

**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 dated 24 April 2023 requesting that the CMA consents to further derogations 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**'). On 27 March 2023, the CMA issued a Variation Order excluding Nestle, EQT and Berkshire from the scope of application of the Initial Orders. Accordingly, the Acquirer Group now refers to IVC, Pikco, IVC Topco and Islay only.

Under the Initial Orders as varied, 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 Penrose Veterinary Group Limited ('**Penrose**'), may carry out the following actions, in respect of the specific paragraphs:ktie

Paragraph 5(a) of the Initial Orders in respect of the actions described below

IVC's acquisition of Penrose, 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 and 22 March 2022.

IVC has recently requested the provision of rota cover (the “**Rota Cover**”) by a vet employed at Penrose to Highcliff, an IVC practice, as detailed below.

IVC requested consent for [X], a vet at Penrose, to provide Rota Cover to Highcliff from 1 May 2023. This request would: (i) permit [X] to cover the additional shifts [X] requested, [X]; and (ii) help to ensure that Highcliff is [X].

IVC requested a derogation from paragraph 5(a) of the Initial Order applicable to IVC and Penrose (the “**Penrose Initial Order**”) in order to enable the provision of the Rota Cover by [X] to Highcliff while the Penrose Initial Order is in force. IVC considers this derogation to be strictly necessary for the reasons set out above and confirms that it will not impact the ability of Penrose or IVC to compete in any relevant market.

The CMA consents to derogations from paragraph 5(a) of the Penrose Initial Order in relation to the provision of the Rota Cover described above, strictly on the basis that:

- (i) The Rota Cover will be provided on an arm’s length basis;
- (ii) Where Rota Cover is provided, the information exchanged between IVC and Penrose will be limited to what is strictly necessary to enable the Rota Cover 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.
- (iii) 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.

Yours sincerely,

Faye Fullalove
Assistant Director, Mergers
26 April 2023