

**DEROGATION LETTER
IN RESPECT OF INITIAL ENFORCEMENT ORDERS ISSUED
PURSUANT TO SECTION 72(2) ENTERPRISE ACT 2002
COMPLETED ACQUISITION**

Dear [✂]

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 3 October 2024.

Completed acquisition by Topps Tiles Plc of certain assets of Tildist Realisations Limited (formerly CTD Tiles Limited)

We refer to your email and accompanying derogation request memorandum dated 3 January 2025 requesting that the CMA consents to a derogation from the Initial Enforcement Order of 3 October 2024 (the **Order**). The terms defined in the Order have the same meaning in this letter.

Under the Order, save for written consent by the CMA, Topps and Tiles4Less are required to hold the Target separate from the Topps 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 a derogation from the Order, based on the information received from you and the monitoring trustee the CMA directed Topps and Tiles4Less to appoint and taking account of the particular circumstances of this case, Topps and Tiles4Less may carry out the following actions, in respect of the specific paragraphs:

1. Paragraphs 5(a) of the Order

On 25 November 2024, the CMA provided a derogation (the **Fourth Derogation**) from paragraphs 5(a) and 5(l) of the Order to enable the Target to relocate to a refurbished warehouse (located at ProLogis Park, Pineham, Northampton NN4 9EX) (the **Northampton Warehouse**) that Topps recently leased for its business, Pro Tiler Limited (**Pro-Tiler**) (the **Northampton Proposal**).

The Parties now request a derogation in respect of paragraph 5(a) of the Order to

allow the Target to use Topps' vacant facility at Earls Barton, near the Northampton Warehouse, as a temporary storage solution for ~3,000 pallets of stock to facilitate the relocation to the Northampton Warehouse (the **Earls Barton Proposal**).

The Parties have submitted that the Earls Barton Proposal is strictly necessary to support the Target business moving to the Northampton Warehouse as, among other reasons, alternative storage solutions at the scale necessary to support the move would be complex to arrange at short notice and would add significant risk to the Target successfully relocating its warehouse.

The CMA consents to the derogation strictly on the basis that:

1. The Earls Barton facility will not be utilised by Topps for any purpose while it serves as a temporary storage facility for the Target.
2. The Earls Barton Proposal is temporary in nature, envisaging that the Target's stock will be transferred to the Northampton Warehouse, in accordance with the Fourth Derogation, by no later than 30 April 2025.
3. The Earls Barton Proposal will not involve the exchange of any competitively sensitive information between Topps and the Target.
4. The Earls Barton Proposal will be implemented by the existing Northampton Project Team, who were approved by the CMA under the Eighth Derogation Consent to implement the Warehouse Fit-out at the Northampton Warehouse.
5. This derogation shall not prevent any remedial action which the CMA may need to take regarding the transaction.

Yours sincerely,

Philippa Allan

Assistant Director, Mergers

3 January 2025