

**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 5 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**') and to IVC Acquisition Pikco Ltd, IVC Acquisition Topco Limited, Islay New Group Holding S.A., Société Des Produits Nestlé S.A., EQT Fund Management S.à.r.l., and Berkshire Partners LLC (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 a derogation, based on the information received from you and in the particular circumstances of this case, IVC and the Target Entities may carry out the following actions, in respect of the specific paragraphs:

**Paragraphs 5(a), 5(g), and 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 5(a), 5(g) and 5(l) of the Initial Orders in order for the Target Entities to have access to goods through the IVC group purchasing arrangements described below [redacted] in the event of supply chain disruptions.

IVC has informed the CMA that, in circumstances where there is a risk of disruption to a particular supply chain, [redacted]. Examples of previous disruptions include [redacted]. This is designed to ensure that clinics in the IVC group have access to products which are critical from a patient welfare perspective in the event of a supply chain disruption [redacted].

IVC also explained that goods are typically procured as follows:

- [redacted];
- [redacted];
- [redacted];
- [redacted].

IVC further noted that the Authorised Procurement Individuals, as defined at Annex A of the derogation granted on 7 November 2022, will provide support to the Target Entities in respect of this process to the extent necessary.

On the basis of IVC's representations, the CMA consents to derogations from paragraphs 5(a), 5(g) and 5(l) of the Initial Orders in respect of the procurement arrangements described above, strictly on the basis that:

- (i) These actions are strictly necessary in order to allow IVC and the Target Entities to react promptly to supply chain disruptions and ensure that Target Entities have timely access to goods which are critical from a patient welfare perspective in the event of disruption to a particular supply chain. Therefore, these actions are strictly necessary to preserve the competitive capability of the Target Entities and prevent any disruption to patient care.
- (ii) Any information exchanged between the Target Entities and IVC is limited to what is strictly necessary for the purposes of this derogation.
- (iii) Target Entities may freely procure items by other means according to their own assessment of business need.
- (iv) Any commercially sensitive information of IVC or the Target entities exchanged for the purposes of this derogation will be limited to the **'Authorised Procurement Individuals'** listed at Annex A of the derogation granted on 7 November 2022 (also listed at Annex A to this consent letter).

- (v) Each of the Authorised Procurement Individuals will sign Non-Disclosure Agreements, in a form approved by the CMA, in respect of any commercially sensitive information they receive under this derogation.
- (vi) Adequate IT fire-walls and ring-fencing measures, including password protection, are implemented to prevent the flow of commercially sensitive information relating to the Target Entities or IVC to any individuals other than the Authorised Procurement Individuals.
- (vii) 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).
- (viii) Should the Acquirer Group be required to, or offer to, divest any of the 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 Target Entities for the purposes of this derogation will be returned to the Target Entities and any copies destroyed, except to the extent that record retention is required by law or regulation. Similarly, the Target Entities 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 IVC for the purposes of this derogation will be returned to IVC and any copies destroyed, except to the extent that record retention is required by law or regulation.
- (ix) These derogations 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.

Sincerely,

Faye Fullalove  
Assistant Director, Mergers  
15 December 2022

## **Annex 1: Authorised Procurement Individuals**

1. []
2. []