

**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 Meta Platforms, Inc. of Giphy, Inc (the Merger)

Dear [REDACTED],

We refer to your submissions dated 4 and 12 November 2021 requesting that the CMA consents to derogations 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, Meta Platforms Inc. (formerly known as Facebook, Inc.) (**Meta**), Tabby Acquisition Sub, Inc. (**Tabby Acquisition**), Facebook UK Limited (**Facebook UK**) and their subsidiaries are required to hold separate the Meta 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 derogations from the Initial Order, based on the information received from you and in the particular circumstances of this case, the CMA consents to Meta, Tabby Acquisition, Facebook UK and GIPHY carrying out the following actions, in respect of the specific paragraphs:

1. Paragraphs 5(a), 5(c) and 5(l) of the Initial Order

In the context of the ongoing Coronavirus (COVID-19) pandemic, Meta submits that in order to facilitate the return of GIPHY employees to the GIPHY offices in New York and Los Angeles (**RTO**), it is necessary to put in place the following measures to ensure the health and safety of GIPHY employees at the office when they return:

- (a) In order to implement both Meta and United States government health and safety guidelines, Meta will need to provide GIPHY with [REDACTED].
- (b) Meta will provide GIPHY with [REDACTED] in order to ensure the safety of employees working at the GIPHY office, in compliance with United States government guidelines.
- (c) Meta will provide information to GIPHY regarding Meta's cleaning standards for GIPHY to communicate to cleaning vendors. Meta submits this would be required to ensure that cleaning takes place in compliance with Meta's policies and United States government guidelines.

- (d) GIPHY employees may need to be provided with [REDACTED], in particular in light of the Coronavirus (COVID-19) pandemic.
- (e) GIPHY employees intending to return to the office [REDACTED]
- (f) [REDACTED] will take place in writing, will be on a bi-weekly basis and will entail Meta's legal representatives communicating via email with [REDACTED] at GIPHY.

The CMA understands that no formal date has been set for the RTO, but that [REDACTED]. The steps outlined above are therefore preparatory measures only.

Meta has requested a derogation from paragraphs 5(a), 5(c) and 5(l) of the Initial Order in order for the preparatory steps outlined above to be implemented.

The CMA consents to a derogation from paragraphs 5(a), 5(c) and 5(l) of the Initial Order, strictly on the basis that:

- (i) Meta confirmed that any [REDACTED] provided by Meta to GIPHY would not display any Meta branding.
- (ii) In respect of the [REDACTED] to be provided to GIPHY staff:
 - it will be strictly limited to the [REDACTED], and will not include any Meta confidential, proprietary or commercially sensitive information.
 - Meta will provide the CMA and Monitoring Trustee with a copy of the [REDACTED] which is provided to GIPHY staff.
 - [REDACTED], but GIPHY employees will not be provided with access to any of Meta's other systems and applications as a result of this derogation.
- (iii) Concerning the updates which need to be provided on a bi-weekly basis by Meta's legal representatives to GIPHY:
 - such updates will not require the communication of any Meta confidential, proprietary or commercially sensitive information to GIPHY;
 - a member of the Meta compliance team will be kept in copy on these communications; and
 - the CMA will, on request, be provided with a copy of any such communications between Meta and GIPHY.

- (iv) Concerning the requirement for [REDACTED]
- such information will be required to be provided on a one-time basis, on site, and will not be communicated to any other individual within the Meta business; and
 - should it become apparent that such a policy represents a retention risk in respect of any GIPHY staff, Meta and GIPHY will communicate this to the CMA within 48 hours of becoming aware of this.
- (v) No change to the GIPHY individual identified in paragraph 1(f) above is permitted without the prior written consent of the CMA (which can be provided by email).
- (vi) Save for the steps noted above, this derogation will not lead to any integration of the Meta business and the GIPHY business.

Your sincerely,

Richard Romney

Director, Mergers

15 December 2021