, willful or otherwise, in the performance of the Obligations, or by any other act or thing or omission or delay to do any other act or thing which may or might in any manner or to any extent vary the risk of such Note Guarantor or would otherwise operate as a discharge of such Note Guarantor as a matter of law or equity.

(g) Except as provided in Section 10.2, the obligations of each Note Guarantor hereunder shall not be subject to any reduction, limitation, impairment or termination for any reason other than payment of the Obligations in full.

(h) Each Note Guarantor further agrees that its Note Guarantee herein shall continue to be effective or be reinstated, as the case may be, if at any time payment, or any part thereof, of principal of or interest on any of the Obligations is rescinded or must otherwise be restored by any Holder upon the bankruptcy or reorganization of the Issuer or otherwise.

(i) In furtherance of the foregoing and not in limitation of any other right which the Trustee or any Holder has at law or in equity against each Note Guarantor by virtue hereof, upon the failure of the Issuer to pay any of the Obligations when and as the same shall become due, whether at maturity, by acceleration, by redemption or otherwise, each Note Guarantor hereby promises to and will, upon receipt of written demand by the Trustee, forthwith pay, or cause to be paid, in cash, to the Holders an amount equal to the sum of:

(i) the unpaid amount of such Obligations then due and owing; and

(ii) accrued and unpaid interest on such Obligations then due and owing (but only to the extent not prohibited by law);

provided, that any delay by the Trustee in giving such written demand shall in no event affect any Note Guarantor's obligations under its Note Guarantee.

(j) Each Note Guarantor further agrees that, as between such Note Guarantor, on the one hand, and the Holders, on the other hand:

(i) the maturity of the Obligations guaranteed hereby may be accelerated as provided in this Indenture for the purposes of its Note Guarantee herein, notwithstanding any stay, injunction or other prohibition preventing such acceleration in respect of the Obligations guaranteed hereby; and

(ii) in the event of any such declaration of acceleration of such Obligations, such Obligations (whether or not due and payable) shall forthwith become due and payable by the Note Guarantor for the purposes of this Note Guarantee.

Section 10.2 Limitation on Liability; Termination, Release and Discharge.

(a) Subject to the limitations set out in Section 10.5 and Section 10.6, the obligations of each Note Guarantor hereunder will be limited to the maximum amount as will, after giving effect to all other contingent and fixed liabilities of such Note Guarantor and after giving effect to any collections from or payments made by or on behalf of any other Note Guarantor in respect of the obligations of such other Note Guarantor under its Note Guarantee or pursuant to its contribution obligations under this Indenture, result in the obligations of such Note Guarantor under its Note Guarantee not constituting a fraudulent conveyance or fraudulent transfer under federal or state law.

(b) A Note Guarantor will be released and relieved of its obligations under its Note Guarantee in the event that:

(i) there is a Legal Defeasance of the Notes pursuant to Article VIII;

(ii) there is a sale or other disposition of Capital Stock of such Note Guarantor following which such Note Guarantor is no longer a direct or indirect Subsidiary of the Issuer;

(iii) such Note Guarantor is designated as an Unrestricted Subsidiary in accordance with Section 3.14;

(iv) either (A) the Credit Agreement Indebtedness has been repaid in full and such Note Guarantor is not a guarantor of the Indebtedness Incurred to refinance such Credit Agreement Indebtedness or (B) at least 85% of the outstanding Indebtedness of the Issuer and its Restricted Subsidiaries is not guaranteed by such Note Guarantor; or

(v) solely with respect to an Additional Note Guarantor, upon the occurrence of a Partial Covenant Suspension Event or Covenant Suspension Event until the occurrence of a Partial Covenant Reversion Date or a Reversion Date, as applicable, at which time the guarantee of the Notes by such Additional Note Guarantor shall be reinstated unless such Additional Note Guarantor would have been released at any time during the Partial Suspension Period or the Suspension Period, as applicable, pursuant to clause (i), (ii), (iii) or (iv) of this Section 10.2(b).

Section 10.3 Right of Contribution. Each Note Guarantor that makes a payment or distribution under a Note Guarantee will be entitled to a contribution from each other Note Guarantor in a *pro rata* amount, based on the net assets of each Note Guarantor determined in accordance with GAAP. The provisions of this Section 10.3 shall in no respect limit the obligations and liabilities of each Note Guarantor to the Trustee and the Holders and each Note Guarantor shall remain liable to the Trustee and the Holders for the full amount guaranteed by such Note Guarantor hereunder.

Section 10.4 No Subrogation. Each Note Guarantor agrees that it shall not be entitled to any right of subrogation in respect of any Guaranteed Obligations until payment in full in cash or Cash Equivalents of all Obligations. If any amount shall be paid to any Note Guarantor on account of such subrogation rights at any time when all of the Obligations shall not have been paid in full in cash or Cash Equivalents, such amount shall be held by such Note Guarantor in trust for the Trustee and the Holders, segregated from other funds of such Note Guarantor, and shall, forthwith upon receipt by such Note Guarantor, be turned over to the Trustee in the exact form received by such Note Guarantor (duly endorsed by such Note Guarantor to the Trustee, if required), to be applied against the Obligations.

Section 10.5 French Guarantee Limitation.

(a) The obligations of any Note Guarantor incorporated in France (a "French Note Guarantor") are subject to the limitations set out in this Section 10.5.

(b) The obligations and liabilities of any French Note Guarantor under the Indenture and the Notes, and in particular under this Article X, shall not include any obligation or liability which, if incurred, would constitute the provision of financial assistance within the meaning of article L.225-216 of the French Commercial Code and/or would constitute a misuse of corporate assets within the meaning of article(s) L. 241-3, L. 242-6 or L. 244-1 of the French Commercial Code or any other law or regulations having the same effect, as interpreted by French courts.

(c) The obligations and liabilities of any French Note Guarantor under this Article X for the Issuer's obligations under the Indenture and the Notes shall be limited, at any time, to an amount equal to the aggregate of all amounts made available under the Notes and the Indenture to the Issuer to the extent directly or indirectly on-lent to such French Note Guarantor and/or its direct and indirect Subsidiaries under intercompany loan agreements (excluding, for the avoidance of doubt, any cash-pooling arrangements or other cash management agreements, *provided*, that the proceeds of the Notes shall not be used, in whole or in part, to finance, directly or indirectly, such cash pooling arrangements or other cash management agreements) and

outstanding at the date a payment is to be made by such French Note Guarantor under this Article X, it being specified that any payment made by a French Note Guarantor under this Article X in respect of the obligations of the Issuer shall reduce *pro tanto* the outstanding amount of the intercompany loans due by such French Note Guarantor or its relevant direct or indirect Subsidiary under the intercompany loan agreements referred to above and that any repayment of the intercompany loans by the French Note Guarantor or its relevant direct or indirect Subsidiary shall reduce *pro tanto* the amount payable by the French Note Guarantor under this Article X.

(d) It is acknowledged that no French Note Guarantor is acting jointly and severally with the other Note Guarantors and no French Note Guarantor shall therefore be considered as "*co-débiteur solidaire*" as to its obligations pursuant to the guarantee given pursuant to this Article X.

Section 10.6 Swiss Guarantee Limitation.

(a) The obligations of any Note Guarantor incorporated in Switzerland (a "Swiss Note Guarantor") are subject to the limitations set out in this Section 10.6.

(b) The obligations and liabilities of a Swiss Note Guarantor under the Indenture, the Notes or any other agreement, and in particular under this Article X, in relation to the obligations, undertakings, indemnities or liabilities of a Note Guarantor other than that Swiss Note Guarantor or any of its fully owned and controlled subsidiaries (the "Restricted Obligations") and the aggregate use of the proceeds from the enforcement of any security interest granted by a Swiss Note Guarantor shall not include any obligation or liability which, if incurred, would constitute the provision of financial assistance not permitted under the laws of Switzerland then in force and/or would constitute a misuse of corporate assets under Swiss law as interpreted by Swiss courts and shall be limited to the amount of that Swiss Note Guarantor's Free Reserves Available for Distribution (as defined below) at the time payment is requested, *provided*, that such limitation is a requirement under applicable law (including any case law) at that point in time and that such limitation shall not free the Swiss Note Guarantor from its obligations in excess thereof, but merely postpone the performance date therefor or the application of proceeds from the realization of a security interest until such time as performance is permitted notwithstanding such limitation.

(c) For the purpose of this clause, "Free Reserves Available for Distribution" means an amount equal to the maximal amount in which the Swiss Note Guarantor can make a dividend payment to its shareholder(s) (being the 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 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 Note Guarantor to a direct or indirect shareholder or a direct or indirect subsidiary of such shareholder.

As soon as reasonably practicable after having been requested to discharge a Restricted Obligation, the Swiss Note Guarantor shall, if it cannot discharge the full amount of the Restricted Obligations, provide the Trustee with an interim statutory balance sheet audited by the statutory auditors of the Swiss Note Guarantor setting out the Free Reserves Available for Distribution and, promptly thereafter, pay the amount corresponding to the Free Reserves Available for Distribution to the Trustee (save to the extent provided below).

(d) In respect of the Restricted Obligations, the Swiss Note Guarantor shall:

(i) if and to the extent required by applicable law in force at the relevant time:

(A) 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 pursuant to applicable law (including double tax treaties) rather than payment of the Tax;

(B) if the notification procedure pursuant to paragraph (A) above does not apply and subject to any applicable double taxation treaties, deduct Swiss withholding tax at the rate of 35 percent (or such other rate as is in force at that time), or if the notification procedure pursuant to paragraph (A) 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 and promptly pay any such taxes to the Swiss Federal Tax Administration; and

(C) notify the Trustee that such notification or, as the case may be, deduction has been made and provide evidence to the Trustee 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 Trustee or the Holders for the deduction of the Swiss withholding tax notwithstanding anything to the contrary contained in the Indenture, the Notes or any other agreement, unless grossing up is permitted under the laws of Switzerland then in force and *provided*, that this should not in any way limit any obligations of any non-Swiss Note Guarantors under the Indenture, the Notes or any other agreement to indemnify the Trustee or the Holders in respect of the deduction of the Swiss withholding tax. The Swiss Note Guarantor shall use all reasonable efforts to procure that any person which is entitled to a full or partial refund of any Swiss withholding tax paid pursuant to paragraph (a) above will, as soon as possible after the deduction of the Swiss withholding tax:

(y) request a refund of the Swiss withholding tax under any applicable law (including double taxation treaties) and

(z) pay to the Trustee upon receipt any amount so refunded.

(e) The Swiss Note 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 the Indenture and the Notes and the receipt of any confirmations from the Swiss Note Guarantor's auditors, whether following a request to discharge a Restricted Obligation or which may be required as a matter of mandatory Swiss law in force at the time it is required to make a payment or perform other obligations under the Indenture, the Notes or any other agreement in order to allow a prompt payment or performance of other obligations under the Indenture or the Notes.

(f) If the enforcement of the Restricted Obligations would be limited due to the effects referred to in this Section 10.6 and if any asset of the Swiss Note Guarantor has a book value that is less than its market value (an "Undervalued Asset"), the Swiss Note Guarantor shall, to the extent permitted by applicable law and its accounting standards (i) write up the book value of such Undervalued Asset such that its balance sheet reflects a book value that is equal to the market value of such Undervalued Asset, and (ii) make reasonable efforts to realize the Undervalued Asset for a sum which is at least equal to the market value of such asset. Without prejudice to the rights of the Trustee and the Holders under the Indenture, the Notes or any other agreement, the Swiss Note Guarantor will only be required to realize an Undervalued Asset if such asset is not necessary for the Swiss Note Guarantor's business (*nicht betriebsnotwendig*).

ARTICLE XI

COLLATERAL

Section 11.1 The Collateral. Subject to Section 11.2, the Issuer and the Note Guarantors agree that the Notes will be at all times secured by a first-priority security interest in the Collateral on at least an equal and ratable basis with the Permitted Secured Obligations.

Section 11.2 Release of the Collateral.

(a) The Notes will cease to be secured by a security interest in the Collateral in accordance with the provisions of the Intercreditor Agreement.

(b) In addition to the Collateral release provisions set forth in the Intercreditor Agreement, the Notes will cease to be secured by a security interest on the Collateral upon:

(i) (A) payment in full of the principal of, any accrued and unpaid interest on, the Notes and all other amounts or Obligations that are due and payable at or prior to the time such principal, accrued and unpaid interest, if any, are paid, (B) a satisfaction and discharge of this Indenture or (C) a Legal Defeasance or Covenant Defeasance pursuant to Article VIII; or

(ii) a refinancing of the Credit Agreement Indebtedness in full as a result of which the Collateral does not secure Indebtedness Incurred to refinance such Credit Agreement Indebtedness.

ARTICLE XII

MISCELLANEOUS

Section 12.1 Notices.

(a) Any notice or communication shall be in writing and delivered in person or mailed by first-class mail, postage prepaid, addressed as follows:

if to the Issuer and the Note Guarantors:

c/o CEMEX, S.A.B. de C.V.
Av. Ricardo Margáin Zozaya #325
Colonia Valle del Campestre
Garza García, Nuevo León
México 66265
Attention: Chief Financial Officer
Fax: +1 52 81 8888 4417

if to the Trustee:

The Bank of New York Mellon
101 Barclay Street – 7E
New York, NY 10286
Attention: International Corporate Trust
Fax: 724-540-6330

The Issuer or the Trustee by notice to the other may designate additional or different addresses for subsequent notices or communications.

(b) All notices to Holders of Notes will be validly given if mailed to them at their respective addresses in the register of the Holders of such Notes, if any, maintained by the Registrar. For so long as any Notes are represented by Global Notes, all notices to Holders of the Notes will be delivered to Euroclear or Clearstream, delivery of which shall be deemed to satisfy the requirements of this paragraph.

(c) Each such notice shall be deemed to have been given on the date of delivery or mailing. Any notice or communication mailed to a Holder shall be mailed to such Person by first-class mail or other equivalent means and shall be sufficiently given to them if so mailed within the time prescribed. Failure to mail a notice or communication to a Holder or any defect in it shall not affect its sufficiency with respect to other Holders. If a notice or communication is mailed in the manner provided above, it is duly given, whether or not the addressee receives it.

(d) Subject to Section 7.1(c) and Section 7.2(a), the Trustee shall accept electronic transmissions; *provided*, that (i) the Trustee shall not have any duty or obligation to verify or confirm that the Person sending instructions, directions, reports, notices or other communications or information by electronic transmission is, in fact, a Person authorized to give such instructions, directions, reports, notices or other communications or information on behalf of the

party purporting to send such electronic transmission; and the Trustee shall not have any liability for any losses, liabilities, costs or expenses incurred or sustained by any party as a result of such reliance upon or compliance with such instructions, directions, reports, notices or other communications or information and (ii) each other party agrees to assume all risks arising out of the use of electronic methods to submit instructions, directions, reports, notices or other communications or information to the Trustee, including without limitation the risk of the Trustee acting on unauthorized instructions, notices, reports or other communications or information, and the risk of interception and misuse by third parties.

(e) Any notice or communication mailed to a registered Holder shall be mailed to the Holder at the Holder's address as it appears on the Note Register and shall be sufficiently given if so mailed within the time prescribed.

(f) Failure to mail a notice or communication to a Holder or any defect in it shall not affect its sufficiency with respect to other Holders. If a notice or communication is mailed in the manner provided above, it is duly given, whether or not the addressee receives it.

(g) Any notice or communication delivered to the Issuer under the provisions herein shall constitute notice to the Note Guarantors.

Section 12.2 Communication by Holders with Other Holders. Holders may communicate with other Holders with respect to their rights under this Indenture (including the Note Guarantees) or the Notes.

Section 12.3 Certificate and Opinion as to Conditions Precedent. Upon any request or application by the Issuer to the Trustee to take or refrain from taking any action under this Indenture, the Issuer shall furnish to the Trustee:

(a) an Officer's Certificate in form and substance reasonably satisfactory to the Trustee stating that, in the opinion of the signers, all conditions precedent, if any, provided for in this Indenture relating to the proposed action have been complied with; and

(b) an Opinion of Counsel in form and substance reasonably satisfactory to the Trustee stating that, in the opinion of such counsel, all such conditions precedent have been complied with.

Section 12.4 Statements Required in Certificate or Opinion. Each certificate or opinion, including an Opinion of Counsel or Officer's Certificate, with respect to compliance with a covenant or condition provided for in this Indenture shall include:

(a) a statement that the individual making such certificate or opinion has read such covenant or condition;

(b) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based;

(c) a statement that, in the opinion of such individual, he has made such examination or investigation as is necessary to enable him to express an informed opinion as to whether or not such covenant or condition has been complied with; and

(d) a statement as to whether or not, in the opinion of such individual, such covenant or condition has been complied with.

In giving an Opinion of Counsel, counsel may rely as to factual matters on an Officer's Certificate or on certificates of public officials.

Section 12.5 Rules by Trustee, Paying Agent, Transfer Agent and Registrar. The Trustee may make reasonable rules for action by, or a meeting of, Holders. The Paying Agent, Transfer Agent and the Registrar may make reasonable rules for their functions.

Section 12.6 Legal Holidays. A "Legal Holiday" is (i) a Saturday, a Sunday or other day on which commercial banking institutions are authorized or required to be closed in New York City, Mexico, Madrid, Amsterdam, London, Paris or Zurich and (ii) any day on which the Trans-European Automated Real-time Gross Settlement Express Transfer System (TARGET2) is closed for settlement of payments. If a payment date is a Legal Holiday, payment shall be made on the next succeeding day that is not a Legal Holiday, and no interest shall accrue for the intervening period. If a regular record date is a Legal Holiday, the record date shall not be affected.

Section 12.7 Governing Law, etc.

(a) THIS INDENTURE (INCLUDING EACH NOTE GUARANTEE) AND THE NOTES SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK. THE PARTIES HERETO EACH HEREBY WAIVE ANY RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THIS INDENTURE, THE NOTES OR EACH NOTE GUARANTEE OR ANY TRANSACTION RELATED HERETO OR THERETO TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW.

(b) Each of the parties hereto hereby:

(i) agrees that any suit, action or proceeding against it arising out of or relating to this Indenture (including the Note Guarantees) or the Notes, as the case may be, may be instituted in any Federal or state court sitting in the City of New York and County of New York and in the courts of its own corporate domicile, in respect of actions brought against it as a defendant,

(ii) waives to the fullest extent permitted by applicable law, any objection which it may now or hereafter have to the laying of venue of any such suit, action or proceeding, any claim that any suit, action or proceeding in such a court has been brought in an inconvenient forum, and any right to which it may be entitled, on account of place of residence or domicile,

(iii) irrevocably submits to the jurisdiction of such courts in any suit, action or proceeding,

(iv) agrees that final judgment in any such suit, action or proceeding brought in such a court shall be conclusive and binding may be enforced in the courts of the jurisdiction of which it is subject by a suit upon judgment, and

(v) agrees that service of process by mail to the addresses specified herein shall constitute personal service of such process on it in any such suit, action or proceeding.

(c) The Issuer and the Note Guarantors (other than CEMEX Corp. and CEMEX Finance LLC) have appointed CEMEX NY Corporation, 590 Madison Avenue, 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 Issuer and the Note Guarantors (other than CEMEX Corp. and CEMEX Finance LLC) hereby represent and warrant that the Authorized Agent has accepted such appointment and has agreed to act as said agent for service of process, and the Issuer and the Note Guarantors (other than CEMEX Corp. and CEMEX Finance LLC) agree to take any and all action, including the filing of any and all documents, that may be necessary to continue each such appointment in full force and effect as aforesaid so long as the Notes remain outstanding. The Issuer and the Note Guarantors (other than CEMEX Corp. and CEMEX Finance LLC) agree that the appointment of the Authorized Agent shall be irrevocable so long as any of the Notes remain outstanding or until the irrevocable appointment by the Issuer and the Note Guarantors (other than CEMEX Corp. and CEMEX Finance LLC) of a successor agent in the City of New York, New York as each of their authorized agent for such purpose and the acceptance of such appointment by such successor. Service of process upon the Authorized Agent shall be deemed, in every respect, effective service of process upon the Issuer and the Note Guarantors (other than CEMEX Corp. and CEMEX Finance LLC).

(d) To the extent that any of the Issuer and the Note Guarantors have or hereafter may acquire any immunity (sovereign or otherwise) from any legal action, suit or proceeding, from jurisdiction of any court or from set-off or any legal process (whether service or notice, attachment in aid or otherwise) with respect to itself or any of its property, the Issuer and the Note Guarantors hereby irrevocably waive and agree not to plead or claim such immunity in respect of their obligations under this Indenture or the Notes.

(e) Nothing in this Section 12.7 shall affect the right of the Trustee or any Holder of the Notes to serve process in any other manner permitted by law.

Section 12.8 [Reserved].

Section 12.9 No Recourse Against Others. An incorporator, director, officer, employee, stockholder or controlling person, as such, of the Issuer or any Note Guarantor shall not have any liability for any obligations of the Issuer or any Note Guarantor under the Notes or this Indenture or for any claims based on, in respect of or by reason of such obligations or their creation. By accepting a Note, each Holder shall waive and release all such liability.

Section 12.10 Successors. All agreements of the Issuer and any Note Guarantor in this Indenture and the Notes shall bind their respective successors. All agreements of the Trustee in this Indenture shall bind its successors.

Section 12.11 Duplicate and Counterpart Originals. The parties may sign any number of copies of this Indenture. One signed copy is enough to prove this Indenture. This Indenture may be executed in any number of counterparts, each of which so executed shall be an original, but all of them together represent the same agreement. Signatures of the parties hereto transmitted by facsimile or pdf shall be deemed to be their original signatures for all purposes.

Section 12.12 Severability. In case any provision in this Indenture or in the Notes shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

Section 12.13 [Reserved].

Section 12.14 Currency Indemnity; Payments in U.S. Dollars.

(a) The euro is the sole currency of account and payment for all sums payable by the Issuer and any Note Guarantor under or in connection with the Notes or this Indenture, including damages. Any amount received or recovered in currency other than euros in respect of the Notes (whether as a result of, or of the enforcement of, a judgment or order of a court of any jurisdiction, in the winding-up or dissolution of the Issuer, a Note Guarantor or any Subsidiary of the Issuer or otherwise) by any Holder of the Notes in respect of any sum expressed to be due to it from the Issuer or any Note Guarantor shall only constitute a discharge of them under the Notes and this Indenture only to the extent of the euro amount which the recipient is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so). If that euro amount is less than the euro amount expressed to be due to the recipient under the Notes or this Indenture, the Issuer and the Note Guarantors shall jointly and severally indemnify and hold harmless the recipient, to the greatest extent permitted by law, against any loss or cost sustained by it in making any such purchase. For the purposes of this Section 12.14, it will be sufficient for the Holder of a Note to certify that it would have suffered a loss had an actual purchase of euro been made with the amount so received in that other currency on the date of receipt or recovery (or, if a purchase of euro on such date had not been practicable, on the first date on which it would have been practicable).

(b) The indemnities of the Issuer and the Note Guarantors contained in this Section 12.14, to the extent permitted by law: (i) constitute a separate and independent obligation from the other obligations of the Issuer and the Note Guarantors under this Indenture and the Notes; (ii) shall give rise to a separate and independent cause of action against the Issuer and the Note Guarantors; (iii) shall apply irrespective of any waiver granted by any Holder of the Notes or the Trustee from time to time; and (iv) shall continue in full force and effect notwithstanding any other judgment, order, claim or proof of claim for a liquidated amount in respect of any sum due under the Notes or this Indenture or any other judgment or order.

Notwithstanding Section 12.14(a) above or any provision herein or in the Notes to the contrary, if the euro is unavailable to the Issuer due to the imposition of exchange controls or other circumstances beyond the control of the Issuer or if the euro is no longer being used by the then member states of the European Union that have adopted the euro as their currency or for the settlement of transactions by public institutions of or within the international banking community, then the Issuer will be entitled, until the euro is again available to the Issuer or so used, to satisfy its payment obligations in respect of the Notes and this Indenture by making such payments in U.S. dollars. The amount payable on any date in euro will be converted into U.S. dollars at the rate mandated by the U.S. Federal Reserve Board as of the close of business on the second New York Business Day prior to the relevant payment date or, in the event the U.S. Federal Reserve Board has not mandated a rate of conversion, on the basis of the most recent U.S. dollar/euro exchange rate published in *The Wall Street Journal* on or prior to the second New York Business Day prior to the relevant payment date. Any payment in respect of the Notes or this Indenture so made in U.S. dollars will not constitute an Event of Default under the Notes or this Indenture. Neither the Trustee nor the Paying Agent shall have any responsibility for any calculation or conversion made pursuant to this Section 12.14(c).

Section 12.15 Table of Contents; Headings. The table of contents and headings of the Articles and Sections of this Indenture have been inserted for convenience of reference only, are not intended to be considered a part hereof and shall not modify or restrict any of the terms or provisions hereof.

Section 12.16 USA PATRIOT Act. The parties hereto acknowledge that, in accordance with Section 326 of the USA PATRIOT Act (Title III of Pub. L. 107-56 (signed into law on October 26, 2001)) (as amended, modified or supplemented from time to time, the "USA PATRIOT Act"), the Trustee, like all financial institutions, is required to obtain, verify, and record information that identifies each person or legal entity that opens an account. The parties to this Agreement agree that they will provide the Trustee with such information as the Trustee may request in order for the Trustee to satisfy the requirements of the USA PATRIOT Act.

Section 12.17 Bail-In. Notwithstanding and to the exclusion of any other term of this Indenture or any other agreements, arrangements, or understanding among the parties, each counterparty to the BRRD Party under this Indenture acknowledges and accepts that a BRRD Liability arising under this Indenture may be subject to the exercise of Bail-in Powers by the Relevant Resolution Authority, and acknowledges, accepts, and agrees to be bound by:

(i) the effect of the exercise of Bail-in Powers by the Relevant Resolution Authority in relation to any BRRD Liability of the BRRD Party to such counterparty under this Indenture, that (without limitation) may include and result in any of the following, or some combination thereof:

(a) the reduction of all, or a portion, of the BRRD Liability or outstanding amounts due thereon;

(b) the conversion of all, or a portion, of the BRRD Liability into shares, other securities or other obligations of the BRRD Party or another person (and the issue to or conferral on such counterparty of such shares, securities or obligations);

(c) the cancellation of the BRRD Liability;

(d) the amendment or alteration of the amounts due in relation to the BRRD Liability, including any interest, if applicable, thereon, the maturity or the dates on which any payments are due, including by suspending payment for a temporary period; and

(ii) the variation of the terms of this Indenture, as deemed necessary by the Relevant Resolution Authority, to give effect to the exercise of Bail-in Powers by the Relevant Resolution Authority.

[Signature page follows]

IN WITNESS WHEREOF, the parties have caused this Indenture to be duly executed as of the date first written above.

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

By: /s/ Francisco Javier García Ruiz de Morales
Name: Francisco Javier García Ruiz de Morales
Title: Attorney-in-Fact

By: /s/ Jaime Armando Chapa González
Name: Jaime Armando Chapa González
Title: Attorney-in-Fact

EACH OF THE NOTE GUARANTORS LISTED BELOW

CEMEX México, S.A. de C.V.

By: /s/ Francisco Javier García Ruiz de Morales
Name: Francisco Javier García Ruiz de Morales
Title: Attorney-in-Fact

By: /s/ Jaime Armando Chapa González
Name: Jaime Armando Chapa González
Title: Attorney-in-Fact

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

By: /s/ Francisco Javier García Ruiz de Morales
Name: Francisco Javier García Ruiz de Morales
Title: Attorney-in-Fact

By: /s/ Jaime Armando Chapa González
Name: Jaime Armando Chapa González
Title: Attorney-in-Fact

Empresas Tolteca de México, S.A. de C.V.

By: /s/ Francisco Javier García Ruiz de Morales
Name: Francisco Javier García Ruiz de Morales
Title: Attorney-in-Fact

By: /s/ Jaime Armando Chapa González
Name: Jaime Armando Chapa González
Title: Attorney-in-Fact

New Sunward Holding B.V.

By: /s/ Francisco Javier García Ruiz de Morales
Name: Francisco Javier García Ruiz de Morales
Title: Attorney-in-Fact

CEMEX España, S.A.

By: /s/ Francisco Javier García Ruiz de Morales
Name: Francisco Javier García Ruiz de Morales
Title: Attorney-in-Fact t

Cemex Asia B.V.

By: /s/ Francisco Javier García Ruiz de Morales
Name: Francisco Javier García Ruiz de Morales
Title: Attorney-in-Fact

CEMEX Corp.

By: /s/ Francisco Javier García Ruiz de Morales
Name: Francisco Javier García Ruiz de Morales
Title: Attorney-in-Fact

CEMEX Finance LLC

By: /s/ Francisco Javier García Ruiz de Morales
Name: Francisco Javier García Ruiz de Morales
Title: Attorney-in-Fact

Cemex Egyptian Investments B.V.

By: /s/ Francisco Javier García Ruiz de Morales
Name: Francisco Javier García Ruiz de Morales
Title: Attorney-in-Fact

CEMEX France Gestion (S.A.S.)

By: /s/ Francisco Javier García Ruiz de Morales
Name: Francisco Javier García Ruiz de Morales
Title: Attorney-in-Fact

Cemex Research Group AG

By: /s/ Francisco Javier García Ruiz de Morales
Name: Francisco Javier García Ruiz de Morales
Title: Attorney-in-Fact

CEMEX UK

By: /s/ Francisco Javier García Ruiz de Morales
Name: Francisco Javier García Ruiz de Morales
Title: Attorney-in-Fact

THE BANK OF NEW YORK MELLON,
as Trustee

By: /s/ Teresa Wyszomierski
Name: Teresa Wyszomierski
Title: Vice President

Solely for the purposes of accepting the appointment of Paying Agent and Transfer Agent, together with the rights, protections and immunities granted to the Trustee under Article VII, which shall apply *mutatis mutandis* to the Paying Agent,

The Bank of New York Mellon, London Branch,
as Paying Agent and Transfer Agent

By: /s/ Teresa Wyszomierski
Name: Teresa Wyszomierski
Title: Vice President

SCHEDULE I

NOTE GUARANTORS

1. CEMEX México, S.A. de C.V. (Mexico)
2. CEMEX Concretos, S.A. de C.V. (Mexico)
3. Empresas Tolteca de México, S.A. de C.V. (Mexico)
4. New Sunward Holding B.V. (the Netherlands)
5. CEMEX España, S.A. (Spain)
6. Cemex Asia B.V. (the Netherlands)
7. CEMEX Corp. (Delaware)
8. CEMEX Finance LLC (Delaware)
9. Cemex Egyptian Investments B.V. (the Netherlands)
10. CEMEX France Gestion (S.A.S.) (France)
11. Cemex Research Group AG (Switzerland)
12. CEMEX UK (United Kingdom)

FORM OF NOTE

[Include the following legend for Global Notes only:

"THIS IS A GLOBAL NOTE WITHIN THE MEANING OF THE INDENTURE REFERRED TO HEREINAFTER.

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE COMMON DEPOSITARY (AS DEFINED IN THE INDENTURE), TO THE ISSUER OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NOMINEE NAME OF THE COMMON DEPOSITARY OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE COMMON DEPOSITARY (AND ANY PAYMENT IS MADE TO THE COMMON DEPOSITARY OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE COMMON DEPOSITARY), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, THE COMMON DEPOSITARY, HAS AN INTEREST HEREIN.

TRANSFERS OF THIS GLOBAL SECURITY SHALL BE LIMITED TO TRANSFERS IN WHOLE, BUT NOT IN PART, TO NOMINEES OF THE COMMON DEPOSITARY OR TO A SUCCESSOR THEREOF OR SUCH SUCCESSOR'S NOMINEE AND TRANSFERS OF PORTIONS OF THIS GLOBAL SECURITY SHALL BE LIMITED TO TRANSFERS MADE IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN THE INDENTURE REFERRED TO ON THE REVERSE HEREOF."]

[Include the following legend on all Notes that are Restricted Notes:

"THE NOTES EVIDENCED HEREBY HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND [Include the following on all Regulation S Notes that are Restricted Notes: , PRIOR TO THE EXPIRATION OF THE 40-DAY DISTRIBUTION COMPLIANCE PERIOD (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT),] MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (A) (1) TO CEMEX, S.A.B. DE C.V., (2) TO A PERSON WHO THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A AND TO WHOM NOTICE IS GIVEN THAT THE TRANSFER IS MADE IN RELIANCE ON RULE 144A, (3) IN AN OFFSHORE TRANSACTION COMPLYING WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT, (4) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT (IF AVAILABLE), OR (5) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT AND (B) IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES. THIS LEGEND CAN ONLY BE REMOVED AT THE OPTION OF THE ISSUER."]

[*Include the following on all Regulation S Notes that are Restricted Notes:* PRIOR TO THE EXPIRATION OF THE 40-DAY DISTRIBUTION COMPLIANCE PERIOD (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT),] EACH PERSON ACQUIRING AN OWNERSHIP INTEREST IN THE NOTES (1) SHALL BE DEEMED TO REPRESENT AND WARRANT THAT IT EITHER (A) IS A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT), (B) IS NOT A U.S. PERSON (AS DEFINED IN REGULATION S) AND IS OUTSIDE THE UNITED STATES OR (C) IS ACQUIRING SUCH OWNERSHIP INTEREST PURSUANT TO A VALID REGISTRATION STATEMENT OR IN ANOTHER TRANSACTION EXEMPT FROM SUCH REGISTRATION; (2) AGREES THAT [*Include the following on all Regulation S Notes that are Restricted Notes:* PRIOR TO THE EXPIRATION OF THE 40-DAY DISTRIBUTION COMPLIANCE PERIOD (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT),] (X) IT WILL NOT RESELL OR OTHERWISE TRANSFER THIS NOTE EXCEPT IN ACCORDANCE WITH THE FOREGOING RESTRICTIONS, AND IN ANY CASE IN COMPLIANCE WITH ALL APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES AND ANY OTHER APPLICABLE JURISDICTION; (Y) PRIOR TO SUCH TRANSFER, IT WILL FURNISH TO THE BANK OF NEW YORK MELLON, AS TRUSTEE (OR A SUCCESSOR TRUSTEE, AS APPLICABLE), SUCH CERTIFICATIONS, LEGAL OPINIONS OR OTHER INFORMATION AS THE TRUSTEE MAY REASONABLY REQUIRE TO CONFIRM THAT SUCH TRANSFER IS BEING MADE PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND (Z) IT WILL DELIVER TO EACH PERSON TO WHOM THIS SECURITY IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND. AS USED HEREIN, THE TERMS "UNITED STATES", "U.S. PERSON" AND "OFFSHORE TRANSACTION" HAVE THE MEANINGS GIVEN TO THEM BY REGULATION S UNDER THE SECURITIES ACT."]

[Include the following legend on all Notes as the Mexican law legend:

"THE NOTES EVIDENCED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED WITH THE NATIONAL SECURITIES REGISTRY (REGISTRO NACIONAL DE VALORES) MAINTAINED BY THE MEXICAN NATIONAL BANKING AND SECURITIES COMMISSION (COMISIÓN NACIONAL BANCARIA Y DE VALORES), AND MAY NOT BE OFFERED OR SOLD PUBLICLY, OR OTHERWISE BE SUBJECT TO BROKERAGE ACTIVITIES, IN MEXICO, EXCEPT THAT THE NOTES MAY BE OFFERED IN MEXICO TO QUALIFIED OR INSTITUTIONAL INVESTORS PURSUANT TO THE PRIVATE PLACEMENT EXEMPTION SET FORTH UNDER ARTICLE 8 OF THE MEXICAN SECURITIES MARKET LAW (LEY DEL MERCADO DE VALORES).]

FORM OF FACE OF NOTE

2.750% Senior Secured Notes due 2024

No. _____ Principal Amount € _____

[If the Note is a Global Note include the following two lines: as revised by the Schedule of Increases and Decreases in Global Note attached hereto]

ISIN NO._____[1]

COMMON CODE_____[2]

CEMEX, S.A.B. de C.V., a publicly traded stock corporation with variable capital (*sociedad anónima bursátil de capital variable*) organized under the laws of the United Mexican States (together with its successors and assigns, the "Issuer"), promises to pay to The Bank of New York Depositary (Nominees) Limited, or registered assigns, as the nominee of The Bank of New York Mellon, London Branch, as common depositary for Clearstream Banking, *société anonyme* and Euroclear Bank S.A./N.V., the principal sum of [ ] euros [*If the Note is a Global Note, add the following*, as revised by the Schedule of Increases and Decreases in Global Note attached hereto], on December 5, 2024.

Interest Payment Dates: June 5 and December 5 of each year, commencing on June 5, 2018

Record Dates: May 21 and November 20

1 ISIN No. for Rule 144A Note: XS1731106263; ISIN No. for Regulation S Note: XS1731106347.

2 Common Code for Rule 144A Note: 173110626; Common Code for Regulation S Note: 173110634.

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

2.750% Senior Secured Notes due 2024

Capitalized terms used but not defined herein shall have the meanings assigned to them in the Indenture referred to below unless otherwise indicated.

1. Interest

CEMEX, S.A.B. de C.V., a publicly traded stock corporation with variable capital (*sociedad anónima bursátil de capital variable*) organized under the laws of the United Mexican States (together with its successors and assigns, the "Issuer"), promises to pay interest on the principal amount of this Note at the rate per annum shown above.

The Issuer will pay interest semiannually in arrears on each Interest Payment Date of each year commencing on June 5, 2018; *provided*, that if any such Interest Payment Date is not a Business Day, then such payment shall be made on the next succeeding Business Day. Interest on the Notes will accrue from the most recent date to which interest has been paid on the Notes or, if no interest has been paid, from December 5, 2017; *provided*, that if there is no existing Default or Event of Default on the payment of interest, and if this Note is authenticated between a Record Date referred to on the face hereof and the next succeeding Interest Payment Date (but after December 5, 2017), interest shall accrue from such next succeeding Interest Payment Date, except in the case of the original issuance of Notes, in which case interest shall accrue from December 5, 2017. The Issuer shall pay interest (including post-petition interest in any proceeding under any Bankruptcy Law) on overdue principal at the then applicable interest rate on the Notes to the extent lawful; it shall pay interest (including post-petition interest in any proceeding under any Bankruptcy Law) on overdue installments of interest ("Defaulted Interest"), without regard to any applicable grace period, at the same rate to the extent lawful. Interest will be computed on the basis of a 360-day year of twelve 30-day months. Each interest period shall end on (but not include) the relevant interest payment date.

All payments made by the Issuer in respect of the Notes will be made free and clear of and without deduction or withholding for or on account of any Taxes imposed or levied by or on behalf of any Taxing Jurisdiction, unless such withholding or deduction is required by law or by the interpretation or administration thereof. In that event, the Issuer will pay to each Holder of the Notes Additional Amounts as provided in the Indenture subject to the limitations set forth in the Indenture.

2. Method of Payment

By at least 1:00 p.m. London time on the Business Day prior to the date on which any principal of or interest on any Note is due and payable, the Issuer shall irrevocably deposit with the Trustee or the Paying Agent money sufficient to pay such principal and/or interest. The Issuer will pay interest (except Defaulted Interest) on the applicable Interest Payment Date to the Persons who are registered Holders of Notes at the close of business on the Record Date preceding the Interest Payment Date even if Notes are canceled, repurchased or redeemed after the Record Date and on or before the relevant Interest Payment Date, except as provided in Section 2.13 of the Indenture with respect to Defaulted Interest. Holders must surrender Notes to a Paying Agent to collect principal payments. The Issuer will pay principal and interest in euros.

Payments in respect of Notes represented by a Global Note (including principal and interest) will be made by the transfer of immediately available funds to the accounts specified by Euroclear or Clearstream. The Issuer will make all payments in respect of a Certificated Note (including principal and interest) by mailing a check to the registered address of each registered Holder thereof as set forth in the Note Register; *provided*, *however*, that payments on the Notes may also be made, in the case of a Holder of at least €10,000,000 aggregate principal amount of Notes, by wire transfer to an account maintained by the payee if such Holder elects payment by wire transfer by giving written notice to the Trustee or the Paying Agent to such effect designating such account no later than 10 days immediately preceding the relevant due date for payment (or such other date as the Trustee may accept in its discretion).

3. Paying Agent and Registrar

Initially, The Bank of New York Mellon, the Trustee under the Indenture, will act as Trustee and Registrar and The Bank of New York Mellon, London Branch, will act as Paying Agent. The Issuer may appoint and change any Paying Agent, Registrar or co-Registrar without notice to any Holder. The Issuer, any Note Guarantor or any of their respective Affiliates may act as Paying Agent, Registrar or co-Registrar.

4. Indenture

The Issuer issued the Notes under an Indenture, dated as of December 5, 2017 (as it may be amended or supplemented from time to time in accordance with the terms thereof, the "Indenture"), among the Issuer, the Note Guarantors and the Trustee. The terms of the Notes include those stated in the Indenture. The Notes are subject to all such terms, and Holders are referred to the Indenture for a statement of those terms. Each Holder, by accepting a Note, agrees to be bound by all of the terms and provisions of the Indenture, as amended or supplemented from time to time.

The Notes are general senior obligations, which are secured by a first priority security interest in the Collateral on an equal and ratable basis with the other Permitted Secured Obligations, subject to the Collateral release provisions set forth in the Intercreditor Agreement. €650,000,000 in aggregate principal amount of Notes will be issued on the Issue Date. Subject to the conditions set forth in the Indenture and without the consent of the Holders, the Issuer may issue Additional Notes. All Notes will be treated as a single series of securities under the Indenture. The Indenture imposes certain limitations on, among other things, the ability of the Issuer and its Restricted Subsidiaries to: Incur Indebtedness, make Restricted Payments, incur Liens, designate Unrestricted Subsidiaries, make Asset Sales, enter into transactions with Affiliates, or consolidate or merge or transfer or convey all or substantially all of the Issuer's assets.

To guarantee the due and punctual payment of the principal of (and premium, if any) and interest on the Notes and all other amounts payable by the Issuer under the Indenture and the Notes when and as the same shall be due and payable, whether at maturity, by acceleration or otherwise, according to the terms of the Notes and the Indenture, the Note Guarantors have unconditionally guaranteed, jointly and severally, such obligations pursuant to the terms of the Indenture. Each Note Guarantee will be subject to release as provided in the Indenture.

The obligations of each Note Guarantor in respect of its Note Guarantee will be limited to the maximum amount as will, after giving effect to all other contingent and fixed liabilities of such Note Guarantor and after giving effect to any collections from or payments made by or on behalf of any other Note Guarantor in respect of the obligations of such other Note Guarantor under its Note Guarantee or pursuant to its contribution obligations under the Indenture, result in the obligations of such Note Guarantor under its Note Guarantee not constituting a fraudulent conveyance, fraudulent transfer, or similar illegal transfer under federal or state law or the law of the jurisdiction or formation and incorporation of such Note Guarantors.

5. Optional Redemption

Except as stated below, the Issuer may not redeem the Notes. Any redemption and notice may, in the Issuer's discretion, be subject to the satisfaction of one or more conditions precedent. The Issuer may redeem the Notes, at its option, in whole at any time or in part from time to time, on and after December 5, 2020, at the following redemption prices, expressed as percentages of the principal amount thereof, if redeemed during the twelve-month period commencing on December 5 of any year set forth below, plus any accrued and unpaid interest on the principal amount of the Notes, if any, to, but not including, the date of redemption:

Year	Percentage
2020	101.375%
2021	100.688%
2022 and thereafter	100.000%

provided, however, that the Issuer shall not have the right to exercise any such optional redemption at any time when the Issuer is prohibited from having such an option under the Credit Agreement.

Prior to December 5, 2020, the Issuer will have the right, at its option, to redeem any of the Notes, in whole or in part, at any time or from time to time prior to their maturity at a redemption price equal to the greater of (1) 100% of the principal amount of such Notes and (2) the sum of the present value of the redemption price of the Notes to be redeemed at December 5, 2020 (such redemption price being set forth in the table appearing above, 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 Bund Rate (as defined below) 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, *provided, however,* that the Issuer shall not have the right to exercise any such optional redemption at any time when the Issuer is prohibited from having such an option under the Credit Agreement.

"Bund Rate" means, with respect to any Redemption Date, the yield to maturity as of such Redemption Date of the Comparable German Bund Issue (as defined below), assuming a price for the Comparable German Bund Issue (expressed as a percentage of its principal amount) equal to the Comparable German Bund Price (as defined below) for such Redemption Date.

"Comparable German Bund Issue" means the German Bundesanleihe security selected by any Reference German Bund Dealer (as defined below) as having a fixed maturity most nearly equal to the period from such Redemption Date to and that would be utilized at the time of selection and in accordance with customary financial practice, in pricing new issues of euro-denominated corporate debt securities in a principal amount approximately equal to the then outstanding principal amount of the Notes and of a maturity most nearly equal to the First Call Date; *provided*, however, that, if the period from such Redemption Date to the First Call Date is not equal to the fixed maturity of the German Bundesanleihe security selected by such Reference German Bund Dealer (as defined below), the Bund Rate shall be determined by linear interpolation (calculated to the nearest one-twelfth of a year) from the yields of German Bundesanleihe securities for which such yields are given, except that if the period from such Redemption Date to the First Call Date is less than one year, a fixed maturity of one year shall be used.

"Comparable German Bund Price" means, with respect to any Redemption Date, the average of all Reference German Bund Dealer Quotations (as defined below) for such date (which, in any event, must include at least two such quotations), after excluding the highest and lowest such Reference German Bund Dealer Quotations, or if the Issuer obtains fewer than four such Reference German Bund Dealer Quotations, the average of such quotations.

"Reference German Bund Dealer" means any dealer of German Bundesanleihe securities appointed by the Issuer in good faith.

"Reference German Bund Dealer Quotations" means, with respect to each Reference German Bund Dealer and any Redemption Date, the average as determined by the Issuer in good faith of the bid and asked prices for the Comparable German Bund Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Issuer by such Reference German Bund Dealer at 3:30 p.m. Frankfurt, Germany, time on the third Business Day preceding such Redemption Date.

Optional Redemption upon Equity Offerings. At any time, or from time to time, on or prior to December 5, 2020, the Issuer may, at its option, use the net cash proceeds of one or more Equity Offerings to redeem in the aggregate up to 35% of the aggregate principal amount of the Notes issued pursuant to the Indenture at a redemption price equal to 102.75% of the principal amount thereof plus any accrued and unpaid interest on the principal amount of the Notes, if any, to, but not including, the date of redemption; *provided*, that:

(a) after giving effect to any such redemption at least 65% of the aggregate principal amount of the Notes issued under the Indenture remains outstanding; and

(b) the Issuer shall make such redemption not more than 90 days after the consummation of such Equity Offering;

provided, however, that the Issuer shall not have the right to exercise any such optional redemption at any time when the Issuer is prohibited from exercising such an option under the Credit Agreement.

"Equity Offering" means any public or private sale of Qualified Capital Stock after the Issue Date for cash other than issuances to any Subsidiary of the Issuer.

Optional Redemption for Changes in Withholding Taxes. If, as a result of any amendment to, or change in, the laws (or any rules or regulations thereunder) of a Taxing Jurisdiction affecting taxation, or any amendment to or change in an official interpretation or application of such laws, rules or regulations that has a general effect, which amendment to or change of such laws, rules or regulations becomes effective on or after the Issue Date (which, in the case of a merger, consolidation or other transaction permitted and described under Article IV shall be treated for this purpose as the date of such transaction), the Issuer or any Note Guarantor would be obligated, after taking all reasonable measures to avoid this requirement, to pay Additional Amounts in excess of those attributable to a withholding tax rate of 10% with respect to the Notes (see "Additional Amounts"), then, at the Issuer's option, all, but not less than all, of the Notes may be redeemed at any time on giving not less than 15 nor more than 60 days' notice, at a redemption price equal to 100% of the outstanding principal amount, plus any accrued and unpaid interest on the principal amount of the Notes, if any, to, but not including, the date of redemption; *provided*, *however*, that (1) no notice of redemption for tax reasons may be given earlier than 90 days prior to the earliest date on which the Issuer or any note Guarantor would be obligated to pay these Additional Amounts if a payment on the Notes were then due, and (2) at the time such notice of redemption is given such obligation to pay such Additional Amounts remains in effect; *provided, further, however*, that the Issuer shall not have the right to exercise any such optional redemption at any time when the Issuer is prohibited from having such an option under the Credit Agreement.

Prior to the publication of any notice of redemption pursuant to this provision, the Issuer will deliver to the Trustee:

(a) an Officer's Certificate stating that the Issuer is entitled to effect the redemption and setting forth a statement of facts showing that the conditions precedent to the Issuer's right to redeem have occurred, and

(b) an opinion of outside legal counsel of recognized standing in the affected Taxing Jurisdiction to the effect that the Issuer has or will become obligated to pay such Additional Amounts as a result of such change or amendment.

This notice, once delivered by the Issuer to the Trustee, will be irrevocable.

In the case of any partial redemption, selection of the Notes for redemption will be made in accordance with Article V of the Indenture. On and after the Redemption Date, interest will cease to accrue on Notes or portions thereof called-for redemption as long as the Issuer has deposited with the Paying Agent funds in satisfaction of the applicable redemption price pursuant to the Indenture.

6. Mandatory Repurchase Provisions

Change of Control Offer. If a Change of Control occurs, each Holder of Notes will have the right to require that the Issuer purchase all or a portion (in integral multiples of €1,000) of the Holder's Notes at a purchase price equal to 101% of the principal amount thereof, plus accrued and unpaid interest thereon to, but not including, the date of purchase, on the terms and conditions set forth in the Indenture. Within 30 days following the date upon which the Change of Control occurred, the Issuer shall make a Change of Control Offer pursuant to a Change of Control Notice. As more fully described in the Indenture, the Change of Control Notice shall state, among other things, the Change of Control Payment Date, which must be no earlier than 30 days nor later than 60 days from the date the notice is electronically sent or mailed, other than as may be required by applicable law.

Asset Sale Offer. The Indenture imposes certain limitations on the ability of the Issuer and its Restricted Subsidiaries to make Asset Sales. In the event the proceeds from a permitted Asset Sale exceed certain amounts and are not applied as specified in the Indenture, the Issuer will be required to make an Asset Sale Offer to purchase to the extent of such remaining proceeds each Holder's Notes together with holders of certain other Indebtedness at 100% of the principal amount thereof, plus accrued interest (if any) to the Asset Sale Offer Payment Date, as more fully set forth in the Indenture.

7. Denominations; Transfer; Exchange

The Notes are in fully registered form without coupons, and only in denominations of principal amount of €100,000 and in integral multiples of €1,000 in excess thereof. A Holder may transfer or exchange Notes in accordance with the Indenture. The Registrar may require a Holder, among other things, to furnish appropriate endorsements or transfer documents and to pay any taxes and fees required by law or permitted by the Indenture. The Registrar shall not be required to register the transfer or exchange of (x) any Note for a period beginning: (1) 15 days before the mailing of a notice of an offer to repurchase or redeem Notes and ending at the close of business on the day of such mailing or (2) 15 days before an Interest Payment Date and ending on such Interest Payment Date and (y) any Note selected for repurchase or redemption, except the unrepurchased or unredeemed portion thereof, if any.

8. Persons Deemed Owners

The registered holder of this Note may be treated as the owner of it for all purposes.

9. Unclaimed Money

If money for the payment of principal or interest remains unclaimed for two years, the Trustee or Paying Agent shall pay the money back to the Issuer at its request unless an abandoned property law designates another Person. After any such payment, Holders entitled to the money must look only to the Issuer and not to the Trustee for payment.

10. Discharge Prior to Redemption or Maturity

Subject to certain conditions set forth in the Indenture, the Issuer at any time may terminate some or all of its obligations under the Notes and the Indenture if the Issuer deposits with the Trustee euros or European Government Obligations for the payment of principal of and interest on the Notes to redemption or maturity, as the case may be.

11. Amendment, Waiver

Subject to certain exceptions set forth in the Indenture, (i) the Indenture or the Notes may be amended or supplemented with the written consent of the Holders of at least a majority in principal amount of the then Outstanding Notes and (ii) any default (other than with respect to nonpayment or in respect of a provision that cannot be amended or supplemented without the written consent of each Holder affected) or noncompliance with any provision may be waived with the written consent of the Holders of a majority in aggregate principal amount of the then Outstanding Notes. Subject to certain exceptions set forth in the Indenture, without the consent of any Holder, the Issuer and the Trustee may amend or supplement the Indenture or the Notes to, among other things, cure any ambiguity, omission, defect or inconsistency, or to comply with Article IV of the Indenture, or to provide for uncertificated Notes in addition to or in place of certificated Notes, or to add guarantees with respect to the Notes or to secure the Notes, or to add additional covenants or surrender rights and powers conferred on the Issuer or the Note Guarantors, or to make any change that does not adversely affect the rights of any Holder, or to provide for the issuance of Additional Notes.

12. Defaults and Remedies

If an Event of Default occurs and is continuing, the Trustee or the Holders of at least 25% in principal amount of the Outstanding Notes may declare all the Notes to be due and payable immediately. A Bankruptcy Event of Default will result in the Notes being due and payable immediately upon the occurrence of such Bankruptcy Event of Default.

Holders may not enforce the Indenture or the Notes except as provided in the Indenture. The Trustee may refuse to enforce the Indenture or the Notes unless it receives reasonable indemnity or security. Subject to certain limitations, Holders of a majority in principal amount of the Outstanding Notes may direct the Trustee in its exercise of any trust or power. The Trustee may withhold from Holders notice of any continuing Default or Event of Default (except a Default or Event of Default in payment of principal or interest) if it determines that withholding notice is in their interest.

13. Trustee Dealings with the Issuer and the Note Guarantors

Subject to certain limitations set forth in the Indenture, the Trustee under the Indenture, in its individual or any other capacity, may become the owner or pledgee of Notes and may otherwise deal with and collect obligations owed to it by the Issuer, any Note Guarantor or its Affiliates and may otherwise deal with the Issuer, any Note Guarantor or its Affiliates with the same rights it would have if it were not Trustee.

14. No Recourse Against Others

An incorporator, director, officer, employee, stockholder or controlling person, as such, of the Issuer or any Note Guarantor shall not have any liability for any obligations of the Issuer or any Note Guarantor under the Notes or the Indenture or for any claims based on, in respect of or by reason of such obligations or their creation. By accepting a Note, each holder waives and releases all such liability.

15. Authentication

Any Officer of the Issuer may sign the Notes for the Issuer by manual or facsimile signature. This Note shall not be valid until an authorized signatory of the Trustee (or an Authenticating Agent) manually signs the certificate of authentication on the other side of this Note.

16. Abbreviations

Customary abbreviations may be used in the name of a Holder or an assignee, such as TEN COM (= tenants in common), TEN ENT (= tenants by the entirety), JT TEN (= joint tenants with rights of survivorship and not as tenants in common), CUST (=custodian) and U/G/M/A (= Uniform Gift to Minors Act).

17. ISIN Number

Pursuant to a recommendation promulgated by the Committee on Uniform Security Identification Procedures the Issuer has caused ISIN or other similar numbers to be printed on the Notes and has directed the Trustee to use ISIN 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.

18. Governing Law

This Note shall be governed by, and construed in accordance with, the laws of the State of New York.

19. Currency of Account; Conversion of Currency.

Euro is the sole currency of account and payment for all sums payable by the Issuer and the Note Guarantors under or in connection with the Notes or the Indenture, including damages. The Issuer and the Note Guarantors will indemnify the Holders as provided in respect of the conversion of currency relating to the Notes and the Indenture.

Notwithstanding the foregoing or any provision of the Notes or the Indenture to the contrary, if the euro is unavailable to the Issuer due to the imposition of exchange controls or other circumstances beyond the control of the Issuer or if the euro is no longer being used by the then member states of the European Union that have adopted the euro as their currency or for the settlement of transactions by public institutions of or within the international banking community, then the Issuer will be entitled, until the euro is again available to the Issuer or so used, to satisfy its payment obligations in respect of the Notes and the Indenture by making such payments in U.S. dollars. The amount payable on any date in euro will be converted into U.S. dollars at the rate mandated by the U.S. Federal Reserve Board as of the close of business on the second New York Business Day prior to the relevant payment date or, in the event the U.S. Federal Reserve Board has not mandated a rate of conversion, on the basis of the most recent U.S. dollar/euro exchange rate published in The Wall Street Journal on or prior to the second New York Business Day prior to the relevant payment date. Any payment in respect of the Notes or the Indenture so made in U.S. dollars will not constitute an Event of Default under the Notes or the Indenture.

20. Agent for Service; Submission to Jurisdiction; Waiver of Immunities.

The Issuer and the Note Guarantors have agreed that any suit, action or proceeding against the Issuer or any Note Guarantor brought by any Holder or the Trustee arising out of or based upon the Indenture or the Notes may be instituted in any state or federal court in the City of New York and County of New York and in the courts of their respective corporate domiciles, in respect of actions brought against them as defendants. The Issuer and the Note Guarantors have irrevocably submitted to the jurisdiction of such courts for such purpose and waived, to the fullest extent permitted by law, trial by jury and any objection it may now or hereafter have to the laying of venue of any such proceeding, and any claim it may now or hereafter have that any proceeding in any such court is brought in an inconvenient forum. The Issuer and the Note Guarantors (other than CEMEX Corp. and CEMEX Finance LLC) have appointed CEMEX NY Corporation, 590 Madison Avenue, 27th Floor, New York, NY 10022, as each of their authorized agent upon whom all writs, process and summonses may be served in any suit, action or proceeding arising out of or based upon the Indenture or the Notes which may be instituted in any state or federal court in the City of New York and County of New York. To the extent that any of the Issuer and the Note Guarantors have or hereafter may acquire any immunity (sovereign or otherwise) from any legal action, suit or proceeding, from jurisdiction of any court or from set-off or any legal process (whether service or notice, attachment in aid or otherwise) with respect to itself or any of its property, the Issuer and the Note Guarantors have irrevocably waived and agreed not to plead or claim such immunity in respect of its obligations under the Indenture or the Notes.

The Issuer will furnish to any Holder upon written request and without charge to the Holder a copy of the Indenture which has in it the text of this Note in larger type. Requests may be made to:

CEMEX, S.A.B. de C.V.
Av. Ricardo Margáin Zozaya # 325
Colonia Valle del Campestre
Garza García, Nuevo León, México 66265
Tel: +5281-8888-8888

ASSIGNMENT FORM

To assign this Note, fill in the form below:

I or we assign and transfer this Note to

_____

(Print or type assignee's name, address and zip code)

_____

(Insert assignee's soc. sec. or tax I.D. No.)

and irrevocably appoint _____ as agent to transfer this Note on the books of the Issuer. The agent may substitute another to act for him.

Date: _____ Your Signature: _____

Signature Guarantee: _____

(Signature must be guaranteed)

Sign exactly as your name appears on the other side of this Note.

The signature(s) should be guaranteed by an eligible guarantor institution (banks, stockbrokers, savings and loan associations and credit unions with membership in an approved signature guarantee medallion program), pursuant to Exchange Act Rule 17Ad-15.

To be attached to Global Notes only:

SCHEDULE OF INCREASES OR DECREASES IN GLOBAL NOTE

The following increases or decreases in this Global Note have been made:

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

OPTION OF HOLDER TO ELECT PURCHASE

If you want to elect to have this Note purchased by the Issuer pursuant to Section 3.8 or Section 3.12 of the Indenture, check either box:

☐ **Section 3.8** ☐ **Section 3.12**

If you want to elect to have only part of this Note purchased by the Issuer pursuant to Section 3.12 of the Indenture, state the principal amount (which must be in minimum denominations of €100,000 and in an integral multiple of €1,000): € _____

Date: _____ Your Signature _____
(Sign exactly as your name appears on the other side of the Note)

Signature Guarantee: _____
(Signature must be guaranteed)

The signature(s) should be guaranteed by an eligible guarantor institution (banks, stockbrokers, savings and loan associations and credit unions with membership in an approved signature guarantee medallion program), pursuant to Exchange Act Rule 17Ad-15.

EXHIBIT B

FORM OF CERTIFCATION FOR TRANSFER PURSUANT TO REGULATION S

[Date]

The Bank of New York Mellon
101 Barclay Street – 7E
New York, NY 10286
Attention: International Corporate Trust

Re: 2.750% Senior Secured Notes due 2024 (the "Notes") of CEMEX, S.A.B. de C.V. (the "Issuer") – ISIN: XS1731106347

Ladies and Gentlemen:

Reference is hereby made to the Indenture, dated as of December 5, 2017 (as amended and supplemented from time to time, the "Indenture"), among the Issuer, the Note Guarantors named therein and The Bank of New York Mellon, as Trustee. Capitalized terms used but not defined herein shall have the meanings given them in the Indenture or Regulation S under the Securities Act of 1933, as amended (the "Securities Act"), as the case may be.

In connection with our proposed transfer of € aggregate principal amount of the Notes, which represent an interest in a Rule 144A Global Note beneficially owned by the undersigned ("Transferor"), we confirm that such transfer has been effected pursuant to and in accordance with Regulation S and, accordingly, we represent that:

(a) the offer of the Notes was not made to a person in the United States;

(b) either (i) at the time the buy order was originated, the transferee was outside the United States or we and any person acting on our behalf reasonably believed that the transferee was outside the United States or (ii) the transaction was executed in, on or through the facilities of a designated off-shore securities market and neither we nor any person acting on our behalf knows that the transaction has been pre-arranged with a buyer in the United States;

(c) no directed selling efforts have been made in the United States in contravention of the requirements of Rule 903(b) or Rule 904(b) of Regulation S, as applicable;

(d) the transaction is not part of a plan or scheme to evade the registration requirements of the Securities Act; and

(e) we are the beneficial owner of the principal amount of Notes being transferred.

In addition, if the transfer is made during a Distribution Compliance Period and the provisions of Rule 904(b)(1) or Rule 904(b)(2) of Regulation S are applicable thereto, we confirm that such transfer has been made in accordance with the applicable provisions of Rule 904(b)(1) or Rule 904(b)(2), as the case may be.

You, the Issuer and the Note Guarantors are entitled to rely upon this letter and are irrevocably authorized to produce this letter or a copy hereof to any interested party in any administrative or legal proceedings or official inquiry with respect to the matters covered hereby.

Very truly yours,

[Name of Transferor]

By: _____

Authorized Signature

Signature Guarantee: _____

(Signature must be guaranteed)

The signature(s) should be guaranteed by an eligible guarantor institution (banks, stockbrokers, savings and loan associations and credit unions with membership in an approved signature guarantee medallion program), pursuant to Exchange Act Rule 17Ad-15.

EXHIBIT C

FORM OF CERTIFICATION FOR TRANSFER PURSUANT TO RULE 144

[Date]

The Bank of New York Mellon
101 Barclay Street – 7E
New York, NY 10286
Attention: International Corporate Trust

Re: 2.750% Senior Secured Notes due 2024 (the "Notes") of CEMEX, S.A.B. de C.V. (the "Issuer") – ISIN: XS1731106263

Ladies and Gentlemen:

Reference is hereby made to the Indenture, dated as of December 5, 2017 (as amended and supplemented from time to time, the "Indenture"), among the Issuer, the Note Guarantors named therein and The Bank of New York Mellon, as Trustee. Capitalized terms used but not defined herein shall have the meanings given them in the Indenture.

In connection with our proposed transfer of € aggregate principal amount of the Notes, which represent an interest in a Rule 144A Global Note beneficially owned by the undersigned ("Transferor"), we confirm that such transfer has been effected pursuant to and in accordance with Rule 144 under the Securities Act.

You, the Issuer and the Note Guarantors are entitled to rely upon this letter and are irrevocably authorized to produce this letter or a copy hereof to any interested party in any administrative or legal proceedings or official inquiry with respect to the matters covered hereby.

Very truly yours,

[Name of Transferor]

By: _____

_____

Authorized Signature

Signature Guarantee: _____

(Signature must be guaranteed)

The signature(s) should be guaranteed by an eligible guarantor institution (banks, stockbrokers, savings and loan associations and credit unions with membership in an approved signature guarantee medallion program), pursuant to Exchange Act Rule 17Ad-15.

EXHIBIT D

FORM OF CERTIFICATION FOR TRANSFER PURSUANT TO RULE 144A

[Date]

The Bank of New York Mellon

101 Barclay Street – 7E

New York, NY 10286

Attention: International Corporate Trust

Re: 2.750% Senior Secured Notes due 2024 (the "Notes") of CEMEX, S.A.B. de C.V. (the "Issuer") – ISIN: XS1731106263

Ladies and Gentlemen:

Reference is hereby made to the Indenture, dated as of December 5, 2017 (as amended and supplemented from time to time, the "Indenture"), among the Issuer, the Note Guarantors named therein and The Bank of New York Mellon, as Trustee. Capitalized terms used but not defined herein shall have the meanings given them in the Indenture.

In connection with our proposed transfer of € aggregate principal amount of the Notes, which represent an interest in a Regulation S Global Note beneficially owned by the undersigned ("Transferor"), we confirm that such transfer has been effected pursuant to and in accordance with Rule 144A under the Securities Act of 1933, as amended, and, accordingly, we represent that the beneficial interest will be transferred to a Person that we reasonably believe is purchasing the beneficial interest for its own account, or for one or more accounts with respect to which such Person exercises sole investment discretion, and such Person and each such account is a "qualified institutional buyer" within the meaning of Rule 144A in a transaction meeting the requirements of Rule 144A and such transfer is in compliance with any applicable blue sky securities laws of any state of the United States.

You, the Issuer and the Note Guarantors are entitled to rely upon this letter and are irrevocably authorized to produce this letter or a copy hereof to any interested party in any administrative or legal proceedings or official inquiry with respect to the matters covered hereby.

Very truly yours,

[Name of Transferor]

By: _____

_____
Authorized Signature

Signature Guarantee: _____
(Signature must be guaranteed)

The signature(s) should be guaranteed by an eligible guarantor institution (banks, stockbrokers, savings and loan associations and credit unions with membership in an approved signature guarantee medallion program), pursuant to Exchange Act Rule 17Ad-15.

EXHIBIT E

"CONSOLIDATED LEVERAGE RATIO" AND RELATED DEFINITIONS

The definition of "Consolidated Leverage Ratio" comes from the Credit Agreement, as in effect on the date hereof.

"**2017 Credit Agreement**" means the facilities agreement, dated as of July 19, 2017, entered into among the Issuer and certain of its Subsidiaries, the financial institutions party thereto as original lenders, Citibank Europe PLC, UK Branch, as agent, and the Security Agent, as such agreement, in whole or in part, in one or more instances, may be amended, supplemented, waived or otherwise modified from time to time, and, if designated by the Issuer to be included in the definition of "Credit Agreement," such agreement as renewed, extended, substituted, refinanced, restructured or replaced (including, in each case, by means of one or more credit agreements, note purchase agreements or sales of debt securities to institutional investors whether with the original agents and lenders or otherwise and including, without limitation, any successive renewals, extensions, substitutions, refinancings, restructurings, replacements, supplementations or other modifications of the foregoing) and including, without limitation, to increase the amount of available borrowing thereunder or to add additional borrowers or guarantors or otherwise.

"**2018 Subordinated Convertible Notes**" means the $690,000,000 3.75% subordinated optional convertible securities maturing on 15 March 2018 issued by the Borrower.

"**2020 Subordinated Convertible Notes**" means:

(a) the $200,000,000 3.72% subordinated optional convertible securities issued by the Borrower on 13 March 2015 maturing on 15 March 2020; and

(b) the $321,114,000 3.72% subordinated optional convertible securities issued by the Borrower on 28 May 2015 maturing on 15 March 2020.

"**Acceptable Bank**" means:

(a) a bank or financial institution which has a rating for its long-term unsecured and non credit-enhanced debt obligations of BBB or higher by S&P, BBB or higher by Fitch or Baa2 or higher by Moody's or a comparable rating from an internationally recognised credit rating agency;

(b) any other bank or financial institution in a jurisdiction in which a member of the Group conducts commercial operations where such member of the Group, in the ordinary course of trading, subscribes for certificates of deposit issued by such bank or financial institution; or

(c) any other bank or financial institution approved by the Agent.

"**Accession Letter**" means a document substantially in the form set out in Schedule 7 (*Form of Accession Letter*) of the 2017 Credit Agreement.

"**Accordion Confirmation**" means a confirmation substantially in the form set out in Schedule 16 (*Form of Accordion Confirmation*) of the 2017 Credit Agreement.

"**Accordion Lender**" has the meaning given to that term in Clause 2.2 (*Accordion*) of the 2017 Credit Agreement.

"**Additional Guarantor**" means a company that becomes an Additional Guarantor in accordance with Clause 28 (*Changes to the Obligors*) of the 2017 Credit Agreement.

"**Additional Security Provider**" means a company that becomes an Additional Security Provider in accordance with Clause 28 (*Changes to the Obligors*) of the 2017 Credit Agreement.

"**Affiliate**" means, in relation to any person, a Subsidiary of that person or a Holding Company of that person or any other Subsidiary of that Holding Company.

"**Agent**" means Citibank Europe PLC, UK Branch, as agent of the Finance Parties (other than itself) under the 2017 Credit Agreement.

"**Agent's Spot Rate of Exchange**" means the Agent's spot rate of exchange for the purchase of the relevant currency with the Base Currency in the London foreign exchange market at or about 11:00 a.m. on a particular day.

"**Applicable GAAP**" means:

(a) in the case of the Borrower, IFRS;

(b) in the case of CEMEX España, Spanish GAAP or, if adopted by CEMEX España in accordance with Clause 20.3 (*Requirements as to financial statements*) of the 2017 Credit Agreement, IFRS; and

(c) in the case of any other Obligor, the generally accepted accounting principles applying to it in the country of its incorporation or in a jurisdiction agreed to by the Agent or, if adopted by the relevant Obligor, IFRS.

"**Arranger**" means the following entities, which are mandated as lend arrangers and bookrunners (whether acting individually or together): Banco Mercantil del Norte, S.A., Institución de Banca Múltiple, Grupo Financiero Banorte, Banco Santander (México), S.A., Institución de Banca Múltiple, Grupo Financiero Santander México, BBVA Bancomer, S.A. Institución de Banca Múltiple Grupo Financiero BBVA Bancomer, BNP Paribas Securities Corp., Citigroup Global Markets Inc., Crédit Agricole Corporate and Investment Bank, HSBC Securities (USA) Inc., ING Capital LLC, JPMorgan Chase Bank, N.A., Mizuho Bank, Ltd. and Merrill Lynch, Pierce, Fenner & Smith Incorporated.

"**Authorised Signatory**" means, in relation to any Obligor, any person who is duly authorised and in respect of whom the Agent has received a certificate signed by a director or another Authorised Signatory of such Obligor setting out the name and signature of such person and confirming such person's authority to act.

"**Base Currency**" means US dollars.

"**Base Currency Amount**" means, in relation to a Loan, the amount specified in the Utilisation Request delivered by the Borrower for that Loan (or, in relation to several Loans, in relation to any of those Loans not denominated in the Base Currency, that amount converted into the Base Currency at the Agent's Spot Rate of Exchange on the date which is three Business Days before the conversion is applied for the purposes of the 2017 Credit Agreement or, if later, on the date the Agent receives the request requiring the conversion for the purpose of the 2017 Credit Agreement) and as adjusted in all cases to reflect any repayment (other than, in relation to the Term Facilities, a repayment arising from a change of currency), prepayment, consolidation or division of a Loan.

"**Borrower**" means CEMEX, S.A.B. de C.V.

"**Business Day**" means a day (other than a Saturday or Sunday) on which banks are open for general business in London, New York City and Mexico City (in the case of Mexico City, if applicable, as specified by applicable law or a Governmental Authority) and, in relation to any date for payment or purchase of euro, which is a TARGET Day.

"**Caliza**" means CEMEX LATAM Holdings, S.A.

"**Caliza Capital Expenditure**" means Capital Expenditure permitted by paragraph (d) of Clause 21.2 (*Financial condition*) of the 2017 Credit Agreement to be invested in the Caliza Group.

"**Caliza Expansion Capital**" means (without double counting) any:

(a) Caliza Capital Expenditure;

(b) amount of any investment by a member of the Caliza Group to finance any Joint Venture entered into by a member of the Caliza Group; and

(c) amount of the consideration for an acquisition made under paragraph (j) of the definition of Permitted Acquisition.

"**Caliza Expansion Capital Permitted Limit**" means $500,000,000 (or its equivalent).

"**Caliza Group**" means Caliza and its Subsidiaries for the time being.

"**Caliza Offering Option**" has the meaning given to such term in paragraph (b) of the definition of Caliza Transaction.

"**Caliza Proceeds**" means the cash proceeds received by any member of the Group from a Caliza Transaction.

"**Caliza Transaction**" means:

(a) a Disposal by a member of the Group of any shares in Caliza to a person who is not a member of the Group; or

(b) an offering of shares in Caliza and including any put or other option (a "**Caliza Offering Option**") entered into with one or more financial institutions in respect of any share lending, over-allotment or other similar arrangement in connection with an offering of shares in Caliza provided that the exercise period for such put or other option shall be no longer than 30 days from the settlement date of the offering of shares in Caliza,

(in either case) whether by way of a single transaction or a series of transactions and which does not breach Clause 22.21 (*Disposals*) or Clause 22.32 (*Caliza and Centurion*) of the 2017 Credit Agreement.

"**Capital Lease**" means, as to any person, the obligations of such person to pay rent or other amounts under any lease of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, which obligations are required to be classified and accounted for as capital leases on a balance sheet of the Borrower under Applicable GAAP of the Borrower (excluding any operating lease which is or becomes classified and accounted for as, or in an equivalent manner to, a capital lease on a balance sheet of the Borrower pursuant to any change in Applicable GAAP after the date of this Agreement) and, for the purposes of this Agreement, the amount of such obligations at any time shall be the capitalised amount thereof at such time determined in accordance with Applicable GAAP of the Borrower.

"**Cash Equivalent Investments**" means at any time:

(a) certificates of deposit maturing within one year after the relevant date of calculation and issued by an Acceptable Bank;

(b) any investment in marketable debt obligations issued or expressly guaranteed by the government of Mexico, the United States of America (or any state thereof (including any political subdivision of such state)), the United Kingdom, any member state of the European Economic Area or any Participating Member State or any member state of NAFTA (or any other jurisdiction in which a member of the Group conducts commercial operations if that member of the

Group makes investments in such debt obligations in the ordinary course of its trading) or by an instrumentality or agency of any of them having an equivalent credit rating, maturing within one year after the relevant date of calculation and not convertible into or exchangeable for any other security;

(c) commercial paper not convertible into or exchangeable for any other security:

(i) for which a recognised trading market exists;

(ii) issued by an issuer incorporated in Mexico, the United States of America (or any state thereof (including any political subdivision of such state)), the United Kingdom, any member state of the European Economic Area or any Participating Member State or any member state of NAFTA (or any other jurisdiction in which a member of the Group makes investments in such debt obligations in the ordinary course of trading);

(iii) which matures within one year after the relevant date of calculation; and

(iv) which has a credit rating of either A-1 or higher by S&P or F 1 or higher by Fitch or P-1 or higher by Moody's, or, if no rating is available in respect of the commercial paper, the issuer of which has, in respect of its long-term unsecured and non-credit enhanced debt obligations, an equivalent rating;

(d) sterling bills of exchange eligible for rediscount at the Bank of England and accepted by an Acceptable Bank (or their dematerialised equivalent);

(e) any investment in money market funds which (i) have a credit rating of either A-1 or higher by S&P or F1 or higher by Fitch or P-1 or higher by Moody's, (ii) which invest substantially all their assets in securities of the types described in paragraphs

(a) to (d) above and (f) and (g) below and (iii) can be turned into cash on not more than 30 days' notice; or

(f) any deposit issued by any of Nacional Financiera, S.N.C., Banco Nacional de Comercio Exterior, S.N.C., Banco National de Obras y Servicios Publicos, S.N.C. or any other development bank controlled by the Mexican government;

(g) any other debt instrument rated "investment grade" (or the local equivalent thereof according to local criteria in a country in which any member of the Group conducts commercial operations and in which local pensions are permitted by law to invest) with maturities of 12 months or less from the date of acquiring such investment;

(h) investments in mutual funds, managed by banks or financial institutions, with a local currency credit rating of at least MxAA by S&P or equivalent by any other reputable local rating agency, that invest principally in marketable direct obligations issued by the Mexican government, or issued by any agency or instrumentality thereof; and

(i) any other debt security, certificate of deposit, commercial paper, bill of exchange, investment in money market funds or material funds approved by the Majority Lenders,

in each case, to which any member of the Group is alone (or together with other members of the Group) beneficially entitled at that time and which is not issued or guaranteed by any member of the Group or subject to any Security (other than Security arising under the Transaction Security Documents).

"**Centurion**" means CEMEX Holdings Philippines, Inc.

"**Centurion Capital Expenditure**" means Capital Expenditure permitted by paragraph (e) of Clause 21.2 (*Financial condition*) of the 2017 Credit Agreement to be invested in the Centurion Group.

"**Centurion Expansion Capital**" means (without double counting) any:

(a) Centurion Capital Expenditure;

(b) amount of any investment by a member of the Centurion Group to finance any Joint Venture entered into by a member of the Centurion Group; and

(c) amount of the consideration for an acquisition made under paragraph (p) of the definition of Permitted Acquisition.

"**Centurion Expansion Capital Permitted Limit**" means $500,000,000 (or its equivalent).

"**Centurion Group**" means Centurion and its Subsidiaries for the time being.

"**Centurion Offering Option**" has the meaning given to such term in paragraph (b) of the definition of Centurion Transaction.

"**Centurion Proceeds**" means the cash proceeds received by any member of the Group from a Centurion Transaction.

"**Centurion Transaction**" means:

(a) a Disposal by a member of the Group of any shares in Centurion to a person who is not a member of the Group; or

(b) an offering of shares in Centurion and including any put or other option (a "**Centurion Offering Option**") entered into by any member of the Group with one or more financial institutions in respect of any share lending, over-allotment or other similar arrangement in connection with an offering of shares in Centurion provided that the exercise period for such put or other option shall be no longer than 60 days from the settlement date of the offering of shares in Centurion, (in either case) whether by way of a single transaction or a series of transactions and which does not breach Clause 22.21 (*Disposals*) or Clause 22.32 (*Caliza and Centurion*) of the 2017 Credit Agreement.

"**Change of Control**" means that the beneficial ownership (within the meaning of Rule 13d-3 promulgated by the SEC under the Securities Exchange Act of 1934, as amended) of 20 per cent. or more in voting power of the outstanding voting stock of the Borrower is acquired by any person.

"**Charged Property**" means all of the assets of the Security Providers which from time to time are, or are expressed to be, the subject of the Transaction Security.

"**Commitment**" means a Facility A Commitment, Facility B Commitment, Facility C Commitment, Facility D1 Commitment, or Facility D2 Commitment or a commitment under any new facility established pursuant to Clause 2.2 (Accordion) of the 2017 Credit Agreement.

"**Compliance Certificate**" means a certificate substantially in the form set out in Schedule 9 (*Form of Compliance Certificate*) of the 2017 Credit Agreement.

"**Consolidated Coverage Ratio**" means, on any date of determination, the ratio of (a) EBITDA for the one (1) year period ending on such date to (b) Consolidated Interest Expense for the one (1) year period ending on such date.

"**Consolidated Debt**" means, at any date, the sum (without duplication) of (a) the aggregate amount of all Debt of the Borrower and its Subsidiaries at such date, which shall include the amount of any recourse in respect of Inventory Financing permitted under paragraph (b)(iv) of the definition of Permitted Financial Indebtedness or any recourse in respect of Inventory Financing incurred by an Obligor, *plus* (b) to the extent not included in Debt, the aggregate net mark-to-market amount of all derivative financing in the form of equity swaps outstanding at such date (except to the extent such exposure is cash collateralised to the extent permitted under the Finance Documents).

"**Consolidated Funded Debt**" means, for any period, Consolidated Debt less the sum (without duplication) of (a) all obligations of such person to pay the deferred purchase price of property or services, (b) all obligations of such person as lessee under Capital Leases, and (c) all obligations of such person with respect to product invoices incurred in connection with export financing.

"**Consolidated Interest Expense**" means, for any period, the sum of (a) the total gross cash and non cash interest expense of the Borrower and its consolidated Subsidiaries relating to Consolidated Funded Debt of such persons, (b) any amortisation or accretion of debt discount or any interest paid on Consolidated Funded Debt of the Borrower and its Subsidiaries in the form of additional Financial Indebtedness (but excluding any amortisation of deferred financing and debt issuance costs), (c) the net costs under Treasury Transactions in respect of interest rates (but excluding amortisation of fees), (d) any amounts paid in cash on preferred stock, and (e) any interest paid or accrued in respect of Consolidated Funded Debt without a maturity date, regardless of whether considered interest expense under Applicable GAAP of the Borrower.

"**Consolidated Leverage Ratio**" means, on any date of determination, the ratio of (a) Consolidated Funded Debt on such date to (b) EBITDA for the one (1) year period ending on such date.

"**Contingent Instrument**" means any documentary credit (including all forms of letter of credit) or performance bond advance payment, bank guarantee or similar instrument.

"**Covenant Reset Date**" means the first date falling after the date of the 2017 Credit Agreement on which both of the following conditions are met:

(a) either:

(i) for the two most recently completed Reference Periods in respect of which Compliance Certificates have been (or are required to have been) delivered under this Agreement, the Consolidated Leverage Ratio was 3.75:1 or lower; or

(ii) for the three most recently completed Reference Periods in respect of which Compliance Certificates have been (or are required to have been) delivered under this Agreement, the Consolidated Leverage Ratio for the first and third of those Reference Periods was 3.75:1 or lower and in the second Reference Period would have been 3.75:1 or lower but for the proceeds of any Permitted Financial Indebtedness standing to the credit of a Reserve being included in the definition of Debt as described in paragraph (iv) of that definition; and

(b) no Default is continuing.

"**Debt**" of any person means, without duplication, (a) all obligations of such person for borrowed money, (b) all obligations of such person evidenced by bonds, debentures, notes or other similar instruments, including the perpetual bonds, (c) the aggregate net mark-to-market of Treasury Transactions (except to the extent such exposure is cash collateralised to the extent permitted under the Finance Documents) of such person but excluding Treasury Transactions relating to the rate or price of energy or any commodity, (d) all obligations of such person to pay the deferred purchase price of property or services, except trade accounts payable arising in the ordinary course of trading, (e) all obligations of such person as lessee under Capital Leases, (f) all Debt of others secured by Security on any asset of such person, up to the value of such asset, (g) all obligations of such person with respect to product invoices incurred in connection with export financing, (h) all obligations of such person under repurchase agreements for the stock issued by such person or another person, (i) all obligations of such person in respect of Inventory Financing permitted under paragraph (b)(iv) of the definition of Permitted Financial Indebtedness or any obligations of an Obligor in respect of any similar Inventory Financing; and (j) all guarantees of such person in respect of any of the foregoing;

provided, however, that

(i) for the purposes of calculating the Consolidated Funded Debt element of the Consolidated Leverage Ratio, Relevant Convertible/Exchangeable Obligations (and any other outstanding hybrid bonds or convertible securities) shall be excluded from each of the foregoing paragraphs (a) to (j) inclusive (*provided* that, in the case of outstanding Financial Indebtedness under any Subordinated Optional Convertible Securities (1) only the principal amount thereof shall be excluded and (2) such exclusion shall apply only for so long as such amounts remain subordinated in accordance with the terms of that definition);

(ii) for the avoidance of doubt, a Permitted Securitisation shall not be deemed to be Debt except that any recourse required as a result of the Relevant Legislation and which is not recourse over the collection of receivables and would, but for this provision, be treated as Debt will, to the extent of the required recourse under the Relevant Legislation, be counted as Debt;

(iii) for the avoidance of doubt, all performance bonds, guarantees, bonding, documentary or stand-by letters of credit, banker's acceptances or similar credit transactions, including reimbursement obligations in respect thereof are not Debt until they are required to be funded; and

(iv) the proceeds of any Permitted Financial Indebtedness shall, for the period of twelve Months from the date that such proceeds are credited to a Reserve in accordance with Clause 21.5 (Reserve) and for so long as such proceeds stand to the credit of such Reserve during that period, be deducted from the aggregate calculation of Debt resulting from this definition, except where the calculation of Debt is for the purposes of calculating the Consolidated Leverage Ratio to establish if:

(1) the conditions for the Covenant Reset Date have been satisfied; or

(2) the conditions set out in Clause 24.1 (Release of Mexican Security Trust Agreement) have been satisfied or Clause 24.2 (Release of Transaction Security—other jurisdictions) have been satisfied),

and, for the avoidance of doubt, for the purposes set out in paragraphs (1) and (2) above, the Borrower shall prepare the computations without the deduction specified in this paragraph (iv) and not be required to include it in that computation.

"**Delegate**" means any delegate, agent, attorney-in-fact, representative or co-trustee appointed by the Security Agent.

"**Default**" means an Event of Default or any event or circumstance specified in Clause 25 (*Events of Default*) of the 2017 Credit Agreement which would (with the expiry of a grace period, the giving of notice, the making of any determination under the Finance Documents or any combination of any of the foregoing) be an Event of Default.

"**Discontinued EBITDA**" means, for any period, the sum for Discontinued Operations of (a) operating income, and (b) the depreciation and amortisation expense, in each case determined in accordance with Applicable GAAP of the Borrower consistently applied for such period.

"**Discontinued Operations**" means operations that are accounted for as discontinued operations pursuant to Applicable GAAP of the Borrower for which the Disposal of such assets has not yet occurred.

"**Disposal**" means a sale, lease, licence, transfer, loan or other disposal by a person of any asset (including shares in any Subsidiary or other company), undertaking or business (whether by a voluntary or involuntary single transaction or series of transactions).

"**Disposal Proceeds**" means the cash proceeds received by any member of the Group (including any amount received from a person who is not a member of the Group in repayment of intercompany debt for any Disposal.

"**EBITDA**" means, for any period, the sum for the Borrower and its Subsidiaries, determined on a consolidated basis of (a) operating income, and (b) depreciation and amortisation expense, in each case determined in accordance with Applicable GAAP of the Borrower, subject to the adjustments herein, consistently applied for such period and adjusted for Discontinued EBITDA as follows: if the amount of Discontinued EBITDA is a positive amount, then EBITDA shall increase by such amount, and if the amount of Discontinued EBITDA is a negative amount, then EBITDA shall decrease by the absolute value of such amount. For the purposes of calculating EBITDA for any applicable period pursuant to any determination of the Consolidated Leverage Ratio (but not the Consolidated Coverage Ratio): (A) if at any time during such applicable period the Borrower or any of its Subsidiaries shall have made; (i) any Material Disposal, the EBITDA for such applicable period shall be reduced by an amount equal to the EBITDA (if positive) attributable to the property that is the subject of such Material Disposal for such applicable period (but when the Material Disposal is by way of lease, income received by the Borrower or any of its Subsidiaries under such lease shall be included in EBITDA) and (ii) any Material Acquisition, EBITDA for such applicable period shall be calculated after giving *pro forma* effect thereto as if such Material Acquisition had occurred on the first day of such applicable period, and if since the beginning of such applicable period any person that subsequently shall have become a Subsidiary or was merged or consolidated with the Borrower or any of its Subsidiaries as a result of a Material Acquisition occurring during such applicable period shall have made any Material Disposal or Material Acquisition of property that would have required an adjustment pursuant to sub-paragraph (i) or (ii) above if made by the Borrower or any of its Subsidiaries during such applicable period, EBITDA for such period shall be calculated after giving *pro forma* effect thereto as if such Material Disposal or Material Acquisition had occurred on the first day of such applicable period; and (B) EBITDA will be recalculated by multiplying each month's EBITDA by the Ending Exchange Rate and dividing the amount obtained thereto by the exchange rate used by the Borrower in preparation of its monthly financial statements in accordance with Applicable GAAP of the Borrower to convert USD into Mexican pesos.

"**Ending Exchange Rate**" means the exchange rate at the end of a Reference Period for converting USD into Mexican pesos as used by the Borrower and its auditors in preparation of the Borrower's financial statements in accordance with Applicable GAAP of the Borrower.

"**Event of Default**" means any event or circumstance specified as such in Clause 25 (*Events of Default*) of the 2017 Credit Agreement.

"**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 or, as the case may be, Caliza, Centurion or Trinidad Cement, or any of its Subsidiaries, as the case may be, customarily provides to its employees, consultants and directors.

"**Existing Financial Indebtedness**" means the Financial Indebtedness as at the date of the 2017 Credit Agreement of members of the Group which are not Obligors and is described in Schedule 10 (*Existing Financial Indebtedness*) of the 2017 Credit Agreement provided that any amount of such indebtedness may be refinanced or replaced from time to time but the aggregate principal amount of such Financial Indebtedness may not increase above the principal amount outstanding as at the date of the 2017 Credit Agreement (except as otherwise permitted or not restricted by the 2017 Credit Agreement or by the amount of any capitalised interest under any facility or instrument that provided for capitalisation of interest on those terms as at the date of the 2017 Credit Agreement).

"**Existing Subordinated Convertible Notes**" means the 2018 Subordinated Convertible Notes, the 2020 Subordinated Convertible Notes and the Subordinated Convertible Notes described at paragraph (b)(i) of the definition of Subordinated Optional Convertible Securities.

"**Facility**" means Facility A, Facility B, Facility C, Facility D1 or Facility D2 or any other facility established in accordance with and pursuant to Clause 2.2 (*Accordion*) of the 2017 Credit Agreement.

"**Facility A**" means the term loan facility made available under the 2017 Credit Agreement as described in paragraph (a) of Clause 2.1 (*The Facilities*) of the 2017 Credit Agreement.

"**Facility A Commitment**" means:

(a) in relation to an Original Lender, the amount in the Base Currency set opposite its name under the heading "Facility A Commitment" in Part II of Schedule 1 (*The Original Parties*) of the 2017 Credit Agreement and the amount of any other Facility A Commitment transferred to it under the 2017 Credit Agreement or assumed by it in accordance with Clause 2.2 (*Accordion*) of the 2017 Credit Agreement; and

(b) in relation to any other Lender, the amount in the Base Currency of any Facility A Commitment transferred to it under the 2017 Credit Agreement or assumed by it in accordance with Clause 2.2 (*Accordion*) of the 2017 Credit Agreement,

to the extent not cancelled, reduced or transferred by it under the 2017 Credit Agreement.

"**Facility A Loan**" means a loan made or to be made under Facility A or the principal amount outstanding for the time being of that loan.

"**Facility B**" means the term loan facility made available under the 2017 Credit Agreement as described in paragraph (b) of Clause 2.1 (*The Facilities*) of the 2017 Credit Agreement.

"**Facility B Commitment**" means:

(a) in relation to an Original Lender, the amount in euro set opposite its name under the heading "Facility B Commitment" in Part II of Schedule 1 (*The Original Parties*) of the 2017 Credit Agreement and the amount of any other Facility B Commitment transferred to it under the 2017 Credit Agreement or assumed by it in accordance with Clause 2.2 (*Accordion*) of the 2017 Credit Agreement; and

(b) in relation to any other Lender, the amount in euro of any Facility B Commitment transferred to it under the 2017 Credit Agreement or assumed by it in accordance with Clause 2.2 (*Accordion*) of the 2017 Credit Agreement,

to the extent not cancelled, reduced or transferred by it under the 2017 Credit Agreement.

"**Facility B Loan**" means a loan made or to be made under Facility B or the principal amount outstanding for the time being of that loan.

"**Facility C**" means the term loan facility made available under the 2017 Credit Agreement as described in paragraph (c) of Clause 2.1 (*The Facilities*) of the 2017 Credit Agreement.

"**Facility C Commitment**" means:

(a) in relation to an Original Lender, the amount in sterling set opposite its name under the heading "Facility C Commitment" in Part II of Schedule 1 (*The Original Parties*) of the 2017 Credit Agreement and the amount of any other Facility C Commitment transferred to it under the 2017 Credit Agreement or assumed by it in accordance with Clause 2.2 (*Accordion*) of the 2017 Credit Agreement; and

(b) in relation to any other Lender, the amount in sterling of any Facility C Commitment transferred to it under the 2017 Credit Agreement or assumed by it in accordance with Clause 2.2 (*Accordion*) of the 2017 Credit Agreement,

to the extent not cancelled, reduced or transferred by it under the 2017 Credit Agreement.

"**Facility C Loan**" means a loan made or to be made under Facility C or the principal amount outstanding for the time being of that loan.

"**Facility D1**" means the term loan facility made available under the 2017 Credit Agreement as described in paragraph (a) of Clause 2.1 (*The Facilities*) of the 2017 Credit Agreement.

"**Facility D1 Commitment**" means:

(a) in relation to an Original Lender, the amount in the Base Currency set opposite its name under the heading "Facility D1 Commitment" in Part II of Schedule 1 (*The Original Parties*) of the 2017 Credit Agreement and the amount of any other Facility D1 Commitment transferred to it under the 2017 Credit Agreement or assumed by it in accordance with Clause 2.2 (*Accordion*) of the 2017 Credit Agreement; and

(b) in relation to any other Lender, the amount in the Base Currency of any Facility D1 Commitment transferred to it under the 2017 Credit Agreement or assumed by it in accordance with Clause 2.2 (*Accordion*) of the 2017 Credit Agreement,

to the extent not cancelled, reduced or transferred by it under the 2017 Credit Agreement.

"**Facility D1 Loan**" means a loan made or to be made under Facility D1 or the principal amount outstanding for the time being of that loan.

"**Facility D2**" means the term loan facility made available under the 2017 Credit Agreement as described in paragraph (e) of Clause 2.1 (*The Facilities*) of the 2017 Credit Agreement.

"**Facility D2 Commitment**" means:

(a) in relation to an Original Lender, the amount in the Base Currency set opposite its name under the heading "Facility D2 Commitment" in Part II of Schedule 1 (*The Original Parties*) of the 2017 Credit Agreement and the amount of any other Facility D2 Commitment transferred to it under the 2017 Credit Agreement or assumed by it in accordance with Clause 2.2 (*Accordion*) of the 2017 Credit Agreement; and

(b) in relation to any other Lender, the amount in the Base Currency of any Facility D2 Commitment transferred to it under the 2017 Credit Agreement or assumed by it in accordance with Clause 2.2 (*Accordion*) of the 2017 Credit Agreement,

to the extent not cancelled, reduced or transferred by it under the 2017 Credit Agreement.

"**Facility D2 Loan**" means a loan made or to be made under Facility D2 or the principal amount outstanding for the time being of that loan.

"**Fee Letter**" means any letter or letters dated on or before the date of the 2017 Credit Agreement between the Arranger (or any of them) and the Borrower, the Agent and the Borrower or the Security Agent and the Borrower, the Lenders (or any of them) and the Borrower setting out any of the fees payable by the Borrower to those Finance Parties in connection with the 2017 Credit Agreement, and any fee letter between an Accordion Lender and the Borrower entered into in accordance with paragraph (f) of Clause 2.2 (*Accordion*) of the 2017 Credit Agreement.

"**Finance Document**" means the 2017 Credit Agreement, any Accession Letter, any Accordion Confirmation, any Compliance Certificate, any Reserve Certificate, any Fee Letter, the Intercreditor Agreement, any Promissory Note, any Resignation Letter, any Selection Notice, any Transaction Security Document, any Utilisation Request and any other document designated as a "Finance Document" by the Agent and the Borrower.

"**Finance Party**" means the Agent, the Arranger, the Security Agent or a Lender.

"**Financial Indebtedness**" means any indebtedness for or in respect of:

(a) monies borrowed and debit balances at banks or other financial institutions;

(b) any acceptance under any acceptance credit or bill discounting facility (or dematerialised equivalent);

(c) any amount raised pursuant to a note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument (including, without limitation, any perpetual bonds);

(d) the amount of any liability in respect of any lease or hire purchase contract which would (in accordance with Applicable GAAP of the Borrower) be treated as a finance or capital lease;

(e) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis and meet any requirement for de-recognition under Applicable GAAP of the Borrower);

(f) any Treasury Transaction (and, when calculating the value of that Treasury Transaction, only the negative mark-to-market value (or, if any actual amount is due from any member of the Group as a result of the termination or close-out of that Treasury Transaction, that amount) shall be taken into account);

(g) any counter-indemnity obligation in respect of a guarantee, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution;

(h) any amount raised by the issue of redeemable shares which are redeemable (other than at the option of the Borrower) before the last Termination Date or are otherwise classified as borrowings under Applicable GAAP of the Borrower;

(i) any amount of any liability under an advance or deferred purchase agreement if (i) one of the primary reasons behind entering into the agreement is to raise finance or to finance the acquisition or construction of the asset or service in question or (ii) the agreement is in respect of the supply of assets or services and payment is due more than 60 days after the date of supply;

(j) any arrangement pursuant to which an asset sold or otherwise disposed of by that person may be re-acquired by a member of the Group (whether following the exercise of an option or otherwise) and any Inventory Financing;

(k) any amount raised under any other transaction (including any forward sale or purchase, sale and sale back or sale and leaseback agreement) having the commercial effect of a borrowing or otherwise classified as borrowings under Applicable GAAP of the Borrower; and

(l) the amount of any liability in respect of any guarantee for any of the items referred to in paragraphs (a) to (k) above.

"**Financial Quarter**" means the period commencing on the day after one Quarter Date and ending on the next Quarter Date.

"**Financial Year**" means the annual accounting period of the Borrower ending on or about 31 December in each year.

"**Fitch**" means Fitch Ratings Limited or any successor thereto from time to time.

"**Governmental Authority**" means the government of any jurisdiction, or any political subdivision thereof, whether provincial, state or local, and any department, ministry, agency, instrumentality, authority, body, court, central bank or other entity lawfully exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government.

"**Group**" means the Borrower and each of its Subsidiaries for the time being.

"**Guarantors**" means the Original Guarantors and any Additional Guarantor other than any Original Guarantor or Additional Guarantor which has ceased to be a Guarantor pursuant to Clause 28.3 (*Resignation of a Guarantor)* of the 2017 Credit Agreement and/or sub-paragraph (ii) of paragraph (c) of Clause 38.2 (*Exceptions*) of the 2017 Credit Agreement and has not subsequently become an Additional Guarantor pursuant to Clause 28.2 (*Additional Guarantors and Additional Security Providers*) of the 2017 Credit Agreement and "**Guarantor**" means any of them.

"**Holding Company**" means, in relation to a company or corporation, any other company or corporation in respect of which it is a Subsidiary.

"**IFRS**" means international accounting standards within the meaning of IAS Regulation 1606/2002 to the extent applicable to the relevant financial statements.

"**Intellectual Property**" means:

(a) any patents, trademarks, service marks, designs, business names, copyrights, design rights, database rights, inventions, knowhow and other intellectual property rights and interests, whether registered or unregistered; and

(b) the benefit of all applications and rights to use such assets of each member of the Group.

"**Intercreditor Agreement**" means the intercreditor agreement, dated September 17, 2012 among the Borrower 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 by an amendment agreement, dated October 31, 2014, and as amended and restated by an amendment and restatement agreement dated on or about July 23, 2015 and an amendment and restatement agreement dated July 19, 2017, as such agreement may be amended, modified or waived from time to time.

"**Inventory Financing**" means a financing arrangement pursuant to which a member of the Group sells inventory to a bank or other institution (or a special purpose vehicle or partnership incorporated or established by or on behalf of such bank or other institution or an Affiliate of such bank or other institution) and has an obligation to repurchase such inventory to the extent that it is not sold to a third party within a specified period.

"**Joint Venture**" means any joint venture entity, whether a company, unincorporated firm, undertaking, association, joint venture or partnership or any other entity.

"**Lender**" means:

(a) any Original Lender; and

(b) any bank, financial institution, trust, fund or other entity which has become a Party in accordance with Clause 2.2 (*Accordion*) or Clause 26 (*Changes to the Lenders*) of the 2017 Credit Agreement,

which in each case has not ceased to be a Party in that capacity in accordance with the terms of the 2017 Credit Agreement.

"**Loan**" means a Facility A Loan, Facility B Loan, Facility C Loan, Facility D1 Loan, Facility D2 Loan or any other Loan under any Facility established pursuant to Clause 2.2 (*Accordion*) of the 2017 Credit Agreement.

"**Majority Lenders**" means a Lender or Lenders whose Commitments aggregate 66 2/3% or more of the Total Commitments (or, if the Total Commitments have been reduced to zero, aggregated 66 2/3% or more of the Total Commitments immediately prior to the reduction).

"**Material Acquisition**" means any (a) acquisition of property or series of related acquisitions of property that constitutes assets comprising all or substantially all of an operating unit, division or line of business or (b) acquisition of or other investment in the Capital Stock of any Subsidiary or any person which becomes a Subsidiary or is merged or consolidated with the Borrower or any of its Subsidiaries, in each case, which involves the payment of consideration by the Borrower and its Subsidiaries in excess of $100,000,000 (or the equivalent in other currencies).

"**Material Disposal**" means any Disposal of property or series of related Disposals of property that yields gross proceeds to the Borrower or any of its Subsidiaries in excess of $100,000,000 (or the equivalent in other currencies).

"**Material Adverse Effect**" means a material adverse effect on:

(a) the business, property, assets, condition (financial or otherwise) or operations of the Group, taken as a whole; or

(b) the rights or remedies of any Finance Party under the Finance Documents; or

(c) the ability of any Obligor to perform its obligations under the Finance Documents or the validity or enforceability, effectiveness or ranking of any of the Transaction Security granted or purported to be granted under or pursuant to any of the Finance Documents.

"**Mexican pesos**," "**Mex$**," "**MXN**" and "**pesos**" means the lawful currency of Mexico.

"**Mexico**" means the United Mexican States.

"**Moody's**" means Moody's Investors Services Limited or any successor to its ratings business.

"**NAFTA**" means the North American Free Trade Agreement.

"**Obligors**" means the Borrower, the Guarantors and the Security Providers and "**Obligor**" means any of them.

"**Original Lenders**" means the financial institutions listed on Part II (*The Original Lenders*) of Schedule I (*The Original Parties*) of the 2017 Credit Agreement as original lenders.

"**Original Financial Statements**" means (a) in relation to the Borrower, its audited unconsolidated and consolidated financial statements for its Financial Year ended 31 December 2016 accompanied by an audit opinion of KPMG Cardenas Dosal, S.C.; (b) in relation to CEMEX España, its audited consolidated financial statements for its financial year ended 31 December 2016; and (c) in relation to any other Guarantor, its most recent annual financial statements (audited, if available).

"**Participating Member State**" means any member state of the European Union that has adopted the euro as its lawful currency in accordance with legislation of the European Union relating to Economic and Monetary Union.

"**Party**" means a party to the 2017 Credit Agreement.

"**Permitted Acquisition**" means:

(a) an acquisition by a member of the Group of an asset sold, leased, transferred or otherwise disposed of by another member of the Group in circumstances constituting a Permitted Disposal;

(b) an acquisition of shares or securities pursuant to a Permitted Share Issue;

(c) an acquisition of cash or securities which are Cash Equivalent Investments;

(d) the incorporation of a company which on incorporation becomes a member of the Group or which is a special purpose vehicle, whether a member of the Group or not;

(e) an acquisition that constitutes a Permitted Joint Venture;

(f) an acquisition of assets and, if applicable, cash, in exchange for other assets and, if applicable, cash, of equal or higher value;

(g) any acquisition of shares of the Borrower, any acquisition of shares of Caliza, any acquisition of shares of Centurion or any acquisition of shares of Trinidad Cement pursuant to (i) an obligation in respect of any Executive Compensation Plan of the Borrower or any of its Subsidiaries or, as the case may be, of Caliza or any of its Subsidiaries, Centurion or any of its Subsidiaries or Trinidad Cement or any of its Subsidiaries as the case may be, or (ii) a Treasury Transaction permitted in accordance with Clause 22.27 (*Treasury Transactions*) of the 2017 Credit Agreement;

(h) any other acquisition consented to by the Agent acting on the instructions of the Majority Lenders;

(i) an acquisition of shares in the Borrower or any other member of the Group to the extent that a member of the Group has, pursuant to the terms of convertible or exchangeable securities, an obligation to deliver such shares to any holder(s) of convertible or exchangeable securities constituting Permitted Financial Indebtedness;

(j) any acquisition by a member of the Caliza Group of assets or of a company, of shares, securities or a business or undertaking (or, in each case, any interest in any of them) provided that (except where the assets, company, shares, securities, business or undertaking (or, in each case, any interest in any of them) acquired was disposed of by (A) a member of the Caliza Group or (B) a member of the Group which is not a member of the Caliza Group in circumstances constituting a Permitted Disposal under the definition of Permitted Disposal) the aggregate amount of the consideration for such acquisitions does not at any time (when aggregated with all other amounts of Caliza Expansion Capital then incurred) exceed the Caliza Expansion Capital Permitted Limit;

(k) any acquisition constituting a Reconstruction permitted pursuant to Clause 22.8 (*Merger*) of the 2017 Credit Agreement;

(l) any other acquisition of a company, of shares, securities or a business or undertaking (or, in each case, any interest in any of them) provided that the aggregate amount of the consideration for such acquisitions does not exceed $400,000,000 (or its equivalent in any other currencies) in any Financial Year, and provided further that:

(i) if an asset is acquired by a member of the Group pursuant to this paragraph (l); and

(ii) such asset is the subject of a Disposal by the Group within 12 Months of the date of completion of its acquisition,

the unutilised portion of the amount referred to above in respect of that Financial Year shall be increased by an amount equal to the lower of (A) the amount of the consideration originally paid by the relevant member of the Group which acquired such asset and (B) the amount of the Disposal Proceeds received for such Disposal;

(m) any acquisition by a member of the Centurion Group of assets or of a company, of shares, securities or a business or undertaking (or, in each case, any interest in any of them) provided that (except where the assets, company, shares, securities, business or undertaking (or, in each case, any interest in any of them) acquired was disposed of by (A) a member of the Centurion Group or (B) a member of the Group which is not a member of the Centurion Group in circumstances constituting a Permitted Disposal under the definition of Permitted Disposal) the aggregate amount of the consideration for such acquisitions does not at any time (when aggregated with all other amounts of Centurion Expansion Capital then incurred) exceed the Centurion Expansion Capital Permitted Limit;

(n) the acquisition or repurchase of any shares in a member of the Group which were the subject of any Caliza Offering Option, any Centurion Offering Option or any Trinidad Cement Offering Option (i) where those shares were not taken up in full as part of such option or (ii) pursuant to a Treasury Transaction entered into in connection with that Caliza Offering Option, Centurion Offering Option or Trinidad Cement Offering Option and, for the avoidance of doubt any repurchase under this paragraph (n) shall be a separate and independent right and shall not impact or utilise any other elements permitted under the 2017 Credit Agreement including, without limitation, paragraph (l) or (p) of this definition, paragraph (c) of Clause 21.2 (Financial condition) of the 2017 Credit Agreement, the Caliza Expansion Capital Permitted Limit and the Centurion Expansion Capital Permitted Limit;

(o) the acquisition or repurchase by the Borrower, Caliza, Centurion or Trinidad Cement of its own shares provided that, in the case of the acquisition or repurchase by the Borrower, (i) the aggregate nominal value of any shares acquired or repurchased by it in any Financial Year pursuant to this paragraph (o) does not (when aggregated with the amount of all distributions made by it in that Financial Year pursuant to paragraph (a) of the definition of "Permitted Distribution") exceed $200,000,000 (or its equivalent) and (ii) the Borrower may only acquire or repurchase any of its shares pursuant to this paragraph (o) if it has delivered a Compliance Certificate in respect of the most recent Reference Period for which a Compliance Certificate was required to have been delivered under the 2017 Credit Agreement showing a Consolidated Leverage Ratio in respect of that Reference Period of 4.00:1 or less; and

(p) any acquisition if:

(i) the cash consideration for that acquisition (when aggregated with the cash consideration for any other acquisition made pursuant to this paragraph (p)(i) in the four Financial Quarters ending prior to the date of the proposed acquisition) does not exceed the aggregate amount of free cash flow generated by the Group after deduction of total capital expenditure (as reported by the Borrower in its quarterly earnings report filed with the relevant authority) during the same four Financial Quarter period; and/or

(ii) the acquisition is funded from the proceeds of any disposals of assets received by the Group during the 12 months prior to the making of that acquisition and/or Financial Indebtedness which had been repaid using the proceeds of any disposals of assets received by the Group during the 12 months prior to the making of that acquisition and which has been incurred in up to the same amount in order to fund that acquisition); and/or

(iii) the acquisition is funded from the proceeds of any issuance of shares where such proceeds have been received during the 18 months prior to the making of that acquisition and/or Financial Indebtedness which had been repaid using the proceeds of any issuances of shares received by the Group during the 18 months prior to the making of that acquisition and which has been incurred in up to the same amount in order to fund that acquisition.

"**Permitted Disposal**" means any Disposal provided that:

(a) except in the case of Disposals as between members of the Group, the Disposal is on arm's length terms;

(b) in the case of Disposals of any asset by a member of the Group (the "**Disposing Company**") to another member of the Group (the "**Acquiring Company**"), if:

(i) the Disposing Company had given Transaction Security over the asset, the Acquiring Company must give equivalent Transaction Security over that asset (and, if the Acquiring Company is not already a Security Provider, it must accede to the 2017 Credit Agreement as an Additional Security Provider); and

(ii) the Disposing Company is a Guarantor, the Acquiring Company must be a Guarantor guaranteeing at all times an amount no less than that guaranteed by the Disposing Company (subject to any applicable guarantee limitations),

provided that the conditions set out in paragraphs (i) and (ii) above shall only apply (A) to a Disposal of shares if such Disposal would result in the Acquiring Company becoming a Material Subsidiary, or (B) to a Disposal of other assets if all or substantially all of the assets of the Disposing Company are being disposed of; and

(c) a Disposal of any shares in a member of the Group to a person who is not a member of the Group may only be made:

(i) pursuant to an obligation in respect of any Executive Compensation Plan, any Caliza Transaction, any Centurion Transaction or any Trinidad Cement Transaction; or

(ii) if all the shares in that entity owned by members of the Group are the subject of the Disposal.

"**Permitted Distribution**" means the declaration, making or payment of a dividend, charge, fee or other distribution (or interest on any unpaid dividend, charge, fee or other distribution):

(a) on or in respect of the share capital of the Borrower or any Subsidiary of the Borrower provided that (i) the aggregate amount of all distributions made by the Borrower in any Financial Year does not (when aggregated with the nominal value of all shares acquired or repurchased by it in any Financial Year pursuant to paragraph (o) of the definition of "Permitted Acquisition") exceed $200,000,000 (or its equivalent) and (ii) the Borrower may only make a distribution on or in respect of its share capital if it has delivered a Compliance Certificate in respect of the Reference Period closest to the date of the declaration of such distribution for which a Compliance Certificate was required to have been delivered under the 2017 Credit Agreement showing a Consolidated Leverage Ratio in respect of that Reference Period of 4.00:1 or less;

(b) that is:

(i) a recapitalisation of earnings on or in respect of the share capital of the Borrower (or any class of its share capital) pursuant to which additional share capital of the Borrower or the right to subscribe for additional share capital is issued to the existing shareholders of the Borrower on a pro rata basis;

(ii) by way of the issuance of common equity securities of the Borrower or the right to subscribe for such common equity securities to the existing shareholders of the Borrower on a pro rata basis;

(iii) by way of the issuance of common equity securities of Caliza or the right to subscribe for such common equity securities to the existing shareholders of Caliza on a pro rata basis;

(iv) by way of the issuance of common equity securities of Centurion or the right to subscribe for such common equity securities to the existing shareholders of Centurion on a pro rata basis; or

(v) by way of the issuance of common equity securities of Trinidad Cement or the right to subscribe for such common equity securities to the existing shareholders of Trinidad Cement on a pro rata basis,

provided that, for the avoidance of doubt, no cash or other asset (other than the common equity securities referred to above) of any member of the Group (or any interest in any such cash or asset) is paid or otherwise transferred or assigned to any person that is not a member of the Group in connection with such distribution or interest; or

(c) that is a payment of interest (at a time at which no Default is continuing) on any perpetual debt securities issued by the Borrower or New Sunward Holding Financial Ventures B.V. or otherwise permitted by the 2017 Credit Agreement; or

(d) to any minority shareholders of any Subsidiary of the Borrower; (i) pro rata to its holding in such Subsidiary and provided that all other shareholders of the relevant Subsidiary receive their equivalent pro rata share in any such dividend, charge, fee, distribution or interest payment at the same time; or (ii) in the case of minority shareholders of Assiut Cement Company on any basis (whether pro rata to its holding in such Subsidiary or otherwise), provided that the maximum aggregate amount distributed under this sub-paragraph (ii) must not exceed $25,000,000 (or its equivalent) from the date of the 2017 Credit Agreement to the last Termination Date; or

(e) that is pursuant to any obligation or undertaking entered into by Trinidad Cement prior to the date of the 2017 Credit Agreement relating to an agreement with the union of Trinidad Cement to provide shares in Trinidad Cement to unionised employees of that company.

"**Permitted Financial Indebtedness**" means:

(a) any Financial Indebtedness whatsoever incurred by an Obligor which Financial Indebtedness may, at the discretion of the Borrower, share in the Transaction Security; and

(b) any Financial Indebtedness incurred by a member of the Group which is not an Obligor:

(i) that is Existing Financial Indebtedness including any such Existing Financial Indebtedness to the extent that it is refinanced or replaced from time to time provided that the aggregate principal amount of such Financial Indebtedness does not increase above the principal amount outstanding as at the date of the 2017 Credit Agreement (except as

otherwise permitted or not restricted by the 2017 Credit Agreement or by the amount of any capitalised interest under any facility or instrument that provided for capitalisation of interest on those terms as at the date of the 2017 Credit Agreement);

(ii) that is owed to a member of the Group;

(iii) that constitutes a Permitted Securitisation;

(iv) arising under Capital Leases, factoring arrangements, Inventory Financing arrangements or export credit facilities or any similar arrangements for the purchase of equipment (provided that any Security granted in relation to any such facility relates solely to equipment, the purchase of which was financed under such facility) or pursuant to sale and lease-back transactions provided that the maximum aggregate Financial Indebtedness of members of the Group which are not Obligors under such transactions does not exceed $500,000,000 at any time (disregarding, for the purpose of such limit, any amount of Financial Indebtedness of such members of the Group arising under such arrangements permitted under this paragraph (iv) and in place as at the date of the 2017 Credit Agreement including any amounts under such Financial Indebtedness which has been repaid and reborrowed whether pursuant to the terms of the arrangement constituting such Financial Indebtedness when originally advanced or otherwise);

(v) incurred for the purposes of refinancing Financial Indebtedness of any member of the Group which is not an Obligor;

(vi) that becomes Financial Indebtedness solely as a result of any change in Applicable GAAP after the date of the 2017 Credit Agreement and that existed prior to the date of such change in Applicable GAAP (or that replaces, and is on substantially the same terms as, such Financial Indebtedness);

(vii) of any person acquired by a member of the Group pursuant to a Permitted Acquisition provided that: (i) such Financial Indebtedness existed prior to the date of the acquisition and was not incurred, increased or extended in contemplation of, or since, the acquisition; and (ii) the aggregate amount of any such Financial Indebtedness of members of the Group which are not Obligors does not exceed $200,000,000 at any time;

(viii) under Treasury Transactions entered into in accordance with Clause 22.27 (*Treasury Transactions*) of the 2017 Credit Agreement;

(ix) incurred pursuant to or in connection with any cash pooling or other cash management agreements in place with a bank or financial institution, but only to the extent of offsetting credit balances of a member of the Group which is not an Obligor pursuant to such cash pooling or other cash management arrangement;

(x) constituting Financial Indebtedness for taxes levied, assessments due and other governmental charges required to be paid as a matter of law or regulation in the ordinary course of trading;

(xi) that constitutes a Permitted Joint Venture;

(xii) that constitutes a Permitted Working Capital Facility;

(xiii) incurred by a member of the Caliza Group for the purposes of financing Caliza Expansion Capital in the amount of the Caliza Expansion Capital to be incurred (provided that the aggregate of all such Caliza Expansion Capital (other than any such amount that is funded from Relevant Proceeds) may not exceed the Caliza Expansion Capital Permitted Limit at any time);

(xiv) incurred by a member of the Centurion Group for the purposes of financing Centurion Expansion Capital in the amount of the Centurion Expansion Capital to be incurred (provided that the aggregate of all such Centurion Expansion Capital (other than any such amount that is funded from Relevant Proceeds) may not exceed the Centurion Expansion Capital Permitted Limit at any time);

(xv) not permitted by the preceding paragraphs or as a Permitted Transaction and the outstanding principal amount of which (when aggregated with the aggregate principal amount of any Financial Indebtedness of Obligors which is guaranteed by members of the Group which are not Obligors) does not exceed $500,000,000 (or its equivalent) in aggregate; and

(xvi) approved by the Agent acting on the instructions of the Majority Lenders,

provided that for the purposes of sub-paragraph (b) only, such Financial Indebtedness of members of the Group which are not Obligors shall not benefit from the Transaction Security but may be secured to the extent that any such Security or Quasi-Security put in place would constitute Permitted Security.

"**Permitted Fundraising**" means:

(a) any issuance of equity securities by the Borrower paid for in full in cash on issue (and, for the avoidance of doubt, such securities may be issued with an original issue discount) and not redeemable on or prior to the Termination Date and where such issue does not lead to a Change of Control; and

(b) any issuance of equity-linked securities issued by any member of the Group that are linked solely to, and result only in the issuance of, equity securities of the Borrower otherwise entitled to be issued under this definition (and that do not, for the avoidance of doubt, result in the issuance of any equity securities by such member of the Group) and that are paid for in full in cash on issue (and, for the avoidance of doubt, such securities may be issued with an original issue discount) and where such issue does not lead to a Change of Control (provided that such securities do not provide for the payment of interest in cash and are not redeemable on or prior to the Termination Date).

"**Permitted Fundraising Proceeds**" means the cash proceeds received by any member of the Group from a Permitted Fundraising.

"**Permitted Guarantee**" means:

(a) any guarantee or similar provided by an Obligor; and

(b) in relation to any member of the Group which is not an Obligor:

(i) any guarantee existing on the date of the 2017 Credit Agreement;

(ii) the endorsement of negotiable instruments in the ordinary course of trade but excluding an *aval*;

(iii) any performance guarantee or Contingent Instrument guaranteeing performance by a member of the Group under any contract entered into in the ordinary course of trade;

(iv) any guarantee of a Joint Venture to the extent permitted by Clause 22.20 (*Joint ventures*) of the 2017 Credit Agreement;

(v) any guarantee (including an *aval*) of Financial Indebtedness falling within the definition of Permitted Financial Indebtedness;

(vi) any guarantee given in respect of the netting or set-off arrangements permitted pursuant to paragraph (B) of the definition of Permitted Security;

(vii) any indemnity given in the ordinary course of business by any member of the Group which is not an Obligor in connection with its commercial or corporate activities, including but not limited to any Permitted Disposal, Permitted Acquisition, or any indemnity given to professional advisers on customary terms as part of the terms of their engagement;

(viii) any guarantee given by a member of the Group which is not an Obligor in respect of the obligations of another member of the Group which is not an Obligor;

(ix) any guarantee consented to by the Agent acting on behalf of the Majority Lenders;

(x) any guarantee given by a member of the Group in respect of obligations of a member of the Caliza Group or of the Centurion Group under Financial Indebtedness permitted to be incurred under paragraph (b)(xiii) or (b)(xiv), as applicable of the definition of Permitted Financial Indebtedness; and

(xi) any other guarantee that does not fall within paragraphs (i) to (x) above given by a member of the Group which is not an Obligor provided that at any time the aggregate principal amount guaranteed by all such guarantees does not exceed $500,000,000 (or its equivalent) (and provided further that (i) any performance bonds, banker's acceptances or guarantee, bonding, documentary or stand-by letter of credit facilities shall only be counted towards such limit to the extent that such performance bond, banker's acceptance, guarantee, bonding, documentary or stand-by letter of credit facility constitutes Debt and (ii) where such guarantee is to be given by a member of the Group that is not an Obligor in relation to Financial Indebtedness of an Obligor, such guarantee shall be considered as Financial Indebtedness for the purposes of paragraph (b)(xv) of the definition of Permitted Financial Indebtedness).

"**Permitted Joint Venture**" means any investment in any Joint Venture (by way of a subscription for shares in, loan to, guarantee in respect of the liabilities of or transfer of assets to that Joint Venture) where:

(a) such investment exists or a member of the Group is contractually committed to such investment at the date of the 2017 Credit Agreement; or

(b) such investment is otherwise permitted under, or not restricted by, the 2017 Credit Agreement (other than pursuant to paragraph (e) of the definition of "Permitted Acquisition", paragraph (b)(xi) of the definition of "Permitted Financial Indebtedness", paragraph (b)(iv) of the definition of "Permitted Guarantee", paragraph (c) of the definition of "Permitted Loan" or paragraph (i) of the definition of "Permitted Share Issue").

"**Permitted Loan**" means:

(a) any trade credit extended by any member of the Group to its customers on normal commercial terms and in the ordinary course of its trading activities;

(b) Financial Indebtedness which is referred to in the definition of, or otherwise constitutes, Permitted Financial Indebtedness (except under paragraph (b)(iii) of that definition);

(c) a loan made to a Joint Venture to the extent permitted under Clause 22.20 (Joint ventures);

(d) a loan made by a member of the Group to another member of the Group;

(e) deferred consideration in relation to Disposals falling within the definition of Permitted Disposal;

(f) a loan made by a member of the Group to an employee or director of any member of the Group if the amount of that loan when aggregated with the amount of all loans to employees and directors by members of the Group does not exceed $15,000,000 (or its equivalent) at any time;

(g) any loan consented to by the Agent acting on the instructions of the Majority Lenders;

(h) a loan arising as a result of an advance payment of Capital Expenditure made in the ordinary course of trading where such Capital Expenditure is permitted under the 2017 Credit Agreement;

(i) any credit extended by way of receipt by a member of the Group of promissory notes in exchange for supplying materials or services for use in Mexican public works projects as long as the aggregate principal amount of the Financial Indebtedness under such loan(s) does not exceed $100,000,000 (or its equivalent) at any time; and

(j) any other loan(s) as long as the aggregate principal amount of the Financial Indebtedness under any such loan(s) does not exceed $250,000,000 (or its equivalent) at any time.

"**Permitted Put/Call Proceeds**" means any cash or other assets arising out of or in connection with any Permitted Put/Call Transaction, including, but not limited to, any settlement, disposal, transfer, assignment, close-out or other termination of such Permitted Put/Call Transaction.

"**Permitted Put/Call Transaction**" means any call option, call spread, capped call transaction, put option, put spread, capped put transaction or any combination of the foregoing and/or any other Treasury Transaction or transactions having a similar effect to any of the foregoing, in each case entered into, sold or purchased not for speculative purposes but for the purposes of managing specific risks or exposures associated with any issuance of Relevant Convertible/Exchangeable Obligations.

"**Permitted Reorganisation**" means, any intra-Group reorganisation (including any Reconstruction) provided that upon completion of each step in the Permitted Reorganisation the requirements of Clause 22.28 (*Transaction Security*) of the 2017 Credit Agreement are satisfied, where relevant.

"**Permitted Securitisations**" means a transaction or series of related transactions providing for the securitisation of receivables and related assets by the Borrower or its Subsidiaries, including a sale at a discount, provided that (i) such receivables have been transferred, directly or indirectly, by the originator thereof to a person that is not a member of the Group in a manner that satisfies the requirements for an absolute conveyance (or, where the originator is organised in Mexico, a true sale), and not merely a pledge, under the laws and regulations of the jurisdiction in which such originator is organised; and (ii) except for customary representations, warranties, covenants and indemnities, such sale, transfer or other securitisation is carried out on a non-recourse basis or on a basis where recovery is limited solely to the collection of the relevant receivables (other than where such recourse or recovery is required pursuant to Article 122a of the Capital Requirements Directive of the European Parliament and of the Council of the European Union (as introduced by Directive 2009/111/EC of 16 September 2009, amending Directives 2006/48/EC, 2006/49/EC and 2007/64/EC) (as further amended or replaced from time to time, including, without limitation, by virtue of Articles 404 to 410 of Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms) and any relevant implementing legislation or pursuant to any analogous laws or regulations in any jurisdiction (the "**Relevant Legislation**")).

"**Permitted Security**" means the following Security and Quasi-Security:

(A) Security for taxes, assessments and other governmental charges the payment of which is being contested in good faith by appropriate proceedings promptly initiated and diligently conducted and for which such reserves or other appropriate provision, if any, as shall be required by Applicable GAAP of the Borrower shall have been made;

(B) Security granted pursuant to or in connection with any netting or set-off arrangements entered into in the ordinary course of trading (including, for the avoidance of doubt, any cash pooling or cash management arrangements in place with a bank or financial institution falling within paragraph (b)(ix) of the definition of Permitted Financial Indebtedness or any similar Financial Indebtedness incurred by an Obligor);

(C) statutory liens of landlords and liens of carriers, warehousemen, mechanics and materialmen incurred in the ordinary course of business for sums not yet due or the payment of which is being contested in good faith by appropriate proceedings promptly initiated and diligently conducted and for which such reserves or other appropriate provision, if any, as shall be required by Applicable GAAP of the Borrower shall have been made;

(D) liens incurred or deposits made in the ordinary course of business in connection with (1) workers' compensation, unemployment insurance and other types of social security, or (2) other insurance maintained by the Group in accordance with Clause 22.10 (*Insurance*) of the 2017 Credit Agreement;

(E) any attachment or judgment lien, unless the judgment it secures shall not, within 60 days after the entry thereof, have been discharged or execution thereof stayed pending appeal, or shall not have been discharged within 60 days after the expiration of any such stay;

(F) Security and Quasi-Security existing as at 30 June 2017 as described in Schedule 11 (*Existing Security and Quasi-Security*) of the 2017 Credit Agreement and any equivalent Security and Quasi-Security in relation to any Financial Indebtedness that is refinancing or replacing any Financial Indebtedness over which Security or Quasi-Security is in place described in Schedule 11 (*Existing Security and Quasi-*Security) of the 2017 Credit Agreement provided that the principal amount secured thereby is not increased (save that principal amounts secured by Security or Quasi-Security in respect of:

(1) Treasury Transactions where there are fluctuations in the mark-to-market exposures of those Treasury Transactions; and

(2) Financial Indebtedness where principal may increase by virtue of capitalisation of interest, may be increased by the amount of such fluctuations or capitalisations, as the case may be);

(G) any Security or Quasi-Security permitted by the Agent, acting on the instructions of the Majority Lenders;

(H) any Security created or deemed created pursuant to a Permitted Securitisation;

(I) any Security or Quasi-Security granted in connection with any Treasury Transaction, excluding any Treasury Transaction described in Schedule 11 (*Existing Security and Quasi-Security*) of the 2017 Credit Agreement, that constitutes Permitted Financial Indebtedness provided that the aggregate value of the assets that are the subject of such Security or Quasi-Security does not exceed $200,000,000 (or its equivalent in other currencies) at any time;

(J) Security or Quasi-Security granted or arising over receivables, inventory, plant or equipment that fall within paragraph (b)(iv) of the definition of Permitted Financial Indebtedness or any similar Financial Indebtedness incurred by an Obligor;

(K) the Transaction Security including, for the avoidance of doubt, any sharing in the Transaction Security referred to in paragraph (a) of the definition of Permitted Financial Indebtedness;

(L) any Security or Quasi Security 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*);

(M) any Security or Quasi-Security that is created or deemed created on shares of the Borrower or, as the case may be, Caliza, Centurion or, as applicable, Trinidad Cement, 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 Quasi-Security is customary for such transaction;

(N)

(1) any Security or Quasi-Security granted over assets of the Caliza Group in connection with any Permitted Financial Indebtedness referred to in paragraph (b)(xiii) of that definition or any similar Financial Indebtedness incurred by an Obligor; or

(2) any Security or Quasi-Security granted over assets of the Centurion Group in connection with any Permitted Financial Indebtedness referred to in paragraph (b)(xiv) of that definition or any similar Financial Indebtedness incurred by an Obligor; or

(O) in addition to the Security and Quasi-Security permitted by the foregoing paragraphs (A) to (N), Security or Quasi-Security securing indebtedness of the Borrower and its Subsidiaries (taken as a whole) not in excess of $500,000,000.

"**Permitted Share Issue**" means:

(a) a Permitted Fundraising;

(b) an issue of shares by a member of the Group which is a Subsidiary of the Borrower to another member of the Group (and, where the member of the Group has a minority shareholder, to that minority shareholder on a pro rata basis) where (if the existing shares of the Subsidiary are the subject of the Transaction Security) the newly-issued shares also become subject to the Transaction Security on the same terms;

(c) an issue of shares by the Borrower to comply with an obligation in respect of any Executive Compensation Plan of the Borrower;

(d) an issue of common equity securities of the Borrower or other equity-like instruments of the Borrower or any other member of the Group either (i) by the Borrower or (ii) to any member of the Group where the Borrower or that member of the Group has an obligation to deliver such shares or other equity-like instruments to a counterparty pursuant to the terms of any Permitted Put/Call Transaction or an obligation to deliver such shares or other equity-like instruments to the holder(s) of convertible or exchangeable securities comprising Financial Indebtedness permitted pursuant to, or not restricted by, Clause 22.6 (*Financial Indebtedness*) of the 2017 Credit Agreement pursuant to the terms and conditions of such convertible or exchangeable securities (as amended from time to time);

(e) an issue of shares by Caliza, by Centurion or by Trinidad Cement to comply with an obligation in respect of any Executive Compensation Plan of Caliza, Centurion or Trinidad Cement, as applicable;

(f) an issue of shares by Caliza pursuant to a Caliza Transaction, an issue of shares by Centurion pursuant to a Centurion Transaction or an issue of shares by Trinidad Cement pursuant to a Trinidad Cement Transaction;

(g) any issue of shares by the Borrower, Caliza, Centurion or Trinidad Cement which comprise the consideration for a Permitted Acquisition;

(h) an issue of shares by Trinidad Cement pursuant to any commitments made by Trinidad Cement prior to the date of the 2017 Credit Agreement;

(i) an issue of shares which constitutes a Permitted Joint Venture; and

(j) any issue of shares consented to by the Agent acting on the instructions of the Majority Lenders.

"**Permitted Transaction**" means:

(a) any disposal required, Financial Indebtedness incurred, guarantee, indemnity or Security given, or other transaction arising, under the Finance Documents;

(b) the solvent liquidation or reorganisation of any member of the Group which is not an Obligor so long as any payments or assets distributed as a result of such liquidation or reorganisation are distributed to other members of the Group (and, where the member of the Group has a minority shareholder, to that minority shareholder on a pro rata basis);

(c) any Permitted Reorganisation; and

(d) transactions (other than (i) any sale, lease, license, transfer or other disposal and (ii) the granting or creation of Security or the incurring or permitting to subsist of Financial Indebtedness) conducted in the ordinary course of trading on arm's length terms.

"**Permitted Working Capital Basket**" has the meaning given to that term in the definition of Permitted Working Capital Facility.

"**Permitted Working Capital Facility**" means Financial Indebtedness of one or more members of the Group which are not Obligors under loan facilities, overdraft facilities, performance bonds, banker's acceptances, guarantee, bonding, documentary or stand-by letter of credit facilities, commercial paper, insurance premium financing and, in each case, other similar facilities or accommodation (in any case) for the financing of working capital of the Group or such members of the Group in an aggregate amount of no more than $900,000,000 (or its equivalent) (the "**Permitted Working Capital Basket**") provided that the Permitted Working Capital Basket shall only limit any such performance bond, banker's acceptance, guarantee, bonding, documentary or stand-by letter of credit facility to the extent that such performance bond, banker's acceptance, guarantee, bonding, documentary or stand-by letter of credit facility constitutes Debt.

"**Promissory Notes**" means a dual column English and Spanish non-negotiable promissory note issued or to be issued by the Borrower and executed por aval by each of the Guarantors, substantially in the form set out in Part I (*Term Loans in Dollars Pagaré No Negociable / Non-Negotiable Promissory Note*) of the 2017 Credit Agreement for Term Loans in dollars, Part II (*Loans in Dollars under the revolving loan Facility Pagaré No Negociable / Non-Negotiable Promissory Note*) of the 2017 Credit Agreement, for Loans in dollars under the revolving loan Facility, Part III (*Term Loans in sterling Pagaré No Negociable / Non-Negotiable Promissory Note*) of the 2017 Credit Agreement, for Term Loans in sterling and Part IV (*Term Loans in euro Pagaré No Negociable / Non-Negotiable Promissory Note*) of the 2017 Credit Agreement for Term Loans in euro of Schedule 4 (*Form of Promissory Note*) of the 2017 Credit Agreement.

"**Quarter Date**" means each of 31 March, 30 June, 30 September and 31 December.

"**Quasi Security**" means an arrangement or transaction in which the Borrower or any Subsidiary:

(i) sells, transfers or otherwise disposes of any of its assets on terms whereby they are or may be leased to or re-acquired by an Obligor or any other member of the Group;

(ii) sells, transfers or otherwise disposes of any of its receivables on recourse terms;

(iii) enters into any arrangement under which money or the benefit of a bank or other account may be applied, set-off or made subject to a combination of accounts; or

(iv) enters into any other preferential arrangement having a similar effect,

in circumstances where the arrangement or transaction is entered into primarily as a method of raising Financial Indebtedness or of financing the acquisition of an asset.

"**Receiver**" means a receiver or receiver and manager or administrative receiver of the whole or any part of the Charged Property.

"**Reconstruction**" means any amalgamation, demerger, merger, *fusión, escisión* or other corporate reconstruction.

"**Reference Period**" means a period of four consecutive Financial Quarters.

"**Relevant Convertible/Exchangeable Obligations**" means: (a) any Financial Indebtedness incurred by any person the terms of which provide that satisfaction of the principal amount owing under such Financial Indebtedness (whether on or prior to its maturity and whether as a result of bankruptcy, liquidation or other default by such person or otherwise) shall occur solely by delivery of shares or common equity securities in the Borrower or any other member of the Group; and (b) any Financial Indebtedness under any Subordinated Optional Convertible Securities.

"**Relevant Proceeds**" means Caliza Proceeds, Centurion Proceeds, Disposal Proceeds, Permitted Fundraising Proceeds or Permitted Put/Call Proceeds.

"**Reserve**" means a reserve created by the Borrower (and any of its Subsidiaries).

"**Reserve Certificate**" means:

(a) for the purposes of paragraph (d)(i) of Clause 21.5 (*Reserve*) of the 2017 Credit Agreement, a certificate signed by a Responsible Officer setting out the amount of proceeds from an incurrence of Permitted Financial Indebtedness that the Borrower (or any of its Subsidiaries) wishes to be applied to a Reserve in accordance with this Clause 21.5 (*Reserve*) of the 2017 Credit Agreement and which has been actually credited to that Reserve; and

(b) for the purposes of paragraph (d)(ii) of Clause 21.5 (*Reserve*) of the 2017 Credit Agreement, a certificate signed by a Responsible Officer setting out the amount of proceeds from an incurrence of Permitted Financial Indebtedness standing to the credit of a Reserve that the Borrower (or any of its Subsidiaries) wishes to be applied in repayment or prepayment of Financial Indebtedness as described in paragraph (a) above and which is so applied.

"**Resignation Letter**" means a document substantially in the form set out in Schedule 8 (*Form of Resignation Letter*) of the 2017 Credit Agreement.

"**Responsible Officer**" means the Chief Financial Officer and/or Chief Controlling Officer of the Borrower or a person holding equivalent status (or higher).

"**S&P**" means Standard & Poor's Rating Services, a division of The McGraw-Hill Companies, Inc., or any successor thereto from time to time.

"**SEC**" means the U.S. Securities Exchange Commission and any successor thereto.

"**Secured Parties**" means each Finance Party from time to time to the 2017 Credit Agreement and any Receiver or Delegate.

"**Security**" means a mortgage, charge, pledge, lien, security trust or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect.

"**Security Agent**" means Wilmington Trust (London) Limited as security agent of the Secured Parties.

"**Security Providers**" means the Original Security Providers and any Additional Security Provider other than any Original Security Provider or Additional Security Provider which has ceased to be a Security Provider pursuant to Clause 28.4 (*Resignation of a Security Provider*) of the 2017 Credit Agreement and has not subsequently become an Additional Security Provider pursuant to Clause 28.2 (*Additional Guarantors and Additional Security Providers*) of the 2017 Credit Agreement, and "**Security Provider**" means any of them.

"**Selection Notice**" means a notice substantially in the form set out in Part II of Schedule 3 (*Requests and Notices*) of the 2017 Credit Agreement given in accordance with Clause 10 (*Interest Periods*) of the 2017 Credit Agreement.

"**Spanish GAAP**" means the Spanish General Accounting Plan (*Plan general de contabilidad*) approved by Royal Decree 1514/2007 as in effect from time to time and consistent with those used in the preparation of the most recent audited financial statements referred to in Clause 20.1 (*Financial statements*) of the 2017 Credit Agreement.

"**Subordinated Optional Convertible Securities**" means:

(a) The Existing Subordinated Convertible Notes; and

(b) any Financial Indebtedness incurred by any member of the Group the terms of which provide that such indebtedness is capable of optional conversion into equity securities or other equity-like instruments of the Borrower or any member of the Group and that repayment of principal and accrued but unpaid interest thereon is subordinated (under terms customary for an issuance of such Financial Indebtedness) to all senior Financial Indebtedness of the Borrower (including, but not limited to, the Facilities) except for: (A) indebtedness that states, or is issued under a deed, indenture, agreement or other instrument that states, that it is subordinated to or ranks equally with any Subordinated Optional Convertible Securities and (B) indebtedness between or among members of the Group provided that:

(i) If such Financial Indebtedness is being issued to refinance Existing Subordinated Convertible Notes (only) then:

A. principal repayments in cash of such Financial Indebtedness shall:

1. not exceed in aggregate the amount of the fees, costs and expenses related to the refinancing of the Existing Subordinated Convertible Notes being refinanced plus the higher of (x) the nominal value of such Existing Subordinated Convertible Notes and (y) the market value of such Existing Subordinated Convertible Notes; and

2. if payable in cash in any instalments scheduled before (but excluding) the maturity date of the Existing Subordinated Convertible Notes being refinanced, such instalments are no greater in amount or sooner in time than provided for by the Existing Subordinated Convertible Notes being refinanced; or

B. such Financial Indebtedness shall not have any scheduled principal repayments in cash until after the last Termination Date under the 2017 Credit Agreement; and

(ii) in all other circumstances, such Financial Indebtedness shall not have any scheduled principal repayments in cash until after the last Termination Date under the 2017 Credit Agreement.

"**Subsidiary**" means in relation to any company, partnership or corporation, a company, partnership or corporation:

(a) which is controlled, directly or indirectly, by the first mentioned company, partnership or corporation;

(b) in the case of a company or corporation, more than half the issued share capital of which is beneficially owned, directly or indirectly by the first mentioned company, partnership or corporation; or

(c) which is a Subsidiary of another Subsidiary of the first mentioned company, partnership or corporation,

and for this purpose, a company or corporation shall be treated as being controlled by another if that other company or corporation is able to direct its affairs and/or to control the composition of its board of directors or equivalent body.

"**TARGET2**" means the Trans-European Automated Real-time Gross Settlement Express Transfer payment system, which utilises a single shared platform and which was launched on 19 November 2007.

"**TARGET Day**" means any day on which TARGET2 is open for the settlement of payments in euro.

"**Tax**" means any tax, levy, impost, duty or other charge, deduction or withholding of a similar nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same).

"**Termination Date**" means, in each case subject to Clause 38.3 (*Facility Change*) of the 2017 Credit Agreement, (i) in relation to the Facilities originally granted under of the 2017 Credit Agreement, the date falling 60 Months after the date of the 2017 Credit Agreement and (ii) in relation to any other Facility or Facilities granted pursuant to Clause 2.2 (*Accordion*) of the 2017 Credit Agreement, the termination date in relation to that Facility or those Facilities (as applicable).

"**Transaction Security**" means the Security created or expressed to be created in favour of the Security Agent pursuant to the Transaction Security Documents.

"**Transaction Security Documents**" means the Mexican Security Trust Agreement, each of the documents listed as being a Transaction Security Document in paragraph 3 (*Transaction Security Documents*) of Part I of Schedule 2 (*Conditions Precedent*) of the 2017 Credit Agreement and any document required to be delivered to the Agent under paragraph 3 (*Transaction Security Documents*) of Part II of Schedule 2 (*Conditions Precedent*) of the 2017 Credit Agreement together with any other document entered into by any Obligor creating or expressed to create any Security over all or any part of its assets in respect of the obligations of any of the Obligors under any of the Finance Documents (and any other "Debt Documents" as defined in the Intercreditor Agreement).

"**Treasury Transactions**" means any derivatives, swap, forward, option or other similar transaction whatsoever.

"**Trinidad Cement**" means Trinidad Cement Limited.

"**Utilisation Request**" means a notice substantially in the form set out in Part I (*Utilisation Request*) of Schedule 3 (*Requests and Notices*) of the 2017 Credit Agreement.

ANTONIO PÉREZ-COCA CRESPO
Notary
C/ Monte Esquinza, 6
28010 MADRID
Tel.: 91 418 32 80 Fax.: 91 319 90 46

DEED OF ACCESSION TO THE PLEDGE OF SHARES OF CEMEX ESPAÑA, S.A. GRANTED BY THE ENTITIES "THE BANK OF NEW YORK MELLON" y "CEMEX ESPAÑA, S.A."

NUMBER SIX THOUSAND FOUR HUNDRED AND NINE.

In Madrid, my residence on December 5th, two thousand seventeen.

Before me, **JOSÉ LUIS LÓPEZ DE GARAYO Y GALLARDO,** Notary Public of Madrid and its Illustrious Bar, in substitution of my companion **MR. ANTONIO PÉREZ-COCA CRESPO,** for his accidental impossibility,

APPEARS:

MRS. PALOMA-JULIETA ÁLVAREZ-URÍA BERROS, adult, of Spanish nationality, with domicile to these effects in Madrid, José Abascal st., number 45; with National Identity Document number 09427338Y.

MR. JUAN PELEGRI y GIRON, adult, of Spanish nationality domiciled for these purposes at Hernández de Tejada St., number 1, 28027 Madrid; with National Identity Document number 01489996-X.

INTERVENE:

The first, on behalf and representation of **THE BANK OF NEW YORK MELLON** (hereafter, the **"Bank"),** constituted in accordance with the laws of the State of New York (United States of America) America), with registered office at 225 Liberty Street, New York, N.Y. 10286, United States of America, which in turn acts in representation and benefit of the holders of Senior Secured Notes for maximum main aggregate amount of **SIX HUNDRED FIFTY MILLIONS of euros** (650,000,000.00 **Euros)**, at a rate of 2,750% interest, with maturity in **two thousand twenty-four**, subject to the assumptions of anticipated amortization that have been foreseen, issued under the bond issue agreement (Indenture), governed by the laws of the State of New York (United States of America), signed on December 5th, 2.017 by, among others, CEMEX, S.A.B. de C.V. a company stablished in accordance to the laws of Mexico, as issuer, and The Bank of New York Mellon, as trustee (hereafter, with its following amendments or novation, the **"Bond Issue"**).

Making use of its current power, as it affirms, to its favor conferred by deed granted before Notary Public of New York, Mr. Bret Derman, on November 29th, two thousand and seventeen, photocopy of which has been shown to me and whose original, duly apostilled in accordance with the Hague Convention of October 5th,1. 961, which I will add the present deed, through diligence, when it is delivered to me.

The second, on behalf and representing the Society **"CEMEX ESPAÑA, S.A."** (formerly COMPAÑÍA VALENCIANA DE CEMENTOS PÓRTLAND, S.A.) domiciled in Madrid, Hernández de Tejada st., 1; whose object is the Holding activity.

With Code CNAE 6420 "Activities of the Holding Company".

It was constituted with an indefinite duration in deed authorized by the Notary who was in Valencia, Mr. Juan Bautista Roch Contelles, on April 30th, 1.917, adapted to the present legislation through deed authorized by the Notary Public of Valencia, Mr. Antonio Soto Bisquert on July 13th, 1.990; whose constitution was REGISTERED in the Mercantile Registry of Valencia, in Volume 122, book 28 of companies, section 3a of anonymous, sheet 354, inscription Ia; as of the adaptation it is registered in the aforementioned Registry, in volume 2,854, book 10, general section, folio sheet V2533,inscription 165; Also, the statues of the company were recast through another instrument authorized by the Notary Public of Madrid, Mr. Antonio Francés y de Mateo on August 12th,1993, with order number 6,796, which caused the 200th registration.

Transferred the current address above, by deed authorized by the Notary of Valencia, Mr. Antonio Soto Bisquert, on June 29th, 1995, with order number 1,489 of its protocol, and registered in the Mercantile Registry of Madrid, in volume 9743 and 9744, section 8a, of the Book of Companies, folio 1 and 166, sheet number M 156542, inscriptions Ia y 2a.

Changed its name to the one it now holds, by agreement taken by the General Board of Shareholders of the Company, in its meeting held on the twenty-fourth day of June two thousand and two, raised to public before my testimony, the same day, under order number 662 of his protocol, causing the 122 ° inscription of the registry sheet.

It has C.I.F. number: A46004214 and CNAE Code number 6420 (holding societies).

The appearing party states that the data identifying the Company and, especially, its social object and domicile, have not varied from the consigned ones.

Has C.I.F. number: A-46.004.214.

Making use of its current faculties, which were conferred in its favor by adopted agreement by the Board of Directors of the Company, in their meeting held on November 15th, of two thousand seventeen, raised to public through

Public deed granted before me, in substitution, today, under the number of protocol previous to the present, as credited by authorized copy of the deed I have to the view.

For the purposes set forth in article 98 of the Law 24/2001, and in accordance with the Resolution of the General Directorate of Registries and Notaries of April 12th, 2002, I note that in my opinion, I consider the accredited representative powers sufficient to formalize the present deed of adhesion of pledge in the terms that are indicated below.

REAL TITULARITY.- I, the Notary, expressly state that I have complied with the obligation of Identification of the real holder that the Law 10/2010 of April 28th, imposes, whose result consists in authorized act before my testimony, the eleventh day of November of two thousand and ten, under number 2,387 of order of my protocol, which has not been modified since then, according to the representative of the Society.

The appearing gentlemen have in my opinion, as they intervene, legal capacity and legitimate interest necessary for the granting of present **DEED OF ACCESSION TO THE POLICY OF PLEDGE OF SHARES OF CEMEX ESPAÑA, S.A.** and, to such effect, in the representation they hold, and all the legal effects that proceed,

EXPOSE

I. That, by virtue of the contract granted in the policy intervened by me on November 8th, 2012, registered with the number 3,530 in Section A of its Registry Book, which has been extended in several times, the last on July 19th, 2017 through contract formalized through policy intervened by me on said date (hereinafter, the **"Pledge Policy"**), CEMEX, S.A.B. de C.V. and New Sunward Holding B.V. they constituted certain real rights of Pledge (hereinafter, the **"Pledges"**) over the shares of the company CEMEX Spain, S.A. of its ownership.

II. That, in accordance with the Contract of Relations between Creditors (as defined in the Pledge Policy), the creditors of the CEMEX group in virtue of bond issues such as the Issuance of Bonds will be considered as Creditors of Additional Bonds (Additional Notes Creditors) and, therefore, of Guaranteed Parties (Secured Parties) under the terms provided in the Contract of Relationship between Creditors and in the Pledge Policy, and they can get the benefit of the Pledges by adhering to the Pledge Policy in accordance with the provisions of Clause 16 therein.

III. That, in accordance with the provisions of Clause 16 of the Pledge Policy, the Parties Guaranteed in whose benefit the Agent of Guarantees, including the Bank, in his status of trustee of the bondholders of the Bond Issue, may adhere to the Pledge Policy and ratify their content, accepting the Pledges constituted in their favor in guarantee of the Guaranteed Obligations corresponding, through the appearance before me.

Said accessions will be carried out through the granting the corresponding deed or accession policy, and all without the need for new consent of the pledging agents or pledgee creditors, for having lent their consent in advance in the Contract of Relationship between Creditors and in the Pledge Policy itself.

IV. That the Bank expressly states that the accession to which the Stipulations of this Scripture refer is formalized as a mere instrument for the execution of the rights attributed to the Bank in the Pledge Policy, from which it causes, so that the payment obligations derived from the Bond Issue are guaranteed with a real right of pledge of first rank over the Actions (as defined in the Pledge Policy), concurrent with the remaining Pledge.

V. That in virtue of the above, the Bank wishes to grant the present deed of accession (hereafter, the "Deed") according to the following

STIPULATIONS

FIRST.- ACCESSION TO THE PLEDGE POLICY.

By this Deed, the Bank adheres, ratifies and approves the Pledge Policy in all its contents, whose full content declares to know, giving therefore to such bestowal full value and legal effectiveness and accepting that the obligations of payment derived from the Bond Issue shall be guaranteed with a real right of pledge of first range over the Actions (as defined in Pledge Policy), concurrent with the rest Pledges.

The Bank REQUIRES ME, the Notary, to **NOTIFY** this accession to **WILMINGTON TRUST (LONDON) LIMITED**, with address for these purposes in Third Floor, 1 King's Arms Yard, London, United Kingdom, EC2R 7AF (attention Sajada Afzal), in its condition of Agent of Guarantees and I, the Notary, accept said requirement.

CEMEX Spain, S.A., appears in this act to the effects of being notified of this accession.

SECOND.- APPLICABLE LAW AND JURISDICTION.

2.1 The present Deed is subject to the Spanish common law.

2.2 The Parties expressly submit to the Jurisdiction and Competence of the Courts and Tribunals of Madrid capital for all issues that may arise from the validity, interpretation, compliance and execution of present Deed.

TREATMENT OF DATA.- The appearing parties accept the incorporation of their data and the copy of their identity documents to the files of the Notary in order to perform the functions proper of the notarial activity and carry out the data communications provided for in the La won Public Administrations and, where appropriate, the Notary that succeeds the current one. May exercise its rights of access, rectification, cancellation and opposition in the authorizing Notary.

Said and granted

And me, the Notary, I CERTIFY:

a. – That I know Mr. Pelegri, and have identified the other appearing party through its corresponding national identity document, whose photograph and signature match.

b. - That the parties, in my opinion, have the capacity and are legitimized for the present bestowal.

c. - That the granting suits the legality and free and properly informed will of those appearing.

d. - Having read this public instrument to the grantors, previously warned of their right to do it themselves, that they have exercised, and who claim to have been duly informed of the full content thereof, to which they lend their consent, all in accordance with Article 193 of the Notarial Regulation.

e. - That the present public instrument remains spread on seven folios of notarial paper, series DS numbers: 0756934 and the following six in order correlative, I, the Notary, certify. Follow the signatures of the parties. - Signed. JOSE LUIS LÓPEZ DE GARAYO AND GALLARDO. Rubricated Stamp of the Notary.

DILIGENCE. - I, ANTONIO PÉREZ-COCA CRESPO, Notary Public of Madrid and its Illustrious Bar, give

Of the present to note that with date of today, December eleventh of the year two thousand and seventeen, I was given a copy of the power of attorney, typed on a double column format, in Spanish and English languages, whose languages I, the Notary understands, which is specially granted for formalizing the deed object of the present, in favor of Mrs. Sonia Chaliha, as General Director and Mrs. Teresa Wyszomierski, as Vice President of THE BANK OF NEW MELLON, before the Notary Public of New York, Mr. Bret S. Derman, the twenty-ninth day of November two thousand and seventeen.

The power is duly apostilled pursuant to The Hague Convention. And I, the Notary, for my knowledge of the legislation of the State of New York in this matter; for being granted before a Notary of said country; because the powers there and thus granted they supply the same effects in the country of origin, because the powers specials are not registered in the Commercial Register of New York, because the Notary of New York

assured the identity, legal capacity and compliance with all national formalities and since said act is valid according to the rules of private international law, in view of the purposes of article 36 of the Mortgage Regulations and the Third Additional Disposition of Law 15/2015 concerning Voluntary Jurisdiction, I consider the principle of equivalence of forms as fulfilled.

Having said power of attorney in sight, and I hereby declare the faculties conferred therein sufficient and enough to grant the present deed of adhesion of pledge. — And having nothing else to declare, I extend the present instrument on this single sheet of notarial paper, I, the Notary, testify to this. Signed. ANTONIO PÉREZ-COCA CRESPO. Rubricated. With a Seal of the Notary.

... **LICENCE**. - For the record, I, ANTONIO PÉREZ-COCA CRESPO, hereby declare that on December fourteenth of two thousand and seventeen, submitted before the Post Central, located in the office 2825494, E.O MINISTRY OF PUBLIC ADMONS, a Certificate and notice of receipt of the notification of the act

Mentioned above, and that by the official in charge of the service I have been provided with the receipt that has the shipping number RF129001190ES.

Of all the above-mentioned and the following writing that motivates this deed, in its last use paper folio of exclusive notarial use, having the number 0756962 of the DS series.

In Madrid on December fourteen, two thousand Seventeen Signed. ANTONIO PÉREZ-COCA CRESPO. Notary Stamp.

ATTACHED DOCUMENTS HEREINAFTER

Apostille

(Convention de La Haye du 5 Octobre 1961)

1. Country: United States of America

This public document

1. has been signed by **Milton Adair Tingling**
2. acting in the capacity of **County Clerk**
3. bears the seal/stamp of the **county of New York**

Certified

5. at New York City, New York
6. the 5th day of December 2017
7. by Special Deputy Secretary of State, State of New York
8. No. NYC-917316
9. Seal/Stamp
10. Signature

/s/ Whitney A. Clark

Whitney A. Clark
Special Deputy Secretary of State

Apostille (REV: 09/25/12)

POWER OF ATTORNEY

Ms. Sonia Chaliha and Ms. Teresa Wyszomierski, acting in the name and on behalf of The Bank of New York Mellon (a Corporation duly organized and existing under the laws of the State of New York, with corporate domicile at 225 Liberty Street, New York, N.Y. 10286, U.S.A., and with an I.R.S. employer identification number 13-5160382) (the "Grantor"), grant a special power of attorney, as broad and sufficient as is required by law, in favor of (i) Ms. Ana María Arias Somalo, of legal age, of Spanish Nationality, with business address in Calle José Abascal 45, Madrid (Spain) and holder of national identification card number 00.410.487-Y, currently in force, (ii) Ms. Marta García López, of legal age, of Spanish Nationality, with business address in Calle José Abascal 45, Madrid (Spain) and holder of national identification card number 2.634.855-K, currently in force, (iii) Ms. Paloma Julieta Alvarez-Uría Berros, of legal age, of Spanish Nationality, with business address in Calle José Abascal 45, Madrid (Spain) and holder of national identification card number 9.427.338-Y, currently in forcé and (iv) Ms. Beatriz Torres Sánchez, of legal age, of Spanish Nationality, with business address in Calle José Abascal 45, Madrid (Spain) and holder of national identification card number 7.964.201-Z, currently in force (hereinafter, any of them, indistinctly, an "Attorney" and jointly the "Attorneys"), so that any of them may, acting jointly and severally, in the name and on behalf of the Grantor, acting on behalf and for the benefit of the holders of the EUR 650,000,000 2.750% Senior Secured Notes Due 2024 (the "Notes") referred to below (the "Noteholders") and issued

PODER ESPECIAL

Dña. Sonia Chaliha y Dña. Teresa Wyszomierski; actuando en nombre y representación de The Bank of New York Mellon (una sociedad debidamente constituida con arreglo a las leyes del estado de Nueva York, con domicilio en 225 Liberty Street, New York, N.Y. 10286, (U.S.A.) y con número de

I. R.S. 13-5160382) (el "Poderdante"), confiere poder especial, tan amplio y bastante como en derecho sea menester, en favor de (i) Dª. Ana María Arias Somalo, mayor de edad, de nacionalidad española, con domicilio profesional en Calle José Abascal 45, Madrid (España) y titular de documento nacional de identidad número 00.410.487-Y en vigor, (ii) D". Marta García López, mayor de edad, de nacionalidad española, con domicilio profesional en Calle José Abascal 45, Madrid (España) y titular de documento nacional de identidad número 2.634.855-K en vigor, (iii) Dn Paloma Julieta Alvarez-Uría Berros, mayor de edad, de nacionalidad española, con domicilio profesional en Calle José Abascal 45, Madrid (España) y titular de documento nacional de identidad número 9.427.338-Y en vigor, (iv) D" Beatriz Torres Sánchez, mayor de edad, de nacionalidad española, con domicilio profesional en Calle José Abascal 45, Madrid (España) y titular de documento nacional de identidad número 7.964.201-Z en vigor (en lo sucesivo, uno cualquiera de ellos, indistintamente, un "Apoderado" y, conjuntamente, los "Apoderados"), para que uno cualquiera de ellos pueda, actuando indistinta y solidariamente, en nombre y representación del Poderdante, que a su vez actúa en representación y beneficio de los tenedores de Bonos Sénior Garantizados al tipo de interés del 2.750% con fecha de vencimiento en 2024 y denominados en Euros *(EUR 650,000,000 2.750% Sénior Secured Notes Due 2024)* (los "Bonos") a los que se hace referencia más adelante (los "Bónistas") y que han sido emitidos

by virtue of an indenture entered into by, among others, CEMEX, S.A.B. de C.V., as issuer (the "Issuer"), and CEMEX Finance LLC, CEMEX México, S.A. de C.V., Cemex Concretos S.A. de C.V., Empresas Tolteca de México S.A. de C.V., New Sunward Holding B.V., Cemex España, S.A., Cemex Asia B.V., Cemex Corp., Cemex Egyptian Investments B.V, Cemex France Gestión (S.A.S.), Cemex Research Group AG and Cemex UK, each as guarantor (the "Note Guarantors") and the Grantor, as trustee and paying agent, dated as of December 5, 2017 (hereinafter, as amended from time to time, the "Indenture"),

carry out any of the following acts, upon the terms and conditions that the Attorney may deem appropriate:

1. Negotiate, execute, accept, amend, extend, accede or ratify one or several pledge agreements (the "Share Pledges") over all or part of the shares *{acciones}* of the Spanish company CEMEX España, S.A. (Tax Identification Number A46004214, registered with the Commercial Registry of Madrid, in volume 9,743 and 9,744, sheet 1 to 166, section 8, page no. M-156542), whereby one or more share pledges are created to secure *ínter alia* the full and punctual performance of all or part of the obligations assumed by the Issuer and each of the Note Guarantors in favor of, among others, the relevant Noteholders, as well as other secured obligations assumed by the Issuer and its subsidiaries

2. Execute or ratify the abovementioned documents, in a public or private document and appear before a Spanish Notary Public to grant the notarial deeds *{pólizas}* or public deeds *{escrituras públicas} of* the abovementioned documents and, in particular (without limitation), appear before a Spanish notary public *{Notario}* to notarize or xaise to the status of public document *{elevar a documento público}* the Share Pledges, the Indenture and any other agreements, documents, notices or letters related thereto.

en virtud del contrato de emisión de bonos suscrito el 5 de diciembre de 2017 por CEMEX, S.A.B. de C.V. como emisor (el "Emisor"), CEMEX Finance LLC, CEMEX México, S.A. de C.V., Cemex Concretos S.A. de C.V., Empresas Tolteca de México S.A. de C.V., New Sunward Holding B.V., Cemex España, S.A., Cemex Asia B.V., Cemex Corp., Cemex Egyptian Investments B.V, Cemex France Gestión (S.A.S.), Cemex Research Group AG y Cemex UK, como garantes (los "Garantes"") y el Otorgante como *trustee* y agente de pagos (en adelante, según sea modificado en cada momento, el "Contrato de Emisión de Bonos").

realizar cualesquiera de las siguientes actuaciones, en los términos y condiciones que el Apoderado crea apropiados:

1. Negociar, celebrar, firmar, ejecutar, ratificar, aceptar, modificar, extender, adherirse y otorgar en los términos y condiciones que el Apoderado crea convenientes la constitución de una o varias prendas (las "Prendas sobre las Acciones") sobre todas o parte de las acciones de la sociedad española CEMEX España, S.A (C.I.F. número A46004214 e inscrita en el Registro Mercantil de Madrid, en el Tomo 9.743, folio 9.744, hoja 1 y 166, sección 8, página M-156542), mediante las cuales se constituyan una o varias prendas sobre acciones para garantizar el completo y puntual cumplimiento de todas o parte de las obligaciones asumidas por el Emisor y cada uno de los Garantes de los Bonos en favor de, entre otros, los respectivos Bonístas, al igual que otras obligaciones garantizadas asumidas por el Emisor y sus filiales.

2. Firmar o ratificar los anteriores documentos y contratos en documento privado o público, comparecer ante notario español para intervenga en póliza o eleve a público los mencionados documentos, y, en especial (sin limitación), comparecer ante Notario para elevar a documento público las Prendas sobre las Acciones, el Contrato de Emisión de Bonos y cualquiera otros contratos, documentos o caitas relacionados o previstos en los citados contr atos o documentos.

3. Carry out whichever other actions, declarations, agreements, letters, or execute whichever other public or private document, the Attorney deems desirable or necessary for the validity of the documents previously mentioned, as well as (in particular without limitation) to accept the extension of the Share Pledges to any other shares of CEMEX España, S.A. that the pledgors that created the Share Pledges may hold from time to time, and to acknowledge the creation of any pledges or any other security agreement granted in accordance with the preceding paragraph.

4. Carry out whichever other actions, declarations, agreements, letters, or execute whichever other public or private document, the Attorney deems desirable or necessary to maintain and protect the Share Pledges or any other security interest related to the documents referred to in the preceding paragraphs.

5. Appear before the Spanish administrative authorities and execute, in the name and on behalf of the Grantor, the necessary documents for obtaining the Spanish tax identification by filing the necessary tax forms,

6. Appear before any Spanish administrative authorities and, in particular, but not limited to, the Foreign Investments' Registry of the Ministry of Finance and the Bank of Spain, execute, deliver and file, in the name and on behalf of the Grantor, any document, statement, payment, application or official forms (including those of a tax nature) that may be necessary or advisable in connection with the execution or compliance with the Indenture and the Share Pledges.

3. Realizar cualesquiera otros actos o declaraciones, y firmar contratos, cartas, u otorgar cualesquiera otros documentos públicos o privados que el Apoderado considere necesarios o convenientes para la validez de los documentos a los que se 1ra hecho referencia anteriormente y, en particular (aunque sin limitación), para aceptar la extensión de las Prendas sobre las Acciones a cualesquiera otras acciones de CEMEX España, S.A. de las que sean titulares en cada momento los pignorantes que constituyeron las Prendas sobre las Acciones, y para tomar conocimiento de la constitución o extensión de cuantas prendas u otros derechos de garantía se otorguen de acuerdo con los apartados anteriores.

4. Realizar cualesquiera otros actos o declaraciones, y firmar contratos, cartas, u otorgar cualesquiera otros documentos públicos o privados que el Apoderado considere necesarios o convenientes para conservar y proteger la validez de las Prendas sobre las Acciones o cualesquiera otros derechos de garantía se otorguen de acuerdo con los apartados anteriores.

5. Comparecer ante las autoridades administrativas españolas y filmar, en nombre del Poderdante, cuantos documentos sean necesarios para la obtención de identificación fiscal presentando los modelos fiscales que sean necesarios,

6. Comparecer ante cuantas autoridades administrativas españolas y, en particular, pero sin limitación ante, el Registro de Inversiones Exteriores del Ministerio de Economía y el Banco de España, otorgando, comunicando y cumplimentando, en nombre y representación del Poderdante, cuantos documentos, declaraciones, pagos, solicitudes, o impresos oficiales (incluidos los de índole fiscal) que resulten necesarios o convenientes para la celebración o cumplimiento las Prendas sobre las Acciones y el Contrato de Emisión de Bonos.

7. As a result of the authority granted in the preceding paragraphs, agree on the terms and conditions the Attorney deems appropriate and issue and receive any binding declarations.

8. Grant deeds of formalization, acknowledgement, ratification, confirmation, modification or amendment of any of the agreements and/or public deeds referred to above.

9. Request the issuance of copies of any of the aforementioned public documents.

10. All the powers granted herein can be exercised by the Attorney, even if this would result in self-contracting *(autocontratación)* or multi-representation *(multirepresentación)* or conflict of interest *(conflicto de interés)* figures.

The deed and text of the present. power of attorney will be interpreted exclusively according to the English Language translation.

This power of attorney is effective for ninety (90) days from the date hereof or the earlier of (i) revocation by the Grantor, (ii) the Attorney no longer being retained on behalf of the Grantor or an affiliate of the Grantor and (iii) expiration of ninety (90) days from the date of execution.

The authority granted to the Attorney by this Power of Attorney is not transferable to any other party or entity.

The relationship of the Grantor and the Attorney under this Power of Attorney is intended by the parties to be that of an independent contractor and not that of a joint venture, partner, or agent.

This Power of Attorney shall be governed by, and construed in accordance with, the laws of the State of New York without regard to its conflicts of law principles.

7. En el ejercicio de la autoridad conferida en los párrafos precedentes, fijar los términos y condiciones que considere apropiados y emitir y recibir todo tipo de declaraciones de voluntad y manifestaciones.

8. Otorgar escrituras o pólizas de formalización, reconocimiento, ratificación, confirmación, modificación o rectificación de cualquiera de los contratos, escrituras o pólizas referidos anteriormente.

9. Solicitar copias de las citadas pólizas o escrituras.

10. La totalidad de las facultades incluidas en este poder podrán ser ejercitadas por el Apoderado aun cuando en el ejercicio de las mismas incurrieran en las figuras de autocontratación, multirepresentación o conflicto de interés.

La minuta y redacción del presente poder será, en todo caso, inteipretado conforme a la dicción y sentido del texto que se incluye en lengua inglés.

El presente poder será efectivo por noventa (90) días desde esta fecha o hasta la primera fecha en producirse alguno de los siguientes supuestos: (i) revocación del poder por el Poderdante, (ii) que el Apoderado no continúe siendo empleado por el Poderdante o una de sus filiales; o (iii) expiración del plazo de noventa (90) días desde la fecha de otorgamiento del poder.

Las facultades otorgadas por la Poderdante a través de este poder no son transferibles a ninguna otra parte o entidad.

La relación entre el Poderdante y el Apoderado bajo este Poder, pretendida por las partes, es la propia de un contratista independiente y no de un miembro de una *joint venture,* socio o agente.

Este poder se regirá y será interpretado de conformidad con las leyes del Estado de Nueva York, con exclusión de sus principios sobre conflicto de leyes.

The Grantor hereby undertakes to confirm and ratify, if so requested by the Attorney, each and every actions taken by the Attorney in accordance with the terms of this power of attorney.

El Poderdante se compromete a confirmar y ratificar, si es requerido para ello por el Apoderado, todas y cada una de las actuaciones realizadas por el Apoderado de conformidad con los términos de este poder.

In New York, on November 29, 2017.

En Nueva York, el 29 de noviembre de 2017.

The Bank of New York Mellon

/s/ Sonia Chaliha

By: Ms. Sonia Chaliha
Managing Director

/s/ Teresa Wyszomierski

By: Ms. Teresa Wyszomierski
Vice President

NOTARIAL CERTIFICATE

I, Notary Public of New York hereby certify that:

I. The Bank of New York Mellon is a Corporation duly organized and existing under the laws of the State of New York, with corporate domicile at 225 Liberty Street., New York, N.Y. 10286, U.S.A., with an I.R.S. employer identification number of 13-5160382,- and with the required capacity to grant this Power of Attorney.

II. This Power of Attorney has been validly executed by Ms. Sonia Chaliha and Ms. Teresa Wyszomierski who have the required authority to grant this Power of Attorney in the name and on behalf of The Bank of New York Mellon.

III. The above is the true hand-written signatures of Ms. Sonia Chaliha and Ms. Teresa Wyszomierski.

CERTIFICADO NOTARIAL

Yo, Notario de Nueva York, por la presente certifico **que:**

I. The Bank of New York Mellon es una sociedad existente y válidamente constituida de acuerdo con las leyes del estado de Nueva York, con domicilio social en 225 Liberty Street, New York, N.Y. 10286, (U.S.A.), cón número I.R.S. 13-5160382 y con la capacidad necesaria para otorgar este poder.

II. El presente poder ha sido válidamente emitido por Dña, Sonia Chaliha y Dña. Teresa Wyszomierski quienes tiene capacidad legal para otorgar dicho poder en nombra y representación de The Bank of New York Mellon.

III. La anterior firma es la firma manuscrita auténtica de Dña, Sonia Chaliha y Dña. Teresa Wyszomierski.

IV. That the Grantor has the necessary authority to act in the name and on behalf of the Noteholders.

V. The acts and transactions effected by the Attorney appointed in this Power of Attorney in. the name and on behalf of The Bank of New York Mellon, within the scope of such Power of Attorney, will be acts or transactions validly effected by The Bank of New York Mellon.

IV. El Poderdante tiene autoridad necesaria para actuar en nombre y representación de los Bonistas.

V. Los actos realizados y negocios celebrados por el Apoderado designado en este poder en nombre y representación de The Bank of New York Mellon, dentro del ámbito del presente poder, serán actos o negocios válidamente realizados ó celebrados por The Bank of New York Mellon.

Executed before me, on November 29, 2017.

Firmado ante mí, el 29 de noviembre de 2017.

STATE OF NEW YORK)
COUNTY OF NEW YORK)

On the 29th day of November in the year 2017 before me, the undersigned, a notary public in and for said State, personally appeared Sonia Chaliha, a Managing Director, and Teresa Wyszomierski, a Vice President, personally known lo me or proved to me on the basis of satisfactory evidence to be the individuals whose names are subscribed to within that instrument and acknowledged to me that they executed the same within their capacities, and that by their signature on the instrument, the Corporation executed the instrument

/s/ Bret S. Derman

Notary Public
BRETS. DERMAN
NOTARY PUBLIC STATE OF NEW YORK
KNGS COUNTY

State of New York)
County of New York}

No. 390710

I, **Milton Adair Tingling,** Clerk of the County of New York, and Clerk of the Supreme Court in and for said county, the same being a court of record having a seal, DO HEREBY CERTIFY THAT

BRET S. DERMAN

whose name is subscribed to the annexed original instrument has been commissioned and qualified as a NOTARY PUBLIC and has filed his/her original signature in this office and that he/she was at the time of taking such proof or acknowledgment or oath duly authorized by the laws of the State of New York to take the same: that he/she is well acquainted with the handwriting of such public officer or has compared the signature on the certificate of proof or acknowledgment or oath with the original signature filed in his/her office by such public officer and he/she believes that the signature on the original instrument is genuine,

IN WITNESS WHEREOF, I have hereunto set my hand and my official seal this 05th Day of December, 2017

/s/ Milton Adair Tingling

County Clerk, New York County

THE PRESENT, IS THE FIRST EXACT COPY of ITS MATRIX where it is recorded. For those appearing, as they intervene, I hereby issue the instrument on twelve stamped pages of exclusive paper for notarial documents, on DS series, numbers 0833037, and the following eleven in descending order, which I hereby sign, rubric and stamp, in MADRID, at December fifteenth, two thousand and seventeen. I TESTIFY TO THIS.

Exhibit 8.1

The following is a list of subsidiaries of CEMEX, S.A.B. de C.V. as of December 31, 2017, including the name of each subsidiary and its country of incorporation.

1.	CEMEX México, S.A. de C.V.	Mexico
2.	CEMEX Operaciones México, S.A. de C.V.	Mexico
3.	Empresas Tolteca de México, S.A. de C.V.	Mexico
4.	CEMEX Central, S.A. de C.V.	Mexico
5.	CEMEX Energía S.A.P.I. de C.V.	Mexico
6.	TEG Energía, S.A. de C.V.	Mexico
7.	Cementos Guadalajara, S.A. de C.V.	Mexico
8.	Cementos Tolteca, S.A. de C.V.	Mexico
9.	Servicios Cemento Cemex, S.A. de C.V.	Mexico
10.	CEMEX Agregados, S.A. de C.V.	Mexico
11.	Compañía Minera Atoyac, S.A. de C.V.	Mexico
12.	Servicios Profesionales Cemex, S.A. de C.V.	Mexico
13.	Sinergia Deportiva, S.A. de C.V.	Mexico
14.	Asesoría Especializada en Inmuebles, S.A. de C.V.	Mexico
15.	Inmobiliaria Ferri, S.A. de C.V.	Mexico
16.	Concretos Monterrey, S.A. de C.V.	Mexico
17.	Pro Ambiente, S.A. de C.V.	Mexico
18.	Servicios Proambiente, S.A. de C.V.	Mexico
19.	Inmobiliaria Rio San Martin, S.A. de C.V.	Mexico
20.	Servicios Para La Autoconstrucción, S.A. de C.V.	Mexico
21.	CEMEX Concretos, S.A. de C.V.	Mexico
22.	Cementos Anahuac, S.A. de C.V.	Mexico
23.	CEMEX Internacional, S.A. de C.V.	Mexico
24.	Comercializadora Construrama, S.A. de C.V.	Mexico
25.	Proveedora Mexicana de Materiales, S.A. de C.V.	Mexico
26.	Mercis, S.A. de C.V.	Mexico
27.	CEMEX Construcción, S.A. de C.V.	Mexico
28.	CEMEX Transporte, S.A. de C.V.	Mexico
29.	Servicios Promexma, S.A. de C.V.	Mexico
30.	Construmexcla, S.A. de C.V.	Mexico
31.	Tu Casa de Materiales TUCAMA, S.A. de C.V.	Mexico
32.	Comercializadora de Materiales Básicos, S.A. de C.V.	Mexico
33.	Materiales Para CASA MATCASA, S.A. de C.V.	Mexico
34.	La Única Casa de Materiales, S.A. de C.V.	Mexico
35.	CEMEX Aditivos, S.A. de C.V.	Mexico
36.	Global Construction Systems, S.A. de C.V.	Mexico
37.	Servicios Concreto CEMEX, S.A. de C.V.	Mexico
38.	CEMEX Vivienda, S.A. de C.V.	Mexico
39.	Eólica Guadalupe, S. de R.L. de C.V.	Mexico
40.	Eólica Buenos Aires, S de R.L. de C.V.	Mexico
41.	Helios Generación, S. de R.L. de C.V.	Mexico
42.	PACE Desarrollos Energeticos, S. de R.L. de C.V.	Mexico
43.	Fuerza Eólica de San Matías, S. de R.L. de C.V.	Mexico
44.	Transportes Especializados Multicarga, S.A. de C.V.	Mexico
45.	TMC Fletes, S.A. de C.V.	Mexico
46.	T.M.C. Internacional, S.A. de C.V.	Mexico
47.	New Sunward Holding B.V.	The Netherlands
48.	RMC Holdings B.V.	The Netherlands
49.	APO Cement Corporation	Philippines
50.	CEMEX Holdings Philippines, Inc.	Philippines
51.	Solid Cement Corporation	Philippines
52.	CEMEX Asia Holdings Ltd.	Singapore

53.	CEMEX Construction Materials Pacific LLC	USA
54.	CEMEX International Trading LLC	USA
55.	CEMEX Materials LLC	USA
56.	CEMEX Construction Materials Florida LLC	USA
57.	CEMEX, Inc.	USA
58.	CEMEX Finance LLC	USA
59.	CEMEX Corp.	USA
60.	Transenergy, Inc.	USA
61.	CEMEX Holdings, Inc.	USA
62.	Sunbelt Investments Inc.	USA
63.	CEMEX Global Sourcing, Inc.	USA
64.	CEMEX Admix USA, LLC	USA
65.	CEMEX Construction Materials South LLC	USA
66.	CEMEX Construction Materials Atlantic LLC	USA
67.	CEMEX Cement of Louisiana, Inc.	USA
68.	RMC Pacific Materials, LLC	USA
69.	CEMEX Transit Company	USA
70.	Kosmos Cement Company	USA
71.	CEMEX Nevada LLC	USA
72.	New Line Transport LLC	USA
73.	CEMEX Construction Materials Houston LLC	USA
74.	CEMEX Leasing LLC	USA
75.	Readymix Materials Holdings LLC	USA
76.	Twin Mountain Rock Company	USA
77.	Guernsey Stone Co.	USA
78.	Western Equipment Company	USA
79.	CEMEX Steel Framing, Inc.	USA
80.	CEMEX AM Holdings LLC	USA
81.	CEMEX Caribbean LLC	USA
82.	CEMEX SW Florida Limestone Holdings LLC	USA
83.	CEMEX SW Florida Sand Holdings LLC	USA
84.	Hogan Island Limestone LLC	USA
85.	Immokalee Sand LLC	USA
86.	MILI LLC	USA
87.	OXI LLC	USA
88.	Mineral Resources Technologies Inc.	USA
89.	VAPPS, LLC	USA
90.	ALC Las Vegas Mining Claims LLC	USA
91.	LV Western Mining Claims LLC	USA
92.	CEMEX Southeast Holdings LLC	USA
93.	CEMEX Southeast LLC	USA
94.	Ready Mix USA LLC	USA
95.	Cemento Bayano, S.A.	Panama
96.	CEMEX Concretos, S.A.	Panama
97.	Pavimentos Especializados, S.A.	Panama
98.	CEMEX Colombia, S.A.	Colombia
99.	Cemex Premezclados de Colombia S.A.	Colombia
100.	Cemex Transportes de Colombia S.A.	Colombia
101.	Central de Mezclas, S.A.	Colombia
102.	Neoris Colombia S.A.S.	Colombia
103.	ZONA FRANCA ESPECIAL CEMENTERA DEL MAGDALENA MEDIO S.A.S. (ZOMAM S.A.S.)	Colombia
104.	CEMEX España, S.A.	Spain
105.	CEMEX España Operaciones, S.L.U.	Spain
106.	CEMEX Jamaica Limited	Jamaica
107.	CEMEX (Costa Rica), S.A.	Costa Rica

108.	CEMEX Nicaragua, S.A.	Nicaragua
109.	CEMEX El Salvador, S.A.	Salvador
110.	CEMEX Haiti	Haiti
111.	Assiut Cement Company	Egypt
112.	CEMEX France Gestion (S.A.S.)	France
113.	CEMEX Deutschland AG	Germany
114.	CEMEX Holdings (Israel) Ltd.	Israel
115.	CHEMOCRETE LTD.	Israel
116.	Israel America Aggregates Ltd.	Israel
117.	Lime & Stone Production Company Ltd.	Israel
118.	Readymix Industries (Israel) Ltd.	Israel
119.	Kadmani Readymix Concrete Ltd.	Israel
120.	CEMEX UK	UK
121.	CEMEX Investments Ltd	UK
122.	CEMEX UK Operations Limited	UK
123.	CEMEX UK Cement Ltd	UK
124.	CEMEX UK Marine Ltd	UK
125.	CEMEX Paving Solutions Ltd	UK
126.	CEMEX UK Materials Ltd	UK
127.	CEMEX UK Services Ltd	UK
128.	CEMEX UK Properties Ltd	UK
129.	RMC Explorations Ltd	UK
130.	The Rugby Group Ltd	UK
131.	RMC Russell Ltd	UK
132.	Mineral and Energy Resources (UK) Ltd	UK
133.	CEMEX Hrvatska d.d.	Croatia
134.	Menkent, S. de R.L. de C.V.	Mexico
135.	CEMEX de Puerto Rico, Inc.	Puerto Rico
136.	CEMEX Holdings (Malaysia) Sdn Bhd	Malaysia
137.	CEMEX Dominicana, S.A.	Dominican Republic
138.	CEMEX Polska sp Z.o.o.	Poland
139.	CEMEX SIA	Latvia
140.	CEMEX Czech Republic, s.r.o.	Czech Republic
141.	CxNetworks N.V.	The Netherlands
142.	Neoris N.V.	The Netherlands
143.	New Sunward Holding Financial Ventures B.V.	The Netherlands
144.	CEMEX AS	Norway
145.	Sunbulk Shipping Limited	Barbados
146.	CEMEX LAN Trading Corporation	Barbados
147.	Arawak Cement Company Limited	Barbados
148.	CEMEX France Gestion (S.A.S.)	France
149.	Cimento Vencemos Do Amazonas, Ltda.	Brazil
150.	Readymix Argentina, S.A.	Argentina
151.	Cementos de Centroamérica, S.A.	Guatemala
152.	Cemex Guatemala, S.A.	Guatemala
153.	Equipos para uso de Guatemala, S.A.	Guatemala
154.	Global Concrete, S.A.	Guatemala
155.	CEMEX Perú, S.A.	Peru
156.	Cemex Supermix L.L.C.	United Arab Emirates
157.	Cemex Topmix L.L.C.	United Arab Emirates
158.	CEMEX ARABIA FZC	United Arab Emirates
159.	Cemex Falcon L.L.C.	United Arab Emirates
160.	Lomez International B.V.	The Netherlands
162.	Cemex Research Group AG	Switzerland
163.	CEMEX Asia B.V.	The Netherlands
164.	CEMEX Egyptian Investments B.V.	The Netherlands

165.	Interamerican Investments, Inc.	USA
166.	Cemex Trademarks Holding Ltd.	Switzerland
167.	AB Akmenes cementas	Lituania
168.	CEMEX Argentina, S.A.	Argentina
169.	Trinidad Cement Limited	Trinidad and Tobago
170.	Caribbean Cement Company Limited	Jamaica
171.	Mustang Re Limited	Bermuda
172.	Falcon Re Ltd.	Barbados
173.	Apollo Re Ltd.	Barbados
174.	Torino Re Ltd.	Barbados
175.	CEMEX NY Corporation	USA
176.	CEMEX Imports, Inc.	Puerto Rico
177.	CEMEX Finance Latam B.V.	The Netherlands
178.	Cemex International Holding AG	Austria

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 30, 2018

/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, José Antonio González Flores, certify that:

1. I have reviewed this annual report on Form 20-F of CEMEX, S.A.B. de C.V.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;

4. The company's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and

5. The company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

Date: April 30, 2018

/s/ José Antonio González Flores

José Antonio González Flores,
Executive Vice President of Finance 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, 2017, 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 José Antonio González Flores, as Executive Vice President of Finance and Chief Financial Officer of the Company, each hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of his knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of the dates and periods set forth therein.

/s/ Fernando Ángel González Olivieri
Name: Fernando Ángel González Olivieri
Title: Chief Executive Officer
Date: April 30, 2018

/s/ José Antonio González Flores
Name: José Antonio González Flores
Title: Executive Vice President of Finance and Chief Financial Officer
Date: April 30, 2018

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

The Board of Directors
CEMEX S.A.B. de C.V.:

We consent the incorporation by reference in the Registration Statements (File Nos. 333 83962, 333-86090, and 333-128657) on Form S-8 of CEMEX, S.A.B. de C.V. of our reports dated April 30, 2018, with respect to the consolidated statements of financial position of CEMEX, S.A.B. de C.V. and subsidiaries as of December 31, 2017 and 2016, and the related consolidated statements of income, comprehensive income, changes in stockholders' equity, and cash flows for each of the years in the three-year period ended December 31, 2017, and the related notes, and the effectiveness of internal control over financial reporting as of December 31, 2017, which reports appear in the December 31, 2017 Annual Report on Form 20-F of CEMEX, S.A.B. de C.V.

Our report dated April 30, 2018, on the effectiveness of internal control over financial reporting as of December 31, 2017, expresses our opinion that CEMEX, S.A.B. de C.V. and subsidiaries did not maintain effective internal control over financial reporting as of December 31, 2017 because of the effect of a material weakness on the achievement of the objectives of the control criteria and contains an explanatory paragraph that states that a material weakness related to the Company's risk assessment and monitoring of significant unusual transactions has been identified.

/s/ KPMG Cardenas Dosal, S.C.

Monterrey, N.L., México

April 30, 2018

Exhibit 15.1

Disclosure of Mine Safety and Health Administration ("MSHA") Safety Data

Section 1503(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Act") requires certain disclosures by companies required to file periodic reports under the Securities Exchange Act of 1934 that operate mines regulated under the Mine Act. CEMEX's U.S. quarry and mining operations are subject to MSHA regulation under the U.S. Federal Mine Safety and Health Act of 1977 (the "Mine Act"). MSHA inspects the Company's quarries and mines on a regular basis and issues various citations and orders when it believes a violation has occurred under the Mine Act. Whenever MSHA issues a citation or order, it also generally proposes a civil penalty, or fine, related to the alleged violation. Citations or orders can be contested and appealed, and as part of that process, are often reduced in severity and amount, and are sometimes dismissed or vacated.

In January 2012, the SEC issued final rules and regulations implementing the mine safety disclosure requirements of Section 1503(a) of the Dodd-Frank Act. Pursuant to those rules and regulations, we have provided the information below for mining operations in the United States only. The Dodd-Frank Act and the implementing rules and regulations thereunder do not apply to mining and quarry operations outside the U.S.

The information in the table below reflects citations and orders MSHA issued to the Company during the year ended December 31, 2017. The data was compiled primarily from the data maintained on MSHA's public website, the Mine Data Retrieval System ("MDRS"), as of March 9, 2018. 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
801000	474 Sand Mine	1	0	0	0	0	204	0	no	no
0800078	Alico Road Quarry	1	0	0	0	0	375	0	no	no
4102885	Balcones Plant	7	0	0	0	0	145771	0	no	no
4100994	Balcones Quarry	4	0	0	0	0	21506	0	no	no
0405701	Black Mountain Quarry	7	0	0	0	0	59631	0	no	no
0801287	Brooksville South Cement Plant	11	0	0	0	0	77824	0	no	no
0800024	Brooksville Quarry	2	0	0	0	0	1830	0	no	no
0402763	Cache Creek Quarry	1	0	0	0	0	985	0	no	no
3503508	Canby Pit^	1	0	0	0	0	712	0	no	no
0200988	CEMEX - 19th Ave	0	0	0	0	0	346	0	no	no
0202585	CEMEX - APEX	2	0	0	0	0	1444	0	no	no
0202606	CEMEX - Camp Verde	2	0	0	0	0	446	0	no	no
0200717	CEMEX - Casa Grande	0	0	0	0	0	696	0	no	no
0201249	CEMEX - Globe / Bixby	0	0	0	0	0	358	0	no	no
0202851	CEMEX - Gray Mountain	0	0	0	0	0	16979	0	no	no
0200722	CEMEX - Hwy 95	0	0	0	0	0	232	0	no	no
0202571	CEMEX - McCormick	1	0	0	0	0	809	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	496	0	no	no
0202670	CEMEX - Pima	1	0	0	0	0	677	0	no	no
0202849	CEMEX - Prescott / Fain	0	0	0	0	0	348	0	no	no
2602082	CEMEX - Sierra Stone Quarry	0	0	0	0	0	386	0	no	no
0202062	CEMEX - Sierra Vista	4	0	0	0	0	2532	0	no	no
0400173	Clayton Plant	3	0	0	0	0	1766	0	no	no
0900053	Clinchfield Plant	1	0	0	0	0	2098	0	no	no
3500965	Coyote Springs Sand and Gravel^	0	0	0	0	0	116	0	no	no
0801271	Davenport Sand Mine	0	0	0	0	0	116	0	no	no
3800127	Deerfield Sand	0	0	0	0	0	116	0	no	no
0100016	Demopolis Plant Cemex Inc	8	0	0	0	0	4143	0	no	no
0401891	Eliot Plant	12	0	2	0	0	41681	0	no	no
4503089	English Pit^	0	0	0	0	0	305	0	no	no
4500577	Everett Pit & Plant^	0	0	0	0	0	204	0	no	no
0800519	FEC Quarry	1	0	0	0	0	2088	0	no	no
4503039	Fisher Quarry^	0	0	0	0	1	2083	0	no	no
0801308	Gator Sand Mine	0	0	0	0	0	116	0	no	no
0801035	Inglis Quarry	0	0	0	0	0	232	0	no	no
4503424	Granite Falls Quarry^	2	0	0	0	0	944	0	no	no
4000840	Knoxville Cement Plant	15	0	0	0	0	82169	0	no	no
1504469	KOSMOS Cement Co.	11	0	0	0	1	19490	0	no	no
0801015	Krome Quarry	0	0	0	0	0	232	0	no	no
0801269	Lake Wales Sand Mine	0	0	0	0	0	116	0	no	no
0402843	Lapis Plant	1	0	0	0	0	860	0	no	no
4503293	Lewisville Pit^	0	0	0	0	0	116	0	no	no
0500344	Lyons Cement Plant Cemex Inc	8	0	0	0	0	14249	0	no	no
0405216	Lytle Creek Pit	4	0	0	0	0	2160	0	no	no
0800046	Miami Cement Plant	9	0	0	0	0	17017	0	no	no
0404140	Moorpark Quarry	0	0	0	0	0	232	0	no	no
0801216	Palmdale Sand Mine	0	0	0	0	0	232	0	no	no
0401906	Patterson Plant	8	0	0	0	0	19523	0	no	no
4503692	Portable #2^	0	0	0	0	0	116	0	no	no
0200758	Rinker Materials Bullhead	1	0	0	0	0	628	0	no	no
0401897	Rockfield Plant	0	0	0	0	0	740	0	no	no
800075	St. Catherine Mine	0	0	0	0	0	116	0	no	no
0401895	Tracy Kerlinger Plant	1	0	0	0	0	6778	0	no	no
0900912	Union Sand Mine	0	0	0	0	0	116	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
0400281	Victorville Cement Plant	9	0	0	0	0	21185	0	no	no

^ The Company sold this site, effective June 30, 2017. This data represents activity through December 31, 2017 pertaining to citations issued on or before June 30, 2017.

(1) MSHA assigns an identification number to each mine or operation and may or may not assign a separate identification number to related facilities. The information provided in this table is presented by mine identification number.

(2) Represents the total number of citations issued by MSHA for violation of health or safety standards that could significantly and substantially contribute to a serious injury if left unabated.

(3) Represents the total number of orders issued, which represents a failure to abate a citation under section 104(a) within the period prescribed by MSHA. This results in an order of immediate withdrawal from the area of the mine affected by the condition until MSHA determines that the violation has been abated.

(4) Represents the total number of citation and orders issued by MSHA for unwarrantable failure to comply with mandatory health or safety standards.

(5) Represents the total number of flagrant violations identified.

(6) Represents the total number of imminent danger orders issued under section 107(a) of the Mine Act.

(7) Amounts represent the total dollar value of proposed assessments received from MSHA and do not necessarily relate to the citations or orders issued by MSHA during the period or to the pending legal actions reported below.

The table below sets forth the total number of reportable legal actions for the twelve months ended December 31, 2017.

Mine ID Number	Mine or Operating Name	Legal Actions Pending as of Last Day of Period (December 31, 2017) (#)(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		
4102885	Balcones Plant	7	7	0	0	0	0	15	8
4100994	Balcones Quarry	2	2	0	0	0	0	3	1
0405701	Black Mountain Quarry	1	1	0	0	0	0	1	90
0801287	Brooksville South Cement Plant	0	0	0	0	0	0	0	9
2602082	CEMEX – Sierra Stone Quarry	0	0	0	0	0	0	0	1
0900053	Clinchfield Plant	1	1	0	0	0	0	0	0
0100016	Demopolis Plant Cemex Inc	0	0	0	0	0	0	0	1
0401891	Eliot Plant	12	12	0	0	0	0	15	13
4503424	Granite Falls Quarry^^	0	0	0	0	0	0	0	2
4000840	Knoxville Cement Plant	0	0	0	0	0	0	25	32
1504469	KOSMOS Cement Co.	49	49	0	1	0	0	1	1
0800046	Miami Cement Plant	0	0	0	0	0	0	7	13
0404140	Moorpark Quarry	0	0	0	0	0	0	0	1
0401895	Tracy Kerlinger Plant	0	0	0	0	0	0	2	2
0400281	Victorville Cement Plant	0	0	0	0	0	0	0	1

^^ The Company sold this site, effective June 30, 2017. This data represents activity through December 31, 2017 pertaining to citations issued on or before June 30, 2017.

(8) Pending legal actions before the Federal Mine Safety and Health Review Commission (the "Commission") as required to be reported by Section 1503(a)(3) of the Act.

The following provides additional information regarding the types or categories of proceedings that may be brought before the Commission.

A Contest Proceedings—a contest proceeding may be filed with the Commission by an operator to challenge the issuance of a citation or order issued by MSHA;

B Civil Penalty Proceedings—a civil penalty proceeding may be filed with the Commission by an operator to challenge a civil penalty MSHA has proposed for a violation contained in a citation or order;

C Compensation Proceedings—a compensation proceeding may be filed with the Commission by miners entitled to compensation when a mine is closed by certain closure orders issued by MSHA. The purpose of the proceeding is to determine the amount of compensation if any, due to miners idled by the orders;

D (i) Discrimination Proceedings – a discrimination proceeding involves a miner's allegation that he or she has suffered adverse employment action because he or she engaged in activity protected under the Mine Act, such as making a safety complaint;

(ii) Temporary Reinstatement Proceedings – a temporary reinstatement proceeding involves a case in which a miner has filed a complaint with MSHA stating that he or she has suffered discrimination and the miner has lost his or her position;

E Applications for Temporary Relief-applications for temporary relief of any order issued under Section 104; and

F Appeals of judges' decisions or orders to the FMSHRC.

(9) Contests pending as of year-end on the MDRS, but which are subsequently vacated, are not included in any reports on the MDRS. As a result, discrepancies may appear between the prior reporting year's "Legal Actions Pending as of Last Day of Period (December 31, 2017)" and "Legal Actions Resolved During Year" for current reporting period.