

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

Dear [X]

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 17 December 2024 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, Tiles4Less may carry out the following actions, in respect of the specific paragraphs:

1. Paragraphs 5(c) and 5(i) of the Order

Tiles4Less requests the CMA's approval to appoint [X], the Target's existing [X], on a permanent contract as the Target's Retail & Central Trading Director (the **Key Staff Change**).

Tiles4Less submits that the Key Staff Change is essential to ensure that a key staff role within the Target is filled by an individual with the necessary skills and experience, and without the Key Staff Change, the Target's business may become

less competitive.

The CMA consents to a derogation from paragraphs 5(c) and 5(i) of the Order to allow Tiles4Less to make the Key Staff Change, strictly on the basis that:

1. [X] has the necessary experience and expertise for their new role;
2. [X] will be fully allocated to the Target business;
3. This derogation will not result in any staff transfers between the Topps business and the Target business;
4. This derogation will not result in any integration between the Topps business and the Target business;
5. This derogation will not result in any disruption to, or impair the viability of, the Target business; and
6. This derogation will not result in any pre-emptive action which might prejudice the outcome of a reference or impede the taking of any action which may be justified by the CMA's decision on a reference.

Yours sincerely,

Matteo Alchini

Assistant Director, Mergers

20 December 2024