

**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 21 December 2021.**

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

We refer to your email of 24 March 2022 requesting that the CMA consents to derogations to the Initial Enforcement Order of 21 December 2021 (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, NEC Corporation ('**NECJ**'), Garden Private Holdings Limited ('**GPHL**') and NEC Software Solutions UK Limited ('**NECSWS**') and its subsidiaries ('**the NEC business**') are required to hold separate the NEC business from Capita (SSS) Limited ('**CSSS**'), Capita Software (US) LCC ('**CSUS**') and their subsidiaries ('**the Capita SSS 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, NECSWS and Capita SSS may carry out the following actions, in respect of the specific paragraphs:

**1. Paragraph 6(l) of the Initial Order**

The CMA understands that the auditors of NECJ and NECSWS are [X] (the '**Auditors**'). The CMA further understands that NECJ and NECSWS wish to share all necessary information with their Auditors, which has been received pursuant to the following derogations granted by the CMA, in order for the Auditors to consider and use such information as part of NECJ's and NECSWS's financial accounts where required (the '**Information**');

- a) Financial information derogation granted on 14 January 2022; and

- b) Purchase price accounting report derogation granted on 18 February 2022.

The CMA consents to grant a derogation from paragraph 6(l) of the Initial Order to permit NECSWS and NECJ to share with their Auditors the Information, and permits the Auditors to consider and use the Information as part of NECJ's and NECSWS's financial accounts where required (the '**Permitted Purpose**').

This derogation is granted on the basis that:

- a) NECSWS will take reasonable steps to ensure that the Information is kept strictly confidential by the Auditors;
- b) the information to be shared shall be limited to the Information, and no changes to the definition of Information set out above are permitted without the prior written consent of the CMA (including via email);
- c) the use of the Information is limited to the Permitted Purpose;
- d) granting this derogation will have no influence upon the commercial direction of the Capita SSS business during the term of the Initial Order;
- e) this derogation will not result in any integration between the Capita SSS business and the NECSWS business; and
- f) this derogation shall not prevent any remedial action which the CMA may need to take regarding the Transaction.

**Lasse Burmester**

Assistant Director, Mergers

28 March 2022