

**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 18 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 4(a), 5(a), 5(f), 5(g),5(i) and 5(l) 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 requested a derogation from the Initial Orders in respect of two IVC businesses, Easy Direct Debit ('**EDD**') and Cambridge Pet Crematorium ('**CPC**'), relating to the provision of services by EDD and CPC to the Target Entities as detailed below.

EDD facilitates the management and collection of direct debits on behalf of businesses. CPC offers a wide range of pet cremation, memorial and tribute services, and also clinical waste disposal services. IVC has confirmed that both EDD and CPC provide services to IVC practices and third parties.

CPC has been providing its services to all Target Entities and EDD has been providing its services to certain Target Entities¹ (together, the '**EDD & CPC services**').

IVC has sought CMA consent to exclude paragraphs 4(a), 5(a), 5(f), 5(g), 5(i) and 5(l) of the Initial Orders to enable IVC to provide the EDD & CPC Services to the relevant Target Entities, as described above. IVC has submitted that this derogation is required in order to preserve the viability and competitive capability of the relevant Target Entities.

On the basis of IVC's representations, the CMA consents to derogation from paragraphs 4(a), 5(a), 5(f), 5(g), 5(i) and 5(l) of the Initial Orders in relation to the provision of the EDD & CPC Services described above, strictly on the basis that:

- (i) EDD & CPC services are provided to the relevant Target Entities [X].
- (ii) The Target Entities' information provided to IVC will be limited to what is strictly necessary to ensure that IVC can continue providing the EDD & CPC Services. This information will, in any event, not extend beyond what IVC would receive from third parties who are also customers of its EDD and CPC services. Target Entity information provided to EDD and/or CPC will be treated confidentially under existing safeguards for sharing such information.
- (iii) This derogation will not cause disruption to the Target Entities, nor impact their ongoing operation or viability on a standalone basis.
- (iv) Access to the relevant Targets' premises and other relevant Targets' facilities will be limited to that which is strictly necessary for the performance of the EDD & CPC services and for no other purpose;
- (v) Should any of the transactions be prohibited or the Acquirer Group is required to divest any of the Target Entities, the Acquirer Group will ensure that any

¹ Namely, [X].

records or copies (electronic or otherwise) of business secrets, know-how, commercially-sensitive information, intellectual property or any other information of a confidential or proprietary nature, wherever they may be held, that were received from any of the Target Entities for the purposes of this derogation will be returned to the relevant Target Entities and any copies destroyed, except to the extent that record retention is required by law or regulation.

- (vi) IVC continuing to supply the Target Entities with the EDD & CPC Services is strictly necessary in order to preserve the viability and competitive capability of the Target Entities.
- (vii) IVC continuing to supply the Target Entities with the EDD & CPC Services will not confer any influence upon IVC in respect of the commercial policy of the Target Entities.
- (viii) 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
9 February 2023