

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 (the 'Act') to certain actions for the purposes of the Initial Enforcement Orders made by the Competition and Markets Authority ('CMA') on 21 December 2022 and certain revised Initial Enforcement Orders made by the CMA on 24 January 2023

COMPLETED ACQUISITIONS BY MEDIVET GROUP LIMITED

Dear [3<]

We refer to your emails dated 15 February 2023, 2 March 2023, and 30 March 2023 requesting that the CMA consents to derogations to the Initial Enforcement Orders of 21 December 2022 and 24 January 2023 (the '**Initial Orders**'). The terms defined in the Initial Orders have the same meaning in this letter.

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 businesses 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 from the Initial Orders, based on the information received from you and in the particular circumstances of this case, the Acquirer Group may carry out the following actions, in respect of the specific paragraphs:

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

Medivet submits that almost all of the Target Entities are listed on Medivet's website. The Medivet website provides a functionality which enables a user to find their nearest Medivet practice(s) (as well as their nearest 24-hour emergency practice). Each Target Entity also has its own practice page on the website which provides certain information about the practice, including: its address, contact details or means of contacting the practice, opening hours and appointment hours, the services it provides, and the nearest 24-hour emergency practice (whether Medivet owned or not).

Medivet submits that maintaining a webpage that provides accurate key information (of the kind described above) about a practice is essential to enable a practice to deliver and maintain high standards of clinical care to customers. It ensures that existing and new customers are able to plan their visit accurately and ensure they are able to find out of hours and emergency support when needed (e.g., in the event of an urgent sickness or injury of their pet).

Medivet has therefore requested a derogation from paragraphs 4(a), 5(a) and 5(f) of the Initial Orders to enable Medivet to provide the Target Entities with certain services (together, the **Website Services**):

- engaging a third-party web consultant to update and maintain the information on each Target Entity site (team, services, opening hours etc); and
- providing, at the request of the Target Entities, the Hold Separate Manager, or the third-party web consultant, further technical website support (e.g., publishing “copy” that goes beyond factual data such as opening hours etc, which the consultant will provide) should a Target Entity require a higher degree of support for its independent website.

Each Target Entity practice (or the Hold Separate Manager on behalf of the Target Entity) will reach out directly to the web consultant to provide updates as necessary. Once the Target Entity websites have been updated with accurate information, Medivet will remove each Target Entity’s practice page from the main Medivet website, and pet owners would view the Target Entity legacy website as the main website for that practice. The Target Entity itself (or the Hold Separate Manager on behalf of the Target Entity) will manage any changes (e.g., opening hours) on platforms such as Google, Facebook and Bing (including search engine optimisation (SEO) and local presence management (LPM)) themselves.

To the extent that the content management system (CMS) access is unavailable, or a domain is inactive and unretrievable for a particular Target Entity website, Medivet would need to consider the build of a new website on a new separate domain. Should this be required, Medivet will inform the CMA of the expected timeframe to create a new website for the relevant Target Entity, subject to an additional derogation from the Initial Orders if required.

Medivet submits that the permitted activities under such a derogation would not result in any pre-emptive action which might prejudice the outcome of a reference or otherwise impede the ability of the CMA to take or impose remedial action.

On this basis, the CMA consents to a derogation from paragraphs 4(a), 5(a) and 5(f) of the Initial Orders to enable the Target Entities’ practices that are currently on Medivet’s website to continue to be featured on Medivet’s website in the ways that they currently are, and to enable Medivet to continue to update and maintain the information about the Target Entities’

practices on its website (and deliver relevant information to Google and other search engines) until the legacy websites for the Target Entities are up-to-date and operational.

The CMA consents to a derogation from paragraphs 4(a),5(a) and 5(f) of the Initial Orders to allow Medivet to continue to provide Website Services as defined above. The CMA grants this derogation strictly on the basis that:

- (a) Website Services are strictly necessary in order to preserve the viability and competitive capability of the Target Entities.
- (b) The third-party web consultant engaged further to the provision of the Website Services will provide support to the Target Entities for as long as the relevant Initial Orders are in effect.
- (c) Any information provided to Medivet, arising as a result of a request for further technical website support from the Target Entities, the Hold Separate Manager, or third-party web consultant, will be limited to what is strictly necessary to ensure that Medivet can provide Website Services.
- (d) There will not be any external Medivet branding on any of the Target Entities' websites except as permitted under the branding derogation granted by the CMA on 21 December 2022, for legal, contractual or compliance purposes.
- (e) Medivet will make reasonable endeavours for the Website Services to be completed in a timely manner.
- (f) No disruption to the Target Entities' businesses will be created as a result of this derogation.
- (g) This derogation will not prevent any remedial action which the CMA may need to take regarding the Transactions.
- (h) This derogation will not lead to 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

6 April 2023