

**COMPLETED ACQUISITION BY ZIPCAR INC OF STREETCAR LIMITED**

**Directions issued pursuant to paragraph 6 of the Undertakings given by  
Zipcar Inc and Zipcar (UK) Limited and adopted by the  
Competition Commission on 10 August 2010**

On 10 August 2010 the Office of Fair Trading (OFT) made a reference to the Competition Commission (CC) in accordance with section 22 of the Enterprise Act (the Act) concerning the completed acquisition by Zipcar Inc of Streetcar Limited.

On 10 August 2010 the CC adopted Undertakings in accordance with section 80(3) of the Act for the purpose of ensuring that no action is taken pending the determination of the reference which might prejudice that reference or impede the taking of any action by the CC under Part 3 of the Act which might be justified by the CC's decisions on the reference.

The CC now issues written Directions under paragraph 6 of the Undertakings that, for the purpose of securing compliance with the Undertakings, Zipcar Inc and Zipcar (UK) Limited shall appoint a monitoring trustee in accordance with the terms provided for in the Annex and shall comply with the obligations set out in the Annex.

*(signed)* PETER DAVIS  
Group Chair  
20 August 2010

## Directions to appoint a monitoring trustee

### Interpretation

1. In these Directions:

'**MT**' means the monitoring trustee appointed in accordance with paragraphs 2 and 7 below;

'**Undertakings**' means the Undertakings given by Zipcar Inc and Zipcar (UK) Limited and adopted by the CC on 10 August 2010 and terms and expressions defined in the Undertakings shall have the same meaning in these Directions, unless the context requires otherwise; and

'**Zipcar**' means Zipcar Inc and Zipcar (UK) Limited.

### Appointment

2. Zipcar shall appoint an MT in order to:
  - (a) preserve the possibility of the CC taking any remedial action which may be required; and
  - (b) monitor compliance by Zipcar with the Undertakings.
3. The MT shall act on behalf of the CC and be under an obligation to the CC to carry out his functions to the best of his abilities.
4. Zipcar shall cooperate fully with the MT, in particular as set out below, and Zipcar shall ensure that the terms and conditions of appointment of the MT reflect and give effect to the functions and obligations of the MT and the obligations of Zipcar as set out in these Directions.

### General

5. The MT shall possess appropriate qualifications and experience to carry out his functions.
6. The MT shall neither have nor become exposed to a conflict of interest that impairs the MT's objectivity and independence in discharging his duties under these Directions, unless it can be resolved in a manner and within a timeframe acceptable to the CC.
7. Zipcar shall remunerate and reimburse the MT for all his reasonable costs properly incurred in accordance with the terms and conditions of his appointment and in such a way so as not to impede the MT's independence or ability to effectively and properly carry out his functions.
8. Zipcar shall appoint the MT as soon as is reasonably practicable and in any event by **5pm on Friday 27 August 2010** and the MT shall continue to act until the CC has finally determined the reference (within the meaning of section 79 of the Act).

9.
  - (a) The appointment of an MT by Zipcar shall be subject to the approval of the CC as to the identity of the MT and his terms and conditions of appointment in their entirety.
  - (b) Zipcar shall inform the CC as soon as is reasonably practicable and in any event by **12pm on Tuesday 24 August** of the identity of the MT that Zipcar proposes to appoint and provide the CC with draft terms and conditions of appointment.
  - (c) Once the MT has been approved by the CC and appointed, Zipcar shall provide the CC with a copy of his agreed terms and conditions of appointment.

## Functions

10. The Functions of the MT shall be to:
  - (a) ascertain the current level of compliance by Zipcar with the Undertakings; and
  - (b) assess the arrangements made by Zipcar for compliance with the Undertakings and what changes to those arrangements, if any, are necessary to preserve the possibility of the CC taking any remedial action, if required.

The MT will also be required to:

  - (c) identify and supervise if necessary the arrangements made by Zipcar for ensuring compliance with the Undertakings;
  - (d) monitor compliance by Zipcar with the Undertakings; and
  - (e) without prejudice to the right of Zipcar to contact the CC, respond to any questions which Zipcar may have in relation to compliance with the Undertakings, in consultation with the CC.
11. The MT shall take such steps as he reasonably considers necessary in order for him to effectively carry out his Functions, including, but not limited to, the monitoring of communications within and between Zipcar and Streetcar Limited, including written and electronic communications, telephone conversations and meetings.
12. The MT shall comply with any requests made by the CC for the purpose of ensuring the full and effective compliance by Zipcar with the Undertakings.

## Obligations of Zipcar Inc and Zipcar (UK) Limited

13. Zipcar, its subsidiaries and their employees, officers, directors, advisers and consultants, shall cooperate fully with the MT, in particular by providing the MT with all cooperation, assistance and information as the MT may reasonably require in order to discharge his Functions, including but not limited to:
  - (a) the provision of full and complete access to all personnel, books, records, documents, facilities and information of Zipcar (UK) Limited and Streetcar Limited as the MT may reasonably require; and
  - (b) the provision of such office and supporting facilities as the MT may reasonably require.

14. If Zipcar or any of its subsidiaries is in any doubt as to whether any action or communication would infringe the Undertakings, it is permitted to contact the MT for clarification.
15. If Zipcar or any of its subsidiaries has any reason to suspect that the Undertakings may have been breached, it must notify the MT and the CC immediately.

### **Reporting functions**

16. The MT is required to provide an initial report to the CC no later than ten days following the date of his appointment giving details of any arrangements which have been, or should be, put in place to ensure compliance with the Undertakings, and including among other things:
  - (a) details of the current extent of compliance with the Undertakings;
  - (b) a description of the current arrangements made for the operation of the business of Streetcar Limited; and
  - (c) recommendations as to what changes to those arrangements, if any, are necessary.
17. In addition to providing the initial report referred to in paragraph 16 above, the MT shall provide every fortnight thereafter (or otherwise as required by the CC) a statement to the CC stating whether or not, in his view, Zipcar has complied with the Undertakings. At the same time, the MT shall provide the CC with a report setting out the following:
  - (a) the basis for the MT's view that the Undertakings have, or have not as the case may be, been complied with, and in particular whether:
    - (i) anything has caused him to be concerned as to whether Zipcar has complied with the Undertakings, and if it has, whether those concerns have been resolved and why;
    - (ii) he has any remaining doubts or uncertainties as to whether Zipcar has complied with the Undertakings; and
    - (iii) anything causes him to be concerned about a possible future breach of the Undertakings (whether deliberate or inadvertent);
  - (b) details of the performance of the business of Streetcar Limited, including any factors that might indicate asset deterioration;
  - (c) whether appropriate steps are being taken to maintain the business of Streetcar Limited as a going concern;
  - (d) the extent to which Zipcar has cooperated with the MT in his task of monitoring its compliance with the Undertakings and details of any aspects of the cooperation of Zipcar that he considers could be improved;
  - (e) the extent to which the MT considers that he is in an appropriate position to monitor the compliance of Zipcar with the Undertakings and if there is anything that he considers would assist him in monitoring compliance;
  - (f) any current or anticipated requests for consent to vary the Undertakings; and

(g) the information he used to compile the report.

18. When providing his reports to the CC the MT must ensure that he does not disclose any information or documents to the CC which Zipcar would be entitled to withhold from the CC on the grounds of legal privilege.
19. The MT should immediately notify the CC in writing if he forms a reasonable suspicion that the Undertakings have been breached, or if he considers that he is no longer in a position to effectively carry out his Functions. In that situation, the MT should give reasons for his views; including any supporting evidence available to him (unless doing so would infringe his obligations referred to in paragraph 18 above).
20. All communications between the MT and the CC (including the statements and reports referred to in paragraphs 16 and 17) are confidential and should not be disclosed to Zipcar, save with the prior written consent of the CC. The MT shall not disclose such communications to third parties.