

**DEROGATION LETTER
IN RESPECT OF FINAL ORDER ISSUED
PURSUANT TO SECTION 84 OF ENTERPRISE ACT 2002**

Consent pursuant to Article 11 of the Final Order made by the Competition and Markets Authority ('CMA') on 6 January 2023 to certain actions.

Completed acquisition by Facebook, Inc. (now Meta Platforms, Inc.) of Giphy, Inc (the 'Merger')

Dear Mr. Little,

We refer to your submission dated 20 December 2022 requesting that the CMA consents to a derogation from the Interim Order of 18 July 2022 (the '**Interim Order**').

On 6 January 2023, the CMA imposed the Final Order requiring Meta to divest Giphy. Unless otherwise stated, the terms defined in the Final Order have the same meaning in this letter. Further, in this letter:

GIF-related Content means non-text content created or shared by users via a social media, social network or messaging platform (including GIFs, stickers (including GIF stickers), emojis, video clips, images and other micro-expression assets).

Under the Final Order, save for prior written consent by the CMA, Meta Platforms, Inc. ('**Meta**') and its subsidiaries, and Giphy, Inc. ('**Giphy**') shall not, from the Commencement Date until the Final Disposal, take any action that might prejudice the Final Disposal, the CMA's decisions in the Final Report or otherwise impair the CMA's ability to take such action for the purpose of remedying, mitigating or preventing the SLCs or any adverse effect which has resulted from, or may be expected to result from, the SLC findings.

After due consideration of your request for derogations from the Final Order, based on the information received from you and in the particular circumstances of this case, the CMA consents to Meta carrying out the following actions, in respect of the specific paragraphs:

1. Paragraph 4.2(e) and 4.2(j) of the Final Order

On 28 February 2022, the CMA granted a derogation from the Initial Enforcement Order of 9 June 2020 to permit the connection of Meta's [X] feature to Giphy's public application programming interface ('**API**'). The [X] including Giphy's GIF-related Content.

Through the [X] feature, [X] users receive access to Giphy's GIF-related Content. Meta submitted that the proposed integration with Giphy was achieved through Giphy's existing public API, and that any third party was able to connect to Giphy in the same way. Meta submits that launching [X] did not result in any changes to the pre-existing contractual relationship between Meta and Giphy, and that launching [X] was entirely unrelated to the Merger.

Meta submits that it intends to deprecate [X]. It also submits that the decision to deprecate [X] is entirely unrelated to the Merger or the future sale of Giphy. Meta submitted information to the CMA indicating the [X]. This deprecation will result in changes to staff responsibilities.

Meta has submitted that deprecating [X] feature will not result in a risk of pre-emptive action given that:

- (i) the development and launch of the [X] feature did not result in any changes to the contractual relationship between Meta and Giphy; and
- (ii) deprecating [X] feature will not in any way degrade Giphy.

After due consideration of Meta's request and in light of the information submitted by it, the CMA consents to a derogation from paragraphs 4.2(e) and 4.2(j) of the Final Order permitting Meta to deprecate [X] feature, strictly on the basis that this derogation will not prejudice the Final Disposal, the CMA's decisions in the Final Report or otherwise impair the CMA's ability to take such action for the purpose of remedying, mitigating or preventing the SLCs or any adverse effect which has resulted from, or may be expected to result from, the SLC findings.

Yours sincerely,

Stuart McIntosh

Chair, Remedy Group

31 January 2023