

**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, 24 June, 2 July and 22 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), 5(a) and 5(e)(iii) of the Initial Order**

Breedon submits that upon completion of the Merger, the Target assets will automatically become subject to a [X]. Breedon also submits that including the Target assets within Breedon's above banking arrangements is a requirement for the purposes of Breedon [X], and is therefore strictly necessary.

Breedon submits that there is [X]. Breedon therefore submits that the Target assets being subject to the [X] would not restrict the divestment of the Target assets by Breedon and/or impede the CMA's ability to impose remedial action, and would also not be difficult or costly to reverse in the event that remedies were required.

On this basis, the CMA consents to the Target assets falling under Breedon's group bank arrangements with effect from completion strictly on the basis that:

- a) This derogation permits the Target assets to become subject to [X], but does not permit Breedon to access the Target business's financial information for any purpose, including as part of any reporting obligations on Breedon under Breedon's [X] (subject to any other derogation that may be granted by the CMA); and
  - b) This derogation would not prevent the CMA from imposing any remedial action.
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Yours sincerely,

Assistant Director, Remedies, Business and Financial Analysis

31 July 2020