

**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 Order made by the Competition and Markets Authority ('CMA') on 9 June 2020

Completed acquisition by Facebook, Inc. of Giphy, Inc.

Dear Mr Parker,

We refer to your submissions of 25 and 26 February 2021 requesting that the CMA consents to a derogation to the Initial Enforcement Order of 9 June 2020 (the '**Initial Order**'). Unless otherwise stated, 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, Facebook Inc. (**Facebook**), Tabby Acquisition Sub, Inc. (**Tabby Acquisition**), Facebook UK Limited (**Facebook UK**) and their subsidiaries are required to hold separate the Facebook business from the business of Giphy Inc. (**Giphy**) 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, based on the information received from you and in the particular circumstances of this case, the CMA consents to Facebook, Tabby Acquisition and Facebook UK carrying out the following actions, in respect of the specific paragraphs:

1. Paragraphs 5(c) and 5(i) of the Initial Order

Facebook has informed the CMA that it intends to make a change to the internal reporting line for [X], a Strategic Partnership Manager at Facebook. In particular, the CMA understands that:

- (a) [X] will no longer report to [X] ([X]); and
- (b) Instead, will report to [X], ([X]) who will take on managerial responsibility for [X].

Facebook submits that this change is being requested in order to [X], and [X] will retain the same role and carry out the same type of work within the Strategic Partnerships Team. Further, both [X] and [X] report to the same person at Facebook, [X], [X].

The CMA consents to a derogation from paragraphs 5(c) and 5(i) of the Initial Order for Facebook, Tabby Acquisition and Facebook UK to implement a change in [X] reporting lines, strictly on the basis that:

- (i) This proposed change would not have any adverse impact on Facebook's activities and will not result in any disruption to the Facebook business; and
- (ii) this derogation will not lead to any integration of the Facebook and Giphy businesses.

Yours sincerely,

Alex Knight

Assistant Director, Remedies, Business and Financial Analysis

9 March 2021