

ACQUISITION BY BREEDON GROUP PLC OF CERTAIN ASSETS OF CEMEX INVESTMENTS LIMITED

Initial Enforcement Order made by the Competition and Markets Authority pursuant to section 72(2) of the Enterprise Act 2002 (the Act)

Whereas:

- (a) On 20 January 2020 the Competition and Markets Authority (**CMA**) served an initial enforcement order under section 72(2) of the Enterprise Act 2002 on Breedon Group plc, Breedon Southern Limited and Cemex Investments Limited in relation to the proposed acquisition of a portfolio of assets by Breedon Group Plc from Cemex Investments Limited for the purpose of preventing pre-emptive action which was subsequently varied on 11 February 2020 (the **Initial IEO**);
- (b) the CMA has reasonable grounds for suspecting that it is or may be the case that Breedon Group plc, including its subsidiary Breedon Southern Limited, and certain assets of Cemex Investments Limited have ceased to be distinct;
- (c) the CMA is considering whether to make a reference under section 22 of the Act;
- (d) the CMA wishes to ensure that no action is taken pending final determination of any reference under section 22 of the Act which might prejudice that reference or impede the taking of any action by the CMA under Part 3 of the Act which might be justified by the CMA's decisions on the reference; and
- (e) the circumstances set out in section 72(6) of the Act do not apply and the reference has not been finally determined in accordance with section 79(1) of the Act.

Now for the purposes of preventing pre-emptive action in accordance with section 72(2) of the Act the CMA makes the following order addressed to Breedon Group plc (**Breedon**) and Breedon Southern Limited (**Breedon Southern**) (**Order**).

Commencement, application and scope

1. This Order commences on the commencement date: 31 July 2020 (at 23:59).
2. This Order applies to Breedon and Breedon Southern.
3. Notwithstanding any other provision of this Order, no act or omission shall constitute a breach of this Order, and nothing in this Order shall oblige Breedon or Breedon Southern to reverse any act or omission, in each case to the extent that it occurred or was completed prior to the Initial IEO commencement date.

Management of the Breedon and Target businesses until determination of proceedings

4. Except with the prior written consent of the CMA, Breedon and Breedon Southern shall not, during the specified period, take any action which might prejudice a reference of the transaction under section 22 of the Act or impede the taking of any action under the Act by the CMA which may be justified by the CMA's decisions on such a reference, including any action which might:
 - (a) lead to the integration of the Target business with the Breedon business;
 - (b) transfer the ownership or control of the Breedon business or the Target business or any of their subsidiaries; or
 - (c) otherwise impair the ability of the Target business or the Breedon business to compete independently in any of the markets affected by the transaction.
5. Further and without prejudice to the generality of paragraph 4 and subject to paragraph 3, Breedon and Breedon Southern shall at all times during the specified period procure that, except with the prior written consent of the CMA:
 - (a) the Target business is carried on separately from the Breedon business and the Target business's separate sales or brand identity is maintained;
 - (b) the Target business and the Breedon business are maintained as a going concern and sufficient resources are made available for the development of the Target business and the Breedon business, on the basis of their respective pre-merger business plans;
 - (c) except in the ordinary course of business, no substantive changes are made to the organisational structure of, or the management responsibilities within, the Target business or the Breedon business;

- (d) the nature, description, range and quality of goods and/or services supplied in the UK by each of the two businesses are maintained and preserved;
- (e) except in the ordinary course of business for the separate operation of the two businesses:
 - (i) all of the assets of the Target business and the Breedon business are maintained and preserved, including facilities and goodwill;
 - (ii) none of the assets of the Target business or the Breedon business are disposed of; and
 - (iii) no interest in the assets of the Target business or the Breedon business is created or disposed of;
- (f) there is no integration of the information technology of the Target or Breedon businesses, and the software and hardware platforms of the Target business shall remain essentially unchanged, except for routine changes and maintenance;
- (g) the customer and supplier lists of the two businesses shall be operated and updated separately and any negotiations with any existing or potential customers and suppliers in relation to the Target business will be carried out by the Target business alone and for the avoidance of doubt the Breedon business will not negotiate on behalf of the Target business (and vice versa) or enter into any joint agreements with the Target business (and vice versa);
- (h) all existing contracts of the Target business and the Breedon business continue to be serviced by the business to which they were awarded;
- (i) no changes are made to key staff of the Target business or Breedon business;
- (j) no key staff are transferred between the Target business and the Breedon business;
- (k) all reasonable steps are taken to encourage all key staff to remain with the Target business and the Breedon business; and
- (l) no business secrets, know-how, commercially-sensitive information, intellectual property or any other information of a confidential or proprietary nature relating to either of the two businesses shall pass, directly or indirectly, from the Target business (or any of its employees, directors, agents or affiliates) to the Breedon business (or any of its

employees, directors, agents or affiliates), or vice versa, except where strictly necessary in the ordinary course of business (including for example, where required for compliance with external regulatory and/or accounting obligations or for due diligence, integration planning or the completion of any merger control proceedings relating to the transaction) and on the basis that, should the transaction be prohibited, any records or copies (electronic or otherwise) of such information that have passed, wherever they may be held, will be returned to the business to which they relate and any copies destroyed.

6. All directions and derogations issued in relation to or pursuant to the Initial IEO (set out in Schedule 1 to this Order (the **Directions** and **Derogations**, respectively)) shall continue in force under this Order, except that:
- (a) The appointment of the Monitoring Trustee shall be extended by Breedon and Breedon Southern and shall continue from the commencement date of this Order. Breedon and Breedon Southern shall make such changes to the Monitoring Trustee mandate as are required and approved by the CMA.
 - (b) The Derogations shall be treated as having been granted in relation to the Initial IEO on the date on which they were granted but amended by this Order on 31 July 2020.
 - (c) The following defined terms used in the Derogations and any ancillary documents (including, insofar as Breedon and Breedon Southern can procure such changes, any non-disclosure agreements (**NDA**) or confidentiality undertakings) shall be interpreted in accordance with the meanings set out in this Order:
 - (i) 'Order' or 'Initial Order' shall mean this Order;
 - (ii) 'Target' shall mean the Target business; and
 - (iii) Any requirement to return confidential information to Cemex shall mean an obligation to return the confidential information to the Target business.
 - (d) References in the Derogations to:
 - (i) "anticipated acquisition" shall be replaced with "completed acquisition";
 - (ii) "section 22 or 33 of the Act" shall be replaced with "section 22 of the Act";

- (iii) "Breedon and Cemex may carry out the following actions" shall be replaced with "Breedon may carry out the following actions";
- (iv) References to paragraphs of the Initial IEO shall be replaced with references to the equivalent or nearest equivalent paragraphs of this Order;
- (e) All terms of the Derogations shall be interpreted in accordance with the purpose for which the particular derogation was granted by the CMA and strictly within the limits of such purpose;
- (f) To the extent that there remains any uncertainty regarding the interpretation of any of the terms of the Derogations as applicable under this Order or regarding whether a Derogation applies to actions taken post-completion, Breedon shall seek the Monitoring Trustee's guidance as to the appropriate interpretation of the Derogations, and the CMA reserves its rights to determine the meaning of the Derogations in all such circumstances;
- (g) For the avoidance of doubt:
 - (i) none of the obligations imposed on Cemex (or Cemex individuals) by the CMA under the Derogations shall continue to apply, including any obligations to report to the Monitoring Trustee; and
 - (ii) no Cemex individuals shall continue to be authorised by the CMA under any of the Derogations to access any Breedon confidential information.

Compliance

7. Breedon and Breedon Southern shall procure that each of their subsidiaries complies with this Order as if the Order had been issued to each of them.
8. Breedon, Breedon Southern and the Target business shall provide to the CMA such information or statement of compliance as it may from time to time require for the purposes of monitoring compliance by Breedon and Breedon Southern and the Target business and their subsidiaries with this Order. In particular, on 14 August 2020 and subsequently every two weeks (or, where this does not fall on a working day, the first working day thereafter) the Chief Executive Officer of Breedon and Breedon Southern and the Managing Director of the Target business or other persons of Breedon and Breedon Southern and the Target business as agreed with the CMA shall, on behalf of each of Breedon, Breedon Southern and the Target business, provide a

statement to the CMA in the form set out in the Annexes A, B and C (respectively) to this Order confirming compliance with this Order.

9. At all times, Breedon and Breedon Southern shall, or shall procure that the Target business shall, each actively keep the CMA informed of any material developments relating to the Target business or the Breedon business, which includes but is not limited to:
 - (a) details of key staff who leave or join the Target business or the Breedon business;
 - (b) any interruption of the Target or Breedon business (including without limitation its procurement, production, logistics, sales and employee relations arrangements) that has prevented it from operating in the ordinary course of business for more than 24 hours;
 - (c) all substantial customer volumes won or lost or substantial changes to the customer contracts for the Target or Breedon business including any substantial changes in customers' demand; and
 - (d) substantial changes in the Target or Breedon business's contractual arrangements or relationships with key suppliers.
10. If Breedon, Breedon Southern or the Target business has any reason to suspect that this Order might have been breached it shall immediately notify the CMA and the Monitoring Trustee.
11. The CMA may give directions to a specified person or to a holder of a specified office in any body of persons (corporate or unincorporated) to take specified steps for the purpose of carrying out, or ensuring compliance with, this Order, or do or refrain from doing any specified action in order to ensure compliance with the Order. The CMA may vary or revoke any directions so given.
12. Breedon and Breedon Southern shall comply in so far as they are able with such directions as the CMA may from time to time give to take such steps as may be specified or described in the directions for the purpose of carrying out or securing compliance with this Order.

Interpretation

13. The Interpretation Act 1978 shall apply to this Order as it does to Acts of Parliament.
14. For the purposes of this Order:

'the Act' means the Enterprise Act 2002;

'an affiliate' of a person is another person who satisfies the following condition, namely that any enterprise (which, in this context, has the meaning given in section 129(1) of the Act) that the first person carries on from time to time and any enterprise that the second person carries on from time to time would be regarded as being under common control for the purposes of section 26 of the Act;

'Breedon' means Breedon Group plc, a company registered in Jersey, with company number 98465;

'the Breedon business' means the business of Breedon and its subsidiaries (including Breedon Southern) carried on as at the commencement date but excluding the Target business;

'Breedon Southern' means Breedon Southern Limited, a company registered in England and Wales, with company number 00156531;

'the Breedon Southern business' means the business of Breedon Southern and its subsidiaries carried on as at the commencement date but excluding the Target business;

'business' has the meaning given by section 129(1) and (3) of the Act;

'Cemex' means Cemex Investments Limited, a company registered in England and Wales, with company number 00249776;

'Cemex individual' means a Cemex director, officer, agent, employee, representative, consultant, or any other person acting for or on behalf of Cemex;

'commencement date' means 31 July 2020 (at 23:59);

'control' includes the ability directly or indirectly to control or materially to influence the policy of a body corporate or the policy of any person in carrying on an enterprise;

'the decisions' means the decisions of the CMA on the questions which it is required to answer by virtue of sections 35 or 36 of the Act;

'Initial IEO commencement date' means 20 January 2020;

'key staff' means staff in positions of executive or managerial responsibility and/or whose performance affects the viability of the business;

'Monitoring Trustee' means the monitoring trustee appointed under the directions issued on 14 February 2020 pursuant to paragraph 10 of the Initial IEO and whose appointment continues by virtue of paragraph 6 of this Order.

'the ordinary course of business' means matters connected to the day-to-day supply of goods and/or services by the Target business or Breedon/Breedon Southern and does not include matters involving significant changes to the organisational structure or related to the post-merger integration of the Target business and Breedon/Breedon Southern;

'specified period' means the period beginning on the commencement date and terminating in accordance with section 72(6) of the Act;

'subsidiary', unless otherwise stated, has the meaning given by section 1159 of the Companies Act 2006;

'the Target business' means the businesses and assets of Cemex and its subsidiaries that are the subject of the transaction;

'the transaction' means the completed acquisition by Breedon, through Breedon Southern, of certain assets of Cemex as described more fully in the business purchase agreement dated 8 January 2020;

'the two businesses' means the Breedon business and the Target business; unless the context requires otherwise, the singular shall include the plural and vice versa.

unless the context requires otherwise, the singular shall include the plural and vice versa.

Signature:

Assistant Director, Remedies, Business and Financial Analysis

Compliance statement for Breedon

I [insert name] confirm on behalf of Breedon that:

Compliance in the Relevant Period

1. In the period from [insert date] to [insert date] (the **Relevant Period**):
 - (a) Breedon has complied with the Order made by the CMA in relation to the transaction on [insert date of this Order] (the **Order**).
 - (b) Breedon's subsidiaries have also complied with this Order.
2. Subject to paragraph 3 of the Order, and except with the prior written consent of the CMA:
 - (a) No action has been taken by Breedon that might prejudice a reference of the transaction under section 22 of the Act or impede the taking of any action by the CMA which may be justified by its decision on such a reference, including any action which might:
 - (i) lead to the integration of the Target business with the Breedon business;
 - (ii) transfer the ownership or control of the Breedon business or the Target business or any of their subsidiaries; or
 - (iii) otherwise impair the ability of the Target business or the Breedon business to compete independently in any of the markets affected by the transaction.
 - (b) The Target business has been carried on separately from the Breedon business and the Target business's separate sales or brand identity has been maintained.
 - (c) The Target business and the Breedon business have been maintained as a going concern and sufficient resources have been made available for the development of the Target business and the Breedon business, on the basis of their respective pre-merger business plans.
 - (d) No substantive changes have been made to the organisational structure of, or the management responsibilities within, the Target business or the Breedon business, except in the ordinary course of business.

- (e) The nature, description, range and quality of goods and/or services supplied in the UK by the Target business and the Breedon business have been maintained and preserved.
- (f) Except in the ordinary course of business for the separate operation of the two businesses:
 - (i) all of the assets of the Target business and the Breedon business, including facilities and goodwill, have been maintained and preserved as at the start of the Relevant Period;
 - (ii) none of the assets of the Target business or the Breedon business have been disposed of; and
 - (iii) no interest in the assets of the Target business or the Breedon business has been created or disposed of.
- (g) There has been no integration of the information technology of the Target or Breedon businesses, and the software and hardware platforms of the Target business have remained essentially unchanged, except for routine changes and maintenance.
- (h) Subject to integration which had occurred prior to the commencement date, the customer and supplier lists of the two businesses have been operated and updated separately and any negotiations with any existing or potential customers and suppliers in relation to the Target business have been carried out by the Target business alone and, for the avoidance of doubt, the Breedon business has not negotiated on behalf of the Target business (and vice versa) or entered into any joint agreements with the Target business (and vice versa).
- (i) All existing contracts of the Target business and the Breedon business have been serviced by the business to which they were awarded, except to the extent novated, assigned or subcontracted prior to the commencement date.
- (j) No changes have been made to key staff of the Target business or the Breedon business.
- (k) No key staff have been transferred between the Target business and the Breedon business.
- (l) All reasonable steps have been taken to encourage all key staff to remain with the Target business and the Breedon business.

(m) Except as permitted by the Order, no business secrets, know-how, commercially-sensitive information, intellectual property or any other information of a confidential or proprietary nature relating to either of the two businesses, has passed, directly or indirectly, from the Target business (or any of its employees, directors, agents or affiliates) to the Breedon business (or any of its employees, directors, agents or affiliates), or vice versa.

(n) Except as listed in paragraph (o) below, there have been no:

- (i) key staff that have left or joined the Target business or the Breedon business;
- (ii) interruptions of the Target business or the Breedon business (including without limitation procurement, production, logistics, sales and employee relations arrangements) that have prevented it from operating in the ordinary course of business for more than 24 hours;
- (iii) substantial customer volumes won or lost or substantial changes to the customer contracts for the Target business or the Breedon business; or
- (iv) substantial changes in the Target or Breedon business's contractual arrangements or relationships with key suppliers.

(o) *list of material developments*

3. Breedon and its subsidiaries remain in full compliance with the Order and will, or will procure that the Target business will, continue actively to keep the CMA informed of any material developments relating to the Target or the Breedon business in accordance with paragraph 8 of the Order.

Interpretation

4. Terms defined in the Order have the same meaning in this compliance statement.

I understand that:

5. it is a criminal offence under section 117 of the Enterprise Act 2002 for a person recklessly or knowingly to supply to the CMA information which is false or misleading in any material respect. Breach of this provision can result in **fines, imprisonment for a term not exceeding two years, or both.** (Section 117 of the Enterprise Act 2002.)

6. Failure to comply with this order without reasonable excuse may result in the CMA imposing a **penalty of up to 5% of the total value of the turnover** (both in and outside the United Kingdom) of the enterprises owned or controlled by the person on whom the penalty is imposed. (Section 94A of the Enterprise Act 2002.)

FOR AND ON BEHALF OF BREEDON

Signature

Name

Title

Date

Compliance statement for Breedon Southern

I [insert name] confirm on behalf of Breedon Southern that:

Compliance in the Relevant Period

1. In the period from [insert date] to [insert date] (the **Relevant Period**):
 - (a) Breedon Southern has complied with the Order made by the CMA in relation to the transaction on [insert date of this Order] (the **Order**).
 - (b) Breedon Southern's subsidiaries have also complied with this Order.
2. Subject to paragraph 3 of the Order, and except with the prior written consent of the CMA:
 - (a) No action has been taken by Breedon Southern that might prejudice a reference of the transaction under section 22 of the Act or impede the taking of any action by the CMA which may be justified by its decision on such a reference, including any action which might:
 - (i) lead to the integration of the Target business with the Breedon Southern business;
 - (ii) transfer the ownership or control of the Breedon Southern business or the Target business or any of their subsidiaries; or
 - (iii) otherwise impair the ability of the Target business or the Breedon Southern business to compete independently in any of the markets affected by the transaction.
 - (b) The Target business has been carried on separately from the Breedon Southern business and the Target business's separate sales or brand identity has been maintained.
 - (c) The Target business and the Breedon Southern business have been maintained as a going concern and sufficient resources have been made available for the development of the Target business and the Breedon Southern business, on the basis of their respective pre-merger business plans.
 - (d) No substantive changes have been made to the organisational structure of, or the management responsibilities within, the Target business or the Breedon Southern business, except in the ordinary course of business.

- (e) The nature, description, range and quality of goods and/or services supplied in the UK by the Target business and the Breedon Southern business have been maintained and preserved.
- (f) Except in the ordinary course of business for the separate operation of the two businesses:
 - (i) all of the assets of the Target business and the Breedon Southern business, including facilities and goodwill, have been maintained and preserved as at the start of the Relevant Period;
 - (ii) none of the assets of the Target business or the Breedon Southern business have been disposed of; and
 - (iii) no interest in the assets of the Target business or the Breedon Southern business has been created or disposed of.
- (g) There has been no integration of the information technology of the Target or Breedon Southern businesses, and the software and hardware platforms of the Target business have remained essentially unchanged, except for routine changes and maintenance.
- (h) Subject to integration which had occurred prior to the commencement date, the customer and supplier lists of the two businesses have been operated and updated separately and any negotiations with any existing or potential customers and suppliers in relation to the Target business have been carried out by the Target business alone and, for the avoidance of doubt, the Breedon Southern business has not negotiated on behalf of the Target business (and vice versa) or entered into any joint agreements with the Target business (and vice versa).
- (i) All existing contracts of the Target business and the Breedon Southern business have been serviced by the business to which they were awarded, except to the extent novated, assigned or subcontracted prior to the commencement date.
- (j) No changes have been made to key staff of the Target business or the Breedon Southern business.
- (k) No key staff have been transferred between the Target business and the Breedon Southern business.
- (l) All reasonable steps have been taken to encourage all key staff to remain with the Target business and the Breedon Southern business.

(m) Except as permitted by the Order, no business secrets, know-how, commercially-sensitive information, intellectual property or any other information of a confidential or proprietary nature relating to either of the two businesses, has passed, directly or indirectly, from the Target business (or any of its employees, directors, agents or affiliates) to the Breedon Southern business (or any of its employees, directors, agents or affiliates), or vice versa.

(n) Except as listed in paragraph (o) below, there have been no:

(i) key staff that have left or joined the Target business or the Breedon Southern business;

(ii) interruptions of the Target business or the Breedon Southern business (including without limitation procurement, production, logistics, sales and employee relations arrangements) that have prevented it from operating in the ordinary course of business for more than 24 hours;

(iii) substantial customer volumes won or lost or substantial changes to the customer contracts for the Target business or the Breedon Southern business; or

(iv) substantial changes in the Target or Breedon Southern business's contractual arrangements or relationships with key suppliers.

(o) *[list of material developments]*

3. Breedon Southern and its subsidiaries remain in full compliance with the Order and will, or will procure that the Target business will, continue actively to keep the CMA informed of any material developments relating to the Target or the Breedon Southern business in accordance with paragraph 8 of the Order.

Interpretation

4. Terms defined in the Order have the same meaning in this compliance statement.

I understand that:

5. it is a criminal offence under section 117 of the Enterprise Act 2002 for a person recklessly or knowingly to supply to the CMA information which is false or misleading in any material respect. Breach of this provision can result in

fines, imprisonment for a term not exceeding two years, or both. (Section 117 of the Enterprise Act 2002.)

6. Failure to comply with this order without reasonable excuse may result in the CMA imposing a **penalty of up to 5% of the total value of the turnover** (both in and outside the United Kingdom) of the enterprises owned or controlled by the person on whom the penalty is imposed. (Section 94A of the Enterprise Act 2002.)

FOR AND ON BEHALF OF BREEDON SOUTHERN

Signature

Name

Title

Date

Compliance statement for the Target business

I [insert name] confirm on behalf of the Target business that:

Compliance in the Relevant Period

1. In the period from [insert date] to [insert date] (the **Relevant Period**) the Target business has complied with the Order made by the CMA in relation to the transaction on 31 July 2020 (the **Order**).
2. Subject to paragraph 3 of the Order, and except with the prior written consent of the CMA:
 - (a) No action has been taken by the Target business that might prejudice a reference of the transaction under section 22 of the Act or impede the taking of any action by the CMA which may be justified by its decision on such a reference, including any action which might:
 - (i) lead to the integration of the Target business with the Breedon business;
 - (ii) transfer the ownership or control of the Target business; or
 - (iii) otherwise impair the ability of the Target to compete independently in any of the markets affected by the transaction.
 - (b) The Target business has been carried on separately from the Breedon business and the Target business's separate sales or brand identity has been maintained.
 - (c) The Target business has been maintained as a going concern and sufficient resources have been made available for the development of the Target business, on the basis of its pre-merger business plans.
 - (d) No substantive changes have been made to the organisational structure of, or the management responsibilities within, the Target business except in the ordinary course of business.
 - (e) The nature, description, range and quality of goods and/or services supplied in the UK by the Target business have been maintained and preserved.
 - (f) Except in the ordinary course of business for the separate operation of the Target business:

- (i) all of the assets of the Target business, including facilities and goodwill, have been maintained and preserved as at the start of the Relevant Period;
 - (ii) none of the assets of the Target business have been disposed of; and
 - (iii) no interest in the assets of the Target business has been created or disposed of.
- (g) There has been no integration of the information technology of the Target or Breedon Southern businesses, and the software and hardware platforms of the Target business have remained essentially unchanged, except for routine changes and maintenance.
- (h) Subject to integration which had occurred prior to the commencement date, the customer and supplier lists of the the Target business and the Breedon business have been operated and updated separately and any negotiations with any existing or potential customers and suppliers in relation to the Target business have been carried out by the Target business alone and, for the avoidance of doubt, the Breedon business has not negotiated on behalf of the Target business (and vice versa) or entered into any joint agreements with the Target business (and vice versa).
- (i) All existing contracts of the Target business have been serviced by the business to which they were awarded, except to the extent novated, assigned or subcontracted prior to the commencement date.
- (j) No changes have been made to key staff of the Target business.
- (k) No key staff have been transferred between the Target business and the Breedon business.
- (l) All reasonable steps have been taken to encourage all key staff to remain with the Target business and the Breedon Southern business.
- (m) Except as permitted by the Order, no business secrets, know-how, commercially-sensitive information, intellectual property or any other information of a confidential or proprietary nature relating to either of the two businesses, has passed, directly or indirectly, from the Target business (or any of its employees, directors, agents or affiliates) to the Breedon business (or any of its employees, directors, agents or affiliates), or vice versa.
- (n) Except as listed in paragraph (o) below, there have been no:

- (v) key staff that have left or joined the Target business;
- (vi) interruptions of the Target business (including without limitation procurement, production, logistics, sales and employee relations arrangements) that have prevented it from operating in the ordinary course of business for more than 24 hours;
- (vii) substantial customer volumes won or lost or substantial changes to the customer contracts for the Target business; or
- (viii) substantial changes in the Target business's contractual arrangements or relationships with key suppliers.

(o) *[list of material developments]*

3. The Target business remains in full compliance with the Order and will continue actively to keep the CMA informed of any material developments relating to the Target business in accordance with paragraph 8 of the Order.

Interpretation

4. Terms defined in the Order have the same meaning in this compliance statement.

I understand that:

5. it is a criminal offence under section 117 of the Enterprise Act 2002 for a person recklessly or knowingly to supply to the CMA information which is false or misleading in any material respect. Breach of this provision can result in **finances, imprisonment for a term not exceeding two years, or both**. (Section 117 of the Enterprise Act 2002.)
6. Failure to comply with this order without reasonable excuse may result in the CMA imposing a **penalty of up to 5% of the total value of the turnover** (both in and outside the United Kingdom) of the enterprises owned or controlled by the person on whom the penalty is imposed. (Section 94A of the Enterprise Act 2002.)

FOR AND ON BEHALF OF THE TARGET BUSINESS

Signature

Name

Title

Date

Schedule 1

Directions

1. Directions to appoint a monitoring trustee issued on 14 February 2020

Derogations

1. New Control Systems Derogation granted on 24 January 2020
2. TUPE Derogation granted on 31 January 2020
3. Communications Network Derogation granted on 6 February 2020
4. Disposal Derogation granted on 28 February 2020
5. Breedon COVID Derogation granted on 20 March 2020, as varied on 2 April 2020
6. Third Parties Contracts/Property Consents Derogation granted on 9 April 2020
7. Payroll System Derogation granted on 7 May 2020
8. IT systems Derogation granted on 1 June 2020, as varied on 23 July 2020
9. Pre-completion site visits Derogation granted on 12 June 2020, as varied on 16 June 2020
10. Utilities Derogation granted on 17 June 2020
11. Third Party Contracts Derogation granted on 18 June 2020
12. Target Permits and Target Environmental Securities Derogations granted on 1 July 2020
13. Land Derogation granted on 2 July 2020
14. Pre-completion Reporting Derogation granted on 3 July 2020
15. Target MD and FD appointment Derogation granted on 3 July 2020
16. IT Site Visits and Access to Systems Derogations granted on 3 July 2020
17. Quarterly Trading Update Derogation granted on 10 July 2020
18. Target Employee Training Derogation granted on 20 July 2020

19. Target Branding Derogation granted on 21 July 2020

20. Purchasing, Contract and second signatory Derogation granted on 24 July 2020