

**DEROGATION LETTER
IN RESPECT OF INITIAL ENFORCEMENT ORDERS ISSUED
PURSUANT TO SECTION 72(2) ENTERPRISE ACT 2002
COMPLETED ACQUISITION**

**Consent under section 72(3C) of the Enterprise Act 2002 (the Act)
to certain actions for the purposes of the Initial Enforcement Order
made by the Competition and Markets Authority ('CMA') on 19
September 2018**

We refer to your email and accompanying further information dated 2 October 2018 and 5 October 2018 requesting that the CMA consents to derogations to the Initial Enforcement Order of 19 September 2018 (the 'Initial Order'). The terms defined in the Initial Order have the same meaning in this letter.

Under the Initial Order, save for written consent by the CMA, PayPal Holdings, Inc, PayPal SE and PayPal (Europe) Sarl et Cie SCA are required to hold separate the iZettle business from the PayPal business 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 derogations from the Initial Order, based on the information received from you and in the particular circumstances of this case, PayPal Holdings, Inc, PayPal SE and PayPal (Europe) Sarl et Cie SCA and iZettle may carry out the following actions, in respect of the specific paragraphs:

1. Paragraph 4(a), paragraph 5(a) and paragraph 5(l) of the Initial Order

The CMA consents to PayPal receiving input and assistance from individuals of iZettle AB with regard to the non-UK integration of the iZettle business and the PayPal business.

The derogation is granted on the conditions that:

- any input received from iZettle AB is limited to assisting the PayPal business with integration that is strictly limited to non-UK territories;

- any exchange of information between iZettle AB and the PayPal business is limited to the individuals listed in Annex 1 to this derogation, each of whom will enter into a non-disclosure agreement on terms approved by the CMA;
- any information exchanged between the iZettle business and the PayPal business is electronically ring-fenced so that it is inaccessible to individuals involved in the iZettle UK business or the PayPal UK business;
- the individuals listed in Annex 1 to this derogation letter are not involved in strategic or commercial decision-making for the iZettle UK business or the PayPal UK business; and
- should the CMA require PayPal to divest all, or part, of the iZettle business, any records or copies (electronic or otherwise) of business secrets, know-how, commercially-sensitive information, intellectual property or any other information of a confidential or proprietary nature that have passed between the iZettle business and the PayPal business, wherever they may be held, will be returned to the business to which they relate and any copies destroyed.

This derogation should not prevent any remedial action that the CMA may need to take regarding the transaction.

Tobe Nwaogu

Assistant Director, Mergers

8 October 2018

ANNEX 1

PayPal
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iZettle
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