

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

**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 22 September 2021.**

**Completed acquisition by CVS Group plc, through its subsidiary CVS (UK) Limited (together, "CVS") of Quality Pet Care Ltd ("Quality Pet Care"), trading as The Vet ('the Transaction').**

We refer to your submission of 16 November 2021 requesting that the CMA consents to derogations to the Initial Enforcement Order of 22 September 2021 (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, CVS and Quality Pet Care are required to hold separate the CVS business from the Quality Pet Care 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, Quality Pet Care may carry out the following actions, in respect of the specific paragraphs:

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

Quality Pet Care submits that, [X]. [X] and Quality Pet Care accordingly consider that [X] employment should terminate.

The CMA understands that the role of [X] falls within the definition of key staff in the Initial Order.

In order to ensure the ongoing, viable and independent operation of the Quality Pet Care business, Quality Pet Care is seeking a derogation from the Initial Order to:

- a) terminate [X] employment at Quality Pet Care [X]; and
- b) create a clinical board, made up of existing clinical directors at Quality Pet Care, to carry out [X] existing role and responsibilities.

The CMA consents to a derogation from paragraphs 5(c) and 5(i) of the Initial Order permitting the above changes, strictly on the basis that:

- i. Quality Pet Care has represented that it has taken all reasonable steps to encourage [X] to remain with the Quality Pet Care business;
- ii. Quality Pet Care has represented that the proposed clinical board has the necessary capacity and experience to take on the [X] responsibilities such that this derogation will not affect the ongoing operation of the Quality Pet Care business, and seeks to preserve its viability and ability to compete independently;
- iii. no other organisational or key staff changes will be made as a result of the departure of [X] and the assumption by the clinical board of his responsibilities;
- iv. for the avoidance of doubt, none of [X] responsibilities will be redistributed to any CVS personnel;
- v. this derogation will not lead to any integration of the CVS and Quality Pet Care businesses; and
- vi. 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 decisions on a reference.

Yours sincerely,

Alex Knight

Assistant Director, Remedies, Business and Financial Analysis

18 November 2021