

DEROGATION LETTER IN RESPECT OF INITIAL ENFORCEMENT ORDERS ISSUED PURSUANT TO SECTION 72(2) ENTERPRISE ACT 2002

Consent under section 72(3)C 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

Completed acquisition by NEC Software Solutions UK Limited of Capita (SSS) Limited and Capita Software (US) LLC¹

We refer to the request by SSS dated 24 June 2022 that the CMA grant a derogation to the Initial Enforcement Order served on NEC Software Solutions UK Limited and SSS and on 21 December 2021 (the '**Initial Order**'). 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 SSS Public Safety Limited, Secure Solutions USA LLC and their subsidiaries (the '**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 the request for a derogation from the Initial Order, based on the information received from SSS, and in the particular circumstances of this case, 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

[X], SSS [X], has tendered his resignation from his role and is in the process of serving his three month notice period, which ends on [X]. The CMA understands that SSS took reasonable steps to retain [X].

The CMA consents to the following changes in the management structure and key staff of SSS:

¹ Now SSS Public Safety Limited and Secure Solutions USA LLC, respectively, and further referred to in this request as 'SSS'

- The revised role for [X], who will undertake the roles and responsibilities that will be vacated by [X] as a result of his departure.

This derogation is provided on the basis that:

- a) SSS has represented that it has taken all reasonable steps to encourage [X] to remain with the SSS business;
- b) [X] has the relevant expertise and experience necessary to perform the roles and responsibilities previously undertaken by [X];
- c) [X];
- d) [X];
- e) SSS will send a monthly report to the MT on the progress of [X] of the [X];
- f) SSS will be able to [X] as well as allow other existing members of the same team to develop and expand their respective roles;
- g) this derogation does not impact the viability of the SSS business during the term of the Initial Order;
- h) this derogation will not impact the ability of SSS to compete independently of NECSWS;
- i) this derogation will not result in any integration between the SSS business and the NECSWS business; and
- j) this derogation shall not prevent any remedial action which the CMA may need to take regarding the Transaction.

Lesley Moore
Director, Mergers
29 June 2022