

Other legal and regulatory requirements report

Taxpayer's Tax Situation Report

December 31, 2018

To the Board of Directors and the Shareholders
To the Tax and Public Credit Ministry (*Secretaría de Hacienda y Crédito Público*)
To Tax Service Administration (*Servicio de Administración Tributaria*) (SAT)
To the General Administration of Large Tax Payers (*Administración General de Grandes Contribuyentes*)

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

1. Issued this report in relation to the audit that I made under International Standards of Auditing (ISA), of the financial statements prepared by CEMEX, S.A.B. de C.V.'s management in accordance with articles 32-A of the Federation's Tax Code (*Código Fiscal de la Federación*) (CFF), article 58 sections I, IV and V of the CFF Rules (RCFF), rules 2.13.7., 2.13.15. of the Miscellaneous Fiscal Resolution for 2019 (RMF) and with the integration and characteristics instructive, and for tax effects the guide forms for the presentation of the financial statement presentation contained in annex 16A of the RMF.

In accordance with this audit, I issued a report dated July 26, 2019, without omissions.

2. Exclusively for what is mentioned in this section 2, I declare under oath, based on articles 52 section III of the CFF, 57 and 58 section III of the RCFF and rule 2.13.16 of the RMF that:
 - a. In relation to the performed audit in accordance to the ISA, regarding CEMEX, S.A.B. de C.V.'s ("the Company" or "the tax payer") financial statements, for the year ended December 31, 2018, to which I refer to on section 1., I issued an opinion without omissions that affect the determination, calculation and complete taxes or federal contributions.
 - b. As part as my audit, described in the section 1., I reviewed the additional information and documents prepared by and under responsibility of the Company, in accordance with article 32-A of the CFF, 58 sections I, IV and V of the RCFF and rules 2.13.7., 2.13.15. of the RMF and with the guide forms and the integration instructive and of characteristics for the presentation of the financial statements report for tax effects contained in annex 16A of the RMF, which is presented in the System of Presentation of the Tax report 2018 (*Sistema de Presentación del Dictamen Fiscal*) (SIPRED) via Internet at the SAT. I have audited this information and documentation through selective tests, using the applicable auditing procedures, within the required scope to be able to express my opinion of the financial statements as a whole, in accordance with the ISA. Such information is included for the exclusive use and analysis by the General Administration of Large Taxpayers. Based on my audit, I manifest the following:
 - i. Within the following tests carried out in compliance with the ISA, I revised the taxpayer's tax situation referred to in article 58, section V of the RCFF, rule 2.13.19. and section XVI of rule 2.13.16 of the RMF, for the period that the financial statements cover, and within the reach of my selective tests, I revised the goods and services acquired or sold or granted for use or enjoyment to the Company, they were effectively received, delivered or given, respectively. In accordance to Section II of rule 2.13.16 of the RMF, the tests I applied did not include the test regarding the compliance to custom provisions or exterior commerce matters.

In my work files, there is evidence that the audit procedures applied to the corresponding sections selected by sampling and supporting the obtained conclusions.

- ii. I verified, based on the selective tests and the ISA, the calculation and the federal contributions that were generated during the fiscal year, included in the taxpayer's contribution expense relation as a direct subject or as a retainer.

Due to the fact that the Company does not have employees, payable employee contributions to the Mexican Institute of Social Welfare (*Instituto Mexicano del Seguro Social*) (IMSS) derived from wages and assimilated wages are not determined.

- iii. Based on the selective tests and the ISA I reviewed that the taxpayer has the right to the credit balances applied in compensations that were carried out during the fiscal year subject to revision and the pending amounts to return or already returned to the Company by the tax authority of such balance.

- iv. In regard to its nature and application mechanics used in previous years, I reviewed the amounts and concepts shown in the following annexes:

- Conciliation between the accounting result and the fiscal for the purposes of the Income Tax (*Impuesto Sobre la Renta*) (ISR) and
- Conciliation between the stated income, according to the integral income statement, the accumulative for effects of the ISR and the sum of the total actions or activities regarding the value added tax (*Impuesto al Valor Agregado*) (IVA) of the definite monthly payments made on the fiscal year that ended on December 2018.

- v. During the fiscal year, I had no knowledge that the taxpayer submitted complementary declarations that modified those of previous fiscal years. Likewise, I reviewed the complementary declarations of which I had knowledge, presented by the taxpayer for tax differences of the analyzed fiscal year, proving that they were presented in accordance to the tax provisions which are stated below:

Contribution for which a complementary declaration was presented	Fiscal year or period	Modified Concepts	Comes from operations with related parties	Presentation Date	Difference on base, rate or tariff
INCOME TAX (ISR) RETENTION FOR FOREIGN PAYMENTS	March 2018	INCOME TAX (ISR) RETENTION FOR FOREIGN PAYMENTS	N/A	September 14, 2018	N/A
INCOME TAX (ISR) LEGAL ENTITIES	April 2018	INCOME TAX (ISR) LEGAL ENTITIES	N/A	May 16, 2018	N/A
INCOME TAX (ISR) RETENTION FOR	April 2018	INCOME TAX (ISR) RETENTION FOR	N/A	May 16, 2018	N/A

ASSIMILATED WAGES		ASSIMILATED WAGES			
INCOME TAX (ISR) RETENTION FOR PROFESSIONAL SERVICES	April 2018	INCOME TAX (ISR) RETENTION FOR PROFESSIONAL SERVICES	N/A	May 16, 2018	N/A
INCOME TAX (ISR) FOR THIRD PARTY'S PAYMENTS OR RETENTION FOR REAL PROPERTY LEASING	April 2018	INCOME TAX (ISR) RETENTION FOR PROFESSIONAL SERVICES	N/A	May 16, 2018	N/A
INCOME TAX (ISR) RETENTION	April 2018	INCOME TAX (ISR) RETENTION	N/A	May 16, 2018	N/A
INCOME TAX (ISR) RETENTION FOR ABROAD PAYMENTS	April 2018	INCOME TAX (ISR) RETENTION FOR ABROAD PAYMENTS	N/A	May 16, 2018	N/A
VALUE ADDED TAX (IVA)	April 2018	VALUE ADDED TAX	N/A	May 16, 2018	N/A
VALUE ADDED TAX (IVA) RETENTION	April 2018	VALUE ADDED TAX (IVA) RETENTION	N/A	May 16, 2018	N/A
INCOME TAX (ISR) LEGAL ENTITIES	June 2018	INCOME TAX (ISR) LEGAL ENTITIES	N/A	July 16, 2018	N/A
INCOME TAX (ISR) RETENTION FOR PROFESSIONAL SERVICES	June 2018	INCOME TAX (ISR) RETENTION FOR PROFESSIONAL SERVICES	N/A	July 16, 2018	N/A
INCOME TAX (ISR) FOR THIRD PARTY'S PAYMENTS OR RETENTION FOR REAL PROPERTY LEASING	June 2018	INCOME TAX (ISR) FOR THIRD PARTY'S PAYMENTS OR RETENTION FOR REAL PROPERTY LEASING	N/A	July 16, 2018	N/A
INCOME TAX (ISR) RETENTION FOR ABROAD PAYMENTS	June 2018	INCOME TAX (ISR) RETENTION FOR ABROAD PAYMENTS	N/A	July 16, 2018	N/A
VALUE ADDED TAX	June 2018	VALUE ADDED TAX	N/A	July 16, 2018	N/A
VALUE ADDED TAX (IVA) RETENTION	June 2018	VALUE ADDED TAX (IVA) RETENTION	N/A	July 16, 2018	N/A
I INCOME TAX (ISR) RETENTION FOR ABROAD PAYMENTS	October 2018	ISR, RETENTION FOR ABROAD PAYMENTS	N/A	February 5, 2019	N/A

- vi. Since the company does not have employees, there was no determination nor payment of the Company's profits participation by employees.

- vii. Through selective tests, I reviewed the balance of the accounts indicated in the applicable annexes related to the selling costs determination for accounting purposes and Income Tax (ISR), the comparative analysis of the sub-accounts expense, the comparative analysis of the sub-accounts of the integral result of financing, reconciling, in this case:
- a) the differences with the basic financial statements, originated by reclassification for its presentation, and b) the determination of the deductible and non-deductible amounts for the purposes of the Income Tax (ISR).
- viii. During the fiscal year that ended December 31, 2018, I had no knowledge that the Company obtained resolutions from the tax or jurisdictional authorities (*Tribunal Federal de Justicia Administrativa* (previously known as *Tribunal Federal de Justicia Fiscal y Administrativa*) or Supreme Court, District Courts and *Tribunal Colegiado de Circuito*), or that it had tax exemptions or subsidies. I reviewed the information related to the fiscal stimuli and tax credits application that are included in the declaration made by the taxpayer's legal representative.
- ix. During the year, the Company was not severally liable as retainer in the sale of shares done by foreign residents.
- x. I revised the results of currency fluctuations, proving that they were caused by the different types of currency used between the dates that the transactions were made and the date in which the transactions were either charged or paid, or in such case, the financial statement position. Such revision was made based on the substantive analytical revision which was developed over the total balance of the currency fluctuation.
- xi. The Company's balances at December 31, 2018, are revealed on note 17.1 of the financial statement, included in the "Financial Statement Notes" Annex of SIPRED. The related operations with related parties made during the fiscal year, are revealed on Annex 16" Operations with Related Parties" of SIPRED.
- xii. Within the scope of my selective tests I reviewed the compliance of the obligations related to operations with related parties in accordance to the following provisions: Articles 11, 27, section XIII, 28, sections XVII, fourth paragraph, subsection b) XVIII, XXVII, XXIX, and XXXI, 76, sections IX, X, XII, 179 and 180 of the Income Tax Statute (*Ley ISR*).
- xiii. During this fiscal year that ended December 31, 2018, on the General Data Annex of SIPRED, the Company incorporated the related information with the application of some different criteria which in such case the tax authority would know in accordance to subsection h) of section I of article 33 of the active CFF at December 31, 2018. The taxpayer manifested in the previously mentioned annex that it did not apply that criteria during the fiscal year that ended December 31, 2018.
- xiv. Within the scope of my selective tests, I revised the information manifested by the taxpayer in the informative declarations presented in the following annexes of the Multiple Informative Declaration (*Declaración Informativa Múltiple*) without observing any omission:

Annex 4 "Information about the residents abroad".
Format 63 "Informative Declaration of Preferment Tax Regimes"

Other matters

3. My answers to the questions of the questionnaires of tax diagnostic and in terms of transfer price, that are part of the included information of the SIPRED, are based in the result of my audit of the basic financial statements, taken as a whole, of CEMEX, S.A.B. de C.V. as of December 2018 and for the ended year in such date, which was made in accordance to the ISA; consequently, the answers that indicate the compliance by the taxpayer of the tax provisions, are based on: a) my audit results made in accordance with ISA, I reviewed and had no knowledge of any incompliance to the tax provisions.

Some questions of the tax diagnostic questionnaire and the transfer prices questionnaire were left blank: 1) they do not apply to the company, 2) there is no possible answer or 3) the information was not revised, since it was out of my scope, which does not constitute a breach of the tax provisions.

4. Regarding the Company's responses, about the taxpayer's tax diagnostic and transfer prices questionnaires that are included in the annexes "General Data" and "Information about the Taxpayer's Operations with Related Parties", respectively, are part of the included information in the SIPRED, I have analyzed and revised that such answers are consistent with my audit's result in accordance to the ISA.

Consequently, the responses that indicate the taxpayer's compliance with the tax provisions, are supported by the fact that during the audit I made, I reviewed and had no knowledge of any type of breach of tax obligations that are referred to in such questionnaires.

Likewise, some questions require information that is not part of the basic financial statements, therefore the responses were provided by the Company and are not part of my audit.

5. As of December 31, 2018, no material differences were identified in contributions borne by the taxpayer as a direct subject or as a retainer.

Monterrey, Nuevo Leon as of July 26, 2019