

**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 15 November 2021

Completed acquisition by VetPartners Limited of Goddard Holdco Limited ('Goddard').

Dear [X],

We refer to your submissions dated 15 March 2022, 18 March 2022, 24 March 2022, 11 April 2022 and 13 April 2022 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, Goddard may carry out the following actions, in respect of the specific paragraphs:

1. Paragraphs 5(c) and 5(i) of the Initial Order – Appointment of [X]

On 21 March 2022, at the request of Goddard, the CMA consented to a derogation from paragraphs 5(c) and 5(i) of the Initial Order in respect of the appointment of [X] to the role of [X] (the '**Original [X] Derogation**'). Goddard submits that, following the granting of the Original [X] Derogation, [X]. In light of this, Goddard [X].

Following a recruitment process, Goddard intends to appoint [X] to the role of [X] at Goddard to take effect on or around [X]. Goddard submits that [X] is a [X] with twenty years' extensive experience working as a [X] and [X] and is therefore well qualified to take on the role of [X] at Goddard. The CMA understands that [X] will be appointed on an interim basis initially and following a review of [X] interim period as [X], Goddard will determine whether to [X], subject to CMA approval.

For the avoidance of doubt, Goddard's intention remains that [X] will assume the Additional Duties (as defined in the Original [X] Derogation). Accordingly, to the extent that the Original [X] Derogation relates to the assumption by [X] of the Additional Duties, the position as set out in the [X] Derogation will remain unchanged.

In order to ensure the ongoing, viable and independent operation of the Goddard business, Goddard is seeking a derogation to permit the key staff change relating to the appointment of [X] to the [X] role on an interim basis.

On the basis of Goddard's representations, the CMA consents to a derogation from paragraphs 5(c) and 5(i) of the Initial Order, strictly on the basis that:

- (i) Goddard has represented that it has taken all reasonable steps to encourage [X] (Goddard's current [X]) to remain with the Goddard business;
- (ii) Goddard has represented that [X] has the necessary expertise and experience to take on the responsibilities of the [X] role on an interim basis, such that this derogation will not affect the ongoing operation of the Goddard business or its viability and ability to compete independently;
- (iii) Goddard will arrange for a smooth handover of [X] responsibilities to [X];
- (iv) the decision to appoint [X] was taken independently by Goddard;
- (v) [X] does not, and has not previously, worked for VetPartners and holds no financial or non-financial interests in VetPartners;
- (vi) should [X] not be [X], and Goddard intends to appoint someone else to the role on either a permanent or a temporary basis, Goddard will provide the relevant details of the proposed candidate to the CMA and seek the CMA's prior written consent to appoint said candidate to the [X] role on either a permanent or a temporary basis (with such consent to be provided by e-mail);

- (vii) save for the changes explained above, no other substantive organisational changes, management changes or key staff changes will be made to the Goddard business as a result of this derogation;
- (viii) this derogation will not lead to any integration of the Goddard and VetPartners businesses; and
- (ix) 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 decision on a reference.

2. Paragraphs 5(c), 5(i) and 5(k) of the Initial Order – Appointment of [X]

Goddard submits that [X], [X] at Goddard, has resigned from [X] role and is due to leave Goddard on or around [X] after [X]. In addition, Goddard has been [X]. In these circumstances, Goddard does not believe there is any reasonable justification for Goddard to be required to take all reasonable steps to encourage [X] to remain with the Goddard business. The CMA understands that [X] is considered by Goddard to be key staff within the meaning of the Initial Order.

Goddard intends to advertise for both a [X] and [X] to provide Goddard with flexibility and to avoid delay in the recruitment process, with the expectation that ultimately [X].

In order to ensure the ongoing, viable and independent operation of the Goddard business, Goddard is seeking a derogation to permit the key staff change relating to the replacement of [X] noted above.

On the basis of Goddard's representations, the CMA consents to a derogation from paragraphs 5(c), 5(i) and 5(k) of the Initial Order, strictly on the basis that:

- (i) Goddard has represented that [X] duties will be reallocated within Goddard's [X] department to [X], and [X] (the '**Named Individuals**') as part of an interim arrangement following [X] departure on or around [X]. Goddard represents that the Named Individuals have the necessary capacity and experience to take on the responsibilities of [X] on an interim basis, such that this derogation will not affect the ongoing operation of the Goddard business or its viability and ability to compete independently;
- (ii) Goddard will arrange for a smooth handover of [X] responsibilities to the Named Individuals in order to ensure that there is no disruption to the operation of the Goddard business;
- (iii) once a candidate has been identified by Goddard to assume [X] responsibilities on a permanent basis, Goddard will notify the CMA of this

candidate and seek the CMA's prior written consent to the appointment (with such consent to be provided by email);

- (iv) save for the changes explained above, no other substantive organisational changes, management changes or key staff changes will be to the Goddard business as a result of this derogation;
- (v) this derogation will not lead to any integration of the VetPartners business and the Goddard business; 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 decision on a reference.

3. Paragraphs 5(c) and 5(i) of the Initial Order – Appointment of [X]

Goddard submits that [X], [X] at Goddard's [X], has resigned from [X] role and is due to leave Goddard on or around [X] to [X].

Goddard states that all reasonable steps were taken by Goddard to encourage [X] to remain with the Goddard business, including [X]. The CMA understands [X] is considered by Goddard to be key staff within the meaning of the Initial Order.

Goddard intends to [X] role and may fill this vacancy on either an interim or permanent basis. The CMA understands that at this early stage, Goddard wishes to ensure high-quality candidates come forward and apply for the role of [X] and therefore Goddard is adopting a flexible approach to its recruitment process.

In order to ensure the ongoing, viable and independent operation of the Goddard business, Goddard is seeking a derogation to permit the key staff change noted above.

On the basis of Goddard's representations, the CMA consents to a derogation from paragraphs 5(c) and 5(i) of the Initial Order, strictly on the basis that:

- (i) Once a candidate has been identified by Goddard to assume [X] responsibilities on an interim or permanent basis, Goddard will notify the CMA of this candidate and seek the CMA's prior written consent to the appointment (with such consent to be provided by email);
- (ii) In the event that a suitable candidate is not in post by [X] when [X] is expected to leave the Goddard business, [X] duties could be covered by the interim appointment of an internal candidate. In such circumstances, Goddard will seek the prior written consent of the CMA to make an interim appointment (with such consent to be provided by email);

- (iii) Goddard will arrange for a smooth handover of [§<] responsibilities in order to ensure that there is no disruption to the operation of the Goddard business;
- (iv) save for the changes explained above, no other substantive organisational changes, management changes or key staff changes will be to the Goddard business as a result of this derogation;
- (v) this derogation will not lead to any integration of the VetPartners business and the Goddard business; 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 decision on a reference.

Yours sincerely

Alex Knight

Assistant Director, Remedies, Business and Financial Analysis

20 April 2022