

**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, as revised on 21 December 2022.**

**Acquisition by NEC Software Solutions UK Limited of SSS Public Safety Limited and Secure Solutions USA LLC ('the Transaction').**

We refer to your email of 8 February 2023 requesting that the CMA consents to derogations to the Initial Enforcement Order of 21 December 2021, as revised on 21 December 2022 (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 PSL**'), Secure Solutions USA LLC ('**SSU**') and their subsidiaries (the '**SSS business**') and refrain from taking any action which might prejudice its reference under section 22 of the Act or impede the remedial action following that reference.

After due consideration of your request for derogations 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 paragraphs:

**1. Paragraph 6(c) and (i) of the Initial Order**

The CMA understands that NECSWS wishes to make certain organisational changes, with effect from 1 April 2023, [✂]

The CMA understands that, [✂], NECSWS intends to make the following organisational changes:

- [✂];
- [✂]

- [REDACTED];
- [REDACTED];
- [REDACTED]; and
- [REDACTED].

The CMA understands that, [REDACTED], NECSWS intends to make the following organisational changes:

- [REDACTED]";
- [REDACTED];
- [REDACTED];
- [REDACTED];
- [REDACTED]; and
- [REDACTED].

The CMA understands that the organisational changes detailed above are required [REDACTED].

For the purposes of this derogation, [REDACTED] are collectively defined as the "**Relevant Staff**".

In light of the above, the CMA consents to grant a derogation from paragraphs 6(c) and 6(i) of the Initial Order to permit these changes.

These derogations are provided on the basis that:

- a) the Relevant Staff have the relevant expertise and experience necessary to perform the applicable roles;
- b) save for the changes described above, no other organisational or key staff changes will be made to the Divestment Businesses pursuant to this derogation request;
- c) this derogation does not impact the viability of the Divestment Businesses during the term of the Initial Order;

- d) this derogation will not impact the ability of the SSS business to compete independently of the NEC business;
- e) this derogation will not result in any integration between the SSS business and the NEC business; and
- f) this derogation will not adversely impact the divestment process for either of the Divestment Businesses and will provide for greater efficiency in separating the Divestment Businesses from NECSWS' wider business.

**Colin Garland**

Director Remedies, Business and Financial Analysis

9 February 2023