

**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 issued by the Competition and Markets Authority ('CMA') on 21 December 2021.

Acquisition by NEC Software Solutions UK Limited of Capita (SSS) Limited and Capita Software (US) LLC (the 'Merger')

We refer to your email of 12 September 2022 requesting that the CMA consents to a derogation 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 SSS Public Safety Limited ('**SSS**'), Secure Solutions USA LLC ('**SUS**') 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 a derogation from the Initial Order, based on the information received from you and in the particular circumstances of this case, NECSWS may carry out the following actions, in respect of the specific paragraph:

1. Paragraph 6(d) of the Initial Order

NECSWS requests a derogation from paragraph 6(d) of the IEO to enable NECSWS [✂].

The CMA understands that [✂]. The CMA further understands that NECSWS intends to [✂] in order to enable them to obtain an alternative solution, either from NECSWS (i.e. [✂]) or from alternative providers.

In light of the above, the CMA consents to grant a derogation from paragraph 6(d) of the Initial Order to take all necessary steps to [✂]. This derogation is granted so

that NECSWS is not required to maintain support for a legacy product which is causing inefficiencies.

This derogation is provided on the basis that:

- a) no changes are made to NECSWS' business other than those outlined in the derogation request;
- b) this derogation will not result in integration of the SSS business and the NECSWS business;
- c) this derogation does not impact the viability of the NECSWS business during the term of the Initial Order;
- d) this derogation will not impact the ability of the SSS business to compete independently of the NECSWS business; and
- e) this derogation shall not prevent any remedial action which the CMA may need to take regarding the Merger.

Lesley Moore
Director, Mergers
20 September 2022