

**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 20 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 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 Target Entities may carry out the following actions, in respect of the specific paragraphs:

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, 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.

The CMA granted a derogation on 31 October 2022 in respect of the Initial Orders in order to enable the Target Entities to make clinical referrals to IVC. IVC has requested that IVC be permitted to make clinical referrals to Target entities, as detailed below.

IVC submitted that clinical referrals occasionally take place from IVC to Target Entities (**'Referrals'**) as part of the ordinary course of business. IVC submitted that [✂]. IVC further submitted that this is strictly necessary in order to safeguard patient safety and welfare and noted that [✂].

IVC requests a derogation from paragraphs 5(a), 5(g) and 5(h) of the Initial Orders in order to enable the Referrals to continue to be made, as envisaged by the Code of Professional Conduct for Veterinary Surgeons, in the ordinary course of business when deemed clinically appropriate, while the Initial Orders are in force.

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 Referrals described above, strictly on the basis that:

- (i) This derogation is strictly necessary for IVC to safeguard patient safety and welfare;
- (ii) All Referrals between IVC and the Target Entities will be reported to the CMA as part of fortnightly compliance statements in a form agreed in writing with the CMA.
- (iii) Where Referrals occur, the information which will be exchanged between IVC and the relevant Target Entities will be limited to what is strictly necessary to enable the Referral to take place, 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) The referring site's employees will only contact a referred site for the purpose of clinically appropriate Referrals in the ordinary course of business and for no other reason, and the referring site's employees are not encouraged to make referrals to the Target Entities' referred sites.
- (v) [✂].
- (vi) 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 decision on a reference.

Sincerely,

Faye Fullalove
Assistant Director, Mergers
25 January 2023