

**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 your submission of 12 January 2022 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. Paragraph 5(c) of the Initial Order

Quality Pet Care submits that its practice in Bristol (**The Vet Bristol**) faces a shortage of [X] staff, which has been exacerbated by the Coronavirus (COVID-19) pandemic due to absence of both sick and isolating staff, which often arises at short notice. Quality Pet Care submits that this shortage is especially problematic on weekends and that [X] The Vet Bristol [X] The Vet Bristol.

In order to ensure that The Vet Bristol is consistently staffed [X] the Vet Bristol and to improve the well-being of staff and retention, Quality Pet Care is seeking a derogation from the Initial Order, for an initial period of three months, to:

- (a) extend the opening hours of The Vet Bristol on a Saturday from 09:00 AM - 16:00 PM to 09:00 AM to 17:00 PM; and

(b) close The Vet Bristol on a Sunday, with cover being provided by The Vet Bristol's current out of hours provider.

On the basis of Quality Pet Care's representations, the CMA consents to a derogation from paragraph 5(c) of the Initial Order permitting the changes described in paragraphs (a) and (b) above, strictly on the basis that:

- (i) unless withdrawn beforehand, this derogation shall remain in effect until 13 April 2022. Following receipt of a request in writing from Quality Pet Care, the CMA may provide its prior written consent (including via email) to extend the duration of this derogation;
- (ii) should Quality Pet Care wish to further amend its opening hours as outlined in paragraphs (a) and (b) of this derogation, it will seek the prior written consent of the CMA (which can be provided by email);
- (iii) such actions will not affect the ongoing operation of the Quality Pet Care business and will preserve its viability and ability to compete independently;
- (iv) no other organisational changes will be made as a result of the changes to The Vet Bristol's opening hours;
- (v) this derogation will not lead to any integration of the CVS and Quality Pet Care businesses and for the avoidance of doubt, does not permit CVS to provide any staffing cover to The Vet Bristol; 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
13 January 2022