

**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') (the 'Acquisition')**

Dear [X]

We refer to your email dated 28 June 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, VetPartners may carry out the following actions, in respect of the specific paragraphs:

**Paragraphs 5(c), 5(e) and 5(i) of the Initial Order – Preparation of Divestment Sites**

On 28 April 2022, the CMA decided under section 22(1) of the Act that it is or may be the case that the Merger constitutes a relevant merger situation that has resulted or may be expected to result in a substantial lessening of competition (**SLC**) within a market or markets in the United Kingdom (the '**SLC Decision**').

To address the SLC identified by the CMA, VetPartners have offered undertakings to divest eight sites (i) 93 Palmerston Rd, Buckhurst Hill, IG9 5NH ('**Palmerston Buckhurst Hill**'); (ii) 7 Wyatt's Ln, London, E17 3JD ('**Palmerston Walthamstow**'); (iii) 81 Park Lane, Hornchurch RM11 1BH ('**Palmerston Romford**'); (iv) 97-99 Oak Hill, Walthamstow, Woodford Green IG8 9PF ('**Best Friends Group Oak Hill**'); (v) 43 Amsterdam Road, Isle Of Dogs, London E14 3UU ('**Best Friends Group Isle of Dogs**'); (vi) 32 Waltham Rd, Woodford, Woodford Green, IG8 8EB ('**Forest Woodford**'); (vii) 76 Hemnall St, Epping CM16 4LQ ('**Forest Epping**'); and (viii) Eastwick Lodge Farm, Eastwick Rd, Harlow CM20 2QT ('**Forest Harlow**') (with those eight businesses referred to as the '**Divestment Sites**').

VetPartners submits that, in order to prepare and facilitate the divestment of the Divestment Sites (the '**Divestment**') to a purchaser pursuant to section 73 of the Act, VetPartners must take certain steps. VetPartners submits that it intends to implement the Divestment through the sale of (i) [X]. It is envisaged that, upon or prior to completion of the Divestment, the Divestment Sites will be owned by [X] (together the '**Target Entities**'). VetPartners submits that the preparation for this requires the following:

- (a) the transfer of the business, assets and liabilities associated with the Divestment Sites to the Target Entities, in order to facilitate the sale of the Divestment Sites as part of the Divestment;
- (b) the implementation of a process under the Transfer of Undertakings (Protection of Employment) Regulations 2006 [X] in preparation for the Divestment;
- (c) the entering into of discussions with the landlords and freeholders of the properties in respect of [X] to obtain consent to the transfer of the lease interests in such properties, and, following such discussions, the assignment or novation of such leases to any of the Target Entities, and/or the entering into of licences to occupy such properties with the Target Entities, such that the Target Entities have the right to occupy these properties; and
- (d) any other changes which may be required in order to prepare for and/or facilitate the Divestment subject to the CMA's prior written consent (with such consent to be provided by email).

On consideration of the specific facts and circumstances of this case and in the context of the current stage of the CMA review process, the CMA consents to a derogation from paragraphs 5(c), 5(e) and 5(i) strictly on the basis that:

- i. the actions outlined above are strictly necessary for the purposes of preparation for the Divestment;
- ii. this derogation will not lead to a deterioration of the Divestment Sites' assets or otherwise risk the loss of competitive potential of the Divestment Sites;
- iii. no other organisational or management changes will be made to the Acquirer Group business as a result of the proposed changes;
- iv. this derogation will not lead to any integration of the Acquirer Group business and the Goddard business; and
- v. 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  
4 July 2022