

**DEROGATION LETTER
IN RESPECT OF THE ORDER ISSUED PURSUANT TO
SCHEDULE 7 PARAGRAPH 2(2) ENTERPRISE ACT 2002
COMPLETED ACQUISITION**

Dear [✂]

Consent under Schedule 7 paragraph 2(2C) of the Enterprise Act 2002 to certain actions for the purposes of the Order made by the Competition and Markets Authority ('CMA') on 6 October 2026

Completed acquisition by British Telecommunications Limited ('BT') of TalkTalk Telecommunications Limited and PlatformX Communications Limited (together, 'TalkTalk' or the 'Target') (the 'Transaction')

We refer to your emails dated 2 and 5 October 2026 requesting that the CMA consents to derogations to the Order of 6 October 2026 (the '**Order**'). The terms defined in the Order have the same meaning in this letter.

Under the Order, save for written consent by the CMA, BT, BT Group plc (together the '**Acquirer Group**') and the Target are required to hold separate the Target business from the Acquirer Group business and refrain from taking any action which might prejudice a reference under section 45 of the Act or impede the taking of any remedial action following such a reference.

In this case, the Secretary of State issued a public interest intervention notice on 5 October 2026 with a deadline for the CMA to investigate and report by 5 pm on 19 October 2026 (the '**PIIN**'). The PIIN notes that public interest considerations are or may be relevant to BT's completed acquisition of the Target, specifically the need to maintain, combat and mitigate the effects of public health emergencies and potentially, the need to maintain the continuity of supply of telecommunications services for the purposes of preventing disruption to public services, critical national infrastructure and supply to customers who are or may be vulnerable. In letters informing BT and TalkTalk of the PIIN, the Secretary of State notes the heightened risk of harm for vulnerable customers from a loss of service, including that they may be prevented from contacting emergency services, carers and other essential support. These letters also note that the scale of the affected customer base would materially constrain the market's ability to reconnect customers quickly, such that disruption could potentially continue for a significant period. Such widespread and

prolonged disconnection would in turn cause disruption to the normal functioning of the economy and society of the United Kingdom. The CMA also understands that the financial position of TalkTalk continues to deteriorate, with a pre-pack administration approved on 5 October 2026, and that immediate steps need to be taken to stabilise the TalkTalk business.

In these exceptional circumstances and after due consideration of your request for derogations from the Order, based on the information received from you, the Acquirer Group and the Target may carry out the following actions, in respect of the specific paragraphs:

1. Paragraphs 5(b), 5(c), 5(d) and 5(e) of the Order

BT submits that the Acquirer Group is active across a wide range of businesses in the UK and internationally, is financially well-resourced and benefits from strong management and governance structures. BT also submits that in these circumstances, it is unnecessary for the Order to restrict the Acquirer Group's ability to conduct and develop its businesses during the duration of the Order [X].

BT also submits that it is currently in the process of an [X] which commenced prior to the Transaction, and which is unrelated to the Transaction.

On the basis of BT's submissions and in the exceptional circumstances of this case, a derogation is granted from paragraphs 5(b), 5(c), 5(d) and 5(e) of the Order whereby the CMA consents to the following:

- a) The Acquirer Group shall not be restricted under paragraph 5(b) of the Order in how it maintains the Acquirer Group business as a going concern.
- b) The Acquirer Group shall not be restricted under paragraph 5(c) of the Order in relation to any changes it may consider making to the organisational structure of the Acquirer Group.
- c) The Acquirer Group shall not be restricted under paragraph 5(d) of the Order from changing the nature, description, range and quality of goods or services (or both) supplied in the UK by the Acquirer Group business.
- d) The Acquirer Group shall not be restricted under paragraph 5(e) of the Order from maintaining and preserving, disposing of, or creating or disposing of any interest in the assets of the Acquirer Group business.

2. Paragraphs 5(c), 5(i), 5(j) and 5(l) of the Order

BT submits that in order to support the [X], it is necessary to appoint [X]. BT submits that they offer important complementary expert skills in relation to the Target's operational and finance functions and fill senior skills gaps in the Target [X].

A derogation is granted from paragraphs 5(c), 5(i), 5(j) and 5(l) of the Order for the appointments of the [X] subject to the following conditions:

- 1) This derogation will not result in any integration between the Target business and the Acquirer Group business.
- 2) The [X] do not hold a position of executive or management responsibility for any of the Acquirer Group's businesses which compete directly with the Target business, and will not sit on any Boards of the Acquirer Group.
- 3) As soon as reasonably practicable following their appointment, and subject to agreement with the CMA as to the practical implementation of this condition, each [X] shall: (a) relinquish any roles or duties undertaken on behalf of the Acquirer Group business (as applicable); (b) have their general access to the Acquirer Group's office premises and IT systems limited (in accordance with a protocol to be approved by the CMA); (c) receive tailored training and guidance on the terms of the Order and its application to their specific roles; and (d) enter into appropriate confidentiality, non-disclosure and non-use obligations in a form approved by the CMA, preventing the sharing of information received under this derogation with any unauthorised individuals within the Acquirer Group business.
- 4) No changes to the identity of the [X] are permitted without the prior written consent of the CMA (which can be provided via email).
- 5) If deemed necessary by the CMA, IT firewalls and/or other ringfencing measures are put in place to prevent any unauthorised individuals within the Acquirer Group from accessing the information shared by the Target business with the [X].

3. Paragraphs 5(c), 5(i), 5(j) and 5(l) of the Order

BT submits that it is necessary to [X], who will each have the right to:

- a) attend the Target's management and operational meetings as an observer and offer advice and guidance to the Target's management and business teams with a view to supporting the stability and continuity of the Target's operations;
- b) supervise and manage the Acquirer Group's integration planning activities;
- c) report back to the Acquirer Group on stability and integration issues to assist the Acquirer Group with considering targeted support to safeguard [X] during the Order period;
- d) identify any talent or skills gap of importance to the viability of the Target, whether or not that gap arises from a departure of Target staff or management or from a role that did not previously exist within the Target's organisational structure; and
- e) report back on the Acquirer Group in accordance with the clean team arrangements specified below

(the [X]).

A derogation is granted from paragraphs 5(c), 5(i), 5(j) and 5(l) of the Order subject to the following conditions:

- 1) This derogation will not result in any integration between the Target business and the Acquirer Group business.
- 2) Neither the [X] holds a position of executive or management responsibility for any of the Acquirer Group's businesses which compete directly with the Target business.
- 3) Neither the [X] shall perform any management function for the Acquirer Group for the duration of this appointment.
- 4) As soon as reasonably practicable following their appointment, and subject to agreement with the CMA as to the practical implementation of this condition, the [X] will enter into appropriate confidentiality, non-disclosure and non-use obligations in a form approved by the CMA, preventing the [X] from sharing information received under this derogation with any unauthorised individuals within the Acquirer Group business.
- 5) No changes to the identity of the [X] are permitted without the prior written consent of the CMA (which can be provided via email).
- 6) The [X] must only access information of the Target business that is strictly necessary for the [X].
- 7) If deemed necessary by the CMA, IT firewalls and/or other ringfencing measures are put in place to prevent any unauthorised individuals within the Acquirer Group from accessing the information shared with the [X] for the [X].
- 8) The [X] can report back to the Acquirer Group on the progress of their [X] without disclosing competitively sensitive information relating to the Target business. [X]
- 9) Other issues should be raised by the [X] with the [X] to ensure that competitively sensitive information is not shared outside of the clean team environment. [X]:
 - a. [X] who do not hold any day-to-day strategic or commercial decision-making role within the Acquirer Group business.
 - b. No changes to the [X] are permitted without the prior written consent of the CMA (which can be provided via email).
 - c. Each member of the [X] shall enter into appropriate confidentiality, non-disclosure and non-use obligations in a form approved by the CMA, preventing them from sharing information received under this derogation

with any unauthorised individuals within the Acquirer Group business, save that the [X] may prepare reports to others at the Acquirer Group strictly on a need-to-know basis, provided such reports do not contain competitively sensitive information of the Target business.

- d. The [X] shall maintain a record of communications with the Target business and the information accessed under this derogation.
- e. If deemed necessary by the CMA, IT firewalls and/or other ringfencing measures should be put in place to prevent any unauthorised individuals within the Acquirer Group from accessing the information shared with the [X] for the [X].
- f. This derogation will not result in any integration between the Target business and the Acquirer Group business.

10) As required by any remedial action in relation to the Target business, the Acquirer Group will ensure that any records or copies (electronic or otherwise) of business secrets, know-how, commercially-sensitive information, intellectual property or any other information of a confidential or proprietary nature, wherever they may be held, that were received from the Target business for the purposes of this derogation will be returned to the Target business and any copies destroyed, except to the extent that record retention is required by law or regulation.

4. Paragraphs 5(i), 5(j) and 5(l) of the Order

BT submits that where the [X] identifies [X].

A derogation is granted from paragraphs 5(i), 5(j) and 5(l) of the Order subject to the following conditions:

- 1) [X]: (a) relinquish any roles or duties undertaken on behalf of the Acquirer Group business (as applicable); (b) have his/her general access to the Acquirer Group's office premises and IT systems limited in accordance with a protocol approved by the CMA; (c) receive tailored training and guidance on the terms of the Order and its application to their specific roles; and d) prior to their secondments, each Acquirer Group Seconded will enter into appropriate confidentiality, non-disclosure and non-use obligations in a form approved by the CMA, preventing them from sharing information received under this derogation with any unauthorised individuals within the Acquirer Group business.
- 2) For each [X], the Acquirer Group shall notify the CMA of [X] within 24 hours of the [X].

- 3) The [X] shall report to the Target's management team for all commercial activities for the duration of the [X].
- 4) The [X] will not be exposed to a conflict of interest that impairs their objectivity and independence in discharging their functions in their roles within the Target business.
- 5) The [X], from the point at which their [X]: (a) relinquish any roles or duties undertaken on behalf of the Target business (as applicable); (b) have all access removed to the Target business' office premises, IT servers, email accounts and work devices; and (c) ensure that any records or copies (electronic or otherwise) of business secrets, know-how, commercially-sensitive information, intellectual property or any other information of a confidential or proprietary nature, wherever they may be held, that were received from the Target business for the purposes of this derogation will be returned to the Target business and any copies destroyed, except to the extent that record retention is required by law or regulation.

5. Paragraph 5(a) of the Order

BT submits that it may be necessary for the Acquirer [X].

A derogation is granted from paragraph 5(a) of the Order subject to the following conditions:

- 1) This derogation will not result in the Acquirer Group being able to determine the long term commercial or strategic direction of the Target or vice versa.
- 2) [X] (a) the Acquirer Group and the Target business remain independent, (b) there is an ongoing regulatory review of the Transaction, and (b) [X].

6. Paragraphs 5(g) and 5(l) of the Order

BT submits that it may be necessary for the Acquirer Group [X] and through general advertisements, to provide reassurance as to the continuity of service [X]. BT also submits that [X].

A derogation is granted from paragraphs 5(g) and 5(l) of the Order subject to the following conditions:

- 1) Members of the clean team for the purpose of this derogation ([X]) will need to be approved by the CMA (which can be provided via email). Information to be made available to the members of the [X] must be limited to what is strictly necessary for the [X]. No changes to the [X] are permitted without the prior written consent of the CMA (which can be provided via email).
- 2) Prior to their appointments, [X] will enter into appropriate confidentiality, non-disclosure and non-use obligations in a form approved by the CMA, preventing

them from sharing information received under this derogation with any unauthorised individuals within the Acquirer Group business.

- 3) If deemed necessary by the CMA, IT firewalls and/or other ringfencing measures should be put in place to prevent any unauthorised individuals within the Acquirer Group from accessing the information shared with the [X].
- 4) All communications made to the Target business' customers and resellers under this derogation shall make clear that there is an ongoing regulatory review of the Transaction and that the Target business will be required to operate separately and that the customers and resellers shall continue to communicate exclusively with the Target business in relation to their commercial interactions with the Target business until the conclusion of this CMA's review.
- 5) As required by any remedial action in relation to the Target business, the Acquirer Group will ensure that any records or copies (electronic or otherwise) of business secrets, know-how, commercially-sensitive information, intellectual property or any other information of a confidential or proprietary nature, wherever they may be held, that were received from the Target business for the purposes of this derogation will be returned to the Target business and any copies destroyed, except to the extent that record retention is required by law or regulation.

7. Paragraph 5(g) of the Order

BT submits that it may be necessary for the Acquirer Group [X]. BT submits that [X].

A derogation is granted from paragraph 5(g) of the Order subject to the following conditions:

- 1) The Target shall notify the CMA at least 24 hours [X].
- 2) Members of the clean team for the purpose of this derogation ([X]) will need to be approved by the CMA (which can be provided via email). No changes to the [X] are permitted without the prior written consent of the CMA (which can be provided via email).
- 3) Information to be made available to the members of the [X] must be limited to what is strictly necessary for the [X].
- 4) The scope of the permitted information that can be accessed by the [X] will be limited to that which is strictly necessary for the [X] respectively. Each clean team shall maintain a record of communications with the Target business and the information accessed under this derogation.
- 5) Prior to their appointments, each member of the [X] will enter into appropriate confidentiality, non-disclosure and non-use obligations in a form approved by the

CMA, preventing them from sharing information received under this derogation with any unauthorised individuals within the Acquirer Group business.

- 6) If deemed necessary by the CMA, IT firewalls and/or other ringfencing measures should be put in place to prevent any unauthorised individuals within the Acquirer Group from accessing the information shared with the [X].
- 7) [X].
- 8) [X] there is an ongoing regulatory review of the Transaction and that the Target business will be required to operate separately until the conclusion of this review [X].

8. Paragraphs 5(f) and 5(l) of the Order

BT submits that it may be necessary for the Acquirer Group to [X].

BT also submits that it may be necessary for the Acquirer Group to [X].

BT also submits that [X].

A derogation is granted from paragraphs 5(f) and 5(l) of the Order subject to the following conditions:

- 1) For the [X], members of the clean team (the [X]) must not hold any day-to-day strategic or commercial decision-making role within the Acquirer Group business and must be approved by the CMA (which can be provided via email). For the [X], the same rules apply for that clean team (the [X]). No changes to the [X] are permitted without the prior written consent of the CMA (which can be provided via email).
- 2) The scope of the permitted information that can be accessed by the [X] will be limited to that which is strictly necessary for the [X] respectively. Each clean team shall maintain a record of communications with the Target business and the information accessed under this derogation.
- 3) Prior to their appointments, each member of the [X] will enter into appropriate confidentiality, non-disclosure and non-use obligations in a form approved by the CMA, preventing them from sharing information received under this derogation with any unauthorised individuals within the Acquirer Group business.
- 4) If deemed necessary by the CMA, IT firewalls and/or other ringfencing measures should be put in place to prevent any unauthorised individuals within the Acquirer Group from accessing the information shared with the [X].
- 5) As required by any remedial action in relation to the Target business, the Acquirer Group will ensure that any records or copies (electronic or otherwise) of business secrets, know-how, commercially-sensitive information, intellectual property or

any other information of a confidential or proprietary nature, wherever they may be held, that were received from the Target business for the purposes of this derogation will be returned to the Target business and any copies destroyed, except to the extent that record retention is required by law or regulation.

9. Paragraphs 5(g) and 5(l) of the Order

BT submits that where [X]. BT also submits that [X].

A derogation is granted from paragraphs 5(g) and 5(l) of the Order subject to the following conditions:

- 1) The Acquirer Group shall [X].
- 2) For the [X], the members of the clean team (the [X]) must be approved by the CMA (which can be provided via email).
- 3) The scope of the permitted information that can be accessed by the [X] will be limited to that which is strictly necessary for the [X]. The [X] shall maintain a record of communications with the Target business and the information accessed under this derogation.
- 4) No changes to the [X] are permitted without the prior written consent of the CMA (which can be provided via email).
- 5) Prior to their appointments, each member of the [X] will enter into appropriate confidentiality, non-disclosure and non-use obligations in a form approved by the CMA, preventing them from sharing information received under this derogation with any unauthorised individuals within the Acquirer Group business.
- 6) If deemed necessary by the CMA, IT firewalls and/or other ringfencing measures should be put in place to prevent any unauthorised individuals within the Acquirer Group from accessing the information shared [X].
- 7) [X].
- 8) [X] there is an ongoing regulatory review of the Transaction and that the Target business will be required to operate separately until the conclusion of this review.

10. Paragraphs 5(g) and 5(l) of the Order

BT submits that it is [X].

A derogation is granted from paragraphs 5(g) and 5(l) of the Order subject to the following conditions:

- 1) For the [X], members of the clean team (the [X]) must be approved by the CMA (which can be provided via email). No changes to the [X] are permitted without the prior written consent of the CMA (which can be provided via email).
- 2) The scope of the permitted information that can be accessed by the [X] will be limited to that which is strictly necessary for the [X].
- 3) Prior to their appointments, each member of the [X] will enter into appropriate confidentiality, non-disclosure and non-use obligations in a form approved by the CMA, preventing them from sharing information received under this derogation with any unauthorised individuals within the Acquirer Group business.
- 4) If deemed necessary by the CMA, IT firewalls and/or other ringfencing measures should be put in place to prevent any unauthorised individuals within the Acquirer Group from accessing the information shared with the [X].

11. Paragraphs 4(a), 5(c) and 5(l) of the Order

BT submits that, [X]. BT submits that [X]. BT confirms that [X].

A derogation is granted from paragraphs 4(a), 5(c) and 5(l) of the Order for the [X] subject to the following conditions:

- 1) The Target business and the Acquirer Group business shall otherwise continue to be operated, managed, invoiced and accounted for separately [X].
- 2) For the [X], the members of the clean team (the [X]) must be approved by the CMA (which can be provided via email). No changes to the [X] are permitted without the prior written consent of the CMA (which can be provided via email).
- 3) The scope of the permitted information that can be accessed by the [X] will be limited to that which is strictly necessary for the [X]. The [X] shall maintain a record of communications with the Target business and the information accessed under this derogation.
- 4) Prior to their appointments, each member of the [X] will enter into appropriate confidentiality, non-disclosure and non-use obligations in a form approved by the CMA, preventing them from sharing information received under this derogation with any unauthorised individuals within the Acquirer Group business.
- 5) If deemed necessary by the CMA, IT firewalls and/or other ringfencing measures should be put in place to prevent any unauthorised individuals within the Acquirer Group from accessing the information shared with the [X].

12. Paragraphs 5(g) and 5(l) of the Order

BT submits that it may be necessary for the Acquirer Group [X]. BT submits that [X].

A derogation is granted from paragraphs 5(g) and 5(l) of the Order for the [X] subject to the following conditions:

- 1) For the [X], the members of the clean team (the [X]) must be approved by the CMA (which can be provided via email). No changes to the [X] are permitted without the prior written consent of the CMA (which can be provided via email).
- 2) The scope of the permitted information that can be accessed by the [X] will be limited to that which is strictly necessary for the [X]. The [X] shall maintain a record of communications with the Target business and the information accessed under this derogation.
- 3) Prior to their appointments, each member of the [X] will enter into appropriate confidentiality, non-disclosure and non-use obligations in a form approved by the CMA, preventing them from sharing information received under this derogation with any unauthorised individuals within the Acquirer Group business.
- 4) If deemed necessary by the CMA, IT firewalls and/or other ringfencing measures should be put in place to prevent any unauthorised individuals within the Acquirer Group from accessing the information shared with the [X].

Alex Moore, Director, Mergers

6 October 2026

ANNEX

Penalties for the provision of false or misleading information

1. Imposition of civil penalties

- 1.1 Under section 110(1A) of the Act, the CMA may impose a penalty on a person in accordance with section 111 of the Act where the CMA considers that:
- (a) The person has, without reasonable excuse, supplied information that is false or misleading in a material respect to the CMA in connection of any of the CMA's functions under Part 3 of the Act;
 - (b) The person has, without reasonable excuse, supplied information that is false or misleading in a material respect to another person knowing that the information was to be used for the purpose of supplying information to the CMA in connection with any function of the CMA under Part 3 of the Act.
- 1.2 Under section 110(1C) of the Act, the CMA may not impose such a penalty in relation to an act or omission which constitutes an offence under section 117 of the Act if the person has, by reason of the act or omission, been found guilty of that offence.

2. Amount of penalty

- 2.1 Under section 111(4), a penalty imposed under section 110(1A) shall be of such amount as the CMA considers appropriate.
- 2.2 A penalty imposed under section 110(1A) on a person who does not own or control an enterprise shall be a fixed amount that must not exceed £30,000.
- 2.3 Under section 111(4A) a penalty imposed under section 110(1A) on any other person shall be a fixed amount that must not exceed 1% of the total value of the turnover (both in and outside the United Kingdom) of the enterprises owned or controlled by the person.
- 2.4 In deciding whether and, if so, how to proceed under section 110(1A), the CMA must have regard to the statement of policy which was most recently published under section 116 at the time when the act of omission occurred.