

COMPLETED ACQUISITIONS BY MEDIVET GROUP LTD OF MULTIPLE INDEPENDENT VETERINARY BUSINESSES

Directions issued on 4 January 2023 pursuant to paragraph 10 of the Initial Enforcement Orders imposed by the Competition and Markets Authority on Medivet Group Limited, Hecate Holdco Limited, CVC Capital Partners VIII Limited, CVC Capital Partners VIII (A) L.P., CVC Capital Partners VIII Associates L.P. and CVC Capital Partners Investment Europe VIII L.P on 21 December 2022 pursuant to section 72(2) of the Enterprise Act 2002 (the Act)

From September 2021 to September 2022, Hecate Holdco Limited (**Hecate Holdco**) via its wholly-owned subsidiary Medivet Group Limited (**Medivet**) completed the acquisitions of All Creatures Clinic Limited, the assets and business of the veterinary practice under the name Hollies Veterinary Surgery, Canine Healthcare Limited (t/a Vet Value), the assets and business of the veterinary practice under the name Iffley Vets, The Oxford Cat Clinic Limited, The Vet Station Limited, Barton Companion Animal Services Limited, Stanhope Park Veterinary Hospital Limited, I T Kalogera Holdings Ltd (including its subsidiary I T Kalogera Limited), Monument Vets Ltd, Fitzalan House Veterinary Practice Ltd, Ferring Street Vets Limited, The Hackney Vet Limited, Caddy Country Practice Limited, E Street Limited (t/a Elizabeth Street Veterinary Clinic), the assets and businesses of the veterinary practices under the names The Vet on Richmond Hill and The Vet in St Margaret's, and Withy Grove Veterinary Clinic Limited (together, the **Target Entities**) (the **Transactions**).

On 21 December 2022, the Competition and Markets Authority ('**CMA**') made Initial Enforcement Orders (the **Orders**) addressed to Medivet, CVC Capital Partners VIII Limited (**CVC Capital**), CVC Capital Partners VIII (A) L.P., CVC Capital Partners VIII Associates L.P. and CVC Capital Partners Investment Europe VIII L.P (collectively, the **Acquirer Group**) in accordance with section 72(2) of the Enterprise Act 2002 to prevent pre-emptive action. The Orders are still in force.

The CMA now issues written directions under paragraph 10 of each of the Orders that, for the purpose of securing compliance with the Orders, the Acquirer Group must appoint a monitoring trustee in accordance with terms set out in Annex 1. The

terms defined in the Orders have the same meaning in these written directions, unless otherwise specified or the context requires otherwise.

Signed,

Faye Fullalove

Assistant Director, Mergers
Competition and Markets Authority
4 January 2023

Annex 1

Directions to appoint a monitoring trustee

Interpretation

In these directions:

‘the Act’	means the Enterprise Act 2002;
‘the Acquirer Group’	means Medivet, Hecate Holdco, CVC Capital, CVC Capital Partners VIII (A) L.P., CVC Capital Partners VIII Associates L.P. and CVC Capital Partners Investment Europe VIII L.P;
‘the Acquirer Group business’	means the businesses of Medivet, Hecate Holdco, and CVC Capital Partners VIII Limited, CVC Capital Partners VIII (A) L.P., CVC Capital Partners VIII Associates L.P. and CVC Capital Partners Investment Europe VIII L.P. and their subsidiaries but excluding the Target Entities’ businesses carried on as at the commencement date and the businesses of any companies held by funds managed by CVC Capital that are not active in markets (or market segments) that the Medivet or Target Entities’ businesses are active in (including those carried on after the commencement date);
‘an affiliate’	of a person is another person who satisfies the following condition, namely that any enterprise (which, in this context, has the meaning given in section 129(1) of the Act) that the first person carries on from time to time and any enterprise that the second person carries on from time to time would be regarded as being under common control for the purposes of section 26 of the Act;
‘business’	has the meaning given by section 129(1) and (3) of the Act;
‘Commencement Date’	means the date of commencement of the Orders;
‘CMA’	means the Competition and Markets Authority;

‘CVC Capital’	means CVC Capital Partners VIII Limited, a company registered in Jersey having its registered office at 27 Esplanade, St Helier, Jersey JE1 1SG;
‘Derogations’	means any derogations granted whether before or after the appointment of the MT by the CMA by which the Acquirer Group may undertake certain actions that derogate from the Orders;
‘Hecate Holdco’	means Hecate Holdco Limited, company number 13671403;
‘Medivet’	means Medivet Group Limited, company number 03481736
‘the Medivet business’	means the businesses of Hecate Holdco and its subsidiaries (including Medivet) carried on as at the commencement date, but excluding the Target Entities’ businesses;
‘MT’	means the monitoring trustee appointed in accordance with these directions;
‘Orders’	means the initial enforcement orders made by the CMA on 21 December 2022 and addressed to the Acquirer Group;
‘subsidiary’,	has the meaning, unless otherwise stated, given by section 1159 of the Companies Act 2006 (and ‘subsidiaries’ shall be construed accordingly);
‘the Target Entities’	means, collectively, the independent veterinary practices acquired by Medivet between September 2021 and September 2022 and listed in Annex 2 to these Directions;
‘the Target Entities’ businesses’	means the business, trade and assets of the Target Entities and their subsidiaries;
‘the Transactions’	means either the transactions by which Medivet and the Target Entities have ceased to be distinct within the meaning of section 23 of the Act, or the transactions by

which Medivet and the businesses and assets of the veterinary practices under the names Hollies Veterinary Surgery, Iffley Vets, The Vet on Richmond Hill and The Vet in St Margaret's have ceased to be distinct.

Terms and expressions defined in the Orders have the same meaning in these directions, and the singular shall include the plural and vice versa, unless otherwise specified or the context requires otherwise.

Appointment

1. The Acquirer Group must appoint a MT in order to ensure compliance with the Orders, in particular to:
 - a. avoid any pre-emptive action (within the meaning of the Act) taking place during the CMA's investigation;
 - b. monitor and report to the CMA on compliance by the Acquirer Group with the Orders; and
 - c. support the CMA taking any remedial action which may be required to keep the Medivet business and the Target Entities' businesses separate and maintain the Medivet business and the Target Entities' businesses as going concerns.
2. The MT must act on behalf of the CMA and be under an obligation and duty of care to the CMA to carry out its functions to the best of its abilities.
3. The Acquirer Group must cooperate fully with the MT, in particular as set out below, and must ensure that the terms and conditions of appointment of the MT reflect and give effect to the functions and obligations of the MT and the obligations of the Acquirer Group as set out in these directions.

General

4. The MT must possess appropriate qualifications and experience to carry out its functions.
5. The MT must neither have, nor become exposed to, a conflict of interest that impairs its objectivity and independence in discharging its duties under these directions, unless it can be resolved in a manner and within a timeframe acceptable to the CMA.

6. The Acquirer Group shall remunerate and reimburse the MT for all reasonable costs properly incurred in accordance with the terms and conditions of the appointment and in such a way so as not to impede the MT's independence or ability to effectively and properly carry out its functions.
7. The Acquirer Group must appoint the MT as soon as is reasonably practicable and in any event by **5pm on 9 January 2023** (or such longer period as the CMA may reasonably agree in writing, including via email) and the MT will continue to act either until the CMA reaches a decision to clear the Transactions or until the CMA directs that the MT is no longer required.
8. The appointment of a MT by the Acquirer Group is subject to the approval of the CMA as to the identity of the MT and the terms and conditions of appointment in their entirety and:
 - a. the name of the proposed MT and a second proposed MT in reserve (should the CMA not approve the first proposed MT) must be notified to the CMA as soon as is reasonably practicable and in any event by **5pm on 4 January 2023** (or such longer period as the CMA may reasonably agree in writing, including via email);
 - b. the draft terms and conditions of appointment must be notified to the CMA as soon as is reasonably practicable and in any event by **5pm on 6 January 2023** (or such longer period as the CMA may reasonably agree in writing, including via email); and
 - c. once the MT has been approved by the CMA and appointed, the Acquirer Group must forthwith provide the CMA with a copy of the agreed terms and conditions of appointment.

Functions

9. The functions of the MT will be to:
 - a. ascertain and report to the CMA in relation to the current level of compliance by the Acquirer Group with the Orders;
 - b. assess and report to the CMA in relation to the arrangements made by the Acquirer Group for compliance with the Orders and what changes to those arrangements, if any, are necessary to preserve the possibility of the CMA taking any remedial action, if required;

- c. identify and supervise if necessary the arrangements made by the Acquirer Group for ensuring compliance with the Orders;
 - d. monitor compliance by the Acquirer Group with the Orders;
 - e. assist the CMA with the consideration of any derogation requests made by the Acquirer Group;
 - f. monitor compliance by the Acquirer Group with any derogations granted by the CMA; and
 - g. without prejudice to the right of the Acquirer Group to directly contact the CMA, respond to any questions which the Acquirer Group may have in relation to compliance with the Order, in consultation with the CMA.
10. The MT must take such steps as it reasonably considers necessary in order to carry out its functions independently and effectively, including requiring the provision of information or the production of documents relating to communications within and between the Acquirer Group business and the Target Entities' businesses, such as written and electronic communications, telephone conversations and meetings as may be required.
11. The MT must comply with any requests made by the CMA for the purpose of ensuring the full and effective compliance by the Acquirer Group with the Orders.

Obligations of the Acquirer Group

12. The Acquirer Group and its respective affiliates and their employees, officers, directors, advisers and consultants must cooperate fully with the MT, in particular by providing the MT with all cooperation, assistance and information as the MT may reasonably require in order to discharge its functions, including but not limited to:
- a. the provision of full and complete access to all personnel, books, records, documents, facilities and information of the Acquirer Group business and the Target Entities' businesses as the MT may reasonably require; and
 - b. the provision of such office and supporting facilities as the MT may reasonably require.

13. If any of the entities in the Acquirer Group is in any doubt as to whether any action or communication would infringe the Orders, it is required to contact the MT for clarification. However, for the avoidance of doubt, the MT has no authority, express or implied, to consent to any derogation or variation of the obligations in the Orders, and any opinion of the MT regarding an action or communication does not bind the CMA nor indicate that the CMA has approved or sanctioned the action or communication. Derogations can only be granted by the CMA and will always be granted in writing.
14. If the Acquirer Group has any reason to suspect that the Orders may have been breached, it must notify the MT and the CMA immediately.

Reporting functions

15. The MT is required to provide an initial report to the CMA no later than **23 January 2023** (or such longer period as the CMA may reasonably agree in writing, via email), giving details of any arrangements which have been, or should be, put in place to ensure compliance with the Orders, and including among other things:
- a. details of the current extent of compliance with the Orders by the Acquirer Group;
 - b. a description of the current arrangements made for the operation of the Medivet business and the Target Entities' businesses and for the preservation of the assets and key staff required to operate each business;
 - c. recommendations as to what changes to those arrangements, if any, are necessary, including as to the necessity and remit of any hold separate manager that could be hired to manage any or all of the Target Entities; and
 - d. the extent to which the conditions attached to the Derogations are being complied with and whether there are additional safeguards or processes that could be put in place in respect of these Derogations.
16. In addition to providing the initial report referred to in paragraph 15 above, the MT must provide a statement to the CMA every two weeks thereafter (or otherwise as required by the CMA) stating whether or not, in the MT's view, the Acquirer Group has complied with the Orders. At the same time, the MT must provide the CMA with a report setting out the following:

- a. the basis for the MT's view that the Orders have or have not, as the case may be, been complied with and in particular whether:
 - i. anything has caused the MT to be concerned as to whether the Acquirer Group has complied with the Orders, and if it has, whether those concerns have been resolved and why;
 - ii. the MT has any remaining doubts or uncertainties as to whether the Acquirer Group has complied with the Orders; and
 - iii. anything causes the MT to be concerned about a possible future breach of the Orders (whether deliberate or inadvertent);
- b. details of the performance of the Medivet business and the Target Entities' businesses, including any factors that might indicate asset deterioration;
- c. whether appropriate steps are being taken to maintain the Acquirer Group business and each of the Target Entities' businesses as separate businesses and the Medivet business and each of the Target Entities' businesses as going concerns;
- d. the extent to which the Acquirer Group has cooperated with the MT in its task of monitoring their compliance with the Orders and details of any aspects of the cooperation of the Acquirer Group that the MT considers could be improved;
- e. the extent to which the MT considers that it is in an appropriate position to monitor the compliance of the Acquirer Group with the Orders and if there is anything that the MT considers would assist it in monitoring compliance;
- f. any current or anticipated requests for consent to vary, or to seek a derogation from, the Orders; and
- g. the information the MT used to compile the report.

17. When providing reports to the CMA, the MT must ensure that it does not disclose any information or documents to the CMA which the Acquirer Group and/or the Target Entities would be entitled to withhold from the CMA on the grounds of legal privilege and nothing in these directions requires the Acquirer

Group and/or the Target Entities to produce any information or documents to the MT which are privileged.

18. The MT must immediately notify the CMA in writing if it forms a reasonable suspicion that the Orders have been breached, or if the MT considers that it is no longer in a position to effectively carry out its functions. In that situation, the MT must give reasons for this view, including any supporting evidence available (unless doing so would infringe the obligations referred to in paragraph 17 above).
19. All communications between the MT and the CMA (including the statements and reports referred to in paragraphs 15 and 16) are confidential and should not be disclosed to the Acquirer Group or the Target Entities, save with the prior written consent of the CMA. The MT shall not disclose such communications to third parties.

Annex 2

List of Target Entities

1. All Creatures Clinic Limited;
2. The assets and business of the veterinary practice under the name Hollies Veterinary Surgery;
3. Canine Healthcare Limited (t/a Vet Value);
4. The assets and business of the veterinary practice under the name Iffley Vets;
5. The Oxford Cat Clinic Limited;
6. The Vet Station Limited;
7. Barton Companion Animal Services Limited;
8. Stanhope Park Veterinary Hospital Limited;
9. I T Kalogera Holdings Ltd (including its subsidiary I T Kalogera Limited);
10. Monument Vets Ltd;
11. Fitzalan House Veterinary Practice Ltd;
12. Ferring Street Vets Limited;
13. The Hackney Vet Limited;
14. Caddy Country Practice Limited;
15. E Street Limited (t/a Elizabeth Street Veterinary Clinic);
16. The assets and businesses of the veterinary practices under the name The Vet on Richmond Hill & The Vet in St Margaret's; and
17. Withy Grove Veterinary Clinic Limited.