

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

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 (VetPartners) of Goddard Holdco Limited (Goddard).

Dear [X]

We refer to your submission of 12 May 2022 and 16 May 2022 requesting that the CMA consent 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]

VetPartners submits that [X], has resigned from his role and is due to leave VetPartners on or around [X], in order to [X]. VetPartners states that all reasonable steps were taken to encourage [X] to remain with the VetPartners business, which included VetPartner's [X] having discussed the resignation with [X] at length and ultimately have been unable to persuade [X] to remain with the VetPartners business. The CMA believes that [X] should be considered key staff within the meaning of the Initial Order.

VetPartners is in the process of recruiting a replacement of [X]. Should a suitable candidate not be in post by [X] when [X] is expected to leave the VetPartners business, [X] duties will be covered by [X]. VetPartners submits that [X] is an experienced [X] experience who has been the [X]. [X] role is [X] and involves a relatively [X], as the [X] sites work independently and autonomously for the vast majority of their work. [X] is well qualified and has the necessary capacity to cover the responsibilities of the [X] on an interim basis.

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

On the basis of VetPartners' 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 VetPartners to assume [X] responsibilities, VetPartners 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 VetPartners business, [X] duties will be covered by [X]. VetPartners has represented that [X] has the necessary expertise and experience to cover the responsibilities of the [X] on an interim basis, such that this derogation will not affect the ongoing operation of the VetPartners business or its viability and ability to compete independently;
- iii. VetPartners will arrange for a smooth handover of [X] responsibilities in order to ensure that there is no disruption to the operation of the VetPartners business;
- iv. save for the changes explained above, no other organisational, management or key staff changes will be made to the VetPartners business as a result of this derogation; and
- 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

Faye Fullalove
Assistant Director, Mergers
16 May 2022