

**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 31 July 2020.**

**Completed acquisition by Breedon Group plc of certain assets of Cemex Investments Limited**

We refer to your submissions of 29 April, 29 June and 20 July 2020 requesting that the CMA consents to a derogation to the Initial Enforcement Order of 31 July 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 and Breedon Southern Limited (together, "**Breedon**") are required to hold separate certain assets acquired from Cemex Investments Limited (the "**Target business**") from the Breedon business and refrain from taking any action which might prejudice a reference under section 22 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. Paragraphs 4(a), 4(c), 5(a), 5(i), 5(j) and 5(k) of the Initial Order**

Breedon submits that, given the Target business is not transferring with all staff required for maintaining the viability of the Target business, it is in the interests of the Target business for certain Breedon employees (who already have a working knowledge of the systems and processes which they would be required to operate/manage at the Target business) to be seconded to the Target business.

On this basis, the CMA consents to the following Breedon individuals being seconded to the Target upon completion, provided that any such secondment is approved by the Target Managing Director (or the Hold Separate Manager as appointed under any directions issued by the CMA) (the "**Seconded Employees**"):

- [X] – to assist Target management
  - [X] – to assist Target management
  - [X] – Technical management
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- [X] – IT administration services / management
- [X] – Haulage Management Services

This derogation to the Initial Order is granted strictly on the basis that:

- a) The secondment of any of the Seconded Employees to the Target business would be entirely at the discretion of the Target Managing Director (or the Hold Separate Manager as appointed under any directions issued by the CMA), who would also determine the commencement and duration of each particular secondment, depending on the requirements of the Target business and in compliance with the Initial Order;
- b) Once seconded to the Target business, the Seconded Employees would be dedicated exclusively to the Target business and would not continue to perform any role in respect of the Breedon business, and would no longer have access to the Breedon IT systems or business more generally, and would not report to Breedon (except with the prior written consent of the CMA);
- c) Prior to their secondment, the Seconded Employees shall be fully briefed by Breedon on the terms of the Initial Order and more specifically on the implications of the Initial Order for their specific roles;
- d) [X];
- e) The Seconded Employees would each enter into confidentiality undertakings/NDAs in a form approved by the CMA; and
- f) The individuals who are Seconded Employees may only be amended with the prior written consent of the CMA.

Yours sincerely,

Assistant Director, Remedies. Business and Financial Analysis

31 July 2020

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