

**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 issued by the Competition and Markets Authority ('CMA') on 21 December 2021.

Acquisition by NEC Software Solutions UK Limited of Capita Secure Solutions and Services ('the Transaction').

We refer to your submissions of 10 February 2022, requesting that the CMA grant a derogation to the Initial Enforcement Order of 21 December 2021 (the '**Initial Order**'). Terms defined in the Initial Order have the same meaning in this letter.

Under the Initial Order, except with the prior written consent from the CMA, Capita SSS is required to make no substantive changes to the organisational structure and management responsibilities within Capita SSS, and no changes to key staff of Capita SSS, and to 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 Capita SSS, and in the particular circumstances of this case, Capita SSS may carry out the following actions in relation to the specific paragraphs of the Initial Order listed below.

Paragraphs 6(c) and 6(i) of the Initial Order

The CMA understands that Capita SSS's [X] tendered [X] resignation from [X] role prior to the coming into force of the Initial Order, and that Capita SSS considers [X] to be a member of key staff, as defined in the Initial Order.

The CMA further understands that Capita SSS intends to put in place certain arrangements to provide cover for the [X] role in the interim period between the current incumbent leaving Capita SSS and the appointment of a direct replacement. This involves the [X] current responsibilities being shared between the following Capita SSS employees (the '**Temporary Cover Staff**')

- [X];

- [REDACTED]; and
- [REDACTED].

In light of the above, the CMA consents to grant a derogation from paragraphs 6(c) and 6(i) of the Initial Order to permit the abovementioned changes.

This derogation is provided on the basis that:

- a) the Temporary Cover Staff are between them well qualified to cover the role of [REDACTED] without impacting their ability to perform their day-to-day functions in relation to the Capita SSS business. As a result, this derogation will not disrupt Capital SSS's business, or impact its ongoing viability and ability to compete effectively;
- b) the Temporary Cover Staff have the relevant expertise and experience necessary to perform the additional [REDACTED] responsibilities during the period of cover;
- c) Once a candidate has been identified by Capita SSS to assume the [REDACTED] role on a permanent basis, Capita SSS will notify the CMA of this candidate and seek the CMA's prior written consent to appoint the chosen candidate to the role (with such consent to be provided by email);
- d) this derogation does not impact the viability of the Capita SSS business during the term of the Initial Order;
- e) this derogation will not impact the ability of Capita SSS to compete independently of NECSWS;
- f) this derogation will not result in any integration between the Capita SSS business and the NECSWS business; and
- g) this derogation shall not prevent any remedial action which the CMA may need to take regarding the Transaction.

Lasse Burmester
Assistant Director, Mergers
17 February 2022