

PART 8 OF THE ENTERPRISE ACT 2002 (EA02)

MYCITYDEAL LIMITED (T/A GROUPON UK) (Groupon)

UNDERTAKING TO THE OFFICE OF FAIR TRADING (OFT) PURSUANT TO SECTION 219 EA02

Groupon has agreed to provide undertakings to the OFT in response to an investigation by the OFT, and alleged breaches, of the following:

1. The Consumer Protection from Unfair Trading Regulations 2008 (the CPRs)
2. The Unfair Terms in Consumer Contracts Regulations 1999 (the UTCCRs)
3. The Consumer Protection (Distance Selling) Regulations 2000 (the DSRs)

The giving of these undertakings is not a legal admission by or on behalf of Groupon of any breach by it of the above legislation.

In these undertakings 'Merchant' shall have the meaning ascribed to it in clause 2.1.1 of Groupon's Terms and Conditions namely, a third party seller of goods and services for which a Groupon voucher can be redeemed.¹

UNDERTAKING

Groupon, (company number 07112363), with a registered office at: No 1 Liverpool Street, London, EC2M 700, undertakes (whether by its officers, employees or agents, acting within its authority, or whether by directing any other body corporate, entity or individual with which it has a special relationship within the meaning of section 222(3) of the EA02 or an association) to the OFT that it **WILL COMPLY**, within 3 months of signing this undertaking, with the matters set out below:

1. **Groupon will comply with the CPRs by not engaging in any conduct set out in sections A - E below which:**

¹<http://www.groupon.co.uk/sites/www.groupon.co.uk/lp/lp/006/index.php>

- contravenes the requirements of professional diligence and materially distorts or is likely to materially distort the economic behaviour of the average consumer with regard to the goods or service in question, in breach of Regulation 3(3) of the CPRs, or
- is a misleading action, in breach of Regulation 3(4)(a) and 5 by containing false information or if it or its overall presentation in any way deceives or is likely to deceive and it causes the average consumer to take a transactional decision he would not otherwise have taken, or
- is a misleading omission, in breach of Regulation 3(4)(b) and 6 by omitting, hiding or providing in a manner which is unclear, unintelligible, ambiguous or untimely material information and it causes the average consumer to take a transactional decision he would not otherwise have taken, or
- is a banned practice under Schedule 1, in particular by:

A. Reference pricing

- a. using an inaccurate price as a reference price with Groupon's knowledge and involvement or where it would reasonably be expected to know that such prices are not genuine,
- b. providing reference prices, including savings, which are not accurate, honest and transparent,
- c. where a discount is advertised as being 'up to' and the extent of the discount depends on what options a consumer chooses, failing to set out the basis on which the reference price has been calculated,
- d. advertising a set X% off where the discount is dependent on the options chosen, and failing to advertise this as 'up to X% off',
- e. using general advertising which promotes offers at X% off

PROTECT

where fewer than 10% of any available deals represent that discount,

B. Dealings with Merchants

- f. failing to carry out accurate, honest and realistic assessments supported by reasoned justification of a Merchant's capacity to provide products or services in the amount or within the time frame suggested by the advertisement or that would otherwise be expected of a reasonably diligent operator,
- g. failing to take into account likely demand patterns when issuing vouchers or setting validity periods,
- h. rolling over a deal without the express approval of a Merchant that they will continue to be able to meet the demand,

C. Time limited offers

- i. giving a knowingly misleading impression of how much time is left to purchase a deal,

D. Products / services not as advertised

- j. allowing a deal to go live without the essential details of that deal (such as price, description of services/products for that deal and any restrictions or limitations on that deal) being agreed as accurate by the Merchant,
- k. failing to take reasonable steps to ensure that a Merchant is able to provide all products and services as advertised,
- l. failing to display clearly, prominently and on the same screen or before purchase all the limitations which apply to any deal,

E. Substantiation

- m. failing to take all reasonable steps to ensure that a health or beauty product claim is only promoted where it is supported by adequate substantiation.

PROTECT

2. **Groupon will comply with the UTCCRs by not including in terms and conditions of contract any of the terms in section F below, which:**

- have not been individually negotiated and which contrary to the requirements of good faith cause a significant imbalance in the parties' rights and obligations arising under the contract to the detriment of the consumer, in breach of Regulation 5 of the UTCCRs, and in particular:

F. Unfair terms:

n. any term that unfairly limits Groupon's liability,

o. any term that refers to failures which are reasonably within Groupon's control as constituting a force majeure event such as telecommunications or computer systems faults within Groupon's control,

p. any term that is not expressed in plain, intelligible language.

3. **Groupon will comply with the DSRs by not engaging in conduct listed in section G below which:**

- is a breach of a consumer's right to cancel in accordance with Regulations 10 to 12 of the DSRs, in particular:

G. Consumer not getting appropriately refunded

q. failing to ensure that any consumer is appropriately refunded in accordance with their legal rights.

In order to allow the OFT to monitor the undertakings and ensure that they are working effectively, Groupon will provide the OFT with consumer complaints and what steps they took in relation to them relating to matters within the scope of these undertakings three (3)

PROTECT

months, six (6) months and nine (9) months from the date of these undertakings.

I AM AUTHORISED TO SIGN THESE UNDERTAKINGS ON BEHALF OF GROUPON AND UNDERSTAND THAT BY SIGNING THEM THAT GROUPON WILL BE BOUND BY THEM. IF GROUPON BREACHES ANY OF THE ABOVE UNDERTAKINGS IT SHOULD BE AWARE THAT IT MAY BE THE SUBJECT OF AN APPLICATION TO THE COURT FOR AN ENFORCEMENT ORDER OR INTERIM ENFORCEMENT ORDER UNDER SECTIONS 215 OR 218 EA, RESPECTIVELY.

Signed on for and on behalf of MYCITYDEAL LIMITED (T/A GROUPON UK) by

Director's name (print):

MARK HOYT

Director's signature:



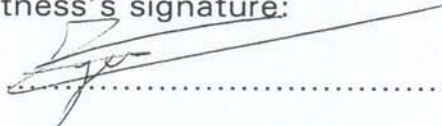
Date:

1 MAR 12

Witness's name (print):

TOM VAN DER PERKE

Witness's signature:



Date:

1 MAR 12

PROTECT

Director's name (print):

Bradley Downes

Director's signature:

Bradley Downes

Date:

1 March 2012

Witness's name (print):

TOM VAN DER LEE

Witness's signature:

[Signature]

Date:

1 MARCH 2012

Director's name (print):

ROY BLANCA

Director's signature:

[Signature]

Date:

08/03/2012

Witness's name (print):

GIULIA GRASSI

Witness's signature:

[Signature]

Date:

8th MARCH 2012

PROTECT

Director's name (print):

.....
TOBIAS ISUAOETSCH
.....

Director's signature:

.....

.....

Date:

.....
08/03/2012
.....

Witness's name (print):

.....
MICHELLE AGBO
.....

Witness's signature:

.....

.....

Date:

.....
08/03/2012
.....

PROTECT