



**CARIBBEAN CEMENT COMPANY LIMITED**  
Annual General Meeting – December 7, 2021

**SUPPLEMENTAL INFORMATION**

**SPECIAL BUSINESS**

Caribbean Cement Company Limited (“CCCL” or “the Company”) hereby sets forth its proposal to enter into certain agreements (“the Proposed Agreements”) with CEMEX S.A.B. de C.V. and its affiliated companies (collectively referred to as “CEMEX”), to establish the general framework for the corporate services provided by CEMEX to CCCL as well as for the payment of royalties for the use of trademarks, names, and intellectual property owned by CEMEX and licensed to CCCL as follows:

**1. Master Services and Intellectual Property Agreement**

**Parties:**

- i. Caribbean Cement Company Limited; and
- ii. CEMEX, S.A.B. de C.V., the ultimate holding company of the CEMEX Group, and its Subsidiaries [CEMEX Innovation Holdings AG; and CEMEX España Gestion y Servicios].

**Purpose:**

To establish the general framework in respect of the regional and corporate services provided by CEMEX to CCCL as well as royalties for use of different trademarks, names, and intellectual property owned by CEMEX and licensed to CCCL.

**2. Sub-Agreement – Services**

**Parties:**

- i. Caribbean Cement Company Limited; and
- ii. CEMEX España Gestion y Servicios, domiciled in Spain.

**Purpose:**

To establish the framework for corporate services support rendered by CEMEX, which comprises a variety of ongoing administrative, professional and technical services, including, but not limited to, human resources, energy, accounting and tax, legal, strategic planning and treasury services.

**3. Sub-Agreement - Intellectual Property**

**Parties:**

- i. Caribbean Cement Company Limited; and
- ii. CEMEX Innovation Holdings AG, domiciled in Switzerland.

**Purpose:**

To establish the specific framework for licenses and royalties for use of different trademarks, names and intellectual property assets owned and developed by CEMEX, such as processes and information technology; software; industrial models; procurement; and commercial & distribution systems.

**General Principles**

The following are the general principles applicable to the Proposed Agreements:

**Effective Date**

January 1, 2022

## **Approval**

Subject to Shareholders approval, the Master Services and Intellectual Property Agreement; the Sub-Agreement – Services; and the Sub-Agreement – Intellectual Property, shall be reviewed by the Board Audit and Finance Committee and recommended to the Board of Directors of CCCL, for approval. Subsequent to approval, each agreement shall be executed on behalf of the Company by the Chairman and one (1) Independent Director.

## **Term and Renewal**

The executed agreements shall remain in full force and effect for 5-year term from the effective date and shall include an automatic renewal clause for an automatic renewal term of 5 years, subject review of the applicable terms and conditions by the parties, 6-months before each automatic extension date (i.e., 6 months before each 5th anniversary).

## **Consideration**

CEMEX will charge a fee to be determined according to the principle of arm's length pricing that will not, on an aggregate basis, exceed 4% of CCCL's consolidated net sales. The aggregate fee includes support rendered in accordance with the Sub-Agreement for Services; and Royalties in respect of the Sub-Agreement for Intellectual Property. At the end of each fiscal year, a transfer pricing report will be prepared to evidence the arm's length nature of the fees.

*An analysis performed by an independent Transfer Pricing & Business Valuation firm in the United States (Economic Partners LLC), has substantiated a median royalty rate of 5% for the Industrial Equipment and Construction Materials sectors.*

## **Force Majeure**

The Parties will have the right to review and negotiate the Terms & Conditions at any given point during the 5-year term if a "Force Majeure Event" occurs that impact the financial stability of CCCL.

A Force Majeure Event means: fire, flood, earthquake, elements of nature or acts of God; wars, terrorist acts, site-specific terrorist threats, riots, civil disorders, rebellions, or revolutions; strikes, lockouts or labor disputes; pandemics; or any other similar cause beyond the reasonable control of the parties to the Agreement.

## **ORDINARY BUSINESS**

### **New Candidate Proposed for Election**

Effective November 30, 2020, Mr. Jose Luis Seijo Gonzalez tendered his resignation as a Director of the Company. By Written Resolution, the Board of Directors appointed Mr. Francisco Aguilera Mendoza as a Director of the Company with effect from December 1, 2020, to fill a casual vacancy created by the resignation of Mr. Jose Luis Seijo Gonzalez, in accordance with Article No. 103 of the Company's Articles of Incorporation.

The biography of **Mr. Francisco Aguilera Mendoza** follows:



Mr. Francisco Aguilera Mendoza was appointed Managing Director of the TCL Group on December 1, 2020. He has served the TCL Group as a member of the Board of Directors since 2014. Prior to this appointment, Mr. Aguilera was the Vice President of Strategic Planning of the CEMEX South, Central America and the Caribbean Region.

Mr. Aguilera Mendoza joined CEMEX in June 1996 and has held positions in various areas throughout CEMEX's US operations including Logistics Manager, Sales Administration Director, Aggregate Operations VP, and VP & General Manager for the Concrete Pipe Division. He was also VP of Trading for Europe, Middle East, Africa and Asia, based in Spain., and VP of Trading for Americas and Global Shipping Operations

based in Mexico. He has extensive experience in the building materials industry, especially in fields such as general management, logistics operations, international commerce and post-merger integrations.

Mr. Aguilera Mendoza holds an MBA with a Major in Operations from the Kellogg Graduate School of Management of Northwestern University, and a BSc in Mechanical and Industrial Engineering from the Monterrey Institute of Technology, Mexico.