

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

**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 communications with the Monitoring Trustee on 20 December 2021 on behalf of Quality Pet Care 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 the request for derogations from the Initial Order, based on the information received from the Monitoring Trustee 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(b) and 5(d) of the Initial Order**

Quality Pet Care submits that, as a result of the extraordinary circumstances of the Coronavirus (COVID-19) pandemic, Quality Pet Care may experience some disruption to its ability to provide services at its practices to customers. In particular, at short notice, Quality Pet Care may need to [X] one or more of its practices (the '**Service Disruptions**') due to [X] brought about by Coronavirus (COVID-19) [X].

The CMA understands that the contemplated Service Disruptions are either because Quality Pet Care:

- a) is required/mandated to do so; or
- b) [X].

As such, Quality Pet Care submitted that paragraphs 5(b) and 5(d) of the Initial Order should not apply to Service Disruptions caused by the Coronavirus (COVID-19) pandemic.

The CMA considers that the derogation requested is required in the unprecedented and fast-moving circumstances of the Coronavirus (COVID-19) pandemic.

On that basis, the CMA consents to a derogation from paragraphs 5(b) and 5(d) of the Initial Order strictly on the basis that:

- (i) Service Disruptions are implemented only where strictly unavoidable given the circumstances of the Coronavirus (COVID-19) pandemic;
- (ii) The reason for the Service Disruptions will be limited only to those set out at paragraphs (a) and (b) above (unless otherwise agreed by the CMA in writing);
- (iii) Quality Pet Care will continue to report all Service Disruptions in the regular compliance statements required under the Initial Order, and will include in such reports, details of:
  - a. The relevant practice/s;
  - b. The anticipated duration of the Service Disruptions;
  - c. The specific details of the Service Disruptions
- (iv) Unless withdrawn beforehand, this derogation shall remain in effect until 31 January 2022 (unless extended, with the prior written consent of the CMA, which can be provided by e-mail);
- (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

21 December 2021