

**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 dated 14 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 Topco Limited (including Swayne & Partners Ltd), Treforest Vets (Holdings) Limited (including Treforest Veterinary Clinic Limited), 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 Swayne & Partners Topco Limited (**'Swayne Topco'**), Swayne & Partners Holdings Ltd¹ (**'Swayne Holdings'**) and Treforest Vets (Holdings) Limited (**'Treforest Holdings'**) following IVC's acquisition of these entities to remain in their roles as directors of Swayne Topco, Swayne Holdings and Treforest Holdings (as relevant) while the Initial Orders are in force. For clarity, the [X] in question are set out below.

Target Entity	Directors & Date of Appointment
Swayne Topco	<ul style="list-style-type: none"> • Mark Gillings: 22 October 2021 • Donna Chapman: 22 October 2021 • Clark Grant: 21 July 2022
Swayne Holdings	<ul style="list-style-type: none"> • Mark Gillings: 22 October 2021 • Donna Chapman: 22 October 2021 • Clark Grant: 21 July 2022.
Treforest Holdings	<ul style="list-style-type: none"> • Mark Gillings: 23 November 2021 • Donna Chapman: 23 November 2021

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 Swayne Topco, Swayne Holdings and Treforest Holdings (as relevant) in order to enable them to complete the following administrative actions:

- Sign statutory accounts for each of Swayne Topco, Swayne Holdings and Treforest Holdings as required and file annual confirmation statements (i.e. Form CS01) for each of these entities (as relevant).

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 Swayne Topco, Swayne Holdings and Treforest Holdings (as relevant) 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.

¹ A subsidiary of Swayne & Partners Topco Ltd.

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 Swayne Topco, Swayne Holdings and Treforest Holdings (as relevant), and to ensure that these entities can meet their statutory reporting obligations.
- b) The IVC Directors' legal position as directors of Swayne Topco, Swayne Holdings and Treforest Holdings will not have any impact on the these 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 Swayne Topco, Swayne Holdings and Treforest Holdings (including their subsidiaries).
- 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
22 December 2022