



TRADE PRACTICES ACT 1974

UNDERTAKINGS TO THE TRADE PRACTICES COMMISSION GIVEN FOR THE PURPOSES OF SECTION 87B

BY

**Network Cellular Rentals Pty Ltd
A.C.N: 052 918 082**

BACKGROUND

Network Cellular Rentals Pty Ltd ('NCR') is incorporated in the State of New South Wales. NCR is, inter alia, a retailer of mobile telephones, from 3 stores located in the greater Sydney metropolitan area.

Between 11 February and 23 February 1995 NCR advertised for sale mobile telephones at particular prices on the condition that the purchasers connected those mobile phones to the Telecom MobileNet mobile telephone network. During the period of 15 to 24 February 1995 employees of NCR informed purchasers, or potential purchasers, that the mobile phones could only be purchased at the advertised price on the condition that the purchasers connected those mobile phones to the Telecom MobileNet mobile telephone network.

On 17 February 1995 the Commission wrote to NCR informing it, inter alia, that it believed that such conduct was in breach of s47(6) of the Trade Practices Act 1974 ("the Act"). NCR states that since receiving that letter it has had a staff meeting and various telephone conversations with all staff advising them of s47(6), and what its effect is in relation to the sale of mobile phones. NCR also had the offending advertisements changed as of 24 February 1995.

UNDERTAKING

NCR undertakes for the purposes of section 87B of the Trade Practices Act 1974 that:

1. It will not, by itself, its servants, agents or otherwise howsoever, supply or offer to supply a mobile phone on the condition that the purchaser must connect the mobile phone to a specified mobile phone network.
2. It will not, by itself, its servants, agents or otherwise howsoever, supply or offer to supply a mobile phone at a specified price on the condition that the purchaser must connect the mobile phone to a specified mobile phone network.
3. It will not, by itself, its servants, agents or otherwise howsoever, give or allow, or offer to give or allow, a discount, allowance or credit in relation to the supply or proposed supply of mobile phones on the condition that the

purchaser must connect the mobile phone to a specified mobile phone network.

4. It will, within 3 months of the signing of this undertaking, develop for consideration by the Commission a Trade Practices Compliance program with the following characteristics:

(a) Aim

to create a culture of compliance within NCR and to prevent, so far as is reasonably possible, any contraventions of the Act by the Group or by its directors, employees or agents.

(b) Policy

The formal adoption, or reaffirmation, by NCR, of a policy of strict compliance with both the letter and spirit of the Act within NCR and the adoption, or reaffirmation, and enforcement of sanctions against any director, employee or agent who is knowingly or recklessly concerned in a contravention of the Act.

(c) Compliance Infrastructure

The appointment of an appropriately qualified senior executive as the Compliance Officer with overall responsibility for Trade Practices compliance.

(d) Coverage

The compliance program to cover all directors, employees and agents of NCR whose duties could result in them being concerned in conduct that might breach the Act ("relevant staff").

(e) Education

Development and implementation of an education program calculated to have the relevant staff conversant with the provisions of the Act to a level where:

- (i) general staff can avoid obvious contraventions and can identify more complex potential Trade Practices problems for referral to the appropriate person in NCR compliance infrastructure;
- (ii) persons with responsibilities within NCR compliance infrastructure can effectively carry out those responsibilities; and
- (iii) the NCR Compliance Officer can address more complex Trade Practices issues and (if that person is not legally qualified and able to give the relevant advice) identify issues which require referral to NCR's legal advisers.

5. NCR will make whatever changes the Commission may reasonably suggest in relation to the Trade Practices Compliance Program referred to in 4 above.
6. The Trade Practices Compliance Program referred to in 4 above is to be implemented by NCR within 3 months of approval having been given by the Commission to its form and content, and is to remain in force for a minimum period of 5 years from the signing of this undertaking.

ACKNOWLEDGMENTS

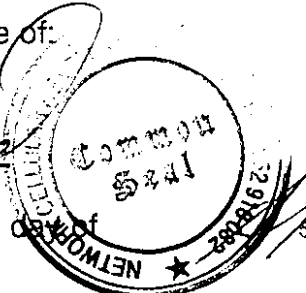
NCR acknowledges and accepts that this undertaking will be placed on the Commission's Public Register and agrees that the Commission may otherwise publish and refer to this document at its discretion.

NCR also notes that this undertaking in no way derogates from the rights or remedies available to any other person arising from the alleged conduct.

IN WITNESS OF THESE UNDERTAKINGS

THE COMMON SEAL of Network Cellular Rentals Pty Ltd

- was hereunto affixed by authority of the board
Directors previously given in the presence of:

This B. R. Meacham  HTH, 1995

ACCEPTED BY THE TRADE PRACTICES COMMISSION PURSUANT TO
SECTION 87B OF THE TRADE PRACTICES ACT

[Signature]
(PROFESSOR ALLAN FELS)
CHAIRMAN

This 12th day of APRIL, 1995