

TRADE PRACTICES ACT 1974**UNDERTAKING TO THE AUSTRALIAN COMPETITION AND CONSUMER
COMMISSION GIVEN FOR THE PURPOSES OF SECTION 87B****BY****ABBEY CONSTRUCTIONS PTY LTD****ACN 010 324 286****Background**

1. Abbey Constructions Pty Ltd (ACN 010 324 286 ("Abbey Constructions")) is in the business of the purchase, sale and the affixation of vinyl cladding products for predominantly the residential building market.
2. In a certain marketing brochure Abbey Constructions represented:
 - a) That "Manufacturer's Product Range is Australia's only solid siding which carries Standards Australia Licence No 1354.
 - b) That Abbey Constructions Pty Ltd was the "Winner - Telecom - Queensland Government Business Award, 1993".
 - c) that the cladding product marketed by Abbey Constructions is "environmentally friendly".
 - d) in a video tape made on or about the 18th day of January 1994 that the "most recent and most exciting development is Abbey's newest venture, manufacturing.....".
3. Following an investigation, the Australian Competition and Consumer Commission ("the Commission" has reached a view that Abbey Constructions was at risk of contravening the Trade Practices Act 1974 ("the Act") in that the representations referred may have been in contravention of Sections 52 and 53 of the Act in that:

- a) the product range of Abbey Constructions included solid siding which did not carry Standards Australia License No 1354;
- b) Abbey Constructions was not the winner of the Telecom - Queensland Government Business Award;
- c) the cladding marketed by Abbey Constructions may or may not be environmentally friendly;
- d) Abbey Constructions is not involved in the manufacture of vinyl cladding.

4. In February of 1996 the Commission brought to the attention of Abbey Constructions the Commission's view that the representations referred to in paragraph 2 above were at risk of breaching Sections 52 and 53 of the Act. The Commission and the representatives of Abbey Constructions subsequently met to discuss the Commission's view.

- 5. a) Abbey Constructions admits that its conduct as referred to in paragraph 2 (a) above contravened the Act;
- b) Abbey Constructions admits that its conduct as referred to in paragraph 2(b) above contravened the Act;
- c) Abbey Constructions Pty Ltd admits that in respect of the representation referred to in paragraph 2(c) above that there was only minor substantiation for the claim that the product is "environmentally friendly" and that it has now ceased making the representations referred to in paragraph 2 (c);
- d) Abbey Constructions admits that any use of the video as referred to in paragraph 2(d) above in the marketing of its product or of any franchise or distributorship, such use would have been misleading, in respect of any representation that Abbey Constructions was in the business of manufacturing vinyl cladding products.

Undertakings

- 6 Abbey Constructions hereby undertakes for the purposes of Section 87B of the Act;
- a) That it, together with its directors, servants and agents will not in trade or commerce:
 - i) represent that all its products carry a Standards Australia Licence Number when only some of its products carry that License Number;
 - ii) represent that Abbey Constructions Pty Ltd was the winner of the Telecom - Queensland Government Business Award in 1993; and
 - iii) represent that its product is “environmentally friendly” unless that claim is properly substantiated;
 - b) that it will not utilise the video referred to in paragraph 2(d) for any marketing purpose;
 - c) within 30 days of executing these undertakings put in place such internal procedures as are sufficient to ensure that the product it markets, sells and advertises is clearly identifiable.
 - d) to adopt and implement the following internal Trade Practices compliance programme so as to ensure that all directors, servants, agents, distributors, franchisees and representatives are conversant with the consumer protection requirements of the Act. The cost of implementing the compliance program shall be borne by Abbey Constructions. Abbey Constructions will within two months of the date hereof;

- i) in a seminar format, present to its servants, agents, distributors, franchisees and representatives modules 1, 5, 6, 7, and 8 of the "Best and Fairest" training program published by the Commission;
- ii) circulate to all sales personnel and persons likely to be involved in the marketing of product, copies of the Sections entitled "Care in Promotion and Marketing" and "Particular Problem Areas" from the booklet "Advertising and Selling - A Business Guide to Consumer Protection" published by the Commission;
- iii) establish an internal procedure whereby all queries and/or problems concerning compliance with the Act are referred to senior management;
- iv) establish an internal procedure whereby all marketing and promotion material is referred to senior management so as to ensure compliance with the Act.

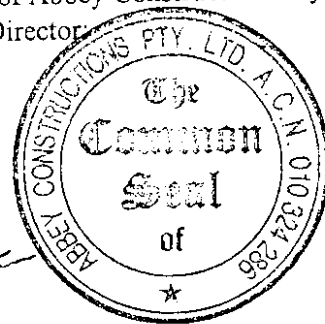
Acknowledgments

- 7. Abbey Constructions acknowledges that the Commission will make this undertaking available for public inspection.
- 8. Abbey Constructions further acknowledges that the Commission will from time to time publicly refer to this undertaking.
- 9. Abbey Constructions further acknowledges that this undertaking in no way derogates from the rights and remedies available to any person arising from the alleged conduct.

In witness of these undertakings and its agreement the Common Seal of Abbey Constructions Pty Ltd ACN 010 324 286 was hereunto affixed by the authority to its Sole Director.

THE COMMON SEAL of
 ABBEY CONSTRUCTIONS PTY LTD)
 ACN 010 324 286 was hereunto)
 affixed in accordance with its)
 Articles of Association by E C Barrett)

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Accepted by the Australian Competition and Consumer Commission pursuant to Section 87B of the Trade Practices Act 1974.

DATED this 13 day of November 1996.

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