

**CEMEX**  
**Anti-Bribery/Anti-Corruption Global**  
**Policy**

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## I. Policy

The Purpose of CEMEX, S.A.B. de C.V. and its direct and indirect subsidiaries' ("CEMEX") Anti-Bribery/Anti-Corruption Policy (hereinafter, "Policy") is to ensure that CEMEX complies with

- the Foreign Corrupt Practices Act ("FCPA");
- the Organization for Economic Cooperation and Development's Convention on Combating Bribery of Foreign Public Officials in International Business Transactions ("OECD Convention"); and
- the local anti-bribery and anti-corruption laws of countries where CEMEX operates, including the UK Bribery Act 2010 ("UK Bribery Act"), as further described in Section III, hereto.

The FCPA is a United States federal criminal law that has two parts: (1) the Anti-Bribery Provisions; and (2) the Books and Records Provisions. The Anti-Bribery Provisions prohibit bribes to non-U.S. officials. The Books and Records Provisions set forth record-keeping and internal controls requirements. The OECD Convention has a similar structure. Unless otherwise specifically noted, all references to "International Anti-Bribery Laws" refer to applicable anti-bribery laws including the FCPA and the laws of the countries that have adopted the OECD Convention. Consistent with International Anti-Bribery Laws, this policy prohibits the bribery of all public officials and, consistent with the application of the UK Bribery Act, this policy also prohibits bribery in the

private sector, that is, bribery of any person, whether or not such person is a public official.

This Global Policy applies to all CEMEX directors, officers and employees, regardless of where they reside or conduct business, CEMEX subsidiaries, affiliates and third party relationships over which CEMEX has control, including joint ventures, as well as all agents, consultants, business partners and other third-party representatives when they act on CEMEX's behalf.

This Global Policy overrides any local or regional policy or practice inconsistent with the terms hereof.

All questions regarding compliance with this Global Policy should be addressed to the compliance officer, country delegate, the corporate legal department, or submitted through ETHOS Line.

## **II. International Anti-Bribery Laws**

### **A. Improper Payments**

Consistent with International Anti-Bribery Laws, this Global Policy prohibits the payment, offer to pay or authorization to pay anything of value, directly or indirectly, to any government official, political party or candidate, or anyone acting on behalf of a public international organization, in order to obtain or retain business, direct business to any person, or to gain an improper business advantage. International Anti-Bribery Laws do not require that something of value change hands. An offer, a scheme or promise to pay or give something of value may constitute a violation.

The specific components of prohibited payments under this policy are:

1. the offer, promise, or authorization to pay
2. money or anything of value

3. directly or indirectly
4. to any government official
5. corruptly
6. with the intention of
  - a. obtaining or retaining business;
  - b. directing business to any person; or
  - c. securing any improper business advantage.

The term “anything of value” is very broad and includes but is not limited to:

- Money, gifts or personal favors;
- Meals & entertainment;
- Stock;
- Discounts on products and services not readily available to the public;
- Offers of employment for government officials or relatives of government officials;
- Political contributions;
- Third-party payments;
- Payments of travel expenses; and
- Assumptions or forgivenesses of debt.

The terms “foreign official” or “government official” (indistinctly) includes:

- Officers and employees of state-owned companies;
- Officers of public international organizations (*e.g.*, the World Bank, the United Nations, the International Monetary Fund, etc.);
- Political officials and candidates;
- Persons acting in official capacities for public officials or officers/employees of government owned companies;

- Uncompensated honorary officials whose duties are merely ceremonial; and
- Members of royal families.

## **B. Books and Records**

This Global Policy further prohibits the falsification of books and records and requires compliance with certain accounting provisions, consistent with the FCPA's Books and Records Provisions and similar provisions of International Anti-Bribery Laws.

The purpose of the books and records provisions is to prevent companies from concealing bribes and to discourage fraudulent accounting practices. The books and records provisions apply to all documents and require:

- Maintenance of books, records and accounts that accurately reflect each transaction and disposition of company assets;
- Maintenance of a system of internal accounting controls that can detect and prevent illicit payments to government officials;
- Transactions to conform to generally accepted accounting principles ("GAAP") or International Financial Reporting Standards ("IFRS"), as applicable; and
- Periodic comparison of recorded assets against existing assets so that disparities can be identified and addressed.

## **C. Working with Government Officials**

While International Anti-Bribery Laws prohibit *corrupt* payments to government officials they do not prohibit a company from conducting business with governments, agencies and government-controlled entities or instrumentalities. CEMEX's business activities frequently require direct dealings with government entities and officials acting in their official capacities. International Anti-Bribery Laws simply prohibit corruptly

paying or offering to give anything of value to those entities or officials to obtain business.

#### **D. Penalties for Violating the FCPA**

The penalties for violating the FCPA and other International Anti-Bribery Laws can be severe. For example, the penalties for violating the FCPA are described below.

##### **1. Anti-Bribery Violations**

Corporations may be fined up to:

- U.S. \$2 million per violation criminal fine or twice the benefit sought by the payment;
- Debarment;
- U.S. \$10,000 civil penalty or gross gain to the company;
- Disgorgement; and/or
- Independent Compliance Monitor.

Individuals may be imprisoned for up to 5 years and criminally fined up to U.S. \$100,000. They may also be fined up to U.S. \$10,000 civilly. The fines may not be paid, directly or indirectly, by the company.

##### **2. Books & Records Violations**

Corporations may be fined up to:

- U.S. \$25 million;
- two times the benefit received; or
- two times the harm caused.



Individuals may be imprisoned for up to 20 years and fined up to U.S. \$5 million. Penalties may also include debarment from government contracts, disgorgement and civil penalties.

### **III. UK Bribery Act 2010**

The UK Bribery Act prohibits the offences of accepting a bribe, bribing another person and bribing a foreign official and also introduces an offence exclusive to commercial organizations that fail to prevent bribery from associated persons seeking to obtain or retain business or an advantage in favor of such organization.

#### **A. Offences of bribing another person**

Whereas bribery of public officials is addressed in section II above, and bribery from associated persons is subject to Section VI below, this section addresses bribery amongst persons in the private sector and must be abided by all CEMEX directors, officers and employees, when acting in the UK or when acting for or in behalf of a CEMEX UK entity or business unit, regardless of where such action takes place.

The specific components of prohibited actions under this section are:

- A.
  - 1. the offer, receipt, promise or giving of
  - 2. a financial or other advantage
  - 3. with the intention of:
    - a. bringing out improper performance; or
    - b. rewarding the improper performance of
  - 4. a relevant function or activity
  - 5. by another person;

and B.

1. the offer, receipt, promise or giving of
2. a financial or other advantage
3. with the knowledge or belief that the acceptance thereof
4. constitutes in itself
5. an improper performance of
6. a relevant function or activity
7. by another person.

The term “improper performance” refers to a performance which amounts to a breach of an expectation that a person will act:

- In good faith;
- impartially; or
- in accordance with a position of trust.

#### **B. Penalties for Violating the UK Bribery Act**

Corporations may be fined for an unlimited amount and be subject of discretionary debarment from public procurement contracts. Individuals may be imprisoned for bribing a public official or another person for up to 10 years and fined for an unlimited amount. The fines may not be paid, directly or indirectly, by the company.

#### **IV. Business Amenities**

“Business amenity” means any gift, promotional item, meal, service, entertainment, loan, favor or anything else of value related to the promotion of CEMEX products or the execution of a contract. When providing business amenities to government officials, the following guidelines must be followed:

- The business amenity should comply with any applicable local laws or business policies;

- The business amenity should avoid even the appearance of impropriety;
- The cost of the business amenity should be unmistakably reasonable;
- The business amenity should be consistent with local customs; and
- The business amenity expense should be accurately accounted for in the Company's books and records.

These guidelines apply to business amenities given to representatives of current or potential customers, suppliers or other business partners and competitors, as well as their families and others with whom they have close personal relationships. In addition, the giving of business amenities should not embarrass CEMEX or damage CEMEX's reputation.

As mentioned previously, under the UK Bribery Act, the above section would apply to provision of Business Amenities to government **OR** non-government officials.

#### **A. Meals, Gifts and Entertainment**

Unless there are more restrictive applicable local laws, you may usually give a nominal gift or provide a nominal meal or entertainment to a government official if that amenity is valued at U.S.\$100 or less per person<sup>1</sup>, or such other amount as set forth in Annex 1 hereto. Gifts of nominal value (generally U.S.\$ 100 or less per gift<sup>2</sup>), generally are permissible as promotional expenses, particularly when the items bear the company's logo. Even for such items of nominal value, however, you should consider whether the frequency or timing of gifts may create an appearance of undue influence. CEMEX employees may not provide business amenities if doing so would create even the

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<sup>1</sup> This amount may be €100 in the case of countries that have adopted the euro as their national currency, and £100 in the case of the United Kingdom.

<sup>2</sup> *Id.*

appearance of undue influence, and the gifts or amenities may not be for an improper purpose under any circumstances.

You should follow normal reimbursement procedures for meals, gifts and entertainment valued at U.S. \$100<sup>3</sup> (or such other amount as set forth in Annex 1 hereto) or less per person and submit requests for reimbursement, along with supporting documentation such as receipts and participants lists, to the Comptrollership department. However, you must submit a completed **Gifts, Travel & Entertainment Checklist** and supporting documentation to your local legal department for approval prior to providing or receiving business amenities valued over U.S. \$100<sup>4</sup> (or such other amount as set forth in Annex 1 hereto.) The **Gifts, Travel & Entertainment Checklist** is a separate document available through ETHOS@Plaza, which may be updated or modified by the corporate legal department from time to time.

As mentioned previously, under the UK Bribery Act, the above section A would apply to provision of meals, gifts or entertainment to government **OR** non-government officials.

## **B. Travel Expenses and Promotional Visits**

CEMEX's payment of travel or reimbursement of travel-related expenses of government officials may raise issues under International Anti-Bribery Laws. Therefore, the following guidelines must be followed with respect to the payment of travel-related expenses of government officials:

- CEMEX can pay only reasonable and bona fide expenses for travel by government officials that are directly related to the promotion,

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<sup>3</sup> *Id.*

<sup>4</sup> *Id.*

demonstration, or explanation of products or services, or the execution or performance of a contract. Thus, it is acceptable to pay the travel expenses of government officials to travel generally to meet company personnel, or to inspect products or a manufacturing facility, or to execute a contract;

- CEMEX cannot pay for the non-business travel expenses of government officials;
- CEMEX cannot pay any of the travel expenses for family members of government officials;
- Lodging expenses paid for by CEMEX must include only accommodation costs actually incurred;
- Meals must be reasonable and properly recorded; and
- Payments to cover expenses must be paid directly to vendors (*e.g.*, hotels, airlines and car rental companies).

The best way to avoid possible problems is to ensure that the travel expenses associated with the business related activity are permitted under local law and not linked to activities such as paid trips to tourist attractions or to visit family members. You must submit a completed **Gifts, Travel & Entertainment Checklist** and supporting documentation to your local legal department for approval prior to incurring travel-related expenses for government officials.

As mentioned previously, under the UK Bribery Act, the above section would apply to the paying of Travel Expenses and provision of Promotional Visits for the benefit of government **OR** non-government officials.

## V. “Facilitating” or “Grease” Payments

The FCPA’s Anti-Bribery Provisions prohibit payments to foreign officials, but makes an exception for “facilitating” or “grease” payments. Facilitating payments are

small payments to government officials made for the purpose of expediting routine, non-discretionary government functions.

Routine governmental actions include, for example:

- The issuance of permits, licenses or other documents needed to do business in the country;
- Processing governmental papers such as visas and work permits;
- Providing police protection and mail pick-up and delivery;
- Scheduling inspections associated with contract performance or inspections related to transit of goods across country; or
- Providing phone service, power and water supply, loading or unloading of cargo, or protecting perishable products or commodities from deterioration.

Routine governmental actions **do not** include decisions by a government official:

- Awarding business;
- Continuing existing business; or
- Influencing others to encourage the award of business or the continuance of existing business.

**It is important to note, however, that not all International Anti-Bribery Laws permit facilitating payments.** Thus, CEMEX employees and representatives may **not** make facilitating payments to any government official, unless the circumstance involves an imminent threat to the health, safety or welfare of a CEMEX employee or a member of his or her family, or a co-worker.

Where there is such a threat to the health, safety or welfare of any employee or employee's family or co-worker, the employee must make a good faith effort to obtain corporate legal department approval before he or she makes a facilitating payment. Whenever a facilitating payment is made, it must immediately be reported to a supervisor

or a member of the corporate legal department. The corporate legal department will investigate the circumstances surrounding any facilitating payment.

Even if a transaction meets the facilitating payment requirements, it is possible to violate International Anti-Bribery Laws if the transaction is not properly recorded as a facilitating payment. This means that the entry in the books and records must accurately reflect the amount, date and purpose of the payment, must identify the recipient of the payment, and must clearly reflect that the payment was a facilitating payment.

## **VI. Third-Party Representatives and Joint Ventures**

Under International Anti-Bribery Laws, CEMEX may be liable for the activities of subsidiaries, affiliates and third party relationships over which CEMEX has control, including joint ventures, as well as the activities of agents, consultants, business partners and other third-party representatives when they work on CEMEX's behalf (collectively, "third-party representatives").

### **A. Third-Party Representatives**

To reduce the risk of liability based on the conduct of third-party representatives, CEMEX has instituted **Due Diligence** procedures for the selection and retention of third-party representatives. Whenever CEMEX employees establish a relationship with a third-party representative, they must:

- Compile, document and preserve the information collected during the process of selecting the third-party representative;
- Assure that any relationship between the third-party representative or the third-party representative's family and a political party or government official is permissible under the local law;
- Formally define the scope of the relationship with the third-party representative in a written contract that sets forth, among other things, compensation terms, an acknowledgment by the third-party that it will conduct itself in accordance with

the FCPA, other applicable anti-bribery laws and this Policy, and provisions establishing CEMEX's right to audit the third-party representative's books and records;

- Document any services that will be provided, the compensation that CEMEX will pay for such services, and the basis for believing the compensation is reasonable;
- Conduct an in-person interview with the candidate, explain CEMEX's expectations and anti-bribery policies, and obtain a written certification from the third-party representative that it will comply with CEMEX's policies;
- Verify the information the third-party representative provides on background questionnaires and other forms submitted to the company; and
- Maintain and update the third-party representative's due diligence file with any new information obtained during periodic reviews of the relationship.

CEMEX employees may not establish a relationship with a third-party representative until they have submitted a completed **Third-Party Representative Checklist** to the local or corporate legal department for approval. The **Third-Party Representative Checklist** and the **Due Diligence** procedures are available through ETHOS@Plaza, and may be updated or modified by the corporate legal department from time to time.

CEMEX employees must submit a written contract and other supporting documents with the Third-Party Representative Checklist. The written contract must:

- Contain an anti-bribery clause, acknowledging that the third-party representative will conduct itself in accordance with the FCPA, other applicable anti-bribery laws, and this Policy;
- Contain a description of the role and responsibilities of the third-party representative, including a description of services for which CEMEX will pay the third-party representative;
- Include the compensation terms;



- Define the geographic territory in which the third-party representative will work;
- Define the customers with which the third-party representative will work, if applicable;
- Set forth the term of the relationship; and
- Contain an audit provision permitting CEMEX to conduct periodic books and records reviews of the third-party representative.

Even when dealing with third-party representatives with whom CEMEX already has an approved relationship, CEMEX employees should be alert for suspicious circumstances – so called “red flags.” Examples of red flags are:

- The country where the transaction is taking place has a long and extensive history of corruption;
- The third-party representative was specifically recommended by a government official;
- The third-party representative refuses to agree to abide by the FCPA, the applicable local law or CEMEX’s Anti-Bribery/Anti-Corruption Policy;
- The third-party representative provides incomplete or inaccurate information in the required disclosures;
- The third-party representative requires that payment be made to the representative upfront, indirectly through another party, or in some other country;
- The third-party representative requests an unusually large commission in relation to the service provided;
- The third-party requests that you provide employment or some other advantage to a friend or relative;
- The third-party insists on the use of side-letters and refuses to sign a contract for the agreed terms;
- The third-party representative requests reimbursement for poorly documented or questionable expenses.
- The third-party representative makes unusually large or frequent political contributions;

- The third-party representative has family or business ties to relevant government officials; or
- The only qualification the third-party representative has is the ability to influence government officials.

If you believe that any such red flags exist, or have any concerns or questions related to third-party representatives, contact the corporate or local legal department immediately.

## **B. Joint Ventures**

The same general rules that apply to third-party representatives also apply to the activities of joint ventures and joint venture participants. All CEMEX employees must be vigilant to ensure compliance with applicable laws and the contractual safeguards established for any joint venture. In addition, CEMEX employees may not establish a joint venture relationship until they have submitted a completed **Third-Party Representative Checklist** and supporting documentation to the corporate or local legal department for approval.

When monitoring joint ventures, be alert to the following:

- Use of agents or other third party representatives without conducting due diligence and/or without written contracts;
- Unusual or incomplete documentation;
- Unusual or overly complex arrangements which demonstrate a lack of transparency;
- Unusual or overly generous subcontracts;
- Excessive, false or poorly described payment requests;
- The representative requests an upfront payment; or
- A government official requests the hiring of a representative.

If you believe that any such red flags exist, or have any other concerns or questions related to joint ventures, contact the corporate or local legal department immediately.

## **VII. Conclusion**

CEMEX's Anti-Bribery/Anti-Corruption Policy is provided to assist you in avoiding danger areas and in recognizing situations in which you should consult with the corporate or local legal department. These guidelines are not intended to prevent CEMEX from competing vigorously or from continuing to offer new and innovative products to our customers. If you believe that a project or practice would benefit CEMEX and its customers but might raise issues under International Anti-Bribery Laws, contact the corporate legal department. They can help you determine whether the project would in fact be legal or identify ways to achieve the same objectives without risking violations of International Anti-Corruption laws or local laws.

You are required to acknowledge your receipt and understanding of these Guidelines by signing and returning the enclosed form to your local Human Resources representative. This acknowledgement will become a permanent part of your personnel record.

ANNEX 1

COUNTRY-SPECIFIC THRESHOLDS UNDER SECTION III.A.

FRANCE:

Business Unit President .....	€200 per person/event
	€800 per person/annum
Vice-Presidents of Concrete, Aggregates and Planning .....	€150 per person/event
	€400 per person/annum
Local Regional Directors under VPs of Concrete and Planning .....	€100 per person/event
	€300 per person/annum
All Others:.....	€80 per person/event
	€160 per person/annum

**CEMEX**

**Anti-Bribery/Anti-Corruption  
Policy  
Acknowledgement Form**

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I have read, understand and intend to abide by CEMEX's Anti-Bribery/Anti-Corruption Policy. If I have any questions or need further explanations regarding any item or subject covered in these Guidelines, I shall contact the CEMEX corporate legal department directly or through ETHOS Line. In the event I become aware of a potential or actual bribery/corruption problem, I shall immediately report the facts to the CEMEX corporate legal department, directly or through ETHOS Line.

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Date

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Signature

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Name (print)

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Title/Position

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Location