

**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.

Completed acquisition by NEC Software Solutions UK Limited of Capita (SSS) Limited and Capita Software (US) LLC (the 'Merger').¹

We refer to the request by SSS dated 20 October 2022 that the CMA grant a derogation to the Initial Enforcement Order served on SSS and NEC Software Solutions UK Limited ('NECSWS') 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 ('SSS'), Secure Solutions USA LLC ('SUS') 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 5(a), 6(a) and 6(e) of the Initial Order

The CMA consents to grant a derogation from paragraphs 5(a), 6(a), and 6(e) of the Initial Order to permit NECSWS to provide SSS with a comfort letter, in order to confirm that:

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

- NECSWS will provide financial support and additional funds to SSS should it be necessary to maintain SSS as a going concern; and
- NECSWS has no current intention to request settlement of any debt or interest charges from SSS should such a request prejudice the continued existence of SSS as a going concern.

This derogation is provided on the basis that:

- a) the provision of the comfort letter will have no influence upon the commercial direction of the SSS business during the term of the Initial Order;
- b) it does not impact the viability of the SSS business during the term of the Initial Order;
- c) it will not impact the ability of SSS to compete independently of NECSWS;
- d) it will not result in any integration between the SSS business and the NECSWS business; and
- e) it shall not prevent any remedial action which the CMA may need to take regarding the transaction.

Emily Chissell
Director
21 October 2022