

**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 6 January 2023 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. Paragraph 5(i) 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 paragraph 5(i) of the Initial Orders in order to enable it to give effect to a settlement agreement (the '**Settlement Agreement**') with [X], a Clinical Director at [X].

IVC has informed the CMA that the Settlement Agreement is necessary due to [X]. IVC submitted that [X].

IVC has informed the CMA that it has held discussion with [X] and shared a draft Settlement Agreement with [X] and [X] legal representative following these discussions. IVC aims to finalise and implement the Settlement Agreement as soon as possible.

The CMA consents that the obligations in 5(i) of the Initial Orders be excluded to enable IVC to give effect to the Settlement Agreement once it has been finalised. This derogation is granted based on representations by IVC that this is strictly necessary due to [X].

The CMA consents to a derogation from paragraph 5(i) of the Initial Orders, to enable IVC to carry out the action described above, strictly on the basis that:

- (i) the Settlement Agreement is strictly necessary due to [X];
- (ii) giving effect to the Settlement Agreement will not result in significant changes to the organisational structure of or management responsibilities within IVC or further key staff changes, and will have no impact on the [X], IVC or Target Entity businesses' viability or competitive capability in any relevant market;
- (iii) IVC will continuously monitor the impact of the proposed Settlement Agreement and will, if necessary, consider whether any further changes (including new hires) are needed to ensure the [X], IVC or Target Entity businesses' viability and competitive capability are preserved; and
- (iv) 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