

**DEROGATION LETTER
IN RESPECT OF INITIAL ENFORCEMENT ORDER 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 Order 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 17 January 2023 requesting that the CMA consents to a derogation from the Initial Enforcement Order applicable to Independent Vetcare Limited ("**IVC**") and Swayne & Partners Topco Limited and its subsidiaries (including Swayne & Partners Ltd) ("**Swayne**") dated 17 November 2022 (the '**Initial Order**'). The terms defined in the Initial Order have the same meaning in this letter.

The CMA issued Initial Orders addressed to 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 Order

IVC's acquisitions of Penrose Veterinary Group Limited, Kevin Castle (Pet Care) 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 submitted a derogation request on 15 December 2022 in which it explained that Swayne provides out-of-hours services ('**OOH Services**') to Cedarwood Veterinary Practice and Haughley & Thurston Veterinary Centre, both IVC practices, and operates these practices on a shared OOH Services rota. Further to this request, IVC submits that Swayne also provides OOH Services to patients from Wherry Vets (an IVC practice) ('**Wherry**').

IVC has sought CMA consent to exclude paragraphs 5(a), 5(g) and 5(h) of the Initial Order to enable Swayne to continue providing OOH Services to Wherry while the Initial Order is in force.

On the basis of IVC's representations, the CMA consents to a derogation from paragraphs 5(a), 5(g) and 5(h) of the Initial Order in relation to the provision of the OOH Services to Wherry, strictly on the basis that:

- (i) This derogation is strictly necessary for IVC and Swayne to safeguard patient safety and welfare and is consistent with Wherry's obligation under the RCVS Code to ensure that OOH Services are made available to its patients.
- (ii) OOH Services will be provided on an arm's length basis.
- (iii) Where OOH Services are provided, the information exchanged between IVC and Swayne will be limited to what is strictly necessary to enable the OOH Services 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, are currently in place or 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,

Faye Fullalove

Assistant Director, Mergers

20 January 2023