Taxation

Mexican Tax Considerations

General

The following is a summary of certain Mexican federal income tax considerations relating to the ownership and disposition of Cemex, S.A.B. de C.V.'s CPOs or ADSs.

This summary is based on provisions of the Mexican Federal Income Tax Law (*Ley del impuesto Sobre la Renta*, or the "Mexican Income Tax Law") in effect on the date hereof, which is subject to change (possibly with retroactive effect) or to new or different interpretations, which could affect the continued validity or correctness of this summary. This summary is limited to non-residents of Mexico, as defined below, who own Cemex, S.A.B. de C.V.'s CPOs or ADSs. This summary does not constitute tax advice and does not address all aspects of Mexican Income Tax Law. This summary does not describe any tax consequences arising under the laws, rules or regulations of any state or municipality of Mexico. Holders should consult their tax counsel as to the tax consequences that the purchase, ownership and disposition of Cemex, S.A.B. de C.V.'s CPOs or ADSs may have.

Tax residency is a highly technical definition that involves the application of a number of factors that are specified in the Mexican Tax Code (*Código Fiscal de la Federación*). An individual is a resident of Mexico if he or she has established his or her home in Mexico. If the individual also has a home in another country, he or she will be considered a resident of Mexico if his or her center of vital interests is in Mexico. Under Mexican law, an individual's center of vital interests is in Mexico if, among other things:

- more than 50% of the individual's total income in the calendar year comes from Mexican sources; or
- the individual's main center of professional activities is in Mexico.

A Mexican national that is employed by the Mexican government is deemed resident of Mexico, even if his or her center of vital interests is located outside of Mexico. Unless otherwise proven, Mexican nationals are deemed residents of Mexico for tax purposes.

A legal entity is a resident of Mexico if it is organized under the laws of Mexico or if it maintains the principal administration of its business or the effective location of its management in Mexico. A Mexican citizen is presumed to be a resident of Mexico for tax purposes unless such person 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.

A non-resident of Mexico is a legal entity or individual that does not satisfy the requirements to be considered a resident of Mexico for Mexican tax purposes.

Taxation of Dividends

Dividends from earnings generated before January 1, 2014, either in cash or in any other form, paid to non-residents of Mexico with respect to Series A shares or Series B shares represented by the CPOs (or in the case of holders who hold CPOs represented by ADSs), will not be subject to withholding tax in Mexico.

As a result of the enactment of certain tax provisions in Mexico, as of January 1, 2014, dividends in cash from identified pre-tax retained earnings generated after January 1, 2014 will be subject to a 10% withholding tax. This tax is considered as a definitive payment.

Disposition of CPOs or ADSs

As a result of the enactment of certain tax provisions in Mexico, as of January 1, 2014, in the case of Mexican individuals, capital gains on the sale or other disposition of shares issued by Mexican companies on the MSE will be subject to a 10% withholding tax, which will be withheld by the intermediary acting as a withholding agent.

Under Mexican tax law, gains on the sale or disposition of CPOs or ADSs by a holder who is a non-resident of Mexico will not be subject to Mexican income tax, to the extent such sale is carried out through the MSE or other recognized securities market, as determined by Mexican tax authorities, and the non-resident's country of tax residency has a tax treaty in force with Mexico. An affidavit stating that the non-resident of Mexico is entitled to tax treaty benefits should be delivered to the intermediary operating the disposition. Gains realized on sales or other dispositions of CPOs or ADSs by non-residents of Mexico made in other circumstances would be subject to a 10% capital gain withholding tax.

In addition, under the terms of the Convention Between the United States and Mexico for Avoidance of Double Taxation and Prevention of Fiscal Evasion with Respect to Income Taxes, and a protocol thereto (together, the "Tax Treaty"), gains obtained by a U.S. Holder (as defined below) eligible for benefits under the Tax Treaty on the disposition of CPOs or ADSs will generally not be subject to Mexican tax; *provided* that such gains are not attributable to a permanent establishment of such U.S. Holder in Mexico and that the eligible U.S. Holder did not own, directly or indirectly, 25% or more of our outstanding stock during the 12-month period preceding the disposition. Furthermore, in the case of non-residents of Mexico eligible for the benefits of a tax treaty, gains derived from the disposition of ADSs or CPOs may also be exempt, in whole or in part, from Mexican taxation under a treaty to which Mexico is a party.

The term "U.S. Holder" shall have the same meaning ascribed below under the section "Item 10—Additional Information—U.S. Federal Income Tax Considerations."

As of January 1, 2022, transfers of shares issued by Mexican entities between non-residents of Mexico should be informed to the Mexican Tax Authorities by the Mexican issuer entity within the following month of the transaction. However, this new obligation is not applicable to shares or CPOs traded in the MSE.

Estate and Gift Taxes

There are no Mexican inheritance or succession taxes applicable to the ownership, transfer or disposition of ADSs or CPOs by holders that are non-residents of Mexico, although gratuitous transfers of CPOs may, in some circumstances, cause a Mexican federal tax to be imposed upon a recipient. There are no Mexican stamp, issue, registration or similar taxes or duties payable by holders of ADSs or CPOs.

U.S. Federal Income Tax Considerations

General

The following is a summary of U.S. federal income tax considerations generally applicable to the ownership and disposition of Cemex, S.A.B. de C.V.'s CPOs and ADSs.

This summary is limited to U.S. Holders who hold CPOs or ADSs as "capital assets" (generally, property held for investment) for U.S. federal income tax purposes. This summary is based on the U.S. Internal Revenue Code of 1986, as amended, U.S. Treasury Regulations promulgated thereunder ("Treasury Regulations"), administrative pronouncements, judicial decisions and other relevant authorities, all as in effect as of the date thereof and all of which are subject to change, possibly with retroactive effect.

This summary does not address U.S. federal estate, gift or other non-income tax considerations, the alternative minimum tax, the Medicare tax on certain net investment income, or any state, local or non-U.S. tax

considerations, relating to the ownership or disposition of CPOs or ADSs, nor does it address all aspects of U.S. federal income taxation that may be relevant to a particular U.S. Holder in light of its particular circumstances or that may be relevant to U.S. Holders subject to special rules under U.S. federal income tax law, such as banks and other financial institutions, real estate investment trusts, regulated investment companies, insurance companies, dealers in securities or currencies, traders in securities that elect to use a mark-to-market method of accounting, former citizens or long-term residents of the United States, tax-exempt entities, persons who actively or constructively own 10% or more of our voting stock (by vote or value), persons that acquire CPOs or ADSs pursuant to any employee share option or otherwise as compensation, persons that hold CPOs or ADSs as part of a straddle, hedge, conversion, constructive sale or other integrated transaction, or persons whose functional currency is not the Dollar.

For purposes of this summary, a “U.S. Holder” means a beneficial owner of CPOs or ADSs, that is, for U.S. federal income tax purposes:

- a citizen or individual resident of the United States.;
- a corporation (or other entity treated as a corporation for U.S. federal income tax purposes) that is created or organized in or under the laws of United States, any state thereof of the District of Columbia;
- an estate the income of which is subject to U.S. federal income tax regardless of its source; or
- a trust if (i) a U.S. court is able to exercise primary supervision over its administration and one or more U.S. persons have the authority to control all of its substantial decisions or (ii) it has a valid election in effect under applicable Treasury Regulations to be treated as a U.S. person.

If a partnership (including any entity or arrangement treated as a partnership for U.S. federal income tax purposes) is the beneficial owner of CPOs or ADSs, the U.S. federal income tax treatment of a partner in such partnership will generally depend upon the status of the partner and the activities of the partnership. Partnerships that hold CPOs or ADSs and their partners should consult their tax advisors regardingan investment in CPOs or ADSs.

Prospective investors should consult their tax advisors with respect to the U.S. federal, state, local and non-U.S. income and other tax considerations relevant to the ownership and disposition of CPOs or ADSs in light of their particular circumstances.

Ownership of CPOs or ADSs

In general, for U.S. federal income tax purposes, U.S. Holders 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.

Distributions

The gross amount of any distribution with respect to the Series A shares or Series B shares represented by CPOs, including CPOs represented by ADSs (without reduction for Mexican withholding tax) will generally be subject to tax as ordinary dividend income 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. Holder on the day actually or constructively received. Distributions in excess of our current or accumulated earnings and profits will first be treated as a tax-free return of capital to the extent of the U.S. Holder’s adjusted tax basis in the CPOs or ADSs, as applicable, and thereafter generally as capital gain. Any such dividend will not be eligible for the dividends-received deduction allowed to corporate U.S. Holders. Because we don’t intend to determine our earnings and profits on the basis of U.S. federal income tax principles, any distributions we pay will generally be treated as dividends for U.S. federal income tax purposes.

The gross amount of any dividends paid in Mexican Pesos will be includible in the income of a U.S. Holder in a Dollar amount calculated by reference to the exchange rate in effect the day the Mexican Pesos are actually or constructively 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.

A non-corporate U.S. Holder will generally be subject to tax on dividend income received on the CPOs or ADSs at the lower capital gains tax rate applicable to "qualified dividend income," 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 (the "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 Treaty, which constitutes a comprehensive income tax treaty with the United States which includes an exchange of information program. Accordingly, we believe that any dividends we pay should constitute "qualified dividend income" for U.S. federal income tax purposes. However, we cannot assure you that we will continue to be considered a "qualified foreign corporation" or that our dividends will continue to be "qualified dividend income."

For U.S. foreign tax credit purposes, dividends received on CPOs or ADSs shares will generally be treated as income from foreign sources and will generally constitute passive category income. Depending on the U.S. Holder's individual facts and circumstances and subject to certain conditions and limitations, a Treaty-eligible U.S. Holder may be eligible to claim a foreign tax credit in respect of any Mexican income taxes pair or withheld with respect to dividends on CPOs or ADSs to the extent such taxes are nonrefundable under the Treaty. Alternatively, a U.S. Holder may elect to deduct such taxes in computing its taxable income for U.S. federal income tax purposes. A U.S. Holder's election to deduct foreign taxes instead of claiming foreign tax credits applies to all creditable foreign income taxes paid or accrued in the relevant taxable year. The rules regarding foreign tax credits and the deductibility of foreign taxes are complex. U.S. Holders should consult their tax advisors regarding the availability of foreign tax credits and the deductibility of foreign taxes in light of their particular circumstances.

Sale or Other Disposition of CPOs or ADSs

A U.S. Holder will generally recognize gain or loss on the sale or other disposition of CPOs or ADSs in an amount equal to the difference between the amount realized on the disposition and the U.S. Holder's adjusted tax basis in the CPOs or ADSs. Any such gain or loss will generally be long-term capital gain or loss if the U.S. Holder's holding period for the CPOs or ADSs exceeds one year at the time of the disposition. Long-term capital gains of individuals and certain other non-corporate U.S. Holders are generally eligible for a reduced rate of taxation. The deductibility of capital losses may be subject to limitations.

Gain recognized by a U.S. Holder on the sale or other disposition of CPOs or ADSs will generally be treated as from sources within the United States for U.S. foreign tax credit purposes. Consequently, a U.S. Holder may not be able to claim a credit for any Mexican or other non-U.S. tax imposed on such gain unless the credit can be applied (subject to applicable limitations) against tax due on other income treated as derived from foreign sources. In addition, under recently issued Treasury Regulations, it is possible that a U.S. Holder may not be entitled to claim a U.S. foreign tax credit with respect to any Mexican withholding tax imposed on gain recognized on a sale or other disposition of CPOs or ADSs unless the U.S. Holder is eligible for, and properly claims, the benefits of the Tax Treaty, pursuant to which the U.S. Holder may treat such gain as Mexican source