Pursuant to article 43 of the Mexican Securities Market Law (Ley del Mercado de Valores), we hereby submit through you, for consideration of Cemex, S.A.B. de C.V.’s Board of Directors, the following activities report that corresponds to the financial year 2018:

A) The main deficiencies in operational risks at the end of 2017 were known.

B) The annual program of operational risk assessments and internal audit procedure for 2017 was authorized.

C) The consolidated Financial Statements of the Company and its subsidiaries, audited for the fiscal year 2018, were reviewed, as well as the individual ones of Cemex, S.A.B. de C.V., being authorized to be submitted for authorization by the Board of Directors and, as the case may be, the General Shareholders Meeting.

D) The results obtained during the first three quarters of the fiscal year 2018 were reviewed at the consolidated level, agreeing to present the corresponding Financial Statements each quarter to the Board of Directors for approval and disclosure to investors.

The most relevant transactions during 2018 were: (i) on January 10, 2018, $400 million euros of the remaining accumulated capital stock of the Senior Secured Notes due January 2022 were redeemed; (ii) on March 15, 2018 $365 million U.S. dollars of the remaining accumulated capital stock of the Senior Secured Notes due March 2018 were redeemed; (iii) in March 15, 2018 $341 million U.S. dollars of the remaining accumulated capital stock of the Senior Secured Notes due June 2021 were redeemed; (iv) on March 22, 2018, it was notified that, at the Extraordinary Shareholders Meeting to be held on April 5, 2018, the capital increase to be requested would not exceed 1% of the Company's share capital; (v) on March 29, 2018, approximately $34 million of U.S. dollars were paid to increase the participation of Cemex in Lehigh White Cement Company from 24.5% to 36.75%; (vi) on July 26, 2018, a strategic plan was announced to strengthen the financial structure of the Company called (Stronger CEMEX) which implies, among other things, the restructuring of the Company's operations in Europe, accelerating the path towards investment grade and improving the total return to shareholders; (vii) on September 27, 2018, the sale of Cimento Vencemos do Amazonas Ltda, a subsidiary...
of the Company in Brazil, to Votorantim Cimentos, S.A. by for an amount of approximately $31 million of U.S.
dollars was closed; (viii) on November 27, 2018, starts the program for the repurchase of shares of the company
approved at the General Shareholders Meeting of the company held on April 5, 2018; and (ix) as of December
31, 2018, 153,603,753 CPOs were repurchased, representing approximately 1.01% of the outstanding shares
of the Company, at an average price of $9.90 Mexican pesos per CPO.

E) The Committee periodically evaluated the operational risks, their potential economic impact and the
deficiencies detected in the audits, as well as their relevance and the measures taken by the Administration to
correct them.

F) The Committee was informed of (i) the results of the anonymous and confidential mechanisms for complaints
and accusations, with details of the number of cases reported and resolved and distribution by department and
regions in which the Company operates, and (ii) the update to the Code of Ethics in order to integrate new
topics, with clearer structure and content.

G) The Committee was informed (i) of the internal testing plan of the Company in accordance with the SOX 404
regulation with respect to year 2018, the Company had the support of Skadden, Arps, Slate, Meagher & Flom
LLP, law firm based in the city of New York, United States from America, and of PricewaterhouseCoopers,
auditing firm and consultants, to support the conclusions to be included in the 20-F annual report; and (ii) the
current situation of the implementation of each of the remediation measures focused on having a better practice
to eliminate or mitigate risks related to violations of anti-corruption laws, including the Foreign Corruption
Practices Act ("FCPA") of the United States of America, as well as additional remedies that have been
implemented to strengthen the Company's practices in this area.

H) For the year ended December 31, 2016, a material weakness was detected related to significant unusual
transactions in the process of generating financial information, which subsisted during the 2017 fiscal yea,
since the control systems implemented require time to mature and be tested; as a result of this material
weakness, in 2017 and 2018 a remediation plan was presented to the Committee to correct the deficiencies
detected. Currently, the testing program for internal control systems is in the process of being revised to verify
the efficiency of the corresponding controls as established by the applicable regulations.
A report on the main lawsuits in which Cemex, S.A.B. de C.V. or its subsidiaries are parties to, was presented at each Committee meeting, indicating the contingencies, possible economic effects and the state in which they are found.

The External Auditor informed the Committee (i) of the main findings of the audits carried out during the 2017 and 2018 financial years; (ii) the analysis of the main issues and relevant operations and the effect thereof in the financial statements; (iii) the critical accounting policies and the main accounting estimates made by the Company; (iv) the responsibilities of the company and the external auditors; (v) the budget for the external audit firm for the periods 2017-2018 and 2018-2019; (vi) the results of the review made to KPMG by the Public Company Accounting Oversight Board ("PCAOB") regarding the audit work performed by KPMG to the Company in 2017; and (vii) the percentage of the fees accrued by the KPMG firm in 2018. Based on the foregoing, the Committee issued a favorable recommendation for the authorization of (a) to continue with the services of the External Audit firm KPMG Cardenas Dosal, SC during the year 2018 and until the presentation of the annual report, and (b) the budget of fees for the period April 2018 - April 2019.

The external auditors attended to all Committee meetings, informing on their review to the internal control systems and following up on the relevant events and their impact on the Financial Statements during the 2018 financial year, as well as the main risk areas significant and contingencies, the monitoring that was given during the year, as well as the deficiencies found, which were considered non-material.

The Committee was informed of the main new accounting rules that will apply to the Company in the period 2018-2019, and received an explanation on the main accounting policies in relation to income taxes, derivative financial instruments, impairment of assets of long life, obligations for the retirement of assets and recognition of income, confirming its independence by not providing non-permitted services to the Company and its subsidiaries. As well as, the performed and in process actions, in relation to the accounting standard IFRS 16, effective as of 2019, regarding changes in the lease registry for the Company.

The Committee was updated on the investigations conducted by the securities authority of the United States of America and of the reception of an investigation order from the Department of Justice of the United States of America on possible violations of the FCPA and other laws, agreeing the Committee to recommend to the Board of Directors the hiring of an independent law firm that acts as advisor to the Board of Directors, and in its case the Committee.

Unofficial translation for informational purposes only, the documents available in Spanish are the official documents that will be presented during the Ordinary General Shareholders Meeting on March 28, 2019.
N) The Committee was aware of the creation of the CAPEX Investment Projects Committee for the evaluation by corporate departments centralized to investments of more than 25 million dollars made in the business units, certifying mainly five concepts: (i) planning (matrix of risks, financial and technical viability); (ii) legal compliance (property titles, licenses, permits, etc.); (iii) project structure (main indicators and execution managers); (iv) use of resources (correct application of human, material and financial resources) and (v) operation (procurement processes, payments, asset management, auditing and internal controls).

O) The Committee was informed about (i) the new Single External Auditors Circular (Circular Única de Auditores Externos) (CUAE) issued by the National Banking and Securities Commission (Comisión Nacional Bancaria y de Valores) in 2018, on its application as of 2019, and its impact on the processes of this Committee and the Board of Directors; as well as, (ii) the option of adopting, as of 2019, the dollars of the United States of America as a reporting currency for the consolidated (not individual) information of the Company, agreeing to present this proposal for approval by the Board of Directors.

P) The Committee took note of the report on cybersecurity and governance of the technological systems department of the Company and its subsidiaries, topics of special relevance now that the Company has undertaken a digital transformation adopting a technology that allows information to be shared instantaneously between the Company and third parties.

Q) The Committee received an update on the status of the administrative services agreement entered by the Company with IBM in 2012, the services provided under this agreement, the quality levels of the services, the savings obtained to this date and those expected until the termination of the agreement.

R) The Committee was informed about the activities carried out to comply with the General Data Protection Regulation in force in Europe since May 2018 (GDPR) and the measures to mitigate the risks of violation of said regulation that include the ISO27001 being carried out in all countries in Europe where the Company has operations or offices.

The Committee made sure that Management properly followed the recommendations and corrective actions suggested by the external auditors, with no irregularities or material flaws thereto, issuing their opinion on the various matters within its scope which were submitted to the Board of Directors, the compliance with the resolutions related to Shareholders’ Meetings and Board of Directors’ Meetings was also reviewed.
The opinion of the external auditors on the company’s financial statements both individual and consolidated, is that they reasonably reflect the financial situation and results of the Company and its subsidiaries, that material events have been properly revealed, and that application of the accounting principles and policies has been consistent and adequate.

By the Audit Committee

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José Manuel Rincón Gallardo     Roger Saldaña Madero
Chairman       Secretary