

**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 24 May 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.

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 carrying out the following actions, in respect of the specific paragraph:

**1. Paragraph 4.2(n) of the Final Order**

On 22 May 2023, Meta signed an agreement with Shutterstock, Inc. ('**Shutterstock**') for Giphy's sale.

On 24 May 2023, Meta made a submission to the CMA requesting a derogation to permit Meta's M&A Finance team (as at 25 May 2023 made up of [X]; together the '**Authorised Individuals**') to engage directly with Giphy staff regarding the ordinary course actions required to meet the deal close criteria, including managing the closing statement process and inputs (as mentioned in the SPA). In addition, because Giphy is a subsidiary of Meta through to closing, Meta submits that it needs to ask questions to understand Giphy's composition of assets, liabilities and debt in order to prepare the closing statement.

Meta further submits that the above request will help to accelerate the audit process, and that Meta's support of the audit is part of the SPA and explicitly requested by Shutterstock. For instance, if the auditor has open questions on the financial information, Meta submits that it would be a resource-intensive and time-consuming process to split up the questions related to financials coming from Meta and its current subsidiary (Giphy), as would be required to comply with the Final Order without this derogation.

The CMA understands that Giphy has reviewed Meta's derogation request with its finance team and does not foresee any risks with permitting such actions. Most of the information to be provided for the audit is not considered by Giphy to be competitively sensitive, especially as the audit extends only to the two preceding full financial years and Giphy's prior revenue-generating activities are therefore out of scope. The CMA further understands that Giphy is supportive of the derogation request and believes that this will help deliver a smooth divestiture.

After due consideration of Meta's request and in light of the information submitted by it, the CMA consents to a derogation from paragraph 4.2(n) of the Final Order permitting the Authorised Individuals to engage directly with Giphy staff in order to complete the financial audit required as part of the SPA with Shutterstock (the '**Permitted Purpose**').

The CMA's consent is subject to the following conditions:

- (i) No Meta individuals other than the Authorised Individuals will engage in any communications with Giphy (unless permitted by other derogations).
- (ii) If Meta wishes to add new Authorised Individuals, it must request written consent from the CMA (which can be provided via email).
- (iii) Each of the Authorised Individuals already have access to Giphy financial information under the 27 July 2022 clean team derogation. To the extent that they need to access Giphy information beyond what they are already permitted to receive under the 27 July 2022 clean team derogation, such access will be limited to what is strictly necessary for the Permitted Purpose.
- (iv) Any communications between Giphy and the Authorised Individuals will be limited to the extent strictly necessary for the Permitted Purpose.
- (v) 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**

**25 May 2023**