

**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 Orders made by the Competition and
Markets Authority ('CMA') on 17 November 2022**

**COMPLETED ACQUISITIONS BY INDEPENDENT VETCARE LIMITED OF
MULTIPLE INDEPENDENT VETERINARY PRACTICES**

Dear Bertrand Louveaux,

We refer to your email and accompanying note dated 11 November 2022 (as subsequently amended) requesting that the CMA consents to further derogations to the Initial Enforcement Orders of 17 November (the '**Initial Orders**'). The terms defined in the Initial Orders have the same meaning in this letter.

The CMA issued Initial Orders addressed to Independent Vetcare Limited ('**IVC**') and to Acquisition Pikco Ltd ('**Pikco**'), IVC Acquisition Topco Limited ('**IVC Topco**'), Islay New Group Holding S.A. ('**Islay**'), Société Des Produits Nestlé S.A. ('**Nestle**'), EQT Fund Management S.à r.l. ('**EQT**') and Berkshire Partners LLC ('**Berkshire**') (together, the '**Acquirer Group**'). Under the Initial Orders, save for written consent by the CMA, the Acquirer Group is required to hold separate the Acquirer Group business from the Target Entities 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, based on the information received from you and in the particular circumstances of this case, IVC and the relevant Target Entities may carry out the following actions, in respect of the specific paragraphs:

Paragraphs 5(a) and 5(l) of the Initial Orders

IVC's acquisitions of Penrose Veterinary Group Limited, Kevin Castle (Pet Care) Ltd, Swayne & Partners Ltd¹, Treforest Veterinary Clinic Limited², Mercer & Hughes Limited, Swaffham Veterinary Centre Limited, Anglesey Pet Clinic Ltd, Chiltern Equine Clinic (including Chiltern Veterinary Services Limited & Chiltern Bury Farm Limited) (the

¹ A subsidiary of Swayne & Partners Topco Limited.

² A subsidiary of Treforest Vets (Holdings) Limited.

“Target Entities”) completed between 16 September 2021 to 22 March 2022 (the **Transactions**).

IVC has sought CMA consent to exclude paragraphs 5(a) and 5(l) of the Initial Orders in order to allow IVC to: (i) take any steps necessary to maintain Penrose Veterinary Group Limited and Swaffham Veterinary Centre Limited’s registration under the IVC Export Health Certificate Online (“EHCO”) parent account while the Initial Orders are in force; and (ii) process export certificates on behalf of Penrose Veterinary Group Limited and Swaffham Veterinary Centre Limited in exceptional circumstances (e.g. where there is an urgent need for an export to take place). These activities are defined as the **‘Export Health Certificates Support Services’** for the purposes of this derogation.

The CMA consents that the obligations in paragraphs 5(a) and 5(l) of the Initial Orders do not apply to IVC and Penrose Veterinary Group Limited and Swaffham Veterinary Centre Limited (for the purposes of this derogation, also the **‘relevant Target Entities’**) in relation to the Export Health Certificates Support Services. This derogation is granted strictly on the basis that:

- (a) This derogation is strictly necessary to allow Penrose Veterinary Group Limited and Swaffham Veterinary Centre Limited to continue providing export services.
- (b) Any Target Entity information (including clinician, patient and client data) provided to IVC for the purposes of this derogation will be limited to what is strictly necessary to ensure that IVC can continue providing the Export Health Certificates Support Services outlined above.
- (c) Any Target Entity information (including clinician, patient and client data) provided to IVC for the purposes of this derogation will be provided only to the Support Services Authorised Individuals identified in Annex 1 (together, the **‘Export Health Certificates Support Services Authorised Individuals’**).
- (d) Each of the Export Health Certificates Support Services Authorised Individuals will sign Non-Disclosure Agreements, in a form approved by the CMA, in respect of any commercially sensitive information they receive in order to provide the Support Services to the Target Entities.
- (e) Adequate IT fire-walls and ring-fencing measures, including but not limited to password protection, are implemented to prevent flow of commercially sensitive information relating to the relevant Target Entities to any individuals other than the Export Health Certificates Support Services Authorised Individuals.

- (f) No changes to the individuals listed in Annex 1 are permitted without the prior written consent of the CMA (which may be given via email).
- (g) Should any of the transactions be prohibited or the Acquirer Group is required to divest any of the relevant Target Entities, the Acquirer Group will ensure that any records or copies (electronic or otherwise) of business secrets, know-how, commercially-sensitive information, intellectual property or any other information of a confidential or proprietary nature, wherever they may be held, that were received from any of the relevant Target Entities for the purposes of this derogation will be returned to the relevant Target Entities and any copies destroyed, except to the extent that record retention is required by law or regulation.
- (h) IVC continuing to supply this support will not confer any influence upon IVC in respect of the commercial policy of the relevant Target Entities.
- (i) This derogation will not prevent any remedial action which the CMA may need to take regarding the relevant Transactions.

Sincerely,

Faye Fullalove
Assistant Director
Mergers
5 December 2022

Annex 1: Export Health Certificates Support Services Authorised Individuals

Title	Authorised Individual
Group Veterinary Advisor, Large Animal	[✂]
UK Operations Coordinator	[✂]