

**DEROGATION LETTER
IN RESPECT OF INTERIM ORDER ISSUED
PURSUANT TO SECTION 81 OF ENTERPRISE ACT 2002**

Consent under section 81 of the Enterprise Act (the ‘Act’) to certain actions for the purposes of the Interim Order made by the Competition and Markets Authority (‘CMA’) on 18 July 2022

Completed acquisition by Meta Platforms, Inc. (formerly Facebook, Inc.) of Giphy, Inc (the ‘Merger’)

Dear Greg Bonne,

We refer to your submission dated 11 October 2022 requesting that the CMA consents to a derogation from the Interim Order of 18 July 2022 (the ‘**Interim Order**’). Unless otherwise stated, the terms defined in the Interim Order have the same meaning in this letter.

Under the Interim Order, save for prior written consent by the CMA, Meta Platforms, Inc. (‘**Meta**’) and its subsidiaries, and Giphy, Inc. (‘**Giphy**’) (together, the ‘**Parties**’) are required to hold separate the Meta business from the business of Giphy 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 Interim Order, based on the information received from you and in the particular circumstances of this case, the CMA consents to Meta and Giphy carrying out the following actions, in respect of the specific paragraph:

1. Paragraph 6(a) of the Interim Order

On 27 July 2022 the CMA granted a derogation from the Interim Order (the “**Derogation**”) for certain Designated Individuals to access Giphy Divestiture Information (both terms as defined in the Derogation) and for the purposes of taking preparatory steps for the divestiture of Giphy to a third party. Further to the Derogation, the Parties have been working to construct a virtual data room in preparation for the divestment sale process.

As set out in the Final Remittal Report, the CMA expects Giphy to hire a third party consultant to develop a monetisation strategy, in addition to, or instead of, hiring a CRO. As indicated in paragraphs 11.115 and 11.116 of the Final Remittal Report, the CMA expects the Hold Separate Manager, in concert with Giphy’s management, to decide on which of those two approaches to adopt.

The CMA understands that Giphy has agreed to work with [X] to develop a monetisation strategy. Meta plans to cover the costs of this engagement.

Meta thus requests a derogation from paragraph 6(a) of the Interim Order to (i) instruct [X] (the '**Third Party Consultants**') to begin work on developing a monetization strategy with Giphy for consideration by a prospective purchaser in due course (the '**Monetization Strategy**'), and (ii) fund said engagement.

After due consideration of Meta's request and in the light of the information submitted by it, the CMA consents to a derogation from paragraph 6(a) of the Interim Order permitting Meta to instruct the Third Party Consultants to work with Giphy to develop a monetisation strategy for Giphy, and to fund this work. The CMA's consent is strictly on the basis that:

- (a) Meta's involvement will be limited to discussing with the Third Party Consultants rates and timeframes for devising the Monetization Strategy.
- (b) Giphy will retain full control of the direction of the proposed engagement and of its ultimate conclusions.
- (c) While Meta is permitted to communicate with the Third Party Consultants during the engagement to discuss changes in fees or timeframes for completing the project, Meta will not at any stage receive confidential or commercially-sensitive information concerning Giphy's engagement with the Third Party Consultants, or the contents of any draft reports.
- (d) Meta will not see any output from the Third Party Consultants regarding the Monetization Strategy, draft or otherwise, even in summary form.
- (e) This derogation will not result in any pre-emptive action which might prejudice the reference or impede the taking of any action which may be justified by the CMA's decisions on the reference.

Yours sincerely,

Stuart McIntosh

Chair, Remittal Group

1 December 2022