

UNDERTAKING TO THE AUSTRALIAN COMPETITION AND
CONSUMER COMMISSION GIVEN FOR THE PURPOSE OF
SECTION 87B OF THE TRADE PRACTICES ACT 1974

GIVEN BY

CUE DESIGN PTY LIMITED (ACN 000 655 366)
OF
156 CLARENCE STREET, SYDNEY

BACKGROUND

- (1) Cue Design Pty Limited, ACN 000 655 366 ("the Company") is the manufacturing and wholesaling company for the Cue Group of Companies which has operated in Australia for thirty years as a manufacturer, wholesaler and retailer of women's clothing.
- (2) The Company, as part of its business activities, retails women's clothing through 52 Cue operated retail stores and a further 28 stores are operated by franchisees. The franchisees include Melfro Holdings, Lanputor and Chibala. Garments are also supplied on a wholesale basis to 120 retail outlets in Australia and to 20 retail outlets in New Zealand.
- (3) Following an investigation by the Australian Competition and Consumer Commission ("the Commission"), the Company was informed that the Returns Policy displayed in its retail stores, *was likely to mislead consumers as to their rights in respect to the statutory warranties provided under the Trade Practices Act 1974.* Further, that there were instances where *employees of the Company* made statements that implied it would not offer a refund where a garment was faulty.

UNDERTAKINGS

- (4) The Company, on behalf of itself and any subsidiaries, agents, or business entities which it controls, gives the following undertakings to *the Commission* for the purposes of section 52 of the Act:
 - (a) The Company has withdrawn the "Return Policy" signage brought to its attention by the Commission from all its stores.
 - (b) The Company will issue a Returns and Refunds Policy, in the form attached, to be displayed prominently in each *of its* store's staff area's.
 - (c) A Do's and Don'ts list will be displayed in each *of its* store staff area's with all major consumer related matters listed.
 - (d) The company will instigate Training and Compliance Programmes on the following basis:
 - (i) Training seminars on all consumer related matters yearly.
 - (ii) Induction programmes to incorporate a comprehensive coverage of all consumer related matters.

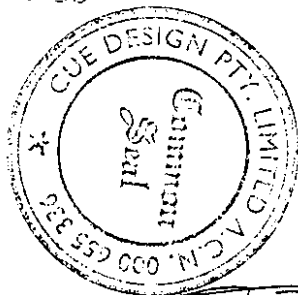
- (iii) A register to be maintained of all employees and their attendances in relation to these training programmes.
- (iv) Refunds and Returns Policy to be distributed twice yearly to all employees.

ACKNOWLEDGMENTS

- (5) The company acknowledges the Commission's right to make this undertaking available for public inspection.
- (6) The company acknowledges that the Commission will issue a media release and may from time to time publicly refer to this undertaking.
- (7) The Company acknowledges and accepts that this undertaking in no way derogates from the rights and remedies available to any other person arising from the alleged conduct.

IN WITNESS OF THESE UNDERTAKINGS

THE COMMON SEAL of
CUE DESIGN PTY LTD
is affixed by authority of its Board
of Directors and in the presence of



Secretary/Director
Authorised Person

Director

ACCEPTED BY THE AUSTRALIAN COMPETITION AND CONSUMER COMMISSION
PURSUANT TO SECTION 87B OF THE TRADE PRACTICES ACT 1974

Chairperson

This 13th day of January 1997