



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

Please note that [X] indicates figures or text which have been deleted at the request of the parties for reasons of commercial confidentiality.

Consent under section 72(3C) of the Enterprise Act 2002 to certain actions for the purposes of the Initial Enforcement Order made by the Competition and Markets Authority ('CMA') on 22 May 2019.

Completed acquisition by Bottomline Technologies Limited of certain assets of Experian Limited

We refer to your submissions dated 17 requesting that the CMA consent to a derogation from the Initial Enforcement Order of 22 May 2019 (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, Bottomline and Bottomline UK are required to hold separate the former Experian Payments Gateway ("**EPG**") business from the Bottomline 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 a derogation from the Initial Order to allow certain back office staff to support the EPG business, based on the information received from you and in the particular circumstances of this case, Bottomline and Bottomline UK may carry out the following actions, in respect of the specific paragraphs:

1. Paragraphs 5(a), (d) and (g) of the Initial Order

Bottomline UK has explained that under the terms of the Asset Purchase Agreement dated 6 March 2019 between Bottomline UK and Experian, Bottomline UK acquired Experian's stock of Hardware Security Modules (HSMs) for use by the EPG business. The CMA understands that this stock has now been exhausted. Bottomline submits that, in order to ensure the continuity and viability of the EPG business and the continued supply of HSMs to its customers, the EPG business must now procure further HSMs.

Bottomline UK has also explained that the Hold Separate Manager has identified a suitable technology distributor, [X] which can supply the required HSMs on terms acceptable to the Hold Separate Manager. Bottomline UK has further explained that [X] requires Bottomline UK to enter into a credit agreement, setting out the general terms and conditions of sale on the basis of which the HSMs will be supplied to the EPG business.

The CMA consents to a derogation from paragraphs 5(a), 5(d) and 5(g) of the Initial Order for:

- (a) Bottomline UK to enter into a credit agreement with [X], on behalf of the EPG business which sets out the general terms and conditions of sale on which the HSMs will be supplied to the EPG business; and
- (b) the EPG business to order HSMs from [X] on the basis of that credit agreement.

This derogation is granted strictly on the basis that:

- (i) The Hold Separate Manager will maintain responsibility for independently placing orders with [X] for the benefit of the EPG business, on an ad hoc basis and at a price agreed at the relevant time by the Hold Separate Manager;
- (ii) Information shared with the Bottomline UK business will be limited to that which is strictly necessary to provide the necessary back-office support in relation to the processing of orders and payment of invoices in relation to the supply of HSMs by [X]. For the avoidance of doubt, no commercially-sensitive information will be shared with Bottomline UK for the purposes of this derogation;
- (iii) The abovementioned back-office support from the Bottomline UK business will only be provided by those individuals who are already permitted to provide back-office support to EPG under the derogations granted by the CMA on 19 July 2019 and 16 October 2019. Such individuals would be bound by an NDA; and
- (iv) This derogation shall not prevent any remedial action that the CMA may need to take regarding the transaction

Lucília Falsarella Pereira
Director
19 February 2020