

**DEROGATION LETTER
IN RESPECT OF INITIAL ENFORCEMENT ORDERS ISSUED PURSUANT TO SECTION
72(2) ENTERPRISE ACT 2002**

Please note that [X] indicates figures or text which have been deleted at the request of the parties for reasons of commercial confidentiality.

Consent under section 72(3C) of the Enterprise Act 2002 to certain actions for the purposes of the Initial Enforcement Order made by the Competition and Markets Authority ('CMA') on 20 January 2020.

Anticipated acquisition by Breedon Group plc of certain assets of Cemex Investments Limited

We refer to your emails dated 22, 28, 30 and 31 January 2020 and accompanying note dated 22 January 2020 requesting that the CMA consents to derogations to the Initial Enforcement Order of 20 January 2020 (the '**Initial Order**'). The terms defined in the Initial Order have the same meaning in this letter.

Under the Initial Order, save for written consent by the CMA, Breedon Group plc, Breedon Southern Limited (together, '**Breedon**') and Cemex Investments Limited ('**Cemex**') are required to hold separate certain assets of Cemex Investments Limited (the '**Target**') from the Breedon business and refrain from taking any action which might prejudice a reference under section 22 or 33 of the Act or impede the taking of any remedial action following such a reference. After due consideration of your request for derogations from the Initial Order, based on the information received from you and in the particular circumstances of this case, Breedon and Cemex may carry out the following actions, in respect of the specific paragraphs:

1. Paragraphs 5(a), 6(a), 6(c), 6(i), 6(j), 6(k) and 6(l) of the Initial Order

The CMA understands that as a result of the acquisition of the Target by Breedon, certain employees will automatically transfer from Cemex to Breedon by operation of law on completion. Further, Breedon states that on completion, [X] to ensure the viability of the Target post-completion.

On this basis, Breedon states that in advance of completion, it will be necessary to take certain steps and to receive certain confidential information relating to Cemex employees in order to:

- a) Identify and engage in discussions regarding:
 - (i) the Target employees who will automatically transfer to Breedon by operation of law on completion, and
 - (ii) [X] required for the maintenance of the viability of the Target following completion;
- b) Conduct a consultation process with Target employees in accordance with the requirements of TUPE [X];
- c) [X] to ensure its ongoing viability post-completion, in particular, [X].

The CMA consents to a derogation from the Initial Order strictly on the basis that:

- 1) Any information shared between the Parties for these purposes is limited to that which is strictly necessary to enable the effective transfer of Cemex employees to Breedon on completion;
- 2) Information will only be provided to the following identified individuals *[(i) to (viii) lists the names and titles of specific senior staff members within the HR department of Breedon, Breedon Southern and Cemex, and a senior member of Breedon's integration planning team]*, for whom it is strictly necessary to receive the information for this permitted purpose;
- 3) Each of the identified individuals shall enter into an NDA in the form approved by the CMA;
- 4) No further changes to the Breedon personnel covered by this derogation are permitted without written consent from the CMA (including via email); and
- 5) Firewalls will be put in place to prevent any unauthorised Breedon personnel from accessing any information provided by Cemex to Breedon for the permitted purpose.

Assistant Director
31 January 2020