

**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) (the Merger)

We refer to your email and accompanying derogation request memorandum dated 12 March 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 in the particular circumstances of this case, Topps and Tiles4Less may carry out the actions in respect of paragraph 5(e) of the Order as described below:

1. Paragraph 5(e) of the Order

Following receipt of CMA consent on 4 March 2025, the Target entered into a licence to occupy (**LTO**) extension with [X] in respect of its store at Arran Road, North Muirton Industrial Estate, Perth PH1 3DZ (the **Perth Store**). The LTO extension enables the Target to remain in occupation of the Perth Store until [X]. [X] subsequently informed the Target that it wishes to take back the Perth Store on the expiry of the extended LTO on [X]. Having conducted a search to identify

suitable alternative premises in the locality, the Target wishes to relocate its Perth Store to the nearby location of 2B Arran Road, Perth PH1 3DZ (the **Proposed New Location**), which is immediately adjacent to the Perth Store.

As a result, the Target requests that the CMA grants a derogation from paragraph 5(e) of the Order to enable the Target to relocate its Perth Store to the Proposed New Location.

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

1. The Perth Store relocation takes place in way which minimises store shut-down time.
2. With the exception of additional fit-out support to be provided by [X], who is an Authorised Individual pursuant to the CMA's Derogation Consent of 3 October 2024, the fit-out at the Proposed New Location will be managed exclusively by the Target.
3. The derogation shall not prevent any remedial action which the CMA may need to take regarding the transaction.

Yours sincerely,

Matteo Alchini
Assistant Director, Mergers
13 March 2025