

**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 8 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 a derogation, based on the information received from you and in the particular circumstances of this case, IVC and the relevant Target Entity may carry out the following actions, in respect of the specific paragraphs:

1. Paragraphs 5(a), 5(g), and 5(h) of the Initial Orders

IVC's acquisitions of Penrose Veterinary Group Limited, Kevin Castle (Pet Care) Ltd, Swayne & Partners Ltd ('**Swayne**'), 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(h) of the Initial Orders in order to:

- (i) enable [X] Cedarwood Veterinary Practice (**'Cedarwood'**) and Haughley & Thurton Veterinary Centre (**'Haughley'**) to provide cover for Swayne's out of hours (**'OOH'**) rota; and
- (ii) the provision of OOH services (**'OOH Services'**) by Swayne to IVC.

IVC has informed the CMA that Swayne provides OOH Services to its own patients and patients from [X] other local practices (including two IVC practices - Cedarwood and Haughley). Swayne requires [X] in order to continue to provide OOH Services (**'OOH Rota Cover'**). [X].

On the basis of IVC's representations, the CMA consents to derogations from paragraphs 5(a), 5(g) and 5(h) of the Initial Orders in relation to the provision of the OOH Services and OOH Rota Cover described above, strictly on the basis that:

- (i) These derogations are strictly necessary for IVC and Swayne to safeguard patient safety and welfare.
- (ii) OOH Services and OOH Rota Cover will be provided on an arm's length basis.
- (iii) Where OOH Services and OOH Rota Cover are provided, the information exchanged between IVC and Swayne will be limited to what is strictly necessary to enable the OOH Services and OOH Rota Cover to be provided, and will be limited to client, patient and/ or treatment details. Any client/ patient/ treatment details exchanged will be treated confidentially under existing safeguards for such information.
- (iv) No incentives, financial or otherwise, [X] will be put in place in respect of OOH Services.
- (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 decisions on a reference.

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