

COMPETITION AND CONSUMER ACT 2010

Undertaking to the Australian Competition and Consumer Commission given for the purposes of section 87B

by

Lime Network Pty Ltd ACN 628 322 930

Person giving the Undertaking

- 1 This Undertaking is given to the Australian Competition and Consumer Commission (**ACCC**) by Lime Network Pty Ltd ACN 628 322 930 (**Lime**) of PricewaterhouseCoopers One International Towers Sydney, Watermans Quay, Barangaroo, 2000, in the State of New South Wales, for the purposes of section 87B of the *Competition and Consumer Act 2010* (Cth) (the **CCA**).

Background

Lime

- 2 Lime is the Australian subsidiary of Neutron Holdings Inc. (**Neutron**), which provides dockless bicycle and e-scooter rentals to metropolitan areas and universities around the world. Users locate, unlock and pay to hire the devices via Lime's smartphone application (the **Lime App**).
- 3 In Australia, Lime has offered its Lime-S Generation 2.5 model e-scooters (**Gen 2 e-scooters**) for hire in the following locations:
 - (a) Brisbane, from 16 November 2018 to 23 March 2020;
 - (b) Adelaide, from 15 February 2019 to 14 April 2019; and
 - (c) Victoria's Monash University Clayton campus, from 7 to 14 November 2018 for a trial period, with the e-scooters remaining available for use on campus until 10 December 2018.
- 4 In addition, Lime has offered its Lime-S Generation 3 model e-scooters (**Gen 3 e-scooters**) for hire in Brisbane, from 11 February 2020 to 23 March 2020.
- 5 Since Lime commenced operations in November 2018, more than 3 million trips have been taken on Lime's e-scooters in Australia.
- 6 In March 2020, Neutron and its subsidiaries commenced progressively suspending operations globally, due to the COVID-19 pandemic and the various public health measures imposed by governments. Lime's operations in Australia were suspended on 23 March 2020.

Conduct of concern

Implied safety misrepresentations

- 7 As a result of user feedback and reports in the media of user experiences starting in November 2018, Lime became aware that, in certain specific circumstances, excessive brake force, or locking, could occur on the front wheel of its Gen 2 e-scooters, resulting in the e-scooter stopping unexpectedly (the **Unexpected Stopping Issue**). Multiple consumers reported that they had incurred serious injuries due to the Unexpected Stopping Issue, including broken bones, damage to teeth, cuts and abrasions.

- 8 Lime continued to supply and promote its e-scooters in Australia until 23 March 2020. It did not adequately disclose to consumers the specific risk of death, serious injury or illness associated with the Unexpected Stopping Issue.
- 9 By engaging in this conduct, the ACCC considers Lime made implied representations that its Gen 2 e-scooters were safe to use and/or would not cause injury when used as intended (the **Safety Representations**), when, in the ACCC's view, they had a safety hazard due to the Unexpected Stopping Issue, and the potential to cause injury when used as intended.

Non-compliance with voluntary recall notification obligations

- 10 On at least three occasions, being on or about 19 February 2019, 25 February 2019, and 5 March 2019, Lime applied remote firmware updates to Gen 2 e-scooters in Australia.
- 11 On 23 February 2019, Lime published a blog post within its website describing the firmware updates (www.li.me/second-street/safety-update-february-2019). On 21 March 2019, Lime informed the ACCC about the Unexpected Stopping Issue and the firmware updates.
- 12 The firmware updates were designed to specifically address the safety hazard associated with the Unexpected Stopping Issue. The ACCC considers the application of each firmware update constituted a voluntary recall within the meaning of section 128 of the ACL.
- 13 The ACCC considers that, on each occasion a firmware update was applied to remedy the safety hazard, Lime had an obligation under section 128 of the ACL to give a written notice to the Commonwealth Minister within two days of applying the firmware update. Lime did not satisfy that obligation.

Non-compliance with mandatory injury reporting obligations

- 14 On at least 50 occasions since 16 November 2018, Lime became aware that the use, or foreseeable misuse, of Gen 2 e-scooters in Australia caused, or may have caused, the death of, or serious injury to, a person, or became aware that another person considered that the use, or foreseeable misuse, of Gen 2 e-scooters in Australia caused, or may have caused, the death of, or serious injury to, a person.
- 15 In addition, on a number of further occasions since 16 November 2018, as it relates to the Unexpected Stopping Issue, Lime became generally aware that the use, or foreseeable misuse, of Gen 2 e-scooters outside of Australia caused, or may have caused, serious injury to a person, or, as it relates to the Unexpected Stopping Issue, became aware that another person considered that the use, or foreseeable misuse, of Gen 2 e-scooters outside of Australia caused, or may have caused, serious injury to a person.
- 16 On each such occasion prior to December 2019, Lime failed to provide a written notice to the Commonwealth Minister within two days of becoming so aware.

Relevant provisions of the Australian Consumer Law (ACL)

- 17 Section 18 of the ACL prohibits a person, in trade or commerce, from engaging in conduct that is misleading or deceptive or is likely to mislead or deceive.
- 18 Section 29(1)(a) of the ACL provides that a person must not, in trade or commerce, in connection with the supply or possible supply of goods or services or in connection with the promotion by any means of the supply or possible supply of goods or services make a false or misleading representation that goods are of a particular standard, quality, value, grade, composition, style or model or have had a particular history or particular previous use.
- 19 Section 33 of the ACL provides that a person must not, in trade or commerce, engage in conduct that is liable to mislead the public as to the nature, the manufacturing process, the characteristics, the suitability for their purpose or the quantity of any goods.

- 20 Section 128 of the ACL provides that if a person voluntarily takes action to recall consumer goods of a particular kind because the consumer goods will or may cause injury to any other person, or a reasonably foreseeable use (including a misuse) of the consumer goods will or may cause injury to any other person, the person must, within two days after taking the action, give the Commonwealth Minister a written notice that complies with section 128(7) of the ACL.
- 21 Section 131 of the ACL provides that if a person (the supplier), in trade or commerce, supplies consumer goods, and the supplier becomes aware of the death or serious injury or illness of any person and considers that the death or serious injury or illness was caused, or may have been caused, by the use or foreseeable misuse of the consumer goods, or becomes aware that a person other than the supplier considers that the death or serious injury or illness was caused, or may have been caused, by the use or foreseeable misuse of the consumer goods, the supplier must, within two days of becoming so aware, give the Commonwealth Minister a written notice that complies with section 131(5) of the ACL.

ACCC's concerns

- 22 The ACCC considers that in the circumstances set out at paragraphs 7 to 16 above, Lime failed to adequately notify consumers and the Commonwealth Minister of certain safety issues or defects and recall actions, and of any deaths, serious injuries or illnesses, involving its Gen 2 e-scooters, in contravention of sections 18, 29, 33, 128 and 131 of the ACL.
- 23 The ACCC considers that Lime's failure to adequately alert consumers of the Unexpected Stopping Issue placed them at risk of serious injury.
- 24 Further, the ACCC considers Lime's failure to notify the Commonwealth Minister of the serious injuries suffered by consumers as described in paragraphs 14 to 16 undermined the effective operation of Australia's product safety regulations.

Acknowledgements, Admissions and Resolution

- 25 Lime acknowledges that the Safety Representations were likely to have been false or misleading and therefore likely to have contravened sections 18, 29(1)(a) and 33 of the ACL, prior to the implementation of the firmware updates released in February 2019 and March 2019 which were designed to address the Unexpected Stopping Issue.
- 26 Lime acknowledges that, if the application of the firmware updates constituted a voluntary recall within the meaning of section 128 of the Australian Consumer Law, as the ACCC considers to be the case, then by engaging in the conduct set out in paragraphs 10 to 13 above, it is likely to have contravened section 128 of the ACL.
- 27 By reason of the matters set out in paragraphs 14 to 16 above, Lime admits that, each time it failed to report a serious injury to the Commonwealth Minister, it breached its reporting obligations under section 131 of the ACL.
- 28 To resolve the ACCC's concerns, Lime has offered this Undertaking to the ACCC.

Commencement and terms of this Undertaking

- 29 This Undertaking comes into effect when:
- (a) this Undertaking is executed by Lime; and
 - (b) this Undertaking so executed is accepted by the ACCC.

(the **Commencement Date**).

- 30 This Undertaking has effect for three years after the Commencement Date (the **Term**).

- 31 Upon the Commencement Date, Lime undertakes to assume the obligations set out in paragraphs 32 to 42 below for the Term of the Undertaking for the purposes of section 87B of the CCA.

Email to Lime users

- 32 Lime will, within 30 days of the Commencement Date, send or cause to send an email containing a statement in the form and terms of **Annexure A** to this Undertaking, ensuring that:
- (a) the email is sent to all registered users of the Lime App in Australia; and
 - (b) the email shall:
 - (i) contain the subject line "Lime undertakes to ACCC to address concerns about its e-scooters" and the body of the email shall be in a type not less than 11 point; and
 - (ii) include the business logo of Lime at the top.

Statement on the Lime website

- 33 Lime will, within 30 days of the Commencement Date, publish or cause to be published, on a webpage to which website viewers located in Australia are automatically redirected when they visit www.li.me, a statement in the form and terms of Annexure A to this Undertaking, ensuring that:
- (a) the statement is prominently hyperlinked at the top of the homepage of the website; and
 - (b) the statement remains on the website for no less than 30 days; and
 - (c) the statement shall:
 - (i) have a bold type heading in at least 16 point type and the body of the statement shall be in a type not less than 11 point; and
 - (ii) include the business logo of Lime at the top.

Additional obligations in the event Lime recommences operations in Australia

- 34 In the event Lime recommences operations in Australia during the Term of this Undertaking, Lime undertakes for the purposes of section 87B of the CCA to assume the additional obligations set out in paragraphs 36 to 40 below.
- 35 For the purposes of this Undertaking, "recommences operations" means the date on which Lime recommences supplying e-scooters (or other devices) for hire to consumers in Australia (the **Recommencement of Operations Date**).

Notification to ACCC of recommencement of operations

- 36 Lime will notify the ACCC at least one month prior to the Recommencement of Operations Date.

E-scooter models upon Recommencement of Operation

- 37 Lime will, from the Recommencement of Operations Date, supply only Gen 3 e-scooters or other later models of e-scooters for hire to consumers in Australia.

Actions to address safety issues

- 38 Lime will, upon the Recommencement of Operations Date, in the event that Lime:
- (a) becomes aware of any safety issue or defect affecting e-scooters that Lime supplies for hire to consumers in Australia or the safe use of such e-scooters;
 - (b) becomes aware, regardless of whether the information source is from within Australia or overseas, that the use, or foreseeable misuse, of any e-scooters it supplies for hire to consumers in Australia caused, or may have caused, the death, serious injury or illness of a person; or
 - (c) becomes aware, regardless of whether the information source is from within Australia or overseas, that another person considered that the use, or foreseeable misuse, of any e-scooters it supplies for hire to consumers in Australia caused, or may have caused, the death, serious injury or illness of a person;

take timely actions to enable it to address these issues, which include:

- (d) in the case of 38(a), or in the event that Lime forms the view that 38(a) applies following an investigation of the matters about which it became aware as a result of 38(b) or 38(c), issuing an immediate, direct and prominent safety alert or warning to consumers;
- (e) where required by section 131 of the ACL, notifying the Commonwealth Minister of the safety issue, defect, death, serious injury or illness;
- (f) thoroughly investigating all reports of death, serious injury or illness in Australia so any systemic issues can be identified promptly; and
- (g) where appropriate, taking action to recall or withdraw affected e-scooters from the market and notifying the Commonwealth Minister of any such action (including the remote application of a firmware update to address a material safety-related defect affecting e-scooters supplied by Lime for hire to consumers in Australia) in accordance with section 128 of the ACL.

Consumer Compliance Program

- 39 Lime will, prior to the Recommencement of Operations Date, establish and implement a Consumer Compliance Program (**Compliance Program**) in accordance with the requirements set out in **Annexure B** to this Undertaking, being a program designed to minimise Lime's risk of future contraventions of sections 18, 29, 33, 128 and 131 of the ACL.
- 40 Lime will maintain and continue to implement the Compliance Program for a period of three years from the Recommencement of Operations Date.

ACCC enquiries

- 41 For the purposes of monitoring compliance with this Undertaking, the ACCC may make reasonable enquiries with Lime, and Lime will respond to such enquiries within a reasonable period of time.
- 42 If requested by the ACCC during the Term of this Undertaking, Lime will, at its own expense, cause to be produced and provided to the ACCC copies of all documents (excluding any legally privileged documents) evidencing the obligations set out above in this Undertaking and their implementation.


Acknowledgements

43 Lime acknowledges that:

- (a) the ACCC will make this Undertaking publicly available including by publishing it on the ACCC's public register of section 87B undertakings on its website;
- (b) the ACCC may, from time to time, make public reference to this Undertaking, including in news media statements and in ACCC publications; and
- (c) this Undertaking in no way derogates from the rights and remedies available to any other person arising from the alleged conduct.

Executed as an Undertaking

Executed by Lime Network Pty Ltd ABN 33 069 720 243 pursuant to section 127(1) of the Corporations Act 2001 by:



Signature of director

Zhoujia Bao

Name of director (print)

9 June 2020

Date



Signature of director

Weiyao Sun

Name of director (print)

9 June 2020


Date

Accepted by the Australian Competition and Consumer Commission pursuant to section 87B of the Competition and Consumer Act 2010 (Cth) on:

16 June 2020

Date

and signed on behalf of the Commission:



Rodney Graham Sims
Chair

16 June 2020

Date

ANNEXURE A – STATEMENT



Lime undertakes to ACCC to address concerns about its e-scooters

Lime has provided a court-enforceable Undertaking to the Australian Competition and Consumer Commission (ACCC) under section 87B of the *Competition and Consumer Act 2010* (Cth).

The undertaking was given to address the ACCC's concerns that Lime failed to notify consumers and the Commonwealth Minister of certain safety issues, and serious injuries, involving its Gen 2 e-scooters.

In November 2018, we became aware that a 'sudden stopping issue' affected some of our Gen 2 e-scooters. A number of users of Gen 2 e-scooters reported they experienced the sudden stopping issue and that they were seriously injured, as a result. We diagnosed the issue and determined that in specific cases, excessive brake force on the front wheel could occur, resulting in the e-scooter stopping unexpectedly. As we previously shared in this February 2019 blog post [[hyperlink to www.li.me/second-street/safety-update-february-2019](https://www.li.me/second-street/safety-update-february-2019)], to address this issue, we developed a series of updates for the Gen 2 e-scooter's firmware. In our view, we had resolved this issue by 5 March 2019 and we have observed no additional incidents or firmware bugs of this kind. Gen 2 e-scooters were available for hire in Australia until 23 March 2020 when Lime paused operations due to the COVID-19 pandemic.

In the ACCC's view, we did not alert users of Gen 2 e-scooters to this issue early enough and should have alerted users more directly. Additionally, by failing to notify the Commonwealth Minister in accordance with our obligations under the Australian Consumer Law, the ACCC considers we undermined the effective operation of Australia's product safety regulations.

Lime has addressed the ACCC's concerns by undertaking to:

- supply only Gen 3 or other later models of e-scooters when Lime recommences operations in Australia (when it is safe to do so in light of the COVID-19 pandemic);
- implement enhanced safety incident reporting and consumer warning processes in Australia ; and
- implement and maintain for at least 3 years a Consumer Compliance Program in Australia designed to minimise Lime's risk of future potential contraventions of the Australian Consumer Law.

A copy of Lime's undertaking to the ACCC can be found here [[hyperlink to ACCC website](#)].

Further details about Lime's services in Australia and our commitment to safety can be found here [[hyperlink to Lime Safety page or Lime homepage](#)].

ANNEXURE B – CONSUMER COMPLIANCE PROGRAM

Lime Network Pty Ltd (**Lime**) will establish a Consumer Compliance Program (**Compliance Program**) that complies with each of the following requirements:

Appointments

- 1 Prior to the Recommencement of Operations Date, Lime will appoint a senior manager with suitable qualifications or experience in corporate compliance as a compliance officer, with responsibility for ensuring the Compliance Program is effectively designed, implemented and maintained (**Compliance Officer**).
- 2 Prior to the Recommencement of Operations Date, Lime will appoint a suitably qualified, internal or external, compliance professional with expertise in consumer law (**Compliance Advisor**).

Risk Assessment

- 3 Lime will instruct the Compliance Advisor to conduct a consumer law risk assessment within two months of being appointed as the Compliance Advisor (**Risk Assessment**).
- 4 Lime will use its best endeavours to ensure that the Risk Assessment covers the following matters, to be recorded in a written report (**Risk Assessment Report**):
 - (a) identification of the areas where Lime is at risk of breaching sections 18, 29 33, 128 and 131 of the Australian Consumer Law (**ACL**), comprising Schedule 2 to the *Competition and Consumer Act 2010 (Cth)* (**CCA**);
 - (b) assessment of the likelihood of these risks occurring;
 - (c) identification of any gaps in Lime's existing procedures for managing these risks; and
 - (d) recommendations for any action to be taken by Lime having regard to the above assessment.

Compliance Policy

- 5 Lime will, within 30 days after the Recommencement of Operations Date, issue a policy statement outlining Lime's commitment to compliance with the CCA (**Compliance Policy**).
- 6 Lime will ensure that the Compliance Policy:
 - (a) contains a statement of commitment to compliance with the CCA;
 - (b) contains an outline of how commitment to CCA compliance will be realised within Lime;
 - (c) contains a requirement for all staff to report any Compliance Program related issues and CCA compliance concerns to the Compliance Officer;
 - (d) contains a clear statement that Lime will take action internally against any persons who are knowingly or recklessly concerned in a contravention of the CCA and will not indemnify them in the event of any court proceedings in respect of that contravention.

Complaints Handling System

- 7 Lime will ensure that the Compliance Program includes a consumer law complaints handling system (the **Complaints Handling System**).
- 8 Lime will use its best endeavours to ensure this system is consistent with AS/NZS 10002:2014 *Guidelines for complaint management in organizations*, tailored as required to Lime's circumstances.
- 9 Lime will ensure that staff and customers are made aware of the Complaints Handling System.

Injury Reporting System

- 10 Lime will ensure that the Compliance Program includes a mandatory injury reporting process to ensure compliance with section 131 of the ACL (the **Injury Reporting System**), including but not limited to:
 - (a) recording continuous tracking of injury reports;
 - (b) appropriately modified call centre scripts and instructions; and
 - (c) appropriately modified online and in-app contact forms.
- 11 Lime will ensure that staff are made aware of the Injury Reporting System.
- 12 Where requested by the ACCC to provide an update to any mandatory injury report submitted by Lime and/or its legal advisors, Lime will:
 - (a) seek the affected consumer's consent for their name and contact details to be provided to the ACCC; and
 - (b) use its best endeavours to provide the following information within a reasonable timeframe:
 - (i) the name and the contact details of the affected consumer, provided that the affected consumer has consented to Lime and/or its legal advisors disclosing their name and contact details to the ACCC; and
 - (ii) a description of the affected consumer's actions leading up to the incident, including the original description the consumer may have submitted through the Lime App.

Product Safety Procedures

- 13 Lime will ensure that the Compliance Program includes procedures that enable it to address, in a timely manner, any safety issues that Lime becomes aware of that affect the safe use of the products it supplies (the **Product Safety Procedures**), whether by way of:
 - (a) actions unrelated to the Lime products themselves, for example: amending instructions in user manuals, the Lime App and websites as appropriate; and/or
 - (b) recall corrective actions involving the Lime products, ranging from issuing an immediate, direct and prominent safety alert or warning to consumers, through to the efficient and effective withdrawal of the relevant product from the market, including notification to the Commonwealth Minister in accordance with the obligations under section 128 of the ACL, as appropriate to the circumstances.

- 14 Lime will ensure the Product Safety Procedures include (but are not limited to):
- (a) continuous tracking and reporting of repair and service jobs and firmware updates so that any systemic safety issues can be identified promptly;
 - (b) continuous tracking of injury reports, and general complaints that reference safety issues or concerns;
 - (c) steps regarding the unbiased investigation of injury reports;
 - (d) appropriately modified call centre scripts and instructions;
 - (e) steps to ensure any potential safety issues or concerns that come to the attention of all staff are promptly reported to the Compliance Officer and any other senior manager as appropriate;
 - (f) steps to ensure the Compliance Officer, and any other senior manager as appropriate, conducts a prompt consideration of what action, if any, should be taken to address the potential safety issue or concern raised by Lime staff;
 - (g) steps to ensure that Lime implements the action that the Compliance Officer and other senior management determine should be taken to address the relevant safety issue or concern within 24 hours of making the decision;
 - (h) steps to ensure any relevant recall corrective actions are notified in accordance with section 128 of the ACL.
- 15 The Compliance Officer will, either directly or through supervising other employees, create and maintain records of the reports made, and decisions and actions taken by Lime pursuant to the Product Safety Procedures.
- 16 Lime will ensure that all staff are made aware of the parts of the Product Safety Procedures that are relevant to their role and duties.

Staff Training

- 17 Lime will ensure that the Compliance Program provides for regular (at least once a year) training for all directors, officers, employees, representatives and agents of Lime, whose duties could result in them being concerned with conduct that may sections 18, 29, 33, 128 and 131 of the ACL.
- 18 Lime must ensure that the training is conducted by a suitably qualified compliance professional or legal practitioner with expertise in consumer law.
- 19 Lime will ensure that the Compliance Program includes a requirement that awareness of consumer compliance issues, and awareness of the Compliance Program (including all the systems and procedures developed under the Compliance Program), forms part of the induction of all new directors, officers, employees, representatives and agents, whose duties could result in them being concerned with conduct that may contravene sections 18, 29, 33, 128 and 131 of the ACL.

Reports to Senior Management

- 20 Lime will ensure that the Compliance Officer reports to senior management every six months on the continuing effectiveness of the Compliance Program.

Compliance Review

- 21 Lime will, at its own expense, cause an annual review of the Compliance Program (the **Review**) to be carried out in accordance with each of the following requirements:
- (a) **Scope of Review** – the Review should be broad and rigorous enough to provide Lime and the ACCC with:
 - (i) a verification that Lime has in place a Compliance Program that complies with each of the requirements detailed in paragraphs 1 to 20 above; and
 - (ii) the Compliance Reports detailed at paragraph 22 below.
 - (b) **Independent Reviewer** – Lime will ensure that each Review is carried out by a suitably qualified, independent compliance professional with expertise in consumer law (the **Reviewer**). The Reviewer will qualify as independent on the basis that he or she:
 - (i) did not design or implement the Compliance Program;
 - (ii) is not a present or past staff member or director of Lime;
 - (iii) has not acted and does not act for, and does not consult and has not consulted to, Lime in any consumer law related matters, other than performing Reviews under this Undertaking; and
 - (iv) has no significant shareholding or other interests in Lime.
 - (c) **Evidence** – Lime will use its best endeavours to ensure that each Review is conducted on the basis that the Reviewer has access to all relevant sources of information in Lime's possession or control, including without limitation:
 - (i) the ability to make enquiries of any officers, employees, representatives and agents of Lime;
 - (ii) documents relating to the Risk Assessment, including the Risk Assessment Report;
 - (iii) documents relating to Lime's Compliance Program, including documents relevant to Lime's Compliance Policy, Complaints Handling System, Injury Reporting System, Product Safety Procedures, Staff Training and induction program; and
 - (iv) any reports made by the Compliance Officer to senior management regarding Lime's Compliance Program.
 - (d) Lime will ensure that a Review is completed within one year of the Recommencement of Operations Date, and that a subsequent Review is completed within each year for three years.

Compliance Reports

- 22 Lime will use its best endeavours to ensure that within 14 days of the completion of a Review, the Reviewer includes the following findings of the Review in a report provided to Lime (the **Compliance Report**):
- (a) whether the Compliance Program of Lime includes all the elements detailed in paragraphs 1 to 20 above, and if not, what elements need to be included or further developed;
 - (b) whether the Compliance Program adequately covers the parties and areas identified in the Risk Assessment, and if not, what needs to be further addressed;

- (c) whether the Staff Training and induction is effective and if not, what aspects need to be further developed;
- (d) whether Lime's Complaints Handling System is effective and if not, what aspects need to be further developed;
- (e) whether Lime's Injury Reporting System is effective and if not, what aspects need to be further developed;
- (f) whether Lime's Product Safety Procedures are effective and if not, what aspects need to be further developed; and
- (g) whether there are any material deficiencies in Lime's Compliance Program, or whether there are or have been any instances of material non-compliance with the Compliance Program, (**Material Failure**), and if so, recommendations for rectifying the Material Failure/s¹.

Lime's response to Compliance Reports

- 23 Lime will ensure that the Compliance Officer, within 14 days of receiving the Compliance Report:
- (a) provides the Compliance Report to the Board or relevant governing body; and
 - (b) where a Material Failure has been identified by the Reviewer in the Compliance Report, provides a report to the Board or relevant governing body identifying how Lime can implement any recommendations made by the Reviewer in the Compliance Report to rectify the Material Failure.
- 24 Lime will implement promptly and with due diligence any recommendations made by the Reviewer in the Compliance Report to address a Material Failure.

Reporting Material Failures to the ACCC

- 25 Where a Material Failure has been identified by the Reviewer in the Compliance Report, Lime will:
- (a) provide a copy of that Compliance Report to the ACCC within 14 days of the Board or relevant governing body receiving the Compliance Report; and
 - (b) inform the ACCC of any steps that have been taken to implement the recommendations made by the Reviewer in the Compliance Report; or
 - (c) otherwise outline the steps Lime proposes to take to implement the recommendations and will then inform the ACCC once those steps have been implemented.

Provision of Compliance Program documents to the ACCC

- 26 Lime will maintain a record of and store all documents relating to and constituting the Compliance Program for a period not less than five years.

¹ Material Failure means a failure, that is non-trivial and which is ongoing or continued for a significant period of time, to:

- incorporate a requirement of the Undertaking in the design of the Compliance Program, for example if the Complaints Handling System did not provide any mechanism for responding to complaints; or
- comply with a fundamental obligation in the implementation of the Compliance Program, for example, if no Staff Training has been conducted within the Annual Review period.

- 27 If requested by the ACCC during the period of five years following the Recommencement of Operations Date, Lime will, at its own expense, cause to be produced and provided to the ACCC copies of all documents constituting the Compliance Program, including:
- (a) the Compliance Policy;
 - (b) the Risk Assessment Report;
 - (c) an outline of the Complaints Handling System;
 - (d) an outline of the Injury Reporting System;
 - (e) an outline of the Product Safety Procedures;
 - (f) Staff Training materials and induction materials;
 - (g) all Compliance Reports that have been completed at the time of the request; and
 - (h) copies of the reports to senior management referred to in paragraphs 20 to 24 above.

ACCC Recommendations

- 28 Lime will implement promptly and with due diligence any recommendations that the ACCC may make that the ACCC deems reasonably necessary to ensure that Lime maintains and continues to implement the Compliance Program in accordance with the requirements of this Undertaking.
- 29 To the extent that Lime has already carried out any of the requirements of this Compliance Program prior to the Recommencement of Operations Date, Lime is not required to carry out those requirements again, provided that Lime has and maintains records of the steps it has taken to carry out those requirements and is capable of producing those records, including for the purposes of complying with paragraphs 26 and 27 above, upon request by the ACCC.