

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

Quality Pet Care submits that, prior to the imposition of the Initial Order, Quality Pet Care's Clinical Director at its Bristol practice ('The Vet Bristol'), meaning that The Vet Bristol has had a vacancy for the Clinical Director position for over six months. This is a key staff position within the meaning of the Initial Order.

Despite continual recruitment efforts, Quality Pet Care submits that it has failed to hire an appropriate candidate for the Clinical Director position and is concerned that a failure to provide an alternative solution risks at The Vet Bristol, noting that in addition to the Clinical Director vacancy,

In order to provide [X] The Vet Bristol and [X], Quality Pet Care is seeking a derogation from the Initial Order to appoint _ _ , current _ _ of Quality Pet Care's practice in Nottingham ('**The Vet Nottingham**') as Clinical Director of The Vet Bristol, and reorganise her management responsibilities so that she splits her time equally between both the Vet Bristol, and The Vet Nottingham.

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

- (i) [X] has the necessary skills, experience and capacity to undertake the Clinical Director role at The Vet Bristol on a permanent basis, while also maintaining her responsibilities at The Vet Nottingham;
- (ii) the proposed actions will not affect the ongoing operation of the Quality Pet Care business and will preserve its viability and ability to compete independently;
- (iii) no other organisational changes or key staff changes will be made to the Quality Pet Care business as a result of this derogation;
- (iv) this derogation will not lead to any integration of the CVS and Quality Pet Care businesses; and
- (v) this change 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 decision on a reference.

Yours sincerely,

Alex Knight
Assistant Director, Remedies, Business and Financial Analysis
28 January 2022