

**January 28, 2021**

**CEMEX, S.A.B. DE C.V.**  
**Board of Directors**  
**Ing. Rogelio Zambrano Lozano**  
**Chairman**

Pursuant to article 43 of the Mexican Securities Market Law (Ley del Mercado de Valores), we hereby submit through you, for consideration of CEMEX, S.A.B. de C.V.'s Board of Directors, the following activities report that corresponds to the financial year 2020:

- (i) The consolidated Financial Statements of the Company and its subsidiaries, audited for the fiscal year 2019; those of the fourth quarter of 2019; the results obtained during the first three quarters of the fiscal year 2020 on a consolidated basis, as well as the individual ones of CEMEX, S.A.B. de C.V. (the "Company"), for the same periods, were reviewed. The documents were authorized to be submitted for authorization by the Board of Directors and, as the case may be, for the approval of the General Shareholders Meeting.
- (ii) The Committee was informed of the internal testing plan of the Company with respect to year 2019, and of its scope for the 2020 fiscal year in accordance with the SOX 404 regulation. It is noted that neither significant nor material failures were detected in the so-called tests of recurrent controls and information technology controls.
- (iii) The Committee was periodically informed about the status of the Company regarding compliance with the Sole Circular of External Auditors (*Circular Única de Auditores Externos*) ("CUAE") issued by the National Banking and Securities Commission (*Comisión Nacional Bancaria y de Valores*); about the activities carried out to comply with it, and about the confirmation of compliance with the provisions of the CUAE.
- (iv) The results of the internal audit procedures were periodically reviewed, and the main deficiencies in terms of operational risks at the closing of fiscal year 2019 were reviewed.
- (v) The annual program of operational risks assessments and internal audit procedure for 2020 was authorized, together with its adjustments which included remote audits, having reviewed the results frequently and up to the third quarter of 2020.

Unofficial translation for informational purposes only, the documents available in Spanish are the official documents that will be presented during the Ordinary General Shareholders Meeting on March 25, 2021.

- (vi) The Committee was regularly informed about the results of the anonymous and confidential complaints and denunciation mechanisms, the disciplinary measures applied by the Company during 2020, the ETHOS initiatives that were carried out in the same period and the issuance of 4 operational manuals, which were named (1) ETHOS governance; (2) assignment of cases; (3) investigation; and, (4) disciplinary measures, in order to align all the Ethics Committees of the Company and its subsidiaries, and standardize work processes.
- (vii) A report on the main lawsuits in which the Company or its subsidiaries are involved, was presented at each Committee meeting, indicating the contingencies, the possible economic effects and the state in which they are found, in addition to the measures to remediate or strengthen the monitoring and prevention systems to avoid the violation of anti-corruption laws, including the *Foreign Corruption Practices Act* (“FCPA”) of the United States of America.
- (viii) The main disclosures included in the Company’s annual report filed with the United States Securities Exchange Commission (the “SEC”) and with the National Securities Banking Commission in Mexico (*Comisión Nacional Bancaria y de Valores*) on April 29, 2020 were reviewed.
- (ix) The KPMG external auditors attended all the sessions of the Committee, reporting their review of the internal control systems, and monitored the relevant events and their impact on the financial statements, as well as to the main areas of significant risk and their contingencies, the follow-up they were given during the year, and the deficiencies found, which were considered non-material. Likewise, the external auditor informed the Committee about several matters: (1) the main findings in the audit carried out during the fiscal year; (2) the impairment of goodwill and the evaluation of legal and fiscal contingencies; (3) the responsibilities of the Company and the external auditors; (4) the budget for the external audit firm for the periods 2019-2020 and 2020-2021; (5) their opinion on the financial statements corresponding to the 2019 financial year, which was granted without qualifications, under IFRS accounting principles, and formulated according to the standards of the *Public Company Accounting Oversight Board*; (6) the evaluation of the going concerns; (7) the impact of COVID-19 on the financial statements; (8) the investigation by the United States Department of Justice and the SEC in relation to the Maceo project; (9) the criteria for setting the materiality threshold of the quantitative and qualitative aspects of the Financial Statements at U.S.\$55 million; (10) non-auditing services services rendered in 2020; and, (11) the percentage of fees accrued by the KPMG firm in fiscal year 2020. Based on the foregoing, the Committee issued a favorable recommendation for the authorization of the following: (a) to

continue with the services of the External Audit firm KPMG Cárdenas Dosal, SC during the year 2020 and until the presentation of the annual report, and (b) the budget fee for the period April 2020 - April 2021.

- (x) The Committee's Report for fiscal year 2019 was authorized and the opinion of the Board in relation to the Reports of the Chairman of the Board and the Chief Executive Officer was reviewed, for its presentation to the Ordinary Shareholders' Meeting.
- (xi) The Committee was informed about the impact of COVID-19 and the operational and financial mitigation measures focused on three priorities: (1) Protecting People; (2) preserving Business Continuity; and, (3) increasing Financial Resistance. In addition, the Committee was informed about the relevant factors for the Company's internal controls during the contingency caused by COVID-19, noting that no disruptive changes were identified in the internal control structure and activities during the 2020 fiscal year.
- (xii) Deficiencies in compliance with the International Financial Reporting Standard on operating leases ("IFRS 16") were communicated, together with the implementation of an action plan certified by the external auditing firm KPMG Cárdenas Dosal, S.C.
- (xiii) The going concern risk and measures to mitigate such risk were evaluated.
- (xiv) Remediation measures regarding Corporate Governance and Relevant Policies were presented to the Committee, as well as the information presented to the competent authorities in relation to this matter.
- (xv) In terms of cybersecurity, the Committee received information on the main functions, objectives and challenges of CEMEX's Cybersecurity Operation Center, the 2019 Security Awareness and Policies Program and the Remote Work Cybersecurity Challenges due to COVID-19.
- (xvi) The adjustments made to the financial statements as a result of the charge for impairment of goodwill and long-lived idle assets for an approximate amount of U.S.\$1.5 billion were reviewed.
- (xvii) The Committee analyzed the status of the portfolio and its provision for the third quarter.
- (xviii) The most relevant transactions during 2020 were:

1. On January 29, CEMEX Holdings Philippines, Inc. (“CHP”) successfully completed its stock rights offering, resulting in the issuance of 8,293,831,169 ordinary shares for an amount equivalent to U.S.\$250 million. The Company’s indirect interest in CHP at that time increased from 66.78% to 75.66%.
2. On March 6, the sale of assets in the United States of America announced on November 26, 2019 for U.S.\$499 million, minus the costs from the transaction, was successfully closed. The assets sold consisted of the cement plant in Louisville, Kentucky, USA, as well as other related assets, that included seven distribution terminals and raw material reserves.
3. The aggregate principal amount of the 3.72% Subordinated Optional Convertible Notes issued on March 13 and May 28, 2015, expired without conversion on March 15, 2020, except for the aggregate principal amount of U.S.\$2,000 which, on that same date, was converted into 185 CEMEX, S.A.B. de C.V. ADSs. As total settlement of the same, U.S.\$ 521.1 million were paid.
4. From March 10 to March 24, the Company repurchased 378.2 million of CPOs at a weighted average price of \$ 5.01 Pesos per CPO, equivalent to an amount of U.S.\$ 83.2 million, excluding value added tax, which represented 2.57% of the outstanding capital stock of the Company.
5. On March 26, the Company held its Ordinary General Shareholders’ meeting in which its shareholders approved, among other things (a) to set the amount of U.S.\$500 million or its equivalent in Pesos as the maximum amount of resources that during fiscal year 2020, and until the next Ordinary General Shareholders’ Meeting of the Company, that may be used to acquire its own shares or securities that represent them; and, (b) the cancelation of the Company’s shares (i) repurchased during the 2019 fiscal year, and (ii) that remained in the Company’s treasury, after the maturity of the November 2019 Mandatory Convertible Notes and the maturities that occurred on March 15, 2020.
6. On May 22, an amendment agreement to the facilities agreement signed in July 2017 (amended) (the “2017 Facilities Agreement”) was signed. They included, among others, amendments to: (a) the limit of the consolidated leverage ratio; (b) the limit of the consolidated coverage ratio; and, (3) the applicable margin over LIBOR, or EURIBOR.

7. On June 5, the Company issued U.S.\$1 billion aggregate principal amount of 7.375% Senior Secured Notes due 2027.
8. On August 3, through an affiliate in the United Kingdom, the sale of certain assets in that country to Breedon Group plc was closed for an amount of U.S.\$ 230 million, including U.S.\$ 30 million of debt.
9. On September 17, the Company issued U.S.\$ 1 billion aggregate principal amount of 5.200% Senior Secured Notes due 2030.
10. On October 9, €215 million principal amount of CEMEX Finance LLC's 4.625% Senior Secured Notes due 2024 were redeemed. On October 16, €185 million principal amount of CEMEX Finance LLC's 4.625% Senior Secured Notes due 2024 were redeemed.
11. On October 9, U.S.\$640 million principal amount of CEMEX Finance LLC's 6.000% Senior Secured Notes due 2024 were redeemed.
12. On October 13, an amendment agreement to the 2017 Facilities Agreement was signed, pursuant to which (a) the maturity of loans for U.S.\$1.1 billion was extended for three years, from 2022 to 2025; (b) commitments for U.S.\$1.1 billion under the revolving credit facility were extended for one year, from 2022 to 2023; (c) U.S.\$313 million of exposure in USD was redenominated to Pesos, as well as U.S.\$82 million to Euro; (d) some tranches of the 2017 Facilities Agreement are now referred to sustainability-linked metrics, conditioning the increase or decrease of the applicable interest rate margin in the event that the goals set therein are achieved; and (e) together with other technical amendments, the Company's consolidated leverage ratio limit was tightened. Additionally, on October 15, U.S.\$530 million corresponding to the July 2021 amortization were prepaid.
13. On October 16, U.S.\$750 million principal amount of the Company's 6.125% Senior Secured Notes due 2025 were redeemed.
14. On December 18, the cash offer made by CEMEX España, S.A. for any and all outstanding ordinary shares of CEMEX Latam Holdings, S.A. ("CLH") registered with the National Registry of Securities and Issuers (*Registro Nacional de Valores y Emisores*) and the Colombian Stock Exchange (*Bolsa de Valores de Colombia*) (except

for shares either owned by CEMEX España, S.A. or CLH) settled. As a result of the tender offer, CEMEX España, S.A. repurchased 108,337,613 of CLH's shares at a price of \$3,250 Colombian Pesos per share, for the aggregate amount of approximately U.S.\$97 million. CEMEX España, S.A. has increased its interest in CLH from 73.16% to 92.37%.

The Committee made sure that Management properly followed the recommendations and corrective actions suggested by the external auditors, with no irregularities or material flaws being found, and issued its opinion on the various matters within its purview which were submitted to the Board of Directors. Additionally, compliance with the resolutions of the Shareholders Meeting and the Board of Directors was also reviewed.

The opinion of the external auditors on the Company's financial statements, both individual and consolidated, is that they reasonably reflect the financial situation and results of the Company and its subsidiaries; that material events have been properly revealed; and, that application of the accounting principles and policies has been consistent and adequate.

Finally, it is stated that for the preparation of this report, the Committee has listened to the relevant executives of the Company, without any difference of opinion.

**By the Audit Committee**

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Everardo Elizondo Almaguer  
Chairman

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Roger Saldaña Madero  
Secretary