

DEROGATION LETTER

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

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, as varied on 11 February 2020.

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

We refer to your email dated 27 March 2020 requesting that the CMA consents to a derogation to the Initial Enforcement Order of 20 January 2020 as amended by the Variation Order of 11 February 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, Cemex may carry out the following actions, in respect of the specific paragraphs:

1. Paragraphs 5(c), 6(b), (e) of the Initial Order

The CMA understands that, as a result of the extraordinary circumstances of the COVID-19 situation, Cemex may need to temporarily suspend activities at particular sites which are part of the Target business at short notice, either because Cemex:

- Is required/mandated to do so;
- Does not have enough staff to viably keep a site operating; or
- Cannot viably continue the operation of the site, including financially, due to the circumstances presented by COVID-19.

The CMA considers that the derogation requested is required in the unprecedented and fast-moving circumstances of the COVID-19 situation.

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

- (i) The reason for the temporary suspension of activities will be limited only to those set out above (unless otherwise agreed by the CMA in writing);
- (ii) Cemex will report periodically to the CMA and Monitoring Trustee on any such suspensions, and will include in such reports details of:
 - a. The relevant site/s;
 - b. The anticipated duration of suspension;
 - c. The reason/s for suspension; and
- (iii) Unless withdrawn beforehand, such derogation shall remain in effect for an initial period of three months from the date of this letter, at which point the CMA shall review it.

Yours sincerely

Assistant Director

30 March 2020