

**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 Meta Platforms, Inc. (formerly Facebook, Inc.) of Giphy, Inc (the 'Merger')

Dear Mr Little,

We refer to your submission dated 8 March 2023 requesting that the CMA consents to a derogation from the Final Order of 6 January 2023 (the **Final Order**). 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 a derogation from the Final 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 paragraphs:

1. Paragraphs 4.1(a) and 4.2(g) of the Final Order

Meta informed the CMA that it intends to expand an existing integration with Giphy's GIF-related Content to [X]. This expansion would allow users to use Giphy's GIF-related Content in their own [X], providing users with additional content [X].

Meta also informed the CMA that it intends to extend an existing integration with

Giphy's GIF-related Content to [X]. This extension would allow users to use [X].

Meta requests the CMA's consent under paragraphs 4.1(a) and 4.2(g) of the Final Order for a derogation permitting it to enter into an amendment to Meta's current API integration agreements with Giphy, to enable the abovementioned integrations of Giphy with [X].

In support of this derogation request, Meta submits that:

- (i) Giphy's GIF-related Content is already available on a number of Meta surfaces by way of an arm's length agreement with Giphy.
- (ii) [X] GIF-related Content will be available to users of [X] in the same way that Giphy's GIF-related Content would be if the CMA granted this derogation.
- (iii) No action is required on Giphy's part (other than executing a new amendment agreement to cover these two use cases) to integrate Giphy with [X].

After due consideration of Meta's request for a derogation, and in the light of the information submitted by it, the CMA consents to this derogation from paragraphs 4.1(a) and 4.2(g) of the Final Order, strictly on the basis that:

- a) This derogation will not result in any commercial or operational integration between the Meta and Giphy businesses.
- b) Giphy will remain independent from Meta, which will continue to interact with Giphy as a third party on an arm's length basis. Giphy will retain control of the amended API agreements, and can therefore reverse the amendments if it considers these amendments are no longer in its best interests as an independent competitor of Meta.
- c) 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

16 March 2023