

**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 15 February 2018**

**Completed acquisition by Medtronic plc of certain assets of Animas Corporation.**

We refer to your letter dated 17 February 2018 requesting that the CMA consents to derogations to the Initial Enforcement Order of 15 February 2018 as varied on 28 February 2018 ('the Commencement Date') (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, Medtronic, Medtronic UK, J&J, and J&J UK are required to hold separate the Animas insulin delivery business from Medtronic 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 Medtronic's and J&J's request for derogations from the Initial Order, based on the information received from you and in the particular circumstances of this case, Medtronic, Medtronic UK, J&J and J&J UK may carry out the following actions, in respect of the specific paragraphs set out below.

**1. Paragraph 5(b)**

The CMA accepts to grant a derogation from the requirement in paragraph 5(b) of the Initial Order, provided that no steps are taken to degrade or impair the Animas UK insulin business relative to its position at the Commencement Date and sufficient resources are made available by J&J and/or J&J UK for this purpose.

**2. Paragraph 5(f)**

The CMA accepts to grant a derogation from the requirements in this paragraph of the Initial Order as regards the Animas UK insulin business. This derogation is granted on the basis that the integration of these assets is not expected to occur under the Transaction and, in the particular circumstances of this case, this requirement is not essential to ensure that the Animas UK insulin business continues to service Animas UK patients on the same basis as at the Commencement Date.

### **3. Paragraphs 5(l) and 5(g)**

The CMA accepts to grant a derogation from the requirements in paragraphs 5(l)5(g) to permit Medtronic/Medtronic UK to continue to compete for customers with Medtronic diabetes products in the ordinary course of business, including through online and offline marketing, and to sell Medtronic diabetes products and Animas consumables to customers who have indicated that they wish to switch to Medtronic prior to the Commencement Date.

This derogation is granted on the condition that Medtronic/Medtronic UK (1) does not accept receipt of, and does not ask Animas to supply to it, any assets contemplated for transfer to Medtronic under the U.K. Country Transfer Agreement or APA for use in the U.K. until the CMA has approved the Transaction, (2) J&J/J&J UK does not supply to Medtronic/Medtronic Limited UK any assets contemplated for transfer to Medtronic under the U.K. Country Transfer Agreement or APA for use in the U.K. until the CMA has approved the Transaction, and (3) J&J/J&J UK/Medtronic/Medtronic UK do not approach NHS Trusts to transition Animas patients to Medtronic in the U.K. on the basis of the transaction (i.e., on the basis that Medtronic is Animas' preferred partner) or based on the transfer of any U.K. assets to Medtronic, For the avoidance of doubt, from the Commencement Date, J&J/J&J UK/Medtronic/Medtronic UK will not approach, or have any contact with, NHS Trusts (including the NHS Trusts who have already indicated that they wish to switch to Medtronic) on the basis of the transaction.

These derogations should not prevent any remedial action that the CMA may need to take regarding the transaction.