

**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 31 March 2023 and further submission dated 12 April 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 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(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').

IVC submits that it is considering a potential outsourcing to a third-party provider of its [X] finance function in order to create standardised, centralised [X] processes ([X]). It is expected that this outsourcing will result in changes to [X] in the IVC business and that, following consultation, certain roles in the finance function [X] of IVC may become redundant.

On consideration of the specific facts and circumstances of this case, the CMA consents to a derogation from paragraphs 5(c), 5(g), and 5(l) of the Initial Orders allowing the execution of the outsourcing to a third-party provider of IVC's [X] finance function strictly on the basis that:

- (i) no changes will be made to the business of each Target Entity, save that finance services will be provided to the Target Entity by an outsourced third party supplier rather than IVC;
- (ii) no changes will be made to key staff at Target Entity level;
- (iii) the implementation of the potential outsourcing is unrelated to the Transactions;
- (iv) the outsourced third party supplier will be subject to confidentiality obligations in respect of the information relating to the businesses of the Target Entities and IVC;
- (v) the Monitoring Trustee is kept regularly updated on the progress of [X];
- (vi) this derogation will not lead to any integration of the Acquirer Group business and the Target Entities' business; and
- (vii) 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.

Yours sincerely,

Faye Fullalove,

Assistant Director, Mergers  
25 April 2023