DEROGATION LETTER IN RESPECT OF INITIAL ENFORCEMENT ORDER ISSUED PURSUANT TO SECTION 72(2) ENTERPRISE ACT 2002

Dear [✄]

Consent under section 72(3c) of the Enterprise Act 2002 (the Act) to certain actions for the purposes of the Initial Enforcement Order made by the Competition and Markets Authority (CMA) on 3 June 2026

Completed acquisition by Y3 Holdings Limited of Hutchinson Homes Limited

We refer to your email and accompanying note further information dated 12 June 2026 and 2 July 2026 requesting that the CMA consents to derogations to the Initial Enforcement Order of 3 June 2026 (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, Y3 Holdings Limited, Healthcare Ireland Holdings Limited, Healthcare Ireland Limited and HCI Bidco 2 Limited (the **Acquirer Group**) and Hutchinson Homes are required to hold separate the Hutchinson Homes business from the Acquirer Group 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, the Acquirer Group may carry out the following actions, in respect of the specific paragraphs:

Paragraphs 4(b), 5(c), 5(e)(ii), 5(e)(iii) and 5(h) of the Initial Order.

The CMA understands that HCI Bidco 1 Limited, a wholly owned indirect subsidiary of Y3 Holdings Limited, intends to enter into a binding agreement for the disposal of the entire issued share capital of [✄] (the **Disposal**).

The Acquirer Group submits that [✄] is a property holding company comprising of [✄]. The Acquirer Group submits that each of these properties is [✄]. The Acquirer Group further submits that [✄].

The Acquirer Group submits that following the completion of the Disposal, [✂].

The Acquirer Group further submits that in connection with the Disposal [✂].

Accordingly, the Acquirer Group requests a derogation from paragraphs **4(b), 5(c) 5(e)(ii), 5(e)(iii) and 5(h)** of the Initial Order to permit (i) the disposal of the entire issued share capital of [✂], (ii) the [✂] referred to above, (iii) the [✂] referred to above, and (iv) all related steps necessary [✂].

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

(1) the Disposal is separate from and unrelated to the transaction as defined in the Initial Order;

(2) each of the properties [✂];

(3) the Disposal will not result in any changes to key staff of the Acquirer Group's business;

(4) the Disposal will not impact the Acquirer Group's ability to compete against Hutchinson Homes in any of the markets affected by the transaction as defined in the Initial Order;

(5) this derogation will not result in any disruption to, or impact the viability of, the Acquirer Group business;

(6) this derogation will not lead to any integration of the Acquirer Group business or the Hutchinson Homes business; and

(7) 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.

It is a criminal offence under section 117 of the Enterprise Act 2002 for a person to recklessly or knowingly supply to the CMA information which is false or misleading in any material respect. Breach of this provision can result in fines, imprisonment for a term not exceeding two years, or both (Section 117 of the Enterprise Act 2002). In addition, the CMA can impose penalties if a person has, without reasonable excuse, supplied to the CMA information which is false or misleading in any material respect (Section 110(1A)) as described in the Annex and the *Administrative penalties: Statement of Policy on the CMA's approach (CMA4).*

Yours sincerely,

Julie Flandrin
Assistant Director, Mergers
Competition and Markets Authority
6 July 2026

ANNEX

Penalties for the provision of false or misleading information

Imposition of civil penalties

(1) Under section 110(1A) of the Act, the CMA may impose a penalty on a person in accordance with section 111 of the Act where the CMA considers that:

(a) The person has, without reasonable excuse, supplied information that is false or misleading in a material respect to the CMA in connection of any of the CMA's functions under Part 3 of the Act;

(b) The person has without reasonable excuse, supplied information that is false or misleading in a material respect to another person knowing that the information was to be used for the purpose of supplying information to the CMA in connection with any function of the CMA under Part 3 of the Act.

(2) Under section 110(1C) of the Act, the CMA may not impose such a penalty in relation to an act or omission which constitutes an offence under section 117 of the Act if the person has, by reason of the act or omission, been found guilty of that offence.

Amount of penalty

(3) Under section 111(1) of the Act, a penalty imposed under section 110(1A) of the Act shall be of such amount as the CMA considers appropriate.

(4) A penalty imposed under section 110(1A) of the Act on a person who does not own or control an enterprise shall be a fixed amount that must not exceed £30,000.

(5) Under section 111(4A) of the Act a penalty imposed under section 110(1A) of the Act on any other person shall be a fixed amount that must not exceed 1% of the total value of the turnover (both in and outside the United Kingdom) of the enterprises owned or controlled by the person.

(6) In deciding whether and, if so, how to proceed under section 110(1A) of the Act, the CMA must have regard to the statement of policy which was most recently published under section 116 of the Act at the time when the act or omission occurred.