



PROPOSAL TO INCREASE THE CAPITAL STOCK OF THE COMPANY IN ITS VARIABLE PORTION THROUGH: (A) CAPITALIZATION OF RETAINED EARNINGS; AND (B) ISSUANCE OF TREASURY SHARES IN ORDER TO PRESERVE THE RIGHTS OF CURRENT NOTE HOLDERS PURSUANT TO THE COMPANY'S PREVIOUS ISSUANCE OF CONVERTIBLE NOTES

(subject to approval by the Ordinary General Shareholders Meeting to be held on March 31, 2016)

A proposal will be made to the Shareholders Meeting to authorize the increase in capital stock through:

- (A) Capitalization of retained earnings, increasing the Capital Stock in its variable part by the amount of \$4'684,960.14 Mexican pesos issuing up to 1,687'294,989 ordinary common registered shares without nominal value, of which up to 1,124'863,326 will be Series A and up to 562'431,663 will be Series B.

Subscription value will be determined pursuant to the theoretical value of \$0.00277661 Mexican pesos per share plus a premium which will be determined by the Board of Directors so that the resulting CEMEX.CPO value equals the weighted average price of all CEMEX.CPO transactions as of the closing of the Mexican Stock Exchange on April 24, 2017.

The amounts in the capital stock increase and the number of shares and CEMEX.CPOs to be issued could vary if convertible notes are converted before the delivery date of the new shares.

Current shareholders will be awarded 1 new CEMEX.CPO for each 25 CEMEX.CPO that they hold; in case their holding is not represented in CEMEX.CPO, they will be awarded 3 new shares, 2 Series A and 1 Series B, for each 75 shares currently outstanding.

There will be no cash awarded in any case. Shareholders will exercise their right against coupon number 148.

- (B) An increase of CEMEX, S.A.B. de C.V.'s capital stock in its variable part by the amount of 716,365.38 Mexican pesos through the issuance of up to 258'000,000 ordinary common registered shares without nominal value, of which up to 172'000,000 will be Series A and up to 86'000,000 will be Series B, with the same characteristics and the same rights of the currently outstanding shares, which will be kept in treasury in order to preserve the conversion rights of the holders of convertible notes issued by the Company.

The shares will be subscribed and paid through the conversion of the notes.

Of the shares that will be issued, up to 28'500,000 shares would back the conversion of notes issued in Mexico on December 2009 and up to 229'500,000 shares the conversion of notes offered on foreign markets on 2011 and 2015.

Unofficial translation for informational purposes only, the documents available in Spanish, which are subject to change, are the official documents that will be presented during the Ordinary General Shareholders Meeting on March 30, 2017.



Additionally, the following resolutions will be subject to consideration of the Shareholders Meeting for their approval:

1. That the shares representing the increases in capital stock be represented by CEMEX.CPO to be issued by Banco Nacional de México, S.A. as Trustee in Trust No. 111033-9, issuing up to 648'431,663 CEMEX.CPO, amount that could vary if convertible notes are converted before the delivery date of the new shares. For these effects, the shares representing the increase in capital stock will be issued on behalf of the aforementioned trust company.
2. That pursuant to the terms of the by-laws, whichever two Directors may sign the certificates representing the shares to be issued, whether temporary or permanent certificates, with up to 12 coupons attached with the corresponding consecutive numeration.
3. That the Board of Directors be authorized to determine the amount of premium to determine the increase in capital stock through the capitalization of earnings; to formalize the increase in capital stock as the value of subscription is determined and the notes are converted, and to agree upon any terms and conditions that have not been agreed upon by the Meeting.
4. That Rogelio Zambrano Lozano, Fernando González Olivieri, Ramiro G. Villarreal Morales, José Antonio González Flores and René Delgadillo Galván, be authorized so that, jointly or separately, they furnish the notices and publications that are required, as well as formalize in behalf of the Company the acts, agreements, contracts and any legal act which is required for the issuance of the CEMEX.CPOs, and furthermore to determine and update the conversion factor of the notes and to execute in behalf of the Company the acts, agreements, contracts, and any legal act which is required.