

**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 recent correspondence 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').

Under the Initial Order, save for written consent by the CMA, Medtronic and Medtronic Limited are required to hold separate the Animas insulin delivery business from the 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.

The terms defined in the Initial Order have the same meaning in this letter. Further in this letter:

**'the Animas UK business'** means the Animas insulin delivery business in the UK, sold by Animas Corporation to Medtronic plc as carried on as at the commencement date;

**'the Animas International insulin business'** means the Animas insulin delivery business outside the UK, sold by Animas Corporation to Medtronic plc, as carried on as at the commencement date;

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, Medtronic and Medtronic Limited may carry out the following actions, in respect of the specific paragraphs:

## **1. General derogation concerning paragraphs 4 and 5 of the Initial Order**

J&J has sought CMA consent to exclude the Animas International insulin business outside the UK (as well as other J&J business units unrelated to the Animas business) from the scope of the obligations in paragraphs 4 and 5 of the Initial Order, whilst holding the Animas UK business separate.

The CMA consents that the obligations in paragraphs 4 and 5 of the Initial Order do not apply to the Animas International insulin business outside the UK (or to any other J&J business units unrelated to the Animas business) save that this derogation is granted based on Medtronic's and J&J's undertaking such derogation will have no prejudicial effect on the operation of the Animas UK business relative to its position immediately prior to the Commencement Date (and which would in any event fulfil J&J's and Animas' legal obligations to UK customers under warranty with or without the Initial Order) and subject to other derogations already granted. Specifically, J&J and Animas will procure that at all times, until such time as the CMA varies or withdraws the Initial Order, J&J and/or Animas International will:

- maintain sufficient stock of UK insulin pumps and consumables so as fully and in a timely manner to supply the needs of Animas UK customer base as at the Commencement Date;
- continue the supply, and not take any steps that would prejudice the timely supply, of Animas vibe pumps and consumables from all relevant manufacturing and distribution entities to the Animas business in the UK and/or Medtronic in respect of customers to whom the CMA has agreed that Medtronic may supply;
- maintain all regulatory approvals and intellectual property rights necessary to supply insulin pumps and consumables in the UK;
- ensure that there remain sufficient resources including personnel to serve all Animas UK patient demands in relation to service, technical support, warranties, and pump and consumable supply;
- take no other action outside the UK that would have a prejudicial effect on the operation of the Animas UK business relative to its position immediately prior to the Commencement Date.

This derogation should not prevent any remedial action that the CMA may need to take regarding the transaction. For the avoidance of doubt, the business of J&J/Animas in the UK, including inputs from outside the UK which are required for the operation of the UK businesses, will be preserved.