

## 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 (the 'Act') to certain actions for the purposes of the Initial Enforcement Orders made by the Competition and Markets Authority ('CMA') on 21 December 2022 and 24 January 2023**

### COMPLETED ACQUISITIONS BY MEDIVET GROUP LIMITED

Dear [✂]

We refer to your email dated 20 July 2023 in respect of whether the CMA consents to a derogation to the Initial Enforcement Orders of 21 December 2022 (as varied) and 24 January 2023 in respect of the completed acquisitions by Medivet Group Limited (the **Initial Orders**). The terms defined in the Initial Orders and in the two remedies forms submitted to the CMA on 25 May 2023 (as amended on 1 June 2023) have the same meaning in this letter.

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 businesses 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.

On 25 May 2023, Medivet offered undertakings in lieu of reference for each of the 12 completed acquisitions that were still covered by the Initial Orders (the **Proposed UILs**). The CMA accepted the Proposed UILs in principle on 2 June 2023. The Proposed UILs involve the sale of the Divestment Businesses (as defined in **Annex 1**) to one or more CMA-approved upfront buyer(s).

After due consideration, based on the information received from you and in the particular circumstances of this case, the Acquirer Group may carry out the following actions, in respect of the specific paragraphs:

#### **Paragraph 5(l) of the Initial Orders**

In order to successfully complete the divestments of the Divestment Businesses as set out in the Proposed UILs, it is strictly necessary for a limited number of individuals within Medivet to receive certain information from, or relating to, the Divestment Businesses, some of which may be confidential, proprietary or commercially-sensitive (**Divestment Business CSI**), for Medivet individuals to:

- prepare and carry out the divestment sales processes, including among other things preparing information about the Divestment Businesses for the purposes of bidder due diligence and responding to bidders' questions;
- meaningfully represent Medivet's commercial views when reviewing the divestment transaction documents, instructing its external M&A, legal and financial and other advisors (eg on the terms of the divestment) and negotiating with potential purchasers of the Divestment Businesses; and
- recommend potential purchasers to the Medivet Board and/or its Investment Committee and to advise the Medivet Board and/or Investment Committee on the basis of the terms of the purchasers' offers (as well as to provide any other high-level updates on the general Divestment processes),

(together, the '**Specified Purpose**'). For the avoidance of doubt, no Divestment Business CSI would be provided to the Medivet Board and/or Investment Committee; rather, it would underpin the high-level views/aggregated information provided to the Medivet Board and/or Investment Committee.

### **Conditions and safeguards for granting the derogations**

On the basis of Medivet's representations, the CMA consents to a derogation from paragraph 5(l) of the Initial Orders to enable Medivet to successfully implement the Proposed UILs, and strictly on the basis that:

- a) Divestment Business CSI shared with Medivet individuals will be limited to that which is strictly necessary to achieve the Specified Purpose, including but not limited to:
  - i. financial information;
  - ii. any customer, supplier and IT contracts;
  - iii. customer lists; and
  - iv. employee contracts and lists, including salary, pension and payroll information.

- b) Divestment Business CSI will only be provided to the Medivet individuals listed in Annex 2 for whom it is strictly necessary to see this information to achieve the Specified Purpose (the '**Authorised Individuals**');
- c) The Authorised Individuals are not involved in the day-to-day management and commercial policy of the Target Entities;
- d) Each of the Authorised Individuals will sign a Non-Disclosure Agreement, in a form approved by the CMA, in respect of any Divestment Business CSI they receive;
- e) Firewalls and/or other ring-fencing measures will be put in place to prevent any unauthorised individuals within Medivet from accessing Divestment Business CSI;
- f) Medivet will keep a record of Divestment Business CSI shared by, or otherwise relating to, the Divestment Businesses in accordance with this derogation and such record will be made available to the CMA on request;
- g) No changes to the Authorised Individuals will be permitted without the prior written consent of the CMA (which can be provided by email);
- h) The Monitoring Trustee will have full oversight of all Divestment Business CSI sharing between the Divestment Businesses and Medivet, in accordance with this derogation;
- i) This derogation will not otherwise result in any disruption to, or impact the viability of the Medivet business or the Divestment Businesses' businesses; and
- j) 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

[✂]

Adam Phillimore

Assistant Director

Mergers

04 August 2023

## Annex 1 – Divestment Businesses

1. All Creatures Clinic Limited (**All Creatures**);
2. Barton Companion Animal Services Limited (**Barton**);
3. I T Kalogera (Holdings) Limited, including its subsidiary I T Kalogera Limited (t/a Brockwell Vets) (**Brockwell Vets**);
4. the assets and business of the veterinary practice under the name 'Caddy Veterinary Surgery/Practice' (**Caddy Country**);
5. E Street Limited (t/a Elizabeth Street Veterinary Clinic) (**Elizabeth Street**);
6. Ferring Street Vets Limited (**Ferring Street**);
7. The Hackney Vet Ltd (**The Hackney Vet**);
8. The assets and business of the veterinary practice under the name Iffley Vets (**Iffley Vets**);
9. The Oxford Cat Clinic Limited (**The Oxford Cat Clinic**);
10. The assets and businesses of the veterinary practices under the name The Vet on Richmond Hill & The Vet in St Margaret's (**The Vet on Richmond Hill & St Margaret's**); and
11. The Vet Station Limited (**The Vet Station**).  
(together, the **Divestment Businesses**).

## Annex 2 – Authorised Individuals

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