



TRINIDAD CEMENT LIMITED

This document is important and requires your immediate attention. If you are in doubt as to how to respond to the offer, you should consult with your investment advisor, bank manager, attorney-at-law, accountant, tax consultant or other professional advisor.

Trinidad Cement Limited

SUPPLEMENTAL DIRECTORS' CIRCULAR

**Dated January 6, 2017
In respect of the Offer by**

Sierra Trading

**to purchase up to 132,616,942 ordinary shares
so as to result in Sierra Trading holding not more than
74.9% percent of the issued and outstanding shares of**

Trinidad Cement Limited

at a cash price of \$4.50 per ordinary share in the currency of Trinidad and Tobago

NOTICE TO SHAREHOLDERS IN JAMAICA

The Offeror, Sierra Trading, is a wholly-owned direct subsidiary of CEMEX España, S.A., a company incorporated and existing under the laws of Spain, which in turn is a 99.88% owned indirect subsidiary of Cemex, S.A.B. de C.V.

Trinidad Cement Limited is incorporated in Trinidad and Tobago and a majority of its Officers and Directors are also residents of Trinidad and Tobago.

Under the Securities Industry Act, 1995 of Trinidad & Tobago, a Director's Circular dated December 23, 2016 was circulated in Trinidad & Tobago to shareholders in Trinidad & Tobago in compliance with the Securities Industry By-Laws, 1997.

This Supplemental Directors' Circular is issued and circulated to Shareholders in Jamaica under the Securities Act 1993 of Jamaica in accordance with the Securities (Take-Over and Mergers Regulations) 1999 and the Jamaica Stock Exchange Rules Governing Take-Over & Mergers.

Neither the Financial Services Commission of Jamaica nor the Jamaica Stock Exchange has commented on the accuracy or adequacy of the Supplemental Directors' Circular.

This Supplemental Directors' Circular is to be read in conjunction with Offer and Take Over Bid Circular circulated by Sierra dated December 5, 2016 and the Directors' Circular dated December 23, 2016.

Shareholders should seek independent investment advisor and legal advice in respect of their decision whether to accept or reject the offer notwithstanding the recommendation made by the Directors of Trinidad Cement Company Limited not to accept the offer made by Sierra Trading having regard to their opinion that the offer is not fair from a financial point of view.

INTRODUCTION

Dear Shareholders,

In order to afford you, the Jamaican shareholders, an opportunity to access additional information in making a decision whether to accept or reject the Offer made by Sierra Trading of TT\$4.50 per ordinary share contained in an Offer and Take-Over Bid Circular dated December 5, 2016 to acquire up to 132,616,942 ordinary shares at the price of TT\$4.50 per ordinary share so as to result in Sierra Trading acquiring not more than 74.9% of the issued and ordinary shares of Trinidad Cement Limited, the Directors of Trinidad Cement Limited (TCL) hereby advises you that the following documents were uploaded to the Jamaica Stock Exchange (JSE) website, www.jamstockex.com and are therefore readily accessible to you:

1. Consolidated Financial Statements for Year Ended December 31, 2015.
2. Summary Consolidated Interim Financial Report for the Nine Months ended September 30, 2016.
3. Certificate of the TCL Group Finance Manager dated January 5, 2017 regarding the 2015 Financial Statements and the Summary Consolidated Interim Financial Report for the Nine Months ended September 30, 2016.
4. Valuation Analysis of TCL by PricewaterhouseCoopers (PWC) commissioned January 2015.
5. PWC's consent dated December 22, 2016 for inclusion of the Valuation Analysis.
6. Fairness Opinion dated December 20, 2016 prepared by Ernst & Young Services Limited.
7. Ernst & Young Services Limited's consent dated December 21, 2016 for inclusion of the Fairness Opinion.
8. Trades of the last six (6) months of TCL on the JSE.
9. History of Profits of TCL for the previous five (5) years.

The above documents are to be treated as included in the Directors' Circular dated December 23, 2016 which was delivered to you by mail and uploaded to the JSE website.

It is recommended that you very carefully read the Offer and Take-Over Bid Circular of Sierra Trading, the Directors' Circular, this Supplemental Directors' Circular including the above listed documents which form a part of the Supplemental Directors' Circular.

If you are in doubt as to how to respond to the Offer, you should consult your investment advisor, bank manager, attorney-at-law, accountant, tax advisor or other professional advisor

BY ORDER OF THE BOARD OF DIRECTORS OF TCL



KATHRYNA M. BAPTISTE

COMPANY SECRETARY

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GLOSSARY

*In this **Directors' Circular**, unless otherwise specified or the subject matter or context is inconsistent therewith, the following terms shall have the same meanings set out below, and grammatical variations thereof shall have the corresponding meanings: **Capitalized terms used in this Directors' Circular that are not otherwise defined have the respective meanings ascribed to them in the Offer and Take-Over Bid Circular of the Offeror dated 5th December, 2016***

“\$” means Trinidad and Tobago dollars;

“**Applicable Securities Laws**” means the Securities Act, 2012, the Securities Industry (Take-Over) By Laws, 2005 and all other applicable securities laws;

“**Bid**” means the offer bid in the Offer and Take-over Bid made by Sierra Trading on the 5th day of December, 2016

“**Board of Directors**” or “**the Board**” means the board of directors of Trinidad Cement Limited;

“**Business day**” or “**working day**” means any (other than Saturday or Sunday or public holiday) day on which commercial banks are open for business in the Republic of Trinidad and Tobago;

“**Central Bank**” means the Central Bank of Trinidad and Tobago

“**Directors' Circular**” means this document;

“**Expiry Time**” means 3.00 p.m. (Trinidad and Tobago Time) on the 10th day of January, 2017 or such later day or time as may be fixed by the Offeror from time to time, unless the Offer is withdrawn by the Offeror;

“**Inspector**” means the Inspector of Financial Institutions of the Central Bank of Trinidad and Tobago;

“**Laws**” means any applicable laws, including international, national, provincial, state, municipal and local laws, treaties, statutes, ordinances, judgments, decrees, injunctions, writs, certificates and orders, notices, by-laws, rules, regulations, or other requirements, policies or instruments of any governmental entity having the force of law, as applicable;

“**Offer**” and “**Take-Over Bid Circular**” means the offer to purchase and the Offeror's related offer documents;

“Offer” means the offer dated 5th December, 2016, made by the Offeror to purchase up to Seventy four point nine percent (74.9%) of the issued shares of TCL, for a consideration of \$4.50 per share which offer is conditional *inter alia* on Sierra Trading being able to acquire and hold a total of not less than fifty point zero one percent (50.01%) of the TCL issued shares;

“Offeree Issuer” means Trinidad Cement Limited, a company incorporated, continued and existing under the laws of Trinidad and Tobago;

“Offeror” means Sierra Trading, a company organized and existing under the laws of the Cayman Islands having its registered seat located in World Trade Center, Strawinskylaan 1637, Tower B, level 16, 1077 XX Amsterdam, The Netherlands, being a wholly-owned direct subsidiary of CEMEX España, S.A., a company organized and existing under the laws of Spain, which in turn is a 99.88% owned indirect subsidiary of Cemex S.A.B de C.V. (“CEMEX”).

“Officers” means officers of the Offeree Issuer;

“Shareholders” means the holders of shares in TCL;

“Shares” means ordinary shares;

“TCL” means Trinidad Cement Limited being the Offeree Issuer

“Terms and conditions” shall have the same meaning as is attributable to them in the Bid

Words importing the singular include the plural and vice versa and words importing any gender include all genders. Unless otherwise indicated, all dollar amounts shown in this Directors’ Circular are in Trinidad and Tobago dollars.

CAUTIONARY STATEMENT ON FORWARD LOOKING INFORMATION

Certain statements in this Directors' Circular may constitute forward looking information within the meaning of applicable securities laws. These statements can be identified by expressions of belief, expectation or intention, as well as those statements that are not historical fact. In some cases, forward looking information can be identified by the use of the terms such as "may", "will", "should", "project", "expect", "believe", "plan", "scheduled", "intend", "estimate", "forecast", "predict", "potential", "continue", "anticipate", or other similar expressions concerning matters that are not historical facts. Forward looking information may relate to management's future outlook and anticipated events or results, and may include statements or information regarding the future plans or prospects of TCL.

Forward looking information is based on certain risks, uncertainties and assumptions. While the Board of Trinidad Cement Limited considers these assumptions to be reasonable based on information currently available to it, they may prove to be incorrect and there can be no assurance that such developments can be completed as anticipated or at all.

Several factors could cause actual results to differ materially from those expressed in the forward looking statements, including, but not limited to: actions taken by Trinidad Cement Limited; actions taken by its shareholders in respect of the Offer; the possible effects of the Offer on the business of Trinidad Cement Limited.

Forward looking statements are given only as at the date of this Directors' Circular. You should not place undue importance on forward looking information and should not rely upon this information as of any other date. While TCL may elect to, it is under no obligation and does not undertake to update this information at any particular time, except as required by law.

NOTICE REGARDING OFFEROR'S INFORMATION

Information contained in the Directors' Circular regarding Sierra Trading ("**the Offeror**") is based upon, and the Board of Directors has relied, without independent verification, upon the information contained in the Offeror's Offer and Take-Over Bid Circular, the information provided to Trinidad Cement Limited by the Offeror, or that is otherwise publicly available. Neither Trinidad Cement Limited nor any of its Directors or Officers assumes any responsibility for the accuracy or completeness of such information or for any failure by the Offeror to disclose events or facts that may have occurred or may affect the significance or accuracy of any such information.

INTRODUCTION

The Directors' Circular herein is issued by the Board of Directors in connection with the Offer. The Offer is being made subject to the terms and conditions set out therein. The consideration under the Offer consists of \$4.50 in cash per share. **The Offer expires at 3.00 p.m. (Trinidad and Tobago time) on the 10th day of January, 2017** unless withdrawn or extended by the Offeror.

Reference should be made to the Offer and Take-Over Bid Circular for complete details of the terms and conditions of the Offer.

OBLIGATIONS OF THE DIRECTORS

Under the **Securities Industry (Take-Over) By-Laws, 2005** ("the Take-Over By-Laws") the Board is required to issue a Directors' Circular in response to any properly submitted take-over bid. In summary the Board is required to:

- Provide either a recommendation to shareholders with respect to acceptance or rejection of the take-over bid or a statement that they are unable to or will not make a recommendation;
- Give reasons for their recommendation or for not making a recommendation, as the case may be;
- Provide particulars of any expert share valuation made within twenty-four months preceding the date of the Take-Over Bid;
- Disclose what course of action the Board plans to take;
- Provide up-to-date information on the company and the position of the Board;
- Disclose certain other relevant information including that relating to shareholdings of the directors, officers and significant shareholders;
- Disclose any private transaction and its likely impact on the views of the target shareholders in accepting or rejecting the Bid on its terms;
- Generally to disclose all information known to it which would reasonably be expected to affect the decision of security holders as to whether to accept or to reject the Offer.

Under Section 99 of the **Companies Act, Chap. 81:01** ("the Companies Act") the duty of directors and officers is stated as follows:

"99 (1) Every director and officer of a company shall in exercising his powers and discharging his duties-

(a) act honestly and in good faith with a view to the best interests of the company; and

(b) exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

(2) In determining what are the best interests of a company, a director shall have regard to the interests of the company's employees in general as well as to the interests of its shareholders.

(3) The duty imposed by subsection (2) on the directors of a company is owed by them to the company alone; and the duty is enforceable in the same way as any other fiduciary duty owed to a company by its directors."

In considering a take-over bid for the said shares, the Directors must take into account not only the collective interests and various circumstances of the shareholders but very importantly the best interest of the Company through which the interest of shareholders is served. In the case of a public company the interest of the minority shareholders is of fundamental importance and the Board must take all necessary steps to ensure that their interests are protected. The Company's other stakeholders, including staff, must also be considered. The Board must also consider the fact that the Offeror is a foreign investor under the Foreign Investment Act, Chap. 70:07 and that a major industry will be under the control of a non-national if the Bid is successful. The Board must also consider whether the Offeror has the requisite funds to (i) pay the purchase price of the shares, and (ii) meet the capital adequacy requirements of the creditors of TCL.

The Board also has to consider that the Offeror is only offering to acquire up to 74.9% of the issued shares of the Company and the Condition stated in section 2.4.1 of the Offer, that the aggregation of the Company's shares that are already held by Sierra Trading or its affiliates together with the shares acquired in pursuance of the Offer must have not less than 50.01% of the voting rights attributable to the TCL shares. The Board must also consider the condition of the Bid that Sierra Trading shall take and pay for any shares tendered in excess of the 74.9% limit on a *pro rata* basis as set out in section 2.4.2 of the Bid. In those circumstances the remaining 25.1% shareholders may find that their shareholding has been depleted, and the Board needs to consider the future of the Company as it relates to the significant number of minority shareholders who will remain with a depleted minority shareholding.

The Board has noted the several Terms and Conditions for the benefit of the Offeror set out in Section 2.4 and in Appendix 1 of the Offer to Purchase, including *inter alia* (i) that Sierra Trading has to obtain a Foreign Investment Licence from the Ministry of Finance to permit it to acquire all of the Offer Shares, or such part thereof as may be acquired by it pursuant to the offer, and (ii) that the acquisition of the Offer Shares will not trigger any defaults of the TCL Group's or the CEMEX Group's obligations of any major debt agreement or instrument to which they are a party.

SECURITIES INDUSTRY (TAKE-OVER) BY-LAWS, 2005
SCHEDULE 1
FORM 3
DIRECTOR'S CIRCULAR

Item 1 – **Name of Offeror:** SIERRA TRADING

Item 2 – **Name of Offeree Issuer:** TRINIDAD CEMENT LIMITED

Item 3 – **Names of Directors of the Offeree Issuer:**

- 3.1 Wilfred Osmond Espinet – Chairman
- 3.2 Wayne Leslie Yip Choy
- 3.3 Jean Michel Allard
- 3.4 Alejandro Alberto Ramirez Cantu
- 3.5 Alison Lewis
- 3.6 Nigel Edwards
- 3.7 Francisco Aguilera Mendoza – Deputy Chairman
- 3.8 Ruben McSween
- 3.9 Bryan Ramsumair
- 3.10 Arun K. Goyal
- 3.11 Jose Luis Seijo Gonzalez – Managing Director

Item 4 – **Ownership of Securities of Offeree Issuer:**

The directors and senior officers of the Offeree Issuer who own or have control over shares of the Offeree Issuer are as follows:

Shareholdings of Directors and Senior Officers

Name	Number of shares held directly	Number of shares held indirectly
Wilfred Espinet, Director	10,285,195	Nil
Nigel Edwards, Director	16,095	9,332,873
Wayne Yip Choy, Director	878,556	Nil
Ruben McSween, Director	Nil	44,671,636
Arun K. Goyal, Director	336,681	272,798
Jinda Maharaj, GM - TCL	2,014,192	Nil
Egwin Daniel, GM – International Business & Marketing	61,609	Nil
Kathryna Baptiste, Group Manager Legal/Company Secretary	2,172	Nil
Gewan Armoogam, Group Internal Auditor (Ag.)	11,313	Nil
Roger Ramdwar, General Manager – TPL/TPM	19,693	100,000

Item 5 – Acceptance of Take-Over Bid:

As at the present time, after reasonable enquiry, none of the directors and senior officers referred to in 4 above have indicated that they have accepted or intend to accept the Offer.

Item 6 – Ownership of Securities of Offeror:

The Bid is not made by or on behalf of an Offeror that is an Issuer and this item is therefore not applicable.

Item 7 – Relationship between the Offeror and the Directors and Senior Officers of the Offeree Issuer:

There is no agreement, arrangement, commitment or understanding made or proposed to be made between the Offeror and any of the Directors or senior officers of the Offeree Issuer. The following directors or senior officers of the Offeree Issuer are also directors or senior officers of the Offeror or a subsidiary of the Offeror, namely:

1. Alejandro Alberto Ramirez Cantu - TCL Director and Country Director, CEMEX, Costa Rica
2. Francisco Aguilera Mendoza – TCL Director and Vice President of Planning, CEMEX South, Central America and the Caribbean Region and CEMEX Colombia
3. Jose Luis Seijo Gonzalez – TCL Managing Director and former Vice President of Strategic & Finance Planning, CEMEX, Spain and the Mediterranean Region.

Item 8 – Agreement between Offeree Issuer and Officers and Directors:

No arrangement, agreement, commitment or understanding has been made or is proposed to be made between the Offeree Issuer and any of the directors or senior officers of the Offeree Issuer pursuant to which a payment or other benefit is to be made or given by way of compensation for loss of office or as to their remaining in or retiring from office if the Take Over Bid is successful.

Item 9 – Interests of Directors and Senior Officers of the Offeree Issuer in material contracts of the Offeror:

No director or senior officer of the Offeree Issuer and their associates and, where known after reasonable enquiry, whether any person who owns more than 10% of any class of voting equity securities of the Offeree Issuer for the time being outstanding, has any interest in any material contract to which the Offeror is a party.

Item 10 – Trading by Directors and Officers:

- (1) The following are the number of securities of the Offeree Issuer traded, the purchase or sale price and the date of each such transaction during the six-month period preceding the date of the directors' circular by the Offeree Issuer and each director and senior officer of the Offeree Issuer and where known after reasonable enquiry by –

(a) Each associate of a director or senior officer of the Offeree Issuer:

Jinda Maharaj - General Manager, TCL (Executive ESOP Purchases):

<i>DATE</i>	<i>AMOUNT</i>	<i>PURCHASE PRICE</i>
September 6, 2016	107,715	\$328,530.75
September 19, 2016	5,460	\$17,035.20
September 22, 2016	3,000	\$9,350.00

(b) Any person holding more than 10% of a class of voting or equity securities of the Offeree Issuer:

Ruben Mc Sween - Director (Indirect purchases made by the National Insurance Board of Trinidad and Tobago):

<i>DATE</i>	<i>AMOUNT</i>	<i>PURCHASE PRICE</i>
July 8, 2016	493,835	\$1,654,347.25
September 8, 2016	619,532	\$1,932,939.84

(c) Any person acting jointly or in concert with the Offeree Issuer - None

(2) No securities of the Offeree Issuer of the class of securities subject to the bid or convertible into securities of that class that have been issued to the directors and senior officers of the Issuer during the two year period preceding the date of the circular.

Item 11 – Additional Information:

The Board of Directors received advice from external legal counsel that (i) no additional information is required to be disclosed by the Take-Over Bid circular prepared by the Offeror has been presented incorrectly or is misleading nor is there any additional information within the knowledge of the Offeree Issuer which would make the information in the circular correct or not misleading, (ii) the Offer was validly made in conformity with the Take-Over By-laws, (iii) the Board is obligated to make a statement regarding a recommendation to the Shareholders, and (iv) the making of a recommendation to the Shareholders is not inconsistent with the Board's fiduciary obligations to the Company.

The foregoing discussion of the factors considered by the Board of Directors is not intended to be exhaustive, but addresses the material information and factors considered by the Board of Directors in its review and consideration of the Offer.

Shareholders however should consider the Offer carefully and make their own decision as to acceptance or rejection of the Offer.

Item 12 – Material Changes in the affairs of the Offeree Issuer:

The directors or senior officers of the Offeree Issuer do not know of any material change in the affairs of the Offeree Issuer since the date of the last published interim or annual financial statements of the Offeree Issuer, other than the Offer.

Item 13 – Valuation Analysis/Fairness Opinion

Valuation analysis:

The following valuation analysis of the shares of the Offeree Issuer was commissioned by the Board within the last 24 months:

- 13.1 In January, 2015 PwC was commissioned by the Board of TCL to carry out a fair market valuation analysis of its shares for a proposed rights issue which took place in March 2015. The said valuation analysis was completed and a valuation analysis and estimate was submitted to TCL as at the 22nd January, 2015. The valuation analysis took into account the Company's Discounted Cash Flow (DCF), Earnings Before Income Tax Depreciation and Amortization (EBITDA), net asset value, market history and considerations and the trading history of the shares. The value analysis placed the share value between a low of \$3.30 and a high of \$3.80.

Copies of the PwC valuation analysis and estimate are available for inspection at the offices of the Offeree Issuer at Southern Main Road, Claxton Bay, Trinidad and a copy will be sent to any shareholder upon payment of a nominal charge sufficient to cover copying and postage.

Fairness Opinion:

The following fairness opinion was commissioned by the Board within the last 24 months:

- 13.2. On the 9th day of December, 2016 Ernst & Young Services Limited (EYSL) were commissioned by the Board of the Offeree Issuer to provide a Fairness Opinion of the said shares. The said Fairness Opinion was completed and submitted to the Offeree Issuer on the 20th day of December, 2016. In addition to an introduction and statement as to the independence of EYSL, the Opinion sets out the scope of its review, the assumptions and limitations upon which the Opinion is based and the approach used in coming to the conclusion on the Opinion. EYSL have stated in the Opinion that the Offer is not fair from a financial viewpoint to the shareholders of TCL. A copy of the said Fairness Opinion is attached hereto as appendix A.

Item 14 – Other Information:

There is no other information that has not been disclosed in the foregoing but known to the directors which would reasonably be expected to affect the decision of the security holders of the Offeree Issuer to accept or reject the Offer except for the following information.

**DETAILS OF ISSUED CAPITAL OF TRINIDAD CEMENT LIMITED
AND SHAREHOLDINGS OF ITS PRINCIPAL SHAREHOLDERS, DIRECTORS,
SENIOR OFFICERS AND ASSOCIATES**

The total issued share capital of TCL consists of 374,647,704 fully paid ordinary shares of no par value.

Principal Shareholders

Name	Number of shares	Percentage shareholding
Sierra Trading	147,994,188	39.50 %
National Insurance Board	44,671,636	11.92 %
Baleno Holdings Inc.	30,750,000	8.21 %
Republic Bank Limited	25,198,621	6.73 %
Total	248,614,445	66.36%

TCL prepares its financial statements in accordance with International Financial Reporting Standards (IFRS). Calculations of percentage amount or amounts per share set forth in the Directors' Circular are based on 374,647,704 issued shares as at the date of this Circular.

Available for inspection are copies of (i) the audited financial statements of the Company for the year ending 31st December, 2015 and (ii) the unaudited financial statements of the Company for the quarter ending 30th September, 2016, being the most recent statements filed with the Trinidad and Tobago Securities and Exchange Commission. Jose Luis Seijo Gonzalez, Managing Director, has certified that in his opinion the unaudited financial statements of the Company for the quarter ending 30th September, 2016 present fairly the financial position of the Company and the results of its operations for the said period.

The following is a summary of the earnings per share for the last five financial years ended 31st December, 2015.

	2011	2012	2013	2014	2015
	TT\$	TT\$	TT\$	TT\$	TT\$
Earnings per share	(0.68)	(1.19)	0.24	(0.87)	1.19
Dividends per share	Nil	Nil	Nil	Nil	Nil

A final dividend for 2015 of TT\$0.04 per share was paid to shareholders on July 1, 2016.

Except as stated above, no dividends have been paid by TCL to its shareholders in the last seven (7) years. Payment of dividends is also subject to compliance with Sections 54 and 55 of the Companies Act (which impose liquidity and solvency tests).

Except as disclosed in this Directors' Circular and in the Offer and Take-Over Bid Circular, the directors and officers of TCL are not aware of any information that indicates any material change in the affairs of the Company since 31st December, 2015, the date of TCL's last audited financial statements.

There is no information which has not been disclosed in this Directors' Circular, but known to the Board of Directors, that would reasonably be expected to affect the decision of TCL's shareholders to accept or reject the Offer.

Except as otherwise described or referred to herein, the Company has not entered into any transaction, directors' resolution, agreement in principle, or signed any contract in response to the Offer nor are there any negotiations underway in response to the Offer which relate to or would result in: (i) an extraordinary transaction such as a merger or reorganization involving the Company; (ii) the purchase, sale, or transfer of a material amount of assets by the Company; (iii) a competing acquisition proposal; or (iv) any material change in the present capitalization of the Company.

Without limiting the generality of the foregoing:

- Save as disclosed no Directors or Officers of the Company have any interest in any material contract to which the Offeror is a party, and neither are they aware of any person, who beneficially owns or exercises control or direction over more than 10% of the shareholding of the Company having any interest in any material contract to which the Offeror is party.
- Except for employment contracts in the ordinary course of business there are no service contracts of Directors or Officers with more than 12 months remaining.
- There are no agreements, commitments or understandings made or proposed to be made between the Company and any of its Directors or Officers pursuant to which a payment or other benefit is proposed to be made or given by way of compensation for loss of office or as to their remaining in or retiring from office if the Offer is successful.
- There are no lock-up agreements made between the shareholders relating to the sale of TCL shares held by them.
- TCL and CEMEX, S.A.B. de C.V., a company organised and existing under the laws of Mexico, and a member of the CEMEX Group of companies (CEMEX) entered into a Technical Services Agreement on the 23rd April, 2015 pursuant to which CEMEX is to provide certain technical and management services to TCL aimed at strengthening and improving TCL's executive management team and employee's capabilities. The said Agreement was varied by an amendment Agreement made on the 12th October, 2015.

Item 15 – Recommending Acceptance or Rejection of Bid:

The Board of Directors of TCL recommends that the Bid be rejected. The principal reason that the Board recommends that the Offer be rejected is outlined below.

The Offer fails to reflect the full commercial value of TCL

TCL is positioned to benefit from the significant operational improvements that have been instituted in the period since August 2014. The company has experienced a turnaround after multiple past efforts to do so. The evidence of the turnaround is supported by the company's return to sustainable profitability in 2015 and continuing to produce positive net income throughout 2016. The Board has embarked on a number of operational and corporate restructuring initiatives that continue to generate positive value for the company.

The Board has carefully considered the Offer and has examined the proposed business strategy therein and has concluded that the consideration to be received by Shareholders under the Offer is not fair, from a financial point of view, to the Shareholders. In coming to this conclusion, the Board relied heavily on the Fairness Opinion hereto exhibited as appendix A.

Having considered the terms of the offer, the advice of its professional advisors and such other matters as the Board considered necessary, the Board has determined that the shares of the Company have a greater value than the Offer of \$4.50 per share and therefore that the consideration to be received by Shareholders under the Offer is not fair, from a financial point of view, to the Shareholders. However, shareholders should form their own opinions of the Offer having regard to the available information and their personal circumstances and determine whether or not to accept same.

Shareholders are urged to read the full contents of this Directors' Circular very carefully and also to review the Selected Consolidated Financial Information of CEMEX, its affiliates and subsidiaries on page 9 of the Offer and Take-over Bid Circular and to examine the Availability of Funds letter from CEMEX referred to in Appendix 9 of the said Circular.

Shareholders are also reminded of the cautions set out above in the Section in the preamble to this Directors' Circular headed "Cautionary Statement on Forward Looking Information".

In making their decision the Shareholders should consider carefully the full terms and conditions of the Offer and particular attention should be given to Section 2 of the Offer and Take-over Bid Circular. Shareholders who are in doubt as to how to respond to the Offer should consult with their investment advisor, stockbroker, attorney-at-law, accountant, tax consultant or other professional advisor.

Item 16 – Response of Offeree Issuer:

- (1) There has been no transaction, Board resolution, agreement in principle or signed contract of the Offeree Issuer in response to the Bid;
- (2) There has been no negotiations under way in response to the Bid which relate to or would result in
 - (a) An extraordinary transaction such as a merger or re-organisation involving the Offeree Issuer or a subsidiary;
 - (b) The purchase, sale or transfer of a material amount of assets by the Offeree Issuer or a subsidiary;
 - (c) An issuer bid for or other acquisition of securities by or of the Offeree Issuer nor
 - (d) Any material change in the present capitalisation or dividend policy of the Offeree Issuer.

Item 17 – Approval of Directors' Circular:

The contents of this Directors' Circular have been approved by the directors of the Offeree Issuer and the delivery of the Directors' Circular has been authorised by the directors of the Offeree Issuer.

Item 18 – Financial Statements:

The Group Finance Manager of the Offeree Issuer has reported that in his opinion the unaudited financial statements of the Offeree Issuer as at 30th September, 2016 present fairly the financial position of the Offeree Issuer and the results of its operations for the period under review. A copy of the said unaudited financial statements of the valuation are available for inspection at the offices of the Offeree Issuer at Southern Main Road, Claxton Bay, Trinidad and a copy of the said financial statements and report will be sent to any shareholder upon payment of a nominal charge sufficient to cover copying and postage.

Item 19 – Certificate:

The foregoing contains no known untrue statement of a material fact and does not omit to state a known material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made.

On behalf of the Board of Directors
of
Trinidad Cement Limited

.....
Alison Lewis,
Director

.....
Nigel Edwards,
Director

Dated: December 23, 2016

DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection by shareholders during the usual business hours on any business day which the Offer remains in effect at the offices of TCL at Southern Main Road, Claxton Bay, Trinidad:

- The Company's Articles of Continuance
- The Company's Certificate of Continuance
- The Company's By-Laws
- The Company's audited financial statements for the year ended 31st December, 2015
- The Company's unaudited financial statements for the quarter ended 30th September, 2016
- The Valuation Estimate of Messrs PwC

