

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

Please note that [✂] indicates figures or text which have been deleted or replaced in ranges for reasons of commercial confidentiality.

**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 November 2021**

**Completed acquisition by VetPartners Limited of Goddard Holdco Limited ('Goddard') (the 'Merger')**

Dear [✂],

We refer to your submissions dated 22 November 2021 and 2 December 2021 requesting that the CMA consents to derogations to the Initial Enforcement Order of 15 November 2021 (the '**Initial Order**'). Unless otherwise stated, 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, Scooby Lux Investment S.à r.l., Scooby Equityco Limited, Piper Topco Limited, Scooby VetPartners (together, the '**Acquirer Group**') and Goddard are required to hold separate the Acquirer Group business from the Goddard 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 and Goddard may carry out the following actions, in respect of the specific paragraphs:

**1. Paragraphs 5(a), 5(c) and 5(l) of the Initial Order**

VetPartners wishes to exercise limited oversight of the commercial activity of Goddard to ensure that the Goddard business is maintained as a going concern and operated in the ordinary way, consistent with past practice. VetPartners proposes to achieve this by way of a delegation of authority which provides that Goddard's management team shall have full power and authority to operate the Goddard business, save in a

limited number of specified circumstances described in Annex 1 where approval by an identified individual within VetPartners will be required (the '**Exceptional Actions**'). The frequency of the relevant limits in the Exceptional Actions being exceeded is expected to be very low, and this process would therefore not restrict the ability of the Goddard business to operate independently of VetPartners.

VetPartners has therefore sought the CMA's consent for Goddard to (i) be required to seek approval from VetPartners each time it proposes to take an Exceptional Action, and (ii) share limited commercially-sensitive information with VetPartners (as also described in Annex 1) in order for VetPartners to take an informed decision in relation to the Exceptional Actions.

The CMA consents to a derogation from paragraphs 5(a), 5(c) and 5(l) of the Initial Order to permit VetPartners to exercise limited oversight of Goddard in respect of the Exceptional Actions, strictly on the basis that:

- (i) For the avoidance of doubt, any action which is proposed by Goddard in pursuit of its pre-Merger business plan is not part of the Exceptional Actions outlined in Annex 1 which would require the consent of VetPartners;
- (ii) Exceptional Actions will be raised by Goddard with, and information provided only to, VetPartners' [X], [X] (the '**Designated Individual**' for the purposes of this derogation);
- (iii) [X] shall remain the only Designated Individual for the purposes of this derogation. No addition or change to the Designated Individual providing oversight of the Exceptional Actions of the Goddard business shall be made under this derogation without the prior written consent of the CMA (which may be given via email);
- (iv) The Designated Individual will not, for the duration of the Initial Order, hold any responsibility for the commercial or strategic operations of VetPartners, and shall not use any information provided by Goddard in any way to intervene in the management or operation of the Goddard business or the VetPartners business;
- (v) The Designated Individual must not consult with any other individual in the VetPartners business in taking decisions on the Exceptional Actions. The Designated Individual may discuss such matters with VetPartners' external

legal counsel as required, who shall keep such information confidential and use it only for this purpose;

- (vi) The Designated Individual will not seek to change the proposal made by the Goddard business in connection with the Exceptional Action, or seek to substitute their judgment with that of the Goddard business;
- (vii) The information to which the Designated Individual will be given access will be limited to that which is strictly necessary (as described in Annex 1) to allow the Designated Individual to reach an informed decision on the specific matter at hand on behalf of VetPartners, and will not include any other information beyond that described in Annex 1;
- (viii) the CMA will be notified of any requests made by the Goddard business to VetPartners and at its request, the CMA will be provided with a summary of the information shared by the Goddard business with the Designated Individual for the purposes of the escalation;
- (ix) The CMA will be notified in advance of any proposed veto by the Designated Individual of any proposed Exceptional Actions by the Goddard business, and the reasons for this in advance of any such veto being exercised;
- (x) The Designated Individual shall enter into an NDA in a form approved by the CMA;
- (xi) IT firewalls and/or other ring-fencing measures will be put in place to prevent any unauthorised individuals within the VetPartners business from accessing the information shared with the Designated Individual for the purpose of this derogation.
- (xii) Goddard will notify the CMA if the limits set out in this derogation do not allow the Goddard business to carry out its day-to-day functions without the interference of VetPartners;
- (xiii) The limits of the Exceptional Actions set out in Annex 1 of this derogation will be subject to CMA review and the CMA may revise the limits in writing (including via email) if it deems this necessary for the Goddard business to conduct its day-to-day business independently of VetPartners;

- (xiv) Should the Merger be prohibited, or a divestment of all or part of either the Goddard business or Acquirer Group business be required by the CMA, any records or copies (electronic or otherwise) of business secrets, know-how, commercially-sensitive information, intellectual property or any other information of a confidential or proprietary nature, wherever they may be held, that were received from Goddard for the purposes of this derogation will be returned to the Goddard business and any copies destroyed, except to the extent that record retention is required by law or regulation; and
- (xv) The granting of this derogation will not prejudice a CMA reference or impede the taking of any action which may be justified by the CMA's decision on a reference.

Yours sincerely,

Alex Knight

Assistant Director, Remedies, Business and Financial Analysis  
6 December 2021

Annex 1 – Exceptional Actions

[✂]	[✂]
1. [✂].	<ul style="list-style-type: none"><li>• [✂].</li><li>• [✂]:<ul style="list-style-type: none"><li>○ [✂]</li><li>○ [✂]</li><li>○ [✂]</li></ul></li><li>• [✂].</li></ul>
2. [✂].	<ul style="list-style-type: none"><li>• [✂]. [✂].</li></ul>
3. [✂].	<ul style="list-style-type: none"><li>• [✂].</li><li>• [✂].</li><li>• [✂].</li></ul>
4. [✂].	<ul style="list-style-type: none"><li>• [✂].</li></ul>

	<ul style="list-style-type: none"> <li>• <math>[\text{X}].</math></li> <li>• <math>[\text{X}].</math></li> <li>• <math>[\text{X}].</math></li> <li>• <math>[\text{X}].</math></li> </ul>
5. $[\text{X}].$	<ul style="list-style-type: none"> <li>• <math>[\text{X}].</math></li> <li>• <math>[\text{X}]:</math></li> <li>○ <math>[\text{X}]</math></li> <li>○ <math>[\text{X}]</math></li> <li>○ <math>[\text{X}].</math></li> </ul>