

**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')

Dear [REDACTED],

We refer to your submissions dated 11 May 2022 and 17 May 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. Further, in this letter:

GIF-related Activities means any activities relating to the procurement, supply or development of GIF-related Content whether by or to Facebook, Giphy or any third party, including (without limitation) any operational, relationship management, strategic, development, technical or back-office activities or services.

GIF-related Content means non-text content created or shared by users via a social media, social network or messaging platform (including GIFs, stickers (including GIF stickers), emojis, video clips, images and other micro-expression assets).

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 Meta carrying out the following actions, in respect of the specific paragraphs:

1. Paragraphs 4.2(e), 4.2(f)(i) and 4.2(f)(ii) of the Final Order

On 21 April 2021, at the request of Meta, the CMA consented to a derogation from paragraph 5(d) of the Initial Enforcement Order of 9 June 2020 to permit Meta to implement a new [REDACTED] product in the United Kingdom ('**UK**') which [REDACTED]. As such, the [REDACTED] feature related to the development of GIF-related Content, but did not result in any connection to, or integration with, GIFs/stickers supplied by any third parties and procured by Meta.

[REDACTED] was publicly launched in the UK on 1 October 2021. Since its launch, Meta submits that [REDACTED] and therefore Meta now proposes to terminate [REDACTED] in line with wider adjustments to its business priorities.

Meta confirmed that neither [REDACTED], nor its termination, requires any action from GIPHY or other third-party GIF providers. Meta further confirmed that the termination of [REDACTED] is entirely unrelated to the Merger.

Meta submitted that [REDACTED] and her manager, [REDACTED] are currently on Meta's key staff list (pursuant to the carve-out derogation granted by the CMA on 29 June 2021) as a result of their work on [REDACTED].

After due consideration of Meta's request for a derogation and in the light of the information submitted by it, the CMA consents to a derogation from paragraphs 4.2(e), 4.2(f)(i) and 4.2(f)(ii) of the Final Order permitting:

- (i) the termination of [REDACTED] and its removal from Meta's product offering; and
- (ii) the associated removal of [REDACTED] from Meta's key staff list given that they will no longer be engaged in GIF-related Activities,

strictly on the basis that this derogation will not result in any prejudice to the Final Disposal 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.

Yours sincerely,

Margot Daly

Deputy Chair, Meta/Giphy Remedy Implementation Group

23 May 2022