

**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 emails dated 28 April 2023, 29 April 2023, and 11 May 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**'). 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 (including in the derogation request dated 29 April 2023 and related annexes) 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:

**Paragraph 5(a), 5(c), 5(e), 5(g), 5(h), 5(j) and 5(l) of the Initial Orders in respect of the actions described below**

IVC's acquisition 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 and 22 March 2022 (the '**Transactions**').

In order to prepare for the divestment of the Target Entities, IVC obtained consent under the sales process derogation dated 15 February 2023 to: (i) prepare for the transfer of the business, assets and liabilities associated with the Target Entities; and (ii) enter into discussions with landlords of the properties at which the businesses of the Target Entities are conducted to obtain consent to the transfer of the lease interests in such properties.

IVC has sought CMA consent to exclude paragraphs 5(a), 5(c), 5(e), 5(g), 5(h), 5(j) and 5(l) of the Initial Orders in respect of the proposal to make certain changes to the businesses of IVC and the Target Entities (the '**Separation**') in advance of the divestment of the Target Entities.

The CMA consents to a derogation from paragraphs 5(a), 5(c), 5(e), 5(g), 5(h), 5(j) and 5(l) of the Initial Orders in relation to the implementation and execution of the Separation (and associated preparatory steps).<sup>1</sup> This derogation is granted strictly on the basis that:

- (i) the actions outlined above are strictly necessary for the purposes of preparation for the divestment of the Target Entities;
- (ii) the actions outlined above will not result in any changes being made to the delivery of veterinary services by the Target Entities;
- (iii) the Monitoring Trustee is kept regularly updated on the separation process, including (but not limited) in relation to any new contracts or arrangements put in place between IVC and the Target Entities;
- (iv) this derogation will not lead to any integration of the Acquirer Group business as a result of the Target Entities' business; and
- (v) this derogation will not lead to 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.

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<sup>1</sup> The relevant steps involved in the Separation are those set out in IVC's request to the CMA dated 29 April 2023 and related annexes. If required, and following a request from IVC, these can be amended by the CMA in writing (also via email).

Yours sincerely,  
Faye Fullalove  
Assistant Director, Mergers