

**BOARD OF DIRECTORS
CEMEX, S.A.B. DE C.V.**

**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 the Board of Directors of Cemex, S.A.N. de C.V., the following activities report:

- (i) The results for the year 2016 were evaluated and the budget and financial plan for the year 2017 were analyzed, the budget and plan were reviewed during the year and updated as required.
- (ii) The measures that Management has implemented to reduce consolidated debt, monitoring the Asset Sale Program and evaluating the goals that were reported to the General Investors were analyzed.
- (iii) The Committee was duly informed of the performance of the securities issued by the Company, representing its share capital, as well as the opinions and evaluations of analysts and securities experts.

Quarterly results and information to be disclosed to General Investors and Stock Market Authorities were analyzed.

- (iv) The Committee analyzed the compensation of the Executive Chairman of the Board of Directors and of the Chief Executive Officer, as well as the compensation policies applicable to Relevant Executives, performing an analysis of their total compensation, determining that the real compensation is within the parameter's market, maintaining the tabulator without change.

The Committee analyzed the goals set to determine the variable compensation and restricted stock plan for the Executives of the Company, which was modified in 2017 to establish a scheme based on the total return for the shareholder.

The Committee authorized the compensation of the Chairman of the Board and the Chief Executive Officer, as well as the total compensation for key executives for the year 2017; approving an increase to the base salary of the Chairman of the Board and of the Chief Executive Officer by 2.5%.

- (v) Business risks that may affect the Company and its subsidiaries in the different countries in which they have operations, as well as the risks to mitigate them, were analyzed and evaluated.
- (vi) The different proposals to make donations and transactions with related parties were reviewed, issuing the corresponding recommendations to the Board of Directors.
- (vii) The Committee authorized extending the authorization to manage the Company's financial risks involving operating derivatives outside of a regulated market, which was conditioned based on the Company's total assets, margin calls, and the Company's level of indebtedness. In addition, the Committee established that the derivatives held by the Company should not be speculative.
- (viii) Exchange rate risk and possible hedging alternatives were evaluated, authorizing entering into derivative transactions to mitigate this risk up to 1,400 million dollars legal tender of the United Mexican States.
- (ix) Several strategic transactions in different parts of the world that the Company could carry out were carefully analyzed and evaluated, recommending to management a presentation be made to the Board to deepen the analysis and continue assessing said opportunities.
- (x) The Committee reviewed that the actions of the Relevant Directors were in accordance with the applicable Bylaws and Regulations.

Monterrey, N.L. on January 25, 2018

By the Corporate Practices and Finance Committee

Ing. Dionisio Garza Medina
Chairman

Lic. Roger Saldaña Madero
Secretary