

**DEROGATION LETTER
IN RESPECT OF FINAL ORDER ISSUED
PURSUANT TO SECTION 84 OF ENTERPRISE ACT 2002**

Consent pursuant to Article 11 of the Final Order made by the Competition and Markets Authority ('CMA') on 29 March 2022 to certain actions.

Completed acquisition by Facebook, Inc. (now Meta Platforms, Inc.) of Giphy, Inc (the 'Merger')

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

Dear [X],

We refer to your submission dated 31 March 2022 requesting that the CMA consents to derogations to the Final Order of 29 March 2022 (the '**Final Order**'). Unless otherwise stated, the terms defined in the Final Order have the same meaning in this letter.

Under the Final Order, save for prior written consent by the CMA, Meta Platforms, Inc. ('**Meta**') and its subsidiaries, and Giphy, Inc. ('**Giphy**') shall not, from the Commencement Date until the Final Disposal, take any action that might prejudice the Final Disposal, the CMA's decisions in the Final Report or otherwise impair the CMA's ability to take such action for the purpose of remedying, mitigating or preventing the SLCs or any adverse effect which has resulted from, or may be expected to result from, the SLC findings.

After due consideration of your request for derogations from the Final Order, based on the information received from you and in the particular circumstances of this case, the CMA consents to Giphy carrying out the following actions, in respect of the specific paragraphs:

1. Paragraph 4.2(c) of the Final Order

Giphy submitted that it plans to implement changes to existing reporting lines, including to people managers and operational leaders, within the Giphy business for the following reasons:

- (a) The desire to revert to pre-Merger reporting lines which are considered more appropriate from Giphy's perspective for the independent operation of the Giphy business;
- (b) Two line managers, [X] (being both a people manager and operational leader) and [X] (being only a people manager), will shortly be taking parental leave; and

- (c) Certain employees have expressed an interest in becoming people managers/operational leaders as part of their career progression and Giphy is keen to support this.

Giphy further submitted that these changes will lead to certain people managers/operational leaders taking on additional direct reports, certain people managers/operational leaders becoming responsible for fewer direct reports and certain individuals becoming people managers/operational leaders for the first time. Giphy stated that these changes are in the ordinary course of business and, except in relation to the temporary departure of Ms [REDACTED], will not lead to any changes to key staff.

On the basis of Giphy's representations and the information submitted by it, the CMA consents to a derogation from paragraph 4.2(c) of the Final Order permitting Giphy to implement the proposed changes to reporting lines, strictly on the basis that:

- (i) For the avoidance of doubt, no Giphy employees will report to any individuals within the Meta business;
- (ii) the change in reporting lines will not result in any disruption to the Giphy business;
- (iii) this derogation will not lead to any integration of the Meta and Giphy businesses; and
- (iv) this derogation will not result in any pre-emptive action which might prejudice the reference or impede the taking of any action which may be justified by the CMA's decision on the reference.

2. Paragraph 4.2(j) of the Final Order

Giphy submitted that [REDACTED] at Giphy will shortly depart on parental leave for a period of 5 to 6 months. Ms [REDACTED] is a member of key staff for the purposes of the Final Order.

Giphy has proposed that [REDACTED], [REDACTED] at Giphy, will assume Ms [REDACTED] responsibilities on an interim basis for the duration of her parental leave. Giphy is confident that this arrangement will not lead to any detriment to the Giphy business because Giphy is distributing some of Ms [REDACTED] current reports and responsibilities to other leaders within the Giphy business, which will provide Ms [REDACTED] with the necessary capacity to undertake Ms [REDACTED] role.

Accordingly, Giphy requests a derogation from paragraph 4.2(j) of the Final Order to permit the key staff change noted above, specifically for Ms [REDACTED] to assume Ms [REDACTED] responsibilities on an interim basis for the duration of Ms [REDACTED] parental leave.

The CMA consents to a derogation from paragraph 4.2(j) of the Final Order, strictly on the basis that:

- (i) Giphy has represented that Ms [REDACTED] has the necessary capacity and experience to effectively take on Ms [REDACTED] responsibilities, and Giphy will ensure a smooth handover of responsibilities from Ms [REDACTED] to Ms [REDACTED], with

a view to ensuring that the change in key staff will not have any adverse impact on the ongoing operation and viability of the Giphy business;

- (ii) for the avoidance of doubt, none of Ms [X] responsibilities will be redistributed to any Meta personnel;
- (iii) except as otherwise permitted by this derogation, no other organisational or key staff changes will be made to the Giphy business as a result of the temporary departure of Ms [X] and subsequent assumption by Ms [X] of Ms [X] responsibilities;
- (iv) this derogation will not lead to any integration of the Meta business and the Giphy business; and
- (v) this derogation will not result in any pre-emptive action which might prejudice the reference or impede the taking of any action which may be justified by the CMA's decision on the reference.

Yours sincerely,

Stuart McIntosh

Chairman, Meta/Giphy Remedy Implementation Group

12 April 2022