

CEMEX

Global Antitrust Compliance Policy

“We at CEMEX are dedicated to conducting all of our business activities with the highest level of ethical standards. We are committed to full transparency in our business communications and actions. Compliance with antitrust laws, and all laws, is a fundamental part of our corporate values.”

-- Lorenzo H. Zambrano, CEO

Purpose:

The purpose of the CEMEX Global Antitrust Policy is to promote compliance with all antitrust laws. Antitrust laws are designed to:

- Guarantee free and open competition in a capitalist economy; and
- Prohibit anti-competitive behavior by either individual players acting alone or multiple players acting together.

Why Do You Need to Understand Antitrust Law?

Each employee is responsible for ensuring that her or she does not violate any antitrust laws or CEMEX's Antitrust Policy. Remember:

- CEMEX is a global company with business in all corners of the world.
- Each country has its own antitrust laws.
- Antitrust enforcement is conducted by cooperation between governments worldwide.
- Our business dealings may impact more than one country and therefore be subject to different antitrust laws.
- You therefore need to not only be familiar with the CEMEX Global Antitrust Policy, but with local laws as they may apply to you.
- You must be able to recognize when to seek advice of legal counsel.

Penalties for Violation of Antitrust laws:

CEMEX operates in different countries and is therefore exposed to different civil and/or criminal penalties. For example:

USA:

- Company criminal penalties – Up to US \$100 million
- Individual criminal penalties – Up to 10 years in prison and/or fines up to US \$1 million
- Injunctive relief – courts can order company to sell assets or leave markets
- Private antitrust actions - Civil liability, Treble (x3) Damages

European Union:

- Company penalties – up to 10% of worldwide revenue

Latin America:

- Mexico: Company penalties – Up to US \$5.5 million (approx). If repeated offense, the higher of 10% of annual sales or asset value and forced sale of assets.
- Venezuela: Company penalties – Up to 40% of annual sales

NOTE: Antitrust enforcement can reach beyond the border, and many government agencies work cooperatively to investigate and enforce antitrust laws. You may be subject to the antitrust laws of another country if your conduct affects the commerce of another country.

What do Antitrust Laws Target?

- Acting with others: It is illegal for two or more parties to get together to unreasonably restrain trade.
- Acting Alone: A company may not illegally monopolize or try to monopolize a product or a service.

NOTE: Antitrust laws do not prohibit all restraints on trade, only those that are unreasonable

These are the Major Areas of Risk Under Antitrust Laws

- Price Fixing & Bid Rigging
- Trade Association Meetings
- Market Allocation
- Tying/Reciprocal Dealing
- Boycotts
- Mergers and Acquisitions

Price Fixing

Price Fixing is an agreement between competitors on price. To avoid price fixing allegations:

- Never discuss the prices at which you each sell to your respective customers
- Limit discussions strictly to terms on which you will sell to competitor if they are also a customer; if necessary, build a wall between those working on the deal and those who handle the competitive operations.
- All bids for works must be independent; never share bid strategy with a competitor.
- Never exchange non-public information unless you talk to Legal.
- Follow all Legal and Management guidelines in DD or PMI processes.

Trade Associations

Trade Association meeting can be legitimate forums for discussing legislation, safety, public policy, etc. It is important to remember that they are meetings with competitors and therefore:

- Association meetings should have an antitrust policy statement read before the

- meeting and a lawyer should be present to monitor
- Conversations about prices, markets, customers, volumes, strategy, etc must be avoided.
- If any conversation goes off topic:
 - Excuse yourself as loudly and as memorably as you can;
 - Call the Legal Department for further advice

Market Allocation

Decisions about when, where and how you do business should be made internally. It is prohibited to collude with competitors about sharing the market in order to decrease competition:

- Any commercial agreement that involves a non-compete must be reviewed and approved by Legal.

Tying & Reciprocal Dealing

Let your customers freely decide the products they want to buy. Do not use your market power to condition the sale of a desirable product on the purchase of an undesirable one.

Boycotts

Do not participate in joint boycotts with competitors. Agreements not to sell to price cutting competitors, joint refusal to buy from suppliers, or agreement not to sell to a customer unless he discontinues to buy from a competitor can run afoul of antitrust laws. Any decision to not deal with a party should be made internally, and based on legitimate business reasons.

Mergers and Acquisitions

In many markets, mergers, acquisitions, and joint ventures are highly regulated by antitrust authorities. Remember:

- When you are participating in due diligence or negotiations related to merger transactions, you may come into contact with sensitive competitor information.
- Be sure to follow the terms of any confidentiality agreements, as well as local antitrust law.
- Do not share competitor information with other CEMEX business units.
- Remember that documents you create in relation to a merger, acquisition, or JV (including handwritten notes, e-mails -even if deleted- and drafts of documents, whether kept at the office or in a private home) can be requested by the government for review. Draft responsibly.



Contact the Legal Department at any time if:

- You have questions about the CEMEX Global Antitrust Policy;
- You have questions about local antitrust laws;
- You need guidance in regard to a specific business situation that raises antitrust concerns.

CONCLUSION

Each employee must remember that the ultimate responsibility for adhering to this Policy and following antitrust laws rests with him or her. Careful language will not avoid an antitrust violation when the conduct is in fact illegal.

Think before you speak or write. Use your best judgment and consult with the Corporate Legal Department whenever in doubt.