

**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 12 December 2022 requesting that the CMA consents to a derogation to the Initial Enforcement Orders (the '**Initial Orders**') dated 17 November 2022. 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**'), 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:

1. Paragraphs 4(a), 5(a), 5(l) of the Initial Orders

IVC's acquisitions of Penrose Veterinary Group Limited, Kevin Castle (Pet Care) Ltd, Swayne & Partners Ltd, Treforest Veterinary Clinic Ltd, Mercer & Hughes Limited, Swaffham Veterinary Centre Limited, Anglesey Pet Clinic Ltd, Chiltern Equine Clinic (including Chiltern Veterinary Services Limited & Chiltern Bury Farm Limited) (the '**Target Entities**') completed between 16 September 2021 to 22 March 2022.

IVC has sought CMA consent to exclude paragraphs 4(a), 5(a) and 5(l) of the Initial Orders in order for certain [X] who were appointed as directors of the Target Entities following IVC's acquisition of the relevant Target Entities to remain in their roles as directors of the Target Entities while the Initial Orders are in force. For clarity, the [X] in question are set out below.

Target Entity	Directors & Date of Appointment
Penrose Veterinary Group Limited	<ul style="list-style-type: none"> • Mark Gillings ([X]): 16 September 2021 • Donna Chapman ([X]): 16 September 2021 • Clark Grant ([X]): 21 July 2022
Kevin Castle (Pet Care) Limited	<ul style="list-style-type: none"> • Mark Gillings: 16 September 2021 • Donna Chapman: 16 September 2021 • Clark Grant: 21 July 2022
Swayne & Partners Limited	<ul style="list-style-type: none"> • Mark Gillings: 22 October 2021 • Donna Chapman: 22 October 2021 • Clark Grant: 21 July 2022
Treforest Veterinary Clinic Limited	<ul style="list-style-type: none"> • Mark Gillings: 23 November 2021 • Donna Chapman: 23 November 2021
Swaffham Veterinary Centre Limited	<ul style="list-style-type: none"> • Mark Gillings: 14 December 2021 • Donna Chapman: 14 December 2021 • Clark Grant: 21 July 2022
Anglesey Pet Clinic Limited	<ul style="list-style-type: none"> • Mark Gillings: 12 October 2021 • Donna Chapman: 12 October 2021
Chiltern Equine (Chiltern Veterinary Services Limited and Chiltern Bury Farm Limited)	<ul style="list-style-type: none"> • Mark Gillings: 11 November 2021 • Donna Chapman: 11 November 2021 • Clark Grant: 21 July 2022
Mercer & Hughes Limited	<ul style="list-style-type: none"> • Mark Gillings: 22 March 2022 • Donna Chapman: 22 March 2022 • Clark Grant: 21 July 2022

Mark Gillings, Donna Chapman and Clark Grant are together the '**IVC Directors**'.

IVC submitted that it is strictly necessary for the IVC Directors to remain in their roles as directors of the Target Entities in order to enable them to complete the following administrative actions:

- (i) Sign a [X] for [X] (which is due on [X]).
- (ii) Sign a [X] for [X] (which is due on [X]).
- (iii) Sign statutory accounts for each of the Target Entities as required and file annual confirmation statements (i.e. Form CS01) for each Target Entity.
- (iv) Sign a [X].

IVC confirmed that the IVC Directors will not perform any commercial or strategic functions in order to undertake the actions listed above or otherwise discharge their duties as directors of the Target Entities while the Initial Orders are in force.

Other actions which may arise in the future and are of a similar administrative nature may be taken following written consent from the CMA, which may be given via email.

The CMA consents to a derogation from paragraphs 4(a), 5(a) and 5(l) of the Initial Orders, to enable IVC to carry out the actions described above, strictly on the basis that:

- a) This derogation is strictly necessary to ensure the continued operation and ongoing viability of the Target Entities, and to ensure that the Target Entities can meet their statutory reporting obligations.
- b) The IVC Directors' legal position as directors of the Target Entities will not have any impact on the Target Entities' ability to operate independently of IVC.
- c) The IVC Directors will hold their positions for administrative purposes only.
- d) Any information the IVC Directors receive under this derogation shall be limited to the extent that it is strictly necessary to perform the tasks set out above, and any future administrative tasks which may be taken following written consent from the CMA.
- e) The IVC Directors shall not exert any influence over or advise the independent management teams of the Target Entities.
- f) This derogation shall not prevent any remedial action which the CMA may be required to take regarding this investigation.

Sincerely,

Matteo Alchini
Assistant Director, Remedies, Business and Financial Analysis
14 December 2022