

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, as varied on 11 February 2020.

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

We refer to your emails of 28 May, 12 June 2020 and 2 July 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, Breedon may carry out the following actions, in respect of the specific paragraphs:

1. Paragraph 6(c), (i) and (j) of the Initial Order

The CMA understands that the Target business which is being acquired from Cemex in accordance with the transaction will be transferred to Breedon on completion without senior management.

Breedon submits that, in order to maintain the viability of the Target business from day 1 following completion, it is necessary that suitable individuals are appointed at this stage in order to:

- (i) Prepare prior to completion for their roles as Target Managing Director and Target Finance Director with effect from completion; and

- (ii) From completion, to fulfil the roles of Target Managing Director and Target Finance Director.

To ensure the competitive capabilities of the Target business are maintained following completion, the CMA consents to Breedon entering into service agreements with the following individuals prior to completion:

- (a) [X], who will fulfil the role of Managing Director of the Target from completion, and
- (b) [X], who will fulfil the role of Finance Director of the Target from completion.

This derogation is granted subject to the following conditions:

- a) Breedon must obtain prior written CMA approval of the final service agreements for each of [X] and [X];
- b) prior to completion, the role of [X] and [X] shall be strictly limited to preparing for their respective roles as Target Managing Director and Target Finance Director; and
- c) Breedon shall seek a separate derogation to permit [X] and [X] to gain access prior to completion to any confidential information relating to the Target business that cannot otherwise be self-assessed under paragraph 6(l) of the Initial Order.

Yours sincerely,

Assistant Director, Remedies, Business and Financial Analysis

3 July 2020