

Voluntary assurances from Clear Channel UK and JCDecaux UK

These voluntary assurances are given by Clear Channel UK ('CCUK') and JCDecaux UK in the context of the OFT's Competition Act 1998 investigation into street furniture advertising contracts entered into between CCUK or JCDecaux UK on the one hand and a Local Authority or Public Transport Authority in Great Britain on the other. In this context, the OFT has made no finding of any infringement of the Competition Act 1998 and none should be assumed as a result of the offering of these assurances. As a result of CCUK and JCDecaux UK making these assurances, the OFT has closed its investigation on the grounds that it no longer meets the OFT's administrative priorities.

Definitions:

'Company' means the company providing the voluntary assurances (together with any parent company and/or subsidiary company), their servants or agents in each case insofar as they relate to street furniture advertising contracts in Great Britain.

'Date of build clause' means any clause or clauses in a street furniture advertising contract which has or have the effect of linking the termination date of the contract to the date of installation of street furniture specified in the contract.

'Exclusivity terms' refers to any clauses in a street furniture advertising contract which have the effect of restricting the freedom of the relevant LA to contract with a competitor of the Company.

'LA' means any Local Authority or Public Transport Authority in Great Britain.

'Right of first refusal' means any clause in a street furniture advertising contract which requires the LA to give the Company an opportunity to bid to install new street furniture before the LA can offer that opportunity to other competitors.

'Street furniture' means bus shelters, free standing advertising panels, Council Information Panels, automatic public conveniences, and any other

freestanding apparatus which is capable of displaying small-format advertising on public highways or publicly owned land.

'Street furniture advertising' means any advertising on street furniture.

'Street furniture advertising contract' means any contract with an LA pursuant to which CCUK or JCDecaux UK (as relevant) is able to sell advertising space on street furniture in Great Britain.

'Tacit renewal' means any arrangement whereby a street furniture advertising contract is renewed automatically at the end of its term if neither party requests that the contract be terminated.

Assurances

1. Limiting exclusivity terms in existing and future street furniture advertising contracts
 - a. Where an existing or future street furniture advertising contract contains exclusivity terms:
 - i. At locations more than 25 metres from existing street furniture advertising sites identified under the terms of the contract, the Company will not enforce any exclusivity terms insofar as these have the effect of preventing a competitor from installing or selling advertising space on street furniture of a different type to that already installed or maintained by the Company, or for which sites have been identified, under the terms of the contract.

For example, if the Company only installs or maintains bus shelters under the terms of a particular contract, the Company will not enforce any exclusivity terms in this contract which prevent competitors from installing free standing advertising panels or other types of advertising aside from bus shelter advertising at a distance of more than 25 metres from existing sites.

- ii. At locations 25 metres or less from existing street furniture advertising sites identified under the terms of the contract, the contractually agreed exclusivity terms will remain unchanged.
- b. Where an existing or future street furniture contract contains rights of first refusal, the Company will not enforce these rights insofar as they apply to types of furniture that are not already installed or maintained by the Company under the terms of the same contract.

For example, if the Company only installs or maintains bus shelters under the terms of a particular contract, the Company will not enforce any rights of first refusal over free standing advertising panels or other types of street furniture aside from bus shelters.

2. Removing tacit renewal terms

- a. The Company will not enforce any tacit renewal terms in existing or future street furniture advertising contracts, except where a renewal period has already been triggered as at 17 May 2012. This does not preclude the Company and the LA agreeing a contract extension as permitted under 4b and/or 4c.

3. Clarifying contract end dates

- a. The Company will set out a fixed end date for any new street furniture advertising contract (either directly or indirectly, for example by specifying a contract start date and fixed contract term). The end date will not be contingent on other factors, such as the date of completing the installation of street furniture. For the avoidance of doubt, this assurance does not preclude the inclusion of break clauses in contracts, or contract extensions as permitted under 4b and/or 4c.
- b. The Company will not enforce any date of build clauses in street furniture advertising contracts except where, as at 17 May

2012, the end date of the contract has been made clear in writing to the LA.

- c. The Company will confirm in writing the expected end date of existing street furniture advertising contracts with each LA by 17 June 2012.

4. Limiting contract extensions

- a. The Company will not proactively seek extensions of existing street furniture advertising contracts which are coming up for renewal.
- b. However, if an LA has not re-tendered its existing street furniture advertising contract and the contract is due to terminate within 12 months, the Company may approach that LA to discuss renegotiation for a single additional interim period of no more than 12 months.
- c. For the avoidance of doubt, the assurances given in 4a and 4b do not prevent the Company from responding to an LA itself seeking renegotiation or re-tendering of an existing street furniture advertising contract (whether as a result of an approach to the LA by a competitor or otherwise).

5. Clarifying asset ownership terms in all street furniture advertising contracts and ensuring a level playing field for incumbents and new entrants

- a. On termination of a street furniture advertising contract, the Company will remove its street furniture free of charge within a reasonable period of time unless otherwise specified in the street furniture advertising contract or otherwise agreed between the parties to that contract.
- b. On termination of a street furniture advertising contract, the Company will cooperate with the relevant LA to facilitate transfer to a new operator.

- c. For future street furniture advertising contracts, subject to the agreement of the relevant LA, the Company will ensure that ownership arrangements at the end of the term are clearly specified in the contract.

The OFT will be able to publicise these assurances in its absolute discretion.

The Company understands that the OFT may (in its absolute discretion) choose to publicise a list of the end dates of existing street furniture advertising contracts current as at 17 May 2012, and consents to the release of this information.

The Company will send letters to all LAs with which it holds existing contracts by 17 June 2012 setting out the assurances.

For a period of 5 years from 17 May 2012, when the Company is bidding for a new street furniture advertising contract (whether through open tender, negotiation, or any other arrangement) with an LA, the Company will inform the relevant LA of the assurances relating to future contracts at the time of sending an expression of interest or sending of a bid, whichever is the earlier.