

**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 6 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:

Paragraph 5(a) and 5(e) 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 & eVet Drug

Limited) (the 'Target Entities') completed between 16 September 2021 and 22 March 2022.

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 [X].

IVC has sought CMA consent to exclude paragraphs 5(a) and 5(e) of the Initial Orders in respect of the proposal for Independent Vetcare Limited, [X] for certain Target Entities¹ (the 'Relevant Lease Assignment Target Entities' and the 'Leases'), to assign each Lease to the respective Target Entity (the 'Proposed Assignments'). IVC submits that the Proposed Assignments are necessary in order to enable the sales process [X].

The details of the Leases are set out in the table below. IVC confirms that there are no other leases [X], save for those leases identified in the footnotes to the below table. [X].

Target Entity	Property Address	Landlord	Assignee
[X]	[X]	[X]	[X]
[X]	[X]	[X] ²	[X]
[X]	[X]	[X]	[X]
[X]	[X]	[X]	[X]
[X]	[X]	[X]	[X]
[X]	[X]	[X]	[X]

¹ IVC notes that these Target Entities are [X].

² For completeness, IVC notes that by the time of completion [X].

IVC confirms that [X]. IVC notes that the Proposed Assignments shall be effective upon execution of the relevant legal documents.

IVC further notes that it will enter into [X].

The CMA consents to a derogation from paragraphs 5(a) and 5(e) of the Initial Orders in relation to the execution of the Proposed Assignments [X]. 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 Relevant Lease Assignment Target Entities;
- (ii) the actions outlined above will not result in any changes being made to the delivery of veterinary services by the Relevant Lease Assignment Target Entities;
- (iii) The CMA's written approval, via email, is required before any further Lease assignments can occur; and
- (iv) 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.

Yours sincerely,

Faye Fullalove
Assistant Director, Mergers
11 April 2023