

**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, 22 June, 1 July 2020 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**") 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 and the Target may carry out the following actions, in respect of the specific paragraphs:

**1. Paragraphs 4(a), 4(b) and 5(a) of the Initial Order**

Breedon submits that there are certain employees transferring from Cemex with the Target business who are based at Cemex sites which are not included within the scope of the Transaction, and are therefore not able to remain at their current offices/premises after completion, and that office space also needs to be made available for management of the Target business, who are not transferring from Cemex (the "**Target employees**"). Breedon proposes to lease new office space for the exclusive use of the Target employees or make office space available at its existing locations that is entirely separate from all other Breedon employees.

The CMA grants a derogation from paragraphs 4(a), 4(b) and 5(a) of the Initial Order permitting:

- a) Breedon to lease office space on behalf of the Target business, including from Cemex;
- b) The Target business to make use of separate office space/buildings leased by Breedon on behalf of the Target; and

- c) certain of the Target employees to be based at a separate temporary building at Breedon's [REDACTED] site, which is for the exclusive use of the Target employees.

This derogation is granted strictly on the basis that:

- (i) Breedon lease office space at [REDACTED] for the exclusive use of the Target employees;
- (ii) Breedon lease Cemex's current office space in [REDACTED] (which does not form part of the Target assets) or, if this is not possible, Breedon lease standalone offices at a suitable location in [REDACTED] for the exclusive use of the Target employees;
- (iii) The only shared spaces between Breedon employees and Target employees at Breedon's [REDACTED] site will be the car park;
- (iv) With the exception of the car park at the [REDACTED] site, no Breedon personnel will have access to the office space/buildings that are used by the Target business, and no Target personnel will have access to the Breedon office space/buildings (subject to any further derogations granted by the CMA);
- (v) With the exception of the car park at the [REDACTED] site, access restrictions will be put in place to prevent any Breedon personnel from accessing the Target offices/buildings and to prevent any Target employees from accessing the Breedon offices/buildings; and
- (vi) This derogation shall not prevent any remedial action that the CMA may need to take regarding the Transaction.

Yours sincerely,

Assistant Director, Remedies. Business and Financial Analysis

31 July 2020