

**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 31 May 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**

Pursuant to the derogation granted by the CMA on 22 October 2021, [X] (Hold-Separate Manager of Quality Pet Care) was appointed as the sole director of Quality Pet Care's board for the duration of the Initial Order. This change was carried into effect on 1 November 2021. As Quality Pet Care's Articles of Association require two directors (one of whom is an investor director) to be present for a board meeting to be quorate, Quality Pet Care submits that the quorum provisions of Quality Pet Care's Articles of Association need to be amended so that a board meeting may be convened and quorate with a single director. This amendment is necessary, inter alia, in order for Quality Pet Care's board to approve the registration of the transfer of Quality Pet Care's shares to a purchaser approved by the CMA pursuant to the

proposed Undertakings in Lieu offered under section 73 of the Act (**Proposed UILs**) and to authorise the appointment of any person nominated by the said purchaser to become a director of Quality Pet Care with immediate effect from completion and the subsequent resignation of [✂] directorship with immediate effect following such appointment.

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

- (i) for the avoidance of doubt, no other organisational changes will be made to the Quality Pet Care business, and no other amendments will be made to Quality Pet Care's Articles of Association, as a result of this derogation;
- (ii) this derogation will not lead to any integration of the CVS and Quality Pet Care businesses;
- (iii) 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  
8 June 2022